



Affluent Americans Expand Generosity during the Pandemic

Research conducted by



IUPUI

INDIANA UNIVERSITY

Lilly Family School of Philanthropy

In times of crisis, Americans have historically responded quickly and generously to assist others and address urgent needs. In 2020, the COVID-19 pandemic unleashed severe challenges. Preliminary findings from the *2021 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households* (the “Study”) show that affluent¹ Americans rose to these challenges in many ways. Some affluent households made unrestricted contributions to nonprofits to sustain operations across a wide variety of causes, and others expanded their generosity with additional forms of charity such as giving directly to individuals and businesses affected by the pandemic. Focusing on the communities in which they live, affluent households often concentrated their giving locally—whether to nonprofits, individuals or businesses.

This report explores the ways in which affluent households responded to this historic period.

Key findings include:

- Consistent with past Study findings, during 2020 nearly 90 percent of affluent households gave to charity.
- Nearly half of affluent households (47 percent) donated to charitable organizations or financially supported individuals or businesses in direct response to the pandemic, through monetary contributions or in-kind donations.
- Historically, charitable organizations that provide basic needs, such as food, shelter, health and medicine, have received higher donations during hard times and disasters. The pandemic reflected this pattern. In 2020, among affluent households who gave in these areas, 93 percent maintained or increased their giving for such frontline organizations in response to the pandemic (56 percent did not change and 37 percent increased).
- In 2020, among affluent households who gave to charitable organizations for religious purposes or spiritual development, 85 percent maintained or increased their giving in response to the pandemic (69 percent did not change and 16 percent increased).
- Among affluent households who gave to charitable organizations focused in other areas, including education, the arts, the environment, and others, 93 percent maintained or increased their giving in response to the pandemic (81 percent did not change and 12 percent increased).

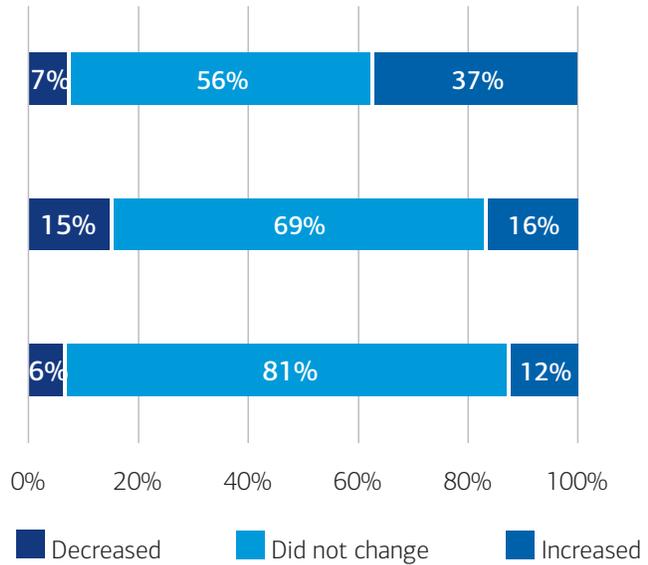
¹ The wealth threshold for inclusion in the Study is a widely-recognized standard based on the qualifying level for certain types of financial investments: an annual household income greater than \$200,000 and/or net worth greater than \$1,000,000, excluding the value of the primary residence.

Affluent Americans giving to the following types of charities changed their giving in response to the pandemic in the following ways:

Giving to charitable organizations to help people in need of food, shelter, or other basic necessities or giving to charitable organizations focused on health and medicine

Giving to charitable organizations for religious purposes or spiritual development (e.g., churches, synagogues, mosques or TV/radio ministries)

Giving to charitable organizations for other purposes not listed above (e.g., for educational purposes, for the arts, for environmental causes)



Impact of the pandemic on household giving and volunteering

Despite uncertainty about the further spread of COVID-19 and further economic impacts of the pandemic, the majority of affluent households maintained or increased their giving.

- 86 percent of affluent households maintained or increased their giving despite uncertainty about further spread of COVID-19.
- 87 percent of affluent households maintained or increased their giving despite uncertainty about further economic impacts of the pandemic.

Volunteering is another expression of individuals' generosity. Despite challenges brought on by the pandemic, 30 percent of affluent households volunteered in 2020. Among those who volunteered, 71 percent reported that they maintained (48 percent) or increased (23 percent) their volunteer activities in response to the pandemic.

How affluent households increased their charitable giving to a variety of causes

The Study explored increased giving during the pandemic more deeply in three areas: healthcare, higher education, and arts and cultural organizations. Giving patterns varied depending on the sector.

Among the 10 percent of respondents who increased their giving to charitable organizations focused on health and medicine as a result of the pandemic, such as hospitals and nursing homes, many did so with a focus on specific needs or projects: nearly half (49 percent) gave to address hospital supply chain issues and one-third (32 percent) gave to support populations most at-risk of experiencing severe symptoms if they contracted the virus; 30 percent of donors funded virological or epidemiological research for a treatment or vaccines; while 34 percent sought to address other health or medical issues or goals related to the pandemic.

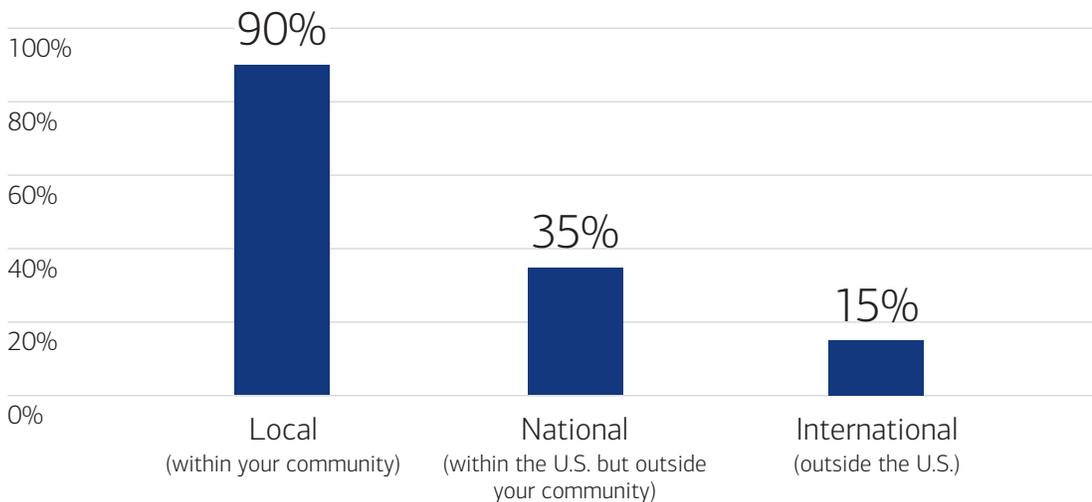
Respondents who increased their giving to arts and cultural organizations and higher education were most likely to be focused on helping the organization compensate for lost revenue, while other donations were focused on helping organizations continue their mission during the pandemic.

- Among the six percent who increased their giving to arts and cultural institutions (e.g., museums and performing arts companies) as a result of the pandemic, 71 percent gave to help the organization compensate for lost revenue. Others gave to support expenses related to setting up virtual experiences (41 percent) or for other goals (14 percent).
- Among the four percent who increased their giving to institutions of higher education as a result of the pandemic, 54 percent gave to compensate for lost revenue from campus closures; 30 percent gave to support expenses related to setting up distance learning programs; and 43 percent gave for other goals.

Affluent households prioritize giving locally to charities, individuals and businesses

During the pandemic, affluent households focused more on the communities in which they live, increasing their giving to support local charities, individuals and businesses. Nine in ten (90 percent) affluent households that increased their giving for basic needs in 2020 directed their gifts to organizations in their own communities. Fewer (35 percent) gave to support U.S. organizations outside of their community, and 15 percent gave internationally in these areas.

Affluent households that increased their giving for basic needs and medical care were most likely to give locally in response to the pandemic

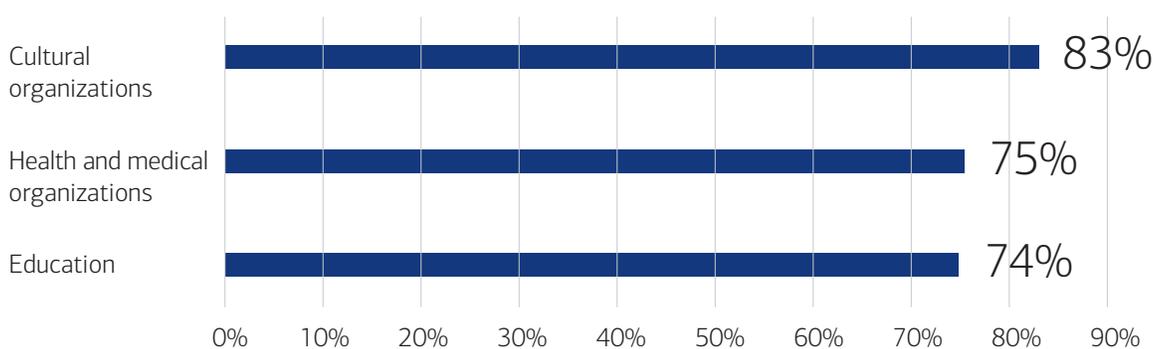


Nearly one in four affluent households (23 percent) increased their giving at a local level through donating money or goods directly to individuals or local businesses in their community, more than twice as many as those who increased their giving to individuals or businesses outside their community (10 percent).

Increased pandemic-related giving addressed needs with unrestricted gifts

In 2020, unrestricted giving for current use emerged as a common pattern across all three sectors studied. Donors were less likely to impose restrictions on their gifts — requiring that they be used only for specific purposes or activities — and instead adopted more flexible approaches to their giving. For arts and cultural organizations, 83 percent of affluent donors gave gifts that were unrestricted; for health and medical organizations, 75 percent of affluent donors gave gifts that were unrestricted; and for education, the proportion giving unrestricted gifts was 74 percent.

Affluent households often gave general use (i.e., unrestricted) gifts in response to the pandemic



Affluent households engaged virtually as the nonprofits they support adapted

For many Americans, the pandemic shifted work, school, entertainment and social interaction to more virtual or online environments. Despite the fact that opportunities to interact with their communities were reduced during the pandemic, 88 percent of affluent respondents report that lockdowns and social distancing had little to no impact on their households' philanthropy in 2020.

Nonprofits adapted to the changing landscape by moving programming, events and interaction with donors into virtual formats. Nearly one-third (31 percent) of affluent households experienced virtual outreach from the organizations they support. Among those households, many reported that virtual forms of outreach occurred more frequently during this time, including email (53 percent), virtual events and galas (43 percent), social media (32 percent), and physical mail (27 percent). These channels of communication enabled many affluent households to remain connected with the causes they support.

Looking into the future

When asked about their future giving intentions, 74 percent of affluent households reported that they do not expect their philanthropic behavior will change in the future as a result of the pandemic. Meanwhile, 20 percent of respondents anticipate that their charitable giving will be more directed to specific issues, and five percent expect their philanthropic behavior to be less restrictive in the future.

As nonprofits begin planning how they will adapt to the aftermath of the pandemic, affluent donors expect to continue providing financial resources, leadership, encouragement, and advice in their communities for the causes they support and love.

Methodology

The 2021 *Bank of America Study of Philanthropy: Charitable Giving by Affluent Households* asked about giving in 2020. Development of the survey was a collaborative effort between Bank of America and the Indiana University Lilly Family School of Philanthropy at IUPUI. The Indiana University Lilly Family School of Philanthropy analyzed the responses for data validity and generated the statistical output. Analysis of survey results was a joint effort between the partners.

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

The Study is based on a survey of 1,626 U.S. households with a net worth of \$1 million or more (excluding the value of their primary home) and/or an annual household income of \$200,000 or more.

The survey questions in the 2021 Study included many that were modeled after those found in the Indiana University Lilly Family School of Philanthropy's *Philanthropy Panel Study* (PPS), which is a module of the Panel Study on Income Dynamics (PSID) conducted at the University of Michigan. PPS biennially assesses the giving and volunteering behavior of the typical American household. Questions about high net worth donors' motivations for giving were modeled after questions asked in surveys for the Lilly Family School of Philanthropy's regional giving studies.

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