



September 21, 2011

The 2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy

Philanthropic Patterns of High Net Worth Households

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The 2010 Bank of America Merrill Lynch Study on High Net Worth Philanthropy

was researched and written by



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Survey Methodology

- The study's main purpose is to understand the philanthropic patterns of high net worth households.
- A 12-page survey was fielded to 20,000 high net worth households between June 2010 and July 2010.
- Any household with an income of more than \$200,000 or a net worth of more than \$1,000,000 (excluding the value of their home) was included in the study. In addition all respondents must have their primary residence in the United States.
- The average net worth of respondents in this study was \$10.7 million. Nearly half of the respondents had a net worth between \$3mill-\$20mill.
- The total number of respondents to the survey was 1,077.
- The response rate for this survey is 5.6%.
- After excluding those households that did not qualify because their income or wealth did not meet the survey criteria, the final sample was 801 responses.
- All giving percentages and amounts outlined in this report represent overall giving figures, which combine both direct contributions and any grants or distributions from a donor's private foundation, donor-advised fund, or charitable trust made in 2009.

Introduction and Outline

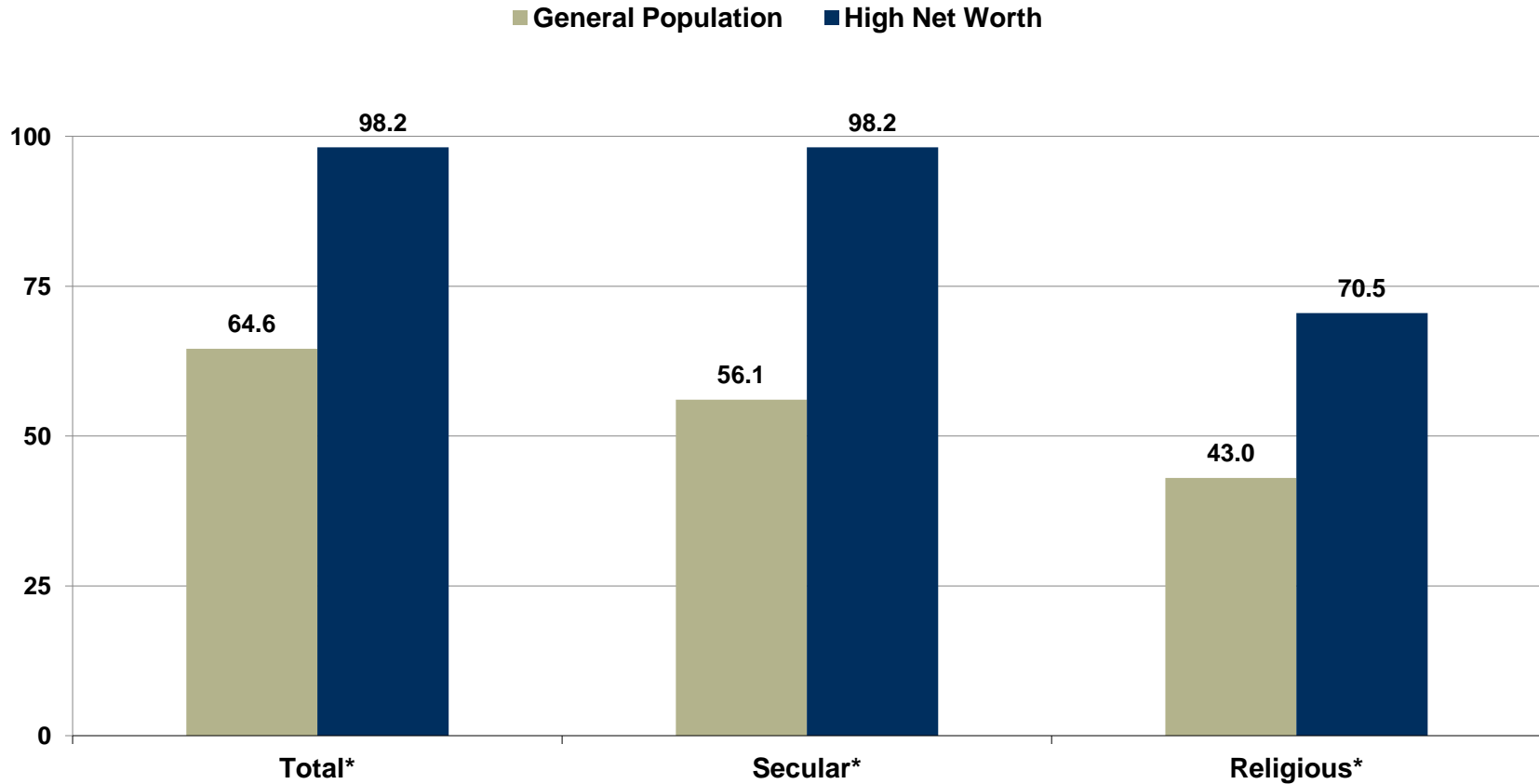
- Giving Patterns, 2005 – 2009
- Demographics of Donors, Characteristics of Their Charitable Giving
- The Importance of Volunteering
- Tax and Investment Considerations
- Influence of Family, Religion and Decision-Makers on Charitable Giving
- Philanthropic Motivations and Expectations



Giving Patterns, 2005-2009

Percentage of High Net Worth Households Who Gave to Charity in 2009, Compared to the U.S. General Population

PERCENT (%)

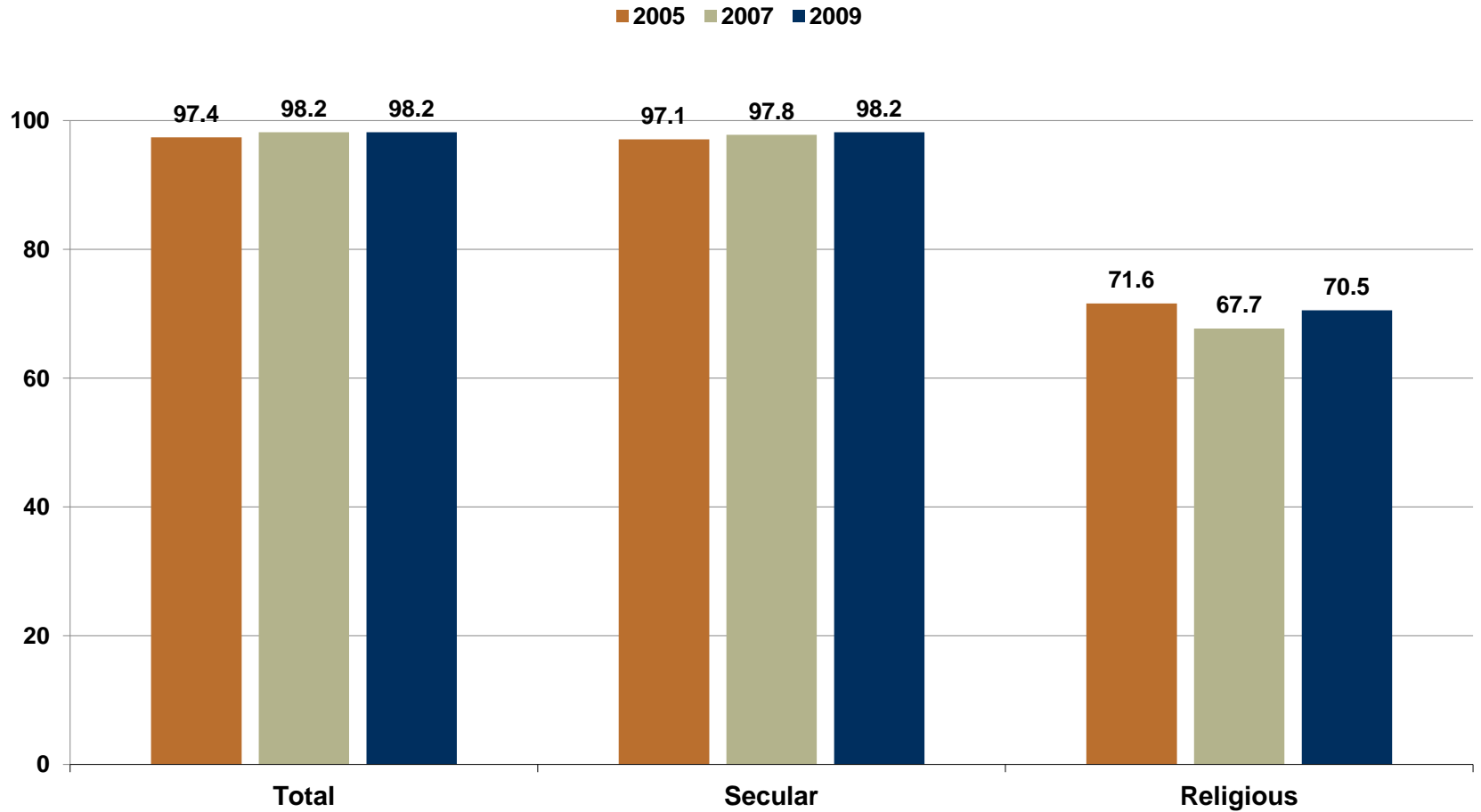


Note: Source for the U.S. general population is the Center on Philanthropy Panel Study 2007 wave, the latest data available. High net worth figures are for 2009 giving.

*The difference between general population and high net worth results was found to be statistically significant.

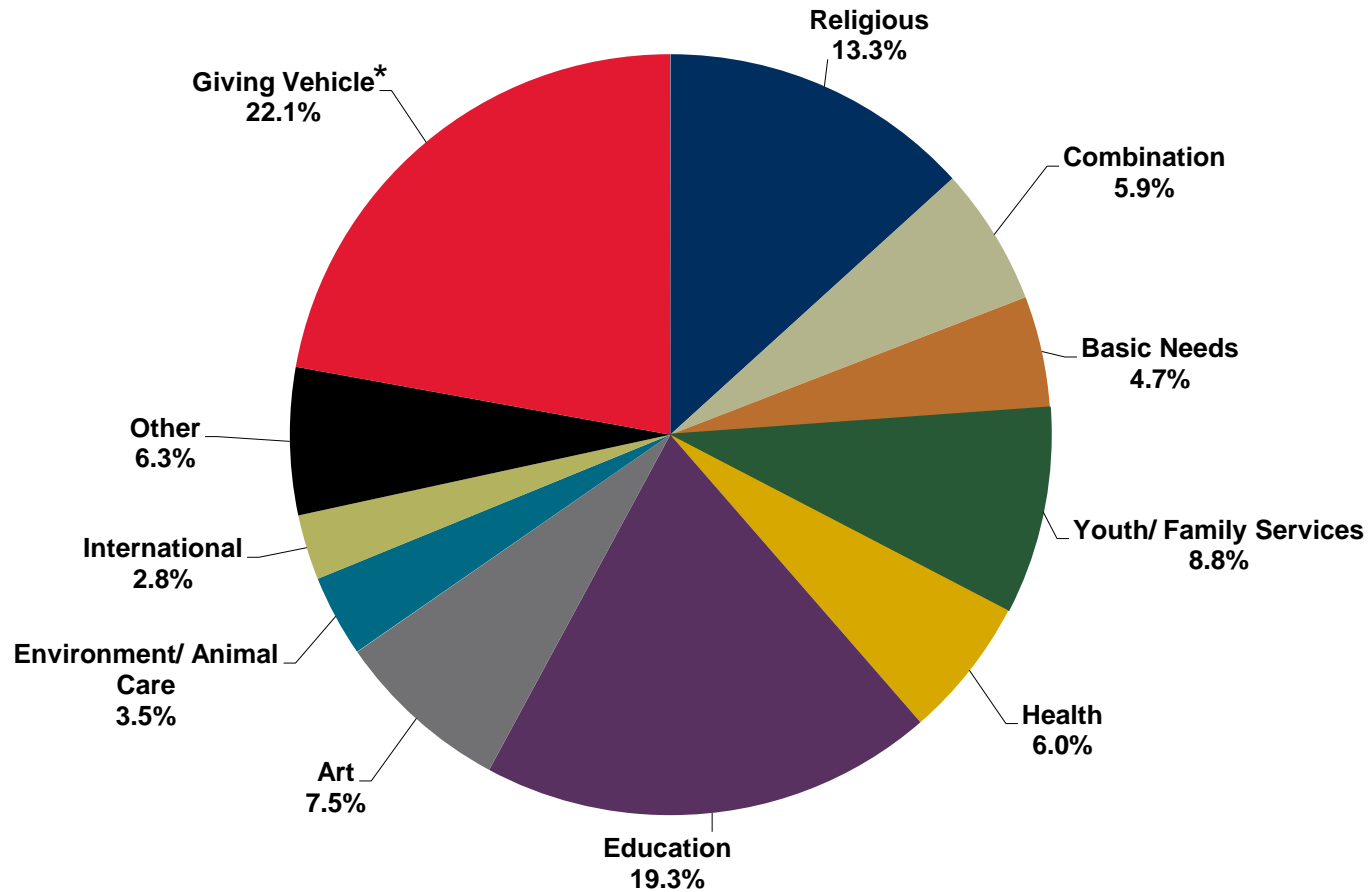
Percentage of High Net Worth Households That Gave to Charity, 2005-2009

PERCENTAGE (%)



Distribution of High Net Worth Giving by Charitable Subsector, 2009

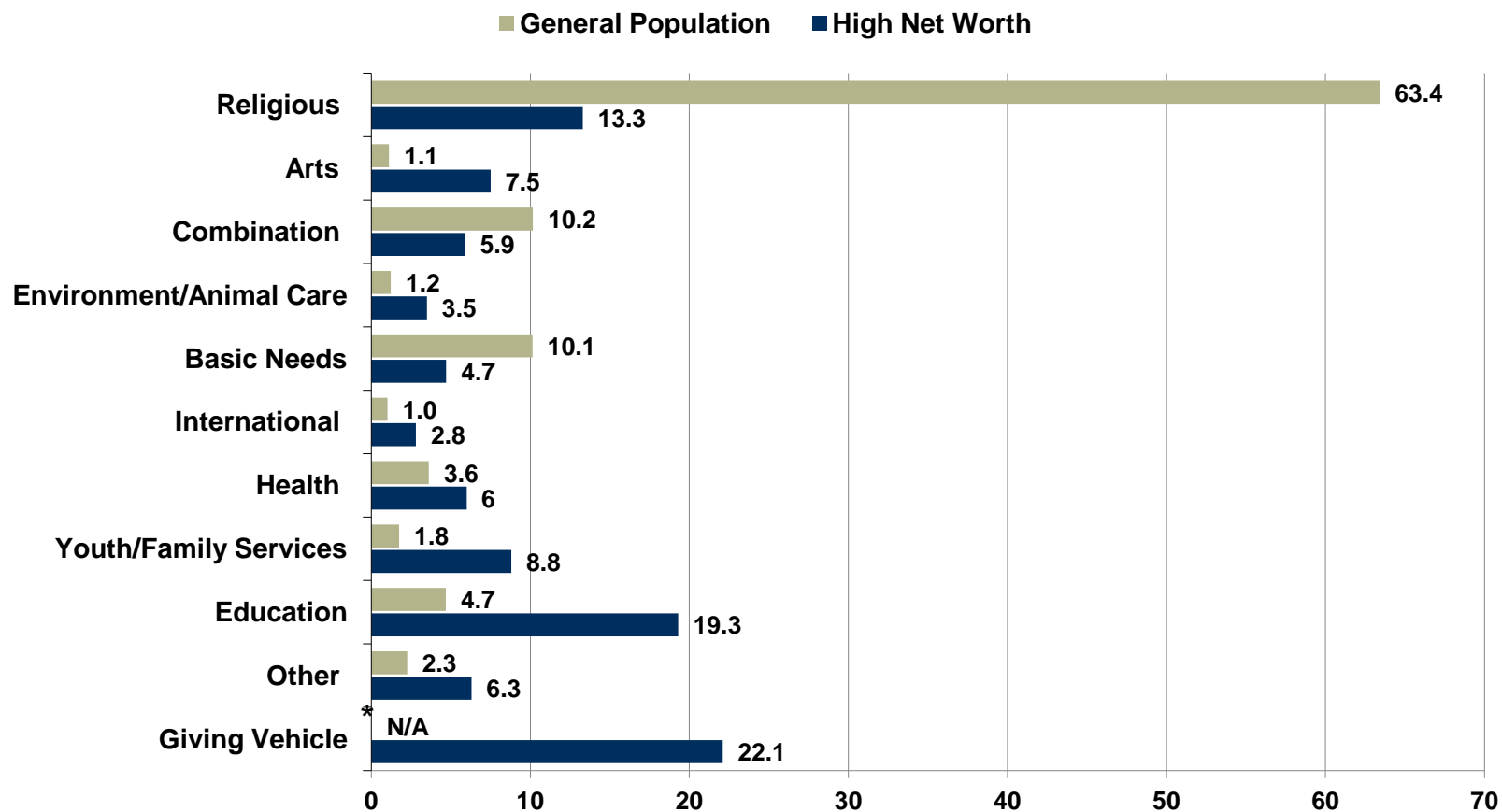
PERCENTAGE (%)



Note: Combined organizations include United Way, United Jewish Appeal, or Catholic Charities
*Giving Vehicle' represents gifts to private foundations, charitable trusts and donor-advised funds.
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Percentage of Total Gift Dollars to Charitable Subsectors, U.S. General Population vs. High Net Worth Donors, 2009

PERCENTAGE (%)



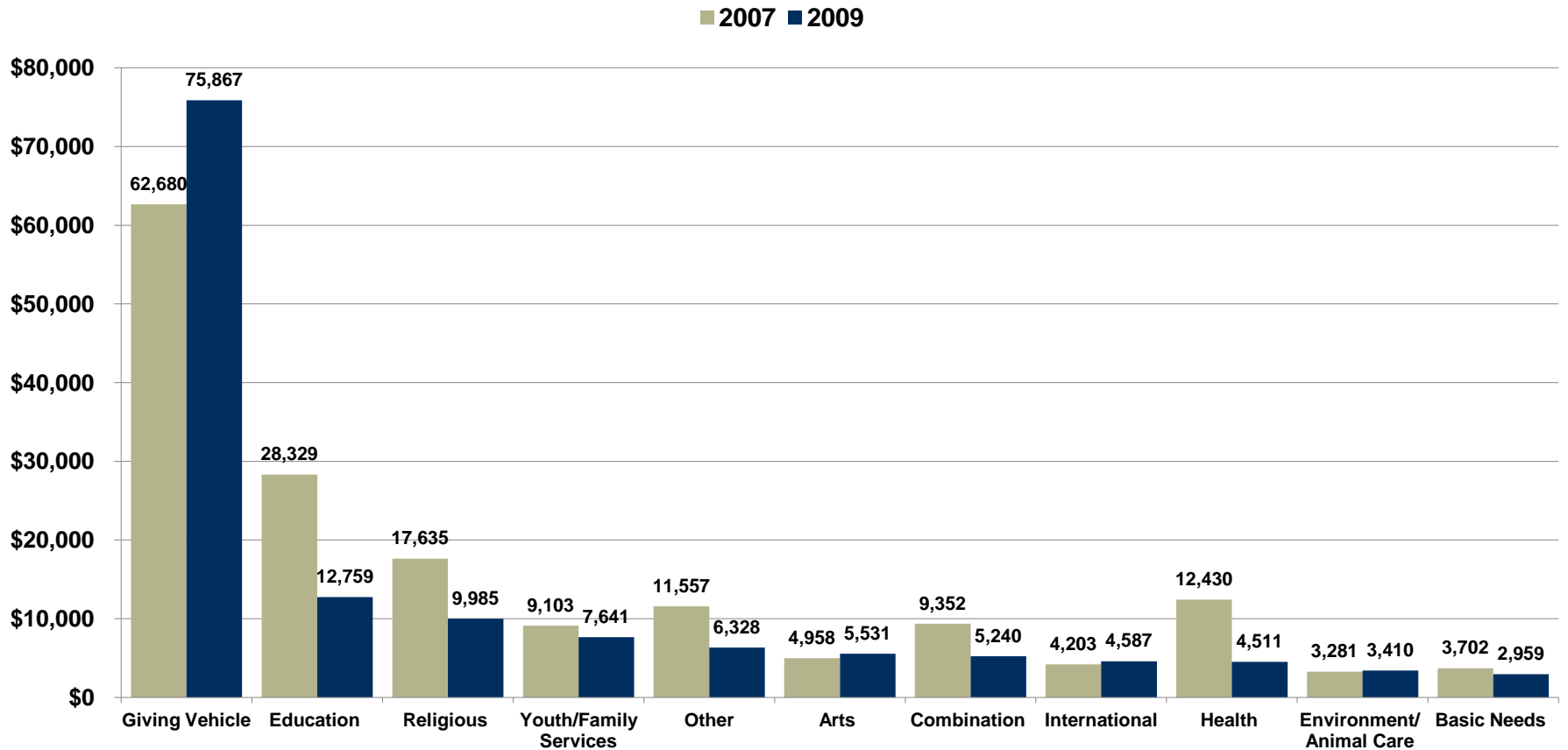
Note: Source for the U.S. general population is the Center on Philanthropy Panel Study 2007 wave, the latest data available. High net worth figures are for 2009 giving.

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

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Average Amount Given to Charitable Subsectors, 2007 and 2009

DOLLARS (\$)



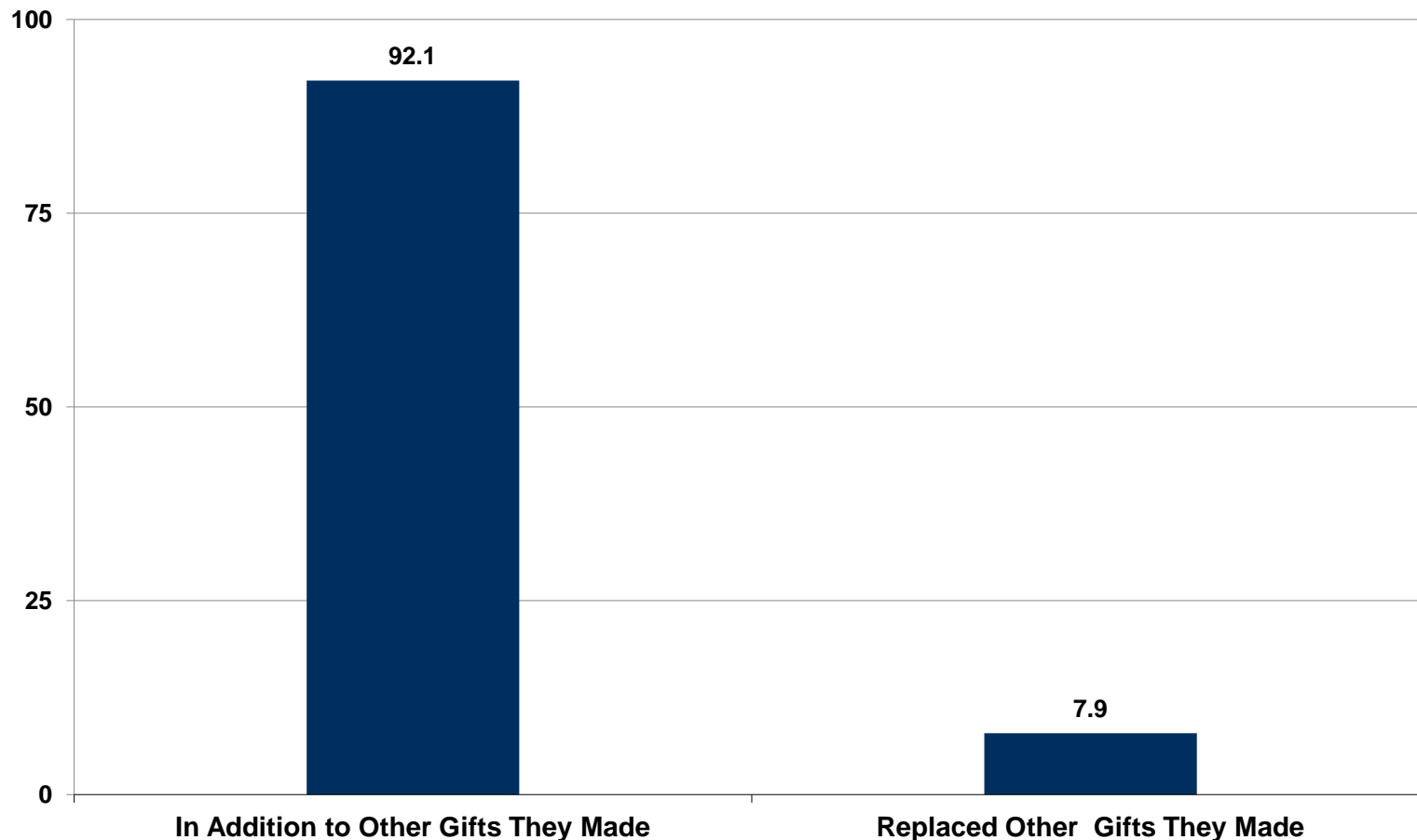
Charitable giving for 2007 was adjusted for inflation to 2009 dollars

Note: Average giving includes no outliers. 'Giving Vehicle' represents gifts to private foundations, charitable trusts and donor-advised funds.

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Percentage of Households Making Gifts to Disaster Relief in Addition to Other Gifts vs. Replacing Other Gifts, 2009

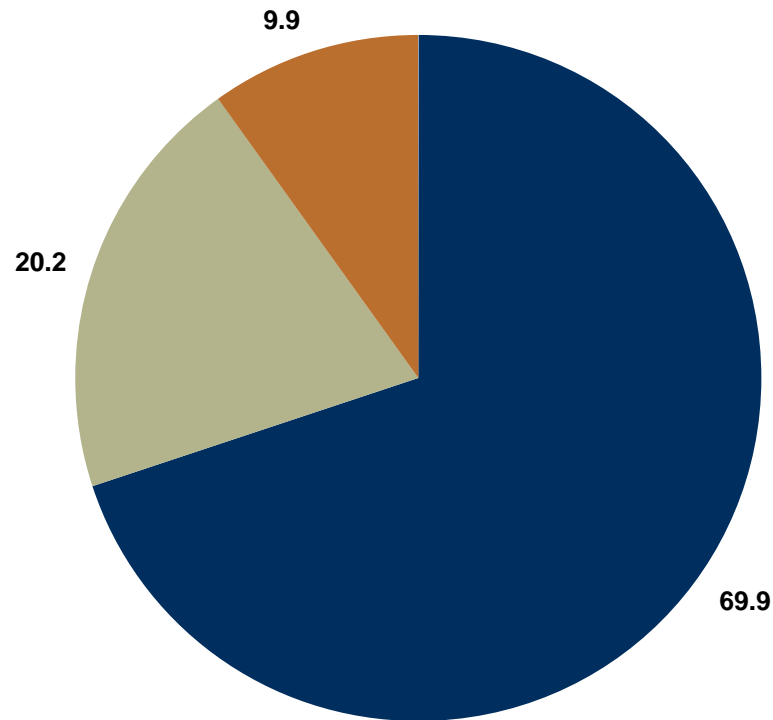
PERCENTAGE (%)



Geographic Allocation of Giving Among High Net Worth Households, 2009

PERCENTAGE (%)

- Local Charities
- National Charities
- International Charities



Charitable Giving by Income of Donor Households

- When we examine total giving within specific income categories, we observe that total giving increases by income; this is similar to what was observed in 2005 and 2007.
- At the lower end, those households earning between \$200,000 and \$500,000 a year gave, on average, \$30,716 in 2009.
- In the middle, those households earning between \$500,000 and \$2 million a year gave, on average, \$100,011 in 2009.
- At the higher end, those households earning \$2 million or more a year gave, on average, \$259,692 in 2009.*

*May not be statistically meaningful because households at this high income group contain fewer than 50 respondents.

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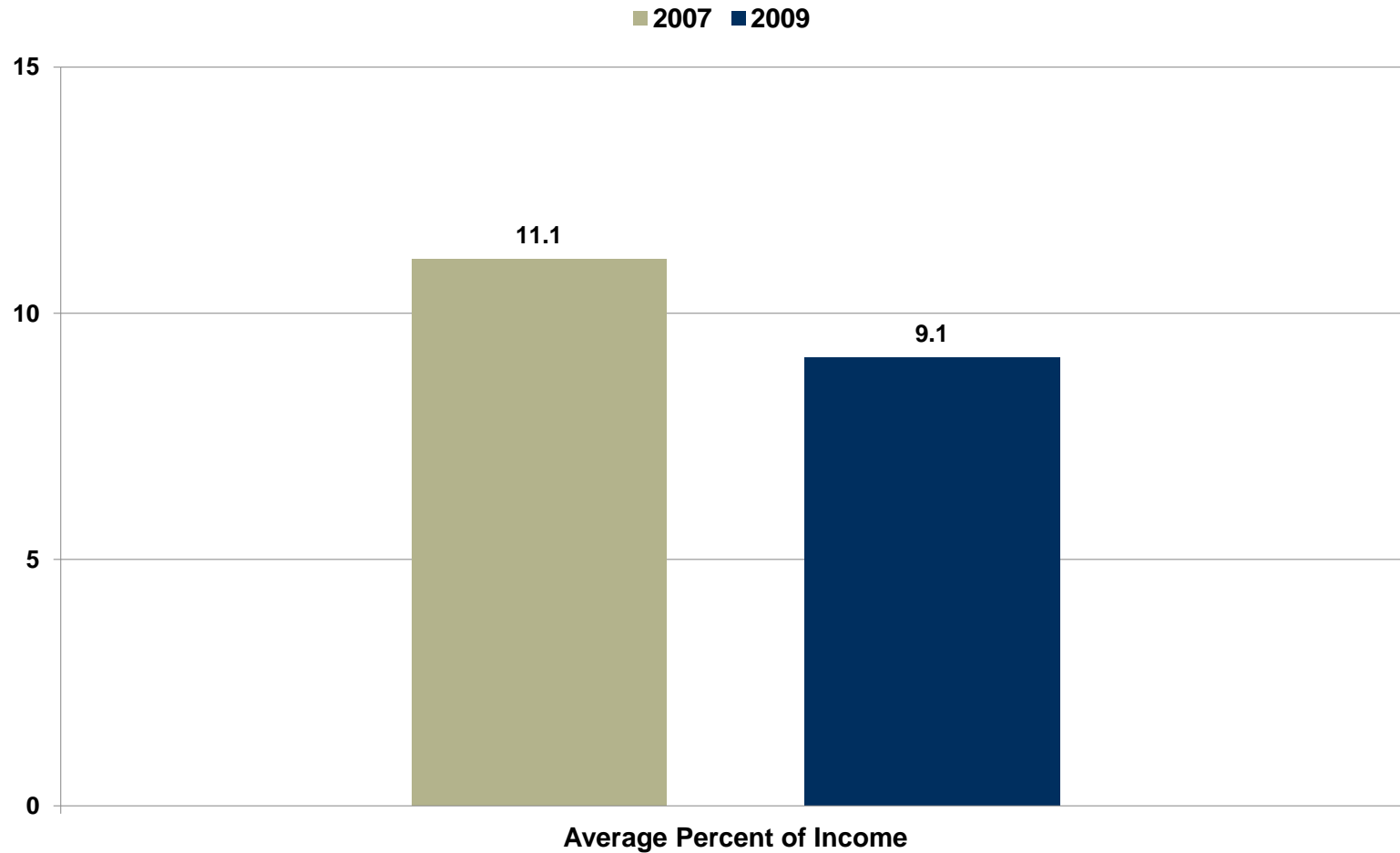
Charitable Giving by Wealth of Donor Households

- When total giving across various wealth categories is examined, average total giving increases as wealth increases.
- At the lower end, those households with a net worth between \$1 and \$5 million a year gave, on average, \$23,896 in 2009.
- In the middle, those households with a net worth between \$5 and \$20 million a year gave, on average, \$63,520 in 2009.
- At the higher end, those households with a net worth of \$20 million or more a year gave, on average, \$312,960 in 2009.*

*May not be statistically meaningful because households at this high wealth group contain fewer than 50 respondents
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Average Total Giving as a Percentage of Income, 2007 and 2009

PERCENTAGE (%)

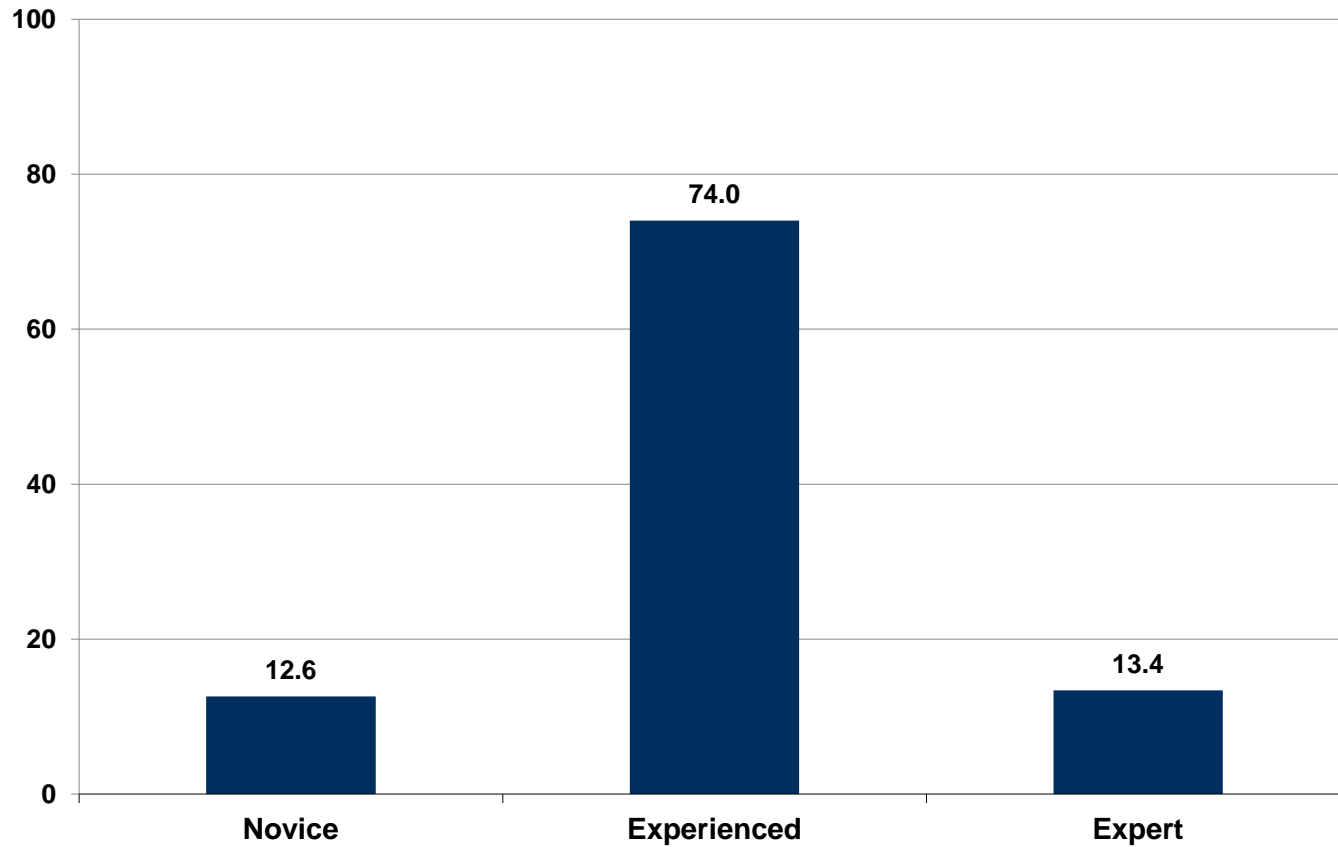




Demographics of Donors, Characteristics of Their Charitable Giving

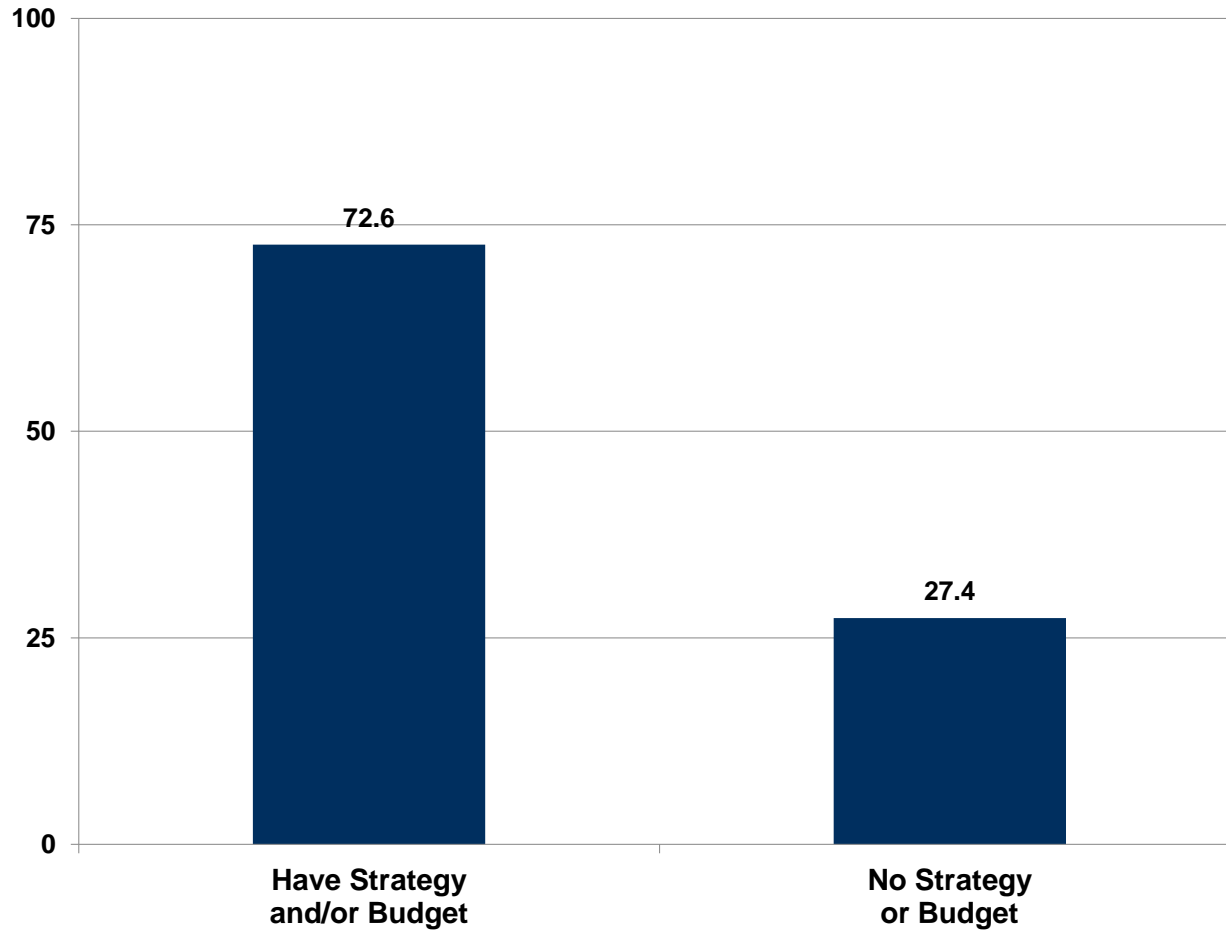
Level of Charitable Giving Experience, 2009

PERCENTAGE (%)



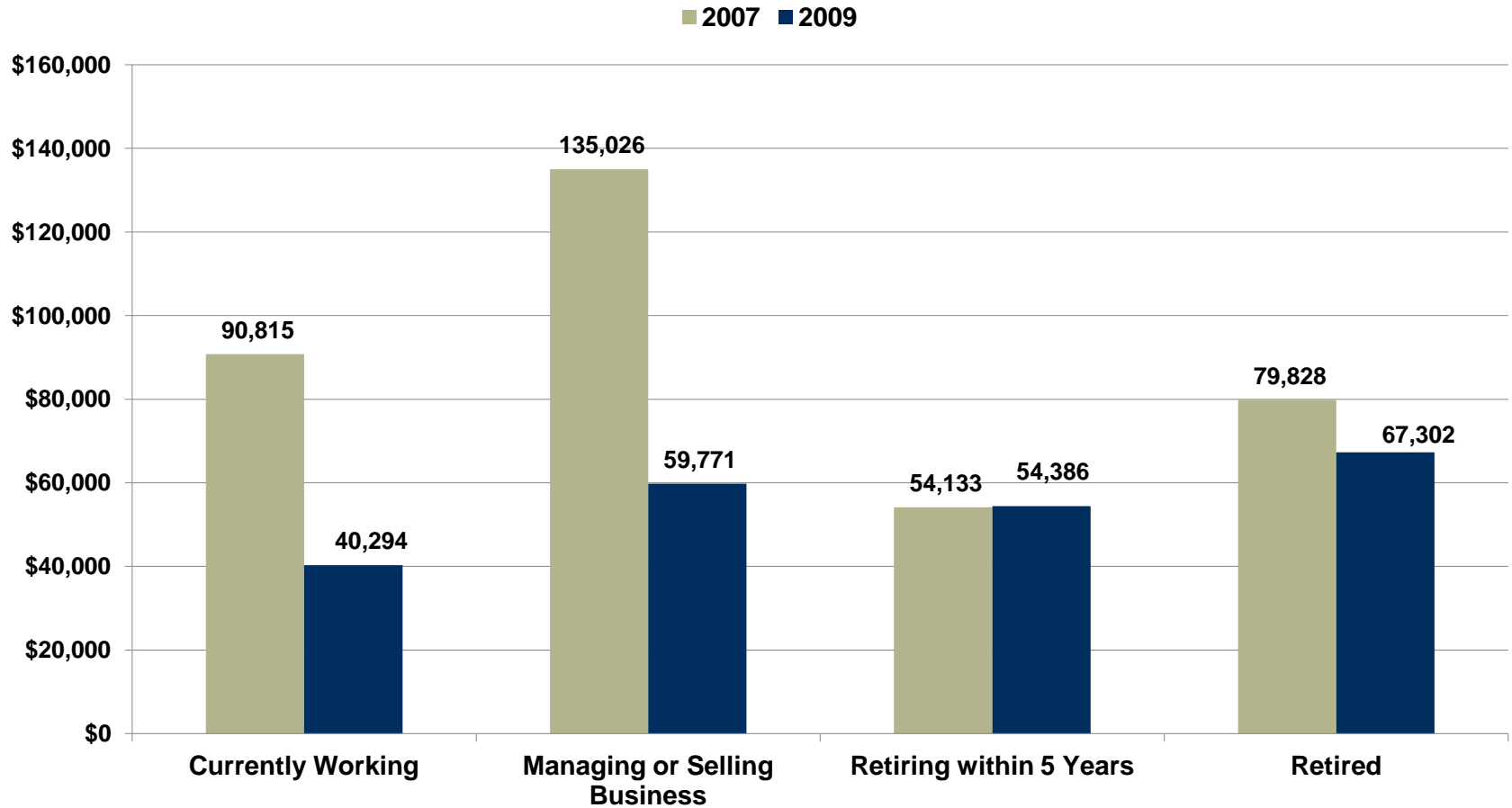
High Net Worth Households Approaches to Giving in 2009

PERCENTAGE (%)



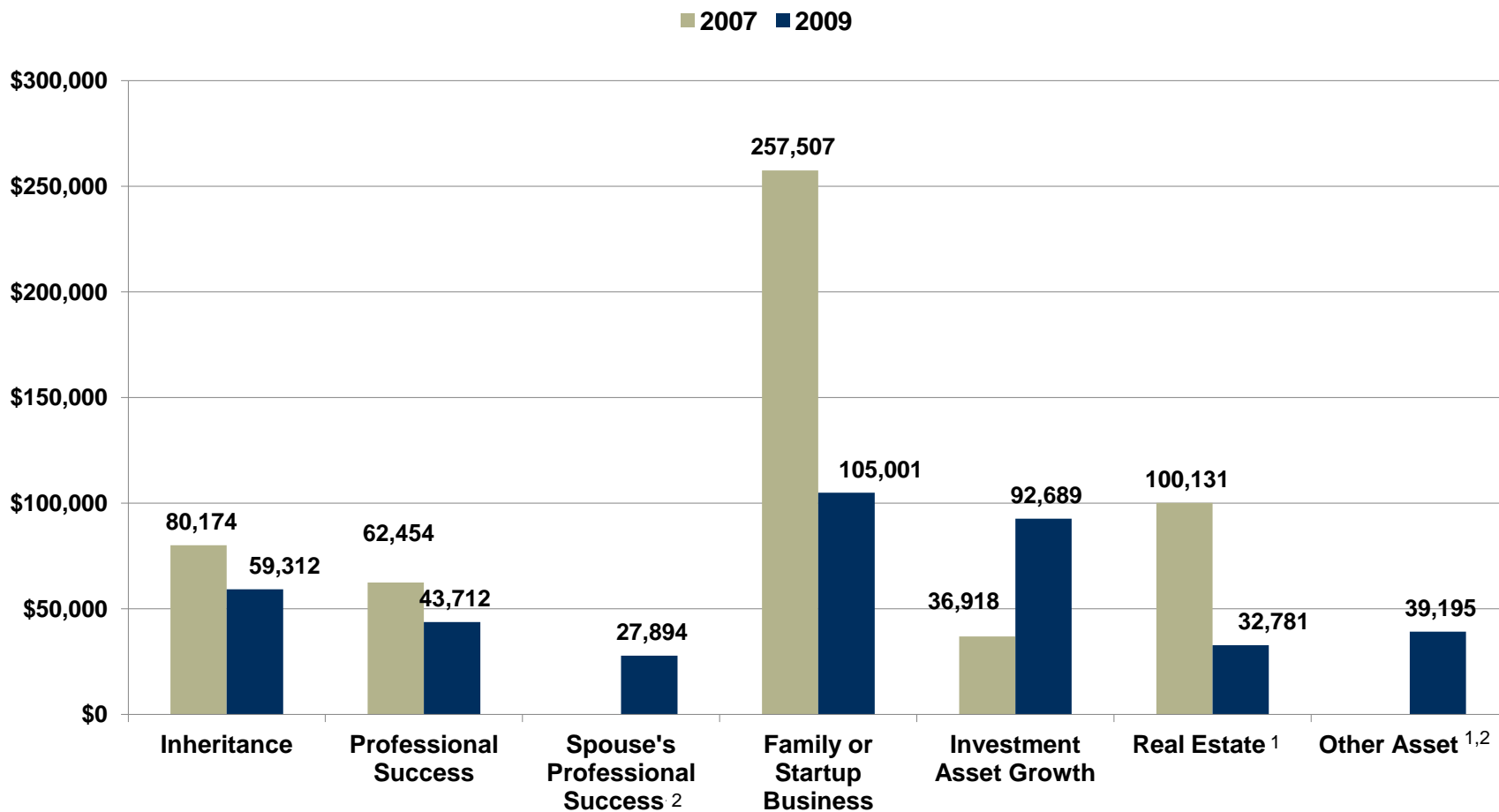
Average Total Giving by Employment Status, 2007 and 2009

DOLLARS (\$)



Average Total Giving by Primary Source of Wealth, 2007 and 2009

DOLLARS (\$)

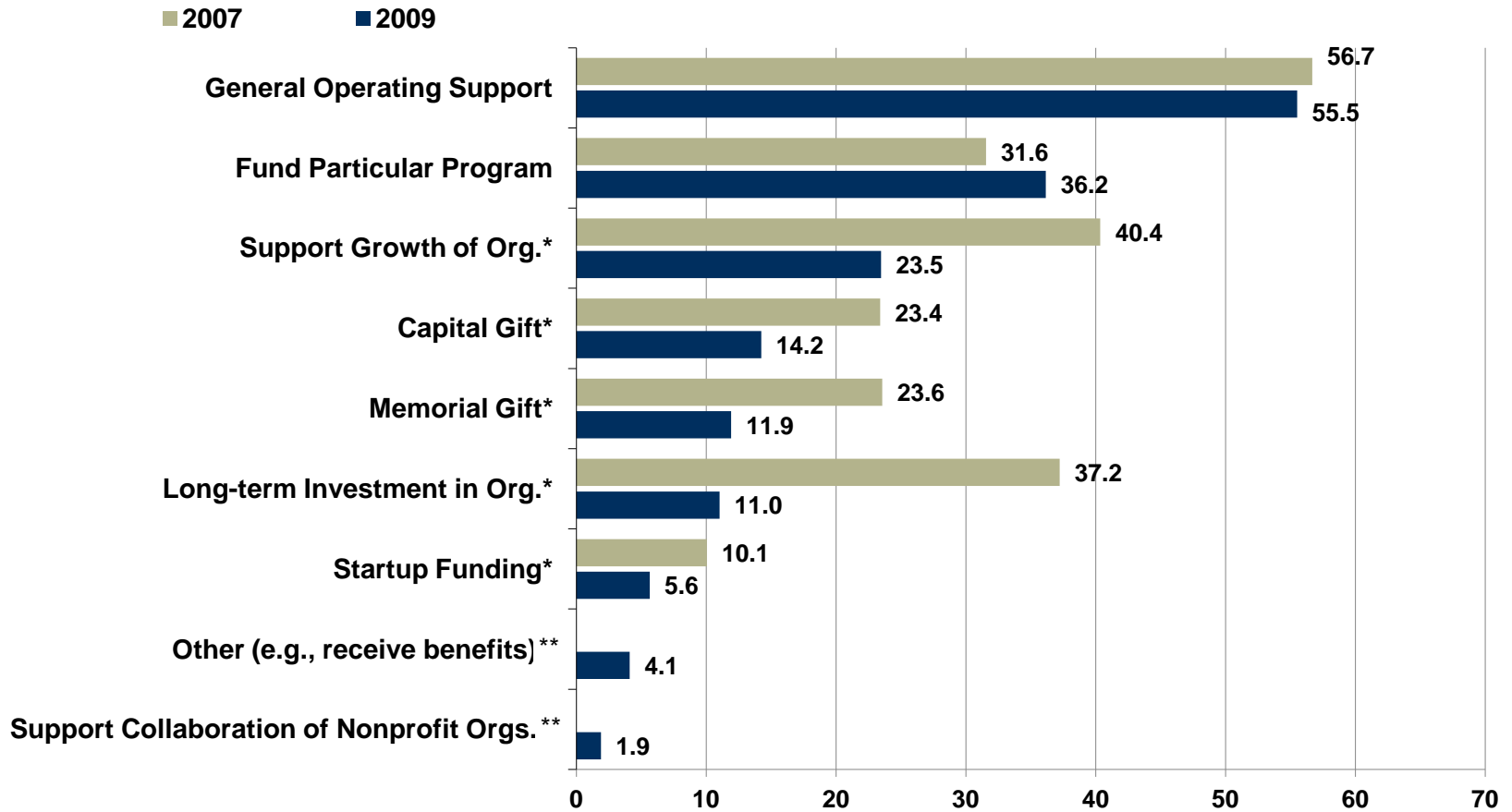


¹May not be statistically meaningful because the sample contains fewer than 50 respondents

²This question was not asked in 2007

Objectives of Largest Gifts Made by High Net Worth Households, 2007 and 2009

PERCENTAGE (%)



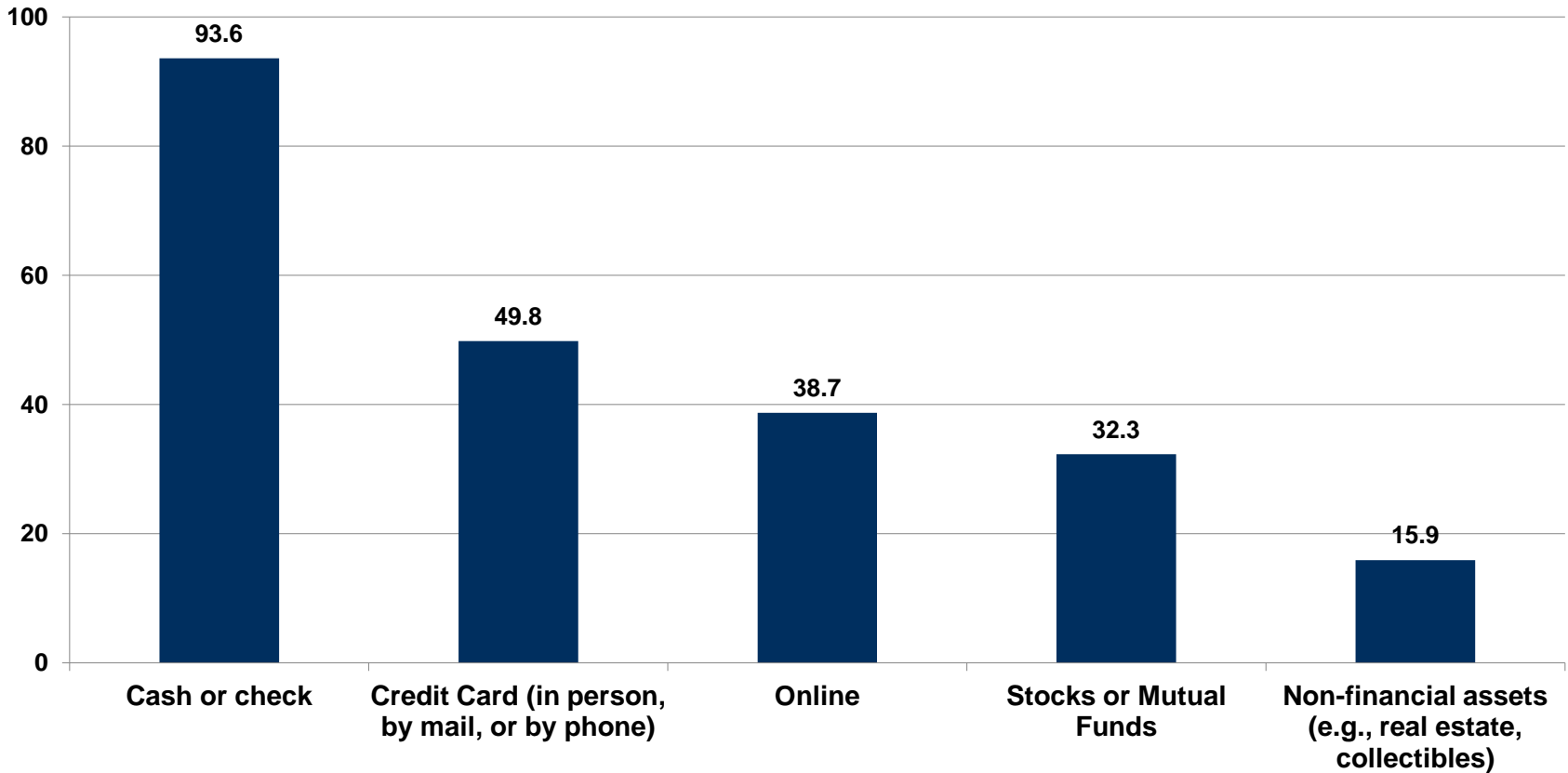
*The difference between 2007 and 2009 results was found to be statistically significant.

**This question was not asked in 2007

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How High Net Worth Donors Gave in the Period 2007-2010

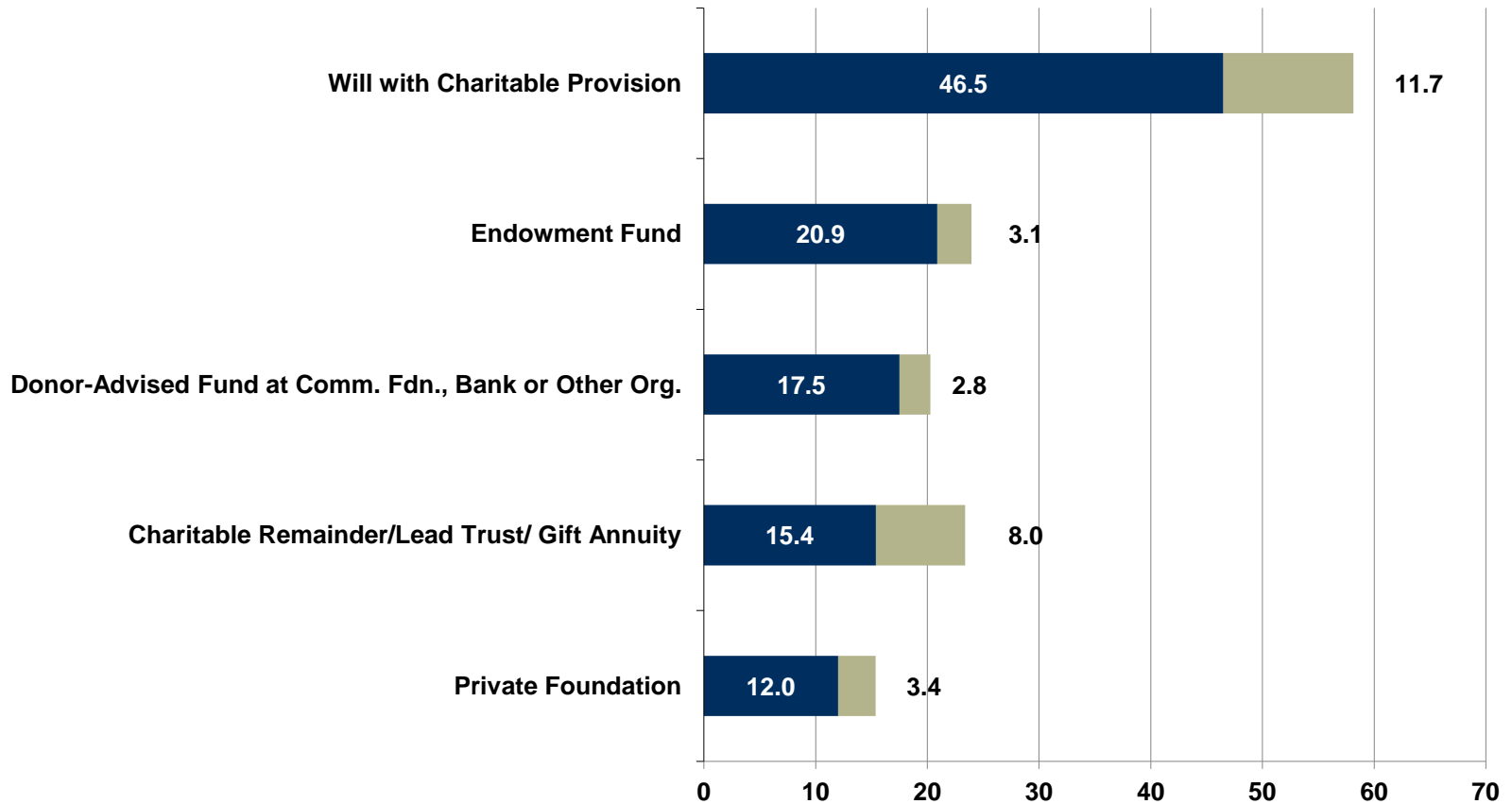
PERCENTAGE (%)



High Net Worth Households Who Currently Have A Charitable Vehicle or Would Consider Establishing One within Three Years, 2009

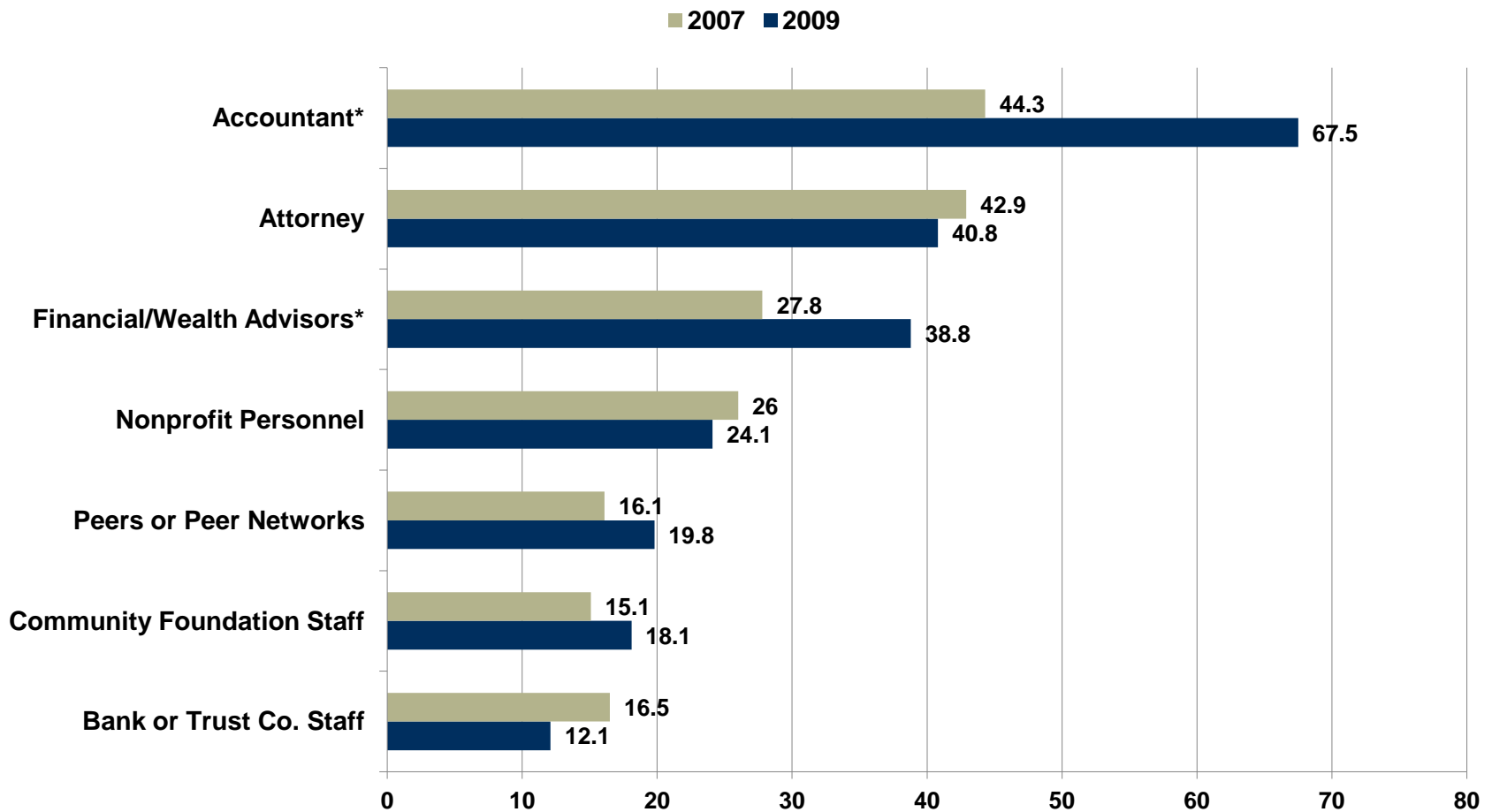
PERCENTAGE (%)

■ Currently Have ■ Would Consider Establishing Within 3 Years



Who High Net Worth Households Consulted When Making Charitable Giving Decisions by Type of Person Consulted, 2007 and 2009

PERCENTAGE (%)



*The difference between 2007 and 2009 results was found to be statistically significant.

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High Net Worth Households Who Consulted Others When Making Charitable Giving Decisions by Type of Advice or Service, 2009

PERCENTAGE (%)

	Attorney	Nonprofit Personnel	Accountant	Bank or Trust Co. Advisor*	Independent Financial/ Wealth Advisor	Peers or Peer Networks*	Community Foundation Staff*	Other*
Tax/Legal Assistance	55.9	3.9	73.1	26.9	33.7	11.1	1.3	9.5
Advice/Setup Foundation, Trust, or DAF	32.8	11.7	11.9	23.9	18.1	21.0	29.1	19.0
Mission Definition/ Creation	2.1	36.9	1.7	3.0	7.3	42.0	20.3	23.8
Management of Invested Charitable Assets	2.1	15.5	3.5	37.3	28.5	6.2	27.8	19.0
Other (Back Office Admin., Gift Structure/ Timing)	7.2	32.0	9.8	9.0	12.4	19.8	21.5	28.6

*These types of advisors are not statistically meaningful because the sample contains fewer than 100 respondents.

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High Net Worth Households Who Consulted Others When Making Charitable Giving Decisions by Type of Initiation and Quality of Service, 2009

PERCENTAGE (%)

	Client Initiated	Advisor Initiated
Accountant	94.3	5.7
Attorney	93.8	6.3
Independent Financial/Wealth Advisor	92.1	7.9
Nonprofit Personnel	84.3	15.7

PERCENTAGE (%)

	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied
Attorney	88.9	11.1	0.0
Nonprofit Personnel	84.6	14.1	1.3
Accountant	87.4	12.6	0.0
Independent Financial/Wealth Advisor	87.3	12.7	0.0

Note: Results for other types of advisors are not statistically meaningful because they were consulted less than 100 times by high net worth households.

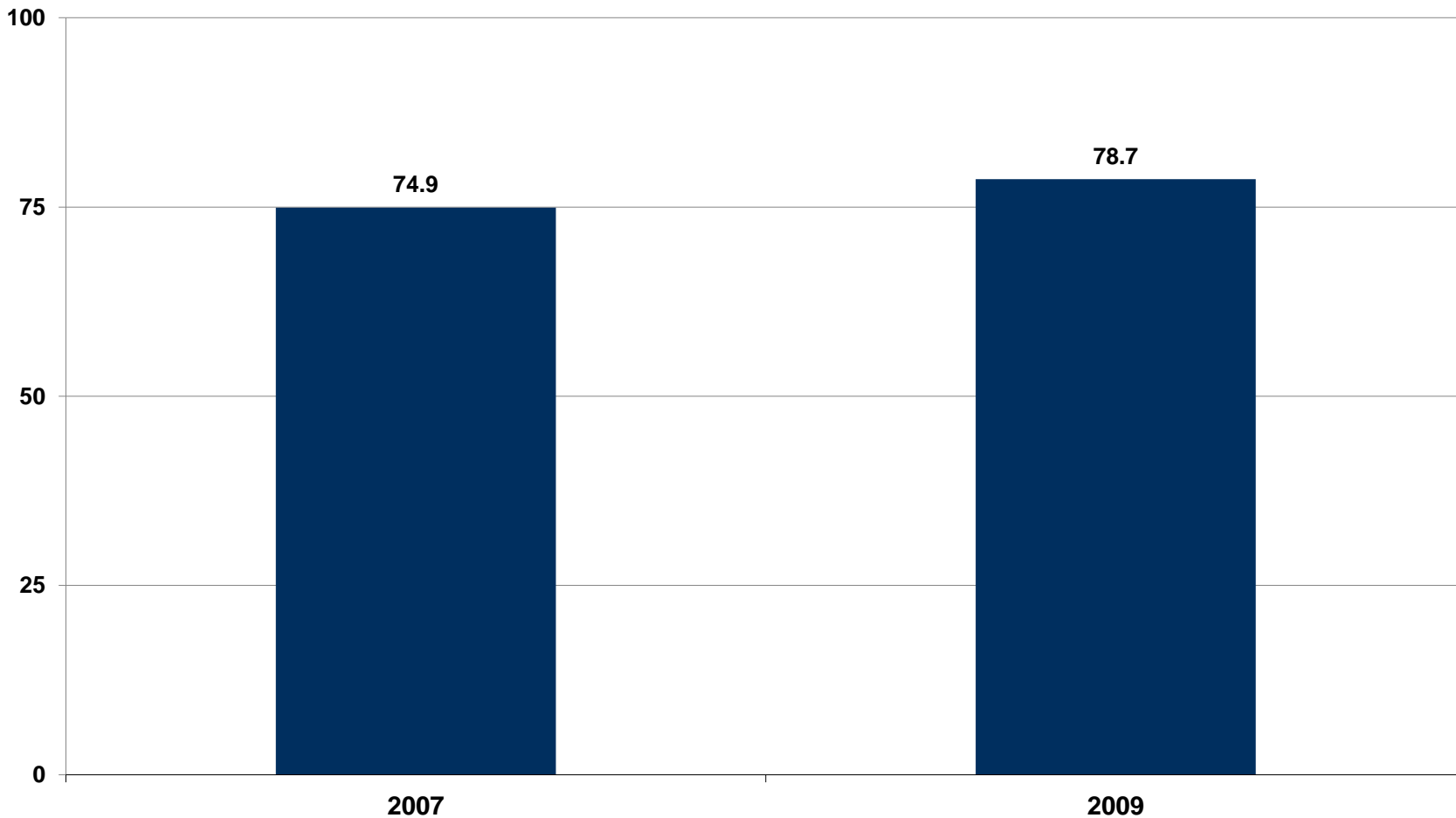
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The Importance of Volunteering

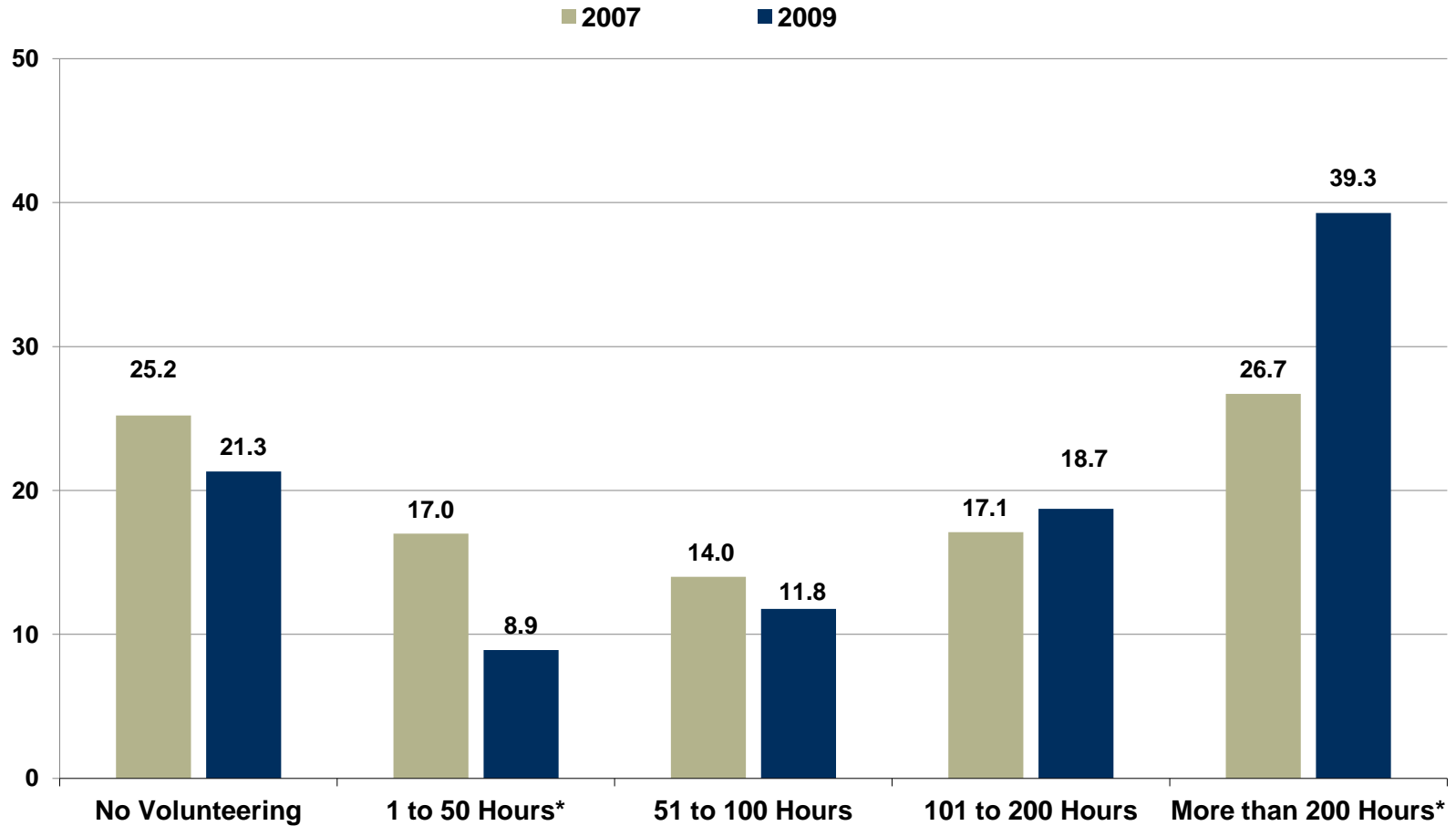
Percentage of High Net Worth Individuals Who Volunteered, 2007 and 2009

PERCENTAGE (%)



Percentage of High Net Worth Individuals by Hours Volunteered, 2007 and 2009

PERCENTAGE (%)

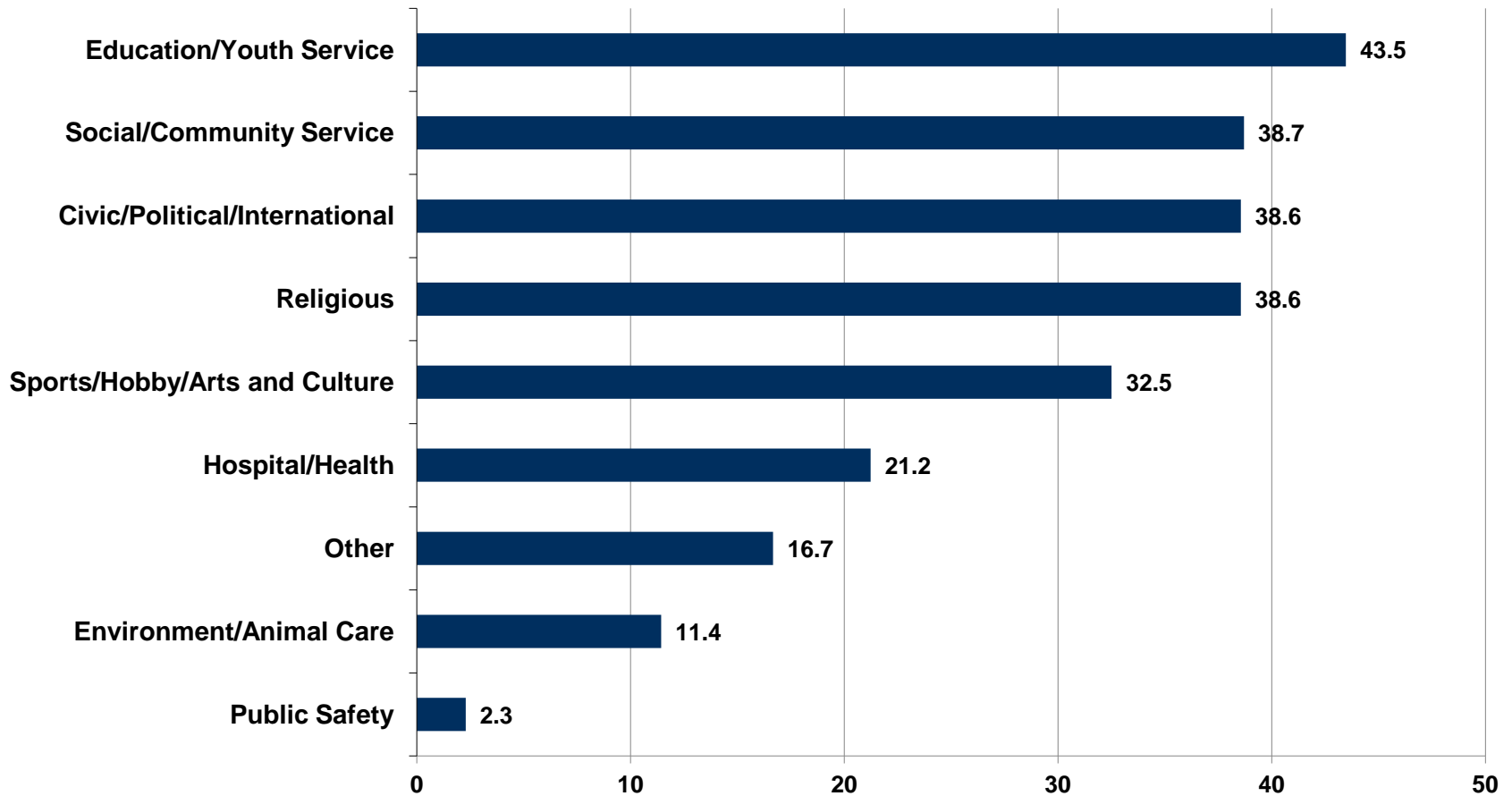


*The difference between 2007 and 2009 results was found to be statistically significant.

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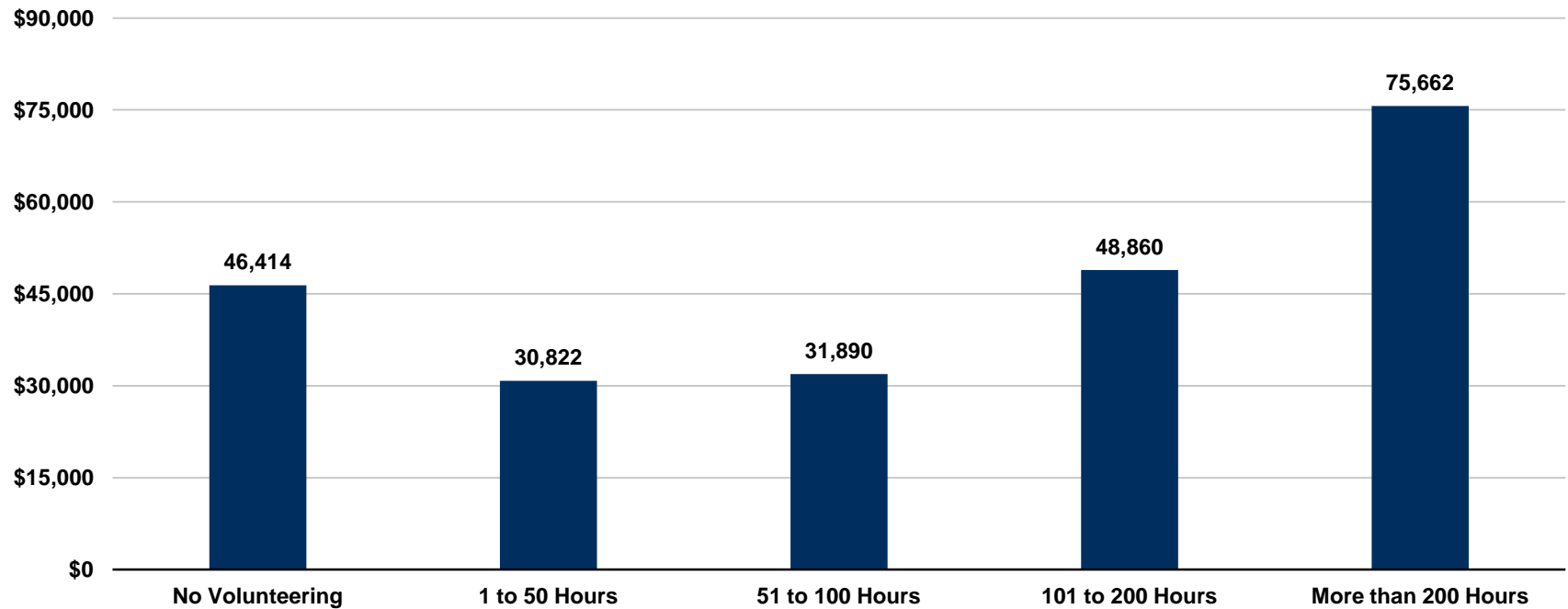
Percentage of High Net Worth Individuals Who Volunteered by Type of Organization, 2009

PERCENTAGE (%)



Average Giving Amounts by Total Hours Volunteered, 2009

DOLLARS (%)

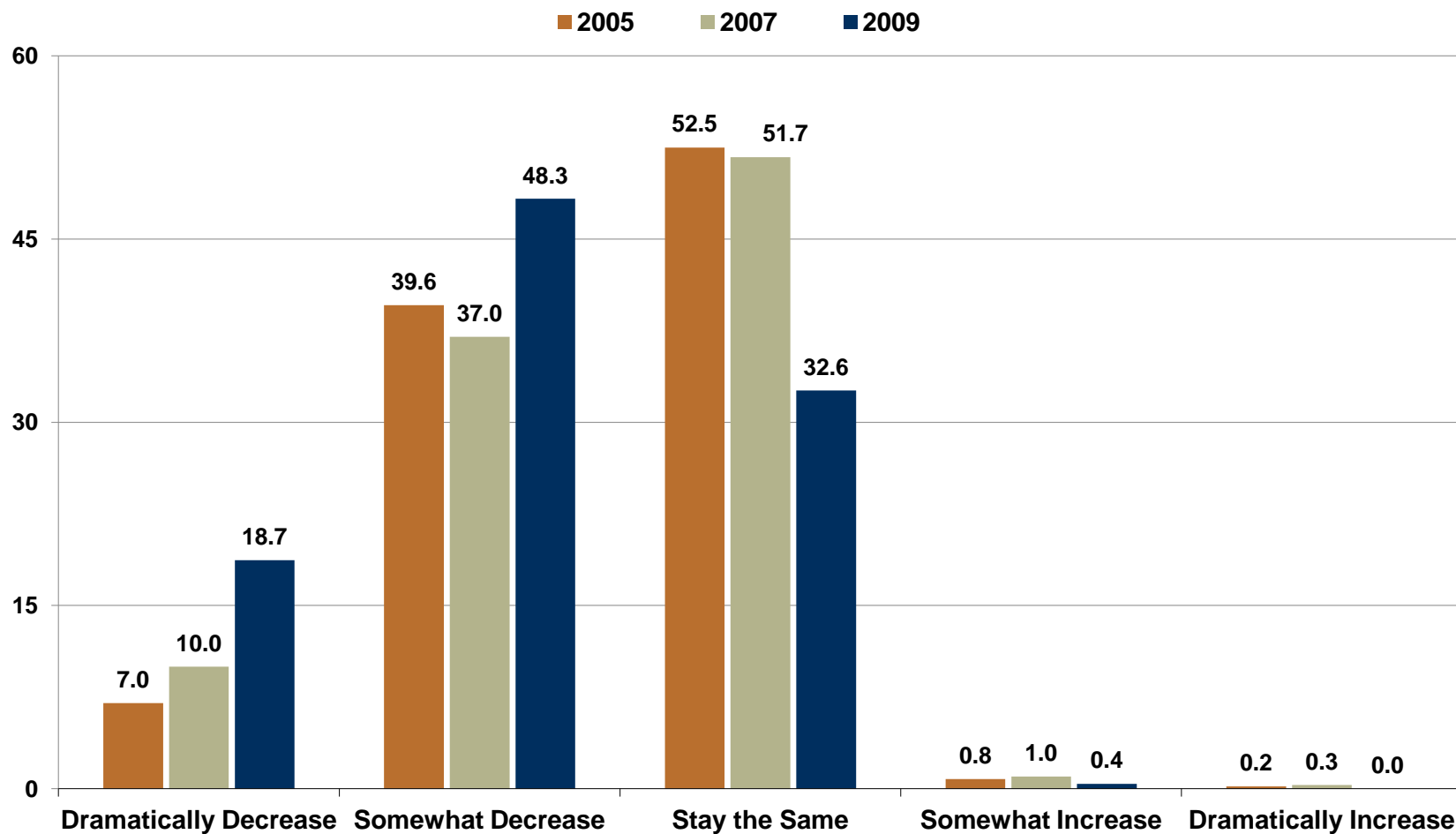




Tax and Investment Considerations

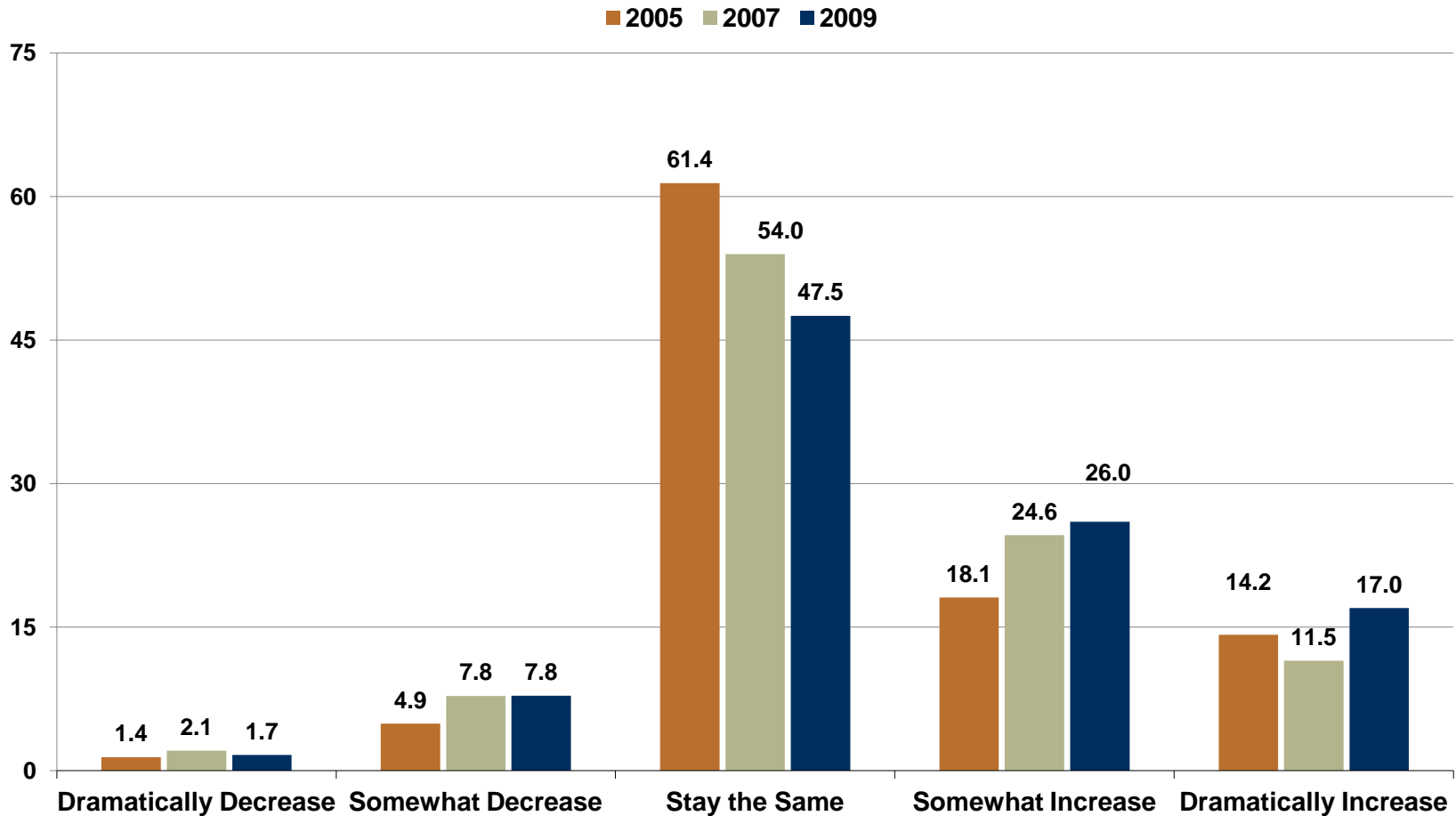
Change in Giving if Income Tax Deductions for Donations Were Eliminated, 2005-2009

PERCENTAGE (%)



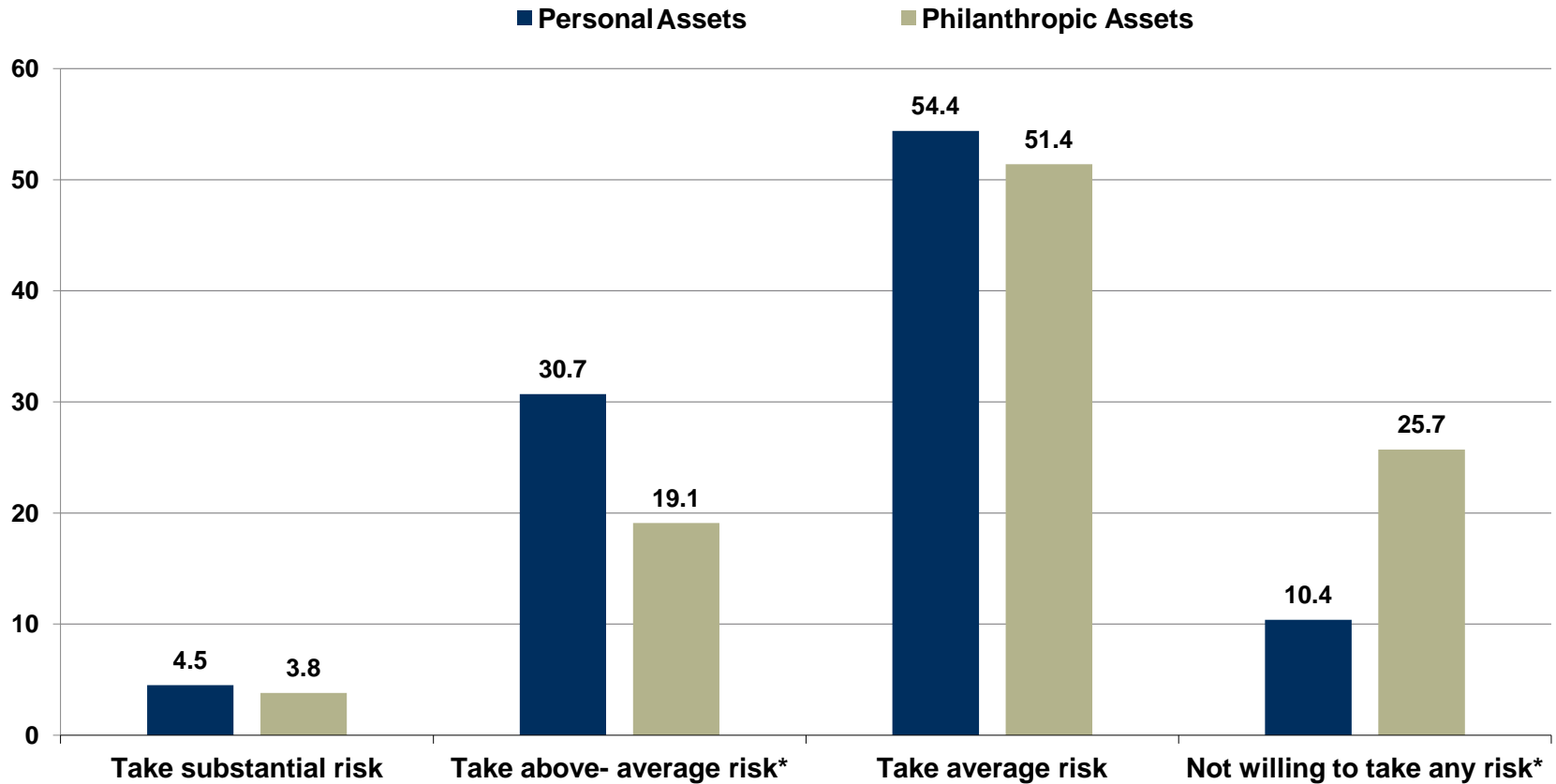
Change in Giving through Estate Plan if the Estate Tax Were Permanently Eliminated, 2005-2009

PERCENTAGE (%)



Risk Tolerance with Personal and Philanthropic Investments, 2009

PERCENTAGE (%)



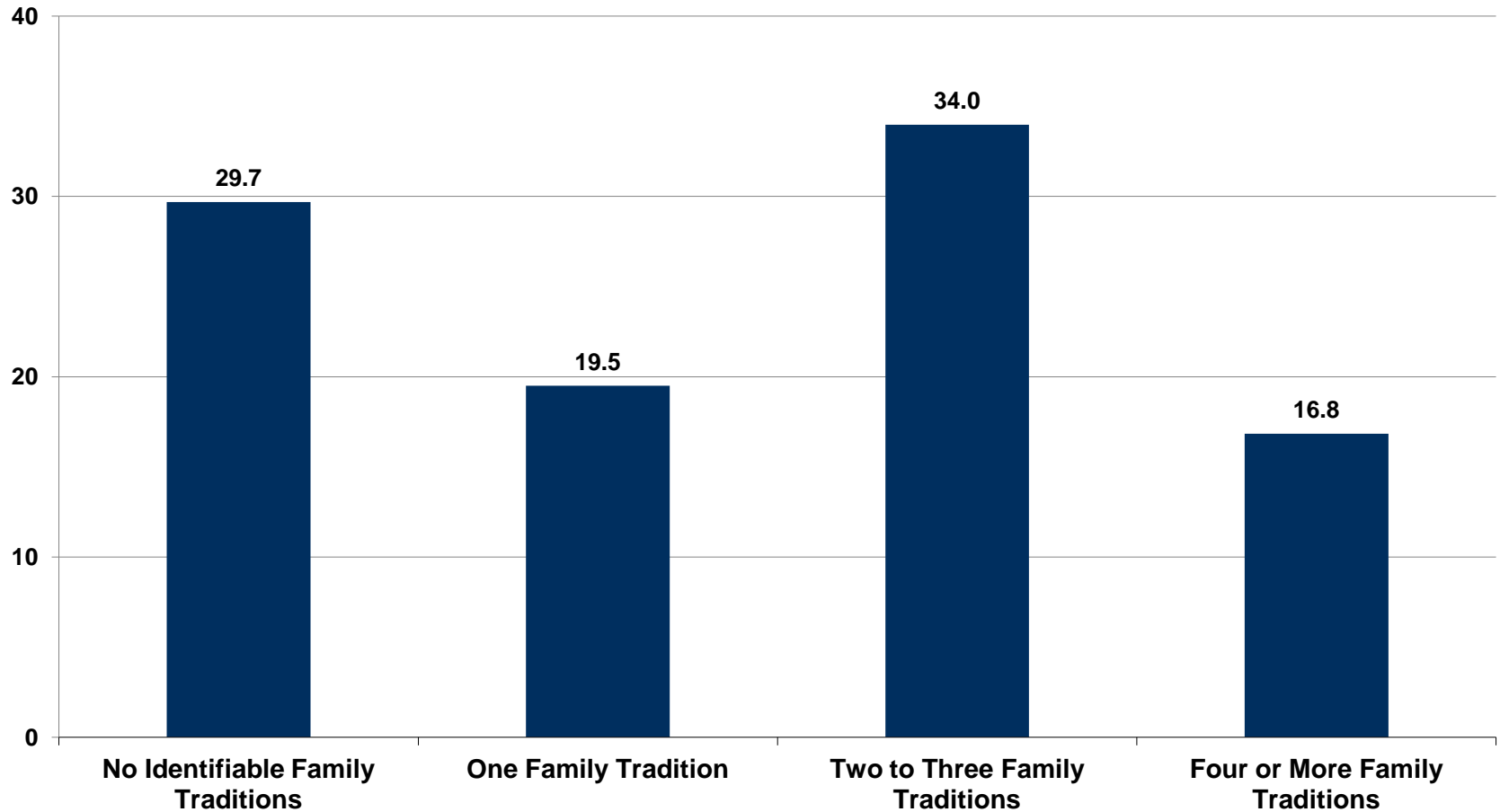
*The difference between personal assets and philanthropic assets was found to be statistically significant.
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The Influence of Family, Religion, and Donor Decision-Making on Charitable Giving

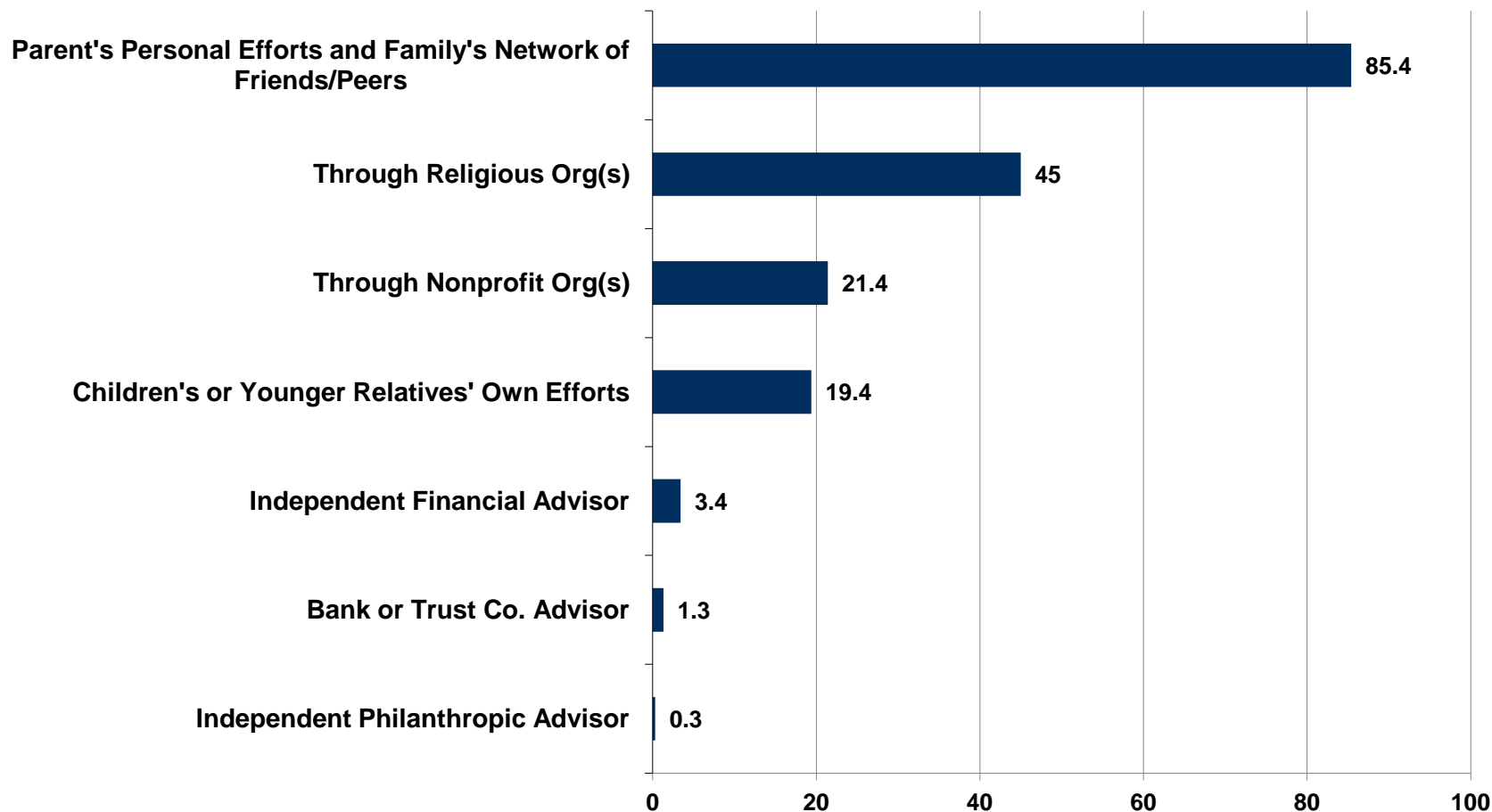
Family Giving Traditions, 2009

PERCENTAGE (%)



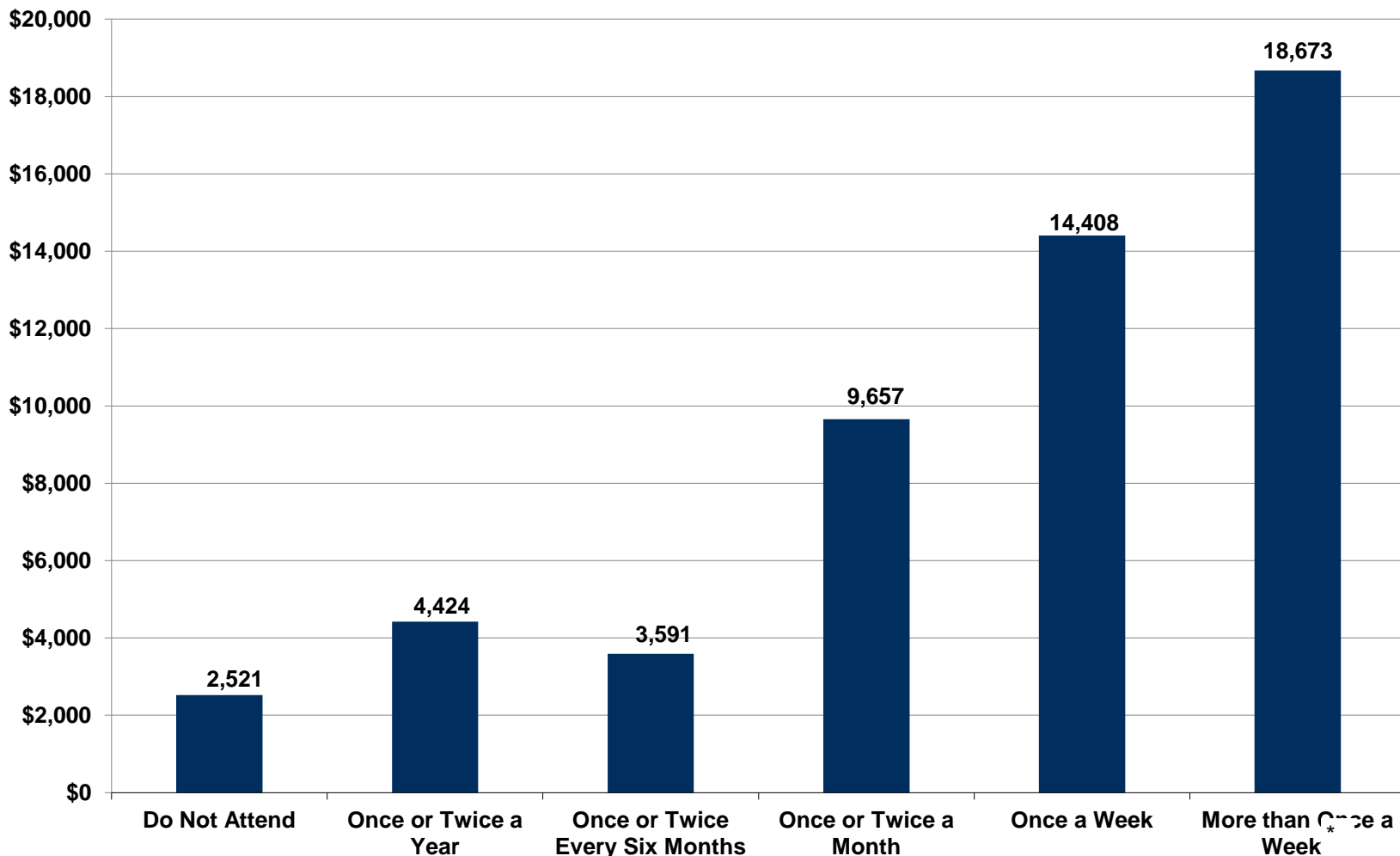
Transmitting Philanthropic Values: How Children and Younger Relatives Learn about Giving, 2009

PERCENTAGE (%)



Average Religious Giving Amounts by Frequency of Religious Attendance, 2009

DOLLARS (\$)

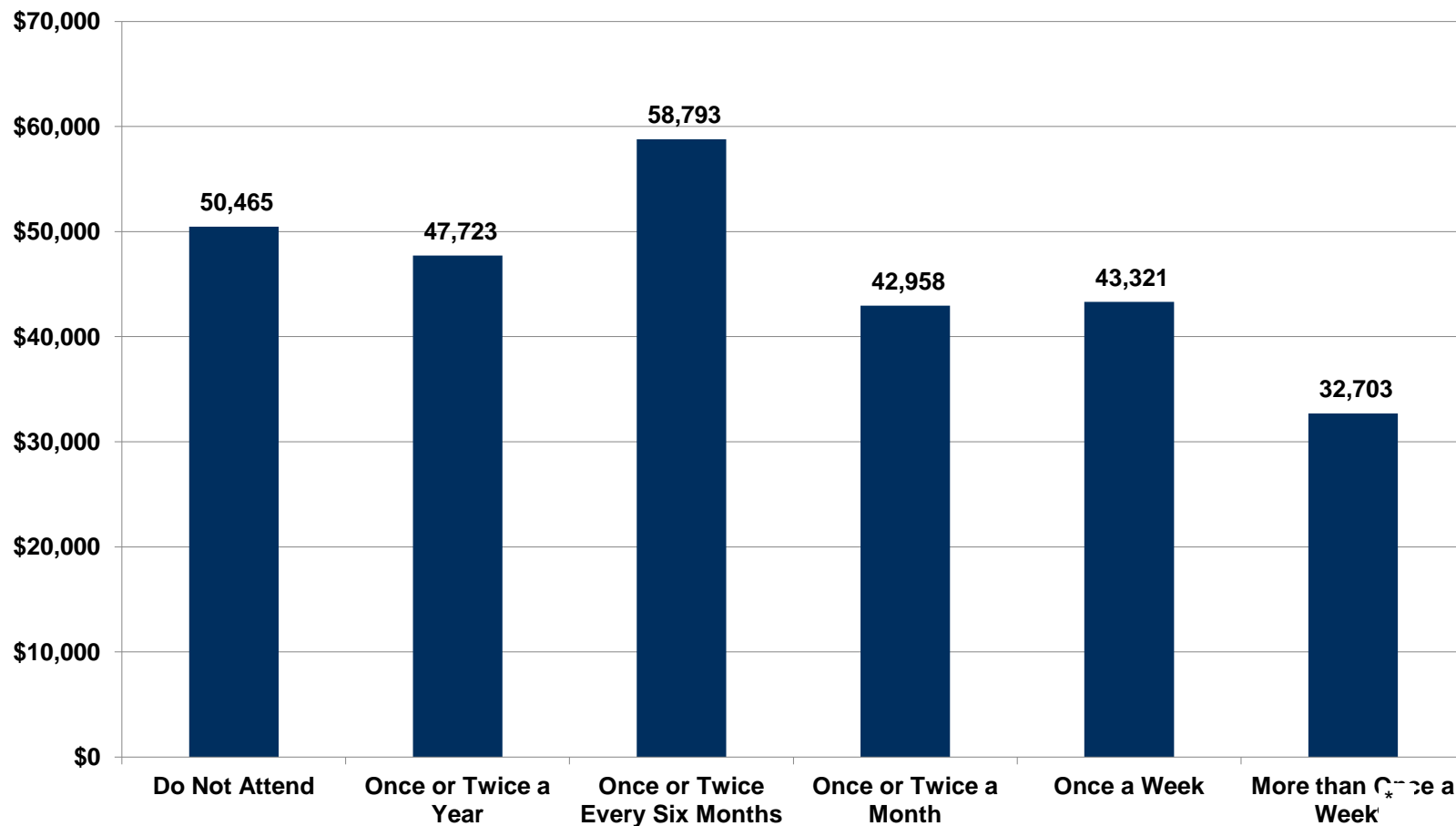


*May not be statistically meaningful as category contains fewer than 50 respondents.

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Average Secular Giving Amounts by Frequency of Religious Attendance, 2009

DOLLARS (\$)

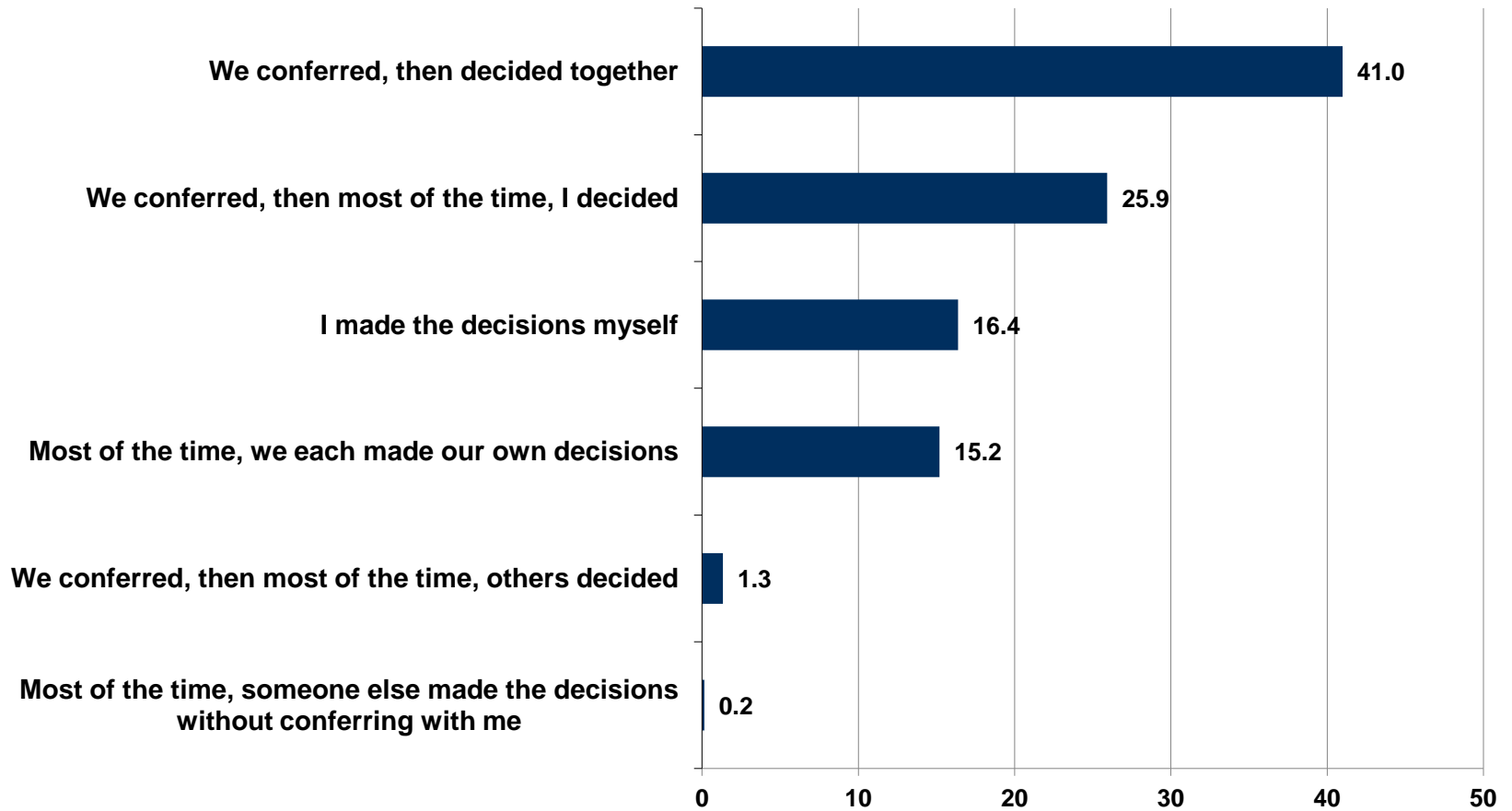


*May not be statistically meaningful as category contains fewer than 50 respondents.

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Household Decision-Making About Charitable Giving, 2009

PERCENTAGE (%)



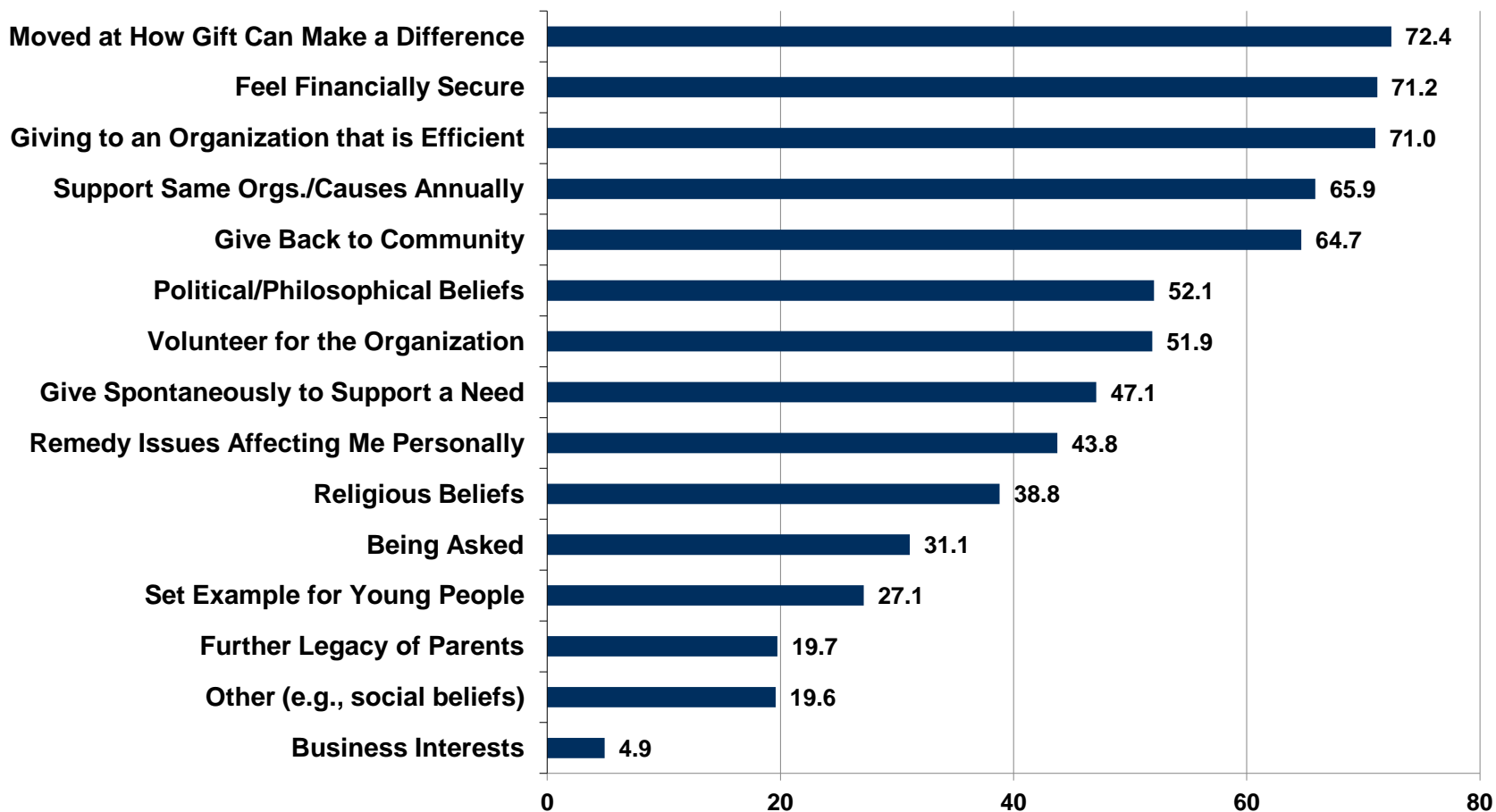
Note: This analysis only includes married households or those living with a partner.
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Philanthropic Motivations and Expectations

High Net Worth Households Motivations for Giving, 2009

PERCENTAGE (%)



What Motivated High Net Worth Households to Give, 2007 and 2009

PERCENTAGE (%)

	2007		2009	
	%	Rank	%	Rank
Moved at How Gift Can Make a Difference*	66.9	3	72.4	1
Feel Financially Secure*	65.3	4	71.2	2
Giving to an Efficient Organization**	N/A	N/A	71.0	3
Support Same Orgs./Causes Annually	70.7	2	65.9	4
Give Back to Community*	81.2	1	64.7	5
Political/Philosophical Beliefs*	58.5	5	52.1	6
Volunteer for the Organization**	N/A	N/A	51.9	7
Give Spontaneously to Support a Need**	N/A	N/A	47.1	8
Remedy Issues Affecting Me Personally*	57.5	6	43.8	9
Religious Beliefs*	51	7	38.8	10
Being Asked*	48.1	8	31.1	11
Set Example for Young People*	45.6	9	27.1	12
Further Legacy of Parents	18.2	10	19.7	13
Other (e.g., social beliefs)**	N/A	N/A	19.6	14
Business Interests	5.3	11	4.9	15

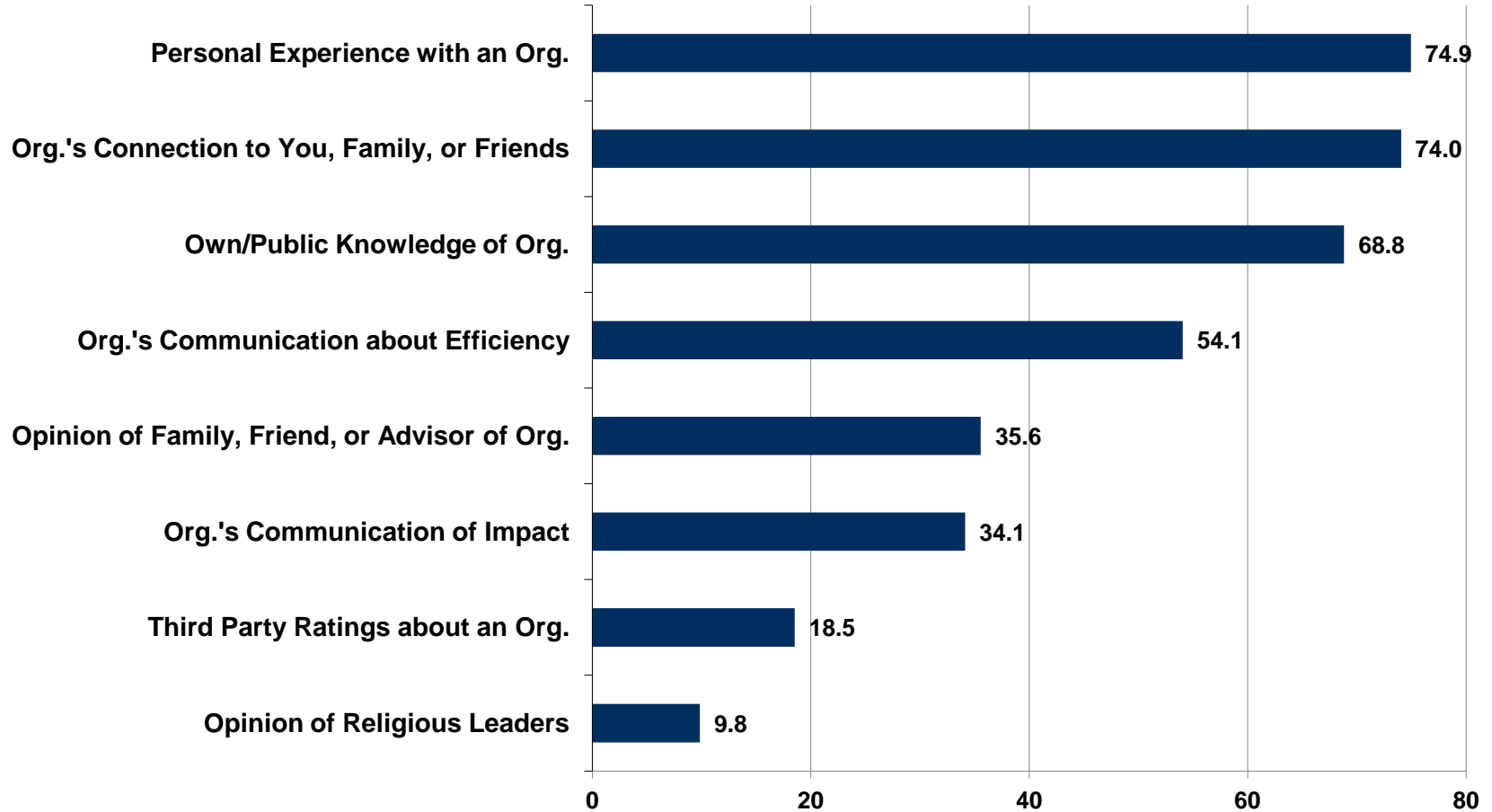
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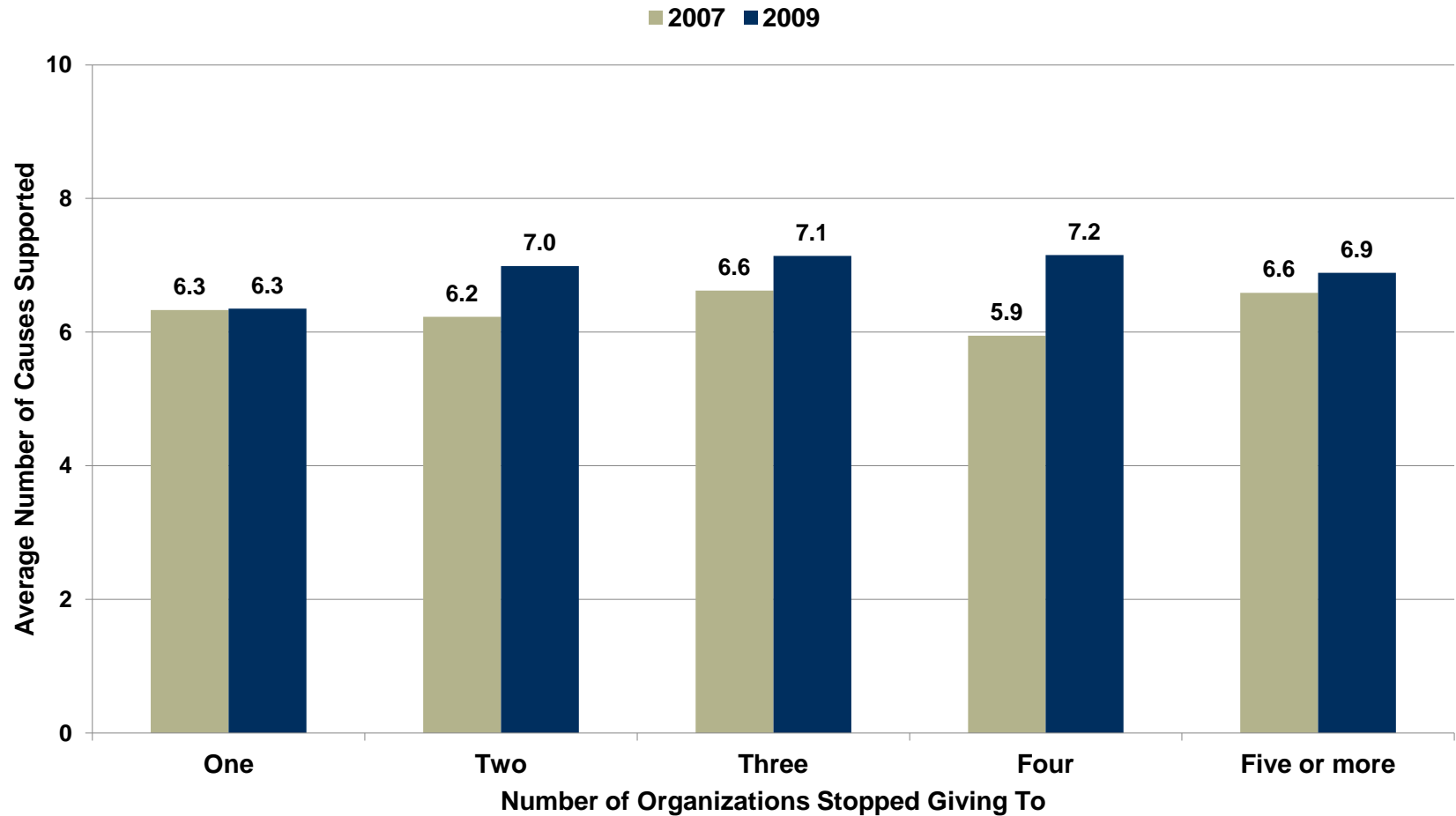
Factors That Influence Donor Charitable Decision-Making, 2009

PERCENTAGE (%)



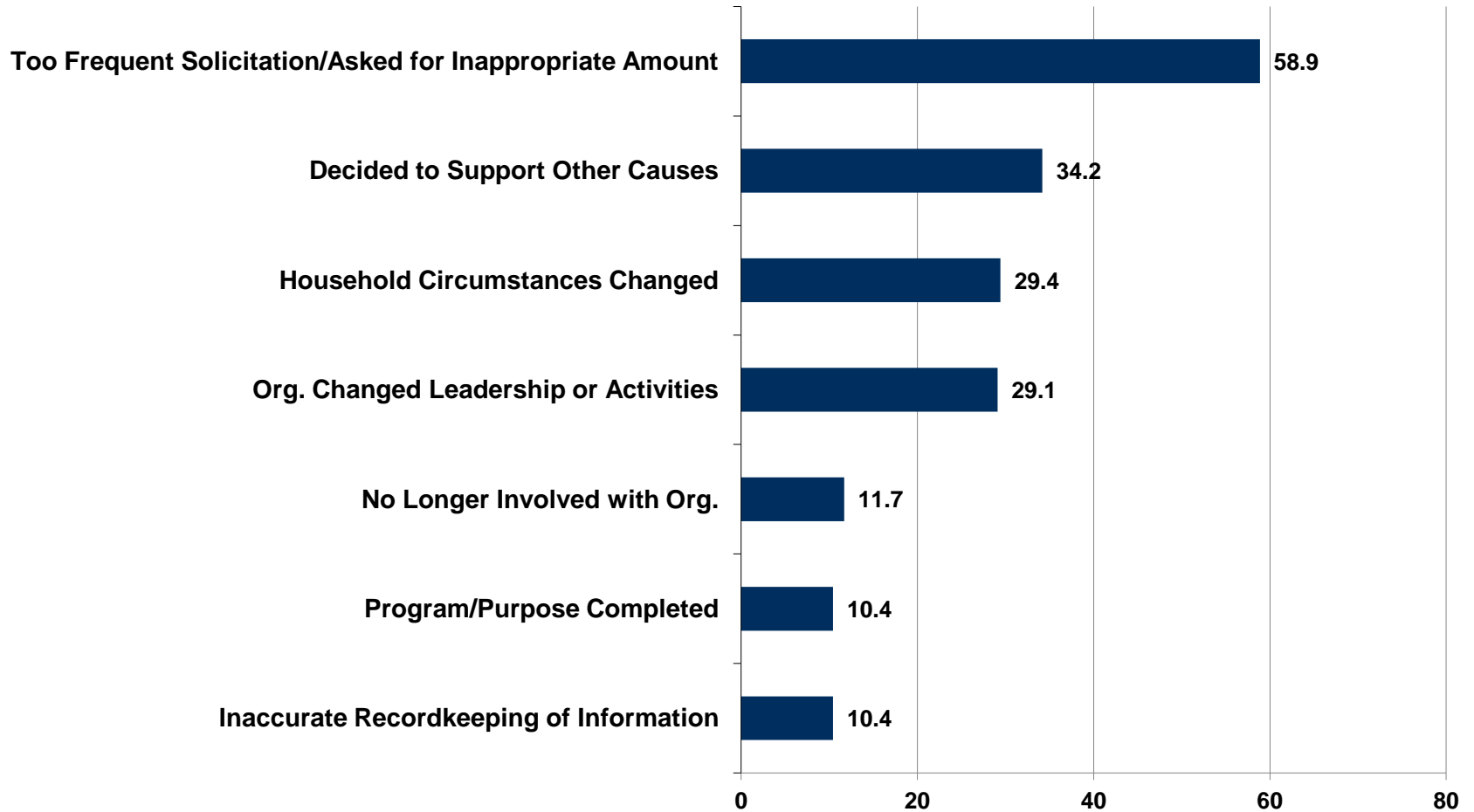
Number of Organizations High Net Worth Households Stopped Supporting in 2009, and Average Number of Causes Supported in 2007 and 2009

NUMBER OF ORGANIZATIONS



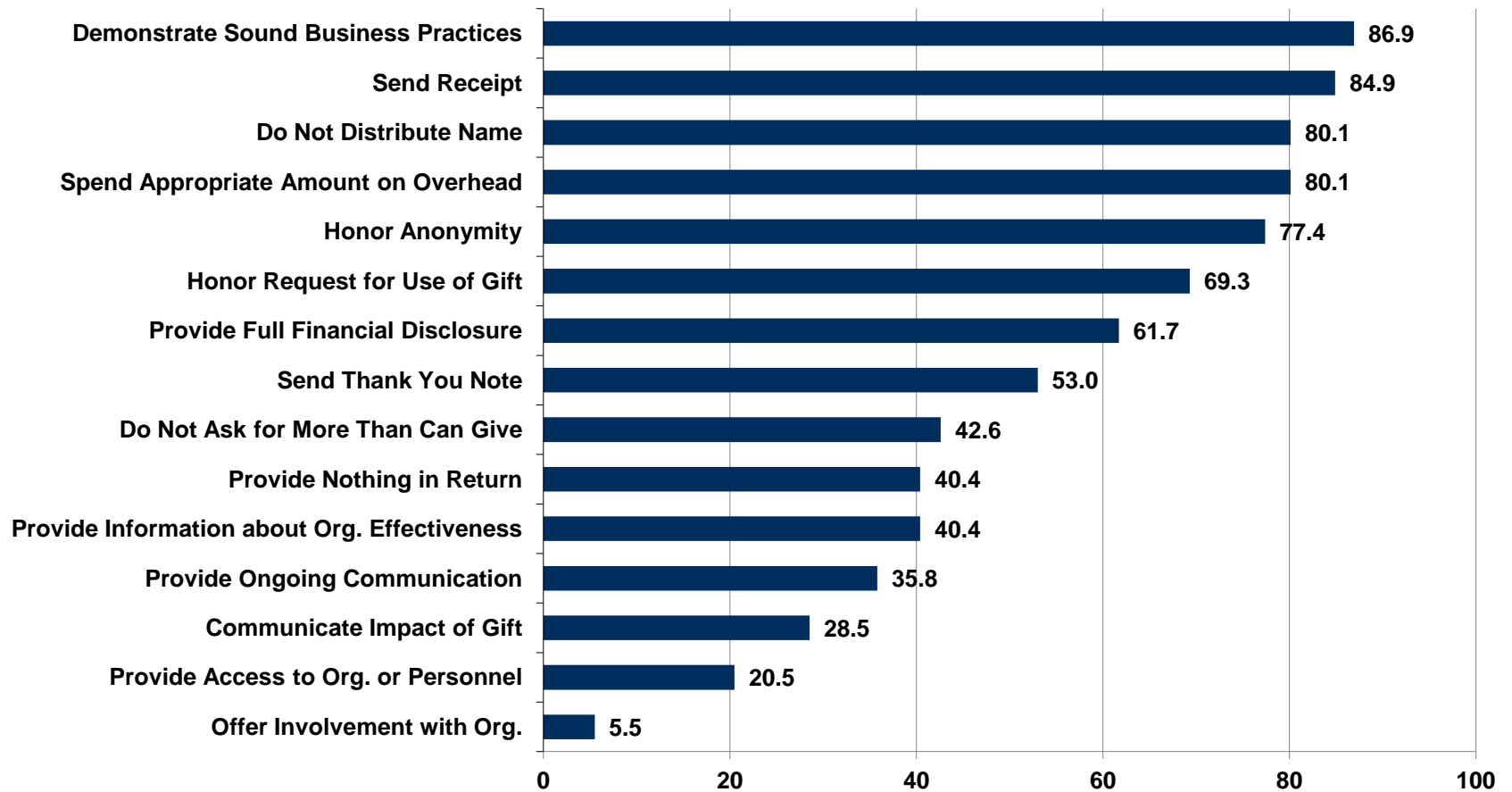
Why High Net Worth Households Stopped Supporting An Organization They Previously Supported

PERCENTAGE (%)



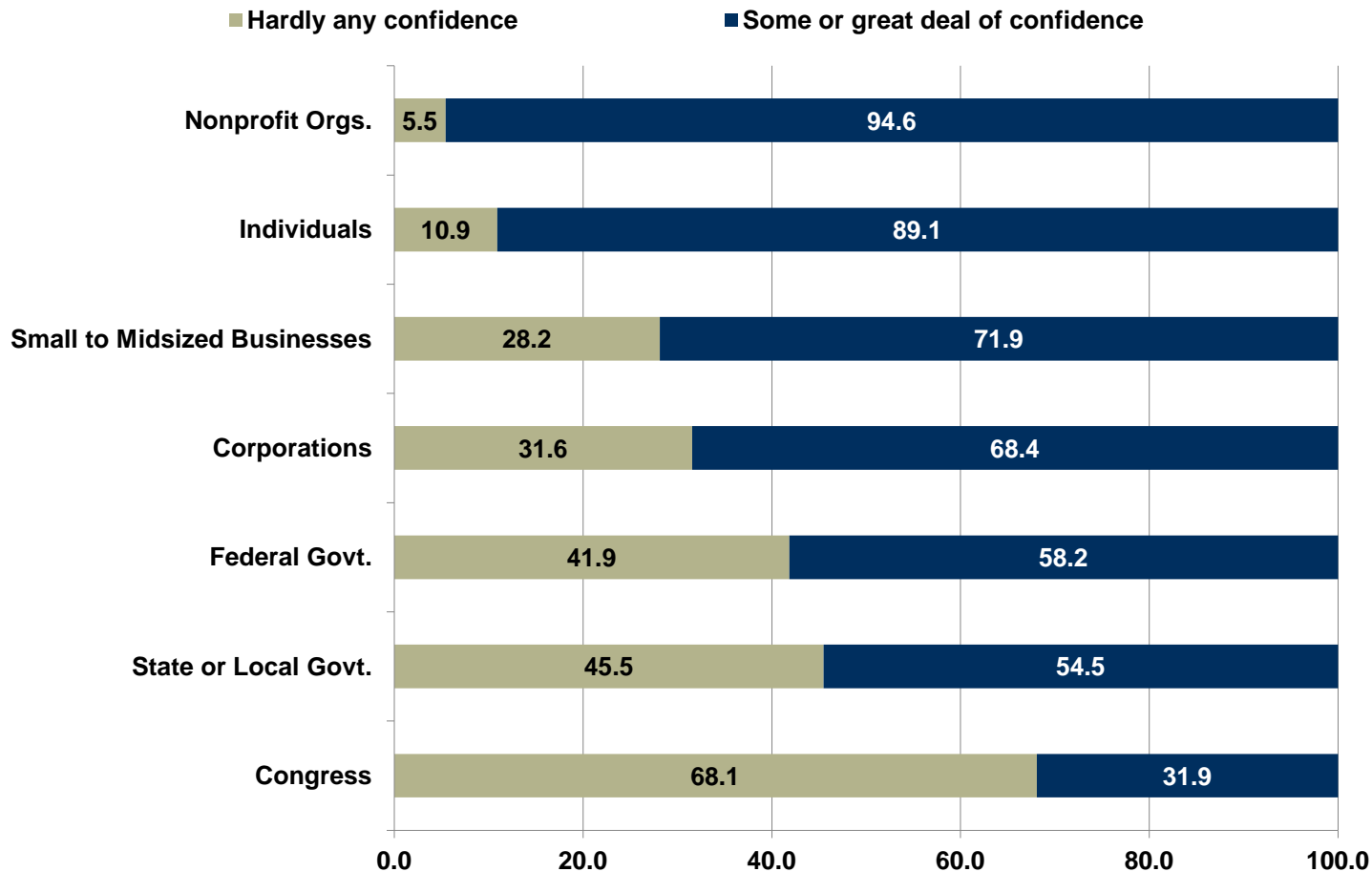
What Donors Expect from the Organizations They Support, 2009

PERCENTAGE (%)



High Net Worth Households Confidence in the Ability of Groups to Solve Domestic or Global Problems

PERCENTAGE (%)





Closing Remarks



To access the full 2010 Bank of America Merrill Lynch Study of High Net Worth Philanthropy, visit <https://www.bankofamerica.com/philanthropic>