UNRESTRICTED AND UNPRECEDENTED: THE IMPACT OF MACKENZIE SCOTT’S LARGE GIFTS ON LGBTQ ORGANIZATIONS

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This report was authored by:

Movement Advancement Project
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Contact Information

Movement Advancement Project
1905 15th Street #1097
Boulder, CO 80306
1-844-MAP-8800
www.lgbtmap.org

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# TABLE OF CONTENTS

- **INTRODUCTION** ................................................................................................................................. 1
- **KEY FINDINGS** ................................................................................................................................. 1
- **SURVEY PARTICIPANTS** ................................................................................................................... 2
- **MACKENZIE SCOTT’S GIFTS TO LGBTQ ORGANIZATIONS** .......................................................... 3
- **LGBTQ ORGANIZATIONS’ FISCAL PLANNING FOR USE OF SCOTT’S GIFTS** ............................... 4
- **IMPACT OF SCOTT’S GIFTS ON LGBTQ ORGANIZATION OPERATIONS** ................................. 5
- **IMPACT OF SCOTT’S GIFTS ON LGBTQ ORGANIZATION FUNDRAISING** ................................. 6
- **IMPACT OF SCOTT’S GIFTS ON LGBTQ ORGANIZATION LEADERSHIP** ................................. 7
- **CONCLUSION** .................................................................................................................................... 7
INTRODUCTION

Beginning in 2019, billionaire MacKenzie Scott made an unprecedented impact on the philanthropic world by pledging to give the majority of her wealth to universities and nonprofit organizations driving change. As of spring 2023, she has given $14 billion in unrestricted gifts. Notably, the gifts were given without organizations needing to apply or submit proposals to be considered, and contained no requirements for how the funds could be used or a time period in which they must be used, nor were there any reporting requirements; in fact, organizations reported receiving gifts “out of the blue.”

The process by which organizations received these gifts, the impressive financial totals of her giving, and the unrestricted nature of these gifts has had a profound impact not only on the recipient organizations but in discussions on approaches to philanthropy itself. A 2022 report by the Center for Effective Philanthropy examined the impact of MacKenzie Scott’s gifts on the broad set of recipient nonprofit organizations. Building from that framework, this report, “Unrestricted and Unprecedented: The Impact of MacKenzie Scott’s Large Gifts on LGBTQ Organizations,” provides an analysis focusing specifically on the impact of Scott’s gifts to LGBTQ movement organizations.

This report’s findings are based on the LGBTQ MacKenzie Scott Gift Recipient Survey, conducted by the Movement Advancement Project in April 2023. The participants were exclusively LGBTQ organizations. The survey examined the scope of the gifts received, the impact that these gifts have had so far, and the lanes of opportunity that the gifts have opened for LGBTQ movement organizations to plan for the future, take bigger risks, and broaden their impact. The report builds on 17 years of MAP research about the health and needs of the LGBTQ movement, research which enables LGBTQ organizations, funders, and individual donors to gain clarity on sustaining and strengthening the movement.

KEY FINDINGS

Consistent with existent research about the impact of Scott’s giving in other areas, this report shows that Scott’s gifts of historic scale have already had a substantial impact on LGBTQ movement organizations, who are doing the work of serving and advocating on behalf of a community that is politically, rhetorically, and, far too often, physically under fire to an increasing degree. Especially during this incredibly challenging period for LGBTQ communities across the country, the fact that her gifts are unrestricted is of great significance. That, combined with the size of the gifts organizations received, means that Scott’s giving has provided new stability as well as flexibility in long-term financial planning, program development, and supports for staff, all of which are allowing LGBTQ organizations to meet this new and unprecedented political moment.

- Giving to the 28 LGBTQ organizations who participated in the survey totaled $163M, with the majority of organizations receiving gifts under $6M and the largest share of organizations receiving gifts between $1M-2.9M.
- LGBTQ organizations were able to pursue many new opportunities due to these large, unrestricted gifts.
- LGBTQ organizations that received gifts were more likely to be social advocacy organizations, to have a national focus, and to have smaller pre-gift budgets than the broader cohort of recipients.
- Median and maximum Scott gifts received by LGBTQ organizations were lower than those received by the broader group nonprofits.
- Most LGBTQ organizations have spent less than half of their Scott gift, which aligns with the broader gift recipient group.
- Almost half of LGBTQ organizations report fundraising became easier because of their Scott gifts.
SURVEY PARTICIPANTS

Using the Yield Giving Database, created by Scott to track and explain her giving, MAP identified 35 MacKenzie Scott gift recipients that were entirely or largely LGBTQ focused in their work. MAP sent a survey to all of these organizations. In total, 18 organizations participated in our survey, giving greater insight into the effect of the gift on LGBTQ movement organizations as a whole. MAP identified gift amounts for an additional ten organizations through public records, press releases, and email communication, allowing us to measure Scott’s giving for a total of 28 of the 35 LGBTQ organizations to whom she has given.

Of the survey participants, the majority (78%) were standalone organizations, with the remainder (22%) having chapters, members, or affiliate groups.

When asked about their primary focus area, more than a third of participants (39%) reported their focus was social advocacy/issue based, 6% were primarily legal organizations, 6% were primarily research focused, while 22% were operated as a combination of social advocacy, research, and legal, as shown in Figure 1. Additionally, another 5% were a mix of social advocacy and community center, 17% were philanthropic organizations, and a final 5% focused on cultural performance and community building.

This differs from the broader Scott recipient cohort as reported in the Center for Effective Philanthropy’s 2022 report: the LGBTQ cohort has more advocacy organizations (39% here vs. 29% more broadly). With respect to geographic focus of participating gift recipients: 5% operate at the global level, 45% operate at the national level, 11% at the regional level, 6% at the state level, and 33% operate at multiple geographic levels, including a subset of the multilevel organizations operating in part at the local level (17% of the whole). In comparison to the participants in the Center for Effective Philanthropy’s report, a greater share of LGBTQ organizations operate at the national level (CEP participants were 35% national organizations). However a comparatively smaller share of LGBTQ organizations had some degree of local operations as compared to the CEP participants operating locally (43%). This suggests that the LGBTQ organizations that received gifts had a disproportionately national profile among the broader Scott gift recipients.

Among all of the organizations for whom budget information was shared by our survey participants or publicly available (n=28), 7% had operating budgets under $1M in the year before receiving MacKenzie Scott gifts, a plurality (39%) had budgets between $1M and $2.9M, 18% had budgets of $3-5.9M, 14% had budgets of $6-9.9M, 11% had budgets of $10-14.9M, and another 11% had budgets above $15M, as shown in Figure 2. Notably, the LGBTQ cohort of recipients had smaller pre-gift budgets, with a median of $3.8M, than the broader cohort of Scott recipients in the Center for Effective Philanthropy’s 2022 report; the median budget for CEP’s surveyed recipients was $8.4M.
Across the 28 LGBTQ organizations for whom we were able to confirm gift amounts, the total amount given between 2020 and 2022 was $163M. The giving was spread across three years with more than half of Scott’s total giving occurring in 2021. That said, more LGBTQ organizations received gifts in 2022, as shown in Figure 3. Notably, two organizations in our survey received gifts in multiple years.

A plurality (39%) of Scott’s gifts to LGBTQ organizations were between $1M and $2M, 25% were gifted between $3M and $5.9M, 21% received between $6M and $9.9M, 1% received between $10 and 14.9M and 7% received a gift over $15M, as shown in Figure 4.

Among LGBTQ gift recipients, the median gift amount was $3M, the minimum was $1M, and the maximum was $34M. Comparatively, LGBTQ recipients had the same minimum gift as the broader recipient cohort but a lower median and lower maximum gift amount; among CEP participants, the median was $8M and the maximum was $250M.

Additionally, when looking Scott gifts compared to LGBTQ organizations’ budget size in the year before they received their gifts, organizations’ budgets explained 44% of the variation in the size of gifts received, meaning that 56% of the variation was due to factors other than budget sizes as shown in Figure 5 on the following page. Comparatively, budget size was a better explanation for gift amounts received by LGBTQ organizations than it was for the broader group of recipients from the CEP report, for whom budget size only accounted for 25% of the variation. What both cohorts have in common is that in most cases, the size of gifts organizations received was not explainable by the size of the receiving organizations’ budgets.

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**Figure 3:** More Money was Given in 2021, But More Gifts were Given in 2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Gifts (n=30)</th>
<th>Total Amount of Gifts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>33% $49M</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>30% $88M</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>37% $26M</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4:** A Majority LGBTQ Orgs Received Gifts Under $6M (n=28)

<table>
<thead>
<tr>
<th>Gift Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $1M</td>
<td>39%</td>
</tr>
<tr>
<td>$1-2.9M</td>
<td>25%</td>
</tr>
<tr>
<td>$3-5.9M</td>
<td>21%</td>
</tr>
<tr>
<td>$6-9.9M</td>
<td>1%</td>
</tr>
<tr>
<td>$10-14.9M</td>
<td>7%</td>
</tr>
<tr>
<td>$15M+</td>
<td></td>
</tr>
</tbody>
</table>

Note: here n=30 because two organizations in our survey received multiple gifts.
Organizations were asked about their plans for the Scott gifts. Nearly all participants (94%) reported having made plans for specific uses of all or some of the funds. Specifically, more than half (53%) had planned specific allocations for some of the money, 41% had plans for all of the money, and the remaining 6% had not yet made any specific plans, as shown in Figure 6. The fact that nearly all LGBTQ organizations had made plans for some portion of their funds is par with the plans for use of the funds made by the broader CEP cohort.

In terms of using the gift over time, organizations took varied approaches, with 29% of organizations having planned to spend the money in a tapered fashion (e.g. spending 50% now, 25% the next year, 10% the third year, and so on). Another 24% planned to spend the money in equal amounts over a set number of years. Those with plans to spend their gift funds all at once made up 6% of respondents and those who were not yet sure how they planned to spend the money over time were another 6%, and 35% had plans to spend the money over time that did not comport with any of the categories above, as shown in Figure 7.
While all the participating organizations have received Scott gifts in the past three years, nearly one in five organizations (18%) have not yet spent any portion of the gift. Among those organizations that have spent at least some portion of the gift and that shared how much they have spent so far (n=14), 50% have spent one quarter of their gift or less, 21% have spent between one quarter and one half of their gift, and 29% have spent half or more of their gift, as shown in Figure 8.

By comparison, CEP survey respondents were most likely to have spent less than 30% of their gift, indicating relative alignment with the LGBTQ organizations’ spending. 

When asked about how their organization was managing surplus cash resulting from the gift, nearly half (47%) of respondents said that they invested or planned to invest surpluses in short-term options that would tie up the cash for less than one year, 18% invested or planned to invest their surpluses in long-term options, 6% were maintaining surpluses as cash on hand, and the remaining 29% were managing their surpluses with a mix of the other options.

A majority (59%) of the respondents were managing these surpluses under a formal policy, while 24% were planning to implement such a policy, 11% had no formal policy, and 6% indicated that they were in the midst of revising all of their financial policies, leaving whether or not surpluses will fall under a formal policy to be determined.

**PARTICIPANT PERSPECTIVES: SPENDING PLANS**

“We allocated the funds towards our endowment, special initiatives, and an IT operations and technology transformation project. The portion of the funds for the endowment have been invested; while the IT project spending will follow the deliverables.”

“We have allocated half of the gift to implementation of our new Strategic Plan between 2023 and 2025, $1.5M to reserves, $1M to a special DEI fund to be spent down over several years, and $1M to a multi-year national advocacy campaign.”

“We plan to use the funds in three equal parts in 2023-2025 to support the organization through a founding director transition, while remaining responsive to the field especially in the wake of the COVID-19 pandemic and the Dobbs decision.”

**IMPACT OF SCOTT’S GIFTS ON LGBTQ ORGANIZATION OPERATIONS**

Scott’s gifts to LGBTQ organizations have been transformative in what they have allowed organizations to do—even just in the first one to three years since receiving the gifts.

As shown in Figure 9, the unrestricted nature of Scott’s gifts has allowed organizations to pursue new opportunities, expand their stability, and invest in their personnel and infrastructure, all of which has the potential to broaden organizations’ impact and operating capacity. Notably more than 3 in 10 organizations were able to start a new program, invest in Diversity, Equity, and Inclusion (DEI), establish a cash reserve, and collaborate with other movement organizations. Further, more than half were able to expand an existing program, hire new staff positions, and increase salaries and/or benefits.

LGBTQ organizations were slightly more likely (65%) to spend gift funds on increasing salaries and benefits compared to the broader CEP cohort of gift recipients (62%), slightly less likely to spend on staff professional development (LGBTQ 47% vs. CEP cohort 53%), somewhat less likely to expand existing programs (LGBTQ 59% vs. CEP cohort 84%), and somewhat less likely to establish a cash reserve (LGBTQ 35% vs. CEP cohort 54%).
Because of the size of Scott’s giving, there have been discussions about whether and how large, unrestricted one-time gifts to organizations would impact existing fundraising efforts. Nearly half (47%) of LGBTQ organizations (n=17) said the Scott gift has made fundraising somewhat or significantly easier. Only 18% reported that the gift made fundraising somewhat more difficult, and more than a third (35%) said that the gift has had no impact on their fundraising ability, as shown in Figure 10. Comparatively, most of the participants in the Center for Effective Philanthropy survey likewise reported that fundraising had not become more challenging as a result of their Scott gift, with more than half (a slightly greater proportion than LGBTQ organizations) reporting that fundraising became easier.20

LGBTQ organizations (n=17) were asked to consider how the gift has impacted their relationships to funding sources, and the vast majority of respondents (71%) were not told by funders or individual donors that they would be reducing their contributions. A few respondents (18%) reported that they were told by at least one foundation funder that the funder(s) would change their amount of giving because the respondent organizations received a MacKenzie Scott gift. Another 12% were told the same by at least one individual donor. This aligns with the broader set of organizations that received gifts, most of whom were likewise not told that funders or donors would reduce their contributions.21

**PARTICIPANT PERSPECTIVES:**

**NEW FUNDRAISING OPPORTUNITIES BECAUSE OF SCOTT’S GIFTS**

“It has reduced the overall pressure on fundraising and given us valuable time to revise our fundraising strategy in a post-shelter-in-place environment where the landscape has changed.”

“We’re able to invest more—bringing on a chief development officer for the first time (more experienced fundraising leadership than we have had historically).”

“The support from the MacKenzie Scott gift has allowed [us] to invest in our long-term sustainability, specifically allowing us to weather a potential recession while still supporting organizations on the frontlines. Her contribution has also raised [our] profile among high net-worth donors and institutions and opened new funding doors for us. … This support is particularly important as we enter another year in which bodily autonomy and civic engagement are major areas of focus for intersectional organizers across the country.”

**PARTICIPANT PERSPECTIVES:**

**CHALLENGES RELATED TO RECEIVING MACKENZIE SCOTT GIFTS**

“While we have not experienced financial obstacles because of the MacKenzie Scott gift, some prospective donors have wondered if organizations that receive a MacKenzie Scott gift no longer need additional donor support. [Our organization] values the support of all donors, no matter the size and we value being a trusted resource to our donor community. … Now more than ever, it is imperative that intersectional grassroots organizing be funded at scale so that communities across the country can translate political will into real, long-lasting political and culture change.”

“One prospective funder passed and cited that our need for their smaller gift didn’t seem high due to this gift. We are also experiencing growth-related challenges—organizational culture shift, needed additional staff positions such as HR. We are also considering how to replace funding once we spend it down, to ensure this growth is sustainable.”

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**Figure 10: Nearly Half of LGBTQ Orgs Report Fundraising is Easier Because of Scott’s Gift**

- 41% Gift made fundraising somewhat easier
- 6% Gift made fundraising significantly easier
- 18% Gift made fundraising somewhat more difficult
- 35% No effect on fundraising

\( n=17 \)
In most cases (59%) the individuals responding to our survey were the executive director of their organization at the time of receiving their MacKenzie Scott gifts (n=10). More than half of these leaders (70%) indicated that the gift impacted their vision for the organization by allowing them to adopt or act on long-term strategies, to think bigger, or to take risks that they previously could not. In this regard, LGBTQ organizations outperformed the broader cohort of Scott gift recipients.

**PARTICIPANT PERSPECTIVES:**
**IMPACT OF SCOTT’S GIFT ON LEADERS’ VISION FOR THEIR ORGANIZATIONS**

“It has enabled us to take action on some key ideas and visions that we were trying to raise funds for.”

“It has given us the ability to think bigger than before, as we attempt to spend it in impactful ways that won’t create future funding challenges.”

“It has provided a safety net for the organization to take more risks with investments in staff retention, growth, etc.”

“With the gift being unrestricted, it allowed us to invest in both new fundraising opportunities (which funders often never fund) and impactful programs, creating a vision where we are self-sustaining beyond the term of the gift.”

**CONCLUSION**

LGBTQ movement organizations report many significant benefits from receiving MacKenzie Scott’s unrestricted gifts. Many mentioned being able to take bigger swings when planning for the future of their organizations, starting new programs, expanding existing offerings, creating cash reserves, and supporting staff with increased salaries, benefits, and professional development opportunities. Many of the organizations have adopted new approaches to fundraising, with a plurality of the participants reporting that receiving this gift has made fundraising easier. While the scale of the gifts that participants received is noteworthy, what these findings highlight to an even greater degree is the impact of the fact that these gifts were unrestricted.
ENDNOTES


4 Ibid. p. 6-7.

5 Ibid.


8 See note 3, p. 10.

9 Ibid. p. 11.

10 Ibid.

11 Ibid. p. 9.

12 Ibid. p. 15.

13 Ibid.

14 Ibid. p. 23: “Organizations responding to our survey generally had decided, at least in broad terms, how to use nearly all of their grant money.”

15 Ibid.


17 Ibid.

18 Ibid. p. 24.

19 Ibid. p. 25.

20 Ibid. p. 30.

21 Ibid. p. 30.

22 Ibid. p. 19 “More than 40 percent of interviewed leaders talk about the opportunities to innovate and take risks that their grant has afforded them, knowing they are now more financially secure.”
ABOUT THIS REPORT

This report examines the impact of MacKenzie Scott’s large, unrestricted gifts to LGBTQ organizations between 2020 and 2022, available at https://www.lgbtmap.org/lgbt-advocacy-organizations.