



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

INDIANA UNIVERSITY
Indianapolis

PRESIDENTIAL CAMPAIGNS & PHILANTHROPIC FUNDRAISING **By Bill Stanczykiewicz**

The country's two largest political parties will host their nominating conventions later this month, and nonprofit leaders might be worried that the big money donated to the Presidential campaigns will lead to small results in their next fundraising campaign.

The concern is understandable since, according to American National Election Studies, 40 percent of Americans contribute to political candidates, parties or PACs. As the primary election season concluded in mid-June, the Center for Responsive Politics reported that nearly \$1.3 billion had been raised by individual candidates and Super PACs to support various Presidential contenders. This already is more than half of the total that was spent in 2012 by President Obama and Republican contender Mitt Romney who raised and expended nearly \$2.4 billion on their campaigns.

While these dollar amounts are substantial, the campaign accounts are subpar when compared with philanthropic activity in the charitable sector. According to Giving USA, \$783 billion was donated to nonprofits in 2015. Of that total, nearly \$265 billion was provided by individuals.

In addition, an analysis of data on political and charitable gifts between the years 2000 and 2010 conducted by the Indiana University Lilly Family School of Philanthropy revealed that "charitable giving constitutes 98 percent or more of all charitable and political giving combined."

The school concluded, "Despite the increase in political donations in recent years, charitable giving by American donors far exceeds the total amount political organizations receive from political donors of all kinds."

Importantly, while individuals make their own personal decisions about donations, most individuals tend to not reduce their charitable giving in favor of political contributions in a Presidential or any other election year.

"I think that's exactly right," said Diana Aviv, Chief Executive Officer of Feeding America, who serves as a visiting fellow at the Lilly Family School of Philanthropy.

Aviv added, "Generally speaking, people compartmentalize. For politics, they're going to give so much, and for their regular philanthropy they're going to give so much. If there's a disaster or a crisis, they'll give something else."



IUPUI

THE FUND RAISING SCHOOL

LILLY FAMILY SCHOOL OF PHILANTHROPY

Indiana University
Indianapolis

In fact, Giving USA data reveal that charitable giving increased – even after adjusting for inflation – in seven of the last eight Presidential election years. The only exception: 2008 which endured the start of the Great Recession.

While financial support for Presidential or other political campaigns does not appear to decrease donations to charity, fundraisers still can benefit from knowing about the typical characteristics of political donors while conducting fund development research and preparing for meetings with prospective donors.

For example, the Lilly Family School of Philanthropy's report notes that households are more likely to contribute to a candidate for elected office or to a political party as the residents become older, have higher levels of education, are retired and have higher after-tax income. Households with children under the age of 18 are less likely to financially support a political campaign.

Interestingly, geography matters. Residents in Midwestern and Western regions of the United States are more likely to give money to a political candidate or cause, while people who live in rural areas are less likely to donate politically.

Gender distinctions also are evident. For example, a listing of the 2012 Presidential campaign donations of \$200 or more by the Center for Responsive Politics reveals that 62 percent of the donors were men who contributed 65 percent of the campaign cash.

And yet the data on individual donors also serve as a reminder of how the number of contributors to political campaigns is relatively very small when compared with philanthropy. Just under 550,000 individuals donated at least \$200 to either Obama or Romney or their various supporting parties and organizations. Meanwhile, the results of a recent Gallup survey indicate that 83 percent of Americans – in a nation of more than 300 million residents – make charitable gifts each year.

Perhaps you already have arrived for a meeting with a prospective donor and discovered that she has a yard sign for a political candidate on her front lawn. Or maybe you have concluded a donor meeting and walked out to the parking lot only to see a bumper sticker for the donor's favorite candidate on the back of his car.

Fret not. Even if the donor's yard sign or bumper sticker reflects a financial donation to the candidate, political contributions do not detract from charitable giving. That is why the Lilly Family School of Philanthropy advises simply: "Organizations should continue to ask for donations, even in election years."

Bill Stanczykiewicz is director of The Fund Raising School within the IU Lilly Family School of Philanthropy.