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3 SOCIAL TRENDS SHAPING AMERICAN PHILANTHROPY

JEREMY BEER, PHILANTHROPY DAILY

How Three Social Trends Are Shaping American Philanthropy

JEREMY BEER

CEO, American Philanthropic

INDIANA PHILANTHROPY ALLIANCE

September 28, 2022



Phone 302.635.7354

Web americanphilanthropic.com

Email info@americanphilanthropic.com



What Are We Talking About?

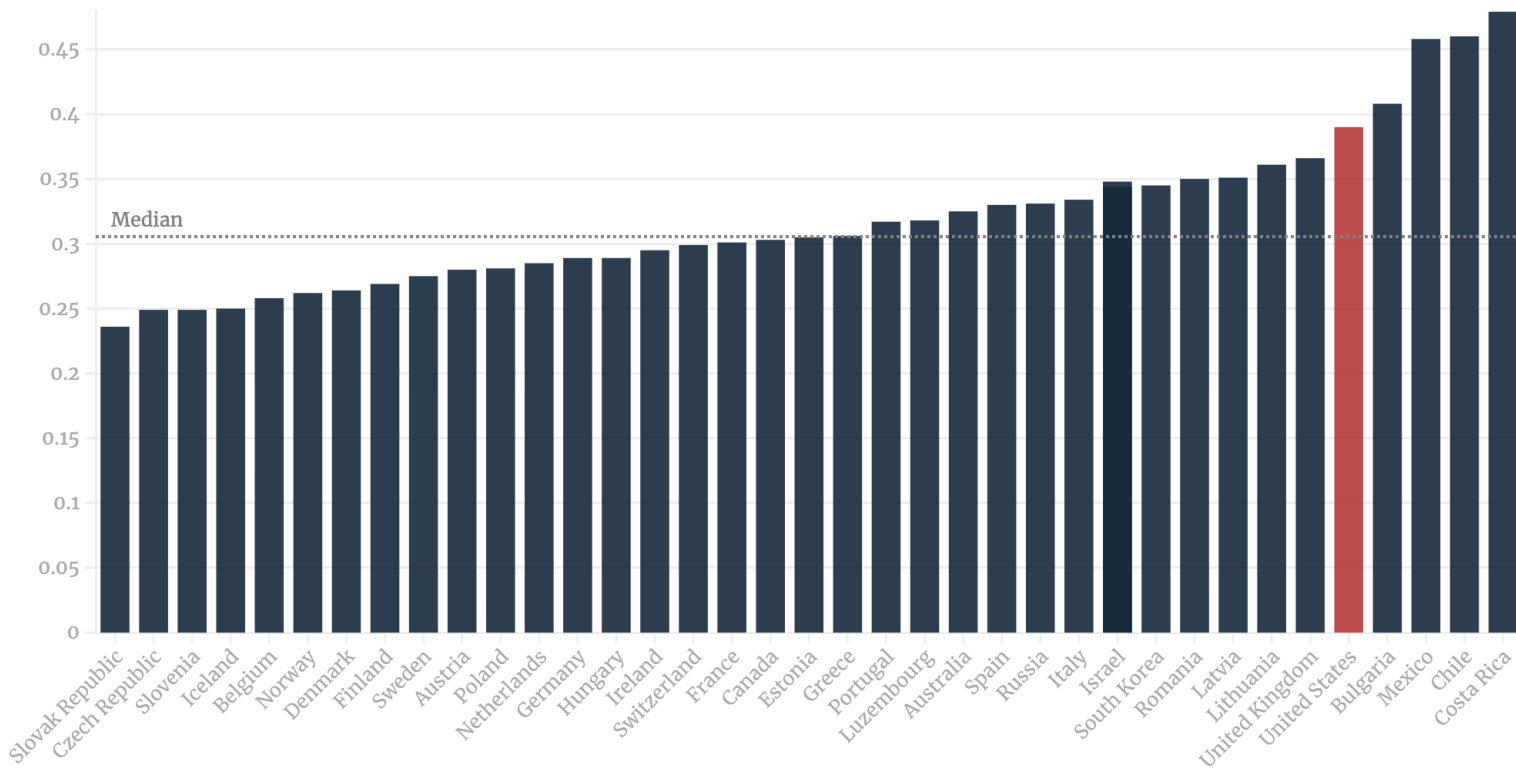
- Growing wealth and income disparities
- Thinning communities
- Rise of the Nones

What do these trends mean for American Philanthropy?

Rising Wealth & Income Disparity

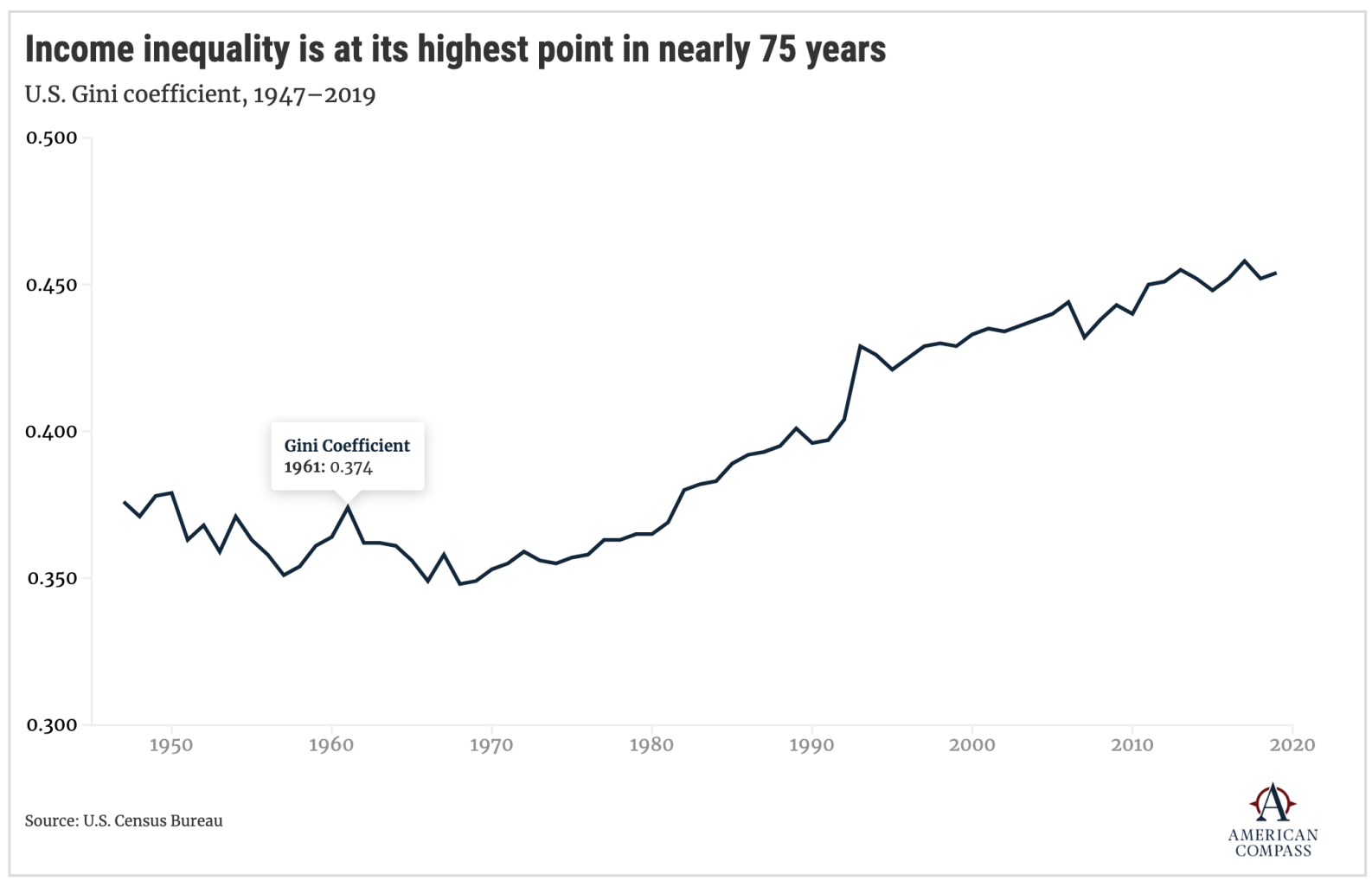
American income inequality far outpaces other developed economies

International Gini coefficient, 2018 or latest available

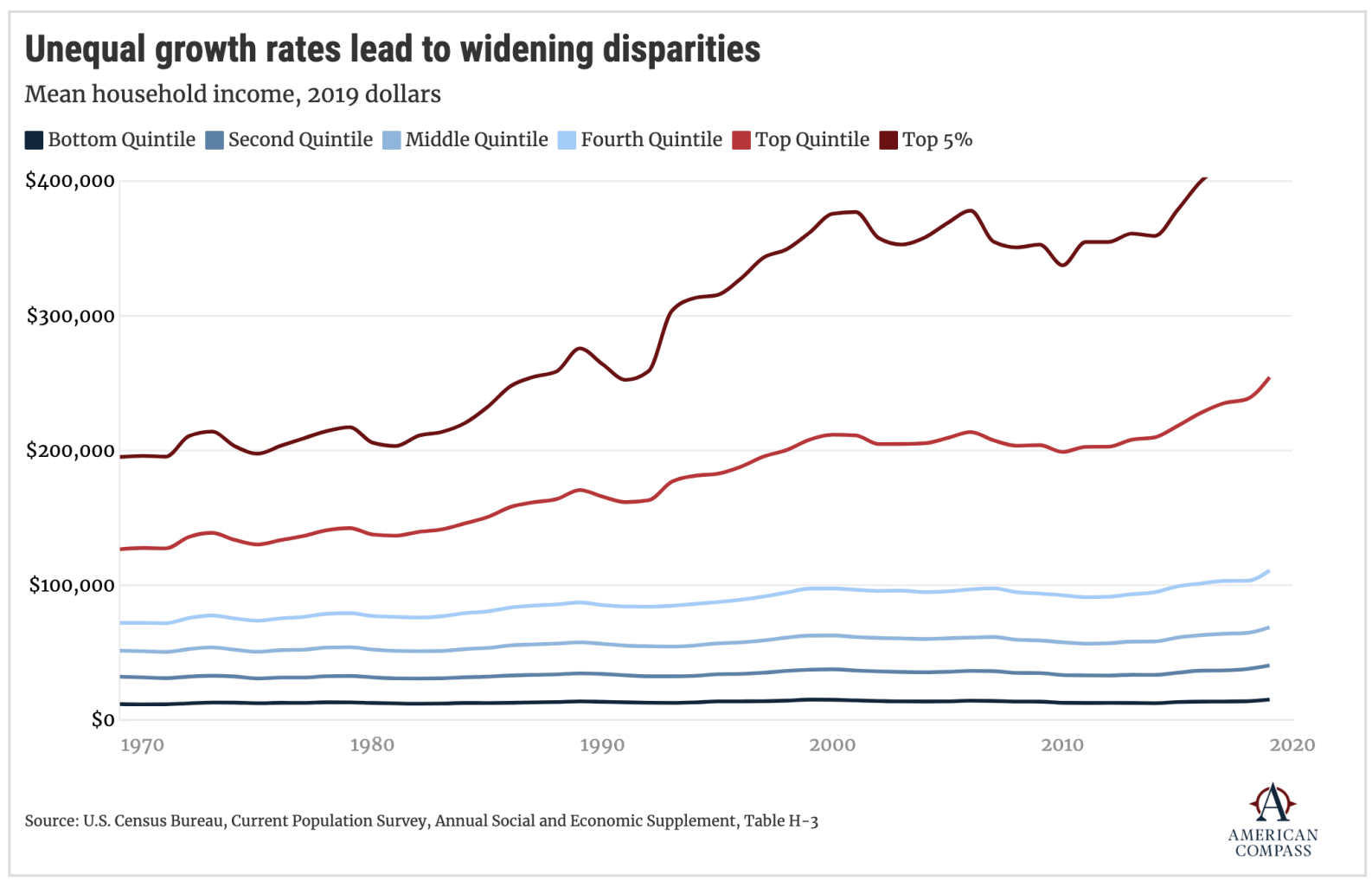


Source: Organisation for Economic Co-operation and Development (OECD) • OECD Gini measure differs from U.S. Census Bureau figure
All data from 2016–2018

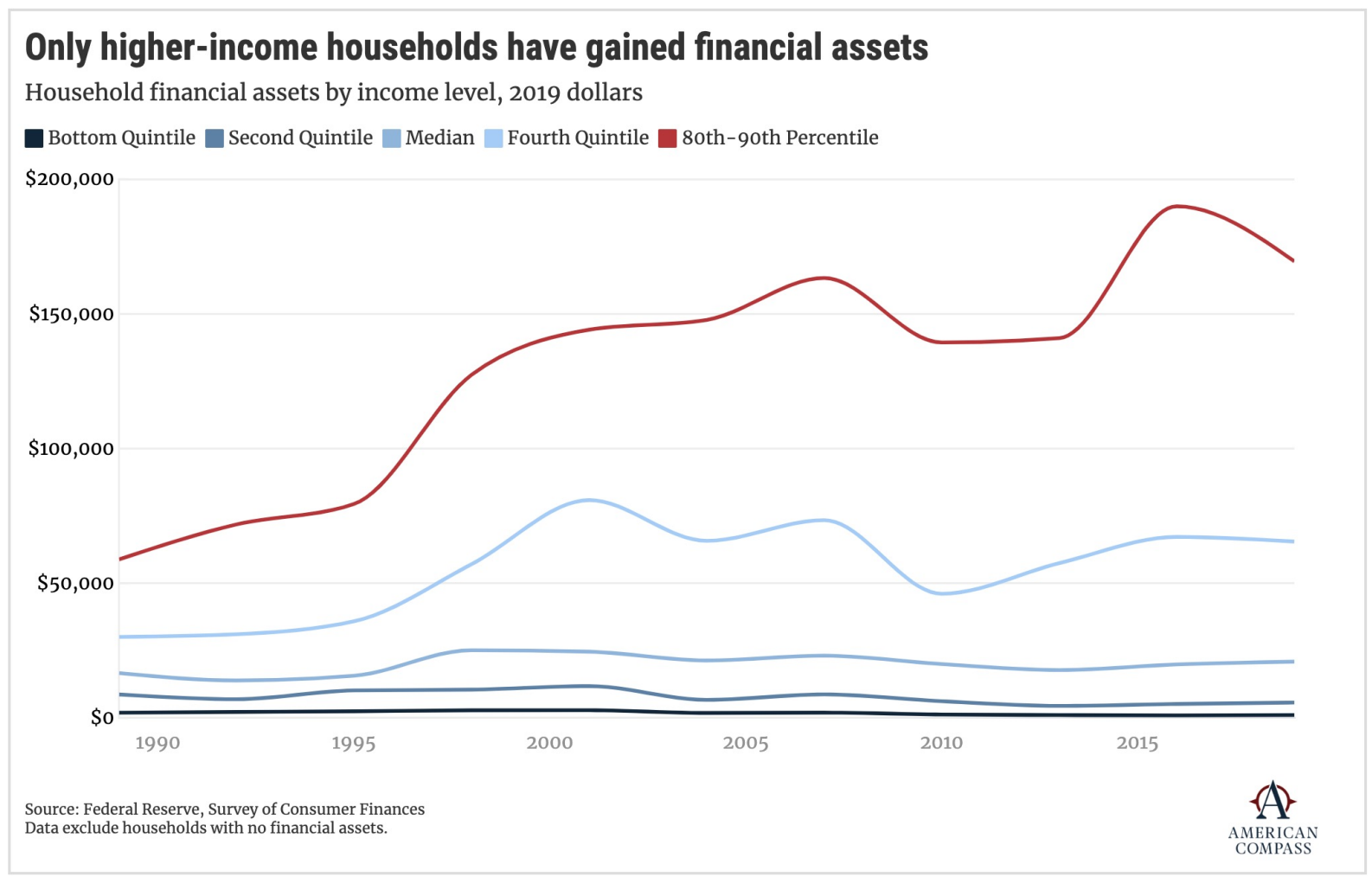
Rising Wealth & Income Disparity



Rising Wealth & Income Disparity



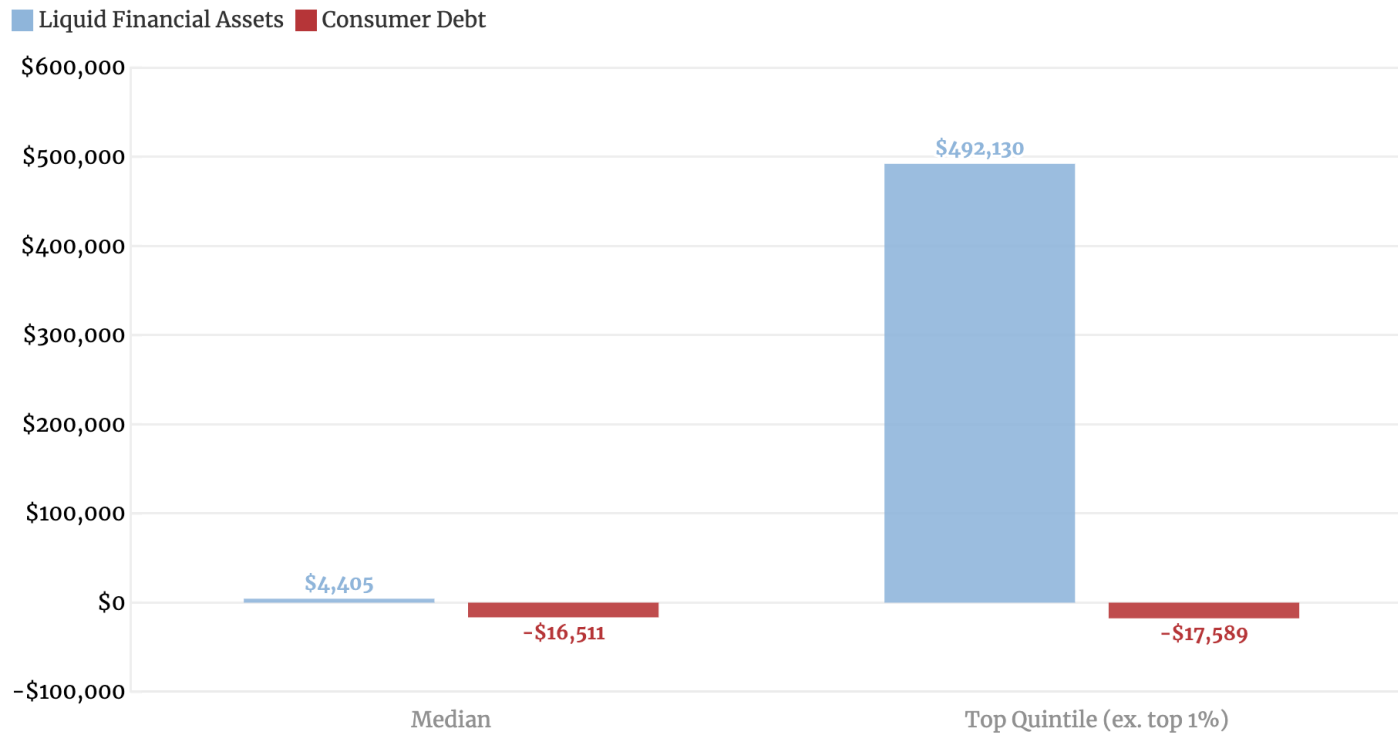
Rising Wealth & Income Disparity



Rising Wealth & Income Disparity

Factoring in debt, the middle class has lost ground

Change in average household wealth by income percentile, 1989–2019 (2019 dollars)



Source: Federal Reserve Distributional Financial Accounts · Median calculated as average of 40th to 60th percentile
Liquid Financial Assets include checkable deposits and currency, time deposits and short-term investments, money market fund shares, debt securities, and corporate equities and mutual fund shares. Adjusted for inflation with CPI.



Rising Wealth & Income Disparity

- 2015 was the first year since 1971 that the middle class wasn't the majority in America anymore .
- The share of adults who live in middle-class households has fallen from 61% in 1971 to 50% in 2021.
- In 1983, upper-income families had three times as much wealth as middle-income families. By 2013, they had seven times more wealth than their middle-income counterparts.
- Between 1970 and the early 2010s, the share of American families living in poor neighborhoods grew from 19% to 30%—and from 17% to 30% or those living in affluent neighborhoods.

Crumbling Community

Loneliness:

- 36% of Americans report feeling “serious loneliness” in the previous month, up from pre-pandemic rate of 25%.
- Among respondents aged 18-25, 61% reported feeling serious loneliness. (The number was 25% for those aged 55-65.)
- 63% of those aged 18-25 report significant anxiety or depression symptoms.

Crumbling Community

Disconnectedness:

- 71% of Americans said they talked to a neighbor a few times per month or more in 2008; only 54% by 2017.
- 30% percent of American adults said they spent a social evening with a neighbor several times a week. This was only 19% in 2016.
- In 1975-76, Americans between ages of 25 and 54 spent an average of 2.5 hours per week with coworkers outside the workplace. This was less than one hour per week by 2012.
- Only 44% of Millennials were married in 2019. At a comparable age, 53% of Gen Xers were married, 61% of Boomers, and 81% of Silents.
- The share of adults aged 25 to 54 who are married fell from 67% in 1990—that wasn't so long ago—to 53% in 2019.
- In the early 1970s, about 50% of respondents said most people could be trusted; most recently, fewer than 33% have been giving the same answer.

Crumbling Community

Happiness:

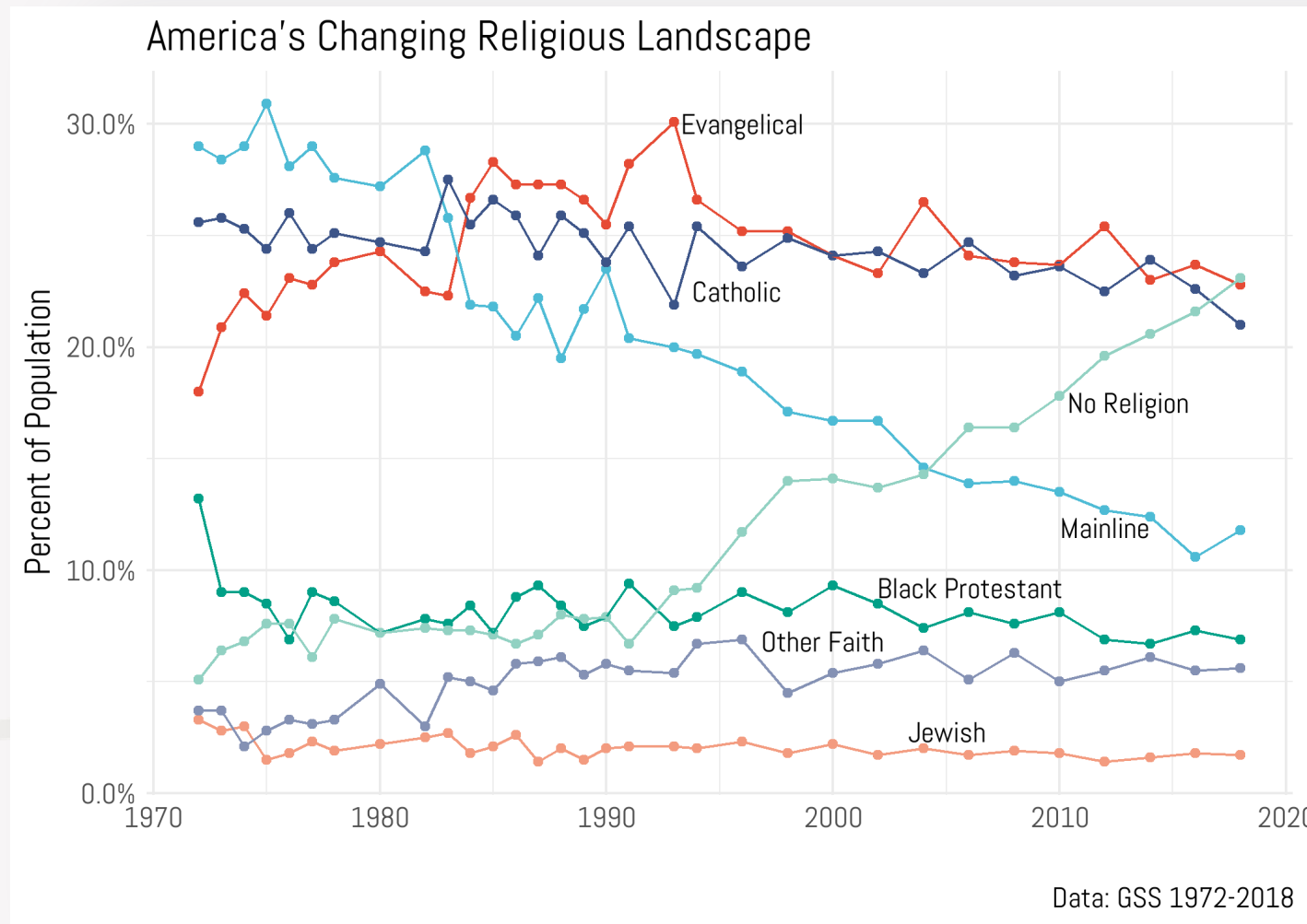
- Percentage of Americans who say they are “very” or “fairly” hit 71-year low in January 2022.
- Americans reporting themselves as “suffering” hit 14-year high in July 2022.
- 2020 poll found percentage of Americans reporting themselves to be “very happy” at 14%—down from 31% in 2018.
- Both adults and adolescents, but especially latter, pronouncedly less happy than 10 and 20 years ago.

Crumbling Community

Despair:

- Declining life expectancy. Overall level of 77.3 in 2020 lowest since 2003.
- Mortality rate from deaths of despair highest in 2019 in 100+ years.
- Suicide rate up 30% from 2000 to 2018.
- Alcohol-related deaths more than doubled from 1999 to 2017.
- Fatal overdoses rose 387% from 1999 to 2017.
- 8.8 million people on SSDI in 2016; 5.5 million in 2002.
- 11.8% of men aged 25 to 54 neither working nor looking for work in 2015; 3.4% in 1964

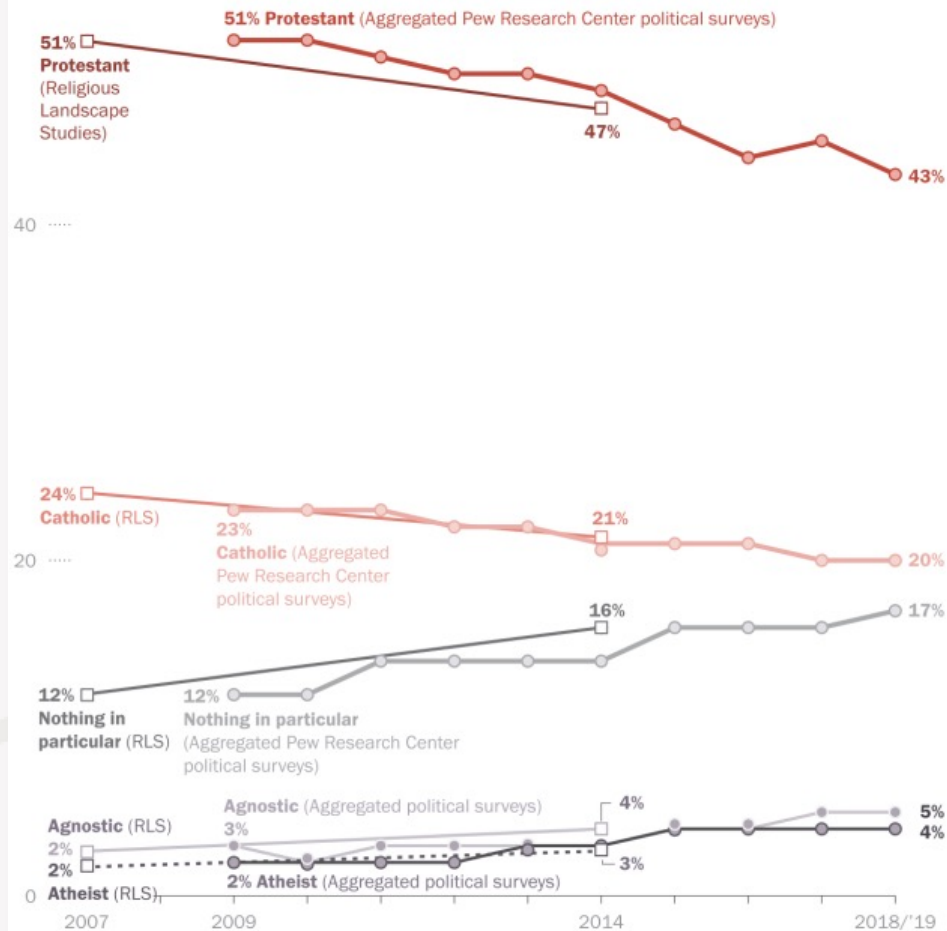
Rise of the Nones



Rise of the Nones

Protestants and Catholics shrinking as share of U.S. population; all subsets of 'nones' are growing

% of U.S. adults who identify as ...



Source: Pew Research Center Religious Landscape Studies (2007 and 2014), Aggregated Pew Research Center political surveys conducted 2009-July 2019 on the telephone.

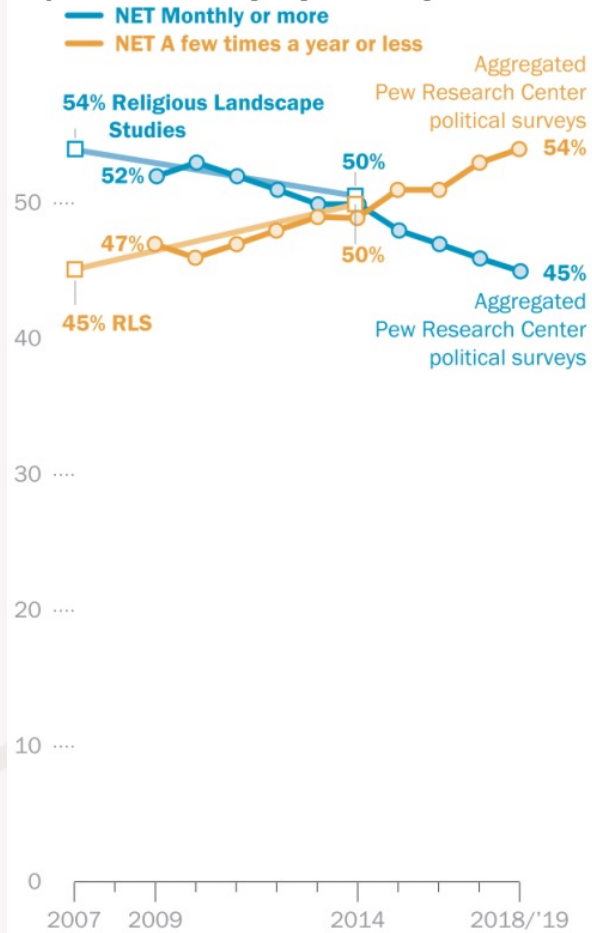
"In U.S., Decline of Christianity Continues at Rapid Pace"

PEW RESEARCH CENTER

Rise of the Nones

In U.S., church attendance is declining

% of U.S. adults who say they attend religious services ...



Source: Pew Research Center Religious Landscape Studies (2007 and 2014). Aggregated Pew Research Center political surveys conducted 2009-July 2019 on the telephone.

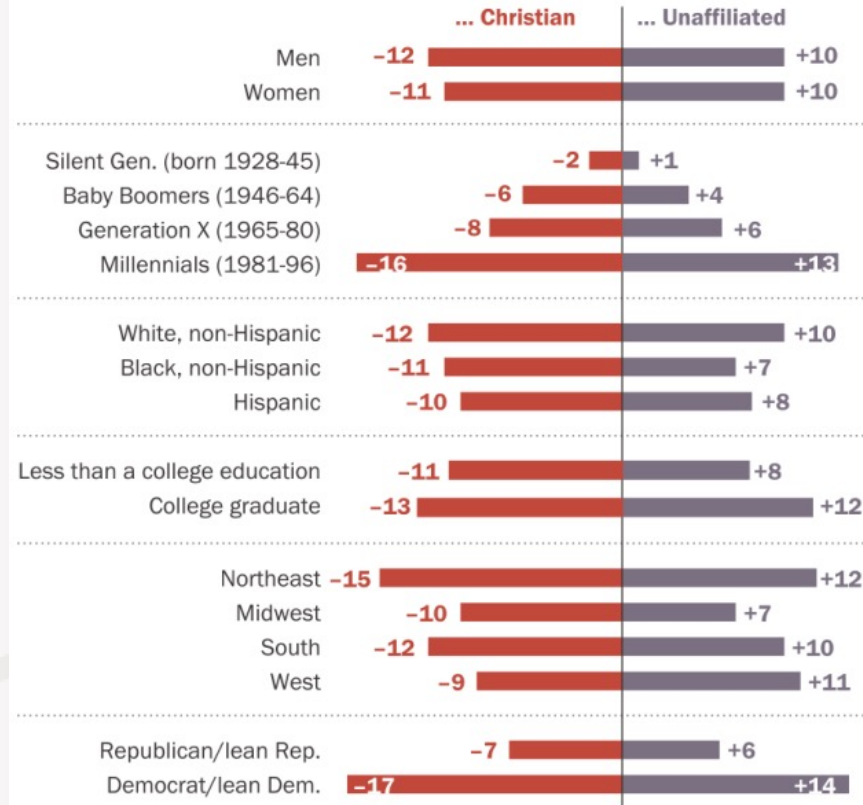
"In U.S., Decline of Christianity Continues at Rapid Pace"

PEW RESEARCH CENTER

Rise of the Nones

Broad-based declines in share of Americans who say they are Christian

Percentage-point change between 2009 and 2018/2019 in the share who identify as ...



Source: Aggregated Pew Research Center political surveys conducted 2009 and January 2018-July 2019 on the telephone.

"In U.S., Decline of Christianity Continues at Rapid Pace"

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Rise of the Nones

- Half of all associational memberships are church-related, half of all personal philanthropy is religious, and half of all volunteering takes place in a religious context.
- Americans who regularly attend both church and clubs volunteer 10 times as much as those who attend neither.
- 62% of religious households give to charity; 46% of non-religious.
- Religiously affiliated give 129% more per year than do the unaffiliated.
- Estimated \$250B-\$500B in “lost” philanthropy since 1970 due to Rise of the Nones.

What Will These Trends Mean for Philanthropy?

1. Ever bigger buckets of philanthropic dollars
2. Increased suspicion and hostility
3. Calls for more regulation and reform
4. Perception that philanthropy is imposed upon a community rather than coming from within
5. Growing list of problems difficult to solve via the application of scientific expertise
6. Lower giving
7. Fewer volunteers

So What Can Philanthropy Do?

1. Preserve independence.
2. Invest in glue, not solvents.
3. Unite behind a big goal.

Questions?

JEREMY BEER

jeremy@americanphilanthropic.com

AmPhil
STRENGTHENING CIVIL SOCIETY

Phone 302.635.7354

Web americanphilanthropic.com

Email info@americanphilanthropic.com





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