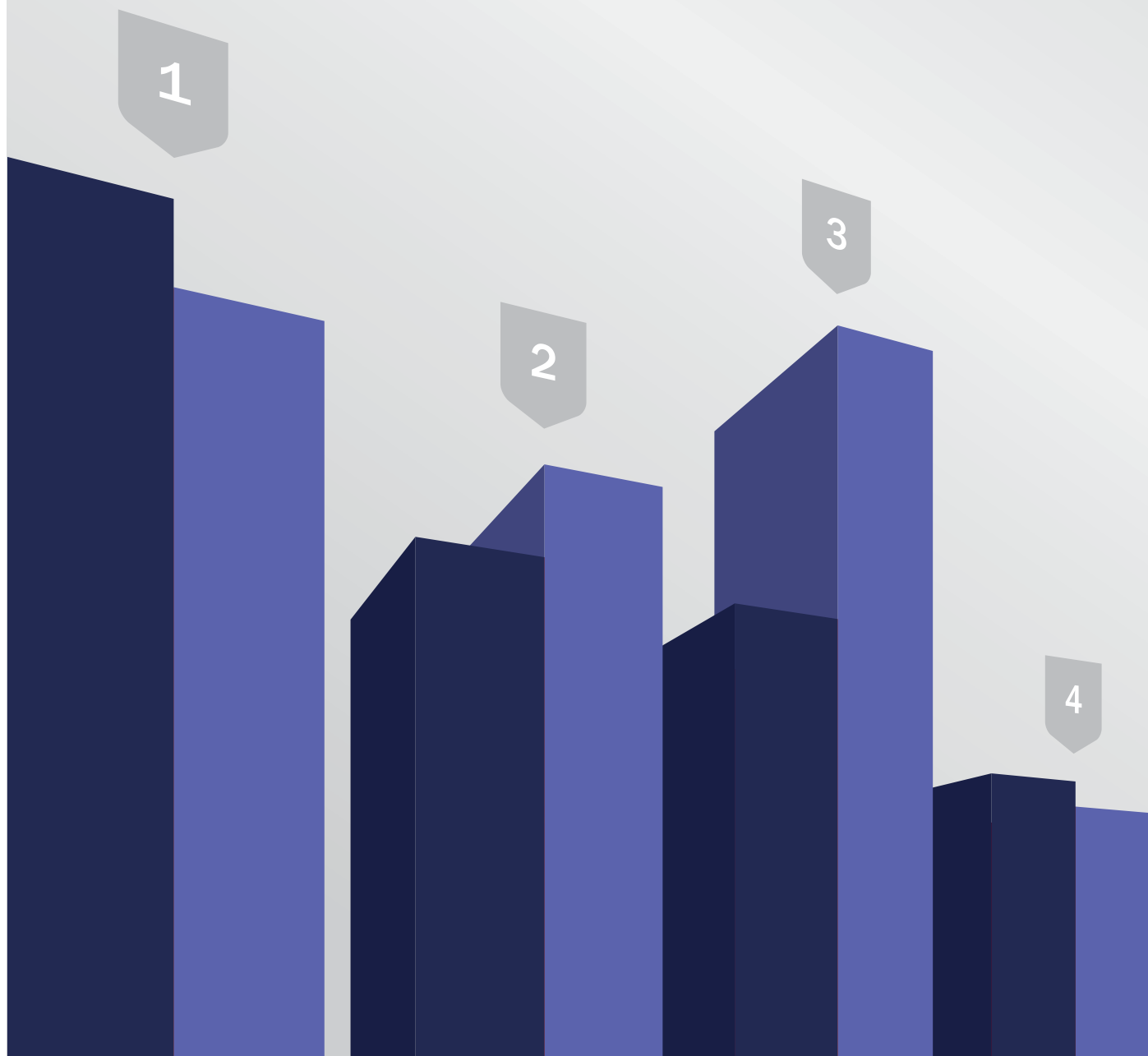


# The 2012 Bank of America Study of High Net Worth Philanthropy

Issues driving charitable activities among wealthy households

November 2012



A collaboration between



and



## **Bank of America**

Bank of America is dedicated to philanthropic and nonprofit communities. Through our U.S. Trust Institutional Investments & Philanthropic Solutions group, we put our strengths and resources behind every mission – be it a nonprofit organization or a philanthropic individual or family. We provide specialized advisory, administrative and investment solutions to both nonprofit organizations and private philanthropic clients that help transform their charitable goals into meaningful action. We tailor mission-focused solutions and offer ongoing advice and guidance through a close-working relationship with a dedicated advisor, helping organizations and individuals turn missions into milestones.

## **The Center on Philanthropy at Indiana University**

Every culture depends on philanthropy and nonprofit organizations to provide essential elements of a civil society. Effective philanthropy and nonprofit management are instrumental in creating and maintaining public confidence in the philanthropic traditions – voluntary association, voluntary giving, and voluntary action. The Center on Philanthropy at Indiana University increases the understanding of philanthropy and improves its practice through programs in research, teaching, public service, and public affairs.

## **The Center on Philanthropy Project Team**

Una Osili, Ph.D., Director of Research

Reema Bhakta, M.P.A., Former Assistant Director of Research

Melanie McKittrick, M.P.A., M.A., Managing Editor and Project Manager

Amir Hayat, M.A., M.S., Statistician

Adriene Davis Kalugyer, Manager of Communications

Grace Baranowski, B.A., Research Associate

Cynthia Hyatte, Administrative Assistant

Research Assistants: Jon Bergdoll, Heng (Ellie) Qu, and Traci Wilmoth

With special thanks to: Jacqueline Ackerman, Caitie Copple, Xiaonan (Coco) Kou, Michal Kramarek, John Marron, Debra Mesch, and Andrea Pactor

## **Bank of America Editorial Review Board**

Matthew Card, Senior Vice President of Communications, Global Wealth & Investment Management, Bank of America

Claire Costello, National Philanthropic Practice Executive, U.S. Trust

Patricia Scalabrin, National Philanthropic Solutions Executive, U.S. Trust

David Ratcliffe, Philanthropic Sales Executive, U.S. Trust

Gillian Howell, Division Philanthropic Executive, U.S. Trust

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

Diann Petrino, Division Philanthropic Executive, U.S. Trust

Rebecca Eyre, Institutional Investments & Philanthropic Solutions Marketing, U.S. Trust

Justine Kenna, Global Marketing and Corporate Affairs, U.S. Trust

The Center on Philanthropy at

Indiana University

550 W. North St., Suite 301

Indianapolis, IN 46202-3272

317-274-4200

[www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

Bank of America Philanthropic Management

100 Federal St.

Boston, MA 02110

617-434-1388

<https://www.bankofamerica.com/philanthropic>

\*Bank of America and Bank of America Merrill Lynch are marketing names for the Institutional Investments & Philanthropic Solutions group of Bank of America Corporation (“BAC”). U.S. Trust operates through Bank of America, N.A., and other subsidiaries of Bank of America Corporation. Banking and fiduciary activities are performed globally by banking affiliates of BAC, including Bank of America, N.A., Member FDIC.

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>INTRODUCTION.....</b>  | <b>5</b>  |
| OVERVIEW.....   | 5         |
| KEY FINDINGS.....   | 6         |
| READING THE REPORT.....   | 10        |
| <b>I: OVERALL TRENDS IN HIGH NET WORTH PHILANTHROPY.....</b>  | <b>12</b> |
| HIGH NET WORTH HOUSEHOLD GIVING TRENDS.....   | 13        |
| AVERAGE AND MEDIAN GIVING BY HIGH NET WORTH HOUSEHOLDS.....   | 18        |
| DEMOGRAPHIC TRENDS OF HIGH NET WORTH HOUSEHOLDS THAT GIVE TO CHARITY.....                                 | 21        |
| TRENDS IN GIVING OF LARGEST GIFT BY HIGH NET WORTH HOUSEHOLDS.....  | 29        |
| VOLUNTEERING TRENDS OF HIGH NET WORTH INDIVIDUALS.....  | 33        |
| HIGH NET WORTH GIVING AND VOLUNTEERING TRENDS.....  | 39        |
| <b>II: GIVING STRATEGIES, DECISION MAKING, MOTIVATIONS AND OUTCOMES, AND FAMILY TRADITIONS.....</b>       | <b>41</b> |
| GIVING STRATEGIES OF HIGH NET WORTH DONORS.....   | 42        |
| RISK TAKING OF PHILANTHROPIC ASSETS, GIVING VEHICLES, AND ADVISORS.....                                   | 47        |
| DECISION MAKING AND HIGH NET WORTH GIVING.....  | 51        |
| MOTIVATIONS AND OUTCOMES FOR GIVING BY HIGH NET WORTH DONORS.....   | 56        |
| FAMILY TRADITIONS AND HIGH NET WORTH GIVING.....  | 60        |
| <b>III: HIGH NET WORTH HOUSEHOLD GIVING FORECAST, SEASONAL GIVING, AND METHODS USED TO PAY GIFTS.....</b> | <b>62</b> |
| THREE-TO-FIVE YEAR HIGH NET WORTH GIVING FORECAST.....  | 63        |
| HIGH NET WORTH SEASONAL GIVING.....   | 64        |
| HOW HIGH NET WORTH HOUSEHOLDS MAKE THEIR GIFTS.....   | 65        |
| <b>IV: PUBLIC POLICY AND THE HIGH NET WORTH DONOR.....</b>  | <b>66</b> |
| TOP PUBLIC POLICY ISSUES FOR HIGH NET WORTH DONORS.....   | 67        |
| CONFIDENCE IN SOCIETAL INSTITUTIONS.....  | 68        |
| HIGH NET WORTH GIVING TO POLITICAL CAUSES.....  | 69        |
| TAX CONSIDERATIONS FOR HIGH NET WORTH HOUSEHOLDS.....   | 71        |
| <b>V: DEMOGRAPHIC SUMMARY AND METHODOLOGY.....</b>  | <b>73</b> |
| DEMOGRAPHIC SUMMARY.....  | 74        |
| METHODOLOGY.....  | 75        |

## INTRODUCTION

The *2012 Bank of America Study of High Net Worth Philanthropy* examines the giving patterns, priorities, and attitudes of America's wealthiest households for the year 2011. This study, the fourth in a series written and researched by the Center on Philanthropy at Indiana University in partnership with Bank of America (in particular, U.S. Trust, Bank of America Private Wealth Management), builds on previous studies issued in 2006, 2008, and 2010. In addition, this partnership has produced two other reports — the *2011 Study of High Net Worth Women's Philanthropy and the Impact of Women's Giving Networks* and the *2006 Bank of America Study of High Net Worth Philanthropy: Portraits of Donors*. Together, all of these studies provide valuable information about high net worth giving across multiple dimensions to be used by nonprofit professionals, charitable advisors, donors, and others interested in philanthropy and the nonprofit sector.

To inform longitudinal tracking of high net worth philanthropic activity, several areas analyzed in this study — giving patterns, perceptions, motivations, decision making, values, traditions, volunteering and demographic dimensions — build on those examined in the previous studies in this series. In addition, the current study presents new areas of research in order to gain a deeper understanding of the giving patterns of America's high net worth households. New research themes include donor strategies, giving outcomes, and donors' sensibilities concerning the current economic and political landscape.

These studies have set the benchmark for research on the giving practices of high net worth households. This current study represents a comprehensive analysis of data gathered from a 12-page survey fielded to 20,000 high net worth donors in America's wealthiest neighborhoods. Only households with incomes greater than \$200,000 and/or net worth more than \$1,000,000 — excluding the monetary value of their home — were included in this analysis. Slightly more than 700 responding households met the income and wealth criteria for inclusion in this study, which is a national random sample. Average net worth of responding households was \$10.7 million.

## OVERVIEW

This study reveals consistent trends in the giving and volunteering behaviors of high net worth individuals and households from previous years, as well as departures from past trends. The vast majority (95.4 percent) of high net worth households continued to give to charity in 2011. Although the findings show a 3 percentage point decline in the rate of giving by these households from 2009, a growing proportion of high net worth individuals volunteered their time in 2011 (88.5 percent compared with 78.7 percent in 2009). More than one-third of these volunteers gave 200 hours or more of their time in 2011.

High net worth donors have become more intentional about their giving in recent years. In 2011, the majority of these donors relied on a strategy to guide their giving and focused their giving on particular causes or geographical areas. In addition, compared with 2009, fewer high net worth donors gave spontaneously in response to a need and a greater proportion funded nonprofit general operations.

The role of strategy among high net worth donors may be related, at least in part, to the rise in the use of giving vehicles, which include donor-advised funds, foundations, and charitable trusts. While fewer high net worth donors gave to every charitable category (e.g., education, religion, arts, etc.) in 2011 compared with 2009, a greater proportion gave to giving vehicles. In addition, while lower proportions of high net worth donors consulted with various types of outside advisors about their charitable giving in 2011, 26 percent of those who consulted with an advisor gave to a giving vehicle.

Along with this intentionality, high net worth donors continue to be impact driven. High net worth donors are consistently motivated to give because they feel moved about how their gift can make a difference, with the highest proportion of donors reporting this as a motivation in both 2009 and 2011 (72.4 percent and 74.0 percent, respectively).

Together, the characteristics that drive high net worth giving today — increased strategy and focus, engagement, and volunteerism — may be due to greater importance these donors place on the impact of their giving.

This study asked wealthy households about their confidence in various societal groups and institutions to solve domestic and global problems. The vast majority of high net worth households reported having some confidence or a great deal of confidence in the ability of nonprofit organizations (90.8 percent) and individuals (89.7 percent) to solve societal problems. These results demonstrate high net worth donors' belief in the power of voluntary action. The same households reported much lower levels of confidence in various areas of government — particularly Congress (25.3 percent).

*The following sections provide detailed summaries of the key findings about giving and volunteering behaviors and attitudes of high net worth individuals and households drawn from the 2012 Bank of America Study of High Net Worth Philanthropy.*

## **KEY FINDINGS**

### ***Overall Giving Trends***

As in previous years, high net worth households revealed a strong commitment to charitable causes in 2011. That year, 95 percent of high net worth households donated to at least one charity. This figure is in contrast to the approximately 65 percent of the general population who give.<sup>1</sup> The percentage of all high net worth households that gave in 2011, however, decreased from its peak of 98 percent in 2009.

---

<sup>1</sup>Giving data for the general population comes from the 2009 *Center on Philanthropy Panel Study* on giving in 2008, the latest year data is available on average giving by American households, available at [www.philanthropy.iupui.edu/research](http://www.philanthropy.iupui.edu/research).

Analysis of the size of gifts made in 2011 reveals that the average amount donated by high net worth households to charity, overall, declined 7 percent from 2009 — from \$56,621 (adjusted to 2011 dollars) to \$52,770. Giving as a percentage of high net worth households' income was an average of 8.7 percent in 2011, which was comparable to 2009 (9.1 percent).

In 2011, high net worth households were most likely to give to education (79.6 percent), basic needs (79.3 percent), and arts and culture (68.8 percent). By comparison, the nonprofit categories receiving the largest proportion of all high net worth dollars included education (27.6 percent), giving vehicles (23.4 percent), and religion (12.6 percent). In addition, in 2011, high net worth donors focused their largest gifts on religious organizations (35.9 percent) and organizations involved in education (25.0 percent), followed by organizations focused on health (8.2 percent).

Between 2009 and 2011, a smaller proportion of high net worth households gave to each charitable category except for one: giving vehicles. The rate at which high net worth households gave to giving vehicles between these years grew 3 percentage points, from 16 percent to 19 percent.

### ***Volunteering and Giving***

The rate of volunteering by high net worth individuals continues to grow. In 2011, 89 percent of high net worth individuals volunteered, up 10 percentage points from 2009. Over one-third (35.1 percent) of these individuals volunteered more than 200 hours in 2011.

High net worth individuals were most likely to volunteer on their own (78.5 percent), rather than with family, friends, or coworkers in 2011. In addition, these individuals were most likely to have served on a nonprofit board (60.6 percent) or to have spent time on board-serving activities (an average of 144.6 hours) compared with other volunteer activities.

In general, high net worth individuals who volunteer tend to give to charity more often than those who do not, and high net worth individuals who volunteer more tend to give more. However, there are exceptions. In 2011, high net worth individuals who volunteered 101 to 200 hours gave the highest average amount at \$95,868, while those who volunteered more than 200 hours gave the second-highest average amount at \$68,619.

High net worth donors gave the highest average amount in contributions to organizations both where they volunteered and believed their gift would have the largest impact (\$102,642). By comparison, in 2009, high net worth donors gave the highest average amount to organizations where they served on the board or had an oversight role (\$84,551, adjusted to 2011 dollars).

### ***Giving Strategies of High Net Worth Donors***

In 2011, the majority of high net worth donors had a giving strategy (70.9 percent) and had a budget for their giving (60.5 percent). Just 5 percent of high net worth donors reported having a mission statement for their charitable activity. Correspondingly, a smaller percentage of high net worth donors gave spontaneously in response to a need in 2011 compared with 2009, at 40 percent and 47 percent, respectively.

More high net worth donors focused their giving on particular causes or geographical areas than those who did not in 2011. Eighty-one percent of high net worth donors reported at least somewhat of a focus on giving to support a particular set of issues or geographical areas, including 36 percent who reported a high degree of focus on a particular set of issues or geographical areas.

High net worth donors are increasingly directing their gifts toward operating support for nonprofits. High net worth donors were more likely to donate for this purpose in 2011 (60.9 percent) than they were in 2009 (55.5 percent). Over the same period, the percentage of high net worth donors funding specific programs, making capital gifts, and providing funding for other reasons (such as for personal benefit) declined.

### ***The Rise in Use of Giving Vehicles***

In 2011, the percentage of high net worth households that gave to a giving vehicle was 19 percent, compared with 16 percent in 2009. By comparison, fewer high net worth households gave to every other charitable category in 2011 compared with 2009 (such as arts, education, health, and others).

While high net worth donors gave less, on average, to giving vehicles in 2011 (\$77,150), than in 2009 (\$79,526, adjusted to 2011 dollars), the decline was much lower than that realized for overall average giving between 2009 and 2011. In addition, giving vehicles was the only charitable category that realized an increase in average donations between 2005 and 2011, with 9 percent growth during that time period.

### ***Seeking Advice from Outside Advisors***

In 2011, 40 percent of high net worth donors consulted with at least one type of outside advisor about their charitable giving. Of those who reported consulting with at least one advisor, most solicited advice from an accountant (53.4 percent) — a lower proportion than in 2009 (67.5 percent). High net worth donors were more likely to report consulting with nonprofit personnel (33.0 percent) and community foundation staff (23.0 percent) in 2011 than in 2009 (24.1 percent and 18.1 percent, respectively).

Twenty-six percent of high net worth donors who consulted with an advisor of any type in 2011 also gave to a giving vehicle. High net worth donors who consulted with a bank or trust company gave to a giving vehicle at the highest rate (31.6 percent), compared with those who consulted with other types of advisors.

### ***Decision Making Within Households***

High net worth households were evenly split regarding how giving and wealth management decisions were made within the home in 2011. For both types of decisions, couples in about half of these households made these decisions jointly (45.5 percent and 48.1 percent, respectively). In terms of deciding how to give their largest gift, 48 percent of couples in these households made the decision jointly in 2011.



The vast majority (91.1 percent) of all responding high net worth households have children. Of the high net worth households that have children, one-third involved their children in their general charitable giving decisions in 2011.

### ***Motivations for and Outcomes of Giving***

Feeling moved about how a gift can make a difference remained a top motivation for high net worth donors in 2011, with 74 percent citing this as a reason to give that year (relative to 72.4 percent in 2009). Annually supporting the same causes and giving to an efficient organization held steady as motivations for high net worth donors between 2009 and 2011, with between 66 percent and 71 percent of donors citing these motivations for giving in those years. Feeling financially secure as a reason for giving was also important for a large percentage (70.8 percent) of high net worth donors in 2011 — about the same as reported in 2009 (71.2 percent).

Most high net worth donors derive great satisfaction and fulfillment from their charitable giving. In this context, satisfaction relates to the perception that these donors have about the outcomes and effects of their charitable activity, while fulfillment relates to the feelings that their charitable activity engenders. Three-quarters (74.5 percent) of high net worth donors feel somewhat or very satisfied about their charitable giving, while 78 percent feel that their philanthropic practices are somewhat or very fulfilling.

These findings have key implications for the nonprofit sector, as positive personal engagement with a cause is linked with increased volunteering and charitable giving. Forty-three percent of high net worth donors volunteered in 2011 because they were passionate about the organization's mission and sought out specific volunteer opportunities. In turn, high net worth donors gave the highest average amount (\$102,642) to organizations both where they believed their gift would have the largest impact and where they volunteered. In addition, about three-quarters (76.4 percent) of high net worth donors derive a personal sense of accomplishment because their charitable activity leads to results.

### ***High Net Worth Giving Forecast***

Nearly a quarter (24.0 percent) of high net worth households plan to increase their giving over the next three to five years. Over half (52.4 percent) of high net worth households reported that they plan to give at the same level in the next three to five years as they did in 2011. This leaves nearly another quarter (23.6 percent) of these households that either plan a decrease in giving or are uncertain about their future giving.

### ***Public Policy and the High Net Worth Household***

In the current study, high net worth individuals were asked for the first time to report the top three public policy issues that matter to them. The greatest percentage (59.5 percent) of respondents reported education, followed by health care (45.2 percent) and the economy (37.7 percent).

The greatest proportions of high net worth individuals reported having some confidence or a great deal of confidence in the ability of nonprofit organizations (90.8 percent), individuals (89.7 percent), and religious organizations or groups (73.9 percent) to solve societal problems. By comparison, confidence in businesses and corporations was markedly low, while confidence in various levels of government was especially low.

For the first time, respondents to the *Bank of America Study of High Net Worth Philanthropy* were asked to report on whether they gave to a political organization for the purpose of electing or defeating candidates. Relevant to our election season is the finding that a large share (50.7 percent) of high net worth households gave to such an organization in 2011, with an average amount donated of \$1,363 (median of \$500).

## READING THE REPORT

This report is divided into five main sections and 20 subsections. The report begins in Section I with overall trends in high net worth household philanthropy, including rate of giving, average and median giving, and demographic information. Giving trends are followed by a series of findings about the largest gifts these households made in 2011, as well as details on volunteering by high net worth individuals.

Section II discusses findings on high net worth donor strategies, risk taking of philanthropic assets, use of giving vehicles, outside advising, decision making, motivations for giving, gift outcomes, and family involvement.

The three-to-five year forecast for high net worth household giving levels is presented in section III, as are trends in seasonal giving and the vehicles used for making charitable gifts.

Section IV focuses on a series of findings about public policy and the high net worth household. This section includes the results of new public policy questions, such as the issues high net worth individuals cite as important to them and their political giving levels, as well as results about the influence of tax policies on high net worth household giving decisions, among others.

Section V provides demographic data for responding high net worth households and a summary of the methodology used for this report.

A note on terms used in this report: In some cases, respondents were asked to report about the giving behaviors of their household. These questions relate most often to how much households gave, the types of organizations to which they gave, and decision making within households. In other instances, respondents were asked to report on their own individual giving behaviors. These questions relate most often to giving behaviors related to strategy, motivation and outcomes, volunteerism, and policy.

In most instances, the figures presented throughout this report display the percentage of respondents reporting positively to the survey questions. In other instances, data is in terms of dollar amounts or numerical amounts. The survey questions used for this study are provided, when applicable, below the figure heading. Data for years prior to the 2011 report are presented

throughout this report. When dollar amounts are presented for prior years, these amounts are adjusted for inflation to 2011 dollars. Reports for prior years can be found in previous *Bank of America High Net Worth Philanthropy Studies* at [www.philanthropy.iupui.edu/research](http://www.philanthropy.iupui.edu/research) and <http://newsroom.bankofamerica.com/press-kit/bank-america-high-net-worth-philanthropy-study>.

## **I: OVERALL TRENDS IN HIGH NET WORTH PHILANTHROPY**

This section provides detailed summaries of overall trends in high net worth household philanthropy in 2011, including rate of giving, the organizations to which high net worth households gave, average and median giving amounts, and analyses of giving by specific demographic categories, including giving by income and wealth, education and employment, religious attendance, and geography.

Following giving trends by households is a series of findings on the giving of the largest gifts by high net worth households.

In addition, this section provides data on trends related to volunteering by high net worth individuals. These summaries provide details on rates of volunteering, types of activities that high net worth individuals volunteer for, number of hours volunteered, analyses of giving and volunteering activity, and volunteer decision making.

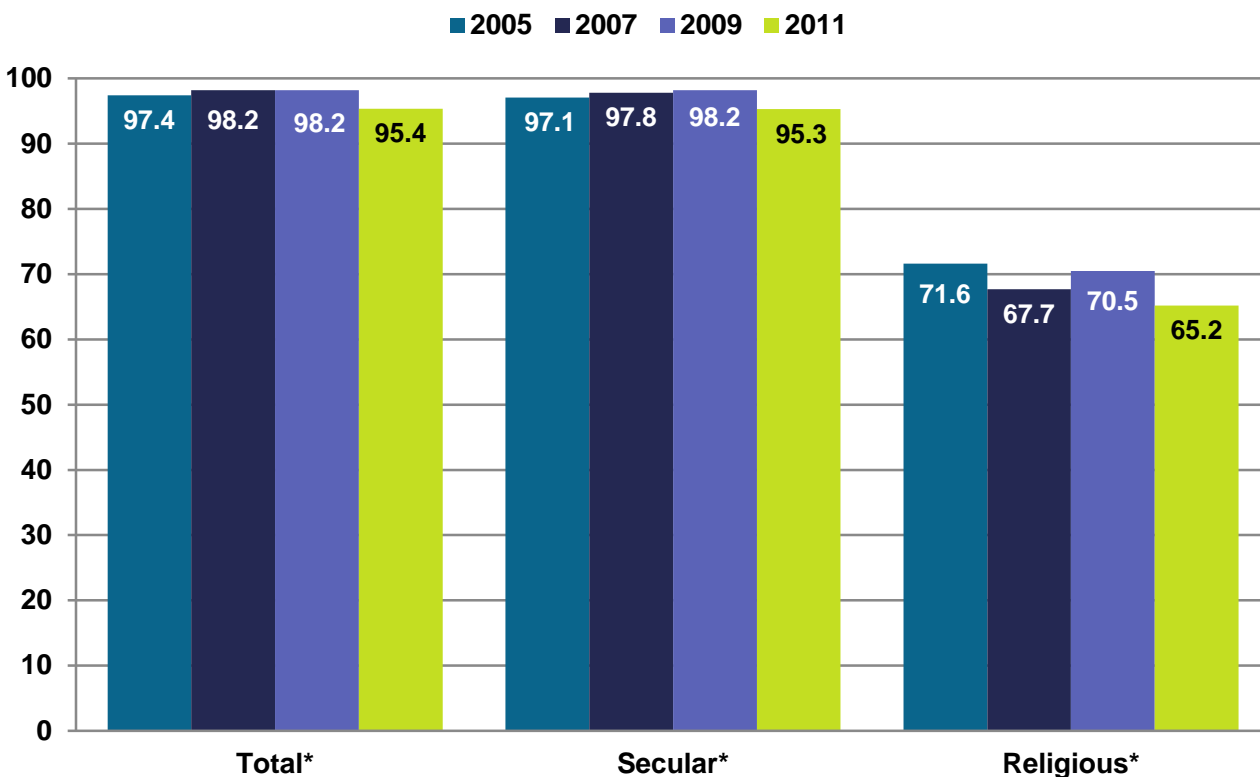
## HIGH NET WORTH HOUSEHOLD GIVING TRENDS

### Percentage of High Net Worth Households That Give to Charity

The vast majority of high net worth donors give to charity each year. In 2011, 95 percent of these donors gave to a charity, which was a statistically significant drop of 3 percentage points from 2009. More high net worth donors gave to secular causes than to religious causes in 2011 — 95 percent and 65 percent, respectively. These figures are consistent with past years. Almost all (95 percent or more) high net worth households gave to secular organizations between 2005 and 2011, while between 65 and 72 percent gave to religious causes during these years.

**FIGURE 1: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO ANY CHARITY IN 2005, 2007, 2009, AND 2011 (%)**

*“In 2011, did you or your household make a donation to any cause? Please include personal gifts and gifts from your family foundation, donor-advised fund, trust or other charitable giving vehicle.”*



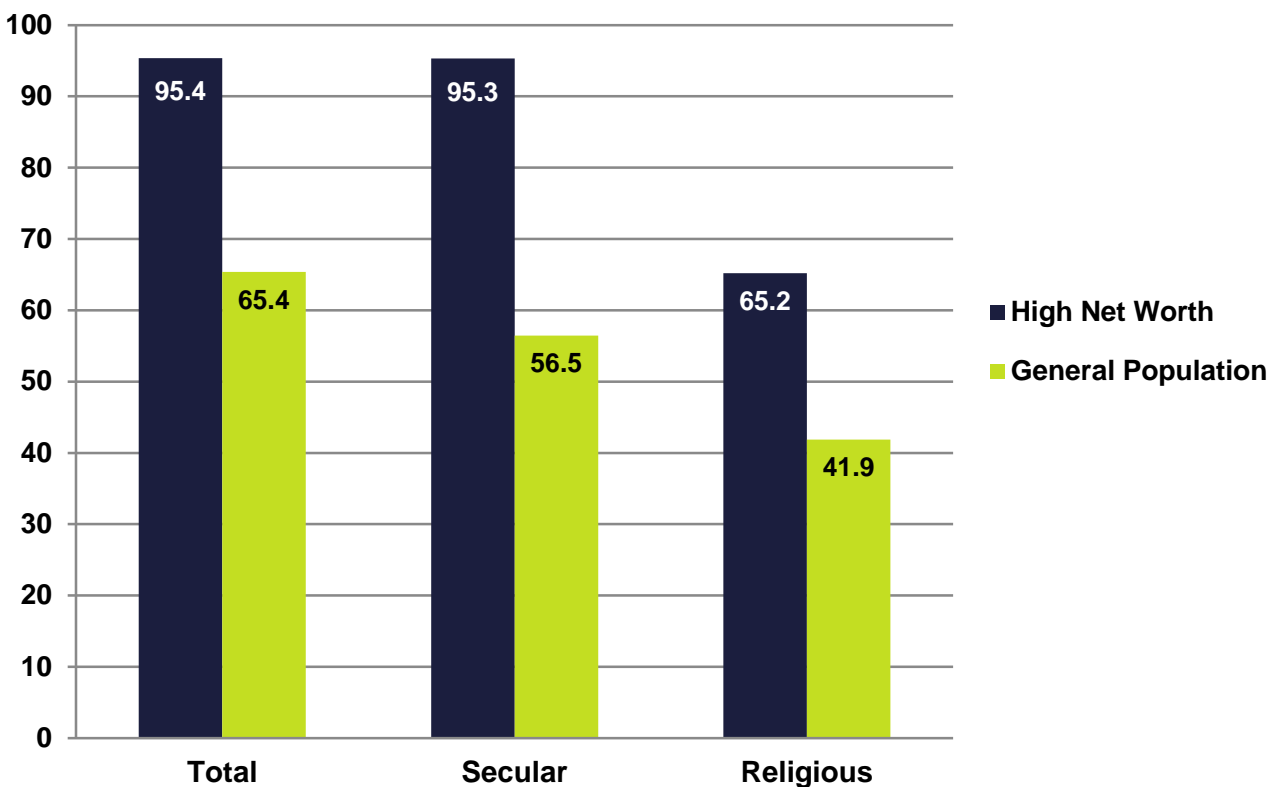
\*2009 and 2011 results are statistically different.

## Percentage of High Net Worth and General Population Households That Give to Charity

While 95 percent of high net worth donors gave to charity in 2011, about two-thirds (65.4 percent) of U.S. households in the general population gave to charity in 2008.^ Both general population and high net worth donors were more likely to give to secular causes than to religious causes in 2008 and 2011, respectively, but the difference between giving to these causes was narrower for general population donors.

**FIGURE 2: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO CHARITY IN 2011, COMPARED WITH THE PERCENTAGE OF THE U.S. GENERAL POPULATION REPORTING ON GIVING FOR 2008 (%)**

*“In 2011, did you or your household make a donation to any of these causes? Please include personal gifts and gifts from your family foundation, donor-advised fund, trust or other charitable giving vehicle.”*



^Source for the U.S. general population is the 2009 *Center on Philanthropy Panel Study* on giving in 2008, the latest year data is available on average giving by American households, available at [www.philanthropy.iupui.edu/research](http://www.philanthropy.iupui.edu/research).

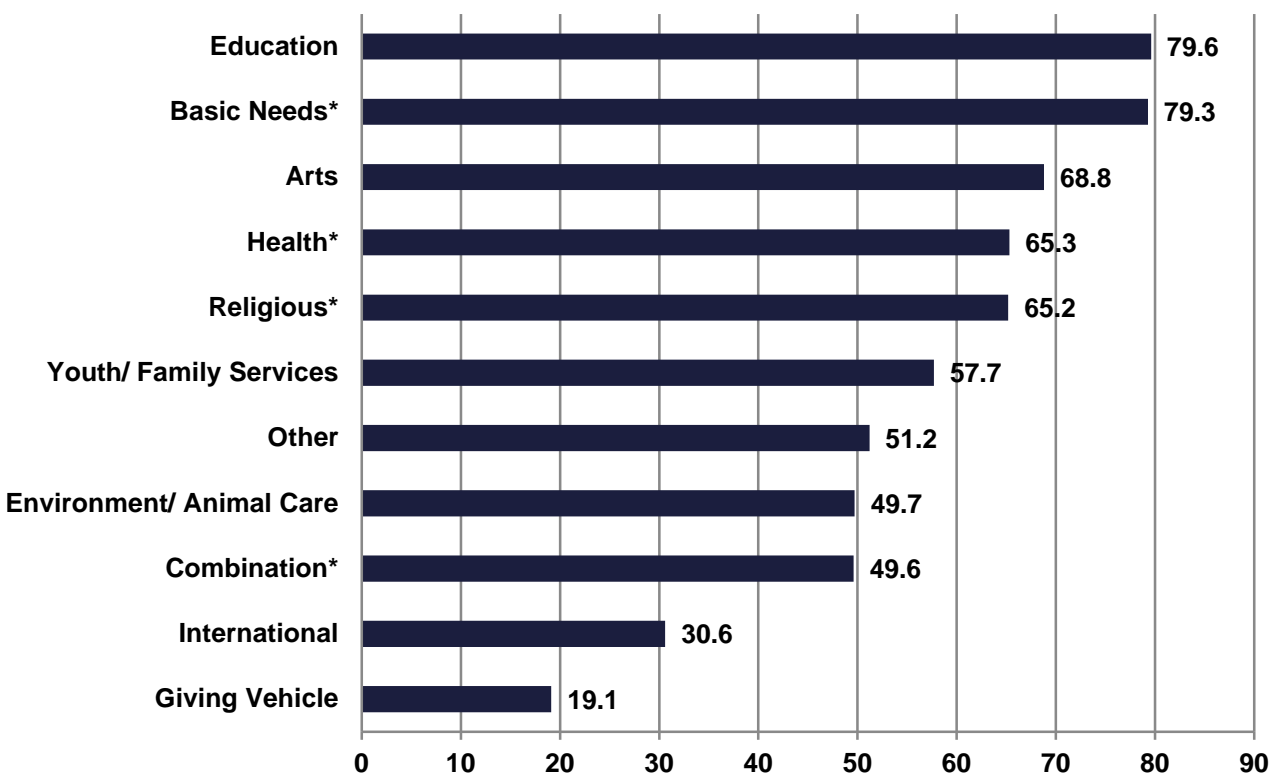
## High Net Worth Giving by Charitable Category

Two charitable categories, education and basic needs, received donations from the highest percentage of high net worth households in 2011: 80 percent gave to education, while 79 percent gave to organizations providing basic needs. More high net worth households also gave to arts (68.8 percent), health (65.3 percent), and religious organizations (65.2 percent) than other charitable categories. Fewer high net worth households gave to international aid organizations (30.6 percent) or giving vehicles (19.1 percent).

In 2011, high net worth households gave at statistically significantly lower rates to basic needs, health, religious, and combination organizations compared with 2009.

**FIGURE 3: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO CHARITABLE CATEGORIES IN 2011^ (%)**

*“In 2011, did you or your household make a donation to any of these causes? Please include personal gifts and gifts from your family foundation, donor-advised fund, trust or other charitable giving vehicle.”*



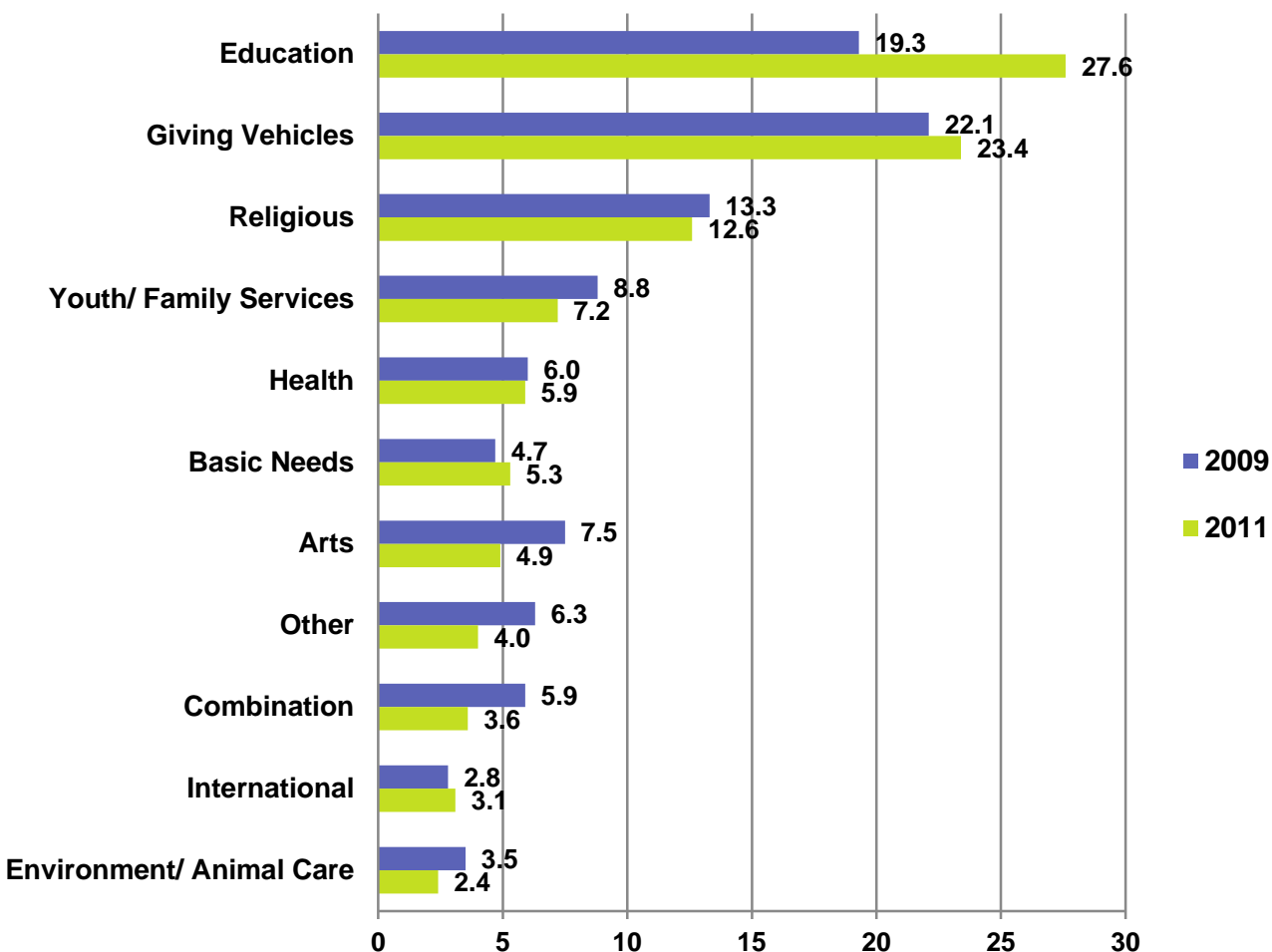
^Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. “Giving Vehicle” represents gifts to private foundations, charitable trusts, and donor-advised funds.

\*2009 and 2011 results are statistically different (2009 data not shown).

## Distribution of High Net Worth Giving by Charitable Category

The three charitable categories receiving the largest proportion of gift dollars by all high net worth donors in 2011 were education (27.6 percent), giving vehicles (23.4 percent), and religious organizations (12.6 percent). Those three categories also received the largest proportion of gift dollars in 2009. Distribution of amounts given to the charitable categories between 2009 and 2011 were relatively similar.

**FIGURE 4: DISTRIBUTION OF HIGH NET WORTH GIVING BY CHARITABLE CATEGORY IN 2009 AND 2011^ (%)**



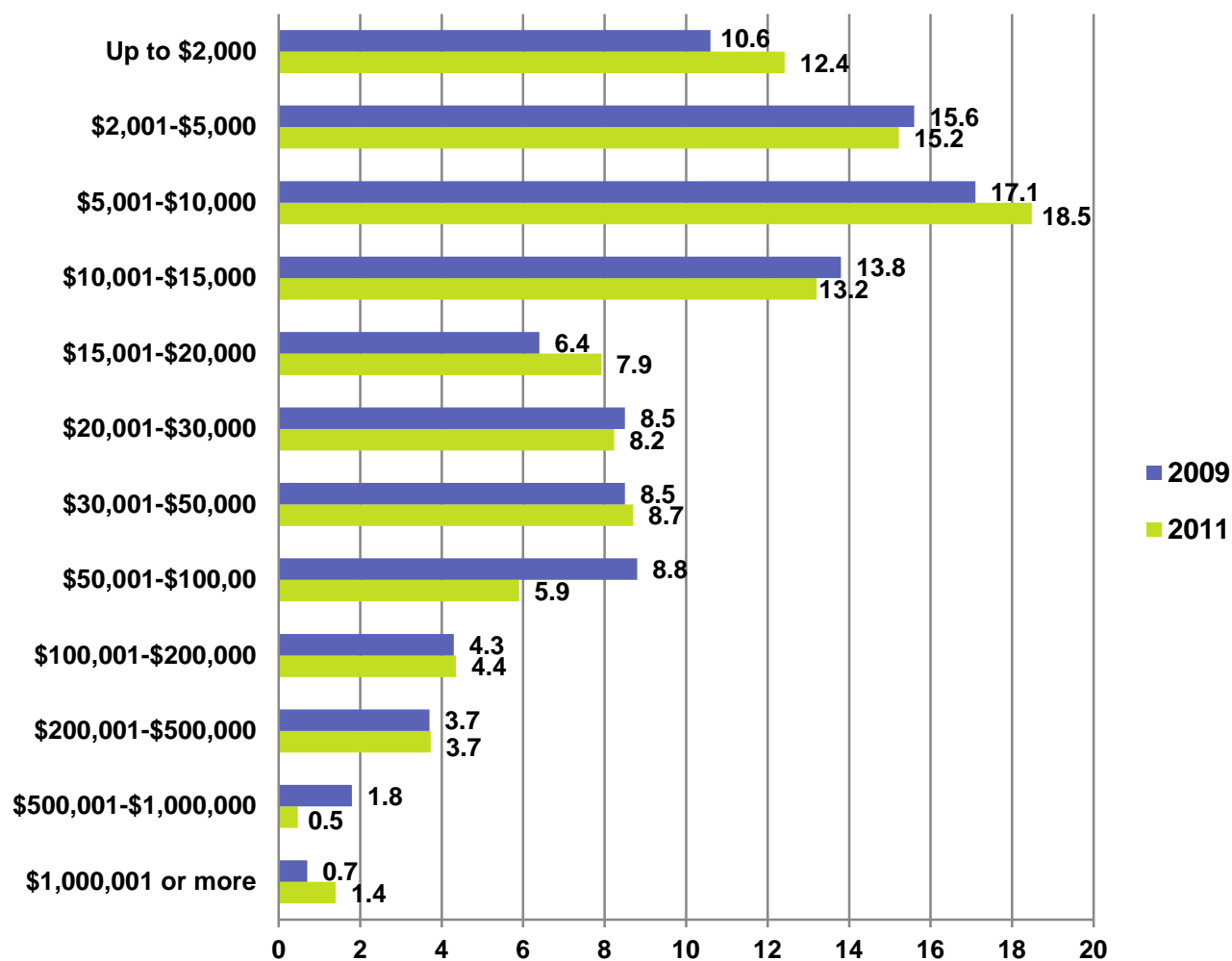
^Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. “Giving Vehicle” represents gifts to private foundations, charitable trusts, and donor-advised funds.



## High Net Worth Giving by Size of Total Gift Dollars

In 2011, the highest percentage of high net worth households reported their total giving to be in the range of \$5,001–\$10,000 (18.5 percent), a similar result to 2009 (17.1 percent). The second highest percentages of these households reported total giving in the range of \$2,001–\$5,000 for both 2011 (15.2 percent) and 2009 (15.6 percent). More high net worth households gave in the range of \$10,001–\$15,000 (13.2 percent to 13.8 percent) than in the range of “up to \$2,000” (10.6 percent to 12.4 percent) for both of those years.

**FIGURE 5: HIGH NET WORTH GIVING BY SIZE OF TOTAL GIFT DOLLARS IN 2009 AND 2011 (%)**



## AVERAGE AND MEDIAN GIVING BY HIGH NET WORTH HOUSEHOLDS

The average amount given by high net worth households in 2011 was \$52,770 — a decrease of 7 percent from 2009. Secular giving by high net worth households was higher than religious giving in 2011, with averages of \$46,216 and \$10,144, respectively. Across the charitable categories, high net worth households gave the highest average amount to education in 2011 (\$18,798) and the lowest average amount to environment/animal organizations (\$2,718).

Average amounts given to environment/animal care organizations, as well as those categorized as “other,” by high net worth households realized statistically significant declines between 2009 and 2011, while average amounts given to basic needs and health organizations saw statistically significant increases between those years.

**TABLE 1: AVERAGE AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2009 AND 2011, BY CHARITABLE CATEGORY<sup>^</sup>**

|                          | 2009           | 2011           | Percent Difference (2009-2011) |
|--------------------------|----------------|----------------|--------------------------------|
|                          | Average Giving | Average Giving |                                |
| <b>Total*</b>            | \$56,621       | \$52,770       | -6.8%                          |
| <b>Religious*</b>        | \$10,467       | \$10,144       | -3.1%                          |
| <b>Secular*</b>          | \$49,111       | \$46,216       | -5.9%                          |
| Education                | \$13,374       | \$18,798       | 40.6%                          |
| International            | \$4,808        | \$5,831        | 21.3%                          |
| Basic Needs*             | \$3,101        | \$3,643        | 17.5%                          |
| Health*                  | \$4,728        | \$5,102        | 7.9%                           |
| Giving Vehicles          | \$79,526       | \$77,150       | -3.0%                          |
| Youth/Family Services    | \$8,009        | \$7,125        | -11.0%                         |
| Environment/Animal Care* | \$3,574        | \$2,718        | -23.9%                         |
| Combination              | \$5,493        | \$4,087        | -25.6%                         |
| Other*                   | \$6,633        | \$4,810        | -27.5%                         |
| Arts                     | \$5,798        | \$3,952        | -31.8%                         |

<sup>^</sup>Values adjusted to 2011 dollars for the year 2009. This table does not show outlier data. Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. Secular giving includes all organizations that are not religious in nature. “Giving Vehicle” represents gifts to a private foundation, charitable trust, and donor-advised funds.

\*2009 and 2011 results are statistically different.

In 2011, high net worth households gave an average gift of \$52,770 (excluding outliers). In addition, for every dollar given to a religious organization in 2011, about four and a half dollars were given to a secular organization.

The average gift donated by high net worth households to secular causes surpassed the average gift donated to religious organizations between the years 2005 and 2011. Giving to support giving vehicles was the only charitable category to realize an increase in average giving between 2005 and 2011, with an 8.6 percent increase in average giving between those years.

**TABLE 2: AVERAGE AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2005, 2007, 2009, AND 2011, BY CHARITABLE CATEGORY<sup>^</sup>**

|                          | 2005                            |                                   | 2007                            |                                   | 2009                            |                                   | 2011                            |                                   |
|--------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
|                          | Average Giving<br>(no outliers) | Average Giving<br>(with outliers) | Average Giving<br>(no outliers) | Average Giving<br>(with outliers) | Average Giving<br>(no outliers) | Average Giving<br>(with outliers) | Average Giving<br>(no outliers) | Average Giving<br>(with outliers) |
| <b>Total*</b>            | \$96,408                        | \$106,244                         | \$87,038                        | \$261,806                         | \$56,621                        | \$73,054                          | \$52,770                        | \$162,936                         |
| <b>Religious</b>         | \$21,718                        | \$21,718                          | \$18,486                        | \$18,450                          | \$10,467                        | \$10,467                          | \$10,144                        | \$21,997                          |
| <b>Secular*</b>          | \$80,637                        | \$90,513                          | \$74,634                        | \$250,229                         | \$49,111                        | \$65,554                          | \$46,216                        | \$148,788                         |
| Education*               | \$30,482                        | \$30,638                          | \$29,696                        | \$34,579                          | \$13,374                        | \$13,374                          | \$18,798                        | \$18,798                          |
| International*           | N/A                             | N/A                               | \$4,406                         | \$12,518                          | \$4,808                         | \$4,808                           | \$5,831                         | \$5,831                           |
| Basic Needs*             | \$4,535                         | \$4,698                           | \$3,881                         | \$15,683                          | \$3,101                         | \$3,101                           | \$3,643                         | \$3,643                           |
| Health*                  | \$8,622                         | \$21,556                          | \$13,030                        | \$13,006                          | \$4,728                         | \$8,559                           | \$5,102                         | \$30,665                          |
| Giving Vehicles*         | \$71,047                        | \$71,047                          | \$65,703                        | \$455,855                         | \$79,526                        | \$165,498                         | \$77,150                        | \$557,177                         |
| Youth/Family Services*   | N/A                             | N/A                               | \$9,543                         | \$102,702                         | \$8,009                         | \$8,009                           | \$7,125                         | \$7,125                           |
| Environment/Animal Care* | N/A                             | N/A                               | \$3,440                         | \$6,638                           | \$3,574                         | \$3,574                           | \$2,718                         | \$6,043                           |
| Combination*             | \$7,548                         | \$7,540                           | \$9,802                         | \$9,789                           | \$5,493                         | \$5,493                           | \$4,087                         | \$20,685                          |
| Other*                   | \$8,831                         | \$8,836                           | \$12,114                        | \$12,114                          | \$6,633                         | \$6,633                           | \$4,810                         | \$4,810                           |
| Arts*                    | \$17,866                        | \$18,351                          | \$5,198                         | \$29,549                          | \$5,798                         | \$5,798                           | \$3,952                         | \$3,952                           |

<sup>^</sup>Values adjusted to 2011 dollars for the years 2005, 2007, and 2009. Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. Secular giving includes all organizations that are not religious in nature. “Giving Vehicle” represents gifts to a private foundation, charitable trust, and donor-advised funds. Giving to youth or family services, environment/animal care, and international causes are included as “Other” giving in 2005.

\*2005 and 2011 results are statistically different when excluding outliers.

In 2011, high net worth households gave a median gift of \$11,500 (excluding outliers). The highest median gift went to giving vehicles (\$12,000), and the lowest median gift supported the environment or the care of animals (\$300). Giving to giving vehicles was the only charitable category to realize an increase in median giving between 2005 and 2011, with a 145 percent increase in median giving between these years.

**TABLE 3: MEDIAN AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2005, 2007, 2009 AND 2011, BY CHARITABLE CATEGORY<sup>^</sup>**

|                          | 2005                           |                                  | 2007                           |                                  | 2009                           |                                  | 2011                           |                                  |
|--------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|                          | Median Giving<br>(no outliers) | Median Giving<br>(with outliers) | Median Giving<br>(no outliers) | Median Giving<br>(with outliers) | Median Giving<br>(no outliers) | Median Giving<br>(with outliers) | Median Giving<br>(no outliers) | Median Giving<br>(with outliers) |
| <b>Total*</b>            | \$16,446                       | \$16,475                         | \$14,100                       | \$14,100                         | \$12,579                       | \$12,631                         | \$11,500                       | \$11,500                         |
| <b>Religious</b>         | \$4,608                        | \$4,608                          | \$4,338                        | \$4,338                          | \$3,721                        | \$3,721                          | \$4,000                        | \$4,000                          |
| <b>Secular*</b>          | \$10,426                       | \$10,541                         | \$8,719                        | \$8,799                          | \$8,648                        | \$8,666                          | \$7,000                        | \$7,000                          |
| Education*               | \$2,304                        | \$2,304                          | \$2,169                        | \$2,169                          | \$2,096                        | \$2,096                          | \$2,000                        | \$2,000                          |
| International*           | N/A                            | N/A                              | \$542                          | \$542                            | \$524                          | \$524                            | \$500                          | \$500                            |
| Basic Needs*             | \$1,152                        | \$1,152                          | \$759                          | \$786                            | \$1,048                        | \$1,048                          | \$600                          | \$600                            |
| Health*                  | \$1,152                        | \$1,152                          | \$868                          | \$868                            | \$524                          | \$524                            | \$500                          | \$500                            |
| Giving Vehicles*         | \$4,896                        | \$4,896                          | \$9,761                        | \$10,304                         | \$15,723                       | \$15,723                         | \$12,000                       | \$12,500                         |
| Youth/Family Services*   | N/A                            | N/A                              | \$542                          | \$542                            | \$524                          | \$524                            | \$500                          | \$500                            |
| Environment/Animal Care* | N/A                            | N/A                              | \$434                          | \$488                            | \$314                          | \$314                            | \$300                          | \$300                            |
| Combination*             | \$1,152                        | \$1,152                          | \$1,085                        | \$1,085                          | \$1,048                        | \$1,048                          | \$1,000                        | \$1,000                          |
| Other*                   | \$1,152                        | \$1,152                          | \$542                          | \$542                            | \$524                          | \$524                            | \$500                          | \$500                            |
| Arts*                    | \$1,152                        | \$1,152                          | \$759                          | \$759                            | \$524                          | \$524                            | \$675                          | \$675                            |

<sup>^</sup>Values adjusted to 2011 dollars for the years 2005, 2007, and 2009. Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. Secular giving includes all organizations that are not religious in nature. “Giving Vehicle” represents gifts to a private foundation, charitable trust, and donor-advised funds. Giving to youth or family services, environment/animal care, and international causes are included as “Other” giving in 2005.

\*2005 and 2011 results are statistically different when excluding outliers.

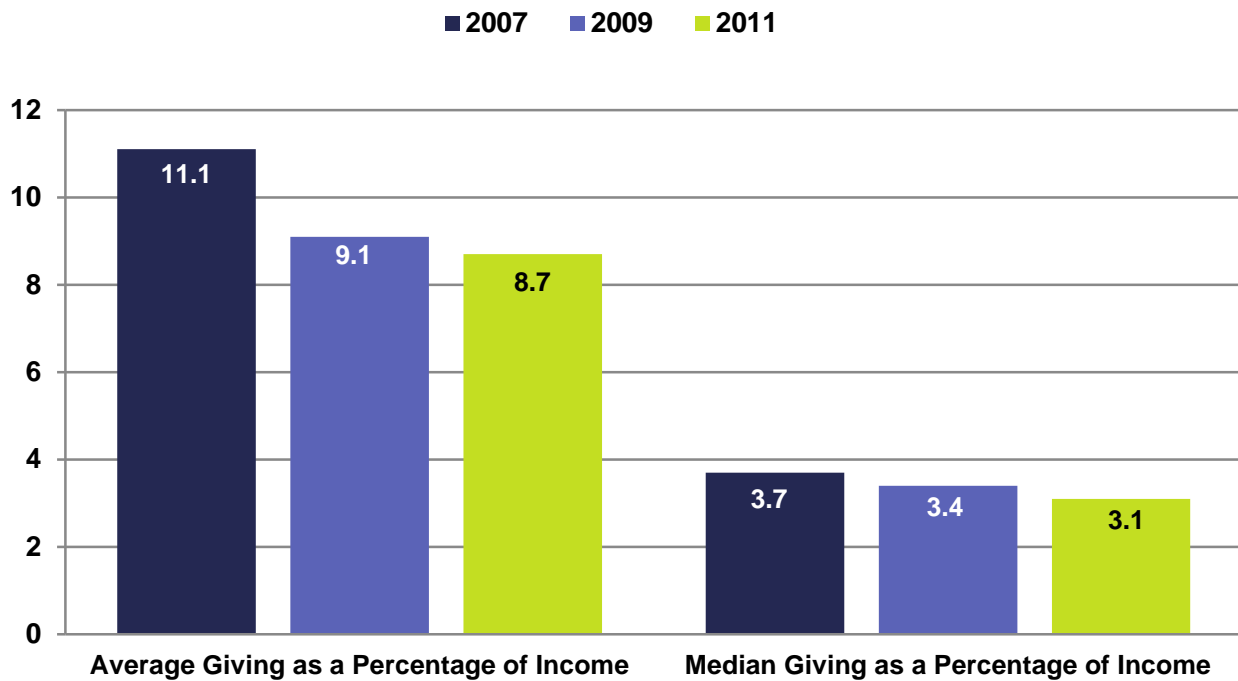
## DEMOGRAPHIC TRENDS OF HIGH NET WORTH HOUSEHOLDS THAT GIVE TO CHARITY

### Average and Median Giving by High Net Worth Household Income

Average giving as a percentage of high net worth household income was 8.7 percent in 2011, compared with 9.1 percent in 2009 and 11.1 percent in 2007.

Median giving as a percentage of high net worth household income was 3.1 percent in 2011, compared with 3.4 percent in 2009 and 3.7 percent in 2007.

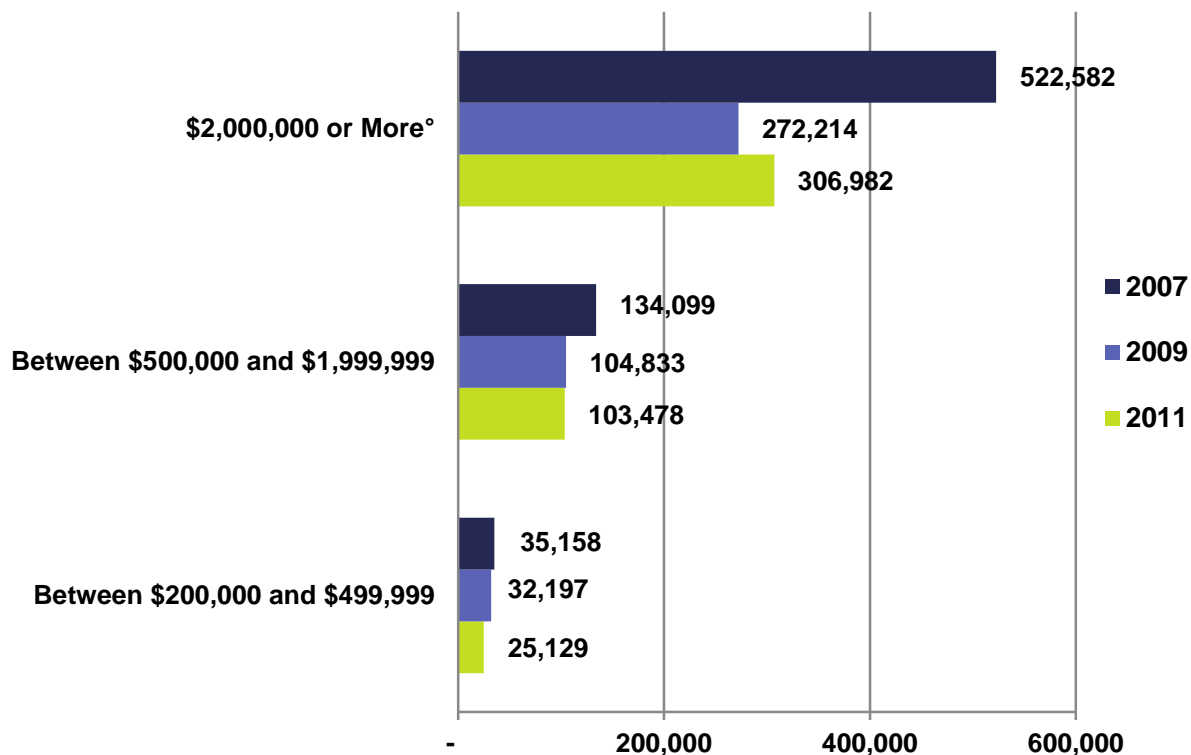
**FIGURE 6: AVERAGE AND MEDIAN GIVING AS A PERCENTAGE OF HIGH NET WORTH HOUSEHOLD INCOME IN 2007, 2009, AND 2011 (%)**



### Average Giving by High Net Worth Household Income Level

Average giving by high net worth household income level for households with annual incomes between \$200,000 and \$499,999 was \$25,129 in 2011, while average giving for households earning between \$500,000 and \$1,999,999 was \$103,478. Households with annual incomes greater than \$2 million had an average contribution amount of \$306,982 in 2011.

**FIGURE 7: AVERAGE GIVING BY HIGH NET WORTH HOUSEHOLD INCOME LEVEL IN 2007, 2009, AND 2011 (\$)**

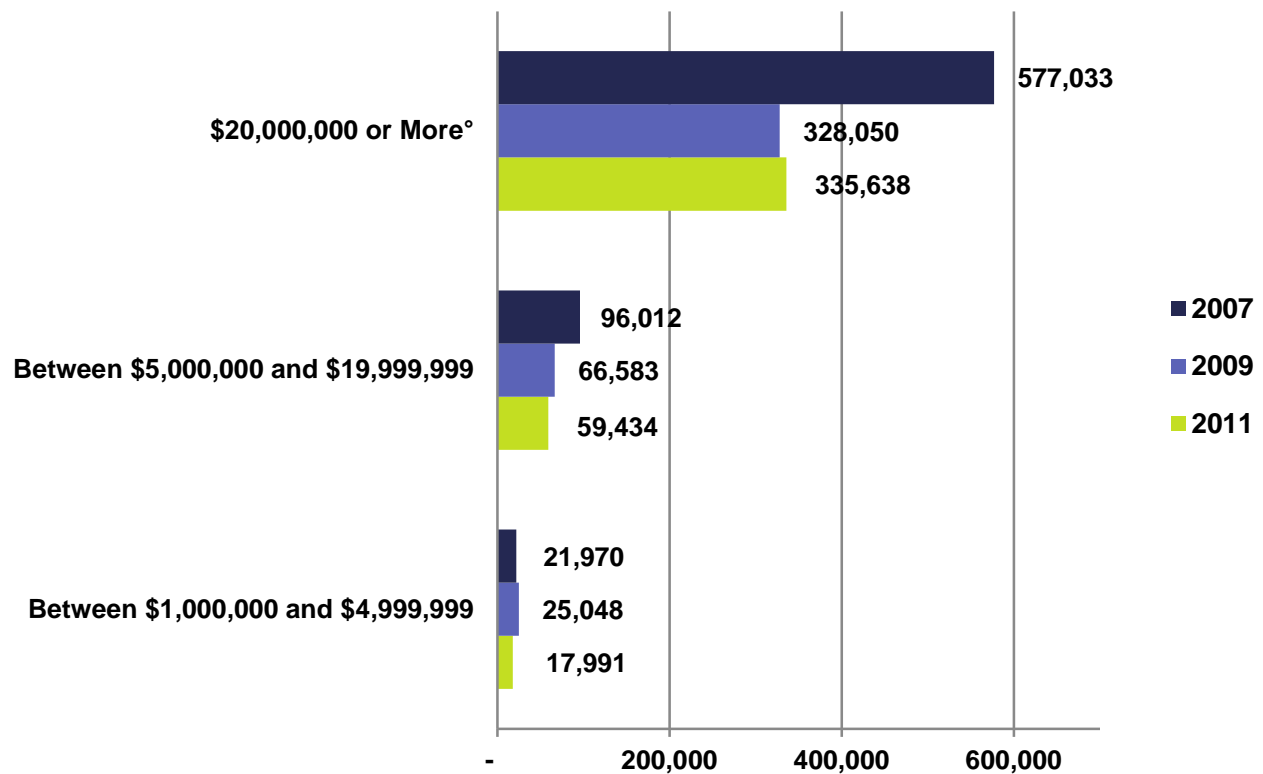


<sup>o</sup>May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

### Average Giving by High Net Worth Household Wealth Level

Average giving by high net worth household wealth level for households with wealth between \$1 million and \$4,999,999 was \$17,991 in 2011, while average giving for households with wealth between \$5 million and \$19,999,999 was \$59,434. Households with wealth greater than \$20 million had an average contribution amount of \$335,638 in 2011.

**FIGURE 8: AVERAGE GIVING BY HIGH NET WORTH HOUSEHOLD WEALTH LEVEL IN 2007, 2009, AND 2011 (\$)**



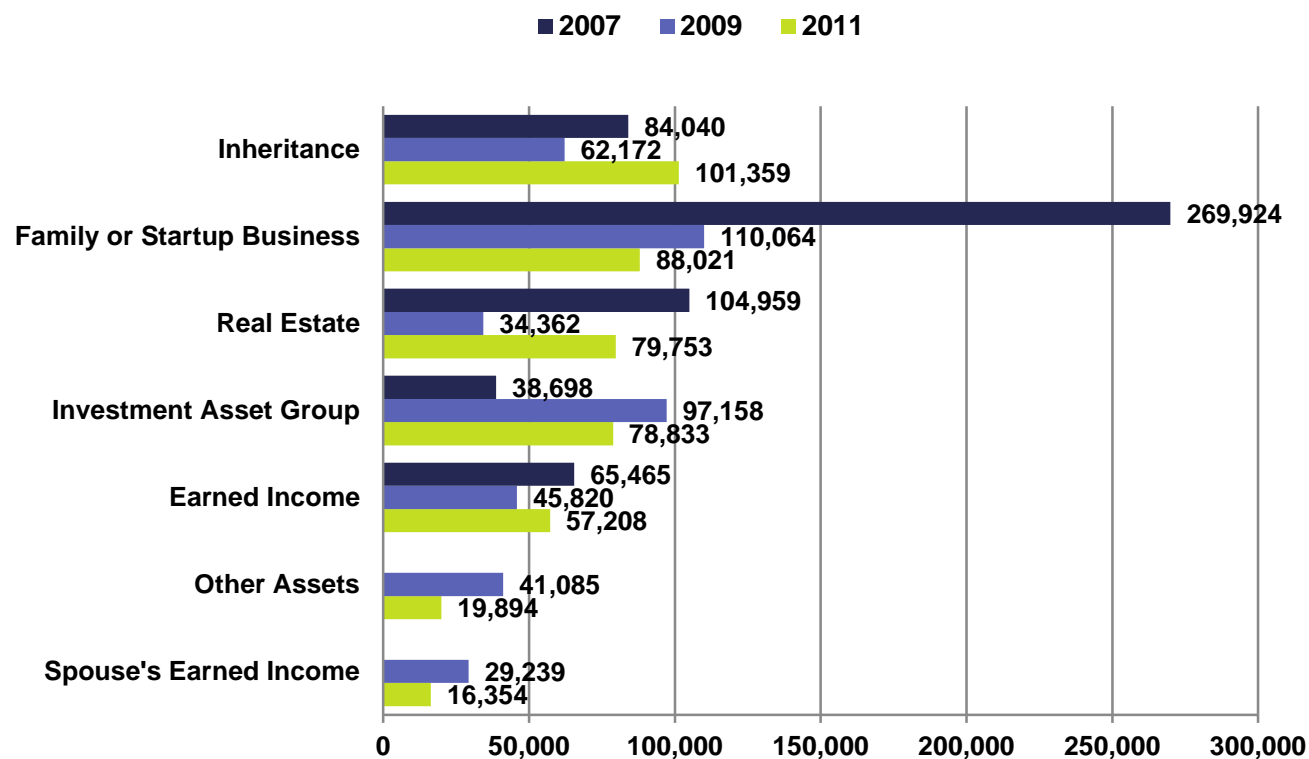
<sup>o</sup>May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

## Average Giving by High Net Worth Household Primary Source of Wealth

In 2011, high net worth households that obtained the primary source of their wealth through inheritances gave the highest average gift at \$101,359, followed by those that received their primary source of wealth through a family or startup business at \$88,021. However, giving by households for which inheritance was the primary source of wealth was not statistically significantly higher when compared with other primary sources of wealth and when controlling for other variables that may have influenced giving.

The peak of average giving by all high net worth households by primary source of wealth was in 2007 when those who built their wealth through a family or startup business (entrepreneurs) donated an average of \$269,924. Giving by these particular households also ranked the highest in 2009 when these households gave an average of \$110,064, which was statistically significant higher when compared with other primary source of wealth types and when controlling for other variables that may have influenced giving, as reported in the *2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy*.

**FIGURE 9: AVERAGE GIVING BY PRIMARY SOURCE OF WEALTH IN 2007, 2009, AND 2011^ (\$)**



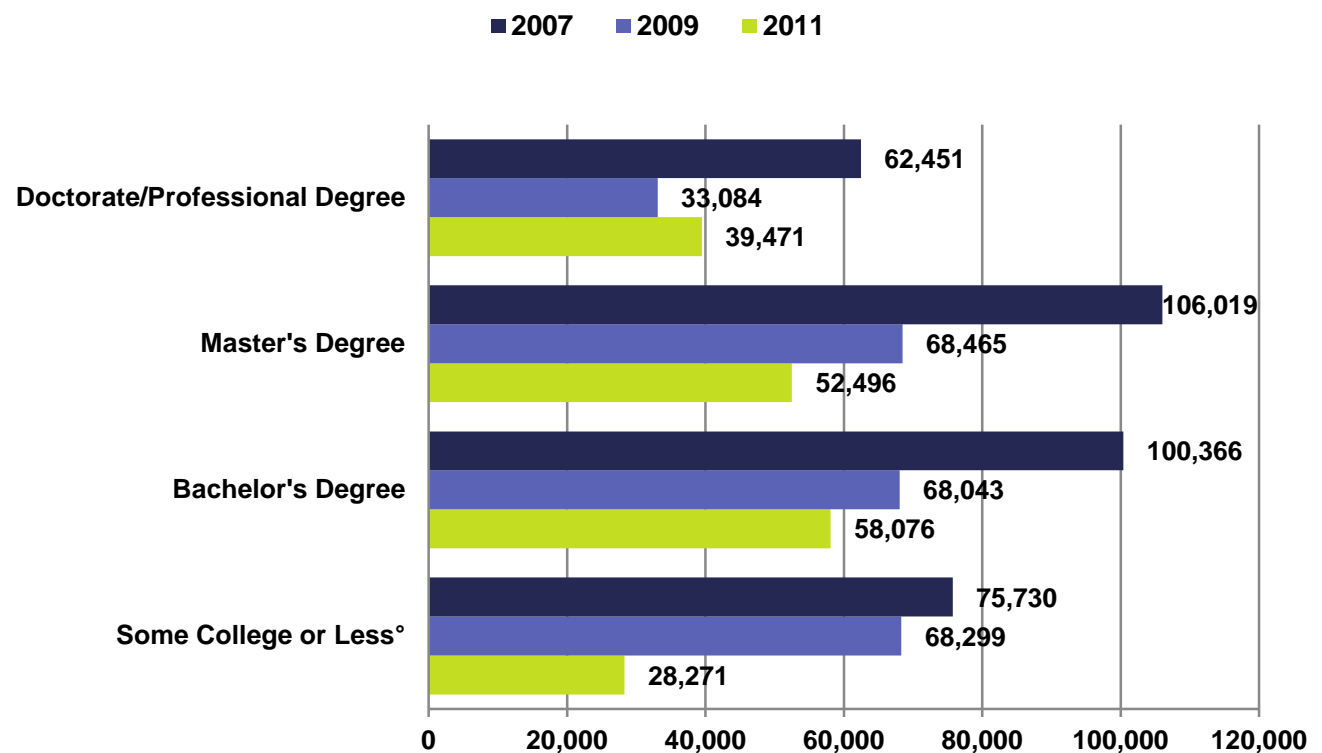
^For all categories except “Investment Asset Group,” results may not be statistically meaningful because, in some years, these categories contain fewer than 50 respondents. Responses about “Other Assets” and “Spouse’s Earned Income” not asked in 2008 about 2007 giving.



## Average High Net Worth Giving by Education

In 2011, high net worth donors with a Bachelor's degree gave the highest average amount at \$58,076 — 11 percent more than those with a Master's degree and 47 percent more than those with a doctorate or professional degree. Average giving by education level of high net worth donors tends to be highest among groups who either received their Bachelor's or Master's degree. However, in 2009, high net worth donors with a high school or vocational diploma gave similar amounts as those with higher levels of education (excluding those with a doctorate or professional degree, who gave a lower average amount).

**FIGURE 10: AVERAGE GIVING BY EDUCATION LEVEL OF HIGH NET WORTH DONORS IN 2007, 2009, AND 2011 (\$)**

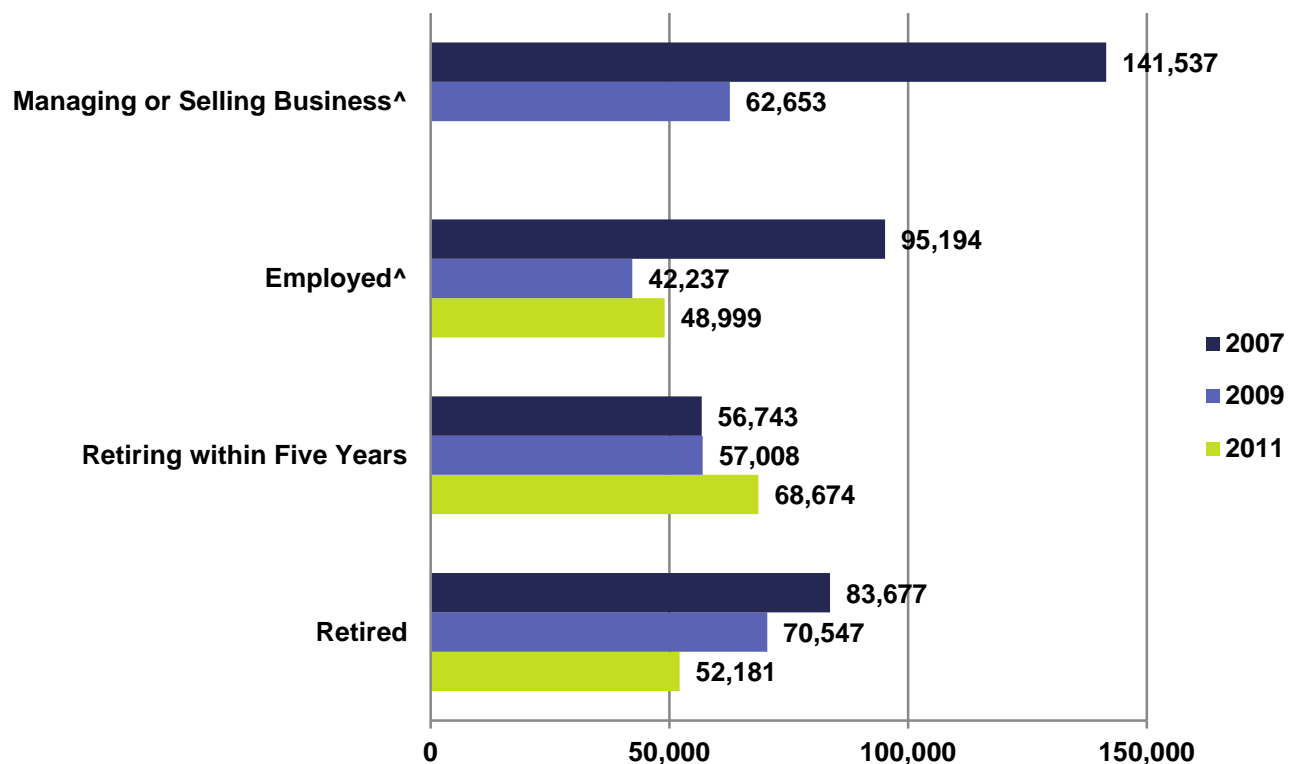


<sup>o</sup>May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

## Average High Net Worth Giving by Employment

In 2011, high net worth donors who reported they were retiring within five years donated the highest average amount at \$68,674. Those who were still employed in 2011 (and not planning on retiring within five years) donated the lowest average amount at \$48,999. As Figure 11 shows, there are few consistent trends year to year among working and retired populations in terms of their average giving. However, in 2009 and 2011, those who were retired or were planning to retire gave higher average amounts than those who were employed (and not planning on retiring within five years).

**FIGURE 11: AVERAGE GIVING BY EMPLOYMENT STATUS OF HIGH NET WORTH DONORS IN 2007, 2009, AND 2011 (\$)**

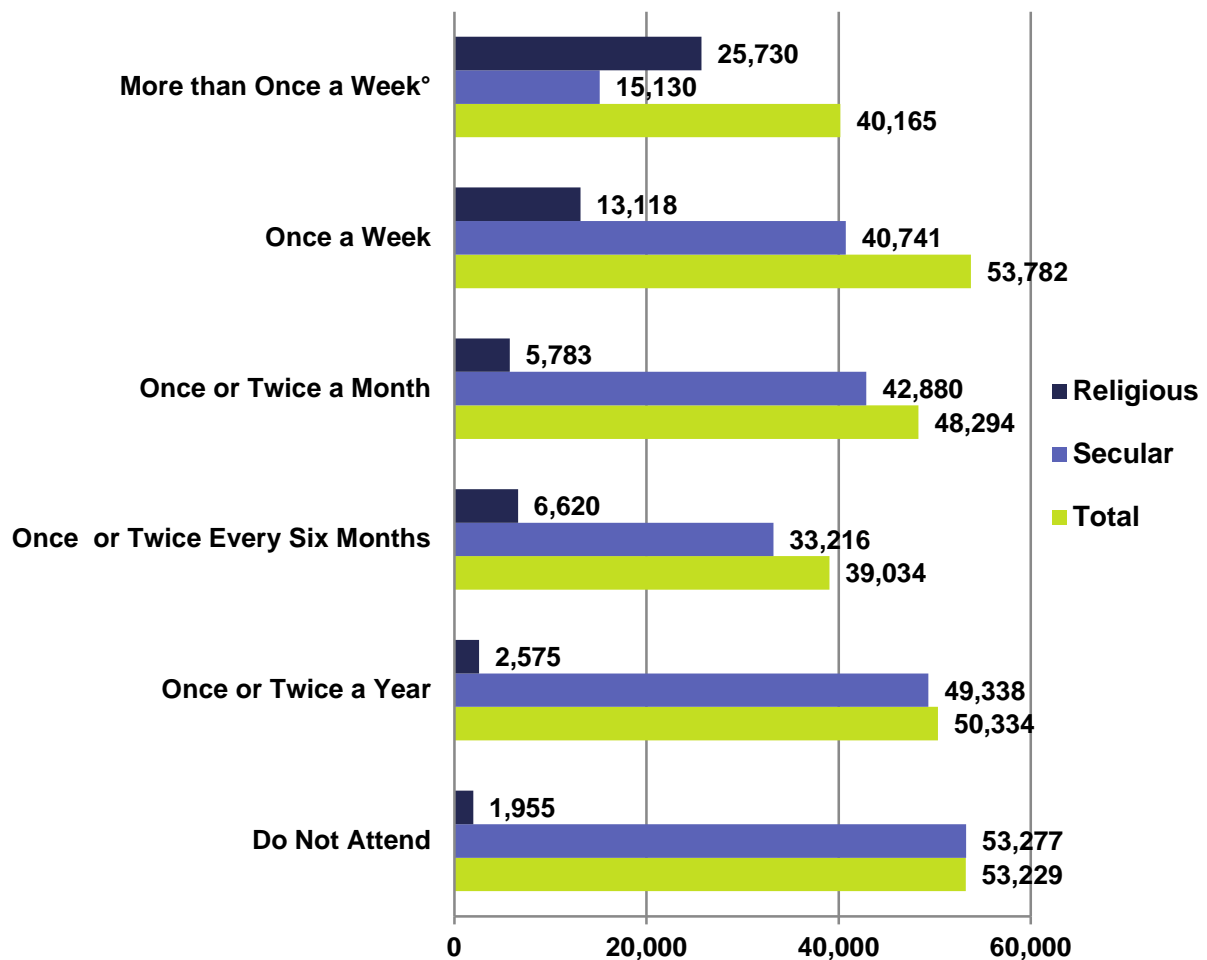


<sup>^</sup>Denotes that the categories have been changed from the previous survey. In the 2010 survey on 2009 giving, respondents could select “Managing or Selling a Business” or “Working.” In the 2012 survey on 2011 giving, respondents who were not retiring or who were not already retired could only select the “Employed” option.

## Average High Net Worth Giving by Religious Attendance

In general, average religious giving by high net worth donors rises with frequency of religious attendance. In this study, donors who attended religious services more than once per week gave the highest average to religious causes in 2011 at \$25,730. This is nearly twice as much as the average giving amount of those who attended once a week (\$13,118). High net worth donors who attended religious services more than once per week reported the lowest average amount given to secular organizations in 2011 at \$15,130, whereas those who did not attend religious services donated the highest average amount to secular causes at \$53,277.

**FIGURE 12: AVERAGE RELIGIOUS AND SECULAR GIVING BY FREQUENCY OF RELIGIOUS ATTENDANCE OF HIGH NET WORTH HOUSEHOLDS IN 2011 (\$)**

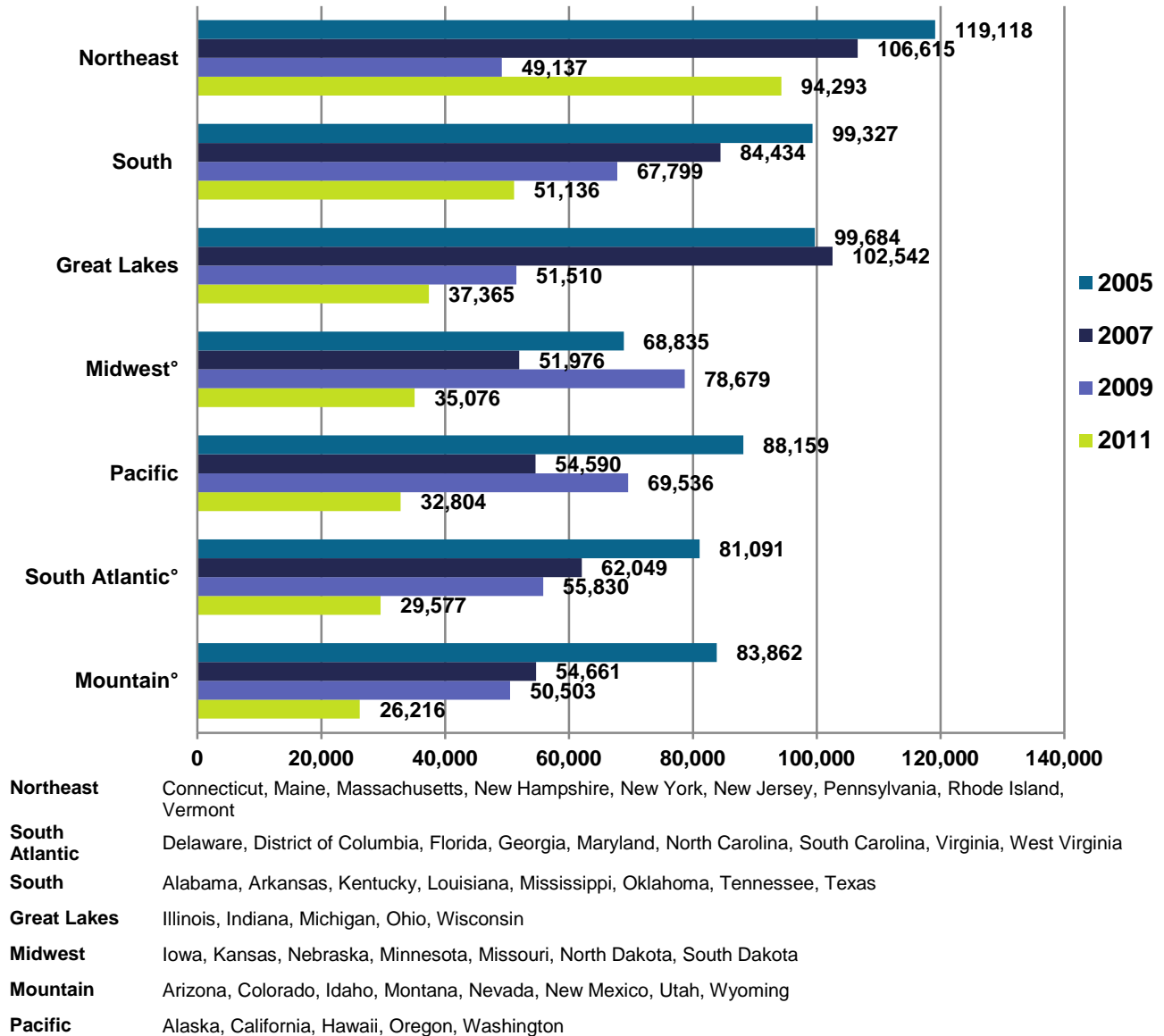


<sup>o</sup>May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

### Average High Net Worth Giving by Region of Primary Residence

High net worth households living in the Northeast donated the highest average amount in 2011 at \$94,293, while those living in the Mountain region donated the lowest average amount at \$26,216. Year to year, there are few consistent patterns for which regions give the highest average amounts.

**FIGURE 13: AVERAGE HIGH NET WORTH GIVING BY REGION OF PRIMARY RESIDENCE IN 2005, 2007, 2009, AND 2011 (\$)**



<sup>o</sup>May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

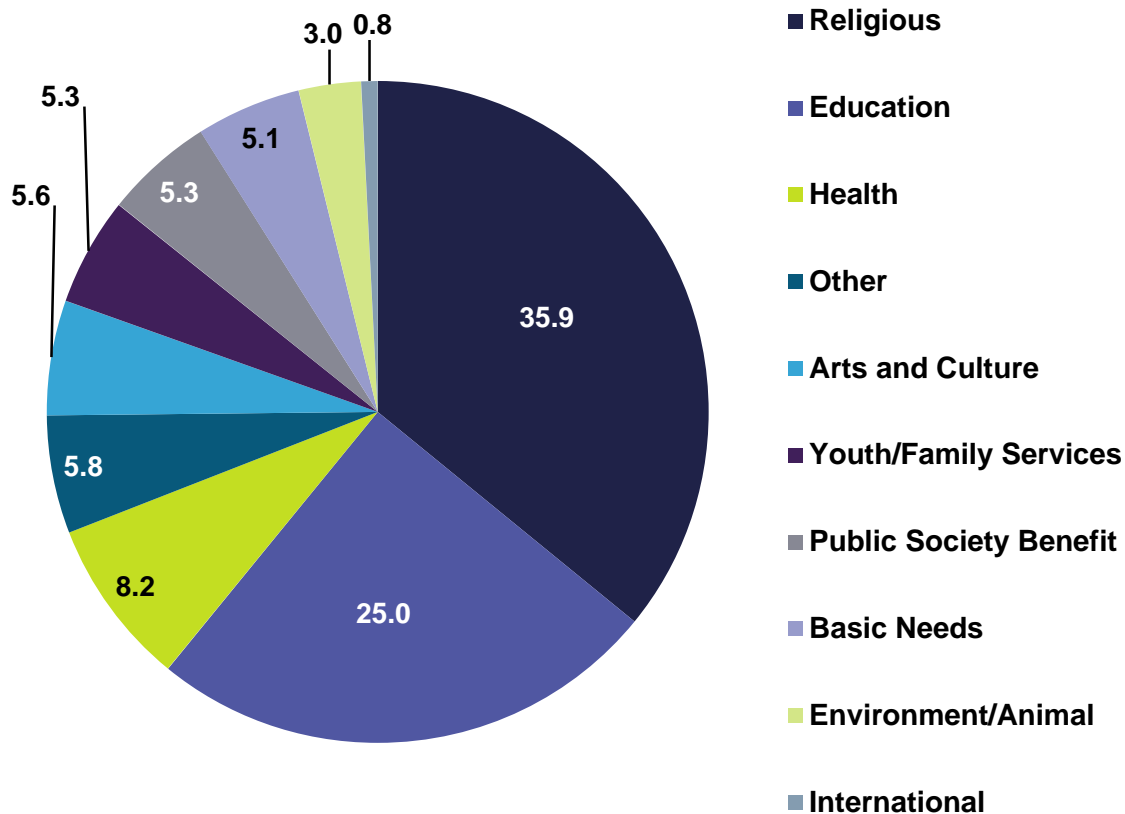
## TRENDS IN GIVING OF LARGEST GIFT BY HIGH NET WORTH HOUSEHOLDS

### Organizations Funded by High Net Worth Households' Largest Gifts

In 2011, high net worth households prioritized giving to religious organizations with their largest gift, with 36 percent reporting. Ranking second, 25 percent of high net worth households gave their largest gift to education. Eight percent or less of high net worth households gave their largest gift to each of the other causes, including basic needs, arts and culture, youth and family services, and public society benefit, among others.

**FIGURE 14: DISTRIBUTION OF THE TYPES OF ORGANIZATIONS FUNDED BY HIGH NET WORTH HOUSEHOLDS' LARGEST GIFTS IN 2011 (%)**

*“What type of organization did you give your largest gift to?”*



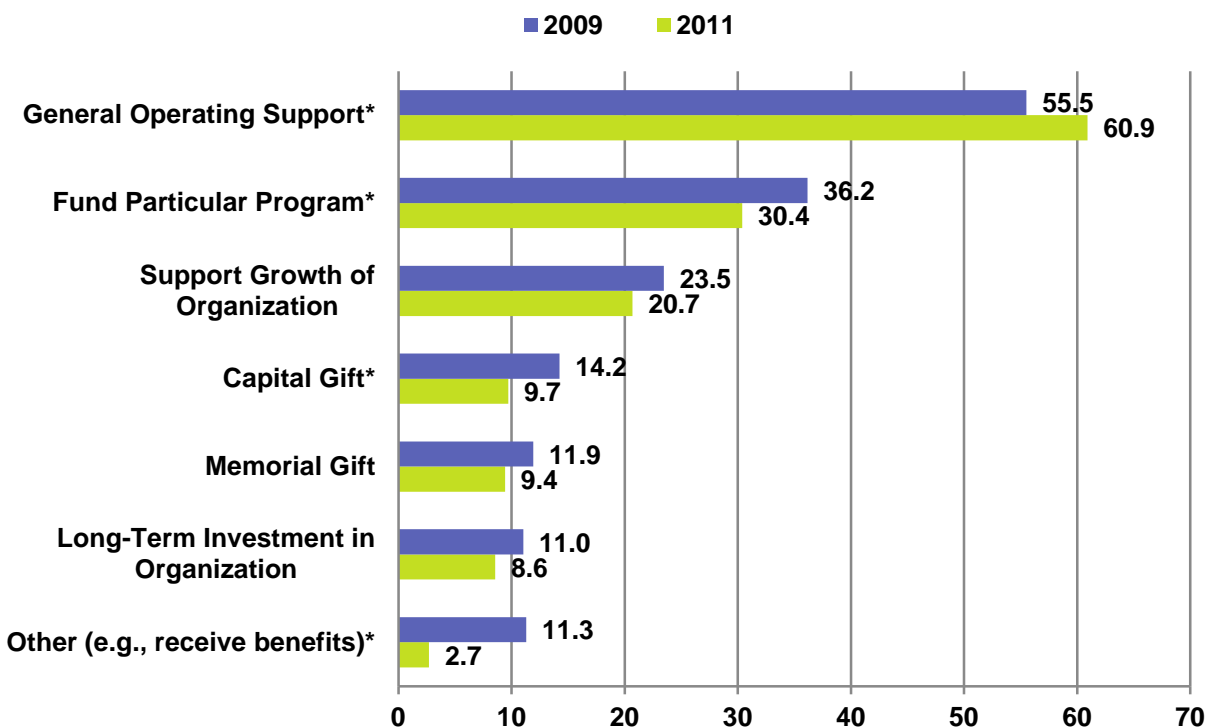
## Purposes of High Net Worth Households' Largest Gifts

Sixty-one percent of high net worth households gave their largest gift to fund the general operations of an organization in 2011, an increase of about 5 percentage points from 2009. Giving of the largest gift to a particular program (or activity, population, or outcome) ranked second, a decrease of about 6 percentage points from 2009.

Between 2009 and 2011, the percentage of high net worth households reporting contributions to capital funds with their largest gift dropped about 4 percentage points, while giving to support an organization for other reasons declined about 9 percentage points.

**FIGURE 15: OBJECTIVES OF LARGEST GIFTS MADE IN 2009 AND 2011 (%)**

*“What were the objectives of the largest gift you or your household made in 2011?”  
(Check all that apply)*



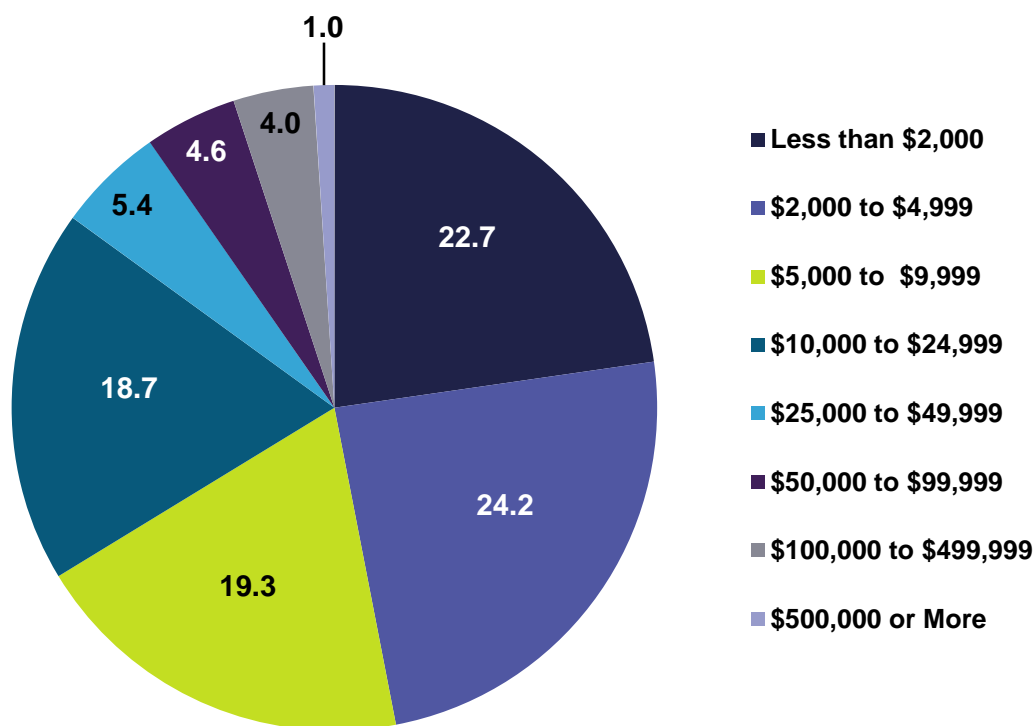
\*2009 and 2011 results are statistically different.

### Average Dollar Amounts of High Net Worth Households' Largest Gifts

The highest percentage (24.2 percent) of high net worth households' largest gifts in 2011 were between \$2,000 and \$4,999. This was followed by 23 percent of respondents reporting less than \$2,000, 19 percent reporting between \$5,000 and \$9,999, and 19 percent reporting between \$10,000 and \$24,999 as their largest gifts. The smallest proportions of high net worth households gave \$500,000 or more (1.0 percent), or more than \$100,000 (5.0 percent) as their largest gift in 2011.

**FIGURE 16: DISTRIBUTION OF HIGH NET WORTH HOUSEHOLDS' LARGEST GIFTS IN 2011 (%)**

*"What was the dollar amount of your largest gift?"*

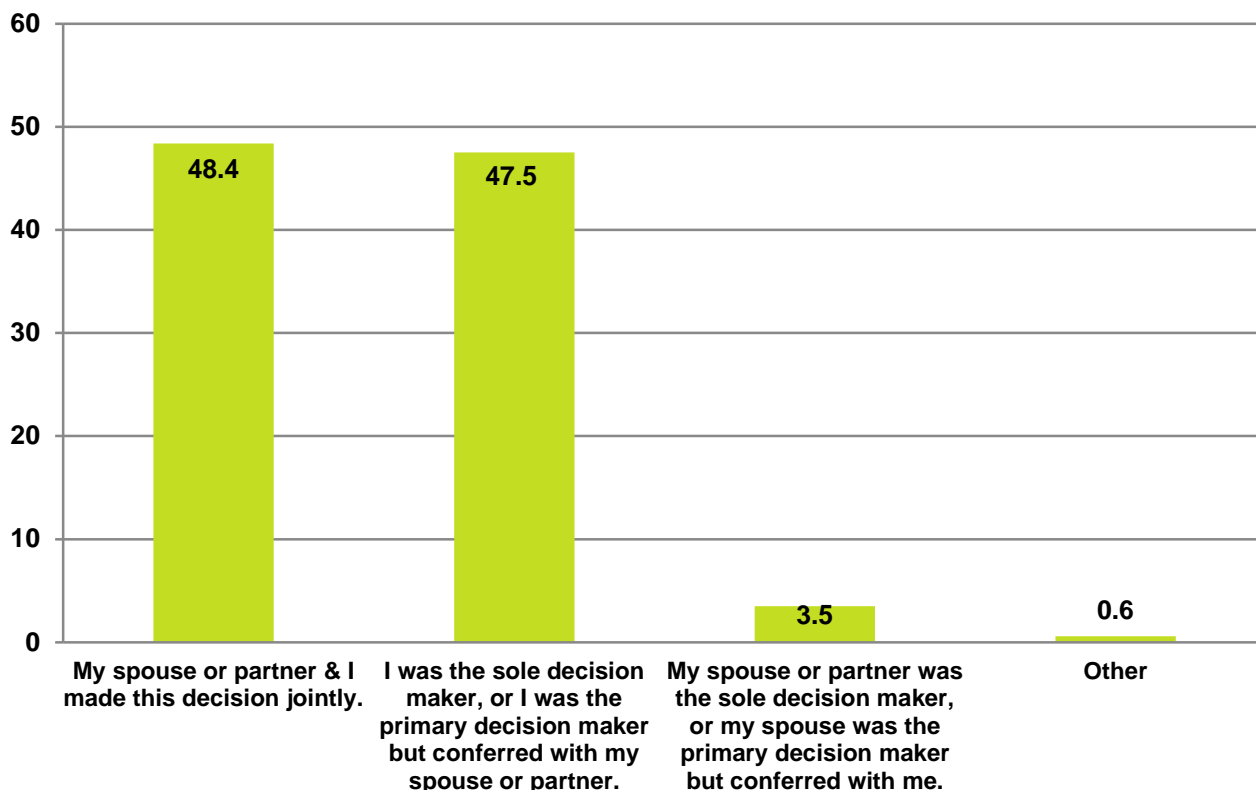


## How High Net Worth Households Decide To Give Their Largest Gift

In over half (51.0 percent) of high net worth households, couples made the decision to give their largest gift separately in 2011, with 48 percent of respondents assigning themselves the responsibility of serving as the sole or primary decision maker. Less than 4 percent of high net worth households indicated that their spouse or partner made the decision to give. In another 48 percent of high net worth households, couples shared responsibility in making their largest philanthropic gift.

**FIGURE 17: DECISION MAKING ABOUT THE HIGH NET WORTH HOUSEHOLD'S LARGEST GIFT IN 2011 (%)**

*“Which best describes how you (and if applicable, your spouse or partner) made the decision to give the largest gift?” (Check only one option)*





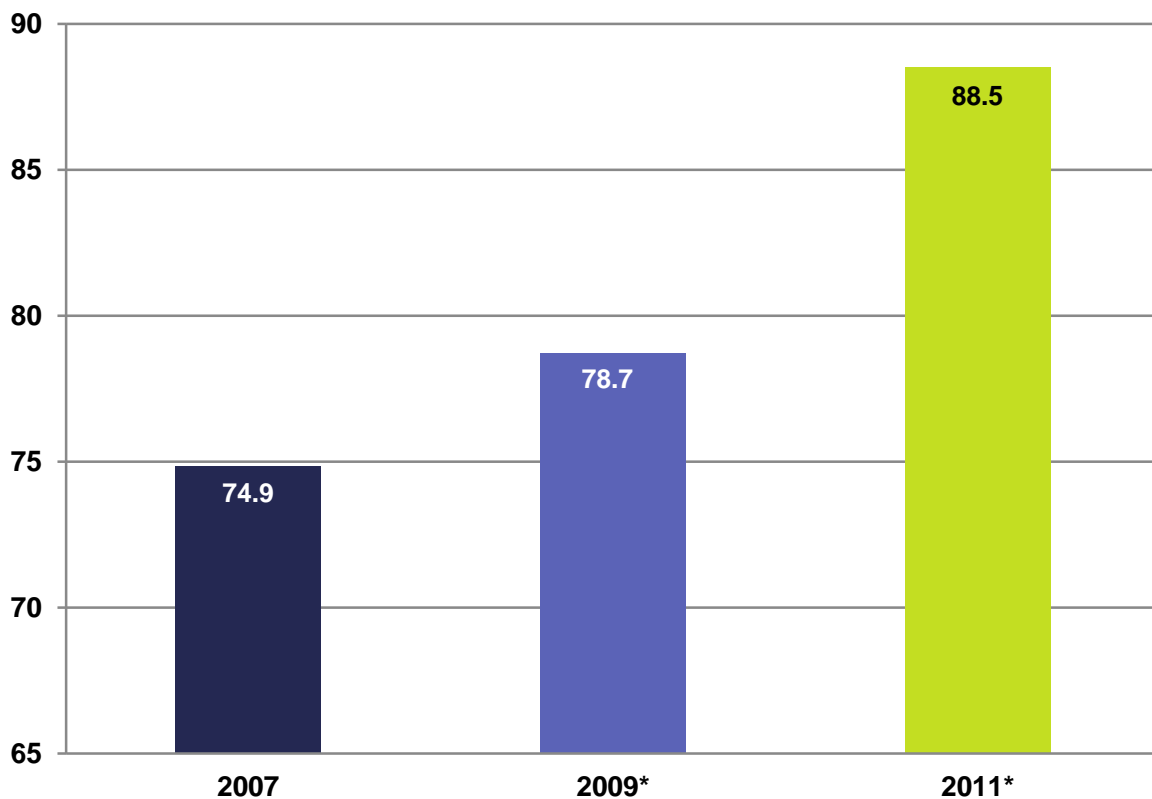
## VOLUNTEERING TRENDS OF HIGH NET WORTH INDIVIDUALS

### Percentage of High Net Worth Individuals Who Volunteer Each Year

In 2011, 89 percent of high net worth individuals volunteered. This is compared with 79 percent of high net worth individuals who volunteered in 2009 (a 10 percentage point increase) and 75 percent of high net worth individuals who volunteered in 2007 (a 14 percentage point increase).

**FIGURE 18: HIGH NET WORTH INDIVIDUALS WHO VOLUNTEERED IN 2007, 2009, AND 2011 (%)**

*“Did you volunteer this year?”*



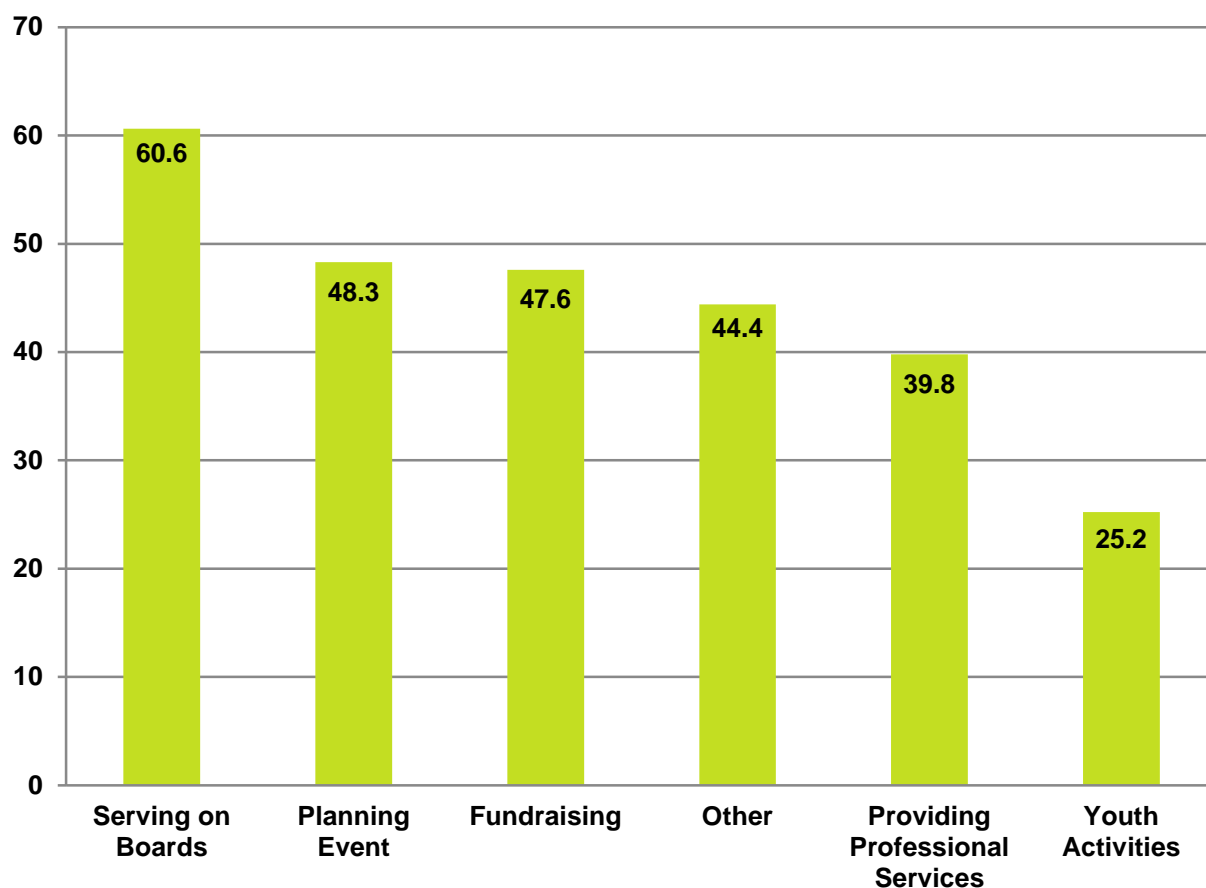
\*2009 and 2011 results are statistically different.

## Percentage of High Net Worth Individuals Who Volunteer by Type of Activity

The most common form of volunteering for high net worth individuals in 2011 was serving on a board of a charitable organization (60.6 percent). About half of high net worth individuals volunteered to help plan an event (48.3 percent), to help with fundraising activities (47.6 percent), or for other reasons, such as giving time to a community or national nonprofit (termed as “other” at 44.4 percent). The least common form of volunteering was giving time to youth activities (25.2 percent).

**FIGURE 19: HIGH NET WORTH INDIVIDUALS VOLUNTEERING BY TYPE OF ACTIVITY IN 2011 (%)**

*“How many hours did you spend volunteering by...?”*

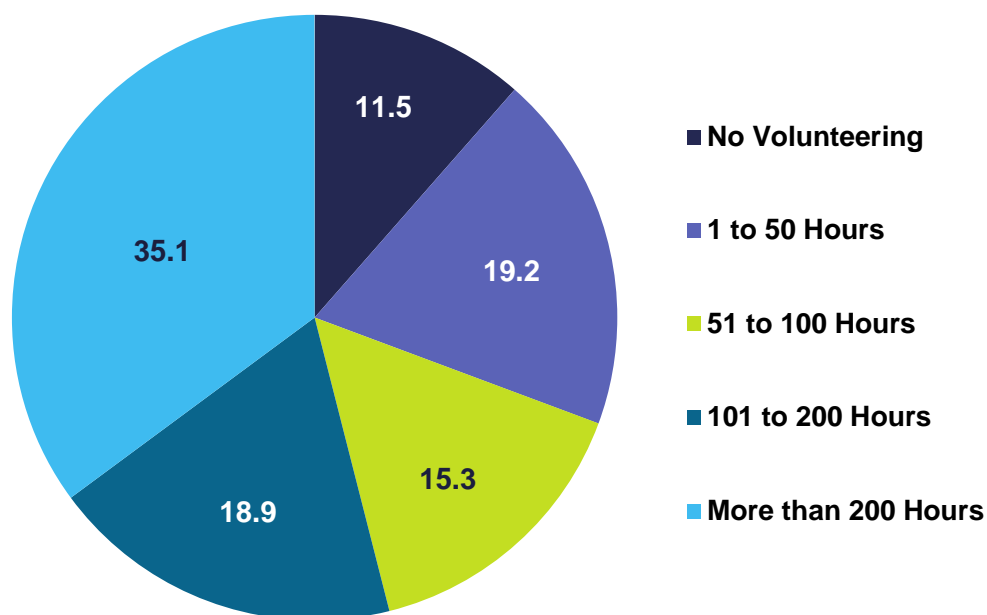


## Distribution of Hours High Net Worth Individuals Spend Volunteering

Thirty-five percent of high net worth individuals gave more than 200 hours to the community in 2011 — the highest percentage reported. Smaller percentages of high net worth individuals volunteered between one and fifty hours (19.2 percent) and between 101 to 200 hours (18.9 percent). Nearly 12 percent of high net worth individuals did not volunteer in 2011.

**FIGURE 20: DISTRIBUTION OF HOURS VOLUNTEERED BY HIGH NET WORTH INDIVIDUALS IN 2011 (%)**

*“In 2011, how many hours did you spend volunteering?”*

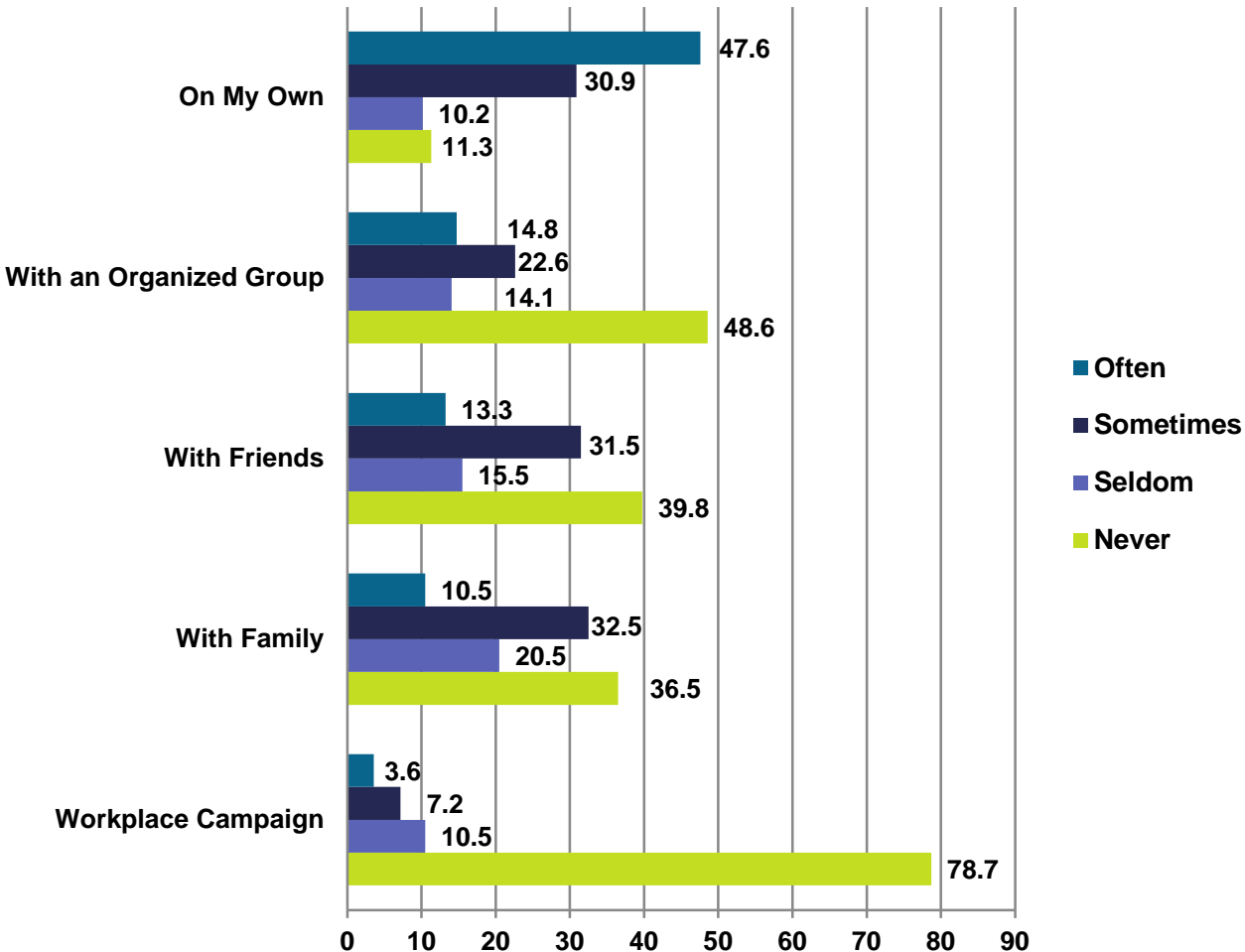


## People with Whom High Net Worth Individuals Volunteer

High net worth individuals volunteered most frequently on their own in 2011, with 48 percent indicating they did so often. Fewer high net worth individuals reported volunteering often with organized groups (14.8 percent), friends (13.3 percent), or family (10.5 percent). A high percentage of high net worth individuals (78.7 percent) reported they did not volunteer at all through workplace campaigns in 2011, and moderately high percentages reported they did not volunteer with organized groups (48.6 percent), friends (39.8 percent), or family (36.5 percent) in 2011.

**FIGURE 21: PEOPLE WITH WHOM HIGH NET WORTH INDIVIDUALS SPENT THEIR VOLUNTEER HOURS IN 2011 (%)**

*“In 2011, I volunteered...”*

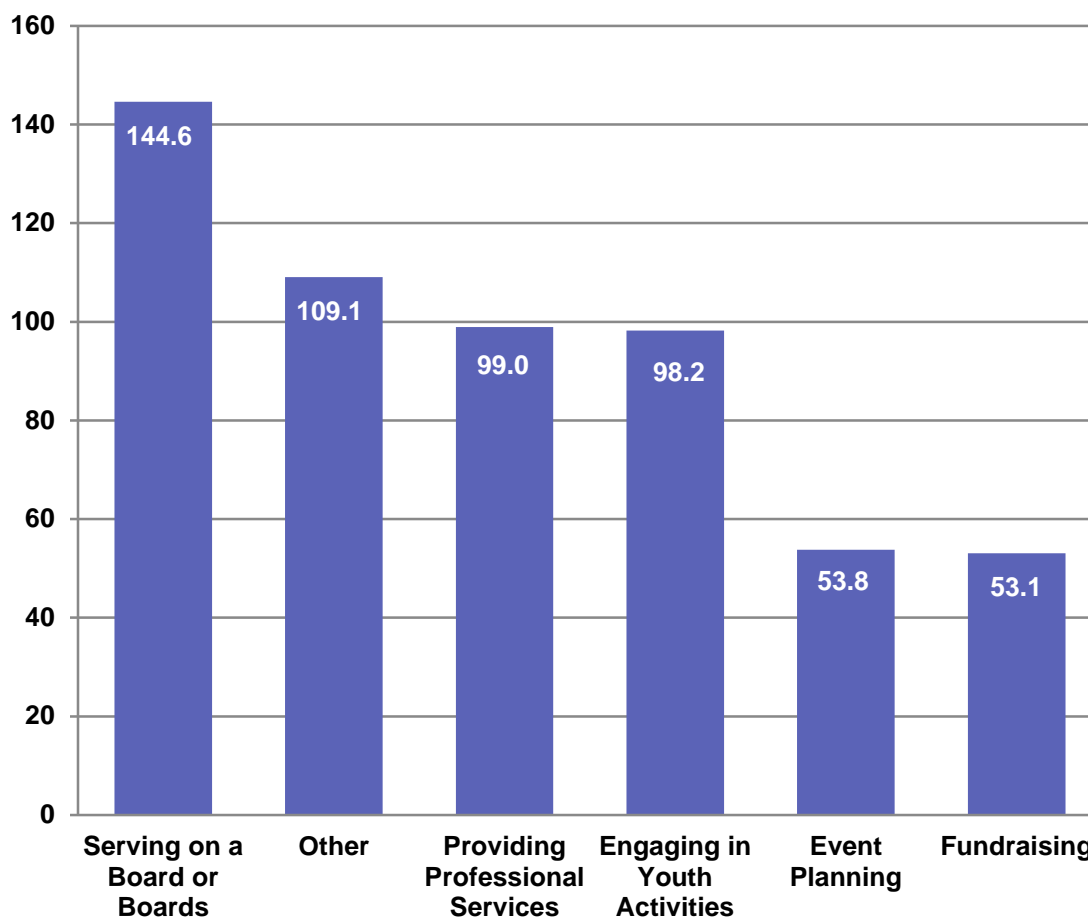


## Average Number of Hours High Net Worth Individuals Spend Volunteering by Type of Activity

In 2011, high net worth individuals volunteered an average of 145 hours by serving on boards, followed by serving in other capacities (109.1 hours on average), by providing professional services (99.0 hours on average), and for youth activities (98.2 hours on average). High net worth individuals were least likely to volunteer by planning events (53.8 hours on average) and fundraising (53.1 hours on average).

**FIGURE 22: AVERAGE HOURS VOLUNTEERED BY TYPE OF ACTIVITY IN 2011 (#)**

*“How many hours did you spend volunteering by...?”*

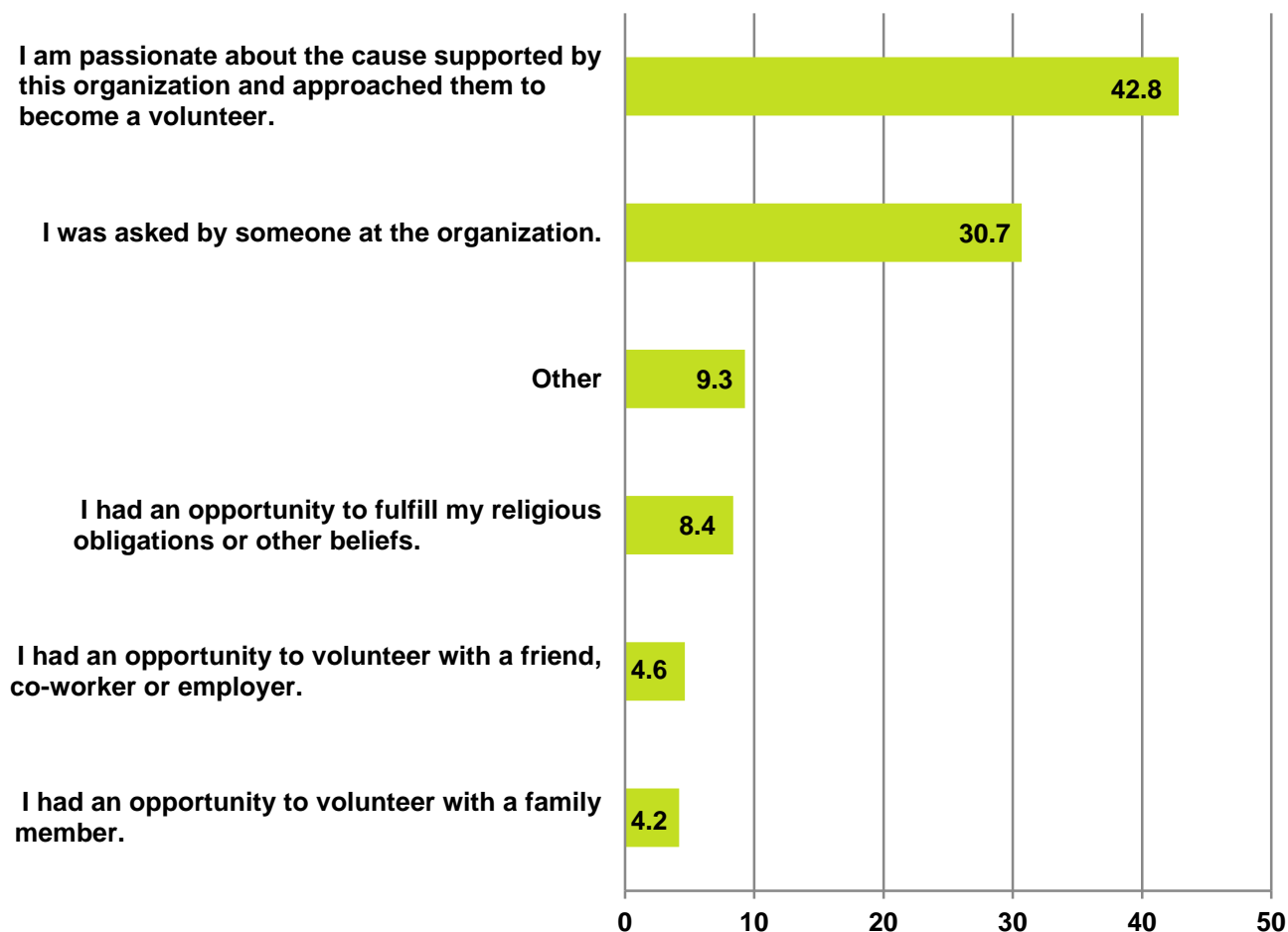


## Why High Net Worth Individuals Volunteer

Forty-three percent of surveyed high net worth individuals actively pursued volunteering opportunities with organizations that were aligned with their charitable interests in 2011, while 31 percent volunteered because someone at the organization asked them to. High net worth individuals were less likely to volunteer with a family member, friend, or co-worker, with less than 5 percent noting each of these reasons.

**FIGURE 23: REASONS WHY HIGH NET WORTH INDIVIDUALS VOLUNTEERED THE MOST AT ONE ORGANIZATION IN 2011 (%)**

*“Thinking about the organization for which you volunteered the most hours in 2011, why did you decide to become a volunteer at the organization?” (Check only one option)*

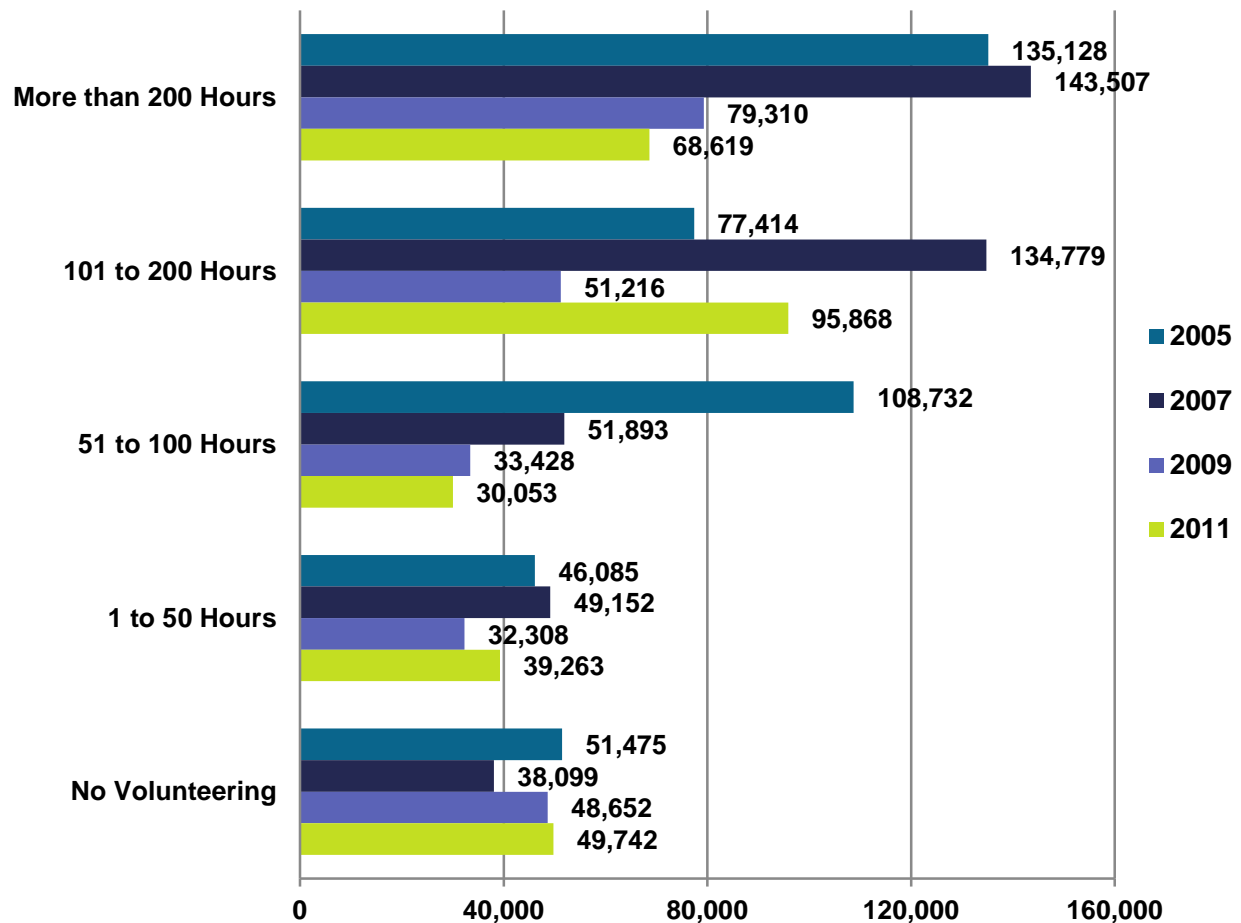


## HIGH NET WORTH GIVING AND VOLUNTEERING TRENDS

### Average Giving by High Net Worth Donors Who Volunteer

In general, high net worth individuals who volunteer tend to give to charity more often than those who do not, and high net worth individuals who volunteer more tend to give more. However, there are some exceptions. In 2011, high net worth individuals who volunteered 101 to 200 hours gave the highest average amount at \$95,868, while those who volunteered more than 200 hours gave the second-highest average amount at \$68,619. In addition, high net worth individuals who did not volunteer at all gave an average of about \$10,000 more than those who volunteered up to 50 hours.

**FIGURE 24: AVERAGE GIVING BY HIGH NET WORTH DONORS, BY TOTAL HOURS VOLUNTEERED IN 2005, 2007, 2009, AND 2011 (\$)**



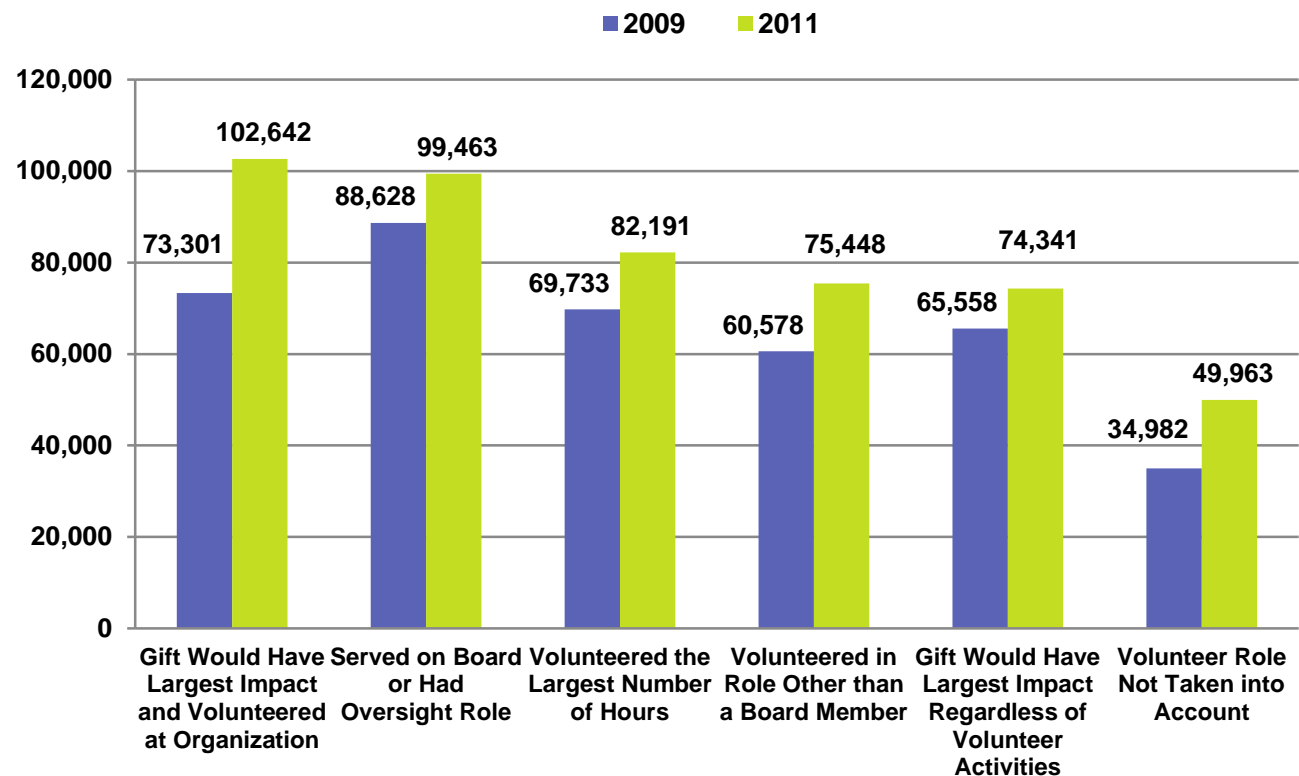
## Average Giving by High Net Worth Donors Who Volunteer by Reason for Giving

Fifty-six percent of high net worth donors in 2009 and 61 percent in 2011 indicated that they gave more to organizations where they volunteer the largest number of hours.<sup>^</sup> Roughly the same percentages reported that they gave more to organizations where they served on the board or had an oversight role (55.6 percent in 2009 and 67.3 percent in 2011), or where they felt their gift would have the largest impact — whether or not they volunteered at that specific organization (55.4 percent in 2009 and 63.6 percent in 2011).

High net worth donors who reported believing that their gift would have the largest impact and who volunteered at that particular organization donated the largest average amount in 2011 at \$102,642. Ranking second, those who served on the board or had another oversight role donated an average of \$99,463.

**FIGURE 25: AVERAGE GIVING BY HIGH NET WORTH DONORS WHO AGREE WITH THE FOLLOWING STATEMENTS WHEN DETERMINING WHERE TO GIVE MORE TO CHARITY IN 2011 (\$)**

*“As a volunteer in 2011, I gave more to organizations where ...”*



<sup>^</sup>Percentage breakdown of high net worth donors' responses to this question is not shown in Figure 25.



## **II: GIVING STRATEGIES, DECISION MAKING, MOTIVATIONS AND OUTCOMES, AND FAMILY TRADITIONS**

This section begins with data about the strategies that high net worth donors use for their charitable giving, starting with an assessment of their levels of experience with the giving of charitable gifts and the types of strategic activities in which these donors engage. Then, data about how these donors focus their gifts and how donors' giving priorities have changed as an effect of the economy are presented.

A series of summaries about high net worth donors' use of charitable giving vehicles and their level of consultation with outside advisors, as well as an analysis of these two activities together, is then provided.

Further in this section are analyses of decision making within high net worth households about their charitable giving practices, including questions about who makes the decision about giving, factors considered important after making the charitable gift, and why these households stop giving.

An analysis of the motivations that drive high net worth donors to give, as well as the outcomes that these donors derive from their giving, follows the discussion on decision-making practices. This subsection includes new data on the personal fulfillment and satisfaction these donors derive from their giving.

Finally, this section provides data on the family traditions held by high net worth households regarding charitable giving and how these households transmit philanthropic values to their children or younger relatives.

## GIVING STRATEGIES OF HIGH NET WORTH DONORS

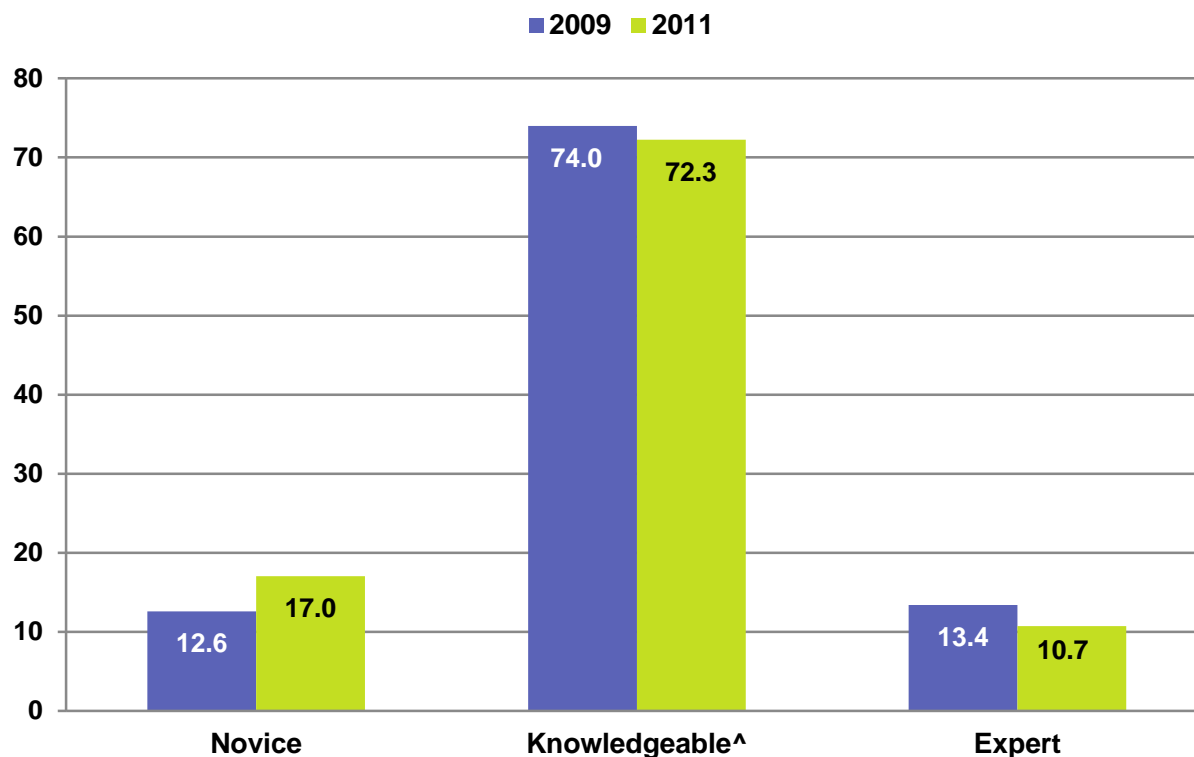
### Levels of Charitable Giving Knowledge

For 2011, 72 percent of high net worth donors rated their level of knowledge about charitable giving and philanthropy as knowledgeable, while just 17 percent rated their level of knowledge as novice. The smallest proportion (10.7 percent) of high net worth donors rated their level of knowledge as expert.

Compared with 2009, a greater percentage of high net worth donors rated their level of knowledge as novice in 2011 (a 4.4 percentage point increase), and a smaller percentage rated their level of experience as knowledgeable (a 1.7 percentage point decrease) or expert (a 2.7 percentage point decrease).

**FIGURE 26: HIGH NET WORTH DONORS REPORTING LEVELS OF CHARITABLE GIVING KNOWLEDGE IN 2009 AND 2011\* (%)**

*“Generally speaking, how would you rate your knowledge about charitable giving and philanthropy?”*



\*2009 and 2011 results are statistically different.

<sup>^</sup>In the 2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy, respondents were asked whether they were “Experienced” in charitable giving and philanthropy. This term was replaced with “Knowledgeable” in the current study.

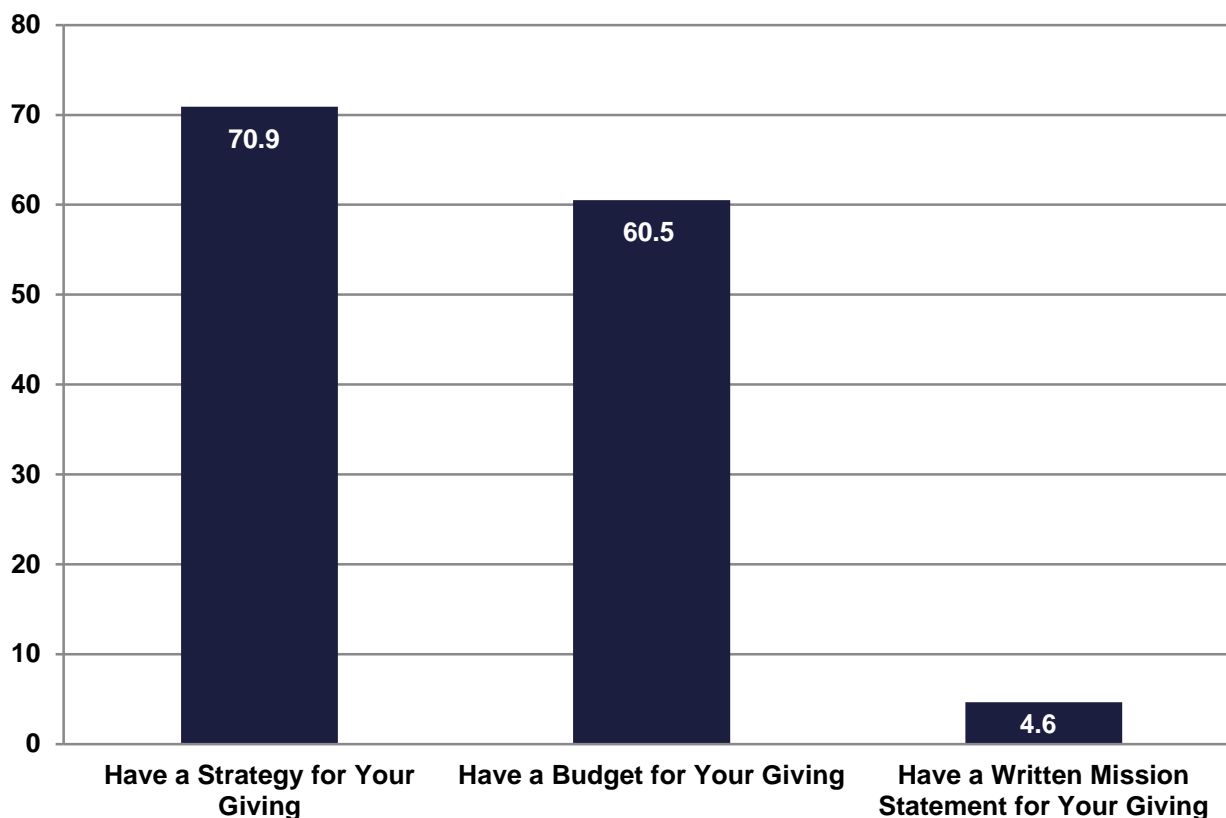
## High Net Worth Donors Who Have a Giving Strategy

While budgeting can be considered a part of strategy, fewer high net worth donors used budgeting to guide philanthropic decision making in 2011 than used a strategic plan. Over 60 percent reported using a budget for their giving in 2011, while 71 percent reported having a strategy.

The use of a written mission statement had a low rate of incidence among high net worth donors, with just 5 percent reporting having one in 2011.

**FIGURE 27: HIGH NET WORTH DONORS REPORTING STRATEGIC APPROACHES TO GIVING IN 2011 (%)**

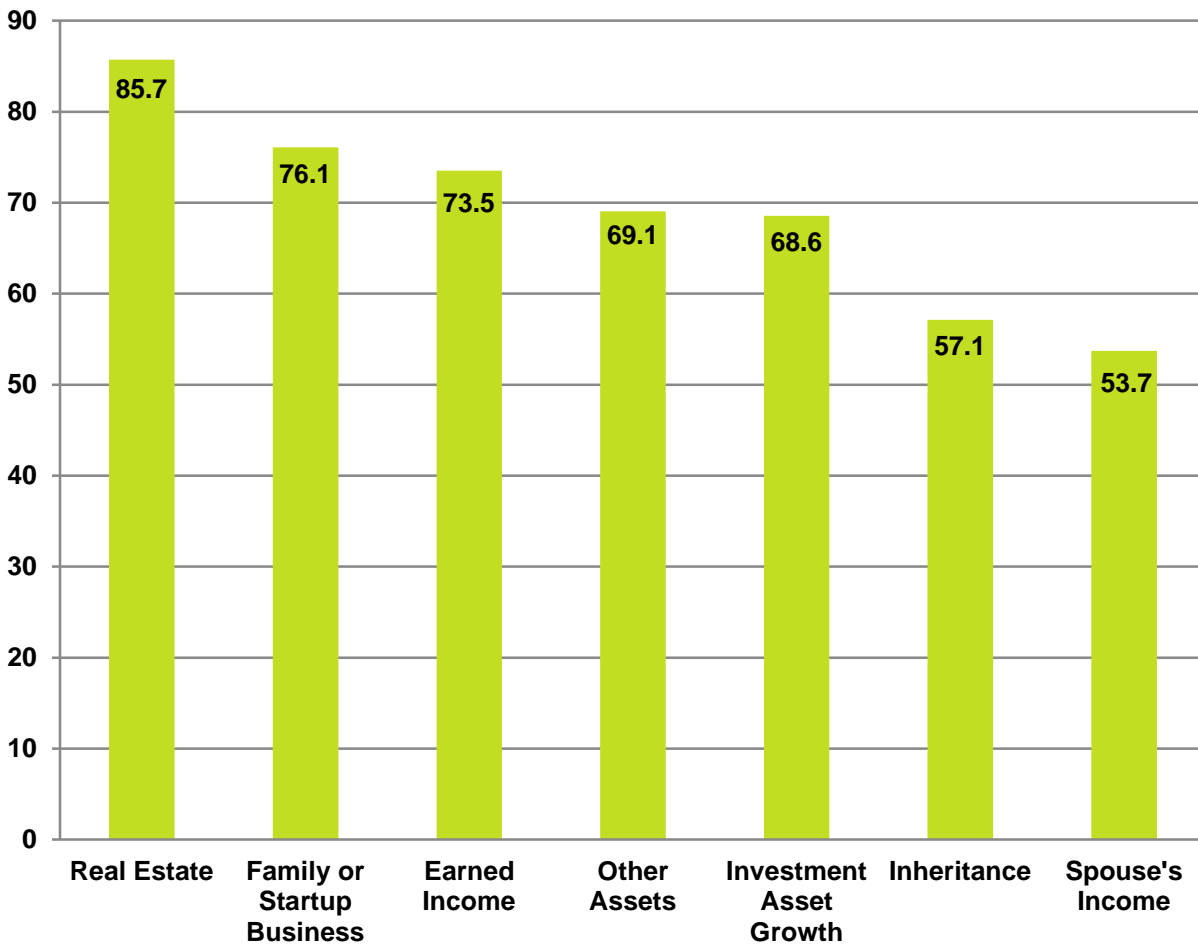
*“In 2011, did you...?”*



## High Net Worth Donors Who Have a Giving Strategy by Primary Source of Wealth

Among high net worth donors who reported a primary source of their wealth, a majority formulated a charitable giving strategy (between 53.7 percent and 85.7 percent for each wealth type).

**FIGURE 28: HIGH NET WORTH DONORS REPORTING HAVING A CHARITABLE GIVING STRATEGY BY PRIMARY SOURCE OF WEALTH IN 2011<sup>^</sup> (%)**



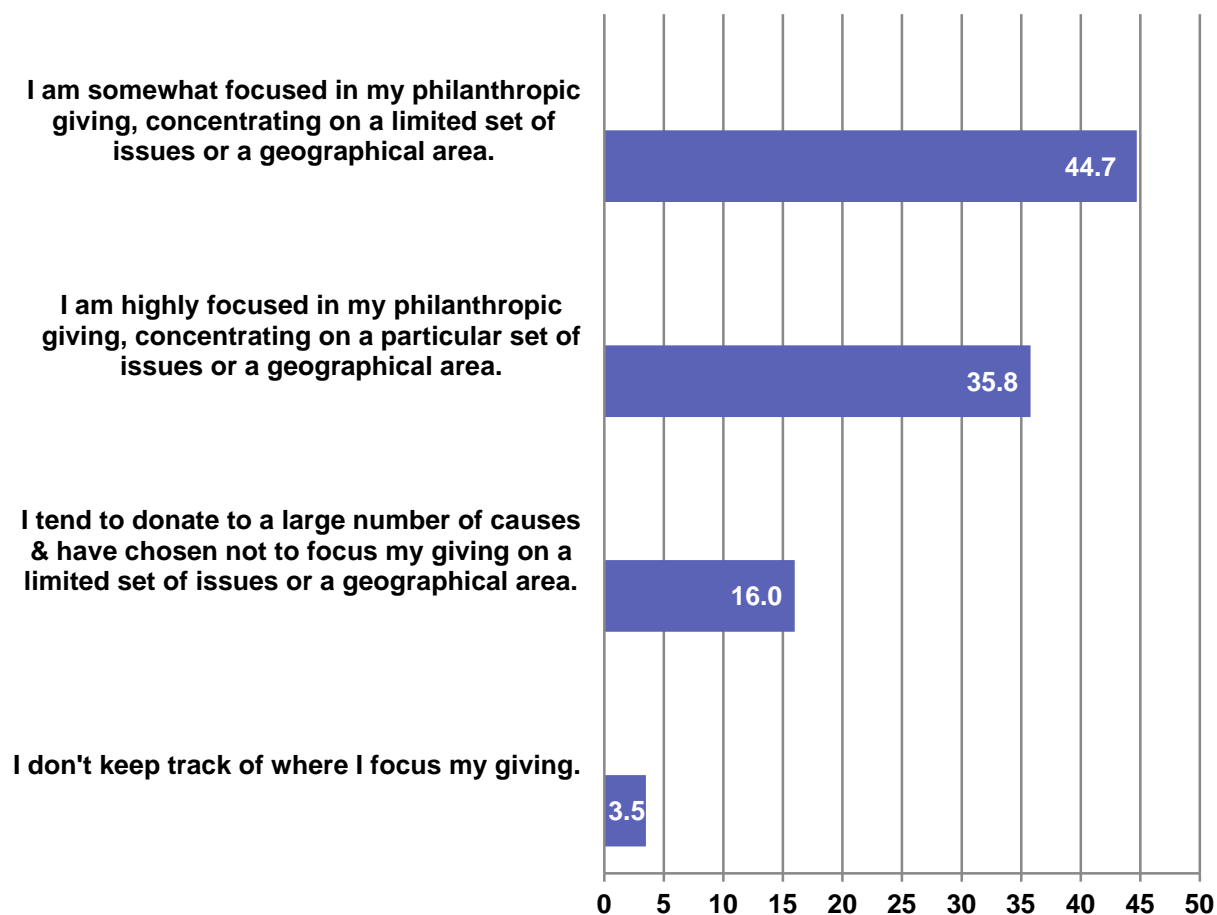
<sup>^</sup>A primary source of wealth is a source that makes up 50 percent or more of the household's total wealth.

## Where High Net Worth Donors Focus Their Giving

The majority (80.5 percent) of high net worth donors reported to be at least somewhat focused in their giving in 2011, among which 36 percent were highly focused in their giving on a few issues or geographical areas. About 20 percent of high net worth donors were somewhat focused in their giving in 2011: 16 percent gave widely with no focus on particular issues or geographical issues, and 4 percent did not keep track of where they focused their gifts.

**FIGURE 29: LEVELS OF FOCUS OF HIGH NET WORTH GIVING IN 2011 (%)**

*“Generally speaking, how would you categorize your charitable giving in 2011?”*

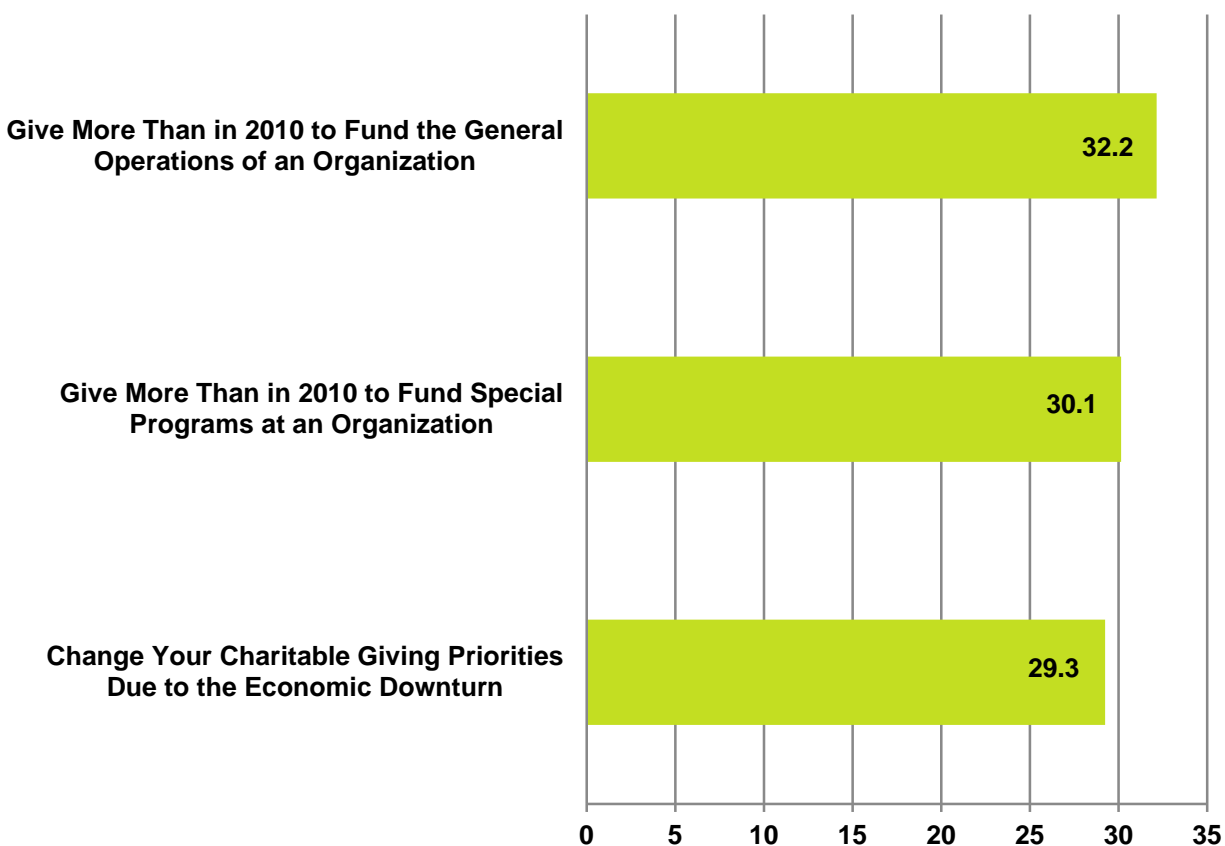


## Changes in Giving Priorities as an Effect of the Economy

About 30 percent of high net worth donors reported changing their giving priorities in 2011 as a result of the economic downturn. In addition, 30 percent of these donors gave more in 2011 than in 2010 to fund special programs within an organization, and 32 percent gave more to general operations.

**FIGURE 30: HIGH NET WORTH DONORS REPORTING CHANGES IN GIVING PRIORITIES AS AN EFFECT OF THE ECONOMY FROM 2010 TO 2011 (%)**

*“In 2011, did you...?”*



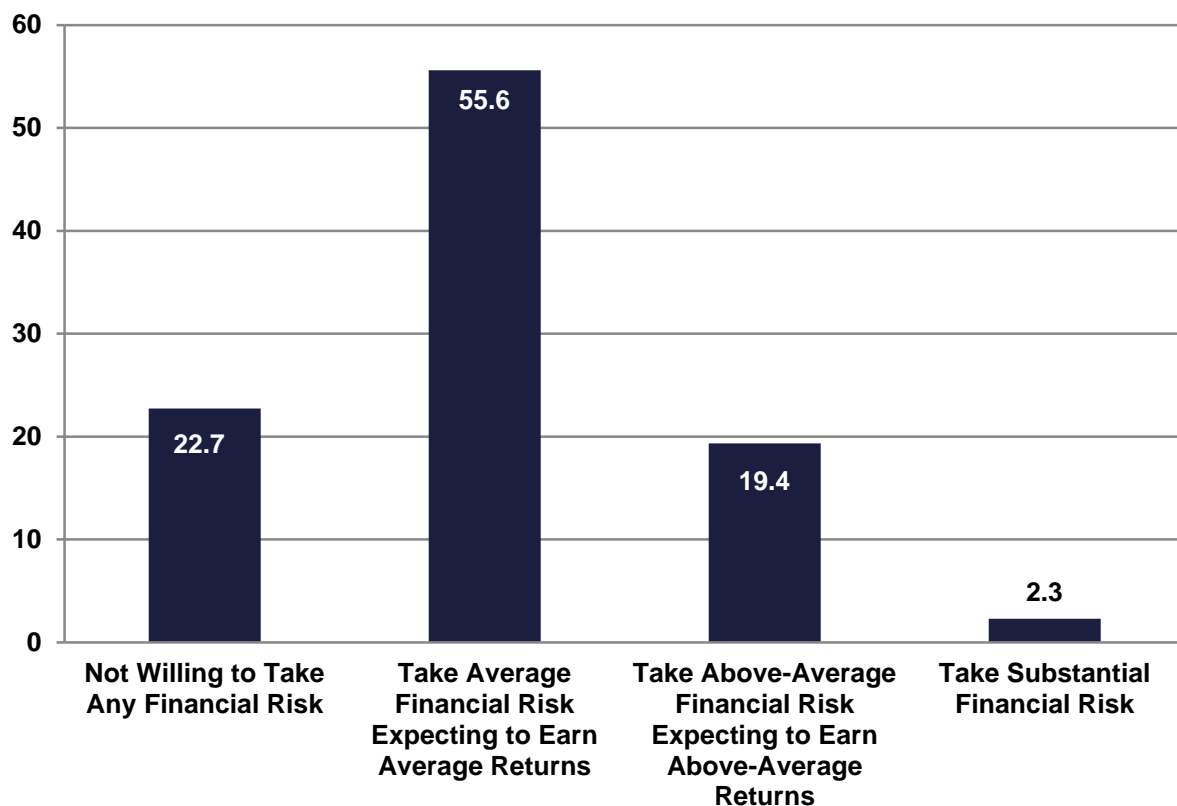
## FINANCIAL RISK TAKING WITH PHILANTHROPIC ASSETS, GIVING VEHICLES, AND ADVISORS

### Levels of Risk High Net Worth Donors Take with Philanthropic Assets

Overall, a very small percentage (2.3 percent) of high net worth donors takes substantial financial risk with their philanthropic assets, compared with their personal assets, expecting to earn substantial returns. Fifty-six percent of high net worth donors take average financial risk with their philanthropic assets when compared with their personal assets, expecting to earn average returns. Less than a quarter (22.7 percent) of donors, however, are not willing to take any financial risk. Twenty-two percent take above average or substantial financial risk with their philanthropic assets.

**FIGURE 31: LEVELS OF FINANCIAL RISK HIGH NET WORTH DONORS TAKE WITH PHILANTHROPIC ASSETS (%)**

*“Compared with your personal assets and investments, which best describes the amount of financial risk that you (and if applicable, your spouse or partner) are willing to take with your philanthropic assets and investments?”*



## Utilization of Giving Vehicles

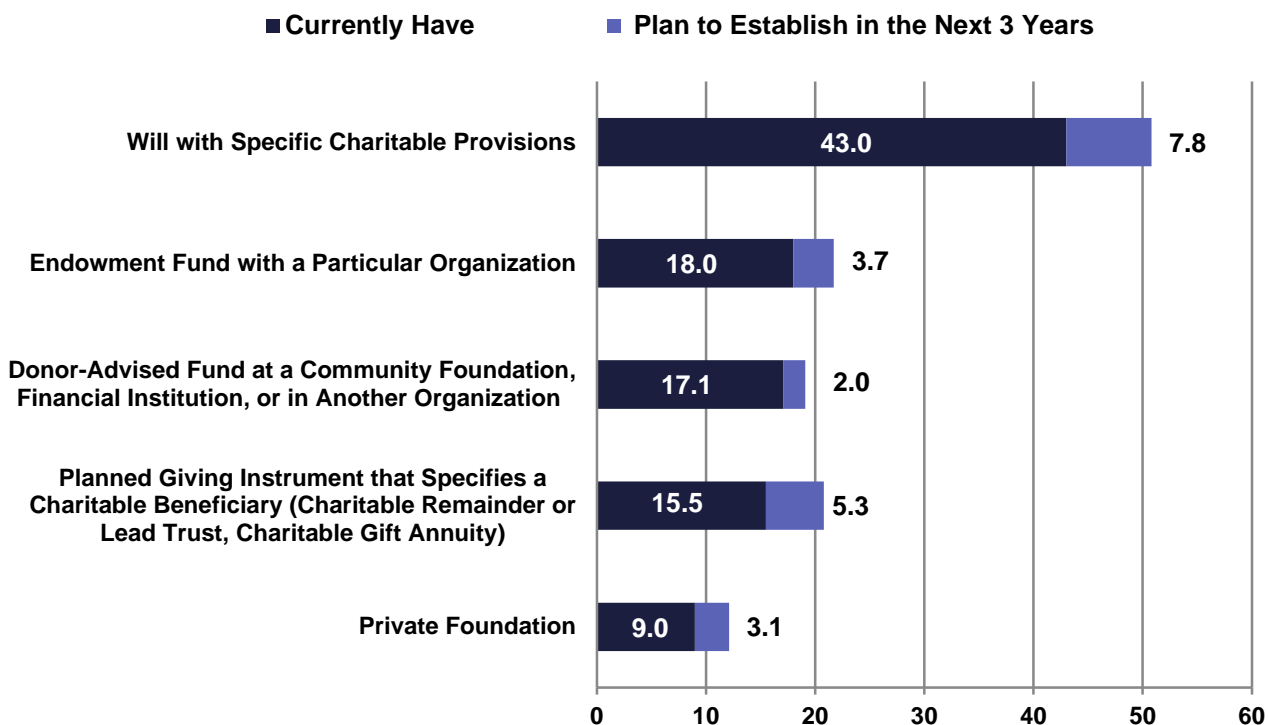
When high net worth donors were asked if they currently have a giving vehicle, the greatest percentage (43.0 percent) cited that they have a will with a charitable provision. An additional 8 percent reported plans to establish a will with a charitable provision in the next three years. Eighteen percent of high net worth donors reported having an endowment fund with a particular organization, and an additional 4 percent reported planning to establish one in the future.

Smaller percentages of high net worth donors reported having a planned giving instrument or a donor-advised fund, at 16 percent and 17 percent, respectively. A slightly greater percentage of high net worth donors reported plans to establish a planned giving instrument in the future (5 percent), compared with those who have plans for establishing a donor advised fund (2 percent).

Nine percent of high net worth donors have a private foundation, with 3 percent planning on establishing one in the future.

**FIGURE 32: HIGH NET WORTH DONORS WHO CURRENTLY HAVE OR PLAN TO ESTABLISH A GIVING VEHICLE (%)**

*“Do you have — or do you plan to establish — any of the following vehicles for making charitable gifts?” (Check all that apply)*



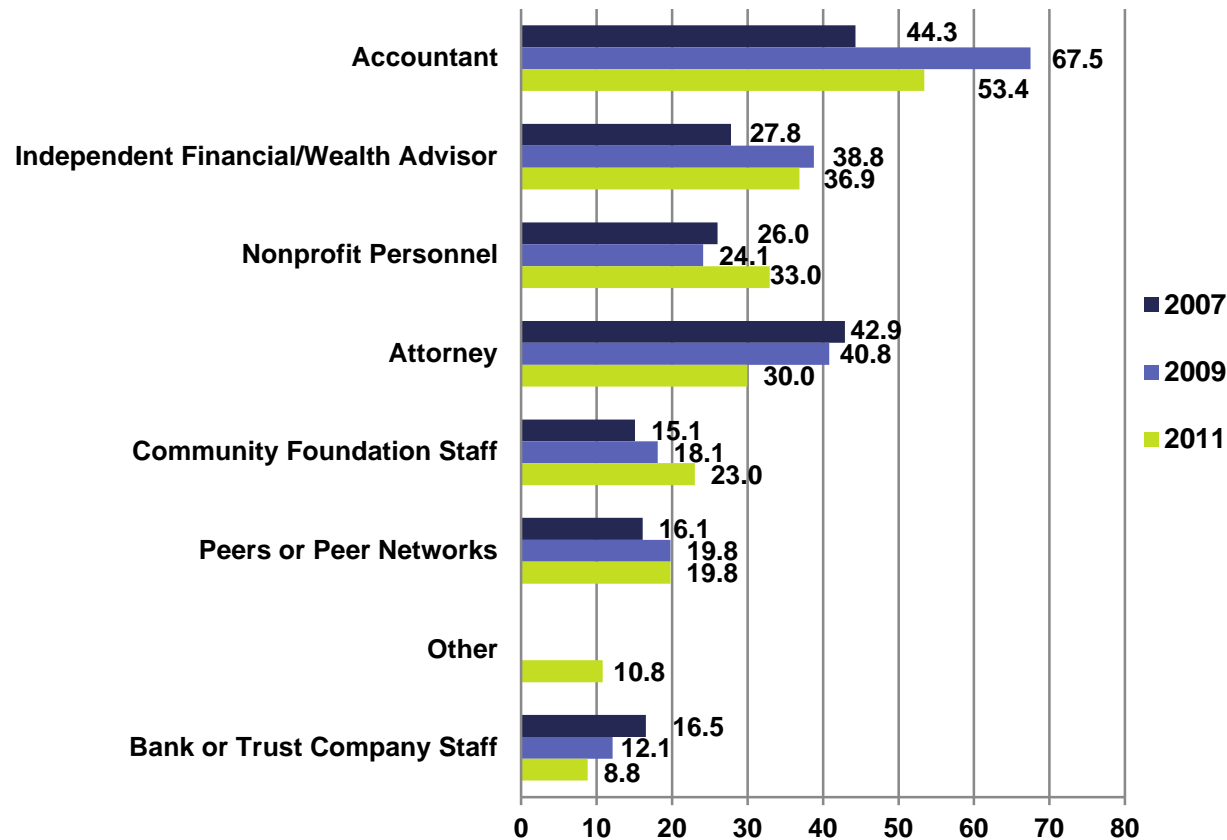


## High Net Worth Giving by Type of Advisor

More than one-third (39.9 percent) of high net worth donors relied on advice from outside consultants about their giving in 2011.<sup>^</sup> That year, high net worth donors who sought advice from any outside source were more likely to have received advice from an accountant (53.4 percent), an independent financial/wealth advisor (36.9 percent), or nonprofit personnel (33.0 percent), compared with other types of outside advisors.

**FIGURE 33: HIGH NET WORTH DONORS WHO CONSULTED WITH OTHERS BEFORE MAKING A CHARITABLE GIVING DECISION, BY TYPE OF PERSON CONSULTED IN 2007, 2009, AND 2011 (%)**

*“Have you received the following services or advice related to your charitable giving by these types of advisors?” (Check all that apply)*

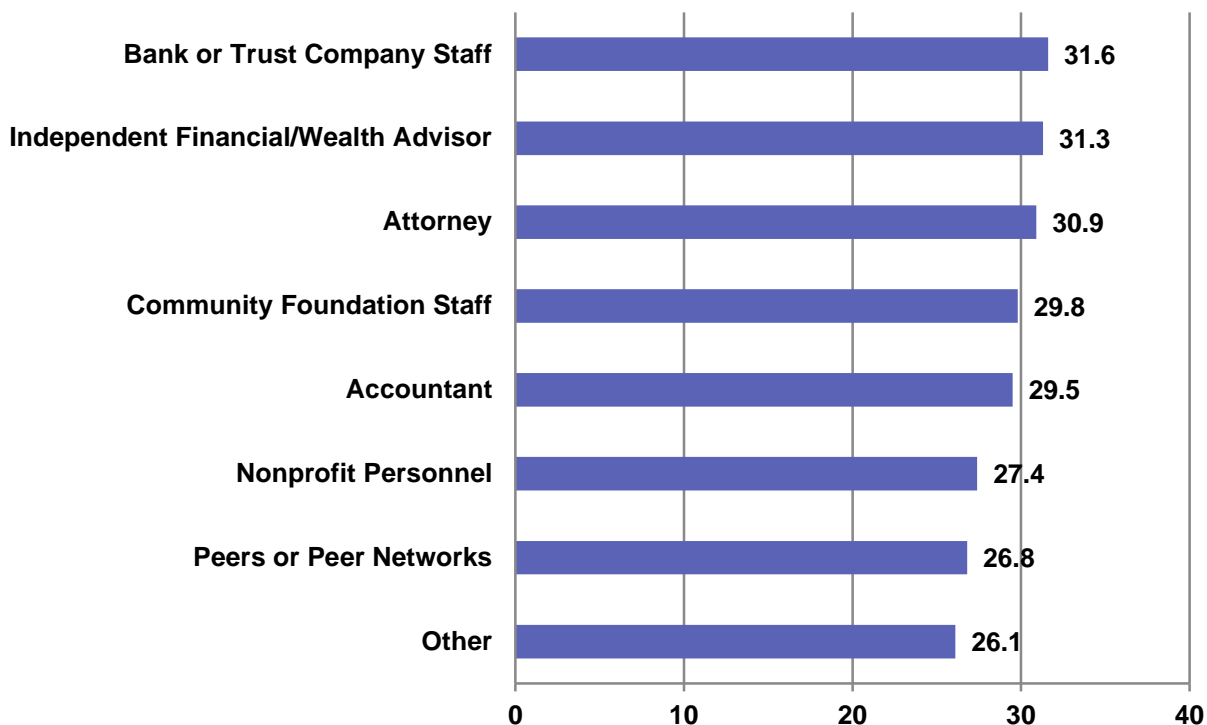


<sup>^</sup>The overall percentage of high net worth donors who consulted with an outside advisor (39.9 percent) is not shown in Figure 33. The percentage of high net worth donors reporting consultation with an outside advisor by category in Figure 33 includes only those who consulted at all. For the 2008 and 2010 *Bank of America High Net Worth Philanthropy Studies*, the “Other” giving category was not given as an option in the surveys.

## Utilization of Giving Vehicles by Type of Advisor

Overall, 26 percent of high net worth donors who consulted with an outside advisor about their charitable giving also gave to a giving vehicle in 2011. As shown in Figure 34, little variation exists between donors who gave to a giving vehicle by the type of advisor they consulted.

**FIGURE 34: HIGH NET WORTH DONORS WHO REPORTED CONTRIBUTIONS TO A GIVING VEHICLE, BY TYPE OF ADVISOR CONSULTED, IN 2011^ (%)**



^Responses include only those high net worth donors who consulted with an advisor in 2011. The overall percentage of high net worth donors who consulted with an advisor and gave to a charitable giving vehicle in 2011 (26 percent) is not shown in Figure 34.

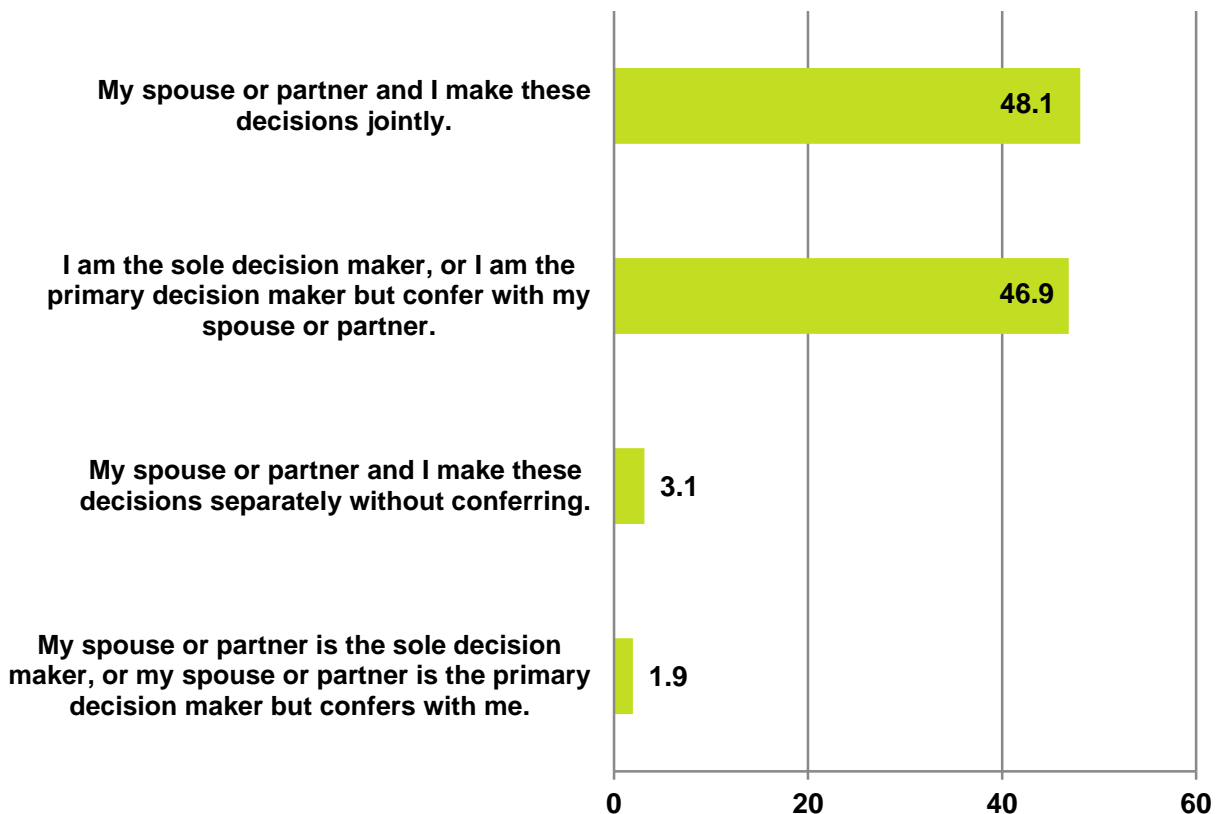
## DECISION MAKING IN HIGH NET WORTH HOUSEHOLDS

### How High Net Worth Households Make Wealth Management Decisions

In less than half (48 percent) of high net worth households, partners make household wealth management decisions jointly. By comparison, in 52 percent of those households, decisions are made separately (whether or not partners confer). Less than 5 percent of partners in high net worth households make wealth management decisions separately without conferring at all (3.1 percent).

**FIGURE 35: HOW DECISIONS ABOUT WEALTH MANAGEMENT ARE MADE IN THE HOUSEHOLD (%)**

*“Which best describes how you (and, if applicable, your spouse or partner) make decisions with respect to the management of your household wealth?” (Check only one option)*

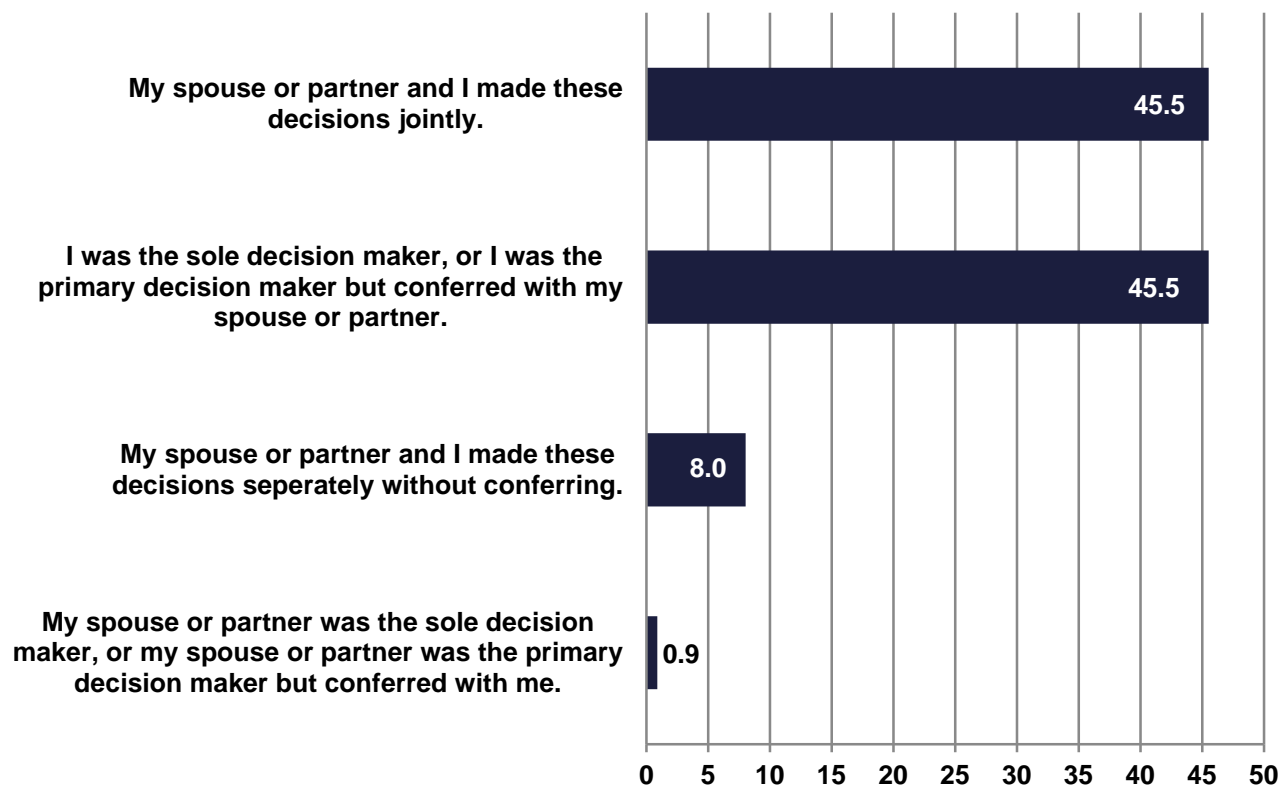


## How High Net Worth Households Make Charitable Giving Decisions

In 2011, a slightly smaller proportion of respondents from high net worth households made their charitable giving decisions jointly with their partner (45.5 percent) than made them separately (54.4 percent), whether or not partners conferred. Eight percent of respondents from high net worth households reported that charitable decisions were made separately without conferring, while one percent noted that their spouse or partner was the sole or primary decision maker.

**FIGURE 36: HOW DECISIONS ABOUT CHARITABLE GIVING WERE MADE IN THE HOUSEHOLD IN 2011 (%)**

*“Thinking about your overall giving in 2011, how were charitable decisions typically made?” (Check only one option)*

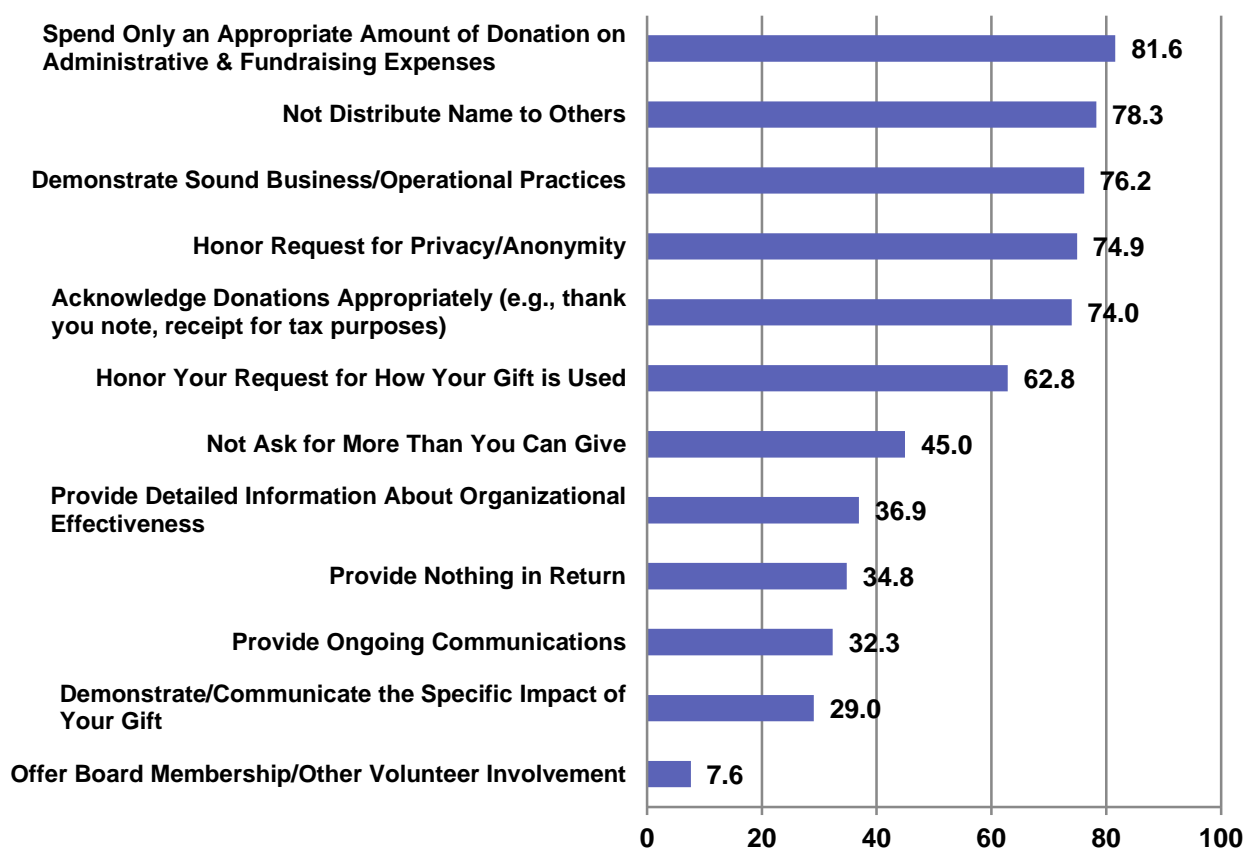


## Factors High Net Worth Households Consider Important After Making a Charitable Gift

After members of the high net worth household have made a gift to an organization, several factors remain important to them it regarding the behavior of the recipient organization. The highest percentage (81.6 percent) of high net worth households believes that the organization receiving their gift should spend only an appropriate amount of the donation on general administrative and fundraising costs. High net worth households also believe that their privacy is a very important consideration: 78 percent reported that the organization should not distribute their name to others, and 75 percent reported that the organization should honor their request for privacy and anonymity.

**FIGURE 37: FACTORS RANKED AS IMPORTANT TO HIGH NET WORTH HOUSEHOLDS AFTER MAKING A CHARITABLE GIFT^ (%)**

*“After you make a gift to an organization, how important is it to you that the organization will...?”*



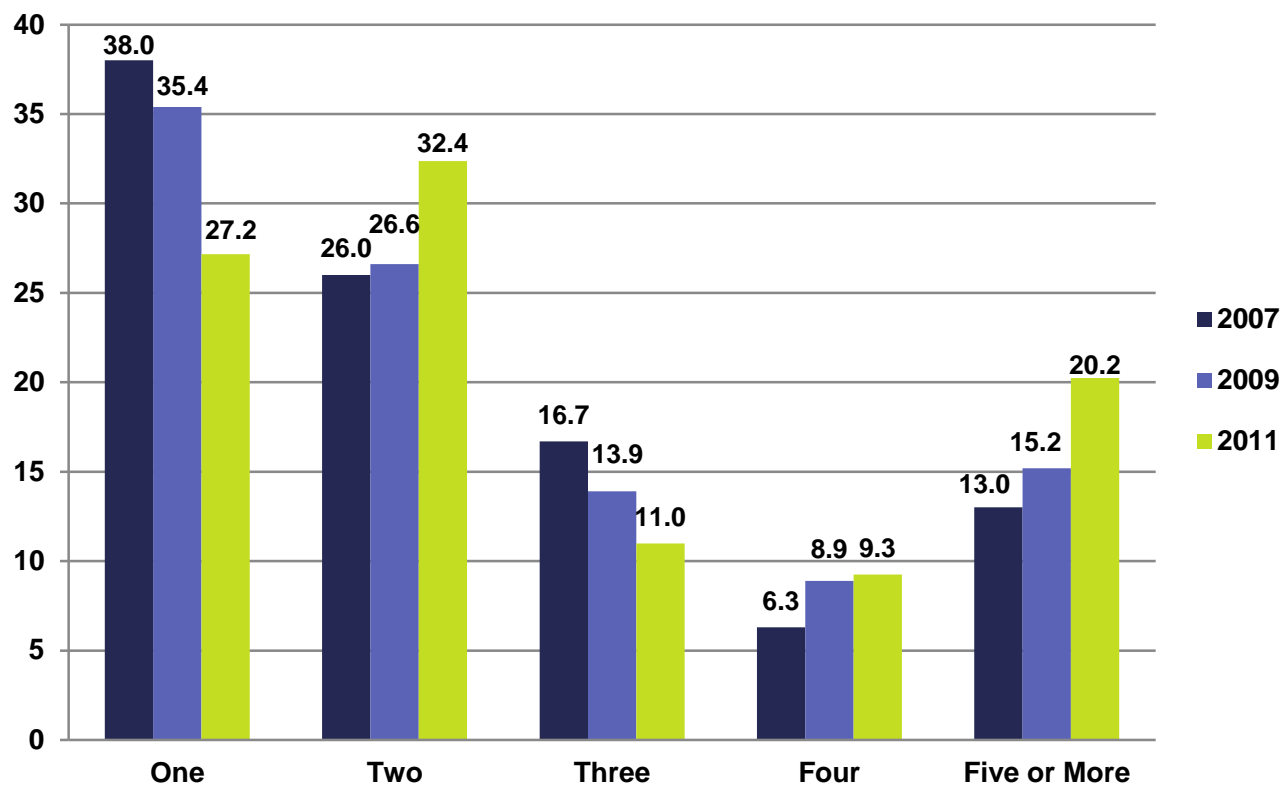
^Respondents were asked to rank answers from 1 to 5, with 1 being “not at all important” and 5 being “very important.” Responses shown in Figure 37 represent those respondents who were collapsed into the important to very important categories.

## Number of Organizations High Net Worth Households Stop Giving To Each Year

In 2011, 30 percent of households stopped supporting at least one organization they had previously supported.<sup>^</sup> Of the high net worth households that stopped giving to at least one organization in 2011, the largest proportion (32.4 percent) stopped giving to two organizations.

**FIGURE 38: NUMBER OF ORGANIZATIONS HIGH NET WORTH HOUSEHOLDS STOPPED SUPPORTING IN 2011 THAT THEY PREVIOUSLY SUPPORTED (%)**

*“In 2011, how many organizations did you stop giving to that you had previously supported?”*



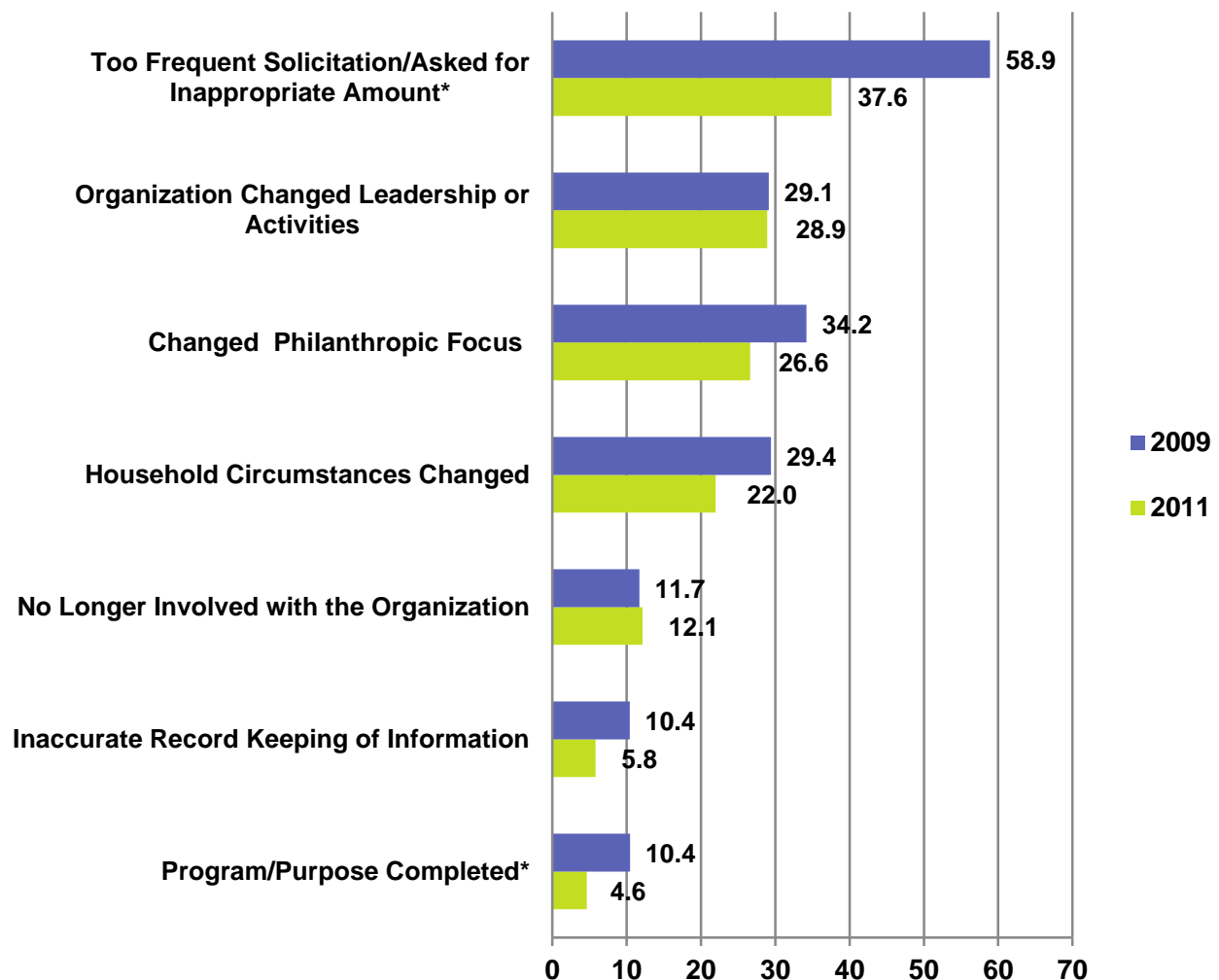
<sup>^</sup>Responses in Figure 38 include only those high net worth donors who stopped giving to at least one organization. The overall percentage of high net worth donors who stopped supporting at least one organization in 2011 in which they had previously supported (30 percent) is not shown in Figure 38.

## Why High Net Worth Households Stop Giving

Of the high net worth households that stopped support for any organization in 2009 or 2011, most were most likely to stop support for an organization that solicited them too frequently or asked for an inappropriate amount — with rates of response at 59 percent and 38 percent, respectively. High net worth households were less likely to stop support for organizations because of program or purpose completion between 2009 and 2011 (10.4 percent and 4.6 percent, respectively).

**FIGURE 39: REASONS WHY HIGH NET WORTH HOUSEHOLD STOPPED SUPPORTING AN ORGANIZATION IN 2011 THAT THEY PREVIOUSLY SUPPORTED^ (%)**

*“Thinking about these organization(s) please indicate the reasons why you stopped giving.” (Check all that apply)*



^Responses include only those high net worth donors who stopped giving to at least one organization.

\*2009 and 2011 results are statistically different.

## MOTIVATIONS AND OUTCOMES FOR GIVING BY HIGH NET WORTH DONORS

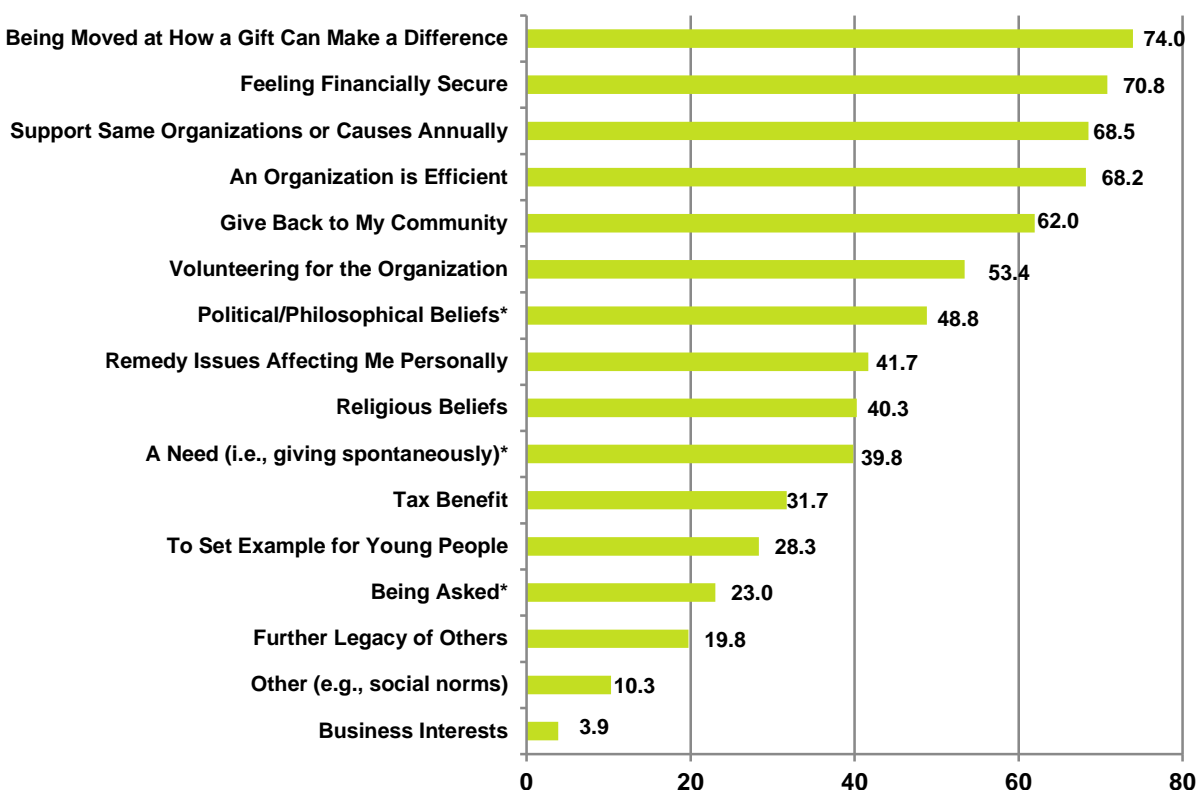
### Motivations Behind Charitable Behavior

The largest proportion (74.0 percent) of high net worth donors reported giving to charity in 2011 because they were moved at how their gift could make a difference. This motivation was followed by feeling financially secure (70.8 percent), supporting the same causes annually (68.5 percent), and giving to an efficient organization (68.2 percent).

Motivations behind high net worth giving stayed relatively constant between 2009 and 2011, with three major exceptions: giving for political or philosophical beliefs (52.1 percent in 2009), to spontaneously support a need (47.1 percent in 2009), or after being asked (31.1 percent in 2009), which all saw statistically significant declines.

**FIGURE 40: HIGH NET WORTH DONORS REPORTING GIVING BASED ON MOTIVATION TYPE IN 2011^ (%)**

*“On a scale of 1 to 5, do you usually give because of [or to] ...?”*



^Respondents were asked to rank answers from 1 to 5, with 1 being “strongly disagree” and 5 being “strongly agree.” Responses shown in Figure 40 represent those respondents who were collapsed into the agree categories. “Remedy Issues Affecting Me Personally” and “Other” not asked in 2009.

\*2009 and 2011 results are statistically significant (2009 data not included in Figure 40).

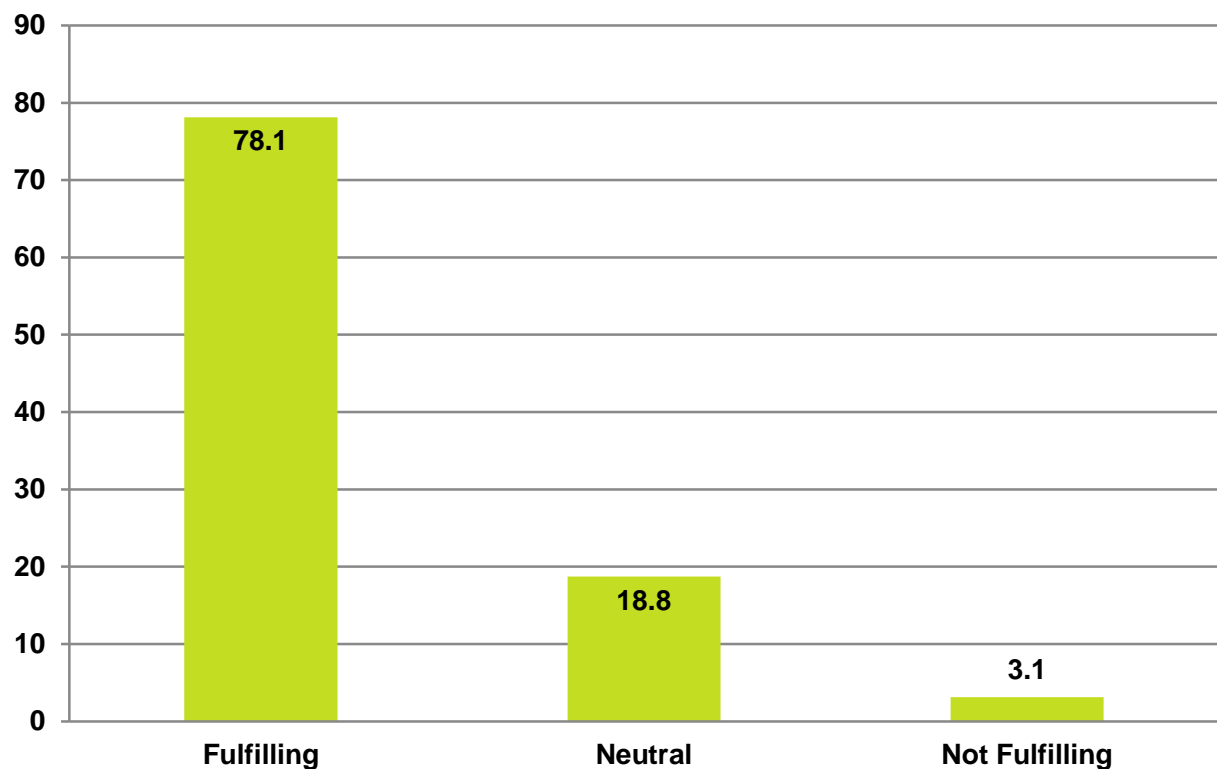


## Personal Fulfillment Through Charitable Activity

Donors often report being personally fulfilled through their philanthropic engagement. Fulfillment relates to the feelings that a donor's own charitable activity engenders. In this study, almost 80 percent of all reporting high net worth donors indicated that their charitable activity is personally fulfilling, while only 3 percent reported that their personal charitable activity is not fulfilling.

**FIGURE 41: LEVELS OF FULFILLMENT THROUGH CHARITABLE ACTIVITY AMONG HIGH NET WORTH DONORS^ (%)**

*“On a scale of 1 to 5, how personally fulfilling is your charitable activity (e.g., giving/volunteering)?”*



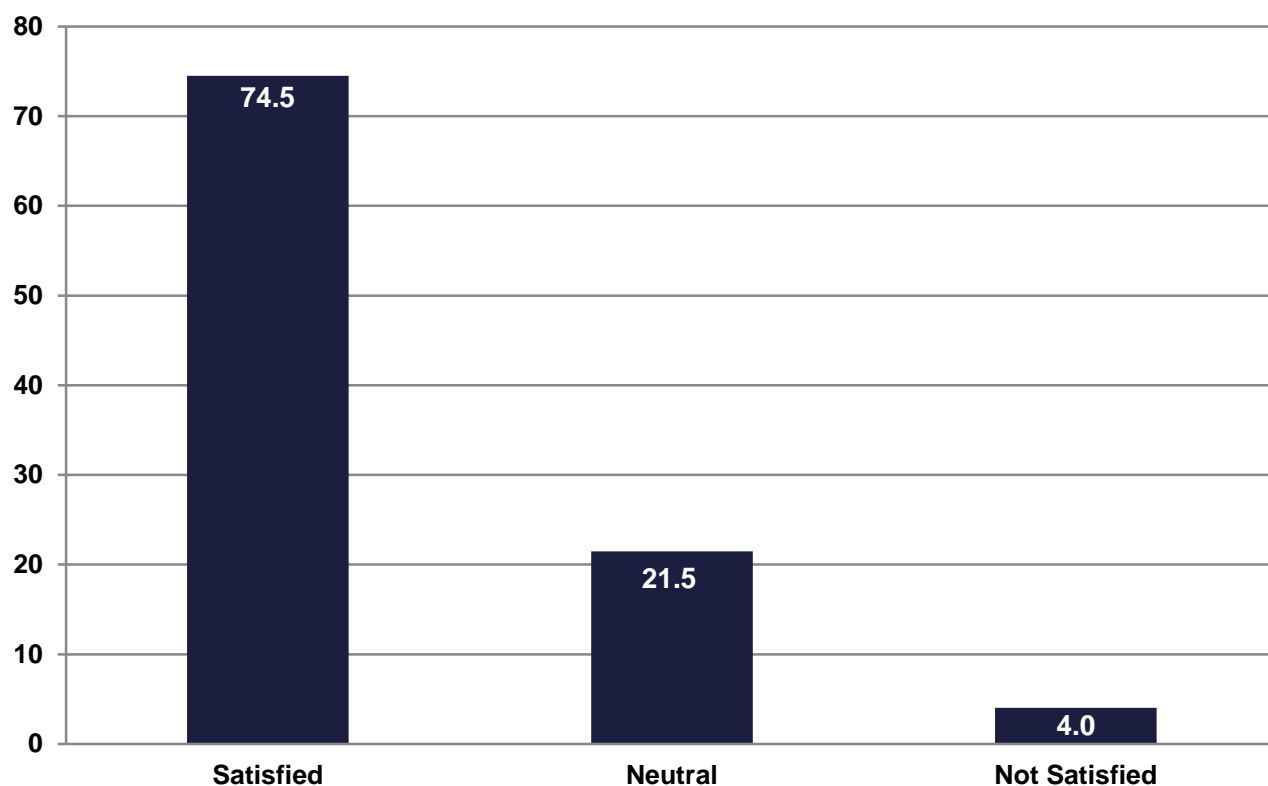
^Respondents were asked to rank answers from 1 to 5, with 1 being “not at all fulfilling” and 5 being “very fulfilling.” Responses shown in Figure 41 are collapsed into three categories.

## Personal Satisfaction Through Charitable Activity

Personal satisfaction from their charitable activity relates to the perception that donors have about the outcomes and effects of their charitable activity. Three-quarters of all high net worth donors reported being satisfied with their charitable activity, while about 22 percent reported feeling neutral. Four percent reported not being satisfied with their charitable activity.

**FIGURE 42: LEVELS OF SATISFACTION THROUGH CHARITABLE ACTIVITY AMONG HIGH NET WORTH DONORS<sup>^</sup> (%)**

*“On a scale of 1 to 5, how satisfied are you with your charitable activity (e.g., giving/volunteering)?”*



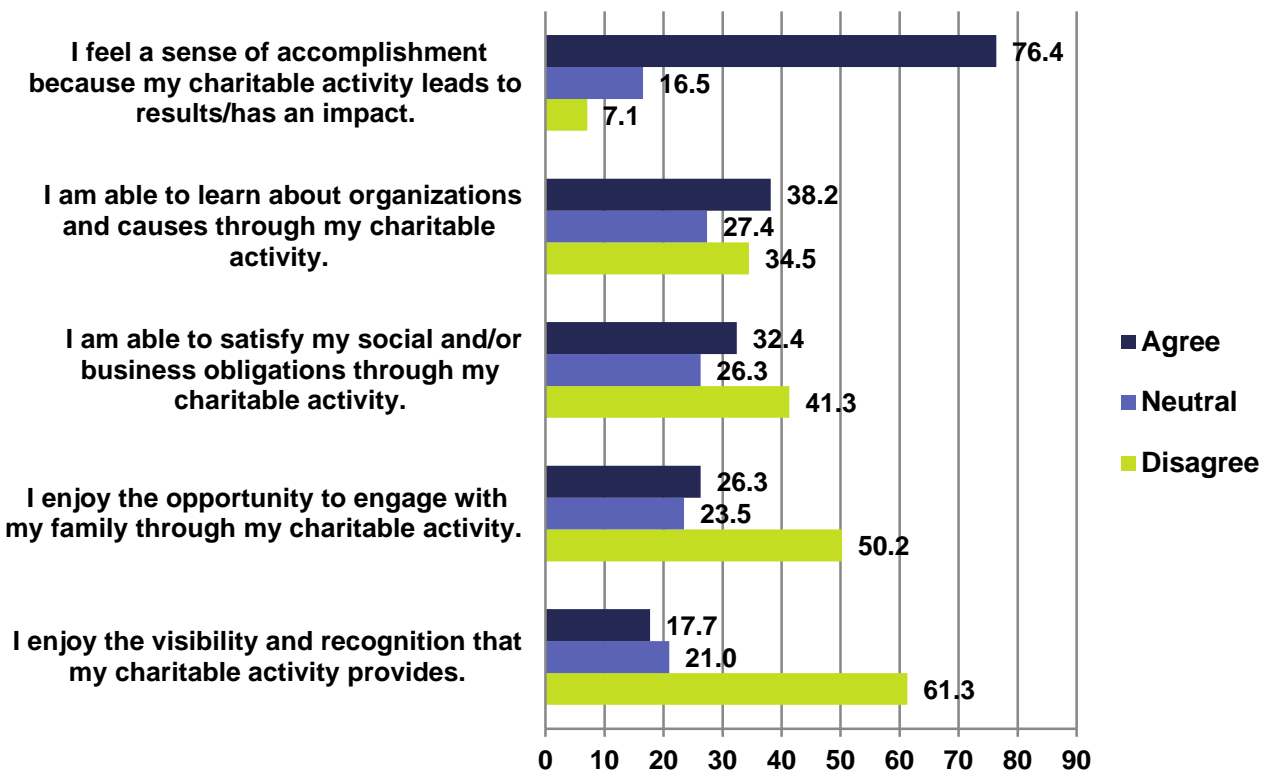
<sup>^</sup>Respondents were asked to rank answers from 1 to 5, with 1 being “not at all satisfied” and 5 being “very satisfied.” Responses shown in Figure 42 are collapsed into three categories.

## Benefits Derived from Charitable Activity

High net worth donors were asked a range of questions concerning the benefits they derive from their charitable activity. The greatest proportion (76.4 percent) of high net worth donors reported feeling a sense of accomplishment when the organization benefiting from their gift creates results or impact. The second-highest proportion (38.2 percent) of high net worth donors reported that they were able to learn about organizations and causes through their giving. Nevertheless, a slightly lower percentage (34.5 percent) reported the opposite. This suggests that donors derive benefits from engagement opportunities provided by nonprofit organizations.

**FIGURE 43: HIGH NET WORTH DONORS REPORTING BENEFITS DERIVED FROM CHARITABLE ACTIVITY ^ (%)**

*“Which of the following statements do you agree or disagree with related to your charitable activity?”*



^Respondents were asked to rank answers from 1 to 5, with 1 being “strongly disagree” and 5 being “strongly agree.” Responses shown in Figure 43 are collapsed into three categories.

## FAMILY TRADITIONS AND HIGH NET WORTH GIVING

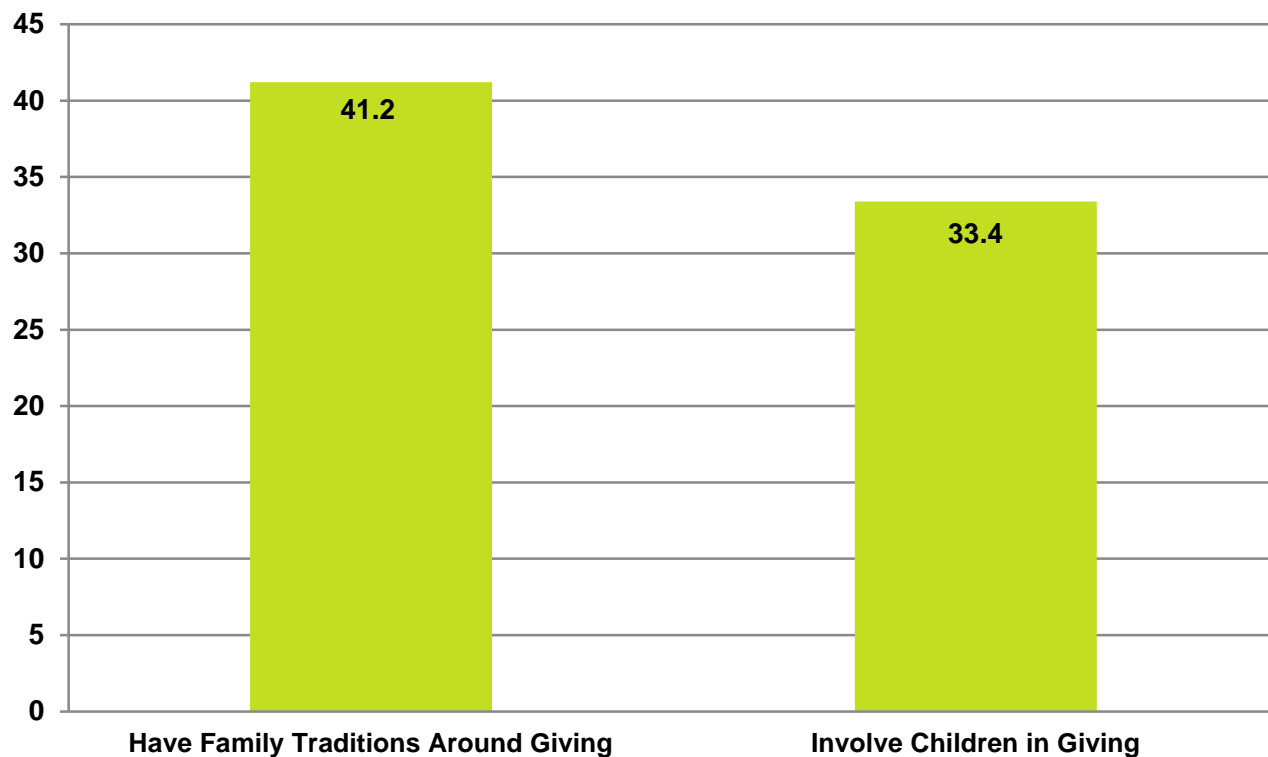
### Family Traditions in Giving and Involving Children in Giving

Forty-one percent of high net worth households reported having family traditions around giving in 2011, and 33 percent reported involving younger relatives in household giving practices.

While the 2012 study asked these two questions, the 2010 study revealed more detail in family giving traditions. In 2009, 34 percent of high net worth households reported having two to three family traditions, while 30 percent reported having no identifiable family traditions. Examples of these practices include honoring the memory of individuals, giving to organizations where donors belong or receive benefits, and contributing to a family foundation or fund.

**FIGURE 44: HIGH NET WORTH DONORS REPORTING HAVING FAMILY TRADITIONS AROUND GIVING AND INVOLVING CHILDREN IN GIVING IN 2011<sup>^</sup> (%)**

*“Does your household have family traditions around giving (include children/grandchildren, if applicable) or involve children/grandchildren/younger relatives in giving?”*



<sup>^</sup>Responses in Figure 44 do not include households that do not have children or grandchildren (whether living at home or not). The vast majority (91.1 percent) of all high net worth households in this study have children, whether adult age or younger. Among the households that have children, the youngest child is age 18 or older in 83 percent of the households.

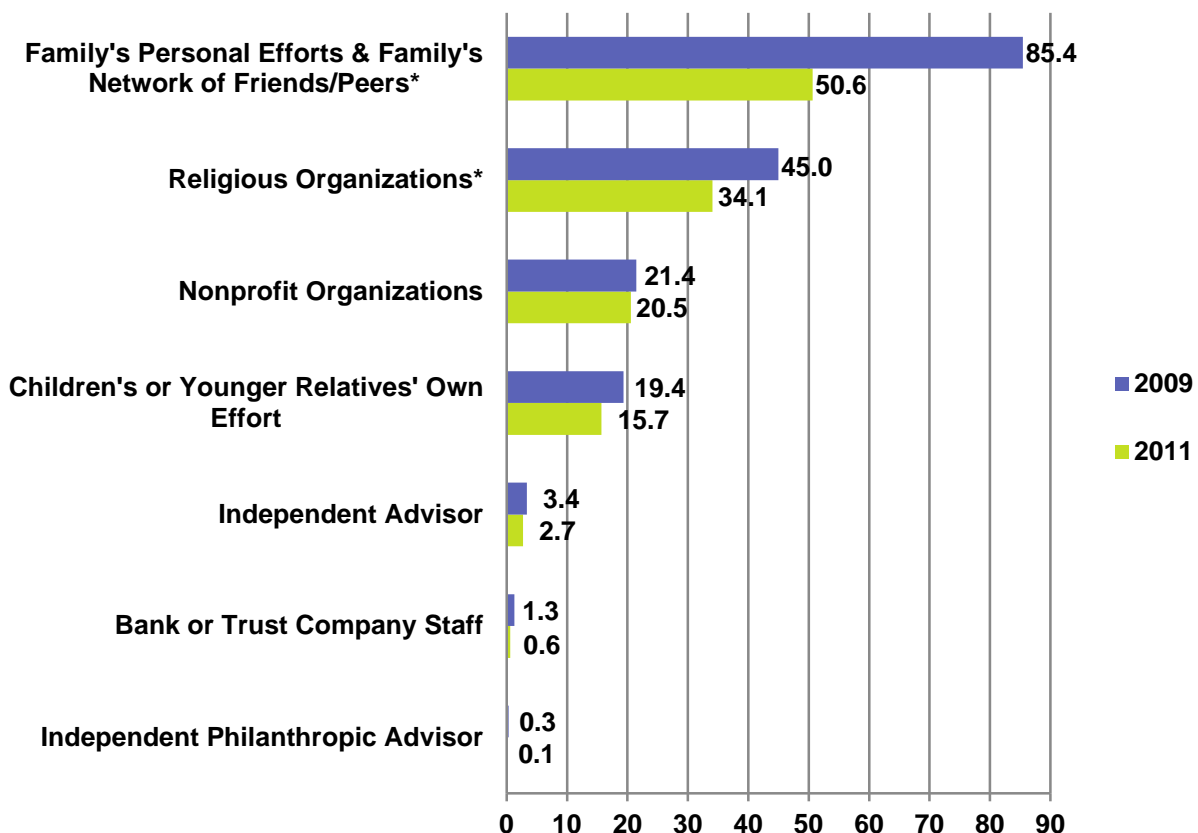
## Children and the Transmission of Philanthropic Values

In 2009, most high net worth households depended on their own family's efforts to educate younger relatives about charitable giving (85.4 percent). By 2011, only 51 percent of high net worth households relied on their family or family's network of friends and peers to educate their children, grandchildren, or other younger relatives about giving. Similarly, in 2009, about 45 percent of high net worth households indicated that they rely on their church, synagogue, mosque, or other place of worship to transmit charitable values to their children. By 2011, that percentage dropped to 34 percent.

High net worth donors were least likely to report the use of an independent advisor, bank or trust company staff, or independent philanthropic advisor in 2009 and 2011 to transmit philanthropic values to children or younger relatives, with response rates at 3 percent and below.

**FIGURE 45: TRANSMITTING PHILANTHROPIC VALUES: HOW CHILDREN OR YOUNGER RELATIVES LEARNED ABOUT CHARITABLE GIVING IN 2009 AND 2011<sup>^</sup> (%)**

*"Your children/grandchildren/other younger relatives learn about giving through which of the following?"*



<sup>^</sup>Responses in Figure 45 include households that may or may not have children (including adult children).

\*2009 and 2011 results are statistically different.

### **III: HIGH NET WORTH HOUSEHOLD GIVING FORECAST, SEASONAL GIVING, AND METHODS USED TO PAY GIFTS**

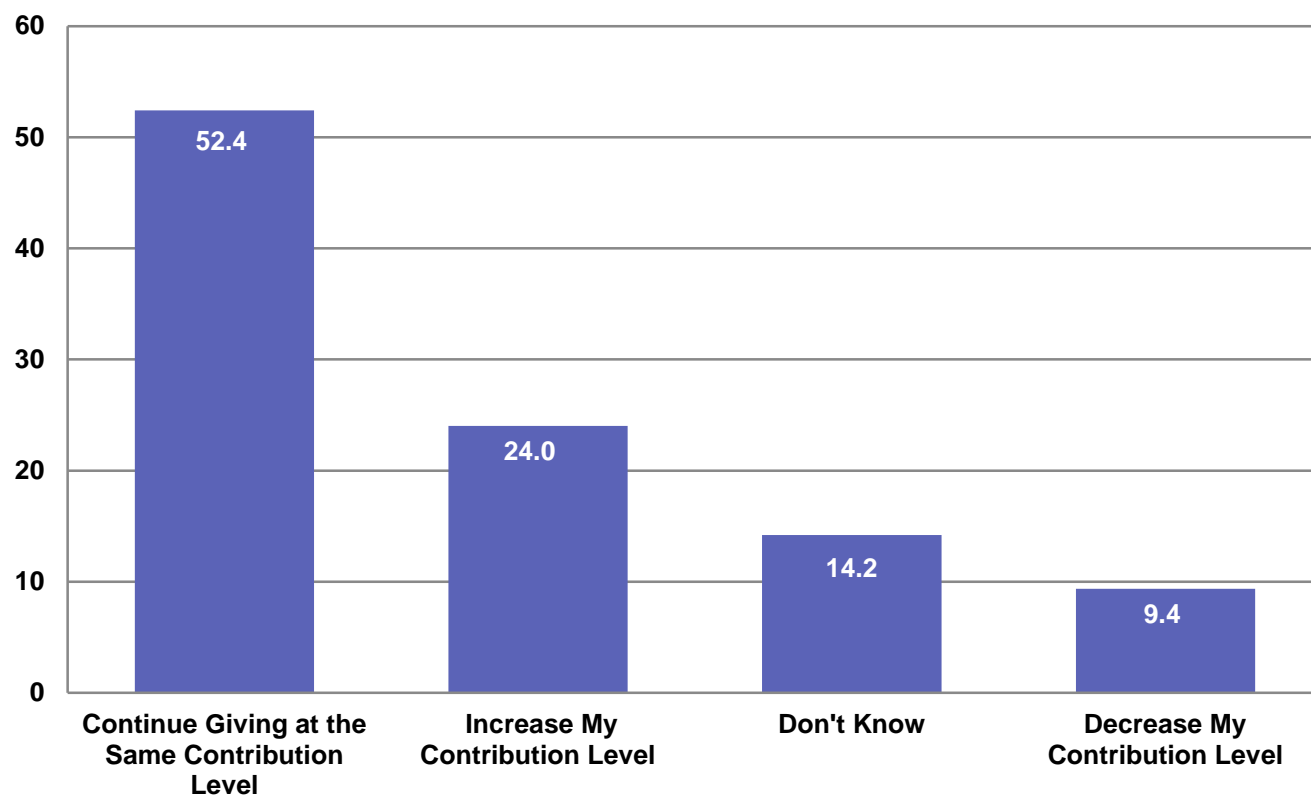
This section presents the three-to-five year giving forecast of high net worth households, as well as seasonal giving trends. In addition, data on the ways in which high net worth households make their gifts are presented.

### THREE-TO-FIVE YEAR HIGH NET WORTH GIVING FORECAST

In the next three to five years, nearly a quarter (24.0 percent) of high net worth donors plan to increase the amount they donate to charity, while over half (52.4 percent) plan to continue their current level of funding. However, 14 percent are not sure of their philanthropic plans, and 9 percent plan on decreasing their contributions in the future.

**FIGURE 46: CHARITABLE GIVING FORECAST FOR THE NEXT THREE TO FIVE YEARS AMONG HIGH NET WORTH HOUSEHOLDS (%)**

*“Relative to my charitable contributions in the past, in the next three to five years I plan to...”*

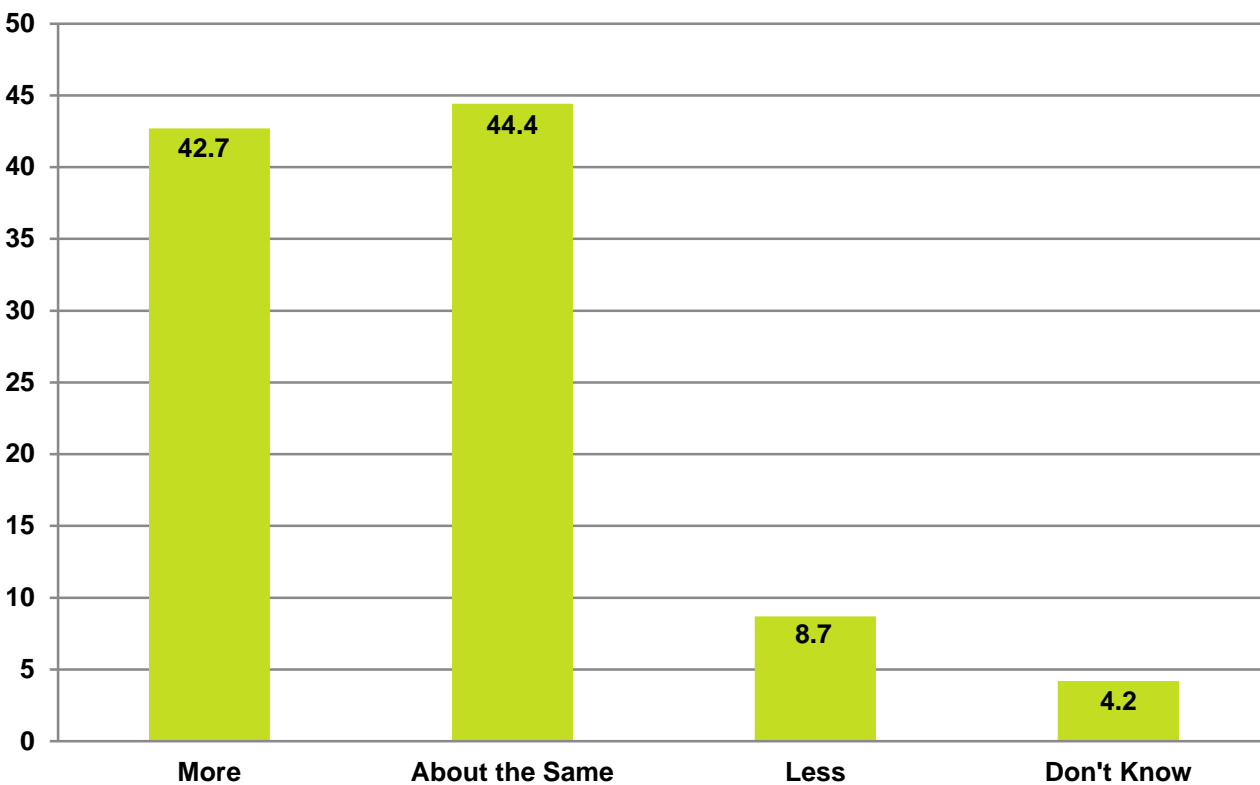


## HIGH NET WORTH SEASONAL GIVING

The spirit of the holiday season is often linked with charitable giving. Eighty-seven percent of high net worth donors contributed either about the same or more, whether in terms of more dollars or more gifts, during the holiday season than they did throughout the year. Of these respondents, 43 percent gave more and 44 percent gave about the same during the holidays compared with the rest of the year. Only 9 percent of high net worth donors gave less during the holiday season compared with the rest of the year.

**FIGURE 47: HIGH NET WORTH HOUSEHOLDS REPORTING CHARITABLE GIVING LEVELS DURING THE HOLIDAYS, COMPARED WITH THE REST OF THE YEAR (%)**

*“Thinking about the total amount of money I give to charity every year during the holiday season (the last three months of the year) compared to other times throughout the year, I give ...”*

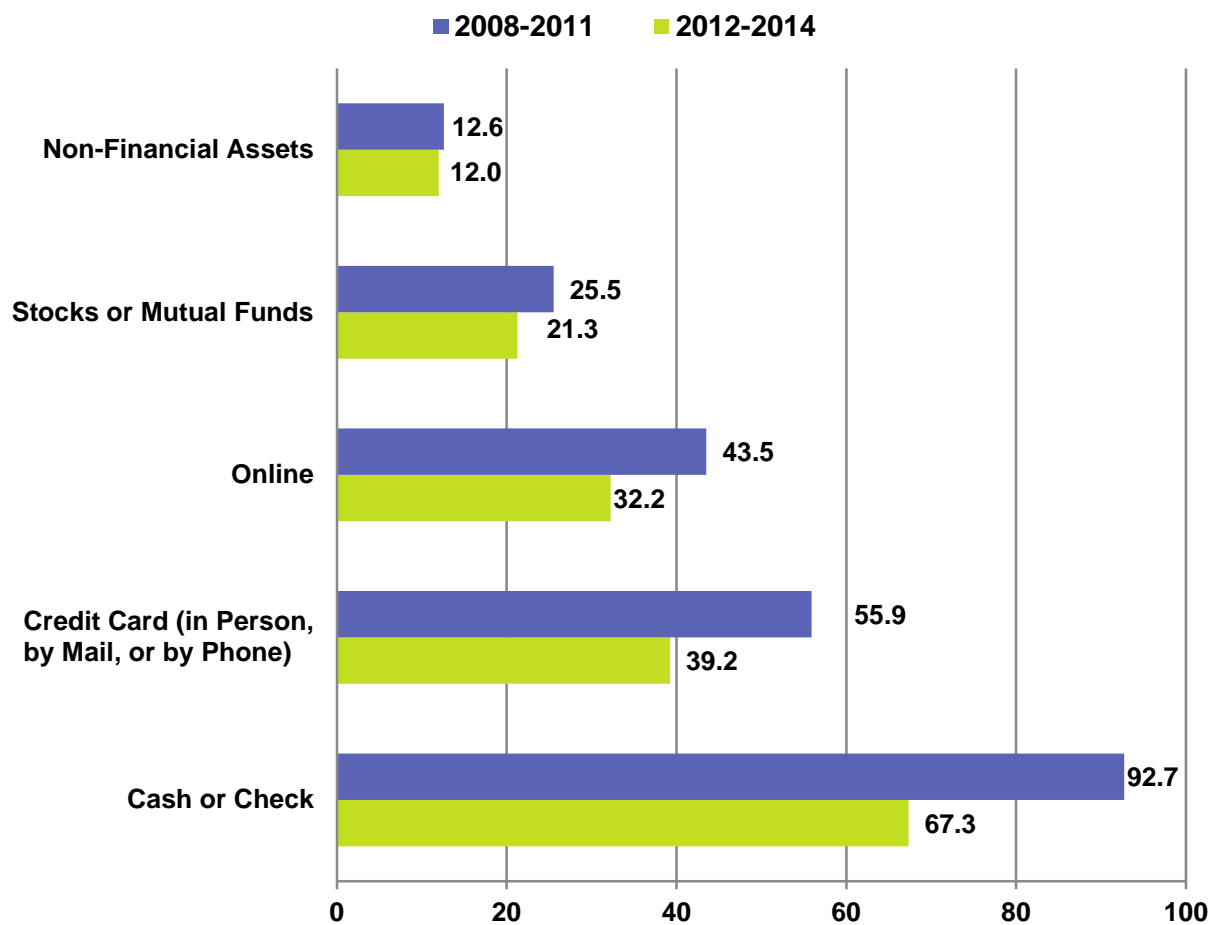




## HOW HIGH NET WORTH HOUSEHOLDS MAKE THEIR GIFTS

From 2008 to 2011, the highest percentage of high net worth donors made donations using cash or checks (92.7 percent), with 67 percent of these donors planning on giving by cash or check in future years (2012 to 2014). The method least likely to be used for charitable giving was in the form of non-financial assets, like real estate or collectibles. About 13 percent of high net worth donors gave using this method from 2008 to 2011, and 12 percent plan to do so in 2012 to 2014.

**FIGURE 48: HOW DONORS GAVE IN 2008–2011 AND HOW THEY INTEND TO GIVE IN 2012–2014 (%)**



## **IV: PUBLIC POLICY AND THE HIGH NET WORTH DONOR**

This section provides a series of findings about public policy and the high net worth donor. It begins with a new question that assesses high net worth donors' choices for the policy issues that are most important to them, followed by an analysis of the confidence levels that these donors have in individuals and various types of societal institutions for solving today's issues.

New this year, high net worth donors were asked about giving to support the election or defeat of a political candidate in 2011 and how much they gave in terms of their wealth. The results are presented in this section.

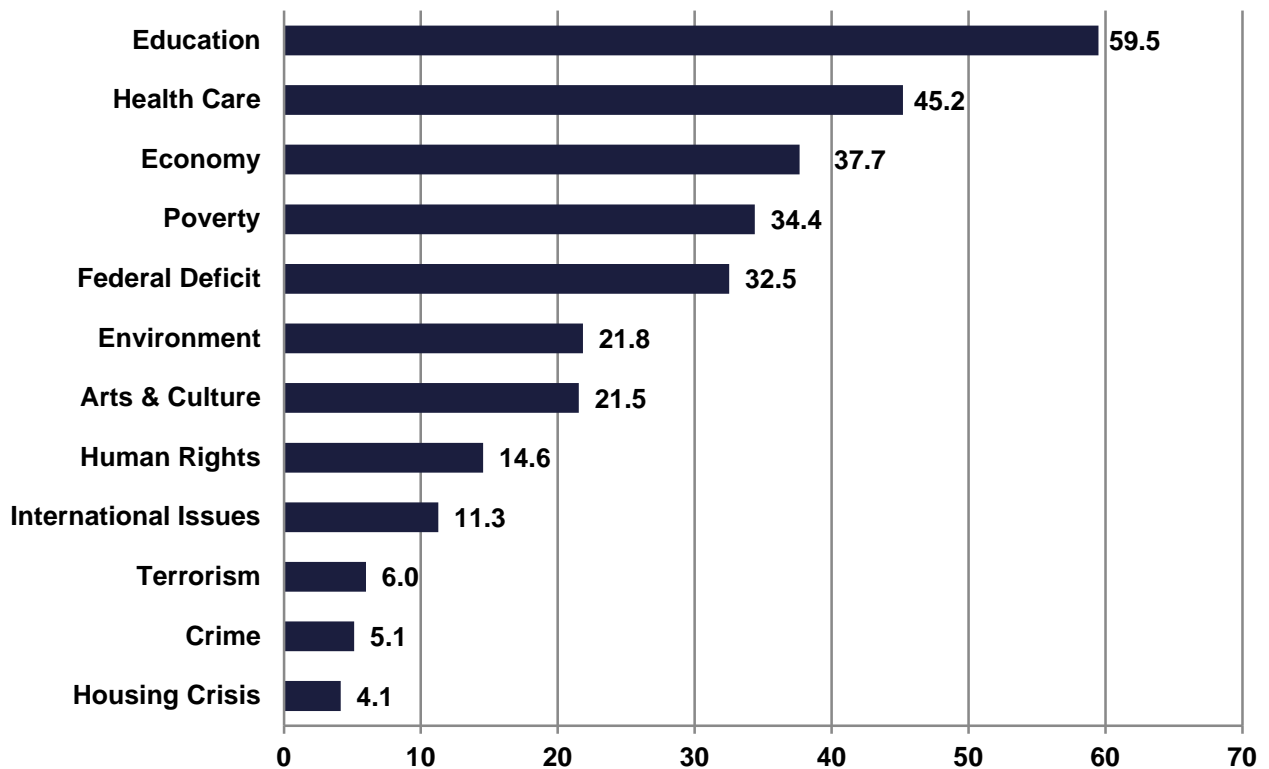
Finally, for the fourth time in this series of studies, high net worth households were asked two questions concerning how potential tax policy changes would impact their charitable and bequest giving. All four years of data concerning these questions are presented in this section.

## TOP PUBLIC POLICY ISSUES FOR HIGH NET WORTH DONORS

High net worth donors were asked to cite the three most important issues in the public policy arena that matter to them. The highest percentage of high net worth donors reported education at 60 percent, while health care was cited by 45 percent. Concerns about the economy were reported the third most often — by 38 percent of high net worth donors — followed by poverty (34.4 percent) and the federal deficit (32.5 percent). Interest in international issues ranked relatively low, with 11 percent of high net worth donors reporting this class of issues to be of importance to them.

**FIGURE 49: HIGH NET WORTH DONORS REPORTING THE THREE MOST IMPORTANT ISSUES THAT MATTER TO THEM IN 2011 (%)**

*“Please select the three issues that matter the most to you.”*

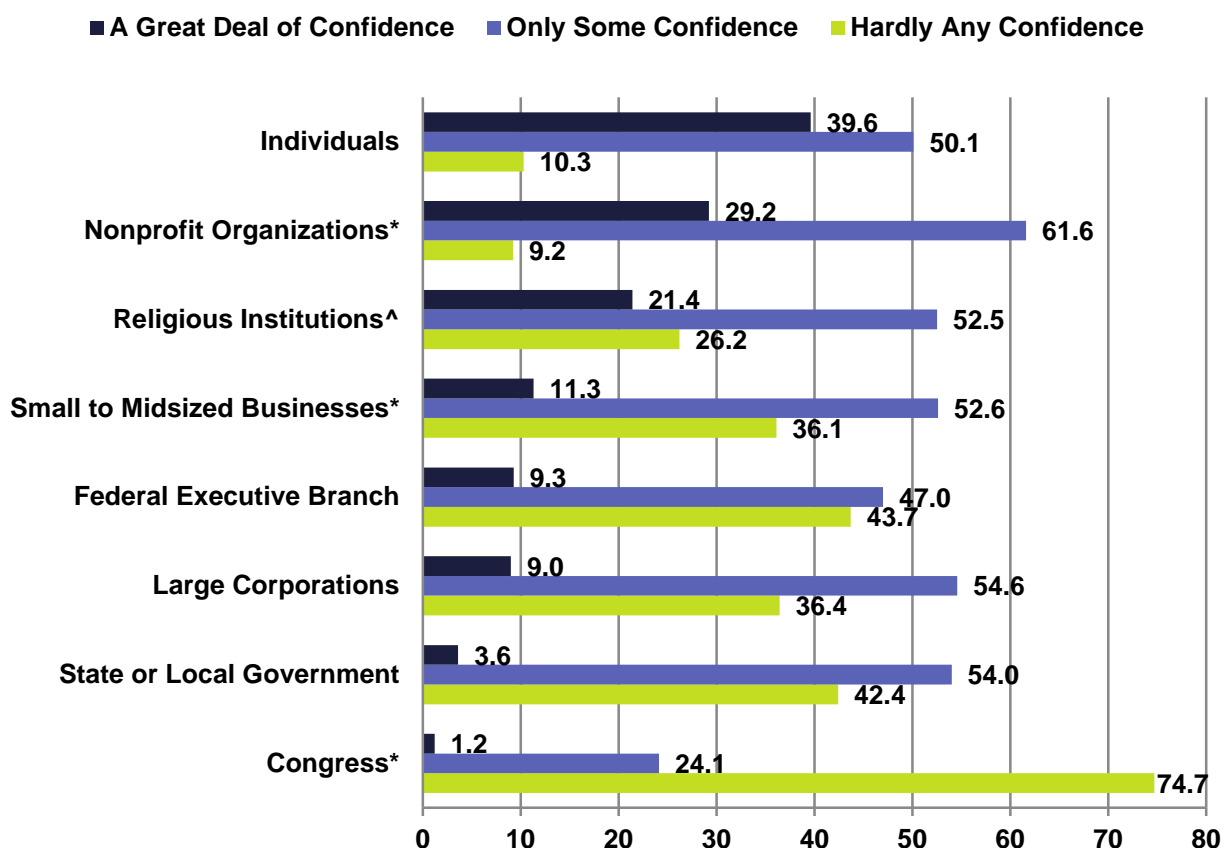


## CONFIDENCE IN SOCIETAL INSTITUTIONS

When asked about their confidence in individuals and various societal institutions to solve domestic and global problems, high net worth individuals reported the highest levels of confidence in individuals (39.6 percent) and nonprofit organizations (29.2 percent), followed by religious organizations (21.4 percent). High net worth individuals reported the lowest levels of confidence in government institutions in 2012 — particularly Congress — with about three-quarters stating they have hardly any confidence in Congress’s ability to solve social or global problems, now and in the future. This was an increase from the 68 percent reporting the same for 2009.

**FIGURE 50: HIGH NET WORTH INDIVIDUALS REPORTING CONFIDENCE IN THE ABILITY OF GROUPS TO SOLVE DOMESTIC OR GLOBAL PROBLEMS (%)**

*“How much confidence do you have in the ability of the following groups to solve societal or global problems, now and in the future?”*



^Confidence in religious institutions not asked in the *2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy* on 2009 giving.

\*2009 and 2011 results are statistically different (2009 data not included in Figure 50).

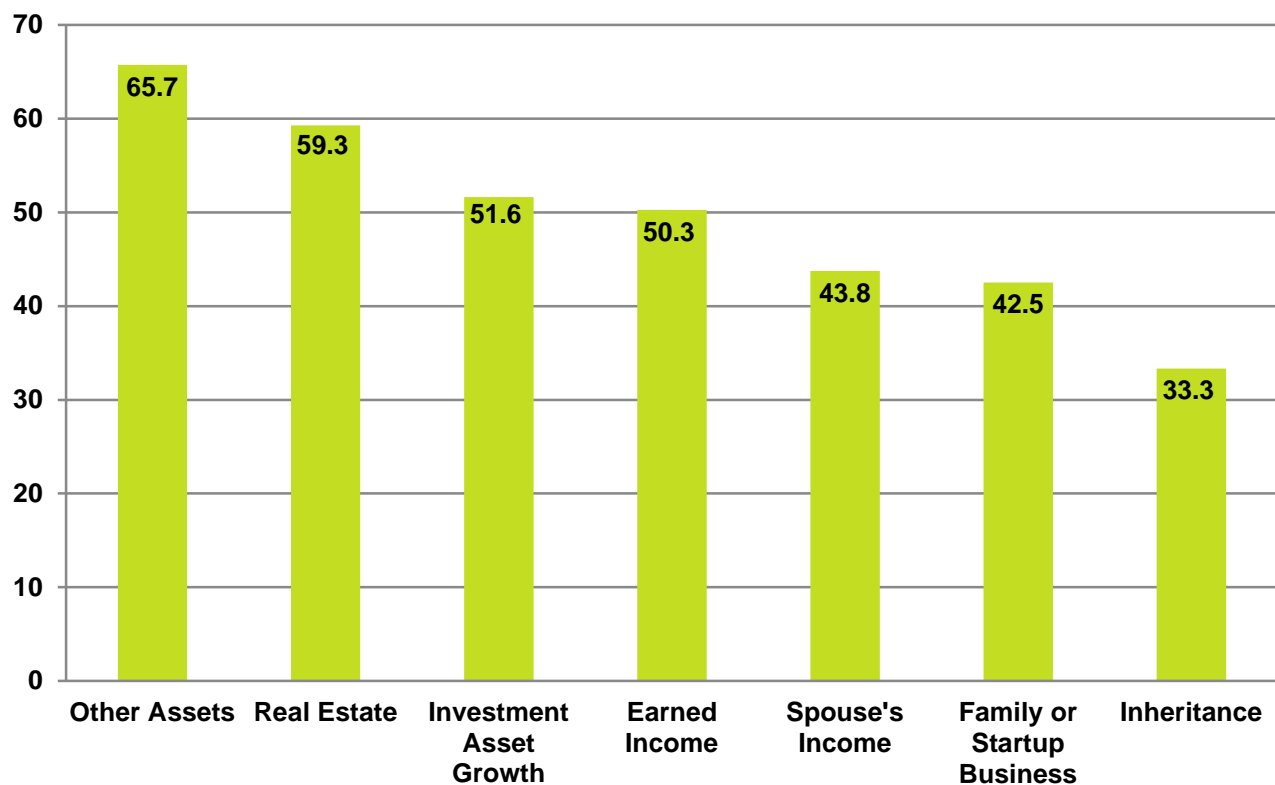
## HIGH NET WORTH GIVING TO POLITICAL CAUSES

### High Net Worth Giving to Political Causes by Primary Source of Wealth

The 2012 study was the first in this series to ask high net worth donors about their political giving patterns. Fifty-one percent of high net worth donors reported donating money to a political organization for the purpose of electing or defeating a political candidate in 2011. The average amount donated to political organizations was \$1,363, while the median amount was \$500.

Giving to political causes was highest among high net worth donors whose wealth was primarily acquired through other assets (65.7 percent) or real estate (59.3 percent). Only one-third of high net worth donors who primarily acquired their wealth through inheritance donated to political causes in 2011.

**FIGURE 51: HIGH NET WORTH DONORS REPORTING GIVING TO POLITICAL CAUSES IN 2011, BY PRIMARY SOURCE OF WEALTH<sup>^</sup> (%)**



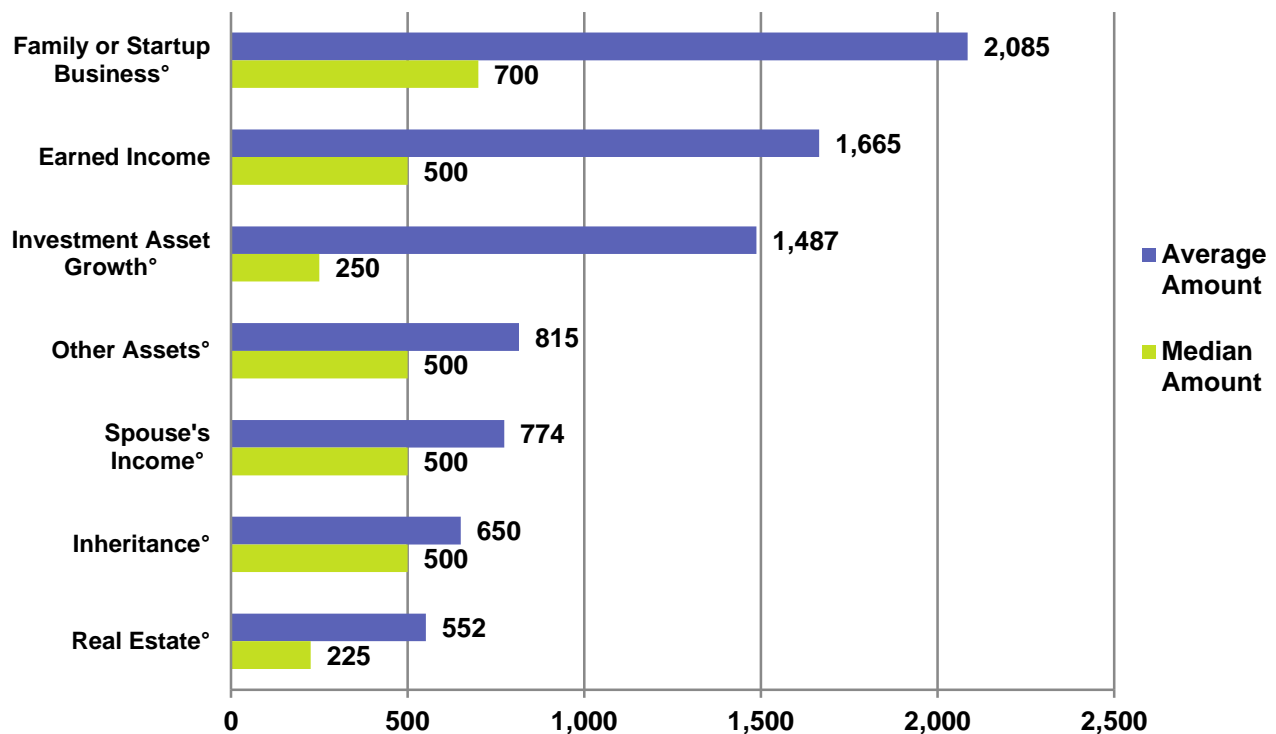
<sup>^</sup>A primary source of wealth is a source that comprises 50 percent or more of the household's total wealth.

## Average and Median Amounts of High Net Worth Giving to Political Causes by Primary Source of Wealth

High net worth donors who acquired their wealth through a family or startup business contributed the highest average amount to political organizations in 2011 at \$2,085. The median amount contributed by these donors was also the highest at \$700. The second highest average amount was donated by high net worth donors whose primary source of wealth was earned income, with an average amount contributed of \$1,665 and a median amount contributed of \$500.

While donors who had acquired their wealth through real estate gave at the second-highest rate among all groups, the average and median amounts donated by these donors were among the lowest. This group of donors contributed an average amount of \$552 and a median amount of \$225 to political causes in 2011.

**FIGURE 52: AVERAGE AND MEDIAN POLITICAL GIVING AMOUNTS AMONG POLITICAL DONORS BY PRIMARY SOURCE OF WEALTH IN 2011<sup>^</sup> (\$)**



<sup>^</sup>A primary source of wealth is a source that makes up 50 percent or more of the household's total wealth.

<sup>°</sup>May not be statistically meaningful because this group contains fewer than 50 respondents.

## TAX CONSIDERATIONS FOR HIGH NET WORTH HOUSEHOLDS

### Change in High Net Worth Household Giving if Income Tax Deductions for Donations Were Eliminated

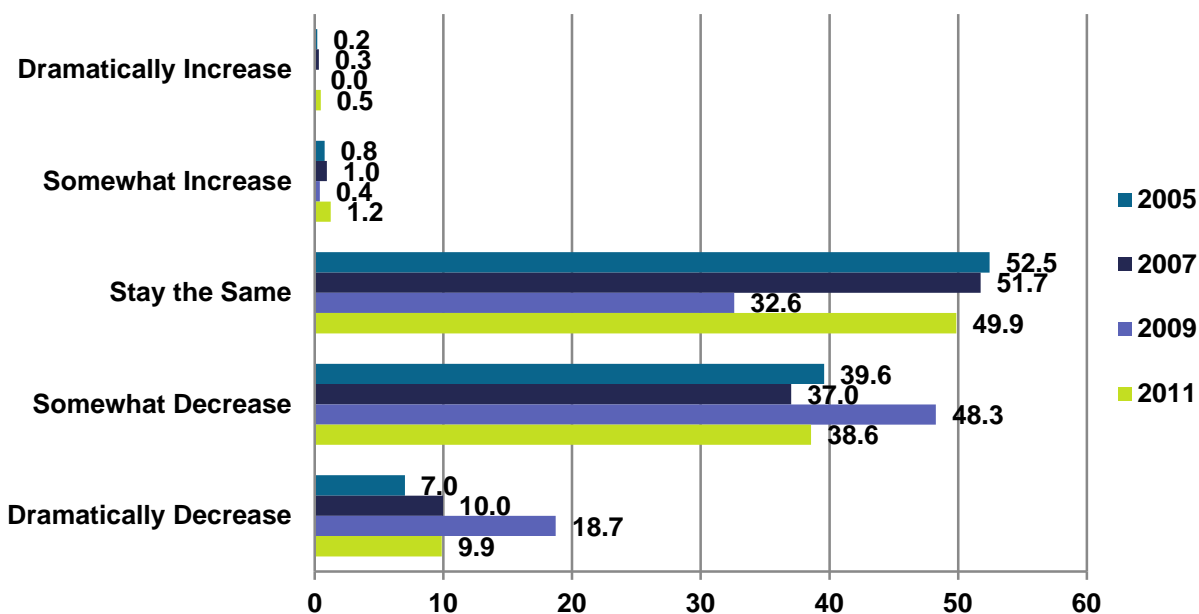
High net worth households were asked two questions concerning the potential impact changes in tax policy would have on charitable giving. To the first question, which asked about changes the high net worth household would make if it received no income tax deduction for charitable giving, the highest percentage of respondents (49.9 percent) indicated that their household charitable giving would remain the same.

In 2005, 2007, and 2011, about half of all high net worth households reported that receiving no income tax deduction for their charitable giving would not change their current giving. In 2009, high net worth households were more inclined to report that their giving would somewhat decrease (48.3 percent).

In 2005, 2007, and 2011, no more than 10 percent of high net worth households indicated that their giving would dramatically decrease should the income tax deduction were to be eliminated. In 2009, however, high net worth households were more inclined to report this as an option (18.7 percent).

**FIGURE 53: CHANGE IN HIGH NET WORTH HOUSEHOLD GIVING IF INCOME TAX DEDUCTIONS FOR DONATIONS WERE ELIMINATED IN 2005, 2007, 2009, AND 2011\* (%)**

*“If you and your family received zero income tax deductions for charitable giving, would your household charitable giving increase, decrease, or stay the same?”*



\*2009 and 2011 results are statistically different.

## Change in High Net Worth Household Giving if Estate Tax Deductions for Estate Gifts Were Permanently Eliminated

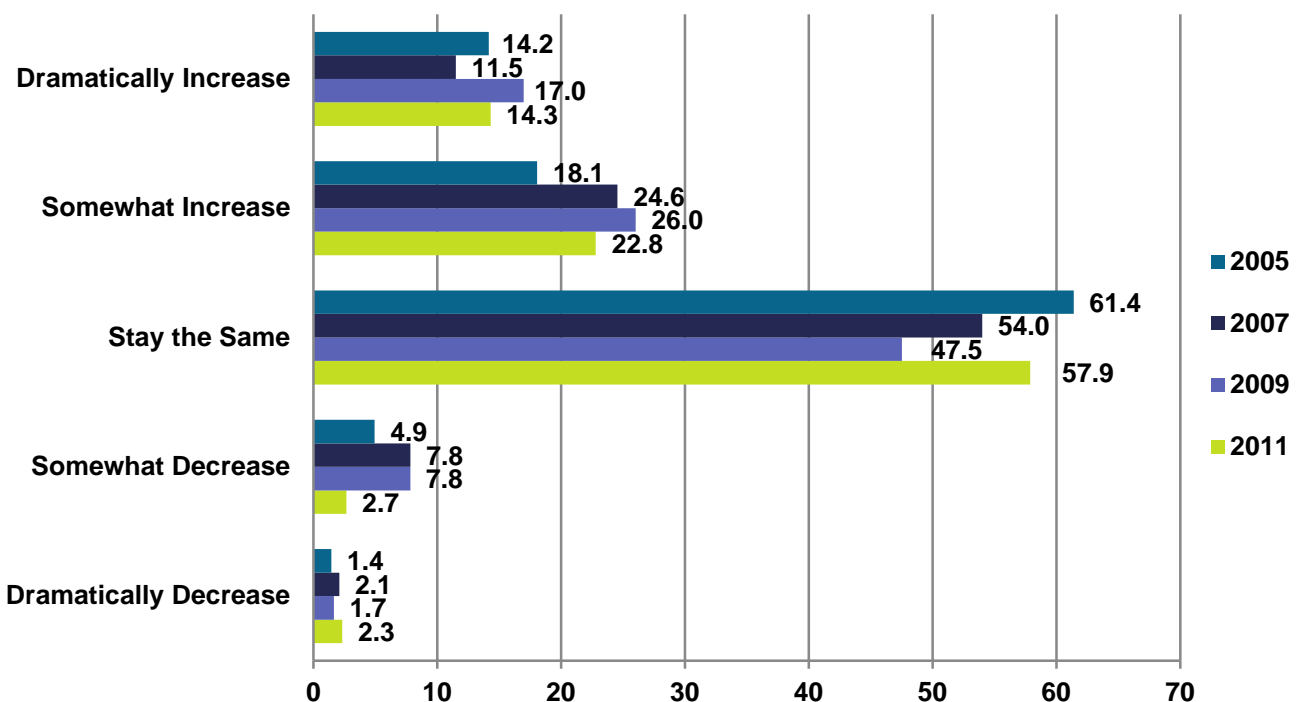
When asked about changes the high net worth household would make if it received no estate tax deduction for charitable bequests, the highest share of 2005, 2007, 2009, and 2011 high net worth households would leave the same amount to charity. The percentage of households agreeing with this statement rose from 48 percent in 2009 to 58 percent in 2011.

Across the years, between 18 percent and 26 percent of high net worth households reported that they would somewhat increase their estate gifts and between 12 percent and 17 percent would dramatically increase their estate gifts if the estate tax deduction were eliminated.

Between 2005 and 2011, two to eight percent of high net worth households reported that they would somewhat decrease their estate gifts under this provision. Across the years, the lowest percentages of high net worth households indicated they would dramatically decrease their estate gifts (between one and two percent) if the estate tax deduction were eliminated.

**FIGURE 54: CHANGE IN HIGH NET WORTH HOUSEHOLD GIVING IF ESTATE TAX DEDUCTIONS FOR ESTATE GIFTS WERE PERMANENTLY ELIMINATED IN 2005, 2007, 2009, AND 2011\* (%)**

*“If the estate tax were permanently eliminated, meaning your estate would not be taxed after you died, would the amount you left to charity in your estimate plan increase, decrease, or stay the same?”*



\*2009 and 2011 results are statistically different.



## **V: DEMOGRAPHIC SUMMARY AND METHODOLOGY**

This section includes a demographic summary of the high net worth individuals who responded to the *2012 Bank of America Study of High Net Worth Philanthropy* and a summary of the methodology used for this study.

## DEMOGRAPHIC SUMMARY

| <b>Basic Demographics</b>                      | <b>Percent of Respondents</b> |
|--|-------------------------------|
| White  | 94.1                          |
| Married or Living with a Partner               | 85.0                          |
| Male   | 75.2                          |
| Attend Religious Services at Least Once a Year | 72.0                          |
| Retired  | 49.4                          |
| <b>Educational Attainment</b>                  | <b>Percent of Respondents</b> |
| Some College or Less                           | 6.2                           |
| Bachelor's Degree                              | 25.9                          |
| Master's Degree                                | 31.7                          |
| Doctorate and Professional Degree              | 36.2                          |
| <b>Location by U.S. Region</b>                 | <b>Percent of Respondents</b> |
| Live in Pacific Region                         | 24.8                          |
| Live in Northeast Region                       | 22.4                          |
| Live in South Atlantic Region                  | 18.7                          |
| Live in Great Lakes Region                     | 14.6                          |
| Live in South Region                           | 8.3                           |
| Live in Mountain Region                        | 7.1                           |
| Live in Midwest Region                         | 4.0                           |
| <b>Primary Source of Income</b>                | <b>Percent of Respondents</b> |
| Earned Income                                  | 45.9                          |
| Investment Asset Growth                        | 13.4                          |
| Spouse Income                                  | 10.8                          |
| Family or Startup Business                     | 9.4                           |
| Other Assets                                   | 8.5                           |
| Real Estate                                    | 7.3                           |
| Inheritance                                    | 4.7                           |
| <b>Total Net Worth</b>                         | <b>Percent of Respondents</b> |
| Less than \$1,000,000                          | 4.9                           |
| Between \$1,000,000 and \$4,999,999            | 57.8                          |
| Between \$5,000,000 and \$19,999,999           | 29.9                          |
| More than \$20,000,000                         | 7.4                           |
| <b>Annual Income</b>                           | <b>Percent of Respondents</b> |
| Less than \$200,000                            | 29.2                          |
| Between \$200,000 and \$499,999                | 46.3                          |
| Between \$500,000 and \$1,999,999              | 19.7                          |
| \$2,000,000 or More                            | 4.8                           |

## METHODOLOGY

### *Study Overview*

The purpose of the *2012 Bank of America Study of High Net Worth Philanthropy* is to provide comprehensive information on the charitable giving and volunteering activities of high net worth households. The study consisted of mail and web surveys randomly distributed to 20,000 households in high net worth areas of the United States (those where the average amount of investable net assets was \$3 million or more). Scantron Survey Services (Scantron) implemented the survey. Dr. Una Osili, Director of Research at the Center on Philanthropy at Indiana University, oversaw analysis procedures.

### *The Questionnaire*

The *2012 Bank of America Study of High Net Worth Philanthropy* asks about giving in 2011. For this study, respondents were asked to report about their cash donations, giving of personal assets, and giving through foundations, funds, and trusts.

The approximately 50 survey questions in the 2012 study included many that were modeled after those found in the Center on Philanthropy Panel Study (COPPS), which is a module of the Panel Study on Income Dynamics (PSID) conducted at the University of Michigan. COPPS 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 Center on Philanthropy's regional giving studies. This modeling is intended to provide comparable national averages on giving data among high net worth and general population households.

Some giving categories have changed between this study and older editions. For example, giving to youth or family services, environment/animal care, and international causes were first presented as their own categories in the 2008 study. Prior to 2008, these categories were incorporated into "other" giving.

### *Final Disposition Summary*

For this study, Scantron mailed and received questionnaires from April 2012 to September 2012. The response rate was 5.1 percent when undeliverable surveys are excluded.

| <b>Disposition</b> | <b>Count</b>  |
|--------------------|---------------|
| Paper Completion   | 909           |
| Web Completion     | 87            |
| Bad Address        | 480           |
| No Response        | 18,524        |
| <b>Total</b>       | <b>20,000</b> |

## ***Final Dataset***

This study's main purpose is to provide understanding about the philanthropic patterns of high net worth donors and households. In the study, any household with an income less than \$200,000 or a net worth of less than \$1,000,000 (excluding the value of their primary residence) was excluded from analysis. In addition, primary residence for all respondents had to be in the United States. After excluding high net worth households that did not qualify because they did not meet the income, wealth, or region criteria, the final sample was 701.

## ***Analysis***

Charitable giving data tends to contain extreme values that are apt to highly influence average giving amounts. These extreme values are termed "outliers." Since the sample size is relatively small, including outliers may considerably skew the averages. Therefore, within Tables 2 and 3, average and median giving are presented both with and without outliers. For this study, outliers were identified by natural breaks in the data where one observation had a particularly strong influence. For average giving in 2007 and 2009, two observations were considered outliers. In 2011, one observation was considered an outlier.

Median amounts of giving are included because they tend to be less subject to extreme values. Together, with averages adjusted for outliers, these values present a more complete picture of high net worth charitable giving. Further, unless otherwise specified, charitable giving for 2005, 2007, and 2009 was adjusted for inflation to 2011 dollars.

**Figures presenting average and median giving amounts:** Figures within this report that display average and median giving amounts do not include controls for other variables that may influence giving.

## ***Statistical Significance***

Statistical significance is a term used to describe results that are unlikely to have occurred by chance. Significance is a statistical term that tells how sure you are that a difference or relationship exists.

In the *2012 Bank of America Study of High Net Worth Philanthropy*, results are described as statistically significant if there was less than 5 percent probability that the result obtained was due to chance. For this study, if a result is statistically significant, there are two possible explanations. First, the populations really are different, so your conclusion is correct. The difference may be large enough to be scientifically interesting, or it may be tiny and trivial. Second, the populations are identical. By chance, you obtained larger values in one group and smaller values in the other.

In the *2012 Bank of America Study of High Net Worth Philanthropy*, results that are described as not statistically significant are those that do not have less than 5 percent probability that they are due to chance. However, we can still gain valuable information and insight from a result even if it is deemed not statistically significant. An important point to note is that lack of statistical

significance does not imply that the results obtained are purely due to chance or due to the nature of the sample that was used.

For this study, a result may not be statistically meaningful if the number of observations used to obtain the result is a small fraction of the overall sample used in the study. In the *2012 Bank of America Study of High Net Worth Philanthropy*, the sample size was 701. Therefore, the threshold used to determine that a result may not be statistically meaningful is fewer than 50 observations.

A result that is not statistically meaningful is still useful as it conveys information about the sample, but we need to be cautious when making inferences about the general population from that result, due to the possibility that the small number of observations may not be representative of the population.

*The views and opinions expressed are those of the author, are subject to change without notice at any time, and may differ from views expressed by the Institutional Investments & Philanthropic Solutions group or other divisions of Bank of America. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that the forecasts will come to pass. These materials are provided for informational purposes only.*

**ARAD6CBA**