

# GIVING IN AN ELECTION YEAR

How Political Giving  
Impacts Nonprofit  
Support

Presented by  
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## FOREWORD

**By Andrew Watt**

*President and CEO, Association of Fundraising Professionals*

An election year always focuses the mind—on many different things. As fundraisers and nonprofit leaders, we're taught to be careful at these times—that donors who give to political candidates and causes will naturally turn away from charitable causes to focus on the issue in hand. I know, after nearly a quarter of a century in the field of fundraising and philanthropy, that it's hard for one campaign to cannibalize support for another, and that those who are inclined to give typically give more freely to multiple causes. Yet, I still continued my assumptions about the negative effects of political campaigns upon charitable fundraising.

Having read this report, and with the benefit of hindsight, I think I know why I was wrong. Because what we are looking at is the giving of individuals who prize engagement—who see community action as a positive and who are interested in the full political and social spectrum of how we go about achieving change.

What the findings in this report demonstrate is that, just over 180 years after Alexis de Tocqueville published *Democracy in America*, civic engagement is as highly valued today as it was then. It has become fashionable to say we no longer engage with politics. This election cycle has proved, beyond doubt, that's not the case.

To understand—based on the findings in this report—that engagement in one aspect of public and community life encourages us to engage more strongly with other aspects, is extraordinarily affirming.

I was on Capitol Hill this week on a rare mission to say thank you for something concrete that Congress achieved: the passing of the America Gives More Act. The legislation includes multiple charitable giving incentives—finally made permanent!—including the Charitable IRA Rollover.

The bill was only passed and signed into law on the back of bipartisan support. Each senator or member of Congress that we thanked stressed how highly they valued civic engagement and how deeply they felt it to be a quintessential American characteristic. Collectively, elected politicians, staff and volunteers had achieved something of enormous value to this country.

This report reflects those values—both in its findings and in its own genesis: the corporate sector and nonprofit community collaborating to produce evidence of the importance and value of engagement. I can't think of a year when we might be more grateful for that understanding.

## INTRODUCTION

The impact of political giving on charitable giving has been debated for decades, especially before and after presidential campaigns. There is no question that increasingly aggressive political campaigns discourage nonprofits from investing in donor acquisition campaigns when competition for attention is so intense. But a question remains: Does competition from political fundraising affect donor giving to nonprofits?

We now have significant progress toward the answer, thanks to data on the 2012 presidential and federal office campaigns. This data showed that political donors tracked by the Federal Election Commission gave more to nonprofit organizations in 2012 than they did in 2011.

This study accounted for charitable giving that makes up three-quarters of American reporting public charities in the following sub-sectors: Arts and Cultural, Environmental and Animal, Healthcare, Human Services, International Affairs, and Public and Society Benefit.

It documents the influence of political giving on charitable giving in 2012. It does not tell us why the influence happened, nor can we suggest that federal campaigns of 2016 or of the future will produce the same degree of influence. We offer the study's findings in the hope that they encourage further investigation. A future, parallel study of the 2016 federal campaigns' political donors and their charitable giving would help us understand whether findings from this 2012 study hold true. It could also help us mark possible trends to come in future presidential campaign years.

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## KEY FINDINGS

Data demonstrated that political giving does affect charitable giving in the following ways:

- Donors who gave to federal political campaigns in 2012 gave 0.9% more to the charitable organizations we studied in 2012 than they had in 2011.
- Donors who did not give to political campaigns reduced their giving to the charities we studied in 2012 by 2.1%.
- These findings held true across all sub-sectors as well as the demographic segments of age range, household income, and head of household gender.

The overall finding that political giving in federal campaign years correlates with an increase in the charitable giving habits of donors presents a remarkable fact. It is contrary to the conventional thinking that presidential and federal office fundraising decreases charitable support among political donors in the same year.

This study used data from 143 national 501(c)(3) organizations representing the six sub-sectors listed above. It did not include giving to religious or educational institutions or foundations.

The Blackbaud Index of Charitable Giving reported a 1.7% increase in giving in 2012 when compared to 2011. In the 2012 Charitable Giving Report, Blackbaud noted that this increase was led largely by Religion (up 6.1%) and Education (up 1.6%) while pointing out that several sub-sectors (International Affairs, Healthcare, and Human Services) experienced a decline in 2012. In fact, if we remove Religion and Education from the year-over-year calculation, we find that charitable giving decreased 1.7% in 2012.



## FRAMING THE STUDY

Fundraisers have debated for a long time whether or not political fundraising affects charitable giving. For decades, important decisions affecting fundraising programs in presidential election years have largely been based on undocumented, conventional thought. The 2008 presidential campaigns not only set new funding and donor participation records, but they also underscored the urgency for a study probing conventional thought about these records and their effects on the nonprofit industry. But the Great Recession fogged the lens of such a study, just as it did with so much industry analysis during the downturn. The 2012 campaigns offered better opportunity.

Assessing distinctions between political donors' and non-political donors' charitable giving from 2011 to 2012 brought up multiple issues for Blackbaud's chief scientist, Chuck Longfield, who notes, "A topic such as this is loaded with temptations, most of them distracting from the essential need to set down sound, dependable data for further research. The first order of business was to test the basic premise that political giving, in times of high-profile campaigns, affects charitable giving on the part of political donors."



*"For decades, important decisions affecting fundraising programs in presidential election years have largely been based on undocumented, conventional thought."*



The study required finding common donors between two substantial datasets:

- 1) **The Federal Election Commission (FEC)** is charged with collecting financial disclosure reports filed by congressional and presidential campaigns. Those reports contain campaign committee receipts along with donor data. The database accounted for contributions from 1.2 million households totaling \$2.14 billion in 2012.
- 2) The **nonprofit cooperative database** provided the charitable giving data set. 143 national non-profits were selected, representing 21.2 million households, donating \$2.4 billion in 2012.

The process of finding FEC database political donors that also appeared in the nonprofit database produced 400,000 matched households. These households gave political gifts in 2012 and at least one charitable gift in 2011 and 2012. They are identified in this report as political donors. Non-political donors are those in the nonprofit database that gave at least one charitable gift in 2011 and 2012 but no contribution to a congressional or presidential campaign. All donors are the two groups combined.

Looking at parallel sets of organizations and their donors in 2011 and 2012 provided a baseline to examine overall giving changes between the two years. It also provided a means of assessing the difference in political and non-political donor support in 2012.

## The Fundraising Environment of 2011–2012

The impact of the Great Recession on individual giving stretched years beyond the recession's end. While individual giving rose from 2011 to 2012, the increase of 2.8% reported by Blackbaud was offset by \$236 million in individual gifts to the Hurricane Sandy relief effort.

While the Great Recession still loomed large over the nonprofit sector in 2012, the principal themes shaping the nonprofit industry were dramatic competition and demographic changes in the donor landscape. The demand caused by nonprofit sector expansion continued to exceed the supply of financial support. The middle class—America's most generous giving class—was diminishing. Baby boomers approached the prime generational range of those most likely to give: ages 45 to 64. Having made significant recovery during 2011, consumer confidence roller-coasted through 2012, finally rising just above 70% toward year's end.

The 2012 political campaigns were record-setting in two important respects: total money raised and the rising use of digital and social media as channels for giving.

## How Political Giving Affected Charitable Giving

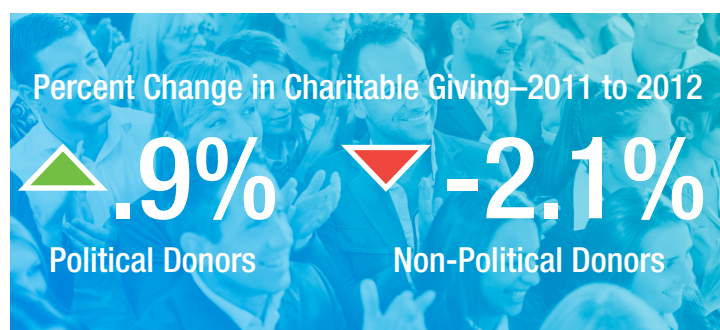
While it seems logical to assume the opposite, our study found an interesting correlation between donors' political and charitable giving habits: Households that gave federal campaign gifts in 2012 gave 0.9% more to charities in 2012 than they gave in 2011. Households that did not give any federal campaign gifts in 2012 gave 2.1% less to charities in 2012 than they gave to charities in 2011.

Across all age ranges, household incomes, men and women, political donors gave more to charity in 2012 than non-political donors.

Our findings suggest that the 400,000 political donors studied are extraordinary charitable givers. They gave \$800 million in political gifts in 2012, while also giving more to charity in the same year.

We next look at changes in charitable giving by political and non-political donors from three demographic perspectives: gender of the head of household, age range, and range of household income. For each of these, the appendix provides the percentage, or share, of political and non-political giving by donors in respective demographic segments.

The Table 2 demographic is broken up by head of household gender. The data shows an increase in charitable giving by political donors in male and male/female-headed households and a decline in charitable giving by political donors in female-headed households. These results are contrasted by an across-the-board decline in charitable giving by non-political donors in all three household categories.



**Table 2**  
**Percent Change in Charitable Giving from 2011 to 2012 by Gender**

Gender	Political Donors	Non-Political Donors
Male-Female Household	1.1%	-1.7%
Female-Only Household	-0.1%	-3.0%
Male-Only Household	1.3%	-1.9%

The lesser giving by political and non-political donors in female-headed households likely has to do with a number of well-discussed, if not resolved, factors bearing on the discretionary income of female-headed households. These are factors such as the gender wage gap, lack of equal opportunity in the job market, and childcare costs.

The term “dual-headed household” used in reference to a household led by one male and one female is—by today’s enlightened perspective—an archaic convention. We have learned and documented that dual-headed households—no matter the gender mix—tend to be more receptive and generous donor households than those headed by single adults. Data in the appendix (Table A-1) reveals that approximately half of all political and charitable-giving households are headed by men and women.

In Table 3, we are looking at the head of household age range demographic, where there are two forces at work. First, the pattern of charitable giving by age is principally influenced by availability of discretionary income and life experience that comes with age. The latter affects continued giving in later years. Second, political giving is influenced by age and political engagement, as manifested in voting demographics.

Table 3 Percent Change in Charitable Giving from 2011 to 2012 by Age		
Age of Head of Household	Political Donors	Non-Political Donors
18–24	3.4%	2.9%
25–34	10.8%	1.1%
35–44	2.6%	-1.1%
45–54	2.8%	-1.7%
55–64	0.0%	-1.5%
65–74	1.3%	-1.5%
75+	-0.4%	-4.5%

For 18 to 24-year-olds, the close data in political and non-political giving categories suggests competition between the two.

In comparison to other age ranges, the 10.8% increase in charitable giving among political donors ages 25 to 34 is worth special attention. A plausible answer for this anomaly is that the political campaigns of 2012 inspired new charitable giving and had greater influence on young people than they did on older people with established charitable giving habits. Abundant studies have shown 45–54 to be the prime age range in which sustainable giving habits are cultivated; a time when discretionary income peaks and giving is prompted by maturing life experience. But we may have discovered in this study that high-profile campaign years are ideal target times for nonprofits to acquire young donors.

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Share data in the appendix looks at all donors studied, and breaks them down by demographics—specifically age, head-of-household gender, and household income. Share data then allows us to compare each demographic range in terms of political and charitable giving percentages.

Table A-2 in the appendix shows that those ages 25 to 34 and those 75 and older were less active in political giving in 2012 than they were in charitable giving. Those ages 45 to 64 were more active in political giving than in charitable giving. Whether this is because they have more discretionary income or because they were more engaged by 2012 campaigns—or a combination of the two factors—are questions for future research.

Table 4 offers intriguing insight. It shows that political giving appears to have greater influence on charitable giving by donors who are the least financially capable of giving to either category: those in the lowest four household income ranges, where charitable giving increased 5.3 percent.

**Table 4**  
**Percent Change in Charitable Giving from 2011 to 2012 by Income**

Household Income	Political Donors	Non-Political Donors
0-\$49,000	5.3%	-2.2%
\$50,000-\$99,000	0.7%	-2.0%
\$100,000-\$149,000	-1.1%	-2.1%
\$150,000+	0.9%	-2.1%

This finding has no simple, single explanation, but it does stir another stew of speculation for further study:

- As documented across numerous studies, giving in higher income households tends to hold steady with the exception of disasters, such as Hurricane Sandy.
- A large percentage of political donors (39%) in 2012 were over prime retirement age and living on fixed income, which, at any level, tends to inure giving behavior.
- In comparison to other age ranges, we observed the major influence campaign giving has on charitable giving of 24 to 34-year-olds, who are likely over-represented in this household income range.

When we look at shares of political and charitable giving by income range, we see that political giving plays a relatively minor role in households bringing in less than \$50,000 (see appendix, Table A-3). There were significantly different patterns of giving by political donors and all charitable donors across household income ranges in 2012. In any case, it appears that political donors who fall below the \$50,000 income range were the only donors to increase charitable giving at a pace above the 2.07% inflation rate between 2011 and 2012.

Table 5 provides a window for looking at how political campaigns affected charitable giving to the six different nonprofit sub-sectors studied. As would be expected, the impact of the 2012 federal campaign on donors' charitable giving benefited some sub-sectors more than others. But what we did not expect was the irregular pattern of influence we see in the table.

**Table 5**  
**Percent Changes in Charitable Giving from 2011 to 2012 by Sub-Sector**

Sector	Political Donors	Non-Political Donors
Arts and Culture	5.3%	-2.2%
Environment and Animal	0.7%	-2.0%
Healthcare	-1.1%	-2.1%
International Affairs	0.9%	-2.1%
Public and Society Benefit	6.8%	1.0%
Human Services	14.5%	2.6%

We would expect that nonprofits involved in missions and programs touched by prominent campaign issues would benefit from political discourse on those themes. We would also expect that nonprofits focused on public policy advocacy would benefit most. These expectations are fulfilled in the increased giving to Public and Society Benefit, and Environment sub-sectors. However, it is certain that politics are not what caused the extraordinary increase in donor



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support of Human Services nonprofits. It was super-storm Sandy, which prompted over \$200 million in individual giving by the end of 2012.

The hurricane may have also caused declines in international giving among political and non-political donors. International disaster donors are drawn to give domestically when a disaster like Hurricane Sandy

strikes at home. The fact that the giving response to a major disaster increased substantially among political donors in comparison with non-political donors is very much worth noting and studying further. Because it is not likely explained by politics, it is most likely attributed to conviction of civic responsibility.

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## RECOMMENDATIONS FOR 2016 FUNDRAISING

- 1. Decisions about new donor acquisition and reinstating intermediate- and long-term lapsed donors should be based on an assessment of the aggressiveness of 2016 campaign fundraising and the status of consumer confidence heading into the fall. While alignment of campaign issues, organization mission, and programs can be a good bet, risk should be weighed when making acquisition and reinstatement strategy decisions.
- 2. This study illustrates a clear connection between passion for a cause and contributions. Use 2016 as an opportunity to align your advocacy and fundraising teams internally toward shared goals.
- 3. There is much to be learned from political campaign fundraising tactics. In 2012, Barack Obama's campaign galvanized supporters through opt-ins, segmentation, and personalized outreach, thus revolutionizing campaign fundraising as we know it. Take heed and look for opportunities to rally advocates around your cause.
- 4. Pay attention to major donors whose engagement in politics is known, especially if an organization's mission and program has relevance to the elections! Note: If donors' engagement in political giving is unknown, make it part of your research. Donors who give to political campaigns while increasing nonprofit support provide clear evidence of their capacity by doing so.
- 5. And as always, for general fundraising, continue to emphasize retention by cultivating existing donors and reinstate recently lapsed donors.

**Give us your opinions. We will be exploring the course of further research!**



## ABOUT THE STUDY

### Goal and Methodology

The study examined the 2011 and 2012 charitable giving of donors identified in the donor records of the Federal Election Commission and the nonprofit cooperative database of 143 nonprofits that Blackbaud maintains. The goal was to explore a notion that political giving in a high-profile, federal campaign year would affect giving to 501(c)(3) organizations.

Four hundred thousand donors were identified as appearing in the database of the Federal Elections Commission and the nonprofit database. In the case of charitable giving, we examined the political donors' giving to the same sets of 501(c)(3) organizations in 2011 and 2012 and compared it to giving to the same organizations by non-political donors in 2011 and 2012. We capped analysis of charitable gifts at \$100,000 and examined giving between January 1 and December 31 of both years. This means the 2012 data included giving in response to Hurricane Sandy, which came ashore October 29. While Hurricane

Sandy accounted for virtually all of the increase in individual giving between 2011 and 2012, its impact did not change the picture presented by measuring the greater influence of political giving.

Charitable giving in 2011 and 2012 was examined across all sub-sectors included in the donor database and in the Blackbaud Index, except Education, Religion, and Foundations. Giving to educational and religious institutions was eliminated because of insufficient data. Foundation giving was eliminated because it is subject to wide year-to-year swings from outlier gifts and thus present a challenge to provide accurate statistical representation. However, the sub-sectors examined in the study represented 75.4% of reporting public nonprofit organizations and included the following subsectors: arts, culture, and humanities; environment and animals; health; human services; international and foreign affairs; and public and society benefit.

Further explanation of the study's data management methodology can be found in the accompanying appendix.

## APPENDIX

### Steps Taken to Prepare and Analyze Data on Political Giving

#### Preparing the Political Giving Dataset

We leveraged the Federal Elections Commission database to produce a dataset of nearly one million donors giving to 2012 political campaigns. The Federal Election Commission (FEC) is a searchable database allowing access to political donations made to any political candidate, committee or independent expender ([http://www.fec.gov/finance/disclosure/disclosure\\_data\\_search.shtml](http://www.fec.gov/finance/disclosure/disclosure_data_search.shtml)). Much like our charitable giving dataset, we aggregated political giving for the year and identified unique households by linking first name, last name, and ZIP code. We used this file to identify unique donors who made a political gift in 2012 and linked these donors to our charitable giving file using our concatenation value (first name, last name, ZIP code).

#### Preparing the Charitable Giving Dataset

Leveraging the giving data in our nonprofit database, we reviewed the giving histories of nearly 23 million U.S. households that gave a

charitable gift in 2011 or 2012. Giving was limited to national nonprofit organizations for which we had full giving files in 2011 and 2012. Giving to faith-based organizations and educational organizations was not included in the charitable giving data. In the end, our giving file represented 138 national nonprofits across six sectors (Arts and Culture, Environment and Animals, Health, Human Services, International Affairs, and Medical Research). Aggregate giving for each year was grouped by first name, last name, and ZIP code for each household. We determined households for which first and last name were unique to a specific ZIP code. For households with a spouse or second member, we applied the same criteria to confirm cases where the second name was also unique to the ZIP code. We limited our study group to those households where first and last names were unique to a ZIP code. This reduced our charitable giving dataset from just under 23 million to just over 21 million U.S. households. Giving was aggregated by industry/sector for both years and a \$100,000 individual gift cap was applied.

#### Bringing It All Together

For the 2012 election year, we were able to match 400,000 political donors to our charitable giving dataset. We produced a final dataset in

which aggregate charitable giving for 2011 and 2012 was broken out by industry sector, with a political giving flag added to indicate donors who made a political gift during the 2012 election cycle. To allow for deeper analysis, we overlaid head-of-household gender, age, and income demographic data.

## Shares of Political and Charitable Giving by Demographic Segments

These tables add columns of share percentages to the three tables in the study, where we show changes in giving by political and non-political donors, gender of head of household, donor age range, and household income range.

**Table A-1**  
**Shares and Percent Change in Charitable Giving from 2011 to 2012**  
**by Gender of Head of Household**

Gender	Shares of 2012 Giving		Changes in Giving 2011 to 2012	
	Charitable	Political	Political Donors	Non-Political Donors
Male-Female Household	50.4%	51.7%	1.1%	-1.7%
Female-Only Household	29.2%	16.5%	-0.1%	-3.0%
Male-Only Household	20.4%	31.8%	1.3%	-1.9%

**Table A-2**  
**Shares and Percent Changes in Charitable Giving from 2011 to 2012 by Age Range**

Age	Shares of 2012 Giving		Changes in Giving 2011 to 2012	
	Charitable	Political	Political Donors	Non-Political Donors
18–24	0.2%	0.2%	3.4%	2.9%
25–34	4.0%	3.1%	10.8%	1.1%
25–44	9.6%	11.1%	2.6%	-1.1%
45–54	15.7%	19.8%	2.8%	-1.7%
55–64	24.2%	26.8%	0.0%	-1.5%
65–74	22.6%	22.3%	1.3%	-1.5%
75+	23.7%	16.7%	-0.4%	-4.5%

**Table A-3**  
**Shares and Percent Change in Charitable Giving from 2011 to 2012 by Household Income Range**

Income	Shares of 2012 Giving		Changes in Giving 2011 to 2012	
	Charitable	Political	Political Donors	Non-Political Donors
0–\$49k	31.4%	12.5%	5.3%	-2.2%
\$50–\$99k	35.3%	28.2%	0.7%	-2.0%
\$100–\$149k	21.4%	26.4%	-1.1%	-2.1%
\$150k+	11.9%	32.9%	0.9%	-2.1%

<sup>1</sup> Reporting public charities, as defined by the Urban Institute Center for Charitable Statistics, "include only [501(c)(3)] organizations that both reported (filed IRS forms 990) and were required to do so," having more than \$50,000 in receipts.

<sup>2</sup> <https://www.blackbaud.com/files/resources/downloads/2012.CharitableGivingReport.pdf>

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## About Blackbaud

Serving the worldwide philanthropic community for 35 years, Blackbaud (NASDAQ: [BLKB](#)) combines innovative software, services, and expertise to help organizations achieve their missions. Blackbaud works in over 60 countries to power the passion of approximately 35,000 customers, including nonprofits, K-12 private and higher education institutions, healthcare organizations, corporations, foundations, and other charitable giving entities. The company offers a full spectrum of cloud and on-premise solutions, as well as a resource network that empowers and connects organizations of all sizes. Blackbaud's portfolio of software and services supports nonprofit [fundraising and relationship management](#), [eMarketing](#), [advocacy](#), [accounting](#), [payments](#) and [analytics](#), as well as [grant management](#), [corporate social responsibility](#), and [education](#). Organizations use Blackbaud technology to raise, invest, manage, and award more than \$100 billion each year. [Recognized as a top company](#), Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com).

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