Bank of America

The 2018 U.S. Trust® Study of

High Net Worth Philanthropy

Portraits of Generosity



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A collaboration between U.S. Trust and the Indiana University Lilly Family School of Philanthropy

This study is a continuation of the *2006, 2008, 2010, 2012 Bank of America Study of High Net Worth Philanthropy* and the *2014 and 2016 U.S. Trust® Study of High Net Worth Philanthropy* research series.

The study was conducted in partnership with the Women's Philanthropy Institute.

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To our Readers

From U.S. Trust

The world of philanthropy has changed significantly since 2006, when we published the first in this series of biennial reports on the giving practices of wealthy households in the United States. The seventh report in the series, the 2018 U.S. Trust Study of High Net Worth Philanthropy, a collaboration with our partners at the Indiana University Lilly Family School of Philanthropy, builds on these accumulated years of research and also honors the purpose for which U.S. Trust was founded 165 years ago as a vehicle for the philanthropic activities of wealthy individuals and families.

This 2018 study is a significant contribution to our ongoing efforts to understand and celebrate portraits of generosity – the diverse individuals of all genders, ages, ethnic and racial backgrounds who engage in philanthropic activities – giving, volunteering, and leading – in the United States today. This report is also intended, through its information and insight, to help nonprofit leaders and practitioners to develop strategies for engaging today's donors and the next generation of philanthropic leaders.

These "portraits of generosity" are our subject this year, and we expect that this path will lead us to a more comprehensive understanding of the nature of philanthropy in today's diverse society. Our report examines all segments of the high net worth donor population, with a deeper analysis of the philanthropic behavior, expectations and contributions of women, members of the millennial generation, Asian American/Pacific Islanders, Black/African Americans, Hispanic/Latino and LGBTQ Americans. This system of analysis symbolizes the strong commitment that we at U.S. Trust, and our Bank of America Corporation colleagues, including Merrill Lynch, have to the principle that greater understanding between and among individuals of different genders, generations, races, cultures and backgrounds is a basis for a stronger and more prosperous country.

In closing, let us express our gratitude to our research partners at the Indiana University Lilly Family School of Philanthropy for their assistance with this important work.

Ann Limberg
Head of Philanthropic Solutions and the Family Office
U.S. Trust, Bank of America Private Wealth Management



From the Indiana University Lilly Family School of Philanthropy

The philanthropy of high net worth individuals and families comprises a large proportion of all charitable giving in the United States today. Understanding the priorities, motivations and preferences that underlie and shape their philanthropic engagement in all of its manifestations is a key aspect of understanding philanthropy overall.

As philanthropy itself becomes a more vital part of societal and economic life, so too do the roles that diverse individuals and communities play in the fabric of our nation's philanthropy. Women are at the forefront of philanthropic leadership and impact. Younger generations are charting their own visions of what it means to make a meaningful difference. People from diverse backgrounds and giving traditions where generosity abounds and flourishes and that have long been an integral part of philanthropy are gaining greater recognition and influence.

The 2018 study uncovers new depths of insights and perspectives on the diverse ways in which we express generosity, helping us to better recognize and value the contributions of all forms of philanthropy. Conducted in conjunction with our colleagues at the Women's Philanthropy Institute, through critical inquiry it helps advance philanthropy by increasing the understanding of philanthropy and improving its practice worldwide, part of the Indiana University Lilly Family School of Philanthropy's mission.

We have benefited from a strong collaboration with U.S. Trust, Bank of America Private Wealth Management to develop this important report and series, which contribute significantly to building the collective base of knowledge about philanthropy.

Una Osili
Associate Dean for Research and International Programs
Indiana University Lilly Family School of Philanthropy

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Preface

The *2018 U.S. Trust® Study of High Net Worth Philanthropy* is the seventh in a biennial series of research reports on the giving and volunteering practices of wealthy households in the United States. Based on a nationally representative sample of wealthy donors, the Study is an authoritative source for information on high net worth Americans' philanthropic attitudes and practices.

The wealth threshold for inclusion in the Study is a widely-recognized standard based on the qualifying level for certain types of financial investments: an annual household income greater than $200,000 and/or net worth greater than $1,000,000, excluding the value of the primary residence. For this year's Study population, the median annual household income was approximately $350,000 and the median net worth was $2,000,000 – well above the entry-level threshold.

In our previous Study in 2016, we expanded the survey to include a deeper analysis based on age, gender, race and sexual orientation. This year we deepened this analysis and, where statistically relevant, are able to comment on the views and behaviors of these important components of the American high net worth population. American society is diverse, and while our sample of high net worth households does not precisely mirror the composition of the population as a whole, this year's Study is intended to provide statistically valid insights into the various components of the high net worth sector on which we are reporting.

The total Study population comprised 1,646 households. Forth-nine percent of respondents identified themselves as men, while 51 percent identified themselves as women.

Eight percent of respondents in our sample were born outside of the United States, while 20 percent of respondents in our sample reported that one or both of their parents were born outside the U.S. Viewed by race and ethnicity, our sample was composed of 78 percent Caucasian/White (Non-Hispanic)s, 6 percent Black/African Americans, 6 percent Hispanic/Latino, 9 percent Asian American/ Pacific Islander and 1 percent Other Race. In addition, 7 percent of households in our sample identified themselves as LGBTQ.

Viewed by age, our sample for this study included 51 percent of respondent households who were baby boomers, 14 percent Gen X, and 19 percent millennials. Those older than baby boomers make up 17 percent of the households in our sample.

Educational levels among the respondent population are high, with 46 percent of high net worth individuals reporting that they have Master's degrees or higher and 36 percent reporting that they have Bachelors' degrees. Only 18 percent reported that they have only some or no college education.

The word "diversity" can mean different things to different people. Acknowledging, with respect, that this concept can encompass a wide variety of human traits and differences, for this Study, we have defined it broadly to encompass the demographic mix of a specific group of people, focusing particularly on:

- Age: Millennials (born between 1981 – 1996), Generation X (1965 – 1980), Baby Boomer (1946 – 1964), pre-baby boomer generation (before 1946))
- Gender identity: Men and women
- Racial groups: Asian American/Pacific Islander, Black/African American, Caucasian/White (non-Hispanic), Hispanic/Latino
- Sexual orientation: LGBTQ (Lesbian/Gay/Bisexual/Transgender/Queer)

*For brevity, all references to racial and ethnic groups throughout this report have been shortened to Asian American, African American, White and Hispanic.

Significant cultural, economic, technological and demographic shifts are now underway and nonprofit organizations are being challenged to adapt and connect with donors, volunteers and partners in different ways than they may have in the past.

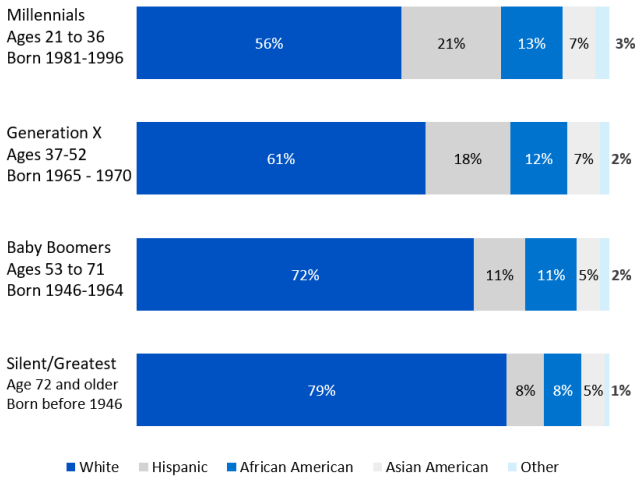
Among the most consequential of these forces is the growing recognition, visibility and influence of women as leaders in business, philanthropy, government and the economy. While it is difficult to generalize about such a large and diverse group, the advent of financially-empowered women represents a new force in philanthropy, one which we attempt to chart in this year's Study and which will bear careful watching as this cohort emerges and takes its place in the philanthropic world.

A second major force is the fact that millennials will soon surpass baby boomers as the largest living adult population cohort in the nation.[1]

While baby boomers and the Silent Generation born before them are still very much active in American society, millennials already are imprinting their own values and priorities on the way wealth is created, used and distributed.

Their giving strategies still in formation, millennials are in many ways reinventing the manner in which philanthropic activities are conceived and carried out. The future of giving will increasingly rest with the preferences and behaviors of this cohort of younger donors. Engaging them early, and understanding their growing influence, will be important to the ongoing success of nonprofit organizations.

RACE AND ETHNICITY IN THE U.S. BY GENERATION (2017)[2]



Source: Pew Research Center tabulations of the 2017 Current Population Survey Annual Social and Economic Supplement (ASEC) from the Integrated Public Use Microdata Series (IPUMS).

An important characteristic of the millennial generation, regardless of gender, is its racial and ethnic diversity. Caucasians, who have long represented a majority of the U.S. population and nonprofit donor base[3], will in the coming decades be a majority only among the baby boom and Silent Generation[4].

As a group, millennials contain the largest proportions of the nation's Hispanic American/Latino, African American, and Asian American populations. The contributions of these groups, as well as of women and the LGBTQ community, are gaining greater visibility and making greater impact on many sectors of society, including philanthropy.

Against this backdrop, our findings suggest that nonprofits, and the wealth advisors who serve them, will be rewarded for paying greater attention to the interests and needs of this more diverse donor population, both as individuals and through the values that motivate their charitable giving goals and expectations. They have an opportunity to help these donors to participate on their own terms in the many activities available to them to make a positive difference in their communities, society and the larger world.

Key findings

The results of the *2018 U.S. Trust Study of High Net Worth Philanthropy* demonstrate, in many ways, a continuation of the broad trends seen in previous years' Studies. Taken as a whole, giving by high net worth households appears to be stronger than ever. The familiarity of these ongoing trends is reassuring, but it may also be deceptive. Trends are, by definition, dynamic, and the trends in this year's Study reveal a powerful undercurrent of social, economic, political and demographic forces that will compel nonprofit organizations to adopt strategies and business practices that are more inclusive and transparent.

Eight key themes influenced giving in 2017. These themes provide insight for donors and their advisors, foundations and funders, policy makers, the media and members of the public who desire to keep abreast of the trends shaping a changing philanthropic landscape.

Eight Themes

1. **Charitable giving remains important to high net worth households.** In 2017, average giving amounts rose by 15 percent to $29,269 compared to two years prior, while the percentage of households who give remained high (90 percent). One quarter of high net worth donors gave to disaster relief efforts, motivated by media coverage of the devastation and lack of confidence in government relief efforts.

2. **Women are at the forefront of philanthropic engagement and impact.** Ninety-three percent of high net worth women reported giving to charity, 56 percent volunteer, and 23 percent serve on the board of a nonprofit organization. One-quarter of high net worth women donors support causes or organizations aimed at benefitting women and girls and said that their most important motivation for this giving is their belief that it is the most efficient way to solve societal problems.

3. **Giving is being shaped by a diverse universe of donors.** Millennials are less likely to give (84 percent) than older generations (90 percent), yet they are more likely to participate in impact investing (16 percent). Among Hispanic respondents, the volunteering rate was 60 percent, the highest level found among any demographic.

4. **Impact matters.** When asked to rank seven types of philanthropic activity by their potential to have the greatest impact, charitable giving and volunteering were ranked as first and second on the list. Despite a strong belief that their giving can have a great impact, 54 percent of high net worth donors do not know if their giving has the impact they intended, pointing to an opportunity for nonprofit organizations to communicate the effect of their donors' generosity more fully.

5. **Those with a higher degree of knowledge about charitable giving are more likely to have a giving strategy.** Donors who rate themselves expert (4 percent) or knowledgeable (52 percent) about charitable giving are far more likely to have a giving strategy than those who rate themselves as novices.

6. **Donors have high expectations of the organizations they support.** Today's wealthy donors want the organizations they support to demonstrate sound business and operational practices, spend only a reasonable amount on general administrative and fundraising expenses, and honor and protect their privacy.

7. **A majority of wealthy donors plans to maintain giving levels, despite recent tax law changes.** The majority of wealthy donors said that they expect to maintain (84 percent) or increase (4 percent) the amount they give to charity in 2018 under the new federal tax law. Just 17 percent of wealthy donors said they are always motivated to give due to tax benefits. An additional 51 percent said that tax benefits sometimes motivate their giving.

8. **Confidence in nonprofit organizations' ability to address social and global issues remains strong.** HNW donors report having the most confidence in nonprofit organizations (86 percent) to solve societal or global problems. By comparison, confidence in the federal government and the public sector has declined since 2015.

The 2018 U.S. Trust Study of

High Net Worth Philanthropy

Detailed Findings

Section I: How much the wealthy give

- Charitable giving levels
- Volunteering

Charitable giving levels

The overwhelming majority of high net worth households made charitable donations in 2017.

Fully 90 percent of high net worth households in the United States gave to charity in 2017. Among households that give at all, on average, high net worth households gave $29,269[5] in 2017, up by 15 percent from $25,509 in 2015.

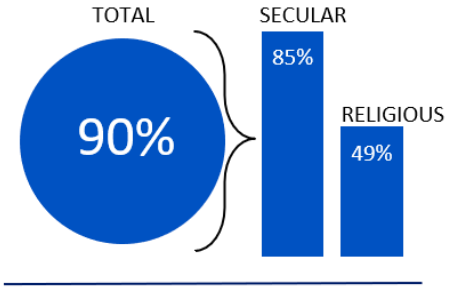
By comparison, 56 percent of households in the general population gave an average of $2,520 to charity, according to the latest Philanthropy Panel Study by the Indiana University Lilly Family School of Philanthropy.[6]

Eighty-five percent of high net worth households gave to secular charities. Consistent with previous years' Studies, there is a significant difference in giving to secular charities between high net worth households and the 47 percent of U.S. households in the general population that gave to secular charities.

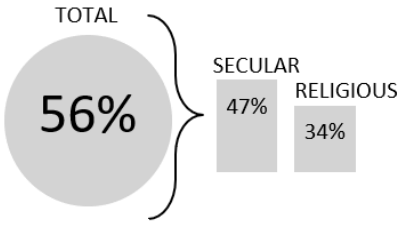
About half (49 percent) of high net worth households gave to religious charities, comprising religious congregations and faith-based organizations. This compares to approximately one-third of households in the general population that reported giving to religious charities.

PERCENT OF HOUSEHOLDS GIVING TO CHARITY

AMONG HIGH NET WORTH HOUSEHOLDS



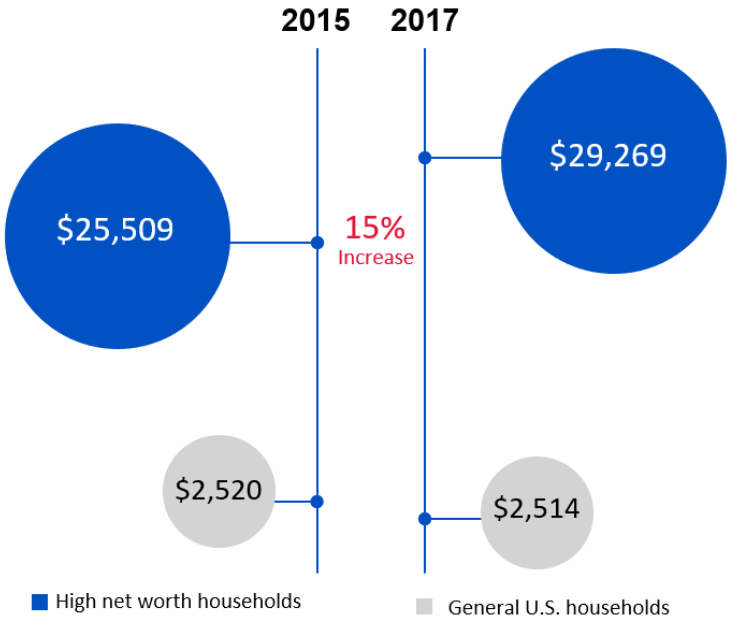
AMONG GENERAL U.S. HOUSEHOLDS*



*Source: Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households.

AVERAGE AMOUNT GIVEN TO CHARITY

HIGH NET WORTH HOUSEHOLDS COMPARED TO GENERAL U.S. HOUSEHOLDS



Source for U.S. general population is Indiana University Lilly Family School of Philanthropy. 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households. Values adjusted to 2017 dollars.

A high incidence of giving was reported by households across all diversity segments in the Study. Looking at these diversity subgroups, women were more likely to give compared to men. No other differences between groups were significant.

A household's philanthropic generosity tends to be spread among a number of nonprofit recipients. Among high net worth households that gave to charity in 2017, nearly half (49 percent) gave to five or more different organizations. A much smaller percentage of households gave to two (16 percent), three (16 percent) or four (11 percent) different organizations. Only 8 percent gave to just one organization.

On average, wealthy donors gave to seven different charitable organizations in 2017.

There is a generational divide: millennial donors are significantly less likely to give to five or more organizations, compared to older age cohorts, perhaps because their philanthropic interests and practices are still evolving.

Wealthy donors who have a charitable giving strategy give to more organizations on average (nine different organizations), compared to those who do not have a giving strategy (six organizations), an indication that intentionality can be a powerful motivator of philanthropic behavior.

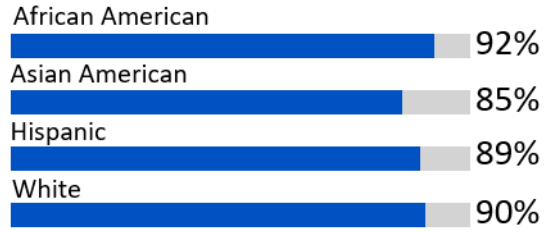
Finally, donors who use a giving vehicle, such as a donor-advised fund or private foundation, give to 10 different organizations, on average, compared with an average of seven organizations for those who do not, indicating that the availability of a vehicle may facilitate the development of a more broadly-based pattern of philanthropic activity.

WHO IS GIVING?

PERCENT GIVING TO CHARITY IN 2017

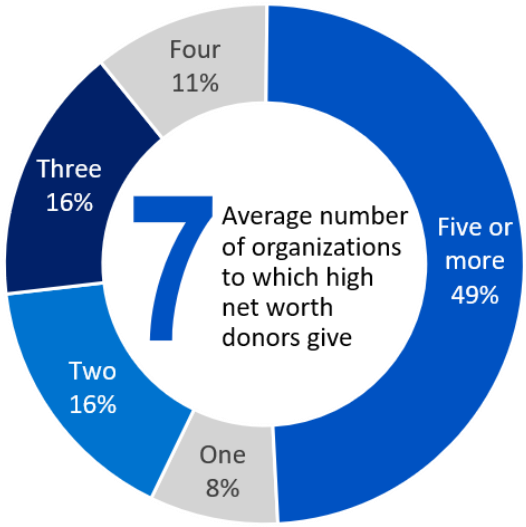








NUMBER OF DIFFERENT ORGANIZATIONS TO WHICH HIGH NET WORTH HOUSEHOLDS GIVE
AMONG THOSE THAT GAVE IN 2017



"The philanthropic landscape is evolving, driven by a young and diverse group of donors who are reshaping the future of giving."

William Jarvis
Managing Director, Market Strategy and Delivery
U.S. Trust

Volunteering

In addition to making charitable donations, nearly half (48 percent) of the wealthy also volunteer their time and talents with charitable organizations. On average, they spend approximately 142 hours annually volunteering, or about 2.7 hours per week, and support three different organizations in this way.

Sixty percent of wealthy Hispanic households reported that they volunteer, the highest rate among the affinity groups surveyed. Women were also are notably more likely to engage in volunteering activities.

The amount of time spent volunteering varies significantly between those who are still in the workforce and those who have retired. A smaller percentage of retirees volunteers (45 percent) compared to non-retirees (50 percent). While this could to some extent be reflective of health limitations, retired volunteers devote more than twice as much time to their volunteering activities (228 hours on average, or about 4.4 hours per week) as volunteers who are working (100 hours, or 1.9 hours per week).

Overall, seven in 10 spent hands-on time, such as volunteering to collect or distribute food, clothing and other basic need items (34 percent) or volunteering for a religious congregation or organization (38 percent). Seven percent also volunteered for disaster relief efforts.

Forty-five percent of volunteers share their skills, including one in five who teach, tutor or mentor others, and nearly one in four who serve on the board of a charitable or nonprofit organization.

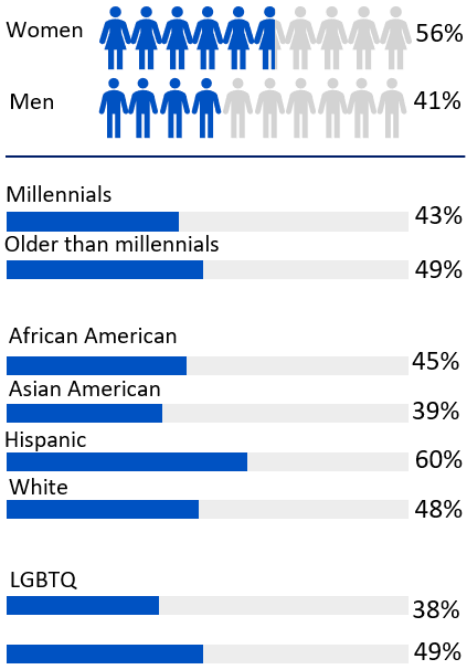
48% of the high net worth **volunteered time** to a charitable cause or organization in 2017

142 volunteer **HOURS ON AVG**

3 Avg. number of charitable organizations engaged with

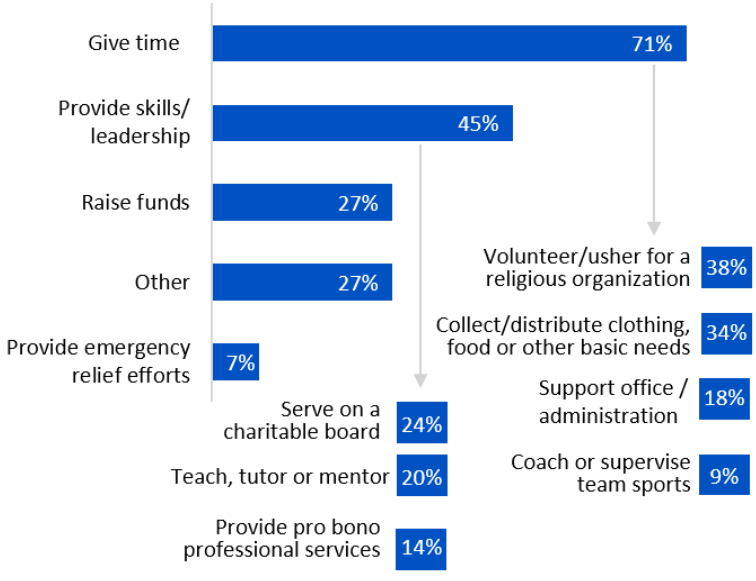
WHO IS VOLUNTEERING?

PERCENT WHO VOLUNTEERED IN 2017



PERCENT OF HIGH NET INDIVIDUALS WHO VOLUNTEER, BY TYPE OF VOLUNTEER ACTIVITY

AMONG THOSE WHO VOLUNTEERED IN 2017



Section II: Where the wealthy give by charitable category

- Participation
- Amounts

Incidence of giving by charitable category

Wealthy donors continue to support organizations and causes devoted to providing basic needs for food, clothing and shelter, and to furnishing sustenance in religious or spiritual development.

High net worth households supported the same general charitable categories in 2017 as they did in 2015. Viewed by the average percentage of households that gave to each category, the leading categories were basic needs, to which 54 percent of households gave, followed by the 49 percent of households that gave to religious or spiritual programs and organizations.

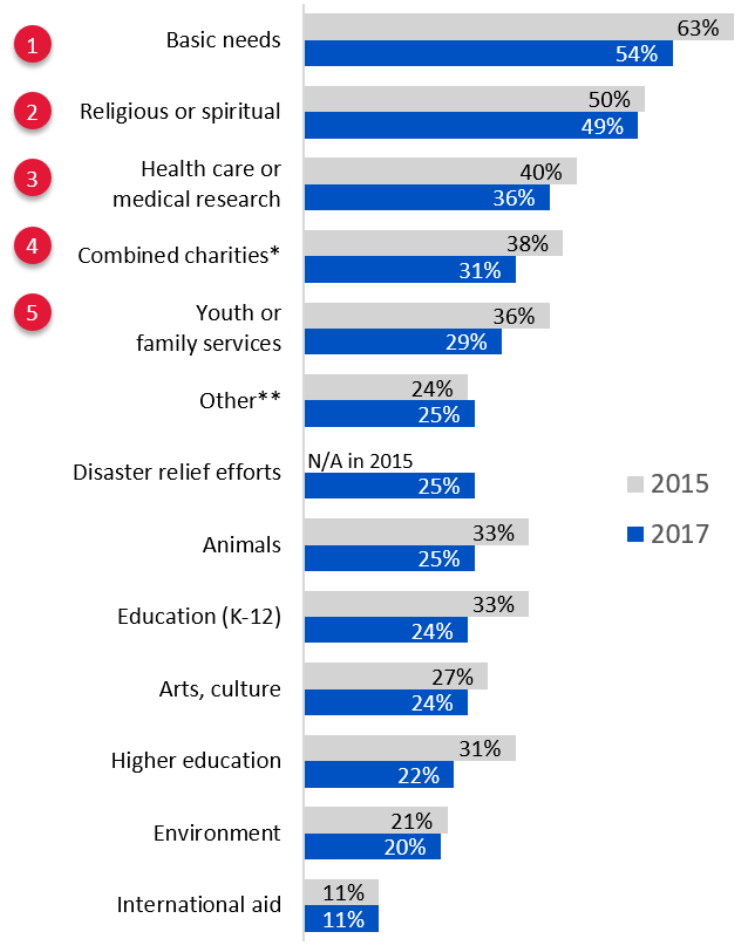
Rounding out the top five categories supported by wealthy donors were health care and medical research (36 percent), combined charities (31 percent) and youth or family services (29 percent).

Philanthropic support for education has a long history in the U. S. In 2017, a little over one-third (36 percent) of wealthy households gave to K-12 and higher education combined. If combined this way, education would be among the top five categories of subsector giving, ahead of health care and medical research. Viewed separately, 24 percent of households gave to K-12 education and 22 percent give to higher education. Both categories declined by nine percentage points from 2015.

The percentage of households giving to each subsector declined for all other charitable categories in 2017 compared to 2015, with the exception of international aid (11 percent) and Other (25 percent). Within the Other category may be found causes and organizations such as those devoted to LGBTQ issues, veterans' affairs and neighborhood development.

PERCENT OF HIGH NET WORTH HOUSEHOLDS GIVING BY CHARITABLE CATEGORY – 2017 VS. 2015

2015-2017



* Combined charities organizations include United Way, United Jewish Appeal, Catholic Charities, and community foundations, among others

** Other organizations include LGBTQ, veterans affairs, among others

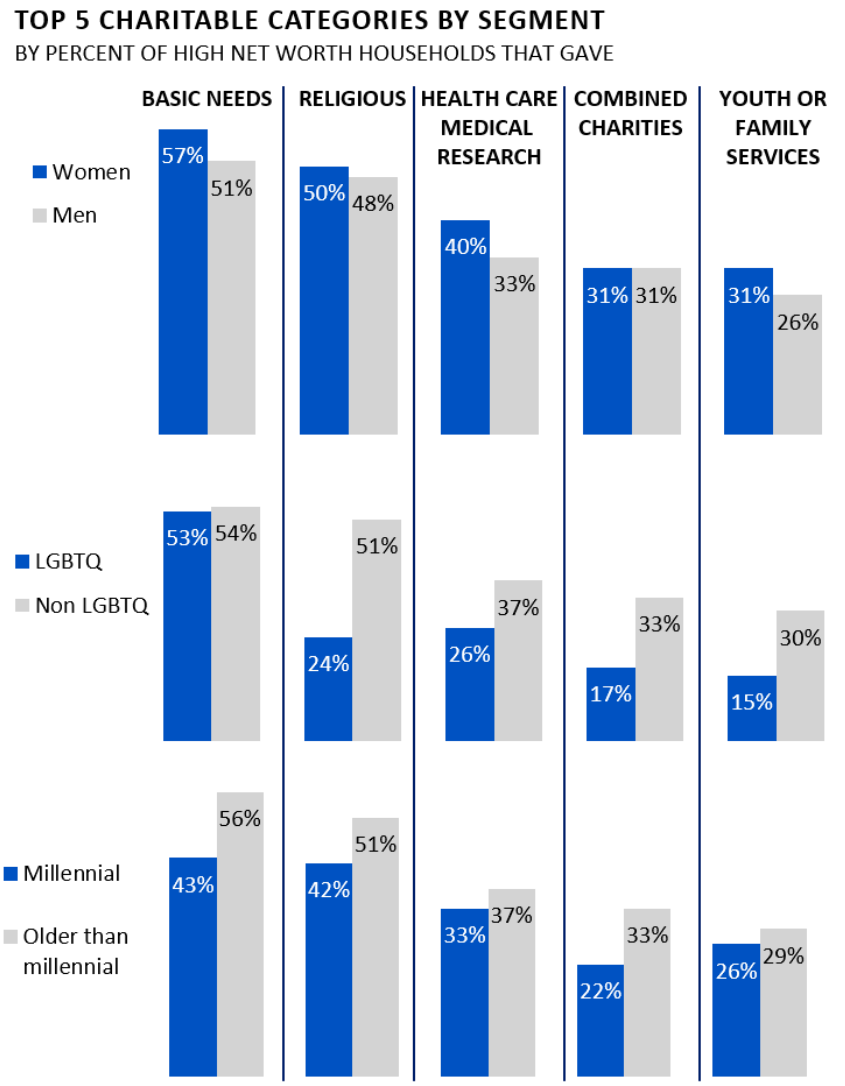
Disaster relief was reported as a separate category in this year's Study. In a year marked by devastating losses and damage in many parts of the U.S. from hurricanes in the South and wildfires in the West, one in five high net worth households gave to disaster relief efforts. For a more in-depth look at giving to disaster relief, see section III.

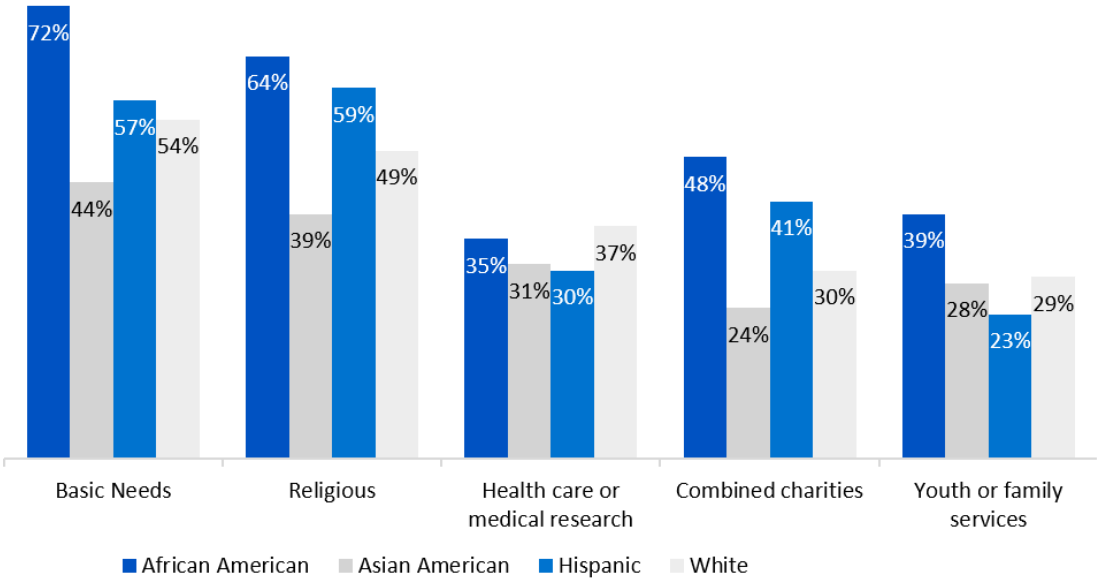
Notable differences were observed in the percentage of households giving by charitable category, depending on donor gender, age, race or ethnicity and sexual orientation.

Women are more likely than men to support health care or medical research. Millennials are less likely to give to religious, combined charities, and basic needs than older groups.

LGBTQ households are less likely to donate to religious organizations, health related, combined charities, and youth or family services.

A higher percentage of African American households donate to basic needs (72 percent), religious organizations (64 percent), and combined charities (48 percent) compared to other racial categories.





Amount given by charitable category

The top five charitable categories, viewed by the amount of each dollar given, captured 82 percent of high net worth charitable giving in 2017, up from 72 cents in 2015.

The top five charitable categories receiving the greatest share of high net worth charitable dollars in 2017 were unchanged from 2015 and comprised the same categories as the top five viewed in the previous section, with the exception that the amount given to K-12 education placed it in the Number 4 spot among the top five categories, displacing the Combined Charities category.

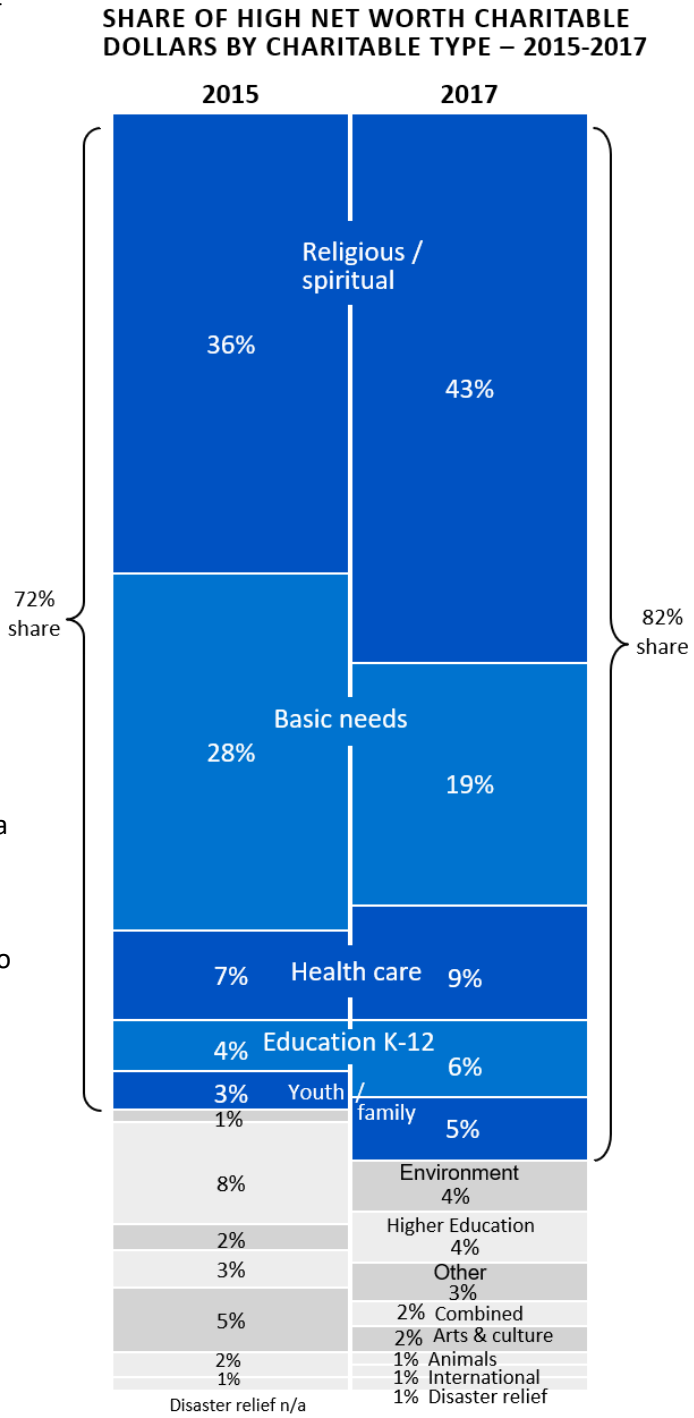
Religious and spiritual organizations received the greatest share of high net worth charitable dollars in 2017, unchanged from 2015. The amount given to religious or spiritual organizations increased by seven percentage points, or 20 percent, to a share of 43 percent in 2017 from 36 percent in 2015.

Basic needs was the only category among the top five to receive a smaller share of high net worth charitable dollars. In 2017, the amount given to basic needs dropped by nine percentage points to a 19 percent share from 28 percent.

It should be noted that the activities carried out by religious and spiritual institutions are not infrequently very similar to those of secular charities that provide basic needs, and may include such items as food, clothing and temporary shelter. In that sense, the shift in dollars donated may not reflect so much a change in charitable intent on the part of wealthy donors as a choice of the organization to carry out the activity.

Though they received a smaller share of dollars than the first two categories of nonprofit, the proportion given to K-12 education and youth or family services each increased by two percentage points in 2017. The percentage of dollars given to health care and medical research similarly increased by two percentage points.

The amount wealthy donors directed to environmental causes and organizations, while also relatively small at four percent of the total, was four times greater in 2017 than in 2015, perhaps reflecting a greater interest in this field among younger donors. At the same time, the proportion of dollars donated by wealthy households to institutions of higher education dropped by half, to four percent in 2017 from eight percent in 2015. Giving to arts and cultural institutions also dropped, to just two percent from five percent.



Section III: Spotlight

Giving to disaster relief efforts in 2017

SPOTLIGHT: Disaster relief efforts

In a year of severe natural disasters – Hurricanes Harvey, Maria and Irma, the earthquakes in Mexico and the wildfires in California, among others – high net worth households were significant donors.

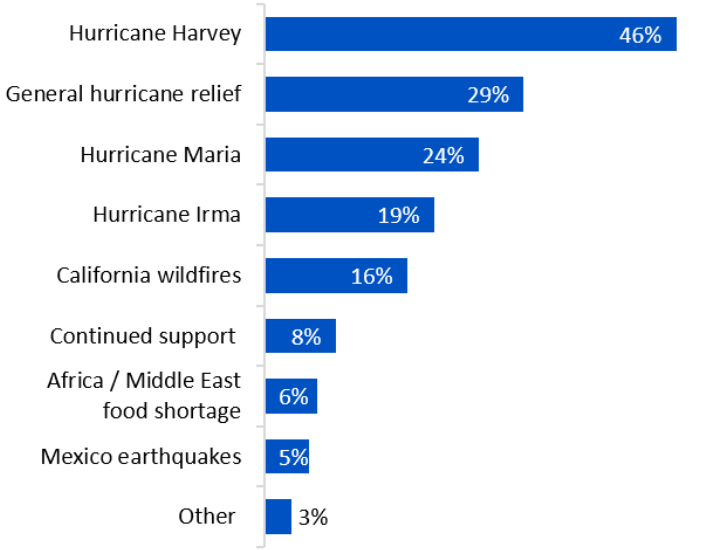
Overall, one in four (25 percent) gave to disaster relief efforts in 2017. Of those who did, nearly half (46 percent) donated to relief efforts related to Hurricane Harvey, while 19 percent donated to relief for Irma, 24 percent for Maria, and 29 percent to general hurricane-related relief causes.

Importantly, nearly all these donors (89 percent) reported that their donations to disaster relief did not affect their giving to other causes. In fact, four percent gave even more to other organizations and causes. Just six percent gave less.

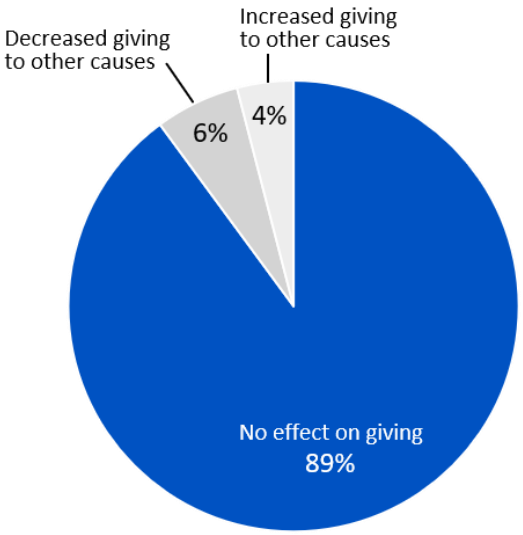
Twenty-eight percent of donors reported that they give regularly to support disaster relief efforts—it is part of their annual giving budget.

25% Percent of high net worth households that donated to disaster relief in 2017

DISASTERS TO WHICH HIGH NET WORTH HOUSEHOLDS GAVE CHARITABLE CONTRIBUTIONS IN 2017
AMONG THOSE WHO GAVE TO DISASTER RELIEF



EFFECT OF 2017 DISASTER RELIEF GIVING ON GIVING TO OTHER CAUSES AND ORGANIZATIONS
AMONG THOSE WHO GAVE TO DISASTER RELIEF



A higher percent of African American households gave to disaster relief efforts (38 percent) compared to all other groups.

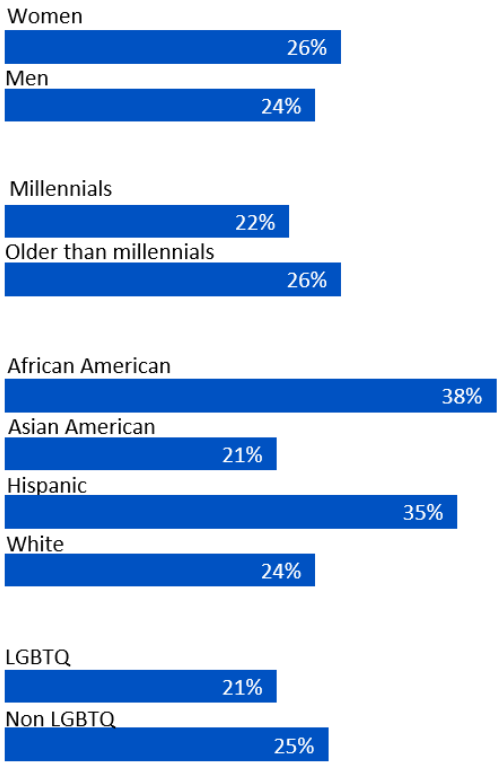
Twenty-eight percent of those who gave in 2017 said they did so because of the location of the disaster, while 15 percent said that they, or friends and/or family members were personally affected.

At the same time, the overall response to disaster relief across all segments served as a demonstration of the interconnectedness of people and communities in a world linked by the Internet and social media. Enabled and connected by technology, disasters and needs around the world can be perceived as personal and local.

In this regard, nearly half (46 percent) of those who gave to disaster relief in 2017 did so after seeing media coverage of the devastation and disaster efforts underway. Twenty-eight percent of wealthy donors gave because they felt that government relief efforts were either inadequate or inefficient. This behavior demonstrates a belief among the wealthy in the power of private philanthropy to supplement public resources, helping charities to work alongside the public and private sectors to provide relief from these disasters.

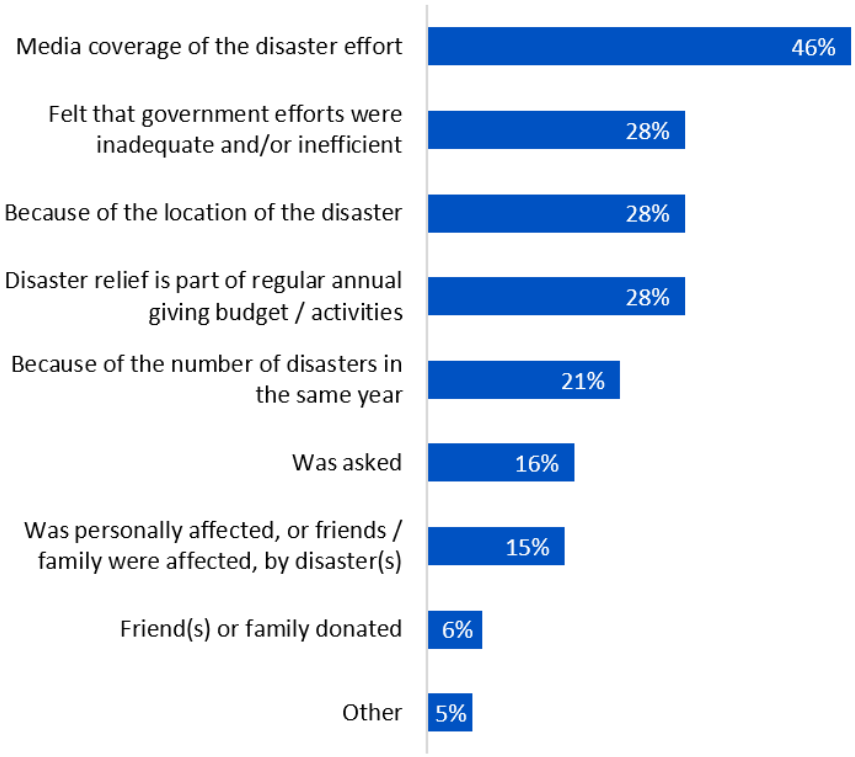
PERCENT OF HIGH NET WORTH INDIVIDUALS WHO DONATED TO DISASTER RELIEF IN 2017

BY SEGMENT



FACTORS DRIVING DONATIONS TO DISASTER RELIEF EFFORTS

AMONG THOSE WHO GAVE TO DISASTER RELIEF



Section IV: Giving to affinity groups

- Affinity causes and organizations
- National origin
- Advancing women and girls

Giving to affinity groups

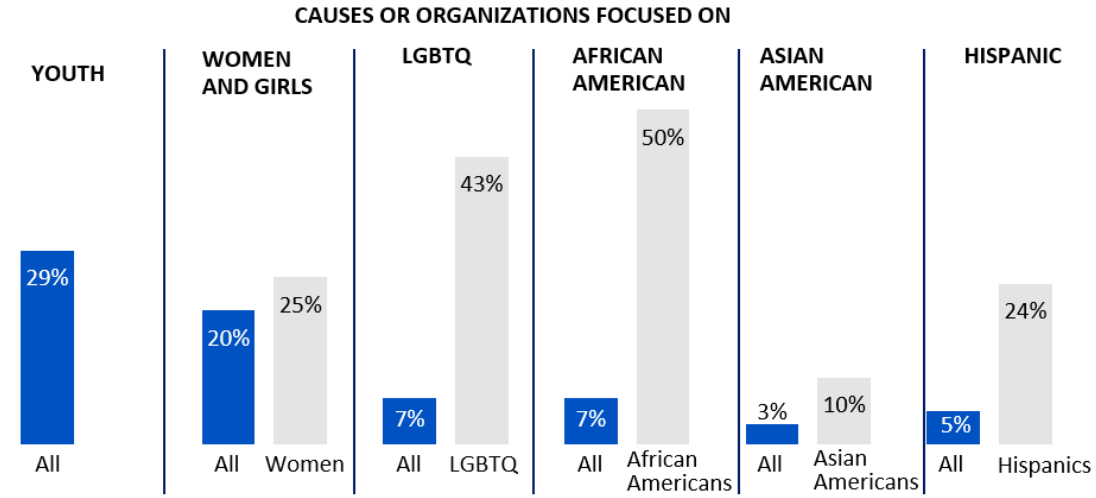
Charitable giving is a deeply personal expression of personal values, interests, traditions, and circumstances. Affinity with certain groups and causes can play an important role in donor response and engagement.

In addition to reporting the incidence and amount of giving by charitable category, Study participants also described their giving to causes or organizations related to their particular affinity group. Looking at the areas of greatest activity, in 2017 nearly three in 10 high net worth households gave to affinity organizations specifically focused on youth. One in five overall, and one in four wealthy women, gave to organizations with a focus on women and girls.

Among all high net worth households, a relatively small percentage supported racial or ethnic and LGBTQ affinity groups. However, among these groups, giving to these respective causes was significant.

For example, half (50 percent) of wealthy African Americans gave to causes or organizations specifically focused on African American causes and 43 percent of LGBTQ households gave to LGBTQ-focused organizations and causes. One-quarter of Hispanic / Latino donors gave to Hispanic or Latino affinity groups and 10 percent of Asian Americans gave to Asian American affinity groups in 2017.

PERCENT OF HIGH NET WORTH HOUSEHOLDS GIVING TO CAUSES OR ORGANIZATIONS THAT SUPPORT A SPECIFIC AFFINITY GROUP
BY SEGMENT



"While the impact and contribution of women, racial and ethnic groups and the LGBTQ community is gaining greater recognition and importance, these groups have long been an important part of philanthropy and the nonprofit community."

Una Osili, Ph.D., Professor of economics and philanthropic studies and Associate Dean for Research and International Programs, Indiana University Lilly Family School of Philanthropy

Giving to country or ethnicity of origin

Approximately eight percent of respondents identify with a country of origin or birth outside the United States, and one in five has at least one parent who immigrated to the United States.

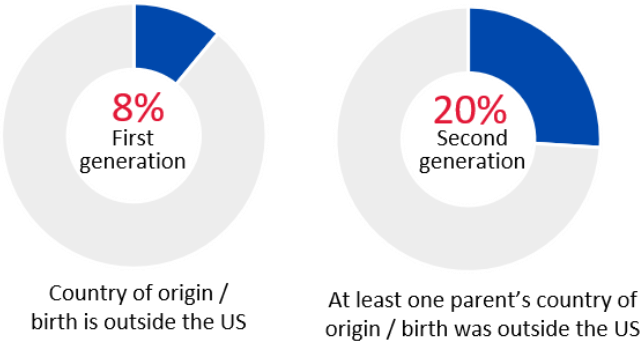
The United States is a nation of native peoples and voluntary and involuntary immigrants from a diverse mix of racial and ethnic groups.

Eight percent of wealthy households in this year's Study reported that their country of origin or birth is outside the U.S. One in five (20 percent) have at least one parent whose country of origin or birth was outside the U.S.

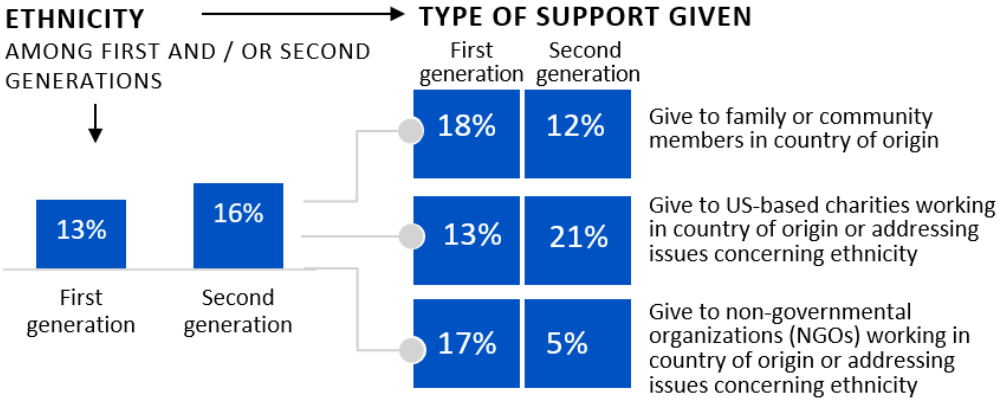
Thirteen percent of immigrants and 16 percent of children of immigrants gave to affinity organizations or causes in 2017 that are focused on their country of origin or ethnicity.

Seventeen percent of immigrants gave to non-governmental organizations (NGOs) working on issues related to their country or ethnicity of origin in 2017, three times more than those whose parent(s) country of origin or birth was outside the U.S.

PERCENT OF HIGH NET WORTH FIRST OR SECOND GENERATION IMMIGRANTS



PERCENT OF HIGH NET WORTH DONORS WHO GIVE TO SUPPORT COUNTRY OF ORIGIN OR ETHNICITY
AMONG FIRST AND / OR SECOND GENERATIONS



Advancing women and girls

Nearly six in 10 wealthy donors who give to organizations focused on women and girls said they do so because they believe that giving to women and girls is the most effective way to solve other social problems. About one-third (34 percent) see it as a way to make the world better for children. Improving the lives of women and girls has demonstrated quantifiable economic, health and social benefits on the lives and wellbeing of families and communities around the world.[7]

Nearly four in 10 wealthy donors (38 percent) who support women's and girls' organizations have had personal experiences with an organization that has programs focused on women and girls. Six percent said they give in support of women's and girls' issues because they have personally experienced gender discrimination at some point in their lives.

One in five high net worth households (20 percent) donated to women's and girls' charities in 2017, with an average donation amount of over $1,800. A higher proportion of women (25 percent) donated to these causes than did men.

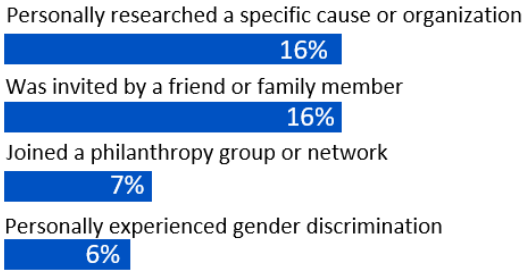
Support for women and girls crosses all age groups, with millennials as likely as older age groups to give to organizations supporting this issue. About one in four (24 percent) LGBTQ donors gave to women's and girls' organizations in 2017.

REASONS FOR SUPPORTING WOMEN'S AND GIRLS' ORGANIZATIONS OR CAUSES

AMONG THOSE WHO CURRENTLY SUPPORT



OTHER REASONS CITED



20% High net worth households that give to women's and girls' organizations and causes

"Only a fraction of foundation funding is for women and girls, but a growing number of female-focused philanthropic organizations are trying to change that."

Ann Limberg
Head of Philanthropic Solutions and the Family Office
U.S. Trust, Bank of America Private Wealth Management

Organizations focused on women and girls address a range of issues, and donors support them for a variety of reasons, ranging from interest in or research about a particular issue to their own personal experience.

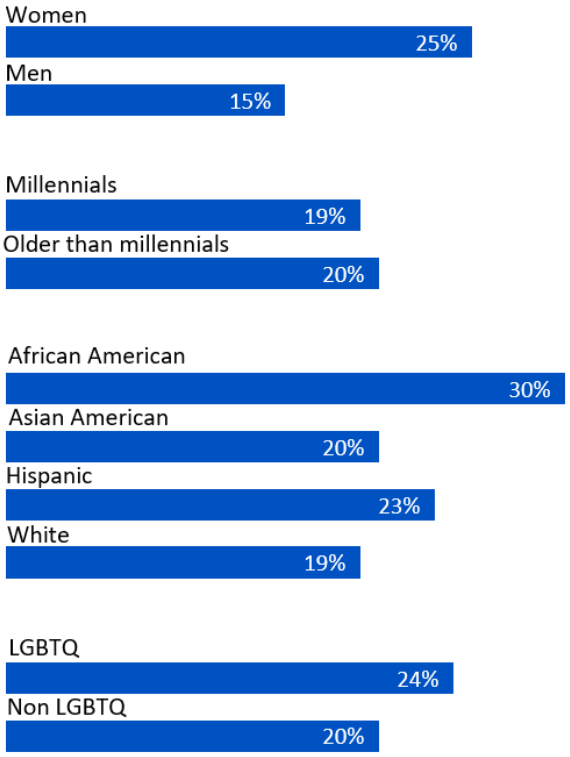
The top women- and girls-related issues or causes to which donors gave in 2017 were those addressing women's health in the U.S. (39 percent), violence against women (37 percent), reproductive health / rights (36 percent] and education and development in the U.S. (26 percent).

One in five (21 percent) of donors supported programs such as Girl Scouts and Girls Inc.

About half (51 percent) of donors gave to organizations that are entirely focused on women's and girls' issues as their mission. Forty-three percent give to organizations that primarily, but not entirely, address women's and girls' issues. And about one in four (24 percent) gave to organizations whose mission is not primarily focused on women and girls, but have programs that address their needs.

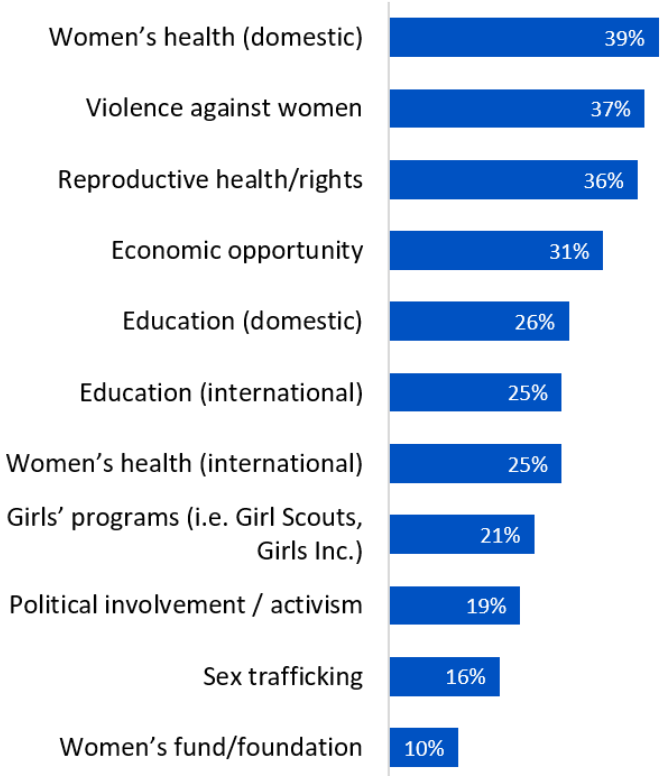
PERCENT WHO GIVE TO WOMEN'S AND GIRLS' ORGANIZATIONS OR CAUSES

BY SEGMENT



WOMEN'S AND GIRLS' ISSUES SUPPORTED

AMONG THOSE WHO GAVE TO ORGANIZATIONS OR CAUSES FOCUSED ON WOMEN AND GIRLS



Section V: Charitable motivation and decision-making

- Charitable decision-making
- Motivation to give
- Motivation to volunteer
- Reasons to not give
- Intersection of philanthropy and impact
- Giving satisfaction and fulfillment
- Donor expectations

Motivations for charitable giving

For most wealthy donors, the decision to contribute to a particular cause or organization is strongly influenced by personal values and interests. Engaging with donors based on an understanding of their philanthropic goals carries far more weight than arguments based on organizational need.

The wealthy have no shortage of causes and organizations to choose from or requests for charitable donations.

When asked what factors lead high net worth households to give to certain causes or organizations over others, nearly three-quarters (74 percent) said they are led by their personal values. Indeed, 77 percent of wealthy donors reported that the giving decisions they made in 2017 reflected their personal values "a lot" or "completely". Fifty-seven percent said that they choose to give to the organizations focused on issues that interest them.

Three-quarters of wealthy donors base their decision on what they know about the organization. Fifty-four percent have personal knowledge of the organization because they or a friend or family member have been the beneficiary of its activities at some point. Fifty percent learn about organizations based on name recognition or reputation.

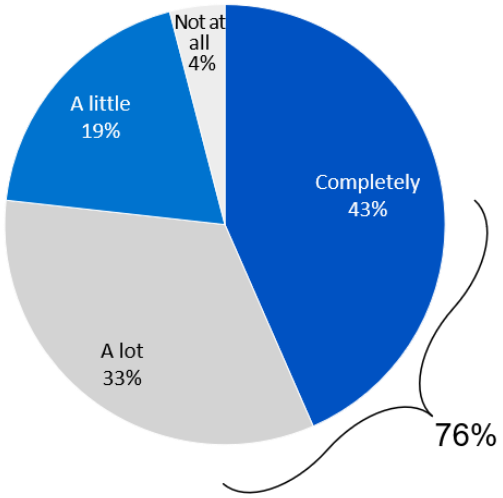
These findings suggest that knowledge and awareness of an organization are as compelling a connection to donors as the perceived need of the organization or the primary issue area it addresses.

One in four donors (26 percent) choose a cause or organization because they have been exposed to it through association with another institution, such as an employer or religious organization.

FACTORS THAT LED, OR WOULD LEAD IN THE FUTURE, TO DECISIONS ABOUT CONTRIBUTING TO A PARTICULAR CAUSE OR ORGANIZATION
AMONG ALL RESPONDENTS



EXTENT TO WHICH GIVING DECISIONS IN 2017 REFLECTED PERSONAL VALUES
AMONG HIGH NET WORTH DONORS WHO GAVE IN 2017



While 87 percent of the wealthy give at least sometimes when asked and 85 percent at least sometimes give spontaneously in response to a need, typically giving decisions are anchored deeply in beliefs.

More than nine in 10 at least sometimes give because of their belief in the mission of the organization (94 percent) or because they believe their gift can make a difference (93 percent). Eighty-seven percent at least sometimes give out of a desire to give back to the community, and while 88 percent at least sometimes give to support the same organizations or causes year after year. Eight-six percent at least sometimes give because of the personal satisfaction, enjoyment or sense of fulfillment that comes from generosity.

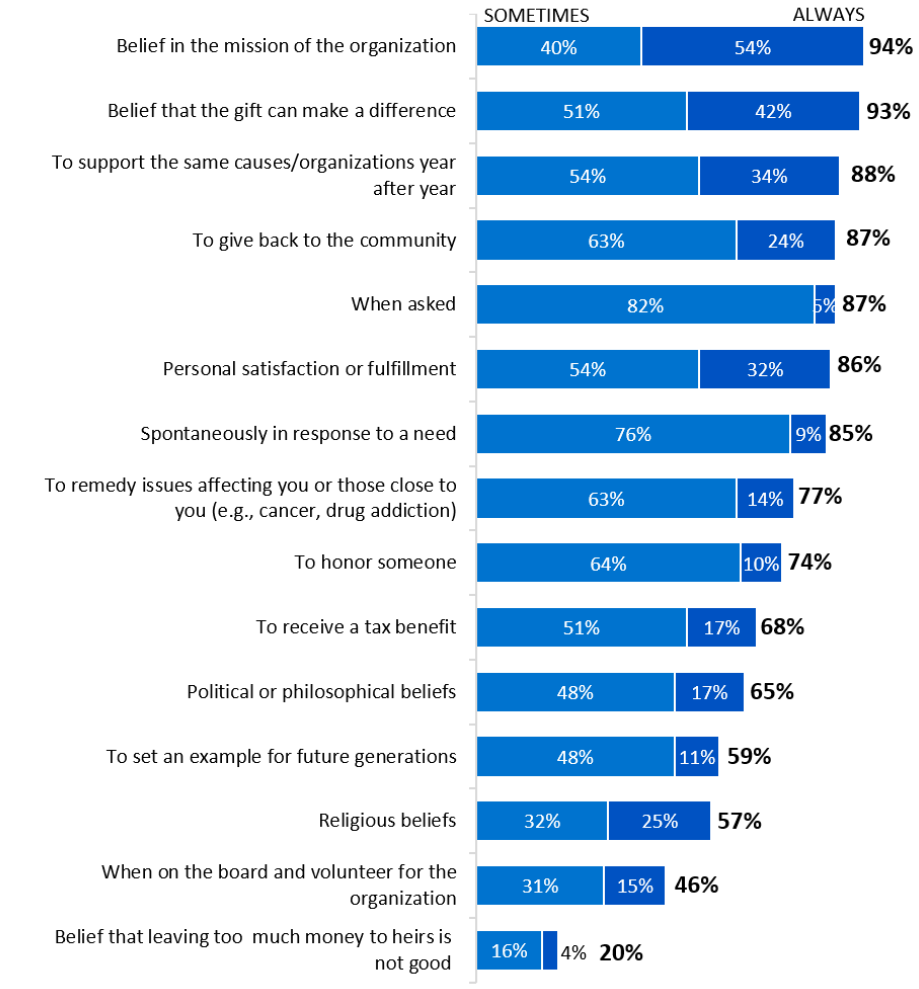
Further reinforcing the notion that giving is an expression of personal values and circumstances, 77 percent of donors at least sometimes give to remedy an issue that has affected them personally, or the lives of a family member or close friend. Nearly as many (73 percent) at least sometimes make a donation to honor someone they know or respect.

Sixty-eight percent of the wealthy at least sometimes give to receive a tax benefit, yet just 17 percent always give for this reason.

While nearly six in 10 (59 percent) at least sometimes give to set an example for future generations, a large percentage (41 percent) do not. This suggests an opportunity may exist to help more donors realize the benefits of family giving and passing on philanthropic traditions and values.

Few wealthy donors say they give to charity because they feel it's not good to leave too much money to their heirs.

HOW OFTEN CHARITABLE DECISIONS ARE MADE BASED ON SPECIFIC FACTORS



Motivations for volunteering

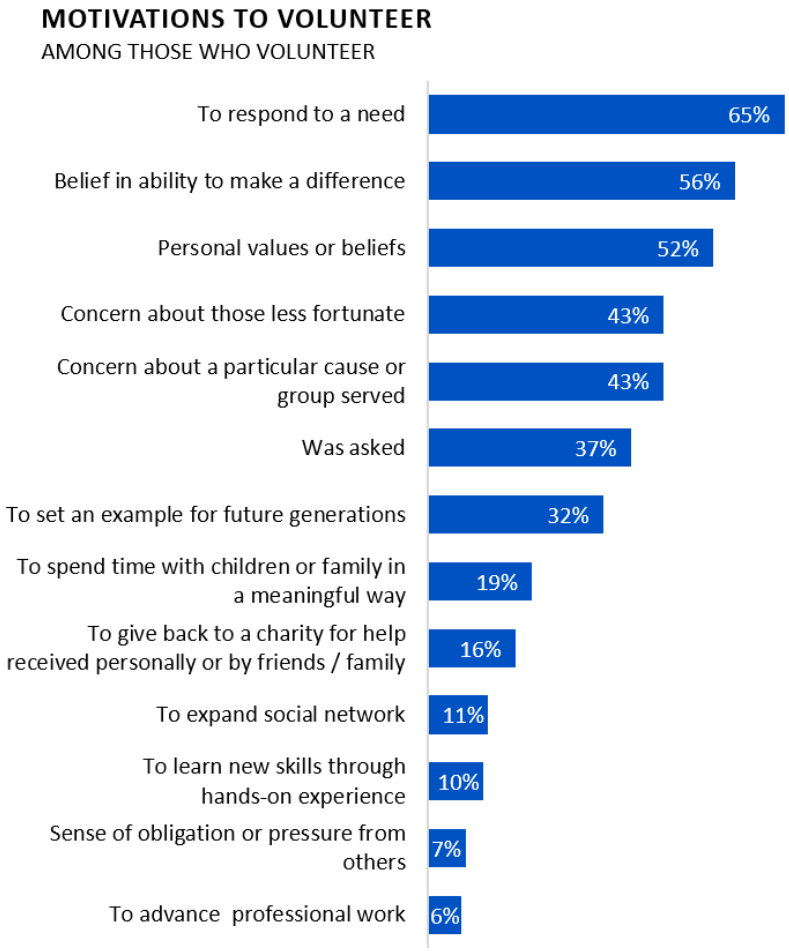
When asked why they give their time and talents, the wealthy cite a range of motivations. Sixty-five percent said that they are highly motivated to respond to needs, and 56 percent by the belief that their service makes a difference.

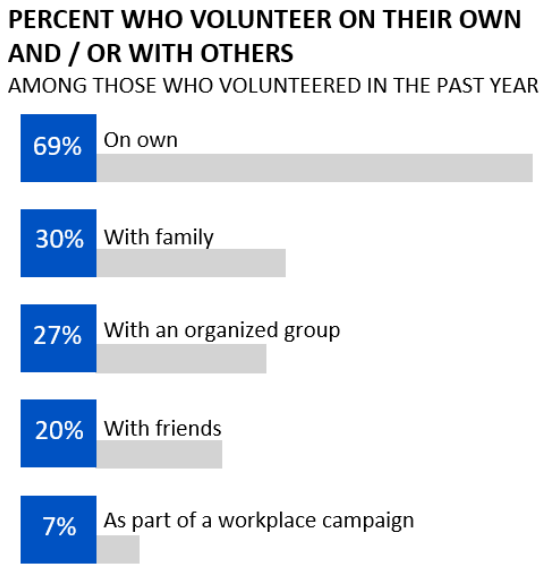
Just as their charitable giving is led by personal values, more than half (52 percent) of respondents said that their motivation to volunteer is strongly influenced by personal values or beliefs.

More than four in 10 (43 percent) volunteers reported that they are equally motivated out of concern about those less fortunate or about a particular cause or group served by the organization. Thirty-two percent also volunteer to set an example for future generations, while another 19 percent see volunteering as a way to spend time with children or other family members in a way that is meaningful.

While the majority (69 percent) volunteer on their own, volunteering can be a source of connectedness with others, including family members, friends and co-workers. In this regard, one in three volunteers with other family members while one in five volunteers with friends and 27 percent engage as part of an organized group, such as a giving circle or membership organization.

Seven percent volunteer as part of a workplace campaign. In addition to annual giving campaigns, such as the United Way or America's Charities, many organizations also sponsor company-wide and/or affinity-based opportunities for employees to volunteer, sometimes offering paid time off to do so. In addition to demonstrating corporate social responsibility, it appeals to a younger and more diverse workforce that wants to work for companies where they can engage in meaningful ways of giving back.





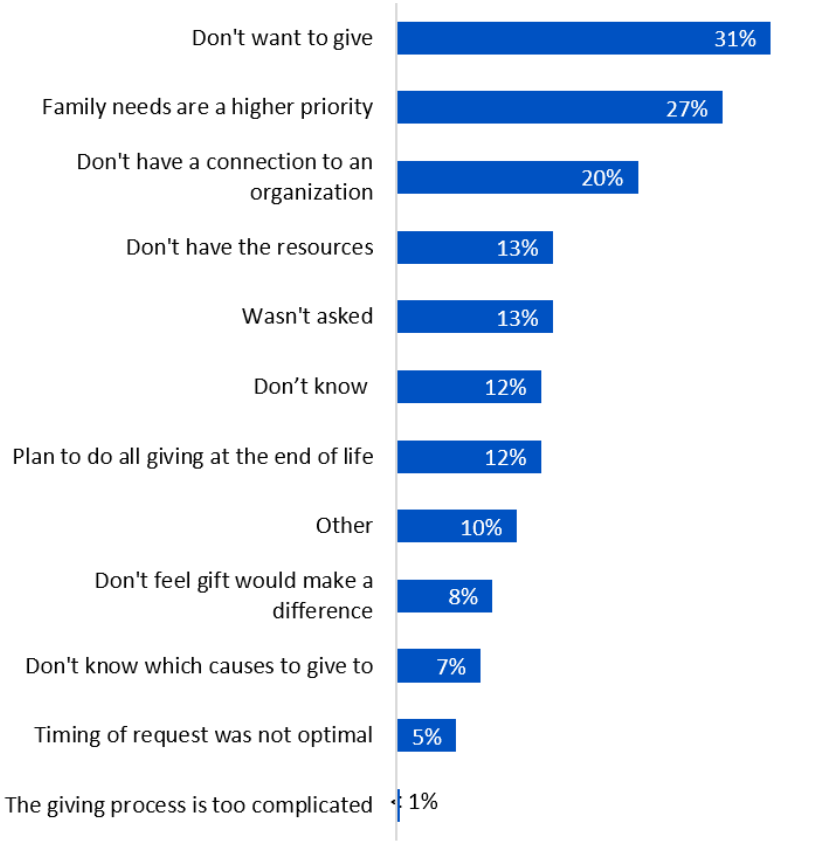
Reasons for not giving to charity

While the great majority of high net worth households gave to charity in 2017, some did not. Among those, the reason most frequently cited was because they simply did not want to give (31 percent). Other top reasons for not giving were because meeting family needs were more important (27 percent) and because of a lack of connection to any organization or cause (20 percent).

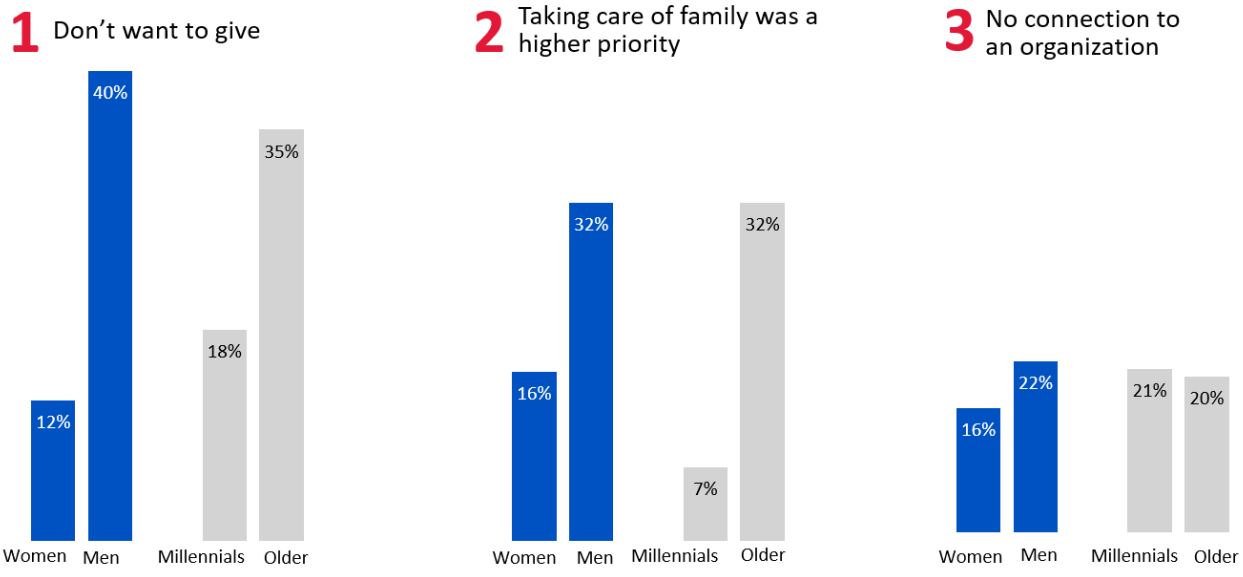
A few respondents (13 percent) felt that they did not have the resources to be able to give.

About one in eight (12 percent) respondents said that they do not give now because they plan to do all of their giving at the end of their lives. This could be a deliberate strategy as part of a well-thought-out estate plan. For others, it may be a defensive measure reflecting uncertainty in the absence of such proactive planning.

REASONS FOR NOT GIVING TO CHARITY
AMONG THOSE WHO DID NOT MAKE CHARITABLE CONTRIBUTIONS IN 2017



TOP THREE REASONS FOR NOT GIVING TO CHARITY BY AGE AND GENDER
AMONG THOSE WHO DID NOT GIVE IN 2017



Why donors stop giving

More than one-quarter (28 percent) of wealthy donors did not give in 2017 to a charity that they gave to in previous years. The most frequently cited reason for their decision was that the organization made too many financial requests, or that the requests came too closely together. Four in 10 wealthy donors cited these reasons.

One in four (25 percent) mentioned a change in their own philanthropic priorities, while about one in five (21 percent) gave a change in their personal circumstances as a reason for ceasing to give.

Ten percent said that they stopped giving because the project funding for the cause they supported was completed or that the impact goal was met.

Other reasons cited were various types of action or inaction by the organization, including organizations that were perceived as ineffective or that did not sufficiently communicate their effectiveness (16 percent), a change in leadership, mission or activities in a way that the donor did not want to support (13 percent), making inappropriate financial requests (9 percent) and not respecting the donor's privacy or protecting personal identity / information (8 percent).

28% Percent of high net worth donors who stopped giving to a charity they previously supported

REASONS WHY DONORS STOPPED GIVING TO A PREVIOUSLY SUPPORTED ORGANIZATION

AMONG THOSE WHO DID NOT DONATE IN 2017 TO AN ORGANIZATION DONATED TO IN 2015



Impact matters

Making a positive impact in society is an important goal for the wealthy, and this has a strong effect on their philanthropic behavior.

7 WAYS OF MAKING A POSITIVE IMPACT IN SOCIETY

In order by potential for having the greatest impact

1. Charitable giving
2. Volunteering
3. Voting for a political candidate who shares your ideals on topics important to you
4. Impact investing
5. Political contributions
6. Purchasing goods from a company that has a social mission
7. Participating in a social-media campaign to raise funds or awareness for a cause

When asked to rank seven types of philanthropic activity by which has the potential to have the greatest impact, charitable giving and volunteering as first and second on the list.

There are, however, many ways to make an impact. Behind the first two activities, the wealthy see exercising their right to vote as the third most important way to make an impact in society. Voting was ranked as having the greatest impact at a rate eight times greater than making political contributions.

Investing in impact investing vehicles, including socially responsible investments, mission-related investments and social impact bonds ranked fourth.[8]

Ranking sixth, behind political contributions, was choosing to purchase goods from companies that have social missions, that is, who donate a portion of their purchase to a cause. In this regard, consumers are able to feel they are effecting change in the world. Companies that do good may also do well, a notion that forms the underlying principle of impact investing.

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"There used to be the world of philanthropy on one end and traditional investing on the other. Now there's a whole series of ways of looking at having impact, not solely through philanthropic means."

Gillian Howell, Managing Director, National Philanthropic Executive, Philanthropic Solutions Group, U.S. Trust

Intersection of philanthropy and impact investing

Two-thirds of wealthy donors who practice impact investing see this activity as additive to, rather than a replacement for, their charitable giving.

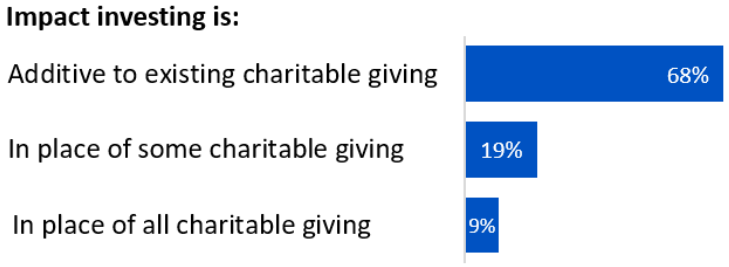
Only seven percent of all Study respondents reported that they participate in impact investing.

In 2017, 16 percent of millennials participated in impact investing, compared to only six percent of older individuals.

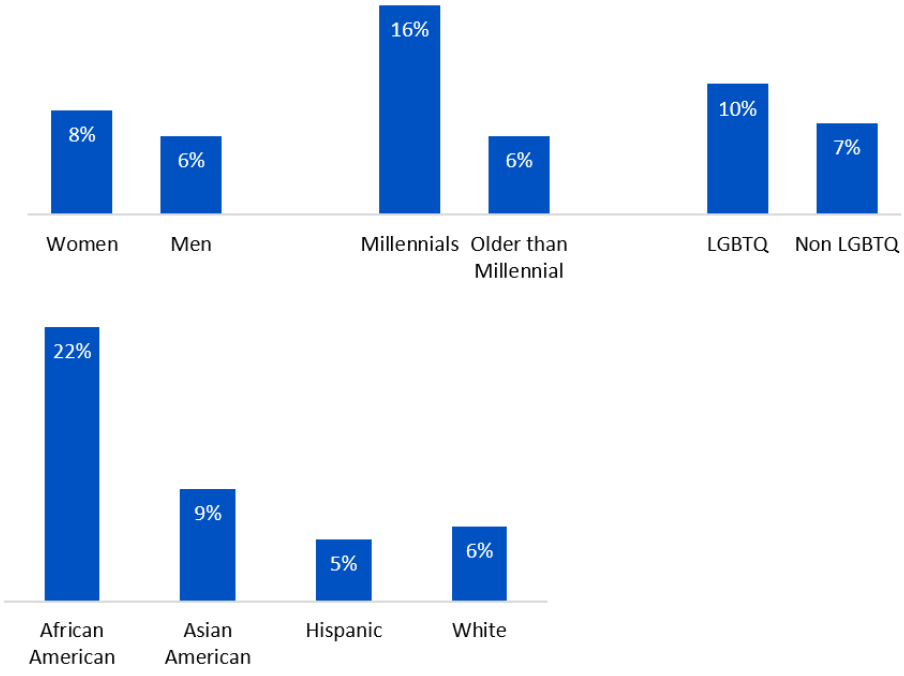
More than one in five (22 percent) wealthy African Americans also use impact investments, a rate substantially higher than that of other groups.

There has been some speculation to the effect that, to the extent impact investing is viewed as a philanthropic activity, it might lead to a reduction of donations to charitable organizations. This year's Study found that this isn't generally true. Two-thirds of high net worth donors who also use impact investments see impact investing as additive to their existing charitable giving. Another 19 percent have reallocated at least some portion of their charitable giving to impact investing. The remaining nine percent think of their impact investment as a replacement for all their charitable giving.

HOW HIGH NET WORTH DONORS USE IMPACT INVESTING IN RELATION TO CHARITABLE GIVING
AMONG HIGH NET WORTH DONORS WHO PARTICIPATE IN IMPACT INVESTING



PERCENT OF HIGH NET WORTH INDIVIDUALS WHO PARTICIPATE IN IMPACT INVESTING
BY SEGMENT



The search for impact

The sweet spot at the intersection of philanthropy and impact investing is understanding the importance of impact to donors.

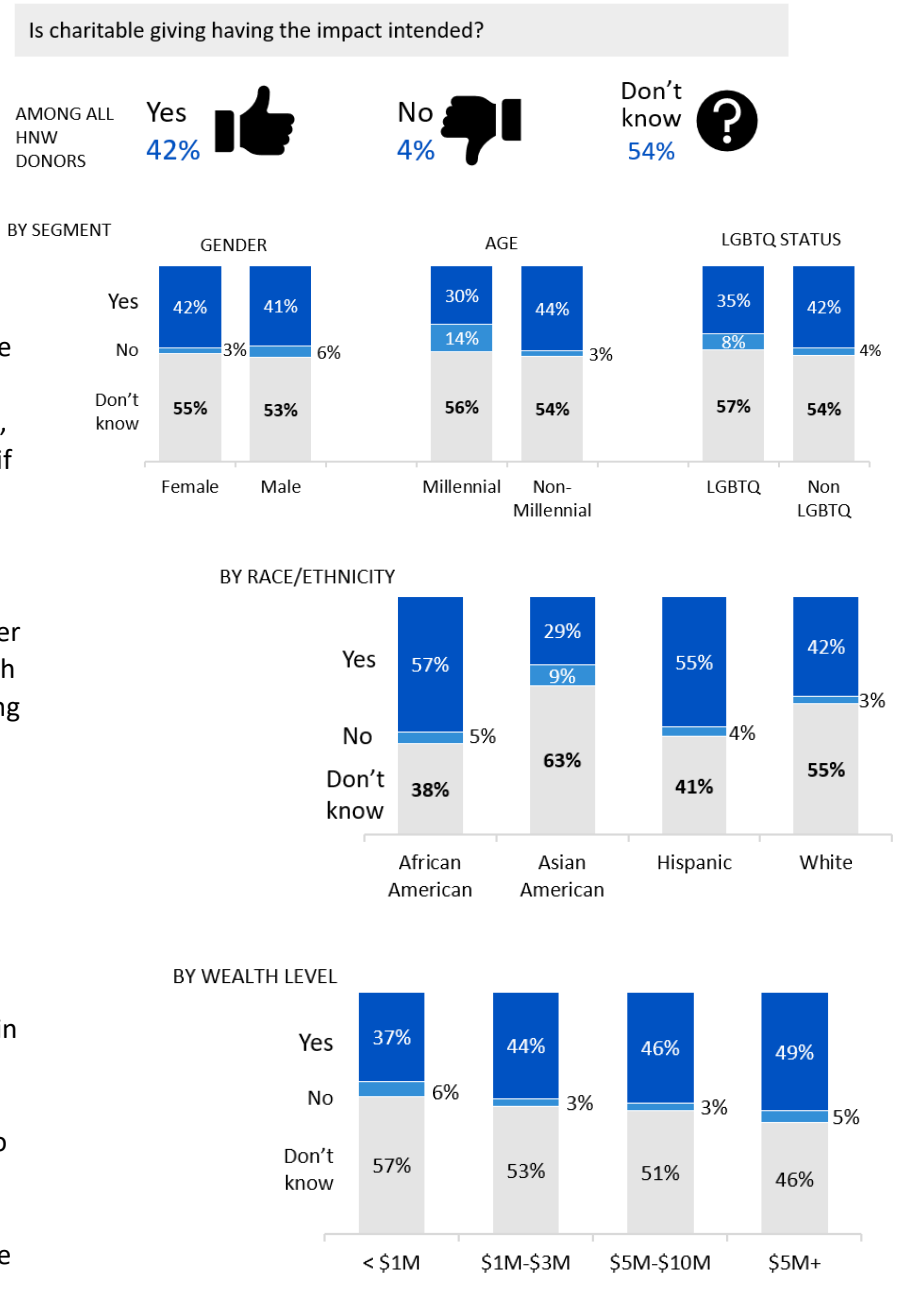
While many of the wealthy are motivated by the sense of fulfillment and satisfaction that comes from helping others and giving back, philanthropy is just one of the many ways in which they use their wealth to make a positive impact in society.

When asked whether their charitable giving is having the impact they intended, 42 percent responded in the affirmative and just 4 percent in the negative. More than half (54 percent), however, said that they do not know if their giving is having the intended impact.

This finding is generally consistent across all segments. Those with greater than $5 million in household net worth were most likely to say that their giving is having the intended impact (49 percent). At the lower end of the wealth spectrum, just 37 percent of households said that their giving delivers the intended impact, and 57 percent of this latter group responded that they do not know.

Among wealthy women donors, four in 10 (42 percent) said that their charitable giving is having the impact they intend. Men were just as likely to agree (41 percent). However, half as many women as men said their giving isn't having the impact they would like it to, perhaps indicating a greater degree of focus or intentionality in

PERCENT OF HIGH NET WORTH DONORS WHO KNOW, OR DON'T KNOW, IF THEIR GIVING IS HAVING THE IMPACT THEY INTENDED

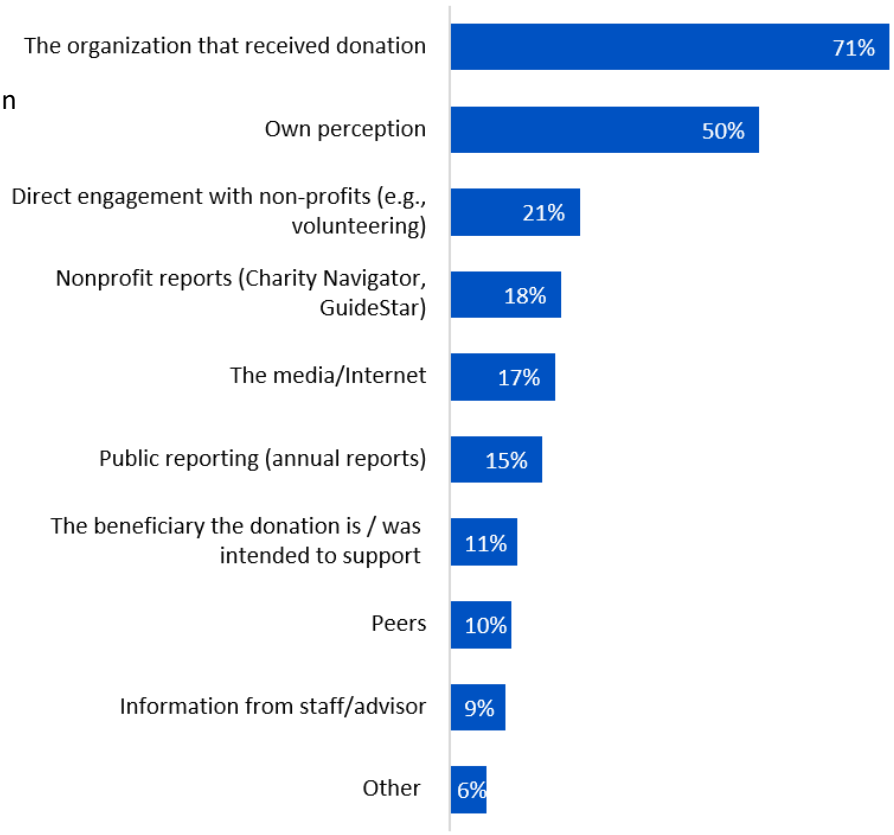


charitable activity among this group. Millennials were most likely to report that the impact of their charitable giving activities is not what they intended, and 56 percent do not know if it is. Only one in three millennials feels they are having the impact they want.

When asked if their giving is having the impact they intended, 57 percent of African American, 55 percent of Hispanics / Latinos, and 29 percent of Asian Americans said "Yes."

It is important to recognize that not knowing whether their charitable giving is having an impact may not be related to donors' being naïve, ignorant or disinterested. Seven in 10 (71 percent) said that they look to the organizations they support to provide information. Half also rely on their own perception of the organization, with or without that information.

WHERE HIGH NET WORTH DONORS SEEK INFORMATION ON THE IMPACT OF THEIR CHARITABLE GIVING



One in five donors (21 percent) said that they seek information about the impact of their giving at first hand, by engaging with organizations through volunteering, including board service.

Eighteen percent of donors rely on nonprofit reports, such as Charity Navigator and GuideStar, for information, and almost an equal number use the Internet and media.

Just 15 percent gain insight about the impact of the organizations they support from annual reports provided by the organizations themselves. This finding may be a reflection of the percentage of nonprofits that actually prepare and send an annual report, rather than the effectiveness of annual reports to deliver the impact information donors are seeking.

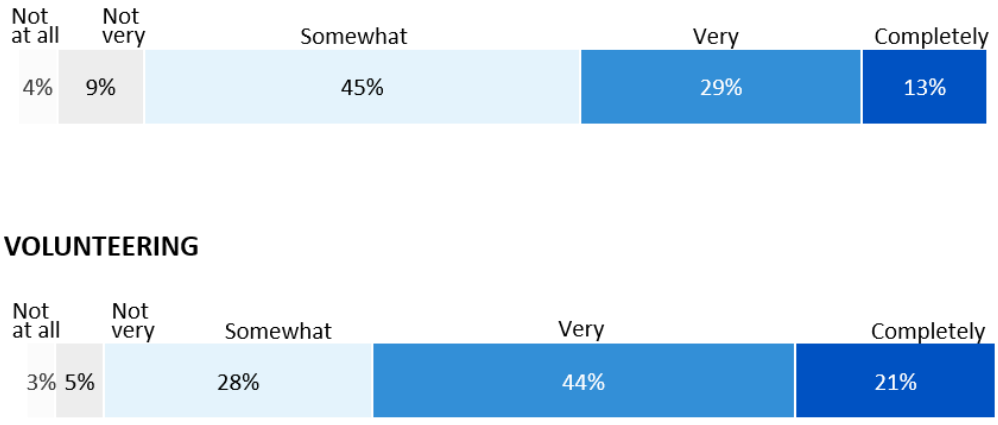
Satisfaction and fulfillment with giving and volunteering

The desire to give back, and the potential to make a difference, are highly important to donors.

Four in 10 wealthy donors reported that they feel that their giving is very or completely fulfilling. Sixty-five percent say that their volunteer activities are very or completely fulfilling, reinforcing the value and importance of personal engagement in philanthropy.

Forty-five percent said that their charitable giving is somewhat fulfilling, while 28 percent said that their volunteering is somewhat fulfilling. Thirteen percent said that their charitable giving is not very or not at all fulfilling, and 8 percent said that their volunteering is not very or not at all fulfilling.

EXTENT TO WHICH THE WEALTHY FIND GIVING PERSONALLY FULFILLING



Donor expectations of nonprofit organizations

Today's donors believe it is important that the organizations they support have a high degree of accountability and transparency and sound, ethical business practices.

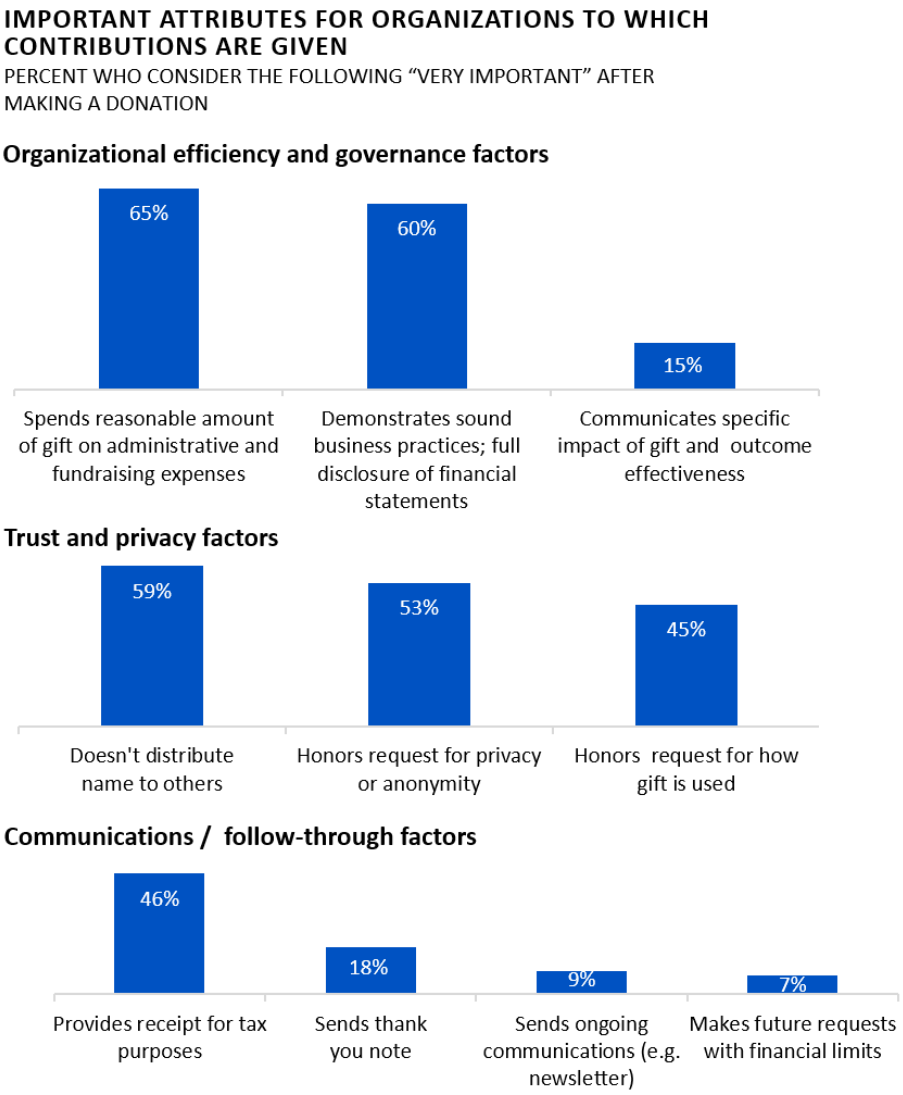
After making a charitable contribution, wealthy donors continue to have important priorities with respect to the organization to which they have contributed.

High net worth donors have standards regarding the organization's business operations and practices which, if not clearly understood or discussed, can lead to problems. For example, two-thirds of high net worth donors said it is very important that the organization spend only a reasonable amount of their gift on administrative and fundraising expenses. For this reason, transparency and a proactive effort to align donor and organizational expectations can help to avoid misunderstandings and build trust.

Just as investors and consumers are rewarding companies and brands that demonstrate sound, ethical business practices, six in 10 donors apply the same standards to the nonprofit organizations that they support, including full disclosure of their financial statements.

IMPORTANT ATTRIBUTES FOR ORGANIZATIONS TO WHICH CONTRIBUTIONS ARE GIVEN

PERCENT WHO CONSIDER THE FOLLOWING "VERY IMPORTANT" AFTER MAKING A DONATION



Wealthy donors also value discretion. Fifty-nine percent said it is very important that any organization they support not share their name with others, and 53 percent want their request for privacy or anonymity to be honored.

Forty-five percent of donors say it is very important that the organization honor their request for how their gift will be used, and 15 percent say it is very important that the organizations they support communicate the specific impact of their and the organization's effectiveness in achieving intended outcomes.

Section VI: Giving knowledge, strategy and budgeting

- Giving knowledge levels
- Link between knowledge and strategy
- Challenges to charitable decision-making

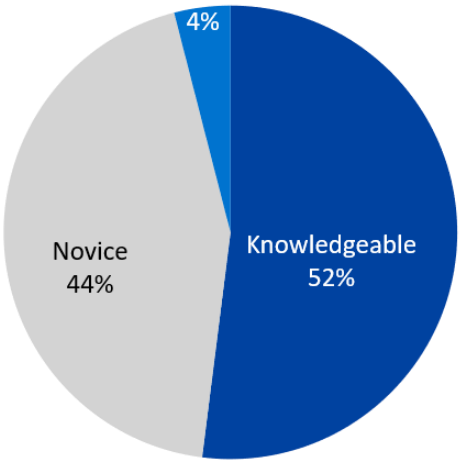
Philanthropic knowledge

There is a link between giving knowledge and giving strategy. Yet many of the wealthy consider themselves novices when it comes to charitable giving.

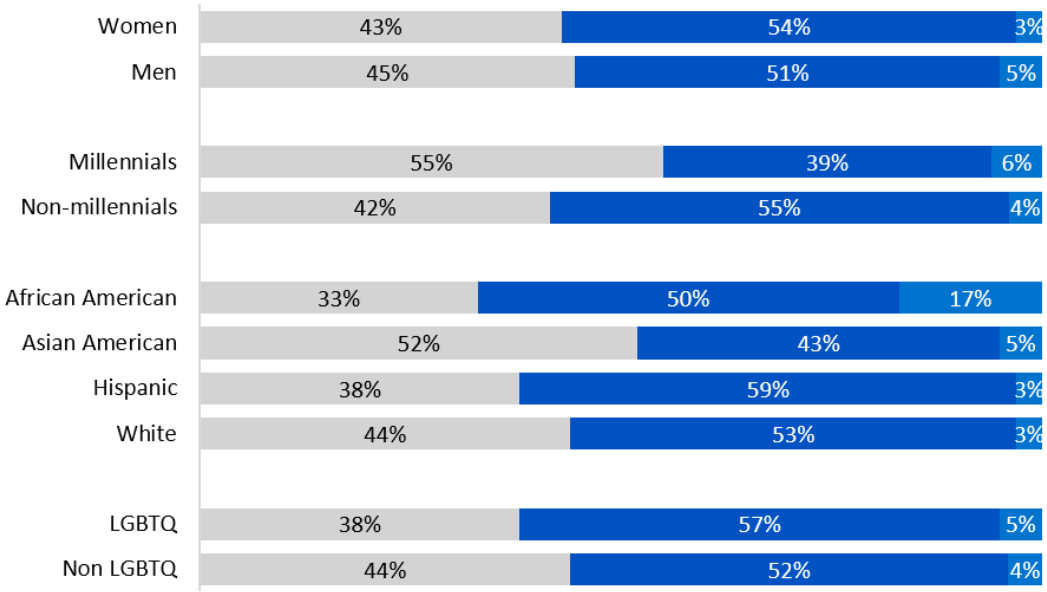
A sizeable share of the wealthy rate themselves as novices when it comes to their knowledge of charitable giving. Four in 10 (44 percent) call themselves novices, and a little over half (52 percent) consider themselves knowledgeable. Just four percent are self-described experts in giving.

Those most likely to consider themselves knowledgeable or expert are African Americans, Hispanics and the LGBTQ community. Millennials and Asian American respondents are most likely to consider themselves as novices when it comes to charitable giving.

PERCENT WHO DESCRIBE THEIR GIVING KNOWLEDGE
AVERAGE AMONG ALL RESPONDENTS



SELF-DESCRIBED KNOWLEDGE OF CHARITABLE GIVING BY SEGMENT



Search for knowledge

When asked about the aspects of charitable giving in which they are interested in gaining greater knowledge, respondents gave a variety of answers across the giving spectrum, ranging from volunteering to impact investing to integrating values, giving strategies and wealth planning goals.

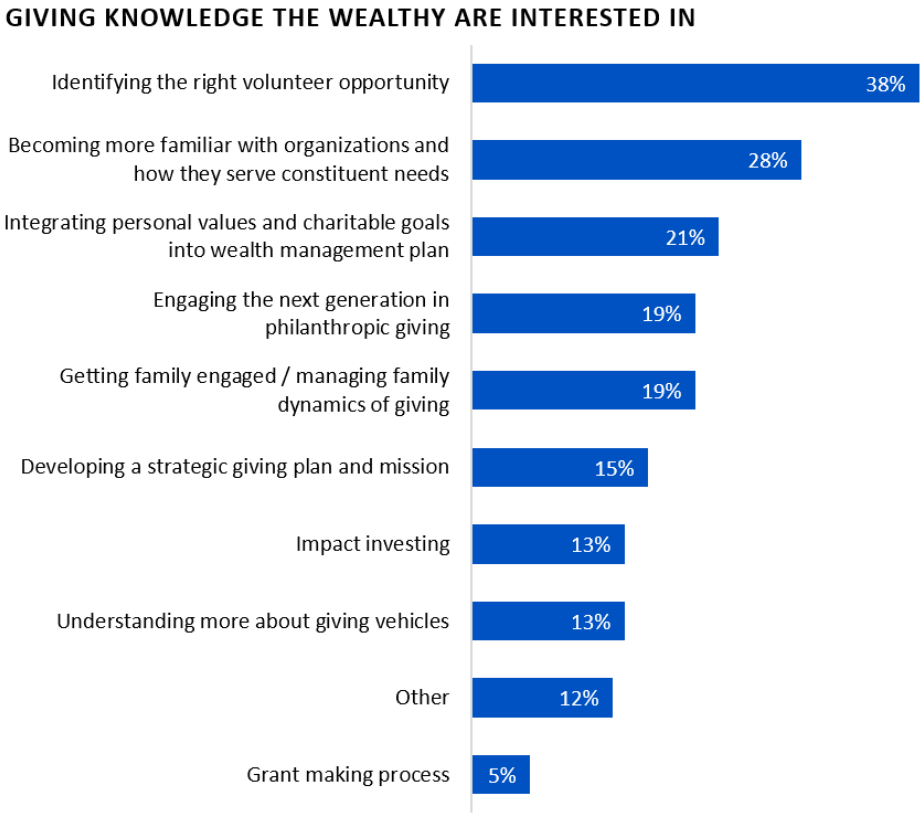
The most frequently cited area of interest was identifying the right volunteer opportunities (38 percent).

Twenty-eight percent said that they are seeking information to become more familiar with organizations and how they serve the needs of their constituents.

Twenty-one percent are looking for dialogue and advice about how to integrate their personal values and charitable goals into their overall wealth management planning, and 19 percent want to engage the next generation in philanthropic giving.

Thirteen percent want to know more about impact investing, an indication of the growing intersection of philanthropy and impact investing.

An additional 13 percent are interested in knowing more about giving vehicles, which are now used by only a small proportion of wealthy donors (as discussed in section VII).



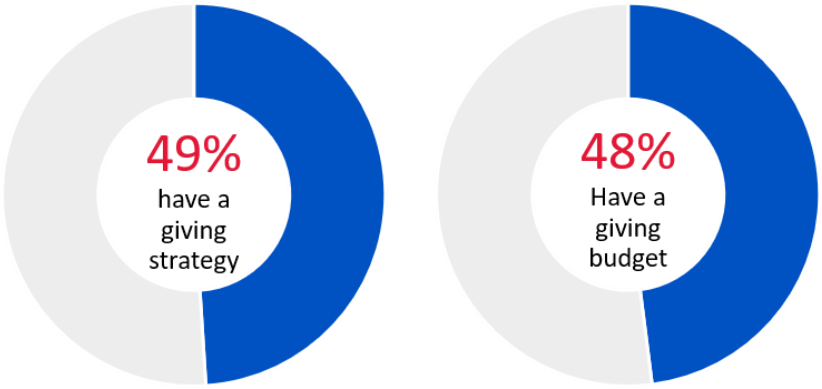
The link between knowledge and strategy

About half of the wealthy have a giving strategy (49 percent) or a giving budget (48 percent).

Women and men are equally likely to have both a giving strategy and a budget.

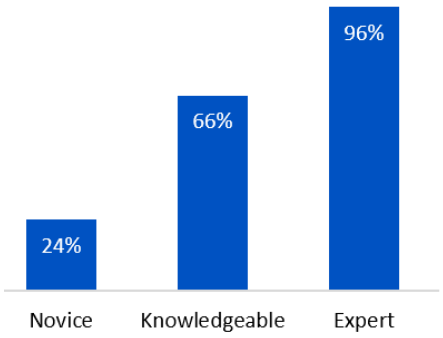
When viewed by age, millennials are somewhat less likely than older groups to have either a giving strategy or budget. Just 42 percent of millennials have a strategy and 37 percent have a budget, compared to 51 percent of older generations, about half of whom have a strategy (51 percent) or a budget (50 percent).

PERCENT WHO HAVE A GIVING STRATEGY OR BUDGET
AMONG ALL RESPONDENTS

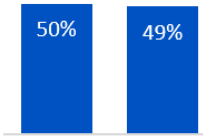


Demographics, however, appear to be a less important factor than knowledge when it comes to having a giving strategy. Only 24 percent of those who describe themselves as novices about charitable giving reported that they have a giving strategy, whereas two thirds of those who said that they are knowledgeable and nearly all (96 percent) of those describing themselves as experts have a giving strategy.

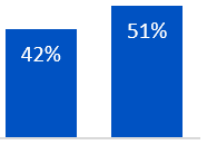
PERCENT WHO HAVE A GIVING STRATEGY
BY KNOWLEDGE LEVEL



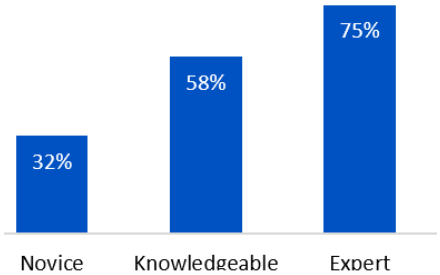
BY GENDER



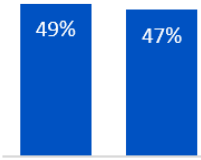
BY AGE



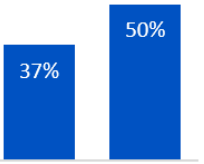
PERCENT WHO HAVE A BUDGET
BY KNOWLEDGE LEVEL



BY GENDER



BY AGE

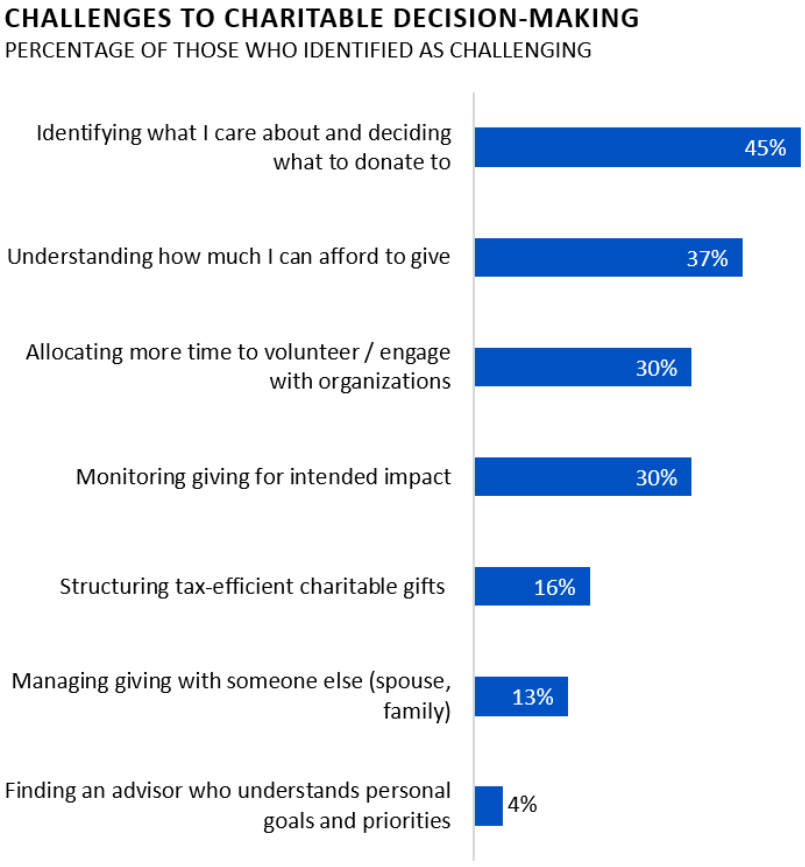


Challenges to charitable decision-making

Becoming intentional about charitable giving begins with a strategy and purpose to guide decision-making. When asked about the challenges facing them in making charitable decisions, the most frequently cited issue was identifying priorities, causes or organizations to which to donate.

Nearly four in 10 (37 percent) respondents said that they are challenged when it comes to understanding their own budget for their philanthropic goals. This behavior may be one reason why 30 percent of respondents have difficulty allocating time to volunteer and engage with organizations as they would like.

Only four percent cite difficulty finding an advisor who understands their personal goals and priorities.



Section VII: Giving vehicles

- Source of household giving dollars
- Giving vehicles used
- Giving circles

Giving Vehicles

A significant majority (86 percent) of high net worth households' charitable giving in 2017 came from their personal assets and income.

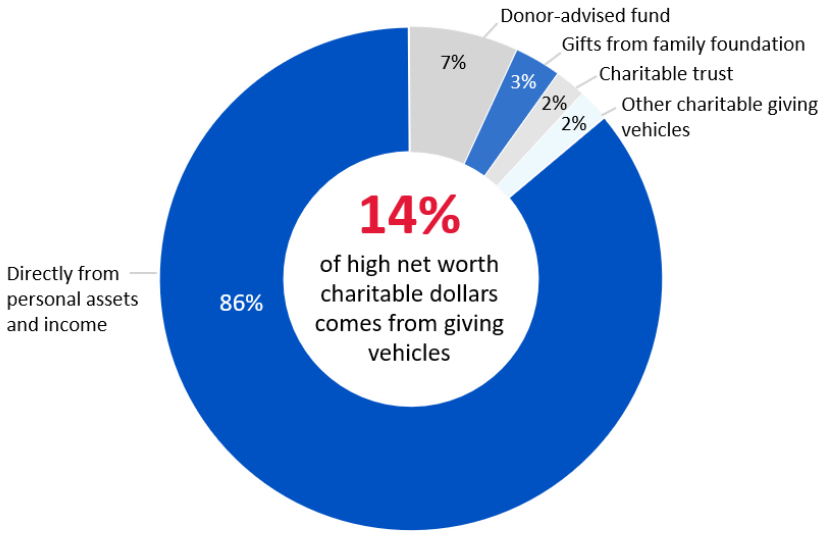
Only 14 percent of wealthy households' charitable giving came from a giving vehicle such as a donor advised fund, family foundation, charitable trust or anther giving vehicle. These data notwithstanding, the trend suggests that the use of giving vehicles is on the rise. In 2016, high net worth households reported that 11 percent of their charitable giving dollars came from giving vehicles.

The most frequently-used vehicle in 2017 was a donor-advised fund, used by seven percent of respondents, followed by gifts from a family foundation (three percent) and from a charitable trust (two percent).

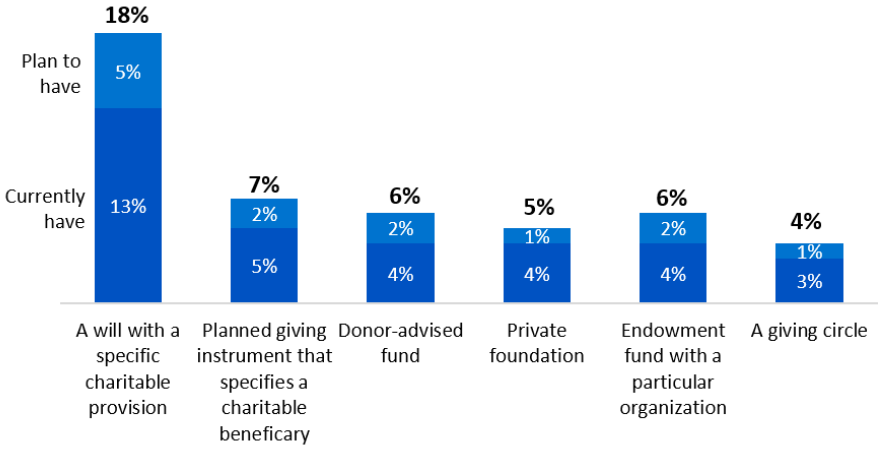
In total, 19 percent of respondents reported having some sort of giving vehicle. Excluding those whose giving vehicle was a will with a charitable provision in it, the percentage of respondents was 11 percent.

In lieu of a structured giving vehicle, some wealthy donors have elected to incorporate a specific charitable provision into their will or estate plan. Still, just 13 percent of Study respondents have a will with a charitable provision in it, and only five percent plan to add one in the near term.

SOURCE OF HOUSEHOLD CHARITABLE GIVING
SHOWN AS A PERCENTAGE OF TOTAL CHARITABLE GIVING



PERCENT WHO CURRENTLY HAVE, OR HAVE PLANS TO ESTABLISH, GIVING VEHICLES FOR MAKING CHARITABLE GIFTS



Another five percent have a planned giving instrument, such as the proceeds from an insurance policy or donation of an art collection, that specifies a charitable beneficiary. Seventy-five percent of donors who use a giving vehicle have a giving strategy, and 64 percent have a giving budget. By comparison, among those who do not use a giving vehicle, slightly more than four in 10 have a giving strategy and budget.

Use of giving vehicles compared to other assets

Donors who use giving vehicles said that their gifts are more targeted, suggesting a closer alignment of giving goals and strategy.

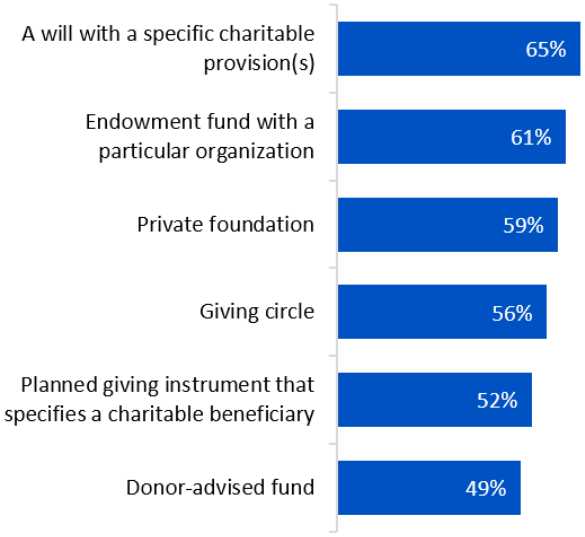
When donors who use giving vehicles were asked how their giving from that vehicle compares to giving from their other assets in terms of restrictions that they place on the use of the gifts, approximately two thirds (65 percent) said that gifts given pursuant to the specific charitable provisions in their will tend to have more restrictions, with similar proportions reporting more restrictions for gifts made by a private foundation (59 percent) and gifts made endowment funds (61 percent).

Those who participate in a giving circle also are more likely to place some restrictions on their gifts.

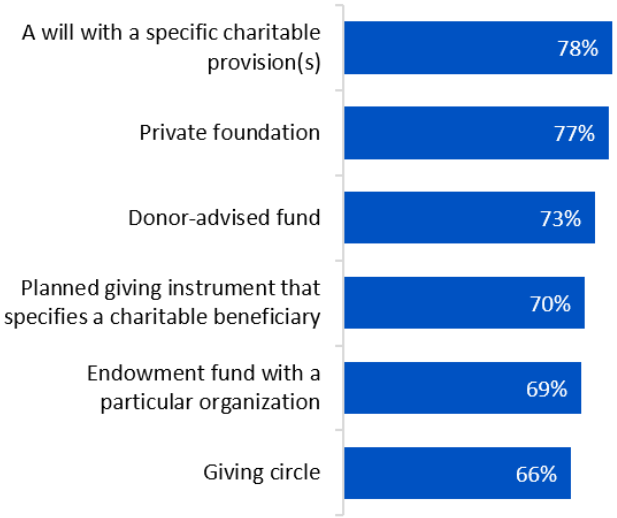
Those who use a donor-advised fund or other planned giving instrument that specifies a charitable beneficiary were evenly split on their use of restricted or unrestricted gifts.

Regardless of the type of vehicle used, the majority of donors said that their giving through a giving vehicle tends to be more targeted than when they give from other assets. This finding suggests that the use of giving vehicles contributes to more strategic giving that is more precisely aligned with specific goals or values.

PERCENT WHOSE GIVING IS MORE RESTRICTED THROUGH GIVING VEHICLES THAN WITH OTHER ASSETS
AMONG THOSE WHO USE GIVING VEHICLES



PERCENT WHOSE GIVING IS MORE TARGETED THROUGH GIVING VEHICLES THAN WITH OTHER ASSETS
AMONG THOSE WHO USE GIVING VEHICLES



Giving Circles

A giving circle, in which individuals pool money and decide together where to give, volunteer their time, and learn about philanthropy as a community, is not a traditional giving vehicle; however, in many ways it acts like one and offers similar benefits.

Just three percent of wealthy donors overall participate in a giving circle.

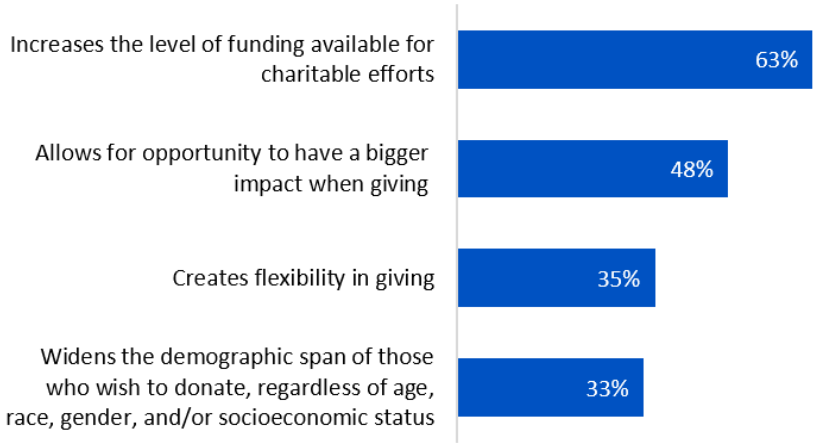
The majority (63 percent) who do participate in a giving circle believe that it helps to increase the level of funding available for charitable efforts.

Nearly half (48 percent) said that because the funds in a giving circle are pooled, this structure allows donors to have a bigger collective impact with their giving. Greater flexibility in giving was cited as a benefit by 35 percent.

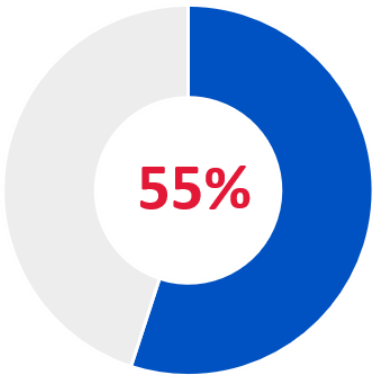
One-third of those who participate in a giving circle said that it helps to widen the demographic span of those who wish to donate, regardless of age, race, gender, and/or socioeconomic status. Giving circles offer the opportunity to connect with people and affinity groups as small as a group of neighbors to a worldwide community of people who share a particular affinity.

More than half (55 percent) of those who participate in a giving circle report that their circle focuses on funding programs and/or organizations that specifically benefit women and girls.

BENEFITS OF PARTICIPATING IN A GIVING CIRCLE
AMONG THOSE WHO PARTICIPATE IN A GIVING CIRCLE



PERCENT WHOSE GIVING CIRCLE HAS A FUNDING FOCUS ON WOMEN AND GIRLS
AMONG THOSE PARTICIPATING IN A GIVING CIRCLE



"Giving circles are engaging thousands of donors to give more and better, and they are engaging more diverse communities in philanthropy."

Debra J. Mesch, Ph.D.,
Professor of Philanthropic Studies; Eileen Lamb O'Gara Chair in Women's Philanthropy, Women's Philanthropy Institute

Section VIII: Charitable giving and the family

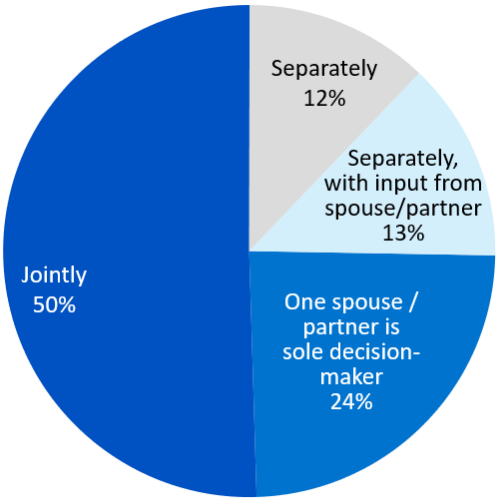
- Charitable decision-making within the family
- Distribution of family wealth
- Intergenerational giving

Values regarding giving, gratitude and generosity frequently reflect the character of a family. Giving decisions are often made collaboratively among spouses. Half (50 percent) of respondents who are married or partnered reported that they make decisions about their giving jointly with their spouse or partner. Only 19 percent of respondents reported being the sole decision maker, while 12 percent reported making decisions separately but conferring with each other before giving.

Among female respondents, 22 percent are the sole decision-maker for their household's philanthropic decisions. In 51 percent of households, the woman participates jointly with her partner in these decisions, and in 11 percent the partners make philanthropic decisions separately but with input from the other.

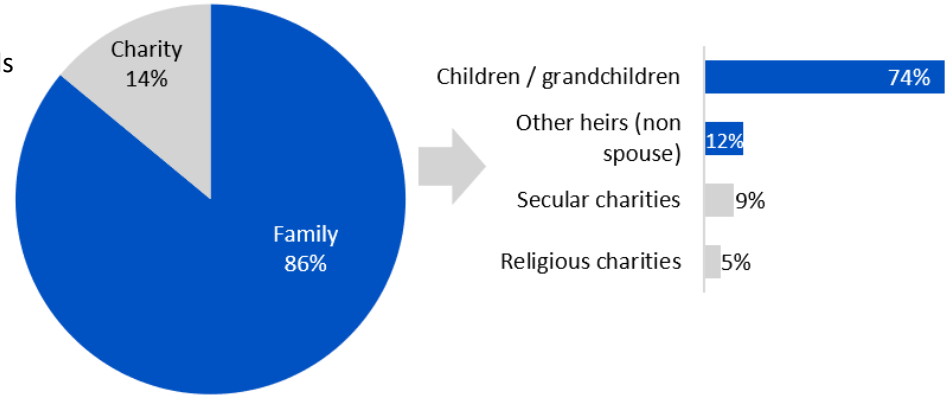
Among male respondents, 16 percent are the sole decision-maker. In 50 percent of households, the two partners participate jointly in these decisions. In 15 percent the partners make philanthropic decisions separately but with input from the other.

SPOUSE / PARTNER ROLES IN CHARITABLE DECISION-MAKING
AMONG THOSE WHO ARE MARRIED OR IN A PARTNERSHIP



As for leaving a legacy, family comes first. When asked how they would like to ultimately distribute their wealth, high net worth individuals reported that they intend to leave the majority to their children and grandchildren (74 percent), with other heirs receiving 12 percent. High net worth individuals intend to leave 14 percent of their wealth to charities.

DESIRED ALLOCATION FOR DISTRIBUTION OF WEALTH
AVERAGE DISTRIBUTION



Yet lasting family legacies are not built solely on financial assets. Rather, these legacies are products of the values and principles that are lived, shared and passed on – the culmination of family financial, intellectual and human capital.

Throughout this year's Study we see evidence of the important role of family in philanthropic practice.

Yet when it comes to the management of multi-generational wealth and the importance of charitable giving to it, just one in five donors involves multiple generations of family members in their giving discussions and decision-making. Similarly, 21 percent of those who have children, grandchildren or younger relatives involve them in charitable discussions. Only one percent talk with parents or grandparents, while three percent are talking to both younger and older generations in the family.



Among those who volunteer, three in ten volunteer with a family member



Three in four donors support organizations that personally affect them or a family member

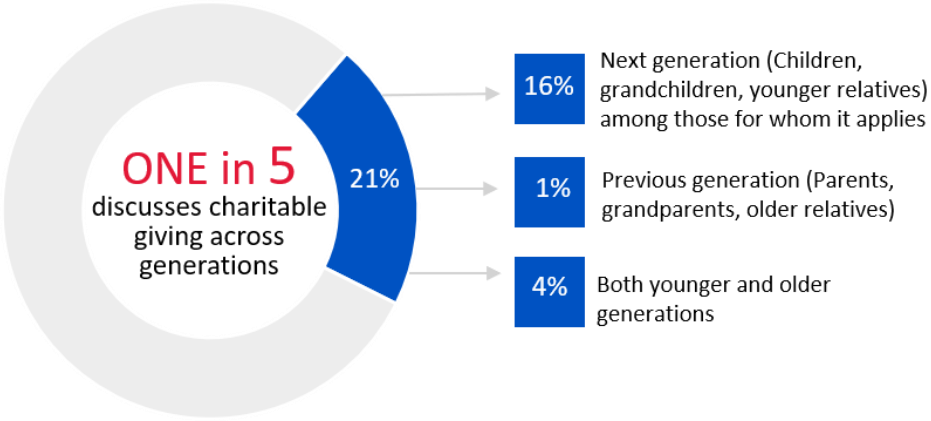


One in five donors want greater knowledge about engaging the next generation of family members in philanthropy



Six in in ten donors sometimes or always give to set an example for future generations

PERCENT WHO INVOLVE MULTIPLE GENERATIONS OF FAMILY IN CHARITABLE DISCUSSIONS AND DECISION-MAKING



Section IX: Board service

- Percent serving on boards
- Giving level / amounts by board members

Board service

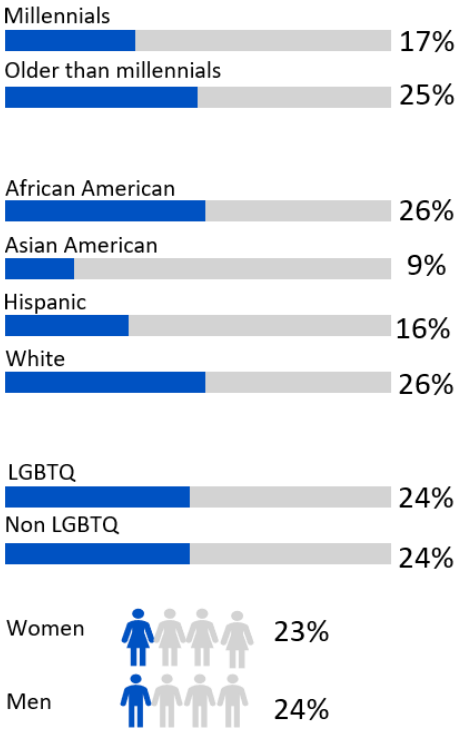
Among wealthy individuals who volunteer, nearly one in four (24 percent) serves on the board of a nonprofit organization, including 23 percent of women and 24 percent of men.

Most (72 percent) who serve on a nonprofit board do so because they believe in the mission of the organization. Nearly as many (71 percent) said they serve because they have skills and experience to offer.

Nearly four in 10 serve out of a desire to have the most impact, which can be interpreted as impact through engagement, as a way to monitor the impact and effectiveness of the organizations to which they give, or both.

24% High net worth individuals who serve on a nonprofit board

PERCENT OF HIGH NET WORTH INDIVIDUALS WHO SERVE ON A NONPROFIT BOARD
AMONG THOSE WHO VOLUNTEER



MOTIVATION FOR SERVING ON A NONPROFIT BOARD
AMONG THOSE SERVING ON A NONPROFIT BOARD



Giving by board members

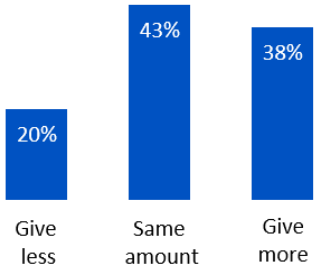
Thirty-eight percent of nonprofit board members reported that they give more to organizations where they have a seat on the board than to organizations where they do not. Forty-three percent give at the same level, regardless of whether or not they serve on the board.

Four-fifths of board members give to the organizations on whose board they serve because they believe in the mission of the organization.

There is also, at some organizations, an expectation, if not a requirement, for board members to give. About one in four (26 percent) serves on the board of an organization that has a "Give or Get" policy, a requirement to personally give at a specific level or to leverage connections to raise a certain level of funds on behalf of the organization.

Thus, nine percent of board members are required to give an individual gift and two percent to solicit donations from others, with 15 percent being expected to do both.

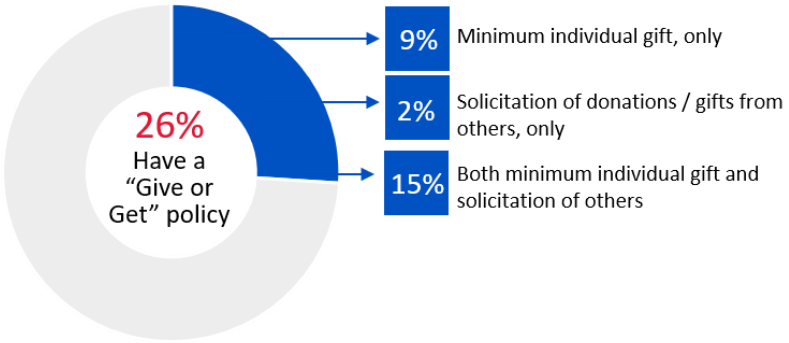
PERCENT OF BOARD MEMBERS WHO GIVE MORE, LESS OR THE SAME TO ORGANIZATIONS WHERE THEY HAVE A BOARD SEAT
AMONG THOSE SERVING ON A NONPROFIT BOARD



TOP REASONS BOARD MEMBERS GIVE THE LEVEL THEY DO TO ORGANIZATIONS ON WHICH THEY HAVE A BOARD SEAT



PERCENT WHO SERVE ON NONPROFIT BOARDS THAT HAVE A "GIVE AND/OR GET" POLICY
AMONG THOSE SERVING ON A NONPROFIT BOARD



Section X: Looking forward

- Top social and policy issues
- Confidence in societal institutions
- Impact of tax law changes on giving amounts

Top social and policy issues

Asked to name the three most important social and policy issues, regardless of whether or not they gave in support of them, high net worth donors' responses reflected their diversity as a group.

Five issues were most frequently cited among the top three: health care, education, climate change, the economy and animal rights.

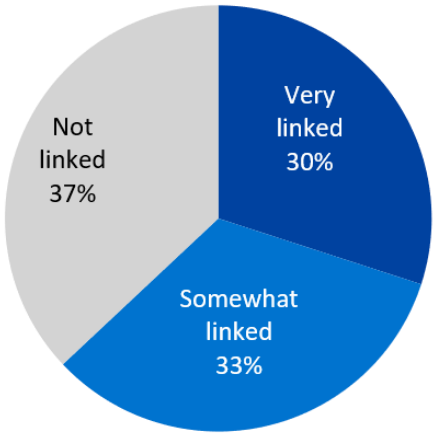
With respect to these issues, nearly two-thirds (63 percent) of high net worth donors reported that the causes and organizations they support philanthropically are at least somewhat aligned with the issues they consider most important, and that they would like them to be more aligned. One in three said that they are very aligned, while more than one in three (37 percent) said their giving strategy is not linked to the issues they consider most important.

Though not among the top five issues, other social and / or policy issues are considered most important to at least some respondents. For example, nearly one in 10 high net worth individuals considers arts and culture to be one of the top three issues that matter most to them. Twelve percent said immigration and refugee concerns are among the most important, while 11 percent believe the advancement of women and girls is in the top three.

The challenge for nonprofits that support these areas is to understand the perspective of individual donors and to find ways to connect and engage with them in meaningful ways.



EXTENT TO WHICH TOP ISSUES AND GIVING STRATEGY ARE LINKED



"Philanthropy is about more than giving money and taking tax deductions. It is about fulfilling goals of great personal importance. And at the end of the day, it is a responsibility shared by donors, the government, nonprofit and for-profit organizations to foster a civil society by addressing its most urgent needs."

Ramsay Slugg
Managing Director, Wealth Strategies Advisor, U.S. Trust

Confidence in societal institutions

When it comes to addressing important issues to society, the wealthy have more confidence in nonprofit organizations than in any other societal institution. Moreover, in a change from 2015, they place greater confidence in nonprofit organizations than in individuals, which they ranked highest in that year.

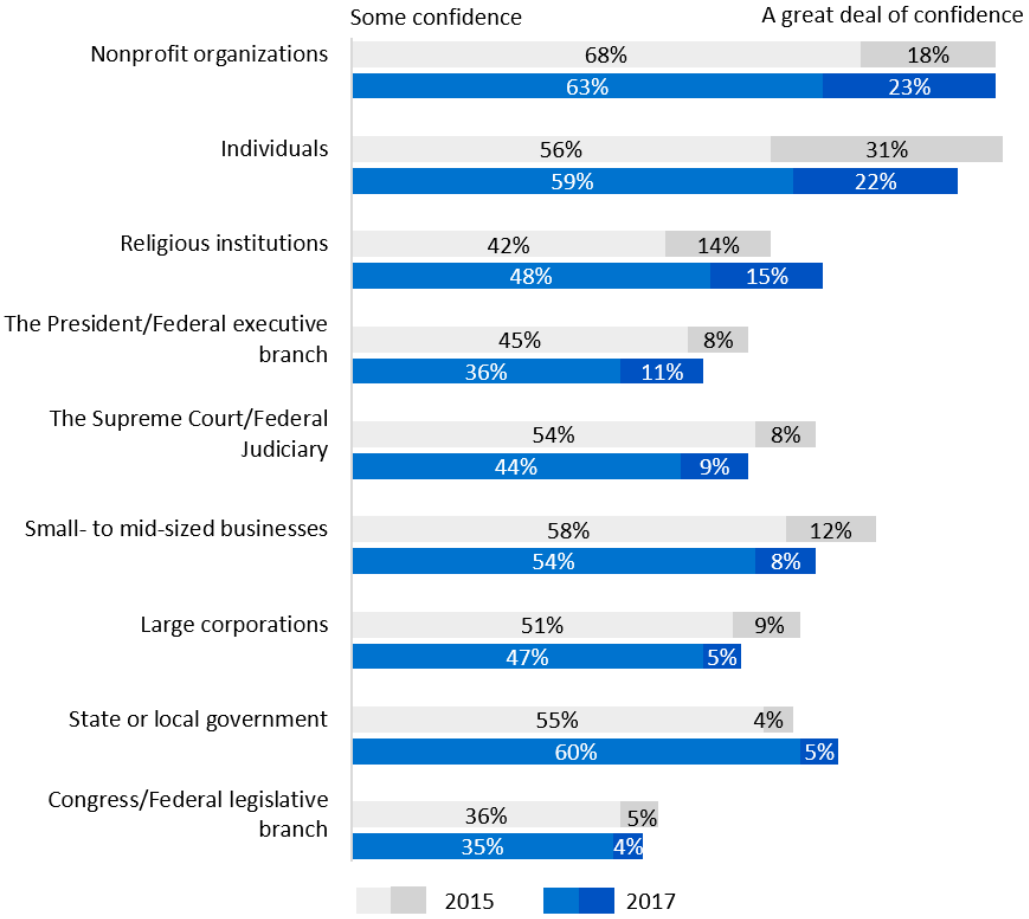
High net worth households reported having some or a great deal of confidence in nonprofit organizations (86 percent) and individuals (81 percent) to solve societal or global problems.

Respondents reported having far less confidence in state or local governments (65 percent), the President/federal executive branch (46 percent) and Congress/federal legislative branch (40 percent).

This finding tellingly illustrates a strong belief among the wealthy that the use of private resources to support charitable causes through nonprofit channels can be a powerful force in the world, one that can exceed the ability even of government to solve challenging problems.

EXTENT TO WHICH THE WEALTHY HAVE CONFIDENCE IN SOCIETAL INSTITUTIONS AND INDIVIDUALS - 2017 VS. 2015

AMONG ALL RESPONDENTS



Impact of tax laws on giving going forward

Most wealthy households do not expect their charitable giving amounts to decline as a result of tax law changes.

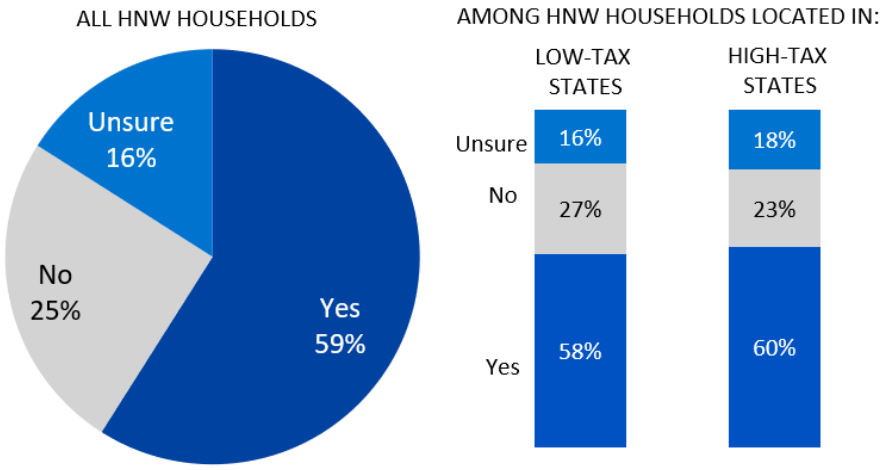
As previously cited in Section V of this report, just 17 percent of wealthy donors say they always give to charity in order to receive a tax benefit.

While 72 percent of the wealthy expected to itemized charitable deductions on their 2017 income tax returns, fewer (59 percent) expect to itemize in 2018.

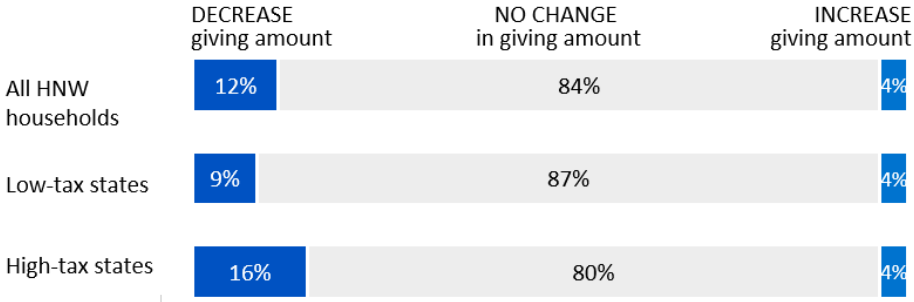
The majority of wealthy donors (87 percent) report that the passage of new tax laws that went into effect in 2018 did not affect the amount they gave to charity in 2017. Moreover, 84 percent do not expect to change the amount they will give in 2018, and four percent expect to increase their giving this year.

With that said, specific provisions of the tax law changes enacted in 2017 may disproportionately affect some donors living in high-tax states, and those in states where real estate prices may have a great impact.

PERCENT OF HIGH NET WORTH HOUSEHOLDS THAT INTEND TO ITEMIZE, OR NOT ITEMIZE, CHARITABLE DEDUCTIONS ON THEIR 2018 PERSONAL INCOME TAX RETURN



PERCENT WHO EXPECT TO INCREASE, DECREASE OR NOT CHANGE 2018 CHARITABLE GIVING AMOUNT BECAUSE OF TAX LAW CHANGES

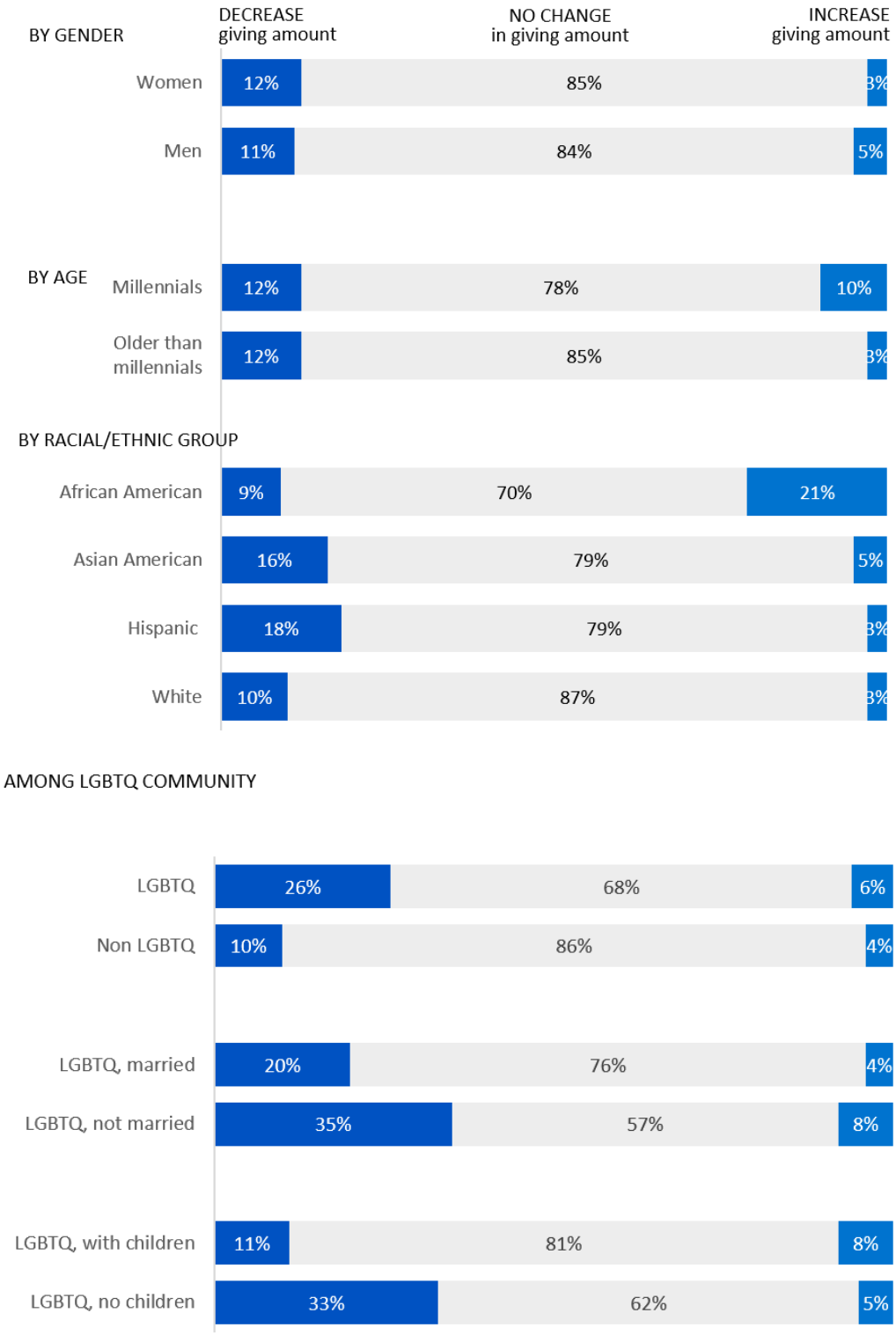


High tax states

- New Jersey
- Maryland
- Washington DC
- California
- Connecticut
- New York

Based on the perceived effect of tax laws, only a small percentage of high net worth households expects to decrease the amount they give to charity in 2018.

PERCENT WHO EXPECT TO INCREASE, DECREASE OR NOT CHANGE CHARITABLE GIVING AMOUNT IN 2018 BECAUSE OF TAX LAW CHANGES



Appendix

Methodology

The *2018 U.S. Trust® Study of High Net Worth Philanthropy* asked about giving in 2017. Development of the survey was a collaborative effort between U.S. Trust and the Indiana University Lilly School of Philanthropy. The Indiana University Lilly Family School of Philanthropy analyzed the responses for data validity and generated the statistical output. Analysis of survey results was a joint effort between all partners.

The survey was conducted using data obtained by GfK, including responses from its KnowledgePanel®, a nationally-representative, probability-based panel offering highly accurate and representative samples for online research. GfK engaged with the online panel, administered the survey to them, and scrubbed the responses for data validity.

The Study is based on a survey of 1,646 U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and/or an annual household income of $200,000 or more. The average net worth of respondents in the *2018* Study was $16.8 million. The average annual household income of respondents in the Study was approximately $331,156.

The survey questions in the 2018 Study included many that were modeled after those found in the Philanthropy Panel Study (PPS), which is a module of the Panel Study on Income Dynamics (PSID) conducted at the University of Michigan. PPS biennially assesses the giving and volunteering behavior of the typical American household. Questions about high net worth donors' motivations for giving were modeled after questions asked in surveys for the Lilly Family School of Philanthropy's regional giving studies.

Study Overview

The purpose of the *2018 U.S. Trust® Study of High Net Worth Philanthropy* is to provide comprehensive information on the giving patterns, priorities, and attitudes of America's wealthiest households for the year 2017.

Since 2006, this Study has been written and researched in partnership with the Indiana University Lilly Family School of Philanthropy. This research series is the most comprehensive and longest running of its kind, and an important barometer for wealthy donors' charitable engagement and perspectives. The latest Study once again offers valuable insights that help inform the strategies of nonprofit professionals, wealthy donors and charitable advisors.

The seventh in this series of biennial studies is based on a nationally representative sample of wealthy donors, including, for the second time, deeper analysis based on age, gender, race and sexual orientation. This expanded methodology enables further exploration of the philanthropic trends, strategies, and behaviors among the high net worth population.

Sampling Methodology and Data Collection

GfK's Knowledge Panel was first developed in 1999 by Knowledge Networks, a GfK company, with panel members who are randomly selected, enabling results from the panel to statistically represent the U.S. population with a consistently higher degree of accuracy than results obtainable from volunteer opt-in panels (for comparisons of results from probability versus non-probability methods, see Yeager et al., 2011).

Subgroup Analyses

Thanks to recent advances in survey research technology, including enhanced Internet-based survey methods and sampling techniques, for the second time this year, the Study provides a deeper analysis based on age, gender, race and sexual orientation. This expanded methodology enables further exploration of the philanthropic trends, strategies, and behaviors among the high net worth population.

Subgroup findings presented throughout the report compare the highlighted group and members of the relevant reference group (e.g., millennials compared to individuals older than millennials, women compared to men, LGBTQ individuals compared to non-LGBTQ individuals, African Americans compared to non-African Americans, Asians/ Pacific Islanders compared to non-Asians/Pacific Islanders, or Hispanics/Latinos compared to non-Hispanics/Latinos).

Imputation

The estimated average total amount high net worth households give to charity in the *2018 U.S. Trust® Study of High Net Worth Philanthropy* includes giving values imputed for the range of $20,000,000 and wealthier respondents. While these individuals make up a small portion of the overall sample, they have an outsize effect on giving. In order to estimate average giving among this specific $20M+ population, their giving values were imputed using inflation-adjusted giving averages from the Survey of Consumer Finance (SCF) 2016, which oversamples a large number of confirmed wealthy individuals and can be used to establish an approximate giving baseline for this small (0.2 percent) segment of the population. Because these individuals make up such a small portion of the Study's sample, this imputation procedure only affects instances where an average dollar amount is used.

About U.S. Trust

U.S. Trust, Bank of America Private Wealth Management is a leading private wealth management organization providing vast resources and customized solutions to help meet clients' wealth structuring, investment management, banking and credit needs. Clients are served by teams of experienced advisors offering a range of financial services, including investment management, financial and succession planning, philanthropic and specialty asset management, family office services, custom credit solutions, financial administration and family trust stewardship.

U.S. Trust is part of the Global Wealth and Investment Management unit of Bank of America Corporation, which is a global leader in wealth management, private banking and retail brokerage. U.S. Trust employs more than 4,000 professionals and maintains 93 offices in 31 states.

As part of Bank of America, N.A., U.S. Trust can provide access to a broad range of banking solutions for individuals and businesses, and an extensive retail banking platform.

About Indiana University Lilly Family School of Philanthropy

The Indiana University Lilly Family School of Philanthropy is dedicated to improving philanthropy to improve the world by training and empowering students and professionals to be innovators and leaders who create positive and lasting change in the world. The school offers a comprehensive approach to philanthropy through its academic, research, and international programs, and through The Fund Raising School Lake Institute on Faith & Giving, and the Women's Philanthropy Institute

Acknowledgements

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With special thanks to **Xiao Han** and the **Women's Philanthropy Institute**.

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Endnotes

[1] Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014 and 2016 population estimates, March 1, 2018 http://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-baby-boomers/

[2] Pew Research Center tabulations of the 2017 Current Population Survey/Annual Social and Economic Supplement (ASEC) from the integrated Public Use Microdata Series (PUMS), as shown in Pew Research Center FactTank, March 18, 2018 http://www.pewresearch.org/fact-tank/2018/03/16/how-millennials-compare-with-their-grandparents/

[3] Blackbaud Institute, *Diversity in Giving, February 2015, Page 4 (accessed via Nonprofit Times http://www.thenonprofittimes.com/wp-content/uploads/2015/03/Diversity-in-Giving-Study-FINAL.pdf*

[4] Frey, William H., The Millennial Generation: A demographic bridge to America's diverse future, Brookings Metropolitan Policy Program, Page 36 , https://www.brookings.edu/wp-content/uploads/2018/01/2018-jan_brookings-metro_millennials-a-demographic-bridge-to-americas-diverse-future.pdf

[5]This average giving amount comprises reported giving levels by survey respondents as well as inflation-adjusted giving averages from the Survey of Consumer Finance (SCF) 2016

[6] Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households, October 2017

[7] "Women and The World, U.S. Trust, Capital Acumen, Issue 33. https://www.ustrust.com/articles/philanthropy-women-and-the-world.html

[8] **Impact investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values-based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.**