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Average Gift by the Wealthy Has Declined Since 2009

By Maria Di Mento

While 95 percent of the country's wealthiest households gave to charity last year, the average dollar amount they donated declined by 7 percent compared with 2009, when the last results were available, according to a [study](#) to be released this week.

The study, by Bank of America and Indiana University's Center on Philanthropy, also found that:

- Wealthy people were most likely to make their largest gifts to religious institutions, followed by education groups.
- More donors have provided support for general operations. Sixty percent of affluent donors said their largest gifts were unrestricted, compared with 55 percent in 2009. And when asked how the economy had changed their giving priorities, 32 percent said they were making more gifts to help charities cover general operations.
- Donors said they were more likely to give up when groups disappointed them. Twenty percent of donors said they stopped giving to five or more groups last year, compared with 13 percent who said that in 2009. Thirty-two percent said they stopped giving to at least two groups last year, compared with 26 percent in the earlier results.
- The wealthy expressed the belief that individuals are more capable of solving social problems than any other entity. They ranked nonprofits second, with 30 percent saying they had strong confidence in the ability of nonprofits to meet domestic and global challenges. Ratings for government institutions were strikingly lower, with 75 percent of wealthy people saying they had hardly any confidence in Congress, compared with 9 percent who gave nonprofits such low marks.
- Fifty percent of the wealthy people surveyed said they would give the same amount they do now even if they could not get a federal tax deduction. Preliminary results of the study released in early October showed that half of the donors said they planned to give as much in the next three to five years as they have in the past, and only 24 percent said they would give more (*The Chronicle, October 18.*)

Donors in the study had incomes of more than \$200,000 or a net worth of more than \$1-million. They expressed strong opinions about not only how the nonprofits they support should use the money but also how organizations should behave toward donors.

- More than 80 percent said they expect the charities they support to spend an “appropriate” amount of the donation on general administration and fundraising costs.
- Three quarters of the donors said charities must “demonstrate sound business and operations practices.”
- Seventy-four percent said they expect a thank you from the charities they support.

Donors said they are particularly annoyed by oversolicitation. More than one-third of donors who stopped giving to at least one charity said they did so because the charity’s solicitations were too frequent or an inappropriate amount of money was requested.

“Know your donor and their preferences for solicitation,” says Claire Costello, who advises wealthy donors through Bank of America’s national philanthropic practice. “We know the number one reason why people stop giving is they feel they were solicited too frequently or not in the way they wanted.”

She says most wealthy donors want to know how a particular gift is being used and how it affects a charity’s mission. She urges charities to send donors letters or notes explaining where their money has gone. She also suggests involving donors and their families as volunteers so they can see for themselves how their money is helping.

Nonprofits have a lot of incentive to encourage wealthy people to volunteer: People who give a lot of time also give a lot more money. Last year 89 percent of the affluent donors in the study volunteered, an increase of 10 percentage points from 2009, and more than half of them donated more than 100 hours.

People who volunteered more than 100 hours last year gave an average of at least \$78,000 to charities; for those who volunteered fewer hours, the average was less than \$39,000. Those in the study who said they did not volunteer at all gave an average of \$49,742 to nonprofits last year.

The full report is available on [the newsroom section](#) of Bank of America’s Web site.

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