

# COMMONWEALTH INSIGHTS



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## Individual Donations: The Lifeblood of the Nonprofit Sector

**G**iving Tuesday, the Tuesday after Thanksgiving, is becoming a fixture on the calendar. Coming right after Black Friday and Cyber Monday, Giving Tuesday highlights the importance of giving and the vast needs that nonprofits seek to address.

Giving Tuesday spurs individual donations to nonprofits, as do other giving days such as Valley Gives in Western Massachusetts each May. Those individual donations are critical to the people that nonprofits serve, providing them with meals, health care, education, enrichment, and a host of other services. They are critical to the nonprofits as well.

To a degree few realize, nonprofits depend on individual contributions. Those contributions add up to much more than a small amount of income at the end of the year. For many nonprofits, they are essential to daily operations. That means that the donations made on Giving Tuesday, and throughout the year, do more than provide services to people who need them. They sustain nonprofits and keep

### Key Points:

- Individual donations are a pillar of nonprofit support. 82% of MNN members surveyed rely on individual donations.
- Individual donations are critical because nonprofits run lean. 40% of Massachusetts Giving Common nonprofits have no reserve fund, and many others have just a few months of reserves.
- The federal tax deduction for charitable contributions, will be under pressure as lawmakers debate tax reform in 2017. It must be preserved.
- Donations to nonprofits do more than help people in need. They strengthen the social fabric of communities and the entire state.

the Commonwealth's social fabric strong.

The first message from the nonprofit sector is thank you—to everyone who contributes to nonprofits and helps make those contributions happen. Whether the contributions are of money, time, or other support, they have a profound impact. The nonprofit sector and the people it serves are grateful.

## NONPROFITS RELY ON INDIVIDUAL DONATIONS MORE OFTEN THAN ANY OTHER TYPE OF FUNDING

What type of funding is most common among Massachusetts nonprofits? Some might guess government funding, since governments frequently contract with nonprofits to deliver services (often for less than it would cost government to provide the service directly). Others might guess foundation funding, given the scale and visibility of some of the largest foundations, or corporate funding. The answer is none of the above.

The most common type of funding among Massachusetts nonprofits is individual donations.



Photo Credit | John Keegan

GivingTuesday Somerville: Give Local 2015 Event