

THE CHRONICLE OF PHILANTHROPY

INDIVIDUAL GIVING

What Biden's Win and the Stock Market Surge Mean for Giving

By *Emily Haynes* and *Eden Stiffman*

NOVEMBER 11, 2020



The stock market's surge following Joe Biden and Kamala Harris's victory and positive news on the development of a potential coronavirus vaccine may bode well for end-of-year giving for nonprofits of all stripes.

In the days after Joe Biden was declared the winner of the presidential election, some nonprofits hitched their fundraising message to the news.

Progressive nonprofits that saw a surge in donations following President Trump's election and rode the wave of so-called rage giving over the past four years are hoping they can keep the momentum going.

That's the case at the Environmental Defense Fund.

The advocacy group had planned campaign messaging for multiple election outcomes. When the Associated Press called the election for Biden on Saturday, the organization had an email ready to go to supporters.

"You have stood with us as we took on the most anti-environmental administration in our lifetimes. And you never wavered in your commitment to protecting our communities and our planet," the email reads. "So let's seize this moment to roll up our sleeves and unleash innovative, science-based solutions to create a planet upon which nature and people can thrive."

The group is promoting a two-to-one match for donations. While it's too soon to judge the results of the appeal, Anne Senft, vice president for development, says online giving was quite strong over the weekend, and she's cautiously optimistic that will continue.

"Our donors are smart" she says. "They know that just having Biden and Harris in the White House is definitely a step in the right direction for the environment, but it's not a slam dunk. There's still going to be a lot of opposition that we have to overcome. So

we want to keep the pressure on. We want to keep the momentum going and take advantage of this window of opportunity.”

That spike in giving four years ago — dubbed the “Trump bump” — [wasn't an isolated phenomenon](#).

Michael Conklin, a professor of business law at Angelo State University in Texas, analyzed donations following the past four presidential elections. He found that nonprofits that were politically aligned with the losing presidential candidate saw a substantial spike in giving compared with those aligned with the winner.

Throughout the years examined, nonprofits associated with the opposite ideology of the presidential winner saw an average 57 percent bump in contributions while those with the same ideology of the presidential winner saw a nearly 3 percent drop. The more unexpected the election outcome, the greater the gap between liberal and conservative contribution levels.

This year might buck that trend, he says. “It’s possible that liberals got the best of both worlds. They got the win, but they didn’t win in the manner that was as one-sided as expected.”

President Trump received more votes than any presidential candidate in history other than Biden, and the future of the Senate is still unclear. Progressives are “staying vigilant. They’re not being complacent, which is a good thing for contributions,” Conklin says.

Plus, Covid-19 introduces other factors that affect how many people are able to give, how much they’re able to give, and what causes they see as priorities. The stock market’s surge following Biden’s victory and positive news on the development of a potential coronavirus vaccine may bode well for end-of-year giving for nonprofits of all stripes.

Surge on the Right?

So will there be a “Biden bump” with a surge of gifts to causes aligned with the GOP?

It’s a complicated question, says Leslie Lenkowsky, an expert on philanthropy and public affairs at Indiana University and a regular contributor to the *Chronicle*.

“The big issue is we just don’t know what the Biden administration is going to look like, especially the degree to which he will move toward the left end of his party,” he says.

If the administration leans more to the left, he expects to see some conservative grass-roots organizations pop up and attract donations, although he doesn’t think donors will move as quickly as they did in 2016.

John Walters, chief operating officer of the right-of-center Hudson Institute and director of the Hudson Institute Political Studies, says he expects there might be some “defensive giving or defending things that might be under attack under a new administration.” But right now “it’s not so clear what those are,” he says.

In general, Walters doesn’t expect giving to his organization or others to change much. “People give more when the economy is good,” he says. “When they have wealth, they give more. And the stock market is at record levels.”

Still, he says “people need to have confidence that it’s going to remain on a positive track.”

Other leaders who work with conservative donors are mixed on what the Biden-Harris win might mean for giving.

Elise Westhoff, president of the Philanthropy Roundtable, which represents predominantly conservative donors, says her members are sticking to their long-term

priorities.

“We’re not a political organization; we’re an organization based on principles,” she says. “If a donor thinks that those principles are under attack in some way or less likely to thrive under certain leadership, I can understand that they would want to invest more heavily in them. But our donors have committed missions and donor intent, and those don’t change with an election.”

But the election has energized donor-advised-fund holders at DonorsTrust, a fund sponsor whose supporters focus on advancing conservative policies, says Vice President Peter Lipsett. “There were a lot of good things that happened in the down-ballot, particularly on the ballot initiative side,” Lipsett says. Decisions to limit taxes in states like California and Illinois, he says, show “that conservative ideas are still out there and carrying water.”

Despite these state and local wins, right-leaning donors may respond to Trump’s ouster by upping their contributions to conservative causes. But Lipsett says it’s too soon to tell if that’s happening. For now, DonorsTrust clients have their eyes on potential changes to the tax code. Some tax experts say some of Biden’s proposed [policies could deter giving](#). “If taxes go up, it could limit some of the freely available cash that people would use for philanthropy,” he says.

DonorsTrust’s supporters are also considering what an incoming Democratic administration could mean for their giving strategies. “Donors we work with believe that private philanthropy is sharper and more nimble than what government can do with its dollars in the philanthropic space, and several of them are worried about being crowded out by government,” Lipsett says. If that happens, he expects to see more donors contribute to efforts to overhaul state and local policies.

Over all, however, Lipsett thinks the economy will influence giving more than the election. “That’s generally a better driver of what philanthropy’s going to look like

than the changing winds of politics,” he says. After plunging this spring, the stock market has recovered its losses. People who give through donor-advised funds, who have profited in the stock market, will likely make contributions to their charitable funds as the year comes to a close, he says. “This year, I don’t think, will be any different.”

Less Rage Giving

At United We Dream, an immigrant youth organizing group, fundraisers are focused on thanking donors for their support and reminding them that there is still work to be done.

Major donors have been giving generously, says development director Mayra Hidalgo Salazar. “If anything, this is an opportunity for donors to double down.”

The nonprofit plans to pressure the Biden administration to fight for permanent protections for all undocumented immigrants and reinstate the Deferred Action for Childhood Arrivals, or DACA, policy, which allows immigrants brought to the United States illegally as children to remain in the country, and which President Trump sought to scale back.

“There is the support and the mobilizing of resources that it takes to get to our victories. And then there’s the extra mile to organize and create the conditions to protect our victories, regardless of who comes into office,” she says. “We have learned that it does not take a lot for the pendulum and the conditions to swing in the other direction.”

Other fundraisers say their supporters are buoyed by the Biden transition team’s early moves.

Marcela Howell, president of In Our Own Voice, a policy advocacy group focused on reproductive justice for Black women, says the prospect of a national response to

Covid-19 is energizing her group's donors.

"I don't know if the Biden-Harris win does it, but I think people are now more optimistic about having a structure around fighting Covid, as opposed to piecemeal stuff," Howell says. "That, I think, is giving more people a feeling like they can contribute to other groups."

Fundraising consultant Lynne Wester expects the impulsive giving seen during the Trump administration to die down. "Now that the election is wrapping up, one of the things I think we'll see less of is rage donating, and people will settle back into their more normal, more kind of standard philanthropic priorities," she says.

Even so, Wester doesn't expect a complete return to pre-Trump giving behavior until the pandemic is under control. "I think the exception to the normal pattern of giving will be, of course, social and racial injustice," she says. "I think there will be larger pushes for that."

We welcome your thoughts and questions about this article. Please [email the editors](#) or [submit a letter](#) for publication.

FUNDRAISING FROM INDIVIDUALS



Emily Haynes

Emily Haynes is a staff writer at the *Chronicle of Philanthropy*, where she covers nonprofit fundraising.



Eden Stiffman

Eden Stiffman is a Chronicle senior editor. Subscribe to her weekly fundraising newsletter and follow her on Twitter [@ByStiffman](#).

RECOMMENDED READING



GOVERNMENT AND REGULATION

Biden Victory Gives Nonprofits Cautious Optimism on Advancing Their Causes

By Ben Gose

A still-divided government could slow relief funds from getting to charities but will probably limit tax changes that might dampen giving.



OPINION

Trump's Defeat Won't End the Considerable Challenges Facing Nonprofits

By Suzanne Garment and Leslie Lenkowsky

The election results will create a more welcoming environment for nonprofits in the nation's capital, but don't expect significant changes when it comes to everything from pandemic assistance to tax laws.



GOVERNMENT REGULATION

Biden's Tax Plan Would Steer Aid to the Poor but Could Deter Some Wealthy Donors From Giving

By Ben Gose

The Democratic presidential candidate wants to aid the working poor and low-income families, while offering a mix of changes that give some affluent people incentives but put limits on others.



1255 23rd Street, N.W. Washington, D.C. 20037

© 2020 The Chronicle of Philanthropy