Philanthropy Rises in Pandemic as Donors Heed the Call for Help

Giving has surged during the coronavirus crisis, eclipsing donations during the 2008 recession and after the Sept. 11 terrorist attacks, two reports show.

By Paul Sullivan
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When the coronavirus prompted states to order residents to stay at home in March, unemployment surged around the country as huge parts of the economy slowed or stopped. Soon after, there were calls for philanthropists, charitably inclined people and even occasional donors to accelerate any giving they were planning to do.

They stepped up, it turns out, giving more and giving faster then they typically do.

The needs were urgent. Virus-related charities and social service agencies, like food banks, were thrust into an immediate role whose size and scope they were not prepared for. At the same time, arts organizations and other nonprofit groups that depend on sales of tickets to their shows and productions suddenly had no audience.

To encourage donations, the CARES Act expanded the amount of cash contributions that could be taken as a tax deduction. But the focus of the call to action was firmly on foundations and donor-advised funds, which have huge pools of money that can go only to charity.

Now three months after the initial outbreak, two reports show that Americans gave at a rate and a level that eclipsed donations during the 2008 recession and after the Sept. 11, 2001, terrorist attacks.

According a report released on Friday from Fidelity Charitable, which has become the largest grant maker in the country by managing thousands of individual donor-advised funds, those donors have given $3.4 billion nationwide since the start of the year, up at least 28 percent from a year earlier.

Grants to food banks and other food assistance programs were up 667 percent nationally, including more than 800 percent in the Mid-Atlantic. At the same time, donors continued to give to their local and other regular charities, according to the report, which tallied 750,000 transactions to more than 100,000 charities.

“Despite the economic environment, all the uncertainty at a personal level, people looked outside of themselves and gave to charity,” said Pamela Norley president of Fidelity Charitable.

A similar study of 32 community foundations, which manage charitable accounts directed at a specific city or region, reported an 80 percent increase in donations to $203.1 million from March to May, compared with the same period last year. One of the 32, the Boston Foundation, reported a 246 percent increase in March and April from a year earlier. The study was conducted by the Community Foundation Public Awareness Initiative.

A donor-advised fund functions like a foundation, though it is managed through a public charity or a community foundation. When people put money into these funds, they get the tax deduction at that moment. They can then choose when they make the grants.

Critics have said that without a requirement to make donations, donor-advised funds could sit on money earmarked for charity. But the data showed that these funds had functioning the way their supporters had long said they would: The surge in grants came from money that was already in donor-advised funds and could be activated quickly.

“They gave big, and they gave right up front,” said Lorie Slutsky, president of the New York Community Trust.

The reports provide a window into how donors thought about what the funds could do to help many different organizations during a pandemic.

Some donors accelerated gifts they were going to make anyway. Lucia Kellar, a semiretired psychologist in Manhattan, normally makes her charitable gifts toward the end of the year, but she began giving in March when a stay-at-home order was issued. She has focused on small arts groups and social services, reasoning that they need the money now.

“What really struck me was what was happening with soup kitchens and food banks — there were these long, long lines that hadn't been there before,” Dr. Kellar said. “I wanted to give and help in some way.”

But she also realized that the arts organizations she had supported were struggling. She gave $8,000 to the Kate Weare Company, a small contemporary dance ensemble.
“Their whole season was wiped out,” Dr. Kellar said. “It wasn’t that large, but it made a huge difference to their survival.”

Likewise, Dr. James C. Liu, an internist in Boston, said he had looked through his usual charitable organizations and focused on the smaller ones that he felt added a lot to the community but might struggle to survive. A classically trained baritone, Mr. Liu donated to Emerson Music, a group known for performing Bach cantatas. Another recipient was the Peabody Essex Museum, which he enjoyed taking his children to visit.

“I’m generally shifting away from the biggest organizations,” Dr. Liu said. “I’m hoping to support groups that would not always get your attention.”

To that end, his donations to medical charities focused on those doing specific work during the pandemic, like Partners in Health, which has helped out in Haiti but is now focused on contact tracing in Massachusetts.

“They’re doing good work, but this is one that I have naked self-interest in,” Dr. Liu said. “As a physician, I know that doing rigorous contact tracing is one of the ways to keep a pandemic under control.”

Dr. Kellar and Dr. Liu typically make one grant a year to an organization, but both said they might make additional grants later in the year if the same recipients were still struggling.

Frequently Asked Questions and Advice

What’s the best material for a mask?

Scientists around the country have tried to identify everyday materials that do a good job of filtering microscopic particles. In recent tests, HEPA furnace filters scored high, as did vacuum cleaner bags, fabric similar to flannel pajamas and those of 600-count pillowcases. Other materials tested included layered coffee filters and scarves and bandannas. These scored lower, but still captured a small percentage of particles.

Is it harder to exercise while wearing a mask?

A commentary published this month on the website of the British Journal of Sports Medicine points out that covering your face during exercise “comes with

Other donors said they needed a moment to process the shock of what was happening, both in the world and in the portfolios from which they made donations.
Debra Mailman, who has spent the two years since she retired as an executive at Microsoft volunteering in disaster zones, initially slowed her giving, shocked by the sudden drop in value in the investments in her donor-advised fund.

“At the beginning of the pandemic, I did the same thing everyone did: I looked at the stock market and said, ‘Oh, my God,’” she said. “Then I held my nose and said, ‘Forget that — the money isn’t mine anymore. It will do more work out there.’”

She said she expected to give double her usual amount this year to groups focused on crises worldwide. One is the American Jewish Joint Distribution Committee, which has a program in Ethiopia that is doing work she values.

The pandemic has changed how Amanda Millerberg and her husband, Spencer, evaluate charities. Mr. Millerberg sold his data analytics company, One Click Retail, in 2018, and Ms. Millerberg said they had spent the last few years learning what it took to engage in philanthropy on a larger scale.

“I had an aha moment,” said Ms. Millerberg, who lives outside Salt Lake City. “Usually, I’d spend the year researching what I wanted to give to, and then in October, I’d sit down and make all my grants. During the epidemic, I knew my local food bank needed the money now, so I said, ‘Let’s get it out now.’”

She has increased her giving, but worries about what she calls her hobby charities, like the Utah Symphony. “All nonprofits will be struggling,” she said. “Everyone still has a need.”

That reality has kept some donors focused on what they were doing before the pandemic: holding firm to where they were donating. Judy Fireman, who lives with her sister, Janet, in Tucson, Ariz., said they continued to give at the same rate to a local women’s shelter, where they also volunteer to cook.

“No one needs less now that the pandemic exists, and I’m not convinced everyone needs more,” Judy Fireman said. “The pandemic has made everything a little horrible or a lot horrible for everyone.”