The 2018 U.S. Trust® Study of High Net Worth Philanthropy

Conducted in partnership with the Indiana University Lilly Family School of Philanthropy

Executive Summary

Insights into the motivations, priorities and strategies of wealthy donors

Key Findings:

• Giving is being shaped by a diverse donor universe of different ages, ethnic backgrounds and gender identities.
• Women are at the forefront of philanthropic engagement and impact.
• An opportunity for nonprofits and advisors is highlighted by the fact that only 49% of donors have a strategy for their giving.

Introduction

The 2018 U.S. Trust® Study of High Net Worth Philanthropy (the “Study”) is the seventh in a biennial series of research reports on the giving and volunteering practices of wealthy households in the United States. Based on a nationally representative random sample of wealthy households, the Study is an authoritative source of information on wealthy Americans’ philanthropic attitudes and practices.

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

The total Study population in 2018 comprised 1,646 households. Forty-nine percent of respondents identified themselves as men, while 51% identified themselves as women. Eight percent of Study respondents reported that their country of origin or birth is outside the U.S. Of those born in the U.S., 12 percent have at least one parent whose country of origin or birth was outside the U.S. Viewed by race and ethnicity, the Study is composed of 9% Asian-American/Pacific Islanders, 6% Black/African-Americans, 78% Caucasian/Whites, 6% Hispanics/Latinos and 1% Other Race. In addition, 7% of households in the Study identified themselves as LGBTQ.

We also surveyed respondents across four distinct generations. Taken together, the baby boom generation and those older than baby boomers continue to constitute the largest generational grouping in the sample, with 51% and 17% of respondents, respectively for a total of two-thirds of the respondent population. Together, the millennial generation and Generation X, taken together, now constitute one-third of Study respondents, representing 19% and 14%, respectively. In this Study, we define the generations according to their ages in 2017 as follows:

<table>
<thead>
<tr>
<th>Generation</th>
<th>Age</th>
<th>Year of birth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation X</td>
<td>37–52</td>
<td>1965–1980</td>
</tr>
<tr>
<td>Baby boomers</td>
<td>53–71</td>
<td>1946–1964</td>
</tr>
<tr>
<td>Pre-baby boomer generation</td>
<td>72 and older</td>
<td>Before 1946</td>
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</table>
Generosity is the norm among high net worth Americans
As in past years’ Studies, the overwhelming majority of American high net worth households reported making charitable donations. Last year, 90% of this group gave to charity, compared to 56% of the general U.S. population. On average, high net worth donors gave $29,269 to charity in 2017, up by 15% from $25,509 in 2015. By comparison, households in the general U.S. population gave an average of $2,514, comparable to the $2,520 reported in 2016. In the High Net Worth Study, charitable giving was practiced somewhat more frequently by women, at 93%, and in African-American households, at 92%.

Giving by wealthy donors supports a range of causes
Wealthy donors gave to an average of seven different nonprofit organizations in 2017. These donations supported a wide range of charitable causes with basic needs organizations receiving support from the largest percentage (54%) of high net worth households. Additional causes supported by wealthy donors included religion (49%), health care or medical research (36%), combined charities (31%) and youth or family services (29%). Thirty-six percent of high net worth households gave to educational causes, including 22% giving to higher education while 24% gave to K-12 education.

Women were more likely to support health care and medical research, at a rate of 40%. African-American high net worth households supported basic needs charities at a rate of 72%, significantly higher than the overall Study population, and African-American households were more likely to support religious charities, at a rate of 64%, than the high net worth population as a whole.

Wealthy households are also generous with their time
In 2017, 48% of wealthy individuals volunteered their time and talents to charitable organizations they care about, a rate nearly twice as high as that of the general U.S. population (25%). Women were more likely to volunteer than men, at 56% versus 41%, and 60% of Hispanic-Americans volunteered, well above the Study average.

The main factors that motivated volunteering were responding to an organizational need (65%), believing that the individual can make a difference (56%), the alignment of the organization with the individual’s personal values or beliefs (52%), and being concerned about those less fortunate or about a particular cause or group being served (43% each).

Breakdown of household giving by charitable cause
Percent of households that gave

<table>
<thead>
<tr>
<th>Charitable Cause</th>
<th>Percent of Households That Gave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic needs</td>
<td>54%</td>
</tr>
<tr>
<td>Religious or spiritual</td>
<td>49%</td>
</tr>
<tr>
<td>Health care or medical research</td>
<td>36%</td>
</tr>
<tr>
<td>Combined charities*</td>
<td>31%</td>
</tr>
<tr>
<td>Youth/Family</td>
<td>29%</td>
</tr>
<tr>
<td>Other**</td>
<td>25%</td>
</tr>
<tr>
<td>Disaster relief efforts</td>
<td>25%</td>
</tr>
<tr>
<td>Animals</td>
<td>25%</td>
</tr>
<tr>
<td>Education (K-12)</td>
<td>24%</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>24%</td>
</tr>
<tr>
<td>Higher education</td>
<td>22%</td>
</tr>
<tr>
<td>Environment</td>
<td>20%</td>
</tr>
<tr>
<td>International aid</td>
<td>11%</td>
</tr>
</tbody>
</table>

Share of total giving amount

<table>
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<th>Charitable Cause</th>
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<tr>
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<td>6%</td>
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<tr>
<td>Youth/Family</td>
<td>5%</td>
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<tr>
<td>Environment</td>
<td>4%</td>
</tr>
<tr>
<td>Higher education</td>
<td>4%</td>
</tr>
<tr>
<td>Other**</td>
<td>2%</td>
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<td>Combined charities*</td>
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<td>Arts and culture</td>
<td>2%</td>
</tr>
<tr>
<td>Animals</td>
<td>1%</td>
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<td>International aid</td>
<td>1%</td>
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*Combined charities organizations include United Way, United Jewish Appeal, Catholic Charities, and community foundations, among others
** Other organizations include LGBTQ, veterans affairs, among others
Service on a nonprofit organization’s board was cited as being among their volunteer activities by 24% of respondents. For this group, the main reasons for accepting the invitation to serve were belief in the organization’s mission (72%) and the opportunity to use their skills and experience (71%). In addition to donating their time, 38% of respondents who serve on a board said that they give more in financial support to that organization than to those organizations where they do not serve. As with the decision to serve, the main reason for this increased level of giving was belief in the mission of the organization (81%).

**Wealthy donors’ motivations, expectations and challenges**

Wealthy donors give for personal and altruistic reasons. In citing the top four reasons for their donations in 2017, 54% of wealthy households said they always gave because of their belief in the mission of the organization, 42% always gave because of their belief that their gift can make a difference, 34% always gave to support the same cause or organizations year after year and 32% always gave to experience personal satisfaction, enjoyment or fulfillment.

- **Receiving tax benefits is generally not a prime motivation for giving.** Just 17% of wealthy donors said they were always motivated to give by tax benefits, consistent with the 18% of those who cited this as a motivation in 2015. An additional 51% said that tax benefits sometimes motivate their giving.

- **Gifts come with clear expectations.** Wealthy donors indicated that it is very important or somewhat important that the organizations they support demonstrate sound business and operational practices (91%), spend only a reasonable amount on general administrative and fundraising expenses (90%), acknowledge donations by providing a receipt for tax purposes (86%), honor their requests for anonymity and for how their gift is to be used (85% and 81%, respectively), and not distribute their names to others (83%). And 57% said that they would like to receive a thank-you note.

- **Why wealthy donors stop giving.** Twenty-eight percent of wealthy donors stopped giving to at least one organization last year, citing reasons that included receiving too frequent solicitations from the nonprofit organization (41%), believing that the organization was not effective or did not sufficiently communicate its effectiveness (16%) and being asked by the nonprofit organization for an amount the donor felt was inappropriate (9%).

- **Challenges faced by wealthy donors.** Wealthy donors reported that their greatest challenge when it comes to charitable giving is identifying what causes they care about and deciding where to donate (45%). Other charitable giving challenges include understanding how much they can afford to give (37%), allocating time to volunteer with the organizations they care about (30%) and monitoring giving to ensure it has its intended impact (30%).

**Challenges to charitable decision-making**

Percentage of those identified as challenging:

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<tr>
<td>Structuring tax-efficient charitable gifts</td>
<td>16%</td>
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<td>Managing giving with someone else (spouse, family)</td>
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- **Wealthy donors also seek knowledge and advice about giving.** Here, the interests of donors range from learning how to identify the right volunteer opportunities (38%), to becoming more familiar with nonprofits and how they serve their constituents’ needs (28%), to exploring how to engage the next generation in philanthropic giving (19%).

**More-engaged donors are more personally fulfilled and more generous**

There is a strong correlation between wealthy donors’ level of knowledge about charitable giving and certain giving behaviors, including whether they have a strategy and a budget for their giving, monitor or evaluate the impact of their giving and use a giving vehicle (such as a donor-advised fund, charitable trust or private foundation).

When wealthy donors reported being more knowledgeable, they also tended to be more personally fulfilled from their charitable activity, as well as more likely to give more.
Executive Summary

Taking a more strategic approach to giving

Less than half of wealthy donors have a strategy or a budget in place to guide their charitable giving (49% and 48%, respectively). Those who have a giving vehicle are significantly more likely to have a strategy (75%) and a budget (64%) than the overall respondent group. Older, non-millennial donors are also significantly more likely to have a strategy and budget for their giving than younger donors. These findings appear to point to an opportunity for nonprofits and advisors to engage in a more meaningful way with donors regarding their philanthropy.

The mission of the organization matters

Wealthy donors’ giving decisions are driven to a far greater extent by the organization (59%) than by the issues (31%) or the geographic areas (2%) the organization seeks to address. Wealthy donors are also guided by their personal values. When determining which nonprofit organizations to support, the majority of high net worth individuals draw upon their personal values (74%), interest in the issue area addressed by the organization (57%) and having firsthand experience with the organization (54%). Other factors include the reputation of the organization (50%) and the perceived need of the organization (49%).

Giving for disaster relief

In a year of severe natural disasters — Hurricanes Harvey, Maria and Irma, the earthquakes in Mexico and the wildfires in California, among others — high net worth households were strong donors. Nearly half (46%) donated to relief efforts related to Hurricane Harvey, 24% to relief efforts for Hurricane Maria and 19% to efforts for Hurricane Irma. Importantly, nearly all these donors reported that their donations to disaster relief either did not affect their giving to other causes (89%) or caused them to give more to other causes (4%).

Giving to women’s and girls’ causes and organizations

One in five high net worth households (20%) donated to women’s and girls’ charities in 2017 with an average donation amount of over $1,800. Within this group, a higher proportion of female respondents (25%) donated to these causes. When asked what motivated their support, by far the most frequent reason cited by donors (58%) was a belief that supporting women and girls is the most effective way to solve other social problems. About half of the donors to these organizations (51%) gave to organizations focused entirely on women’s and girls’ issues, and 43% donated to organizations focused primarily, but not exclusively, on women’s and girls’ issues. The most frequently cited causes supported by these donations were women’s health in the United States (39%), addressing violence against women (37%) and reproductive health/rights (36%).

Reasons for supporting women’s and girls’ causes and organizations

Among those who currently support

1. “A belief that supporting them is the most effective way to solve other social problems” 58%
2. “Personal experience with an organization that has a women and girls-focused program” 38%
3. “To improve the world for their children” 34%

Giving as a family affair

Decision making is shared in wealthy households. Half (50%) of respondents who are married or partnered reported that they make decisions about their giving jointly with their spouse or partner. Only 19% of respondents reported being the sole decision-maker, while 12% of respondents reported making decisions separately but conferring with each other before giving. Ninety-four percent of female respondents and 95% of male respondents participate in their household’s philanthropic decisions — either together with their spouse or partner, or as the sole decision-maker.
Family comes first when leaving a legacy. When asked how they would like to ultimately distribute their wealth, 74% of high net worth individuals reported that they intend to leave the majority to their children and grandchildren, while 12% said they intended to leave the majority of their wealth to other heirs. Fourteen percent of high net worth individuals intend to leave the majority of their wealth to charities.

Giving is seen as a means to create the greatest impact. In considering what they believe has the greatest potential for positive impact on society, wealthy donors cited charitable giving (39%) and volunteering (32%) above all else. The next largest percentage of respondents believe that voting for a political candidate who shares their ideals may have the greatest impact (16%).

Wealthy donors are unsure about the impact of their gifts. While they believe giving to be the most effective way to create impact, only 42% of wealthy donors believe their giving is having the impact they intended. Another 4% say it is not having the impact they intend, while 54% do not know. This lack of confidence may be largely because 78% of wealthy donors do not monitor or evaluate the impact of their charitable giving. Among those respondents with a giving vehicle, however, a robust 62% believe that their giving is having the impact they intended. To determine whether their giving is having the impact they intended, a clear majority of 71% of respondents rely on information from the organization to which they donated, indicating that improving communication strategies for donors may serve to increase donor confidence.

Impact investing has some impact on giving levels. Among the 7% of wealthy donors who participate in impact investing, more than two-thirds (68%) do so in addition to their existing charitable giving, while 19% do so in place of at least some of their charitable giving. Just 9% of wealthy donors who engage in impact investing do so in place of all of their charitable giving. Millennials are significantly more likely to participate in impact investing, with 16% of this group reporting activity in this area.

Seven ways to make a positive impact on society

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

Confidence in the institutions of civil society

Wealthy individuals have more confidence in nonprofits than in government. Evidencing a deep cultural tradition of collective and voluntary action, high net worth households report having some or a great deal of confidence in nonprofit organizations (86%) and individuals (81%) to solve societal or global problems. Respondents had far less confidence in state or local governments (65%), the president/federal executive branch (46%) and Congress/federal legislative branch (40%).

Conclusion

As American society continues to change, the patterns of philanthropic behavior by high net worth households will doubtless evolve as well. We believe that the data in this year’s report illuminate not only the current robust status of philanthropic activity in this country, but also provide insights into what the future may bring. At U.S. Trust, we are proud to be part of America's philanthropic fabric, providing services that help to enhance the philanthropic pursuits of donors and nonprofit organizations.
Background
The 2018 U.S. Trust® Study of High Net Worth Philanthropy examines giving and volunteering trends, behaviors, attitudes and priorities among wealthy American households. Since 2006, this biennial study has been written and researched in partnership with the Indiana University Lilly Family School of Philanthropy. This research series is one of the most comprehensive and longest-running of its kind, and is an important barometer for wealthy donors’ charitable engagement and perspectives.

To access the full 2018 U.S. Trust® Study of High Net Worth Philanthropy, visit ustrust.com/nonprofits.

Methodology
The Study represents an analysis of data gathered from a survey of more than 1,600 U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and/or an annual household income of $200,000 or more. The seventh in this series of studies was based on a nationally representative sample of wealthy donors, including deeper analysis based on age, gender, sexual orientation and race. This expanded methodology enabled further exploration of the philanthropic trends, strategies and behaviors among the high net worth population. Conducted between April and June 2018, the survey asked respondents about charitable giving and volunteering behaviors and attitudes for the year 2017.

About U.S. Trust
U.S. Trust has been a leading advisor to the philanthropic and nonprofit communities for over 160 years. With professionals located in offices throughout the United States, we help families and nonprofits to fulfill their philanthropic missions with a comprehensive suite of fiduciary services including investment management, consulting and advisory services and administrative support.

Please visit ustrust.com to learn more about how we can help you.

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

Please visit philanthropy.iupui.edu to learn more about how we can help you.
This study is a continuation of the 2006, 2008, 2010, 2012 Bank of America Study of High Net Worth Philanthropy and 2014 and 2016 U.S. Trust® Study of High Net Worth Philanthropy research series conducted in partnership with the Indiana University Lilly Family School of Philanthropy. These amounts add to 101% due to rounding.

2015 Indiana University Lilly Family School of Philanthropy. 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households. This average giving amount comprises reported giving levels by survey respondents as well as inflation-adjusted giving averages from the Survey of Consumer Finance (SCF) 2016.

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

Combination includes organizations like United Way, United Jewish Appeal federations, Catholic Charities USA and community foundations. Question asked as: "In 2017, 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."

2015 Corporation for National and Community Service’s U.S. Volunteering and Civic Engagement Study.

Question asked as: "Please check the top three challenges to your charitable giving."

10 Question asked as: "Which of the following do you think has the potential to have the greatest impact?"

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Investment products:

<table>
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<tr>
<th>Are Not FDIC Insured</th>
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</tr>
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Giving is an important part of the wealth management process. Wealthy donors expect their advisors to provide guidance to help them address their charitable needs and activities. Advisors should educate themselves about how to support clients’ philanthropic goals, draw on the support of philanthropic experts and incorporate giving into every planning conversation.

About the study

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When speaking with clients about their philanthropic goals, be sure to include a discussion of volunteering as well as giving. As discussed below, wealthy donors are eager to learn about volunteer opportunities. Engagement through volunteerism can help donors to be more impactful and personally fulfilled.
Wealthy donors’ motivations, expectations and challenges

Wealthy donors give for personal and altruistic reasons. In citing the top four reasons for their donations in 2017, 54% of wealthy households said they always gave because of their belief in the mission of the organization, 42% always gave because of their belief that their gift can make a difference, 34% always gave to support the same cause or organizations year after year and 32% always gave to experience personal satisfaction, enjoyment or fulfillment.

- Receiving tax benefits is generally not a prime motivation for giving. Just 17% of wealthy donors said they were always motivated to give by tax benefits, consistent with the 18% of those who cited this as a motivation in 2015. An additional 51% said that tax benefits sometimes motivate their giving.

It is a longstanding myth that donors are motivated to give by the ability to receive a tax benefit. While taxes may be a factor in when or how to give, they are not a significant factor for wealthy donors in whether to give. Advisors, therefore, should be sure to connect with their clients on the more meaningful and less technical aspects of giving.

- Gifts come with clear expectations. Wealthy donors indicated that it is very important or somewhat important that the organizations they support demonstrate sound business and operational practices (91%), spend only a reasonable amount on general administrative and fundraising expenses (90%), acknowledge donations by providing a receipt for tax purposes (86%), honor their requests for anonymity and for how their gift is to be used (85% and 81%, respectively), and not distribute their names to others (83%). And 57% said that they would like to receive a thank-you note.

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Challenges to charitable decision-making

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As with their financial goals, clients are seeking advice and guidance to help them pursue their giving goals. Advisors who incorporate giving into larger wealth management conversations can help fulfill this client need as well as gain a deeper understanding of their clients’ broader sense of purpose — for their wealth, their family and their community.

More-engaged donors are more personally fulfilled and more generous

There is a strong correlation between wealthy donors’ level of knowledge about charitable giving and certain giving behaviors, including whether they have a strategy and a budget for their giving, monitor or evaluate the impact of their giving and use a giving vehicle (such as a donor-advised fund, charitable trust or private foundation).

When wealthy donors reported being more knowledgeable, they also tended to be more personally fulfilled from their charitable activity, as well as more likely to give more.

Advisors play a critical role in helping their clients to be more informed and engaged donors. To the extent that more knowledgeable donors tend to be more generous and fulfilled, advisors have the ability then to enhance giving and fulfillment levels by sharing best practices and guidance around giving.

Taking a more strategic approach to giving

Less than half of wealthy donors have a strategy or a budget in place to guide their charitable giving (49% and 48%, respectively). Those who have a giving vehicle are significantly more likely to have a strategy (75%) and a budget (64%) than the overall respondent group. Older, non-millennial donors are also significantly more likely to have a strategy and budget for their giving than younger donors. These findings appear to point to an opportunity for nonprofits and advisors to engage in a more meaningful way with donors regarding their philanthropy.

The mission of the organization matters

Wealthy donors’ giving decisions are driven to a far greater extent by the organization (59%) than by the issues (31%) or the geographic areas (2%) the organization seeks to address.

Wealthy donors are also guided by their personal values. When determining which nonprofit organizations to support, the majority of high net worth individuals draw upon their personal values (74%), interest in the issue area addressed by the organization (57%) and having firsthand experience with the organization (54%). Other factors include the reputation of the organization (50%) and the perceived need of the organization (49%).

Giving for disaster relief

In a year of severe natural disasters — Hurricanes Harvey, Maria and Irma, the earthquakes in Mexico and the wildfires in California, among others — high net worth households were strong donors. Nearly half (46%) donated to relief efforts related to Hurricane Harvey, 24% to relief efforts for Hurricane Maria and 19% to efforts for Hurricane Irma. Importantly, nearly all these donors reported that their donations to disaster relief either did not affect their giving to other causes (89%) or caused them to give more to other causes (4%).
Giving to women's and girls' causes and organizations

One in five high net worth households (20%) donated to women's and girls' charities in 2017 with an average donation amount of over $1,800. Within this group, a higher proportion of female respondents (25%) donated to these causes. When asked what motivated their support, by far the most frequent reason cited by donors (58%) was a belief that supporting women and girls is the most effective way to solve other social problems. About half of the donors to these organizations (51%) gave to organizations focused entirely on women's and girls' issues, and 43% donated to organizations focused primarily, but not exclusively, on women's and girls' issues. The most frequently cited causes supported by these donations were women's health in the United States (39%), addressing violence against women (37%) and reproductive health/rights (36%).

Reasons for supporting women's and girls' causes and organizations

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Family comes first when leaving a legacy. When asked how they would like to ultimately distribute their wealth, 74% of high net worth individuals reported that they intend to leave the majority to their children and grandchildren, while 12% said they intended to leave the majority of their wealth to other heirs. Fourteen percent of high net worth individuals intend to leave the majority of their wealth to charities.

Wealthy donors would like to engage the next generation in their charitable giving activities, but many don’t know how to do so. Assisting clients in incorporating family members in their philanthropy helps them to pass along their values and enrich their family culture. It also enables advisors to extend their relationships across generations. When providing advice and guidance, it is important to note that women are involved in nearly all of wealthy household philanthropic decisions.

Giving is seen as a means to create the greatest impact

In considering what they believe has the greatest potential for positive impact on society, wealthy donors cited charitable giving (39%) and volunteering (32%) above all else. The next largest percentage of respondents believe that voting for a political candidate who shares their ideals may have the greatest impact (16%).

Wealthy donors are unsure about the impact of their gifts. While they believe giving to be the most effective way to create impact, only 42% of wealthy donors believe their giving is having the impact they intended. Another 4% say it is not having the impact they intend, while 54% do not know. This lack of confidence may be largely because 78% of wealthy donors do not monitor or evaluate the impact of their charitable giving. Among those respondents with a giving vehicle, however, a robust 62% believe that their giving is having the impact they intended. To determine whether their giving is having the impact they intended, a clear majority of 71% of respondents rely on information from the organization to which they donated, indicating that improving communication strategies for donors may serve to increase donor confidence.

Giving as a family affair

• Decision making is shared in wealthy households. Half (50%) of respondents who are married or partnered reported that they make decisions about their giving jointly with their spouse or partner. Only 19% of respondents reported being the sole decision-maker, while 12% of respondents reported making decisions separately but conferring with each other before giving. Ninety-four percent of female respondents and 95% of male respondents participate in their household’s philanthropic decisions — either together with their spouse or partner, or as the sole decision-maker.
• Impact investing has some impact on giving levels. Among the 7% of wealthy donors who participate in impact investing, more than two-thirds (68%) do so in addition to their existing charitable giving, while 19% do so in place of at least some of their charitable giving. Just 9% of wealthy donors who engage in impact investing do so in place of all of their charitable giving. Millennials are significantly more likely to participate in impact investing, with 16% of this group reporting activity in this area.

Seven ways to make a positive impact on society

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

Confidence in the institutions of civil society

Wealthy individuals have more confidence in nonprofits than in government. Evidencing a deep cultural tradition of collective and voluntary action, high net worth households report having some or a great deal of confidence in nonprofit organizations (86%) and individuals (81%) to solve societal or global problems. Respondents had far less confidence in state or local governments (65%), the president/federal executive branch (46%) and Congress/federal legislative branch (40%).

The desire to create a positive impact is a top motivation for wealthy donors. Advisors should help clients to identify the impact they would like to achieve and how to evaluate their progress toward achieving it. Advisors should also be sure to explore the various tools, in addition to giving and volunteering, that clients can utilize in order to help create meaningful social change.

Wealthy donors are looking to use their wealth to make a difference and are taking it upon themselves, in partnership with the nonprofit organizations they support, to create positive change in their communities and in the broader world. Clients are looking for advice and guidance with giving decisions to learn how best to achieve the impact they seek. Advisors who regularly address charitable giving in their client conversations can help to ensure that their clients’ philanthropic efforts are integrated into their broader financial strategy. Doing so can also help to generate a “triple win”—where the client, advisor and society all benefit.

Conclusion

As American society continues to change, the patterns of philanthropic behavior by high net worth households will doubtless evolve as well. We believe that the data in this year’s report illuminate not only the current robust status of philanthropic activity in this country, but also provide insights into what the future may bring. At U.S. Trust, we are proud to be part of America’s philanthropic fabric, providing services that help to enhance the philanthropic pursuits of donors and nonprofit organizations.
Background

The 2018 U.S. Trust® Study of High Net Worth Philanthropy examines giving and volunteering trends, behaviors, attitudes and priorities among wealthy American households. Since 2006, this biennial study has been written and researched in partnership with the Indiana University Lilly Family School of Philanthropy. This research series is one of the most comprehensive and longest-running of its kind, and is an important barometer for wealthy donors’ charitable engagement and perspectives.

To access the full 2018 U.S. Trust® Study of High Net Worth Philanthropy, visit ustrust.com/nonprofits.

Methodology

The Study represents an analysis of data gathered from a survey of more than 1,600 U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and/or an annual household income of $200,000 or more. The seventh in this series of studies was based on a nationally representative sample of wealthy donors, including deeper analysis based on age, gender, sexual orientation and race. This expanded methodology enabled further exploration of the philanthropic trends, strategies and behaviors among the high net worth population. Conducted between April and June 2018, the survey asked respondents about charitable giving and volunteering behaviors and attitudes for the year 2017.

About U.S. Trust

U.S. Trust has been a leading advisor to the philanthropic and nonprofit communities for over 160 years. With professionals located in offices throughout the United States, we help families and nonprofits to fulfill their philanthropic missions with a comprehensive suite of fiduciary services including investment management, consulting and advisory services and administrative support.

Please visit ustrust.com to learn more about how we can help you.

About the Indiana University Lilly Family School of Philanthropy

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

Please visit philanthropy.iupui.edu to learn more about how we can help you.

2 2015 Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households.

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

4 Combination includes organizations like United Way, United Jewish Appeal federations, Catholic Charities USA and community foundations.

5 2015 Corporation for National and Community Service’s U.S. Volunteering and Civic Engagement Study.

6 Question asked as: “Which of the following do you think has the potential to have the greatest impact?”

7 Question asked as: “Please check the top three challenges to your charitable giving.”

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

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Investment products:

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<th>Are Not FDIC Insured</th>
<th>Are Not Bank Guaranteed</th>
<th>May Lose Value</th>
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Generosity is the norm among high net worth Americans
As in past years’ Studies, the overwhelming majority of American high net worth households reported making charitable donations. Last year, 90% of this group gave to charity, compared to 56% of the general U.S. population. On average, high net worth donors gave $29,269 to charity in 2017, up by 15% from $25,509 in 2015. By comparison, households in the general U.S. population gave an average of $2,514, comparable to the $2,520 reported in 2016. In the High Net Worth Study, charitable giving was practiced somewhat more frequently by women, at 93%, and in African-American households, at 92%.

Giving by wealthy donors supports a range of causes
Wealthy donors gave to an average of seven different nonprofit organizations in 2017. These donations supported a wide range of charitable causes, with basic needs organizations receiving support from the largest percentage (54%) of high net worth households. Additional causes supported by wealthy donors included religion (49%), health care or medical research (36%), combined charities (31%) and youth or family services (29%). Thirty-six percent of high net worth households gave to educational causes, including 22% giving to higher education while 24% gave to K-12 education.

Women were more likely to support health care and medical research, at a rate of 40%. African-American high net worth households supported basic needs charities at a rate of 72%, significantly higher than the overall Study population, and African-American households were more likely to support religious charities, at a rate of 64%, than the high net worth population as a whole.

About the study
The 2018 U.S. Trust® Study of High Net Worth Philanthropy is the seventh in a biennial series of reports on the giving and volunteering practices of wealthy households in the United States. Based on a nationally representative sample of wealthy households, the Study is an authoritative source of information on wealthy Americans’ philanthropic attitudes and practices.

Wealthy households are also generous with their time
In 2017, 48% of wealthy individuals volunteered their time and talents to charitable organizations they care about, a rate nearly twice as high as that of the general U.S. population (25%). Women were more likely to volunteer than men, at 56% versus 41%, and 60% of Hispanic-Americans volunteered, well above the Study average.

The main factors that motivated volunteering were responding to an organizational need (65%), believing that the individual can make a difference (56%), the alignment of the organization with the individual’s personal values or beliefs (52%), and being concerned about those less fortunate or about a particular cause or group being served (43% each).

Service on a nonprofit organization’s board was cited as being among their volunteer activities by 24% of respondents. For this group, the main reasons for accepting the invitation to serve were belief in the organization’s mission (72%) and the opportunity to use their skills and experience (71%). In addition to donating their time, 38% of respondents who serve on a board said that they give more in financial support to that organization than to those organizations where they do not serve. As with the decision to serve, the main reason for this increased level of giving was belief in the mission of the organization (81%).
**Engaging wealthy donors in meaningful ways — beyond financial donations — can enhance loyalty to and support for your organization. Consider creating volunteer opportunities that fit with the preferences of donors by offering a range of activities and times.**

**Wealthy donors’ motivations, expectations and challenges**

Wealthy donors give for personal and altruistic reasons. In citing the top four reasons for their donations in 2017, 54% of wealthy households said they always gave because of their belief in the mission of the organization, 42% always gave because of their belief that their gift can make a difference, 34% always gave to support the same cause or organizations year after year and 32% always gave to experience personal satisfaction, enjoyment or fulfillment.

When making their giving decisions, wealthy donors are guided by whether their values align with those of the organization as well as the perceived needs of the organization. When talking about your organization, it is important to make sure to communicate both your mission and the progress that has been made towards achieving your mission as well as the needs that you still face.

- **Receiving tax benefits is generally not a prime motivation for giving.** Just 17% of wealthy donors said they were always motivated to give by tax benefits, consistent with the 18% of those who cited this as a motivation in 2015. An additional 51% said that tax benefits sometimes motivate their giving.

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**Breakdown of household giving by charitable cause**

<table>
<thead>
<tr>
<th>Charitable Cause</th>
<th>Percent of Households That Gave</th>
<th>Share of Total Giving Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic needs</td>
<td>54%</td>
<td>43%</td>
</tr>
<tr>
<td>Religious or spiritual</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Health care or medical research</td>
<td>36%</td>
<td>9%</td>
</tr>
<tr>
<td>Combined charities*</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Youth/Family</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Other**</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Disaster relief efforts</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Animals</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Education (K-12)</td>
<td>24%</td>
<td>6%</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>24%</td>
<td>4%</td>
</tr>
<tr>
<td>Higher education</td>
<td>22%</td>
<td>4%</td>
</tr>
<tr>
<td>Environment</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>International aid</td>
<td>11%</td>
<td>2%</td>
</tr>
</tbody>
</table>

* Combined charities organizations include United Way, United Jewish Appeal, Catholic Charities, and community foundations, among others.
** Other organizations include LGBTQ, veterans affairs, among others.
• **Gifts come with clear expectations.** Wealthy donors indicated that it is very important or somewhat important that the organizations they support demonstrate sound business and operational practices (91%), spend only a reasonable amount on general administrative and fundraising expenses (90%), acknowledge donations by providing a receipt for tax purposes (86%), honor their requests for anonymity and for how their gift is to be used (85% and 81%, respectively), and not distribute their names to others (83%). And 57% said that they would like to receive a thank-you note.

• **Why wealthy donors stop giving.** Twenty-eight percent of wealthy donors stopped giving to at least one organization last year, citing reasons that included receiving too frequent solicitations from the nonprofit organization (41%), believing that the organization was not effective or did not sufficiently communicate its effectiveness (16%) and being asked by the nonprofit organization for an amount the donor felt was inappropriate (9%).

    Paying attention to donor preferences for means of communication, frequency of contact, how they want to be recognized and how often you should solicit them can help provide a more customized donor experience that may help to foster a lasting relationship and reduce the likelihood that a donor will discontinue their support.

• **Challenges faced by wealthy donors.** Wealthy donors reported that their greatest challenge when it comes to charitable giving is identifying what causes they care about and deciding where to donate (45%). Other charitable giving challenges include understanding how much they can afford to give (37%), allocating time to volunteer with the organizations they care about (30%) and monitoring giving to ensure it has its intended impact (30%).

    **Challenges to charitable decision-making**

    Percentage of those identified as challenging

    | Challenge                                                                 | Percentage |
    |----------------------------------------------------------------------------|------------|
    | Identifying what I care about and deciding what to donate                  | 45%        |
    | Understanding how much I can afford to give                                | 37%        |
    | Allocating more time to volunteer/engage with organizations               | 30%        |
    | Monitoring giving for intended impact                                      | 30%        |
    | Structuring tax-efficient charitable gifts                                  | 16%        |
    | Managing giving with someone else (spouse, family)                         | 13%        |
    | Finding an advisor who understands personal goals and priorities           | 4%         |

• **Wealthy donors also seek knowledge and advice about giving.** Here, the interests of donors range from learning how to identify the right volunteer opportunities (38%), to becoming more familiar with nonprofits and how they serve their constituents’ needs.

    Wealthy donors are looking for guidance about how to better manage their giving. Establishing your organization as a source of guidance for wealthy donors and their financial advisors to better understand and evaluate giving options can help you win the attention and loyalty of wealthy donors.
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Giving as a family affair
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Engaging women donors is vitally important because they are involved in 94% of all wealthy household giving decisions. Though not all wealthy donors engage family in their charitable activities, offering ways for family to get involved with giving and volunteer efforts can help enhance donor engagement and satisfaction, and provide nonprofit organizations a way to connect with new donors and volunteers.

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Organizations that are best able to communicate the difference that donor support helps them make are best positioned to engage and retain wealthy donors.

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Generosity is the norm among high net worth Americans

As in past years’ Studies, the overwhelming majority of American high net worth households reported making charitable donations. Last year, 90% of this group gave to charity, compared to 56% of the general U.S. population. On average, high net worth donors gave $29,269 to charity in 2017, up by 15% from $25,509 in 2015. By comparison, households in the general U.S. population gave an average of $2,514, comparable to the $2,520 reported in 2016. In the High Net Worth Study, charitable giving was practiced somewhat more frequently by women, at 93%, and in African-American households, at 92%.

Giving by wealthy donors supports a range of causes

Wealthy donors gave to an average of seven different nonprofit organizations in 2017. These donations supported a wide range of charitable causes, with basic needs organizations receiving support from the largest percentage (54%) of high net worth households. Additional causes supported by wealthy donors included religion (49%), health care or medical research (36%), combined charities (31%) and youth or family services (29%). Thirty-six percent of high net worth households gave to educational causes, including 22% giving to higher education while 24% gave to K-12 education.

Women were more likely to support health care and medical research, at a rate of 40%. African-American high net worth households supported basic needs charities at a rate of 72%, significantly higher than the overall Study population, and African-American households were more likely to support religious charities, at a rate of 64%, than the high net worth population as a whole.

Certain issues matter more to wealthy households. When wealthy donors were asked to select the three public policy issues that mattered the most to them, regardless of whether or not they gave in support of them, health care, education, climate change, the economy and animal rights topped the list. But these priority issues of wealthy donors are not necessarily reflected in their giving. When asked whether their charitable donations reflected their public policy concerns, 63% said that the two were very or somewhat linked together, while 37% of donors said that their policy concerns were not linked with their charitable giving.

About the study

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

Wealthy households are also generous with their time

In 2017, 48% of wealthy individuals volunteered their time and talents to charitable organizations they care about, a rate nearly twice as high as that of the general U.S. population (25%).

Women were more likely to volunteer than men, at 56% versus 41%, and 60% of Hispanic-Americans volunteered, well above the Study average.
The main factors that motivated volunteering were responding to an organizational need (65%), believing that the individual can make a difference (56%), the alignment of the organization with the individual’s personal values or beliefs (52%), and being concerned about those less fortunate or about a particular cause or group being served (43% each).

Service on a nonprofit organization’s board was cited as being among their volunteer activities by 24% of respondents. For this group, the main reasons for accepting the invitation to serve were belief in the organization’s mission (72%) and the opportunity to use their skills and experience (71%). In addition to donating their time, 38% of respondents who serve on a board said that they give more in financial support to that organization than to those organizations where they do not serve. As with the decision to serve, the main reason for this increased level of giving was belief in the mission of the organization (81%).

**Wealthy donors’ motivations, expectations and challenges**

Wealthy donors give for personal and altruistic reasons. In citing the top four reasons for their donations in 2017, 54% of wealthy households said they always gave because of their belief in the mission of the organization, 42% always gave because of their belief that their gift can make a difference, 34% always gave to support the same cause or organizations year after year and 32% always gave to experience personal satisfaction, enjoyment or fulfillment.

- Receiving tax benefits is generally not a prime motivation for giving. Just 17% of wealthy donors said they were always motivated to give by tax benefits, consistent with the 18% of those who cited this as a motivation in 2015. An additional 51% said that tax benefits sometimes motivate their giving.
• **Gifts come with clear expectations.** Wealthy donors indicated that it is very important or somewhat important that the organizations they support demonstrate sound business and operational practices (91%), spend only a reasonable amount on general administrative and fundraising expenses (90%), acknowledge donations by providing a receipt for tax purposes (86%), honor their requests for anonymity and for how their gift is to be used (85% and 81%, respectively), and not distribute their names to others (83%). And 57% said that they would like to receive a thank-you note.

• **Why wealthy donors stop giving.** Twenty-eight percent of wealthy donors stopped giving to at least one organization last year, citing reasons that included receiving too frequent solicitations from the nonprofit organization (41%), believing that the organization was not effective or did not sufficiently communicate its effectiveness (16%) and being asked by the nonprofit organization for an amount the donor felt was inappropriate (9%).

**Wealthy donors face some challenges**

**Challenges faced by wealthy donors.** Wealthy donors reported that their greatest challenge when it comes to charitable giving is identifying what causes they care about and deciding where to donate (45%). Other charitable giving challenges include understanding how much they can afford to give (37%), allocating time to volunteer with the organizations they care about (30%) and monitoring giving to ensure it has its intended impact (30%).

**Challenges to charitable decision-making**

<table>
<thead>
<tr>
<th>Percentage of those identified as challenging</th>
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<tbody>
<tr>
<td>Identifying what I care about and deciding what to donate to</td>
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<tr>
<td>Understanding how much I can afford to give</td>
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<tr>
<td>Allocating more time to volunteer/engage with organizations</td>
</tr>
<tr>
<td>Monitoring giving for intended impact</td>
</tr>
<tr>
<td>Structuring tax-efficient charitable gifts</td>
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<tr>
<td>Managing giving with someone else (spouse, family)</td>
</tr>
<tr>
<td>Finding an advisor who understands personal goals and priorities</td>
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</table>

• **Wealthy donors also seek knowledge and advice about giving.** Here, the interests of donors range from learning how to identify the right volunteer opportunities (38%), to becoming more familiar with nonprofits and how they serve their constituents’ needs (28%), to exploring how to engage the next generation in philanthropic giving (19%).

**More-engaged donors are more personally fulfilled and more generous**

There is a strong correlation between wealthy donors’ level of knowledge about charitable giving and certain giving behaviors, including whether they have a strategy and a budget for their giving, monitor or evaluate the impact of their giving and use a giving vehicle (such as a donor-advised fund, charitable trust or private foundation).
When wealthy donors reported being more knowledgeable, they also tended to be more personally fulfilled from their charitable activity, as well as more likely to give more.

When determining which nonprofit organizations to support, the majority of high net worth individuals draw upon their personal values (74%), interest in the issue area addressed by the organization (57%) and having firsthand experience with the organization (54%). Other factors include the reputation of the organization (50%) and the perceived need of the organization (49%).

Taking a more strategic approach to giving

Less than half of wealthy donors have a strategy or a budget in place to guide their charitable giving (49% and 48%, respectively). Those who have a giving vehicle are significantly more likely to have a strategy (75%) and a budget (64%) than the overall respondent group. Older, non-millennial donors are also significantly more likely to have a strategy and budget for their giving than younger donors. These findings appear to point to an opportunity for nonprofits and advisors to engage in a more meaningful way with donors regarding their philanthropy.

The mission of the organization matters

Wealthy donors’ giving decisions are driven to a far greater extent by the organization (59%) than by the issues (31%) or the geographic areas (2%) the organization seeks to address.

- **Wealthy donors are also guided by their personal values.**
  - When determining which nonprofit organizations to support,
Reasons for supporting women’s and girls’ causes and organizations
Among those who currently support

<table>
<thead>
<tr>
<th>#</th>
<th>Reason</th>
<th>Percentage</th>
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<tr>
<td>1</td>
<td>“A belief that supporting them is the most effective way to solve other social problems”</td>
<td>58%</td>
</tr>
<tr>
<td>2</td>
<td>“Personal experience with an organization that has a women and girls-focused program”</td>
<td>38%</td>
</tr>
<tr>
<td>3</td>
<td>“To improve the world for their children”</td>
<td>34%</td>
</tr>
</tbody>
</table>

Most donors who make giving a family affair report great personal fulfillment from doing so. Donors who do not engage their family in their giving decisions may be missing out on an effective way to pass along family values and instill in their children and grandchildren a sense of duty to give back.

Giving is seen as a means to create the greatest impact
In considering what they believe has the greatest potential for positive impact on society, wealthy donors cited charitable giving (39%) and volunteering (32%) above all else. The next largest percentage of respondents believe that voting for a political candidate who shares their ideals may have the greatest impact (16%).

Seven ways to make a positive impact on society

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<tr>
<th>#</th>
<th>Activity</th>
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<td>Charitable giving</td>
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<tr>
<td>2</td>
<td>Volunteering</td>
</tr>
<tr>
<td>3</td>
<td>Voting for a political candidate who shares your ideals on topics important to you</td>
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<tr>
<td>4</td>
<td>Impact investing</td>
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<tr>
<td>5</td>
<td>Political contributions</td>
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<tr>
<td>6</td>
<td>Purchasing goods from a company that has a social mission</td>
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<tr>
<td>7</td>
<td>Participating in a social-media campaign to raise funds or awareness for a cause</td>
</tr>
</tbody>
</table>
• **Wealthy donors are unsure about the impact of their gifts.** While they believe giving to be the most effective way to create impact, only 42% of wealthy donors believe their giving is having the impact they intended. Another 4% say it is not having the impact they intend, while 54% do not know. This lack of confidence may be largely because 78% of wealthy donors do not monitor or evaluate the impact of their charitable giving. Among those respondents with a giving vehicle, however, a robust 62% believe that their giving is having the impact they intended. To determine whether their giving is having the impact they intended, a clear majority of 71% of respondents rely on information from the organization to which they donated, indicating that improving communication strategies for donors may serve to increase donor confidence.

• **Impact investing has some impact on giving levels.** Among the 7% of wealthy donors who participate in impact investing, more than two-thirds (68%) do so in addition to their existing charitable giving, while 19% do so in place of at least some of their charitable giving. Just 9% of wealthy donors who engage in impact investing do so in place of all of their charitable giving. Millennials are significantly more likely to participate in impact investing, with 16% of this group reporting activity in this area.

**Confidence in the institutions of civil society**
Wealthy individuals have more confidence in nonprofits than in government. Evidencing a deep cultural tradition of collective and voluntary action, high net worth households report having some or a great deal of confidence in nonprofit organizations (86%) and individuals (81%) to solve societal or global problems. Respondents had far less confidence in state or local governments (65%), the president/federal executive branch (46%) and Congress/federal legislative branch (40%).

**Conclusion**
Wealthy donors continue to be very generous, giving of their time and money. Most are driven by a desire to make a difference through their support of causes and organizations that align with their personal values. Those who are more engaged through volunteering and more intentional about their giving — by having a giving strategy and budget, monitoring their impact and consulting an advisor about their philanthropic activities — are more personally fulfilled and more likely to achieve the impact they seek.

As American society continues to change, the patterns of philanthropic behavior by high net worth households will doubtless evolve as well. We believe that the data in this year’s report illuminate not only the current robust status of philanthropic activity in this country, but also provide insights into what the future may bring. At U.S. Trust, we are proud to be part of America’s philanthropic fabric, providing services that help to enhance the philanthropic pursuits of donors and nonprofit organizations.
Background
The 2018 U.S. Trust® Study of High Net Worth Philanthropy examines giving and volunteering trends, behaviors, attitudes and priorities among wealthy American households. Since 2006, this biennial study has been written and researched in partnership with the Indiana University Lilly Family School of Philanthropy. This research series is one of the most comprehensive and longest-running of its kind, and is an important barometer for wealthy donors’ charitable engagement and perspectives.

To access the full 2018 U.S. Trust® Study of High Net Worth Philanthropy, visit ustrust.com/nonprofits.

Methodology
The Study represents an analysis of data gathered from a survey of more than 1,600 U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and/or an annual household income of $200,000 or more. The seventh in this series of studies was based on a nationally representative sample of wealthy donors, including deeper analysis based on age, gender, sexual orientation and race. This expanded methodology enabled further exploration of the philanthropic trends, strategies and behaviors among the high net worth population. Conducted between April and June 2018, the survey asked respondents about charitable giving and volunteering behaviors and attitudes for the year 2017.

About U.S. Trust
U.S. Trust has been a leading advisor to the philanthropic and nonprofit communities for over 160 years. With professionals located in offices throughout the United States, we help families and nonprofits to fulfill their philanthropic missions with a comprehensive suite of fiduciary services including investment management, consulting and advisory services and administrative support.

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

Please visit philanthropy.iupui.edu to learn more about how we can help you.

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

Combination includes organizations like United Way, United Jewish Appeal federations, Catholic Charities USA and community foundations.

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

Question asked as: “Which of the following do you think has the potential to have the greatest impact?”

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The 2018 U.S. Trust® Study of High Net Worth Philanthropy

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

**Key findings**

1. Giving is being shaped by a diverse donor universe of different ages, ethnic backgrounds and gender identities.
2. Women are at the forefront of philanthropic engagement and impact.
3. An opportunity for nonprofits and advisors is highlighted by the fact that only 49% of donors have a strategy for their giving.

**Who is giving to charity:**

<table>
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<tr>
<th>Group</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>African American</td>
<td>92%</td>
</tr>
<tr>
<td>Asian American</td>
<td>85%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>89%</td>
</tr>
<tr>
<td>White</td>
<td>90%</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>87%</td>
</tr>
<tr>
<td>Non LGBTQ</td>
<td>90%</td>
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</tbody>
</table>

**Causes most frequently supported were:**

- **Basic needs**: 54%
- **Religious/Spiritual**: 49%
- **Health care/Medical research**: 36%

90% of high net worth households vs. 56% of the general population donated to charity in 2017.

56% of the general population.
Share of total dollars given:

- Religious/Spiritual: 43%
- Basic needs: 19%
- Health care/Medical research: 9%

Most frequently cited motivations for charitable giving:

- Belief in the mission of the organization: 54%
- Belief that their gifts can make a difference: 42%
- Desire to support the same causes or organizations year after year: 34%

Most frequently cited motivations for volunteering:

- Response to an organizational need: 65%
- Belief that the individual can make a difference: 56%
- Alignment of the organization with the individual’s values or beliefs: 52%

Women’s And Girls’ Causes

- 20% of high net worth households donated to organizations supporting women’s and girls’ causes
- 58% Most frequently cited reason was that supporting women and girls is the most effective way to solve other social problems

Most frequently cited causes were:

- Women’s health in the United States: 39%
- Concerns about violence against women: 37%
- Reproductive health and rights: 36%
87% of high net worth individuals feel personally fulfilled by charitable giving.

92% of high net worth individuals feel personally fulfilled by volunteering.

1 This study is a continuation of the 2006, 2008, 2010 and 2012 Bank of America Study of High Net Worth Philanthropy and 2014 and 2016 U.S. Trust® Study of High Net Worth Philanthropy research series conducted in partnership with the Indiana University Lilly Family School of Philanthropy.

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The 2018 U.S. Trust® Study of
High Net Worth Philanthropy
Portraits of Generosity

Bank of America Corporation

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


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

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To our Readers

From U.S. Trust

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

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

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

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

Ann Limberg
Head of Philanthropic Solutions and the Family Office
U.S. Trust, Bank of America Private Wealth Management
From the Indiana University Lilly Family School of Philanthropy

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

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

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

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

Una Osili  
Professor of Economics and Philanthropic Studies and Associate Dean for Research and International Programs  
Indiana University Lilly Family School of Philanthropy
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<td>About Indiana University Lilly Family School of Philanthropy</td>
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<td>Acknowledgements</td>
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<td>Endnotes</td>
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Preface

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

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

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

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

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

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

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

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

- **Gender identity:** Men and women
- **Racial groups:** Asian American/Pacific Islander, Black/African American, Caucasian/White (non-Hispanic), Hispanic/Latino
- **Sexual orientation:** LGBTQ (Lesbian/Gay/Bisexual/Transgender/Queer)

*For brevity, all references to racial and ethnic groups throughout this report have been shortened to Asian American, African American, White and Hispanic.*
Significant cultural, economic, technological and demographic shifts are now underway and nonprofit organizations are being challenged to adapt and connect with donors, volunteers and partners in different ways than they may have in the past.

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

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

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

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

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

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

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

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

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

Eight Themes

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

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

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

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

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

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

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

8. Confidence in nonprofit organizations’ ability to address social and global issues remains strong. HNW donors report having the most confidence in nonprofit organizations (86 percent) to solve societal or global problems. By comparison, confidence in the federal government and the public sector has declined since 2015.
The 2018 U.S. Trust Study of
High Net Worth Philanthropy
Detailed Findings
Section I: How much the wealthy give

- Charitable giving levels
- Volunteering
Charitable giving levels

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

Fully 90 percent of high net worth households in the United States gave to charity in 2017. Among households that give at all, on average, high net worth households gave $29,269\(^6\) in 2017, up by 15 percent from $25,509 in 2015.

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

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

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

\(^{6}\) Source: Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households. Values adjusted to 2017 dollars.
A high incidence of giving was reported by households across all diversity segments in the Study. Looking at these diversity subgroups, women were more likely to give compared to men. No other differences between groups were significant.

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

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

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

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

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

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

William Jarvis
Managing Director, Market Strategy and Delivery,
Philanthropic Solutions Group
U.S. Trust
Volunteering

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

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

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

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

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

“Personal engagement is a powerful way to generate impact, both on the organization and on the fulfillment level of the volunteer.”

Claire Costello
Managing Director, National Practice Executive, Philanthropic Solutions Group
U.S. Trust
Section II: Where the wealthy give by charitable category

- Participation
- Amounts
Incidence of giving by charitable category

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2017</th>
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<tbody>
<tr>
<td>Basic needs</td>
<td>63%</td>
<td>54%</td>
</tr>
<tr>
<td>Religious or spiritual</td>
<td>50%</td>
<td>49%</td>
</tr>
<tr>
<td>Health care or medical research</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Combined charities*</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Youth or family services</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Other**</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Disaster relief efforts</td>
<td>N/A</td>
<td>25%</td>
</tr>
<tr>
<td>Animals</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>Education (K-12)</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>Arts, culture</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Higher education</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Environment</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>International aid</td>
<td>11%</td>
<td>11%</td>
</tr>
</tbody>
</table>

* Combined charities organizations include United Way, United Jewish Appeal, Catholic Charities, and community foundations, among others
** Other organizations include LGBTQ, veterans affairs, among others
Disaster relief was reported as a separate category in this year’s Study. In a year marked by devastating losses and damage in many parts of the U.S. from hurricanes in the South and wildfires in the West, one in five high net worth households gave to disaster relief efforts. For a more in-depth look at giving to disaster relief, see section III.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Twenty-eight percent of donors reported that they give regularly to support disaster relief efforts—it is part of their annual giving budget.
A higher percent of African American households gave to disaster relief efforts (38 percent) compared to all other groups.

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

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

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

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>African American</td>
<td>38%</td>
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<tr>
<td>Asian American</td>
<td>21%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>35%</td>
</tr>
<tr>
<td>White</td>
<td>24%</td>
</tr>
<tr>
<td>Millennials</td>
<td>22%</td>
</tr>
<tr>
<td>Older than millennials</td>
<td>26%</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>21%</td>
</tr>
<tr>
<td>Non-LGBTQ</td>
<td>25%</td>
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</tbody>
</table>

### FACTORS DRIVING DONATIONS TO DISASTER RELIEF EFFORTS AMONG THOSE WHO GAVE TO DISASTER RELIEF

- Media coverage of the disaster effort: 46%
- Felt that government efforts were inadequate and/or inefficient: 28%
- Because of the location of the disaster: 28%
- Disaster relief is part of regular annual giving budget / activities: 28%
- Because of the number of disasters in the same year: 21%
- Was asked: 16%
- Was personally affected, or friends / family were affected, by disaster(s): 15%
- Friend(s) or family donated: 6%
- Other: 5%
Section IV: Giving to affinity groups

- Affinity causes and organizations
- National origin
- Advancing women and girls
Giving to affinity groups

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

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

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

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

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

Una Osili, Ph.D., Professor of Economics and Philanthropic Studies and Associate Dean for Research and International Programs, Indiana University Lilly Family School of Philanthropy
Giving to country or ethnicity of origin

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

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

Eight percent of wealthy households in this year’s Study reported that their country of origin or birth is outside the U.S. Of those born in the U.S., 12 percent have at least one parent whose country of origin or birth was outside the U.S.

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

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

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

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

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

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

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

Ann Limberg
Head of Philanthropic Solutions and the Family Office
U.S. Trust, Bank of America Private Wealth Management
Organizations focused on women and girls address a range of issues, and donors support them for a variety of reasons, ranging from interest in or research about a particular issue to their own personal experience.

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

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

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

**Percent Who Give to Women’s and Girls’ Organizations or Causes**

**By Segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Women</td>
<td>25%</td>
</tr>
<tr>
<td>Men</td>
<td>15%</td>
</tr>
<tr>
<td>Millennials</td>
<td>19%</td>
</tr>
<tr>
<td>Older than millennials</td>
<td>20%</td>
</tr>
<tr>
<td>African American</td>
<td>30%</td>
</tr>
<tr>
<td>Asian American</td>
<td>20%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>23%</td>
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<tr>
<td>White</td>
<td>19%</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>24%</td>
</tr>
<tr>
<td>Non LGBTQ</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Women’s and Girls’ Issues Supported**

Among those who gave to organizations or causes focused on women and girls

- Women’s health (domestic) 39%
- Violence against women 37%
- Reproductive health/rights 36%
- Economic opportunity 31%
- Education (domestic) 26%
- Education (international) 25%
- Women’s health (international) 25%
- Girls’ programs (i.e. Girl Scouts, Girls Inc.) 21%
- Political involvement / activism 19%
- Sex trafficking 16%
- Women’s fund/foundation 10%
Section V: Charitable motivation and decision-making

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

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

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

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

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

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

One in four donors (26 percent) choose a cause or organization because they have been exposed to it through association with another institution, such as an employer or religious organization.
While 87 percent of the wealthy give at least sometimes when asked and 85 percent at least sometimes give spontaneously in response to a need, typically giving decisions are anchored deeply in beliefs.

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

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

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

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

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

### HOW OFTEN CHARITABLE DECISIONS ARE MADE BASED ON SPECIFIC FACTORS

<table>
<thead>
<tr>
<th>Factor</th>
<th>Sometimes</th>
<th>Always</th>
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<tbody>
<tr>
<td>Belief in the mission of the organization</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>Belief that the gift can make a difference</td>
<td>51%</td>
<td>42%</td>
</tr>
<tr>
<td>To support the same causes/organizations year after year</td>
<td>54%</td>
<td>34%</td>
</tr>
<tr>
<td>To give back to the community</td>
<td>63%</td>
<td>24%</td>
</tr>
<tr>
<td>When asked</td>
<td>82%</td>
<td>8%</td>
</tr>
<tr>
<td>Personal satisfaction or fulfillment</td>
<td>54%</td>
<td>32%</td>
</tr>
<tr>
<td>Spontaneously in response to a need</td>
<td>76%</td>
<td>9%</td>
</tr>
<tr>
<td>To remedy issues affecting you or those close to you (e.g., cancer, drug addiction)</td>
<td>63%</td>
<td>14%</td>
</tr>
<tr>
<td>To honor someone</td>
<td>64%</td>
<td>10%</td>
</tr>
<tr>
<td>To receive a tax benefit</td>
<td>51%</td>
<td>17%</td>
</tr>
<tr>
<td>Political or philosophical beliefs</td>
<td>48%</td>
<td>17%</td>
</tr>
<tr>
<td>To set an example for future generations</td>
<td>46%</td>
<td>11%</td>
</tr>
<tr>
<td>Religious beliefs</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>When on the board and volunteer for the organization</td>
<td>31%</td>
<td>15%</td>
</tr>
<tr>
<td>Belief that leaving too much money to heirs is not good</td>
<td>16%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Motivations for volunteering

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

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

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

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

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

<table>
<thead>
<tr>
<th>MOTIVATIONS TO VOLUNTEER AMONG THOSE WHO VOLUNTEER</th>
</tr>
</thead>
<tbody>
<tr>
<td>To respond to a need</td>
</tr>
<tr>
<td>Belief in ability to make a difference</td>
</tr>
<tr>
<td>Personal values or beliefs</td>
</tr>
<tr>
<td>Concern about those less fortunate</td>
</tr>
<tr>
<td>Concern about a particular cause or group served</td>
</tr>
<tr>
<td>Was asked</td>
</tr>
<tr>
<td>To set an example for future generations</td>
</tr>
<tr>
<td>To spend time with children or family in a meaningful way</td>
</tr>
<tr>
<td>To give back to a charity for help received personally or by friends / family</td>
</tr>
<tr>
<td>To expand social network</td>
</tr>
<tr>
<td>To learn new skills through hands-on experience</td>
</tr>
<tr>
<td>Sense of obligation or pressure from others</td>
</tr>
<tr>
<td>To advance professional work</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENT WHO VOLUNTEER ON THEIR OWN AND / OR WITH OTHERS AMONG THOSE WHO VOLUNTEERED IN THE PAST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>69% On own</td>
</tr>
<tr>
<td>30% With family</td>
</tr>
<tr>
<td>27% With an organized group</td>
</tr>
<tr>
<td>20% With friends</td>
</tr>
<tr>
<td>7% As part of a workplace campaign</td>
</tr>
</tbody>
</table>
Portraits of Generosity

Reasons for not giving to charity

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

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

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

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

1. Don’t want to give
2. Family needs are a higher priority
3. Don’t have a connection to an organization
4. Don’t have the resources
5. Wasn’t asked
6. Don’t know
7. Plan to do all giving at the end of life
8. Other
9. Don’t feel gift would make a difference
10. Don’t know which causes to give to
11. Timing of request was not optimal
12. The giving process is too complicated

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

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

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

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

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

### REASONS WHY DONORS STOPPED GIVING TO A PREVIOUSLY SUPPORTED ORGANIZATION

Among those who did not donate in 2017 to an organization donated to in 2015

- The organization made too many financial requests, too close together: 41%
- Change in personal philanthropic priorities: 25%
- Change in personal circumstances: 21%
- The organization was not effective or did not sufficiently communicate its effectiveness: 16%
- The organization changed leadership, its mission, or its activities in a way the donor did not want to support: 13%
- Project funding was completed or impact goal was met: 10%
- Amount of financial request was inappropriate: 9%
- The organization did not respect privacy / personal information: 8%
Impact matters

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

WAYS OF MAKING A POSITIVE IMPACT IN SOCIETY

In order by potential for having the greatest impact

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

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

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

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

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

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

Gillian Howell
Managing Director, National Philanthropic Executive, Philanthropic Solutions Group
U.S. Trust
Intersection of philanthropy and impact investing

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

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

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

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

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

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

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

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

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

Among wealthy women donors, four in 10 (42 percent) said that their charitable giving is having the impact they intend. Men were just as likely to agree (41 percent). However, half as many women as men said their giving isn’t having the impact they would like it to, perhaps indicating a greater degree of focus or intentionality in
charitable activity among this group. Millennials were most likely to report that the impact of their charitable giving activities is not what they intended, and 56 percent do not know if it is. Only one in three millennials feels they are having the impact they want.

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

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

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

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

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

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

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

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

EXTENT TO WHICH THE WEALTHY FIND GIVING PERSONALLY FULFILLING

CHARITABLE GIVING

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Not very</th>
<th>Somewhat</th>
<th>Very</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>4%</td>
<td>9%</td>
<td>45%</td>
<td>29%</td>
<td>13%</td>
</tr>
</tbody>
</table>

VOLUNTEERING

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Not very</th>
<th>Somewhat</th>
<th>Very</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>3%</td>
<td>5%</td>
<td>28%</td>
<td>44%</td>
<td>21%</td>
</tr>
</tbody>
</table>
Donor expectations of nonprofit organizations

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

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

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

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

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

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

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

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

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

Those most likely to consider themselves knowledgeable or expert are African Americans, Hispanics and the LGBTQ community. Millennials and Asian American respondents are most likely to consider themselves as novices when it comes to charitable giving.
When asked about the aspects of charitable giving in which they are interested in gaining greater knowledge, respondents gave a variety of answers across the giving spectrum, ranging from volunteering to impact investing to integrating values, giving strategies and wealth planning goals.

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

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

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

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

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

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

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

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

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

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

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

Only four percent cite difficulty finding an advisor who understands their personal goals and priorities.
Section VII: Giving vehicles

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

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

Only 14 percent of wealthy households’ charitable giving came from a giving vehicle such as a donor advised fund, family foundation, charitable trust or another giving vehicle. These data notwithstanding, the trend suggests that the use of giving vehicles is on the rise. In 2015, high net worth households distributed 11 percent of their charitable giving dollars from giving vehicles.

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>PERCENT WHOSE GIVING IS MORE RESTRICTED THROUGH GIVING VEHICLES THAN WITH OTHER ASSETS AMONG THOSE WHO USE GIVING VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A will with a specific charitable provision(s)</td>
</tr>
<tr>
<td>Endowment fund with a particular organization</td>
</tr>
<tr>
<td>Private foundation</td>
</tr>
<tr>
<td>Giving circle</td>
</tr>
<tr>
<td>Planned giving instrument that specifies a charitable beneficiary</td>
</tr>
<tr>
<td>Donor-advised fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENT WHOSE GIVING IS MORE TARGETED THROUGH GIVING VEHICLES THAN WITH OTHER ASSETS AMONG THOSE WHO USE GIVING VEHICLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A will with a specific charitable provision(s)</td>
</tr>
<tr>
<td>Private foundation</td>
</tr>
<tr>
<td>Donor-advised fund</td>
</tr>
<tr>
<td>Planned giving instrument that specifies a charitable beneficiary</td>
</tr>
<tr>
<td>Endowment fund with a particular organization</td>
</tr>
<tr>
<td>Giving circle</td>
</tr>
</tbody>
</table>
## Giving Circles

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

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

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

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

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

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

### BENEFITS OF PARTICIPATING IN A GIVING CIRCLE

Among those who participate in a giving circle:

- Increases the level of funding available for charitable efforts: 63%
- Allows for opportunity to have a bigger impact when giving: 48%
- Creates flexibility in giving: 35%
- Widens the demographic span of those who wish to donate, regardless of age, race, gender, and/or socioeconomic status: 33%

### PERCENT WHOSE GIVING CIRCLE HAS A FUNDING FOCUS ON WOMEN AND GIRLS

Among those participating in a giving circle:

55%

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

Debra J. Mesch, Ph.D., Professor of Philanthropic Studies; Eileen Lamb O’Gara Chair in Women’s Philanthropy, Women’s Philanthropy Institute
Section VIII: Charitable giving and the family

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

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

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

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

Yet lasting family legacies are not built solely on financial assets. Rather, these legacies are products of the values and principles that are lived, shared and passed on – the culmination of family financial, intellectual and human capital.
Throughout this year’s Study we see evidence of the important role of family in philanthropic practice.

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

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

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

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

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

**24%**

High net worth individuals who serve on a nonprofit board

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

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>17%</td>
</tr>
<tr>
<td>Older than millennials</td>
<td>25%</td>
</tr>
<tr>
<td>African American</td>
<td>26%</td>
</tr>
<tr>
<td>Asian American</td>
<td>9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16%</td>
</tr>
<tr>
<td>White</td>
<td>26%</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>24%</td>
</tr>
<tr>
<td>Non LGBTQ</td>
<td>24%</td>
</tr>
</tbody>
</table>

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

- Belief in the mission: 72%
- To use skills/experience: 71%
- Was asked or recruited: 63%
- Ability to have the most impact: 39%
- To support a struggling organization: 27%
- To help lead in a time of crisis: 18%
- To gain board experience: 13%
- To expand contacts / network: 10%
- Peer pressure: 7%
Giving by board members

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

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

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

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

PERCENT OF BOARD MEMBERS WHO GIVE MORE, LESS OR THE SAME TO ORGANIZATIONS WHERE THEY HAVE A BOARD SEAT

* AMONG THOSE SERVING ON A NONPROFIT BOARD

<table>
<thead>
<tr>
<th>Give less</th>
<th>Same amount</th>
<th>Give more</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>43%</td>
<td>38%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief in the mission of the organization</td>
<td>81%</td>
</tr>
<tr>
<td>Personal fulfillment</td>
<td>53%</td>
</tr>
<tr>
<td>Desire to see specific-purpose projects or</td>
<td>51%</td>
</tr>
<tr>
<td>programs sustained or completed</td>
<td></td>
</tr>
<tr>
<td>Belief in the organization’s leadership</td>
<td>40%</td>
</tr>
<tr>
<td>Sense of obligation</td>
<td>29%</td>
</tr>
<tr>
<td>Board requirement or policy</td>
<td>9%</td>
</tr>
<tr>
<td>Peer pressure</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

PERCENT WHO SERVE ON NONPROFIT BOARDS THAT HAVE A “GIVE AND/OR GET” POLICY

* AMONG THOSE SERVING ON A NONPROFIT BOARD

- 26% Have a “Give or Get” policy
- 9% Minimum individual gift, only
- 2% Solicitation of donations / gifts from others, only
- 15% Both minimum individual gift and solicitation of others
Section X: Looking forward

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

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

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

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

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

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

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

Ramsay Slugg
Managing Director, Wealth Strategies Advisor,
Philanthropic Solutions Group
U.S. Trust
Confidence in societal institutions

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

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

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

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

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

**AMONG ALL RESPONDENTS**

<table>
<thead>
<tr>
<th></th>
<th>Some confidence</th>
<th>A great deal of confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit organizations</td>
<td>68%</td>
<td>18%</td>
</tr>
<tr>
<td>Individuals</td>
<td>56%</td>
<td>31%</td>
</tr>
<tr>
<td>Religious institutions</td>
<td>42%</td>
<td>14%</td>
</tr>
<tr>
<td>President/federal executive branch</td>
<td>45%</td>
<td>8%</td>
</tr>
<tr>
<td>Supreme Court/federal judiciary</td>
<td>54%</td>
<td>8%</td>
</tr>
<tr>
<td>Small- to mid-sized businesses</td>
<td>58%</td>
<td>12%</td>
</tr>
<tr>
<td>Large corporations</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>State or local government</td>
<td>55%</td>
<td>4%</td>
</tr>
<tr>
<td>Congress/federal legislative branch</td>
<td>36%</td>
<td>5%</td>
</tr>
</tbody>
</table>

2015 | 2017
Impact of tax laws on giving going forward

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>ALL HNW HOUSEHOLDS</th>
<th>AMONG HNW HOUSEHOLDS LOCATED IN:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unsure 16%</td>
<td>LOW-TAX STATES</td>
</tr>
<tr>
<td></td>
<td>No 25%</td>
<td>HIGH-TAX STATES</td>
</tr>
<tr>
<td></td>
<td>Yes 59%</td>
<td>Unsure 16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No 27%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes 58%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>DECREASE giving amount</th>
<th>NO CHANGE in giving amount</th>
<th>INCREASE giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All HNW households</td>
<td>12%</td>
<td>84%</td>
<td>4%</td>
</tr>
<tr>
<td>Low-tax states</td>
<td>9%</td>
<td>87%</td>
<td>4%</td>
</tr>
<tr>
<td>High-tax states</td>
<td>16%</td>
<td>80%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**High tax states**
- New Jersey
- Maryland
- Washington DC
- California
- Connecticut
- New York
Based on the perceived effect of tax laws, only a small percentage of high net worth households expects to decrease the amount they give to charity in 2018.

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

<table>
<thead>
<tr>
<th>BY GENDER</th>
<th>DECREASE giving amount</th>
<th>NO CHANGE in giving amount</th>
<th>INCREASE giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>12%</td>
<td>85%</td>
<td>3%</td>
</tr>
<tr>
<td>Men</td>
<td>11%</td>
<td>84%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BY AGE</th>
<th>DECREASE giving amount</th>
<th>NO CHANGE in giving amount</th>
<th>INCREASE giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>12%</td>
<td>78%</td>
<td>10%</td>
</tr>
<tr>
<td>Older than millennials</td>
<td>12%</td>
<td>85%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BY RACIAL/ETHNIC GROUP</th>
<th>DECREASE giving amount</th>
<th>NO CHANGE in giving amount</th>
<th>INCREASE giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>9%</td>
<td>70%</td>
<td>21%</td>
</tr>
<tr>
<td>Asian American</td>
<td>16%</td>
<td>79%</td>
<td>5%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>18%</td>
<td>79%</td>
<td>3%</td>
</tr>
<tr>
<td>White</td>
<td>10%</td>
<td>87%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### AMONG LGBTQ COMMUNITY

<table>
<thead>
<tr>
<th>Category</th>
<th>DECREASE giving amount</th>
<th>NO CHANGE in giving amount</th>
<th>INCREASE giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGBTQ</td>
<td>26%</td>
<td>68%</td>
<td>6%</td>
</tr>
<tr>
<td>Non LGBTQ</td>
<td>10%</td>
<td>86%</td>
<td>4%</td>
</tr>
<tr>
<td>LGBTQ, married</td>
<td>20%</td>
<td>76%</td>
<td>4%</td>
</tr>
<tr>
<td>LGBTQ, not married</td>
<td>35%</td>
<td>57%</td>
<td>8%</td>
</tr>
<tr>
<td>LGBTQ, with children</td>
<td>11%</td>
<td>81%</td>
<td>8%</td>
</tr>
<tr>
<td>LGBTQ, no children</td>
<td>33%</td>
<td>62%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Appendix
Methodology

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

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

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

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

Study Overview

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

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

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

Sampling Methodology and Data Collection

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

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

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

**Imputation**

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

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

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

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

About Indiana University Lilly Family School of Philanthropy

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


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

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


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