

North Carolina Department of the Secretary of State

NEWS

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Contact: Tim Crowley (919) 814-5342

Liz Proctor (919) 814-5341

Elaine F. Marshall

Secretary of State

Giving During COVID: Charity Effectiveness Remains Near a Record High Despite Down Giving in 2020-2021

(Note to Editors: A complete copy of the 2020-2021 Annual Report of Charitable Solicitation Licensing can be found online at www.sosnc.gov.)

RALEIGH – Charitable giving in North Carolina and across the nation declined in the past year amidst the significant challenges spawned by the COVID pandemic, but charities stretched those funds to do as much good as possible for the many people in need in challenging times, according to a report released today by the NC Secretary of State’s Office.

The just-released 2020-2021 North Carolina Secretary of State Charitable Solicitation Licensing (CSL) Division Annual Report finds that licensed fundraisers raised \$34,055,649.92 from North Carolinians for licensed charities during the 12-month period from July 1, 2020 to June 30, 2021. That represents a \$10.8 million decline from overall giving in campaigns using professional fundraisers seen in the 2019-2020 report, but the \$26,588,279.24 netted by charities resulted in an aggregate of 78.07% going to charities’ programs – just 2.5% down from last year’s record high return of 80.53% to charities.

“North Carolina’s giving public continued to be generous and wise in donations as charities worked hard to put those contributions to the most effective use even while often having to change practices to protect public health,” NC Secretary of State Elaine F. Marshall said Monday, as she released the findings of the report.

Marshall released the 2020-2021 Annual Report at the Inter-Faith Food Shuttle Child Food Hub that is shared with PORCH Communities in Durham.

“PORCH Communities Durham and Inter-Faith Food Shuttle began working together in 2011 to help food insecure families in Durham,” Marshall said Monday. “PORCH Communities follows the model of a neighborhood food drive. Residents in participating communities can place food donations of individual sized portions on their front porches on a designated day once a month, which volunteer neighborhood coordinators pick up to be sorted and distributed to those in need from the Child Food Hub.”

This year's annual report also tracked a downturn in the numbers reported from national fundraising campaigns that included North Carolina donors. Multi-state campaigns using professional fundraisers took in a total of \$1,037,253,015.16, a decrease of \$100 million from funds raised in 2019-2020. In aggregate, 74.89% of each charitable dollar went to charities' coffers after professional and administrative costs, compared to a record high of 86.6% that went to charities in 2019-2020.

While the overall percentage going to charities this past year remained high, Marshall encouraged everyone to dig into the details of the report to see what percentage individual charities netted in campaigns using professional fundraisers.

“As we have seen every year, there are individual campaigns where nearly 100% of donations went directly to the charities, like the 97.7% for Inter-Faith Food Shuttle. However, there are also cases where most of the money raised went to professional fundraising costs and administrative overhead. There may be many reasons for the low percentages – in some cases fundraising campaigns may have just gotten underway near the end of the reporting period, so this year's report doesn't capture the full impact for the charities. If you see troubling numbers for a charity you support, take a look at their numbers in our annual reports over the past two or three years and don't hesitate to ask the charity questions.”

The Secretary of State's Office licenses charities and nonprofit organizations that use professional fundraising services for their solicitation campaigns, compensate their officers, or raise at least \$25,000 a year in contributions, and that are not exempt from licensure for reasons such as being a religious institution, school-based nonprofit or volunteer fire department.

“This report is a snapshot of charitable solicitation activity that falls under North Carolina's Charitable Solicitation law rather than a comprehensive view of all charitable activities, but the financial information in this report and on the charities section of our website can help the giving public make wise decisions with their donations. I encourage everyone who can to give generously, but you have every right to look for the charities that are going to make the most effective use of your contributions.”

The complete 2020-2021 CSL Annual Report is available on the Secretary of State's website at www.sosnc.gov.

People with questions about individual charities or charitable solicitation activities in general can call the Secretary of State's Charitable Solicitation Licensing Division at 1-888-830-4989.