

# Outlook for 2018-19 Charitable Giving Mixed, Report Finds

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The charitable giving landscape in the U.S. is likely to see significant changes over the next two years, driven by the combined effects of new tax legislation and macroeconomic conditions, a report from the [Indiana University Lilly Family School of Philanthropy](#) and consulting firm [Marts & Lundy](#) finds.

The report, *The Philanthropy Outlook 2018 & 2019* (27 pages, PDF), focuses on directional changes in — rather than numerical estimates of — giving under high-growth, uneven-growth, and flat-growth scenarios for the U.S. economy. All three scenarios assume, however, that the impact of the new tax bill on giving by individuals will be negative, with the increase in the standard deduction reducing tax incentives for giving among non-itemizers despite the modest reduction in the top marginal rate.

The report's high-growth scenario projects that strong growth in personal income, net worth, and consumption will help offset the dampening effect on individual giving, while corporate and foundation giving will remain strong. Under the uneven-growth scenario, the report estimates that giving by high-net-worth individuals and households will continue to grow, while giving by the less wealthy may fall and corporate giving could go either way. Under the flat-growth scenario, confusion over the rescinding of certain deductions could further dampen individual giving. Overall, the report finds that the broad implications for charitable giving are difficult to ascertain.

In terms of issue areas, the report projects that major gifts to institutions of higher education as well as in support of K-12 initiatives will continue to lead the pack in 2018 and 2019, while giving in the area of health will depend in part on consumer expenditures on health care and education. Giving to public-society benefit, which includes donor-advised funds, tends to be tied to trends that influence consumer behavior and may be more affected by a downturn in the economy than giving in other areas.

"Some aspects of the new tax policies may have a dampening effect on charitable contributions. Conversely, overall improvements in the economic environment will likely bolster charitable giving," said [Una Osili](#), associate dean for research and international programs at the Lilly Family School of Philanthropy. "While we cannot know exactly how the impact of these factors will play out for philanthropy, we present these multiple

research-based scenarios, and the factors that are likely to have significant effects on giving, for users of the *Philanthropy Outlook* to consider."

*"Tax Policy Changes, Strength of U.S. Economy Lead to Mixed Outlook for Charitable Giving."* Indiana University Lilly Family School of Philanthropy and Marts & Lundy Press Release 02/13/2018. *"The Philanthropy Outlook 2018 & 2019."* Indiana University Lilly Family School of Philanthropy and Marts & Lundy Report 02/13/2018.

SUBJECTS: PHILANTHROPY / VOLUNTARISM; PUBLIC AFFAIRS

PEOPLE: UNA OSILI

ORGANIZATION: INDIANA UNIVERSITY LILLY FAMILY SCHOOL OF PHILANTHROPY; MARTS & LUNDY

LOCATION: NATIONAL



