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Religious charities gain in a down year

by Lindsay Perna by Chaz Muth

Religious organizations reported a 5.5-percent increase in donations last year, a marked contrast from the nationwide 2-percent decline in charitable giving, according to a study by Giving USA Foundation.

Religious congregations, which accounted for 35 percent of the total \$307 billion in charitable contributions, exceeded \$100 billion in donations for the second year in a row.

Though public-society benefit and international affairs organizations also cited increases in charitable contributions, two-thirds of public charities reported a decrease for only the second time in the report's 54-year history.

The economic recession spurred this decline, Del Martin, the chairwoman of the foundation, said in a statement. "We definitely did see belt-tightening ... but it could have been a lot worse," Martin said.

Even with the cutbacks, the total still exceeded the \$300 billion mark for the second consecutive year.

The survey showed that 54 percent of human services charities saw an increase in need for their services in 2008, and 60 percent were forced to cut expenses. Organizations serving youth development were hit the hardest, with 74 percent reporting funding shortages.

The majority of donations came from individual contributors, who gave more than \$229 billion. Gifts to religious organizations made up half of all individual contributors. Corporate donations totaled \$14 billion, a 4.5 percent decrease from the year before.

Several U.S. Catholic dioceses have reported increased collections at their parishes, but the boost in donations doesn't necessarily meet the needs of the church, said Sarah Comiskey, a spokeswoman for the Archdiocese of New Orleans.

"While a lot of our parishes and agencies are receiving more donations, we have also received an increase in requests for help," Comiskey told Catholic News Service June 10.

Catholic Charities, parish food pantries and area food banks in the New Orleans area have all seen increased need from people affected by the downturn in the economy, she said.

Education-organizations received an estimated \$40.94 billion, or 13 percent of the total donations in 2008, which is a 5.5 percent decrease from 2007.

Earlier this year several Catholic college and university presidents said they had to be creative when it came to fundraising during a recession, and some have announced those efforts paid off with increases in giving so far in 2009, numbers that wouldn't be reflected in the just-released Giving USA report.

"As of June 1, overall charitable giving to Neumann University is up 62.6 percent, compared to the same date in 2008," said Steve Bell, a spokesman for the Catholic school in Aston, Pa. "The number of individual donors is down slightly -- 3.4 percent -- but they're obviously giving more this year."

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The report showed that individual giving -- which is always the largest component of charitable contributions -- decreased 2.7 percent compared with 2007 estimates.

The decline in giving may take a few years to rebound, according to researchers who compile the Giving USA report.

They said the current recession is most similar to 1974's downturn in the economy when charitable donations dropped by 5.7 percent, and it wasn't until 1977 that contributions got back to 1973 levels.

"However, what we find remarkable is that individuals, corporations and foundations still provided more than \$307 billion to causes they support, despite the economic conditions," Martin said. "It would have been easy to say 'not this year' when appeals came their way."

Many organizations have focused their fundraising efforts on their loyal donors, and in some cases their campaigns have been successful.

Though the actual cash donations that Xavier University in Cincinnati received in the past year is slightly down from the previous year, pledges are up by 3 percent, said Gary Massa, the Catholic school's vice president of university relations.

The actual cash in hand is down because donors are delaying payments to some extent, Massa said.

"We are at the second largest historical increase in new pledges to the university," he said "We attribute this growth to our donors, who have kept Xavier at the top of their priority lists, in spite of the difficult economy."

[Lindsay Perna reports for Religion New Service. Chaz Muth reports for Catholic News Service.]

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