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**Update**

The end of the year is fast approaching! CAFAmerica will close at 5 p.m. on Tuesday, December 23, 2008, and re-open on Friday, January 2, 2009, so that our staff may spend the holidays with friends and family.

All donations postmarked or received by December 31, 2008, will be eligible to receive a tax receipt for 2008.

Eligible charities can now update their [profile](#) online.

CAFAmerica plans to alter its Grantee Report submission schedule so as to allow grantees to complete reports that mirror their own financial year end. More information will follow.

**Tips for maximizing giving during a recession**

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The study, carried out by Jupiter Research, took place during September so as to reflect the intentions of donors despite the current downturn. Its key findings suggest that more than 50 percent of on-line consumers – more than 89 million people – intend to give online during November and December 2008. Of these donors, around 67 percent plan to give the same amount as, or more than, they have in the past. The remaining 33 percent indicated that they expect to give less because of the state of the economy. Despite this, online donations are expected to be in the region of \$3 billion.

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**Why philanthropy is more important than ever**

For the first time in several years, charitable donations are declining in the U.S. as the traditional giving season approaches. This is the startling conclusion of this year's [Annual Guidestar Nonprofit Survey](#), which concentrated on charitable giving and the economy. The survey was conducted online during October and 2,927 individuals, representing at least 2,730 charities, participated.

Dear Colleagues and Friends,

Welcome to our November issue of *CAF America News* and a very happy Thanksgiving from all of us in Alexandria, VA. Thanksgiving on November 27 is the most American of all holidays and it marks the start of the giving season in the United States.

A recent Guidestar survey left little doubt that the economic downturn is having a negative impact on charitable giving. At this stage, though, it is still very unclear what the real impact will be. We all know that when times are hard the global demand for the services of charities increases significantly. However, the USA is a rich country and, even in times of recession, giving from individuals has remained strong. In such a difficult economic climate, though, it may be hard for charities to ask donors to give but, in the run up to the year-end holidays, this is precisely what is needed. Hard pressed charities need support more than ever from their donors.

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**New fee structure for giving solutions**

The regulatory environment governing charitable giving in the United States has changed significantly in the last seven years. As a U.S. public charity and a leader in international grantmaking, we have taken appropriate steps to reflect these changes and strengthen our oversight in order to ensure safe and effective cross-border giving.

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markets rebound and confidence returns. However, it's important not to panic. There are prudent strategies that can be implemented now that will allow donors to continue to support their favorite charities:

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The report's stark conclusion is that October contributions to U.S. charities fell by 35 percent in the face of a 64 percent increase in demand for their services. Moreover, this reversal has happened following a 12-month period in which 43 percent of grant makers in the U.S. had actually reported giving more money than in previous years.

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undue burden and enhance CAFAmerica's ability to make regular cross-border grants. For example, while other international grantmakers have introduced minimum single donation levels of \$5,000 and a minimum \$25,000 contribution to open a Donor Advised Fund, CAFAmerica has continued to allow U.S. donors to give smaller amounts to support foreign charities.

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## Introduction from Susan K.E. Saxon-Harrold

Dear Colleagues and Friends,

Welcome to our November issue of *CAFAmerica News* and a very happy Thanksgiving from all of us in Alexandria, VA. Thanksgiving on November 27 is the most American of all holidays and it marks the start of the giving season in the United States.

A recent Guidestar survey left little doubt that the economic downturn is having a negative impact on charitable giving. At this stage, though, it is still very unclear what the real impact will be. We all know that when times are hard the global demand for the services of charities increases significantly. However, the USA is a rich country and, even in times of recession, giving from individuals has remained strong. In such a difficult economic climate, though, it may be hard for charities to ask donors to give but, in the run up to the year-end holidays, this is precisely what is needed. Hard pressed charities need support more than ever from their donors. CAFAmerica can facilitate gifts to charities safely and quickly this giving season. Charities can download our [gift form](#) and send the PDF or link to a donor. For charities already eligible with CAFAmerica, we can facilitate a grant in approximately two weeks. Alternatively, donors can [give online easily via their credit card](#).

I urge charities to think about donors they may know who have who have already set aside money for future giving. Such donors may have placed funds with a financial institution like Fidelity, Charles Schwab or Vanguard or perhaps used a community foundation instead. Now is definitely the time for charities to remind their U.S. donors about the great work they do and encourage them to support their work. CAFAmerica can help donors give across borders regardless of which financial institution they use.

On a positive note, there is evidence that online giving in the U.S. is expected to be buoyant during the holidays. In this issue we take a look at a recent study by Convio, which suggests that online giving may top \$3 billion.

Following a spectacular year in 2007/08, when donations to CAFAmerica and the CAF American Donor Fund topped \$55 million, we think it is now prudent to allow for the fact that 2008/09 is likely to be leaner. We have, therefore, taken action to stimulate giving by increasing our promotion to encourage donors to give internationally. We have also altered the fee bands for our Donor Advised Gifts and Donor Advised Funds in light of a business review this summer. These changes protect the right of U.S. donors to make \$500 gifts to CAFAmerica. Other U.S. charities have gift minimums of \$5,000 - \$20,000 for cross-border grantmaking. After operating our popular 'Friends of' Charity Fund for two years we have found it necessary, given the level of administration required on our part, to increase the annual fee for all new funds that are opened with us. These funds have grown in popularity and enable many foreign charities to use one of

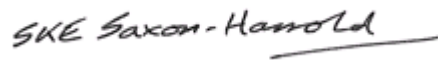
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these funds to run a fundraising campaign or membership drive in the USA. A 'Friends of' Charity Fund is a far more cost effective and labor saving way of raising funds from the USA than setting up a new charity from scratch.

As the U.S. moves towards a new President with a [strong commitment to the nonprofit sector](#), I am optimistic that we will weather the global economic downturn. We live in an increasingly interdependent world with complex and far-reaching social problems. It is important, therefore, that we do not allow these current difficulties to distract us from our efforts to help those causes that matter to us most.

Best wishes,

A handwritten signature in black ink that reads "SKE Saxon-Harold". The signature is written in a cursive style and is underlined with a single horizontal line.

Dr. Susan K.E. Saxon-Harold  
Chief Executive Officer



## Online giving in the U.S. likely to exceed \$3 billion during the holidays

An estimated \$3 billion is likely to be donated online by Americans during November and December 2008 according to [survey results](#) recently published by Convio, a leading constituent relationship management (CRM) provider to nonprofits.

The study, carried out by Jupiter Research, took place during September so as to reflect the intentions of donors despite the current downturn. Its key findings suggest that more than 50 percent of on-line consumers – more than 89 million people – intend to give online during November and December 2008. Of these donors, around 67 percent plan to give the same amount as, or more than, they have in the past. The remaining 33 percent indicated that they expect to give less because of the state of the economy. Despite this, online donations are expected to be in the region of \$3 billion.

The study also highlighted a number of other possible giving trends during this period:

- 41 percent of donors plan to support human and social service charities, such as those helping the homeless. 34 percent are likely to support faith based charities, 33 percent favor health charities, 24 percent prefer animal welfare charities and 22 percent may support disaster and international relief. Some donors will support more than one cause;
- Around 54 percent of those women that responded expect to give, the comparable figure for men was 48 percent. 45 percent of women favored human and social service charities;
- Some 55 percent of donors aged between 45 - 54 plan to give;
- 64 percent of individuals with incomes over \$100k or more intend to donate.

Other noteworthy findings were that around 27 percent of respondents would use a website as an online tool to help them make a giving decision, and 15 percent would respond to an email from family or friends encouraging them to give.

These findings suggest that online donors certainly intend to be generous during the 2008 holiday season. Whether these good intentions are translated into actual donations remains to be seen but, given these findings, nonprofits would be well advised to ensure that their online fundraising activities are up to speed. And if any charities have yet to use online fundraising – now is the time to start.

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## Why philanthropy is more important than ever

For the first time in several years, charitable donations are declining in the U.S. as the traditional giving season approaches. This is the startling conclusion of this year's [Annual Guidestar Nonprofit Survey](#), which concentrated on charitable giving and the economy. The survey was conducted online during October and 2,927 individuals, representing at least 2,730 charities, participated.

The report's stark conclusion is that October contributions to U.S. charities fell by 35 percent in the face of a 64 percent increase in demand for their services. Moreover, this reversal has happened following a 12-month period in which 43 percent of grant makers in the U.S. had actually reported giving more money than in previous years.

As people look, naturally, to tighten their belts there is a need to reaffirm a commitment to giving. The good news is that, historically, Americans have continued to support charitable causes through tough times. Given this track record, experts in the field of philanthropy are confident that once again donors and charities can work together to come through this crisis. Regardless of the challenges [CAF America](#) remains dedicated to supporting the great work undertaken by our grantees and we are confident that our donors share that dedication.

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### Tips for maximizing giving during a recession

Many donors may be inclined to delay their giving until the markets rebound and confidence returns. However, it's important not to panic. There are prudent strategies that can be implemented now that will allow donors to continue to support their favorite charities:

- Don't underestimate the value and impact of smaller gifts. CAF America Friends of Charity Funds and Donor Advised Funds accept gifts of any size. These can be as a single donation or as contributions throughout the year;
- Plan to budget giving across the year rather than make a single, once-a-year contribution. Gifts scheduled in this way to one of the organizations supported by CAF America provide a measure of longer term security for hard-pressed charities;
- If donors are unable to make monetary donations consider other ways of giving. CAF America accepts bonds and mutual funds. Contact us for more information;
- Reverberations from the economic slowdown may not be fully felt by charities for another year so consider planning 2009 giving now;
- Online giving is on the rise! Take advantage of the flexibility and security of our website to make your seasonal donations.

Following a successful web enhancement program this summer CAF America now offers greater versatility as well as a means for direct, secure online giving. Donors can search quickly through hundreds of eligible charities and make a gift to a nonprofit of their choice. Donors can review case studies which highlight how their funds have been used. They also have access to CAF America Issue Briefs which provide an insight into the needs of a range of global issues from water scarcity to poverty and illiteracy.

We've also streamlined the process by which charities can prepare Grant Eligibility Applications and amend their profiles.

Feedback about our improved website is welcome.

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Whenever possible, we have created solutions that free our foreign charity partners from undue burden and enhance CAFAmerica's ability to make regular cross-border grants. For example, while other international grantmakers have introduced minimum single donation levels of \$5,000 and a minimum \$25,000 contribution to open a Donor Advised Fund, CAFAmerica has continued to allow U.S. donors to give smaller amounts to support foreign charities.

However, as we constantly seek to improve our ability to provide top-level grants administration and support to our charity and donor partners, we recently undertook a full review of our services. We analyzed donor giving history as well as the needs of charities and realized that we needed to change some of our cost structures. Therefore, effective immediately, CAFAmerica has introduced the following changes to its cost band structure:

### Single (one-off) Donor Advised Gifts

- 8 percent of the first \$100,000
- 4 percent of the next \$200,000
- 1 percent of funds over \$300,000

A copy of our [new Gift Form](#) is available, which includes the revised administrative cost structure. CAFAmerica has announced these changes in the U.S. but eligible grantees are advised to ensure that their U.S. supporters are made aware of the new form and the revised cost structure.

### Donor Advised Fund

The new fee structure (for individuals or organizations who wish to establish a DAF at CAFAmerica) is based on all funds contributed to a DAF per calendar year:

- 5% of the first \$200,000
- 2.5% of the next \$550,000
- 1% of the next \$250,000
- 0.5% of all additional funds

Our \$5,000 minimum balance requirement and one-time DAF set-up fee of \$1,000 remain the same.

### 'Friends of' Charity Fund

This continues to be a simple and cost-effective service for charities wishing to maintain a U.S. presence, without the time and expense of setting up their own 501(c)(3).

- One-time set up fee: \$1,500
- Annual account management and first 100 donations: \$5,000

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Each additional 50 donations (over 100): \$1,500

For more information about these changes please visit our [website](#) or contact us by [email](#).