

THE 2014 U.S. TRUST® STUDY OF HIGH NET WORTH PHILANTHROPY

Issues driving charitable activities among wealthy households

OCTOBER 2014



A collaboration between

U.S. Trust and the Lilly Family School of Philanthropy

This study is a continuation of the 2006, 2008, 2010 and 2012
Bank of America Study of High Net Worth Philanthropy research series.



**LILLY FAMILY
SCHOOL OF PHILANTHROPY**
INDIANA UNIVERSITY
Indianapolis

Institutional Investments & Philanthropic Solutions (II&PS) is part of U.S. Trust, Bank of America Corporation (U.S. Trust). U.S. Trust operates through Bank of America, N.A. and other subsidiaries of Bank of America Corporation (BoFA Corp.). Bank of America, N.A., member FDIC. Banking and fiduciary activities are performed by wholly owned banking affiliates of BoFA Corp., including Bank of America, N.A. Brokerage services may be performed by wholly owned brokerage affiliates of BoFA Corp., including Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

Certain U.S. Trust associates are registered representatives with MLPF&S and may assist you with investment products and services provided through MLPF&S and other nonbank investment affiliates. MLPF&S is a registered broker-dealer, registered investment adviser, member SIPC and a wholly owned subsidiary of BoFA Corp.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
-----------------------------	--------------------------------	-----------------------

Bank of America, N.A. makes available investment products sponsored, managed, distributed or provided by companies that are affiliates of BoFA Corp. or in which BoFA Corp. has a substantial economic interest, including BoFA® Global Capital Management.

U.S. Trust

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

U.S. Trust® Project Team

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

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

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

Julia Ehrenfeld, Vice President, Media Relations, Global Wealth & Investment Management, Bank of America

Keri O'Brien, Senior Vice President, Institutional Investments and Philanthropic Solutions Marketing, U.S. Trust

Nicole Maclay, Senior Vice President, Institutional Investments and Philanthropic Solutions Marketing, U.S. Trust

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

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

Joy Chaillou, Senior Vice President, Philanthropic Specialist, U.S. Trust

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

With special thanks to Jeannine Salcedo.

The Indiana University Lilly Family School of Philanthropy

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

The Indiana University Lilly Family School of Philanthropy Project Team

Patrick Rooney, Ph.D., Associate Dean for Academic Affairs and Research

Una Osili, Ph.D., Director of Research

Amy Thayer, Ph.D., Associate Director of Research

Grace Baranowski, B.A., Research Associate

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

Adriene Davis Kalugyer, Manager of Communications

Cynthia Hyatte, Administrative Assistant

Research Assistants: Jon Bergdoll, Denay Patterson, Michael Walz, and Min Qi

With special thanks to: Jacqueline Ackerman, Xiaonan (Coco) Kou, Melanie McKittrick, and Heidi Newman.

U.S. Trust Institutional Investments and Philanthropic Solutions
100 Federal St.
Boston, MA 02110
617.434.1388
www.ustrust.com/philanthropy

The Lilly Family School of Philanthropy
at Indiana University
550 W. North St., Suite 301
Indianapolis, IN 46202-3272
317.274.4200
www.philanthropy.iupui.edu

TABLE OF CONTENTS

INTRODUCTION	5
OVERVIEW	5
KEY FINDINGS	7
READING THE REPORT	11
I. OVERALL TRENDS IN HIGH NET WORTH PHILANTHROPY	12
HIGH NET WORTH HOUSEHOLD GIVING TRENDS	13
TOP PUBLIC POLICY ISSUES FOR HIGH NET WORTH DONORS	17
TRENDS IN GIVING OF LARGEST GIFT BY HIGH NET WORTH HOUSEHOLDS	22
AVERAGE AND MEDIAN GIVING BY HIGH NET WORTH HOUSEHOLDS	25
HOW HIGH NET WORTH HOUSEHOLDS MAKE THEIR DONATIONS	33
HIGH NET WORTH HOUSEHOLD UTILIZATION OF GIVING VEHICLES	34
VOLUNTEERING TRENDS OF HIGH NET WORTH INDIVIDUALS.....	38
HIGH NET WORTH GIVING AND VOLUNTEERING TRENDS	47
II. CHARITABLE MOTIVATIONS AND OUTCOMES, GIVING KNOWLEDGE, GIVING STRATEGIES, AND PERSONAL FULFILLMENT	49
MOTIVATIONS AND OUTCOMES FOR GIVING BY HIGH NET WORTH DONORS.....	50
CHARITABLE GIVING KNOWLEDGE.....	52
GIVING STRATEGIES OF HIGH NET WORTH DONORS	55
III. FAMILY TRADITIONS AND DECISION-MAKING	64
FAMILY TRADITIONS AND HIGH NET WORTH GIVING	65
DECISION-MAKING IN HIGH NET WORTH HOUSEHOLDS	68
IV. FINANCIAL RISK, TAX CONSIDERATIONS, AND THE FUTURE GIVING OF HIGH NET WORTH HOUSEHOLDS	71
RISK TAKING WITH PHILANTHROPIC ASSETS	72
TAX CONSIDERATIONS FOR HIGH NET WORTH HOUSEHOLDS	73
HIGH NET WORTH GIVING FORECAST	80
CONFIDENCE IN SOCIETAL INSTITUTIONS	84
DEMOGRAPHIC SUMMARY AND METHODOLOGY	85

INTRODUCTION

The *2014 U.S. Trust Study of High Net Worth Philanthropy* examines the giving patterns, priorities and attitudes of America's wealthiest households for the year 2013. This latest research study is the fifth in this series of studies, and was once again written and researched by the Indiana University Lilly Family School of Philanthropy in partnership with U.S. Trust. This study is a continuation of the 2006, 2008, 2010 and 2012 reports. In addition, this partnership has produced two other reports — the *2011 Study of High Net Worth Women's Philanthropy and the Impact of Women's Giving Networks* and the *2006 Bank of America Study of High Net Worth Philanthropy: Portraits of Donors*. Together, all of these studies provide valuable information about high net worth giving across multiple dimensions to be used by nonprofit professionals, charitable advisors, donors, and others interested in philanthropy and the nonprofit sector.

To inform longitudinal tracking of high net worth philanthropic activity, several areas analyzed in this study — giving patterns, perceptions, motivations, decision-making, strategies, values, traditions, volunteering and demographic dimensions — build on those examined in the previous studies in this series. In addition, the current study presents new areas of research in order to gain a deeper understanding of the giving patterns of America's high net worth households. New research themes include donors' decisions about participating in a giving pledge, reasons behind volunteering, and the impact of federal funding on their charitable giving, as well as opinions on charitable tax deductions.

These studies have set the benchmark for research on the giving practices of high net worth households. This current study represents a comprehensive analysis of data gathered from a 16-page survey fielded to 20,000 high net worth donors in America's wealthiest neighborhoods. Only households with incomes greater than \$200,000 and/or net worth more than \$1,000,000 — excluding the monetary value of their home — were included in this analysis. Slightly more than 630 responding households met the income and wealth criteria for inclusion in this study, which is a national random sample.

OVERVIEW

This study reveals consistent trends in the giving and volunteering behaviors of high net worth individuals and households from previous years, as well as departures from past trends. Nearly all (98.4 percent) high net worth households continued to give to charity in 2013. In fact, the findings show a 3 percentage point increase in the rate of giving by these households from 2011. A majority of high net worth individuals (75.1 percent) also continued to volunteer their time in 2013. More than one-third (34.3 percent) of these volunteers gave 200 hours or more of their time, while almost three-fourths (73.7 percent) of the volunteers volunteered at two or more organizations.

High net worth donors continue to be intentional about their giving. In 2013, the majority of these donors relied on a strategy to guide their giving and focused their giving on particular causes or geographical areas. In addition, a majority of high net worth donors (84.4 percent) are aware of ways, in addition to traditional donations, to use their assets to advance social or charitable goals, with 12.6 percent using strategies such as program-related investments, mission-related investing and social impact bonds.

High net worth donors' assessment of their level of knowledge about their charitable giving is indicative of other donor characteristics and practices. Nearly the same proportion of wealthy donors ranked themselves as knowledgeable about charitable giving in 2013 (72.0 percent) as in 2011 (72.3 percent). However, a slightly higher percentage of high net worth individuals ranked themselves as experts in 2013 (13.8 percent) compared to 2011 (10.7 percent). Among those donors who ranked themselves expert, more than three-fourths (78.3 percent) monitor or evaluate the impact of their giving, more than half (60.5 percent) consult an advisor about their charitable giving, and over three-fourths (77.5 percent) currently use or plan to establish a giving vehicle.

High net worth donors continue to be impact driven. High net worth donors are consistently motivated to give because they feel moved about how their gift can make a difference, with the highest proportion of donors reporting this as a motivation in 2009, 2011, and 2013 (72.4 percent, 74.0 percent, and 73.5 percent, respectively).

This study, again, asked wealthy households about their confidence in various societal groups and institutions to solve domestic and global problems. The vast majority of high net worth households reported having some confidence or a great deal of confidence in the ability of nonprofit organizations (91.6 percent) and individuals (90.8 percent) to solve societal problems. These results continue to demonstrate high net worth donors' belief in the power of voluntary action. The same households, again, reported much lower levels of confidence in various areas of government — particularly Congress (25.2 percent).

The following sections provide detailed summaries of the key findings about giving and volunteering behaviors and attitudes of high net worth individuals and households drawn from the *2014 U.S. Trust Study of High Net Worth Philanthropy*.

KEY FINDINGS

Overall Giving Trends

Almost all (98.4 percent) high net worth households gave to charity in 2013, an increase from the 95.4 percent that gave in 2011. These high figures are compared to the 65.4 percent of the general population that gave in 2008.

In 2013, high net worth households were most likely to give to education (85.2 percent); more specifically, 73.1 percent give to higher education and 59.9 percent give to K-12 education. Charitable giving to basic needs (80.7 percent) and the arts (69.6 percent) followed education. Education received the largest share of dollars (27.0 percent), among all charitable subsectors – more than religious (12.2 percent) and environmental causes (5.4 percent), each of which attracted a greater share of dollars than basic needs (3.3 percent) or the arts (3.5 percent). The highest share of high net worth households also prioritized education as the most important current policy issue (56.0 percent).

Most (89.8 percent) of high net worth households' total gifts amounted to \$100,000 or less. The average total gift in 2013 was \$68,580, an increase of 28.1 percent from the 2011 average of \$53,519. However, average giving continues to decline as a percentage of income, decreasing from 8.7 percent in 2011 to 7.8 percent in 2013. One potential explanation for this finding is that charitable giving is not increasing as fast as income. A sharp divide exists in average giving by wealth level: in 2013, those households with wealth level between \$1 million and \$4,999,999 gave, on average, \$24,955—those households with wealth level of \$5 million or more gave, on average, \$166,602.

Most high net worth households' largest gifts amounted to less than \$10,000 (62.9 percent). Religion attracted the highest number of high net worth households' largest gifts (33.5 percent), while education closely followed (26.8 percent). For the first time, researchers asked respondents to differentiate between K-12 and higher education; the latter attracted more than twice as many largest gifts (18.8 percent) as the former (7.9 percent). When making their largest gift, almost four times as many high net worth households made an unrestricted gift (78.2 percent) as a restricted gift (20.1 percent).

Charitable gifts dedicated to giving vehicles continued to grow, attracting 28.0 percent of 2013 high net worth giving dollars. This is an increase from 23.4 percent in 2011. While more than half (55.6 percent) of high net worth households reported having or planning to establish a giving vehicle in 2013, the vast majority of high net worth households in 2013 used their

personal assets and income (82.5 percent) as their primary source of charitable giving, rather than a giving vehicle.

Wealthy Americans demonstrate their charitable commitment through volunteering as well as giving. More high net worth households reported volunteering with two organizations (32.0 percent) than one (26.3 percent) or three (23.0 percent). The highest percentage of households reported volunteering more than 200 hours (34.3 percent). Serving on boards (45.7 percent) or in some other capacity (45.4 percent) were the most common volunteer activities in 2013. Slightly more respondents noted that professional expertise is not a factor in their volunteering activity (44.4 percent) compared to those who prefer to offer skills relevant to their professional expertise (40.5 percent). High net worth respondents volunteered most often alone (64.9 percent), rather than with family (14.3 percent) or friends (14.1 percent).

Motivations, Strategies, Charitable Giving Knowledge, and Personal Fulfillment

Most high net worth households give with the belief that their gift can make a difference (73.5 percent) or for personal satisfaction (73.1 percent). Affirming this finding regarding personal satisfaction is that 72.9 percent of wealthy households also report their charitable activity results in personal fulfillment.

More high net worth households rate themselves as knowledgeable in charitable giving (72.0 percent) than novice (14.1 percent) or expert (13.8 percent). As households' self-rated knowledge increases, so too do the following behaviors and attitudes: awareness and current use of additional charitable tools (e.g., program-related investments, mission-related investing, and social impact bonds), monitoring their giving, confidence in their charitable impact, consulting with an advisor, personal fulfillment, having or planning to use a giving vehicle, and total dollars given.

Most wealthy households (72.5 percent) have a giving strategy, while slightly fewer (61.9 percent) have a budget for their charitable donations. Very few have a written mission statement for their giving (3.3 percent). Most are aware of but do not currently use other tools (e.g., program-related investments, mission-related investing, and social impact bonds) to leverage their assets to advance social or charitable goals, in addition to traditional donations (71.8 percent). Slightly more high net worth households monitor or evaluate the impact of their charitable giving (53.4 percent) than do not (46.6 percent). Almost all high net worth households report that their giving is somewhat (46.8 percent) or highly focused in specific areas (46.3 percent).

Similarly, those who monitor or evaluate the impact of their charitable giving are more likely to consult with an advisor about charitable giving, realize intended impact, and report personal fulfillment. Those who consult with an advisor, have a strategy or budget, believe that their giving is having the intended impact, or are aware of other ways to advance charitable goals are all more likely to currently use or plan to establish a giving vehicle.

Family Charitable Traditions and Decision-Making

Fewer high net worth households report having family traditions around giving (41.3 percent) than those that do not have family traditions around giving (58.7 percent).

Among those households that have younger relatives (92.7 percent), only 31.5 percent involve these children, grandchildren, or other younger relatives in their giving. Those that do not involve their children cited the convenience of making charitable decisions separately (37.8 percent) or geographical separation (25.0 percent). Most households report depending on family, family friends, and peers to teach younger relatives about charitable giving (54.7 percent).

Among married or partnered wealthy households, more made charitable decisions jointly with their partner or spouse (60.8 percent) than separately (29.0 percent), while 10.3 percent of the respondents were the sole decision makers.

Risk, Tax, and the Future

More than half of high net worth households reported taking the same risk with their philanthropic assets as their personal investments (57.5 percent); slightly more take a higher degree of risk with personal assets (28.6 percent) compared to those that take a lower degree of risk with personal assets (13.9 percent).

More than half (54.7 percent) of wealthy households are strongly opposed to a cap on charitable deductions. If income tax deductions for charitable giving were eliminated, most high net worth households would either maintain current levels of charitable giving (48.3 percent) or somewhat decrease their giving (41.7 percent). Similarly, if the estate tax were eliminated, most wealthy households would maintain current charitable giving levels (47.5 percent) or somewhat increase their giving (30.8 percent).

More high net worth households predict maintaining current charitable levels in the next three to five years (49.5 percent) than the share of those that anticipate increasing their giving in that time period (35.4 percent). The proportion of high net worth donors who plan to increase their

giving in the next three to five years has grown from 2011 to 2013, from 24.0 percent to 35.4 percent. Wealthy donors' financial capacity is the leading driver of these charitable forecasts, cited by 84.9 percent of those who plan to give more and 89.2 percent of those who plan to give less. Additionally, most high net worth donors would maintain their current level of charitable contributions to recipient organizations whether the government decreased (66.6 percent) or increased (83.1 percent) funding to that organization.

High net worth households have the most confidence in nonprofit organizations (91.6 percent reporting either "some" or "a great deal") and in individuals (90.8 percent reporting "some" or "a great deal").

READING THE REPORT

This report is divided into five main sections and 17 subsections. The report begins in Section I with overall trends in high net worth household philanthropy, including information on the rate of giving, largest gifts, average and median giving, and household demographics. Information about how wealthy households made their gifts as well as current policy areas of greatest interest are also presented. This section concludes with details about volunteering by high net worth individuals.

Section II discusses findings on high net worth donor knowledge, motivations and strategies for giving, as well as profiles of high net worth donors.

Family involvement and decision-making about charitable giving within high net worth households is presented in Section III.

Section IV focuses on a series of findings about financial risk and tax considerations as well as the future of high net worth household charitable giving. This section includes the results of new tax questions such as opinions about tax caps, which type of tax deduction is most important to the donor and to society, and donor funding responses to a change in government support of nonprofit organizations, among others.

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

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

In most instances, the figures presented throughout this report display the percentage of respondents reporting positively to the survey questions. In other instances, data are in terms of dollar amounts or numerical amounts. The survey questions used for this study are provided, when applicable, below the figure heading. Data for years prior to the 2013 report are presented throughout this report. When dollar amounts are presented for prior years, these amounts are adjusted for inflation to 2013 dollars. The current and prior reports can be found at www.ustrust.com/philanthropy and www.philanthropy.iupui.edu/research.

I. OVERALL TRENDS IN HIGH NET WORTH PHILANTHROPY

This section discusses overall trends in high net worth household philanthropy, including giving rates, the organizations to which high net worth households gave, largest gifts by high net worth households, average and median giving amounts, and analyses of giving by specific demographic categories, including giving by income and wealth, education and employment, and religious attendance.

In addition, this section provides data on how high net worth households make gifts, including the use of giving vehicles. Current issues that are most important to wealthy donors are also presented. Trends related to volunteering by high net worth individuals conclude the section. These summaries provide details on rates of volunteering, number of hours volunteered, types of volunteer activities, volunteer decision-making, and analyses of giving levels and volunteer activity.

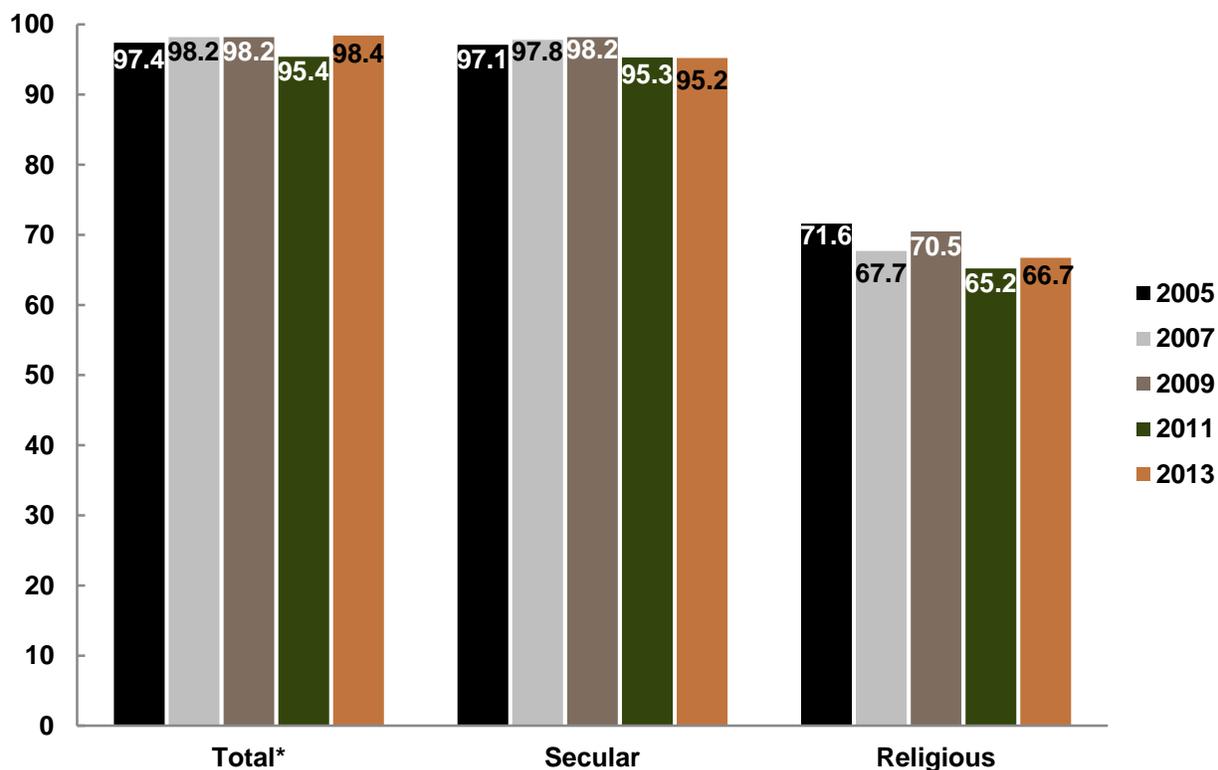
HIGH NET WORTH HOUSEHOLD GIVING TRENDS

Percentage of High Net Worth Households That Give to Charity

The vast majority (98.4 percent) of high net worth households gave to charity in 2013; 95.2 percent gave to secular causes and 66.7 percent gave to religious causes. While giving levels have remained consistently high, 2013 marks a return to 2007 and 2009 participation rates and is the highest recorded level of charitable giving in the span of this study.

FIGURE 1: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO ANY CHARITY IN 2005, 2007, 2009, 2011, AND 2013 (%)

“Did you give to charity in 2013?”



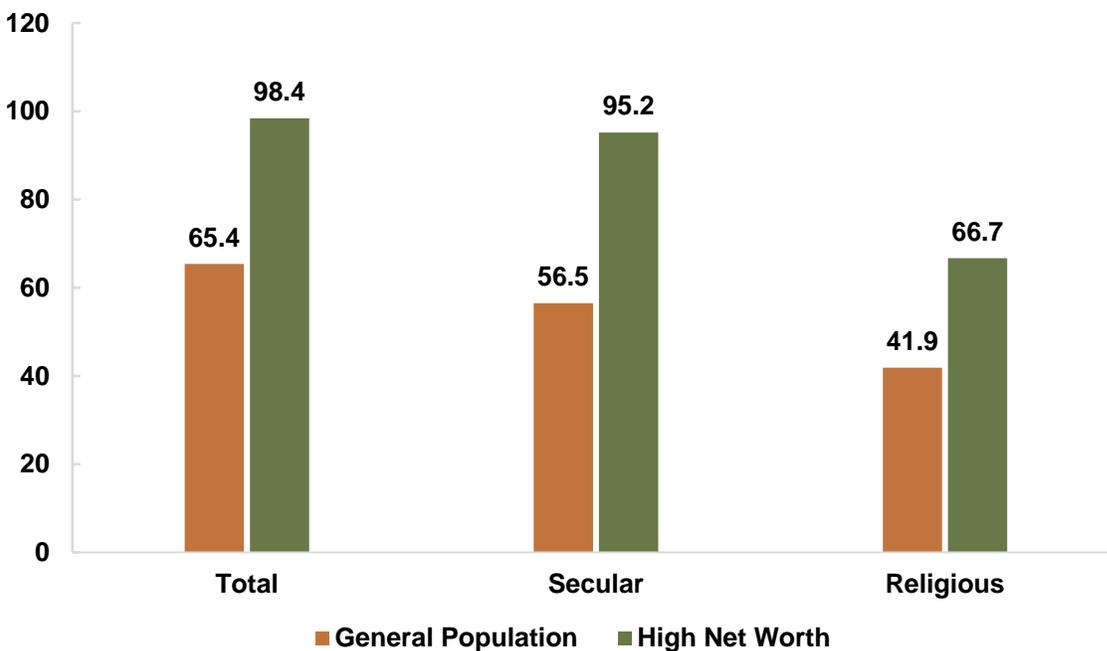
*2011 and 2013 results are statistically different.

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

A much higher percentage of high net worth households donate to charity than do general population households (65.4 percent). While general population donors are also more likely to donate to secular than religious causes, fewer give to either cause — 56.5 percent of general population households donate to secular causes, whereas 41.9 percent donate to religious causes.

FIGURE 2: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO CHARITY IN 2013, COMPARED WITH THE PERCENTAGE OF THE U.S. GENERAL POPULATION REPORTING ON GIVING FOR 2008^ (%)

“In 2013, did you or your household make a donation to any of these causes? Please include personal gifts and gifts from your family foundation, donor-advised fund, trust or other charitable giving vehicle.”



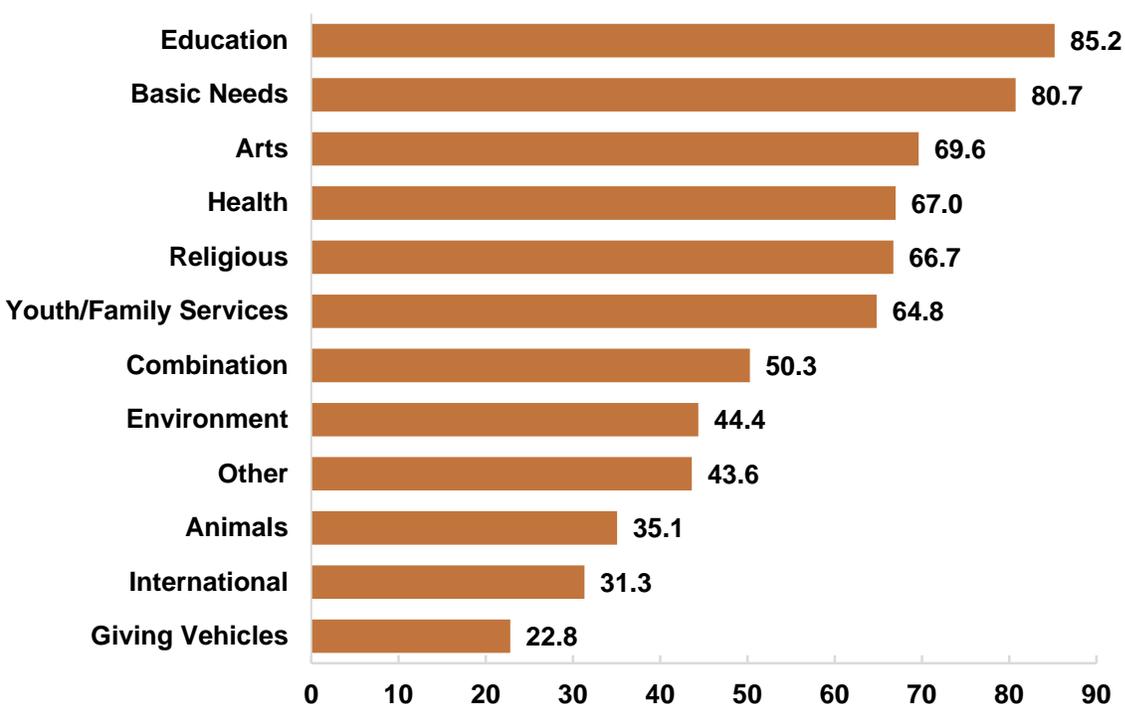
^Source for the U.S. general population is the 2009 Center on Philanthropy Panel Study on giving in 2008, the latest year data is available on average giving by American households, available at www.philanthropy.iupui.edu/research.

High Net Worth Giving by Charitable Category

The largest share of high net worth households (85.2 percent) donated to education. A closer look reveals 73.1 percent give to higher education and 59.9 percent give to K-12 education, while basic needs (80.7 percent), arts and culture (69.6 percent), health (67.0 percent), religious causes (66.7 percent), and youth and family services (64.8 percent) attracted progressively smaller shares of donors. International causes attracted the lowest share of donating wealthy households, excluding giving vehicles.

FIGURE 3: HIGH NET WORTH HOUSEHOLDS REPORTING GIVING TO CHARITABLE CATEGORIES IN 2013^ (%)

“In 2013, did you or your household make a donation to any of these causes? Please include personal gifts and gifts from your family foundation, donor-advised fund, trust or other charitable giving vehicle.”

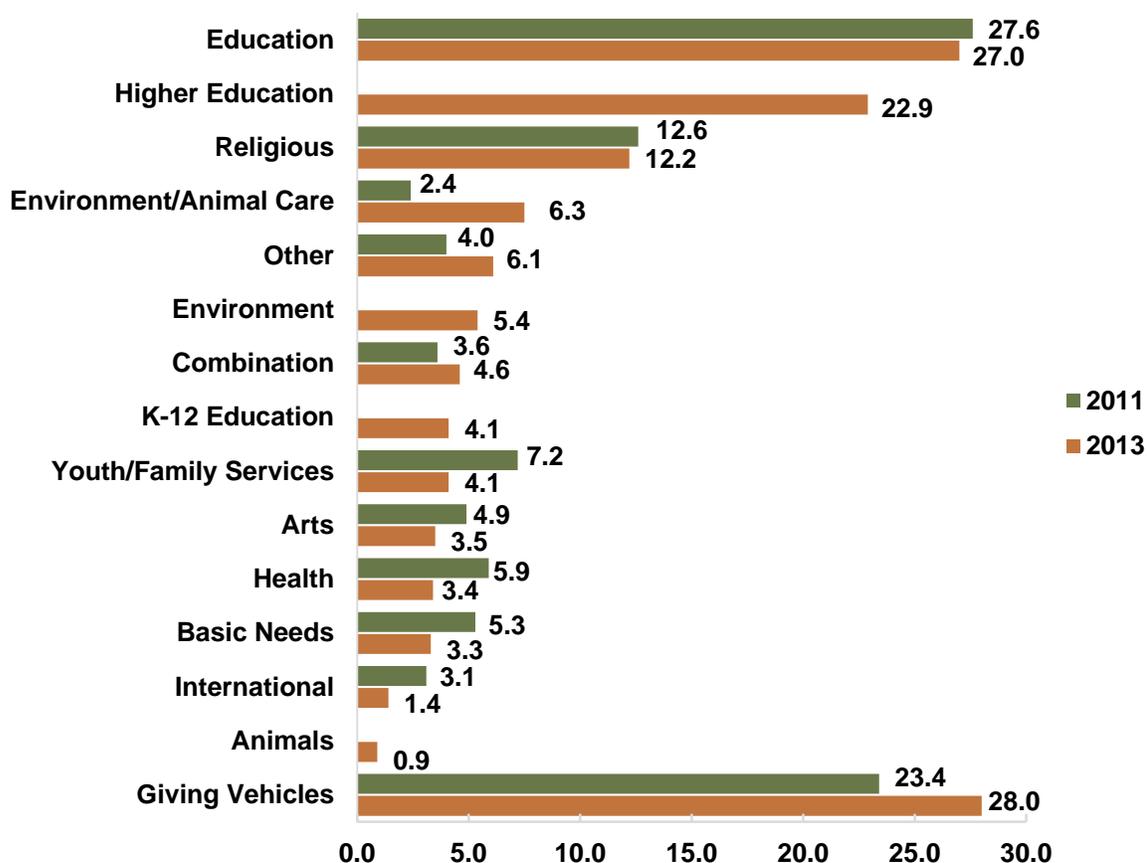


^Combined organizations include United Way, United Jewish Appeal, and Catholic Charities. “Giving Vehicle” represents gifts to private foundations, charitable trusts, and donor-advised funds.

Distribution of High Net Worth Dollars by Charitable Category

Combining K-12 education (4.1 percent) and higher education (22.9 percent), education overall received the second-highest share of high net worth charitable dollars (27.0 percent). In addition, 28.0 percent of high net worth individuals donated to giving vehicles. This category represents gifts to private foundations, charitable trusts, and donor-advised funds. Religious causes only attracted 12.2 percent of high net worth dollars in 2013. In comparison, the percentage of all charitable dollars to religious organizations in the United States, during 2013, was 31 percent[∨].

FIGURE 4: DISTRIBUTION OF HIGH NET WORTH GIVING BY CHARITABLE CATEGORY IN 2011 AND 2013[^] (%)



[^]Combined organizations include United Way, United Jewish Appeal, and Catholic Charities.

“Giving Vehicle” represents gifts to private foundations, charitable trusts, and donor-advised funds.

Some categories have been changed from the previous survey. In 2012, “K-12 Education” and “Higher Education” were combined into one category. In 2012, “Environment” and “Animal Care” were combined into one category.

[∨]Source is the *Giving USA 2014* report.

TOP PUBLIC POLICY ISSUES FOR HIGH NET WORTH DONORS

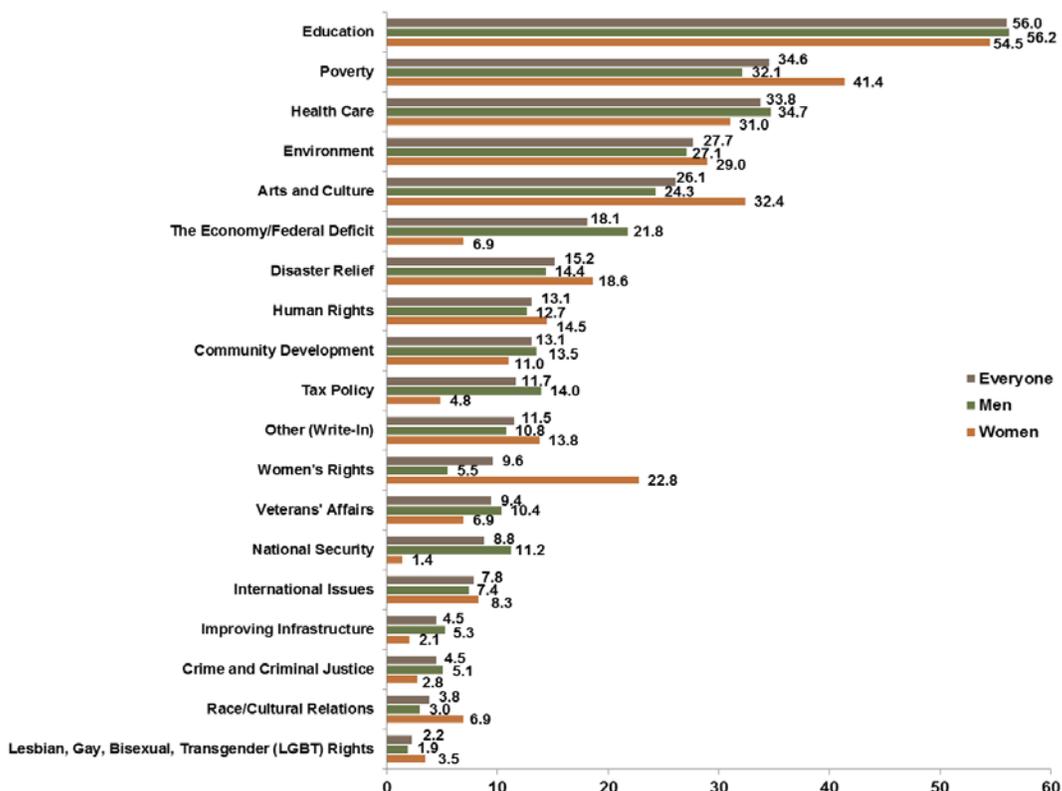
Irrespective of their giving allocations, high net worth households were asked to select three current policy issues that mattered most to them. The largest share (56.0 percent) of households cited education, while slightly fewer prioritized poverty (34.6 percent) or healthcare (33.8 percent).

Wealthy households’ reported concern over the federal deficit dropped considerably from 2011 (32.5 percent) to 2013 (18.1 percent). Identity-specific issues, such as women’s rights, veterans’ affairs, race and cultural relations, and LGBT rights each attracted less than 10 percent of wealthy households’ highest concern.

Marked differences were seen between men’s and women’s rankings of certain issues. In addition to a 17.3 percentage point difference that exists in the share of women who prioritized women’s rights (22.8 percent) compared to men (5.5 percent), women (41.4 percent) also prioritized poverty higher than men (32.1 percent). Another difference noticed is a 14.9 percentage point difference exists in the share of men who prioritized the economy or the federal deficit (21.8 percent) compared to women (6.9 percent).

FIGURE 5: HIGH NET WORTH DONORS REPORTING THE THREE ISSUES THAT MATTER MOST TO THEM IN 2013 (%)

“Please select the three issues that currently matter the most to you, whether you fund them or not.”



Average Amounts Given by High Net Worth Households by Charitable Category in 2011 and 2013

Between 2011 and 2013, the total average amount given to charity increased by 28.1 percent from \$53,519 (adjusted for 2013 dollars) to \$68,580. Average gifts to both religious and secular causes grew as well, with the 28.7 percent increase in the average amount given to secular causes (from \$46,872 to \$60,337) just slightly outpacing the 24.8 percent increase in the average amount given to religious causes (from \$10,288 to \$12,842). Environment/animal care realized the greatest percent increase in average gift amount (196.6 percent), while “other” causes realized a percent increase of 131.4 percent.

TABLE 1: AVERAGE AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2011 AND 2013, BY CHARITABLE CATEGORY[^]

	2011	2013	Percent Difference (2011-2013)
	Average Giving	Average Giving	
Total	\$53,519	\$68,580	28.1%
Religious	\$10,288	\$12,842	24.8%
Secular	\$46,872	\$60,337	28.7%
Combination	\$4,145	\$6,855	65.4%
Basic Needs	\$3,695	\$2,932	-20.6%
Youth/Family Services	\$7,226	\$4,748	-34.3%
Health	\$5,175	\$3,699	-28.5%
Education	\$19,065	\$23,014	20.7%
K-12 Education		\$5,486	
Higher Education		\$23,552	
Arts	\$4,008	\$3,685	-8.1%
Environment		\$9,325	
Animals		\$1,997	
Environment/Animal Care	\$2,757	\$8,179	196.6%
Giving Vehicles	\$78,245	\$130,697	67.0%
International	\$5,914	\$3,579	-39.5%
Other	\$4,878	\$11,288	131.4%

[^]Values adjusted to 2013 dollars for the year 2011. This table does not show outlier data.

Combined organizations include United Way, United Jewish Appeal, and Catholic Charities.

Secular giving includes all organizations that are not religious in nature.

“Giving Vehicle” represents gifts to a private foundation, charitable trust, and donor-advised funds.

Some categories have been changed from the previous survey. In 2012, “K-12 Education” and “Higher Education” were combined into one category. In 2012, “Environment” and “Animal Care” were combined into one category.

*2011 and 2013 results are statistically different.

Average Amounts Given by High Net Worth Households by Charitable Category in 2005, 2009, and 2013

After decreasing steadily from a 2005 high of \$99,859 to \$58,650 in 2009, the average total amount given to charity has begun to increase again, reaching \$68,580 in 2013. Similarly, average amounts given to religious and secular causes in 2013 show new recovery from 2009, and a future return to previous highs.

TABLE 2: AVERAGE AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2005, 2009, AND 2013 BY CHARITABLE CATEGORY[^]

	2005		2009		2013	
	Average Giving (no outliers)	Average Giving (with outliers)	Average Giving (no outliers)	Average Giving (with outliers)	Average Giving (no outliers)	Average Giving (with outliers)
Total*	\$ 99,859	\$ 110,047	\$ 58,650	\$ 75,671	\$ 68,580	\$ 404,860
Religious	\$ 22,496	\$ 22,496	\$ 10,842	\$ 10,842	\$ 12,842	\$ 12,842
Secular	\$ 83,523	\$ 93,753	\$ 50,871	\$ 67,903	\$ 60,337	\$ 397,757
Combination*	\$ 7,818	\$ 7,810	\$ 5,690	\$ 5,690	\$ 6,855	\$ 6,855
Basic Needs*	\$ 4,698	\$ 4,866	\$ 3,212	\$ 3,212	\$ 2,932	\$ 2,932
Youth/Family Services			\$ 8,296	\$ 8,296	\$ 4,748	\$ 4,748
Health	\$ 8,930	\$ 22,327	\$ 4,898	\$ 8,866	\$ 3,699	\$ 3,699
Education*	\$ 31,573	\$ 31,735	\$ 13,853	\$ 13,853	\$ 23,014	\$ 23,014
K-12 Education					\$ 5,486	\$ 5,486
Higher Education					\$ 23,552	\$ 23,552
Arts*	\$ 18,506	\$ 19,008	\$ 6,006	\$ 6,006	\$ 3,685	\$ 3,685
Environment					\$ 9,325	\$ 9,325
Animals					\$ 1,997	\$ 1,997
Environment/Animal Care			\$ 3,702	\$ 3,702	\$ 8,179	\$ 8,179
Giving Vehicles	\$ 73,590	\$ 73,590	\$ 82,375	\$ 171,428	\$ 130,697	\$ 146,082
International			\$ 4,980	\$ 4,980	\$ 3,579	\$ 3,579
Other*	\$ 9,148	\$ 9,152	\$ 6,870	\$ 6,870	\$ 11,288	\$ 912,138

[^]Values adjusted to 2013 dollars for the years 2005 and 2009. Combined organizations include United Way, United Jewish Appeal, and Catholic Charities.

Secular giving includes all organizations that are not religious in nature.

"Giving Vehicle" represents gifts to a private foundation, charitable trust, and donor-advised funds.

Giving to youth or family services, environment/animal care, and international causes are included as "Other" giving in 2005.

Some categories have been changed from the previous survey. In 2012, "K-12 Education" and "Higher Education" were combined into one category. In 2012, "Environment" and "Animal Care" were combined into one category.

*2005 and 2013 results are statistically different when excluding outliers, or extreme values (please see page 88 for complete explanation).

Median Amounts Given by High Net Worth Households by Charitable Category in 2005, 2009, and 2013

The recovery for total median gift amount and secular median gift amount begins to be seen in 2013. Although the median amount given to religious causes began its recovery prior to 2013, there is still a marked increase noticed between 2009 and 2013 with an increase from \$3,855 to \$5,000.

TABLE 3: MEDIAN AMOUNTS GIVEN BY HIGH NET WORTH HOUSEHOLDS IN 2005, 2009, AND 2013 BY CHARITABLE CATEGORY[^]

	2005		2009		2013	
	Median Giving (no outliers)	Median Giving (with outliers)	Median Giving (no outliers)	Median Giving (with outliers)	Median Giving (no outliers)	Median Giving (with outliers)
Total*	\$ 17,035	\$ 17,064	\$ 13,029	\$ 13,084	\$ 12,300	\$ 12,300
Religious	\$ 4,773	\$ 4,773	\$ 3,855	\$ 3,855	\$ 5,000	\$ 5,000
Secular	\$ 10,800	\$ 10,919	\$ 8,958	\$ 8,977	\$ 7,850	\$ 7,900
Combination*	\$ 1,193	\$ 1,193	\$ 1,086	\$ 1,086	\$ 1,000	\$ 1,000
Basic Needs*	\$ 1,193	\$ 1,193	\$ 1,086	\$ 1,086	\$ 1,000	\$ 1,000
Youth/Family Services			\$ 543	\$ 543	\$ 688	\$ 688
Health	\$ 1,193	\$ 1,193	\$ 543	\$ 543	\$ 630	\$ 630
Education*	\$ 2,387	\$ 2,387	\$ 2,172	\$ 2,172	\$ 2,500	\$ 2,500
K-12 Education					\$ 1,000	\$ 1,000
Higher Education					\$ 1,870	\$ 1,870
Arts*	\$ 1,193	\$ 1,193	\$ 543	\$ 543	\$ 600	\$ 600
Environment					\$ 425	\$ 425
Animals					\$ 250	\$ 250
Environment/Animal Care			\$ 326	\$ 326	\$ 500	\$ 500
Giving Vehicles	\$ 5,072	\$ 5,072	\$ 16,287	\$ 16,287	\$ 20,500	\$ 21,000
International			\$ 543	\$ 543	\$ 500	\$ 500
Other*	\$ 1,193	\$ 1,193	\$ 543	\$ 543	\$ 500	\$ 500

[^]Values adjusted to 2013 dollars for the years 2005 and 2009. Combined organizations include United Way, United Jewish Appeal, and Catholic Charities.

Secular giving includes all organizations that are not religious in nature.

“Giving Vehicle” represents gifts to a private foundation, charitable trust, and donor-advised funds.

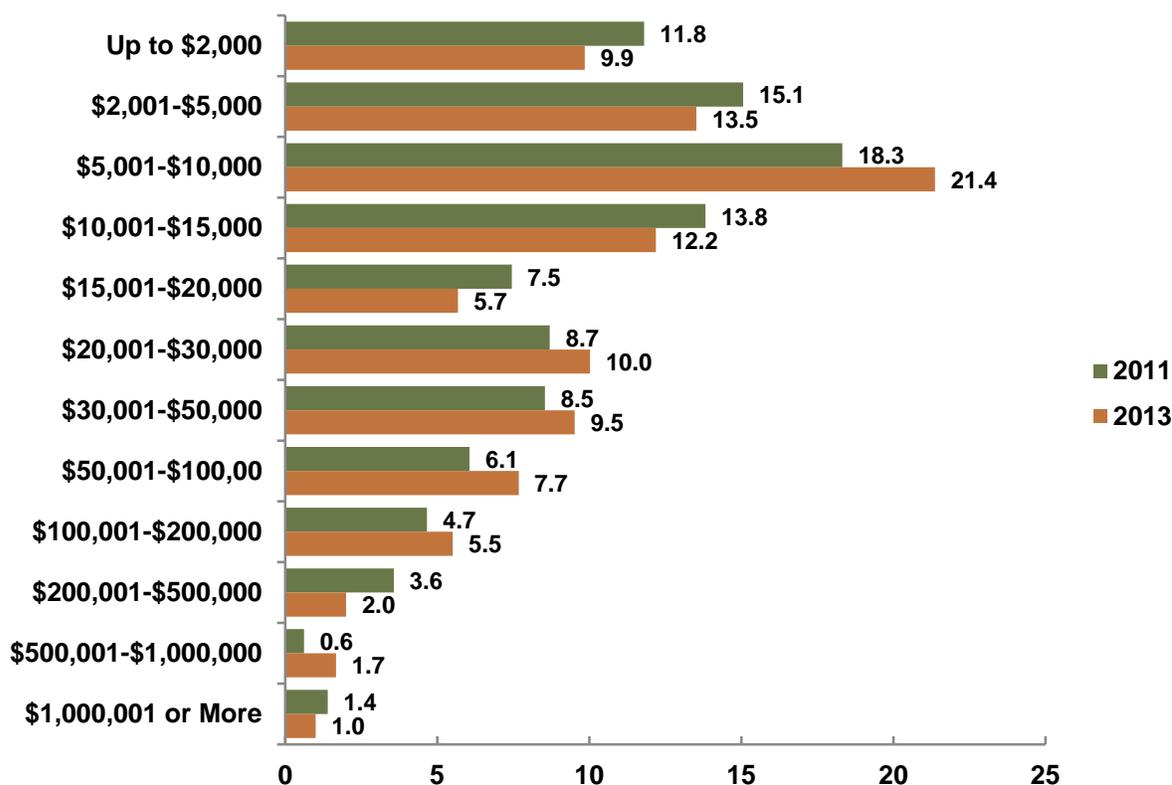
Giving to youth or family services, environment/animal care, and international causes are included as “Other” giving in 2005. Some categories have been changed from the previous survey. In 2012, “K-12 Education” and “Higher Education” were combined into one category. In 2012, “Environment” and “Animal Care” were combined into one category.

*2005 and 2013 results are statistically different when excluding outliers, or extreme values (please see page 88 for complete explanation).

High Net Worth Giving by Size of Total Gift Dollars

Although high net worth households' total gift dollars varied, most (89.8 percent) amounted to \$100,000 or less. A little over one in five wealthy households gave a total amount of between \$5,001 and \$10,000 (21.4 percent), representing the largest proportion in this breakdown. Fewer high net worth households gave between \$2,001 and \$5,000 (13.5 percent), between \$10,001 and \$15,000 (12.2 percent), or \$20,001 to \$30,000 (10.0 percent). Less than 10 percent gave total dollar amounts within each remaining bracket.

FIGURE 6: HIGH NET WORTH GIVING BY SIZE OF TOTAL GIFT DOLLARS IN 2011 AND 2013[^] (%)



[^]This figure includes respondents that are outliers or extreme values (please see page 88 for complete explanation).

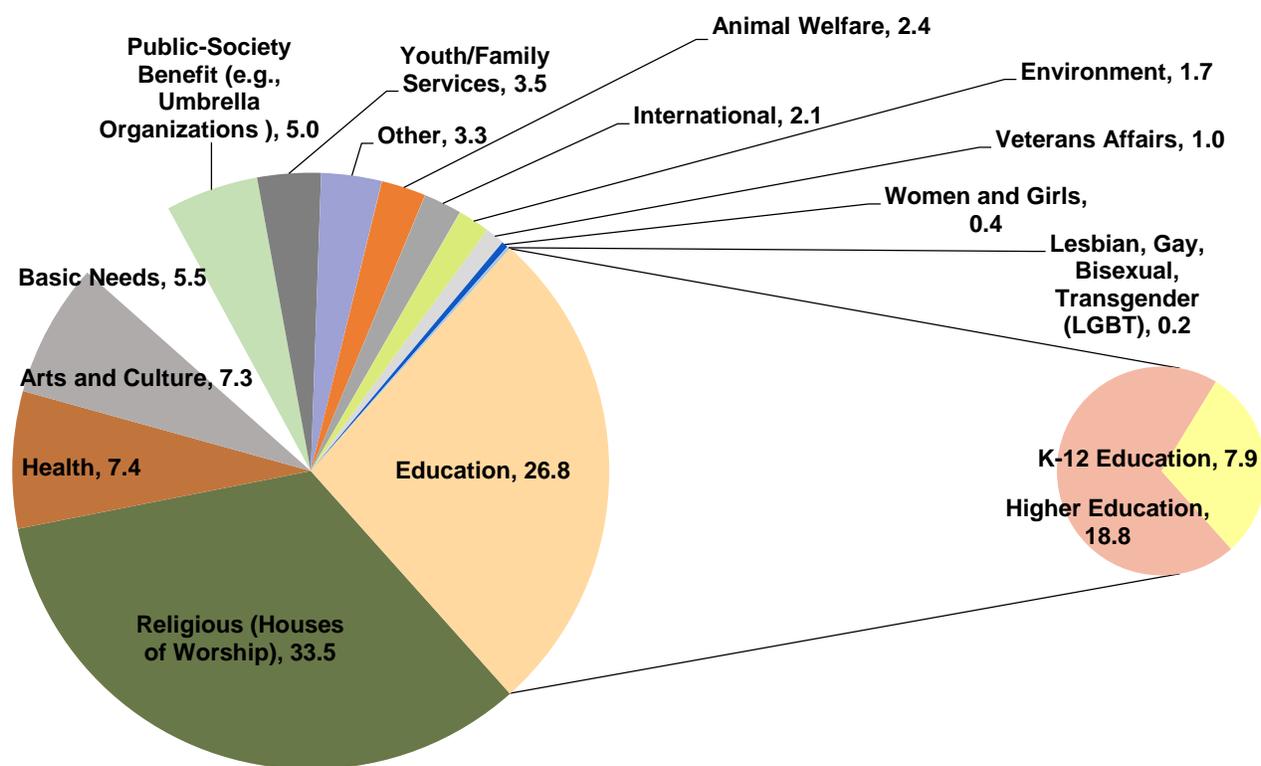
TRENDS IN GIVING OF LARGEST GIFT BY HIGH NET WORTH HOUSEHOLDS

Charitable Categories Funded by High Net Worth Households' Largest Gifts

In 2013, the highest percentage of wealthy households directed their largest gift to religious organizations (33.5 percent). Education attracted the second-highest share of largest high net worth gifts (26.8 percent), which included higher education (18.8 percent) and K-12 education (7.9 percent). Health care (7.4 percent), and arts and culture sector organizations (7.3 percent) attracted an almost equal share of wealthy households' largest gifts, while the remaining sectors each attracted about 5 percent or less of these households' most sizeable gifts.

FIGURE 7: DISTRIBUTION OF THE TYPES OF CHARITABLE CATEGORIES FUNDED BY HIGH NET WORTH HOUSEHOLDS' LARGEST GIFTS IN 2013 (%)

"What type of organization did you give your largest gift to?"

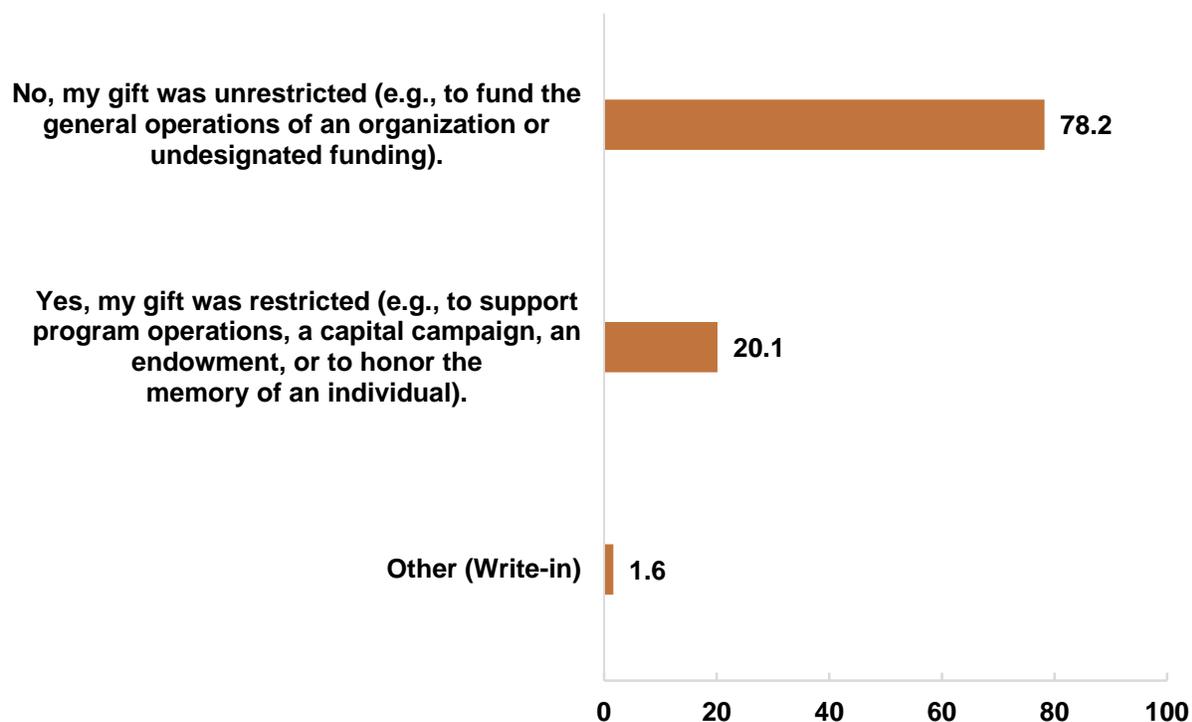


Purposes of High Net Worth Households' Largest Gifts

Unrestricted gifts offer nonprofits flexibility, as these organizations may use this undesignated funding to support general operational costs or any other need. Restricted gifts may only be used in the manner identified by the donor, such as in support of program operations, a capital campaign, an endowment, or to honor the memory of an individual. Almost four times as many high net worth households reported placing no restrictions on their largest gifts in 2013 (78.2 percent) compared to the percentage of wealthy households that did so (20.1 percent).

FIGURE 8: OBJECTIVES OF LARGEST GIFTS MADE IN 2013 (%)

“Did you place any restrictions on the largest gift you or your household made in 2013?”

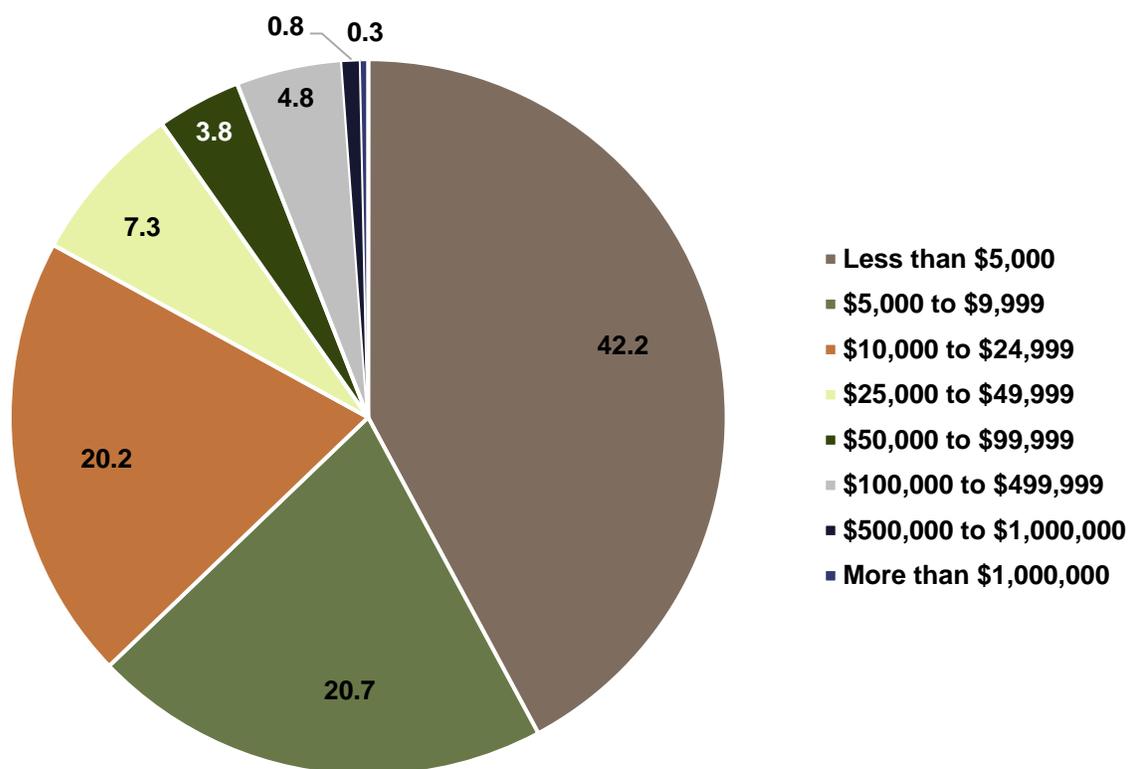


Average Dollar Amounts of High Net Worth Households' Largest Gifts

A plurality (42.2 percent) of high net worth households' largest gifts amounted to less than \$5,000. Roughly equal shares of these gifts totaled between \$5,000 and \$9,999 (20.7 percent) and between \$10,000 and \$24,999 (20.2 percent). Far fewer largest gifts totaled between \$25,000 and \$49,999 (7.3 percent) or \$100,000 or above (5.9 percent).

FIGURE 9: DISTRIBUTION OF HIGH NET WORTH HOUSEHOLDS' LARGEST GIFTS IN 2013 (%)

"What was the dollar amount of this charitable donation?"

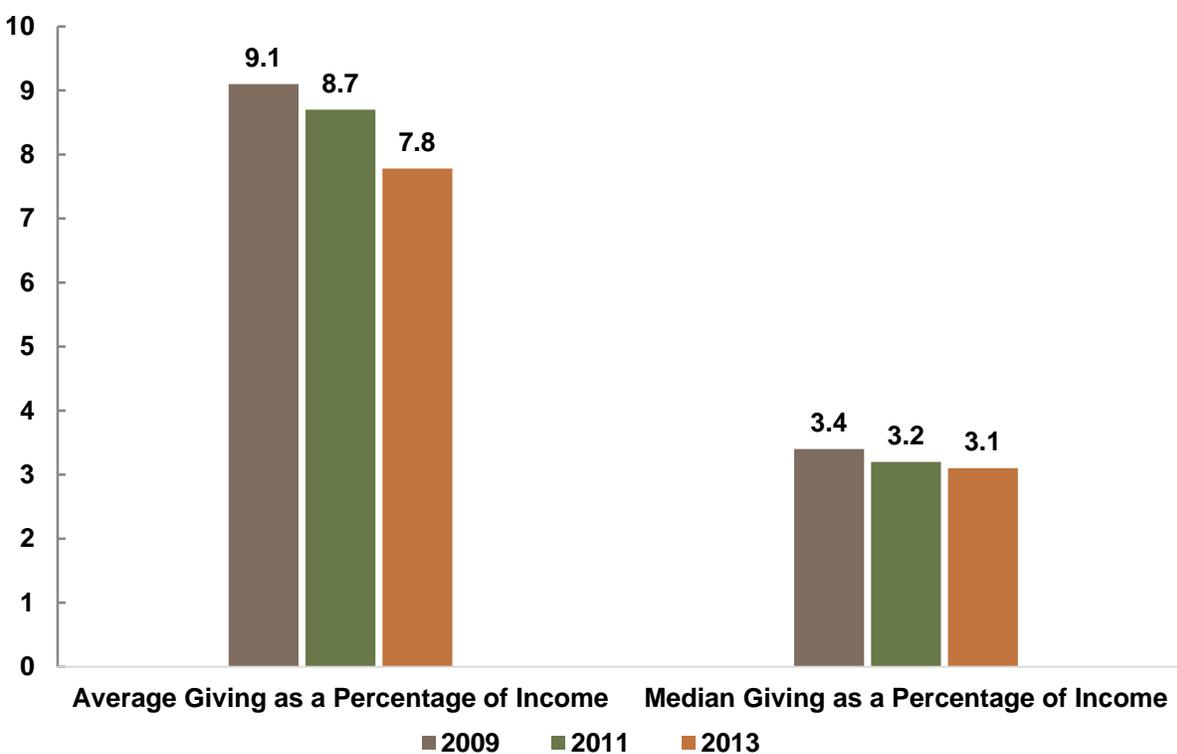


AVERAGE AND MEDIAN GIVING BY HIGH NET WORTH HOUSEHOLDS

Average and Median Giving by High Net Worth Household Income

Average giving as a percentage of high net worth income has steadily decreased from 9.1 percent in 2009 to 7.8 percent in 2013. Similarly, median giving as a percentage of high net worth income has also decreased each year, from 3.4 percent in 2009 to 3.1 percent in 2013. One potential explanation is that incomes are increasing faster than charitable giving levels.

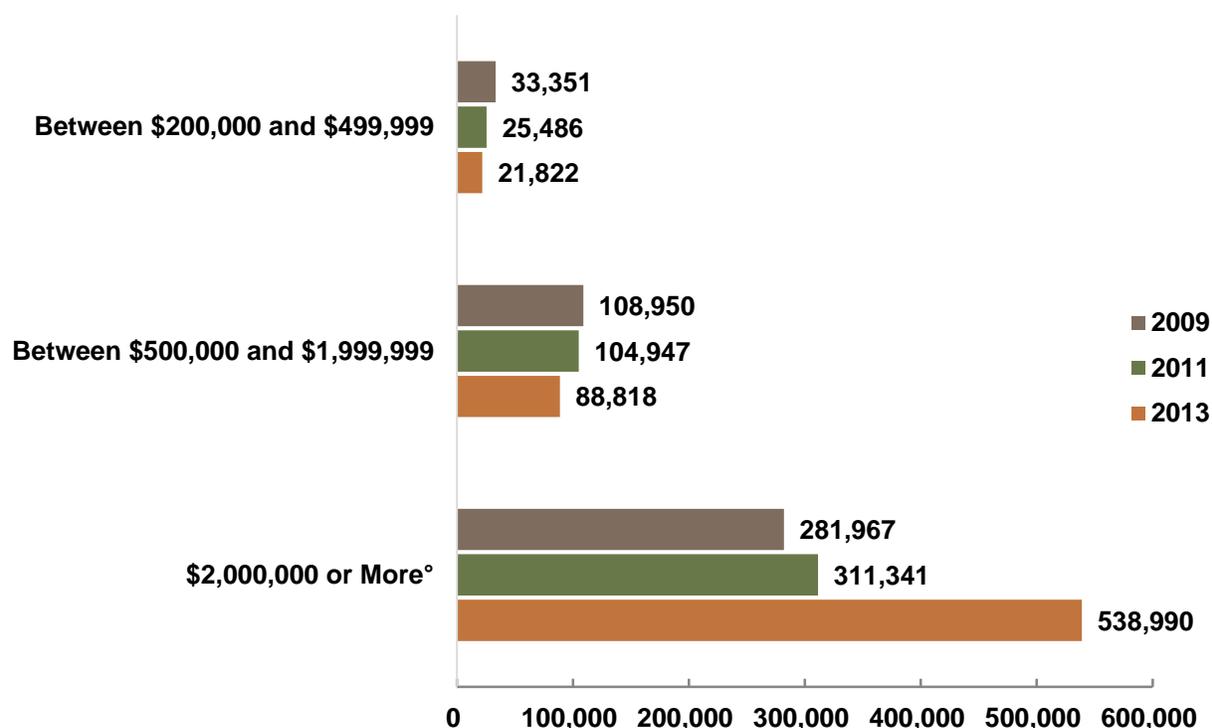
FIGURE 10: AVERAGE AND MEDIAN GIVING AS A PERCENTAGE OF HIGH NET WORTH HOUSEHOLD INCOME IN 2009, 2011, AND 2013 (%)



Average Giving by High Net Worth Household Income Level

The average amount given by high net worth households rises steadily with income level. In 2013, those households with income of between \$200,000 and \$499,999 gave an average amount of \$21,822; in the next income bracket of \$500,000 to \$1,999,999, the average amount given was \$88,818. Those who earned \$2 million or more per year gave an average amount of \$538,990. While the average amount given by those in the lower two income brackets has decreased every year since 2009, the average amount given in 2013 by households in the highest-earning income bracket surpasses 2009 and 2011 levels.

FIGURE 11: AVERAGE GIVING BY HIGH NET WORTH HOUSEHOLD INCOME LEVEL IN 2009, 2011, AND 2013 (\$)

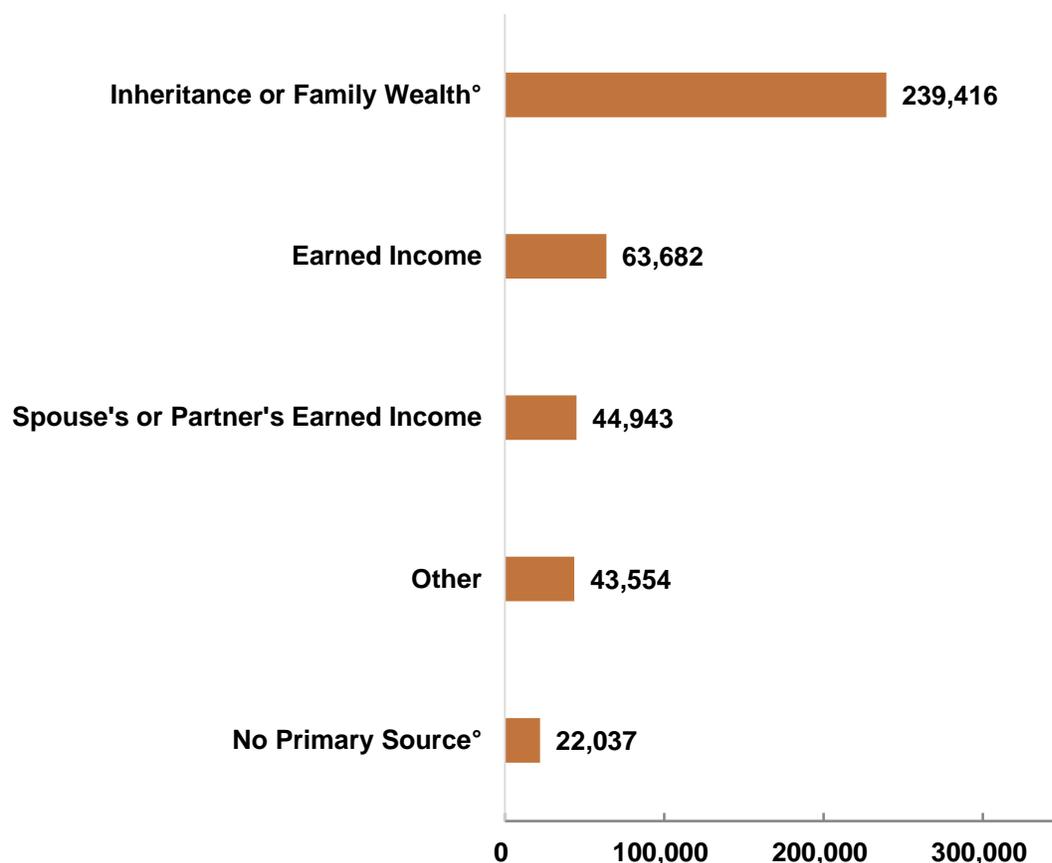


^oMay not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

Average Giving by High Net Worth Household Primary Source of Gross Income

The average high net worth household's gross income in this sample was approximately \$741,000. The average total amount given by those whose primary source of gross income was inheritance or family wealth (\$239,416) was almost four times as large as the average amount donated by those whose primary source of gross income was earned income (\$63,682). Conversely, those who had no primary source for their gross income in 2013 gave, on average, half as much (\$22,037) as those whose gross income primarily derived from spouse's or partner's earned income (\$44,943) or other source (\$43,554).

FIGURE 12: AVERAGE GIVING BY PRIMARY SOURCE OF GROSS INCOME IN 2013^ (\$)



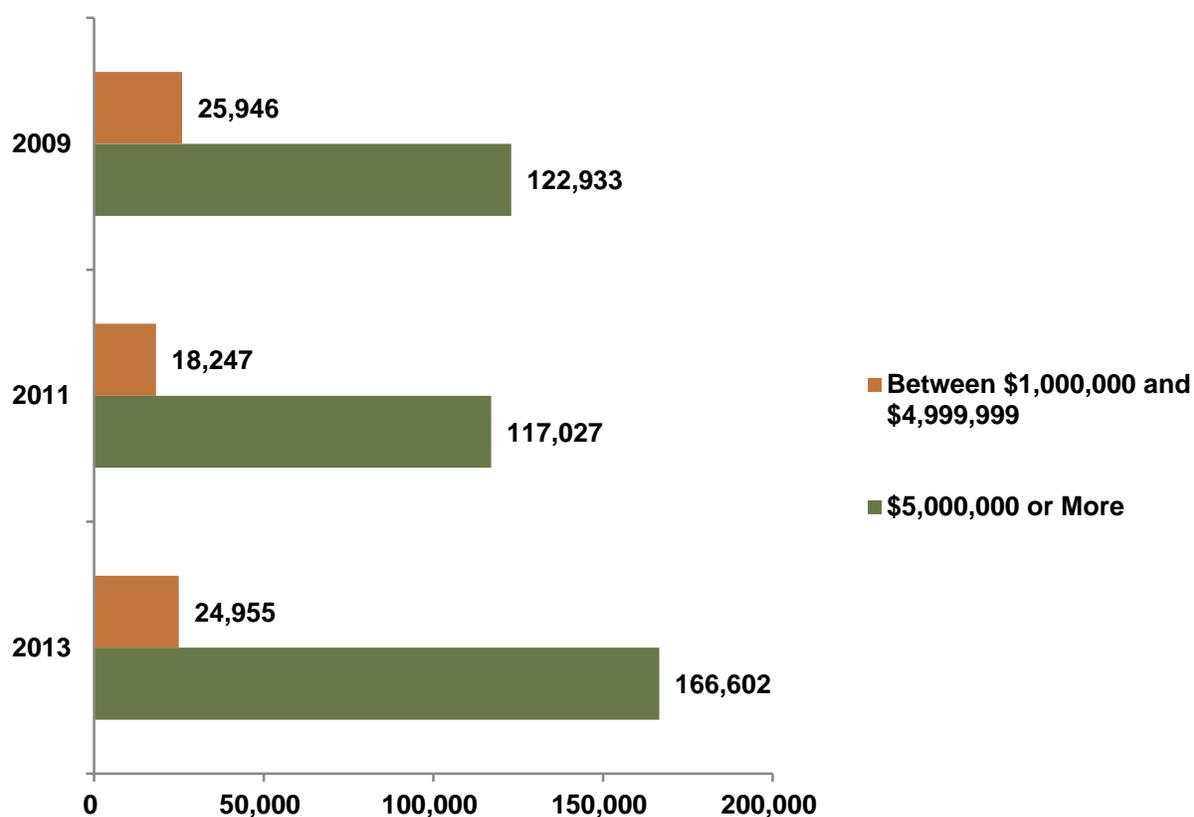
[^]A source of income is a primary source if the source represents 50 percent or more of the household's income.

[°]May not be statistically meaningful because this group contains fewer than 50 respondents.

Average Giving by High Net Worth Household Wealth Level

Average wealth in this sample of high net worth households in 2013 was \$14.9 million. The average amount given by high net worth households rises steadily with level of wealth. In 2013, those households with wealth between \$1 million and \$4,999,999 gave an average amount of \$24,955; those households with wealth of \$5 million or more gave an average amount of \$166,602. Unlike the steady decline and recovery in the average amount given by income level, the average amount given by wealth level has fluctuated more unpredictably over time.

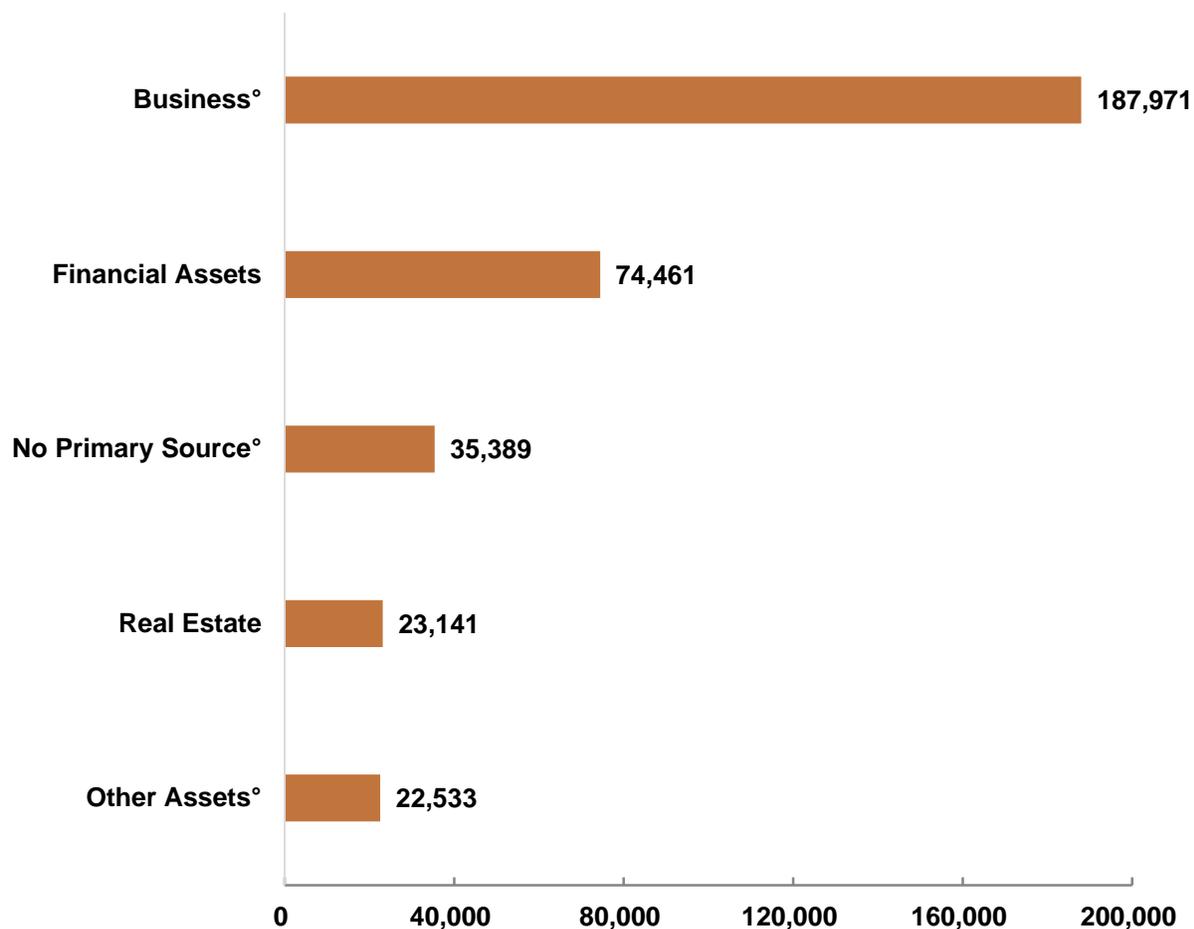
FIGURE 13: AVERAGE GIVING BY HIGH NET WORTH HOUSEHOLD WEALTH LEVEL IN 2009, 2011, AND 2013 (\$)



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

Those high net worth households whose primary source of net worth was business donated the highest average gift (\$187,971) in 2013, while those whose primary source of net worth was derived from financial assets donated the second-highest amount (\$74,461, on average). Those whose primary source of net worth was other assets donated the least (\$22,533), on average, in 2013.

FIGURE 14: AVERAGE GIVING BY PRIMARY SOURCE OF NET WORTH IN 2013 (\$)

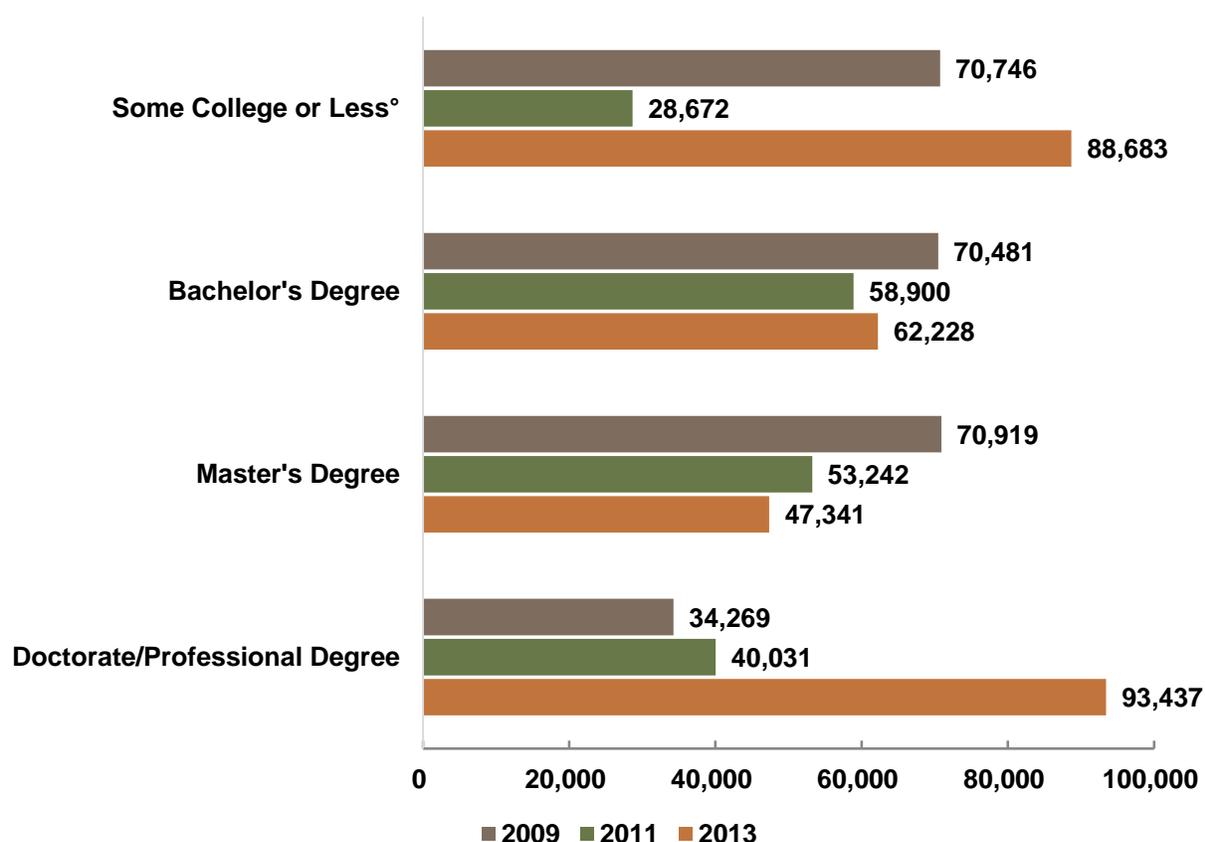


[°]May not be statistically meaningful because this group contains fewer than 50 respondents.

Average High Net Worth Giving by Education

In 2013, those high net worth households with a professional or doctorate degree donated the highest amount (\$93,437), while those with a master's degree donated less on average (\$47,341) than those with just a bachelor's degree (\$62,228)—which in turn is less, on average, than the average gift of households with some college education or less (\$88,683).

FIGURE 15: AVERAGE GIVING BY EDUCATION LEVEL OF HIGH NET WORTH DONORS IN 2009, 2011, AND 2013 (\$)

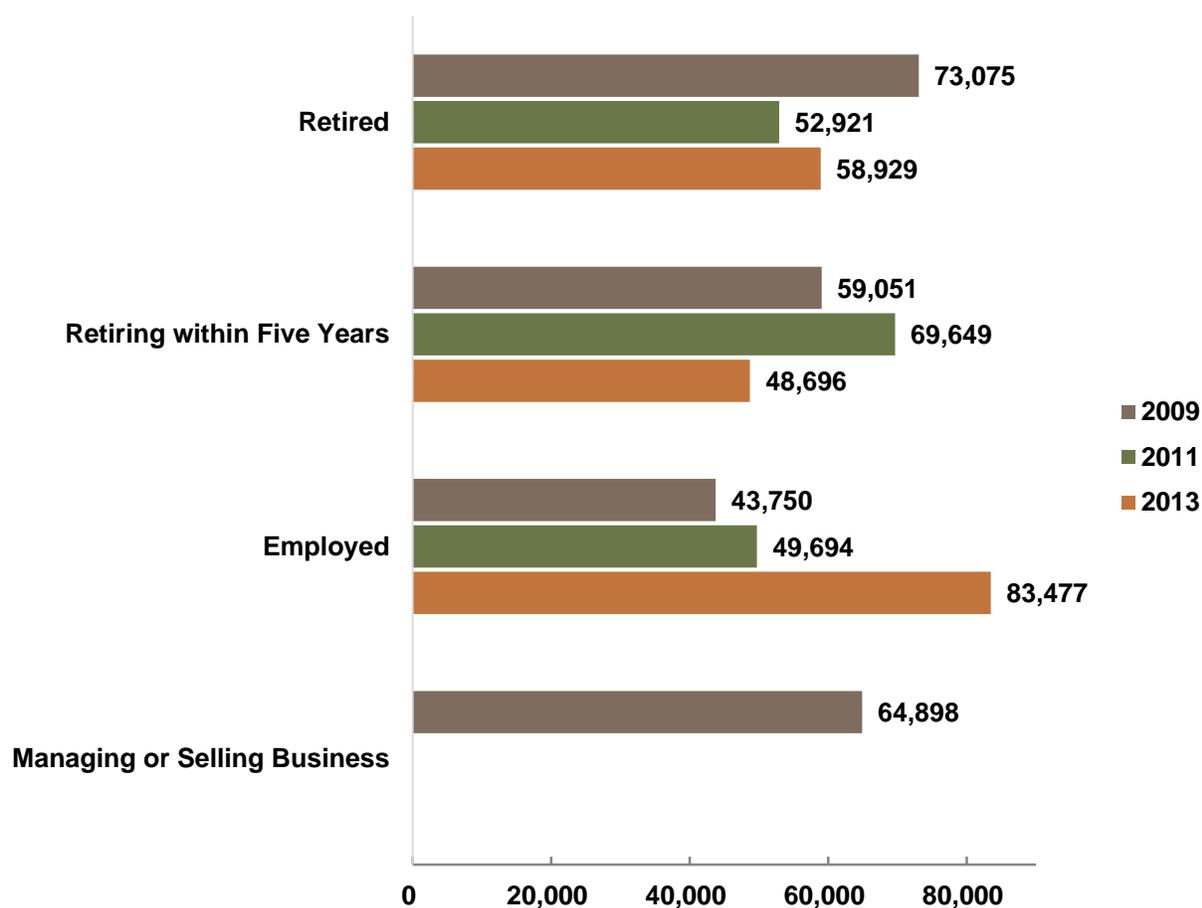


^oMay not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

Average High Net Worth Giving by Employment

In 2013, those high net worth donors who are employed donate more on average (\$83,477) than those retiring within five years (\$48,696) or already retired (\$58,929). No clear pattern exists from year-to-year in the most charitable employment status: in 2011, those who planned to retire within five years donated the highest average gift, while in 2009 those who had already retired did so.

FIGURE 16: AVERAGE GIVING BY EMPLOYMENT STATUS OF HIGH NET WORTH DONORS IN 2009, 2011, AND 2013^ (\$)

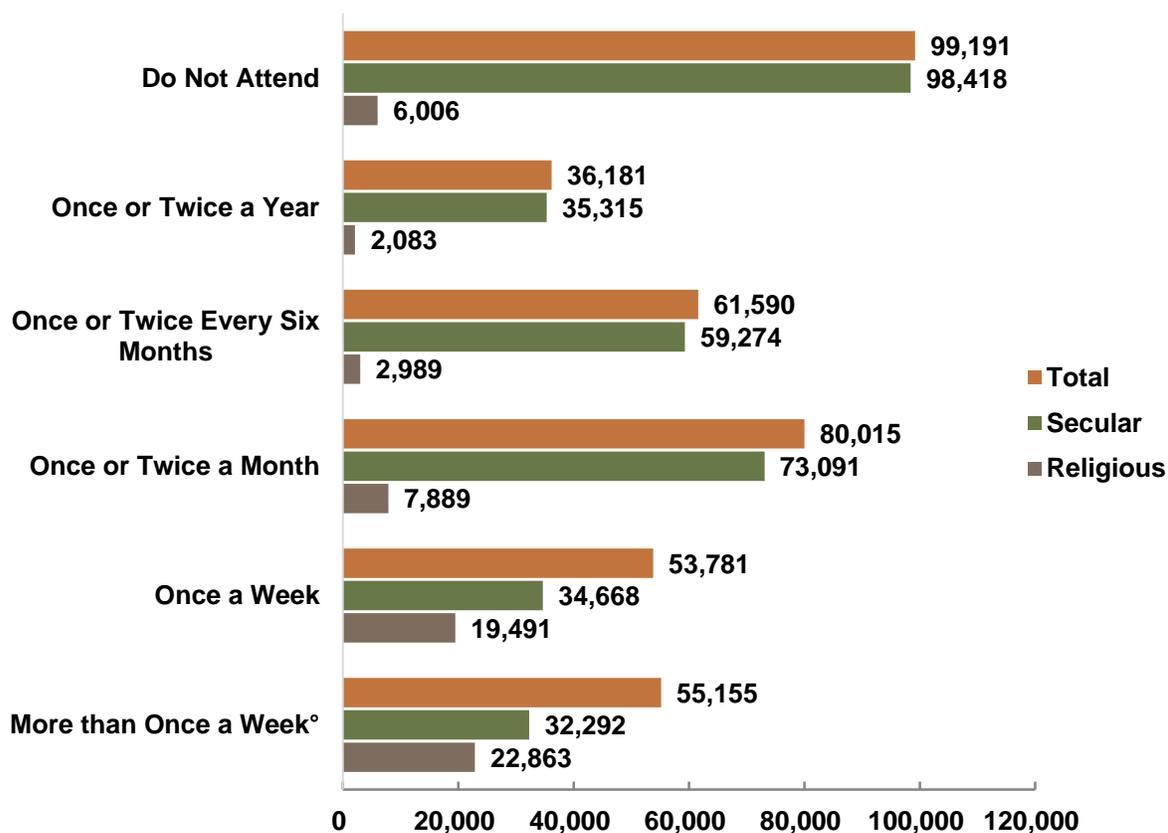


^In the 2010 survey on 2009 giving, respondents could select “Managing or Selling a Business” or “Working.” In the 2012 and 2014 surveys, respondents who were not retiring or who were not already retired could only select the “Employed” option.

Average High Net Worth Giving by Religious Attendance

Those who never attend religious services donated the largest average total amount (\$99,191) and largest average secular amount (\$98,418) in 2013. Conversely, those who attend religious services more than once a week donated the highest average amount to religious causes (\$22,863) and the lowest average amount to secular causes (\$32,292).

FIGURE 17: AVERAGE GIVING BY FREQUENCY OF RELIGIOUS ATTENDANCE OF HIGH NET WORTH HOUSEHOLDS IN 2013 (\$)



*May not be statistically meaningful because this group contains fewer than 50 respondents.

HOW HIGH NET WORTH HOUSEHOLDS MAKE THEIR DONATIONS

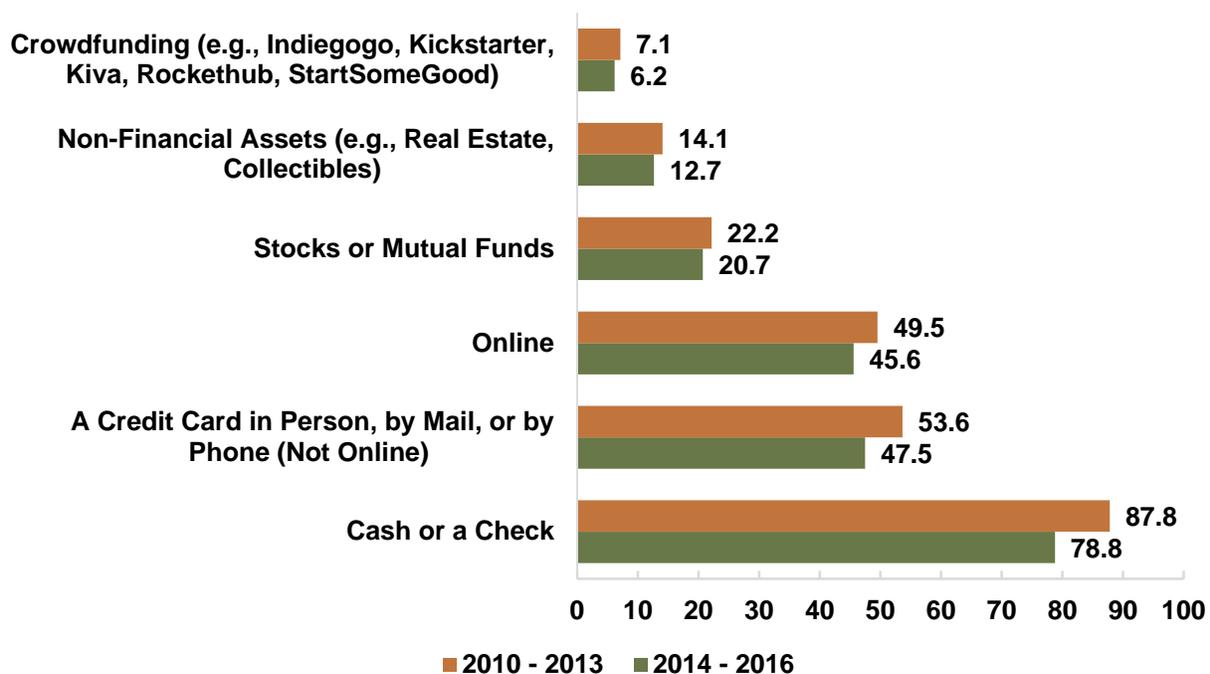
Fewer wealthy households plan to give using cash in 2014-2016 (78.8 percent) compared to the proportion that used cash to donate in 2010-2013 (87.8 percent). Roughly equal shares report having used credit cards to donate in 2010-2013 (53.6 percent) as planning to use credit cards to donate in 2014-2016 (47.5 percent).

During the last decade, the percentage of wealthy donors who gave online has grown dramatically, from 14.6 percent (from 2004-2007) to 49.5 percent (2010-2013).

Slightly fewer high net worth households report planning to give via crowdfunding in 2014-2016 (6.2 percent) than did give in 2010-2013 (7.1 percent).

FIGURE 18: HOW DONORS GAVE IN 2010-2013 AND HOW THEY PLAN TO GIVE IN 2014-2016 (%)

“Please indicate which of the following forms of payment you used or plan to use in the future to make your donation.”



HIGH NET WORTH HOUSEHOLD UTILIZATION OF GIVING VEHICLES

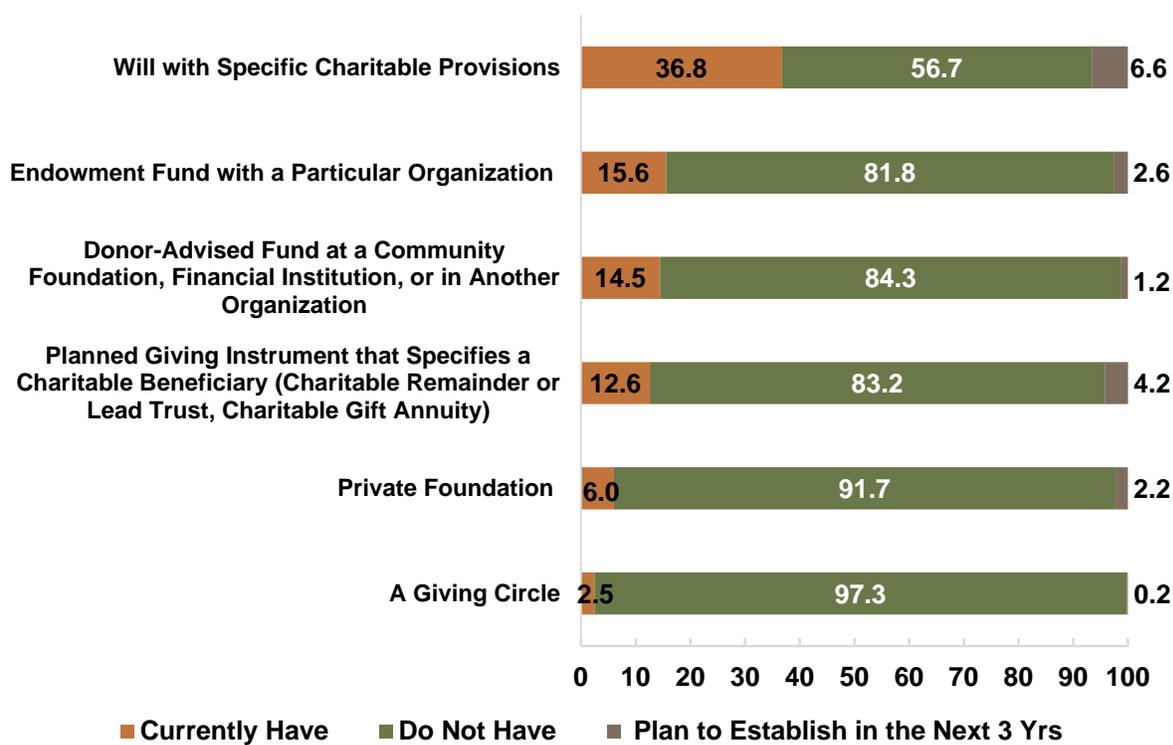
In 2013, 55.6 percent of wealthy households use or plan to use a giving vehicle. Having a charitable provision in a will was the most common giving vehicle in both current use (36.8 percent) and planned use in future (6.6 percent). Few wealthy households (6.0 percent) reported having a private foundation in 2013, which was less than those who reported having a donor-advised fund 2013 (14.5 percent).

The least common giving vehicle both in current and planned use is the Giving Circle, with only 2.5 percent of households currently utilizing this collaborative giving vehicle and 0.2 percent planning to give in this way in the future.

Small variation exists between 2011 and 2013 measures of wealthy households' current use of various giving vehicles—all but one of the measures asked in both years realized a decline of 3 percentage points or fewer, with the share of those reporting current use of a will with charitable provisions as the only exception (a decline of about 6 percentage points).

FIGURE 19: HIGH NET WORTH DONORS WHO CURRENTLY USE OR PLAN TO ESTABLISH A GIVING VEHICLE (%)

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

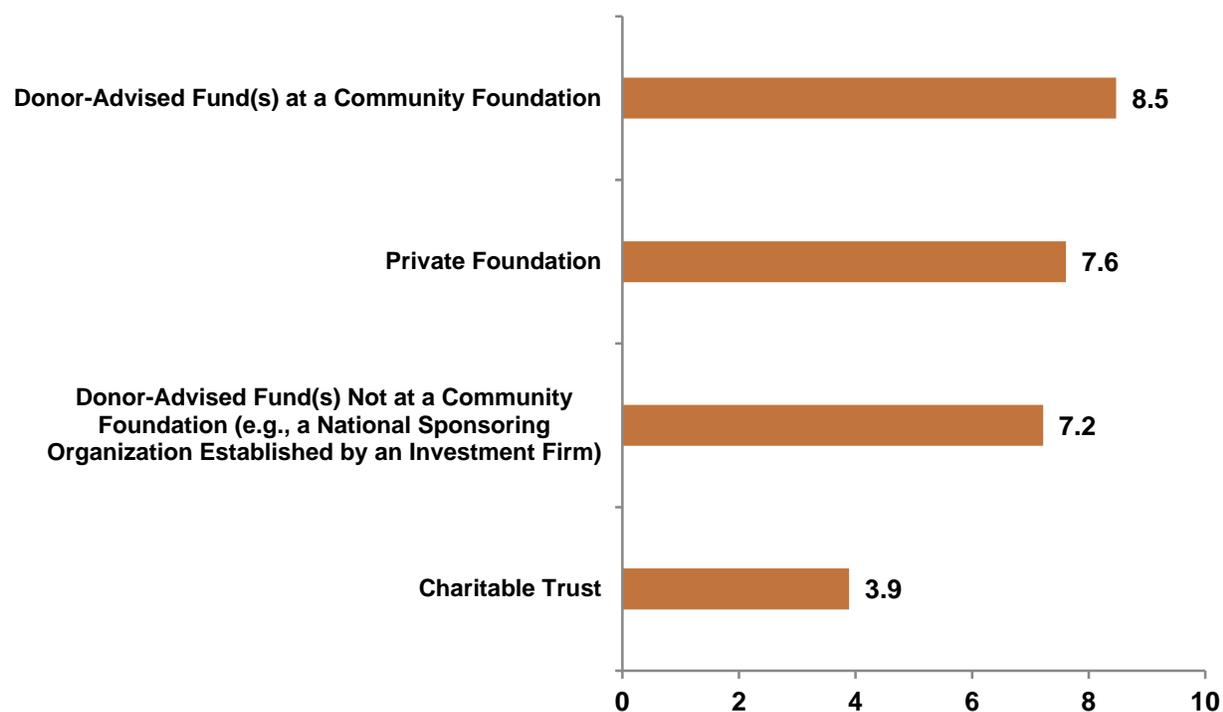


High Net Worth Households Donating to a Giving Vehicle

High net worth households donate to a number of different giving vehicles, including charitable trusts, private foundations, and donor-advised funds. The latter proved to be most popular in 2013, as 15.7 percent of high net worth households donated to a donor-advised fund housed either within a community foundation (8.5 percent) or within another sponsoring organization (7.2 percent). In contrast, only 7.6 percent donated to a private foundation and only 3.9 percent donated to a charitable trust.

FIGURE 20: HIGH NET WORTH HOUSEHOLDS THAT DONATED TO A GIVING VEHICLE IN 2013 (%)

“In 2013, did you or others in your household make a donation from your personal funds or assets to any of the following giving vehicles?”

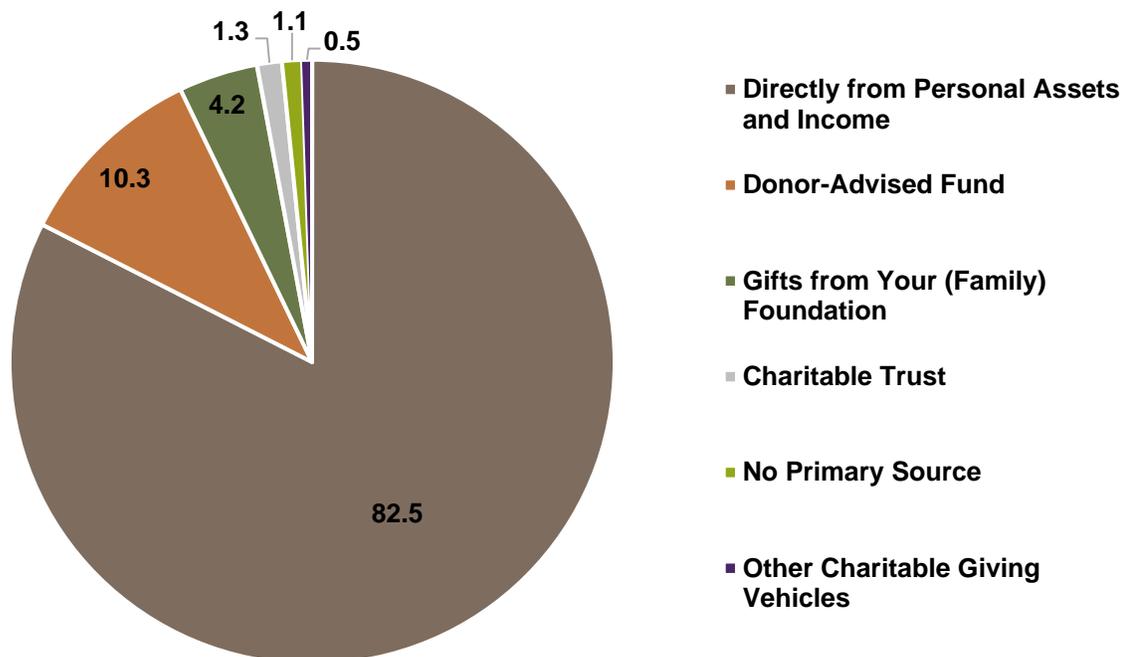


High Net Worth Households' Source of Charitable Giving

High net worth donors use a variety of means to accomplish their charitable goals. In 2013, 16.5 percent of wealthy households used a donor-advised fund for charitable giving, while slightly fewer utilized their family foundation (9.0 percent) or charitable trust (5.0 percent) that year. However, for most high net worth households, the primary source of their giving was from their own personal assets and income (82.5 percent). Among giving vehicles, donor-advised funds (10.3 percent) were the most frequently used by donors as a primary source of giving, while 4.2 percent utilized a family foundation as a primary source of giving.

FIGURE 21: HIGH NET WORTH HOUSEHOLDS' PRIMARY SOURCE OF DONATIONS TO CHARITABLE CAUSES IN 2013^ (%)

"In thinking about all the charitable causes in which you donated in 2013, from where did your household's charitable giving come?"

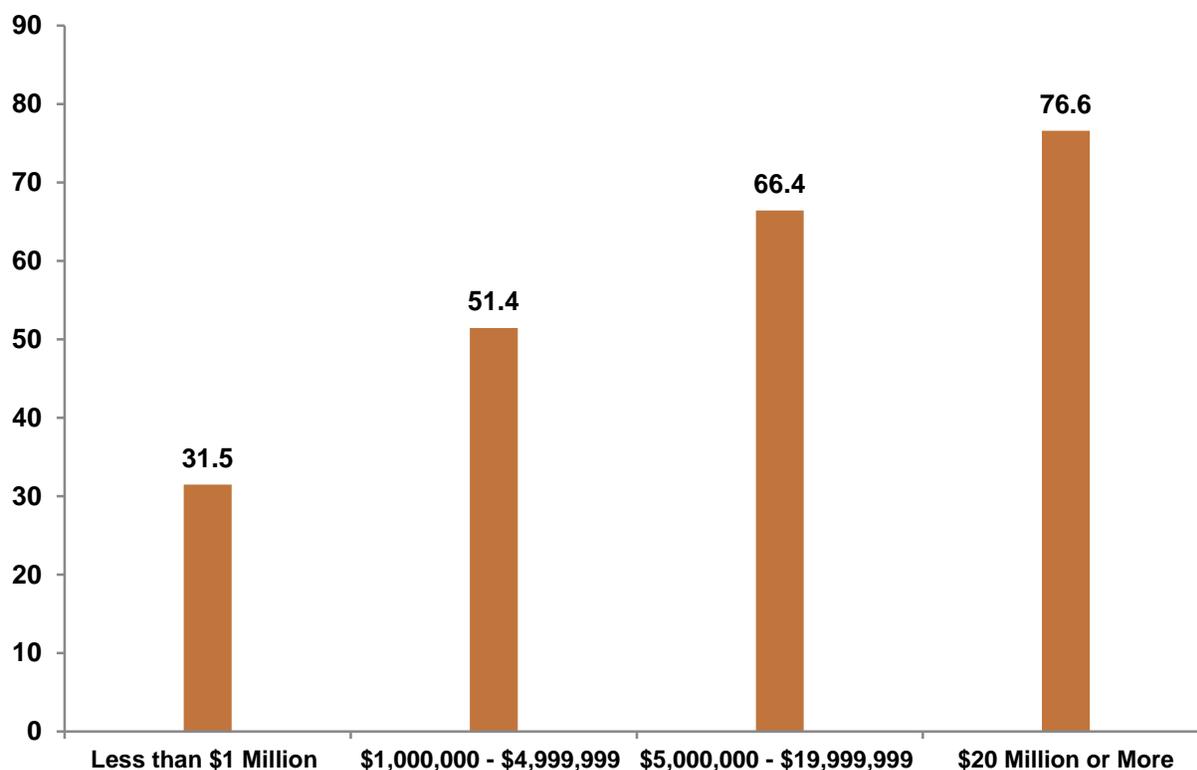


^A source of giving is a primary source if 50 percent or more of total giving came from that source.

Use of Giving Vehicles and Household Net Worth

Having or planning to use a giving vehicle increases with household net worth. Those households with a total net worth of less than \$1 million are least likely to use or plan to use a giving vehicle (31.5 percent), compared to those households with total net worth between \$1 million and \$4,999,999 (51.4 percent) or between \$5 million and \$19,999,999 (66.4 percent). Those households with total net worth of \$20 million or more are most likely to use or plan to use a giving vehicle (76.6 percent).

FIGURE 22: HIGH NET WORTH DONOR USE OF GIVING VEHICLE BY TOTAL HOUSEHOLD NET WORTH (%)



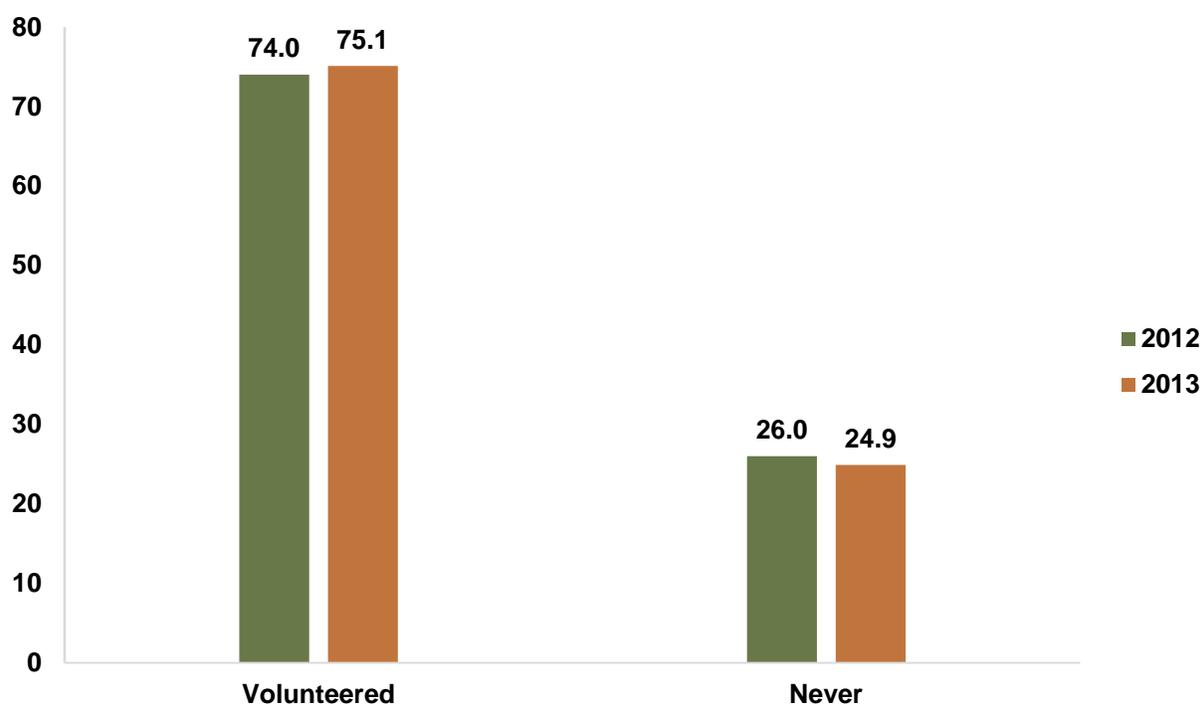
VOLUNTEERING TRENDS OF HIGH NET WORTH INDIVIDUALS

Percentage of High Net Worth Individuals Who Volunteered in 2012 and 2013

The vast majority of high net worth households continue to volunteer, and volunteer behavior appears to remain stable across recent years.[^] In 2013, 75.1 percent of high net worth respondents volunteered, a slight increase from those who reported volunteering in 2012 (74.0 percent).

FIGURE 23: HIGH NET WORTH INDIVIDUAL VOLUNTEERING IN 2012 and 2013 (%)

“Did you volunteer in 2012 and 2013?”



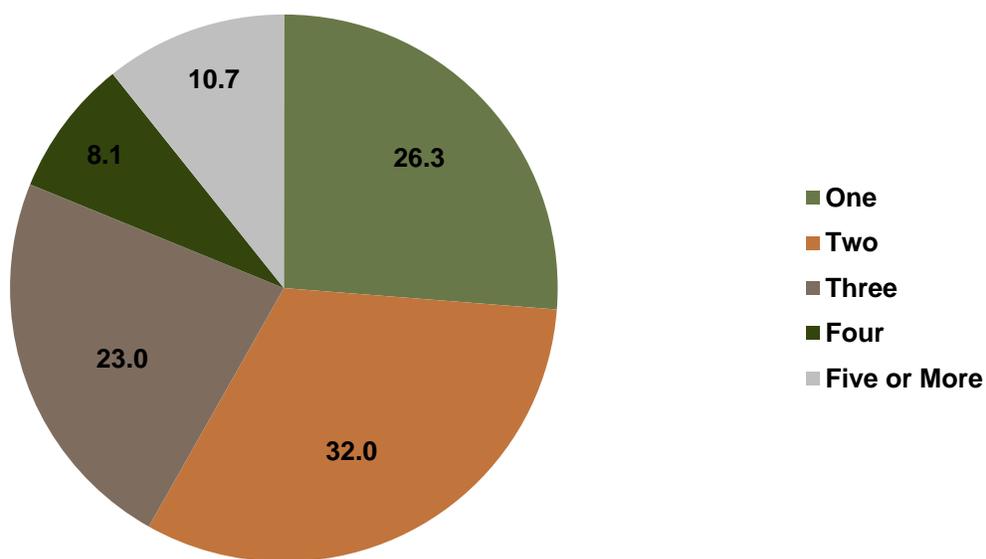
[^] Due to changes in the survey instrument, the 2012 and 2013 volunteering rates found in this 2014 report are not directly comparable with the volunteering rates found in previous reports. However, when we analyzed the data from the 2012 report using similar assumptions to make the data more comparable between 2011 and 2013, we found that the volunteering rate is similar between 2011 and 2013.

Percentage of High Net Worth Individuals Who Volunteer by Number of Organizations in 2013

Among those who volunteered in 2013, high net worth donors reported volunteering with two (32.0 percent), one (26.3 percent), or three organizations (23.0 percent). A higher percentage of wealthy individuals volunteered with five or more organizations (10.7 percent) than volunteered with four (8.1 percent).

FIGURE 24: HIGH NET WORTH INDIVIDUAL VOLUNTEERING BY NUMBER OF ORGANIZATIONS IN 2013[^]
(%)

"I volunteered with __ organizations in 2013."



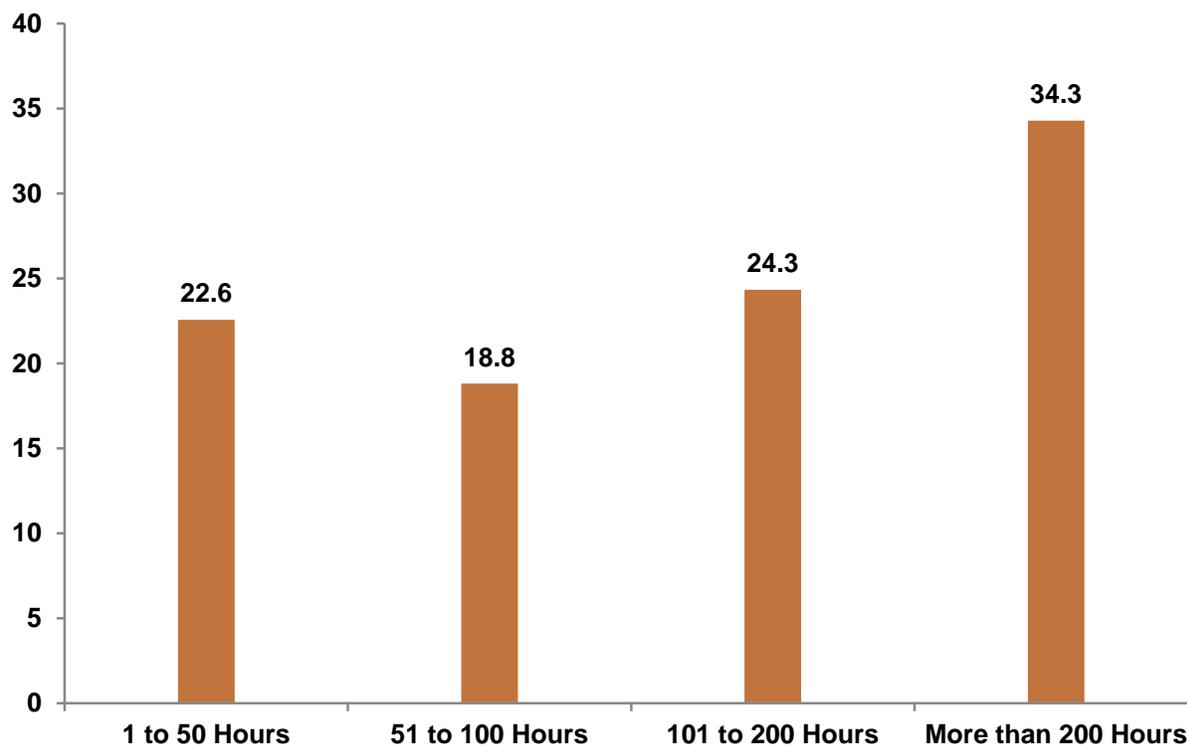
[^]The percentages in this figure were calculated only among households that volunteered in 2013.

Distribution of Hours High Net Worth Individuals Spend Volunteering

In 2013, the highest percentage of wealthy volunteers reported having volunteered 200 or more hours, while similar percentages reported volunteering between one and 50 hours (22.6 percent) and between 101 and 200 hours (24.3 percent). In 2013, fewest high net worth volunteers reported volunteering between 51 and 100 hours (18.8 percent).

FIGURE 25: DISTRIBUTION OF HOURS VOLUNTEERED BY HIGH NET WORTH INDIVIDUALS IN 2013[^] (%)

“In 2013, how many hours did you spend volunteering?”

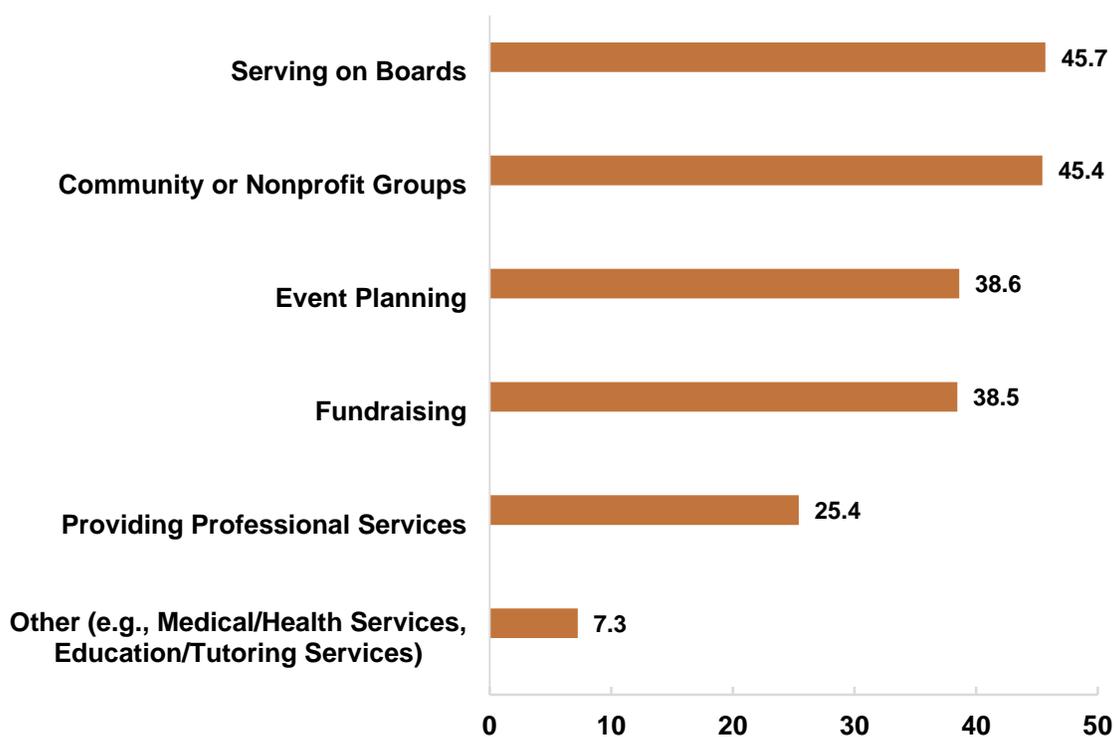


[^]The percentages in this figure were calculated only among households that volunteered in 2013.

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

Volunteering by serving on the board (45.7 percent) or helping in some other capacity (45.4 percent) were the most common volunteer activities in 2013. Nearly equal percentages of wealthy households fundraised (38.5 percent) as they did event planning (38.6 percent). The smallest percentage of wealthy households offered professional services as a volunteer (25.4 percent).

FIGURE 26: HIGH NET WORTH INDIVIDUALS VOLUNTEERING BY TYPE OF ACTIVITY IN 2013 (%)

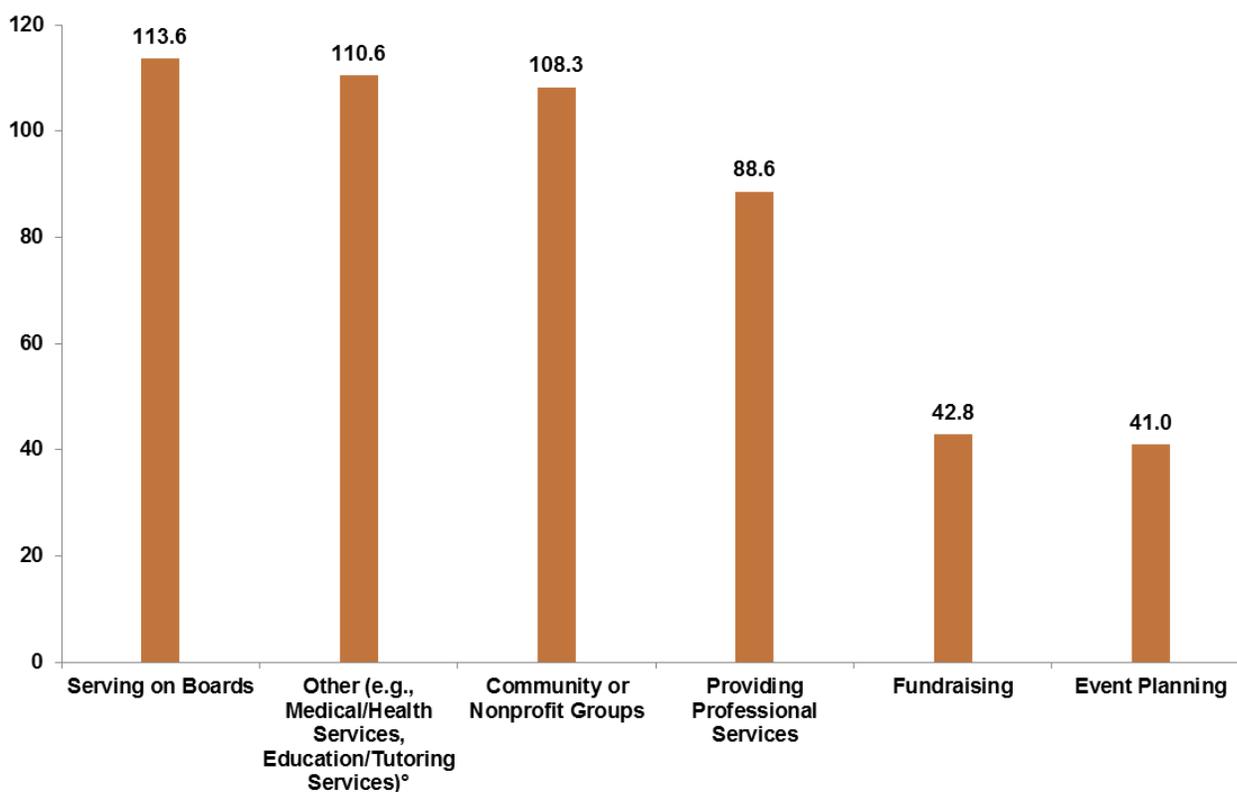


Average Number of Hours High Net Worth Individuals Spend Volunteering by Type of Activity

Wealthy individuals who volunteered for board service dedicated, on average, 113.6 hours. Only slightly lower was the amount of hours dedicated to other forms of service (110.6 hours). Volunteers for event planning had the lowest average hours (41.0 hours).

FIGURE 27: AVERAGE HOURS VOLUNTEERED BY TYPE OF ACTIVITY IN 2013[^] (#)

“In 2013, how many hours did you spend volunteering by...?”



[^]The averages for each activity in this figure are calculated only among households that volunteered for each respective activity.

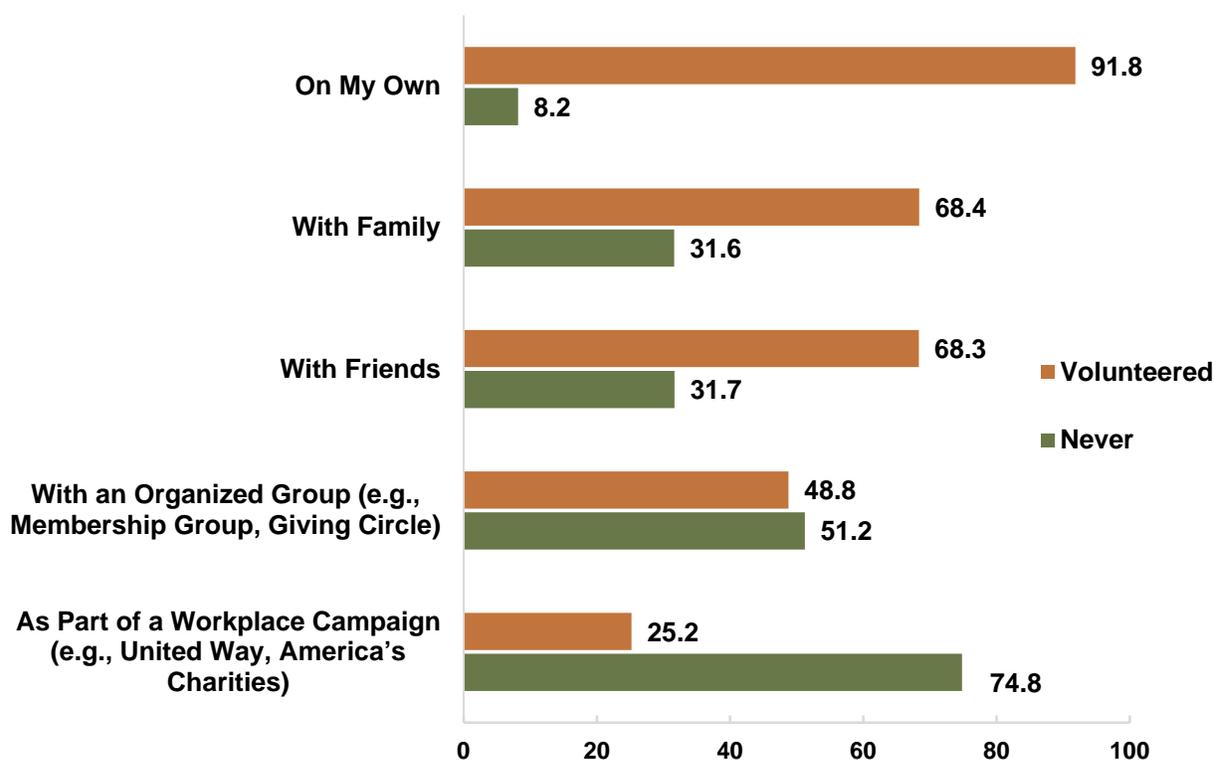
[°]May not be statistically meaningful because this group contains fewer than 50 respondents.

People with Whom High Net Worth Individuals Volunteer

A majority (91.8 percent) of high net worth individuals reported volunteering alone in 2013, while more than two-thirds were almost as likely to volunteer with friends as with family: 68.4 percent reported volunteering with family, compared to 68.3 percent with friends. Nearly half (48.8) of wealthy individuals volunteer through organized groups. The smallest percentage of high net worth individuals reported volunteering through workplace campaigns (25.2 percent).

FIGURE 28: PEOPLE WITH WHOM HIGH NET WORTH INDIVIDUALS VOLUNTEERED IN 2013 (%)

“In 2013, I volunteered. . . ”

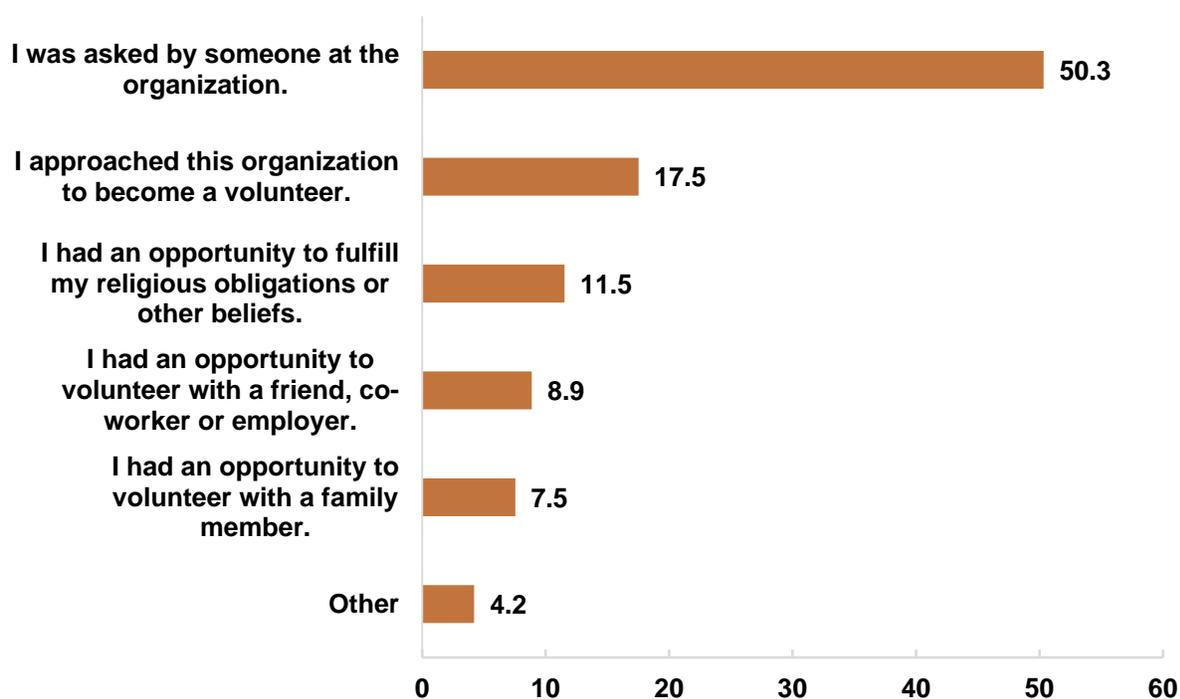


Why High Net Worth Individuals Volunteer

In 2013, a direct request from an organization inspired the highest proportion (50.3 percent) of wealthy individuals to volunteer, while the second-highest percentage (17.5 percent) of high net worth individuals personally initiated the volunteering opportunity with the organization. This is a reversal of 2011 trends, in which more wealthy individuals reported becoming a volunteer at an organization through their own initiative (42.8 percent) rather than being asked (30.7 percent).

FIGURE 29: REASONS WHY HIGH NET WORTH INDIVIDUALS VOLUNTEERED THE MOST AT ONE ORGANIZATION IN 2013 (%)

“Thinking about the organization for which you volunteered the most hours in 2013, how did you become a volunteer at the organization?” (Mark only one option)



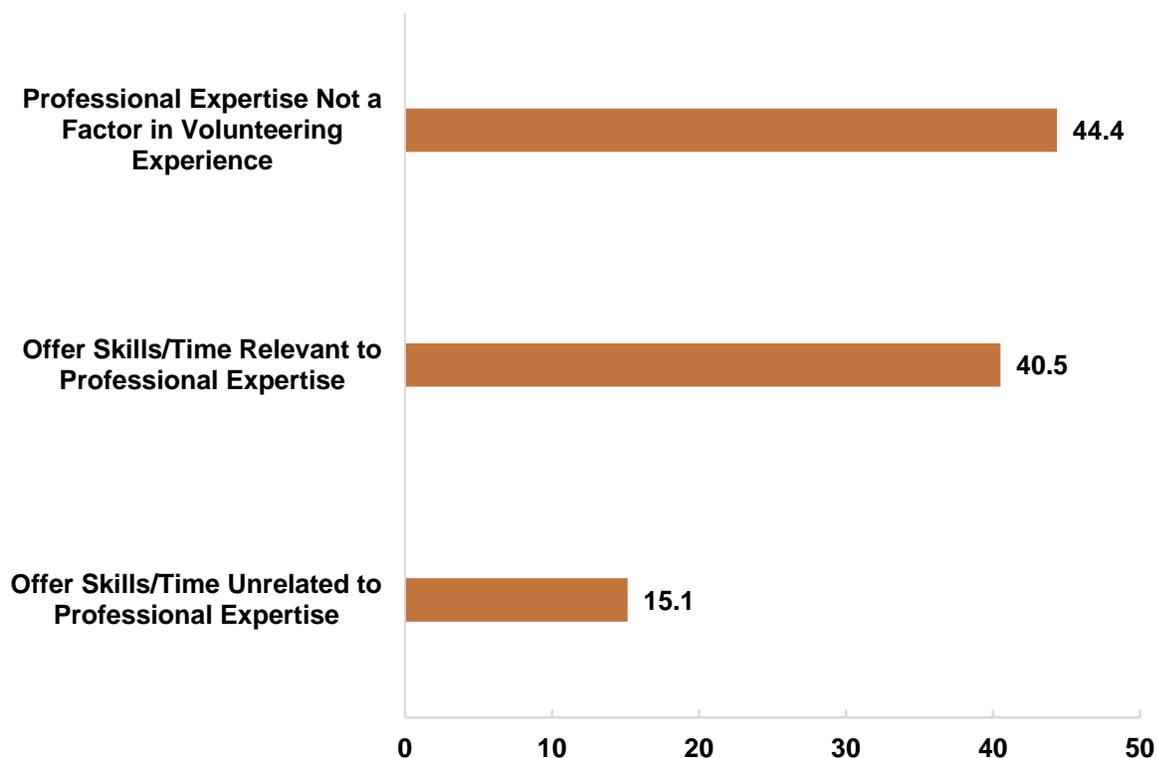
Percentage of High Net Worth Individuals by Volunteer Preference

Slightly more high net worth households reported no preference for aligning professional expertise with volunteering experience (44.4 percent) compared to those who preferred to offer professionally relevant skills (40.5 percent). Few reported a preference to offer skills unrelated to their professional expertise (15.1 percent).

Among volunteers who prefer to use their professional skills and expertise, 55.2 percent provided pro bono professional or consulting services to a nonprofit organization.

FIGURE 30: HIGH NET WORTH VOLUNTEER PREFERENCE IN 2013 (%)

“When you volunteer, what do you prefer to do?” (Mark only one answer)



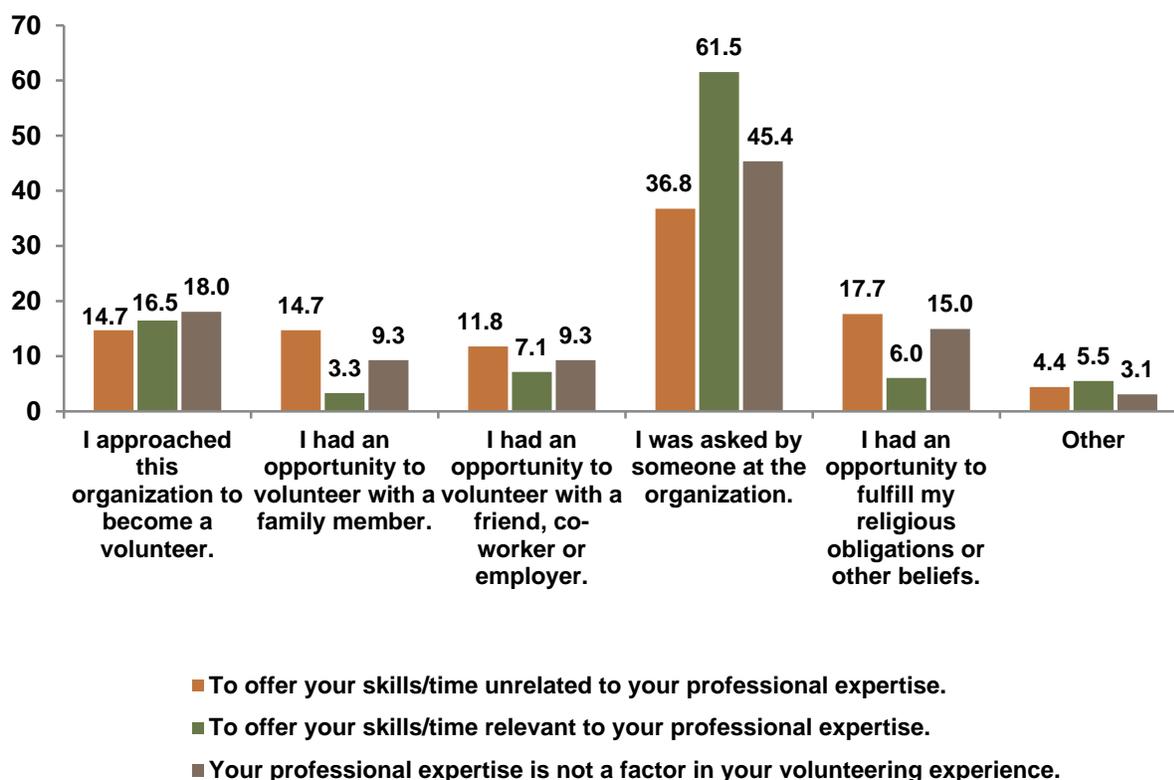
Why High Net Worth Individuals Volunteer by Type of Skills

“Being asked” remained the most common reason for becoming a volunteer at a given organization, regardless of whether or not high net worth households preferred to offer related (61.5 percent) or unrelated (36.8 percent) professional skills — or did not have a preference at all (45.4 percent). However, the much higher percentage of those preferring to offer professional skills who reported volunteering due to an organization’s request points to a dual matching process in which donors and nonprofits seek mutually fulfilling opportunities.

Volunteering to fulfill a religious obligation was nearly three times as common among those who preferred to offer unrelated (17.7 percent) rather than professionally related skills (6.0 percent).

Those who preferred to offer professionally-related skills were much less likely to volunteer with friends (7.1 percent) or family (3.3 percent) than those who preferred to offer unrelated skills (11.8 percent and 14.7 percent, respectively).

FIGURE 31: REASONS WHY HIGH NET WORTH INDIVIDUALS VOLUNTEER BY VOLUNTEER PREFERENCE IN 2013 (%)

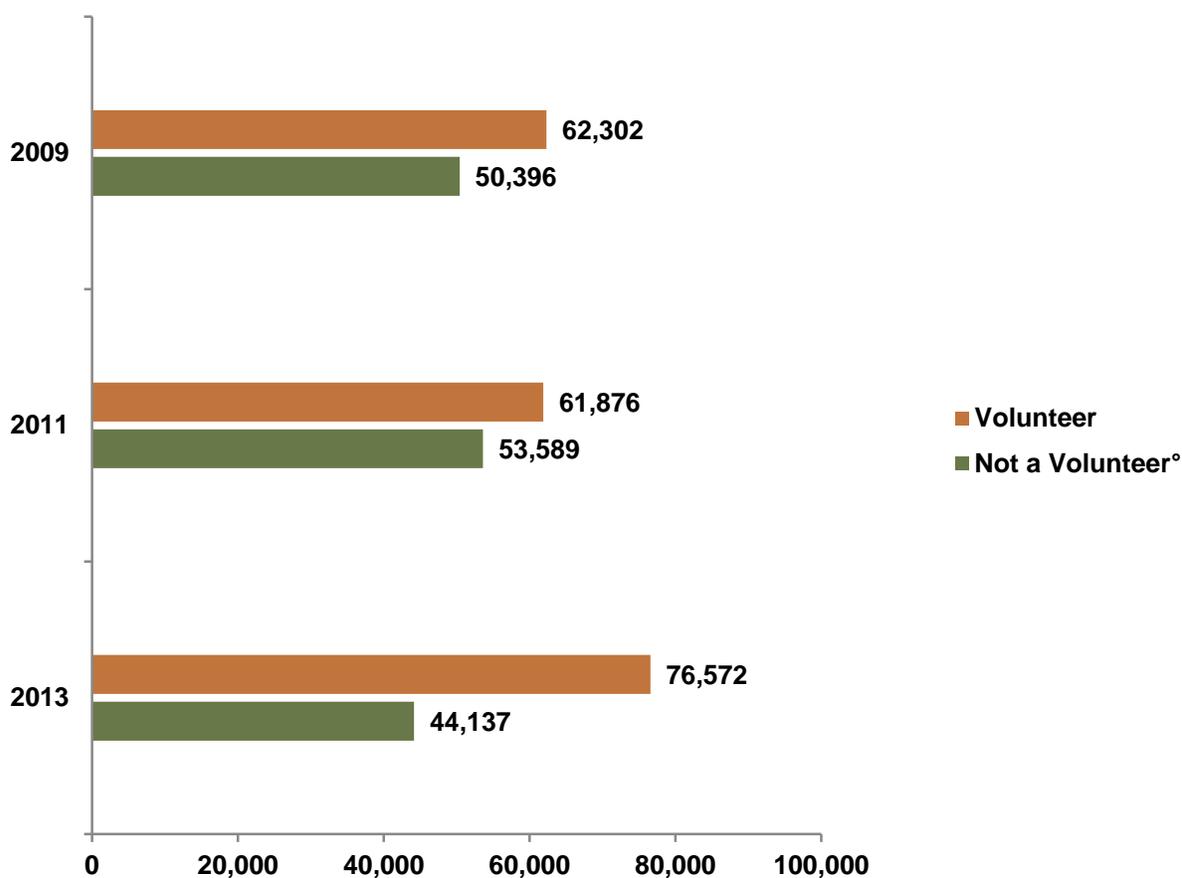


HIGH NET WORTH GIVING AND VOLUNTEERING TRENDS

Average Giving by Volunteering

In 2013, those high net worth donors who volunteered gave a higher average gift amount (\$76,572) than those who did not volunteer (\$44,137). This is a trend consistent with previous years.

FIGURE 32: AVERAGE GIVING BY HIGH NET WORTH DONORS, BY VOLUNTEERING IN 2009, 2011, AND 2013 (\$)



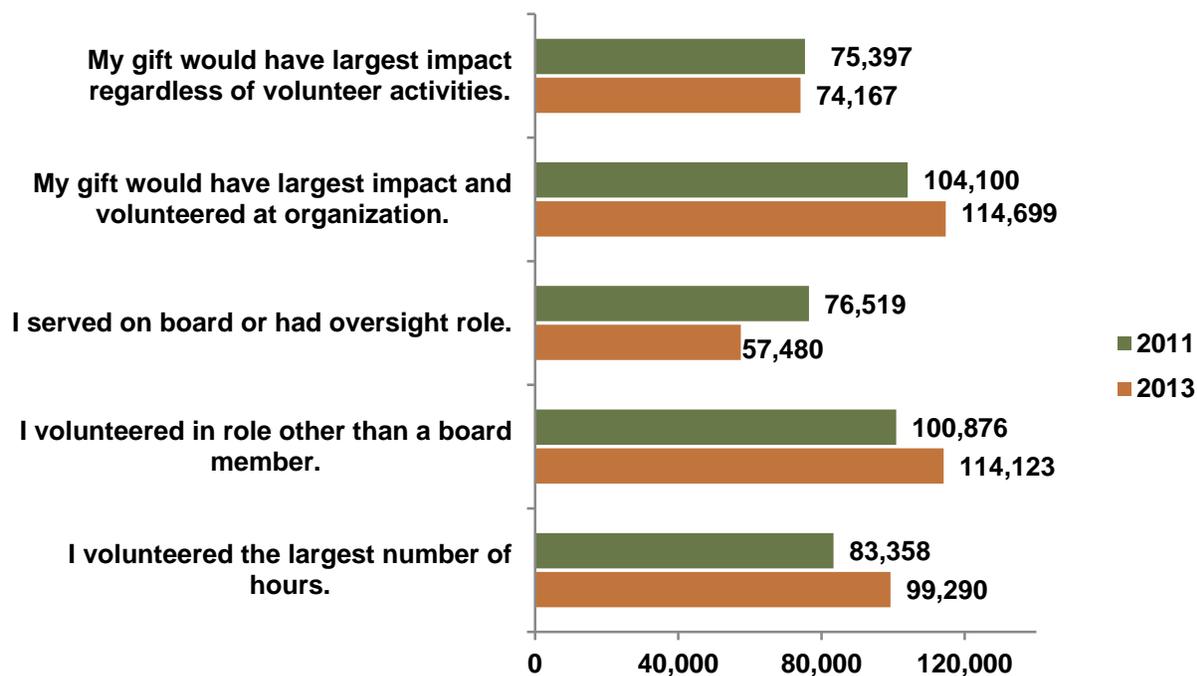
*May not be statistically meaningful because, in some years, this group contains fewer than 50 respondents.

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

High net worth donors who believed their gift would have the greatest impact at an organization at which they volunteered gave the most (\$114,699), although volunteering in a role other than board member led to an almost equal average gift amount (\$114,123). Conversely, those who served on the board or had another oversight role gave the lowest average amount (\$57,480). High net worth donors seek meaningful connections to the organization they serve — often, that is not limited to the most visible roles.

FIGURE 33: AVERAGE GIVING BY HIGH NET WORTH DONORS WHO AGREE WITH THE FOLLOWING STATEMENTS WHEN DETERMINING WHERE TO GIVE MORE TO CHARITY IN 2011 AND 2013 (\$)

“If you volunteered in 2013, please indicate whether the following statements are true or false. I gave more to organization(s) where . . .”



II. CHARITABLE MOTIVATIONS AND OUTCOMES, GIVING KNOWLEDGE, GIVING STRATEGIES, AND PERSONAL FULFILLMENT

This section begins with data about the motivations for high net worth donors' charitable giving, including reasons for their charitable gifts and the level of personal fulfillment derived from donating these gifts.

High net worth donors' knowledge about various aspects of charitable giving and their assessment of their giving aptitude is presented. Reporting on total giving by self-ranked charitable giving knowledge level is also presented.

The third subsection contains an analysis of high net worth donors' charitable giving strategies. These findings include whether wealthy households have a strategy for giving, whether high net worth donors focus their giving, whether they consult advisors to assist in their giving, whether they monitor or evaluate the impact of their giving and, if so, which resources they use to do so. Also presented are findings about wealthy donors' awareness of other ways, in addition to traditional donations, to use their assets to advance social or charitable goals.

Finally, this section looks at relationships between donors' knowledge levels and the giving practices identified above.

MOTIVATIONS AND OUTCOMES FOR GIVING BY HIGH NET WORTH DONORS

Motivations behind Charitable Behavior

A variety of motivations support high net worth philanthropy. In 2013, wealthy households cited believing the gift can make a difference (73.5 percent), personal satisfaction (73.1 percent), supporting the same causes annually (66.0 percent), giving back to the community (62.7 percent), and serving on the organization’s board (61.8 percent) as top motivators.

FIGURE 34: HIGH NET WORTH DONORS REPORTING GIVING BASED ON MOTIVATION TYPE (%)

“On a scale of 1 to 5 do you usually give...”

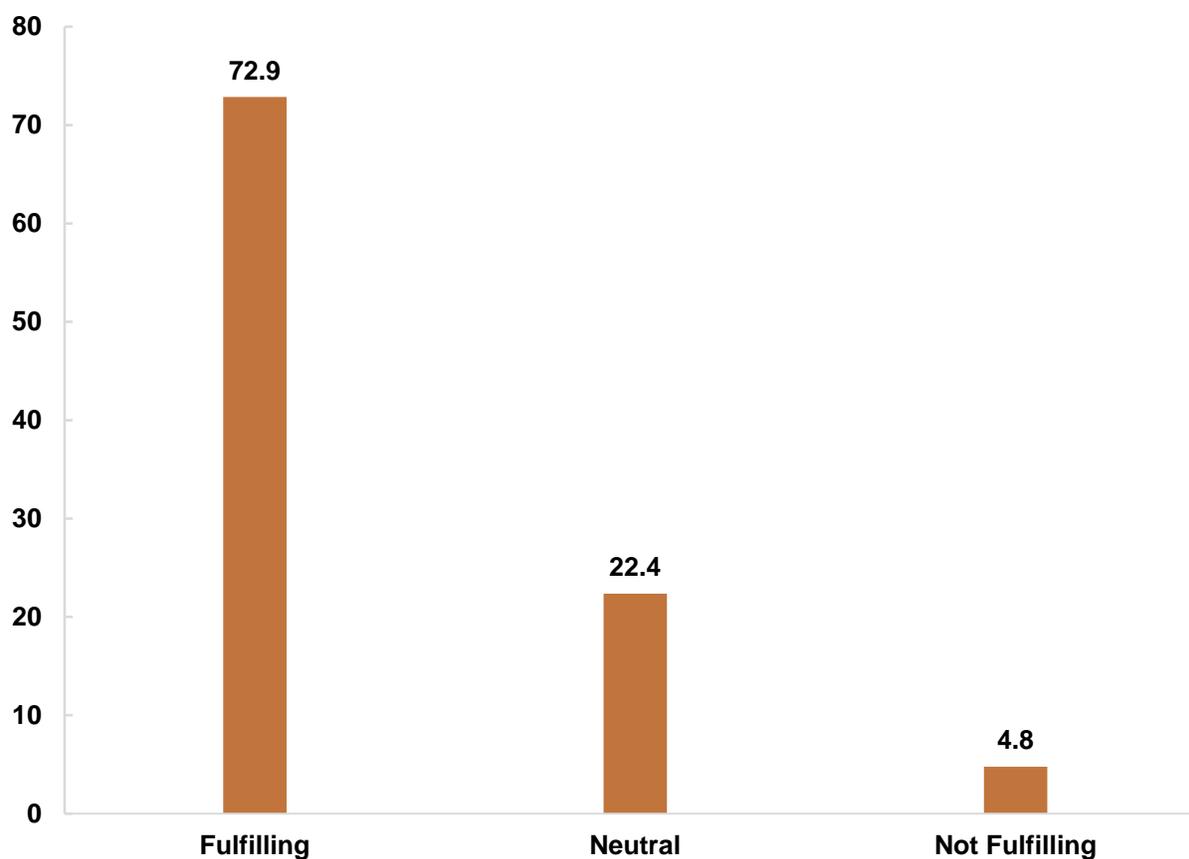


Personal Fulfillment through Charitable Giving Activity

In 2013, just under three-quarters (72.9 percent) of high net worth households reported experiencing personal fulfillment from their charitable activity while almost one-quarter responded neutrally. Only 4.8 percent reported that their charitable activity was not fulfilling.

FIGURE 35: LEVELS OF FULFILLMENT THROUGH CHARITABLE ACTIVITY AMONG HIGH NET WORTH DONORS (%)

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



CHARITABLE GIVING KNOWLEDGE

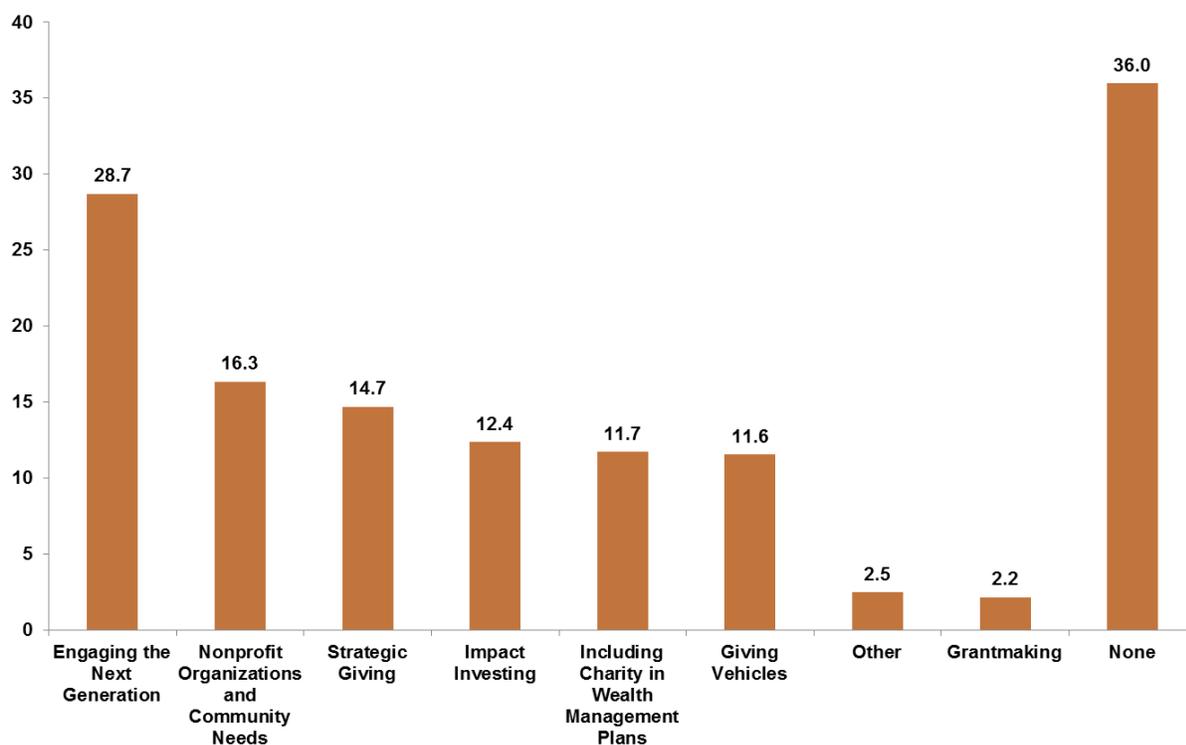
Learning More about Charitable Giving

Sixty-four percent of high net worth households indicated that they would like to be more knowledgeable about at least one aspect of charitable giving, with the highest share interested in engaging the next generation (28.7 percent), nonprofit organizations and community needs (16.3 percent), and strategic giving (14.7 percent).

A higher percentage of women (17.1 percent) want to learn more about integrating their values and charitable goals, compared to men (10.2 percent). Similarly, twice as many women (20.0 percent) than men (10.0 percent) want to learn more about impact investing.

FIGURE 36: HIGH NET WORTH DONORS REPORTING ASPECTS OF CHARITABLE GIVING ABOUT WHICH THEY WOULD LIKE TO BE MORE KNOWLEDGEABLE IN 2013 (%)

“About which of the following aspects of charitable giving would you like to be more knowledgeable?”

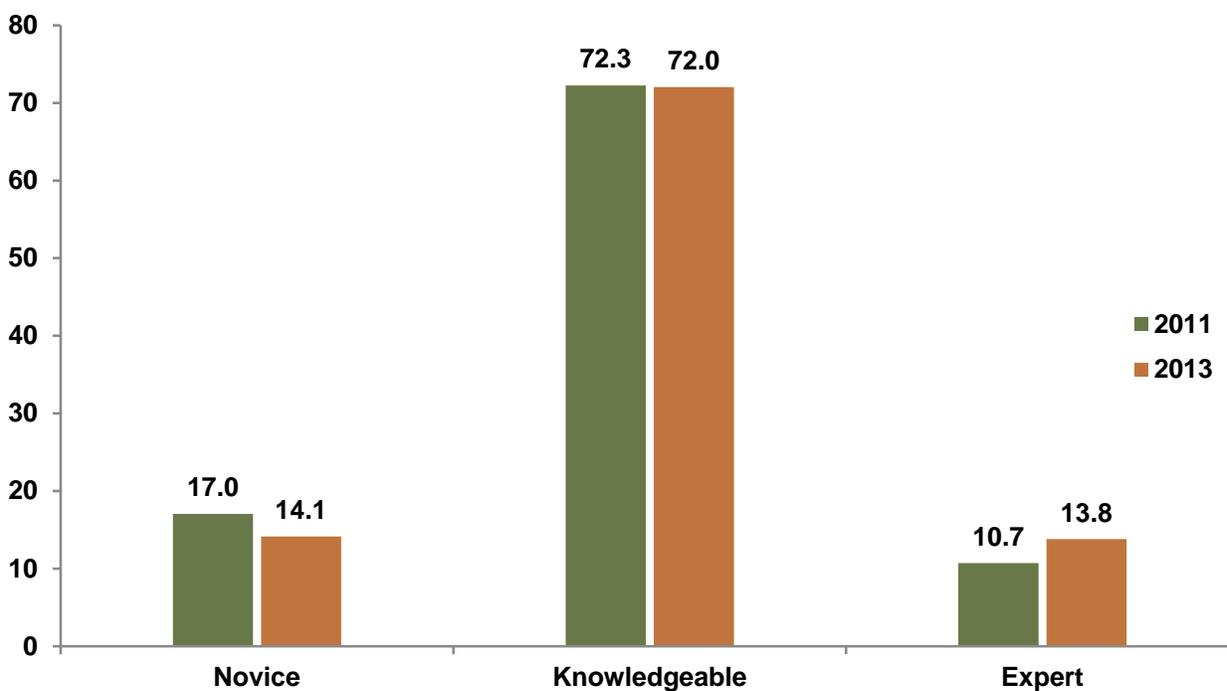


Level of Charitable Giving Knowledge

The majority of high net worth households, about three-quarters, have consistently rated themselves as knowledgeable in charitable giving in 2011 and 2013. Roughly equal percentages of wealthy households rate their level of charitable knowledge as novice (14.1 percent) and expert (13.8 percent) in 2013.

FIGURE 37: HIGH NET WORTH DONORS REPORTING LEVELS OF CHARITABLE GIVING KNOWLEDGE IN 2011 AND 2013 (%)

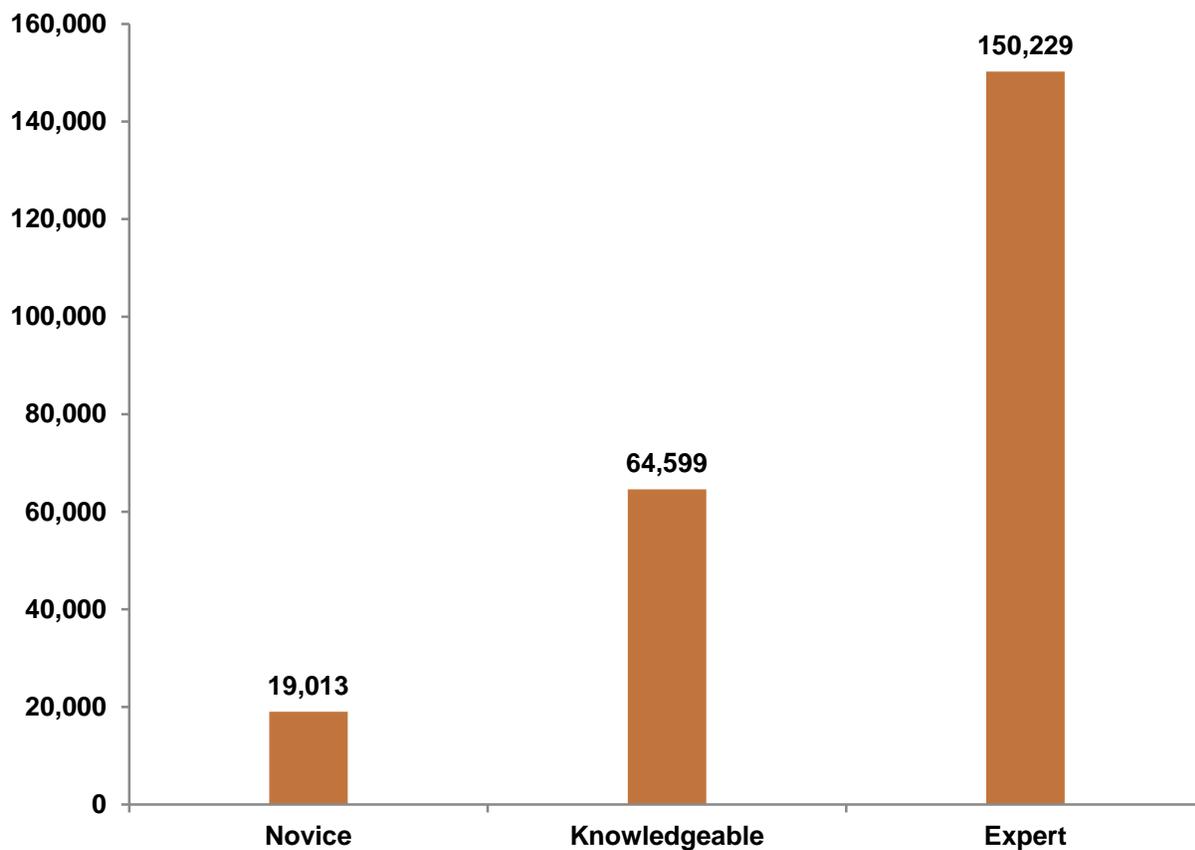
“Generally speaking, how would you rate your level of knowledge about charitable giving and philanthropy?”



Total Charitable Giving of High Net Worth Donors by Level of Charitable Giving Knowledge

Those who rated themselves as “expert” gave the highest average total amount in 2013 (\$150,229), compared to self-described “knowledgeable” (\$64,599) or “novice” households (\$19,013).

FIGURE 38: TOTAL GIVING BY HIGH NET WORTH DONORS BY LEVEL OF CHARITABLE GIVING KNOWLEDGE (\$)



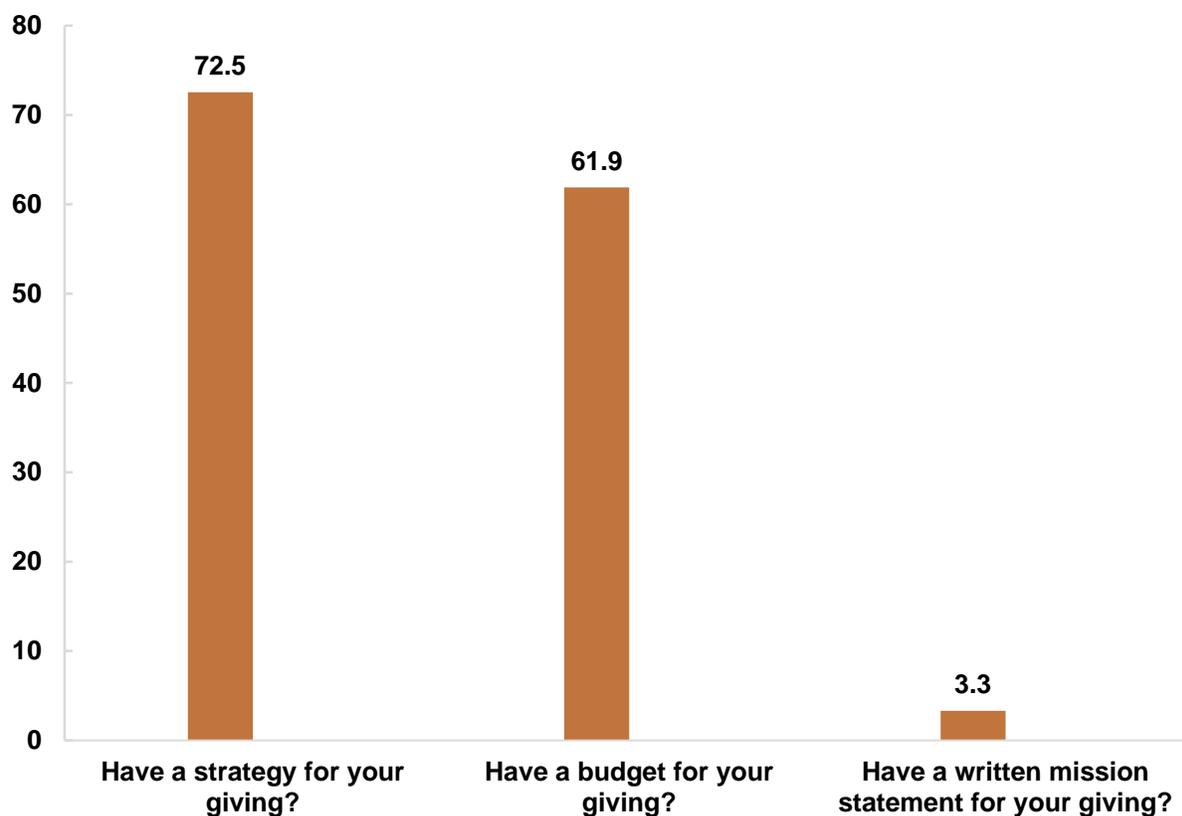
GIVING STRATEGIES OF HIGH NET WORTH DONORS

High Net Worth Donors Who Have a Giving Strategy

Just under three-quarters (72.5 percent) of wealthy households reported having a strategy for their giving, while 61.9 percent utilize a budget. However, only 3.3 percent have a written mission statement to guide their giving.

FIGURE 39: HIGH NET WORTH DONORS REPORTING STRATEGIC APPROACHES TO GIVING IN 2013 (%)

"In 2013, did you..."

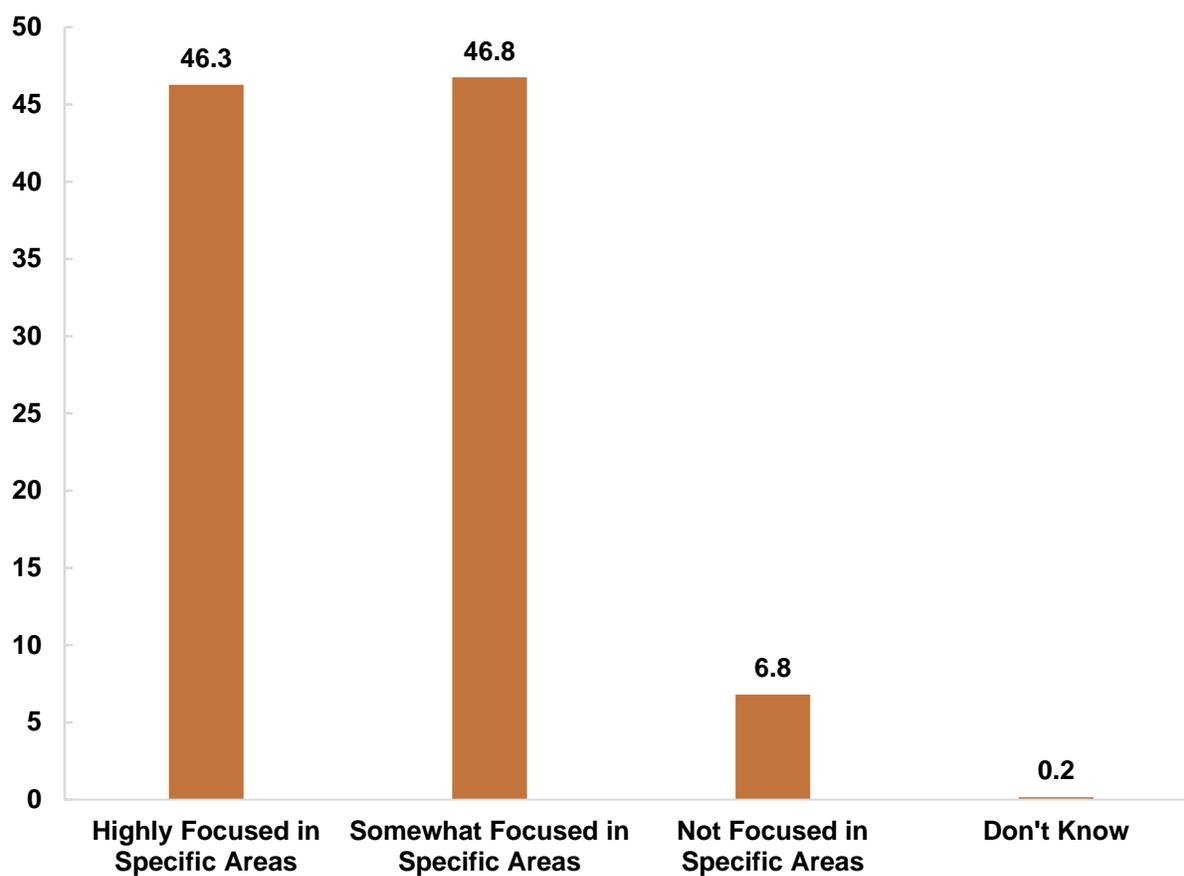


Where High Net Worth Donors Focus Their Giving

Almost all donors (93.1 percent) are somewhat (46.8 percent) or highly (46.3 percent) focused on a defined set of issues, organizations, and/or geographic areas. Only 6.8 percent reported no focus.

FIGURE 40: LEVEL OF FOCUS OF HIGH NET WORTH GIVING IN 2013 (%)

“Generally speaking, how would you characterize your charitable giving in 2013?”

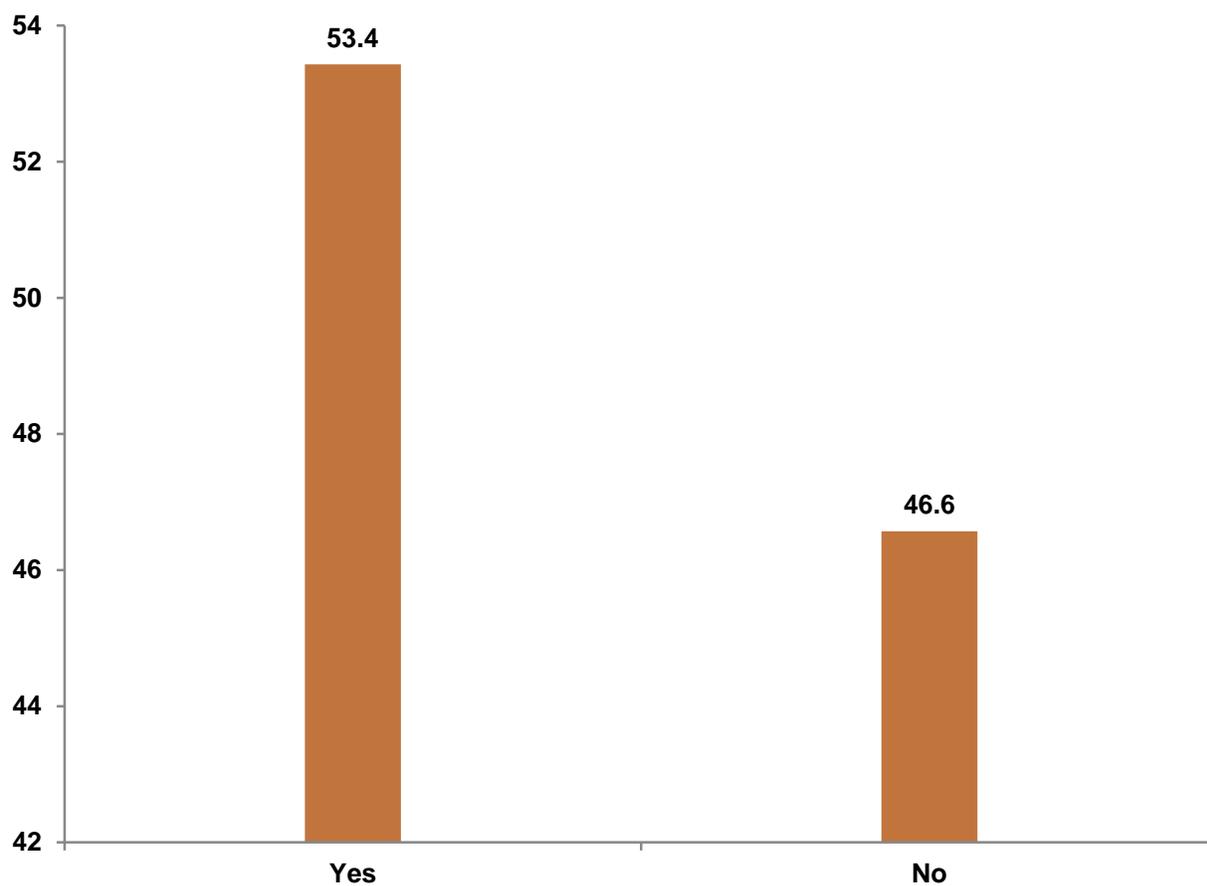


High Net Worth Donors Who Monitor or Evaluate the Impact of Their Charitable Giving

Slightly more high net worth households monitor or evaluate the impact of their charitable giving (53.4 percent) than do not (46.6 percent).

FIGURE 41: HIGH NET WORTH DONORS WHO MONITOR OR EVALUATE THE IMPACT OF THEIR CHARITABLE GIVING (%)

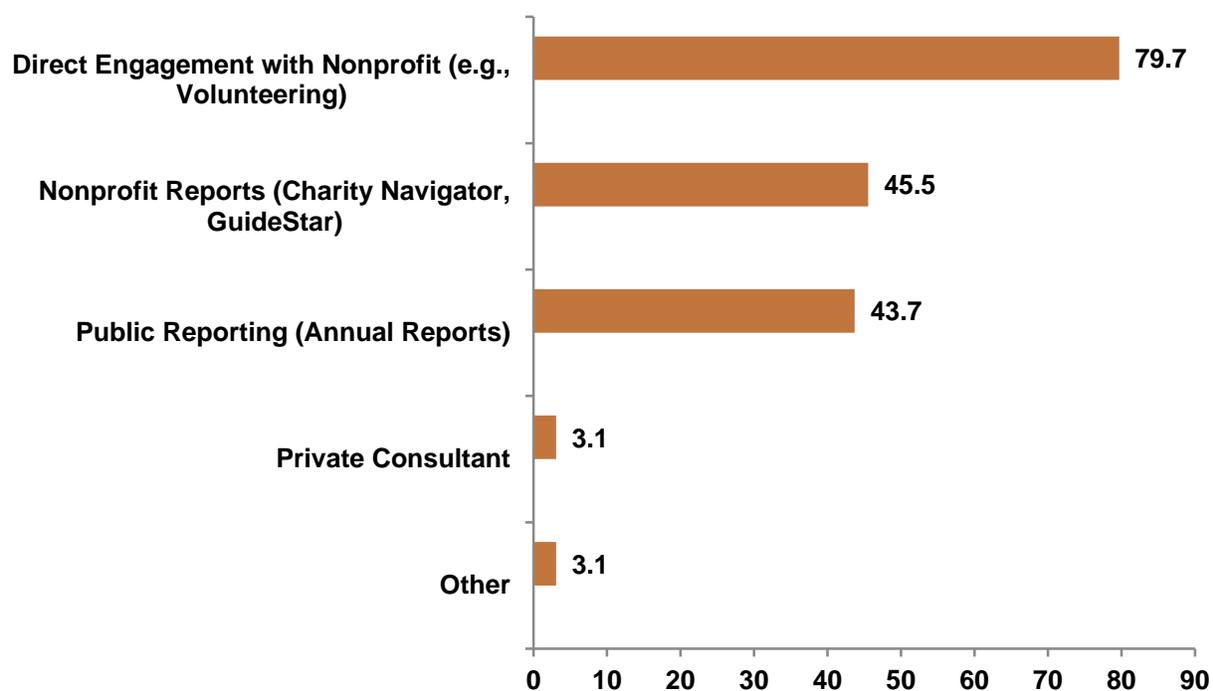
“Do you monitor or evaluate the impact of your giving?”



High Net Worth Donors Who Monitor or Evaluate the Impact of Their Charitable Giving by Resource

Of those wealthy households that do monitor or evaluate the impact of their charitable giving, most do so by directly engaging with the nonprofit (79.7 percent). Almost as many utilize nonprofit reports such as Charity Navigator and GuideStar (45.5 percent) as public reports (43.7 percent). Only 3.1 percent utilize a private consultant to monitor or evaluate their charitable impact.

FIGURE 42: RESOURCES USED BY HIGH NET WORTH DONORS TO MONITOR THEIR CHARITABLE GIVING^ (%)



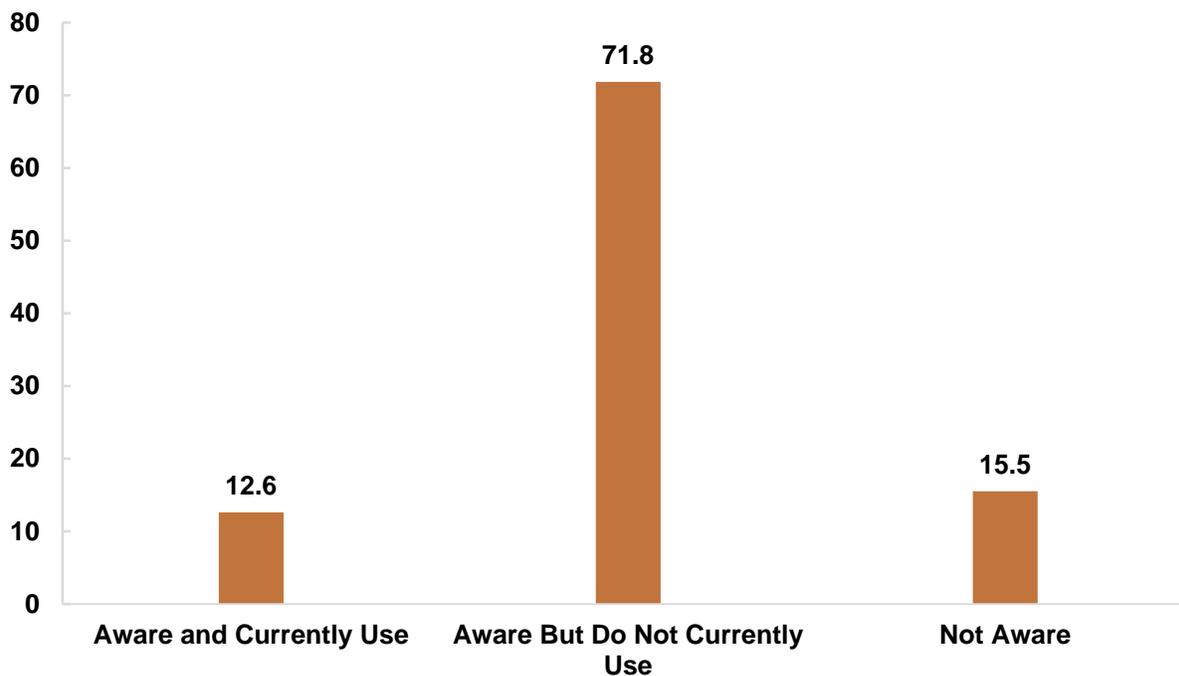
^The percentages in this figure were calculated only among households that monitored their giving.

High Net Worth Donors Who Are Aware of How to Use Their Assets to Advance Social or Charitable Goals

Most (84.4 percent) high net worth donors are aware of innovative tools (e.g., program-related investments, mission-related investing, and social impact bonds) to use their assets to advance social or charitable goals. However, only 12.6 percent of all high net worth households are both aware of such tools and currently use them. A little over seven in ten (71.8 percent) high net worth households report awareness of innovative tools to use their assets to advance social or charitable goals, but do not use them.

FIGURE 43: HIGH NET WORTH DONORS WHO REPORT AWARENESS OF ADDITIONAL TOOLS TO ADVANCE SOCIAL OR CHARITABLE GOALS (%)

“Are you aware of other ways that people can use their assets to advance social or charitable goals, besides donations? These could include program-related investments, mission-related investing, social impact bonds, and socially responsible investing.”

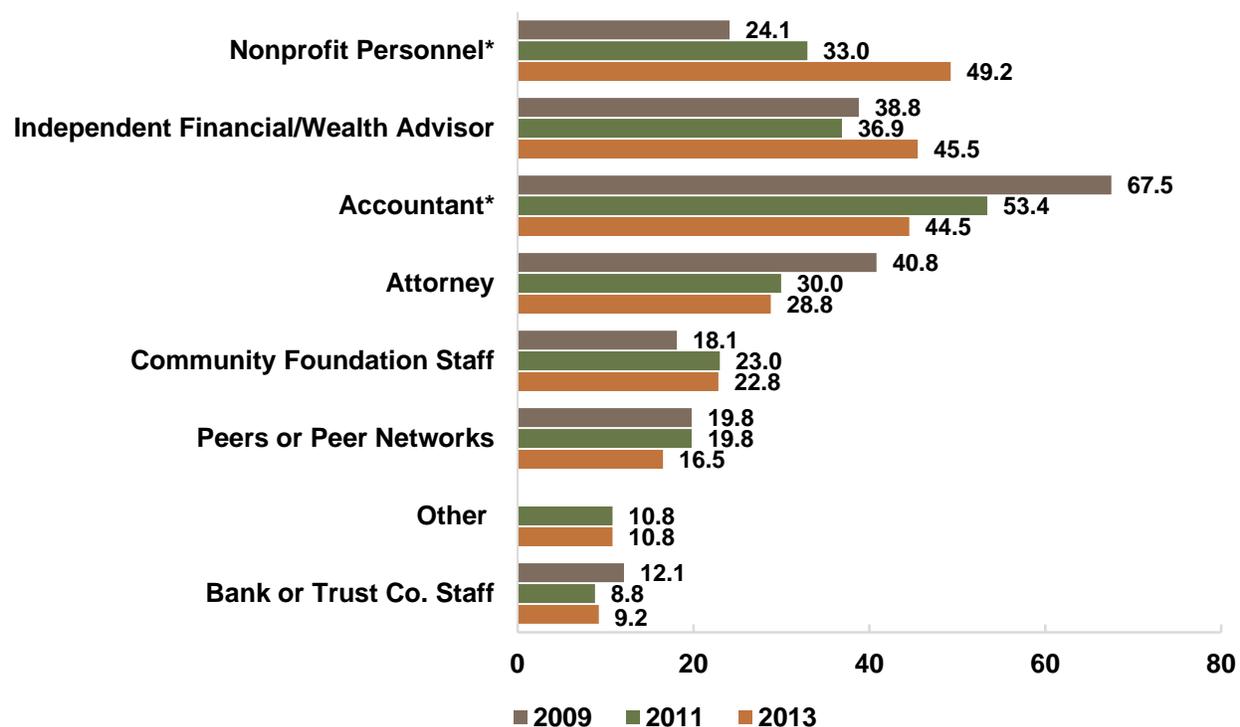


High Net Worth Giving by Type of Advisor

In 2013, 45.4 percent of high net worth households consulted with at least one advisor. Among households that consulted with at least one advisor, the highest proportions of high net worth households consulted with nonprofit personnel (49.2 percent), an independent financial or wealth advisor (45.5 percent), or an accountant (44.5 percent). The fewest households consulted with bank or trust company staff (9.2 percent) or any other type of advisor (10.8 percent), among households that consulted with an advisor.

FIGURE 44: HIGH NET WORTH DONORS WHO CONSULTED WITH OTHERS BEFORE MAKING A CHARITABLE GIVING DECISION, BY TYPE OF ADVISOR CONSULTED IN 2009, 2011, AND 2013[^] (%)

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



*2011 and 2013 results are statistically different.

[^]The percentages in this figure are calculated only among those households that consulted with at least one advisor.

High Net Worth Donor Profile by Level of Charitable Giving Knowledge

The monitoring of charitable gifts is positively associated with increasing levels of charitable knowledge. Of those who classified themselves as “novice,” only 29.1 percent monitored their giving, compared to 52.8 percent of those who rated themselves as “knowledgeable” and 78.3 percent of those “expert” donors.

As high net worth households’ knowledge level increased, so too did confidence in the impact of their giving: 43.0 percent of “novice” households believed that their giving had an impact, compared to 59.7 percent of “knowledgeable” households and 84.3 percent of “expert” households.

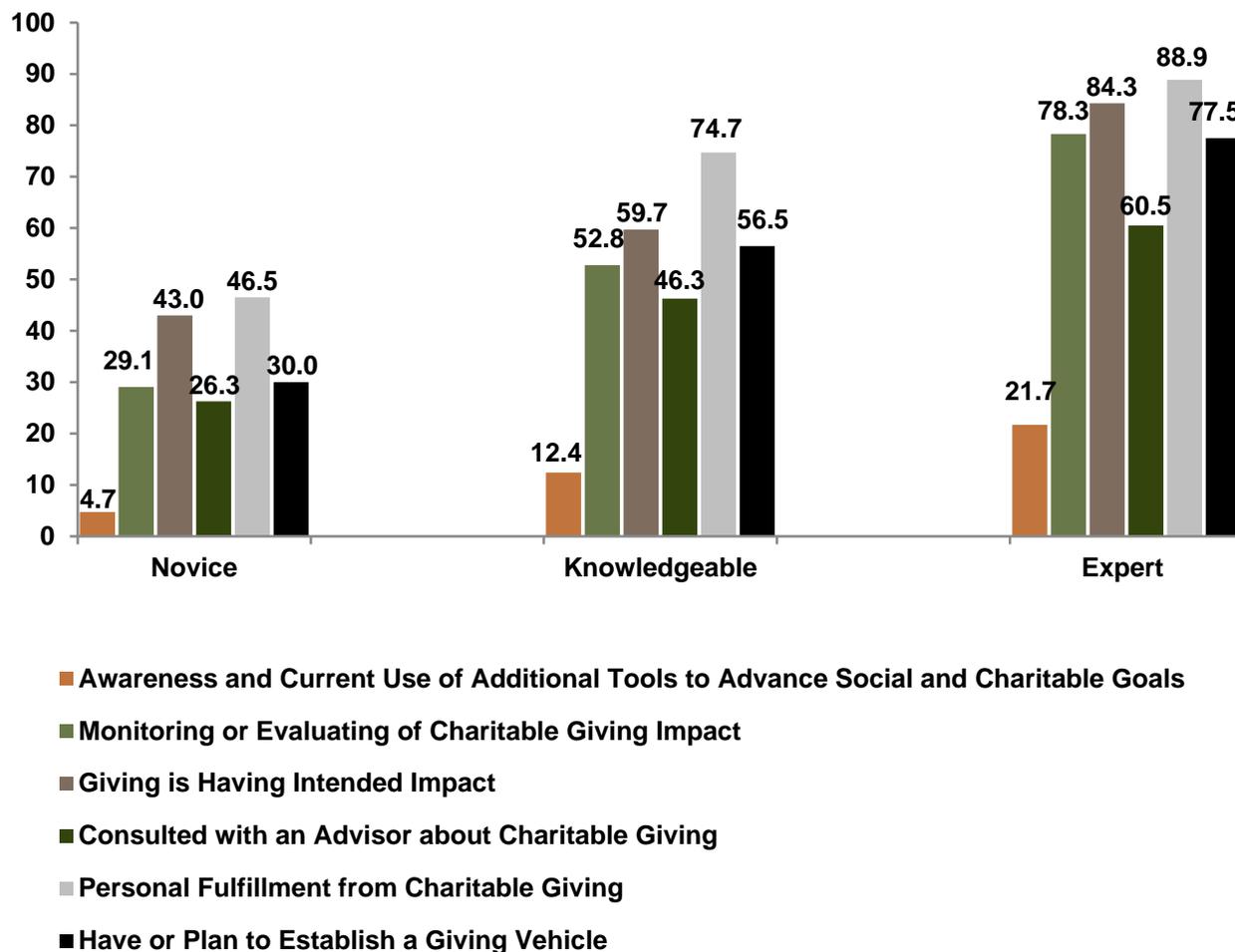
Those wealthy donors who rated themselves as expert were more likely to be aware of and currently use additional tools such as program-related investments, mission-related investing, and social impact bonds (21.7 percent), compared to 12.4 percent of “knowledgeable” donors and 4.7 percent of “novice” donors.

High net worth households’ likelihood of using or planning to use a giving vehicle increases with self-described level of knowledge as well. Those who rate themselves as “expert” are most likely to use or plan to use a giving vehicle (77.5 percent), compared to 56.5 percent of those who are “knowledgeable” and 30.0 percent of those who are “novice.”

The likelihood of consulting with an advisor also increases with donors’ progressively greater levels of knowledge: 26.3 percent of “novice” households consulted with an advisor, compared to 46.3 percent of “knowledgeable” households and 60.5 percent of “expert” households.

Within each knowledge group, most donors reported deriving personal fulfillment from charitable giving. However, as reported knowledge increased, the share of donors who reported fulfillment also increased. A greater percentage of those who rated themselves “knowledgeable” (74.7 percent) or “expert” (88.9 percent) reported personal fulfillment through charitable giving, compared to those who rated themselves as “novice” (46.5 percent). Conversely, those who rated themselves as “novice” were most likely to report a lack of fulfillment through their charitable giving (12.8 percent), compared to those who considered themselves “knowledgeable” (4.0 percent) or “expert” (1.2 percent).

FIGURE 45: HIGH NET WORTH DONORS' CHARITABLE GIVING KNOWLEDGE LEVEL BY AWARENESS AND CURRENT USE OF ADDITIONAL TOOLS TO ADVANCE SOCIAL AND CHARITABLE GOALS, MONITORING OR EVALUATING OF CHARITABLE GIVING IMPACT, CONSULTING WITH AN ADVISOR, USE OF GIVING VEHICLE, AND PERSONAL FULFILLMENT FROM CHARITABLE GIVING^ (%)



^ The percentages in this figure are calculated only among those who have ranked themselves in one of the three, respective knowledge levels.

Total Giving of High Net Worth Donor Profile Characteristics

Those who monitor their giving donate a higher average total amount (\$104,265) compared to those who do not monitor (\$28,543).

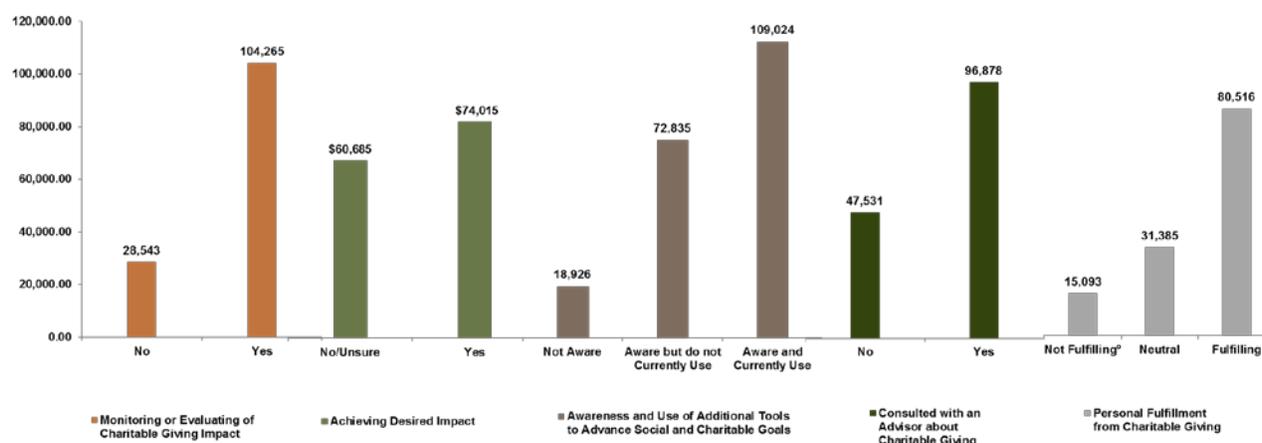
Those who believe that their giving is having the desired impact donate a higher average total amount (\$74,015) than those who do not believe so or are unsure (\$60,685).

Those who are aware of and use other ways to advance their charitable and social goals donate a higher average total amount (\$109,024) than those who are aware of but do not currently use such tools (\$72,835) and those who are not aware (\$18,926).

Those who consulted with an advisor gave a higher average total amount (\$96,878) than those who did not consult an external expert (\$47,531).

Those who report personal fulfillment from their giving donate a higher average total amount (\$80,516) than those who reported a neutral opinion (\$31,385) or lack of fulfillment (\$15,093).

FIGURE 46: TOTAL GIVING BY HIGH NET WORTH DONORS BY MONITORING OR EVALUATING THE IMPACT OF THEIR CHARITABLE GIVING, BELIEF THAT GIFT IS ACHIEVING DESIRED IMPACT, AWARENESS AND USE OF ADDITIONAL TOOLS TO ADVANCE SOCIAL AND CHARITABLE GOALS, PERSONAL FULFILLMENT FROM CHARITABLE GIVING, AND CONSULTING AN ADVISOR ABOUT CHARITABLE GIVING (\$)



*May not be statistically significant because this group contains less than 50 respondents.

III. FAMILY TRADITIONS AND DECISION-MAKING

This section begins with data on the family traditions held by high net worth households regarding charitable giving and how these households transmit philanthropic values to their children or younger relatives as well as younger relatives' involvement in household giving.

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

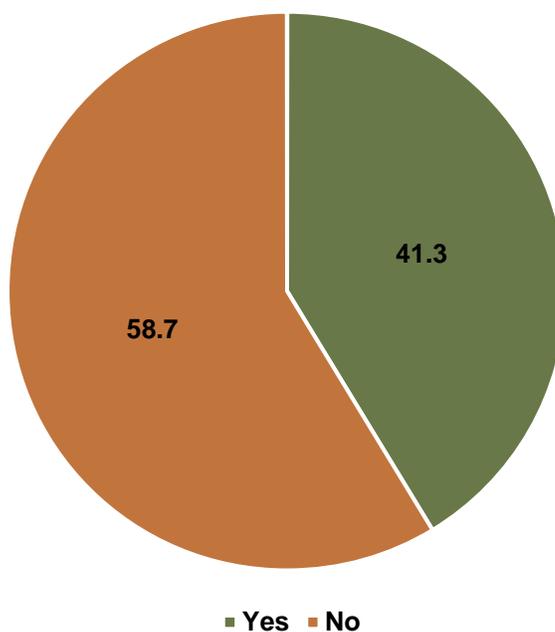
FAMILY TRADITIONS AND HIGH NET WORTH GIVING

Family Traditions in Giving and Involving Children in Giving in 2013

Almost all (92.7 percent) high net worth households reported having children, grandchildren, or younger relatives. Among households that have children, grandchildren, or younger relatives, more donors report not having family traditions around giving (58.7 percent) than those that do (41.3 percent). These traditions could include volunteering as a family, making family-level charitable decisions, and giving as a family holiday ritual.

FIGURE 47: HIGH NET WORTH DONORS REPORTING HAVING FAMILY TRADITIONS AROUND GIVING AND INVOLVING CHILDREN IN GIVING IN 2013^ (%)

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



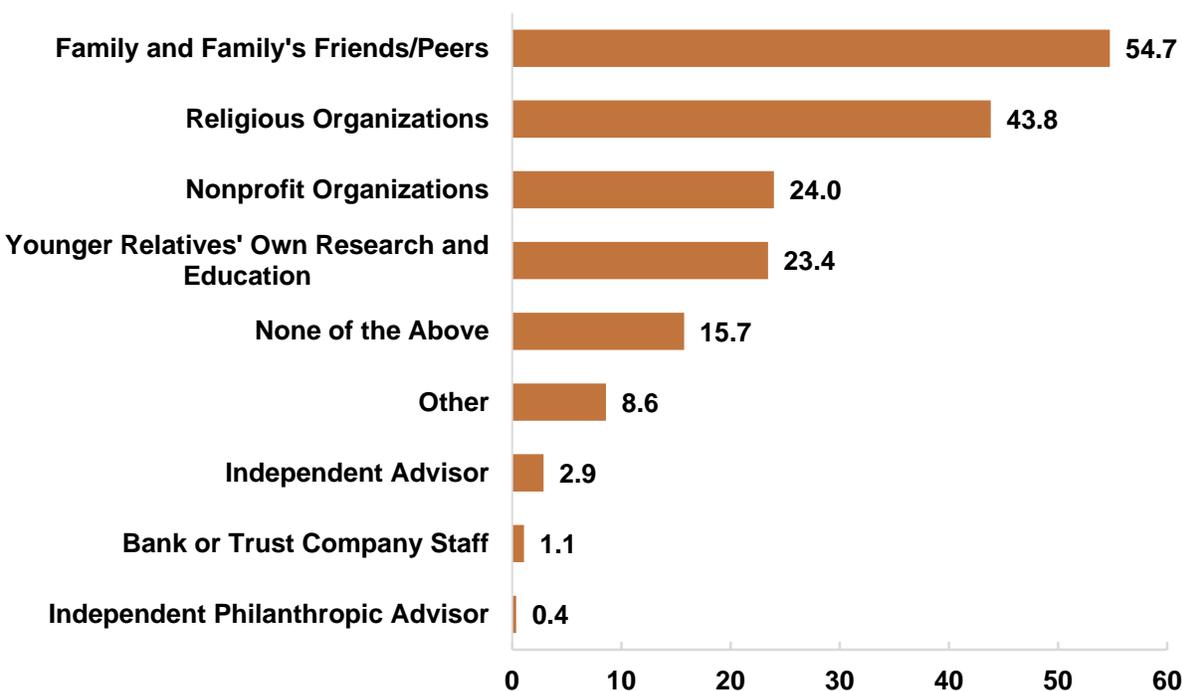
^The percentages in this figure are only calculated among households that have children, grandchildren, or younger relatives.

Children and the Transmission of Philanthropic Values

Families' efforts to teach younger relatives about giving remains the most relied upon form of education about charitable giving — the highest proportion of high net worth households that have children, grandchildren, or younger relatives (54.7 percent) cited their own efforts, and the family's network of friends and peers, as an avenue of charitable instruction. Slightly fewer cited religious organizations such as the church, synagogue, or mosque (43.8 percent). Other slightly less common responses included nonprofit organizations (24.0 percent) or their own independent research (23.4 percent).

FIGURE 48: TRANSMITTING PHILANTHROPIC VALUES: HOW CHILDREN OR YOUNGER RELATIVES LEARNED ABOUT CHARITABLE GIVING IN 2013[^] (%)

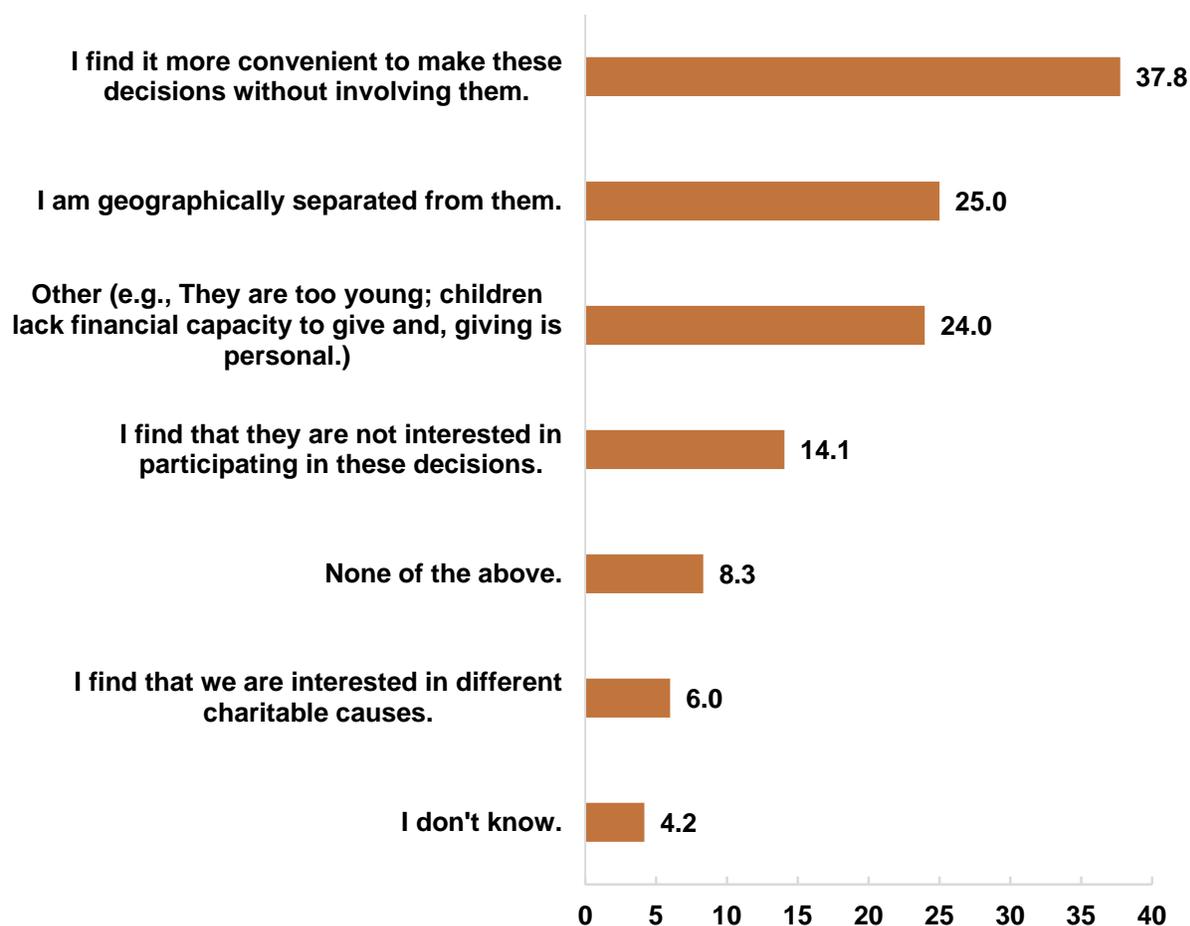
"Your children/grandchildren/other younger relatives learn about giving through which of the following?" (Mark all that apply)



[^]The percentages in this figure are only calculated among households that have children, grandchildren, or younger relatives.

FIGURE 49: REASONS HIGH NET WORTH DONORS DO NOT INVOLVE CHILDREN/GRANDCHILDREN/OTHER YOUNGER RELATIVES IN THEIR GIVING[^] (%)

Among those who have children, grandchildren, or younger relatives, only 31.5 percent involve these children, grandchildren, or other younger relatives in their giving. Those households that have children, grandchildren, or younger relatives, but do not involve them in charitable decisions, report not doing so because it is more convenient to give separately (37.8 percent) or because they are geographically separated (25.0 percent).



[^]The percentages in this figure were calculated only among households with children, grandchildren, or younger relatives and that do not involve those children, grandchildren, or younger relatives in their giving.

DECISION-MAKING IN HIGH NET WORTH HOUSEHOLDS

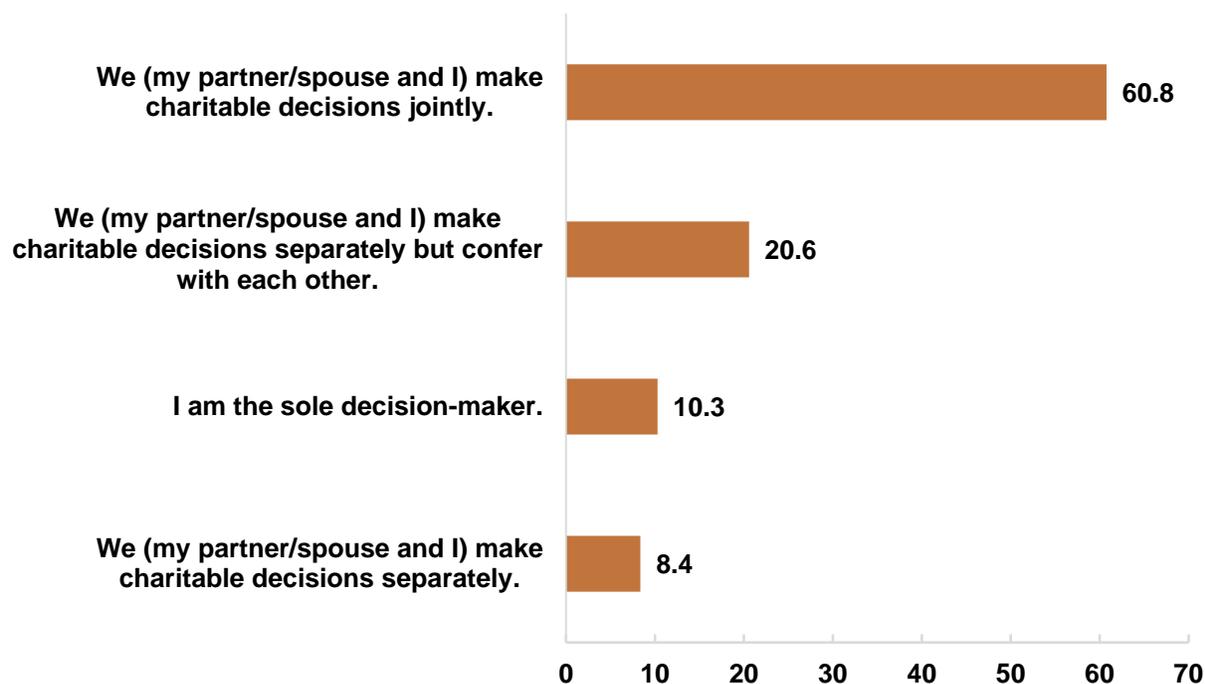
How High Net Worth Households Make Charitable Giving Decisions

The highest proportion of all married/partnered wealthy households (60.8 percent) made charitable decisions jointly, involving both partners. More married/partnered high net worth respondents reported that they make charitable decisions separately but confer with each other (20.6 percent) than the share of those who reported they were the sole decision-maker (10.3 percent).

Among heterosexual married/partnered households, 20.2 percent of women and 7.4 percent of men are the sole decision-makers.

FIGURE 50: HOW DECISIONS ABOUT CHARITABLE GIVING WERE MADE IN THE HOUSEHOLD IN 2013 AMONG MARRIED/PARTNERED HOUSEHOLDS ONLY^ (%)

“Thinking about your overall giving in 2013, how were charitable decisions typically made?” (Mark only one option)



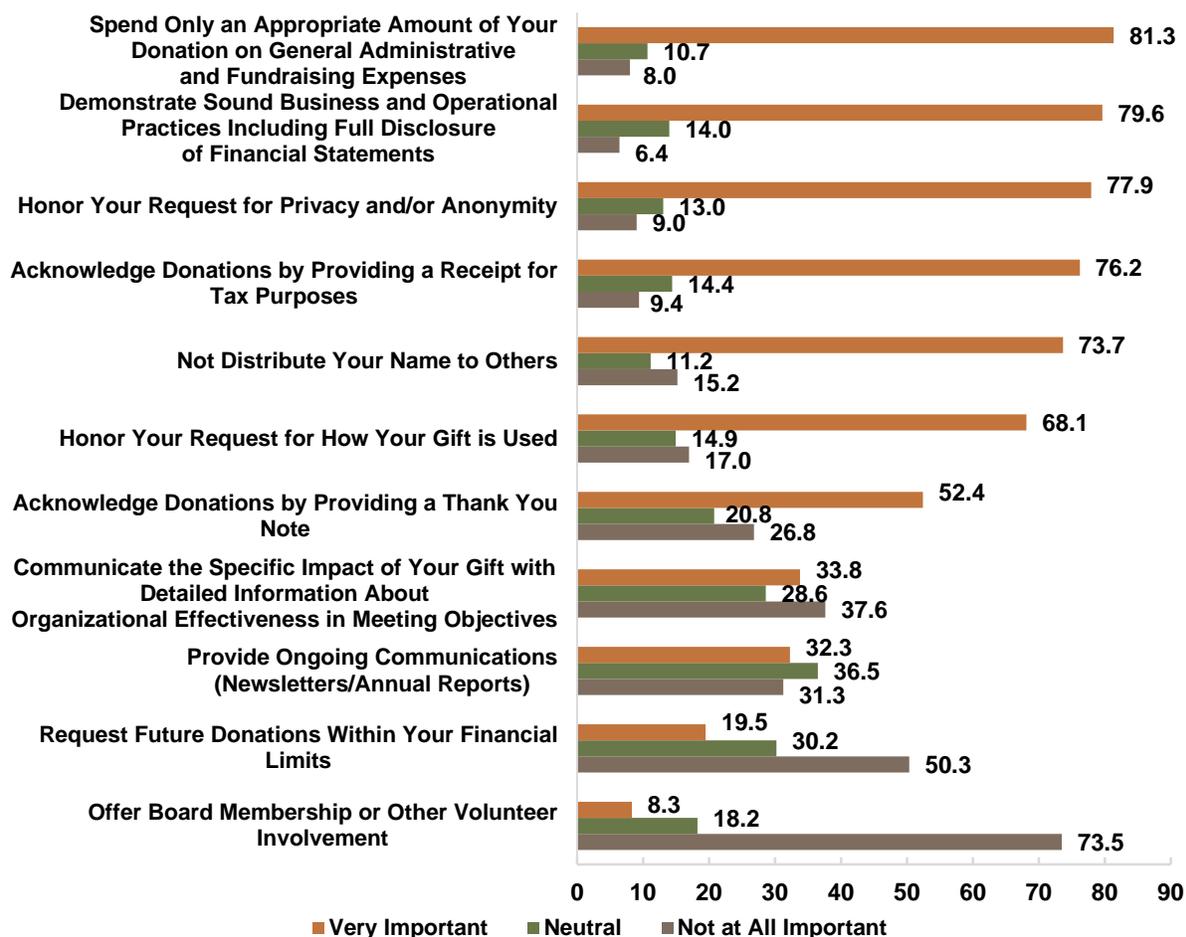
^The percentages in this figure are calculated only among households that are married or living with a partner.

Factors High Net Worth Households Consider Important after Making a Charitable Gift

When wealthy households invest in a nonprofit organization, certain factors remain important to these donors. Most (81.3 percent) high net worth households expect that the nonprofit only spend an appropriate amount of the donation on general administrative and fundraising expenses. Donors also expect that the recipient organization will demonstrate sound business and operational practices, including full disclosure of financial statements (79.6 percent), honoring the donors' request for privacy and/or anonymity (77.9 percent), and acknowledging the donation by providing a receipt for tax purposes (76.2 percent).

FIGURE 51: FACTORS RANKED AS IMPORTANT TO HIGH NET WORTH HOUSEHOLDS AFTER MAKING A CHARITABLE GIFT (%)

“Now, after you make a gift to an organization, how important is it to you that the organization will...”



Why High Net Worth Households Stopped Giving

The largest percentage (41.7 percent) of wealthy households that stopped giving to at least one organization in 2013 cited too-frequent or inappropriately large charitable requests as the reason for this change. A personal shift in philanthropic focus was the second most-cited motivation (35.3 percent) among households that stopped giving to at least one organization in 2013. Only 5.8 percent of high net worth households that stopped giving to at least one organization in 2013 cited the nonprofit's inaccurate record keeping of personal information.

FIGURE 52: REASONS WHY HIGH NET WORTH HOUSEHOLDS STOPPED SUPPORTING AN ORGANIZATION IN 2013 THAT THEY PREVIOUSLY SUPPORTED[^] (%)

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



[^]The percentages in this figure are calculated only among those households that stopped giving to at least one organization in 2013.

IV. FINANCIAL RISK, TAX CONSIDERATIONS, AND THE FUTURE GIVING OF HIGH NET WORTH HOUSEHOLDS

This section begins by providing data about the level of risk that high net worth donors are willing to take with their philanthropic assets compared to their personal assets. Then, for the fifth time in this series of studies, high net worth households were asked two questions concerning how potential tax policy changes would impact their charitable and bequest giving. All five years of data concerning these questions are presented in this section.

New this year, high net worth donors were asked about charitable deduction caps and which type of deduction—mortgage interest, charitable deductions, or healthcare expenses—was most important to them personally and to society. Also new this year, are wealthy donors' responses when asked about their willingness to participate in a giving pledge.

This section then presents high net worth donor forecasts of their giving levels for the next three-to-five years and the factors that inform their future giving. Subsequently, findings about whether wealthy donors' charitable giving to nonprofits would decrease or increase based on a change in government support also are provided.

Finally, this section concludes with an analysis of the confidence levels that these donors have in the nonprofit sector and other societal institutions for solving today's issues.

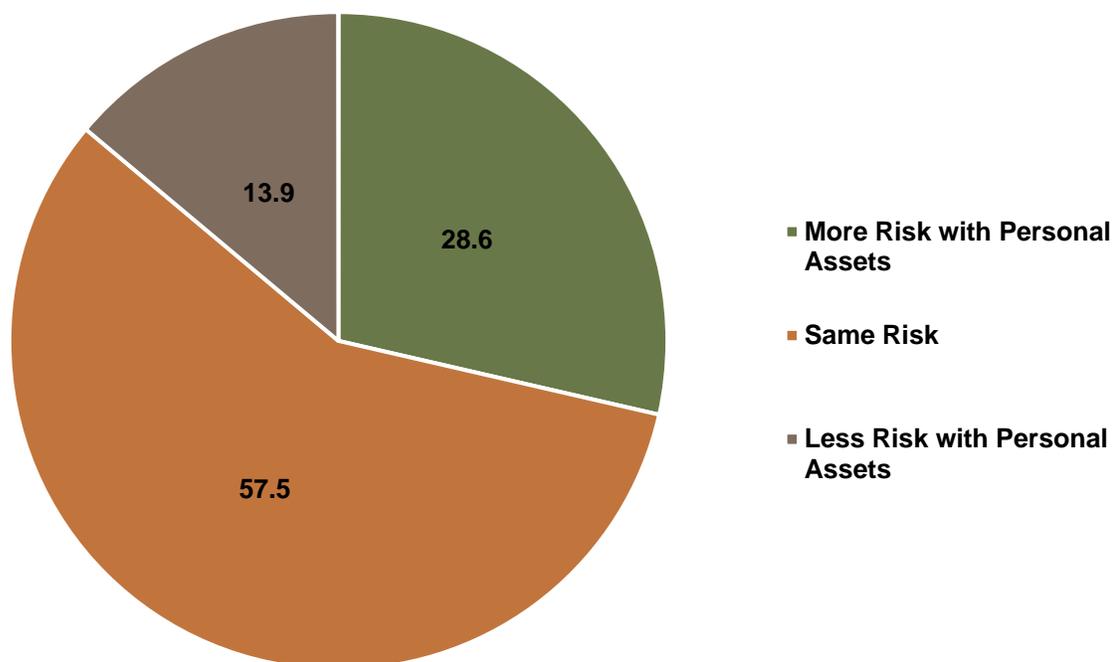
RISK TAKING WITH PHILANTHROPIC ASSETS

Level of Risk High Net Worth Donors Take with Philanthropic Assets

Over half (57.5 percent) of wealthy households take the same amount of financial risk with their personal assets and investments as they do with their philanthropic assets and investments. Nearly a third (28.6 percent) of high net worth households reported taking more financial risk with personal investments.

FIGURE 53: LEVELS OF FINANCIAL RISK HIGH NET WORTH DONORS TAKE WITH FINANCIAL ASSETS (%)

“Compared with your personal assets and investments, which best describes the amount of financial risk that you are willing to take with your philanthropic assets and investments in giving vehicles (foundation, donor-advised fund, charitable trust, etc.)?”



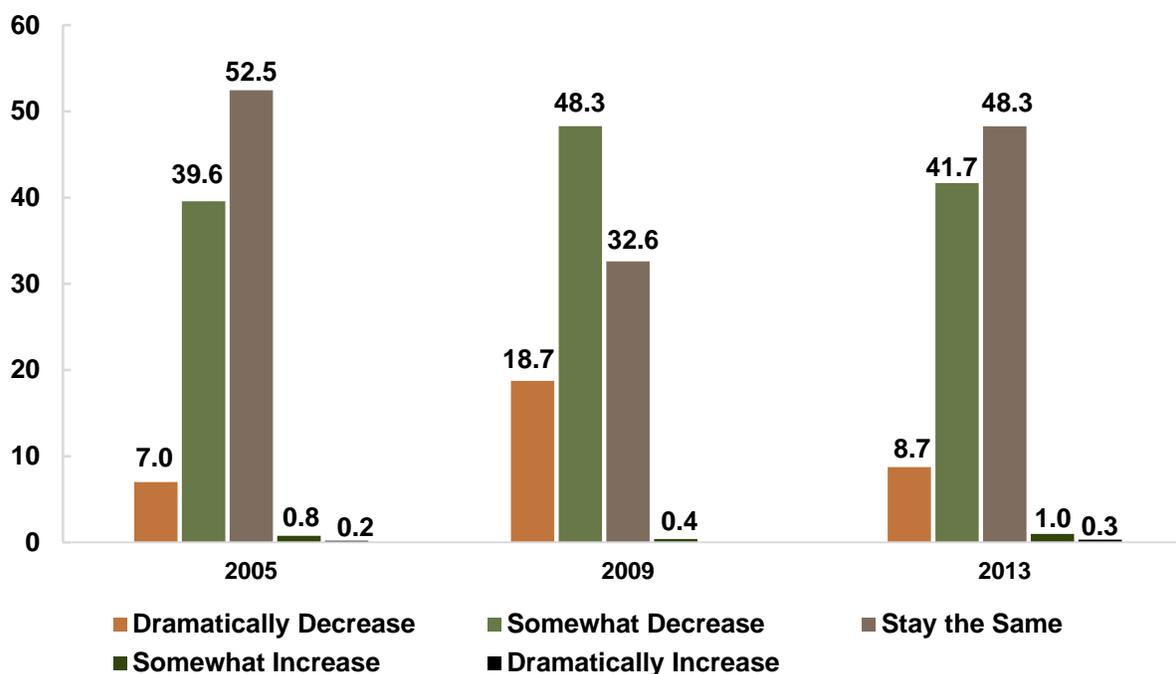
TAX CONSIDERATIONS FOR HIGH NET WORTH HOUSEHOLDS

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

Wealthy households were asked to consider potential changes in their charitable behavior dependent on the hypothetical elimination of income tax deductions for charitable giving. Slightly fewer high net worth households reported in 2013 that they would somewhat or dramatically decrease their charitable giving (50.4 percent) than in 2009 (67.0 percent). In 2013, most wealthy households predicted either maintaining current levels of charitable giving (48.3 percent) or somewhat decreasing their giving (41.7 percent). Post-recession 2009 marked the only year in which more donors would somewhat decrease their giving (48.3 percent) than remain consistent in their giving levels (32.6 percent).

FIGURE 54: CHANGE IN HIGH NET WORTH HOUSEHOLD GIVING IF INCOME TAX DEDUCTIONS FOR DONATIONS WERE ELIMINATED IN 2005, 2009, AND 2013 (%)

“If you and your family received no income tax deductions for charitable giving, would your charitable giving increase, decrease, or stay the same?”

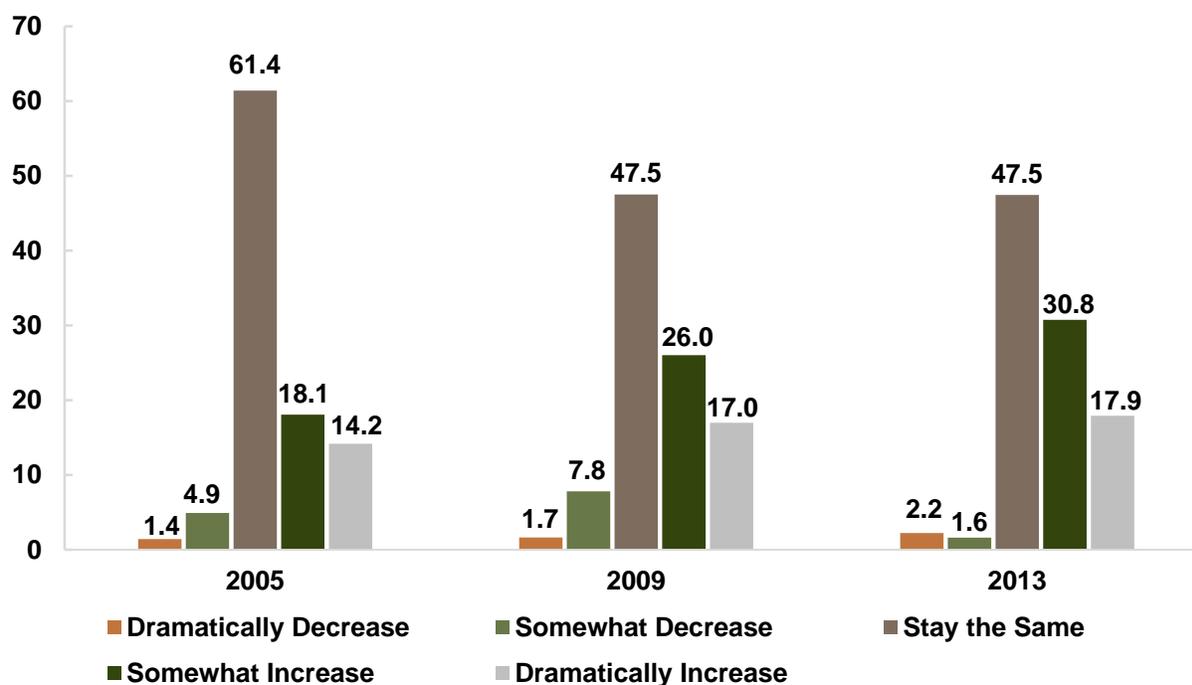


Change in High Net Worth Household Giving if Estate Tax Were Permanently Eliminated

The proportion of wealthy households that predicted somewhat or dramatically increasing the amount left to charity, given the hypothetical elimination of the estate tax, grew from 43.0 percent in 2009 to 48.7 percent in 2013. Similarly, the percentage that predicted somewhat or dramatically decreasing their estate gifts declined from 9.5 percent in 2009 to 3.8 percent in 2013. In 2013, just under half (47.5 percent) of all surveyed households predicted maintaining their estate gift regardless of the estate tax's hypothetical elimination. This is equal to the predictions made in 2009 and a decline from the 61.4 percent that predicted doing so in 2005.

FIGURE 55: CHANGE IN HIGH NET WORTH HOUSEHOLD GIVING IF ESTATE TAX WERE PERMANENTLY ELIMINATED IN 2005, 2009, AND 2013 (%)

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

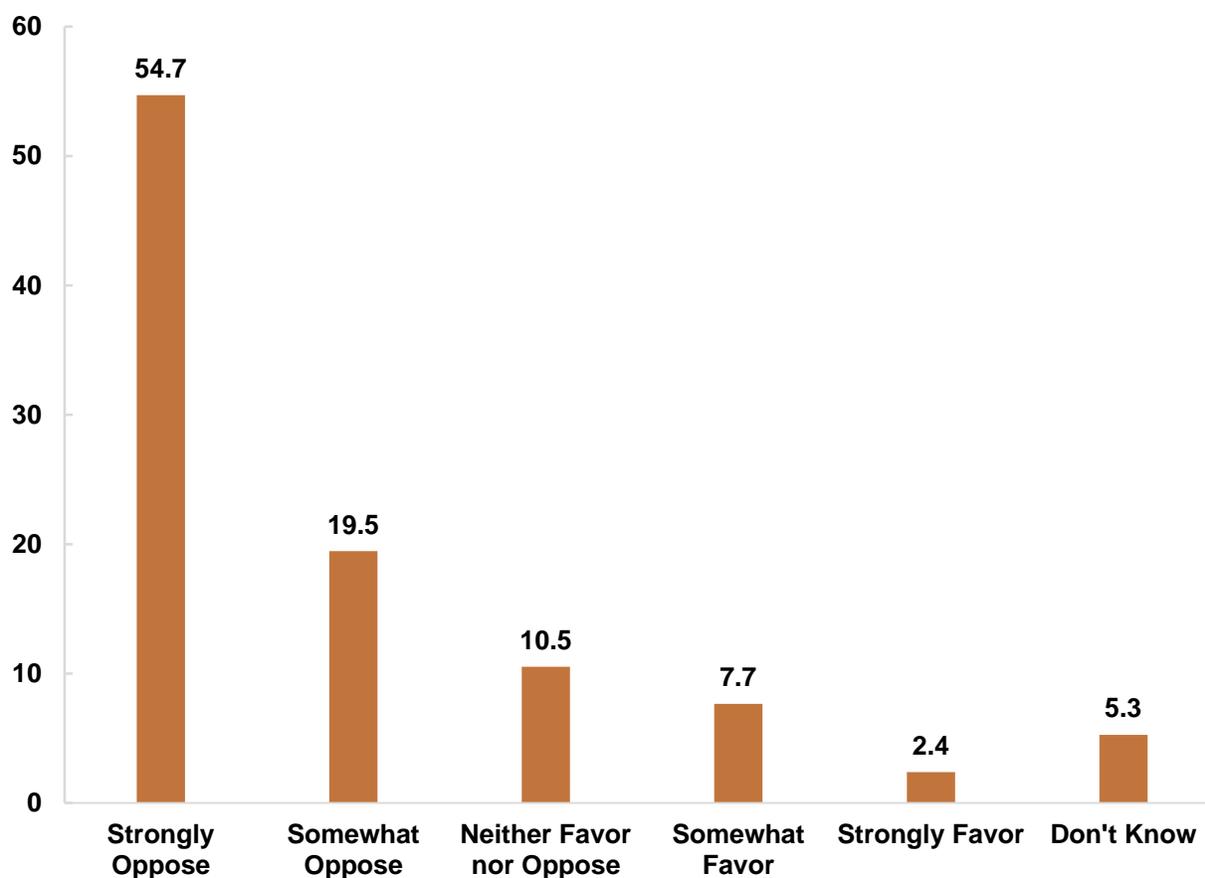


High Net Worth Household Opinions about a Cap on Charitable Deductions

The majority (74.2 percent) of high net worth households either somewhat (19.5 percent) or strongly (54.7 percent) oppose a cap on charitable deductions. Far fewer have a neutral opinion (10.5 percent) or favor (10.1 percent) such legislation.

FIGURE 56: HIGH NET WORTH HOUSEHOLDS REPORTING FAVORING A CAP ON CHARITABLE DEDUCTIONS TO REDUCE THE FEDERAL DEFICIT (%)

“If there were a cap on charitable deductions, as is being proposed to reduce the federal deficit, would you oppose or favor such a cap?”



High Net Worth Household Ranking of Most Favorable Tax Deductions to Self and Society

Researchers asked high net worth respondents to rank the importance of several different tax deductions to both themselves and society. Trends between the importance of these deductions to self and to society were similar.

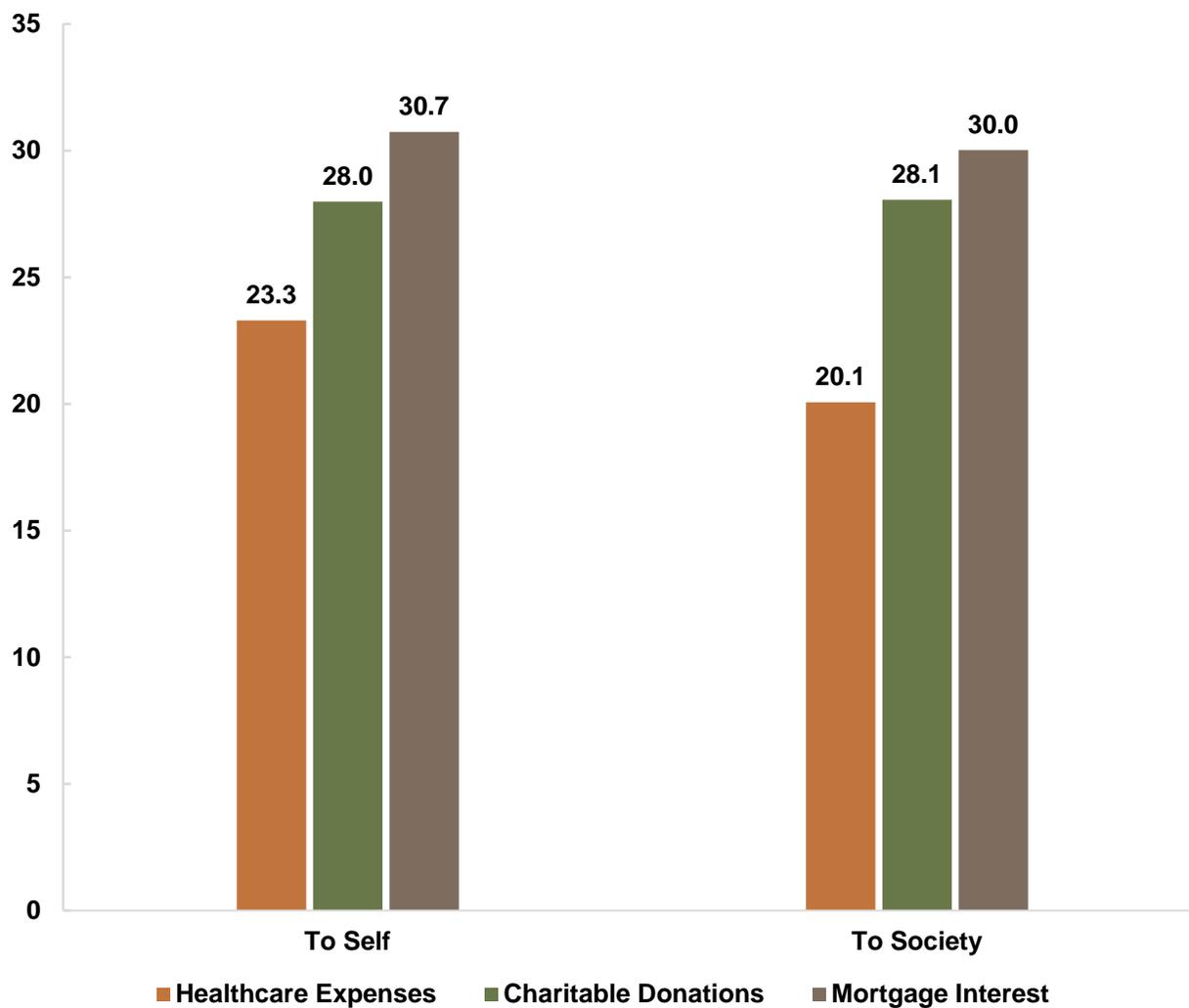
Almost as many ranked the importance of the mortgage interest deduction to themselves third (31.9), as they did first (30.7 percent). Similarly, almost equal percentages of respondents ranked this deduction either second (18.8 percent) or a tie (18.6 percent). When considering the importance of tax deductions to society, more high net worth households gave mortgage expense deduction a first-rate priority (30.0 percent) than those who ranked it third (26.8 percent), a tie (23.2 percent), or second (20.1 percent).

When considering the importance of tax deductions to themselves, more high net worth households gave healthcare expense deduction a second-rate priority (31.4 percent) than those who ranked it first (23.3 percent), third (23.8 percent), or a tie (21.5 percent). When considering the importance of tax deductions to society, more high net worth households gave healthcare expense deduction a second-rate priority (33.3 percent) than those who ranked it a tie (25.1 percent), third (21.5 percent), or first (20.1 percent).

Almost equal percentages of high net worth donors ranked the importance of charitable deductions to themselves as a first priority (28.0 percent), second priority (29.1 percent), or third priority (25.6 percent). Fewer gave this option a tie (17.3 percent). When considering the importance of charitable deductions to society, almost equal percentages of high net worth donors ranked this deduction as a first priority (28.1 percent) and third priority (27.4 percent). Fewer gave this option a second priority (22.8 percent) or a tie (21.7 percent).

FIGURE 57: HIGH NET WORTH HOUSEHOLD RANKING OF MOST FAVORABLE TAX DEDUCTION TO SELF AND SOCIETY (%)

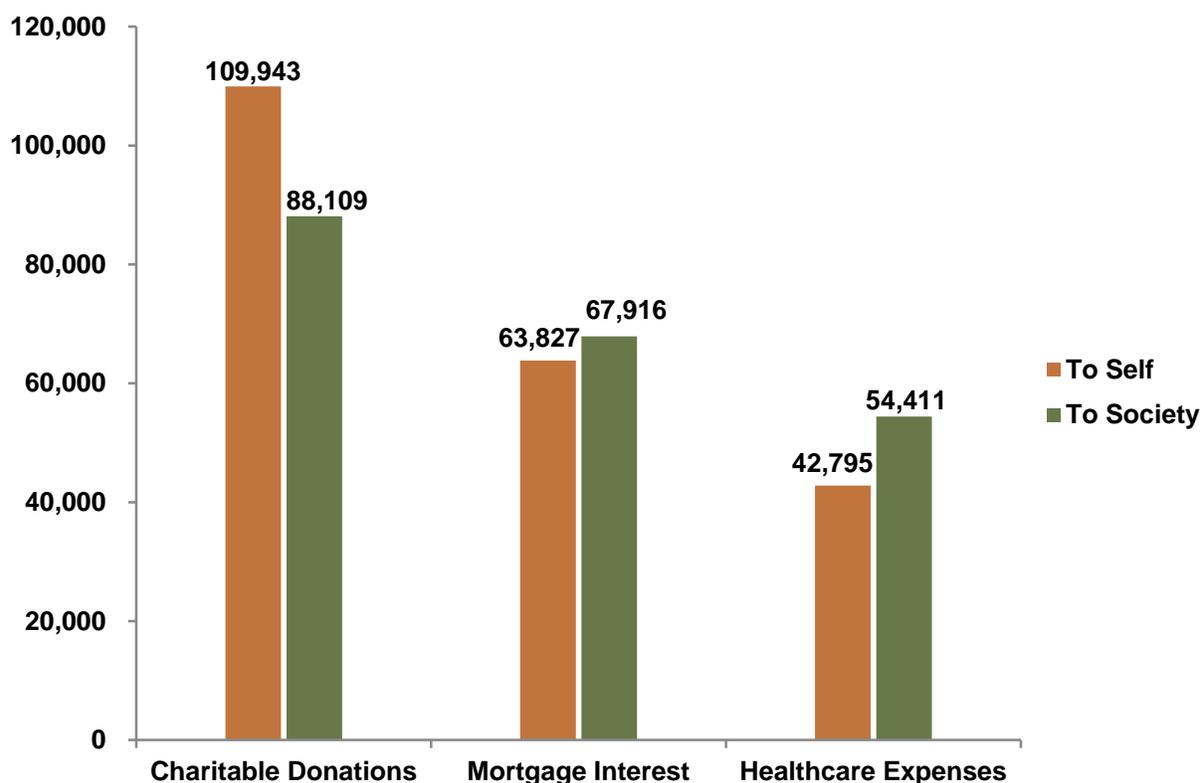
“Based on what’s most important to you/society, please rank the following tax deductions, within the federal tax code, in order of importance. If you are undecided, please indicate that answer as well.”



Total Giving by High Net Worth Household Ranking of Most Favorable Tax Deductions to Self and Society

Average total charitable giving from those who ranked the charitable tax deduction as most favorable to both themselves (\$109,943) and society (\$88,109), compared to mortgage interest or healthcare deductions, outpaced average total giving from those who prioritized the mortgage interest or healthcare deductions for either themselves or society. Those who prioritized the healthcare tax deduction for themselves, over the charitable tax deduction or the mortgage interest deduction, gave the lowest average total amount (\$42,795).

FIGURE 58: TOTAL GIVING BY HIGH NET WORTH HOUSEHOLD RANKING OF MOST FAVORABLE TAX DEDUCTION TO SELF AND SOCIETY (\$)



Level of Participation in a Giving Pledge by High Net Worth Households

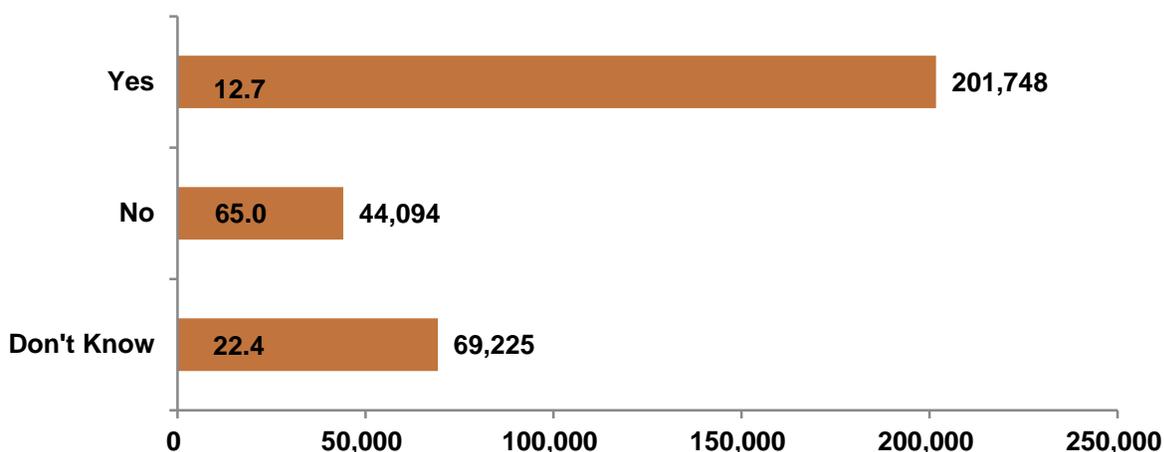
“The Giving Pledge,” introduced by Warren Buffett and Bill and Melinda Gates, is a commitment by a group of individuals and families dedicated to giving at least half of their wealth to philanthropy, already counts 127 households in 13 countries as signed supporters, including 108 households from the United States. In this survey question, the research team asked high net worth households how they would respond if they were asked to participate in a similar pledge of up to 25 percent of their wealth, up to 50 percent of their wealth, or more than 50 percent of their wealth.

The majority, 65.0 percent, reported that they would not participate. While almost one-quarter (22.4 percent) responded that they did not know, 12.7 percent responded positively and indicated what percentage of their wealth they would be willing to pledge. More households responded with a willingness to pledge up to 25 percent of their wealth (8.1 percent) than did those willing to pledge up to 50 percent (2.5 percent) or more than 50 percent (2.1 percent).

Those who reported to pledge their wealth to charity gave the highest total amount (\$201,748). Those who were not sure gave a higher total amount (\$69,225) than those who said that they would refuse (\$44,094).

FIGURE 59: AMOUNT OF TOTAL CHARITABLE GIVING BY HIGH NET WORTH DONORS BY PARTICIPATION IN A GIVING PLEDGE[^] (%) and (\$)

“If you were approached and asked to participate in a giving pledge, a commitment by a group of individuals and families dedicated to giving the majority of their wealth to philanthropy, throughout their lifetime and/or at death, would you be willing to participate?”



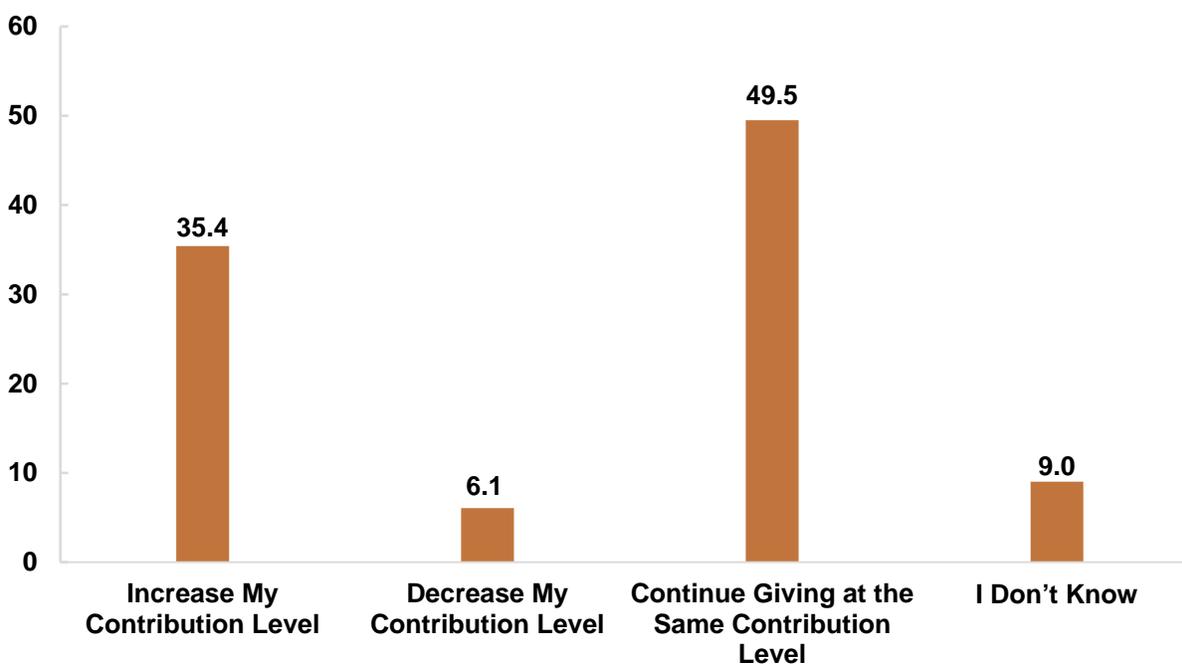
[^]The percentages in this figure are for the giving pledge responses. The figure is scaled by the dollar amounts.

HIGH NET WORTH GIVING FORECAST

The proportion of high net worth donors who plan to increase their giving in the next three to five years has grown from 2011 to 2013, from 24.0 percent to 35.4 percent. The share of those who plan to decrease contribution levels has decreased slightly from 9.4 percent to 6.1 percent, as has the proportion of wealthy households that are unsure of their giving plans, from 14.2 percent in 2011 to 9.0 percent in 2013.

FIGURE 60: CHARITABLE GIVING FORECAST FOR THE NEXT THREE TO FIVE YEARS AMONG HIGH NET WORTH HOUSEHOLDS (%)

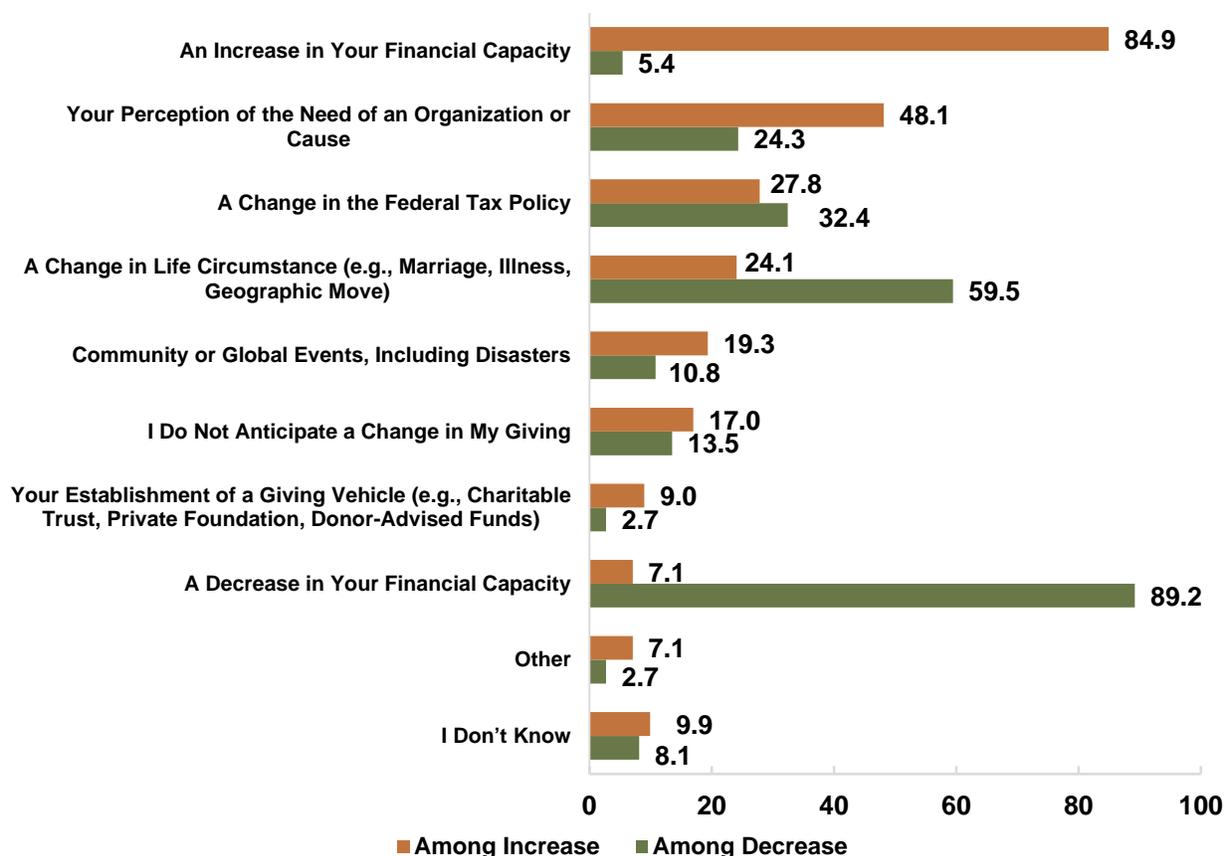
“Relative to my charitable giving in the past, in the next three to five years, I plan to...”



Factors of Change in Future Charitable Giving

Both internal and external factors shape these personal charitable forecasts, such as fluctuations in financial capacity, major life changes, and internal perceptions of need and the organizations serving those causes. Wealthy donors' financial capacity is the leading driver of these charitable forecasts, cited by 84.9 percent of those who plan to give more and 89.2 percent of those who plan to give less. The importance of other factors varied by the households' predicted charitable behavior. While their perception of the needs of the organization ranked second for those who planned to give more (48.1 percent), this factor ranked third for those who planned to give less (24.3 percent). A major life event was cited by 24.1 percent of those who planned to give more but by 59.5 percent of those who planned to give less.

FIGURE 61: FACTORS OF CHANGE IDENTIFIED AMONG HIGH NET WORTH HOUSEHOLDS PROJECTING A CHANGE IN GIVING FOR THE FUTURE[^] (%)



[^]The percentages in this figure are calculated only among those who said that they would increase or decrease their future charitable giving, respectively.

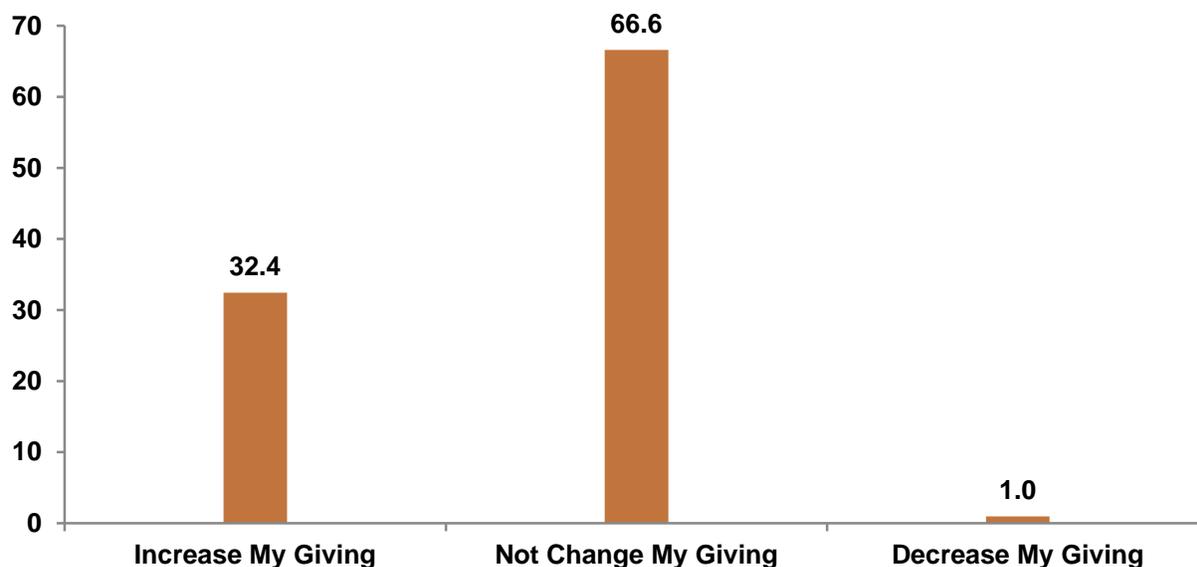
Change in High Net Worth Household Giving to a Nonprofit Organization Resulting from a Decrease in Government Support of the Organization

High net worth donors are loyal to the organizations that have already won their support. Most donors (66.6 percent) would maintain their current level of charitable contributions if the government decreased funding to that organization.

If the government decreased funding of an organization that the wealthy household currently supports, about one-third (32.4 percent) of high net worth respondents would increase their charitable contributions, while only 1.0 percent would decrease their own donations.

FIGURE 62: CHANGE IN HIGH NET WORTH HOUSEHOLD CHARITABLE CONTRIBUTIONS IF GOVERNMENT FUNDING TO THE ORGANIZATION DECREASED (%)

“How would you respond to a decrease in government funding to a nonprofit organization you support?”



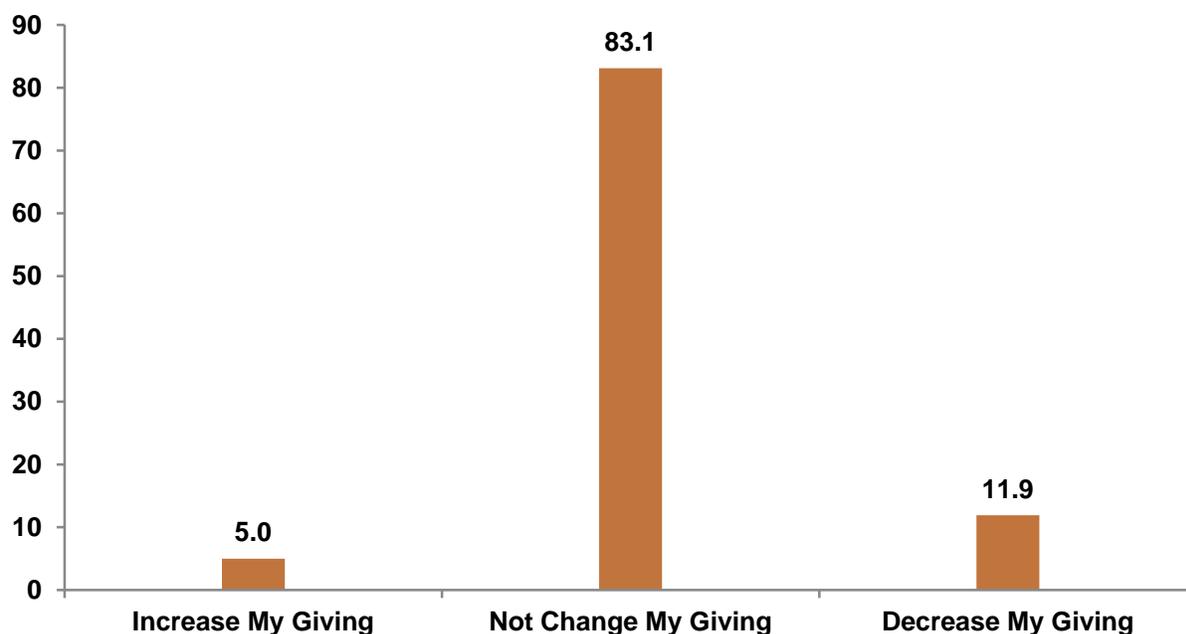
Change in High Net Worth Household Giving to a Nonprofit Organization Resulting from an Increase in Government Support of the Organization

In response to an increase in government support, most donors (83.1 percent) would maintain their current level of charitable contributions if the government increased funding to that organization.

Only 11.9 percent of wealthy households would decrease their support, while 5.0 percent would increase their donation to that organization.

FIGURE 63: CHANGE IN HIGH NET WORTH HOUSEHOLD CHARITABLE CONTRIBUTIONS IF GOVERNMENT FUNDING TO THE ORGANIZATION INCREASED (%)

“How would you respond to an increase in government funding to a nonprofit organization you support?”

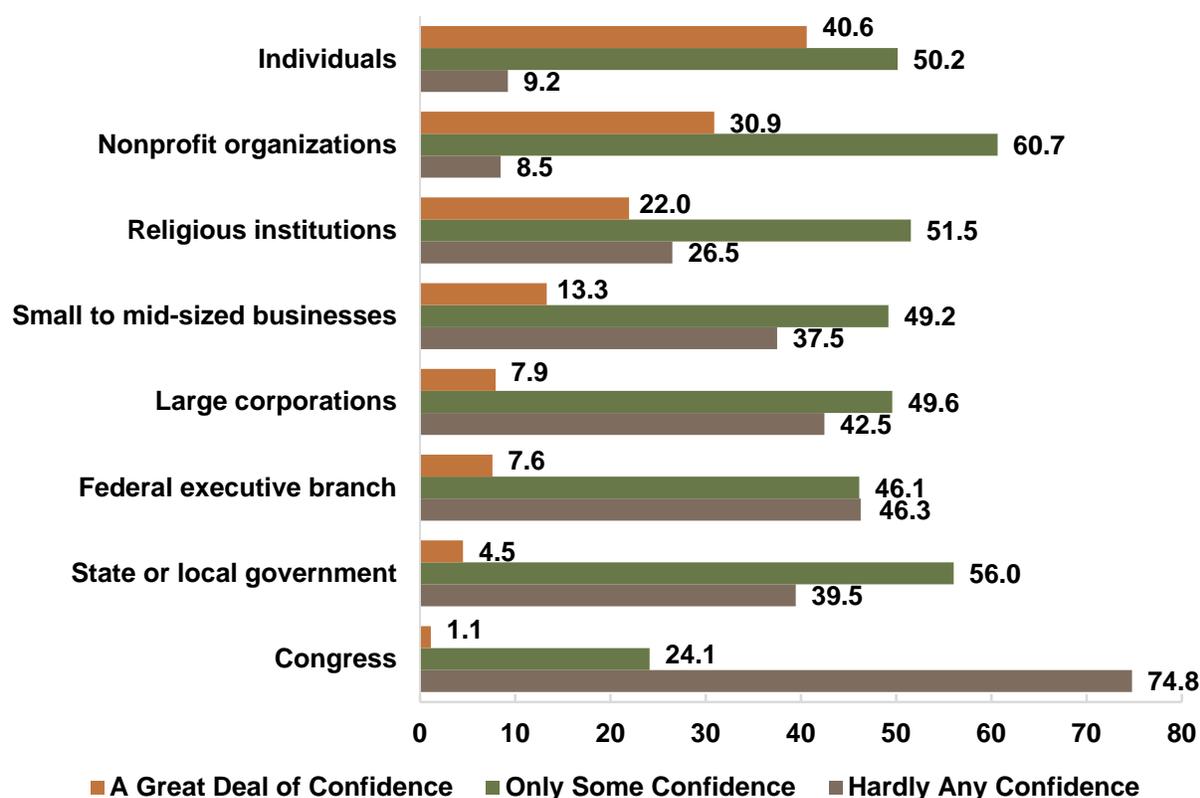


CONFIDENCE IN SOCIETAL INSTITUTIONS

High net worth households have the most confidence in nonprofit organizations (91.6 percent reporting either “some” or “a great deal”) and the individuals supporting these groups (90.8 percent reporting “some” or “a great deal”). Individuals attracted the largest proportion of households’ “great deal” of confidence (40.6 percent). Sizeable proportions of the wealthy households surveyed held hardly any confidence in Congress (74.8 percent), the Federal executive branch (46.3 percent), and large corporations (42.5 percent).

FIGURE 64: HIGH NET WORTH INDIVIDUALS REPORTING CONFIDENCE IN THE ABILITY OF GROUPS TO SOLVE DOMESTIC OR GLOBAL PROBLEMS (%)

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



DEMOGRAPHIC SUMMARY AND METHODOLOGY

This section includes a demographic summary of the high net worth individuals who responded to the *2014 U.S. Trust Study of High Net Worth Philanthropy* and a summary of the methodology used for this study.

DEMOGRAPHIC SUMMARY

Basic Demographics	Percent of Respondents
White	89.9
Married or Living with a Partner	89.5
Male	76.6
Attend Religious Services at Least Once a Year	72.2
Retired	37.4
Educational Attainment	Percent of Respondents
Some College or Less	3.3
Bachelor's Degree	24.5
Master's Degree	36.7
Doctorate and Professional Degree	35.5
Location by U.S. Region	Percent of Respondents
Live in Pacific Region	24.4
Live in Northeast Region	23.0
Live in South Atlantic Region	21.5
Live in Great Lakes Region	12.3
Live in South Region	8.9
Live in Mountain Region	5.1
Live in Midwest Region	4.8
Primary Source of Income	Percent of Respondents
Earned Income	59.4
Partner or Spouse Earned Income	18.0
Other Income Source	11.9
Inheritance or Family Wealth	7.1
Primary Source of Wealth	Percent of Respondents
Family Owned Business or Startup Company	6.0
Financial Assets	70.5
Real Estate	19.1
Other	0.8
Total Net Worth	Percent of Respondents
Less than \$1,000,000	9.0
Between \$1,000,000 and \$2,999,999	36.7
Between \$3,000,000 and \$4,999,999	22.0
Between \$5,000,000 and \$9,999,999	18.0
Between \$10,000,000 and \$19,999,999	6.7
Over \$20,000,000	7.7
Annual Income	Percent of Respondents
Less than \$200,000	19.5
Between \$200,000 and \$499,999	46.6
Between \$500,000 and \$999,999	19.5
Between \$1,000,000 and \$1,999,999	7.9
Between \$2,000,000 and \$4,999,999	4.4
\$5,000,000 or More	2.1

METHODOLOGY

Study Overview

The purpose of the *2014 U.S. Trust Study of High Net Worth Philanthropy* is to provide comprehensive information on the charitable giving and volunteering activities of high net worth households. The study consisted of mail and web surveys randomly distributed to 20,000 households in high net worth areas of the United States (those where the average amount of investable net assets was \$3 million or more). Apperson Survey and Assessment Services (Apperson) implemented the paper survey and Scantron Survey Services (Scantron) implemented the web survey. Dr. Una Osili, Director of Research at the Indiana University Lilly Family School of Philanthropy, oversaw analysis procedures.

The Questionnaire

The *2014 U.S. Trust Study of High Net Worth Philanthropy* asks about giving in 2013. For this study, respondents were asked to report about their cash donations, giving of personal assets, and giving through foundations, funds, and trusts.

The approximately 50 survey questions in the 2014 study included many that were modeled after those found in the Philanthropy Panel Study (PPS), which is a module of the Panel Study on Income Dynamics (PSID) conducted at the University of Michigan. PPS biennially assesses the giving and volunteering behavior of the typical American household. Questions about high net worth donors' motivations for giving were modeled after questions asked in surveys for the Lilly Family School of Philanthropy's regional giving studies. This modeling is intended to provide comparable national averages on giving data among high net worth and general population households.

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

Final Disposition Summary

For this study, Scantron mailed and received questionnaires from April 2014 to September 2014. The response rate was 4.3 percent when undeliverable surveys are excluded.

Disposition	Count
Paper Completion	741
Web Completion	115
Bad Address	385
No Response	18,759
Total	20,000

Final Dataset

This study's main purpose is to provide understanding about the philanthropic patterns of high net worth donors and households. In the study, any household with an income less than \$200,000 or a net worth of less than \$1,000,000 (excluding the value of their primary residence) was excluded from analysis. In addition, primary residence for all respondents had to be in the United States. After excluding high net worth households that did not qualify because they did not meet the income, or wealth criteria, the final sample was 632.

Analysis

Charitable giving data tends to contain extreme values that are apt to highly influence average giving amounts. These extreme values are termed "outliers." Since the sample size is relatively small, including outliers may considerably skew the averages. Therefore, within Tables 2 and 3, average and median giving are presented both with and without outliers. For this study, outliers were identified by natural breaks in the data where one observation had a particularly strong influence. For average giving in 2007 and 2009, two observations were considered outliers, and in 2011, one observation was considered an outlier. In 2013, one observation was considered an outlier.

Median amounts of giving are included because they tend to be less subject to extreme values. Together, with averages adjusted for outliers, these values present a more complete picture of high net worth charitable giving. Further, unless otherwise specified, charitable giving for 2005, 2007, 2009, and 2011 was adjusted for inflation to 2013 dollars.

Figures presenting average and median giving amounts:

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

Statistical Significance

Statistical significance is a term used to describe results that are unlikely to have occurred by chance. Significance is a statistical term that states the level of certainty that a difference or relationship exists.

In the *2014 U.S. Trust Study of High Net Worth Philanthropy*, results are described as statistically significant if there was less than 5 percent probability that the result obtained was due to chance. For this study, if a result is statistically significant, there are two possible explanations. First, the populations really are different, so the conclusion is correct. The difference may be large enough to be scientifically interesting, or it may be small and trivial. By chance, larger values were obtained in one group and smaller values in the other.

In the *2014 U.S. Trust Study of High Net Worth Philanthropy*, results that are described as not statistically significant are those that do not have less than 5 percent probability that they are due to chance. However, valuable information and insight can still be gained from a result even if it is deemed not statistically significant. An important point to note is that lack of statistical significance does not imply that the results obtained are purely due to chance or due to the nature of the sample that was used.

For this study, a result may not be statistically meaningful if the number of observations used to obtain the result is a small fraction of the overall sample used in the study. In the *2014 U.S. Trust Study of High Net Worth Philanthropy*, the sample size was 632. Therefore, the threshold used to determine that a result may not be statistically meaningful is fewer than 50 observations.

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

To access the full *2014 U.S. Trust Study of High Net Worth Philanthropy*, visit www.ustrust.com/philanthropy

The views and opinions expressed are based on the study, are subject to change without notice at any time, and may differ from views expressed by Institutional Investments & Philanthropic Solutions (II&PS) or other divisions of U.S. Trust. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that the forecasts will come to pass.

This publication is designed to provide general information about ideas and strategies. It is for discussion purposes only, since the availability and effectiveness of any strategy are dependent upon your individual facts and circumstances. Neither U.S. Trust nor any of its affiliates or advisors provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

Bank of America, N.A., Member FDIC.

© 2014 Bank of America Corporation. All rights reserved. | ARFPWV9J | 10/2014

10% post-consumer content. ♻️