

## 2008 Bank of America Study of High Net-Worth Philanthropy Initial Findings Fact Sheet

### Introduction & Methodology

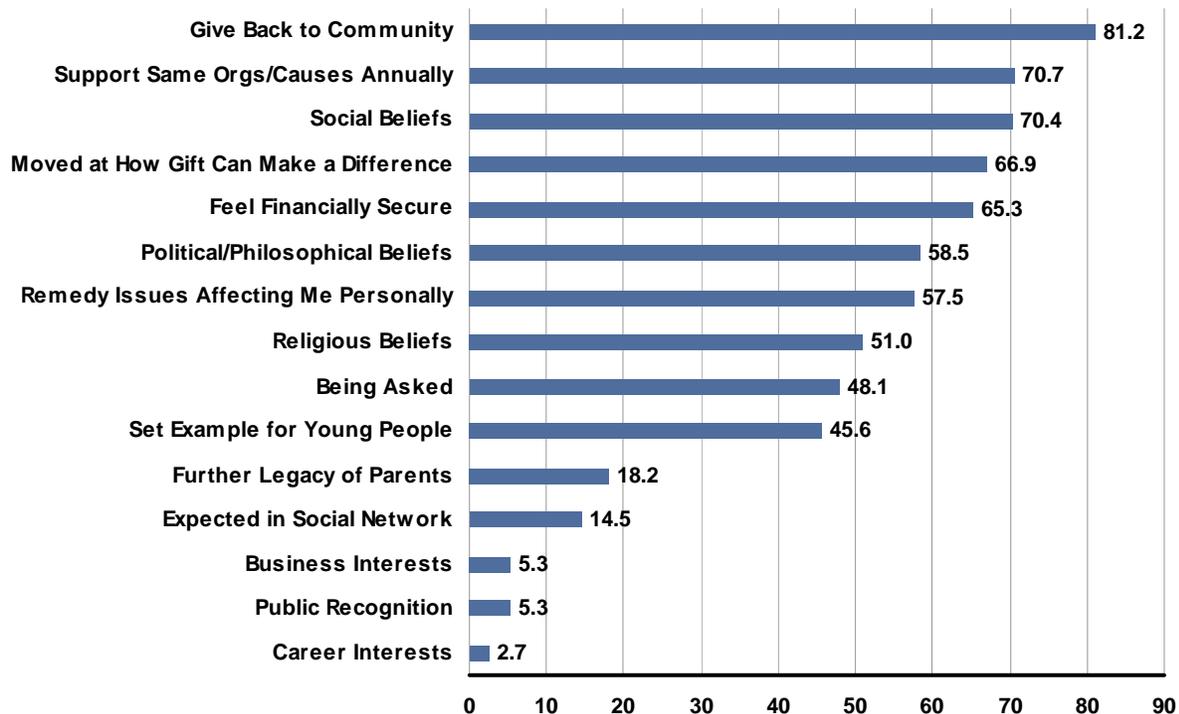
The 2008 Bank of America Study of High Net-Worth Philanthropy is the result of randomly surveying over 20,000 households in high net-worth neighborhoods across the country. Conducted by The Center on Philanthropy at Indiana University for Bank of America, the 2008 research follows an initial landmark study published through this partnership in 2006, the first proportionally random study of high net-worth charitable giving and the largest survey of wealthy Americans ever conducted on this topic.

The 2008 study was conducted in the same manner as the initial 2006 study in order to identify key trends and to provide deeper insights into the motivations and attitudes of America's wealthiest donors. The new study reflects the opinions of nearly 700 respondents throughout the United States with household income greater than \$200,000 and/or net-worth of at least \$1,000,000.

### Initial Findings

#### Motivation for Giving

*Wealthy donors' motivations for giving demonstrate their desire to give back to their communities and to make an immediate difference in the world around them. Donors give based on their belief system as well as their loyalty to support certain causes and organizations, many of which have a mission to remedy an issue that may have affected the donor personally or someone close to them. Donors list many reasons for giving and following are their motivating factors:*



## Impact of Giving

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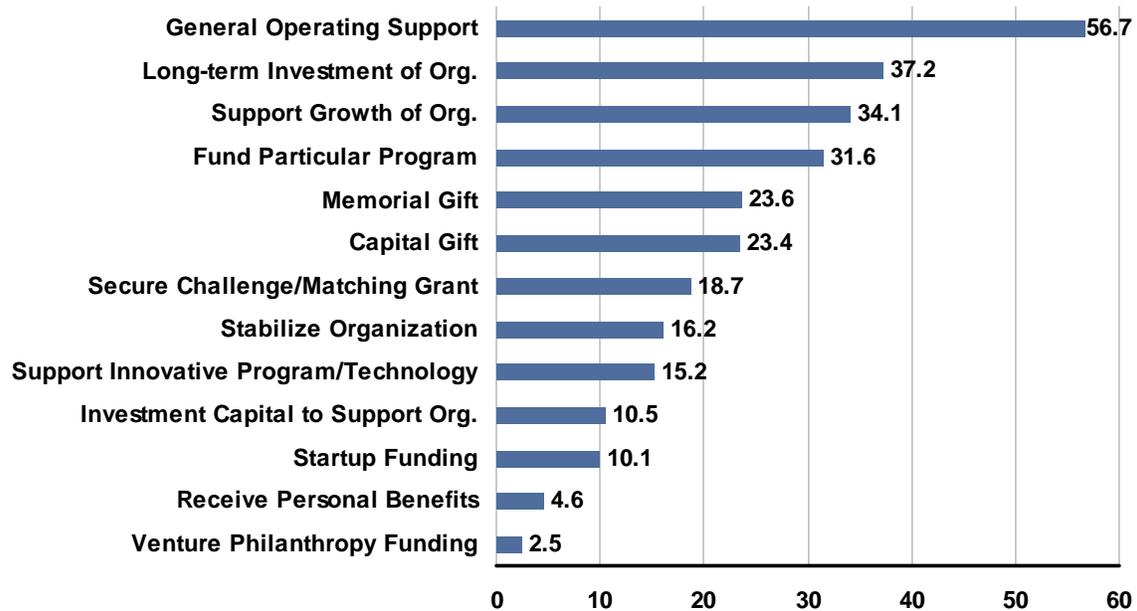
*In spite of their engagement in philanthropy and desire to make a difference, donors believe that their giving has a greater impact on their own personal fulfillment than on those who receive their support.*

- 20% of donors believe that their donations make a major impact on the organizations they support
- Only 6% of donors believe they're making significant contributions to the improvement of society in general
- 46% of wealthy donors get a great deal of personal fulfillment from their charity
- 55% of donors find that their giving is having some level of positive impact on the quality of their family life

## Largest Gifts

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*"General operating support" for charitable organizations was the leading objective for the largest gifts given by wealthy donors last year. Other objectives for the largest gifts include:*



## Cultivating the Next Generation of Philanthropists

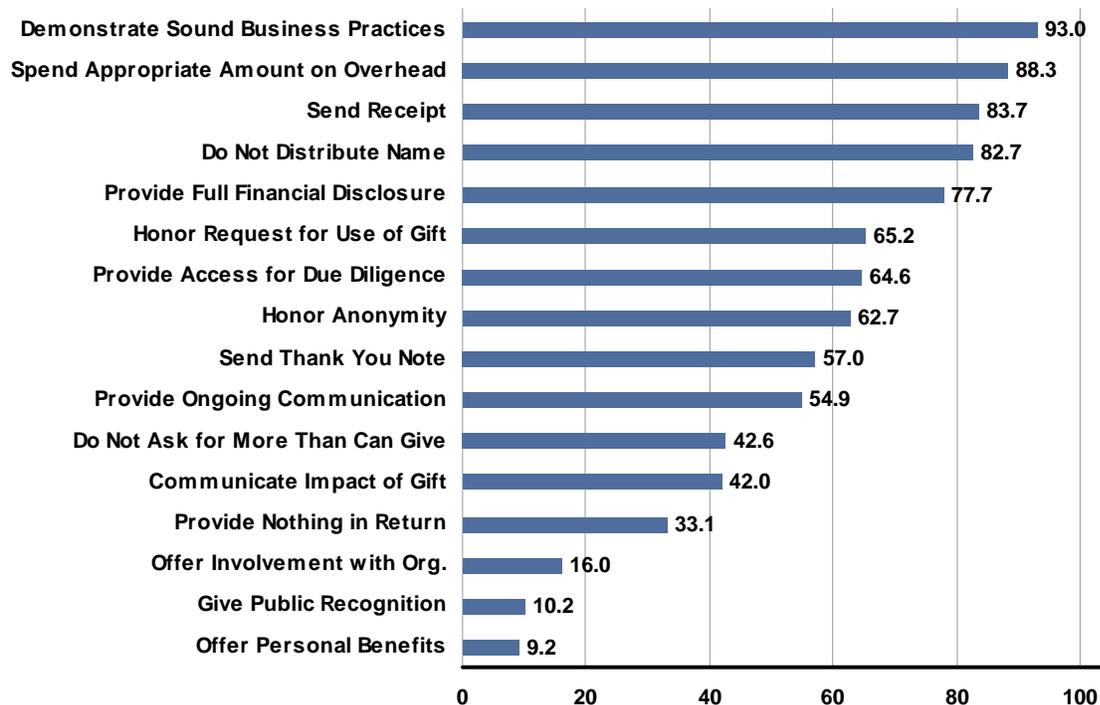
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*Parents (average age 67) are increasingly involving their children (average age 34) in philanthropic decisions, and rely largely on themselves and their religious organizations to help instill these values in their children.*

- 96% of the next generation of philanthropists learns about philanthropy and the value of giving from their parents, followed by programs offered by religious organizations (81%)
- 62% of wealthy donors actively educate their children (often adult-age) in family philanthropy
- 53% of donors involve children in choosing charities
- 41% of donors involve children in grant-making decisions
- Adult-age children of 38% of wealthy donor families give through their own private foundation or donor advised fund

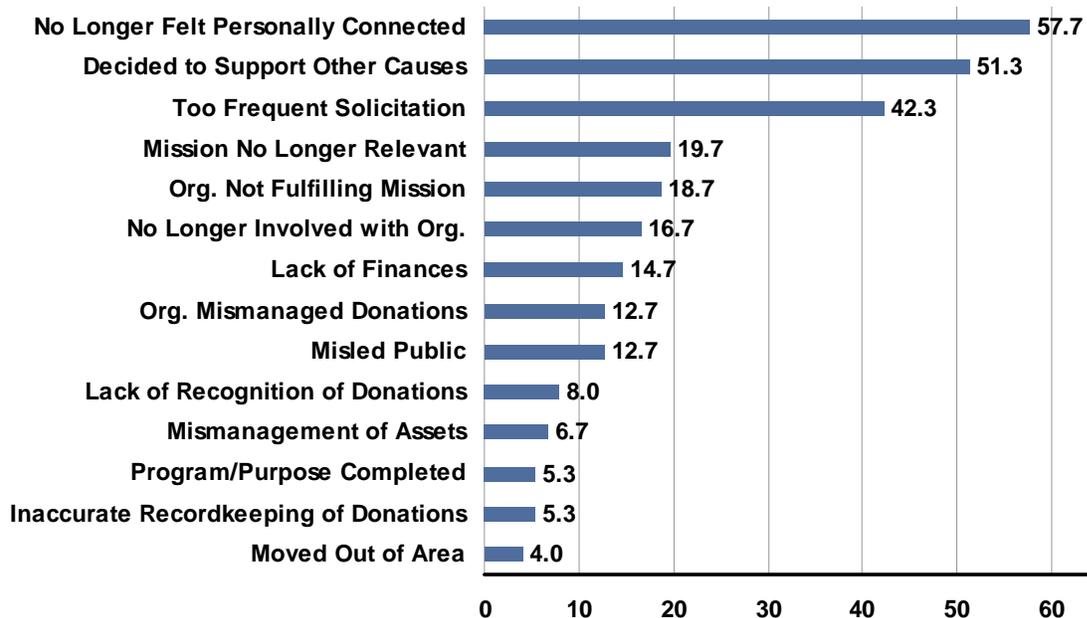
## Prospects for Charitable Contributions

Wealthy donors have high expectations of the non-profits they support, including transparency, accountability and responsiveness to their needs. Donors ranked the following among the most important factors when determining which charitable organizations to support:



## Maintaining a Connection

In 2007 nearly 38% of donors stopped supporting an organization that they had previously supported, and more than one-quarter of those surveyed (26%) stopped supporting at least two organizations that they had previously supported. Of those surveyed, the majority of donors report “no longer having a personal connection” as the reason for their change in philanthropic behavior. Others reasons why donors stopped supporting organizations they previously supported include:



### **Major Shift in the Source of Charitable Advice**

*One of the most striking differences between the 2006 and 2008 study is the dramatic increase in donors' use of legal and financial professionals to help them make charitable giving decisions. Our 2006 study found that donors relied on non-profit personnel (41%) and their own peers (36%) more than any other source for advice in this area. This chart demonstrates a significant change in the sources of charitable advice in 2008:*

<b>Source of advice on giving decisions</b>	<b>2006 (%)</b>	<b>2008 (%)</b>
Accountant	26.6	43.2
Attorney	16.4	41.7
Financial/Wealth Advisor	16.6	32.6
Nonprofit personnel	41.2	29.1
Bank / Trust Co.	8.7	23.6
Peers or Peer Networks	35.9	23.5

- Bank of America believes that these numbers indicate that philanthropy is increasingly becoming an integral part of our clients' holistic wealth strategies and structuring and therefore requires greater consultation with professional financial advisors. The 2008 study also found that consultations with advisors are more often initiated by the donor than by the advisor, indicating a more proactive approach by donors seeking philanthropic advice.
- Wealthy donors' increased use of legal or financial advisors for philanthropic advice is consistent with additional findings of the 2008 study that indicate an increased use of strategic charitable vehicles – such as split interest trusts and donor-advised funds – which typically require the assistance of a legal or financial professional to establish.