

America's Favorite Charities ★ 2018

THE CHRONICLE OF PHILANTHROPY

The post-recession years once threatened gloom. But many charities adapted and grew – particularly those that tapped into the country's new wealth and giving habits.

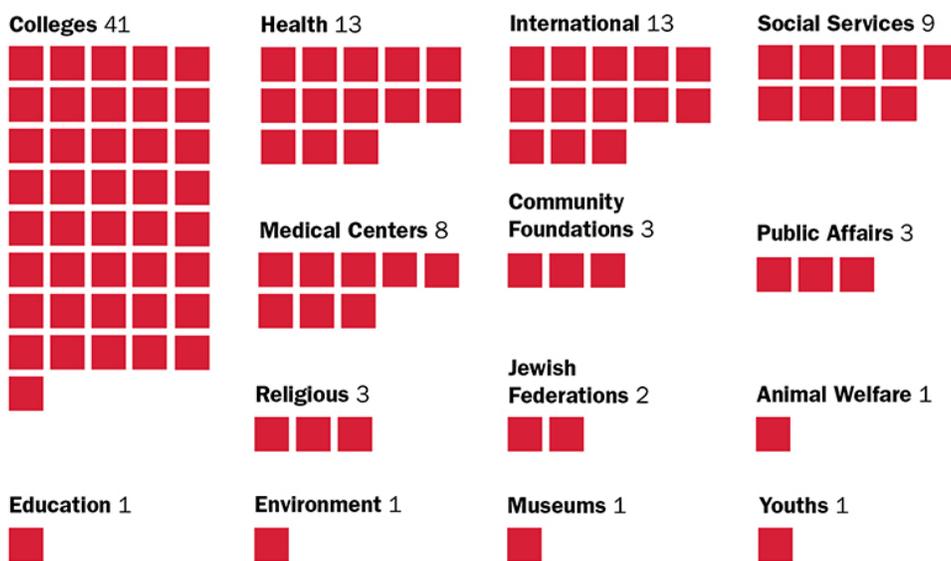
By Drew Lindsay

Not long ago, America's biggest and best-known charities were staring into a very uncertain future. The Great Recession, which had siphoned billions from the stock market and household incomes, was loosening its grip. Yet giving was barely inching upward. Fundraisers predicted it would take 10 years to make up the ground lost to the downturn.

For many of these groups, however, the "lost decade" became the decade of adaptation – and with it, growth. That's according to a new study of the 100 organizations that raised the most cash in 2017. It's a group we're calling America's Favorite Charities, because financial donations are the best measure of the public's support of an organization's work and mission.

By the Numbers

A breakdown of America's Favorite Charities by type of group



Of the 100 groups, the Chronicle analyzed the fundraising history of 94 with available records dating to before the recession. All but 15 raised more total charitable support (cash and noncash contributions such as real estate, clothing, and the like) in 2017 than they did in 2007, even when figures were adjusted for inflation. Many of the winners recognized that fundamental changes in the economy and philanthropy's culture were affecting how Americans gave, and whether they gave at all. These groups answered with change of their own, sometimes re-engineering fundraising formulas that had fueled their success for decades.

The Chronicle analysis also reveals a schism at the top of the charity world caused, at least in part, by the country's growing economic divide. Organizations that rely on the affluent for support thrived, beneficiaries of the extreme post-recession wealth that accrued to the few. Meanwhile, many organizations that count largely on small donations from average Americans are looking back on a grim decade.

Consider these findings:

- Support for colleges and hospitals climbed 44 percent from 2007 to 2017. These institutions, which typically have sizable big-gift operations, account for more than half of America's Favorite Charities. Among the high fliers were the Mayo Clinic (No. 5; up 202 percent), the University of Notre Dame (No. 39; up 100 percent), and the University of Nebraska (No. 96; up 77 percent).
- Giving grew less than 4 percent at the remaining organizations on our list. If you remove from that set a half-dozen additional groups that rely almost exclusively on a handful of donors with deep pockets, giving actually declined 7 percent.
- Groups that experienced the steepest declines in giving are some of the nonprofit world's oldest and most revered giants, including the American Cancer Society (No. 14; down 34 percent), the Jewish Federations of North America (No. 75; down 41 percent), and the biggest of them all, United Way (No. 1; down 28 percent).

United Way and the others don't lack for critics who contend that their brand is tired, their fundraising outdated. Says Brian Gallagher, United Way's CEO since 2002: "My board's happy with what I'm doing, but there are times when I look at these numbers and I'm not sure that I'd keep me."

Whatever the truth of such critiques, groups that you might consider "blue collar" organizations are battling stiff headwinds. The share of Americans who give to charity is declining, particularly in moderate-income households — a trend documented by the Chronicle, the Lilly Family School of Philanthropy at Indiana University, and others. As the middle class has been hollowed out over the decade, so has the small-donation giving that organizations like United Way were built upon, Gallagher argues.

"The question of the health of the United Way is almost a question of the health of middle-income philanthropy," he says. "There's not a healthy middle right now in the country."

The decline in giving also reflects the fact that traditional approaches to raising small gifts aren't finding traction in modern American life. A Blackbaud index that tracks direct-marketing fundraising at about 70 national groups found that the median number of donors steadily dropped from 2005 through 2015. (It nudged upward after Donald Trump's election spurred giving to organizations working on hot-button issues such as immigration.)

Similarly, charity runs and walks — events that originated to raise money almost a half-century ago — have stumbled, with significant declines in revenue. The American Cancer Society's Relay for Life walkathons brought in \$430 million in 2008; last year, they netted just \$230 million.

New Playbook Needed

To adapt to these economic and cultural shifts, nonprofits are experimenting to determine what works in the post-recession giving culture.

"We're kind of between playbooks," says Mark Rovner, a principal at the fundraising consultancy Sea Change Strategies, which works with many top national groups. "There was a period of about 30 years when there was a pretty good recipe for building a diversified fundraising portfolio. And that portfolio doesn't necessarily work anymore."

Sea Change research suggests charities such as the Nature Conservancy (No. 21) and Save the Children (No. 52) are beefing up efforts targeting midlevel donors (generally, those who give \$1,000 to \$10,000). The American Civil Liberties Union Foundation (No. 40) and Planned Parenthood (No. 32) welcomed a host of new midlevel donors following the Trump election and are focused on keeping them in the fold.

The American Society for the Prevention of Cruelty to Animals (No. 88) is one of several animal-welfare organizations enjoying the fruits of monthly giving programs built earlier in the decade, according to Carol Rhine, a Blackbaud analyst of direct-marketing fundraising. From 2012 through 2017, the median number of donors grew 18 percent in the animal-welfare segment in Blackbaud's direct-marketing index.

Changing Strategies

Diversification has become the watchword for some charities, including the Leukemia & Lymphoma Society (No. 61). For many years, the organization's crown jewel was Team in Training, an endurance-sport training program begun in 1988 with 38 runners who entered the New York City Marathon to raise money for the group. Altogether, three-quarters of the organization's revenue in 2007 came from such participatory events.

But after the recession, Team in Training faltered and gifts from direct mail slid. Organization leaders ultimately decided to diversify and direct more money into research to cure diseases, then highlight the impact of that investment to supporters, including new big donors and businesses they began to court more aggressively.

In 2017, Leukemia & Lymphoma contributed to the development of 15 of 18 blood-cancer treatments approved by the Food and Drug Administration, according to CEO Louis DeGennaro. Also, following investment in a major-gifts program, the group netted its first eight-figure gift. “That’s a significant change for us,” DeGennaro says. “It tells us that our mission and our impact resonate with that kind of transformational donor.”

Corporate donations and major gifts, which accounted for less than 10 percent of 2007 revenue, now make up nearly half of dollars raised. Total support for the organization reached \$315 million in 2017. That’s a modest 10 percent increase over 2007 when adjusted for inflation, but DeGennaro predicts this year’s numbers will be strong as well.

The international-relief group World Vision (No. 24) is similarly retooling the fundraising model that fueled exponential growth in its early years. Founded in 1950, the faith-based organization typically receives small annual gifts from its appeals to sponsor a child in poverty. Revenue from those efforts, however, is generally flat or down, says CEO Edgar Sandoval.

In 2010, World Vision launched a five-year, \$500 million campaign modeled partly on college fundraising drives and targeting high-net-worth individuals. The For Every Child campaign — which focused on clean-water, sanitation, and hygiene projects, among other things — helped lift the organization’s cash support by 16 percent over the decade.

Among the big gifts secured: \$35 million in 2010 from steel-magnate David Dornsife and his wife, Dana, longtime World Vision supporters. After the campaign, the couple pledged another \$40 million over five years.

The Dornsifes and other campaign backers are “families who want to put their faith into action in a big way,” Sandoval says. “They want to have a lasting impact. They want to leave a legacy. And they’re looking for organizations that can deliver that impact.”

Fast-Growing Groups

Given the decade’s increasing concentration of wealth, it’s not surprising that the few relatively young organizations on our list rely almost exclusively on a few big donors. These groups became giants seemingly overnight and without the national brands or extensive fundraising machinery typical of large groups.

The Florida-based Step Up for Students (No. 31), for instance, raised more than \$500 million in 2017 from about 250 donors, all corporations. The group, which was created in 2001, provides K-12 scholarships to children from low-income families; corporations get a tax credit from the state for their contributions. The 13-year-old HealthWell Foundation (No. 50) brought in \$350 million in 2017, yet has only 11 employees. Created by executives in the health-care, biotechnology, and pharmaceutical fields to help the underinsured, the organization says the vast majority of its donors are pharmaceutical companies.

Other new titans fueled by a relatively small number of big donors include the Chan Zuckerberg Biohub (No. 22), founded by Facebook co-founder Mark Zuckerberg and his physician wife, Priscilla Chan, and the Patient Access Network Foundation (No. 33), which is supported largely by pharmaceutical companies.

Another fast-growing charity on our list, Population Services International (No. 78), was founded in 1970 and ran for years chiefly on government support. But a little more than a decade ago, philanthropies such as the Bill & Melinda Gates Foundation began to show interest in the group's work using business approaches to improve health in developing countries. The Gates Foundation and other grant makers were eager to accelerate ideas that were not yet proven effective but had great potential, says PSI's Marshall Stowell.

The organization now counts Gates, the London-based Children's Investment Fund Foundation, and other philanthropies as key donors. Gates also helped PSI launch an effort to organize women philanthropists behind the group's work. Called the Maverick Collective, it now includes some 20 members, each of whom pledged at least \$1 million over three years.

Philanthropic support — which has grown 247 percent over the past decade — now makes up about half of PSI's revenue. "It's been a significant shift for us," Stowell says.

Big-Gift Machines

Colleges, which have long courted the wealthy, were not shy about revving up their big-gift operations after the recession to capitalize on what would become the longest stock-market rally in history. All but 10 of the 42 on our list were running campaigns in 2017. The record-breaking \$9.6 billion drive at Harvard (No. 4) grabbed the most attention, but at least 15 were targeting \$4 billion or more.

"The impact of large comprehensive campaigns cannot be overstated," says Brian Hastings, CEO of the foundation that is the fundraising arm of the University of Nebraska. The university's strong growth over the decade is thanks in large part to a campaign that ran from 2007 to 2014. The drive's goal was \$1.2 billion; it netted \$1.9 billion.

Nearly one in three dollars raised by Nebraska in 2017 came in the form of stock donations. Other institutions whose stock gifts made up a big share of contributions include California Institute of Technology (No. 90; 33 percent), Notre Dame (21 percent), and Stanford (No. 6; 17 percent).

"The great universities have adapted very quickly to the new economic conditions," says Bruce Flessner, a principal at Bentz Whaley Flessner, a fundraising consulting company. "They chased extraordinarily wealthy people and brought them into the family in a big way. Most other charities aren't set up to do that kind of thing."

Additional reporting by Heather Joslyn.

RANKING OF CHARITIES 2018

The Chronicle of Philanthropy's annual rankings of charities. We base the primary ranking on cash support – the total value of charitable contributions of money and stock received by cause-driven nonprofits in 2017. It excludes government grants, donated products, and contributions to an organization's donor-advised funds.

RANK	ORGANIZATION	CASH SUPPORT
1	United Way Worldwide	\$3,260,274,867
2	Salvation Army	\$1,467,750,000
3	ALSAC/St. Jude Children's Hospital	\$1,314,189,700
4	Harvard U. ²	\$1,283,739,766
5	Mayo Clinic ^{*a}	\$1,140,619,378
6	Stanford U. ²	\$1,110,664,853
7	Boys & Girls Clubs of America [*]	\$909,035,450
8	Compassion International	\$819,417,089
9	Cornell U. ²	\$743,502,739
10	Lutheran Services in America	\$731,566,533
11	The Y [*]	\$698,380,000
12	Catholic Charities USA	\$679,305,808
13	MIT ²	\$672,806,824
14	American Cancer Society	\$669,951,000
15	U. of Southern California ²	\$647,006,959
16	Johns Hopkins U. ²	\$636,910,731
17	U. of Pennsylvania ²	\$626,485,118
18	American Red Cross	\$623,533,498
19	Columbia U. ²	\$602,652,887
20	Yale U. ²	\$587,310,392
21	Nature Conservancy ¹	\$582,502,809
22	Chan Zuckerberg Biohub ^{a1}	\$580,352,074
23	Duke U. ²	\$575,444,813
24	World Vision	\$568,703,645
25	American Heart Association	\$567,502,693
26	Habitat for Humanity International [*]	\$565,000,000
27	New York U. ²	\$561,492,623
28	U. of Washington ²	\$553,054,689
29	Cru	\$543,994,279
30	Partners HealthCare System	\$542,986,009
31	Step Up for Students	\$533,103,171
32	Planned Parenthood	\$532,700,000
33	Patient Access Network Foundation	\$525,431,993
34	U. of California at Los Angeles ²	\$516,256,088
35	Samaritan's Purse	\$516,120,936
36	U. of Chicago	\$478,805,913
37	St. Vincent de Paul [*]	\$472,296,068

RANK	ORGANIZATION	CASH SUPPORT
38	U. of Michigan ²	\$450,444,702
39	U. of Notre Dame ²	\$447,402,826
40	ACLU Foundation*	\$447,071,453
41	Catholic Relief Services	\$433,906,195
42	U. of California at San Francisco ²	\$412,986,148
43	U. of California at Berkeley ²	\$397,809,058
44	CARE	\$397,553,667
45	Ohio State U. ²	\$385,488,761
46	Indiana U. ²	\$376,354,651
47	Dana-Farber Cancer Institute	\$368,481,256
48	Unicef	\$361,436,923
49	Doctors Without Borders USA	\$357,306,888
50	HealthWell Foundation	\$350,046,179
51	Northwestern U. ²	\$344,298,666
52	Save the Children	\$344,055,503
53	U. of Minnesota ²	\$338,260,119
54	Memorial Sloan Kettering Cancer Center	\$326,309,000
55	Shriners Hospitals for Children	\$322,144,608
56	Health Research ¹	\$309,306,187
57	U. of Oklahoma ²	\$302,983,206
58	U. of North Carolina at Chapel Hill ²	\$302,261,147
59	U. of Colorado ²	\$301,983,635
60	Princeton U. ²	\$301,161,627
61	Leukemia & Lymphoma Society	\$300,318,814
62	U. of Texas at Austin ²	\$299,207,389
63	Pew Charitable Trusts	\$297,172,877
64	Metropolitan Museum of Art	\$293,925,329
65	Rotary Foundation	\$292,304,860
66	American Kidney Fund ¹	\$290,570,100
67	International Rescue Committee	\$283,709,444
68	Young Life ¹	\$282,291,926
69	Alzheimer's Association	\$279,154,371
70	Washington U. in St. Louis ²	\$278,232,506
71	Texas A&M U. ²	\$275,972,630
72	U. of Florida ²	\$267,350,482
73	U. of Virginia ²	\$264,664,577
74	American Jewish Joint Distribution Committee	\$260,841,451
75	Jewish Federations of North America	\$259,286,000
76	U. of Wisconsin at Madison ²	\$257,637,229
77	Greater Kansas City Community Foundation	\$257,426,096
78	Population Services International*	\$253,908,643
79	Silicon Valley Community Foundation*	\$246,753,389
80	Make-a-Wish Foundation	\$246,603,844

81	Brown U. ²	\$238,959,298
82	Barack Obama Foundation ¹	\$232,592,542
83	Mount Sinai Health System*	\$230,173,104
84	Boston Children's Hospital	\$229,643,282
85	U. of California at San Diego ²	\$226,520,927
86	Tulsa Community Foundation*	\$226,337,850
87	Program for Appropriate Technology in Health	\$222,274,000
88	ASPCA	\$219,974,756
89	U. of Miami ²	\$219,129,392
90	California Institute of Technology ²	\$218,438,094
91	Patient Advocate Foundation ¹	\$218,241,603
92	U. of Arizona ²	\$215,647,384
93	Emory U. ²	\$215,347,302
94	Dartmouth College ²	\$211,807,898
95	Wounded Warrior Project	\$210,630,828
96	U. of Nebraska ²	\$210,448,718
97	UJA-Federation of New York	\$209,575,000
98	Christian Broadcasting Network	\$208,921,957
99	JDRF International*	\$199,896,852
100	Pennsylvania State U. ²	\$198,750,481

Notes

* Figures include estimates provided by the organization.

^a Figures are for the 2016 fiscal year.

¹ Figures are from the organization's federal tax filing.

² Charitable-giving figures are from the Council for Advancement and Support of Education's Voluntary Support of Education survey. Revenue figures are from the Department of Education. For more information on colleges, read about our methodology.

Sources

Research by the *Chronicle of Philanthropy*. Also: the Council for Advancement and Support of Education's Voluntary Support of Education survey; the U.S. Department of Education's Integrated Postsecondary Education Data System; and Internal Revenue Service Form 990 filings.