North Carolina Department of the Secretary of State

<u>NEWS</u>

November 20, 2023 For Immediate Release Contact: Tim Crowley (919) 814-5342 Liz Proctor (919) 814-5341 Elaine F. Marshall Secretary of State

Annual Report Marks Continued Growth in Charitable Donations in 2022-2023

(Note to Editors: A complete copy of the 2022-2023 Annual Report of Charitable Solicitation Licensing can be found online at <u>www.sosnc.gov</u>.)

RALEIGH – Overall charitable giving in North Carolina grew in the past year as North Carolina's giving public met challenging times with generosity.

The just-released 2022-2023 North Carolina Secretary of State Charitable Solicitation Licensing (CSL) Annual Report reports that between July 1, 2022 and June 30, 2023, licensed fundraisers collected \$58,049,394 for charities – a \$10.4 million increase from overall giving in North Carolina in 2021-2022. Charities netted a \$43,874,708 of that overall giving for their programs, a \$4.9 million increase in the dollar amount going directly to charities' programs instead of professional fundraising and administrative costs – representing an aggregate of 75.58% going to charities.

"While we saw a slight drop from last year's record high aggregate percentage of donors' charitable dollars going to charities, the total dollar amount going directly to charities' programs still grew by nearly \$5 million," said Secretary of State Elaine F. Marshall on Monday. "As people continue to contend with the effects of global inflation, so many charities are doing vital work for people in need and struggling to meet the demand with donations. I thank all of those nonprofits that are doing good work and encourage North Carolina's giving public to use our Annual Report and Charitable Solicitation registry to research nonprofits as they make decisions with their charitable donations this holiday season and all year round. It is so important for all of us who can to give generously but wisely to make sure our donations are doing the most good for those in the most need."

This year's annual report showed 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 \$1,097,864,514 – a decrease of \$139.8 million from overall funds raised in 2021-2022. In aggregate, 81.57% of each charitable dollar to these national fundraising campaigns went to charities after fundraising and administrative costs, compared to last year's aggregate of 85.12% that went to charities in national fundraising campaigns.

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

"It's always a good idea to check out the numbers over the past two or three years for charities you're interested in supporting," noted Secretary Marshall. "There may be many reasons for a low percentage going to a charity in a given year, such as fundraising campaigns beginning near the end of the reporting period. Never hesitate to ask questions and look for the most effective charities working to address the causes you care about."

This past year's numbers were also impacted by fewer nonprofits reporting fundraising campaigns related to civic issues and economic development.

Secretary Marshall released the 2022-2023 Annual Report Monday at the Volunteer and Donation Center for Note in the Pocket in Raleigh. Note in the Pocket takes referrals from school social workers and human service agencies in the Triangle to distribute clothing to children and families experiencing homelessness and economic hardship. The organization has seen a 70% increase in the past two years in the number of clothing requests it receives from referring agencies.

The annual report is a snapshot of giving under North Carolina's Charitable Solicitations statute (§ 131F) and is not a comprehensive view of all charitable giving in the state.

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 \$50,000 and are not exempt from state law for reasons such as being a religious institution or volunteer fire department or educational institution.

While the Secretary of State's Office regulates fundraising activity, pursuant to federal case law it cannot legally penalize a charity for using the majority of its donations on fundraising or administrative overhead.

The complete 2022-2023 Charitable Solicitation Licensing Annual Report is available on the Secretary of State's website at <u>www.sosnc.gov</u>. 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.

-30-

www.sosnc.gov