
The 12 Types of Wealthy Donors:

A Discussion of Findings from

Portraits of Donors

A Bank of America Study of High Net-Worth Philanthropy

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***Portraits of Donors* is sponsored by Bank of America
and was researched and written by**



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Portraits of Donors

The Bank of America Study of High Net-Worth Philanthropy

- Researched and written by the Center on Philanthropy at Indiana University in 2006
- Helped close the knowledge gap on the most generous sector of donors
- “High Net-Worth” (HNW) defined as annual income of \$200,000, or net assets of \$1 million or more, including real estate; 80% of respondents have net assets of \$2 million or more; 24% respondents have net assets of \$10 million or more
- Committed to further study in 2008, which will be based on 2007 giving data

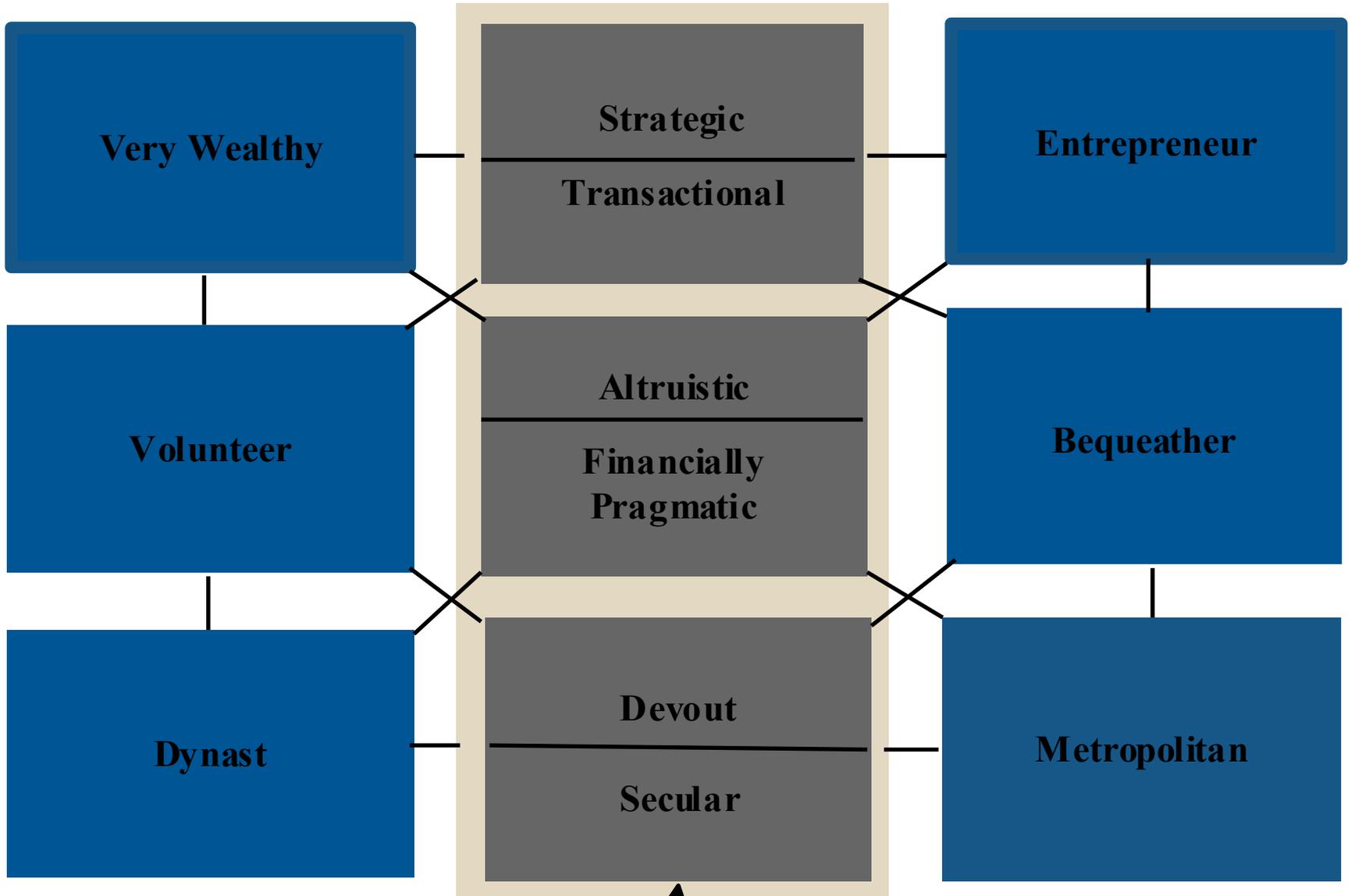
The Bank of America Study of High Net-Worth Philanthropy

- First of its kind
 - Scientific random sample of high net-worth households
 - Prior studies used client lists
 - 1,400 responses (945 qualified as HNW) vs. largest prior study with 122
 - Significant learning from the methodology alone
 - Based on 2005 giving data

Portraits of Donors

- Released the Bank of America Study of High-Net-Worth Philanthropy in 2006
- Released *Portraits of Donors* in 2007
- *Portraits* has deeper analysis of philanthropic patterns
- Uncovered 12 donor types based on three criteria
 - Noteworthy patterns based on common answers to specific questions about motivations, involving children, advice, etc.
 - Groups make intuitive sense; are useful for nonprofit strategists
 - Behaviors and findings in a group are significantly different statistically from other groups
- NOT mutually exclusive. One respondent could be in many

The 12 Portraits of Donors



These are “either-or”

The Very Wealthy

- **Definition**

- Households with a net worth of at least \$50 million

- **Motivations for giving**

- Like other high-net-worth donors, “meeting critical needs” and “giving back to society” are important motivations
- More likely than others to be motivated by “leaving a legacy,” “setting an example,” or by “makes good business sense”
- Less likely than others to be motivated by “those with more should help those with less”

The Very Wealthy

- **Types of organizations supported**
 - Donate the most to foundations and donor-advised funds, followed by giving to health, education, arts, and religious organizations
 - Donate the least amount on average to organizations serving a combination of purposes, such as United Way

Some Key Findings

- **Donate more to foundations and donor-advised funds**
- **More likely to allow children to participate in their philanthropic decision and more likely to give them funds to donate to charity**

The Entrepreneur

- **Definition**

- Household where at least 50% of wealth comes from entrepreneurial assets

- **Types of organizations supported**

- Entrepreneurial donors give more to secular causes
- The highest average donation was for trusts/funds; the lowest average gift amount was for serving basic needs
- Give more to education

The Entrepreneur

- **Motivations for giving**
 - Like other high-net-worth donors, “meeting critical needs” and “giving back to society” are important motivations
 - Also, more likely than other donors to cite
 - “those with more should help those with less,”
 - “ability to bring about a desired impact,”
 - “setting an example,” and
 - “nonprofits should provide services that government cannot”
 - Also more likely than others to report giving “because it was expected in their social network” and “makes good business sense”

Some Key Findings

- **More likely to give more if they are able to determine impact of their gift**
- **More likely to use various giving vehicles, such as foundations or to make gifts through family-owned business**
- **Give 25% more on average than other high-net-worth households**

The Bequeather

- **Definition**
 - Households leaving 25% or more of estate to charity
- **Motivations for giving**
 - More bequeathing households reported “giving back to society” as a more important motivation for charitable giving than any other motivation. Like other donors they also cited “meeting critical” needs as an important motivation
 - Also more likely to report “leaving a legacy” as a motivation
- **Types of organizations supported**
 - Give most to foundations, funds and trusts, followed by health and religious organizations

The Bequeather

Some Key Findings

- **Much more likely to have no children**
- **Gave 4 ½ times more to charity than non-bequeathing households, above what they provided for in wills**
- **More likely to use various giving vehicles**

The Dynast

- **Definition**

- Households that give children money to donate to charity

- **Motivations for giving**

- Top motivations are “Giving back to society” and “meeting critical needs”
- Much more likely to report “setting an example” than other donors.
- More likely to report “being asked,” “leaving a legacy,” and “being expected in their social network” as important motivations

The Dynast

- **Types of organizations supported**
 - Give the most on average to arts and cultural organizations and to educational organizations
 - Give statistically more to organizations meeting basic human needs, but statistically less to foundations, funds and trusts

Some Key Findings

- **More likely to use various giving vehicles, such as making provision in will**
- **Give less to foundations or fund**
- **More likely to feel “setting an example” is an important motivation to give**
- **More likely to allow their children to participate in philanthropic decisions**
- **More likely to seek advice from fundraisers and peers**

The High Frequency Volunteer

- **Definition**

- Households that volunteer more than 200 hours per year

- **Motivations for giving**

- 90% were motivated by “meeting critical needs” and “giving back to society”, the most frequent motivations for all HNW
- Higher percentage reported being motivated by all the motivations
- Least likely motivators were
 - “limiting funds to heirs” (11% vs 9% for other HNW) and
 - “makes good business sense” (33% vs. 27% for other HNW)

The High Frequency Volunteer

- **Types of organizations supported**
 - More likely to contribute significantly more than other households to disaster relief, arts and culture, and environmental and international groups
 - Give most on average to foundations, funds and trusts than to other organizations

The High Frequency Volunteer

Some Key Findings

- **Much more likely to seek advice from fundraisers and peers**
- **More likely to discuss philanthropy with their children**
- **More likely to create a donor-advised fund account and make a provision in their will**

The Metropolitan

- **Definition**

- Households with primary residence in a city of 500,000 or more

- **Motivations for giving**

- Like other households “Meeting critical needs” and “giving back to society” are top motivations
- Also, more likely than others to report “bringing about a desired impact” or “being asked” as important motivations

- **Types of organizations supported**
 - Donate more on average to arts and cultural events and to education
 - Give significantly less statistically to foundations, funds or trusts than other high-net-worth households

Some Key Findings

- **More likely to be motivated to give by “bringing about a desired impact”**
- **More likely to give more if they were” able to determine the impact of gifts”**
- **Much more likely to seek advice from fundraisers and peers**

The Strategic Donor

- **Definition**

- Households with a private foundation, donor advised fund (or both), and gave to no more than 7 of the 8 survey categories

- **Motivations for giving**

- More likely to be motivated by “meeting critical needs” and “giving back to society”
- More likely than transactional donors to cite “bringing about a desired impact,” “setting an example,” “being asked,” and “leaving a legacy” as important motivations

The Strategic Donor

- **Types of organizations supported**
 - Give more on average than other households to foundations, funds and trusts; and, give statistically more to organizations serving a combination of needs
 - Give more than transactional households on average to health, education, arts and culture, and environmental and international groups

Some Key Findings

- **Have statistically significantly more wealth and income on average than non-strategic households**
- **More than half of the strategic households seek advice from fundraisers**

The Transactional Donor

- **Definition**

- Households with neither a private foundation nor donor advised fund, and contributed to all 8 survey categories

- **Motivations for giving**

- Motivated by “meeting critical needs,” “those with more should help those with less” and “giving back to society”

The Transactional Donor

- **Types of Organizations supported**
 - This is the only group that gives statistically more to disaster relief
 - Also, more likely to give to education and organizations serving a combination of purposes

The Transactional Donor

Some Key Findings

- **Give statistically more to disaster relief than other households**
- **More likely to give more if they had a “better financial return on investments,” or “felt more financially secure”**
- **Less likely than others to be concerned about the “ability to determine impact of gift”**

The Altruistic Donor

- **Definition**

- Motivated by “a desire to help meet critical needs in the community and support worthwhile causes,”
- and by “feeling that those who have more should help those with less,”

Does NOT report would give more to charity if received a better return on financial investments or if felt more financially secure

- **Motivations for giving**

- By definition they are motivated by “desire to meet critical needs” and “those with more should help those with less”

The Altruistic Donor

- **Types of organizations supported**
 - Give more of their donations to health than any other type of organization and more than any other wealthy households
 - Give significantly more statistically to organizations serving a combination of purposes, such as the United Way

The Altruistic Donor

Some Key Findings

- **Give 4 times as much as financially pragmatic donors**
- **More likely to participate in charitable campaigns than other donors**
- **Have more income than other donors in the study**
- **More likely than financially pragmatic donors to seek advice from fundraisers**

The Financially Pragmatic Donor

- **Definition**
 - Households that would give more to charity if they received a better return on financial investments or felt more financially secure
- **Motivations for giving**
 - Motivated by “Meeting critical needs” and “giving back to society”
- **Types of organizations supported**
 - More likely to give to educational and religious organizations

The Financially Pragmatic Donor

Some Key Findings

- **Give statistically more to disaster relief than other households, but give less to charity overall**
- **Have less income than other donors in the study**
- **More likely than altruistic donors to seek advice from accountants**

The Devout Donor

- **Definition**

- Households with at least weekly attendance at religious services and giving mostly to religious causes

- **Motivations for giving**

- As expected “religious beliefs” (89.7%) was reported as an important motivation
- Also motivated by “those with more should help those with less,” “meeting critical needs,” and “giving back to society”
- More likely than secular donors to cite “nonprofits should provide services the government cannot,” “setting an example,” “leaving a legacy,” and “because it makes good business sense”

The Devout Donor

- **Types of organizations supported**
 - Give to three main sub-sectors-- foundations, funds and trusts, religion and educational organizations
 - Give less on average to each type of organization with the exception of religious organizations

The Devout Donor

Some Key Findings

- **Give less on average to secular causes, but 50% more on average to religious organizations**
- **Likely to have more children than secular households; and, more likely to involve children in their philanthropy**
- **More likely than other households to volunteer over 200 hours per year**

The Secular Donor

- **Definition**
 - Households with no attendance at religious services, and didn't donate to religious causes
- **Motivations for giving**
 - Motivated by “meeting critical needs” and “giving back to society,” and “those with more should help those with less”
- **Types of organizations supported**
 - A greater proportion of their giving is to foundations, funds and trusts, followed by health and education

Some Key Findings

- **Less likely to seek advice about charitable giving**
- **Less likely than devout and other households to engage in formal activities to transmit philanthropic values to children**
- **Give a greater proportion of their donations to foundations, funds and trusts, followed by health organizations**