

Bank of America
Study of High Net-Worth Philanthropy

Portraits of Donors



Researched and Written by



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The Bank of America Study of High Net-Worth Philanthropy

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Introduction

Portraits of Donors explores the philanthropic patterns of high net-worth households by looking for statistical differences in the way certain groups of individuals donate relative to other high net-worth households. This is the second report to emanate from the Bank of America Study of High Net-Worth Philanthropy.

The first report examines the initial findings from the study. In particular, the Initial Report examines the philanthropic giving of the wealthiest 3.1 percent of households in the United States. The Bank of America Study of High Net-Worth Philanthropy is the most in-depth quantitative study of those households aimed at understanding not only their charitable practices, but also the motivations behind them. Bank of America, one of the leading providers to both philanthropic individuals and institutions, partnered with the Center on Philanthropy at Indiana University, one of the nation's leading academic centers for the study and practice of philanthropy, to conduct the study. Based on a random survey of over 30,000 households in high net-worth neighborhoods across the country (1,400 responses), this landmark study has major implications for the philanthropic sector: those who donate, the nonprofits that benefit from those donations, and the financial institutions that support them. For a copy of the Initial Report, see http://newsroom.bankofamerica.com/index.php?s=press_kit&item=63.

In this *Portraits of Donors* report we identify 12 archetypes or “portraits” of donors who meet three different criteria. First, we use suggestive data from the Initial Report discussed earlier to look for possible patterns or behaviors that seemed noteworthy. For example, in the Initial Report, we found that giving grew exponentially with wealth; therefore, we examined differences in giving based on wealth levels in greater detail. We were also somewhat surprised at how much more entrepreneurs gave than other groups (e.g., those who inherited their wealth or those who earned their wealth through real estate), so it was natural to push further along this dimension. Second, it had to make intuitive sense. For example, religious giving by households not affiliated with a faith or attending any type of religious services is possible but not very interesting or intuitive as a donor archetype. Third, we tested these “intuitive” archetypes empirically to see if they were significantly different from the rest of the sample. We have reported only those archetypes that are statistically significantly different from the rest of the sample along various dimensions of giving (either in total giving or giving to various subsectors).

It should be noted that in each case, the archetype is compared to the rest of the sample (with the exception of the giving by the non-archetypes) in Table 2 in each chapter. These comparisons are the same for each chapter to avoid confusion with the Initial Report and other references across the chapters. However, individual respondents can be in one or more archetypes, as many people wear multiple hats and have multiple values in their real lives, so we tried to reflect that here. For example, a household might be Very Wealthy (have a net worth that is more than \$50 million) AND also be Devout (attend religious services weekly or more often). Some of these households will also be Entrepreneurs (have 50 percent of their net worth in entrepreneurial assets). Some will be Dynasts (give money to their children to give to charity) and others may also be Metropolitans (live in cities with a population of more than 500,000). One can imagine a

large number of permutations and combinations. Within each archetype though, one must be either Devout or not, Very Wealthy or not, etc.

While there may be other feasible archetypes of donors, the following are the ones that met our three criteria: (1) exhibited interesting differences in the cross tabulations of giving, (2) made intuitive sense, and (3) found to be statistically significantly different from the rest of the sample with respect to either giving overall and/or giving to one or more of the subsectors (e.g., religion, health, education, etc.). The rest of this report provides greater detail about each archetype and how it compares to the rest of the sample.

Archetypes

All the archetypes are high net-worth households, meaning they have a net worth of more than \$1,000,000 or have an income of more than \$200,000 a year. Approximately 80 percent of the sample has a net worth of \$2,000,000 or more.

- **The Very Wealthy:** Households with a net worth of \$50 million or more.
- **The Bequeather:** Households that report having a provision in their will where they will leave 25 percent or more to charity.
- **The Devout Donor and Secular Donor**
 - **The Devout Donor:** Those households attending religious services weekly (or more often) and donating to religious causes.
 - **The Secular Donor:** Households that do not attend religious services and do not give to religious causes.
- **The Entrepreneur:** Households with 50 percent or more of their net worth in entrepreneurial assets.
- **The Dynast:** Households that give their children money which the children use to donate to charity.
- **The Metropolitan:** Those households whose primary residence is in a city with a population of 500,000 or more.
- **The High Frequency Volunteer:** Donors who reported volunteering more than 200 hours per year.
- **The Strategic Donor and Transactional Donor**
 - **The Strategic Donor:** Households that have created foundations and/or donor-advised funds and that give to relatively few subsectors.
 - **The Transactional Donor:** Donors who have given to many or all of the subsectors and who have not created a foundation or donor-advised funds.
- **The Altruistic Donor and Financially Pragmatic Donor**
 - **The Altruistic Donor:** Households that report being motivated by a sense that “one should help meet critical needs in society” or that “those with more should help those with less”; however, that said,.
 - “they would not give more to charity if they received a better return on their financial investments.”
 - **The Financially Pragmatic Donor:** Households that reported being concerned about the “return on their financial investments” and “feeling more financially secure.”

The Very Wealthy

The very wealthy, those with a net worth of more than \$50 million, gave ten times as much in 2005 to charity on average as those with a net worth of between \$5 and \$50 million. They donate statistically significantly more than other wealthy households to every type of organization, except for disaster relief. The very wealthy were more likely to report feeling extremely financially secure, and when making charitable decisions, they were more likely to seek advice from external advisors such as accountants and attorneys. This also translated into being more likely to create a foundation or a split interest fund and to donate stocks to charity. The very wealthy were also more likely to allow their children to participate in their philanthropy, establish criteria for their children’s participation in philanthropic decisions, and give their children funds with which to donate.

Characteristics

The very wealthy have characteristics similar to other high net-worth households identified in this study, with a few exceptions. As expected, the very wealthy have statistically significantly higher income levels (see Table 1). The very wealthy were slightly more likely to be between 61 and 70 years of age than the entire study sample (35.6 and 26.8 percent respectively). They also were more likely to have their primary residence located in the Northeast (36.4 and 27.8 percent respectively) and in a metropolitan city (47.4 and 27.9 percent respectively). The very wealthy were also more likely to report attending church once a week or more than the sample population (33.3 and 28.6 percent respectively).

Table 1: Income by Wealth Levels

Level of Net Worth	Mean Income	Sig. ¹	Median Income	Mode Income
\$50 million or more	\$9,861,111	+++	\$3,500,000	\$3,500,000
\$5-\$50 million	\$1,245,107		\$750,000	\$350,000
\$1-\$5 million	\$503,898	---	\$350,000	\$160,000

¹ +++=p<.000, denotes a statistically significant positive difference between the mean income of the group against all other wealthy households (comparing “Very Wealthy” with all others, e.g., between \$1 million and \$49,999 million in wealth)

--- = p<.000, denotes a statistically significant negative difference between the mean income of the group against all other wealthy households.

Charitable Giving

Total, secular, and religious giving are all statistically correlated with wealth. As shown in Table 2, when a household’s wealth increases, charitable giving also increases. Total giving by households with a net worth of more than \$50 million was, on average, \$1,163,190, which is nearly ten times the amount donated by households with a net worth of \$5 to \$50 million (\$117,185 on average) and nearly 50 times the amount donated by households with a net worth of \$1 to \$5 million (\$25,264 on average).

Median total giving by the very wealthy was \$271,625, seven times the amount donated by households with a net worth of between \$5 and \$50 million (\$38,600) and nearly 34 times the median amount donated by households with a net worth of \$1 to \$5 million. Secular and

religious giving follows the same pattern as shown in Table 2. The very wealthy gave statistically significantly more to both secular and religious causes than other high net-worth households.

Table 2: Total, Secular, & Religious Giving by Wealth Levels, 2005 (donor household only)

	Total Giving		Secular Giving		Religious Giving		Number of Respondents
	Mean	Median	Mean	Median	Mean	Median	
\$50 million or more	\$1,163,190	\$271,625	\$1,017,420	\$158,500	\$159,328	\$10,000	45
\$5-\$50 million	\$117,185	\$38,600	\$98,990	\$25,850	\$21,595	\$5,000	416
\$1-\$5 million	\$25,264	\$8,100	\$18,899	\$4,000	\$7,215	\$2,796	459

Very wealthy households give the most on average to foundations and donor-advised funds (\$978,231) and the least amount on average to organizations serving a combination of purposes such as the United Way (\$17,359). As shown in Table 3, all types of giving by the very wealthy, with the exception of donations for disaster relief, are statistically significantly correlated with higher levels of giving, relative to other high net-worth households.

Table 3: Giving by Very Wealthy Households, 2005 (donor households only)

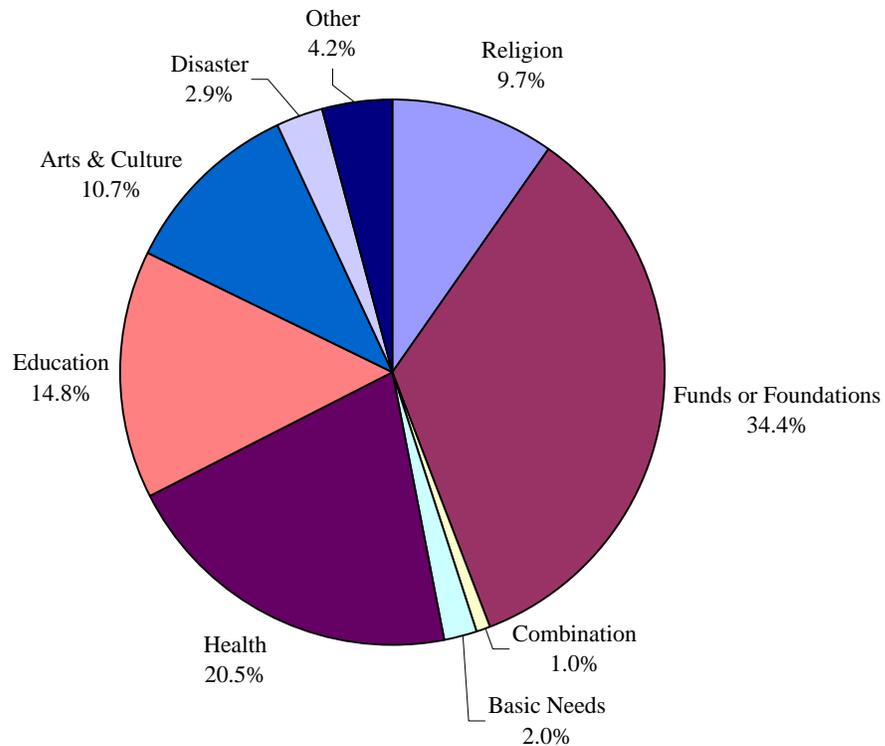
	Average	Sig.	Median	Mode	Maximum	Minimum
Total giving	\$1,163,190	+++	\$271,625	\$425	\$9,642,000	\$425
Secular giving	\$1,017,420	+++	\$158,500	\$225	\$9,637,000	\$225
Religious giving	\$159,328	+++	\$10,000	\$10,000	\$2,000,000	\$20
Disaster giving	\$39,857	+++	\$7,000	\$10,000	\$650,000	\$50
Fund giving	\$978,231	+++	\$95,000	\$100,000	\$7,000,000	\$0
Combo giving	\$17,359		\$5,000	\$1,000	\$150,000	\$75
Basic giving	\$31,116	+++	\$10,000	\$1,000	\$250,000	\$100
Health giving	\$374,471	+++	\$12,500	\$5,000	\$9,000,000	\$100
Education giving	\$222,213	+++	\$55,000	\$200,000	\$2,110,000	\$50
Arts giving	\$175,924	+++	\$15,000	\$10,000	\$2,700,000	\$100
Other giving	\$66,687	+++	\$10,000	\$10,000	\$700,000	\$50

Note: +++p<.000, statistically significantly positive difference from moderately wealthy households

- Total giving - Sum of all types of giving (not comparable with national data) (continued on next page)
- Secular giving – Sum of all giving except religious and disaster giving
- Disaster giving – Giving for relief efforts following the 2005 disasters
- Religious giving - Giving for churches, mosques, etc. (does not include giving for religious hospitals or schools, etc.) in 2005.
- Fund giving – Giving to a fund, foundation, or trust in 2005
- Combo giving - Giving to organizations that serve a combination of purposes such as United Way, in 2005
- Basic giving – Giving to organizations that help people in need of food, shelter, or other basic necessities in 2005
- Health giving - Giving to healthcare or medical research in 2005
- Education giving - Giving for education: higher ed, k-12, public libraries, PTAs, etc. in 2005
- Arts giving - Giving for arts, culture, or ethnic awareness in 2005
- Other giving - All other giving not previously mentioned, could include environmental or international giving in 2005

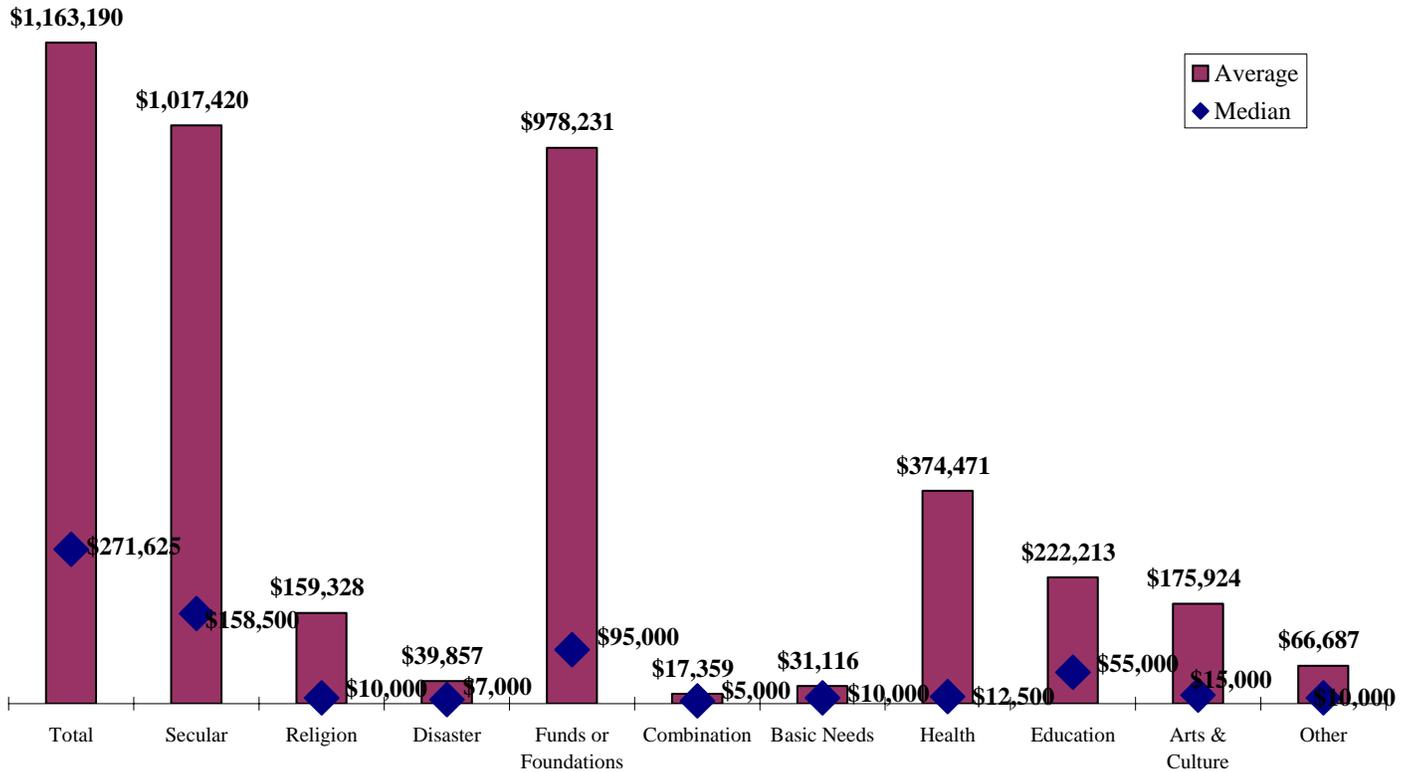
As shown in Figure 1, over one-third of all very wealthy household giving was donated to foundations, funds, or trusts. Another 20 percent was donated to health organizations. About 15 percent of all donations from very wealthy households went to educational organizations, 11 percent went to arts and culture, and 10 percent was directed to religious organizations.

Figure 1: Estimated Distribution of Giving by The Very Wealthy, 2005



As shown in Figure 2, there are three levels of charitable giving. By far the very wealthy donate the most to foundations, funds, or trusts, followed by giving to health, education, arts, and religious organizations. The lowest levels of giving are donations to other types of organizations such as international and environmental groups, organizations serving basic human needs such as food and shelter, and finally organizations serving a combination of purposes.

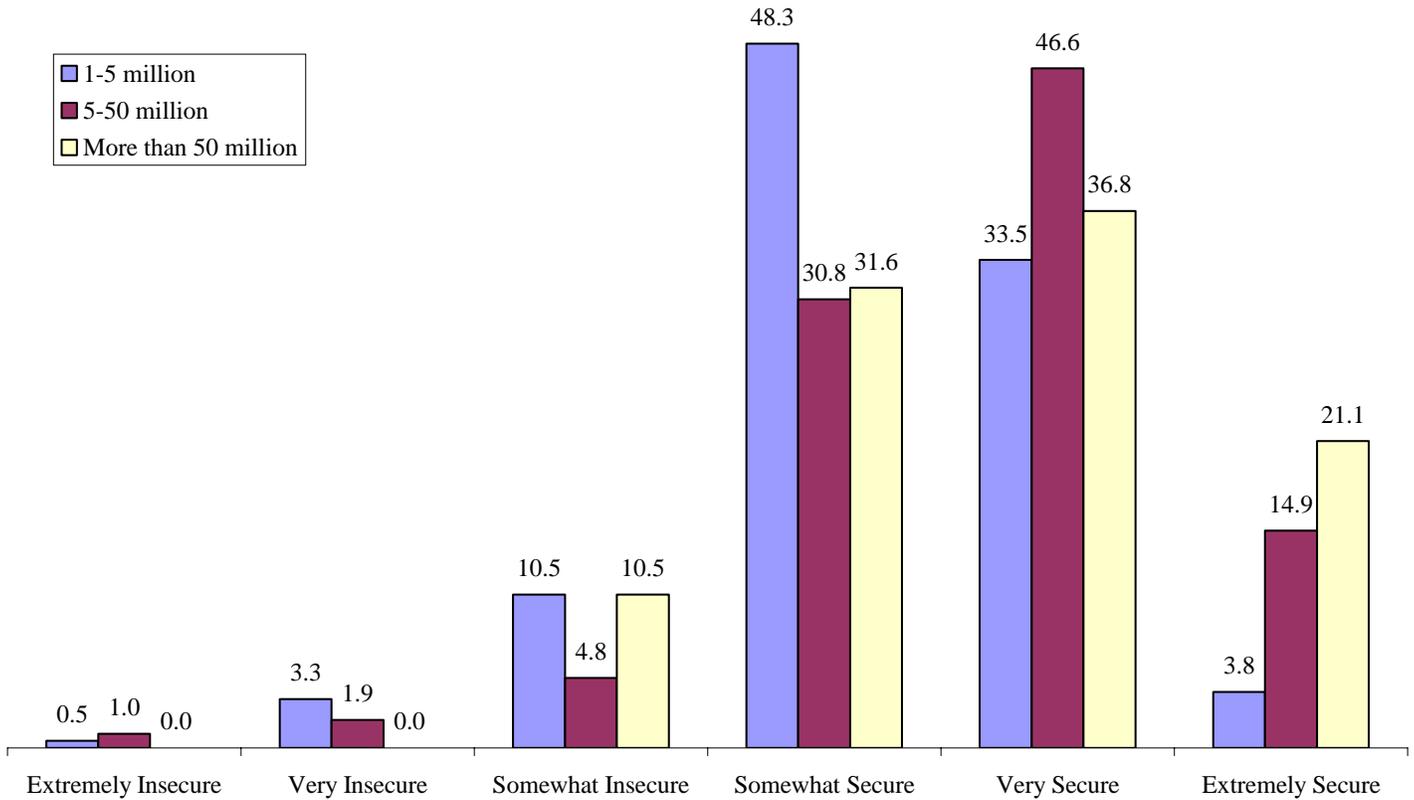
Figure 2: Very Wealthy Giving by Types of Organization Receiving Funding, 2005



Financial Security

The very wealthy were more likely to report they felt extremely financially secure (21.1 percent) than other wealthy households (see Figure 3). However, 92.3 percent of households with a net worth of \$5 to \$50 million report feeling somewhat, very, or extremely secure. This is compared with 89.5 percent of households with a net worth of more than \$50 million feeling somewhat, very, or extremely secure. Also noteworthy is that none of the very wealthy households felt extremely or very insecure about their finances; however, 10.5 percent felt somewhat insecure.

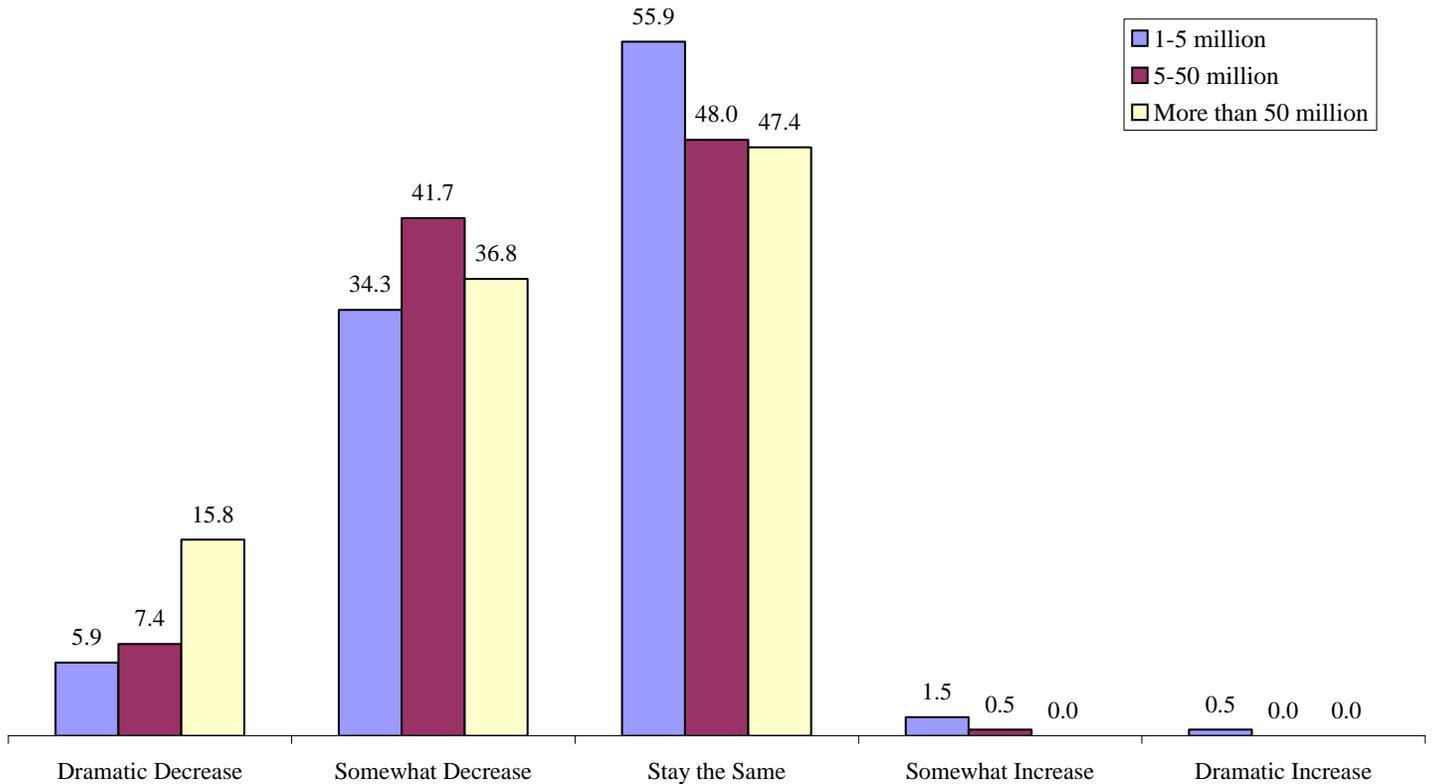
Figure 3: Sense of Financial Security by Wealth Levels
(percentage)



Tax Implications

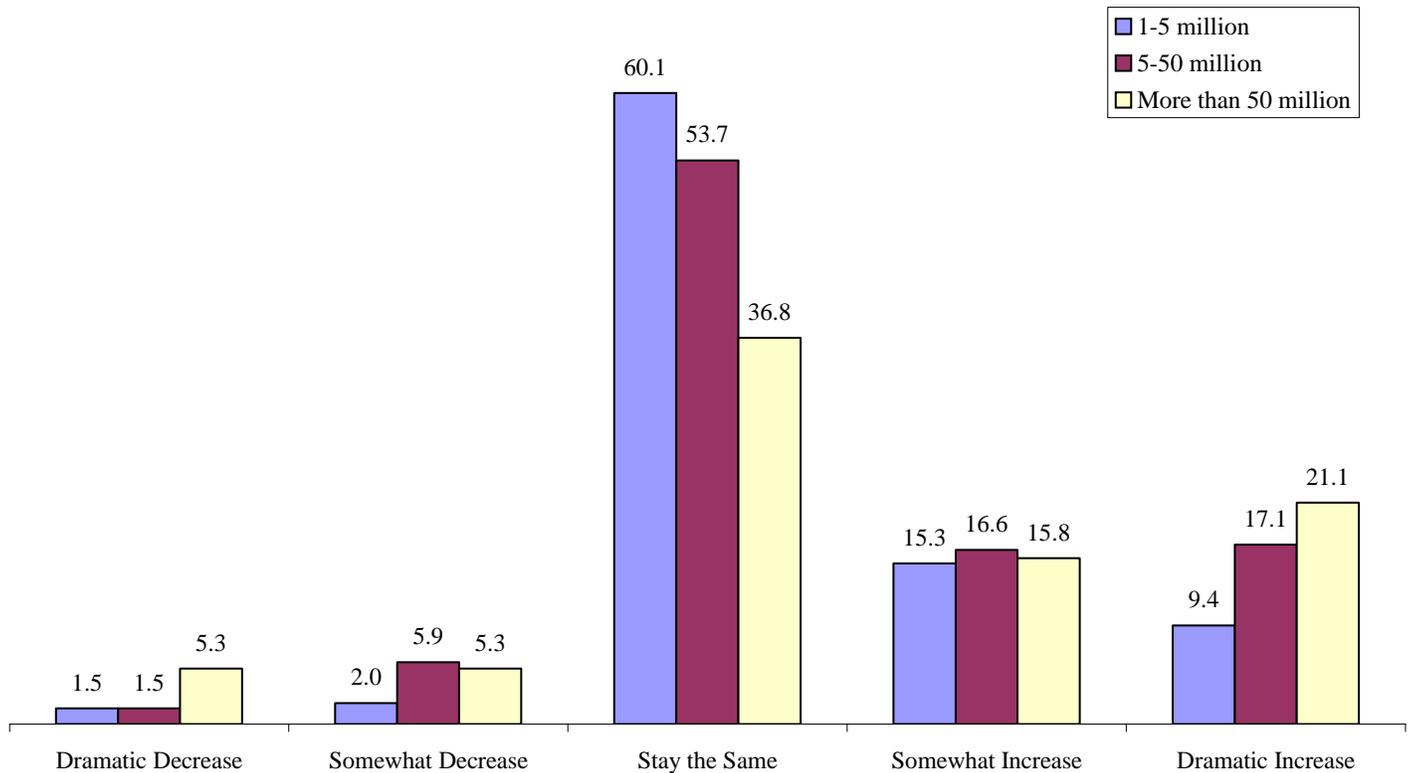
Just under 50 percent of very wealthy households report that their donations would stay the same if they received zero income tax deductions for their charitable donations (see Figure 4). Very wealthy households, however, were more likely than other wealthy households to report that they would dramatically decrease their charitable giving if they received zero income tax deductions (15.8%).

Figure 4: Percentage of High Net-Worth Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations by Wealth Level



As shown in Figure 5, very wealthy households were more likely than households in the other two income strata to report that the amount they left to charity in their estate plan would somewhat or dramatically increase if the estate tax were repealed (36.9, 33.7, and 24.7 percent respectively). This indicates that very wealthy households were more tax price sensitive than the other two income strata. Still 36.8 percent of very wealthy households reported that the amount they would leave to charity would stay the same if the estate tax were repealed.

Figure 5: Percentage of High Net-Worth Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed, by Wealth Level

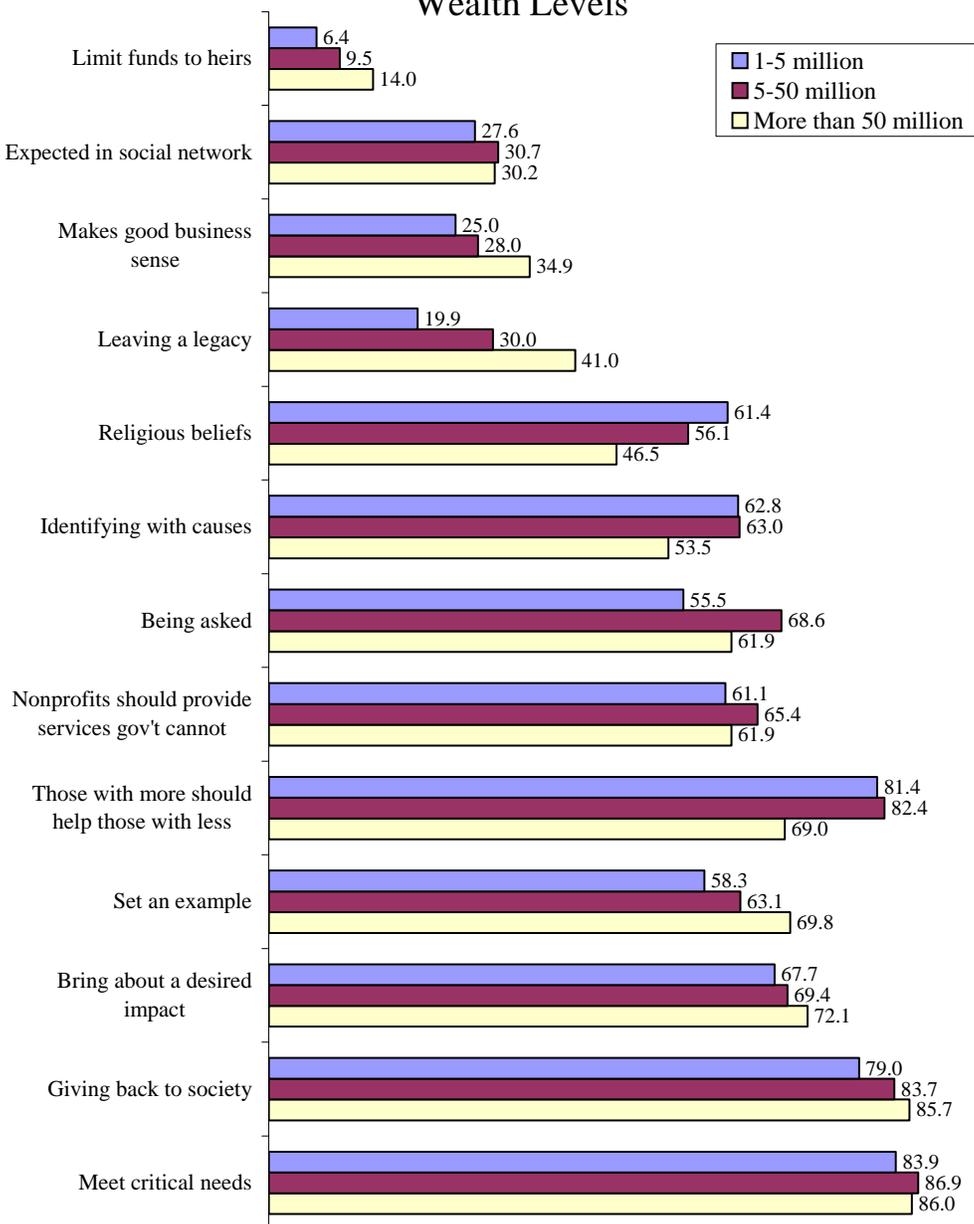


Note: Total does not equal 100% as some respondents did not know or refused to answer.

Motivations for Giving

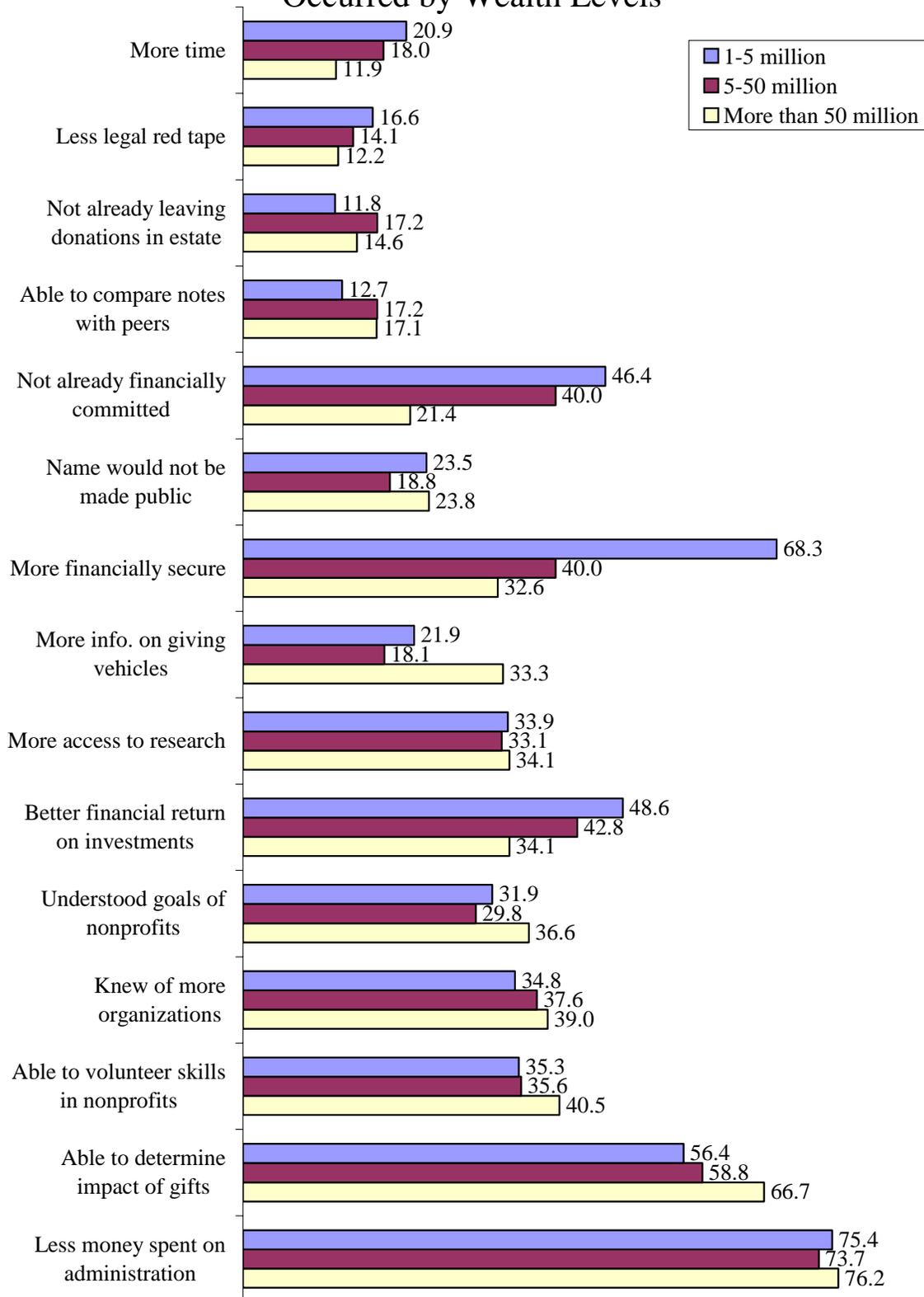
The very wealthy have similar motivations for charitable giving to those of other wealthy households (see Figure 6). For example, most very wealthy households reported meeting critical needs (86.0 percent) and giving back to society (85.7 percent) are important motivations for giving, similar to other wealthy households. However, the very wealthy were much less likely to report that those with more should help those with less as an important motivator for giving (only 69.0 percent versus 81.4 percent and 82.4 percent). The very wealthy were also much less likely to report religious beliefs and identifying with causes as important motivations for giving. They were more likely to report setting an example for children and others, the ability to leave a legacy, and making good business sense as important motivations for giving.

Figure 6: Important Motivations for Giving by Wealth Levels



Wealthy households were also asked about factors that would cause them to give more to charity. The most frequently reported factors that would cause the very wealthy to give more to charity were similar to other wealthy households. As observed in Figure 7, just over 76 percent of very wealthy households reported that they would give more to charity if organizations spent more funds on helping their constituents and less on administrative and fundraising costs; this is very similar to other wealthy households. However, the very wealthy were more concerned about their ability to determine the impact of their gifts and about the mission and goals of nonprofits. They were also more likely to report that they would give more to charity if they had more information on strategic, tax-advantage giving vehicles such as foundations, charitable trusts, or donor-advised funds. Very wealthy households were much less likely to report that they would give more to charity if they were not already financially committed, if they felt financially secure, or if they had a better return on their investments than other wealthy households.

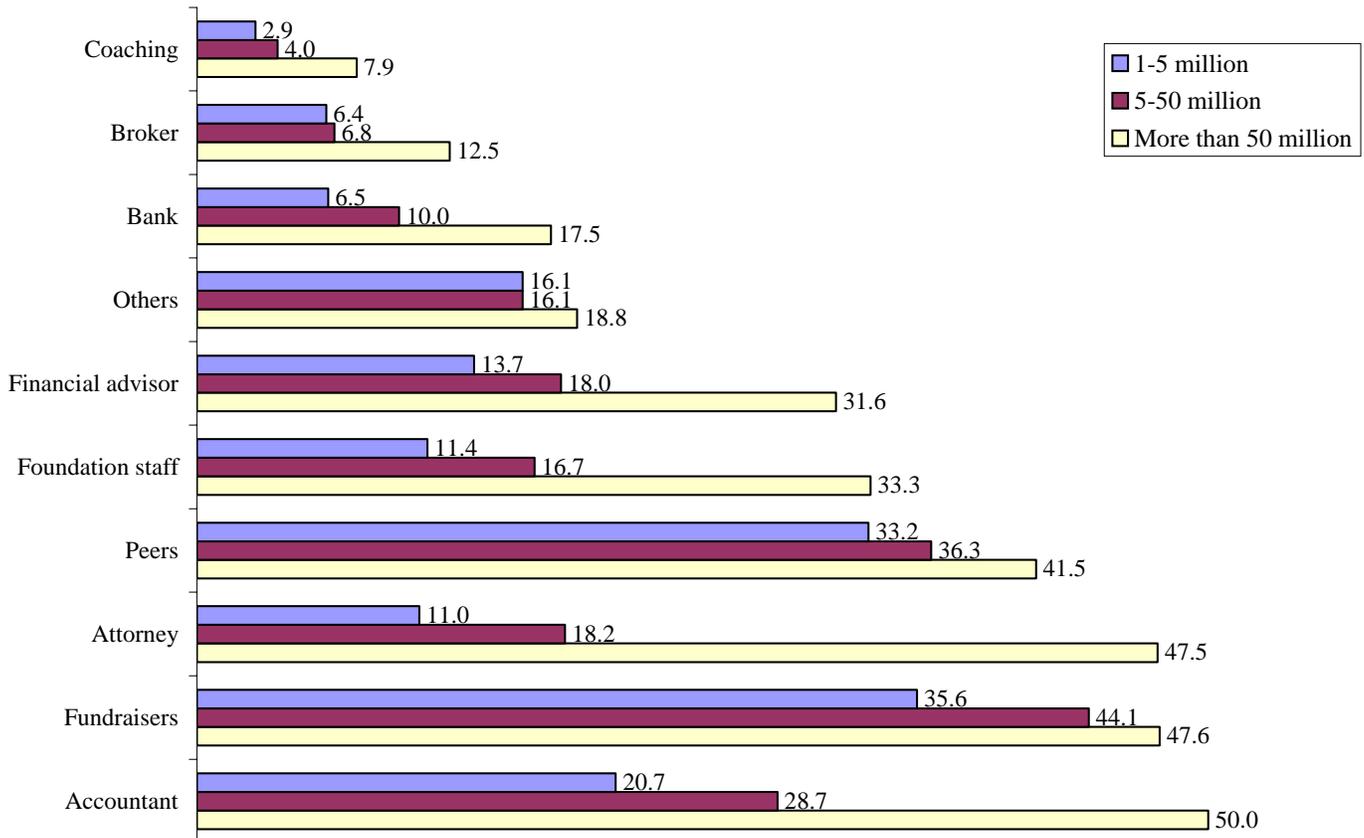
Figure 7: Percentage of Donor Households Reporting They Would Give More to Charity if the Following Occurred by Wealth Levels



Advice

The very wealthy were much more likely to seek external advice about charitable giving decisions than other wealthy households (see Figure 8). More very wealthy households sought advice from accountants than other types of advisors (50.0 percent). The very wealthy also sought advice from fundraisers (47.6 percent), attorneys (47.5 percent), and their peers (41.5 percent). As with other wealthy households, the very wealthy were less likely to seek advice from coaching programs and brokers (7.9 and 12.5 percent respectively).

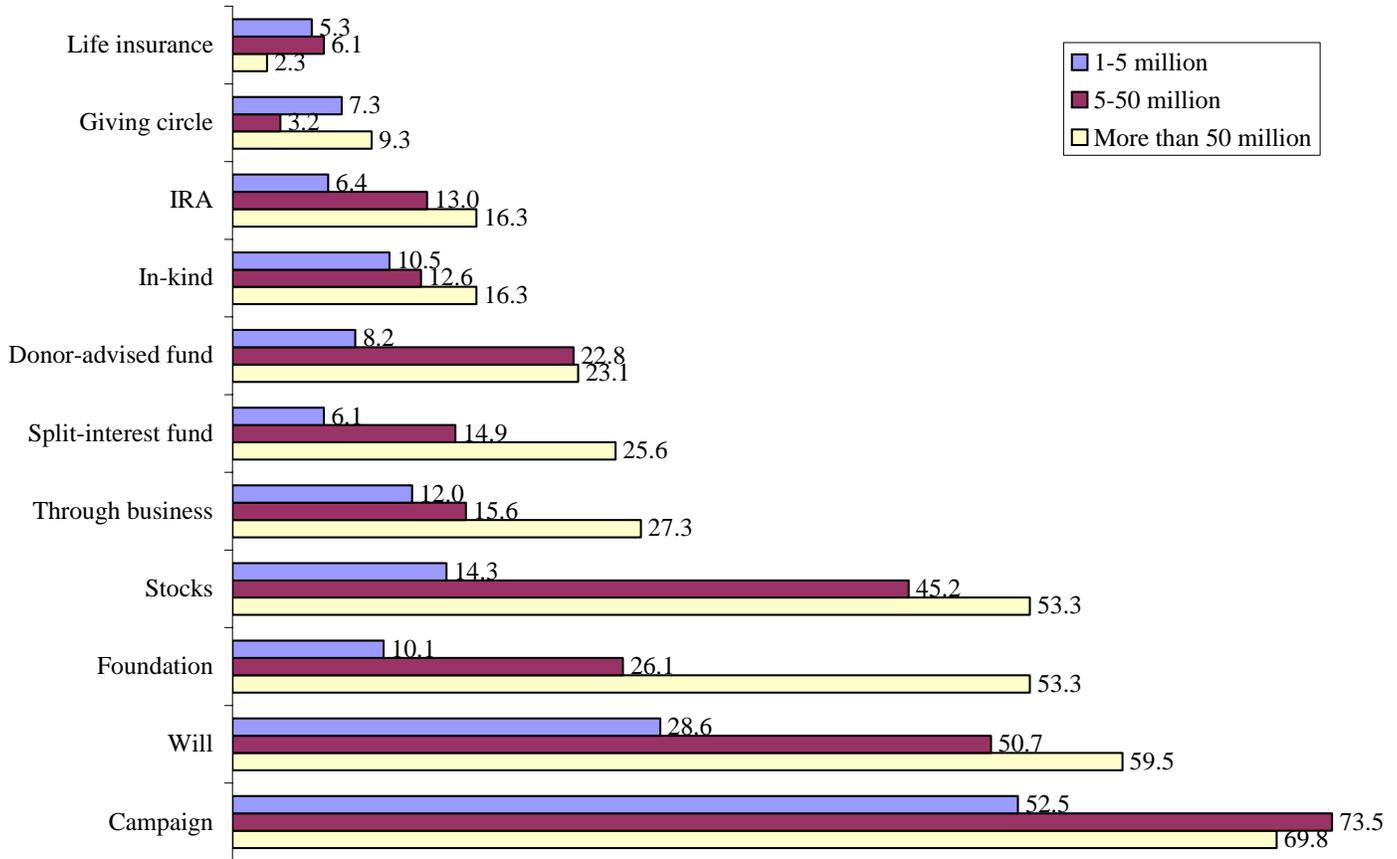
Figure 8: Percentage of Donor Households who Sought Advice for Charitable Giving by Wealth Levels



How Donations are Made

Very wealthy households used a variety of vehicles to make charitable donations (see Figure 9). Almost 70 percent of very wealthy households participated in a capital campaign. Nearly 60 percent have made a provision in their will for charity. The very wealthy were much more likely to have created a foundation (53.3 percent) than other wealthy households, slightly more likely to have given stocks to charity (53.3 percent), and more likely to donate through a family-owned business (27.3 percent).

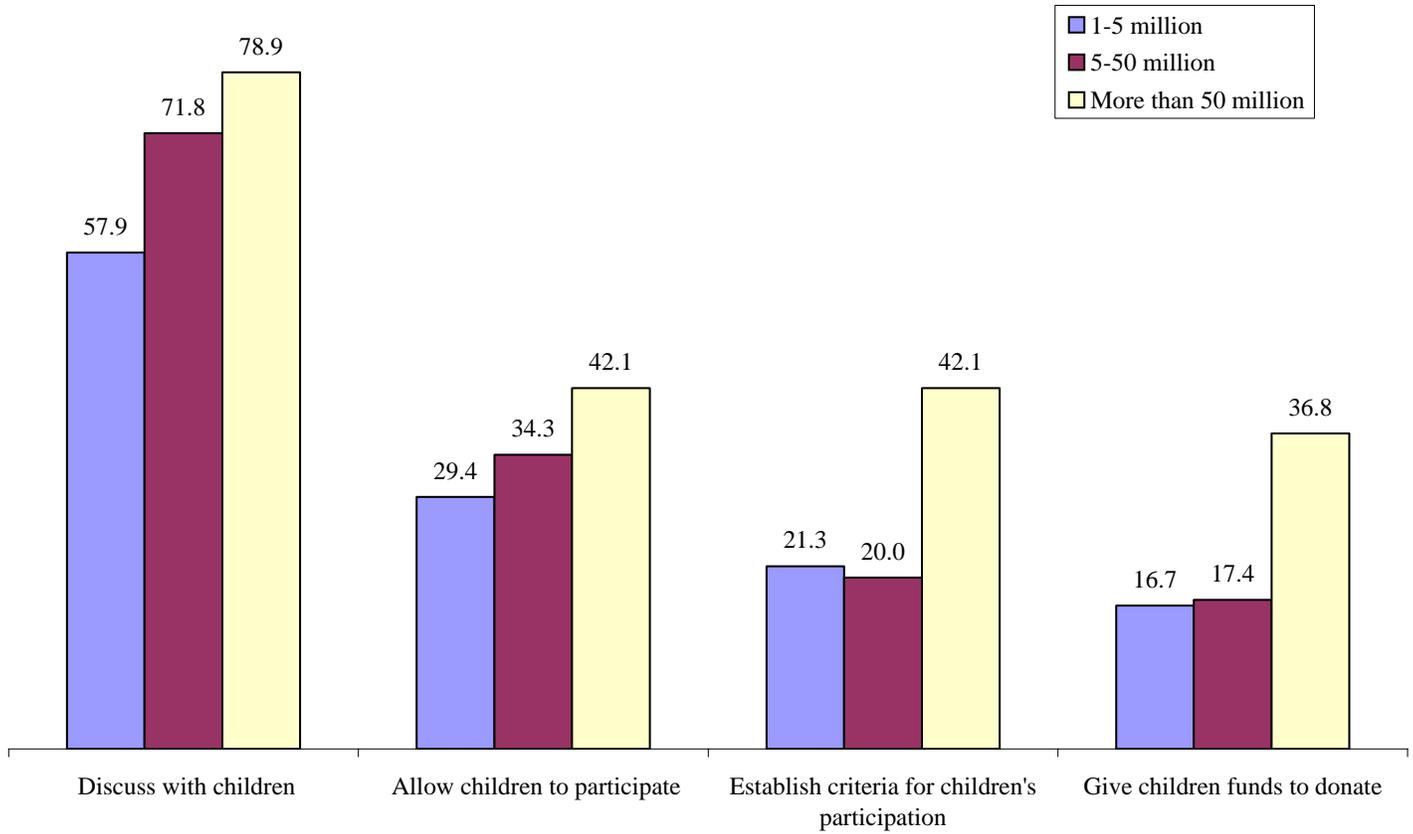
Figure 9: Giving Vehicles by Wealth Levels



Transmitting Values

Very wealthy households were also more likely to discuss philanthropy with their children (78.9 percent) and to allow their children to participate in charitable giving decisions (42.1 percent) than other wealthy households (see Figure 10). Very wealthy households were also much more likely to establish criteria for children's participation (42.1 percent) and give their children funds with which to donate to charity (36.8 percent) than other wealthy households.

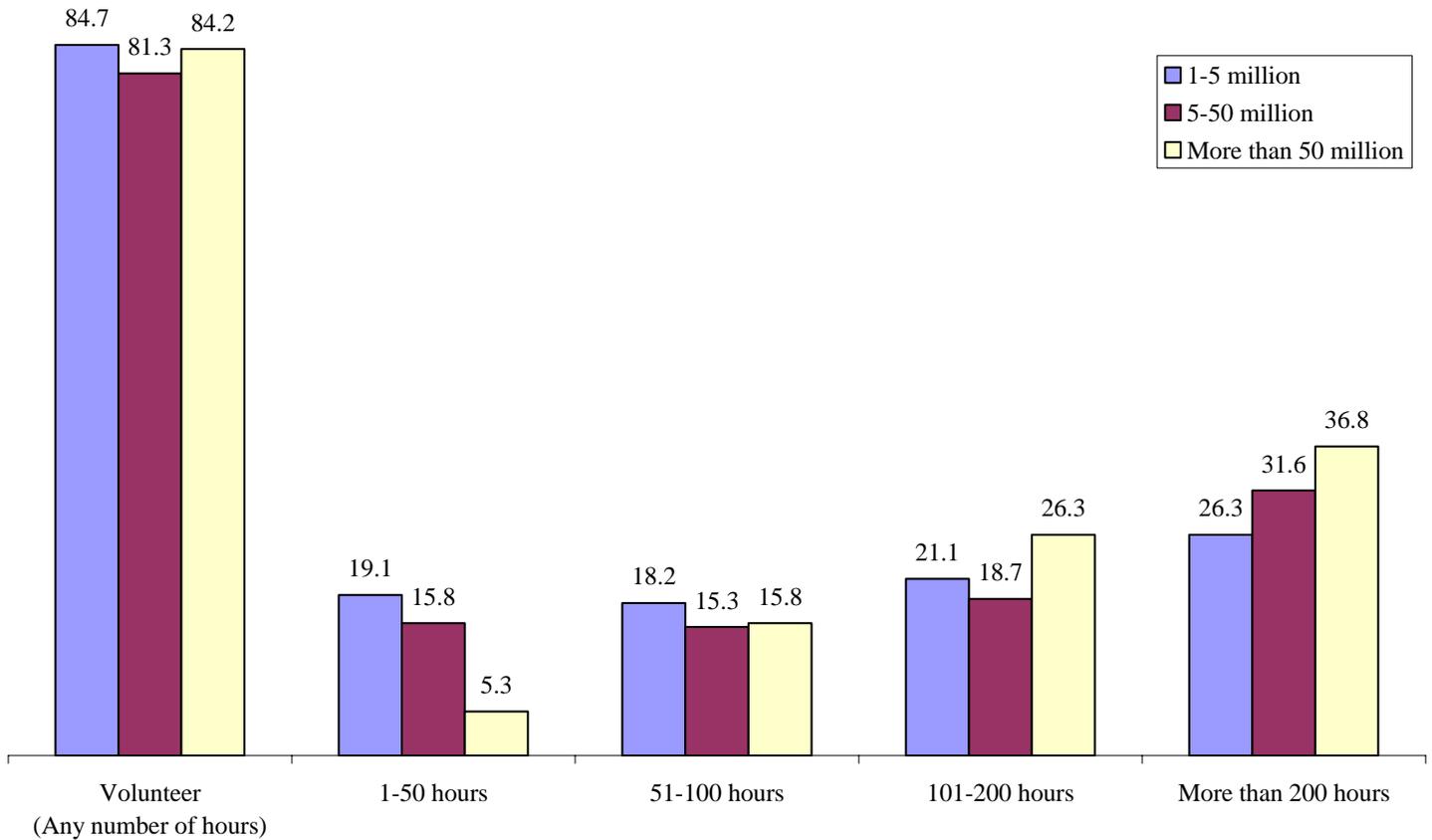
Figure 10: Percentage of Households Reporting Children's Participation in Philanthropy by Wealth Levels



Volunteering

Very wealthy households were as likely to volunteer as other wealthy households (see Figure 10). However, very wealthy households donated more hours on average than other wealthy households. Just over 36 percent of households with a net worth of more than \$50 million were volunteering more than 200 hours in a year and much less likely to volunteer between 1 and 50 hours of volunteering in a year (5.3 percent).

Figure 11: Percentage of Households who Volunteer by the Number of Hours Volunteered and by Level of Wealth



The Bequeather

Bequeathing households are those that report having a provision in their will to leave 25 percent or more to charity. They give statistically significantly more to charity than non-bequeathing households. In fact, they give about four and a half times as much to charity. Bequeathing households have statistically significantly more income and wealth and were much more likely to report feeling financially secure than other high net-worth households. They were more likely to seek external advice about their charitable giving decisions and were more likely to donate stocks; create a foundation, donoradvised fund, or splitinterest fund; or to name a charity as the beneficiary of an individual retirement account. Finally, bequeathing households are also more likely to volunteer more than 200 hours a year.

Characteristics

The most notable characteristic of bequeathing households is their income and wealth. They have statistically significantly more income and wealth than non-bequeathing households (see Table 1). Bequeathing households are likely to be between 61 and 70 years of age. Over half live in the Northeast and Great Lakes region of the United States. They are also less likely to live in the South Atlantic. Bequeathing households were more likely to report a slight increase in income and wealth over the past five years. Bequeathing households are also much more likely to be childless than other wealthy households, 33.3 and 8.5 percent respectively. They are also slightly more likely to be retired, 69.2 and 59.9 percent respectively.

Table 1: Income and Wealth of Bequeathing Households

	Mean	Median	Mode	Sig. ¹
Income	\$2,666,585	\$750,000	\$350,000	+++
Wealth	\$23,364,228	\$15,000,000	\$15,000,000	+++

¹ +++p<.000, denotes a statistically significant positive difference between the mean income of the group of Bequeathing households against all other wealthy households in the study.

Charitable Giving

Bequeathing households gave four and a half times as much to charity as other wealthy households in 2005 (see Table 2). These donations are over and above what they have designated in their wills to be left to charity. The average amount bequeathing households gave to charity was \$525,418 compared to \$120,651 given on average by other wealthy households. Bequeathing households also gave four and a half times as much to secular causes as other wealthy households (\$461,804 and \$102,553 respectively) and four times as much to religious causes (\$80,891 and \$20,530 respectively).

Table 2: Total, Secular, and Religious Giving by Bequeathing and Other High Net-Worth Households, 2005 (donor household only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
Bequeather	\$525,418	\$74,500	\$461,804	\$34,600	\$80,891	\$14,000
High Net-Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

Bequeathing households are statistically significantly more likely to donate to all types of nonprofits than other wealthy households. Bequeathing households donate the most on average

to foundations, funds, or trusts (\$476,301) as shown in Table 3. While the average donated to health organizations was \$135,683, what may be more significant is that the median amount donated was \$1,050. The large difference is due to some very large donations to health organizations making the average much higher than the median. The largest donation was a \$9 million gift and the lowest amount donated was \$1.

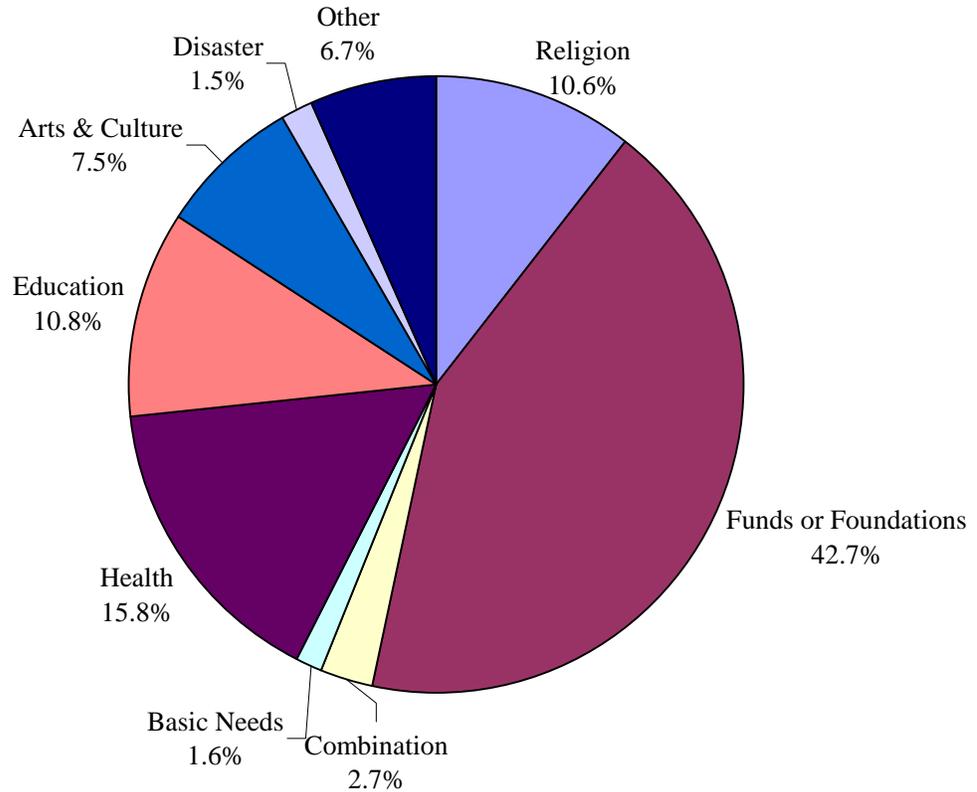
Table 3: Giving by Bequeathing Households

	Average	Sig.	Median	Mode	Maximum	Minimum	Count
Total giving	\$525,418	+++	\$74,500	\$97,000	\$9,642,000	\$850	121
Secular giving	\$461,804	+++	\$34,600	\$1,800	\$9,637,000	\$350	121
Religious giving	\$80,891	+	\$14,000	\$30,000	\$2,000,000	\$25	121
Fund giving	\$476,301	+++	\$20,000	\$50,000	\$7,000,000	\$0	121
Disaster giving	\$10,026		\$2,050	\$1,000	\$250,000	\$0	
Combo giving	\$28,510	+++	\$3,000	\$5,000	\$1,000,000	100	121
Basic giving	\$10,799	+++	\$2,000	\$500	\$125,000	\$50	121
Health giving	\$135,683	+++	\$1,050	\$1,000	\$9,000,000	\$1	121
Education giving	\$70,161	+++	\$10,000	\$1,000	\$2,110,000	\$50	121
Arts giving	\$54,929	+++	\$3,000	\$1,000	\$2,700,000	\$0	121
Other giving	\$53,362	+++	\$2,000	\$1,000	\$2,000,000	\$50	121

Note: +p<.05, +++ p<.001, statistically significantly positive differences between bequeathing households and all other households in the study. Categorical descriptions are found on page 8.

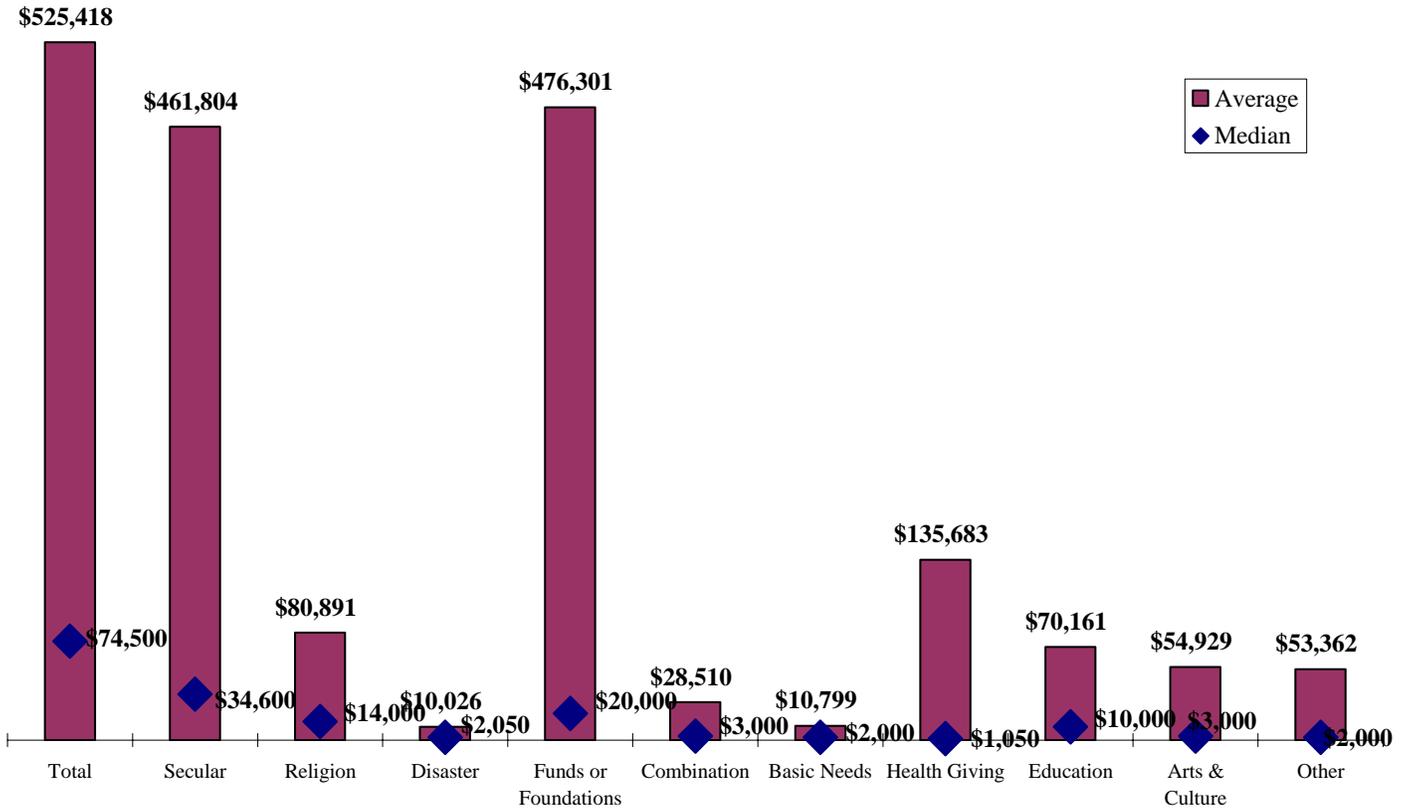
As shown in Figure 1, about 43 percents of the Bequeather's giving in 2005 went to foundations, funds, or trusts. Another 16 percent went to health organizations, and 11 percent went to educational organizations.

Figure 1: Estimated Distribution of Giving by The Bequeather, 2005



As shown in Figure 2, bequeathing households give by far the most to foundations, funds, and trusts (\$476,301) followed by giving to health organizations (\$135,683) and religious organizations (\$80,891). Bequeathing households give the lowest amount to organizations providing for basic needs such as food and shelter (\$10,799).

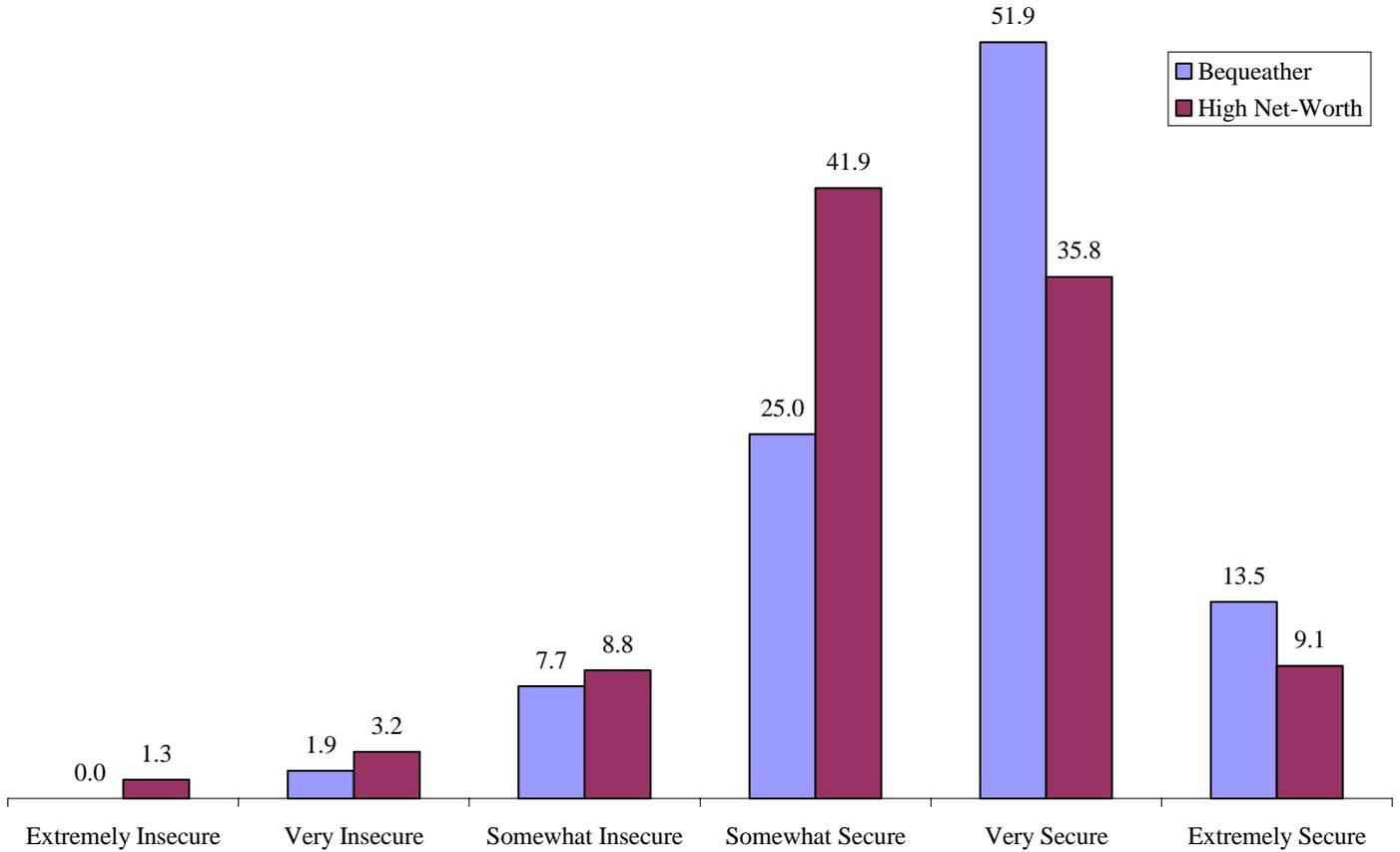
Figure 2: Giving by Bequeathing Households by Types of Organization Receiving Funding, 2005



Financial Security

Bequeathing households feel more financially secure than other wealthy households (see Figure 3). For example, 51.9 percent of bequeathing households report feeling very financially secure compared with 35.8 percent of other high net-worth households and 13.5 percent report feeling extremely secure compared to 9.1 percent of other high net-worth households.

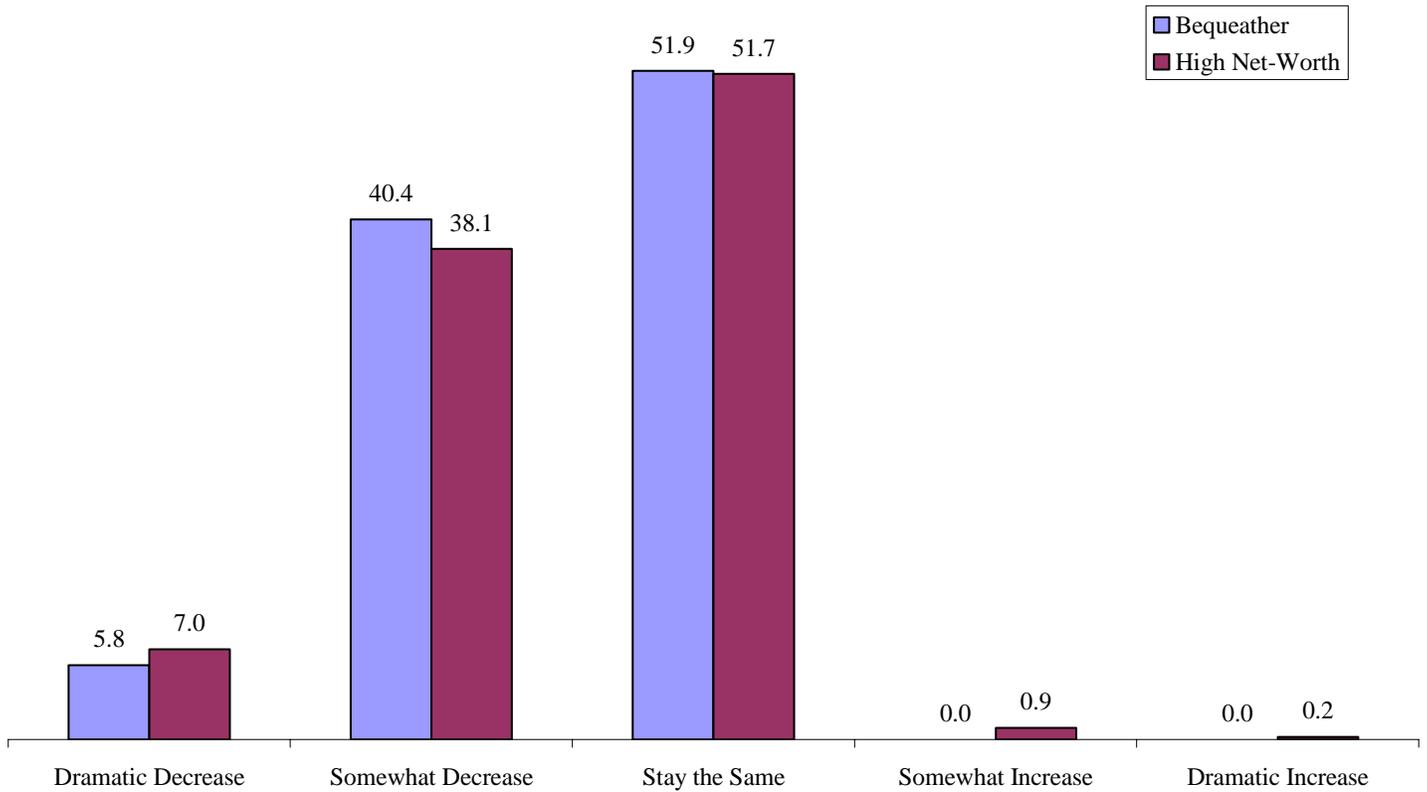
Figure 3: Financial Security of Bequeathing Households
(percentage)



Tax Implications

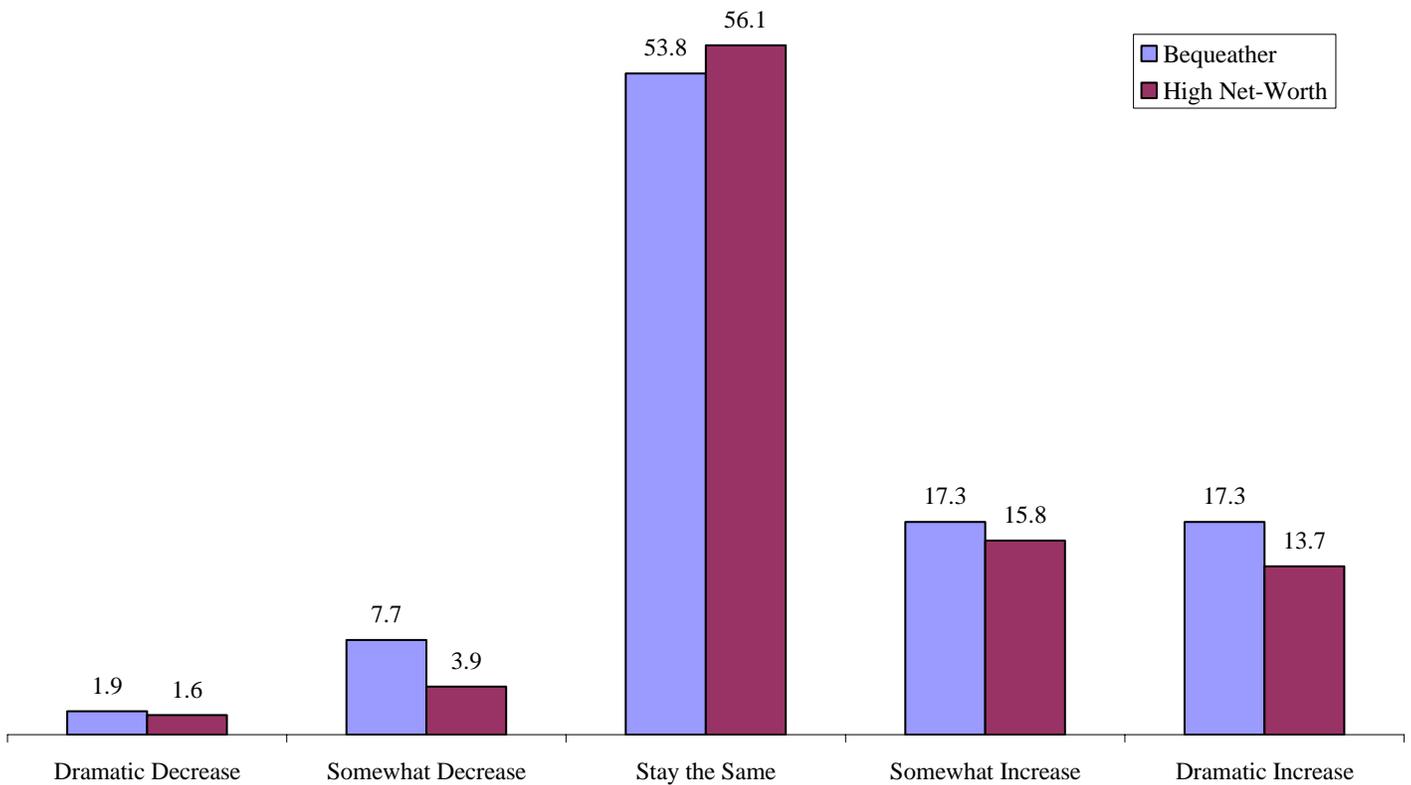
The majority of bequeathing households (see Figure 4), like other high net-worth households, report that their donations would stay the same if they received zero income tax deductions (51.9 and 51.7 percent respectively). However, many bequeathing households and other high net-worth households report that their donations would somewhat decrease if they received zero income tax deductions for their donations (40.4 and 38.1 percent respectively).

Figure 4: Percentage of Bequeathing Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Bequeathing households mirror other high net-worth households in that the majority report that the amount they left to charity would stay the same if the estate tax were repealed (53.8 and 56.1 percent respectively). However, 34.6 percent of bequeathing households also report that they would somewhat or dramatically increase the amount they left to charity if the estate tax were repealed (see Figure 5).

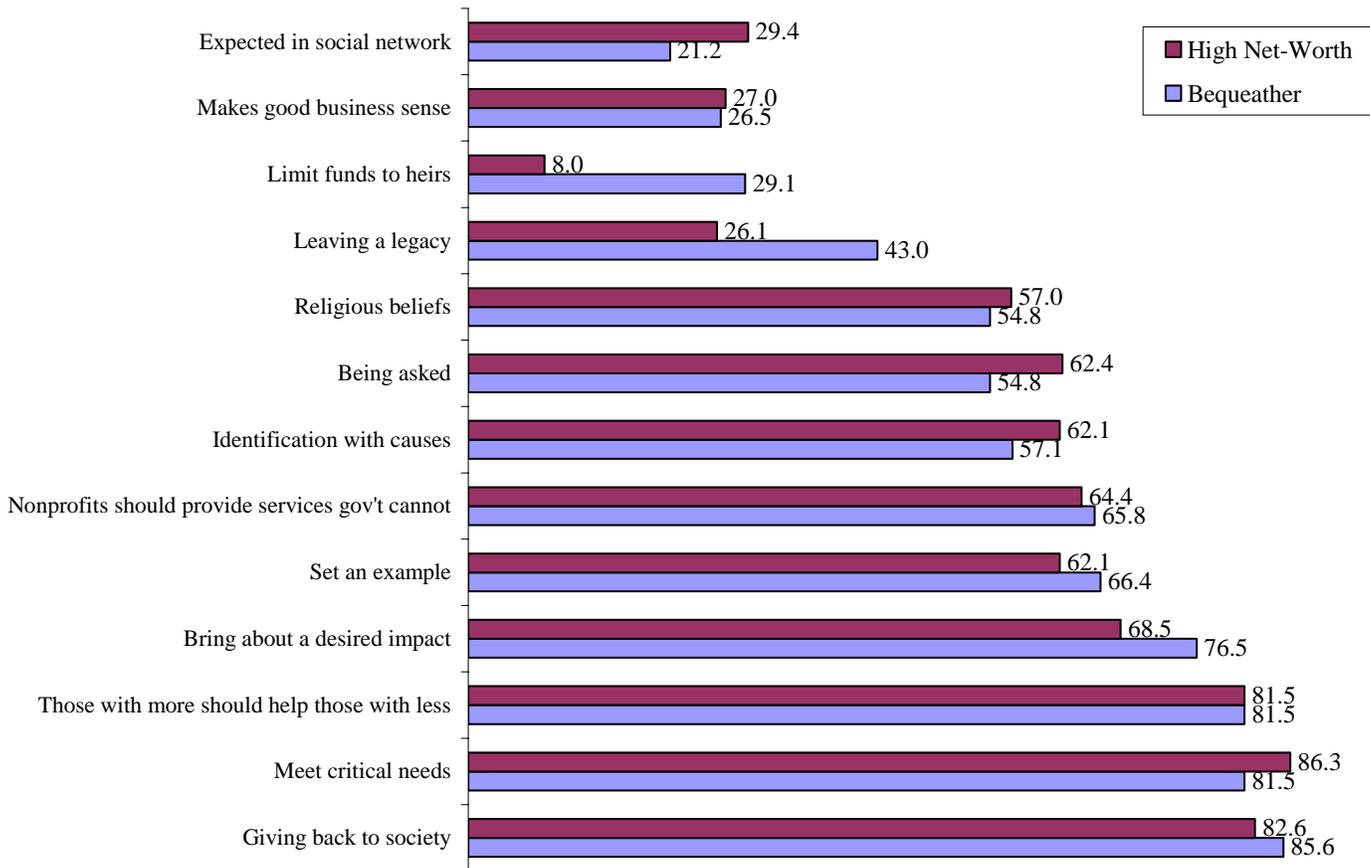
Figure 5: Percentage of Bequeathing Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

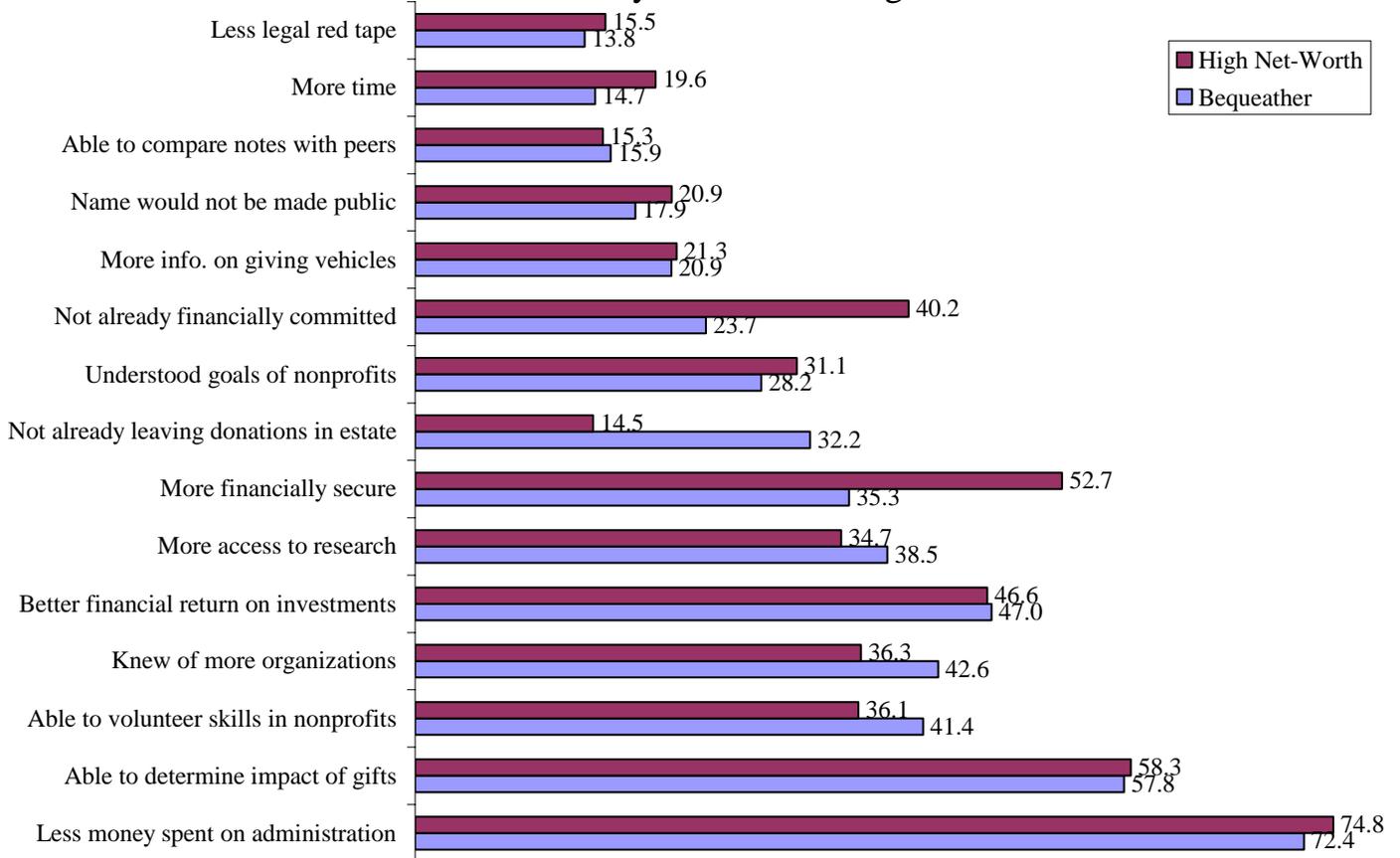
As shown in Figure 6, more bequeathing households reported giving back to society is a more important motivation for charitable giving than any other motivation (85.6 percent). Giving because it was expected in their social network was reported by the fewest number of bequeathing households as an important motivation (21.1 percent). Bequeathing households differ from other high net-worth households in a few notable ways. They are much more likely to report leaving a legacy (43.0 and 26.1 percent respectively) and limiting funds to heirs as an important motivations for giving (29.1 and 8.0 percent respectively).

Figure 6: Important Motivations for Giving by Bequeathing Households



When asked what would cause them to give more to charity (as shown in Figure 7), bequeathing households reported by far that if nonprofits spent more on helping the people they serve and less on administrative expenses, they would have donated more (72.4 percent). Bequeathing households, however, were much less likely to report that they would give more to charity if they felt more financially secure, only 35.5 percent compared with 52.7 percent of other high net-worth households. They were also less likely to report that they would give more to charity if they were not already financially committed (only 23.7 percent compared with 40.2 percent of other high net-worth households). Interestingly, bequeathing households were much more likely to report leaving more to charity if they were not already leaving donations in an estate than other high net-worth households (32.2 compared with 14.5 percent respectively).

Figure 7: Percentage of Bequeathing Households Reporting They Would Give More to Charity if the Following Occurred

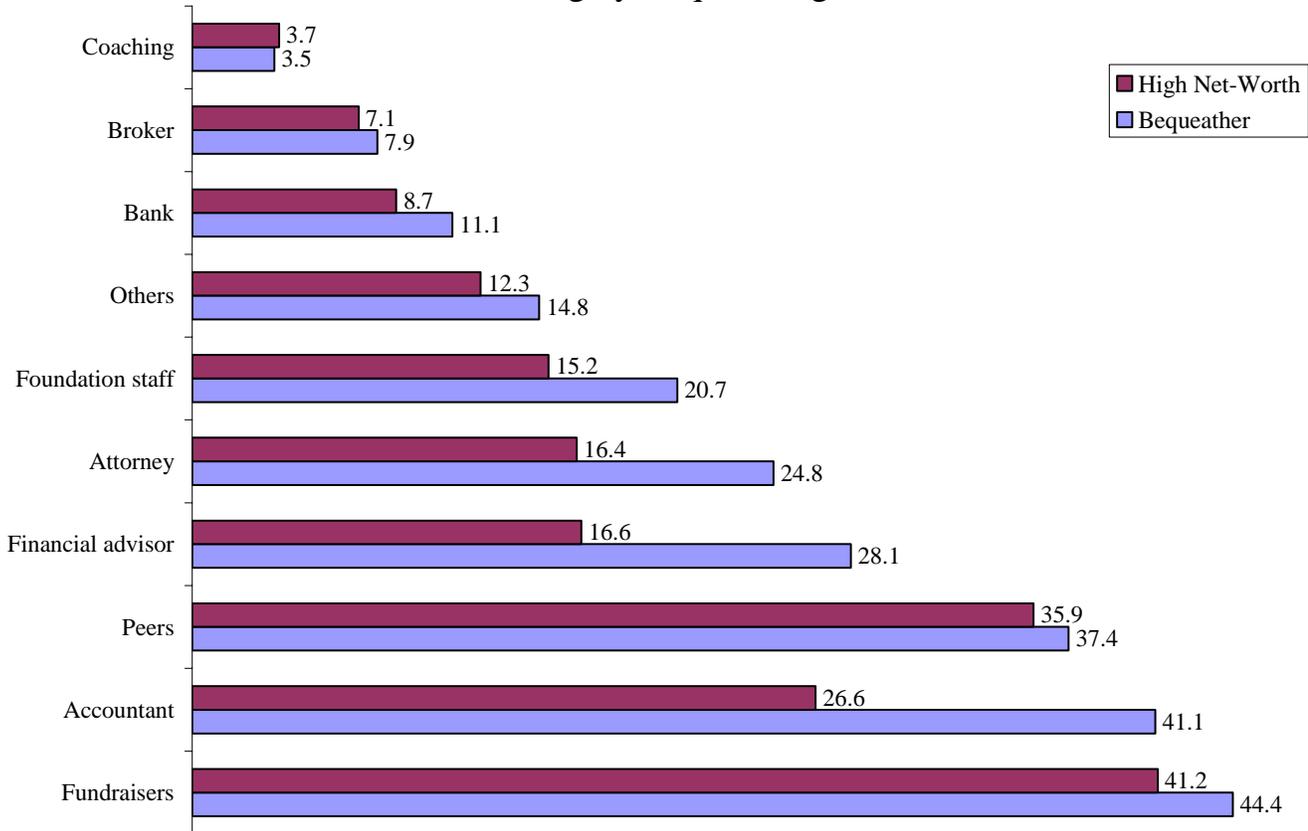


Advice

Bequeathing households are much more likely to seek external advice about charitable giving than other wealthy households (see Figure 8). Fundraisers and other nonprofit personnel were the most likely source of advice sought by bequeathing households (by 44.4 percent).

Bequeathing households were much more likely than other wealthy households to seek advice from accountants (41.1 and 26.6 percent respectively), from financial advisors (28.1 and 16.6 percent respectively), and from attorneys (24.8 and 16.4 percent respectively).

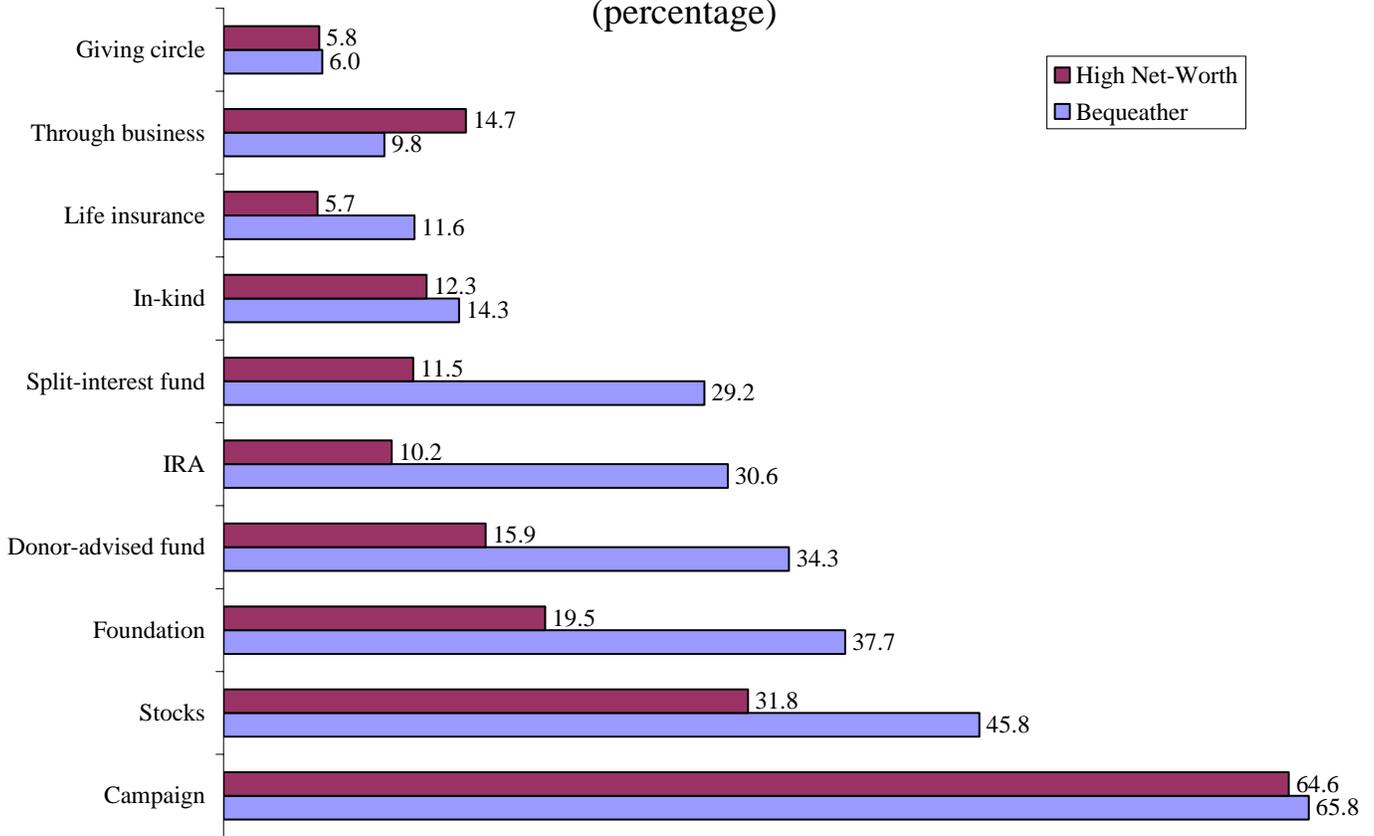
Figure 8: Percentage of Donor Households that Sought Advice for Charitable Giving by Bequeathing Households



How Donations Are Made

In addition to making donations through a charitable campaign (see Figure 9), bequeathing households were much more likely to donate stocks (45.8 and 31.8 percent respectively), create a foundation (37.7 and 19.5 percent respectively), create a donor-advised fund (34.3 and 15.9 percent respectively), create a split-interest fund (29.2 and 11.5 percent respectively), or name a charity as a beneficiary of a retirement account (30.6 and 10.2 percent respectively). Similar to all high net-worth households, bequeathing households were less likely to make a donation through giving circles (only 6.0 percent).

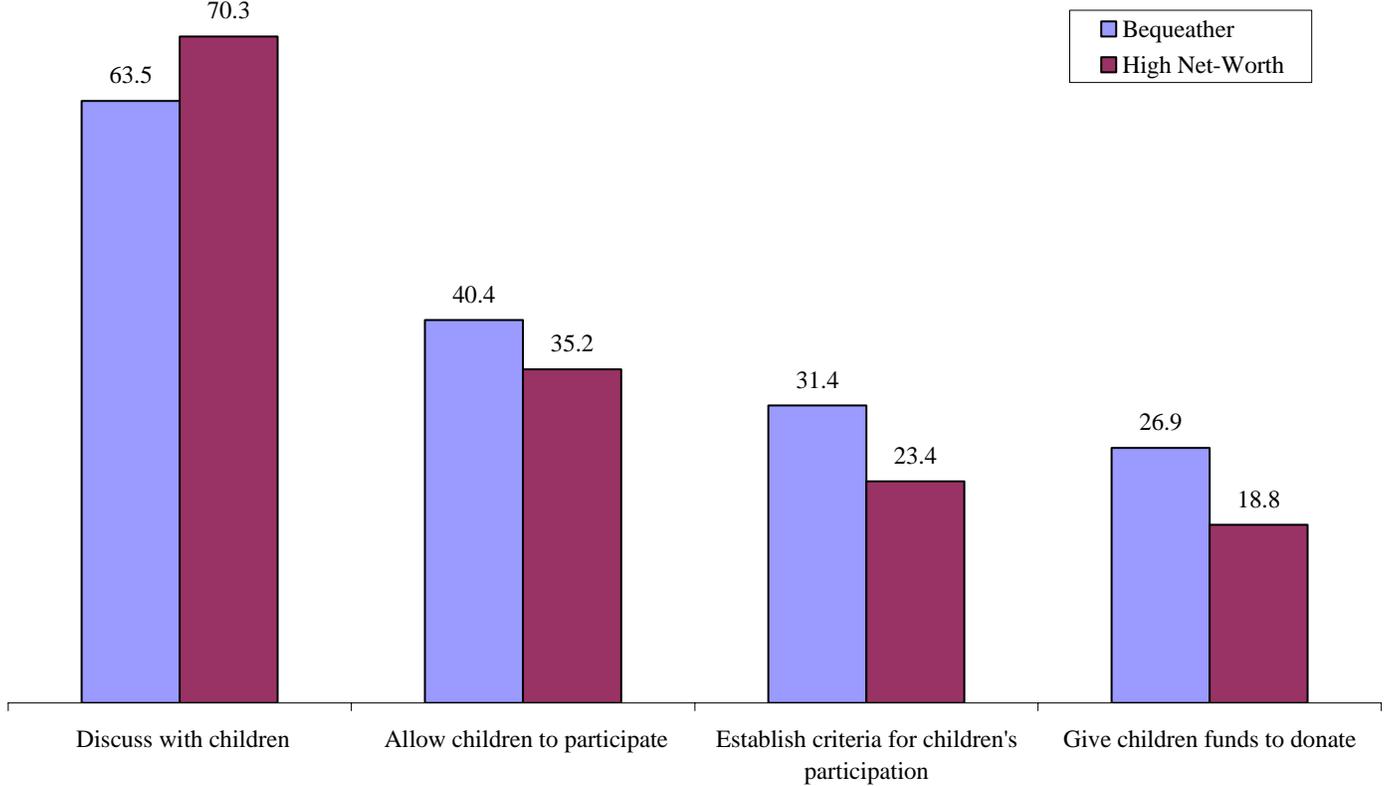
Figure 9: Giving Vehicles by Bequeathing Households
(percentage)



Transmitting Values

The majority of bequeathing households, similar to all high net-worth households, discuss their philanthropic contributions with their children (63.5 and 70.3 percent respectively as shown in Figure 10). Nearly 40 percent of bequeathing households allow their children to participate in charitable giving decisions and 31.4 percent have established criteria for their children's participation in philanthropy. Nearly one-fourth of all bequeathing households give their children funds with which to donate to charity.

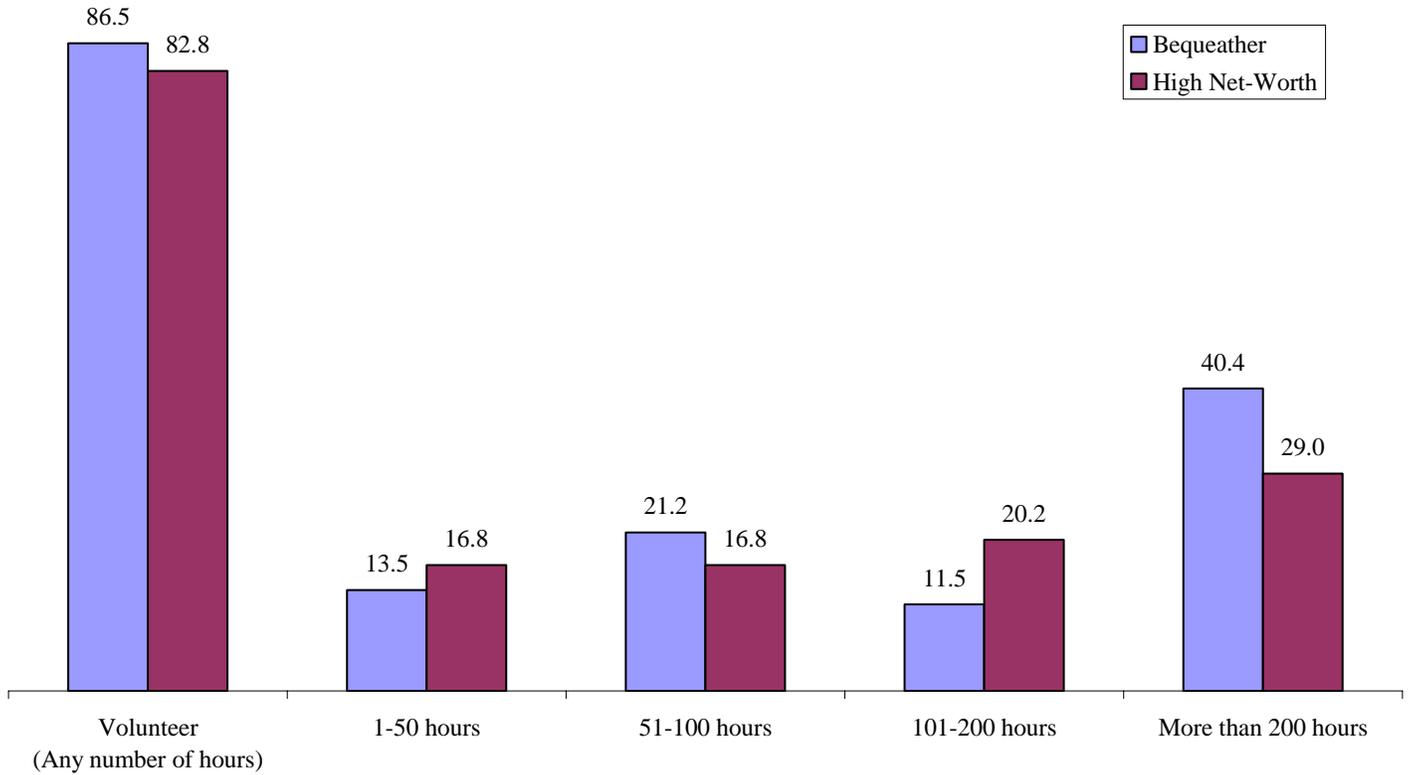
Figure 10: Percentage of Bequeathing Households Reporting Children's Participation in Philanthropy



Volunteering

Bequeathing households were just as likely to volunteer their time as other wealthy households (see Figure 11). However, bequeathing households volunteer more hours on average than other wealthy households. They were much more likely to donate more than 200 hours a year to charity than other high net-worth households (40.4 compared with 29.0 percent respectively).

Figure 11: Percentage of Bequeathing Households that Volunteer by the Number of Hours Volunteered



The Devout and Secular Donor

Devout households are those wealthy that report attending religious services once a week or more and who donate to religious causes. Secular households are wealthy households that do not attend religious services and do not give to religious causes, rather they donate to secular causes.

Devout households give less on average to charity than secular households and other wealthy households, but the “typical” devout household (the median donor) actually gives more to charity. As expected, the devout give statistically significantly more to religious causes than non-devout households. They also feel more financially secure than the secular donor and other wealthy donors. The devout are also primarily motivated to give to charity by their religious beliefs, and they are more likely to participate in a charitable campaign such as a capital campaign. Finally, devout households are more likely to volunteer.

Secular households gave statistically more on average to foundations, funds, and trusts; health; and other types of organizations such as environmental organizations. Since secular donors by definition do not give to religious organizations, the distribution of their giving is quite different. A greater proportion of their donations is given to health organizations. Secular donors are motivated to give by the ability to meet critical community needs and by the belief that those with more should help those with less. Secular households were less likely to seek external advice about their philanthropy than devout and other wealthy households, but slightly more likely to create a foundation. Finally, secular households were less likely to engage in formal activities to transmit their philanthropic values to children.

Characteristics

Many of the characteristics of devout and secular households are similar to other high net-worth households. Devout and secular households have relatively the same income and wealth levels. While one fourth of all devout households, 26.8 percent, are between the ages of 61 and 70, they are slightly younger than secular or other wealthy households. Many devout households live in the South Atlantic region of the United States, 26.4 percent, and they are slightly less likely to live in the Northeast, 22.6 percent, than other high net-worth households (27.8 percent). Secular households, on the other hand, were more likely to live in the Northeast (36.6 percent) and the Pacific region of the U.S. (24.4 percent) and less likely to live in the South Atlantic (16.5 percent) than devout and other high networth households. Similar to all wealthy households, 60 percent have between two and three children, but devout households are more likely to have 5 or more children than other wealthy households (15.2 and 7.7 percent respectively). While nearly half of all secular households have two children, they were less likely to have any children than other wealthy households (21.2 and 8.5 percent respectively).

Table 1: Income and Wealth of Devout and Secular Households

		Mean	Sig. ¹	Median	Mode
Income	Devout	\$1,579,692		\$350,000	\$350,000
	Secular	\$1,456,488		\$350,000	\$350,000
Wealth	Devout	\$13,272,699		\$3,500,000	\$3,500,000
	Secular	\$14,148,214		\$7,500,000	\$3,500,000

¹statistical significance: There is no statistical difference in the mean income and wealth of devout/secular households and the mean income and wealth of all other households in the study.

Charitable Giving

As shown in Table 2, devout households gave less on average to secular causes (\$68,892) than other high net-worth households (\$102,553), but 50 percent more on average to religious organizations (\$31,179 compared with \$20,530 respectively). Secular households gave nearly two and a half times the amount on average to secular causes than other high net-worth households (\$248,192 and \$102,553 respectively). When comparing total giving, the devout gave approximately 20 percent less on average to charity than other high net-worth households (\$103,427 compared with \$120,651) and the secularists gave more than double the amount to charity (\$250,679 compared with \$120,651) in 2005.

However, the median gift donated by devout households was 40 percent more than other high net-worth households (\$23,500 and \$16,500 respectively) and more than double the amount donated by secular households (\$23,500 and \$10,000 respectively) suggesting that the devout tended to have a smaller range and variation in giving than did all other high net-worth households. The median secular gift amount for devout and secular households is the same (\$9,100 and \$8,975 respectively).

Table 2: Total, Secular, and Religious Giving by Devout, Secular, and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
The Devout	\$103,427	\$23,500	\$68,892	\$9,100	\$31,179	\$6,950
The Secular	\$250,679	\$10,000	\$248,192	\$8,975	.	.
High Net Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

Devout households give less on average to each type of organization with the exception of religious organizations and for basic needs. High net-worth devout households give statistically significantly more to religious organizations than non-devout households (see Table 3).

Table 3: Giving by the Devout (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total giving	\$103,427		\$23,500	\$10,000	\$5,069,500	\$425	323
Secular giving	\$68,892		\$9,100	\$3,000	\$5,018,500	\$100	323
Religious giving	\$31,179	+	\$6,950	\$5,000	\$2,000,000	\$20	323
Disaster giving	\$4,812		\$1,000	\$1,000	\$250,000	\$0	323
Fund giving	\$95,472		\$2,500	\$1,000	\$5,000,000	\$0	323
Combo giving	\$4,871		\$1,000	\$1,000	\$200,000	\$0	323
Basic giving	\$4,751		\$1,000	\$1,000	\$154,000	\$20	323
Health giving	\$5,792		\$700	\$1,000	\$500,000	\$0	323
Education giving	\$19,952		\$2,000	\$1,000	\$550,000	\$0	323
Arts giving	\$6,814		\$1,000	\$500	\$600,000	\$0	323
Other giving	\$6,245		\$1,000	\$500	\$205,000	\$0	323

Note: +p<.05, statistically significantly positive difference between devout households and all other households in the study. Categorical descriptions are found on page 8.

As shown in Table 4, secular households give statistically significantly more than other high net-worth households. Specifically, they give statistically more to foundations, funds, and trusts; organizations serving a combination of purposes such as United Way; health organizations; and other organizations such as environmental or international groups.

The median gift amounts suggest that devout and secular households do have similarities with a few expectations. Secular households have a higher median gift to foundations, funds, and trusts and gave slightly more to health and education. However, the median gift to combination, basic needs, arts and culture, and other organizations are identical. Further, the median gift to secular causes is nearly identical. This suggests that the amounts donated by secular households vary significantly with some secular households giving large donations to charity, effectively making the mean amount donated much higher than the median gift amount.

Table 4: Giving by the Secular Donor (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total giving	\$250,679	+	\$10,000	\$10,000	\$9,642,000	\$200	168
Secular giving	\$248,192	+	\$8,975	\$5,000	\$9,637,000	\$100	168
Religious giving	168
Disaster giving	\$3,696		\$1,000	\$500	\$100,000	\$50	168
Fund giving	\$415,984	+	\$10,000	\$2,000	\$7,000,000	\$100	168
Combo giving	\$18,329	+	\$1,000	\$500	\$1,000,000	\$25	168
Basic giving	\$6,240		\$1,000	\$1,000	\$125,000	\$50	168
Health giving	\$85,450	+	\$1,000	\$1,000	\$9,000,000	\$25	168
Education giving	\$33,085		\$2,500	\$1,000	\$2,110,000	\$75	168
Arts giving	\$25,767		\$1,100	\$500	\$788,000	\$75	168
Other giving	\$30,821	+	\$1,000	\$500	\$2,000,000	\$10	168

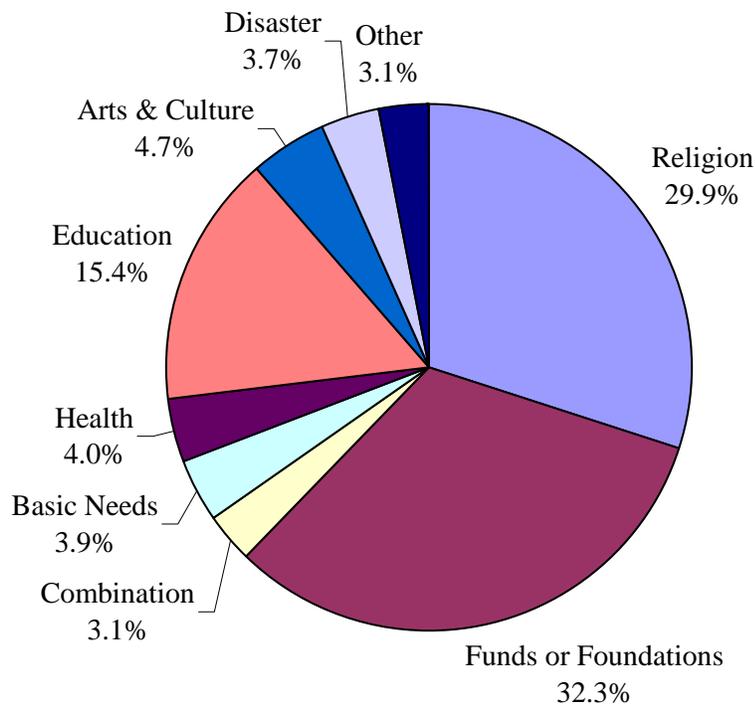
Note: +p<.05, statistically significantly positive difference between devout households and all other households in the study.

Categorical descriptions are found on page 8.

Since secular donors by definition do not give to religion, the distribution of charitable giving differs dramatically between devout and secular donors. Rather than giving to religion, secular households donate a greater proportion of their giving to health and somewhat more to foundations, funds, and trusts; education; and the arts.

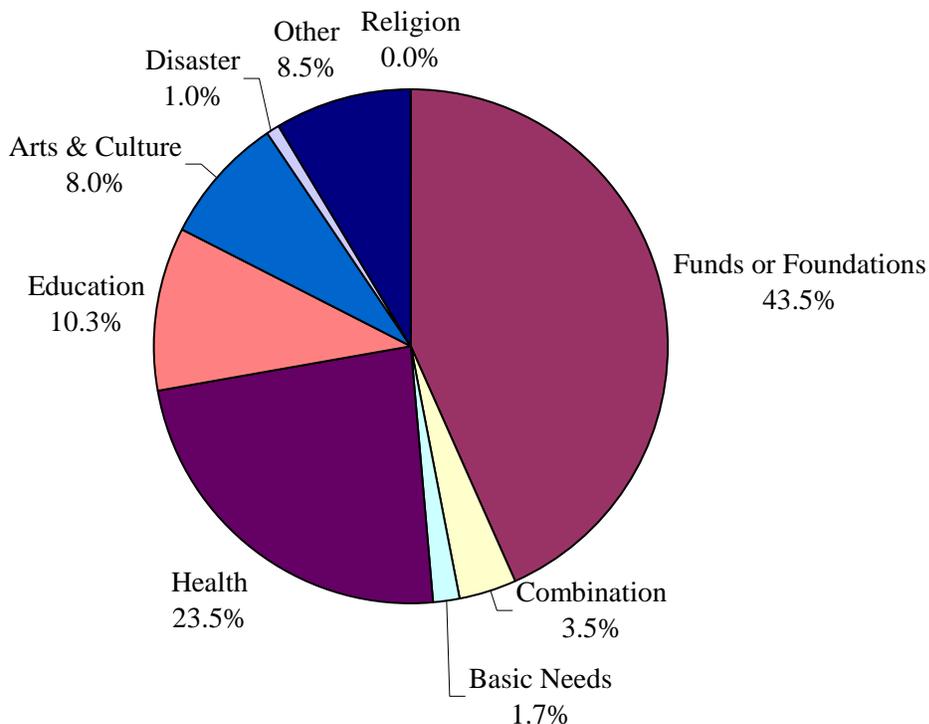
About one-third of all donations from devout households went to foundations, funds, or trusts, while 30 percents of gifts went to religious organizations (as shown in Figure 1). Further, 15 percent of all donations was directed to educational organization.

Figure 1: Estimated Distribution of Giving by The Devout Donor, 2005



A shown in Figure 2, more than 40 percent of the secular households giving went to foundations, funds, or trusts. More than 20 percent of gifts went to health organizations and about 10 percent of all secular giving was directed to educational organizations.

Figure 2: Estimated Distribution of Giving by The Secular Donor, 2005

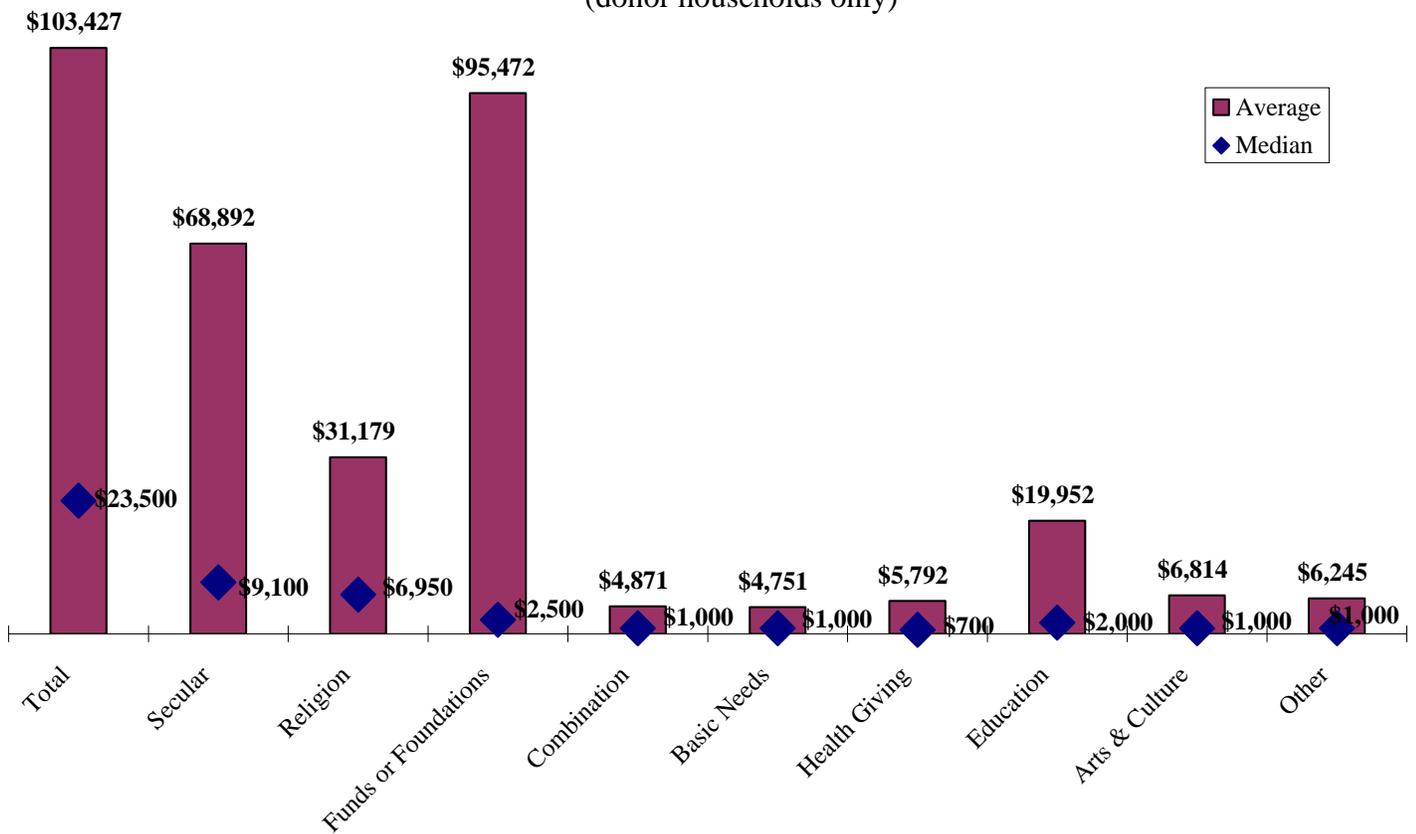


Note: By definition, secular donors did not donate to religious causes

Figures 1 and 2 point out important differences between devout and secular household giving. Devout giving is concentrated in three main subsectors: foundations, funds, and trusts; religion; and education. While foundations, funds, and trusts receive more donations from wealthy secular households than any other type of organization, secular giving is more dispersed than devout giving. In addition to education, secular households gave much more to health and arts and culture.

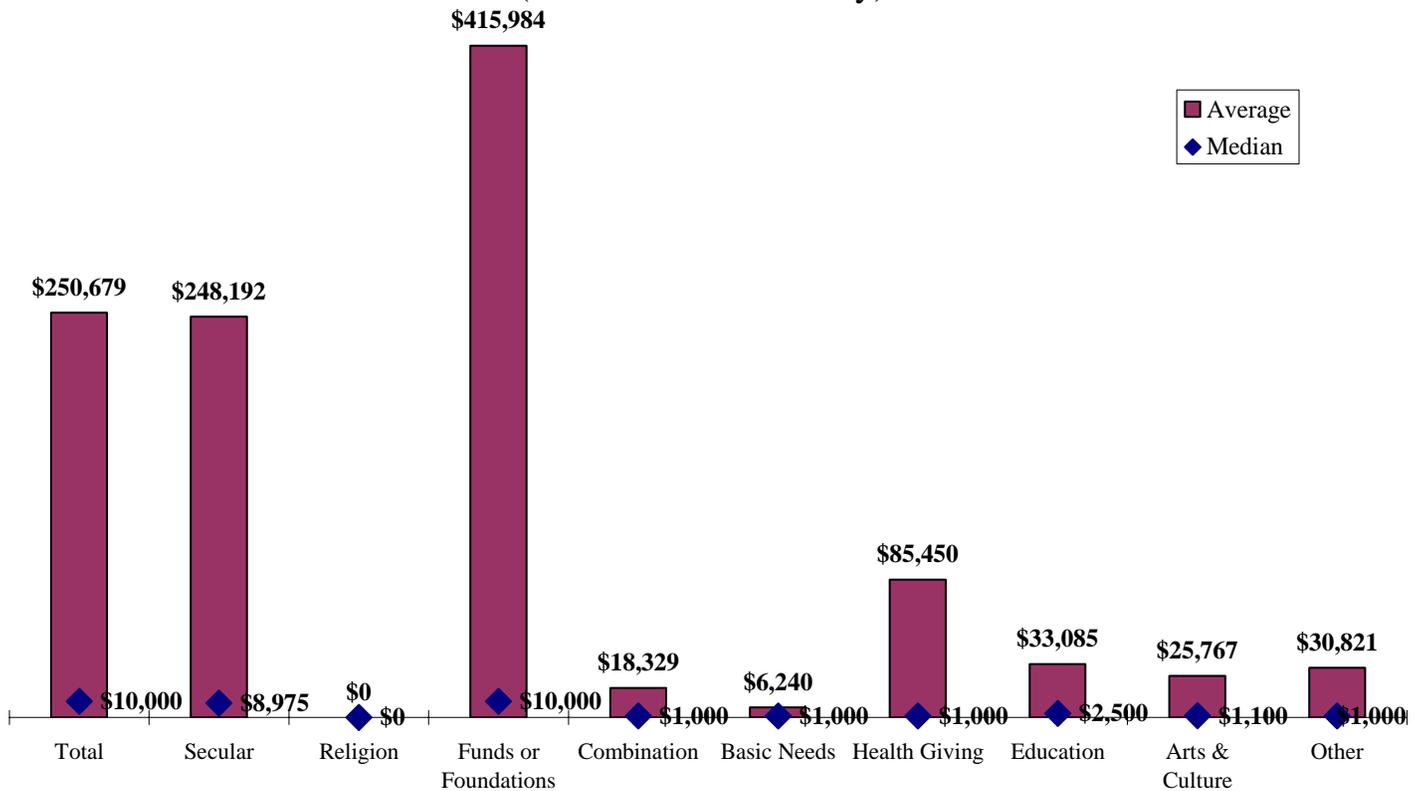
As shown in Figure 3, devout households give the most on average to foundations, funds, or trusts, \$95,472, and give the least on average to organizations serving basic human needs, \$4,751, and to organizations serving a combination of purposes such as the United Way, \$4,871. Median giving by devout households was \$1,000 to combination, basic needs, arts and culture, and other organization such as environmental or international.

Figure 3: Giving by Devout Households by Types of Organization Receiving Funding, 2005
(donor households only)



Secular households gave on average much more to foundations, funds, and trusts (\$415,984) than to any type of organization (see Figure 4). Secular households also gave a significant amount on average to health (\$85,450). Other than religious organizations, groups providing basic human needs such as food and shelter received the lowest average gift (\$6,240). Similar to the devout donor, the median gift was \$1,000 to basic needs organizations, health, organizations serving a combination of funds, and other types of organizations.

Figure 4: Giving by Secular Households by Types of Organization Receiving Funding, 2005 (donor households only)

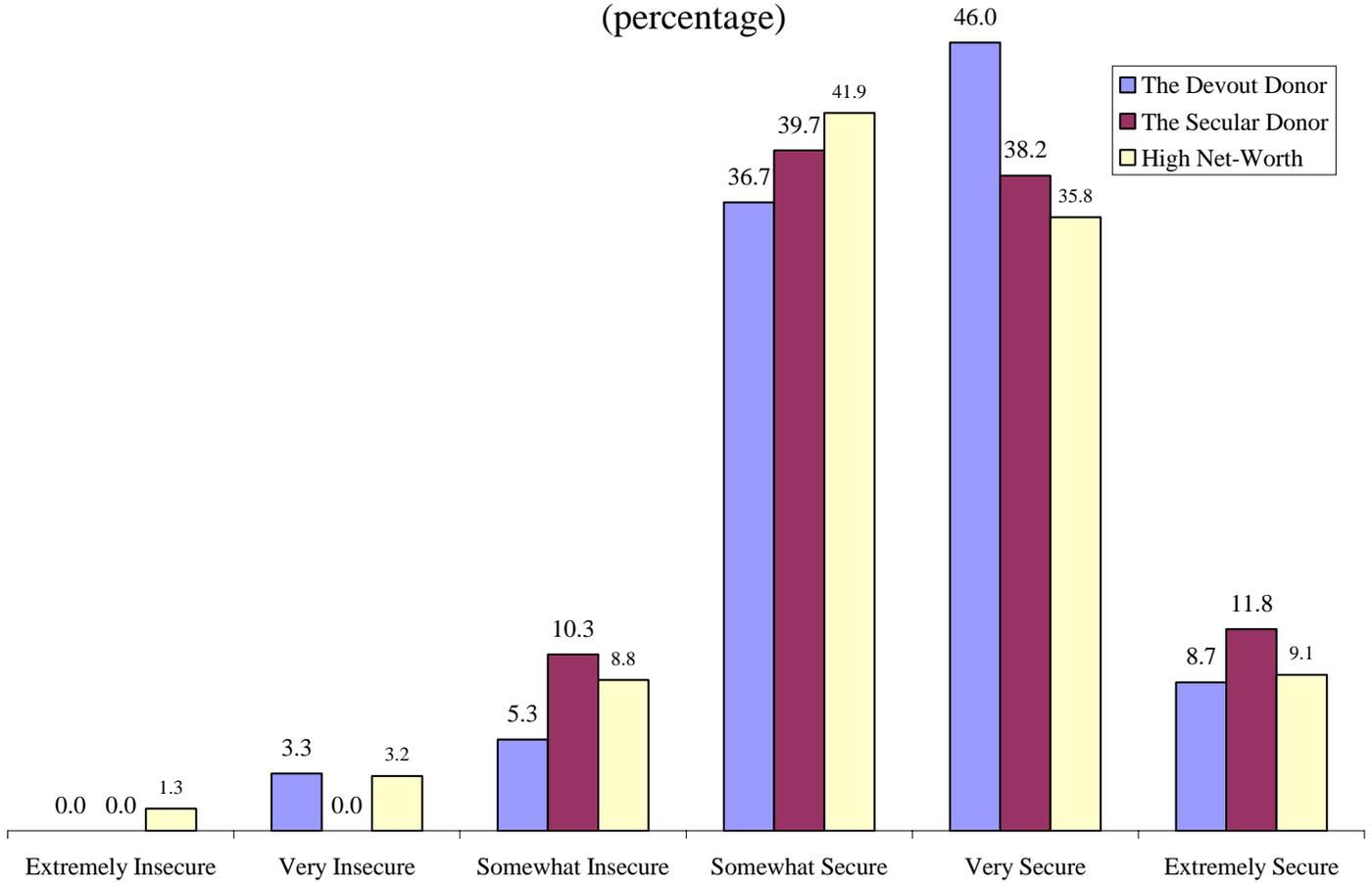


Note: By definition, secular households did not donate to religious organizations.

Financial Security

Nearly all high net-worth households reported feeling financially secure. As illustrated in Figure 5, devout households, however, were more likely than secular households to report feeling very or extremely secure (54.7 and 50.0 percent respectively).

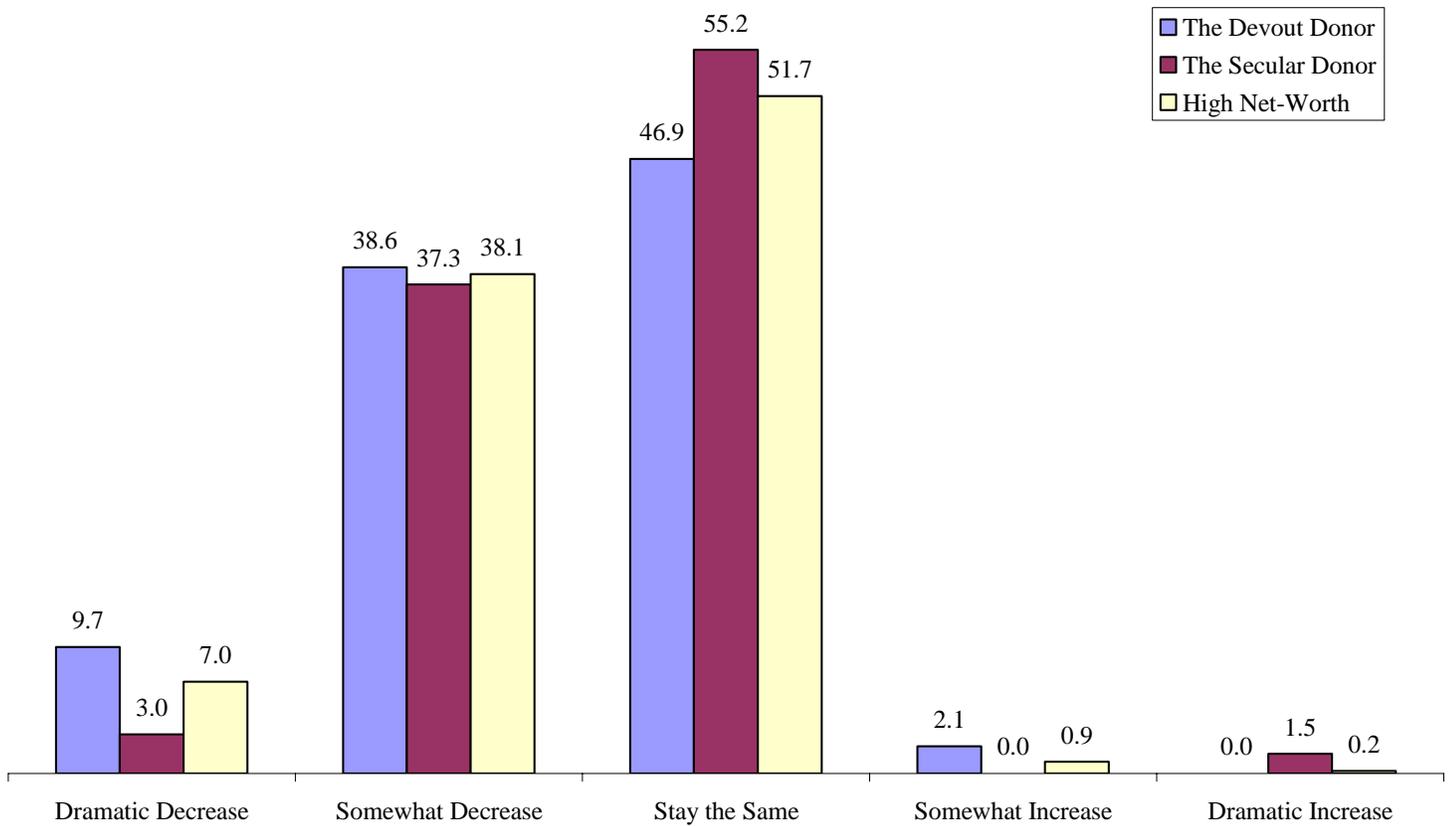
Figure 5: Sense of Financial Security of Devout and Secular Households (percentage)



Tax Implications

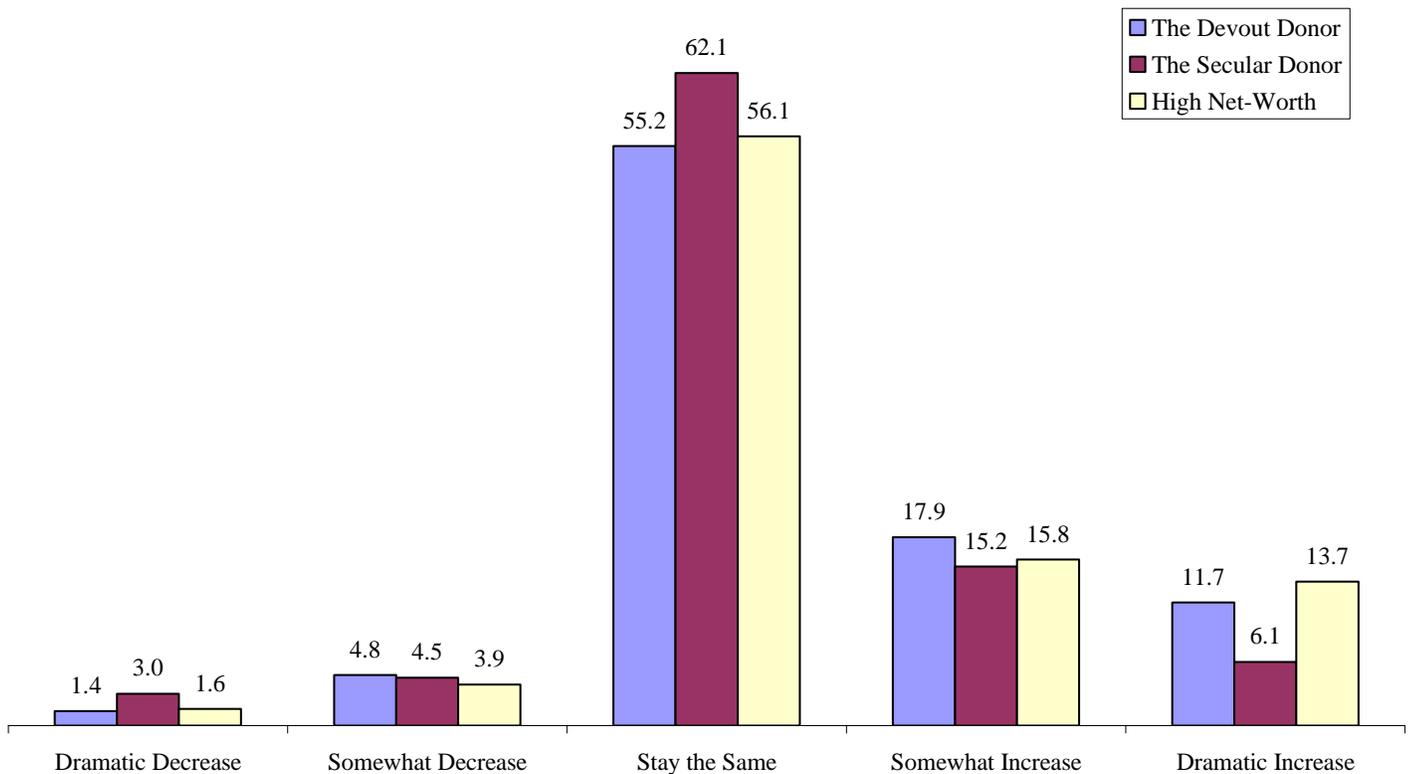
Just under half of devout households and just over half of all secular households report that their donations would stay the same if they received zero income tax deductions for their charitable donations (see Figure 6). Devout households were more likely to report that they would decrease their donations if they received zero income tax deductions than secular and other high net-worth households. Just under 10 percent of devout high net-worth households report they would decrease their donations dramatically, while 7 percent of other high net-worth households and 3 percent of secular households reported there would be a dramatic decrease.

Figure 6: Percentage of Devout and Secular Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Similar to other high net-worth households, just over half of devout households report that the amount they left to charity in their will would stay the same if the estate tax were repealed (see Figure 7). Secular households were more likely to report that their donations would stay the same if the estate tax were repealed than devout or other high net-worth households. Another 29.6 percent of devout households and 21.3 of secular households report, however, that they would leave more to charity in their will if the estate tax were repealed.

Figure 7: Percentage of Devout and Secular Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed

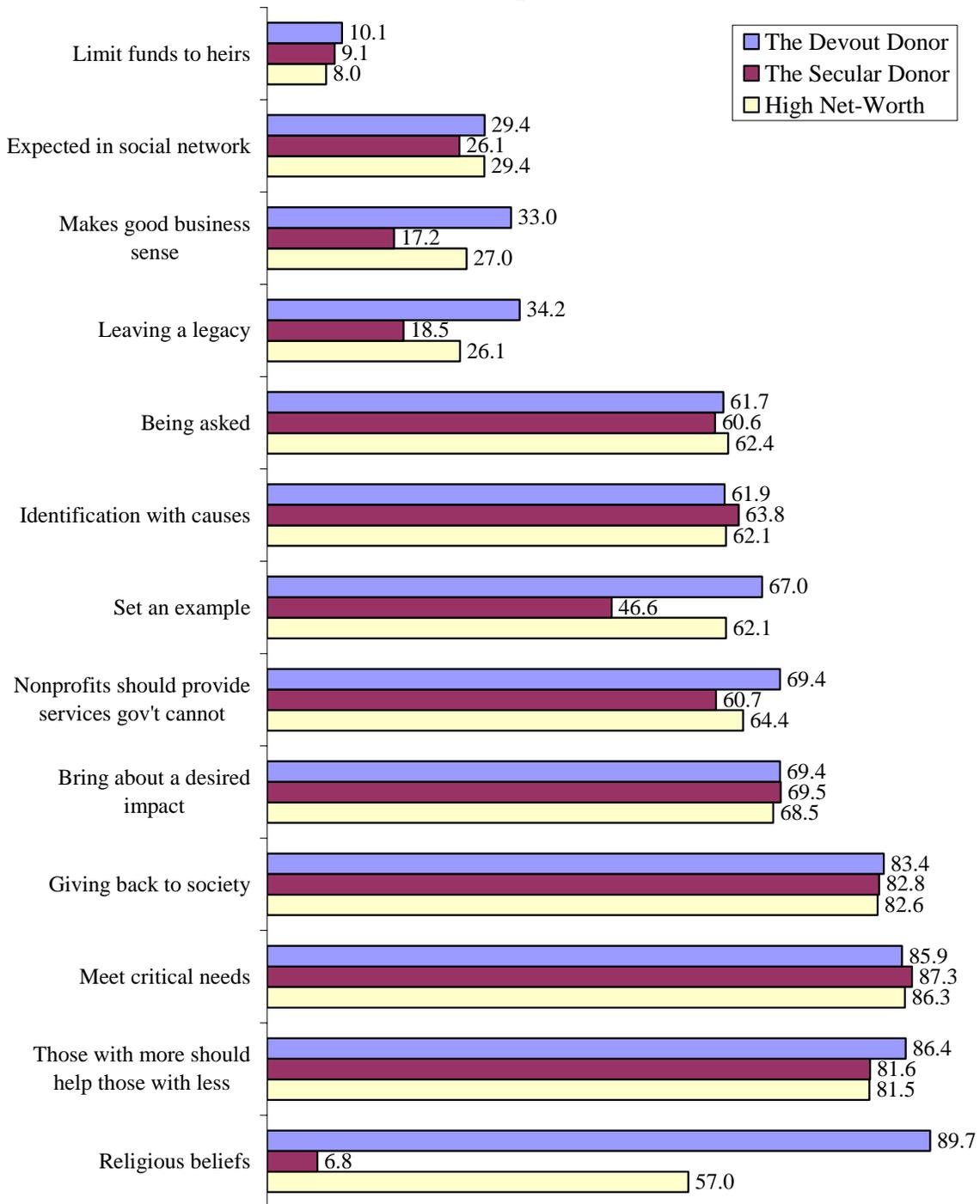


Motivations

As expected and shown in Figure 8, religious beliefs were reported as an important motivation for their giving by more devout households than any another motivation for giving when compared to other high net-worth households (89.7 and 57.0 percent respectively). Very few secular households reported religious beliefs as an important motivation for their charitable giving (only 6.8 percent). Rather, secular households were motivated by their ability to meet critical needs (87.3 percent of households), compared to 85.9 percent of devout households. Both devout and secular households are also motivated by the belief that those with more should help those with less (86.4 and 81.6 percent respectively).

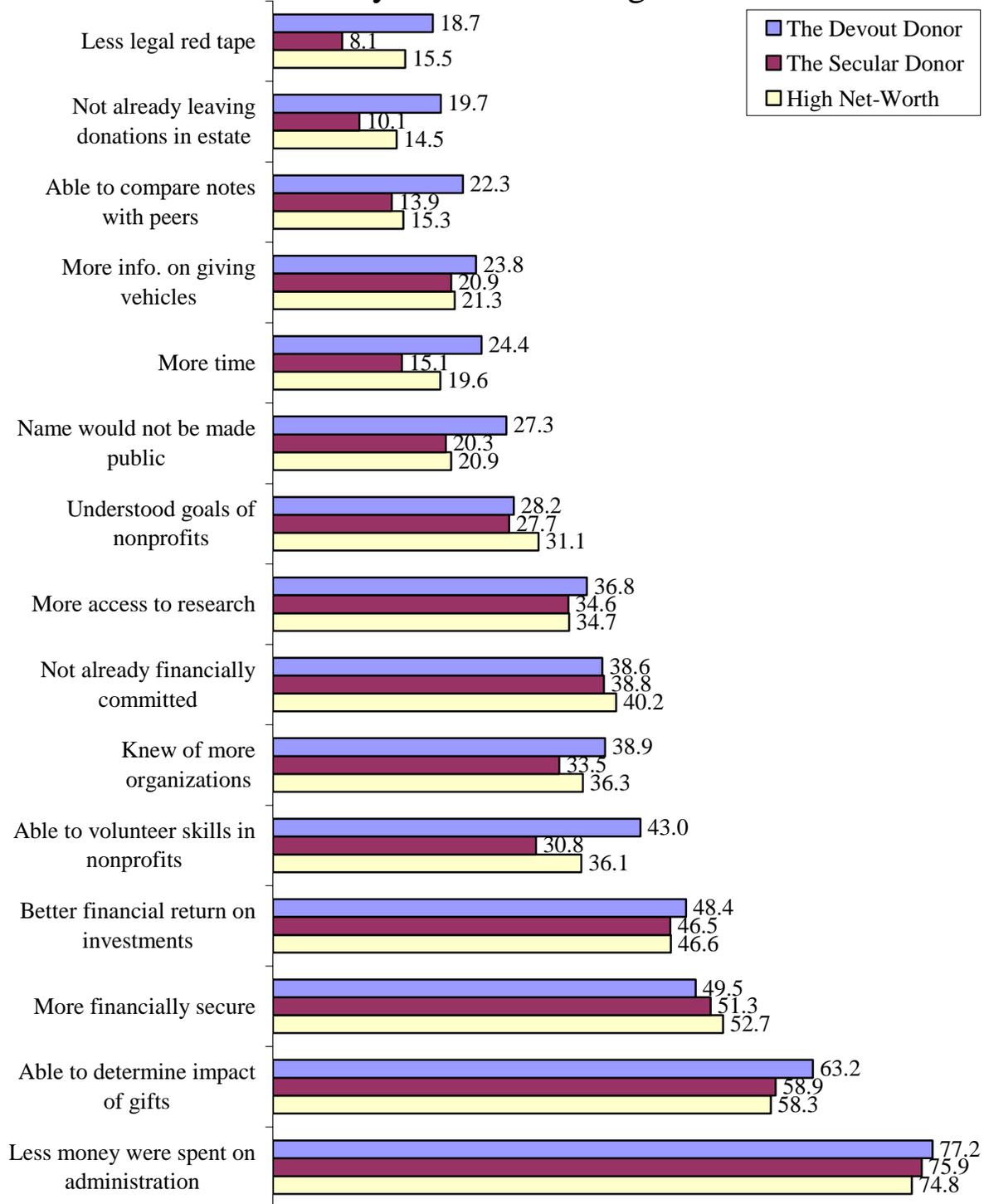
Devout households differ from other devout and high net-worth households in a few important ways. They were more likely than other high net-worth households to report that the following motivations for giving are important: nonprofits should provide services that government cannot (69.4, 60.7, and 64.4 percent respectively), setting an example for children and others (67.0, 46.6, and 62.1 percent respectively), leaving a legacy (34.2, 18.5, and 26.1 percent respectively), and because it makes good business sense (33.0, 17.2, and 27.0 percent respectively). Secular households were slightly more likely than devout households and other wealthy households to report identification with the cause as an important motivation for their giving (63.8, 61.9, and 62.1 percent respectively).

Figure 8: Important Motivations for Giving by Devout and Secular Households (percentage)



When asked about factors that would cause them to give more to charity (see Figure 9), the highest proportion of all high net-worth households including devout and secular households report that if charities spent more on helping the people they serve and less on administrative or fundraising costs, it would cause them to give more to charity (reported by 77.2 percent devout households, 75.9 percent of secular households, and 74.8 percent of all high net-worth households). More devout households also reported that they would give more to charity if they could determine the impact of their donations than secular and other high net-worth households (63.2, 58.9, and 58.3 percent respectively). Further, more devout households than secular and other wealthy households report that they would give more to charity if they were able to use their skills in nonprofits (43.0, 30.8, and 36.1 percent respectively), if their name would not be made public (27.3, 20.3, and 20.9 percent respectively), if they had more time (24.4, 15.1, and 19.6 percent respectively), and if they were able to compare notes with their peers (22.3, 13.9, and 15.3 percent respectively).

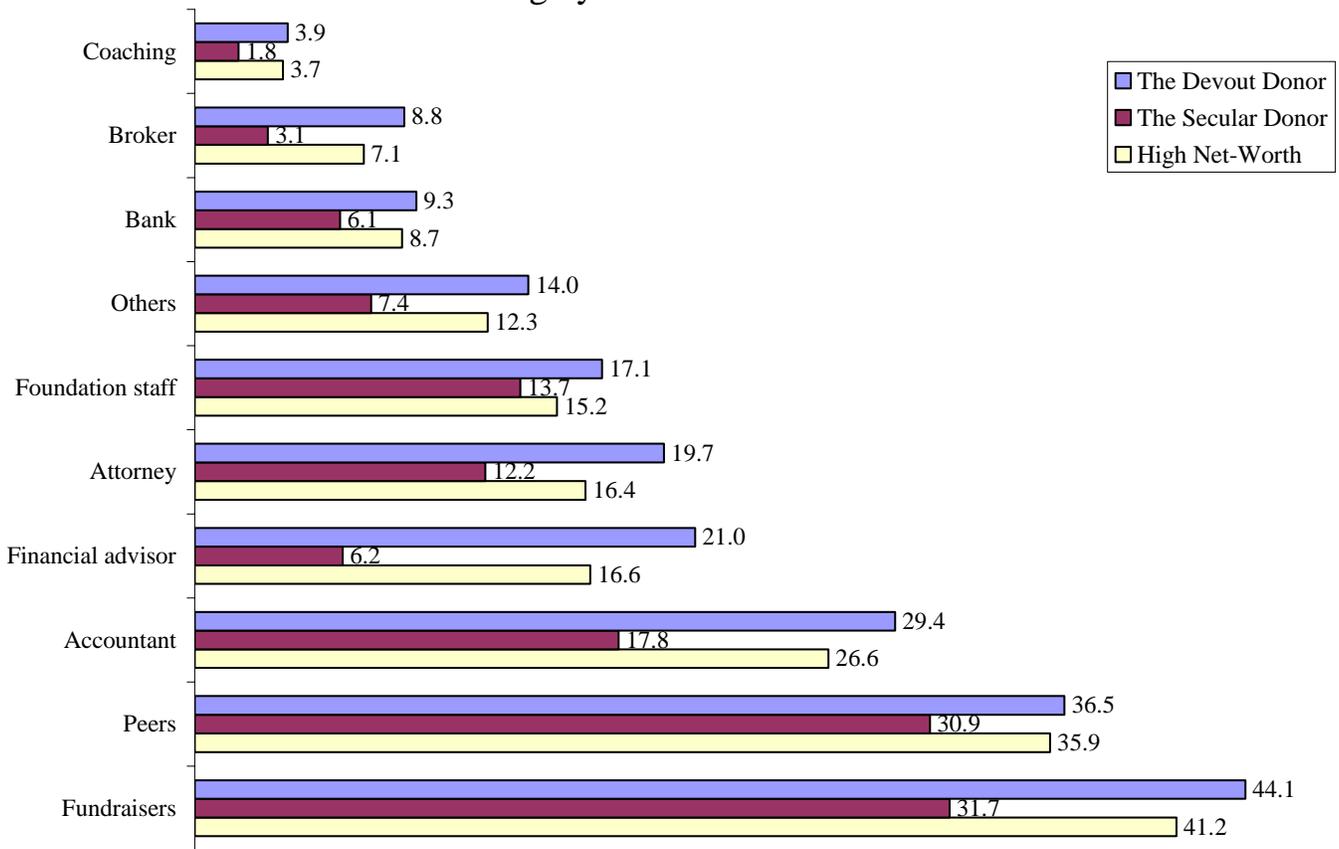
Figure 9: Percentage of Devout and Secular Households Reporting They Would Give More to Charity if the Following Occurred



Advice

As shown in Figure 10, devout households were more likely to seek advice from external advisors than secular and other high net-worth households. In particular, devout households were much more likely than secular and other high-net worth households to seek advice from financial advisors (21.0, 6.2, and 16.6 percent respectively) and attorneys (19.7, 12.2 and 16.7 percent respectively). Devout households were also more likely to seek advice from fundraisers and other nonprofit personnel than secular households (44.1 and 31.7 percent respectively) and from their peers (36.5 and 30.9 percent respectively).

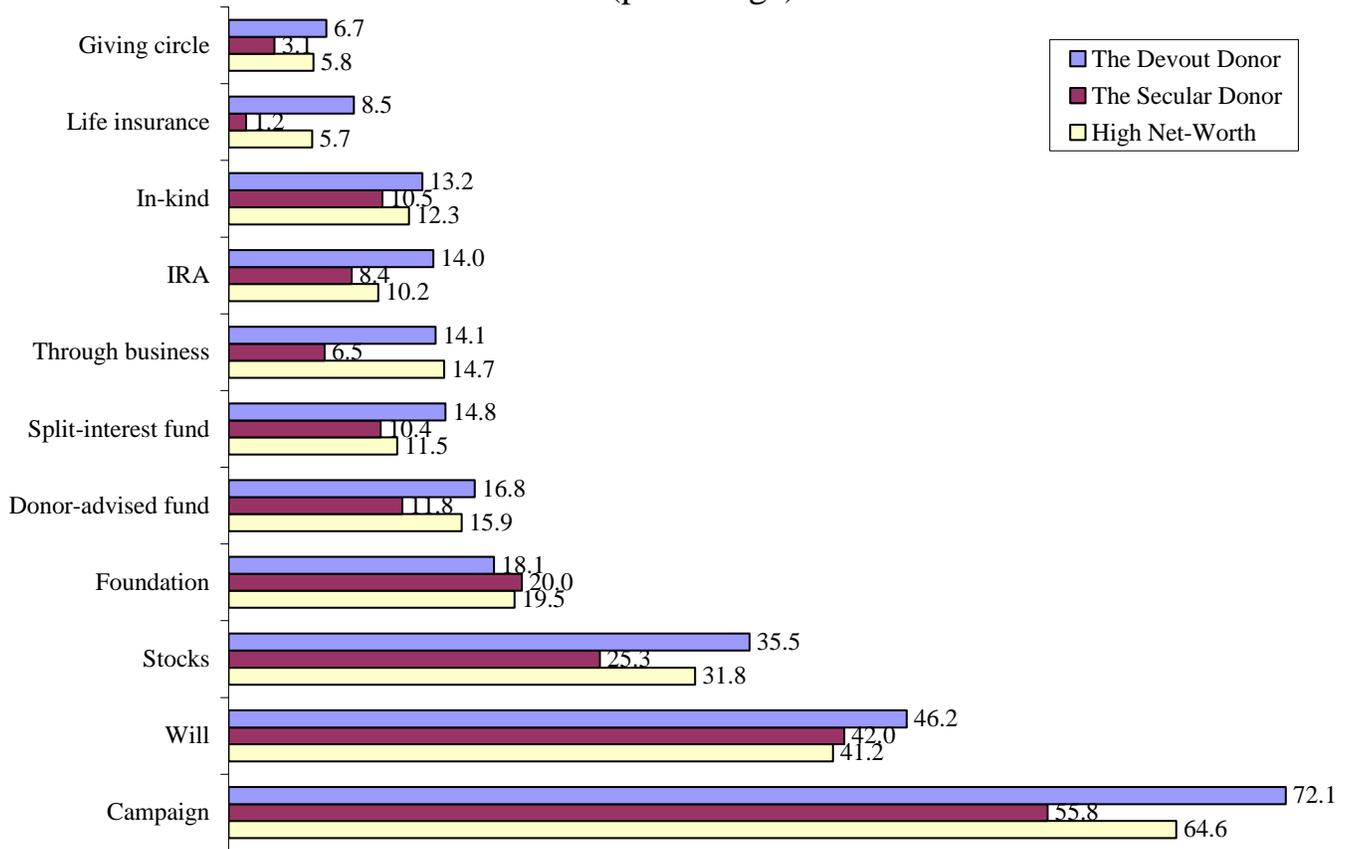
Figure 10: Percentage of Donor Households that Sought Advice for Charitable Giving by Devout and Secular Households



How Donations Are Made

Devout households were more likely to participate in a charitable campaign (see Figure 11) than secular and other high net-worth households (72.1, 55.8, and 64.6 percent respectively). They were also slightly more likely to leave a provision in their will to charity than secular and other high net-worth households (46.2, 42.0, and 41.2 percent respectively) and to donate stocks (35.5, 25.3, and 31.8 percent respectively). Secular households were slightly more likely to create a foundation than devout households or other wealthy households (20.0, 18.1, and 19.5 percent respectively).

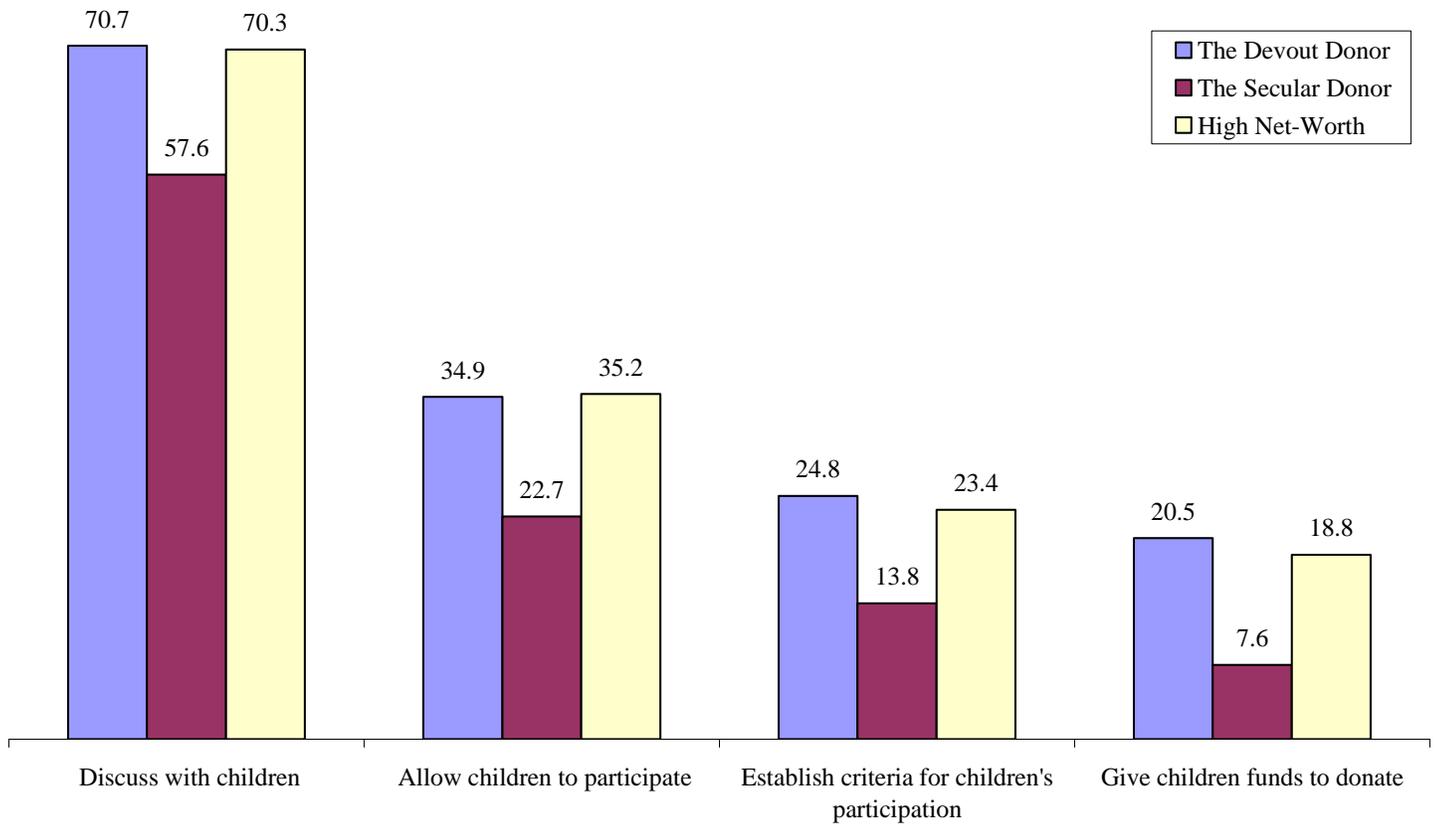
Figure 11: Giving Vehicles Used by Devout and Secular Households (percentage)



Transmitting Values

Figure 12 shows that secular households were less likely than devout and other high net-worth households to discuss their philanthropic decisions with children (57.6, 70.7, and 70.3 percent respectively) and allow their children to participate in their philanthropy (22.7, 34.9, and 35.2 percent respectively). Secular households were also less likely than devout and other high net-worth households to establish criteria for their children's participation in philanthropy (13.8, 24.8, and 23.4 percent respectively) and less likely to give their children funds with which to donate (7.6, 20.5, and 18.8 percent respectively).

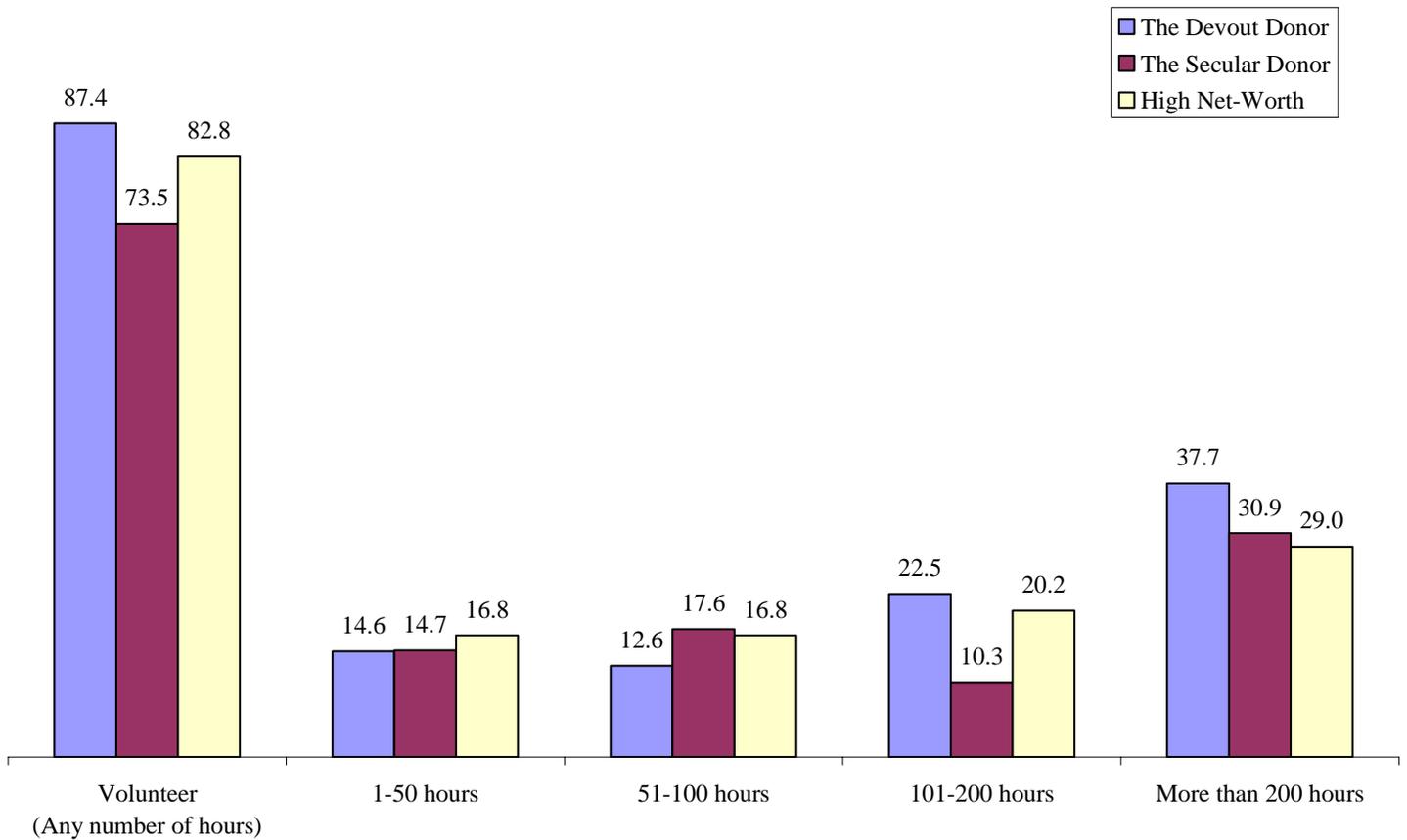
Figure 12: Percentage of Devout and Secular Households Reporting Children's Participation in Philanthropy



Volunteering

As shown in Figure 13, devout households were slightly more likely to volunteer than other high net-worth households (87.4 and 82.8 percent respectively) and more likely than secular households (73.5 percent). Devout households were more likely than secular and other high net-worth households to donate more than 200 hours a year (37.7, 30.9, and 29.0 percent respectively) and slightly less likely to donate less than 100 hours than secular and other high net-worth households (27.2, 32.3, and 33.6 percent respectively).

Figure 13: Percentage of Devout and Secular Households that Volunteer by the Number of Hours Volunteered



The Entrepreneur

Entrepreneurs are high net-worth households that have 50 percent or more of their net worth in entrepreneurial assets. Entrepreneurs give 25 percent more to charity on average than other high net-worth households. They give statistically significantly more to educational organizations and other organizations such as environmental or international groups. High net-worth entrepreneurs have statistically significantly more wealth than other high net-worth households and this, perhaps, explains why entrepreneurs feel more financially secure. Entrepreneurs, however, were more likely to report that they would give more to charity if they felt more financially secure, if they had a better return on their investments, or if they were not already financially committed.

Like other high net-worth households, entrepreneurs are motivated by a belief that it is important to meet critical needs in the community and give back to society. Entrepreneurs, however, were more likely than other wealthy households to identify two motivations as important: 1) setting an example for children and others, and 2) that nonprofits should provide services that government cannot. They were less likely to seek external advice about their charitable giving from fundraisers and their peers and more likely to have created a foundation and give through their family-owned business.

Characteristics

One of the primary distinguishing characteristics of entrepreneurial households is their wealth. Entrepreneurs have statistically significantly more wealth than non-entrepreneurial households. They are slightly more likely to be between the ages of 61 and 70 than other wealthy households, 35.1 and 26.8 percent respectively. While 23.3 percent of high net-worth entrepreneurs live in the Northeast, they were slightly more likely to live in the Midwest than other high net-worth households (15.1 and 5.5 percent respectively). Finally, they were slightly less likely to be retired than other wealthy households, 38.2 and 59.9 percent respectively.

Table 1: Income and Wealth of Entrepreneurs

	Mean	Sig. ¹	Median	Mode
Income	\$1,662,237		\$750,000	\$350,000
Wealth	\$20,217,333	+	\$15,000,000	\$7,500,000

¹ + p<.05, denotes a statistically significant positive difference between the mean income of the group of entrepreneurial households against all other wealthy households in the study.

Charitable Giving

Entrepreneurial households give on average almost twice as much to charity as other high net-worth households (\$232,206 and \$120,651 respectively). This includes giving 80 percent more on average to secular causes and more than double the amount donated on average to religious organizations (see Table 2).

Table 2: Total, Secular, and Religious Giving by Entrepreneurial and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
Entrepreneur	\$232,206	\$41,000	\$185,646	\$30,750	\$45,523	\$6,000
High Net Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

Entrepreneurial households give statistically significantly more to charity than non-entrepreneurial households (see Table 3). In particular, they give significantly more to secular causes, for example educational organizations (\$82,909) and other causes such as environmental and international nonprofits (\$16,876).

Table 3: Entrepreneurial Giving, 2005 (donor households only)

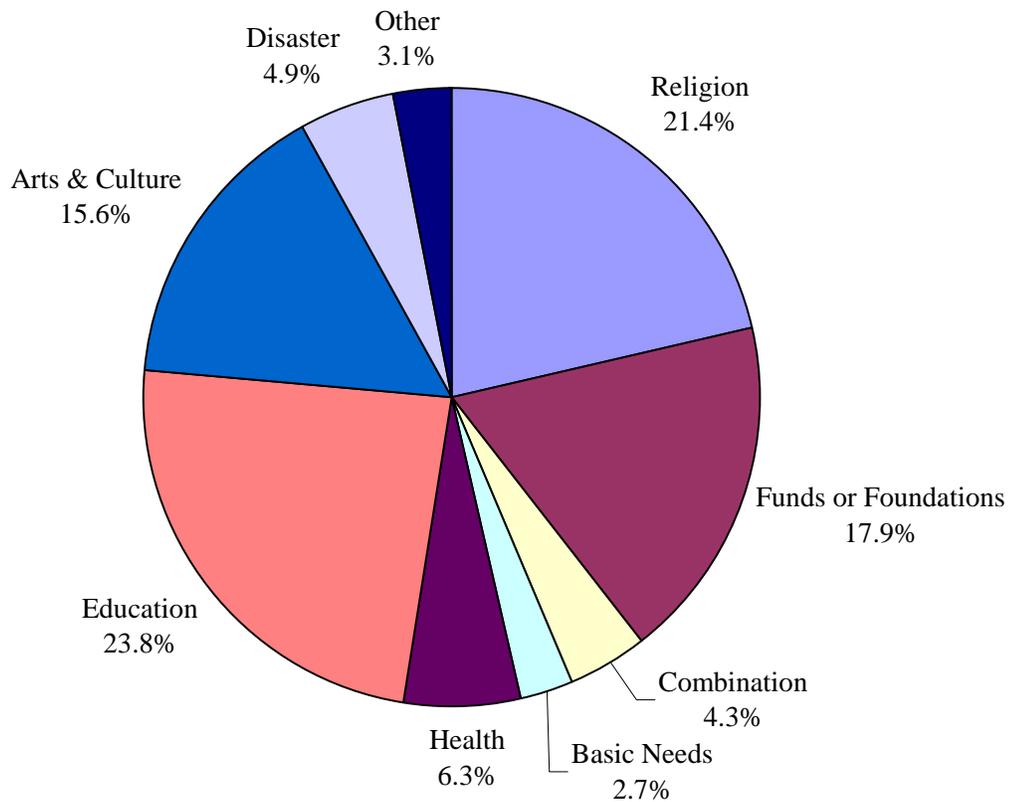
	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$232,206	+++	\$41,000	\$9,500	\$4,523,500	\$1,000	76
Secular	\$185,646	+++	\$30,750	\$33,000	\$4,514,900	\$500	76
Religion	\$45,523		\$6,000	\$500	\$1,600,000	\$500	76
Disaster	\$13,754		\$1,750	\$1,000	\$650,000	\$100	76
Fund or Foundations	\$123,312		\$10,000	\$1,000	\$2,250,000	\$200	76
Combination	\$11,717		\$5,000	\$5,000	\$150,000	\$100	76
Basic Needs	\$5,246		\$1,000	\$1,000	\$50,000	\$100	76
Health Giving	\$12,133		\$1,825	\$1,000	\$250,000	\$100	76
Education	\$82,909	+++	\$10,000	\$5,000	\$1,600,000	\$100	76
Arts & Culture	\$61,028		\$2,000	\$2,000	\$2,700,000	\$100	76
Other	\$16,876	++	\$2,000	\$2,000	\$150,000	\$400	76

Note: ++p<.01, +++p<.001, statistically significantly positive differences between entrepreneurial households and all other households in the study..

Categorical descriptions are found on page 8.

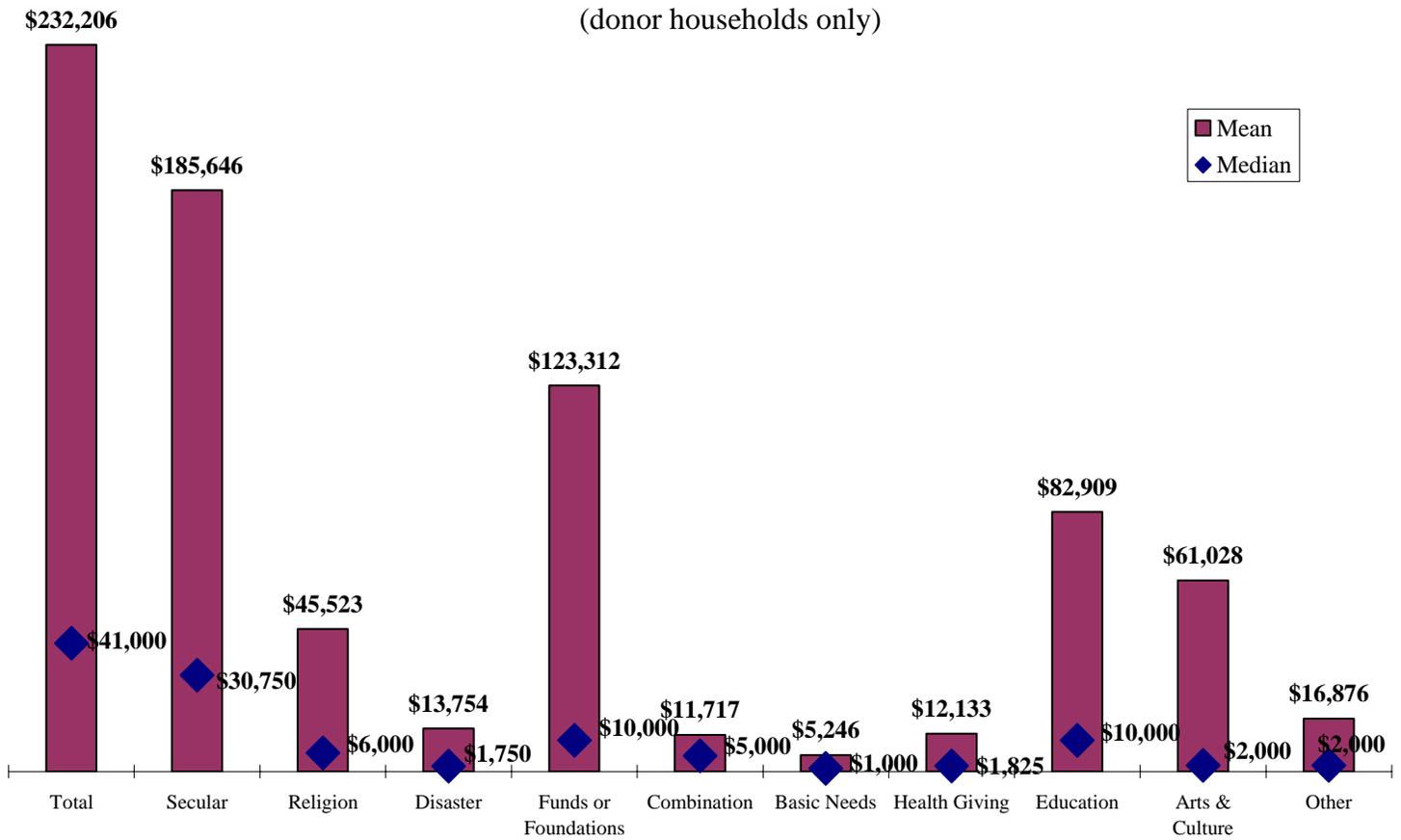
As shown in Figure 1, donations from entrepreneurial households are diversified. About 24 percent of all entrepreneurial charitable giving went to educational organizations. Another 21 percent was donated to religious organizations, 18 percent went to foundations, funds, or trusts, and 16 percent was given to arts and cultural organizations.

Figure 1: Estimated Distribution of Giving by The Entrepreneur, 2005



As illustrated in Figure 2, entrepreneurial households give the most on average to foundations, funds, or trusts (\$123,312) and the least amount on average to organizations serving basic needs such as food and shelter (\$5,246). Educational and arts and cultural organizations also receive large amounts on average (\$82,909 and \$61,028 respectively).

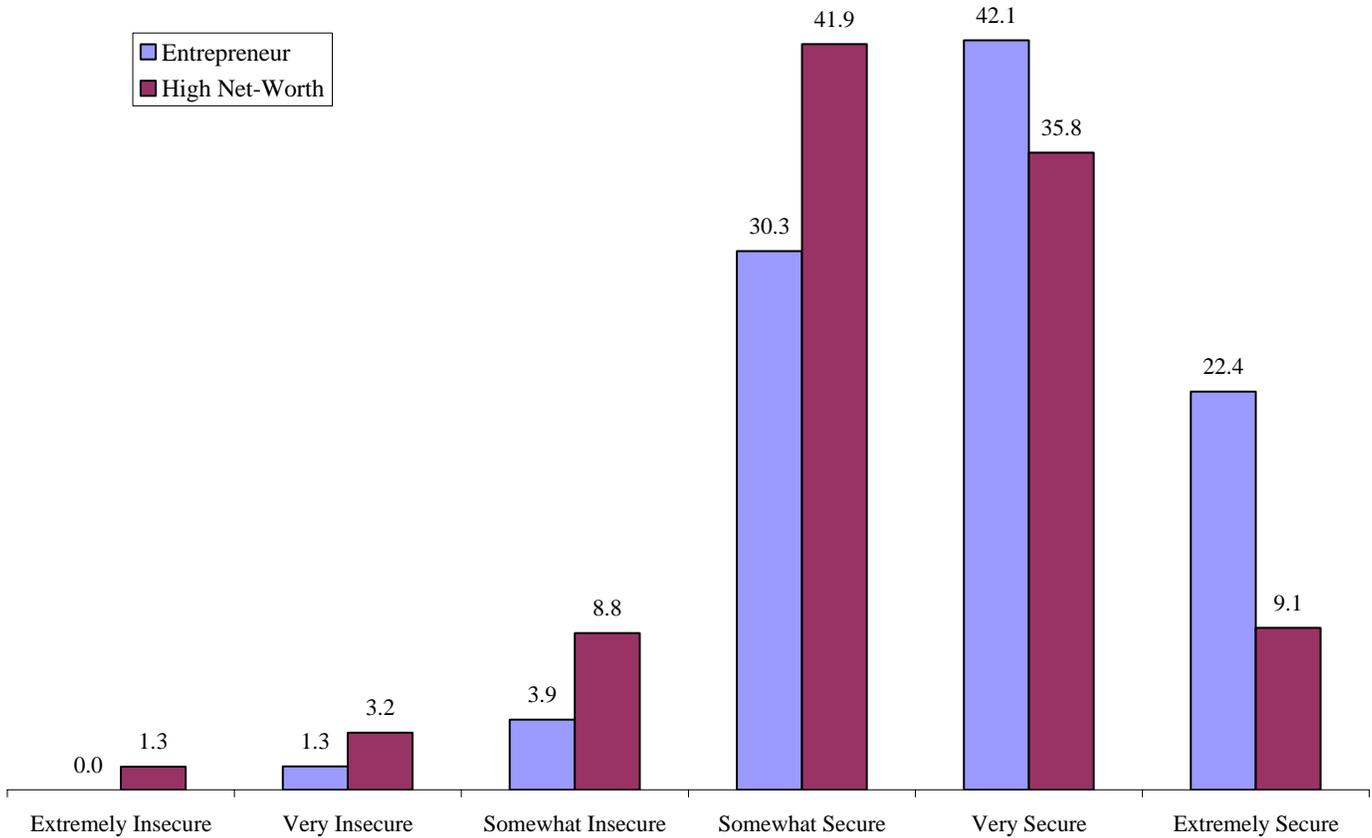
Figure 2: Giving by Entrepreneur Households by Types of Organization Receiving Funding, 2005
(donor households only)



Financial Security

Entrepreneurial households feel more financially secure than other high net-worth households (see Figure 3). Nearly 95 percent of entrepreneurial households reported feeling somewhat, very, or extremely financially secure. More than twice as many entrepreneurial households reported feeling extremely secure than other high net-worth households (22.4 and 9.1 percent respectively).

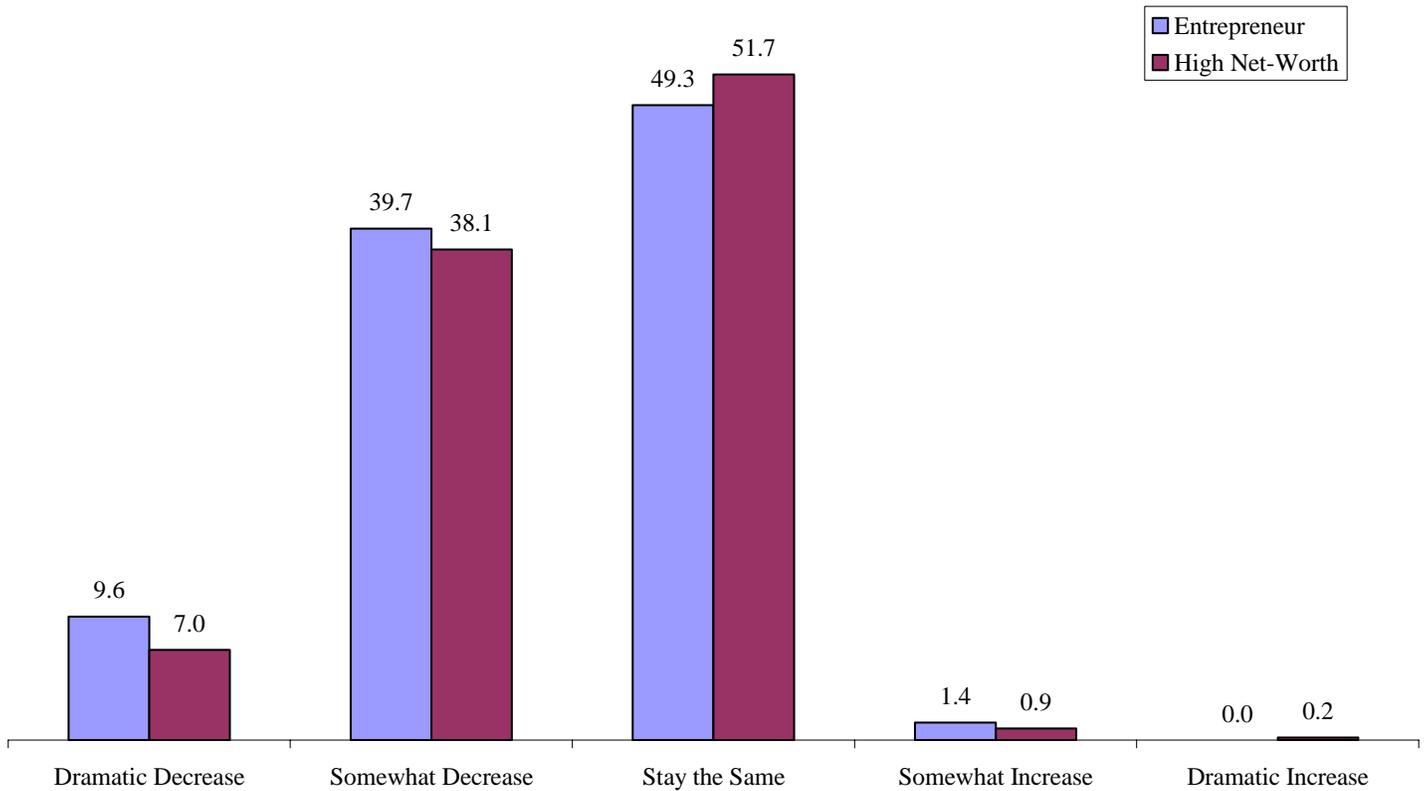
Figure 3: Sense of Financial Security of Entrepreneur Households (percentage)



Tax Implications

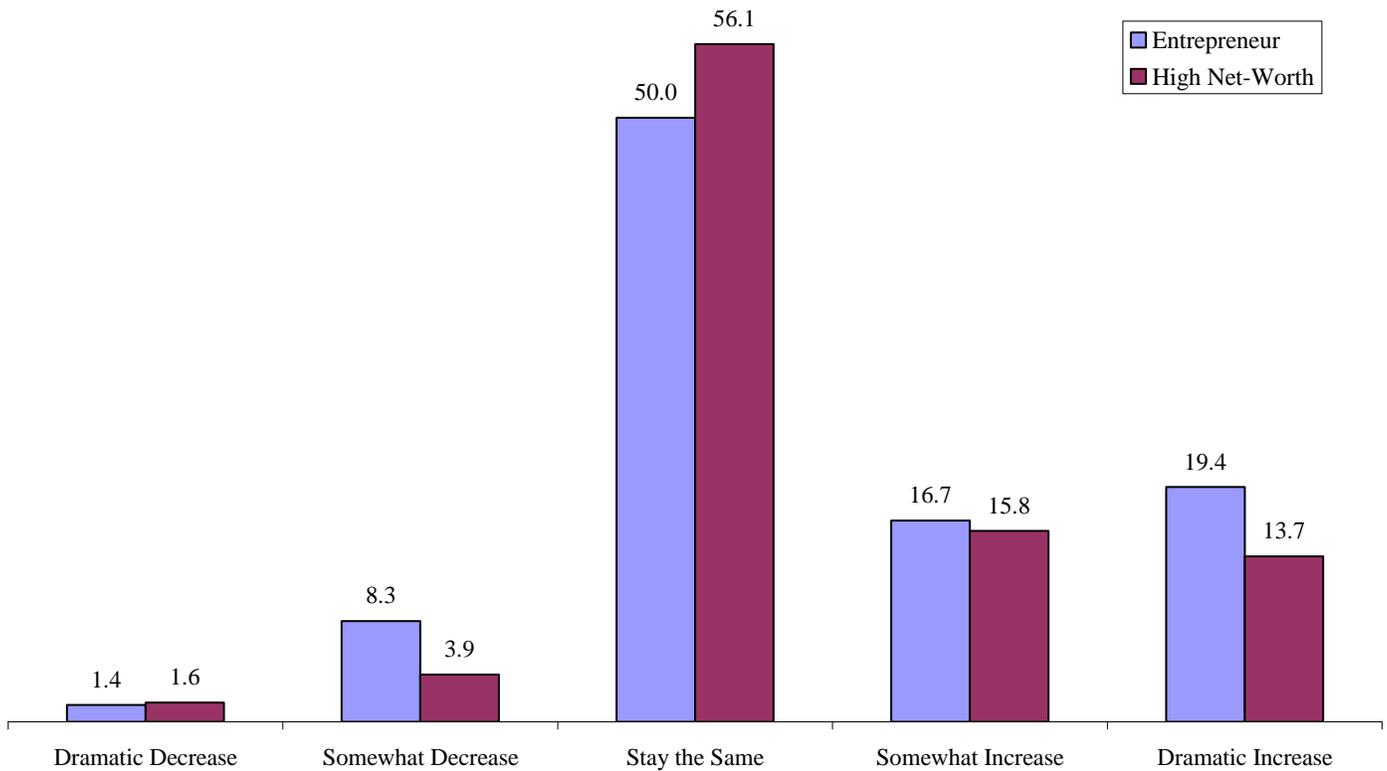
As shown in Figure 4, just under half of all entrepreneurial households reported that the amount they left to charity would stay the same if they received zero income tax deductions for their charitable donations. However, they were more likely than other high net-worth households to report that the amount they would donate to charity would decrease (49.3 and 45.1 percent respectively) if they received zero income tax deductions for their donations.

Figure 4: Percentage of Entrepreneur Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Half of all entrepreneurial households report that the amount they left to charity would stay the same if the estate tax were repealed (see Figure 5). Another 36.1 percent of entrepreneurial households report that their donations would somewhat or dramatically increase if the estate tax were repealed. Only 9.7 percent of entrepreneurial households report that the amount left to charity in their will would decrease.

Figure 5: Percentage of Entrepreneur Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed

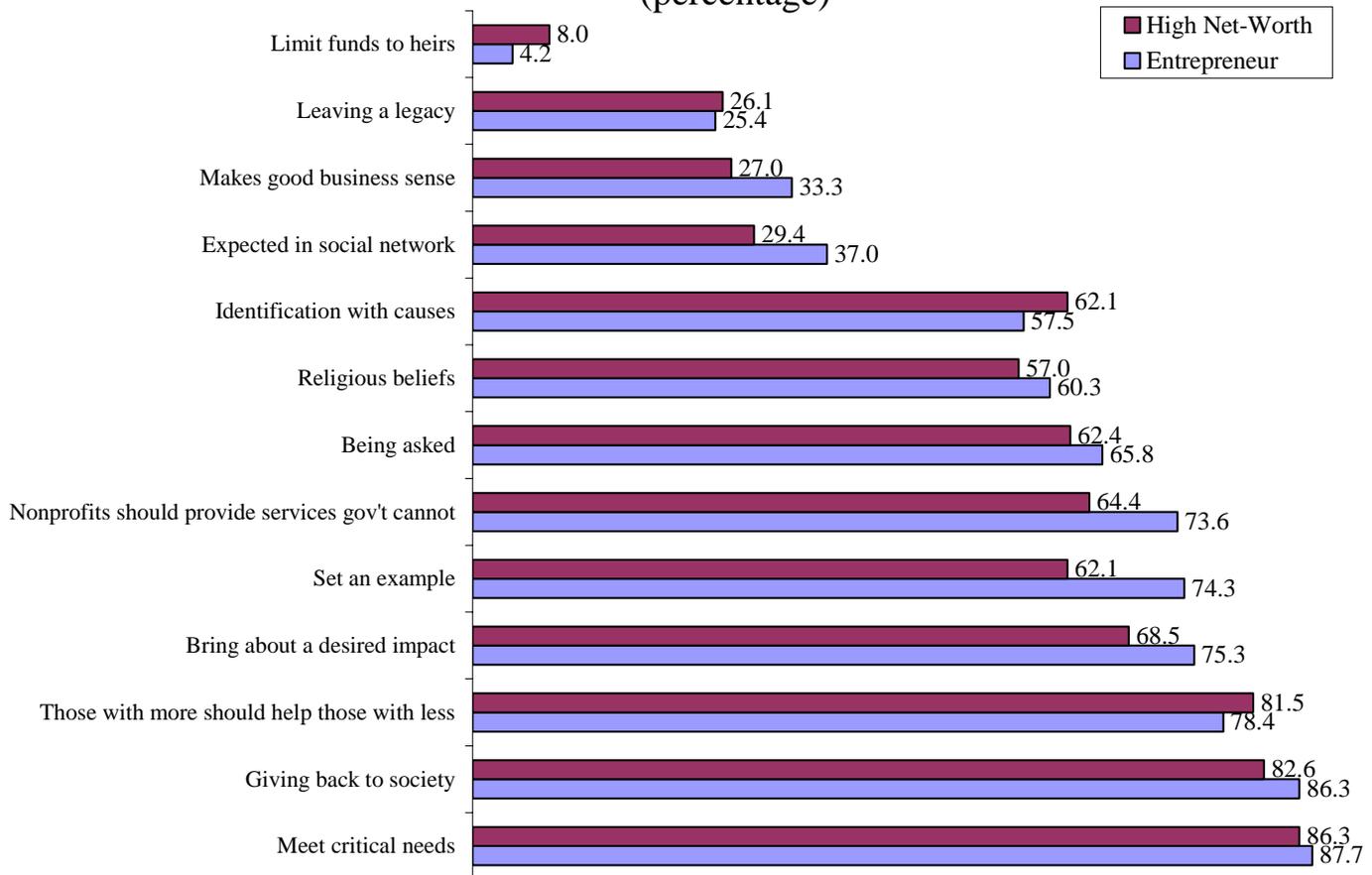


Motivations

Entrepreneurial households cite nearly the same motivations for donating to charity as other high net-worth households (see Figure 6). More entrepreneurial households report that meeting critical needs was an important motivation for giving to charity, 87.7 percent, than any other motivation. Other important motivations reported by entrepreneurial households include giving back to society (86.3 percent) and the feeling that those with more should help those with less (78.4 percent). The least frequently reported motivation for giving was as a way to limit funds to heirs, reported by only 4.2 percent.

There are some important differences, however, between the motivations for giving by high net-worth entrepreneurial households and all other high net-worth households. Entrepreneurial households were more likely than other high net-worth households to report that the ability to bring about a desired impact (75.3 and 68.5 percent respectively), setting an example for children and others (74.3 and 62.1 percent respectively), and that nonprofits should provide services that government cannot (73.6 and 64.4 percent) were important motivations for their giving. They were also more likely to report giving because it was expected in their social network and because it makes good business sense than other high net-worth households.

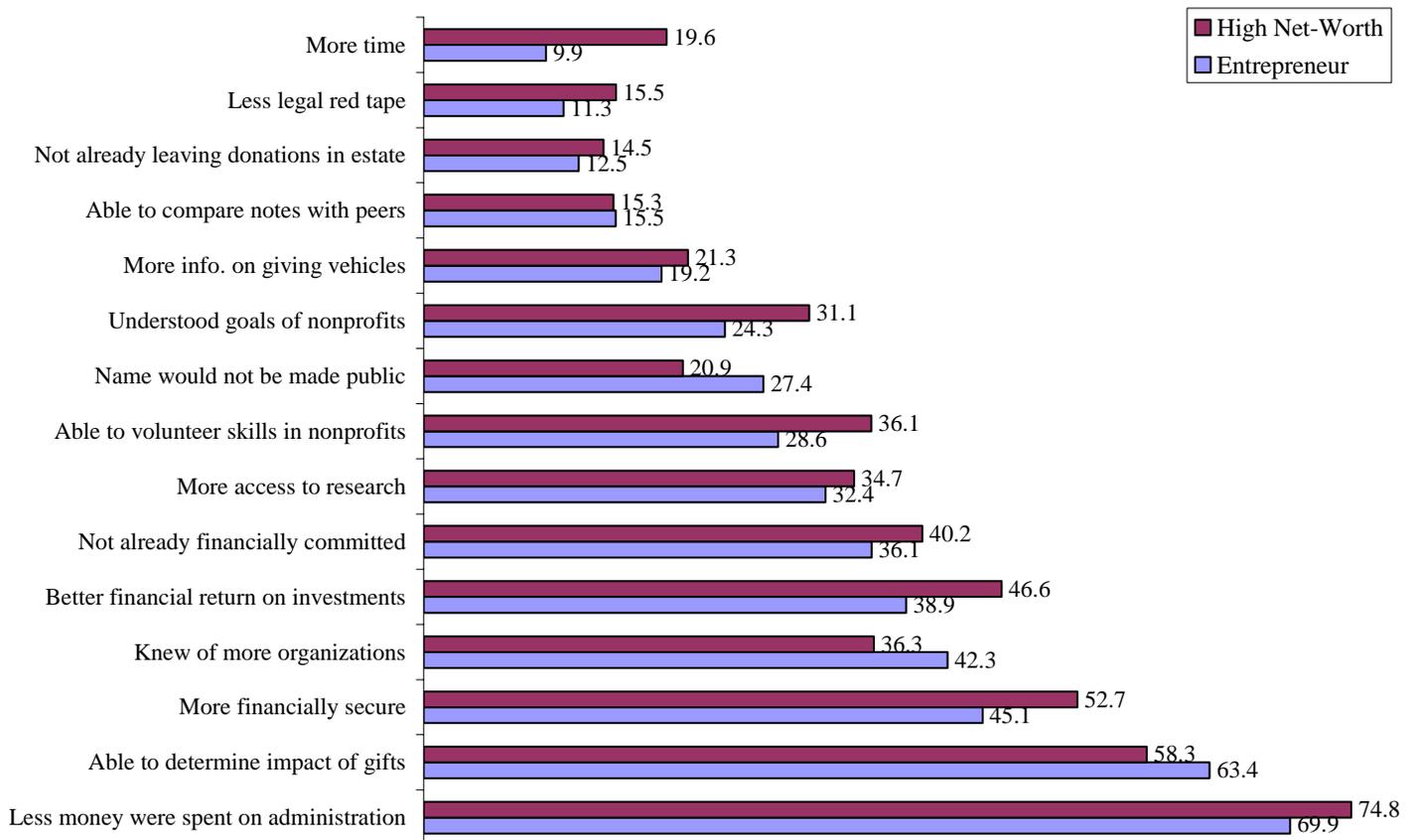
Figure 6: Important Motivations for Giving by Entrepreneur Households (percentage)



More entrepreneurial households report that they would give more to charity if nonprofits spent more money on helping their constituents and less money on administration than any other consideration (see Figure 7). However, they were less likely to report this than other high net-worth households (69.9 and 74.8 percent respectively). Entrepreneurs were also more likely to report that they would give more to charity if they were able to determine the impact of gifts than other high net-worth households (63.4 and 58.3 percent respectively).

Entrepreneurs, however, were less likely than other high net-worth households to report that they would give more to charity if they felt more financially secure, had a better return on their investments, or if they were not already financially committed. In addition, they were less likely than other high net-worth households to report that the ability to use their skill in nonprofits or having more time was keeping them from giving more to charity.

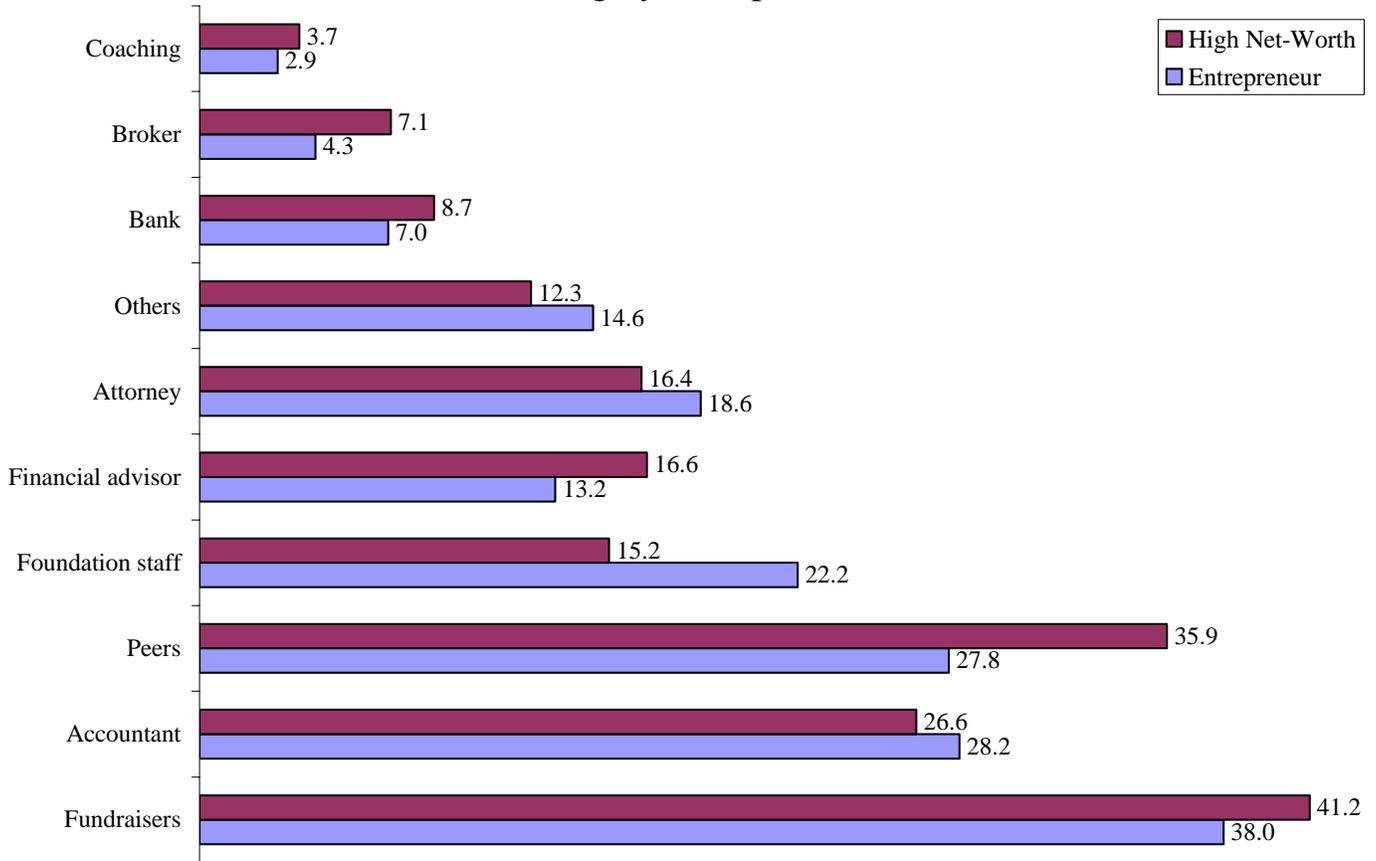
Figure 7: Percentage of Entrepreneur Households Reporting They Would Give More to Charity if the Following Occurred



Advice

As illustrated in Figure 8, high net-worth entrepreneurial households were less likely than other high net-worth households to seek advice about making charitable donations from fundraisers and other nonprofit personnel (38.0 and 41.2 percent respectively) and from their peers (27.8 and 35.9 percent respectively). They were more likely, however, to seek advice from foundation staff than other high net-worth households (22.2 and 15.2 percent respectively).

Figure 8: Percentage of Donor Households that Sought Advice for Charitable Giving by Entrepreneur Households

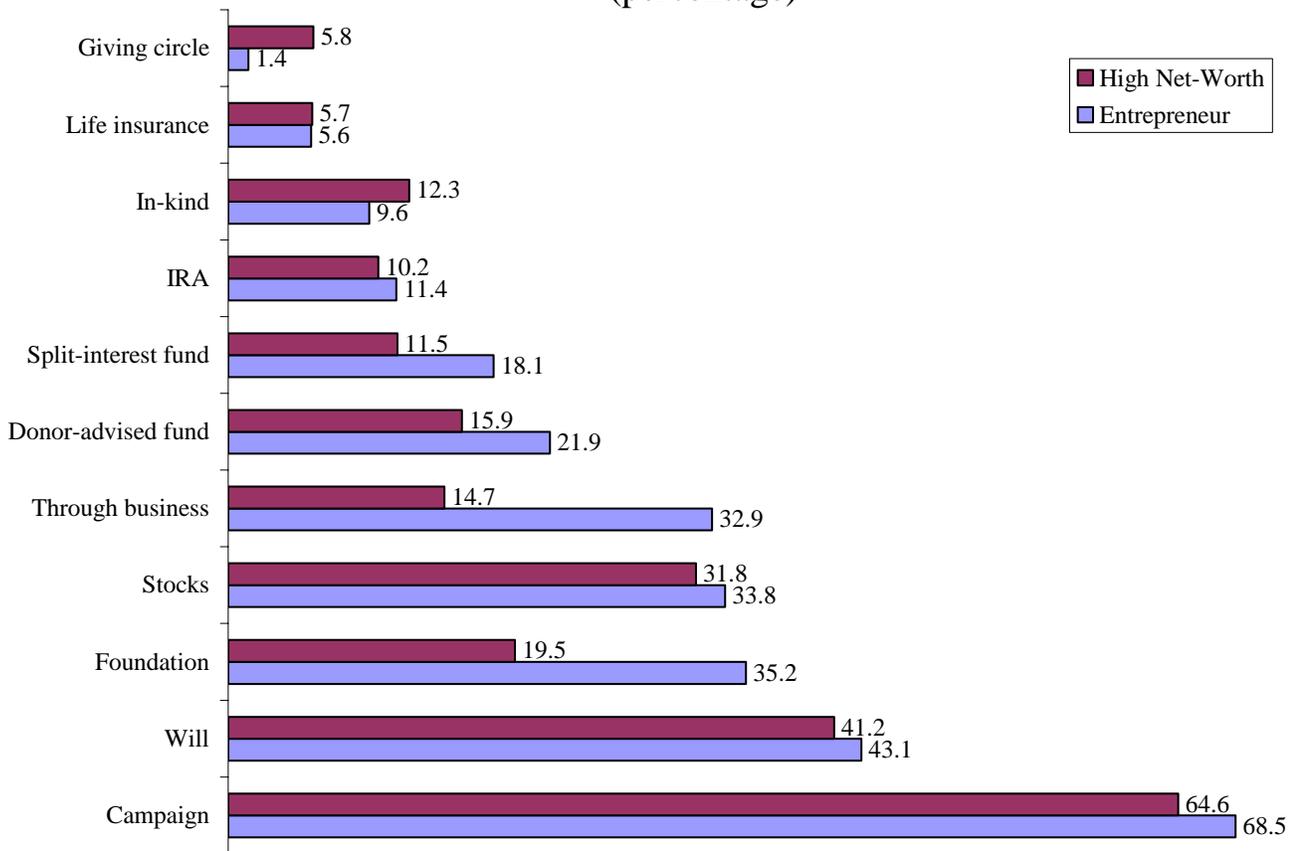


How Donations Are Made

Overall, high net-worth entrepreneurial households were more likely to use various vehicles for making charitable donations than other high net-worth households (see Figure 9). They were more likely to have created a foundation than other high net-worth households (35.2 and 19.5 percent respectively) and to make donations through their family-owned business (32.9 and 14.7 percent respectively). They were also more likely to create a donor-advised fund and a split-interest fund than other high net-worth households.

Similar to other high net-worth households, entrepreneurial households are the most likely to participate in a charitable campaign (68.5 percent) and to leave a provision in their will for charity (43.1 percent) than other giving vehicles.

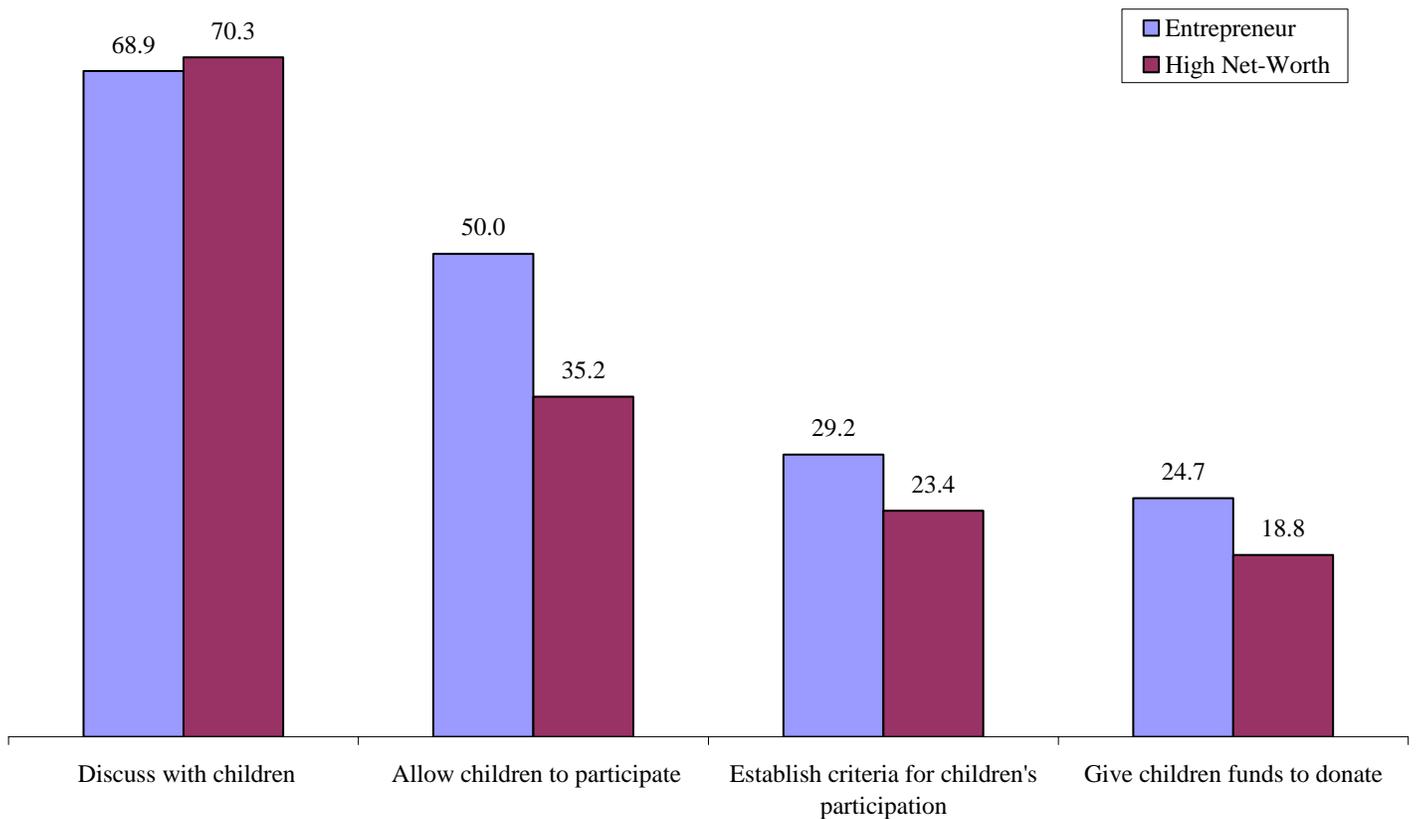
Figure 9: Giving Vehicles Used by Entrepreneur Households
(percentage)



Transmitting Values

As shown in Figure 10, most high net-worth entrepreneurial households discuss their philanthropy with their children (68.9 percent). Entrepreneurial households were more likely than other high net-worth households to allow children to participate in the philanthropic decisions (50.0 and 35.2 percent respectively), establish criteria for their children's participation (29.2 and 23.4 percent), and give their children money for which they are to donate (24.7 and 18.8 percent).

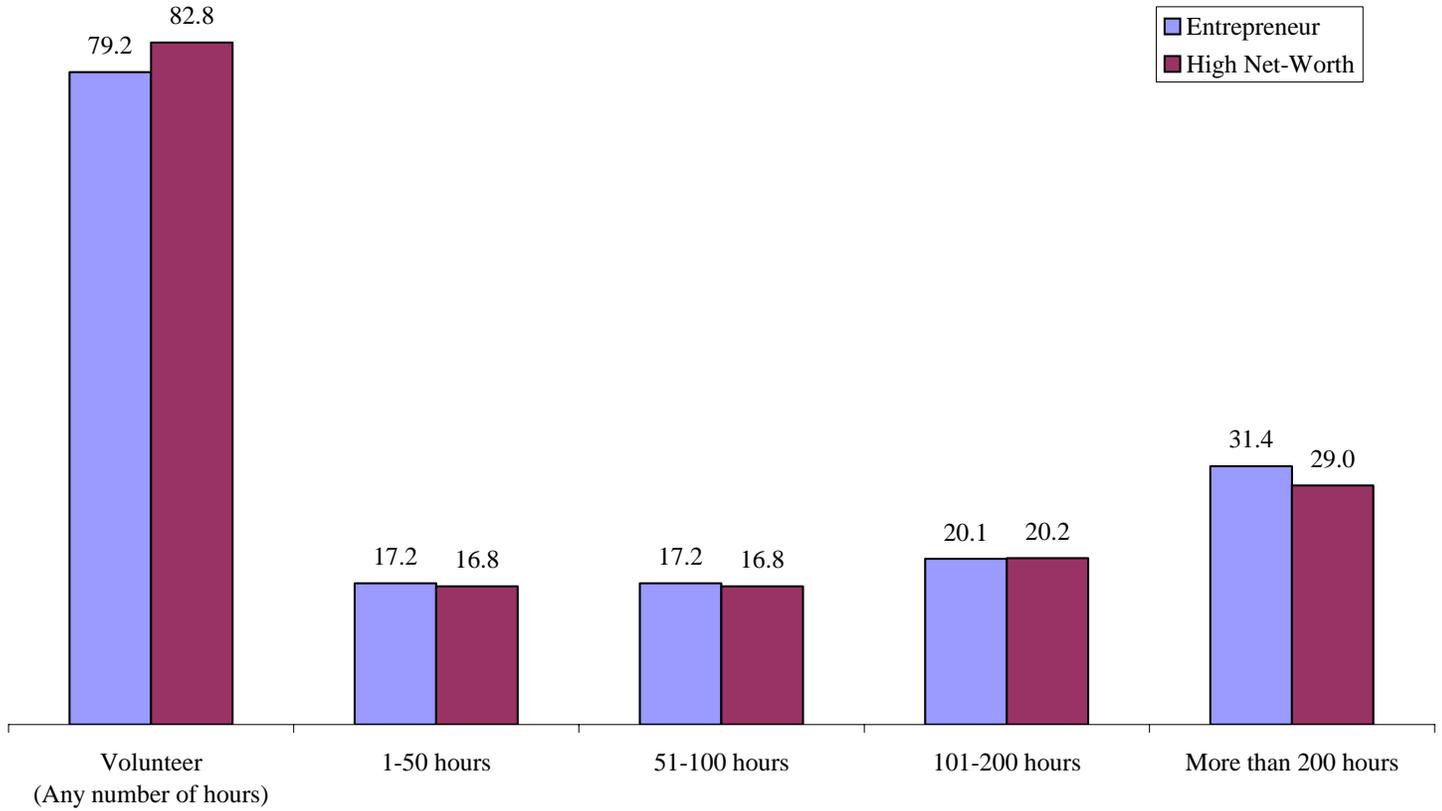
Figure 10: Percentage of Entrepreneur Households Reporting Children's Participation in Philanthropy



Volunteering

Similar to all high net-worth households, nearly 80 percent of entrepreneurial high net-worth households volunteer their time(see Figure 11). Nearly 30 percent of entrepreneurial households volunteer more than 200 hours per year, just slightly more than the percent of all high net-worth households.

Figure 11: Percentage of Entrepreneur Households that Volunteer by the Number of Hours Volunteered



The Dynast

Dynast households are wealthy households that give their children money to donate to charity. Dynast households give statistically significantly less to foundations, funds, and trusts than other high net-worth households, but give statistically significantly more to organizations that meet basic human needs such as food and shelter. Dynast households also give statistically more to arts and culture. There is no statistical difference between their income and wealth levels when compared to other wealthy households, but they report feeling more financially secure. Dynast households are much more likely to be motivated to give to charity by a belief that it is important to set an example for children, future generations, their community or social network, and they are the least motivated by a belief that giving is a way to limit funds left to heirs.

Dynast households are much more likely to seek external advice about their charitable donations. Over half report seeking advice from fundraisers, other nonprofit personnel, or their peers. They are also more likely to use various giving vehicles such as foundations, stocks, and donor-advised funds when making donations. Over half report leaving a provision in their will for charity. Finally, dynast households are much more likely to donate more than 200 hours a year than other high net-worth households.

Characteristics

They are slightly more likely to have a Master's degree than other wealthy households, 39.2 and 28.9 percent respectively. Over 60 percent of dynast households have between two and three children. They were also slightly more likely to report having their children living at home, which may be a function of being younger on average than other high net-worth households. Half are 60 years of age or younger.

Table 1: Income and Wealth of Dynast Households

Dynast households have similar income and wealth levels than other high net worth households.

	Mean	Sig. ¹	Median	Mode
Income	\$1,529,367		\$750,000	\$350,000
Wealth	\$17,846,753		\$7,500,000	\$3,500,000

¹ There is no statistical difference in the mean income and wealth of dynast households and the means for all other households in the study.

Charitable Giving

As illustrated in Table 2, High net-worth dynast households give 70 percent more to charity than other high net-worth households (\$205,467 and \$120,651 respectively). This difference in giving, however, comes almost exclusively from giving more to secular causes (\$175,369 and \$102,553 respectively). Dynast households give nearly the same on average to religious organizations (\$19,717 and \$20,530 respectively).

Table 2: Total, Secular, and Religious Giving by Dynast and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
The Dynast	\$205,467	\$37,000	\$175,369	\$19,000	\$19,717	\$6,000
High Net Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

As illustrated in Table 3, dynast households give statistically significantly less to foundations, funds, and trusts than other high net-worth households (\$48,744 and \$114,683 respectively). Dynast households give statistically significantly more to organizations serving basic human needs including food and shelter than other high net-worth households (\$9,535 and \$4,550 respectively). Dynast households also give statistically significantly more to arts and culture than other high net-worth households (\$71,223 compared to \$16,567 given by other high net-worth households).

Table 3: Giving by Dynast Households, 2005 (donor households only)

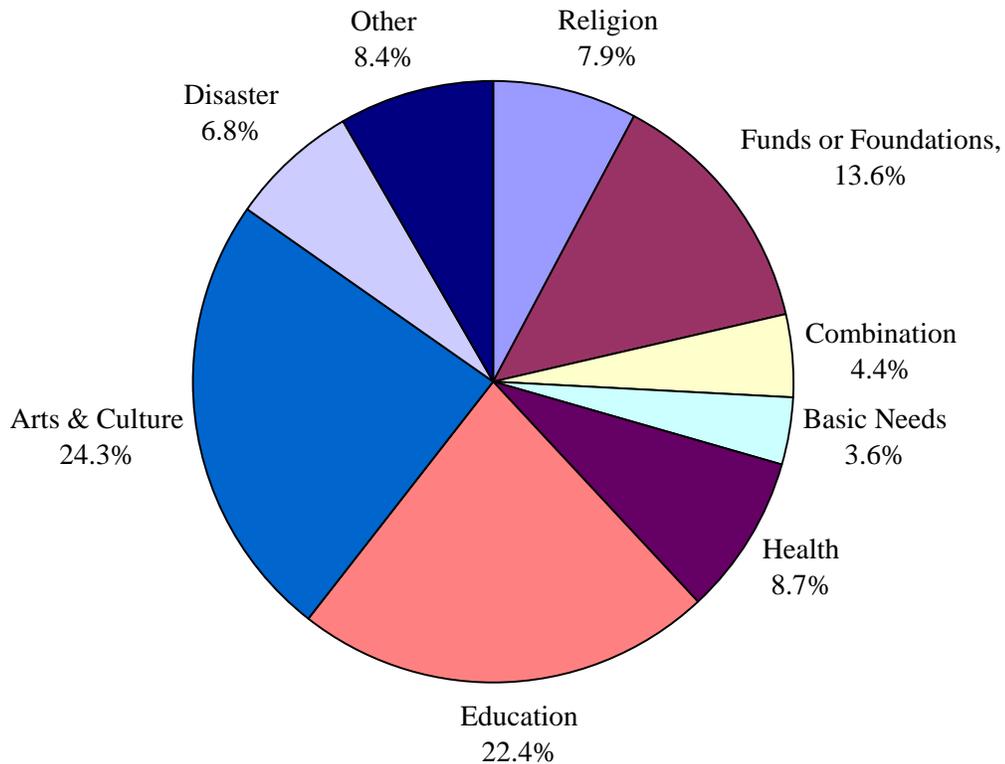
	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$205,467		\$37,000	\$2,800	\$4,523,500	\$1,050	77
Secular	\$175,369		\$19,000	\$31,500	\$4,514,900	\$150	77
Religion	\$19,717		\$6,000	\$10,000	\$310,000	\$200	77
Disaster	\$18,226		\$1,500	\$500	\$650,000	\$20	77
Fund and Foundation	\$48,744	---	\$6,010	\$1,000	\$500,000	\$0	77
Combination	\$13,340		\$2,250	\$1,000	\$150,000	\$0	77
Basic Needs	\$9,535	+	\$1,250	\$1,000	\$149,500	\$50	77
Health Giving	\$25,981		\$1,000	\$1,000	\$500,000	\$0	77
Education	\$52,895		\$3,000	\$2,000	\$1,300,000	\$50	77
Arts & Culture	\$71,223	++	\$2,060	\$500	\$2,700,000	\$0	77
Other	\$29,466		\$2,500	\$500	\$600,000	\$0	77

Note: +p<.05, ++p<.01, statistically significantly positive differences between high net-worth dynast and non-dynast households.

---p<.001, statistically significantly negative differences between high net-worth dynast and non-dynast households. Categorical descriptions are found on page 8.

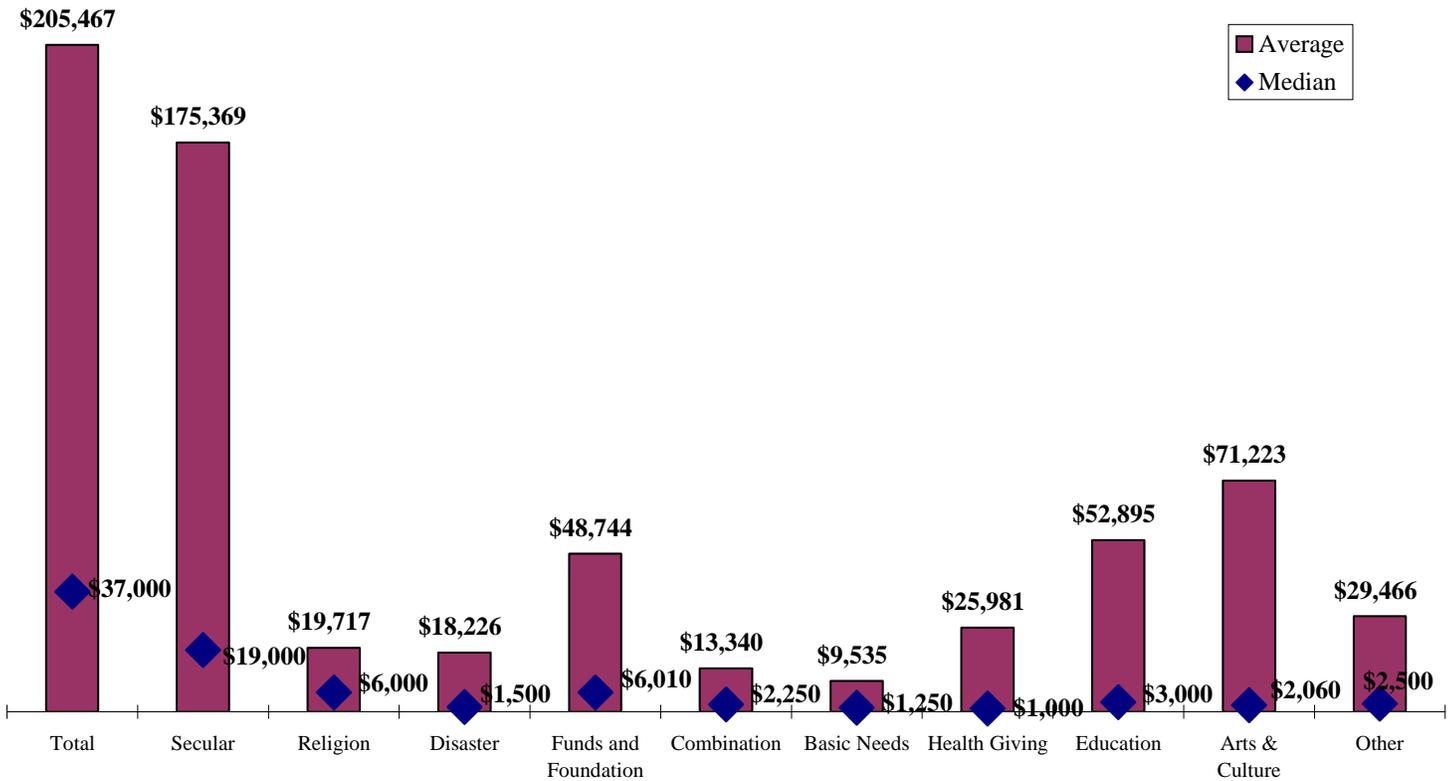
Dynast households differ considerably from other wealthy households (see Figure 1). Over one-fourth of all dynast household giving is directed towards arts and culture organizations, much more than other wealthy households. Another 22 percent was donated to educational organizations, and 14 percents went to foundations, funds, or trusts. Unlike other high net-worth households, only 7.9 percent of all donations from dynast household were donated to religious organizations.

Figure 1: Estimated Distribution of Giving by The Dynast, 2005



As shown in Figure 2, dynast households give the most on average to arts and cultural organizations than to any other type of nonprofit (\$71,223). However, the median gift to arts and culture was only \$2,060, suggesting that the “typical” dynast household gives much less. Dynast households also give a large amount, \$52,895 on average, to educational organizations, but the median gift is only \$3,000. This again suggests wide variations in the amount donated. Dynast households give the least on average to basic needs and organizations that serve a combination of purposes such as United Way (\$13,340 and \$2,250 respectively).

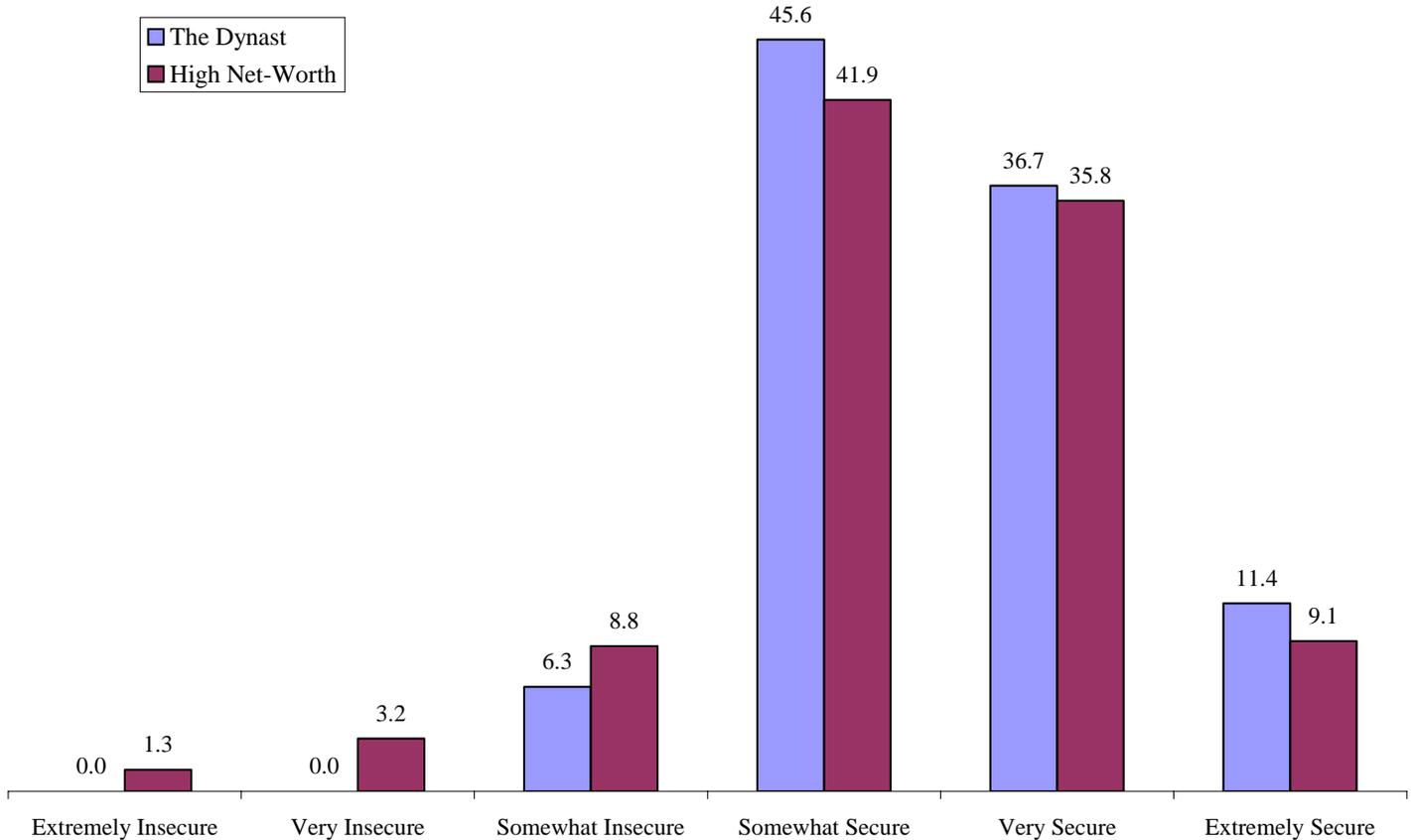
Figure 2: Giving by Dynast Households by Types of Organization Receiving Funding, 2005
(donor households only)



Financial Security

High net-worth dynast households are more financially secure than other high net-worth households (see Figure 3). More dynast households than other high net-worth households reported feeling somewhat financially secure (45.6 and 41.9 percent respectively), very financially secure (36.7 and 35.8 percent respectively), or extremely financially secure (11.4 and 9.1 percent respectively). Overall, 93.7 percent of dynast households feel financially secure while 86.8 percent of other high net-worth households feel financially secure.

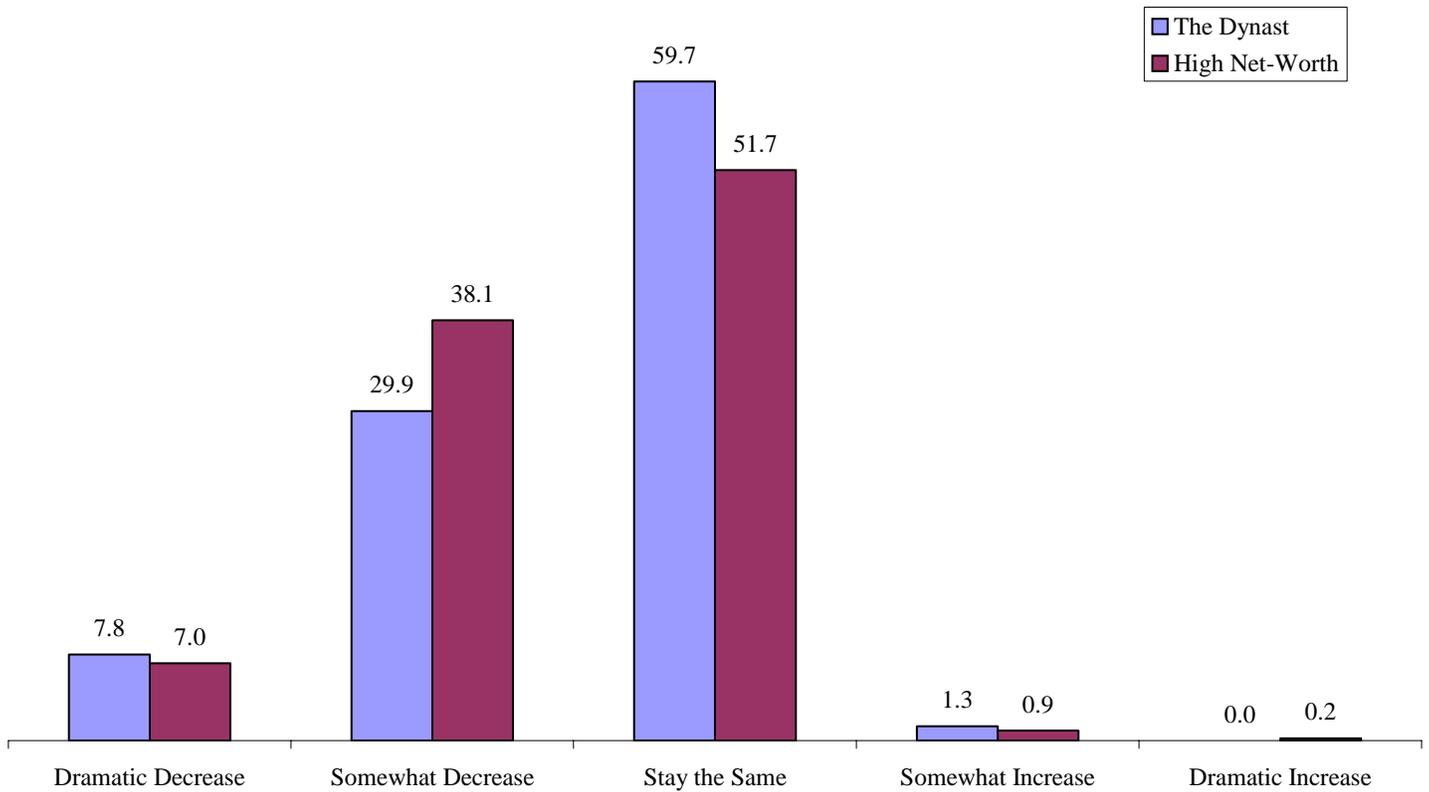
Figure 3: Sense of Financial Security of Dynast Households
(percentage)



Tax Implications

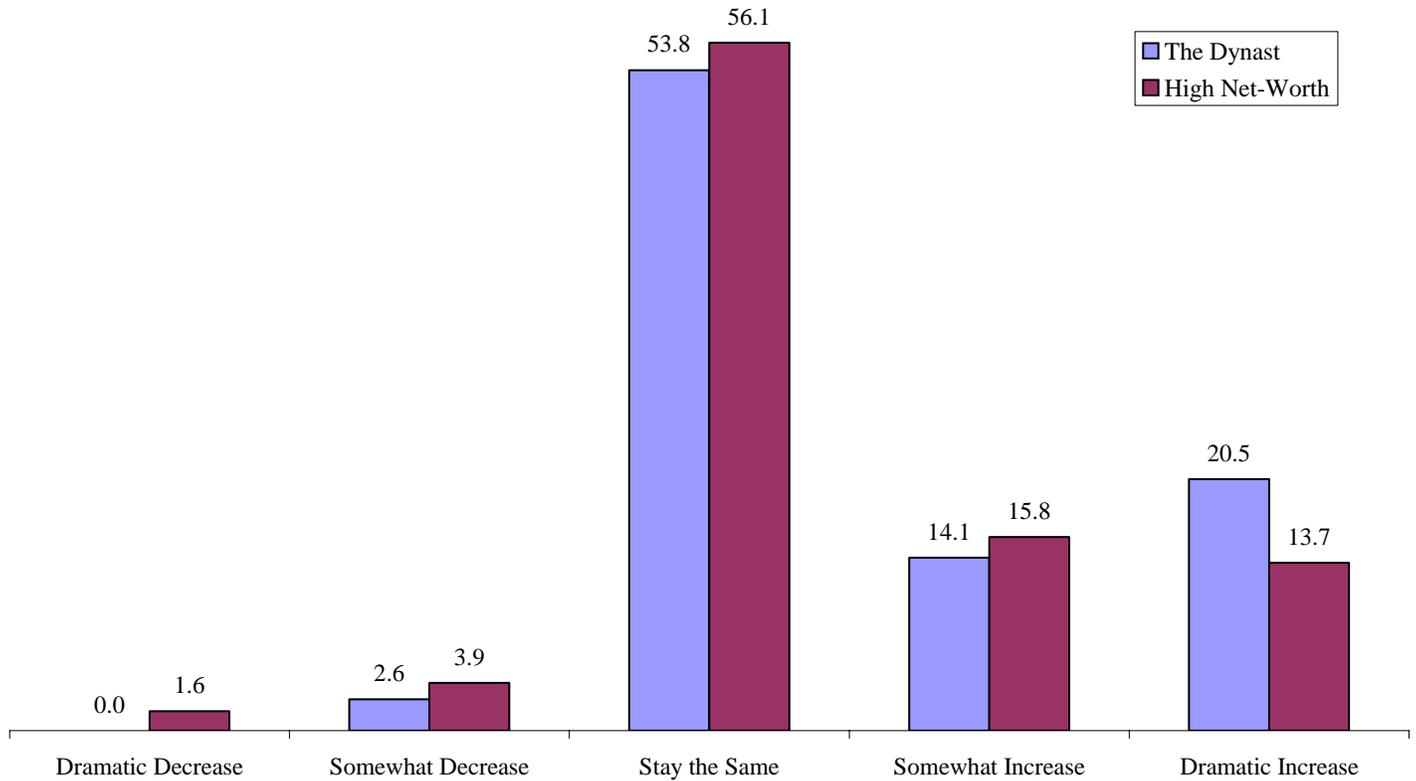
As shown in Figure 4, more dynast households reported that their donations would stay the same if they received zero income tax deductions for their donations than other high net-worth households (59.7 and 51.7 percent respectively). Another 37.7 percent reported that they would either somewhat or dramatically decrease their donations if they the received zero income tax deductions.

Figure 4: Percentage of Dynast Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Similar to other high net-worth households, the majority of dynast households, 53.8 percent, report that if the estate tax were repealed the amount they left to charity in their will would stay the same (Figure 5). Another 34.6 percent report that they would increase the amount they left to charity in their estate plan if the estate tax were repealed (compared with 29.5 percent overall).

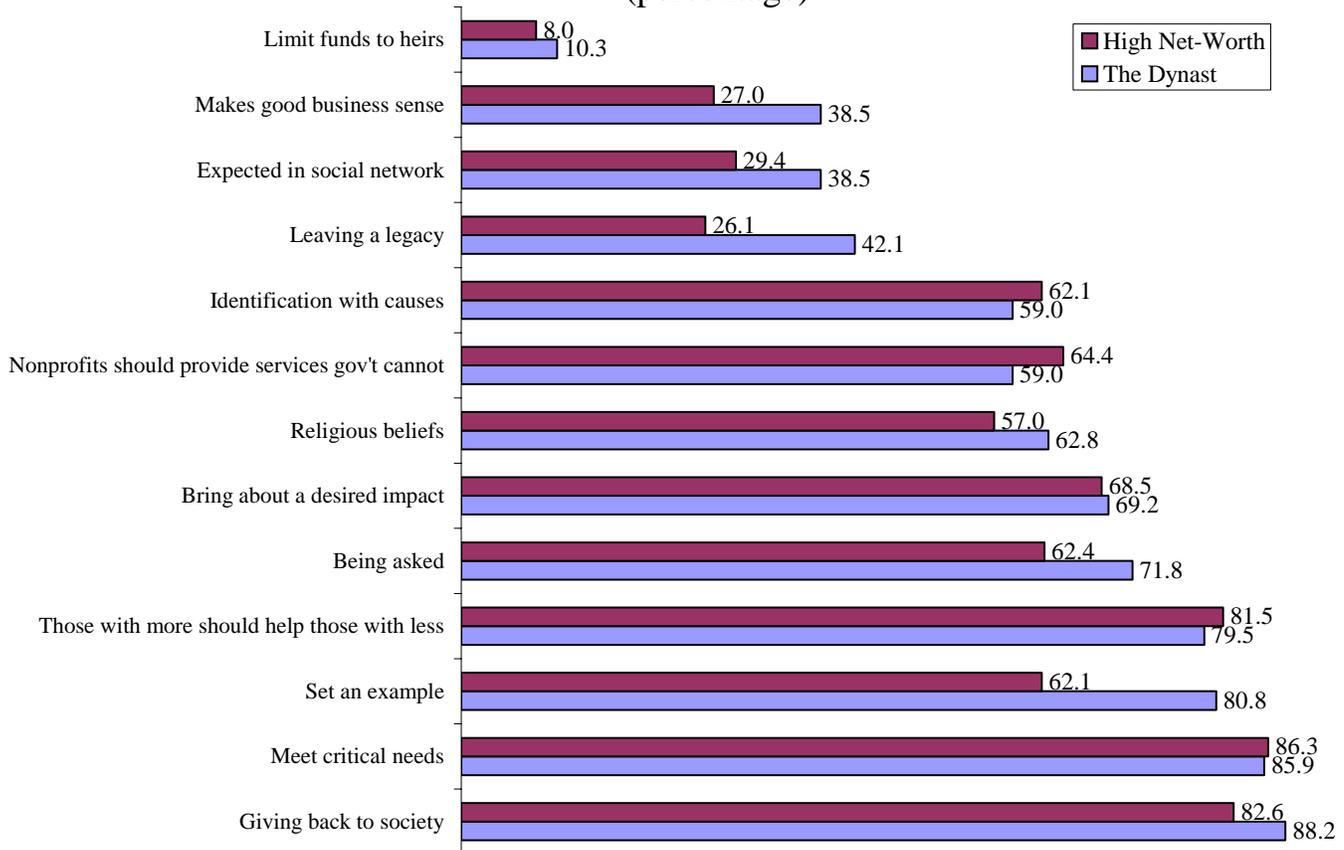
Figure 5: Percentage of Dynast Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

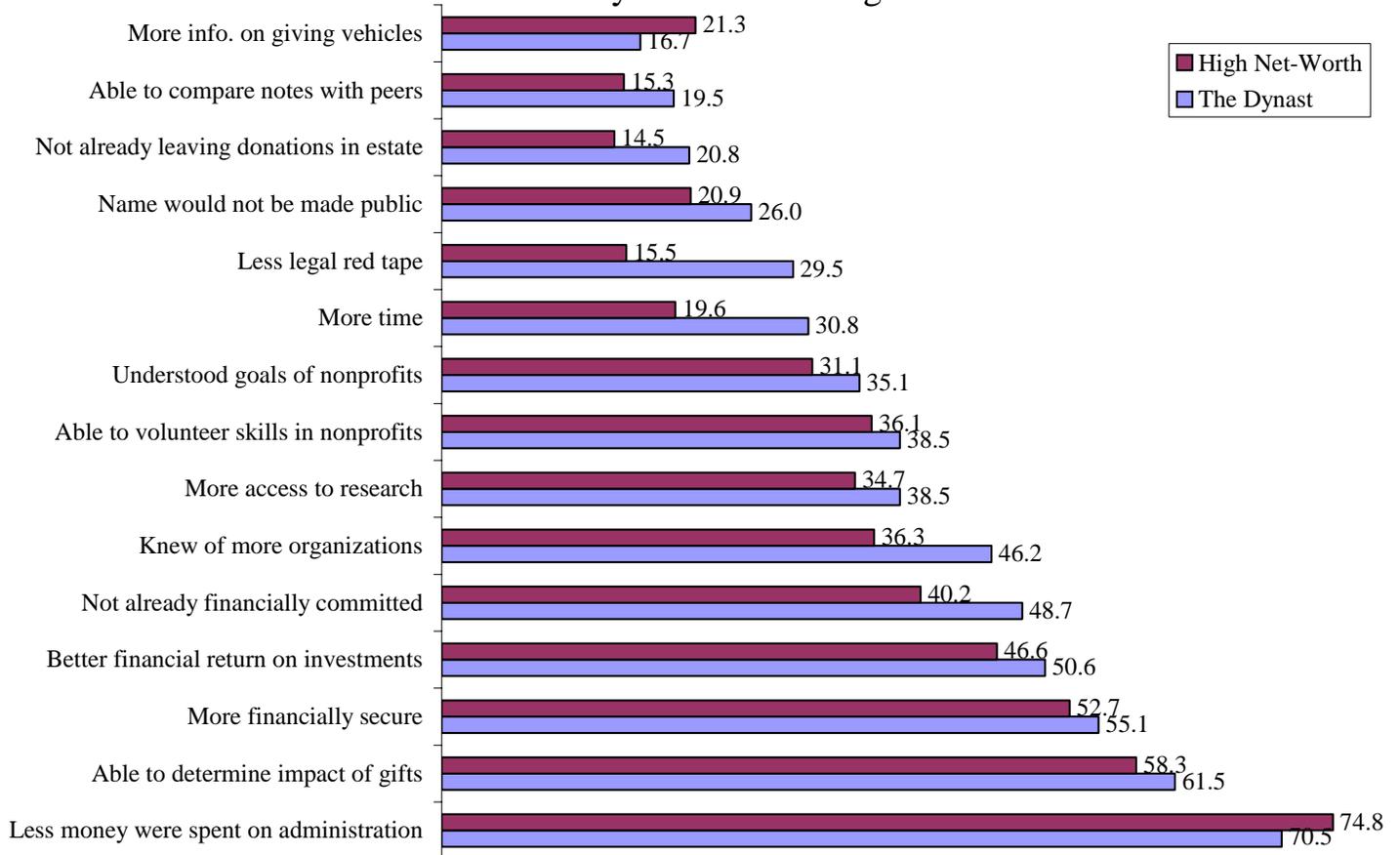
As shown in Figure 6, giving back to society and the ability to meet critical needs were reported as important by more dynast households than other motivations for giving (88.2 and 85.9 percent respectively). High net-worth dynast households differ from other high net-worth households in a few notable ways. Dynast households were much more likely than other wealthy households to report that setting an example for children and others was an important motivation for giving (80.8 and 62.1 percent respectively). Dynast households were also more likely than other high net-worth households to report that being asked, leaving a legacy, being expected in their social network, and making good business sense were important motivations for giving.

Figure 6: Important Motivations for Giving by Dynast Households
(percentage)



High net-worth households were the most likely to report that they would give more to charity if nonprofits spent less money on administrative and fundraising costs than any other motivation (70.5 percent), just slightly less than the 74.8 percent reported by other wealthy households (see Figure 7). Dynast households are much more likely than other high net-worth households to report that they would give more to charity if they were not already financially committed (48.7 and 46.2 percent respectively) and if they knew of more organizations (46.2 and 36.3 percent). Dynast households were also more likely than other high net-worth households to report that they would give more to charity if they had more time (30.8 and 19.6 percent respectively) and if there were less legal red tape (29.5 and 15.5 percent respectively).

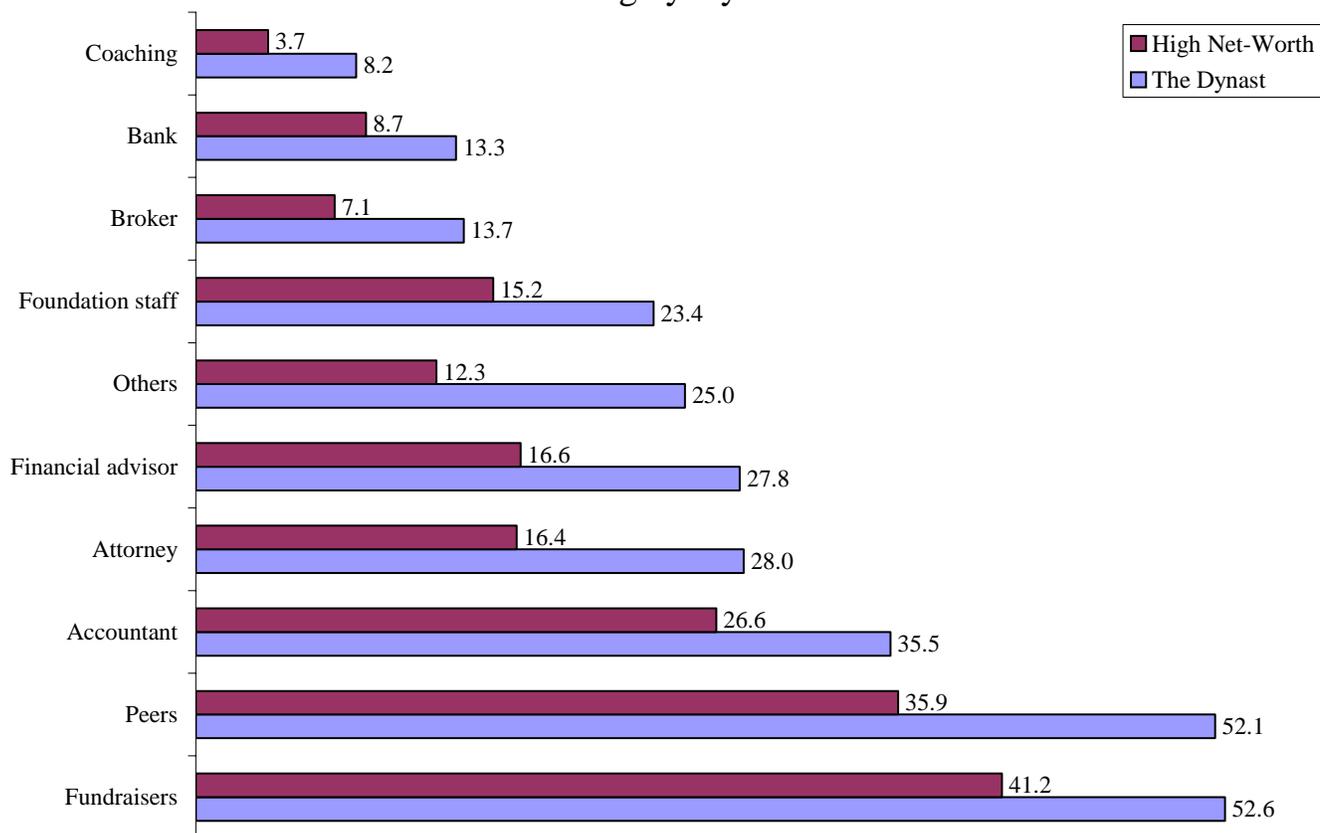
Figure 7: Percentage of Dynast Households Reporting They Would Give More to Charity if the Following Occurred



Advice

As shown in Figure 8, dynast households were much more likely to seek external advice about their charitable giving than other high net-worth households. In particular, they were more likely to consult fundraisers and other nonprofit personnel (52.6 and 41.2 percent respectively), to consult their peers (52.1 and 35.9 percent respectively), accountants (35.5 and 26.6 respectively), and attorneys (28.0 and 16.4 percent respectively). There are similar patterns when consulting independent financial advisors, foundation staff, brokers, bank personnel, and coaching programs. In each case, dynast households were more likely to consult these advisors than other high net-worth households.

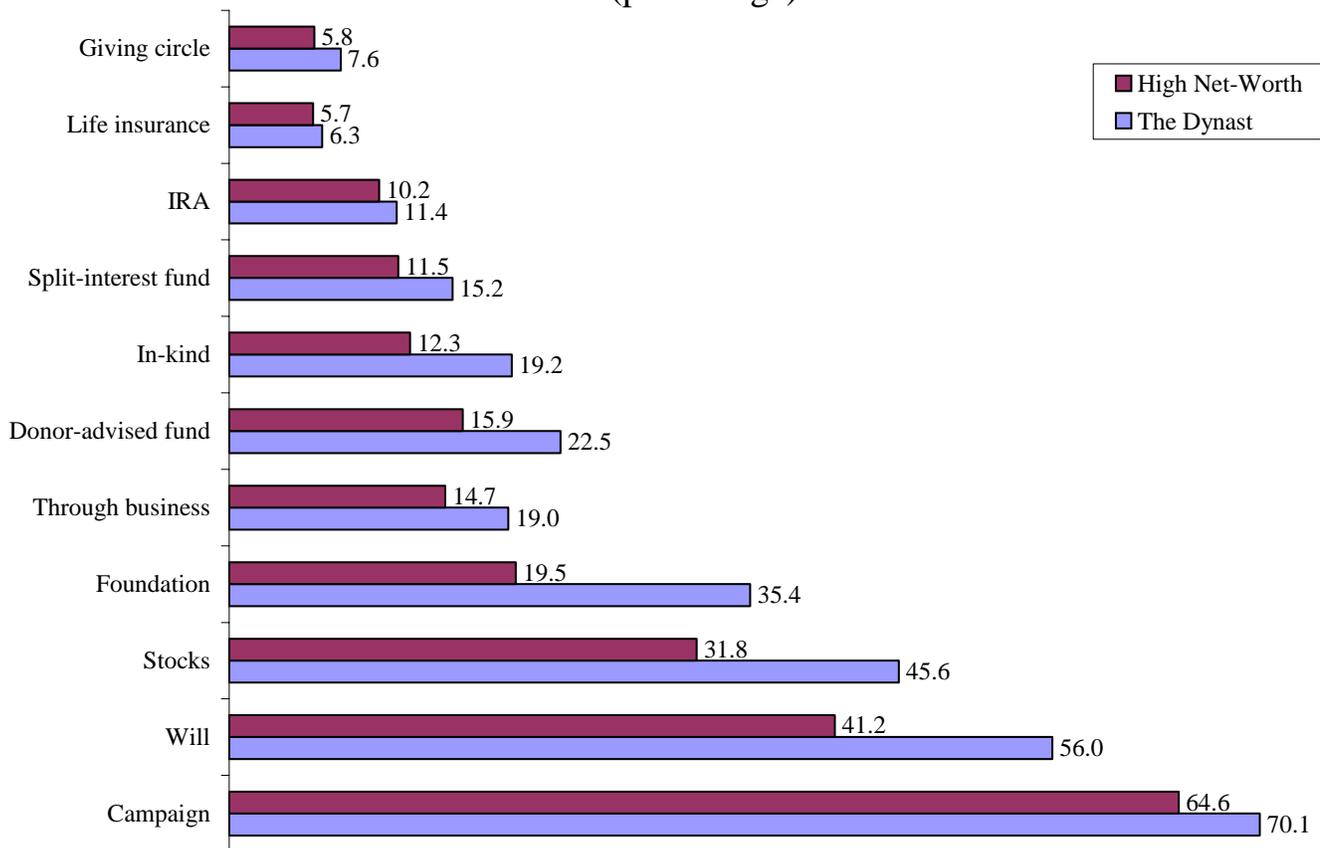
Figure 8: Percentage of Donor Households who Sought Advice for Charitable Giving by Dynast Households



How Donations Are Made

High net-worth dynast households (see Figure 9), similar to other high net-worth households, are likely to be involved with a charitable campaign (70.1 and 64.6 percent respectively). Dynast households, however, were much more likely to use other vehicles when making charitable donations than other high net-worth households. For example, they were more likely to leave a provision in their will for charity than other high net-worth households (56.0 and 41.2 percent respectively). Dynast households were also more likely to donate stocks (45.6 and 31.8 percent respectively), create a foundation (35.4 and 19.5 percent respectively), or create a donor-advised fund (22.5 and 15.9 percent respectively).

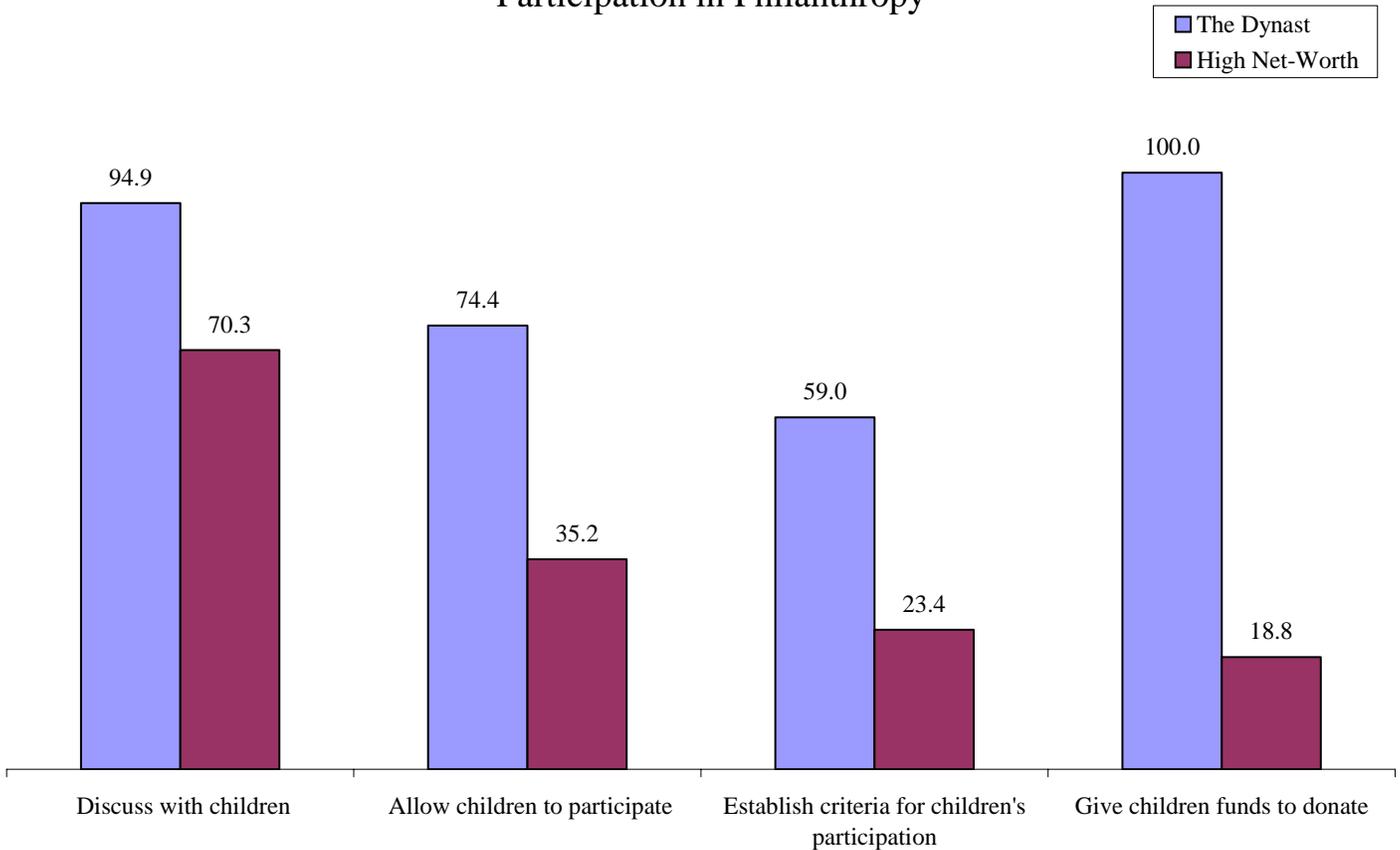
Figure 9: Giving Vehicles Used by Dynast Households
(percentage)



Transmitting Values

By definition, dynast households give their children money for which they are to donate to charity. As illustrated in Figure 10, of those high net-worth that give their children money to donate, 94.9 percent also discuss philanthropy with their children, 74.4 percent allow their children to participate in philanthropic decisions, and 59.0 percent have established criteria for their children's participation. These percentages differ dramatically from other high net-worth households. Many more dynast households allow some type of participation in the family's philanthropy than other high net-worth households.

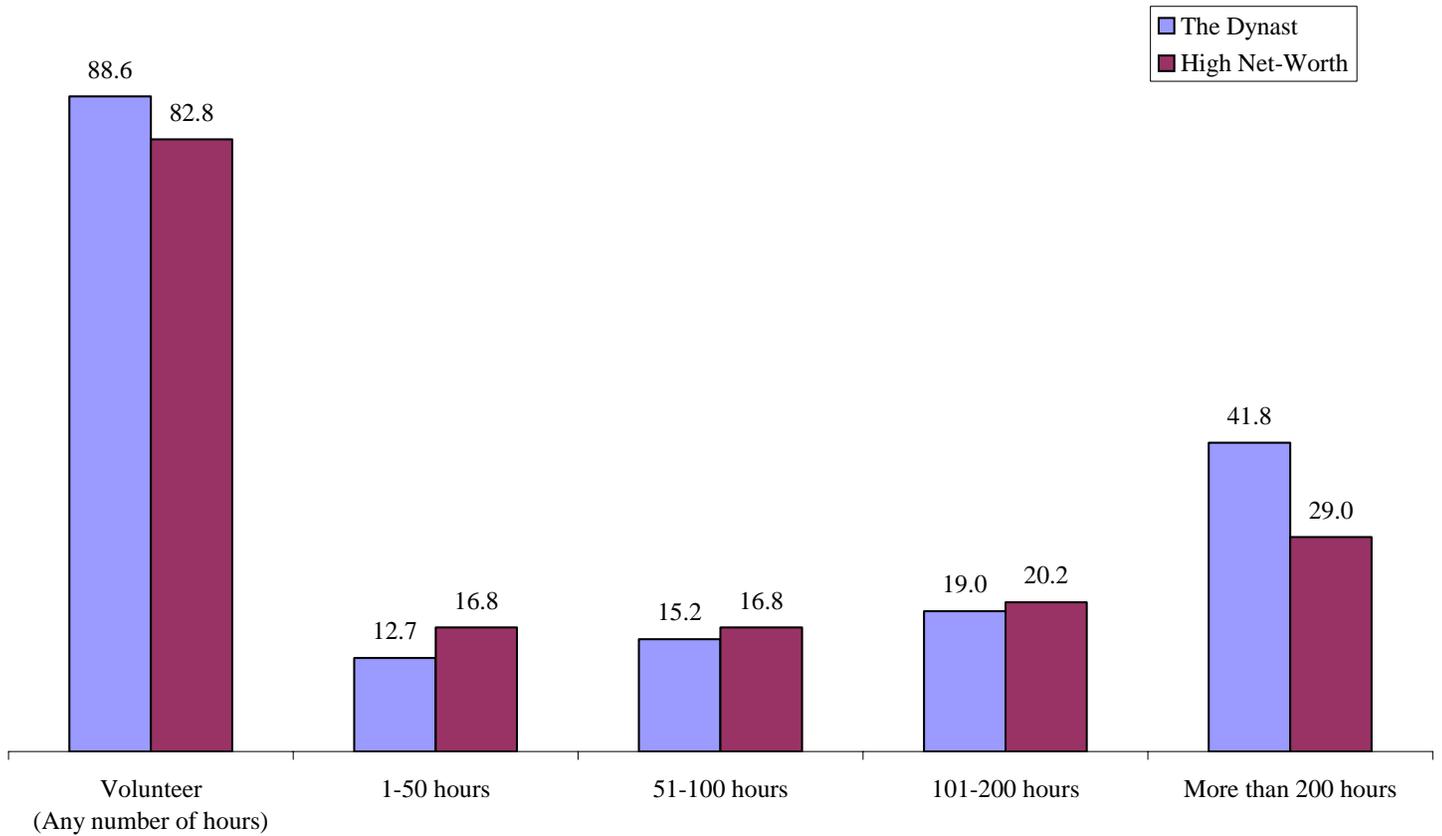
Figure 10: Percentage of Dynast Households Reporting Children's Participation in Philanthropy



Volunteering

As shown in Figure 11, high net-worth dynast households are slightly more likely to volunteer than other high net-worth households (88.6 and 82.8 percent respectively). When dynast households do volunteer, they tend to volunteer many more hours than other high net-worth households. For example, 41.8 percent of dynast households volunteer 200 or more hours a year, a higher percentage than other high net-worth households (29.0 percent).

Figure 11: Percentage of Dynast Households that Volunteer by the Number of Hours Volunteered



The Metropolitan

Metropolitan high net-worth households have their primary residence located in a city with more than 500,000 people. Metropolitans give statistically significantly less to foundations, funds, or trusts than non-metropolitan households, but give statistically more to arts and culture. They are primarily motivated by a sense that it is important to meet critical community needs and to give back to society. More metropolitan households than other wealthy households responded that it is important to donate to charity to bring about a desired impact. They were also more likely to be motivated to give by being asked and by a belief that nonprofits should provide services that the government cannot.

There was no statistical difference in income or wealth levels between metropolitan and non-metropolitan households, but metropolitans were less likely to report that they would give more to charity if they had a better return on their investments or if they were not already financially committed, suggesting that finances do not impede metropolitan household giving. They were much more likely to seek external advice about their charitable giving and only slightly more likely to create a foundation or a donor-advised fund. Finally, they were much more likely to participate in a charitable campaign, leave a provision in their will for charity, or donate stocks.

Characteristics

While one-fourth of metropolitan high net-worth households are between the ages of 61 and 70, they are slightly older than other wealthy households. Nearly 36 percent are older than 70 years of age. They are slightly more likely to have a medical, law, or doctoral degree than other high net-worth households, 35.2 and 28.0 percent respectively. Finally, 14.3 percent of Metropolitan households are childless.

Table 1: Income and Wealth of Metropolitan Households

	Mean	Sig. ¹	Median	Mode
Income	\$1,124,553		\$350,000	\$350,000
Wealth	\$16,447,967		\$7,500,000	\$7,500,000

¹ statistical significance: There is no statistical difference in mean income or wealth levels between metropolitan households and all other households in the study.

Charitable Giving

As shown in Table 2, metropolitan households give slightly more on average to charity than other high net-worth households (\$136,144 compared to \$120,651). Metropolitans give more on average to secular, but less to religious causes, than other high net-worth households.

Table 2: Total, Secular, and Religious Giving by Metropolitan Households and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
The Metropolitan	\$136,144	\$29,000	\$114,751	\$18,000	\$15,051	\$4,750
High Net-Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

High net-worth metropolitan households are statistically significantly less likely to donate to foundations, funds, and trusts than non-metropolitan households (see Table 3). Metropolitan households donate on average \$63,725 while other high net-worth households donate on average \$114,684. However, metropolitan households are statistically significantly more likely to donate to arts and cultural organizations than non-metropolitan households. Metropolitan households donate on average \$44,686 to arts and cultural groups, while other high net-worth households donate \$16,567 on average.

Table 3: Giving by Metropolitan Households (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$136,144		\$29,000	\$8,000	\$4,523,500	\$500	117
Secular	\$114,751		\$18,000	\$4,000	\$4,514,900	\$150	117
Religion	\$15,051		\$4,750	\$5,000	\$200,000	\$20	117
Disaster	\$15,882		\$1,000	\$1,000	\$650,000	\$50	117
Funds or Foundations	\$63,725	--	\$7,510	\$1,000	\$660,000	\$50	117
Combination	\$12,214		\$2,000	\$1,000	\$150,000	\$100	117
Basic Needs	\$5,575		\$1,000	\$1,000	\$50,000	\$50	117
Health	\$8,432		\$1,000	\$1,000	\$200,000	\$50	117
Education	\$40,901		\$4,150	\$500	\$1,300,000	\$100	117
Arts & Culture	\$44,686	+	\$2,300	\$1,000	\$2,700,000	\$50	117
Other	\$21,907		\$2,000	\$500	\$600,000	\$50	117

Note: +p<.05, statistically significantly positive differences between high net-worth metropolitan and non-metropolitan households.

--p<.01, statistically significantly negative differences between high net-worth metropolitan and non-metropolitan households.

Categorical descriptions are found on page 8.

Donations from metropolitan donors were more likely to be donated to arts and cultural organization than other high net-worth households. As shown in Figure 1, about 24 percent of the metropolitan's giving went to arts and culture. Another 23 percent went to education organizations, and 17 percent went to foundations, funds, or trusts.

Figure 1: Estimated Distribution of Giving by The Metropolitan, 2005

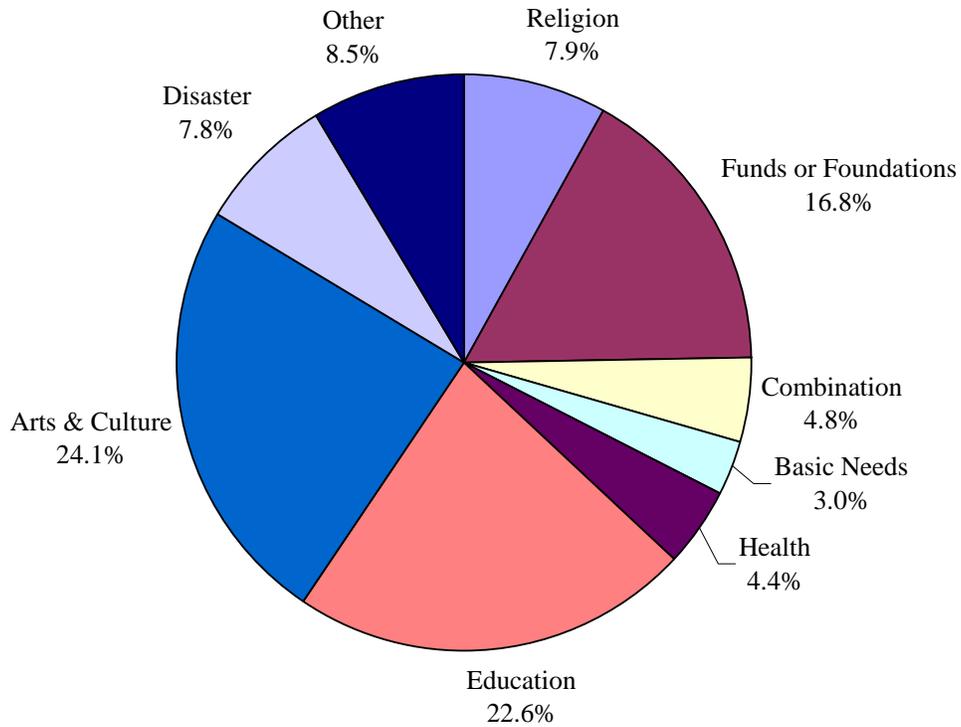
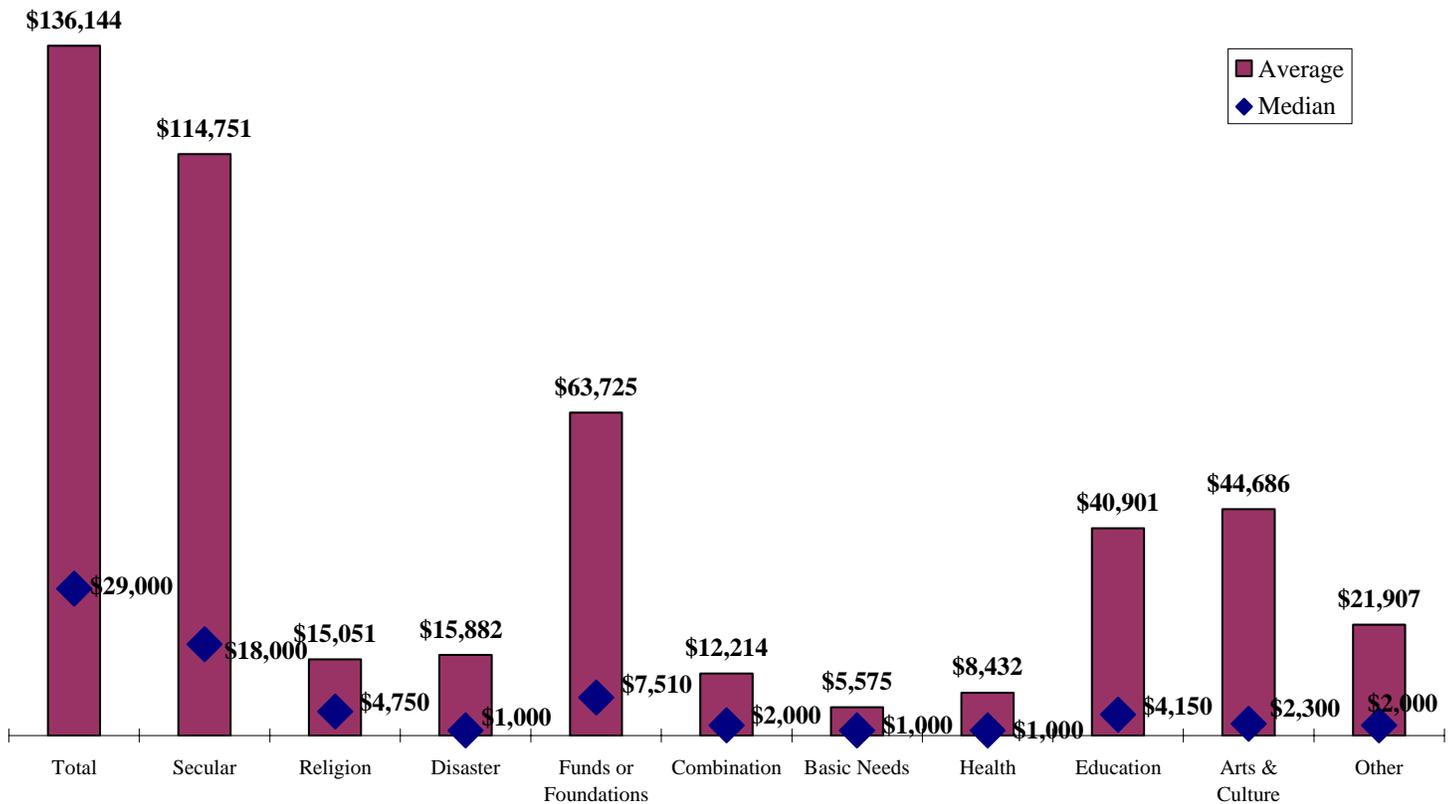


Figure 2 illustrates that Metropolitan households donate more on average to funds and foundations than to other types of organizations (\$63,725). Metropolitan households also donate on average \$44,686 (\$2,300 median amount) to arts and cultural organizations and \$40,901 (\$4,150 median) to educational organizations. They donate the least amount on average to organizations serving basic needs, \$5,575 (\$1,000 median amount).

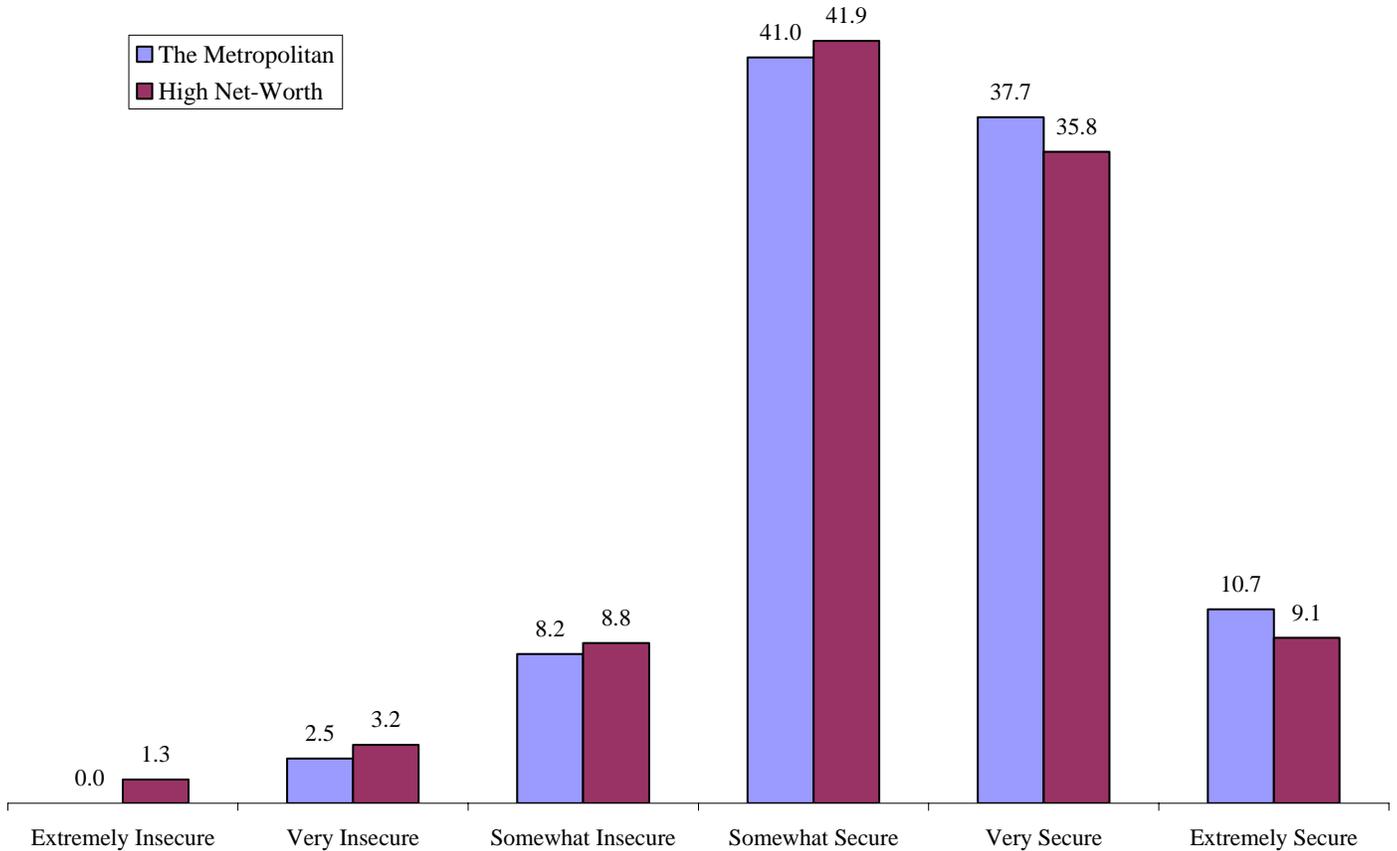
Figure 2: Giving by Metropolitan Households by Types of Organization Receiving Funding, 2005
(donor households only)



Financial Security

Metropolitan households follow the general patterns of all high net-worth households when reporting their sense of financial security (see Figure 3). Nearly all report feeling somewhat secure (41.0 percent), very secure (37.7 percent), or extremely secure (10.7 percent) about their financial state. Only 10.7 percent of metropolitan households report feeling financially insecure.

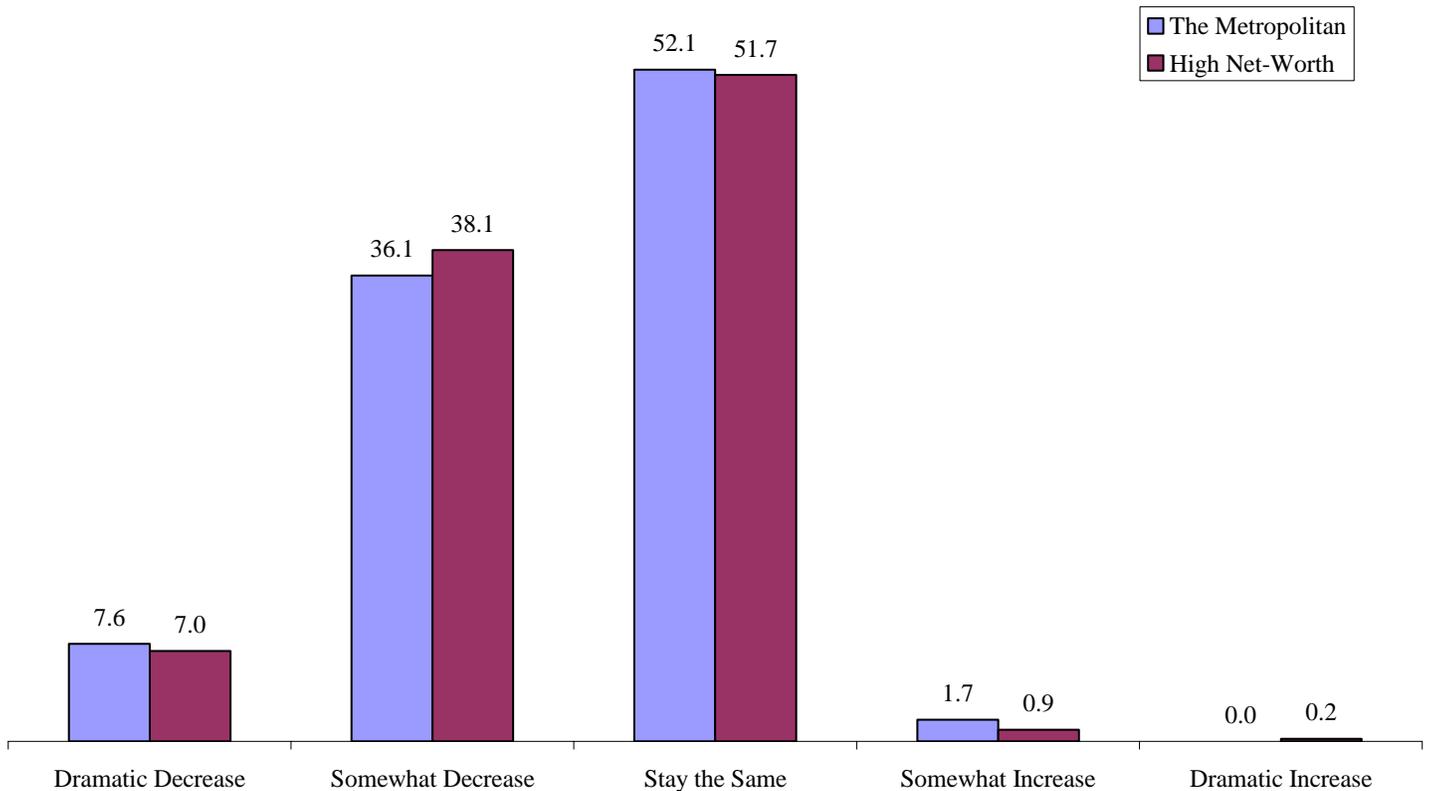
Figure 3: Sense of Financial Security of Metropolitan Households (percentage)



Tax Implications

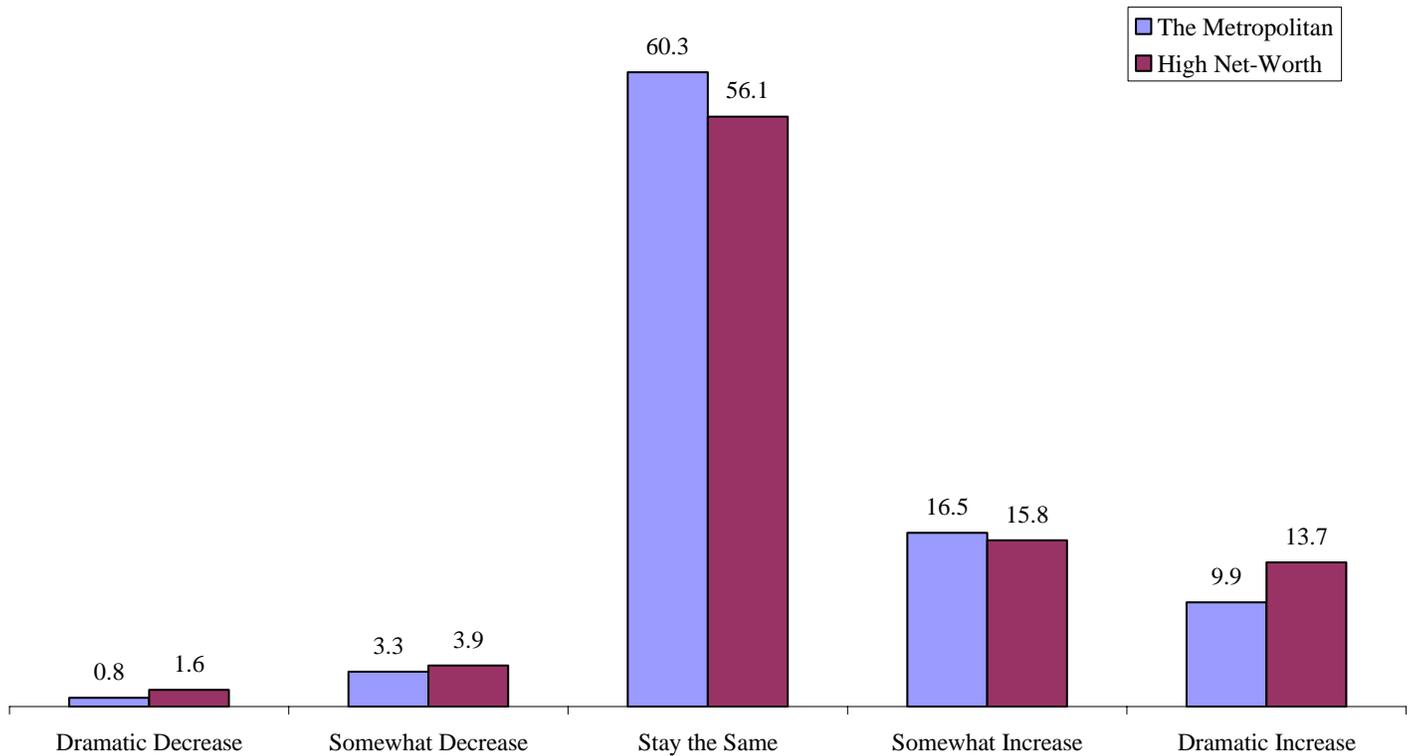
Overall, high net-worth metropolitan households responded similarly to questions about how they would respond to changes in the tax laws as other high net-worth households as shown in Figure 4. For example, the majority of metropolitan households (52.1 percent) and the majority of high net-worth households (51.7 percent) stated that their donations would stay the same if they received zero income tax deductions. Another 43.7 percent of metropolitan households reported that their donations would decrease if they received zero income tax deductions.

Figure 4: Percentage of Metropolitan Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Just over 60 percent of metropolitan households report that the amount they left to charity in their will would stay the same if the estate tax were repealed (see Figure 5). This is just slightly more than the 56.1 percent reported by other high net-worth households. Another 26.4 percent report that the amount they left to charity would increase either slightly or dramatically if the estate tax were repealed.

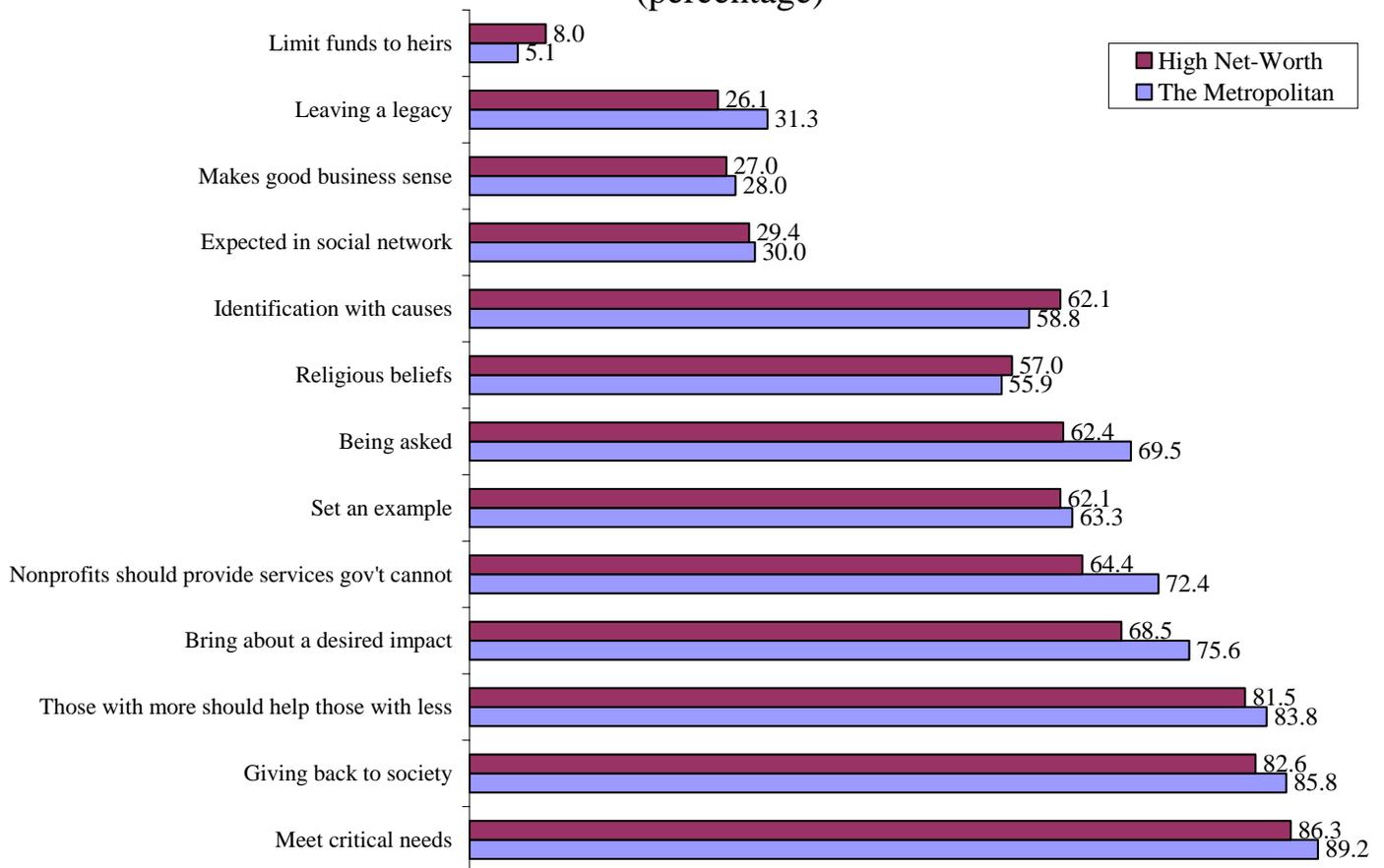
Figure 5: Percentage of Metropolitan Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

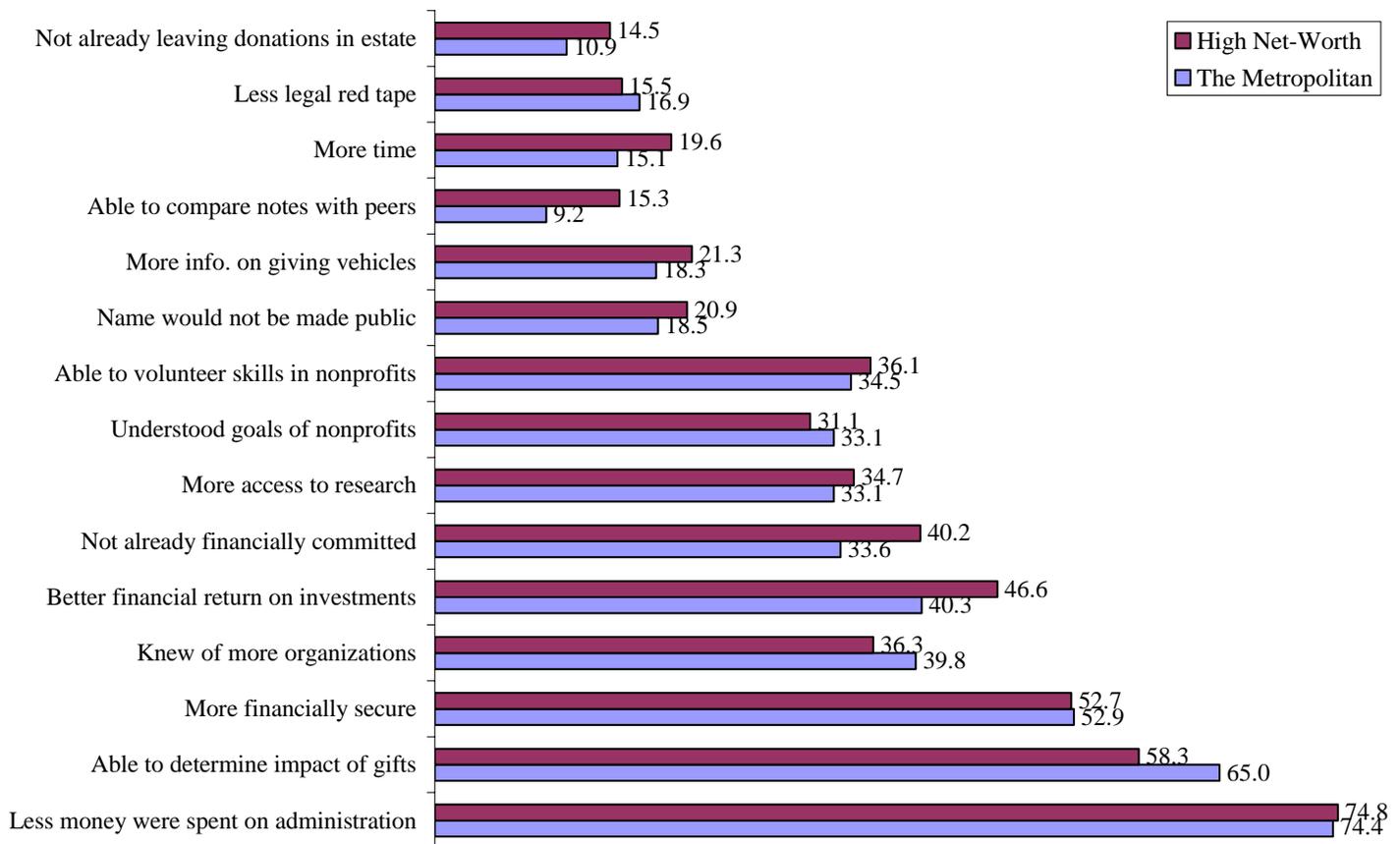
Similar to other high net-worth households, more metropolitan households reported that meeting critical needs was an important motivation for giving than any other type of motivation (89.2 percent) as illustrated in Figure 6. Metropolitan households, however, differ from other high net-worth households in that more metropolitan households reported donating to charity to bring about a desired impact (75.6 and 68.5 percent respectively) was an important motivation for giving as well.

Figure 6: Important Motivations for Giving by Metropolitan Households
(percentage)



As shown in Figure 7, similar to other high net-worth households more metropolitan households report that they would give more to charity if nonprofits spent less money on administrative and fundraising costs (74.8 and 74.4 percent respectively). Metropolitan households, however, were more likely to report that they would give more to charity if they were able to determine the impact of their gifts than other high net-worth households (65.0 and 58.3 percent respectively). Metropolitan households were less likely to report that they would give more money to charity if they received a better financial return on their investments and if they were not already financially committed than other high net-worth households.

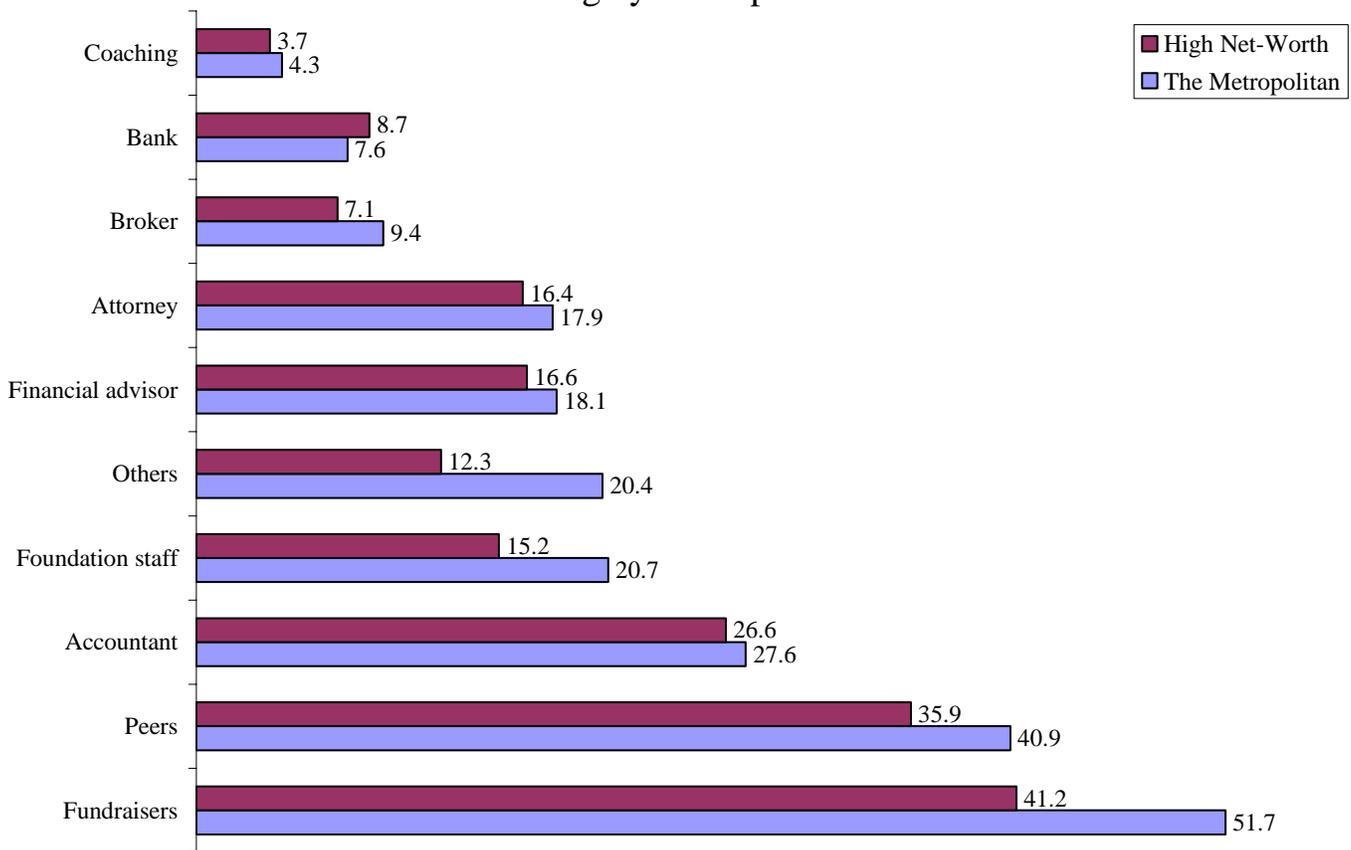
Figure 7: Percentage of Metropolitan Households Reporting They Would Give More to Charity if the Following Occurred



Advice

Metropolitan households were much more likely to seek advice from external advisors about their charitable giving than other high net-worth households (see Figure 8). For example, they were much more likely to seek advice from fundraisers and other nonprofit personnel than other high net-worth households (52.6 and 41.2 percent respectively) and from their peers (52.1 and 35.9 percent respectively). Similarly, metropolitan households were more likely to report seeking advice from accountants, foundation staff, financial advisors, attorneys, brokers, bank personnel, and philanthropic coaching programs.

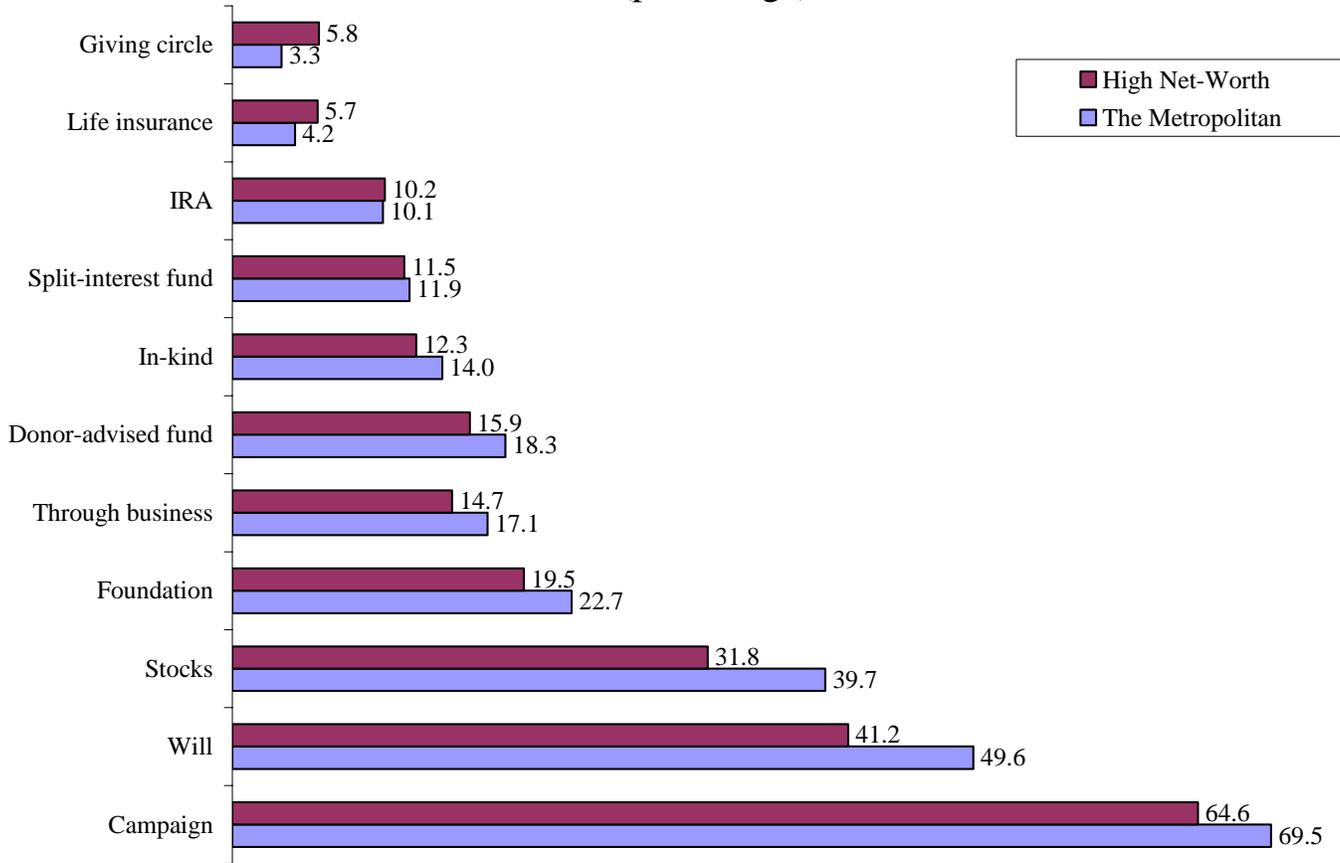
Figure 8: Percentage of Donor Households who Sought Advice for Charitable Giving by Metropolitan Households



How Donations Are Made

As illustrated in Figure 9, metropolitan households were also slightly more likely to use various philanthropic giving vehicles than other high net-worth households. For example, they are more likely than other high net-worth households to participate in charitable campaigns (69.5 and 64.6 percent respectively), leave a provision for charity in their will (49.6 and 41.2 percent respectively), and donate stocks (39.7 and 31.8 percent respectively).

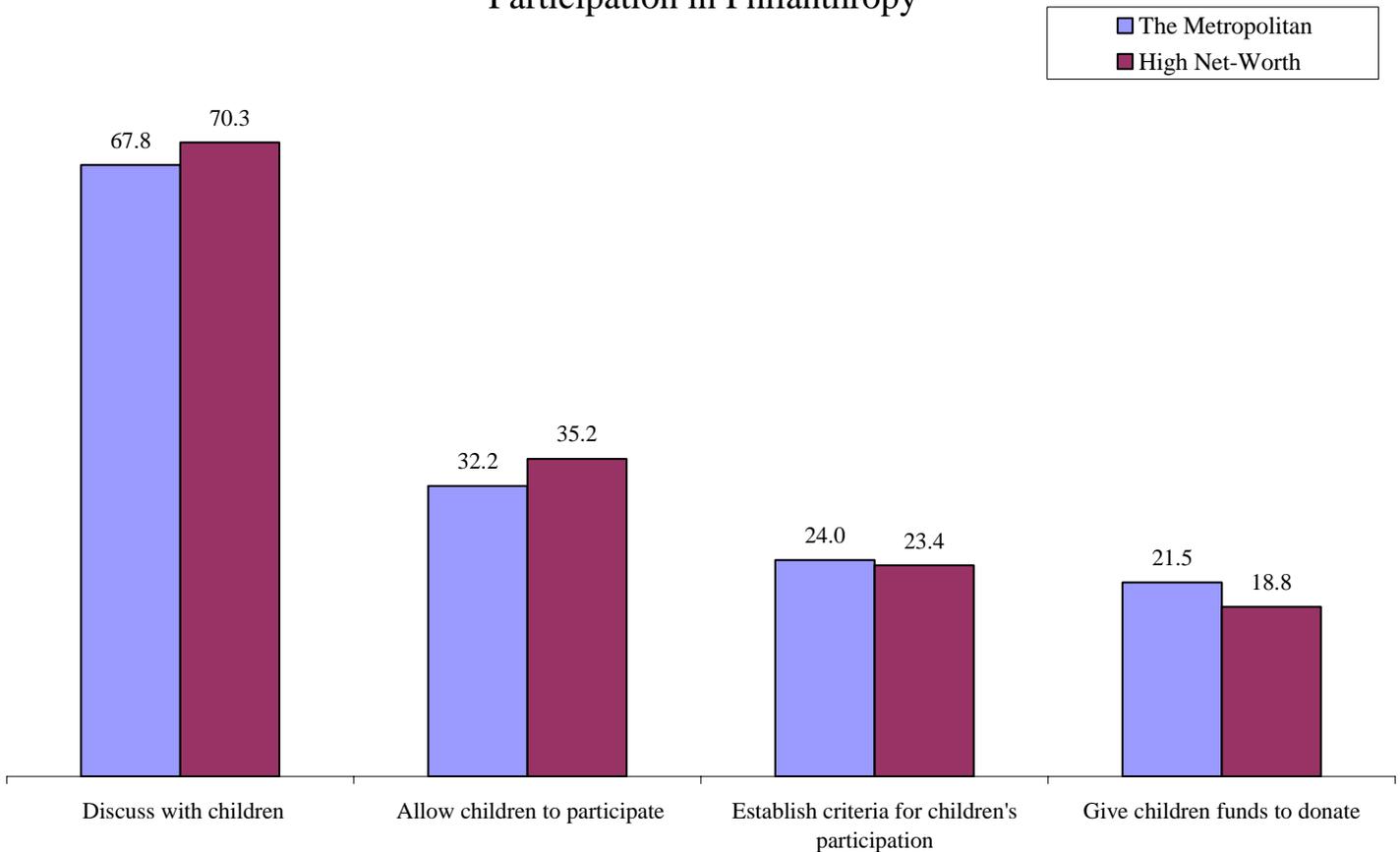
Figure 9: Giving Vehicles Used by Metropolitan Households
(percentage)



Transmitting Values

Nearly two-thirds of high net-worth metropolitan households discuss their philanthropic decisions with their children (see Figure 10). This is very similar to the 70 percent of all high net-worth that discuss their philanthropy with their children. Nearly one-third of all metropolitan households allow their children to participate in philanthropic decisions and one-fourth of high net-worth metropolitan households establish criteria for their children's participation in philanthropy. Just over one-fifth of metropolitans give their children money with which to donate to charity.

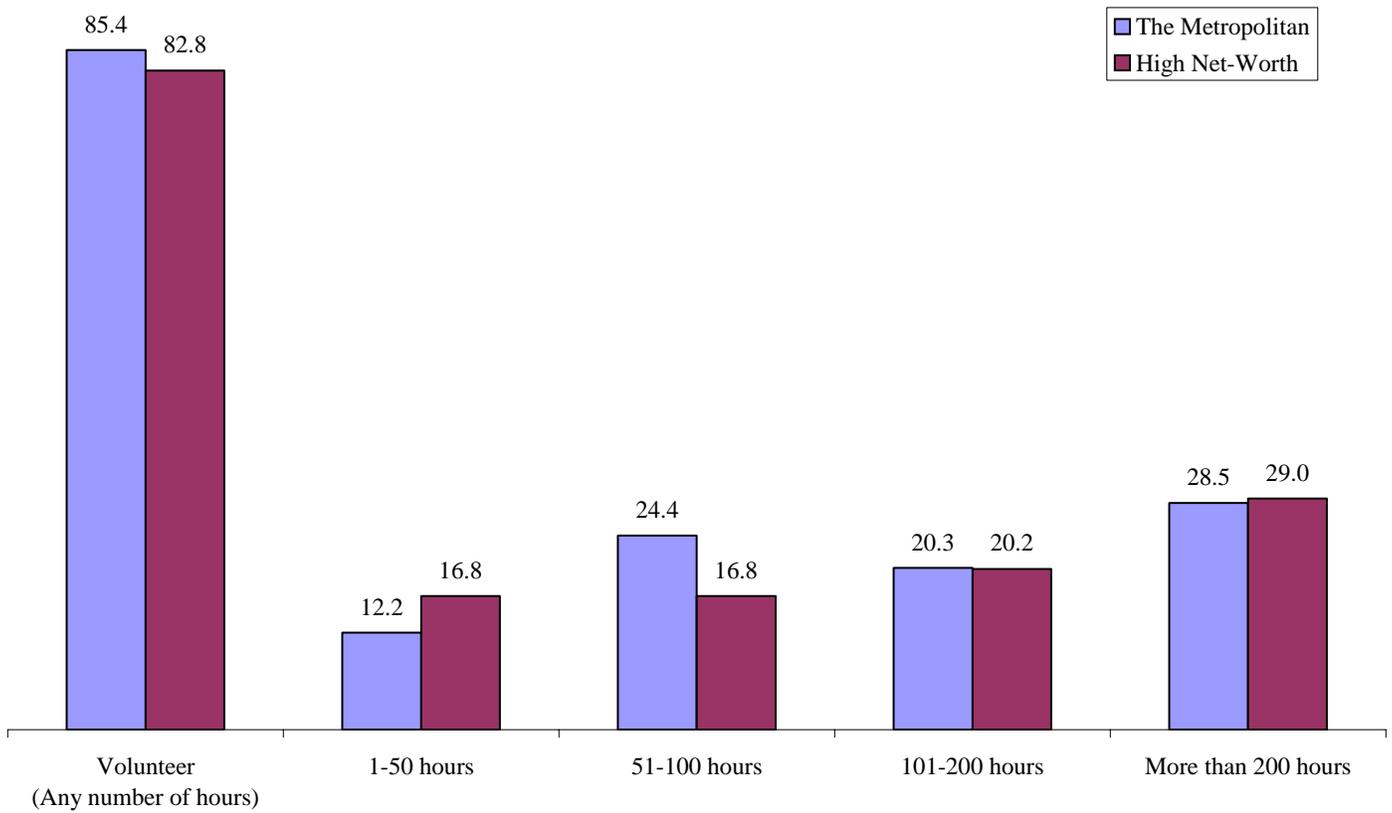
Figure 10: Percentage of Metropolitan Households Reporting Children's Participation in Philanthropy



Volunteering

As shown in Figure 11, a very high percentage of metropolitan households, similar to all high net-worth households, volunteer (85.5 and 82.8 percent respectively). Metropolitan households are more likely to volunteer between 51 and 100 hours per year than other high net-worth households (36.6 and 33.6 percent respectively).

Figure 11: Percentage of Metropolitan Households who Volunteer by the Number of Hours Volunteered



The High Frequency Volunteer

High frequency volunteers are high net-worth households that volunteer more than 200 hours per year. They are statistically significantly more likely to donate for disaster relief, to arts and cultural organizations, and to other organizations such as international or environmental groups. Despite there being no significant differences in their wealth and income levels compared to other wealthy households, high frequency volunteers feel more financially secure. Over 90 percent of high frequency volunteers reported that meeting critical community needs and giving back to society were important motivations for their giving. They were also more likely to report that they would give more to charity if they were able to determine the impact of their gifts and if they were able to use their skills in nonprofits.

High frequency volunteers were more likely to seek external advice about their charitable donations, particularly from fundraisers and other nonprofit personnel and from their peers. They were also much more likely to participate in a charitable campaign, leave a provision in their will for charity, and to create a donor-advised fund.

Characteristics

High frequency volunteers have income and wealth levels similar to other high net-worth households. They are slightly older than other wealthy households; over 30 percent are between the ages of 61 and 70, and 27.1 percent are between the ages of 71 and 80. High frequency volunteers live in all parts of the country. Just under one fourth, 24.6 percent, live in the Northeast. They are also more likely to attend religious services once a week or more than other high net-worth households.

Table 1: Income and Wealth of High Frequency Volunteers

	Mean	Sig. ¹	Median	Mode
Income	\$1,009,044		\$350,000	\$350,000
Wealth	\$14,391,176		\$7,500,000	\$3,500,000

¹ statistical significance: There is no statistical difference in the mean income and wealth of high frequency volunteer households and the mean income and wealth for other households in the study.

Charitable Giving

As illustrated in Table 2, high net-worth high frequency volunteers gave 17 percent more to charity on average than other high net-worth households (\$140,920 and \$120,651). The differences in total giving come from giving more to secular causes. High frequency volunteers gave on average \$118,461 (\$19,825 median amount) to secular causes, while other high net-worth households gave \$102,553 on average (\$10,000 median amount). High frequency volunteers, however, gave less to religious causes on average than other high net-worth households (\$17,632 and \$20,530 respectively). Median religious giving was similar, however, between high frequency volunteers and other high net-worth households (\$4,250 and \$4,000 respectively) suggesting that the “typical” high frequency volunteer donates the same amount of money to religious organizations as other wealthy households.

Table 2: Total, Secular, and Religious Giving by High Frequency Volunteers and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
The High Frequency Volunteer	\$140,920	\$31,250	\$118,461	\$19,825	\$17,632	\$4,250
High Net-Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

Table 3 shows that high frequency volunteers were statistically significantly more likely to give to disaster relief (\$11,546), arts and cultural organizations (\$30,533), and other kinds of organizations such as environmental and international groups (\$37,459).

Table 3: Giving by High Frequency Volunteers, 2005 (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$140,920		\$31,250	\$44,000	\$4,523,500	\$600	132
Secular	\$118,461		\$19,825	\$500	\$4,514,900	\$300	132
Religion	\$17,632		\$4,250	\$10,000	\$450,000	\$100	132
Disaster	\$11,546	+	\$1,000	\$1,000	\$650,000	\$100	132
Fund or Foundations	\$50,026		\$5,000	\$5,000	\$660,000	\$0	132
Combination	\$9,794		\$2,000	\$500	\$150,000	\$0	132
Basic Needs	\$6,026		\$1,000	\$1,000	\$149,500	\$100	132
Health Giving	\$6,053		\$1,500	\$500	\$100,000	\$0	132
Education	\$31,197		\$4,000	\$500	\$1,300,000	\$50	132
Arts & Culture	\$39,533	+	\$1,750	\$1,000	\$2,700,000	\$0	132
Other	\$37,459	+	\$2,000	\$500	\$2,000,000	\$0	132

Note: +p<.05, statistically significantly positive differences between high net-worth high frequency volunteers and low frequency volunteers.

Categorical descriptions are found on page 8.

As shown in Figure 1, about 22 percent of all the High Frequency Volunteer's donations went to arts and culture groups. About 19 percent went to educational organizations; 16 percent of all donations were given to foundations, funds, or trusts; and another 16 percent went to other organizations such as environmental or international groups.

Figure 1: Estimated Distribution of Giving by The High Frequency Volunteer, 2005

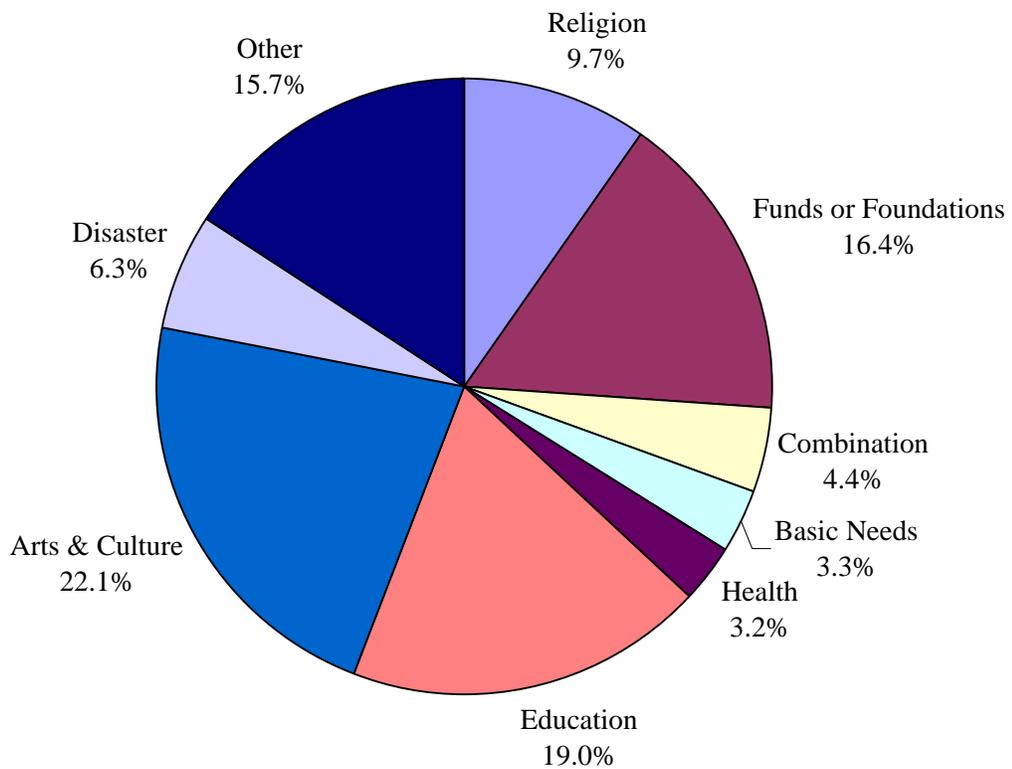
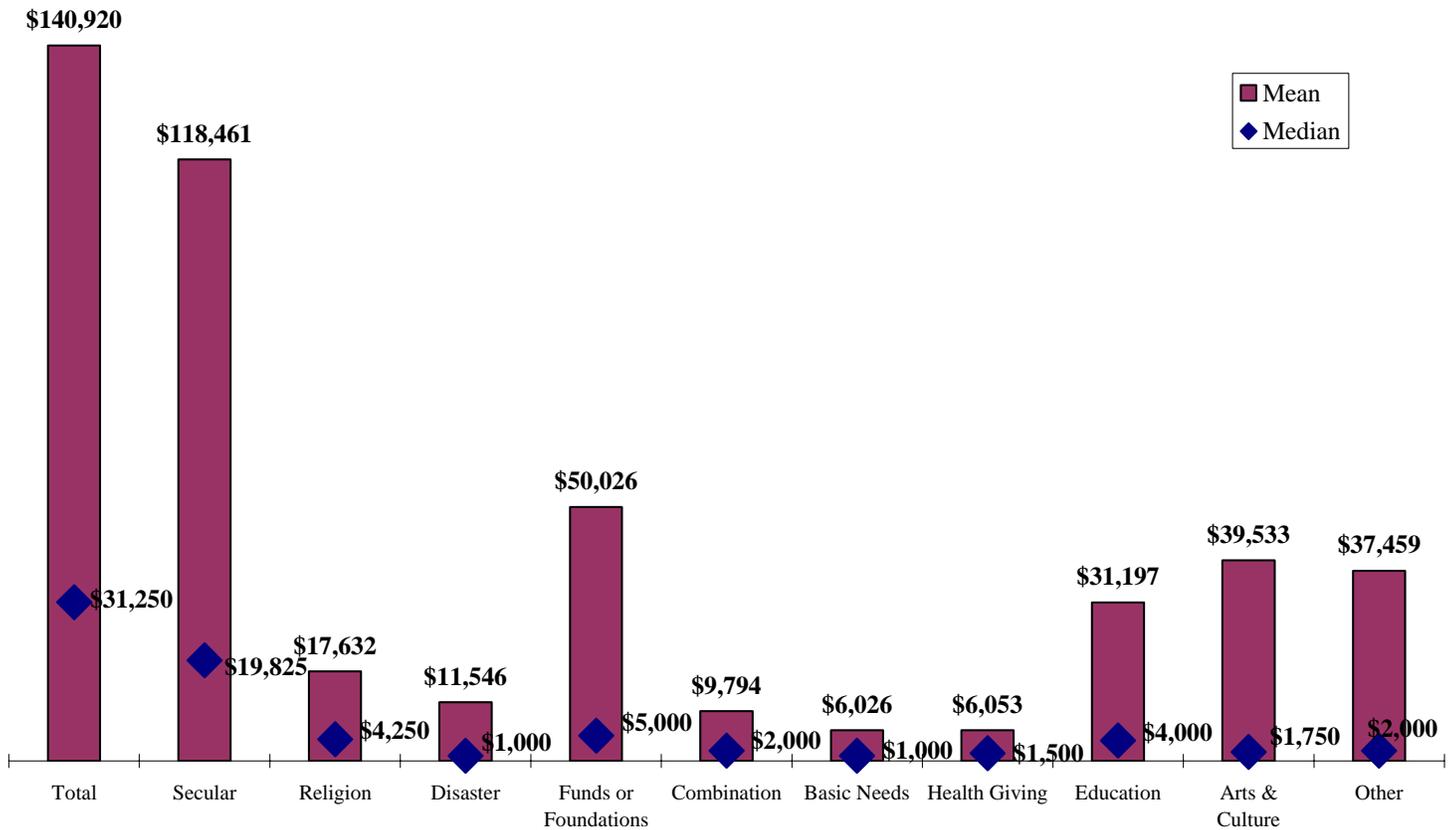


Figure 2 illustrates that high frequency volunteers give the most on average to foundations, funds, and trusts (\$50,026) and the least amount on average to organizations that serve basic needs (\$6,026). Interestingly, high frequency volunteers give much less on average to health organizations (\$6,053) than other high net-worth households (\$21,257).

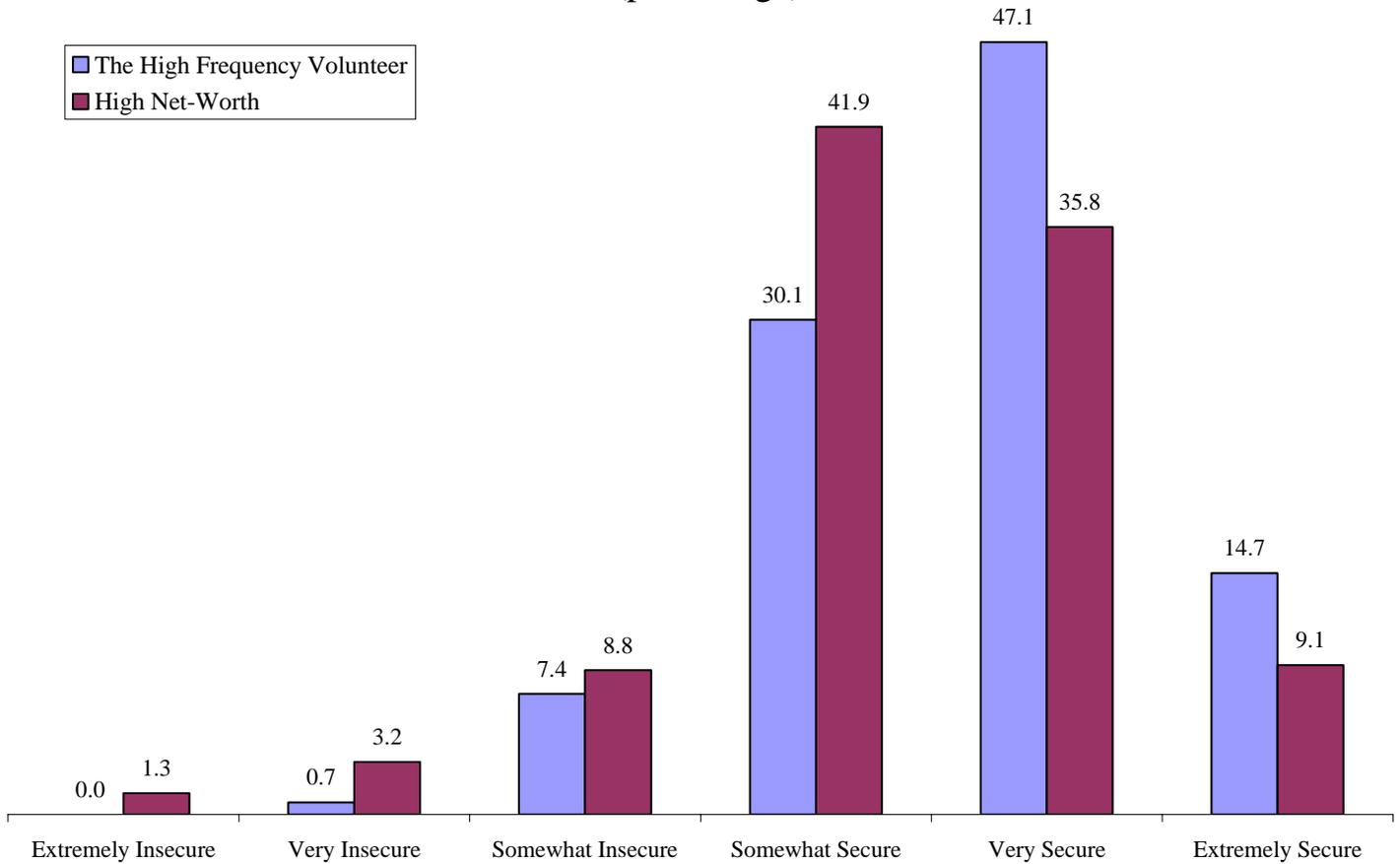
Figure 2: Giving by High Frequency Volunteers by Types of Organization Receiving Funding, 2005
(donor households only)



Financial Security

High frequency volunteers feel more financially secure than other high net-worth households (see Figure 3). In particular, they are more likely than other high net-worth households to report feeling very financially secure (47.1 and 35.8 percent respectively) or extremely secure (14.7 and 9.1 percent respectively).

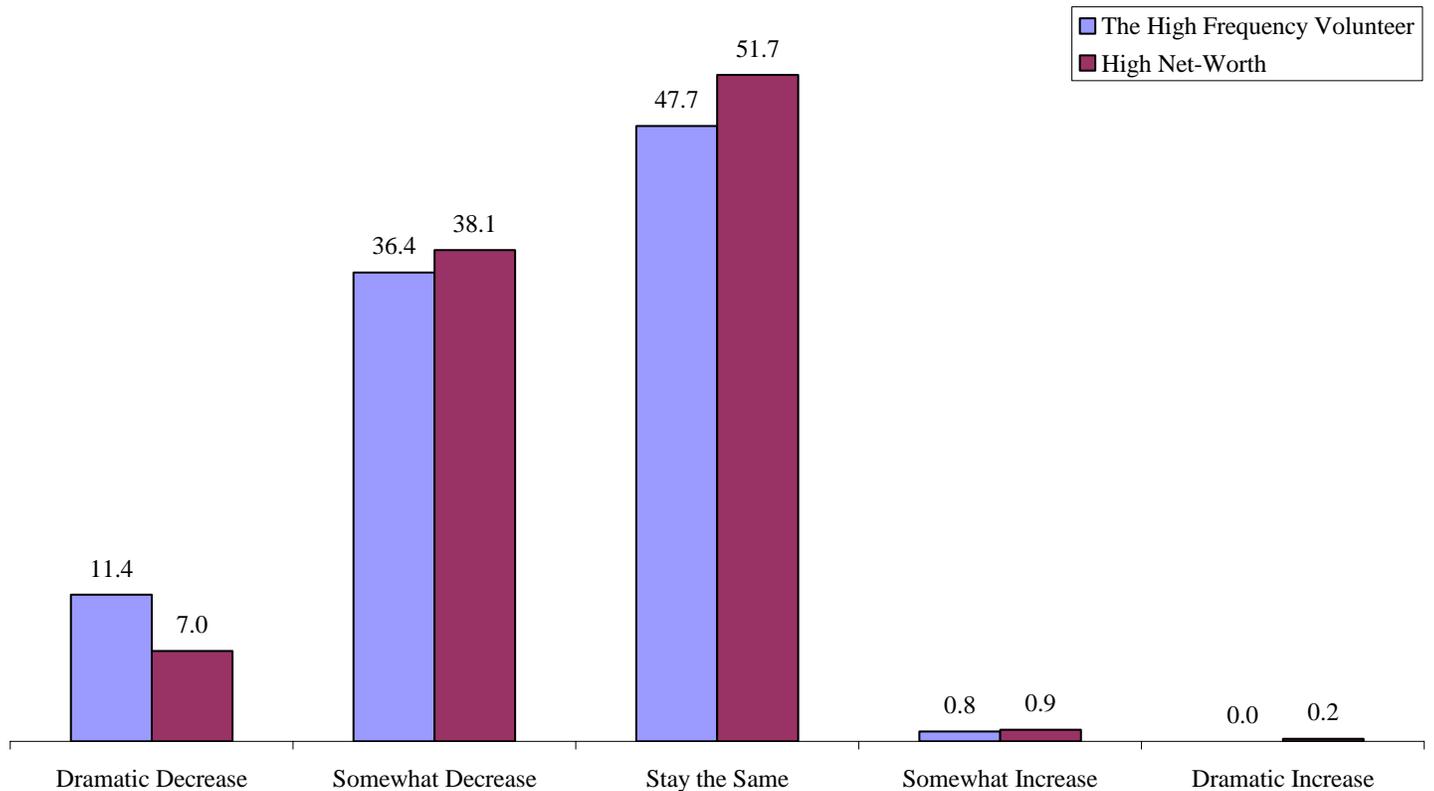
Figure 3: Sense of Financial Security of High Frequency Volunteers (percentage)



Tax Implications

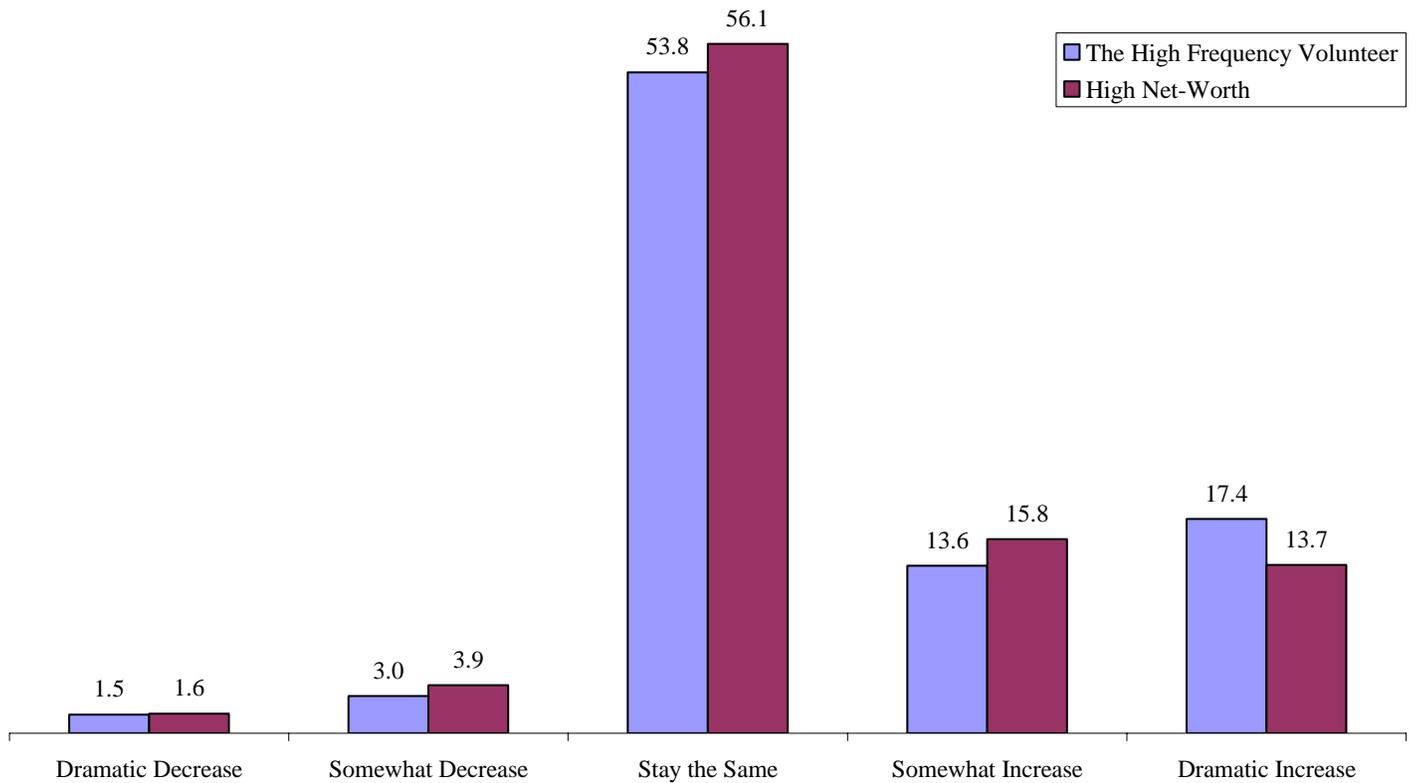
As shown in Figure 4, high frequency volunteers were slightly more likely to report that they would give dramatically less to charity if they received zero income tax deductions for their donations than other high net-worth households (11.4 and 7.0 percent respectively). Just under half of all high frequency volunteers, 47.7 percent, reported that the amount they left to charity would stay the same if they received zero income tax deductions for their donations.

Figure 4: Percentage of High Frequency Volunteers Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Similar to other high net-worth households, the majority of all high frequency volunteers, 53.8 percent, report that the amount they left to charity in their wills would stay the same if the estate tax were repealed (see Figure 5). Another 31.0 percent of high frequency volunteers report that the amount they would leave to charity would either somewhat or dramatically increase if the estate tax were repealed.

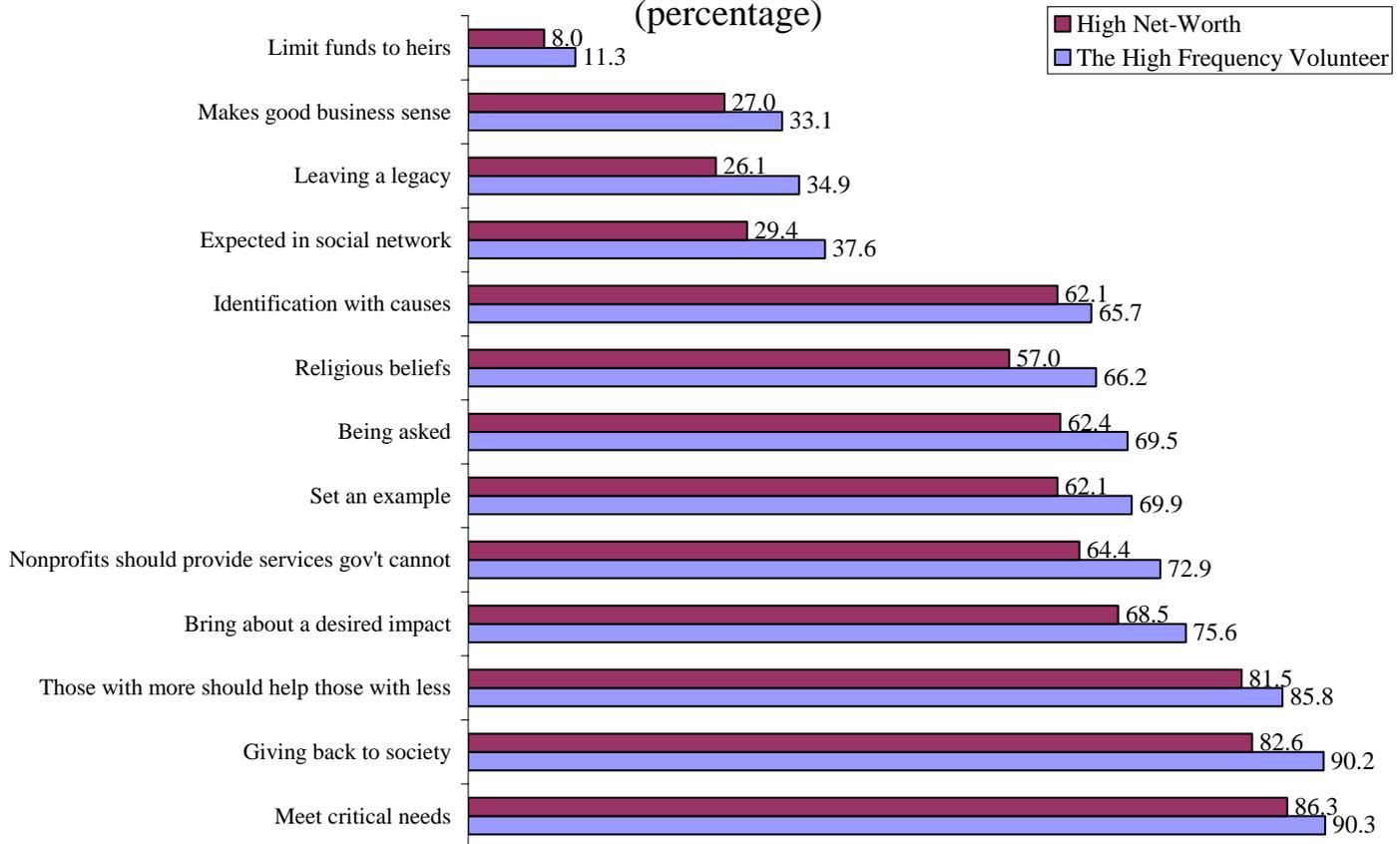
Figure 5: Percentage of High Frequency Volunteers Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

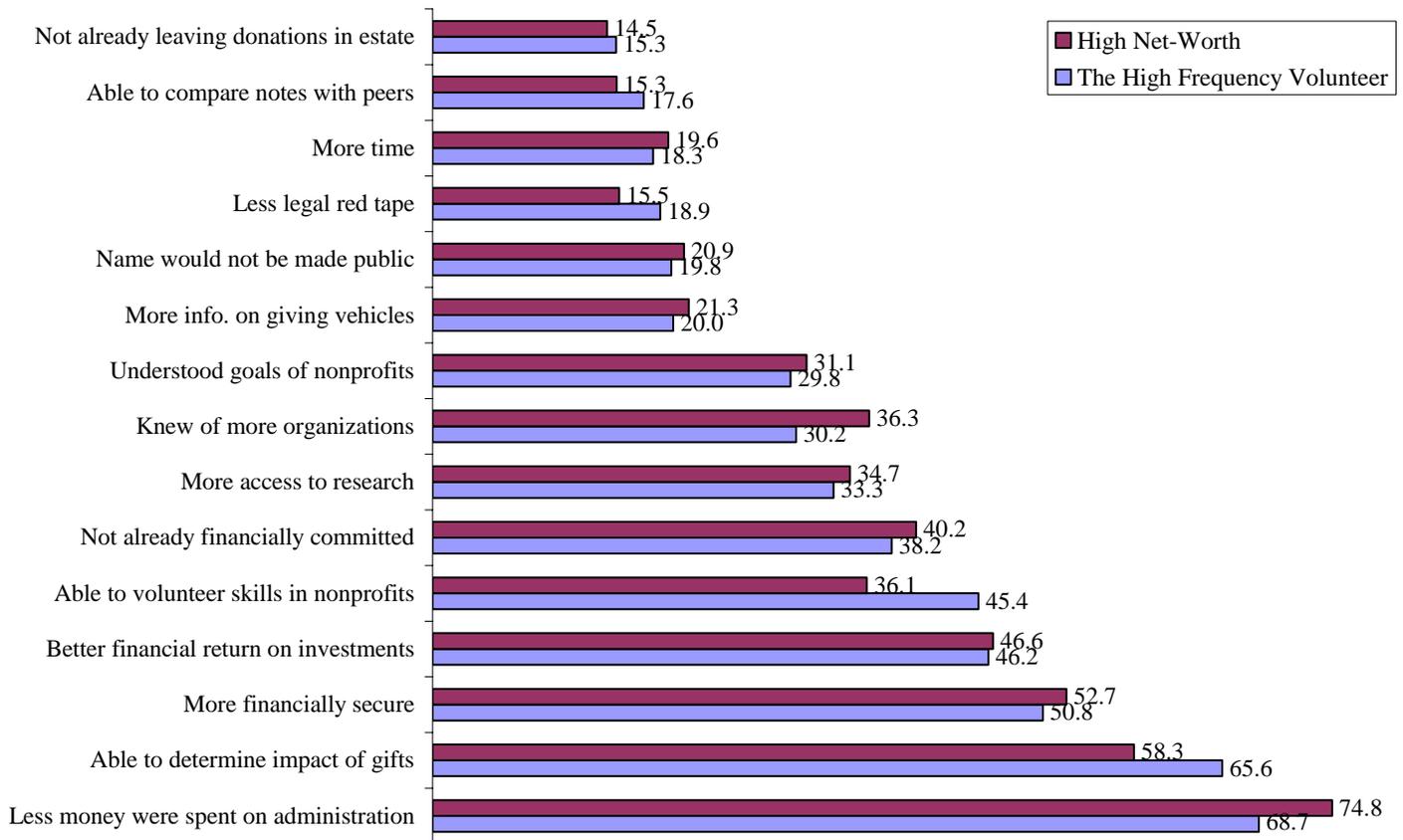
High frequency volunteers were more likely than other high net-worth households to report that each type of motivation was important (see Figure 6). More high frequency volunteers reported that meeting critical needs and giving back to society were important motivations for giving than any other motivation (90.3 and 90.2 respectively). Limiting funds to heirs and making good business sense were the least likely motivations for giving to be reported by high frequency volunteers (only 11.3 and 33.1 percent respectively).

Figure 6: Important Motivations for Giving by High Frequency Volunteers
(percentage)



As illustrated in Figure 7, high frequency volunteers most frequently reported that they would give more to charity if less money were spent on administrative expenses (68.7 percent), a slightly smaller proportion than reported by other high net-worth households (74.8 percent). High frequency volunteers were also more likely than other high net-worth households to report that they would give more to charity if they were able to determine the impact of their gifts (65.5 and 58.3 percent respectively) and if they were able to use their skills in nonprofits (45.4 and 36.1 percent respectively).

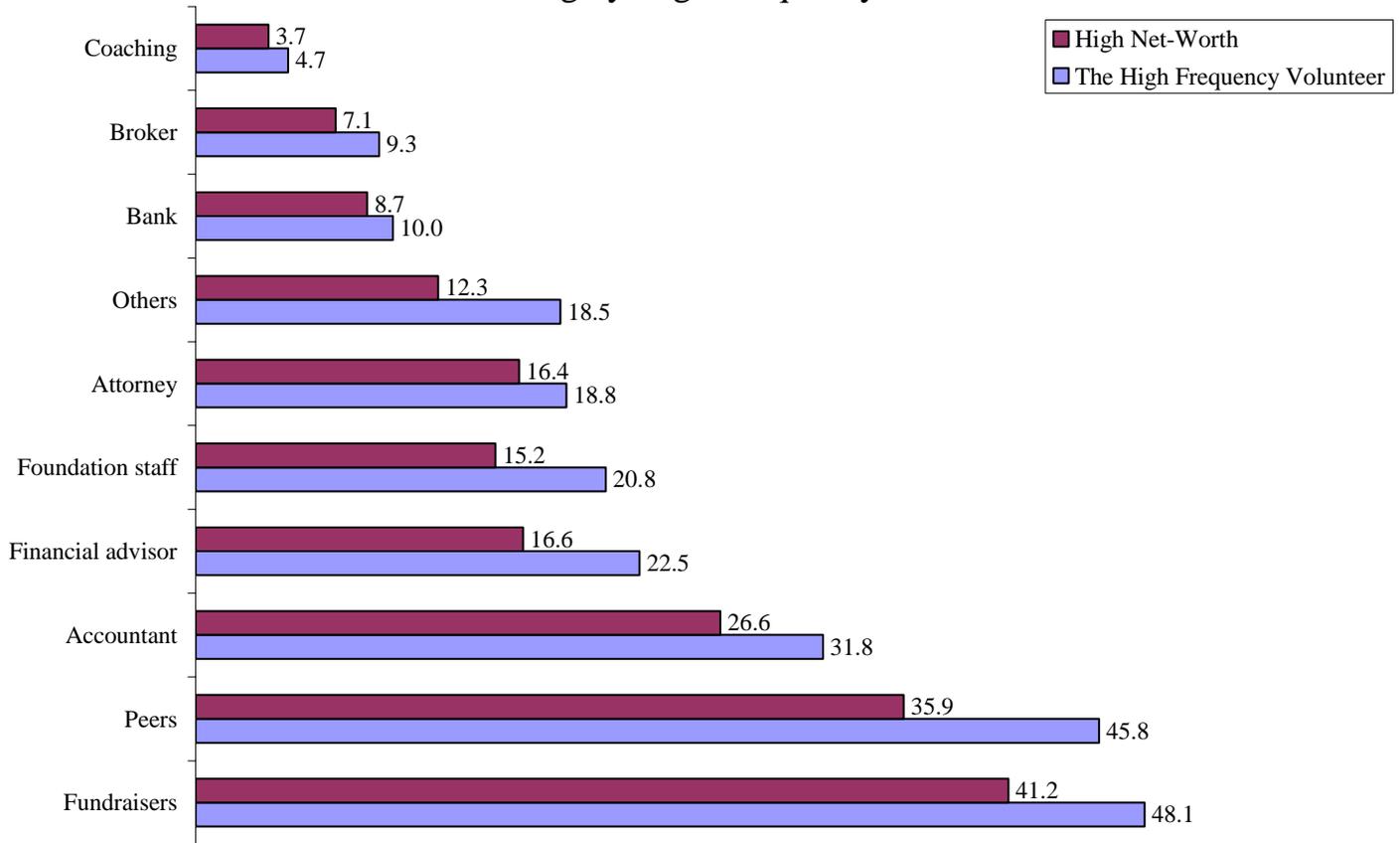
Figure 7: Percentage of High Frequency Volunteers Reporting They Would Give More to Charity if the Following Occurred



Advice

High frequency volunteers were more likely to seek external advice about their charitable giving decisions than other high net-worth households (see Figure 8). For example, high frequency volunteers were more likely than other high net-worth households to seek advice from fundraisers and nonprofit personnel (48.1 and 41.2 percent respectively), from peers (45.8 and 35.0 percent respectively), and from accountants (31.8 and 26.6 percent respectively).

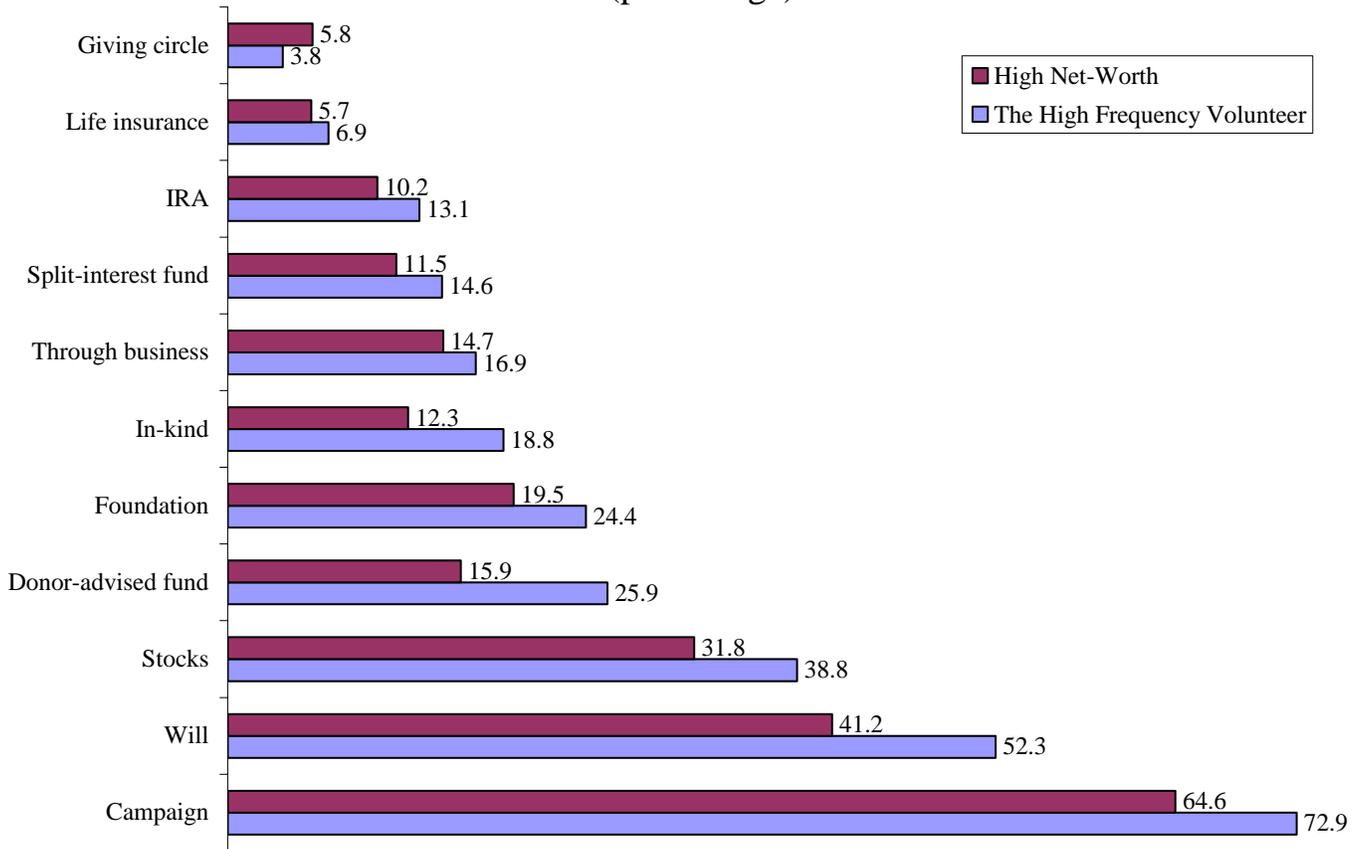
Figure 8: Percentage of Donor Households who Sought Advice for Charitable Giving by High Frequency Volunteers



How Donations Are Made

Figure 9 illustrates that high frequency volunteers were more likely than other high net-worth households to participate in charitable campaigns such as a capital campaign (72.9 and 64.6 percent respectively), to leave a provision in their will to charity (52.3 and 41.2 percent respectively), and to donate stocks (38.8 and 31.8 percent respectively). High frequency volunteers were also much more likely than other wealthy households to create a donor-advised fund (25.9 and 15.9 percent respectively).

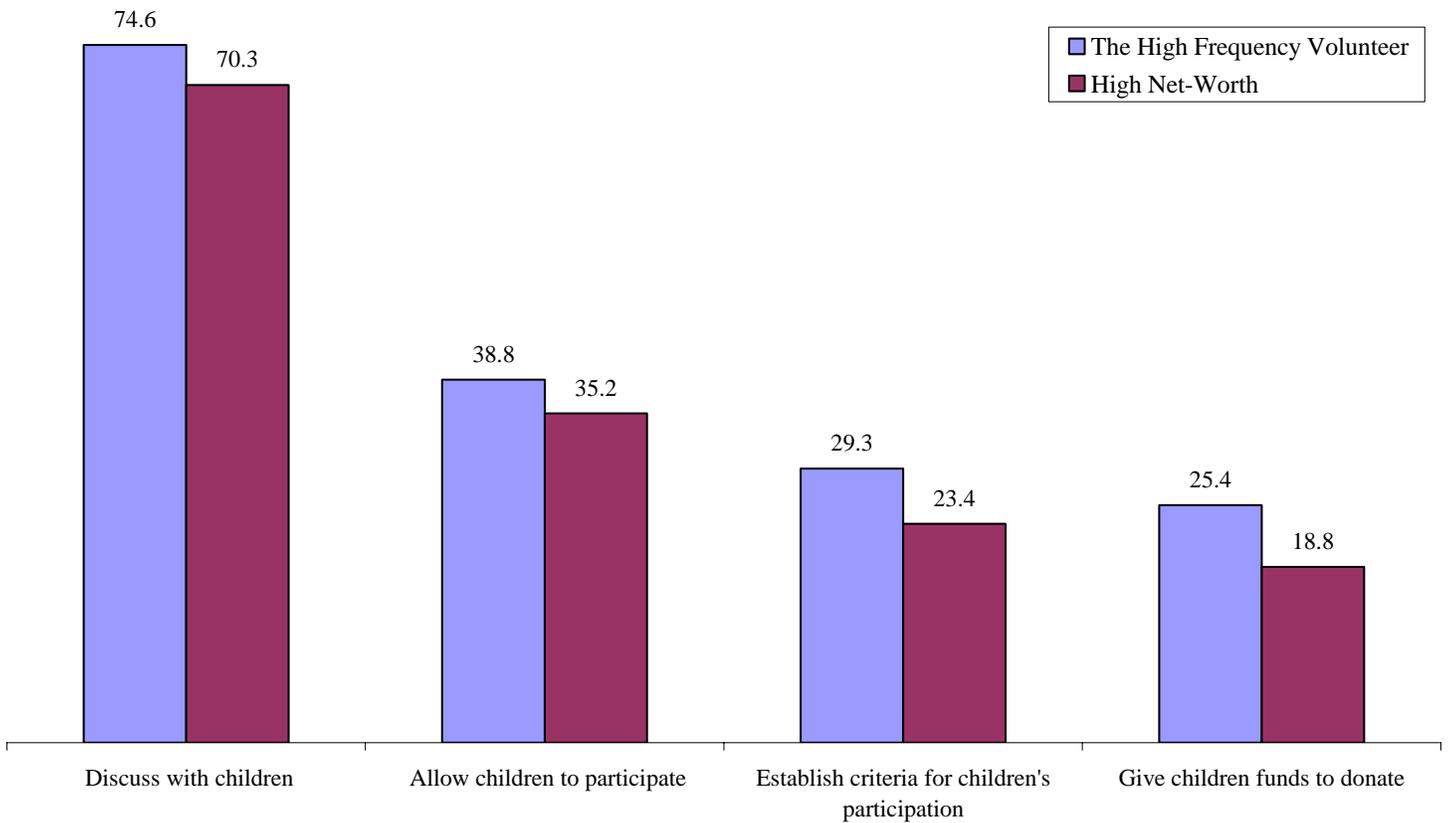
Figure 9: Giving Vehicles Used by High Frequency Volunteers
(percentage)



Transmitting Values

As shown in Figure 10, high frequency volunteers were more likely to discuss their philanthropy with their children than other high net-worth households (74.6 and 70.3 percent respectively). In addition, high frequency volunteers were more likely than other high net-worth households to allow children to participate in philanthropic decisions (38.8 and 35.2 percent respectively), to establish criteria for children's philanthropy (29.3 and 23.4 percent respectively), and to give children money with which to donate (25.4 and 18.8 percent respectively).

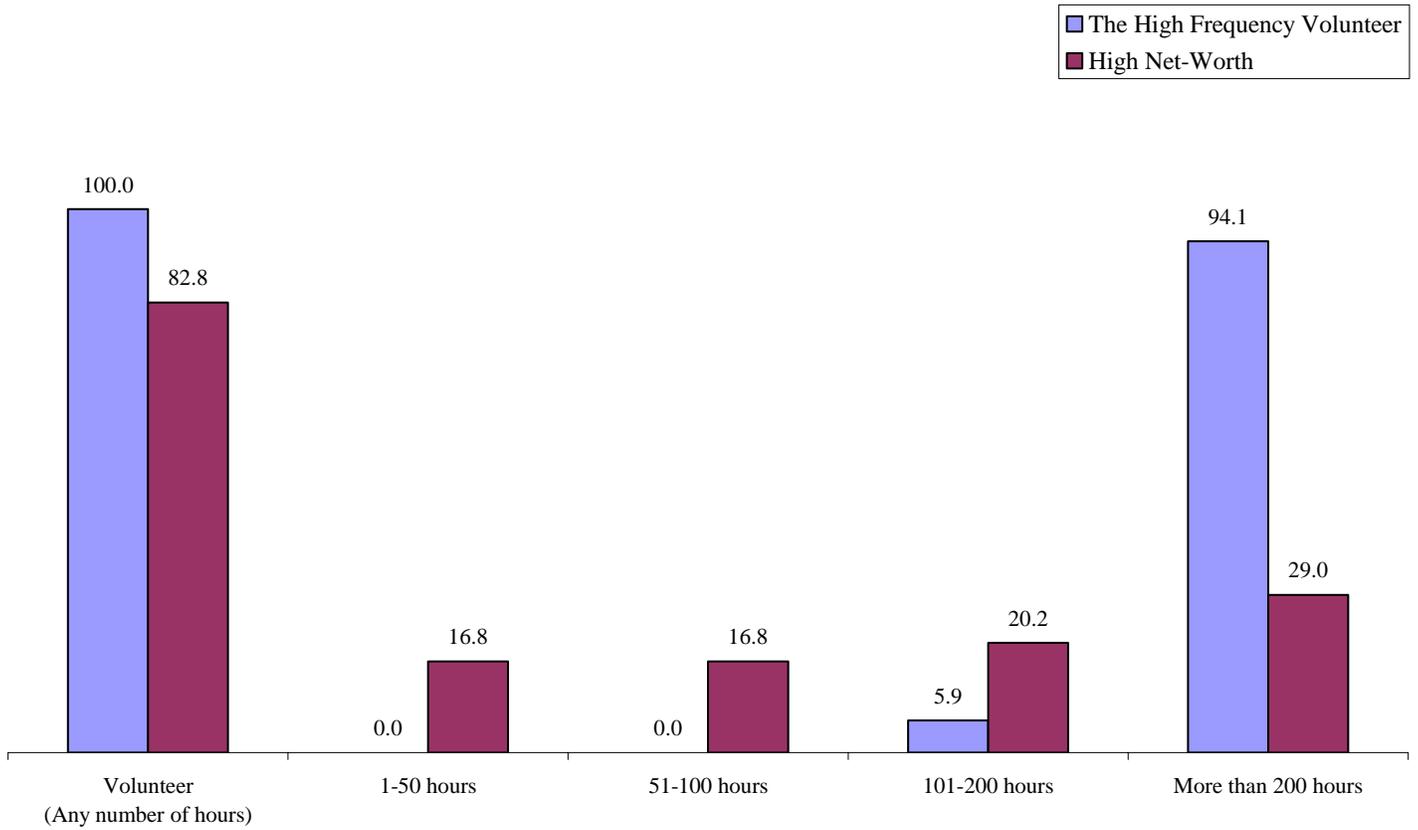
Figure 10: Percentage of High Frequency Volunteers Reporting Children's Participation in Philanthropy



Volunteering

By definition, all high frequency volunteers volunteer and do so at a higher rate (see Figure 11).

Figure 11: Percentage of High Frequency Volunteers who Volunteer by the Number of Hours Volunteered



The Strategic and Transactional Donor

In this section, we contrast strategic households with transactional households. Strategic households are more intentional with their charitable giving. For this study, **strategic households are those who have created a foundation or a donor-advised fund and who do not give to every type of organization.** Transactional households are less intentional with their giving. Many call this “checkbook” giving. For this study, **transactional households are those who give to every type of organization and who have not created a foundation or a donor-advised fund.** As always, strategic and transactional households are also wealthy households.

Strategic households donate statistically significantly more than non-strategic households to foundations, funds or trusts,; to organizations serving a combination of purposes such as the United Way; to organizations serving basic human needs such as food and shelter; to educational organizations; and to arts and cultural organizations. Transactional households give only statistically more to disaster relief than non-transactional households. Over 90 percent of both strategic and transactional high net-worth households feel financially secure.

Strategic and transactional households vary widely in their motivations for giving. Transactional households are much more likely to report that those with more should help those with less, and that nonprofits should provide services that the government cannot. They were also much more likely to identify their religious beliefs as important motivations for their giving. Transactional households were more likely to report that they would give more to charity if they had a better return on their investments, if they felt more financially secure, or if they were not already financially committed. Strategic households on the other hand were more likely to report that they wanted to bring about a desired impact with their giving, set an example for children and others, or leave a legacy. Strategic households were also much more likely to report that they would give more to charity if they were able to determine the impact of their gifts.

Strategic households were more likely to seek advice about their charitable donations than transactional households, particularly from fundraisers, accountants, foundation staff, financial advisors, and attorneys. Beyond creating foundations or donor-advised funds, strategic households were more likely to leave a provision in their will to charity, name a charity as the beneficiary of their retirement account, or to create a split-interest fund. Strategic households were also more likely than transactional households to allow their children to participate in the philanthropic process, but they volunteer less hours on average than transactional households.

Characteristics

Strategic households have statistically significantly more wealth and income on average than non-strategic households, while transactional households have similar income and wealth levels than non-transactional households (see Table 1). The two types are not all-inclusive. Some households were neither clearly strategic nor clearly transactional.

Transactional households are slightly more likely to live in the Northeast than strategic households, 31.0 and 26.1 percent respectively, and less likely to live in the Pacific, 8.0 and 14.4 percent respectively. While both strategic and transactional households are most likely to be between the ages of 61 and 70, strategic households are slightly younger than transactional

households. Finally, transactional households are slightly more likely to live in suburban areas than strategic households, 56.3 and 48.5 percent respectively.

Table 1: Income and Wealth of Strategic and Transactional Households

		Mean	Sig. ¹	Median	Mode
Income:	Strategic	\$2,102,083	+++	\$750,000	\$350,000
	Transactional	\$1,426,932		\$350,000	\$350,000
Wealth:	Strategic	\$22,513,308	+++	\$15,000,000	\$15,000,000
	Transactional	\$14,063,218		\$3,500,000	\$3,500,000

¹ +++p<.001, statistically significantly positive differences between high net-worth strategic households and all other households in the study or between transactional and all other wealthy households in the study.

Charitable Giving

Both transactional and strategic high net-worth households gave more to charity than other high net-worth households (see Table 2). Strategic households, however, gave more to both secular and religious causes than transactional households (\$303,436 and \$188,293 respectively). Median secular giving by transactional households, however, is greater than strategic households (\$13,401 and \$31,629 respectively) and median religious giving is nearly the same between transactional and strategic households (\$4,900 and \$5,000 respectively). These differences suggest that there is less variation in giving by transactional and strategic households. This also means that the “typical” strategic and the “typical” transactional household are more similar than they originally appear when using only the means to compare the two.

Table 2: Total, Secular, and Religious Giving by Strategic, Transactional, and Other High Net-Worth Households, 2005 (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Mean	Median	Mean	Median	Mean	Median
Strategic	\$303,436	\$47,450	\$274,049	\$20,000	\$31,629	\$5,000
Transactional	\$188,293	\$44,000	\$161,548	\$28,100	\$13,401	\$4,900
High Net Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

Strategic households give statistically significantly more to charity than non-strategic households (see Table 3), giving more on average to secular causes. Strategic households give statistically significantly more on average to foundations, funds or trusts (\$223,160); to organizations serving a combination of needs (i.e., United Way) (\$16,499); for basic human needs (\$8,034); to educational nonprofits (\$51,952); and for arts and culture (\$34,632). There is no statistical difference between strategic and non-strategic households’ giving to religious, disaster relief, health, or other types of organizations such as international groups.

Table 3: Giving by Strategic Households, 2005 (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$303,436	+++	\$47,450	\$22,000	\$9,642,000	\$425	262
Secular	\$274,049	+++	\$33,401	\$20,000	\$9,637,000	\$225	262
Religion	\$31,629		\$5,000	\$5,000	\$2,000,000	\$0	262
Disaster	\$7,417		\$2,000	\$1,000	\$250,000	\$0	262
Funds or Foundations	\$223,160	++	\$20,000	\$20,000	\$7,000,000	\$1	262
Combination	\$16,499	++	\$2,675	\$1,000	\$1,000,000	\$0	262
Basic Needs	\$8,034	+++	\$1,000	\$1,000	\$250,000	\$50	262
Health	\$63,059		\$1,500	\$500	\$9,000,000	\$50	262
Education	\$51,952	+++	\$5,375	\$1,000	\$2,110,000	\$50	262
Arts & Culture	\$34,632	+	\$2,000	\$1,000	\$2,700,000	\$50	262
Other	\$18,753		\$2,000	\$500	\$700,000	\$50	262

Note: +++p<.001, ++p<.01, +p<.05, statistically significantly positive differences between high net-worth strategic and non-strategic households. Categorical descriptions are found on page 8.

Transactional donors are somewhat similar to non-transactional donors. As shown in Table 4, transactional donors, however, give statistically significantly more to organizations providing for disaster relief than non-transactional donors (\$13,344 on average).

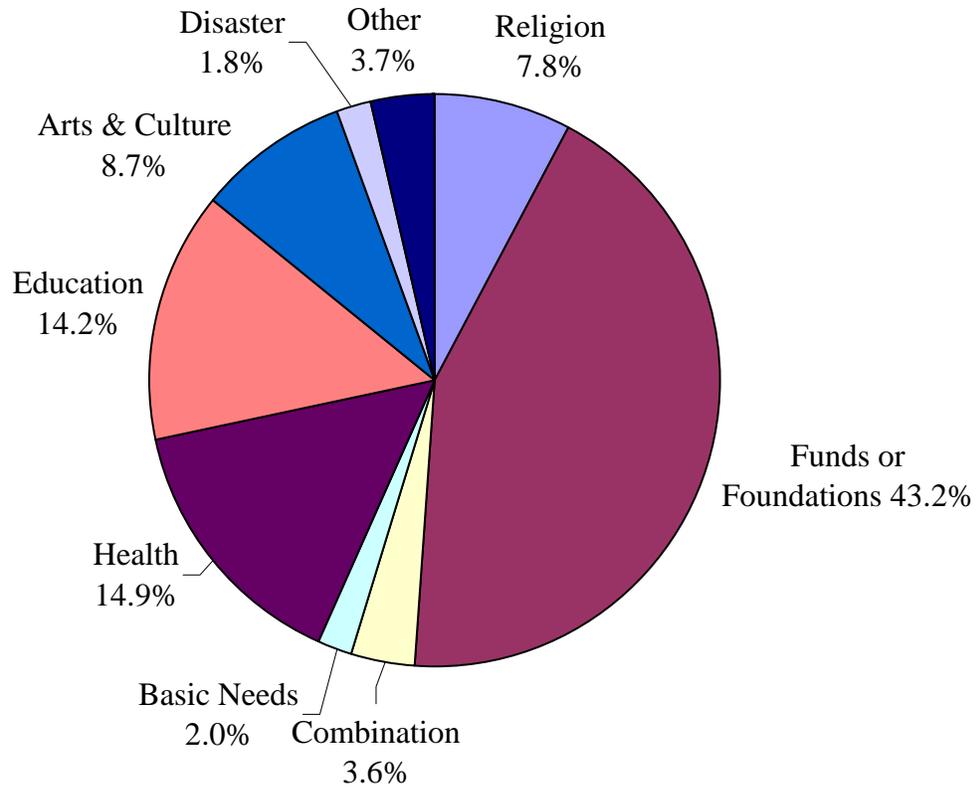
Table 4: Giving by Transactional Households, 2005 (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$188,293		\$44,000	\$23,800	\$4,523,500	\$1,120	84
Secular	\$161,548		\$28,100	\$4,800	\$4,514,900	\$295	84
Religion	\$13,401		\$4,900	\$4,000	\$190,000	\$100	84
Disaster	\$13,344	++	\$1,000	\$1,000	\$650,000	\$50	84
Funds or Foundations	\$47,457		\$2,750	\$1,000	\$1,500,000	\$50	84
Combination	\$6,454		\$2,000	\$1,000	\$150,000	\$50	84
Basic Needs	\$4,948		\$1,000	\$1,000	\$149,500	\$50	84
Health	\$8,668		\$1,113	\$500	\$250,000	\$50	84
Education	\$47,058		\$5,000	\$1,000	\$1,300,000	\$25	84
Arts & Culture	\$38,686		\$1,406	\$500	\$2,700,000	\$20	84
Other	\$10,076		\$2,000	\$1,000	\$133,000	\$50	84

Note: ++p<.01, statistically significant differences between high net-worth transactional and non-transactional households. Categorical descriptions are found on page 8.

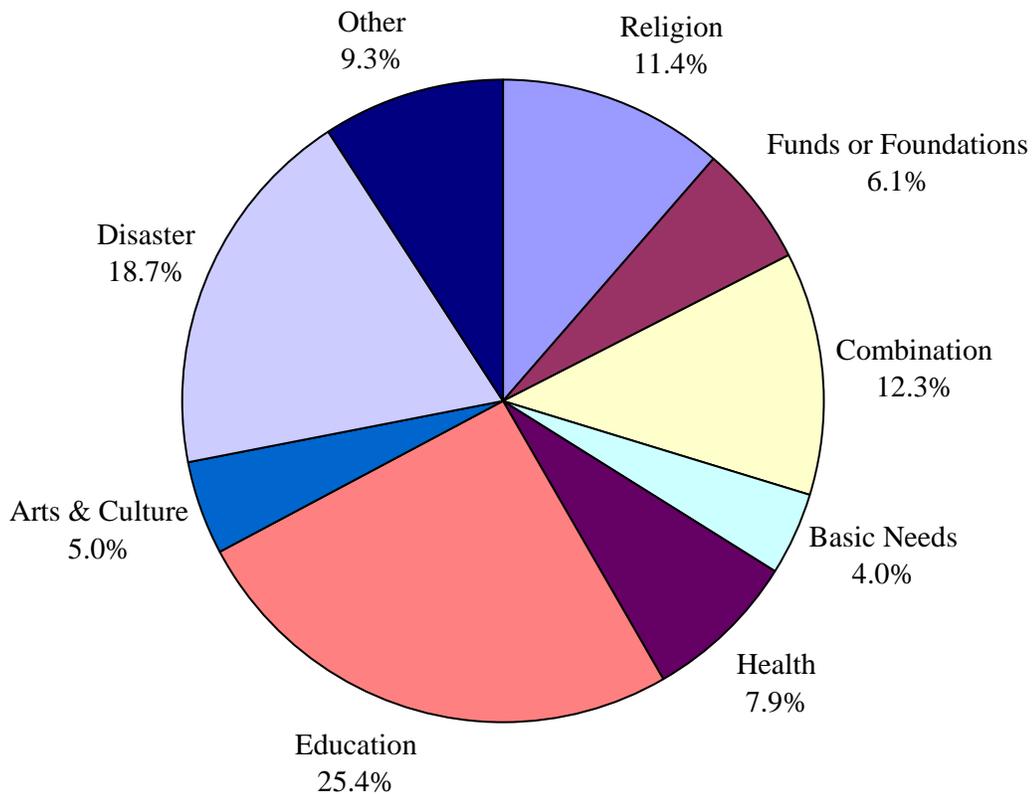
Strategic donors by definition created foundations, funds, or trusts and, as might be expected, donate more to foundations, funds, and trusts than other types of organizations. As shown in Figure 1, about 43 percent of the strategic donor's total giving went to foundations, funds, or trusts. Another 15 percent was donated to health organizations, and 14 percent went to educational organizations.

Figure 1: Estimated Distribution of Giving by The Strategic Donor, 2005



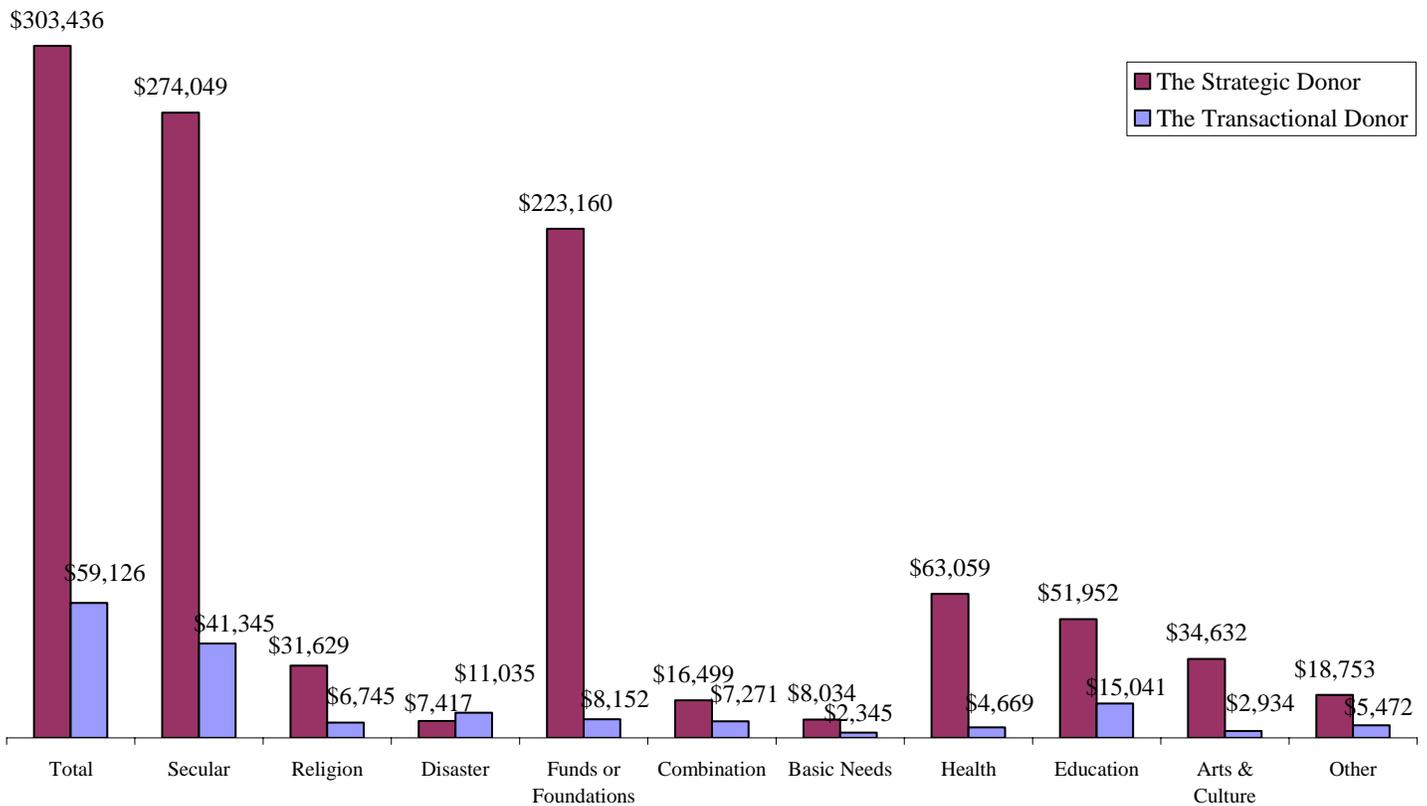
Transactional donors' total giving is much different than strategic and other high net-worth households' total giving (see Figure 2). First, much more was given to disaster relief than another other archetypes of high networth households. Nearly 19 percent of all transactional donors' giving went for disaster relief. Over one-fourth of the transactional donor's giving went to educational organizations and about 12 percent was donated to organizations serving a combination of purposes such as the United Way. As might be expected, transactional donors give much less on average to foundation, funds, and trusts, only 6.1 percent.

Figure 2: Estimated Distribution of Giving by The Transactional Donor, 2005



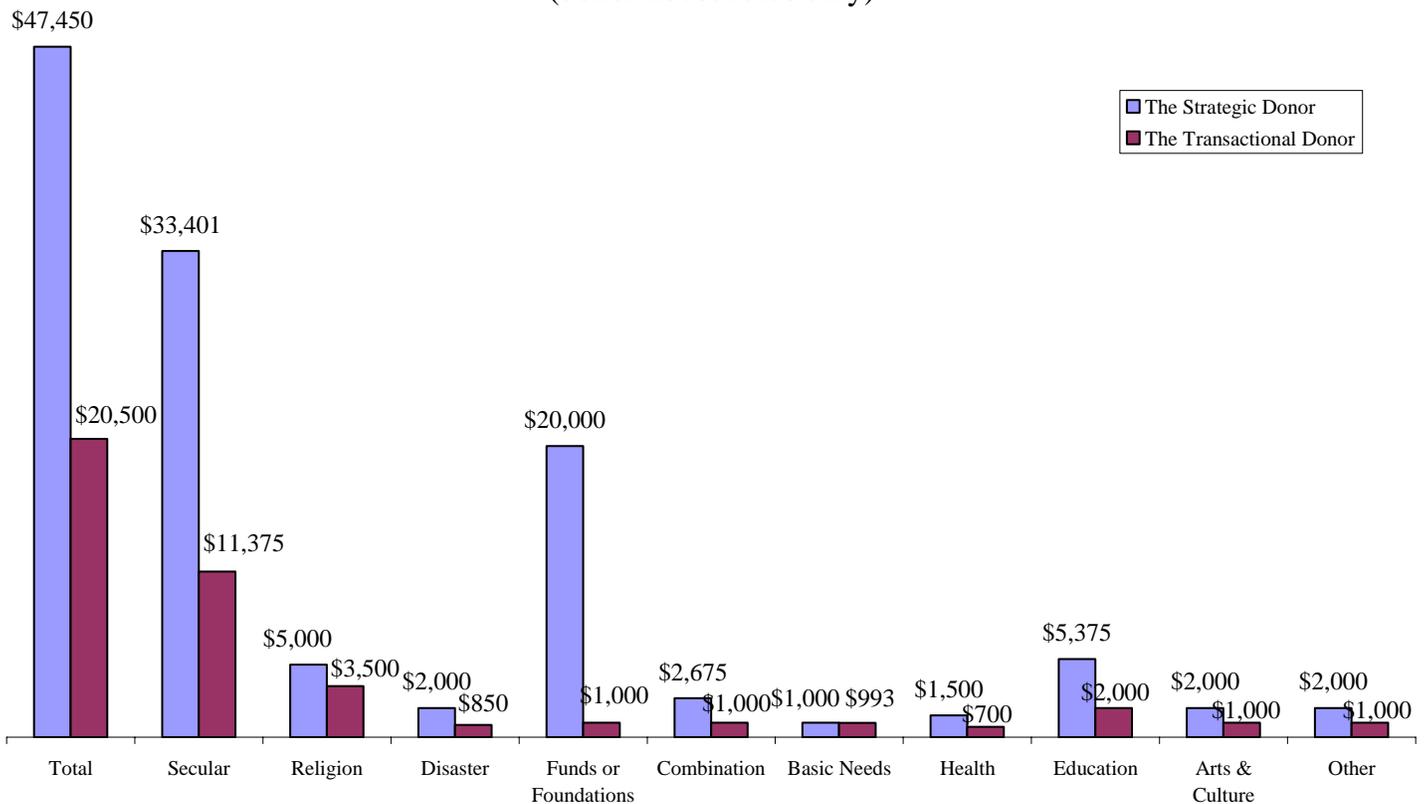
Strategic households are those who have created a foundation, fund, or trust. It is, therefore, not surprising that strategic households give much more on average to foundations, funds, and trusts than transactional households (\$223,160 and \$8,152 respectively). As shown in Figure 3, strategic households also gave more than transactional households on average to health, education, arts and culture, and other types of organizations such as environmental and international groups. Transactional households, however, gave slightly more on average to disaster relief causes in 2005 (\$11,035 and \$7,417 respectively).

Figure 3: Average Giving by Strategic and Transactional Households by Types of Organization Receiving Funding, 2005 (donor households only)



Strategic households' median giving was also higher than transactional households for the most part. Median fund or foundation giving by strategic households was \$20,000 while median giving by transactional households was \$1,000. Strategic household median giving to educational organizations was also higher than transactional households' median giving (\$5,375 and \$2,000 respectively). Median giving, however, to organizations serving basic human needs such as food and shelter, to health organizations, arts and culture groups, and other organizations such as international or environmental groups, was similar between strategic and transactional households (see Figure 4).

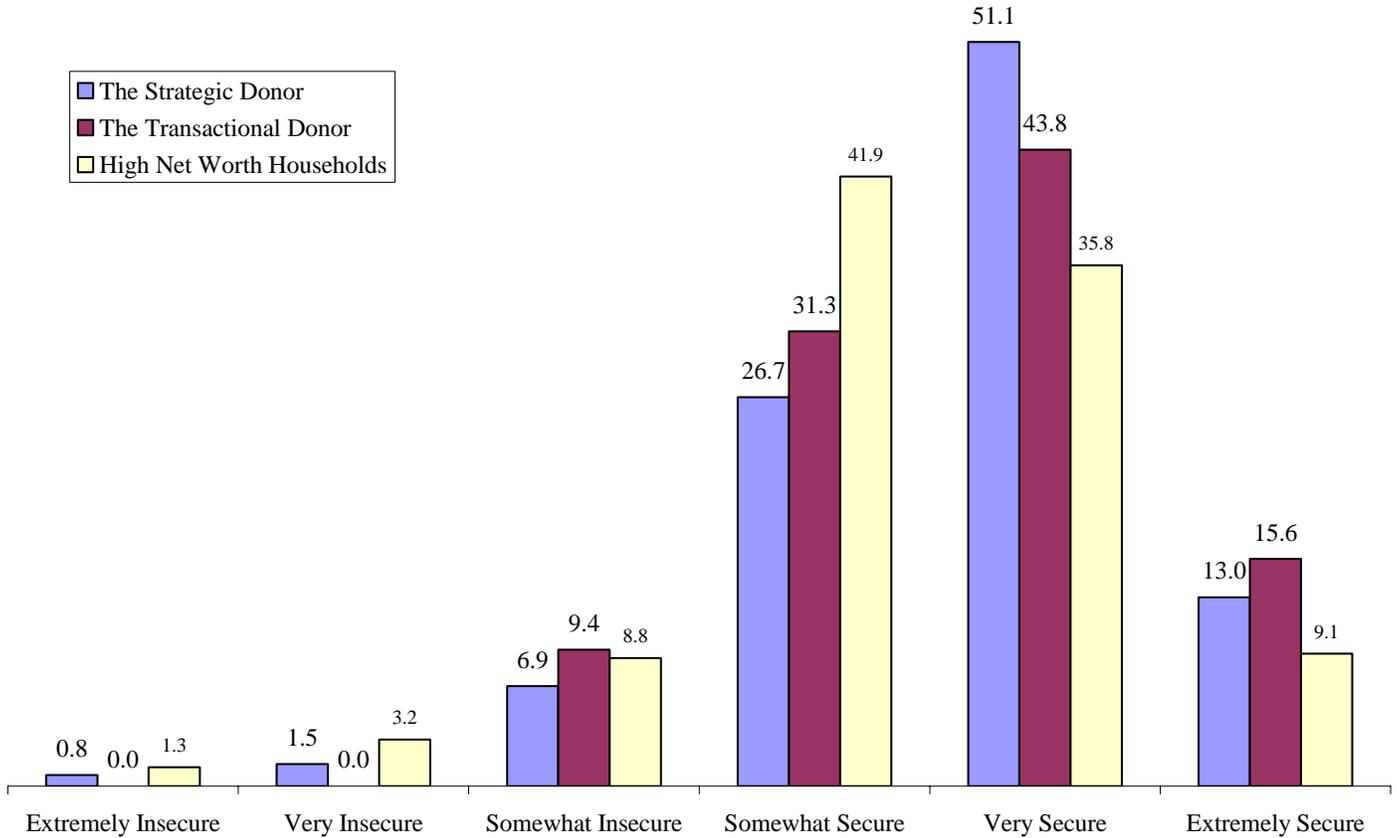
Figure 4: Median Giving by Strategic and Transactional Donors by Types of Organization Receiving Funding, 2005
(donor households only)



Financial Security

Over 90 percent of strategic and transactional households report feeling financially secure (see Figure 5). Over half of strategic households, 51.1 percent, report feeling very secure, while 13.0 percent report feeling extremely secure. Fewer than 60 percent of transactional households feel very or extremely secure.

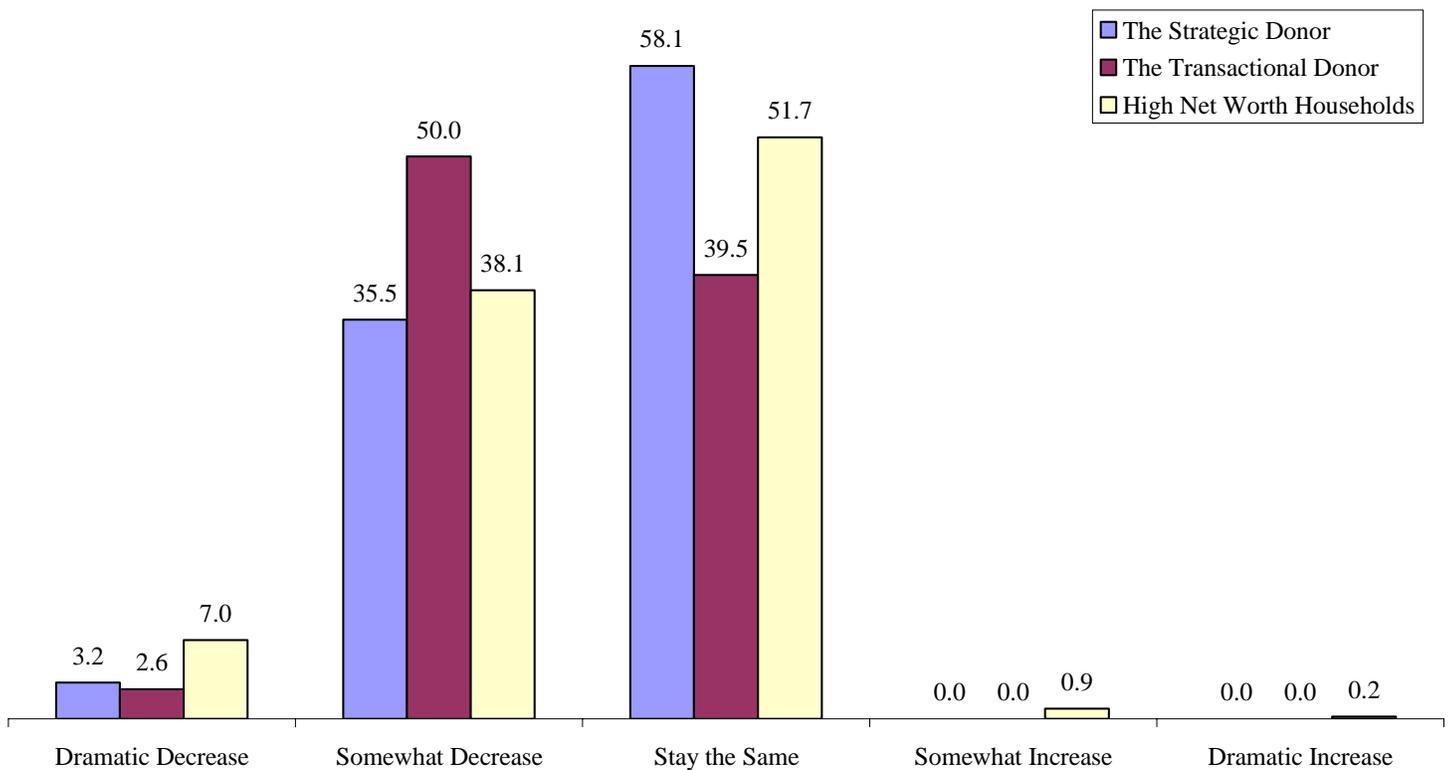
Figure 5: Sense of Financial Security of Strategic and Transactional High Net-Worth Households



Tax Implications

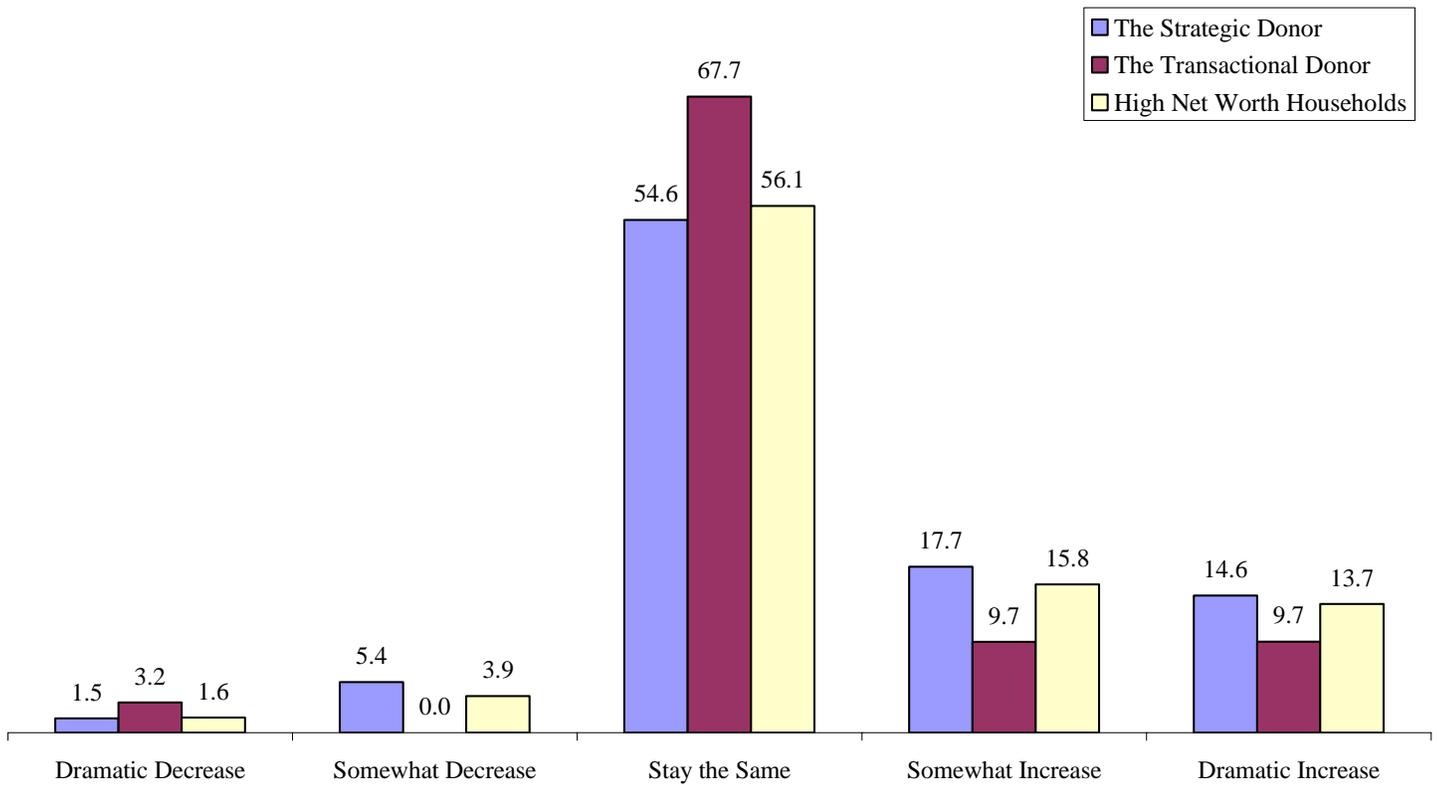
The majority of strategic households, 58.1 percent, report that the amount they would leave to charity would stay the same if they received zero income tax deductions for their donations (see Figure 6). Transactional households were more likely than strategic households to report a decrease in donations if they received zero income tax deductions for their giving (52.6 and 38.7 percent respectively).

Figure 6: Percentage of Strategic and Transactional High Net-Worth Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



As shown in Figure 7, transactional households were more likely than strategic households to report that the amount they left to charity in their will would stay the same if the estate tax were repealed (67.7 and 54.6 percent respectively). Strategic households, on the other hand, were more likely to report that the amount they would leave to charity in their will would increase if the estate tax were repealed (32.3 and 19.4 percent respectively).

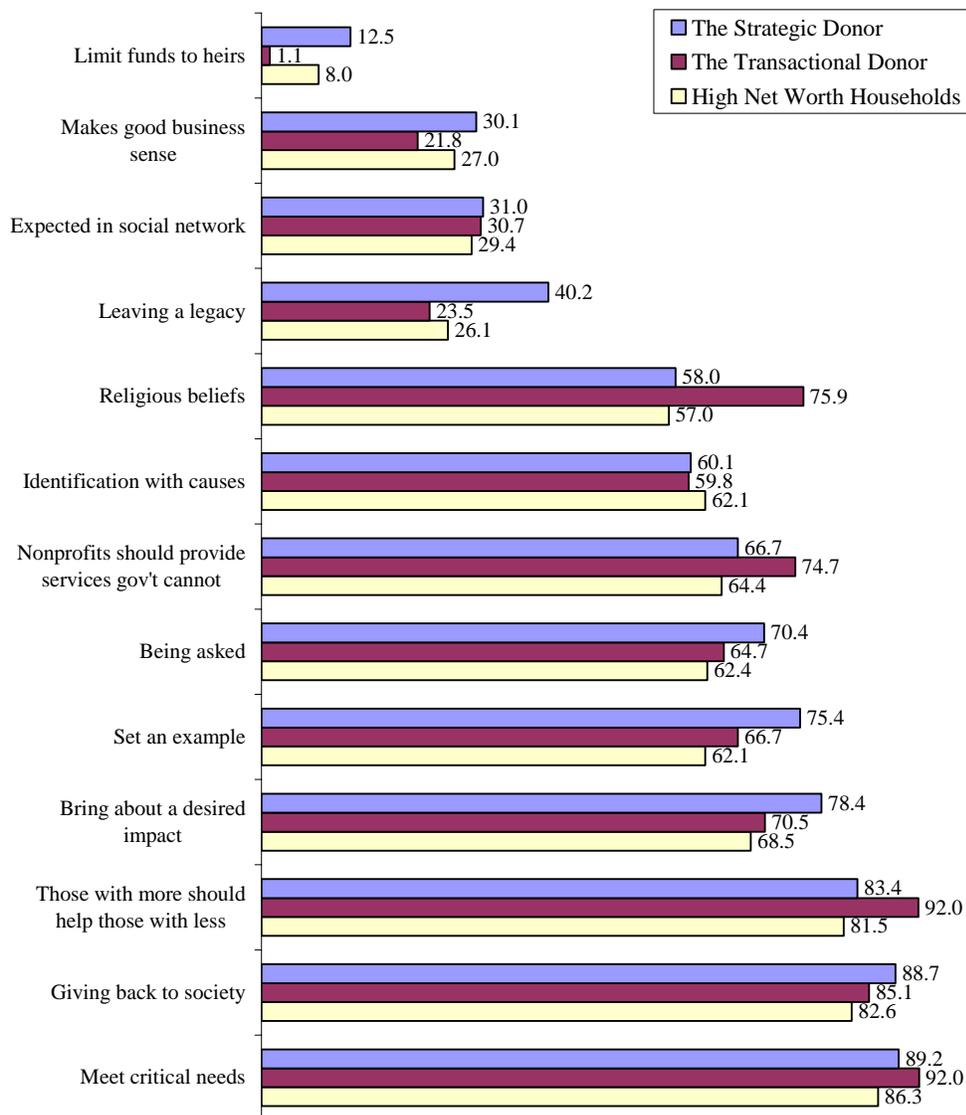
Figure 7: Percentage of Strategic and Transactional High Net-Worth Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

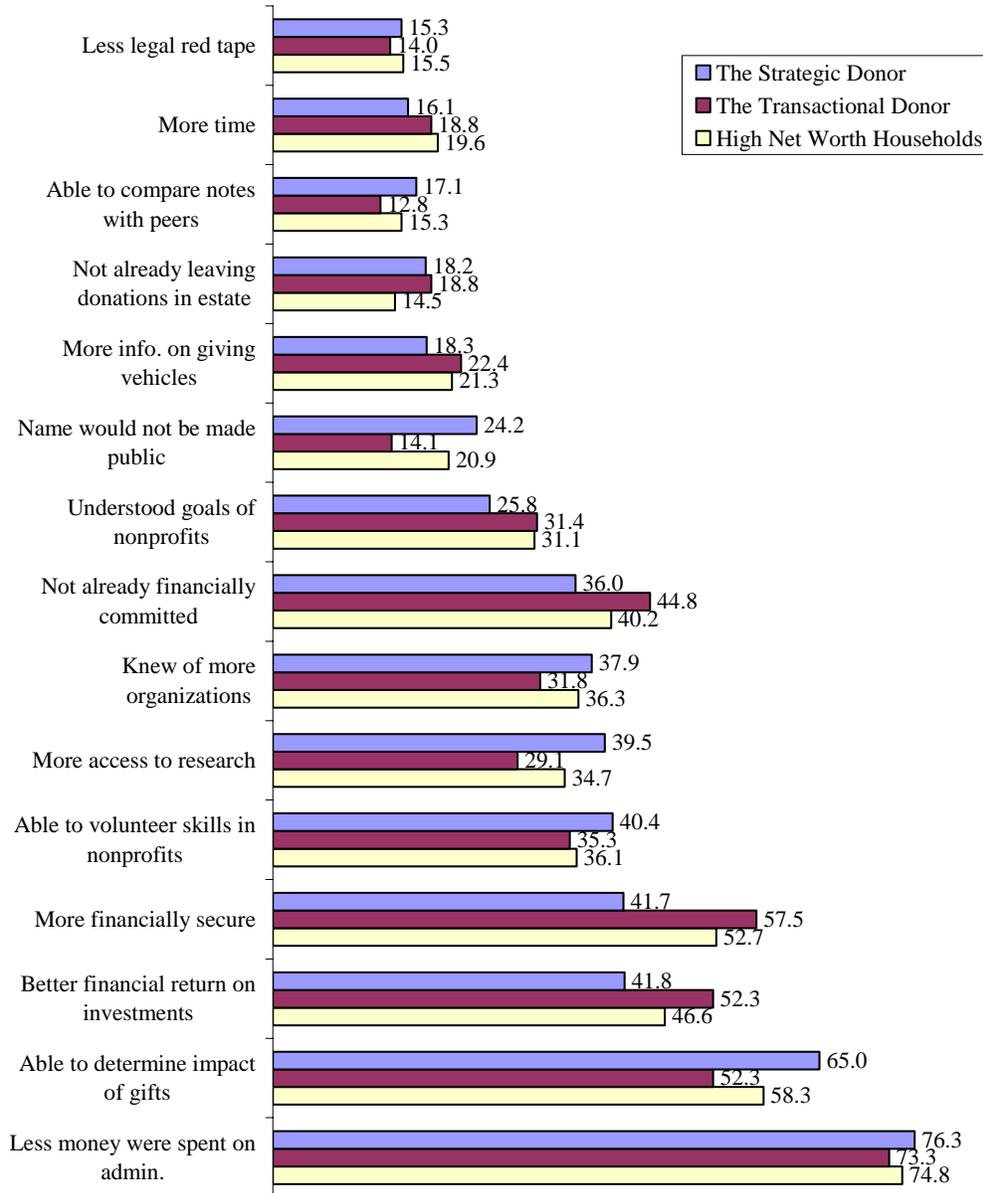
Strategic and transactional households report somewhat different motivations for giving (see Figure 8). Transactional households were more likely than strategic households to report meeting critical needs (92.0 and 89.2 percent respectively), that those with more should help those with less (92.0 and 83.4 percent respectively), that nonprofits should provide services that government cannot (74.7 and 66.7 percent respectively), and religious beliefs (75.9 and 58.0 percent respectively) as important motivations for giving. On the other hand, strategic households were more likely than transactional households to report that bringing about a desired impact (78.4 and 70.5 percent respectively), setting an example for children (75.4 and 66.7 percent respectively), being asked (70.4 and 64.7 percent respectively), and leaving a legacy (40.2 and 23.5 percent respectively) were important motivations for giving.

Figure 8: Important Motivations for Giving by Strategic and Transactional Households (percentage)



As illustrated in Figure 9, strategic households also differed in how they responded to questions about what would cause them to give more to charity. Strategic households were more likely than transactional households to report that they would give more to charity if they were able to determine the impact of their gifts (65.0 and 52.3 percent respectively), if they had more access to research (39.5 and 29.1 percent respectively), if they knew of more organizations (37.9 and 31.8 percent respectively), or if their name would not be made public (24.2 and 14.1 percent respectively). Transactional households, on the other hand, were more likely to report that they would give more to charity if they had a better financial return on investments (52.3 and 41.8 percent respectively), if they felt more financially secure (57.5 and 41.7 percent respectively), or if they were not already financially committed (44.8 and 36.0 percent respectively).

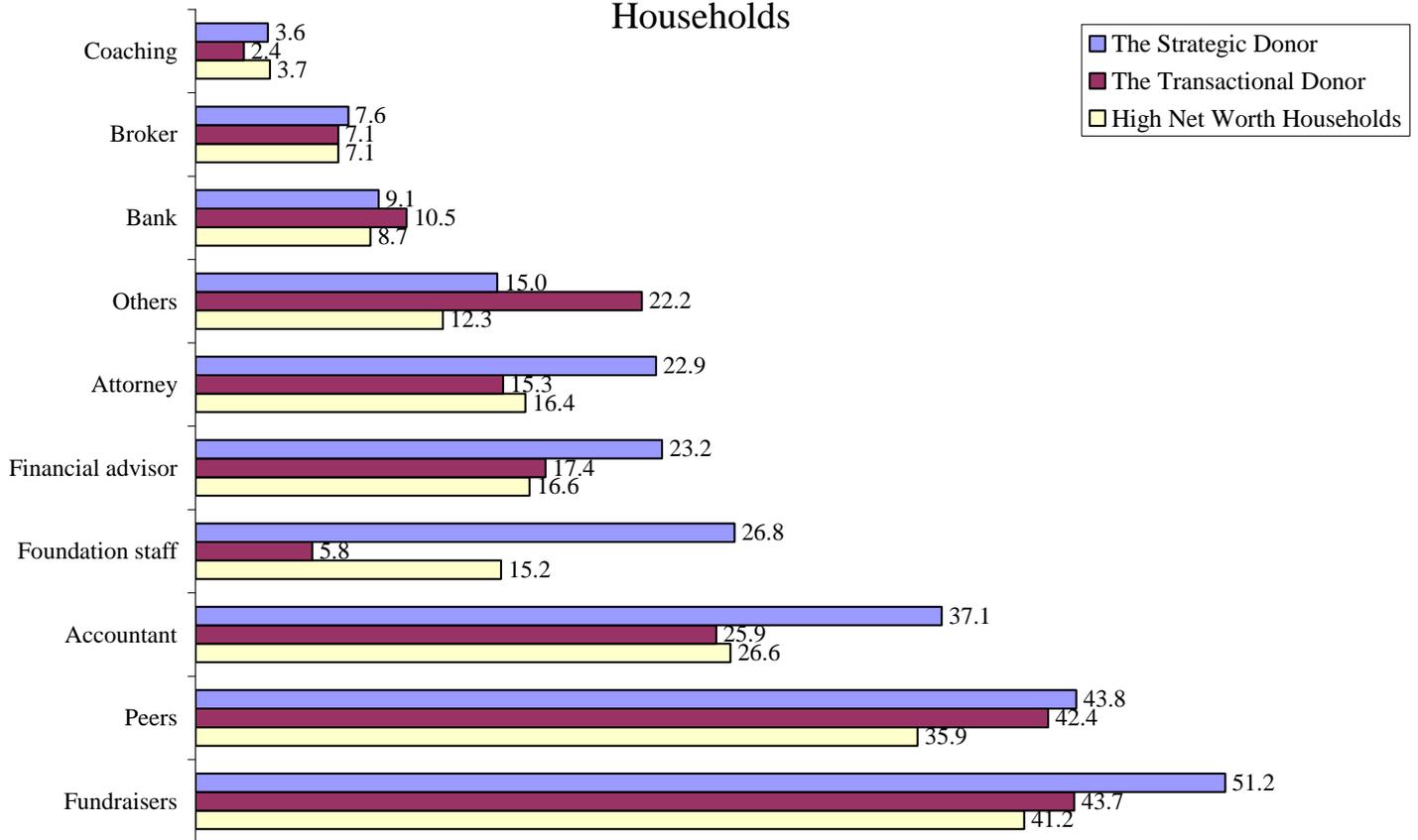
Figure 9: Percentage of Strategic and Transactional Households Reporting They Would Give More to Charity if the Following Occurred



Advice

More than half of all strategic households, 51.2 percent, sought advice from fundraisers whereas only 43.7 percent of transactional households sought advice about charitable giving from fundraisers (see Figure 10). Strategic households were also more likely than transactional households to seek advice about charitable giving from accountants (37.1 and 25.9 percent respectively), foundation staff (26.8 and 5.8 percent respectively), financial advisors (23.2 and 17.4 percent respectively), and attorneys (22.9 and 15.3 percent respectively), and attorneys (22.9 and 15.3 percent respectively), and attorneys (22.9 and 15.3 percent respectively).

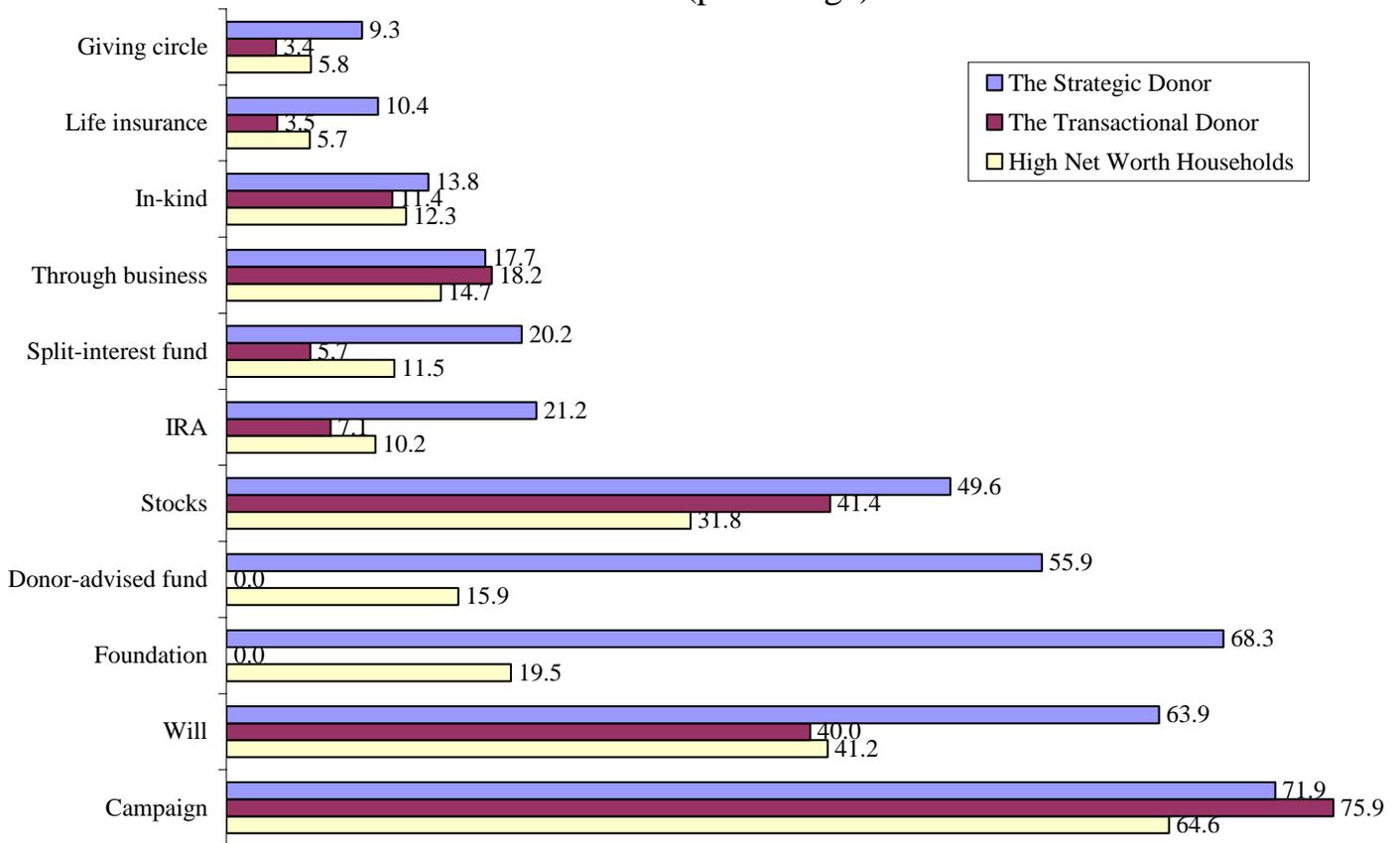
Figure 10: Percentage of Donor Households that Sought Advice for Charitable Giving by Strategic and Transactional High Net-Worth Households



How Donations Are Made

By definition, strategic households are those who have created a foundation or a donor-advised fund, and to be a transactional household they could not have created a foundation or a donor-advised fund. Strategic households, however, are also more likely to utilize other giving vehicles as shown in Figure 11. Strategic households were more likely than transactional households to leave a provision in their will for charity (63.9 and 40.0 percent respectively), to donate stocks (49.6 and 41.4 percent respectively), to name a charity as a beneficiary in their retirement account (21.2 and 7.1 percent respectively), and to create a split-interest fund (20.2 and 5.7 percent respectively).

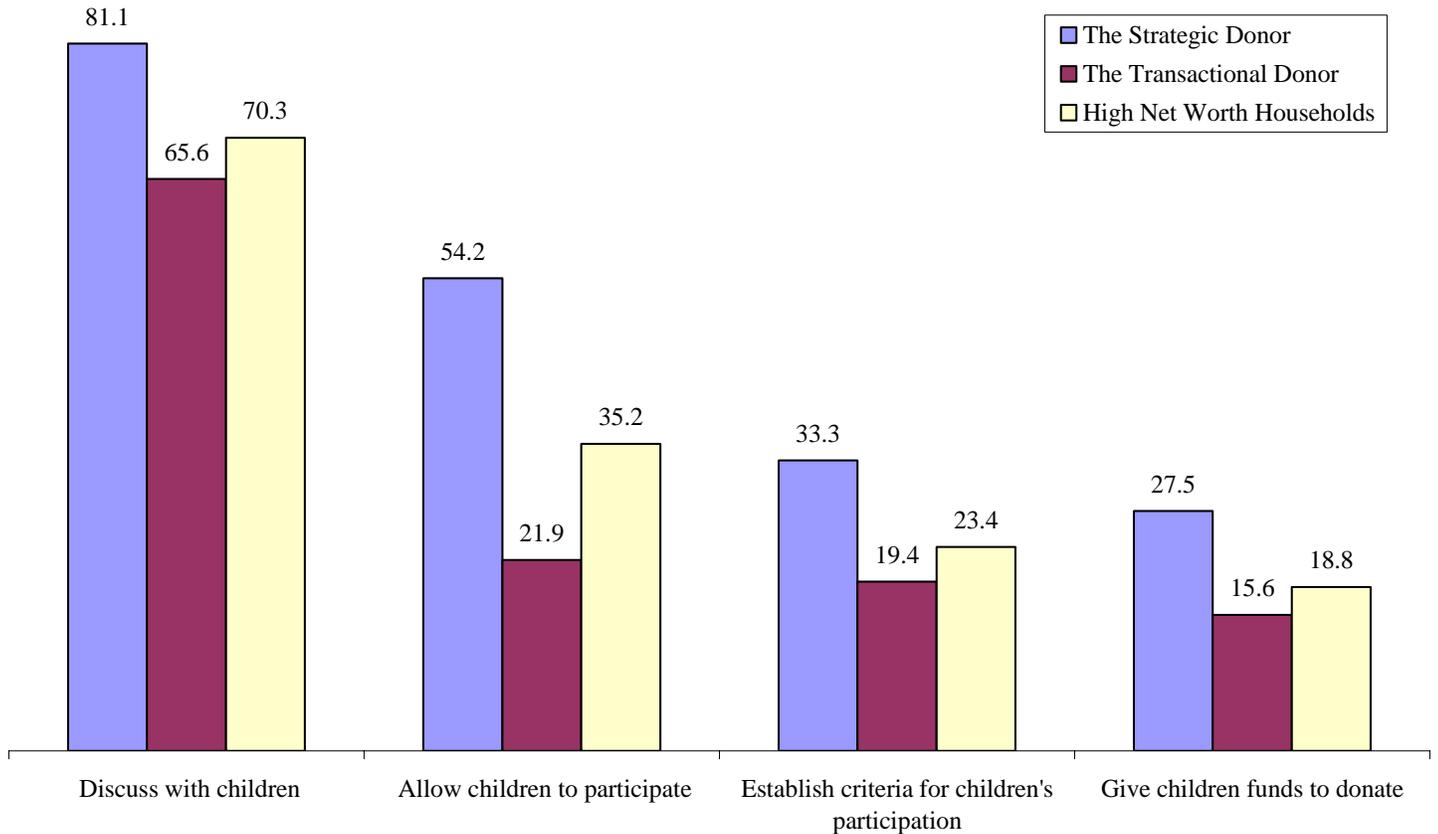
Figure 11: Giving Vehicles Used by Strategic and Transactional Households (percentage)



Transmitting Values

Strategic households are more likely to involve their children in the philanthropic process (see Figure 12). Strategic households are more likely than transactional households to discuss their philanthropy with their children (81.1 and 65.6 percent respectively), allow their children to participate in philanthropy (54.2 and 21.9 percent respectively), establish criteria for their children's participation (33.3 and 19.4 percent respectively), and to give their children money with which to donate (27.5 and 15.6 percent respectively).

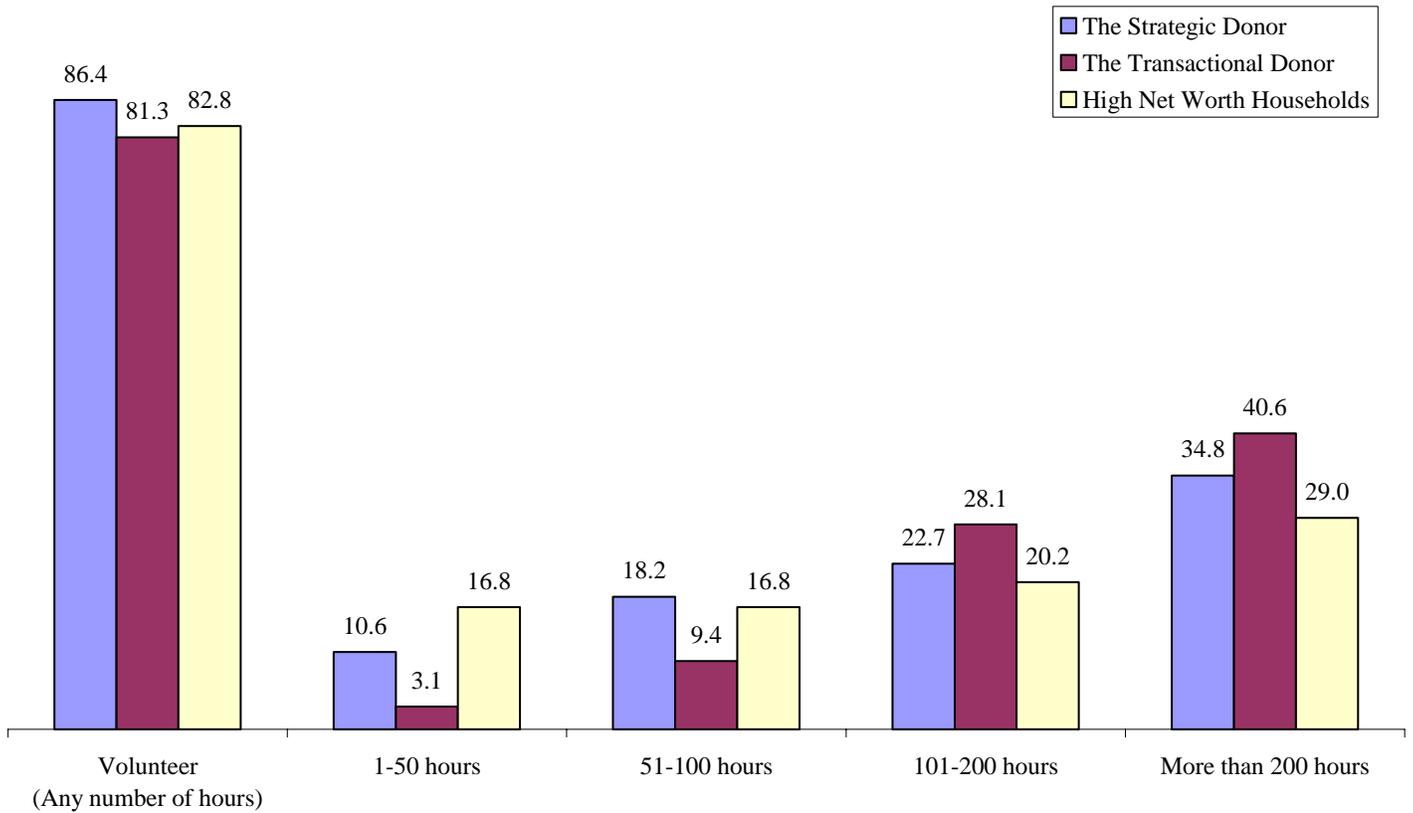
Figure 12: Percentage of Strategic and Transactional Households Reporting Children's Participation in Philanthropy



Volunteering

Figure 13 illustrates that strategic households were slightly more likely to volunteer than transactional households (86.4 and 81.3 percent respectively). Transactional households, however, volunteer more hours than strategic households. Strategic households were more likely to volunteer 100 hours or less in a year whereas transactional households were more likely to volunteer more than 100 hours a year.

Figure 13: Percentage of Strategic and Transactional Households that Volunteer by the Number of Hours Volunteered



The Altruistic and Financially Pragmatic Donor

For our final archetype, we've contrasted altruistic and financially pragmatic high net-worth households. **Altruistic households reported that “meeting critical community needs and supporting worthwhile causes” and “that those with more should help those with less” are important motivations for giving.** In addition, altruistic households reported that “receiving a better return on investments does not impede their giving.” **Financially pragmatic households reported that they would give more to charity if they had a “better return on investments” or “if they felt more financially secure.”** This contrast has provided some interesting results.

Financially pragmatic households give statistically significantly less to charity, in particular to meeting basic human needs such as food and shelter. Altruistically motivated households give statistically significantly more to organizations serving a combination of purposes such as the United Way. Financially pragmatic households had statistically significantly less wealth, but reported feeling more financially secure than altruistic households.

Financially pragmatic households have many more reasons than altruistic households motivating them to give more to charity. For example, they were more likely to report that they would give more to charity if they felt more financially secure, if they were able to determine the impact of their gifts, or if they were not already financially committed. Financially pragmatic households were also much more likely to seek external advice about their charitable giving from accountants, while altruistic households were more likely to seek advice from fundraisers and nonprofit personnel. Altruistic households were also much more likely to participate in a charitable campaign, donate stocks, create a foundation, or give through a family-owned business. Finally, altruistically motivated households volunteered more hours on average than financially pragmatic households.

Characteristics

A notable difference between altruistic and financially pragmatic households is their income and wealth levels. Altruistic high net-worth households have statistically significantly more income than other households in the study, and while their wealth is not significantly higher, it is slightly higher on average (see Table 1). On the other hand, financially pragmatic households have statistically significantly less income and wealth on average than other households in the study. Financially pragmatic households are more likely to live in the Northeast than altruistic households, 30.4 and 22.9 percent respectively. Altruistically motivated households were more likely to have children.

Table 1: Income and Wealth of Altruistic and Financially Pragmatic Donors

		Mean	Sig. ¹	Median	Mode
Income:	Altruism	\$1,854,930	+	\$550,000	\$350,000
	Finances	\$882,837	-	\$350,000	\$350,000
Wealth:	Altruism	\$16,547,143		\$7,500,000	\$3,500,000
	Finances	\$8,440,138	---	\$3,500,000	\$3,500,000

¹ +p<.01, statistically significantly positive difference between altruistic households and other households in the study or between financially pragmatic households and other households in the study.

-p<.01, ---p<.001, statistically significantly negative difference between altruistic households and other households in the study or financially pragmatic households and other households in the study

Charitable Giving

As shown in Table 2, high net-worth altruistic households give four times as much to charity as those who are financially pragmatic (\$198,007 and \$48,611 respectively). The difference in giving is primarily the difference in giving to secular causes. Financially pragmatic households give on average \$35,738 and those who are reportedly more altruistically motivated give \$179,349 on average to secular causes. Financially pragmatic and altruistically motivated households give approximately the same on average to religious causes, \$16,130 and \$17,088, although the median gift to religious causes is higher for those who are altruistically motivated (\$5,000 and \$2,748 respectively).

Table 2: Comparing Giving by Financially Pragmatic and Altruistically Motivated, and Other High Net-Worth Households (donor households only)

	Total Giving		Secular Giving		Religious Giving	
	Average	Median	Average	Median	Average	Median
Financial	\$48,611	\$9,187	\$35,738	\$5,000	\$16,130	\$2,748
Altruistic	\$198,007	\$23,400	\$179,349	\$15,125	\$17,088	\$5,000
High Net-Worth	\$120,651	\$16,500	\$102,553	\$10,000	\$20,530	\$4,000

As shown in Table 3, financially pragmatic households gave statistically significantly less to charity than non-financially pragmatic households (\$48,611). Other high net-worth households gave \$120,651 on average. This was due entirely to giving less to secular causes. Financially pragmatic households gave statistically significantly less to organizations serving basic human needs such as food and shelter than non-financially pragmatic households. Financially pragmatic households gave \$1,793 on average while other high net-worth households gave \$4,550 on average.

Table 3: Giving by Financially Pragmatic Households (donor households only)

	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$48,611	---	\$9,187	\$4,200	\$3,205,000	\$400	285
Secular	\$35,738	---	\$5,000	\$3,000	\$1,605,000	\$175	285
Religion	\$16,130		\$2,748	\$2,000	\$1,600,000	\$0	285
Disaster	\$1,593		\$500	\$500	\$15,000	\$20	285
Funds or Foundations	\$26,600		\$2,000	\$1,000	\$500,000	\$0	285
Combination	\$2,652		\$1,000	\$1,000	\$68,000	\$0	285
Basic Needs	\$1,793	-	\$500	\$500	\$68,000	\$10	285
Health Giving	\$2,457		\$500	\$500	\$100,000	\$0	285
Education	\$16,217		\$1,167	\$1,000	\$1,600,000	\$25	285
Arts & Culture	\$8,523		\$500	\$500	\$788,000	\$0	285
Other	\$6,090		\$800	\$500	\$600,000	\$0	285

Note: - $p < .05$, --- $p < .001$, statistically significantly negative differences between high net-worth financially pragmatic households and non-financially pragmatic households.

Categorical descriptions are found on page 8.

Altruistically motivated households donate statistically significantly more than non-altruistic households to organizations that serve a combination of purposes such as the United Way. Of those that are donors, altruistic households donate on average \$19,930 to combination organizations (\$7,750 median amount). They also donate statistically significantly more to health organizations, \$88,655 (\$1,000 median amount).

Table 4: Giving by Altruistic Households (donor households only)

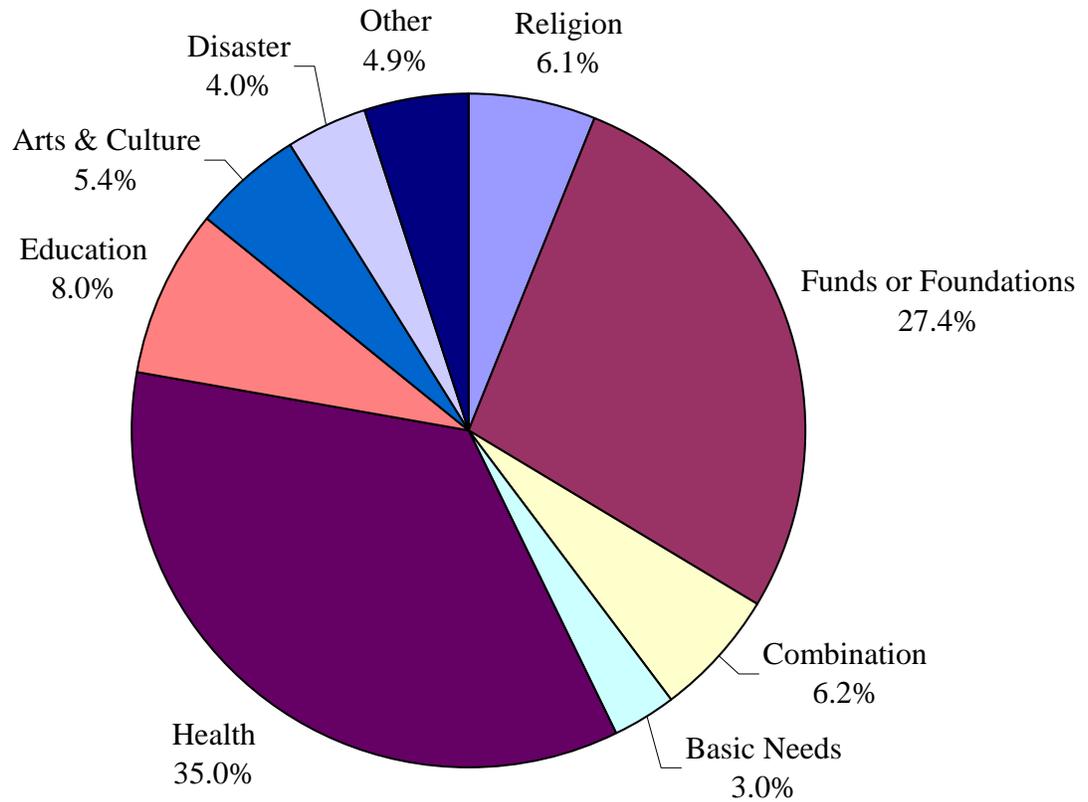
	Mean	Sig.	Median	Mode	Maximum	Minimum	Count
Total	\$198,007		\$23,400	\$7,500	\$9,642,000	\$500	142
Secular	\$179,349		\$15,125	\$4,200	\$9,637,000	\$450	142
Religion	\$17,088		\$5,000	\$5,000	\$310,000	\$50	142
Disaster	\$9,824		\$1,050	\$1,000	\$650,000	\$50	142
Fund or Foundations	\$160,575		\$2,500	\$100,000	\$4,500,000	\$100	142
Combination	\$19,930	++	\$2,000	\$2,000	\$1,000,000	\$0	142
Basic Needs	\$6,947		\$1,500	\$1,000	\$154,000	\$50	142
Health	\$88,655	+	\$1,000	\$1,000	\$9,000,000	\$50	142
Education	\$18,443		\$3,000	\$2,000	\$243,000	\$50	142
Arts & Culture	\$13,085		\$1,500	\$1,000	\$600,000	\$75	142
Other	\$15,453		\$1,960	\$500	\$700,000	\$50	142

Note: + $p < .05$, ++ $p < .01$, statistically significantly positive differences between high net-worth altruistic and non-altruistic households.

Categorical descriptions are found on page 8.

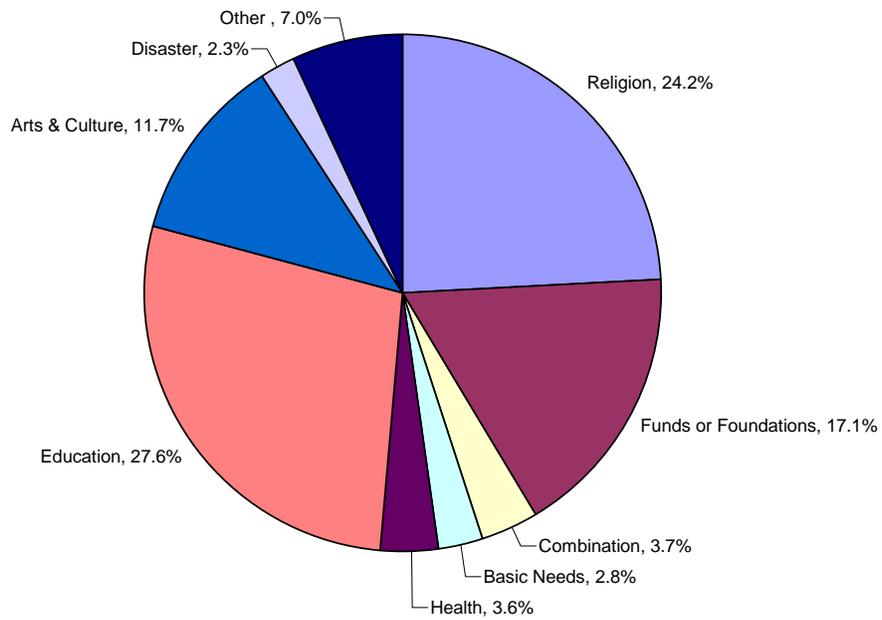
Altruistic donors give more of their donations to health than to any other type of organizations and more than other wealthy households. As shown in Figure 1, over one-third of the total amount donated to charity by altruistic donors is given to health organizations. Another 27 percent went to foundations, funds, or trusts, and 8 percent was donated to educational organizations.

Figure 1: Estimated Distribution of Giving by The Altruistic Donor, 2005



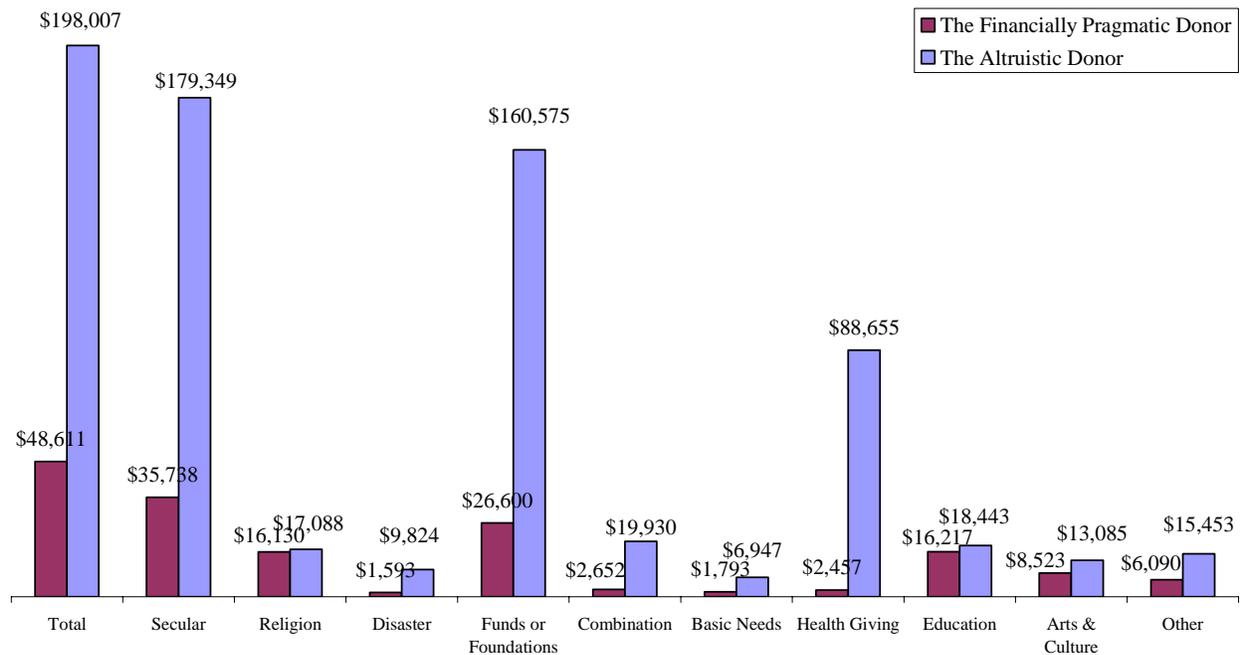
As shown in Figure 2, about 28 percent of all donations from financially pragmatic households were directed toward educational organizations. Another 24 percent was donated to religious organizations, and about 17 percent was directed to foundations, funds, and trusts.

Figure 2: Estimated Distribution of Giving by The Financially Pragmatic Donor, 2005



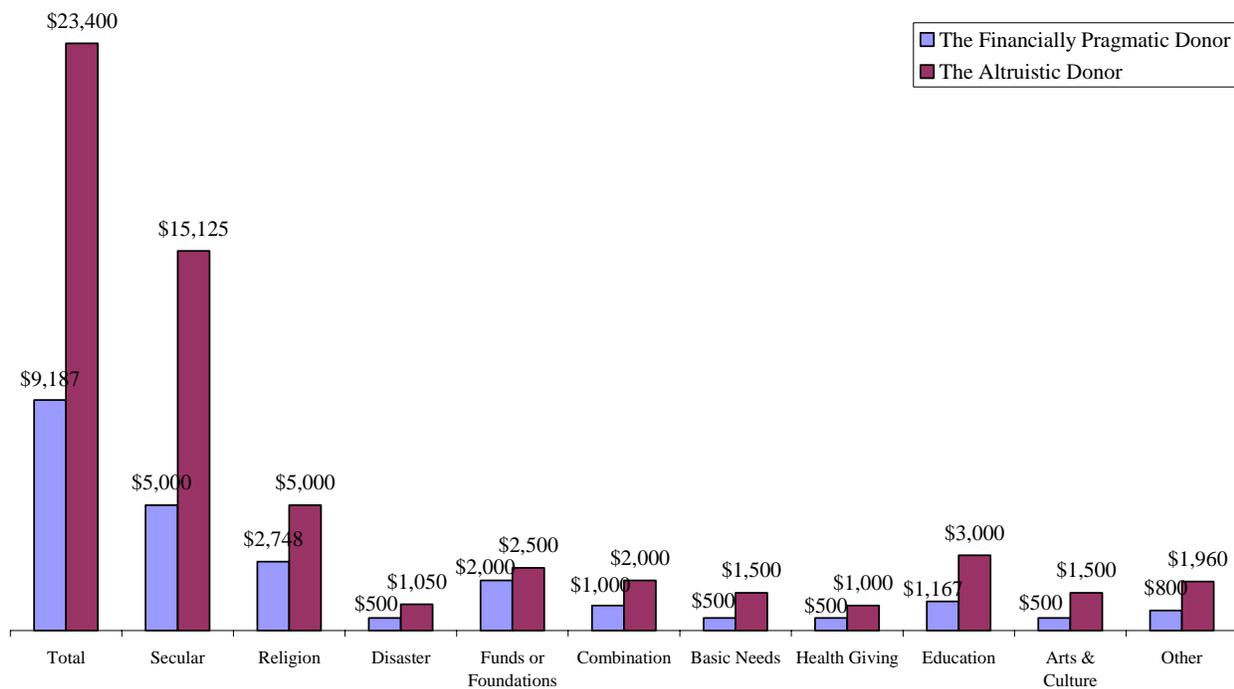
As illustrated in Figure 3, financially pragmatic households give four times less on average than those that are motivated by altruistic reasons (\$48,611 and \$198,007 respectively) and two and a half times less than other high net-worth households (\$48,611 and \$120,651). The difference is entirely in giving less to secular organizations. Financially pragmatic and altruistically motivated households give nearly the same amount on average to religious causes (\$16,130 and \$17,088 respectively).

Figure 3: Average Giving by Altruistic and Financially Pragmatic Donor Households by Types of Organization Receiving Funding, 2005 (donor households only)



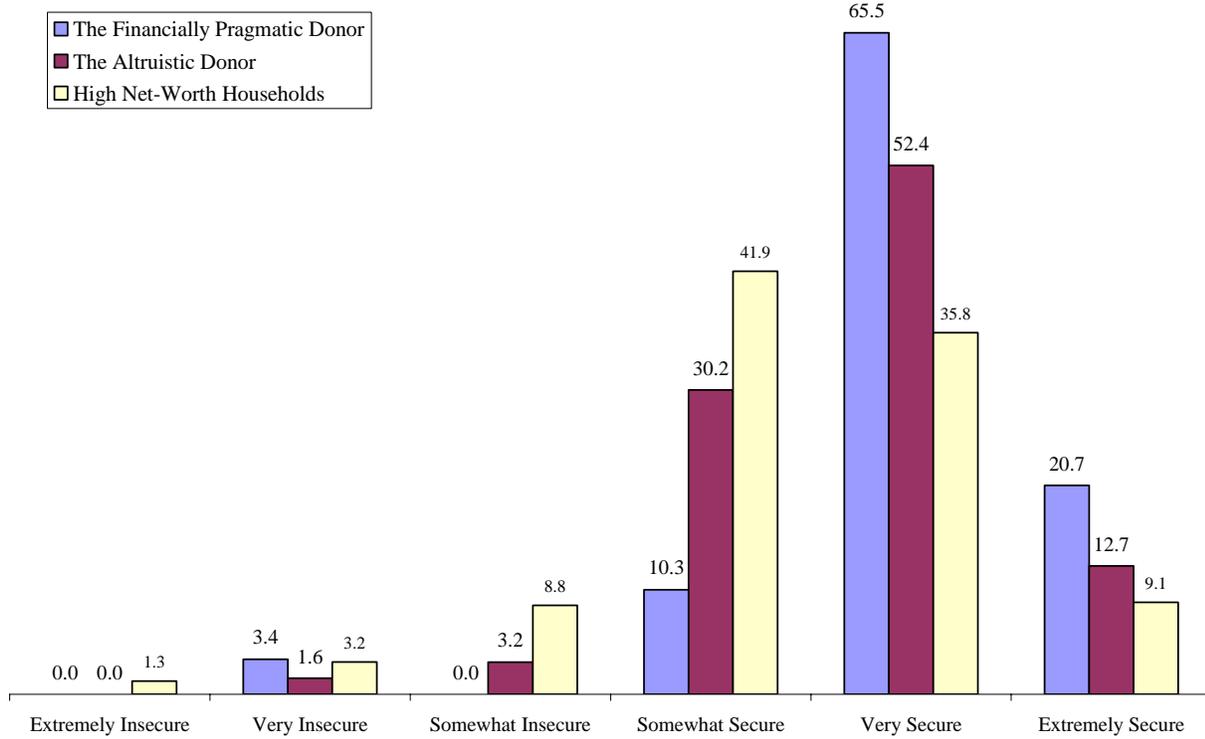
Median giving by financially pragmatic and altruistically motivated donors follows nearly the same pattern as average giving (see Figure 4). Financially pragmatic households gave two and a half times less than altruistic households (\$9,187 and \$23,400 respectively) and one and three-quarters less than other high net-worth households (\$9,187 and \$16,500 respectively). The difference in median giving, however, is due both to differences in secular giving and differences in religious giving. The “typical” financial donor (i.e., median amount) gave \$5,000, three times less than the “typical” altruistic donor who gave \$15,125. The “typical” financial donor (i.e., median amount) gave \$2,748 to religious causes while the “typical” altruistic donor gave \$5,000.

Figure 4: Median Giving Amounts by Altruistic and Financially Pragmatic Households by Types of Organization Receiving Funding, 2005 (donor households only)



Financially pragmatic households reported feeling more financially secure than altruistic households and other high net-worth households (see Figure 5). In particular, financially pragmatic households were more likely than altruistic and other high net-worth households to report feeling very or extremely secure (86.2, 65.1, and 44.9 percent respectively).

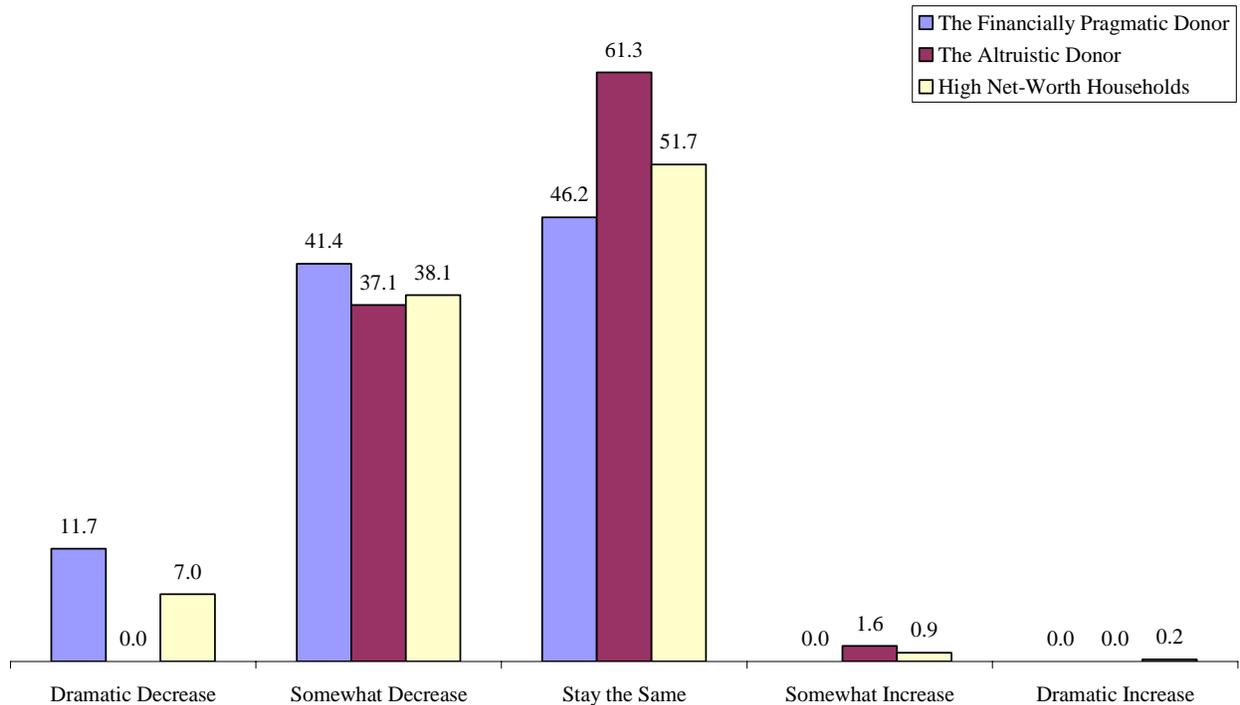
Figure 5: Sense of Financial Security of Altruistic and Financially Pragmatic Households Compared with Other High Net-Worth Households



Tax Implications

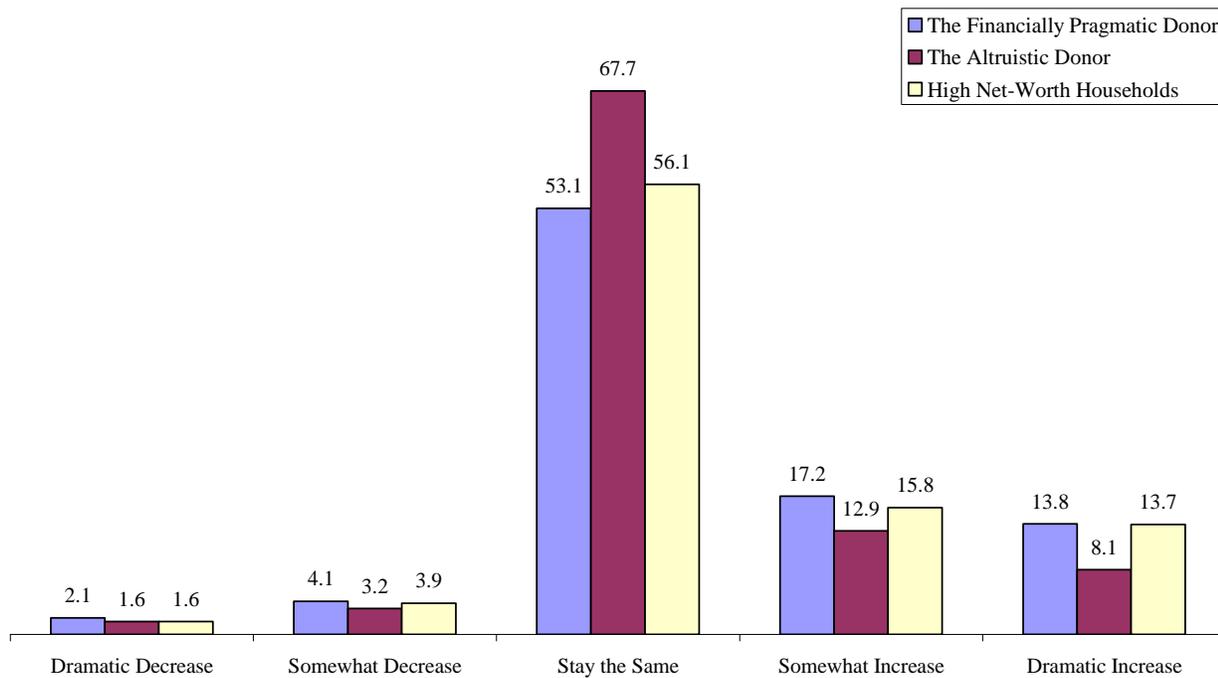
As illustrated in Figure 6, altruistically motivated households were much more likely than financially pragmatic and other high net-worth households to report that the amount they would give to charity would stay the same if they received zero income tax deductions for their donations (61.3, 46.2, and 51.7 percent respectively). Altruistically motivated and financially pragmatic households were also likely to report that their donations would somewhat decrease if they received zero income tax deductions for their donations (41.4 and 37.1 percent respectively).

Figure 6: Percentage of Altruistic and Financially Pragmatic Households Reporting a Change in Charitable Giving if They Received Zero Income Tax Deductions for Their Donations



Altruistically motivated households, similar to financially pragmatic households and other high net-worth households, were likely to report that the amount they left to charity in their will would stay the same if the estate tax were repealed (see Figure 7; 67.7, 53.1, and 56.1 percent respectively). Financially pragmatic households were more likely to report that they would somewhat or dramatically increase the amount they left to charity in their will if the estate tax were repealed (31.0 percent).

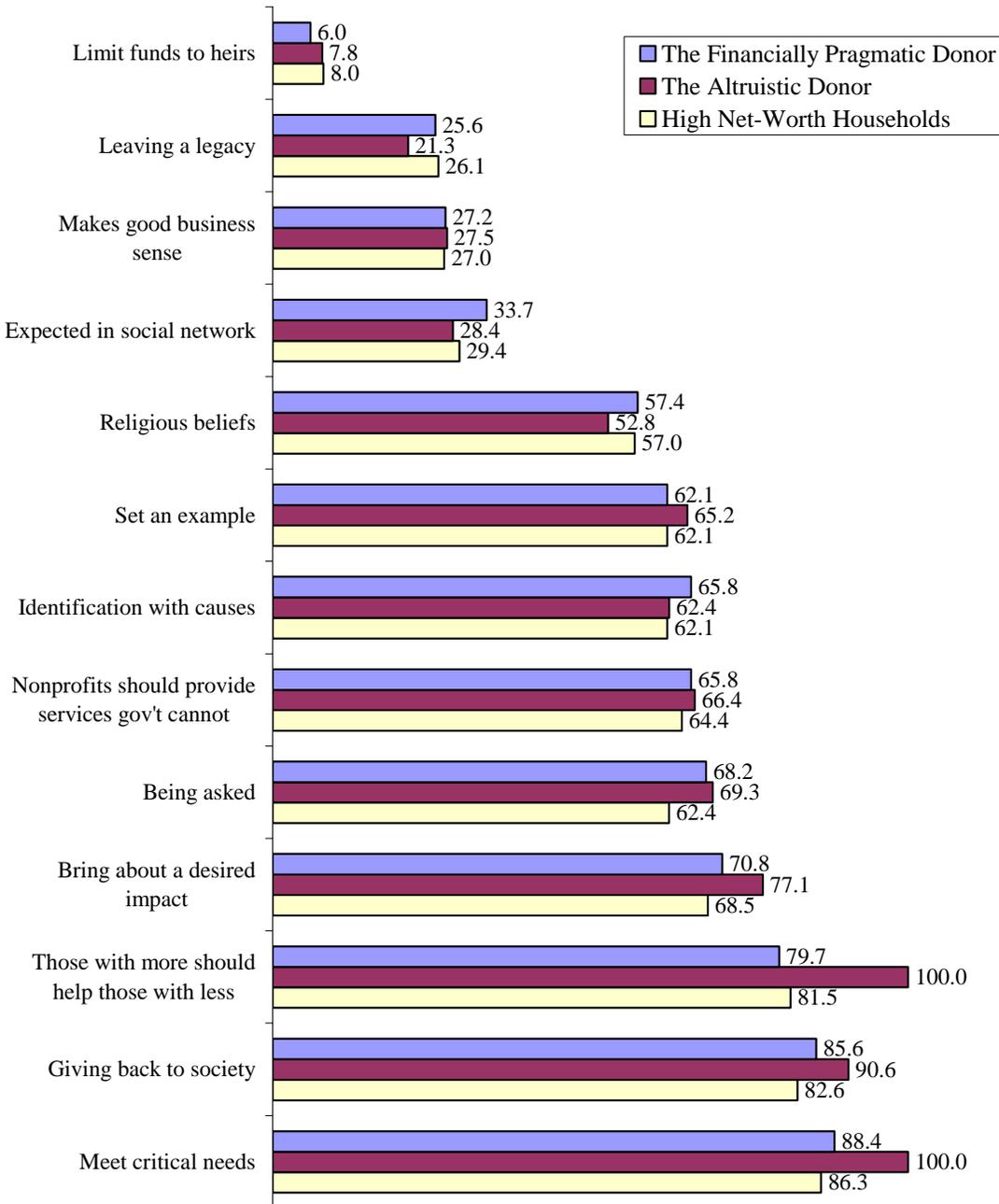
Figure 7: Percentage of Altruistic and Financially Pragmatic Households Reporting a Change in the Amount Left to Charity in an Estate Plan if the Estate Tax Were Repealed



Motivations

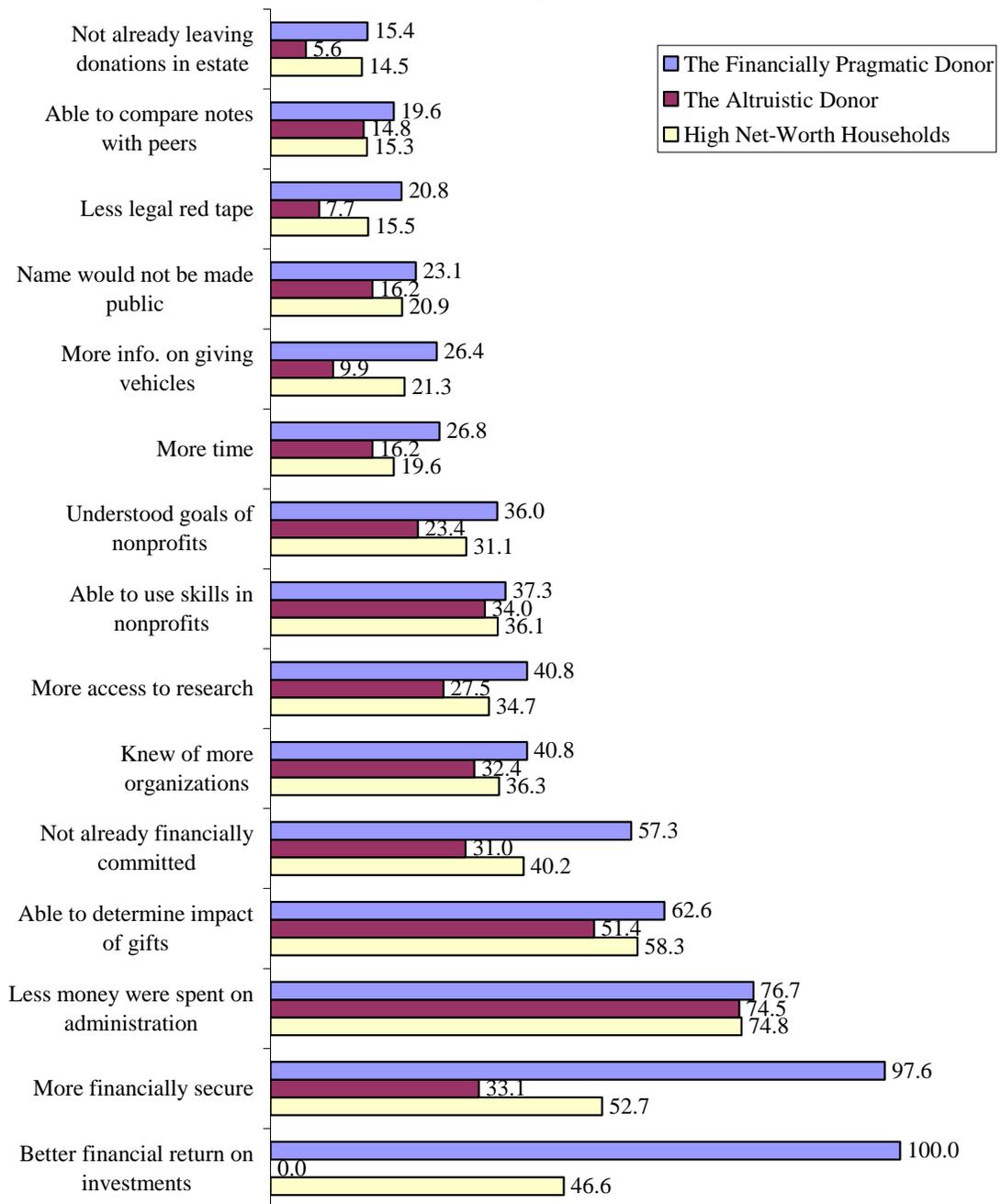
By definition, altruistic households are motivated to make charitable donations by a feeling that those with more should help those with less, and that it is important to meet critical needs. Figure 8 shows that altruistic households are also motivated to make charitable donations, because it is important to give back to society (90.6 percent).

Figure 8: Important Motivations for Giving by Altruistic and Financially Pragmatic Households (percentage)



By definition, financially pragmatic households were those who reported they would give more to charity if they received a better return on their investments or if they felt more financially secure. As illustrated in Figure 9, financially pragmatic households were also much more likely to report that they would give more to charity if they were not already financially committed (57.3 and 31.0 percent respectively), if they knew of more organizations (40.8 and 32.4 percent respectively), and if they had more access to research (40.8 and 27.5 percent respectively).

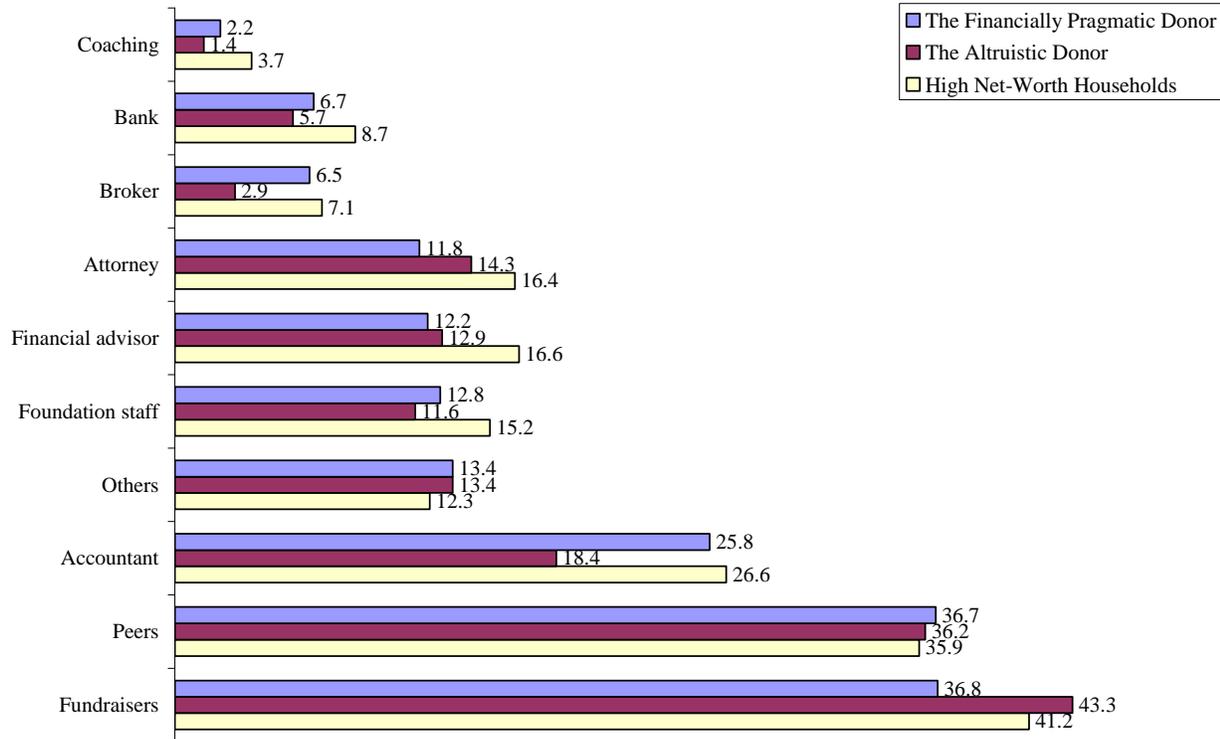
Figure 9: Percentage of Altruistic and Financially Pragmatic Households Reporting They Would Give More to Charity if the Following Occurred



Advice

Altruistically motivated households are more likely than financially pragmatic households to seek advice about their charitable giving from fundraisers or other nonprofit personnel (see Figure 10; 43.3 and 36.8 percent respectively). Financially pragmatic households, on the other hand, were more likely than altruistically motivated households to seek advice from accountants about their charitable giving (25.8 and 18.4 percent respectively).

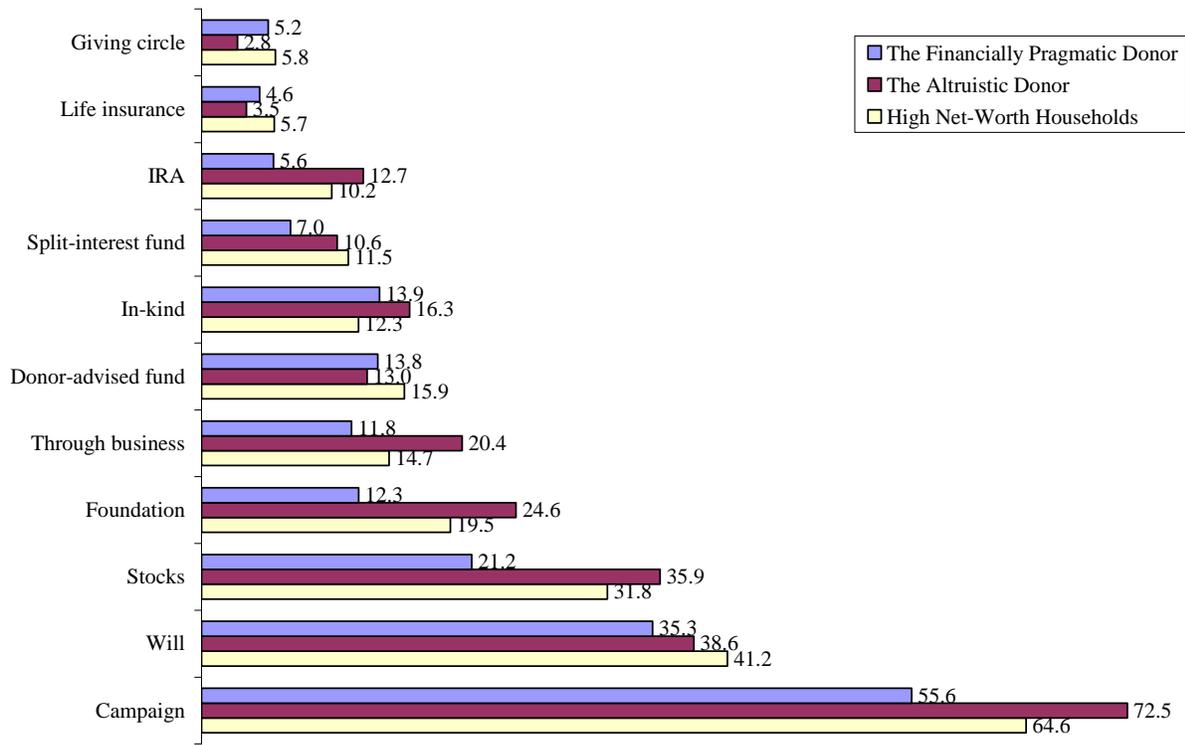
Figure 10: Percentage of Altruistic and Financially Pragmatic Households that Sought Advice for Charitable Giving



How Donations Are Made

Altruistically motivated households are much more likely to utilize giving vehicles than financially pragmatic households (see Figure 11). For example, altruistically motivated households are more likely to participate in a charitable campaign than other high net-worth households (72.5 and 55.6 percent respectively). Similarly, altruistically motivated households were more likely to donate stocks, create a foundation, make donations through a family-owned business, or name a charity as the beneficiary of an individual retirement account.

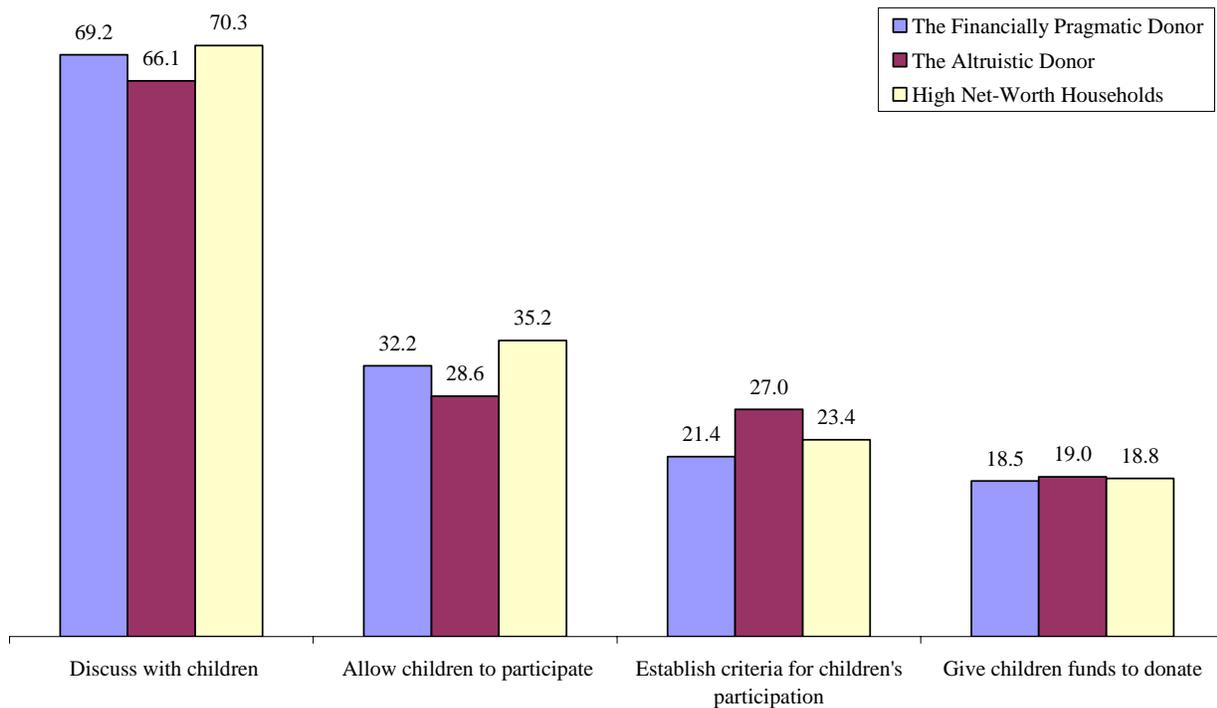
Figure 11: Giving Vehicles Used by Altruistic and Financially Pragmatic Households (percentage)



Transmitting Values

As illustrated in Figure 12, financially pragmatic households are slightly more likely to discuss their philanthropy with their children than altruistically motivated households (69.2 and 66.1 percent respectively) and slightly more likely to allow their children to participate in their philanthropy (32.2 and 28.6 percent respectively). Altruistic households, however, were more likely than financially pragmatic households to establish criteria for their children's participation in philanthropy (21.4 and 27.0 percent respectively).

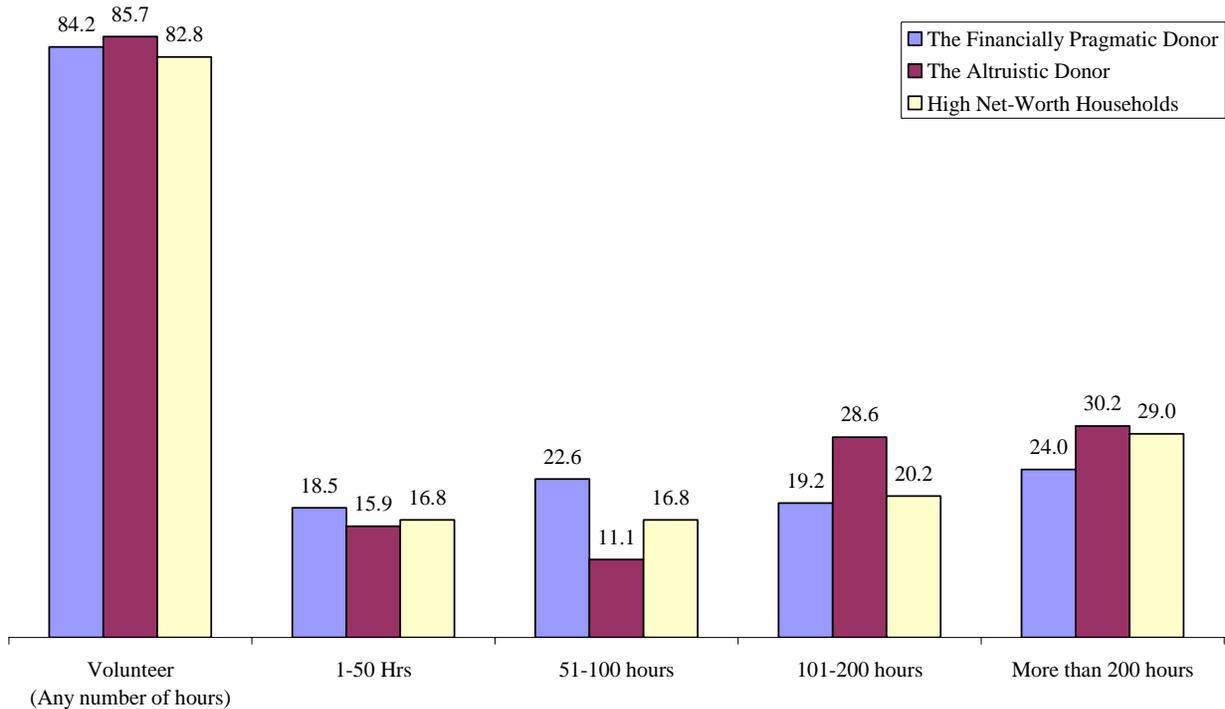
Figure 12: Percentage of Altruistic and Financially Pragmatic Households Reporting Children's Participation in Philanthropy



Volunteering

As shown in Figure 13, financially pragmatic and altruistically motivated households were just as likely to volunteer (84.2 and 85.7 percent respectively). Altruistic households volunteer more hours than financially pragmatic households. Altruistic households were more likely to volunteer more than 100 hours a year than financially pragmatic households (58.8 and 43.2 percent respectively). Likewise, altruistic households are less likely to volunteer less than 100 hours a year than financially pragmatic households (27.0 and 41.1 percent respectively).

Figure 13: Percentage of Altruistic and Financially Pragmatic Households who Volunteer by the Number of Hours Volunteered



Methodology

Study Overview

In the summer of 2006, the Center on Philanthropy at Indiana University (the Center) began a study of the philanthropic patterns of high net-worth households. Previous to this study, the Center had concentrated its research on the nature and attributes of charitable giving by the U.S. general public. However, examination of Internal Revenue Service tax returns indicated to researchers that a large share of charitable contributions came from those that fall into the highest percentiles of income and wealth. While there have been other studies of the charitable giving by high income households, there had yet to be a study with a large enough sample size to provide the depth of information the Center needed to further our understanding of giving in the U.S. This study was our attempt at understanding a population group that by all accounts plays a vital and sustaining role in the nonprofit sector.

The study was a mail survey sent to 30,000 U.S. households from June 7, 2006, through August 14, 2006. Households were chosen by first selecting all of the high income ZIP Codes in the U.S. and then randomly selecting households from within those ZIP Codes. We are very grateful to the 1,400 that completed our survey and made this work possible.

Only those households with an income of over \$200,000 or net worth of more than \$1 million were included in the analysis. “Net worth” in this study is defined as the current value of total household net worth (assets less liabilities), including real estate and other assets.

As mentioned in the introduction, *Portraits of Donors* is the second report to emanate from the Bank of America Study of High Net-worth Philanthropy. The first study looks at all high net-worth households and contrasts their giving with the U.S. general population. For a copy of the initial public release of the report go to www.philanthropy.iupui.edu/Research. A more detailed discussion of the methodology is available at the end of the *Bank of America Study of High Net-worth Philanthropy Phase II* report.

Contacts

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This study was researched and written by The Center on Philanthropy at Indiana University. Bank of America does not guarantee its accuracy or completeness. Always consult your independent attorney, tax advisor and investment advisor for recommendations before changing or implementing any philanthropic strategy.