

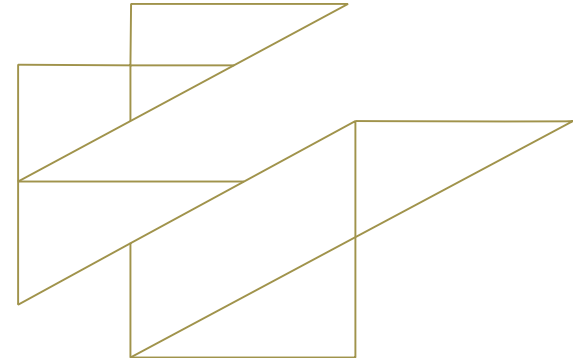


**BNY MELLON**  
WEALTH MANAGEMENT

March 2022

# Charitable Giving Study

High Net Worth Investors' experience with and attitudes toward charitable giving



# Background & Methodology

## Background

BNY Mellon Wealth Management partnered with Brown Yardley Research to conduct a research study focusing on High Net Worth Investors.

The purpose of the study was to understand the behaviors, attitudes and experience toward Charitable Giving.

The report covers the following themes:

- Charitable giving strategy
- Motivations for giving
- Change in giving strategy
- Wealth Advisor Importance in regard to giving strategy
- Sustainable investing
- Type of assets give to charities
- Charitable giving vehicles

A summary of respondent profile information is provided in the Appendix of this report.

## Respondents

Total sample: n=200 High Net Worth Investors

All respondents were screened to ensure they ...

- have a minimum of \$5 million in AUM
- are decision-makers involved in household financial decisions
- are at least 18 years of age

Breakdown of respondents:

- \$5 million - \$24.9 million: n=160
- \$25 million or more: n=40

Age definitions

- Millennials = age 23-38
- Gen X = age 39-54
- Boomers = age 55-73
- Silent Generation = age 74 or older

## Field dates

MARCH 2022						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

# Key Findings

# Key findings

## 1. Most have a giving strategy; many would consider one:

Over half (**56%**) currently have a charitable giving strategy; **22%** would consider adopting one.

## 2. Charitable giving and overall wealth strategy go hand-in-hand:

**91%** agree that a charitable giving strategy is a part of their overall wealth strategy.

## 3. Expert advice and family input:

Many have worked with their wealth advisor (**63%**) and family members (**44%**) in developing their giving strategy.

## 4. It's personal:

"Personal Satisfaction" and "Personal Connections" rank as the top two motivators of charitable giving.

## 5. COVID appears to have impacted giving:

**42%** report their giving strategy has changed over the past two years; many began donating more.

## 6. Looking ahead:

One-third (**35%**) see their giving strategy changing over the next two years, many will increase their giving and support more organizations.

## 7. Charitable giving vehicles:

Lower AUM investors are likely to use Donor Advised Funds; higher AUM investors tend to use a variety of vehicles.

## 8. More than just signing a check:

Nearly all investors claim to be at least somewhat engaged with the organizations and charities they support.

## 9. Many consider both financial return and social/environmental good:

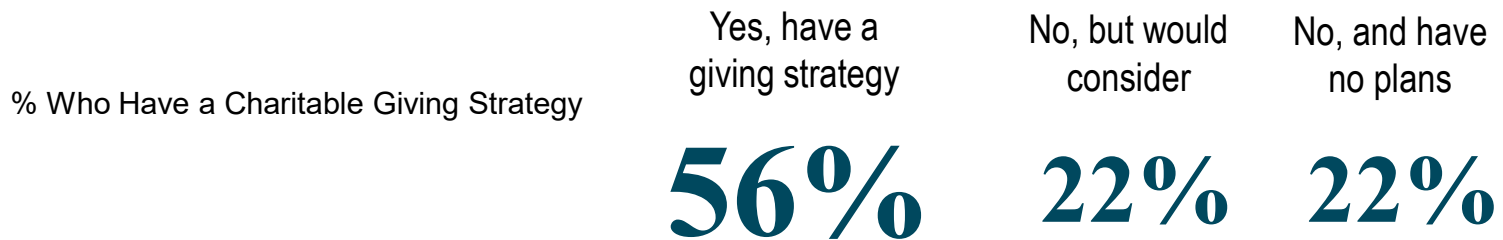
41% engage in sustainable investing; higher AUM and younger investors are particularly likely to be engaged in sustainable investing.

## 10. Investors want to be understood:

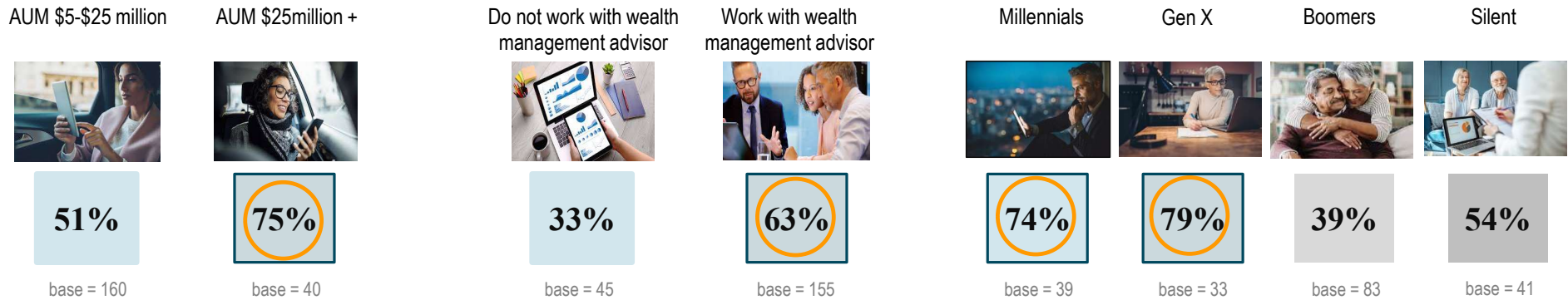
Most investors (particularly younger investors) want "my wealth advisor to understand my values".


# Over half (56%) currently have a charitable giving strategy

Investors with higher AUM, who work with a wealth advisor, and are younger are more likely to have a giving strategy.



## Who Currently Has a Charitable Giving Strategy?



 Significantly higher than corresponding box(es)

Q2. Do you currently have a charitable giving strategy? That is, do you have a strategy to make your charitable giving more impactful, efficient, and personally fulfilling?

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# Nearly all agree that a charitable giving strategy is a part of their overall wealth strategy

% Who Agree a Charitable Giving Strategy is a Part of Overall Wealth Strategy

# 91%

AUM: \$5-\$25 million

AUM: \$25million +

Do not work with wealth management advisor

Work with wealth management advisor

Millennials

Gen X

Boomers

Silent



**89%**

**97%**

**73%**

**94%**

**97%**

**100%**

**81%**

**86%**

base = 82

base = 30

base = 15

base = 97

base = 29


base = 26

base = 32

base = 22

base those who currently have a charitable giving strategy

Q3. To what extent do you agree that your charitable giving strategy is a part of your overall wealth strategy?

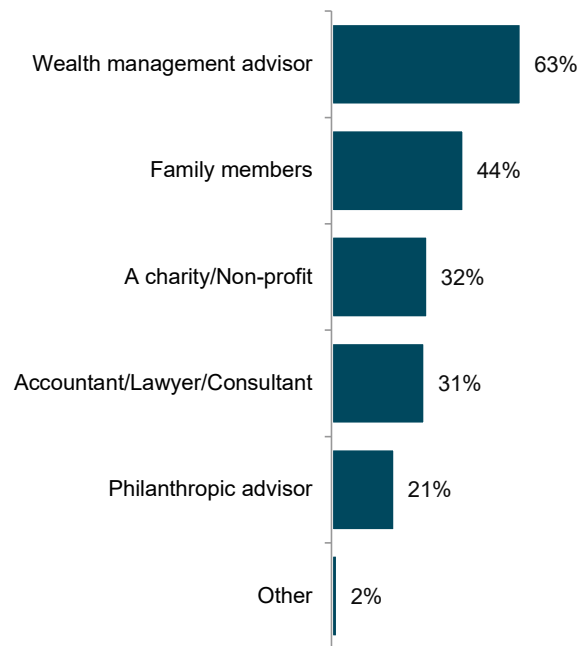
 Significantly higher than Boomers

# Most have worked with a wealth management advisor in developing their giving strategy

Many have also worked with family members in developing their strategy, particularly their spouse/partner.

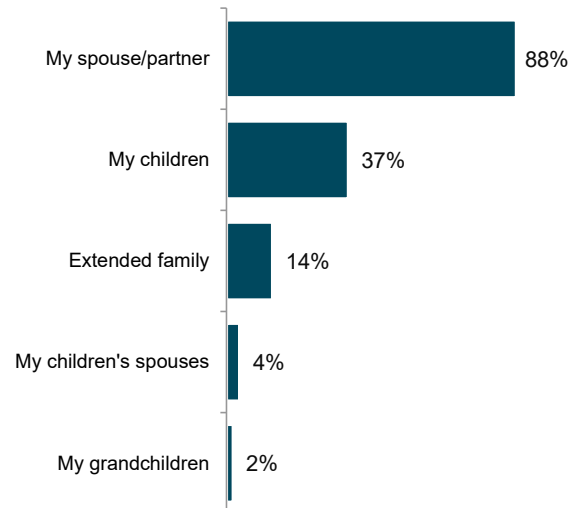
## Who have you worked with in developing your charitable giving strategy?

base those who currently have a charitable giving strategy n = 112



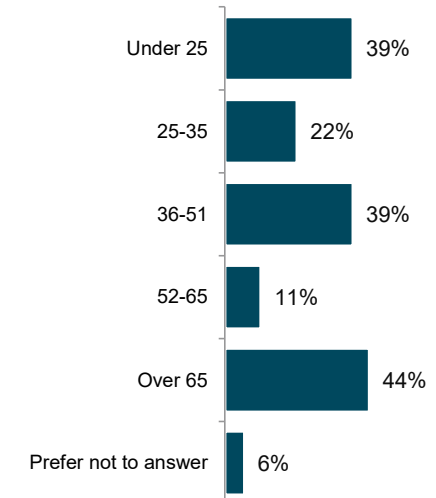
## Which family members are involved in decisions?

base = those who work with family members in developing strategy n=49



## What are the ages of the family members?

base = those who work with children or grandchildren n=18



Q4. Who have you worked with in developing your charitable giving strategy? Select as many as apply.  
 Q4a. What family members are involved in decisions regarding the charitable giving strategy?  
 Q4b. Which of the following categories include the age(s) of those family members who are involved in decisions regarding the charitable giving strategy?

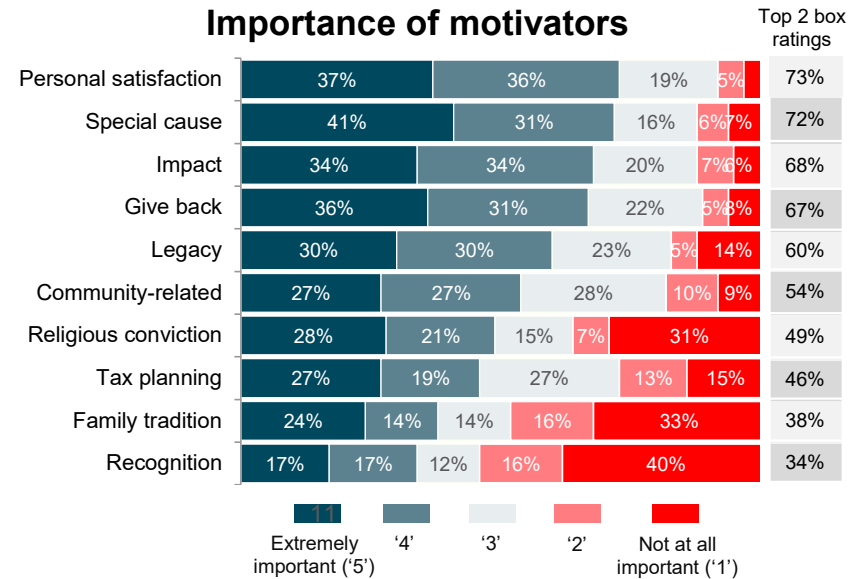
# Personal satisfaction and personal connections are the top motivators of charitable giving

## What Motivates People to Contribute?



1. **Personal satisfaction** – I feel good about sharing my wealth; giving makes me happy
2. **Special cause** – I have a personal or emotional connection to a cause or organization
3. **Impact** – I want to see how my giving supports sustainable change for causes that matter to me
4. **Give back** – I see it as my duty to give back as I feel that I've "made it"
5. **Legacy** – I want my wealth to "do good" for future generations
6. **Community-related** – I want to see my gift making a difference in my local community
7. **Religious conviction** - giving to my church, synagogue, mosque, temple has always been a part of my life
8. **Tax planning** – I give in order to maximize my tax benefits
9. **Family tradition** – My family has a history of giving to a certain organization
10. **Recognition** – I want to be known for supporting a specific cause or organization

## Importance of motivators



Men are somewhat more likely to place importance on:

- Religious conviction – giving to my church, synagogue, mosque, temple has always been a part of my life.
- Family tradition – My family has a history of giving to a certain organization.

Women are somewhat more likely to place importance on:


- Special cause – I have a personal or emotional connection to a cause or organization.



# Higher AUM investors and younger investors tend to be more likely to place higher importance on each of the 10 statements

## Importance of motivators

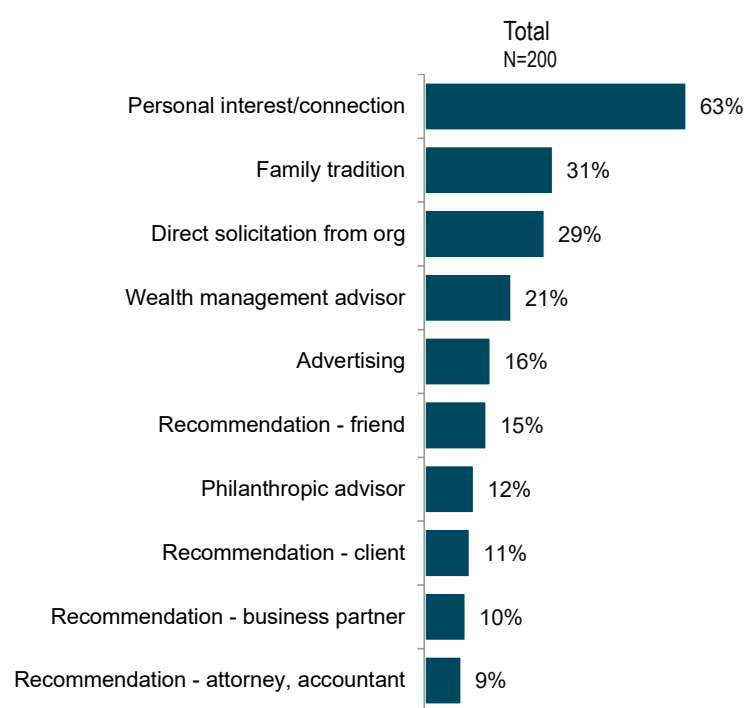
	Total	<\$25 million	\$25 million +	Millennials	Gen X	Boomers	Silent
	N=200	N=160	N=40	N=39	N=33	N=83	N=41
<b>Personal satisfaction</b> – I feel good about sharing my wealth; giving makes me happy	73%	72%	75%	79%	88%	65%	68%
<b>Special cause</b> – I have a personal or emotional connection to a cause or organization	72%	68%	88%	79%	85%	65%	66%
<b>Impact</b> – I want to see how my giving supports sustainable change for causes that matter to me	68%	63%	88%	87%	85%	55%	56%
<b>Give back</b> – I see it as my duty to give back as I feel that I've "made it"	67%	63%	80%	90%	85%	54%	54%
<b>Legacy</b> – I want my wealth to "do good" for future generations	60%	54%	80%	87%	79%	43%	46%
<b>Community-related</b> – I want to see my gift making a difference in my local community	54%	48%	80%	77%	79%	36%	44%
<b>Religious conviction</b> – giving to my church, synagogue, mosque, temple has always been a part of my life	49%	43%	70%	79%	64%	30%	41%
<b>Tax planning</b> – I give in order to maximize my tax benefits	46%	40%	70%	56%	73%	34%	39%
<b>Family tradition</b> – My family has a history of giving to a certain organization	38%	32%	63%	72%	70%	22%	12%
<b>Recognition</b> – I want to be known for supporting a specific cause or organization	34%	27%	58%	72%	73%	11%	5%

 Significantly higher than [AUM <\$25 million] [Boomers & Silent Generation]

# 'Personal interest/connection' has the greatest impact on decisions as to who to support

Wealth management advisors, family tradition, and direct solicitations from organizations also play a role.

## What has impacted your decision as to which organization and charities to support?



	% of times ranked 1 <sup>st</sup>	% of times ranked 2 <sup>nd</sup>	% of times ranked 3 <sup>rd</sup>	Total % ranked in top 3
Personal interest/connection	81%	11%	2%	<b>94%</b>
Wealth management advisor	24%	38%	31%	<b>93%</b>
Family tradition	44%	39%	7%	<b>90%</b>
Philanthropic advisor	38%	21%	29%	<b>88%</b>
Direct solicitation	29%	45%	12%	<b>86%</b>
Recommendation – business partner	16%	26%	32%	<b>74%</b>
Recommendation – friend	14%	38%	21%	<b>73%</b>
Advertising	19%	22%	31%	<b>72%</b>
Recommendation – client	14%	14%	38%	<b>66%</b>
Recommendation – attorney, accountant	24%	29%	12%	<b>65%</b>

Q13a. Please rank these sources in terms of their impact on your decision as to which organizations and charities to support, from most impactful to least impactful.

Q13. Which of the following have impacted your decision on which organizations and charities to support? Select as many as apply.

# Among those expecting change, donations and the number of organizations supported will increase

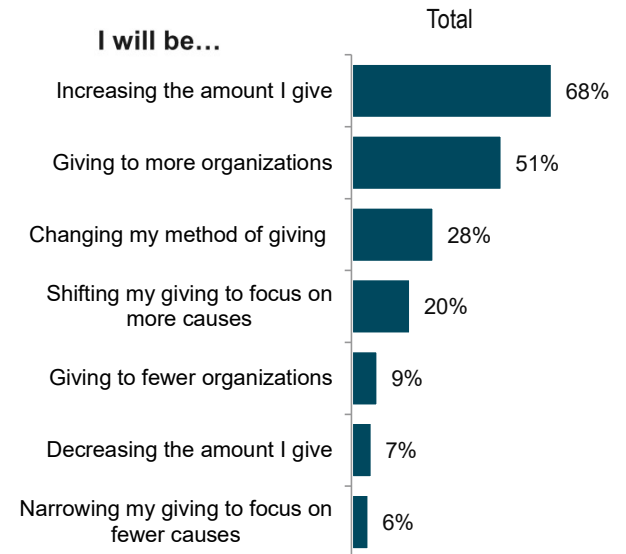
Younger investors are especially likely to anticipate a change in their giving strategy.

## % who say giving strategy will change over the next two years



## How giving strategies will change

base = those who say giving strategy will change



○ Significantly higher than Boomers and Silent generation

Q10a. Do you anticipate changing your giving strategy in the next two years?

Q10b. In which of the following ways do you anticipate your giving strategy changing over the next two years? Please select all that apply.

# Four in ten (41%) engage in sustainable investing, investors cite various reasons

Sustainable investing is especially prevalent among higher AUM and younger investors

## % who engage in sustainable investing



Total  
base = 200

**41%**



AUM  
< \$25 million  
base = 160

**34%**



AUM  
\$25 million +  
base = 40

**70%**

Millennials  
base=39



**79%**

Gen X  
base=33



**73%**

Boomers  
Base=83



**22%**

Silent  
base=41



**12%**

## Motivations for investing sustainably



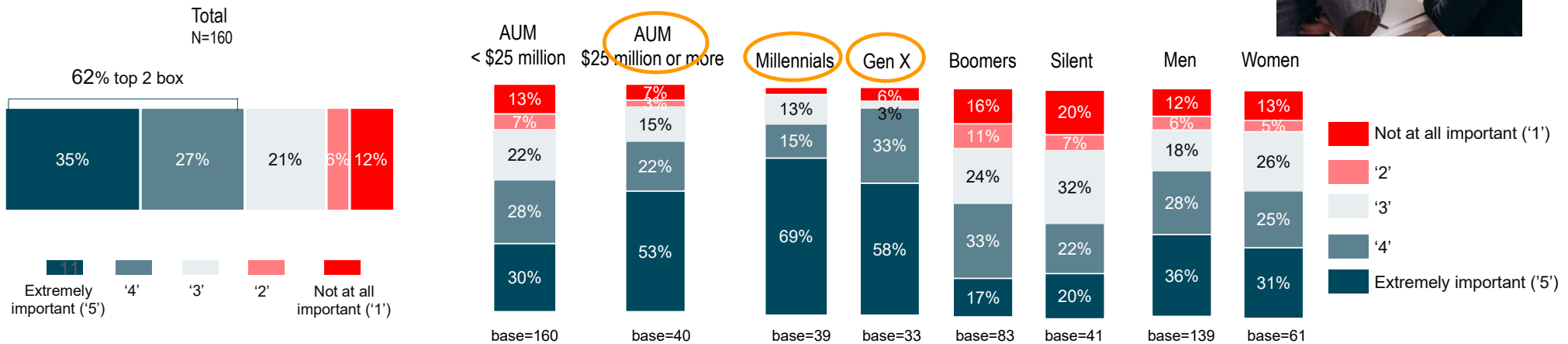
Significantly higher than [AUM <\$25 million] [Boomers and Silent generation]

Q19a. Do you engage in sustainable investing?  
Q19c. What are your motivations for investing sustainably? Select as many as apply.

# Most investors (62%) agree that it is important for “my wealth advisor to understand my values”

Investors with higher AUM and younger investors are more likely to say that wealth advisors play an important role.

Importance of my wealth advisor “*understanding my values and customizing a portfolio centered around my values*”



○ Significantly higher than [AUM <\$25 million] [Boomers and Silent generation] based on Top 2 Box ratings

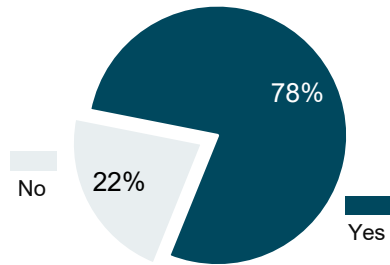
Q19f. How important is it for your wealth advisor to work with you to understand your values and customize a portfolio that is centered around your values?

# Detailed Findings

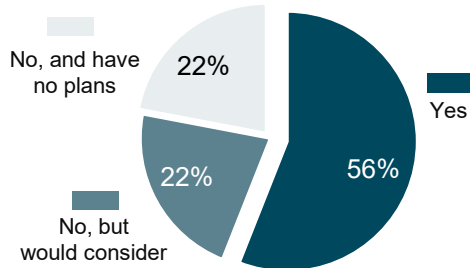
# Over half (56%) currently have a charitable giving strategy

Those with wealth management advisors are more likely to have a charitable giving strategy (63% vs. 33%).

% who work with a wealth management advisor  
base = 200



% who have a charitable giving strategy  
base = 200



% with a charitable giving strategy

Base = currently work with wealth management advisor n=155



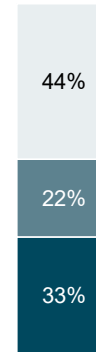
Not currently, and have no plans for a charitable giving strategy

Not currently, but would consider a charitable giving strategy

Yes, have charitable giving strategy

% with a charitable giving strategy

Base = do not currently work with wealth management advisor n=45



Not currently, and have no plans for a charitable giving strategy

Not currently, but would consider a charitable giving strategy

Yes, have charitable giving strategy

○ Significantly higher than those who do not work with an advisor

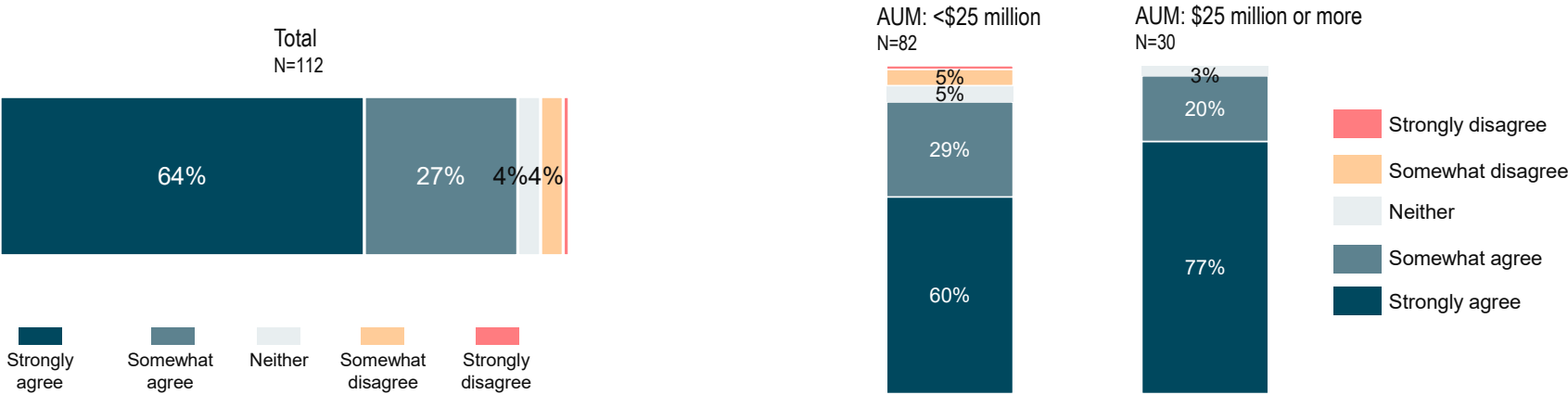
Q1. Do you currently work with a wealth management advisor to help you manage your investment portfolio?  
Q2. Do you currently have a charitable giving strategy? That is, do you have a strategy to make your charitable giving more impactful, efficient, and personally fulfilling?

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# Nearly two-thirds (64%) agree that their giving strategy is a part of their overall wealth strategy

Those with higher AUM are more likely to say a charitable giving strategy is a part of their overall wealth strategy.

*“My charitable giving strategy is a part of my overall wealth strategy”*  
base those who currently have a charitable giving strategy

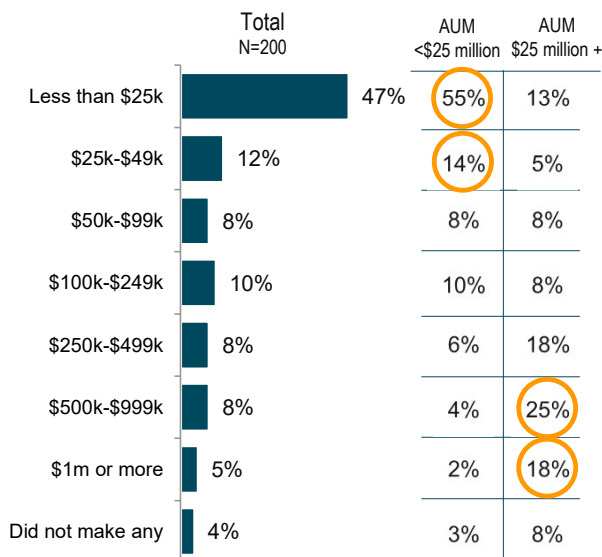




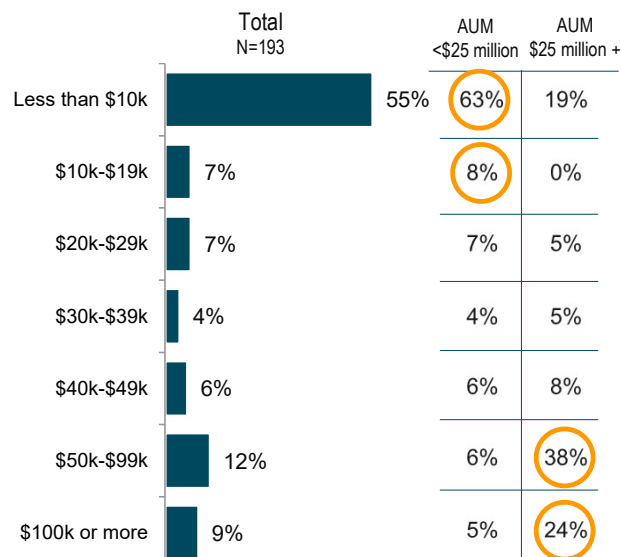
# Not surprisingly, investors with higher AUM are more likely than others to have gifted more in 2021

The number of organizations and charities gifted to does not vary significantly by AUM.

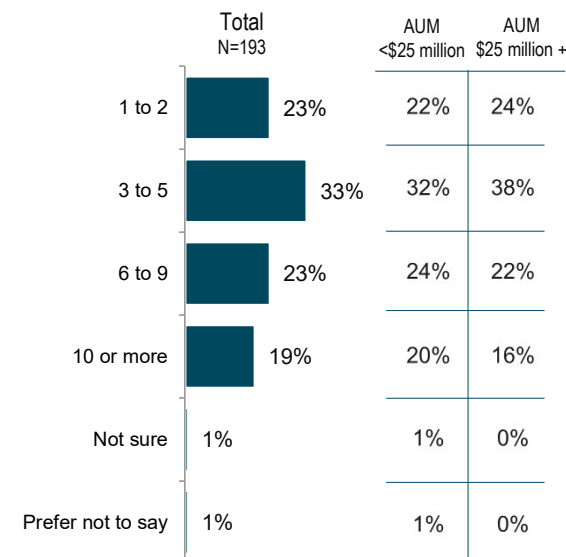
Charitable contributions - 2021



Average charitable gift - 2021



# of organizations contributed to - 2021



○ Significantly higher than corresponding column

Q5. Approximately how much did you give in charitable contributions in 2021? A best estimate will do.

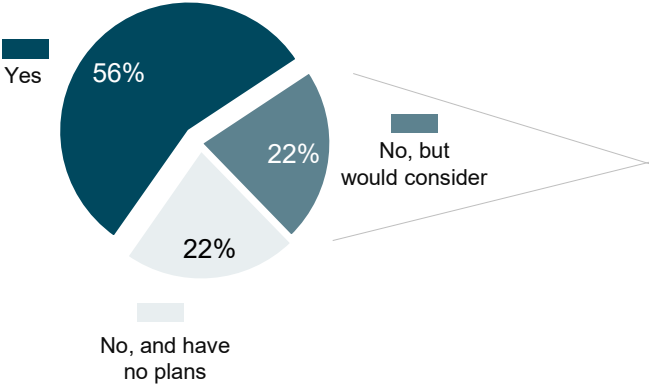
Q6. Approximately what was the size of your average charitable gift in 2021? A best estimate will do.

Q7. Approximately how many organizations/charities did you contribute to in 2021? A best estimate will do.

# Among those who would consider a giving strategy, most (80%) would work with an advisor

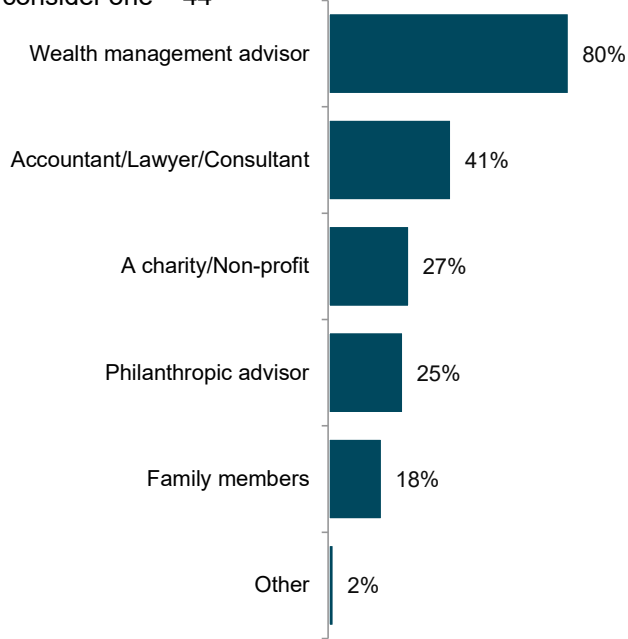
Others (41%) say they would turn to their accountant, lawyer, or consultant for guidance.

**% with a charitable giving strategy**  
base = 200



**Who would you consider working with in developing a charitable giving strategy?**

base those who do not have a charitable giving strategy, but would consider one = 44

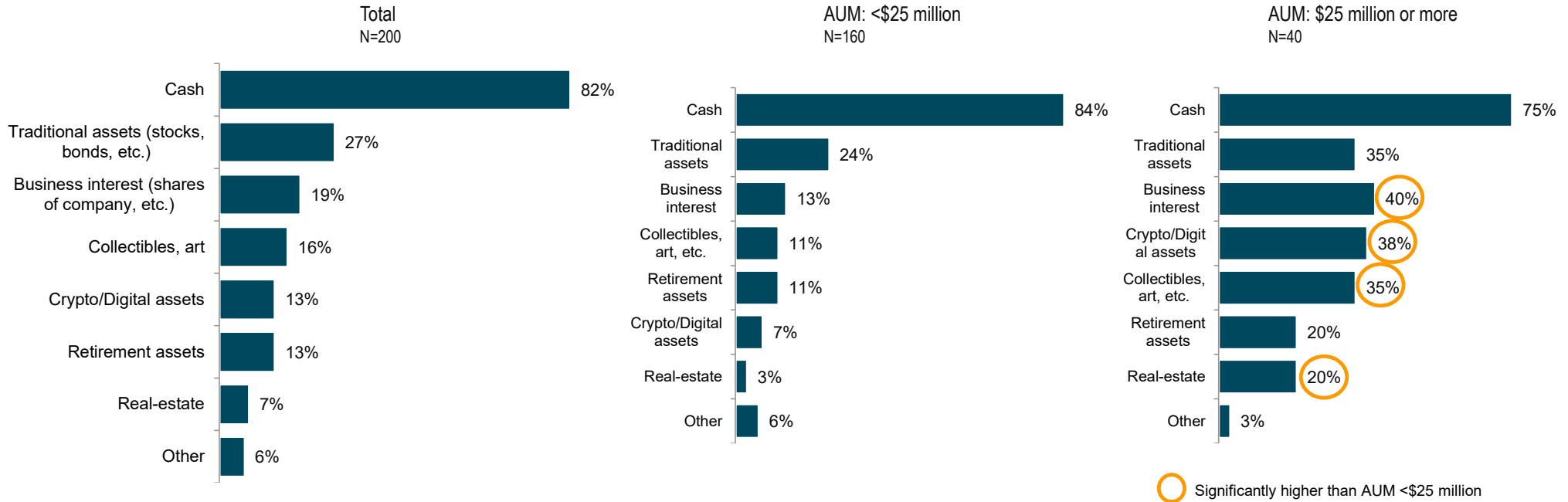


Q4c. Who would you consider working with if you were to develop a charitable giving strategy? Please select all that apply.

# Regardless of AUM, “cash” is the asset most likely to be gifted

Other assets (stocks, bonds, business interests, crypto, art) are more likely to be gifted by those with higher AUM.

## Types of assets typically given to organizations/charities



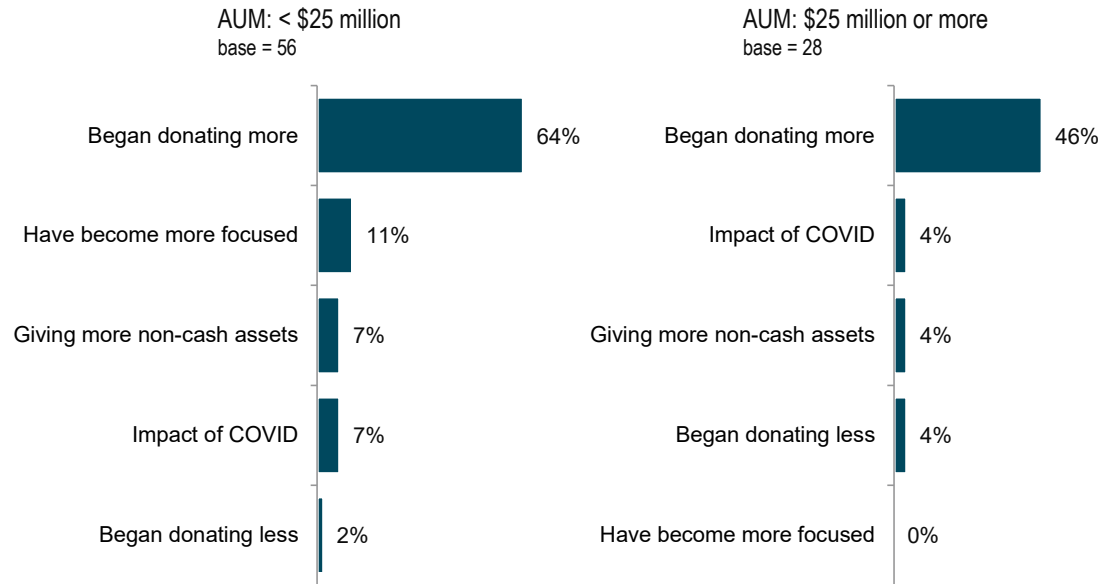
# Four in ten (42%) say their giving strategy has changed over the past two years

Both lower and higher AUM investors report they began donating more over the past two years.

**% who say giving strategy has changed over the past two years**  
base = 200

42%

**How giving strategies have changed** [open-ended]  
base = 84



Q9. Over the past two years, has your giving strategy changed in terms of the amount you give or the types of organizations to which you contribute?

Q10. How has your giving strategy changed over the past two years? [open-ended]

# Over one-third (35%) report their giving strategy will change over the next two years

Investors are likely to say they will increase their gifts and begin giving to more organizations.

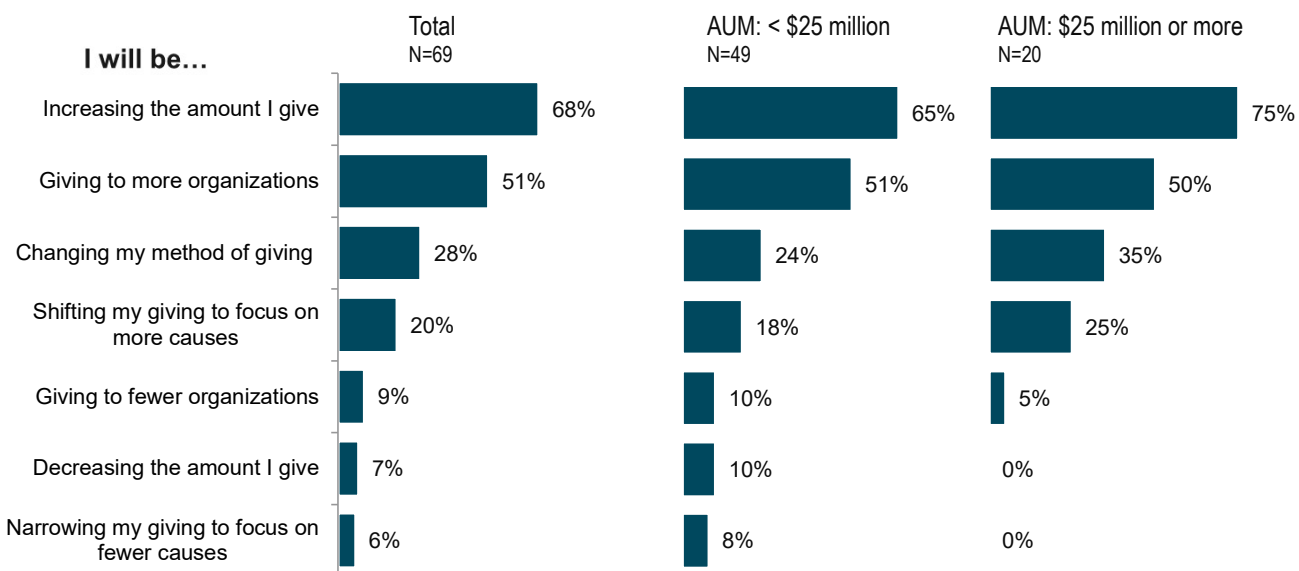
## % who say giving strategy will change over the next two years

base = 200

# 35%

## How giving strategies will change

base = those who say giving strategy will change



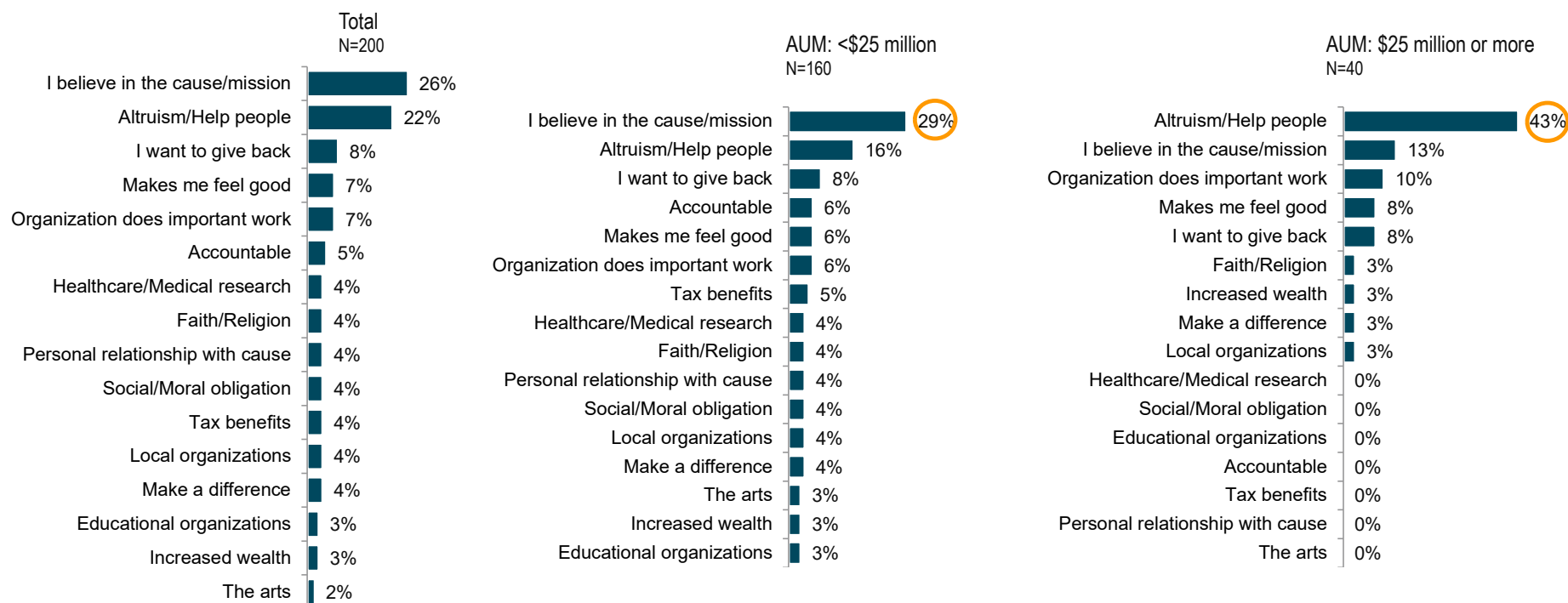
Q10a. Do you anticipate changing your giving strategy in the next two years?

Q10b. In which of the following ways do you anticipate your giving strategy changing over the next two years? Please select all that apply.

# Investors' giving is driven by a belief in the cause/mission as well as a sense of altruism

Higher AUM investors are particularly driven by the desire to help others.

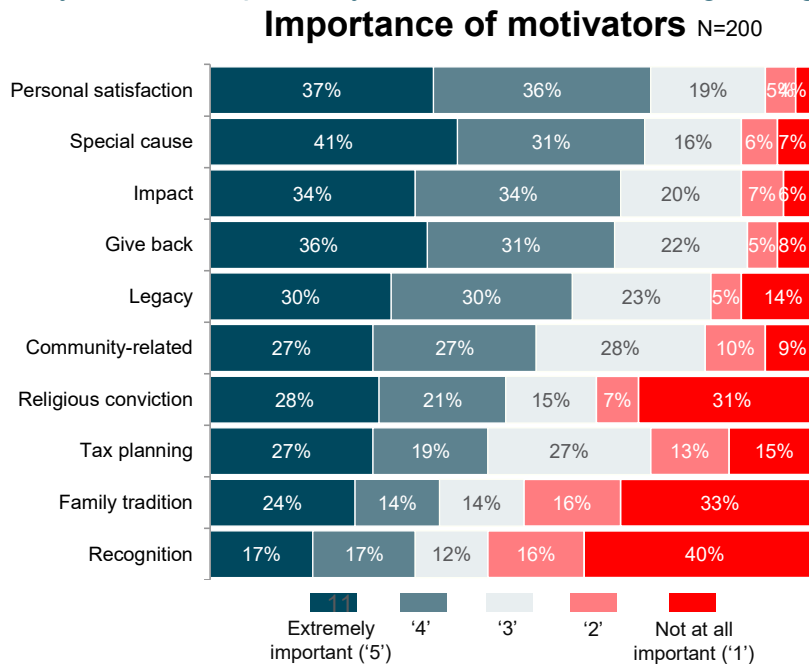
Reasons that motivate charitable contributions [open-ended]



○ Significantly higher than [AUM <\$25 million] [AUM \$25 million or more]

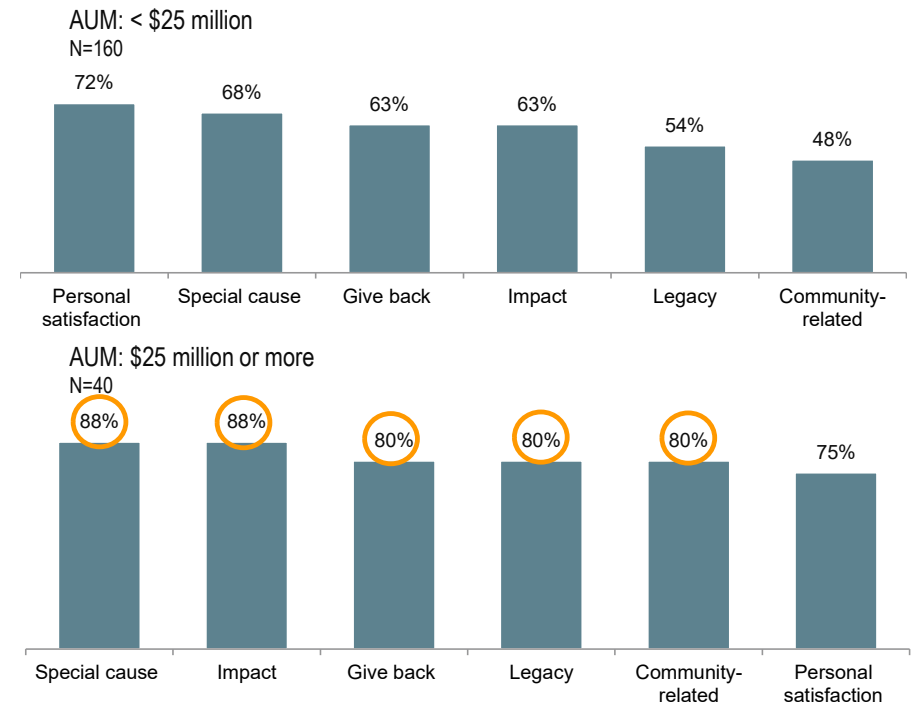
# Among the top motivators: having a connection to a 'Special Cause' and 'Personal Satisfaction'

Relatively few are reportedly interested in receiving recognition for their gifts.



- Personal satisfaction – I feel good about sharing my wealth; giving makes me happy
- Special cause – I have a personal or emotional connection to a cause or organization
- Impact – I want to see how my giving supports sustainable change for causes that matter to me
- Give back – I see it as my duty to give back as I feel that I've "made it"
- Legacy – I want my wealth to "do good" for future generations
- Community-related – I want to see my gift making a difference in my local community
- Religious conviction - giving to my church, synagogue, mosque, temple has always been a part of my life
- Tax planning – I give in order to maximize my tax benefits
- Family tradition – My family has a history of giving to a certain organization
- Recognition – I want to be known for supporting a specific cause or organization

## Most important motivators (based on top two box ratings)



Q12. How important are each of the following reasons in motivating you to contribute to the organizations and charities you support?

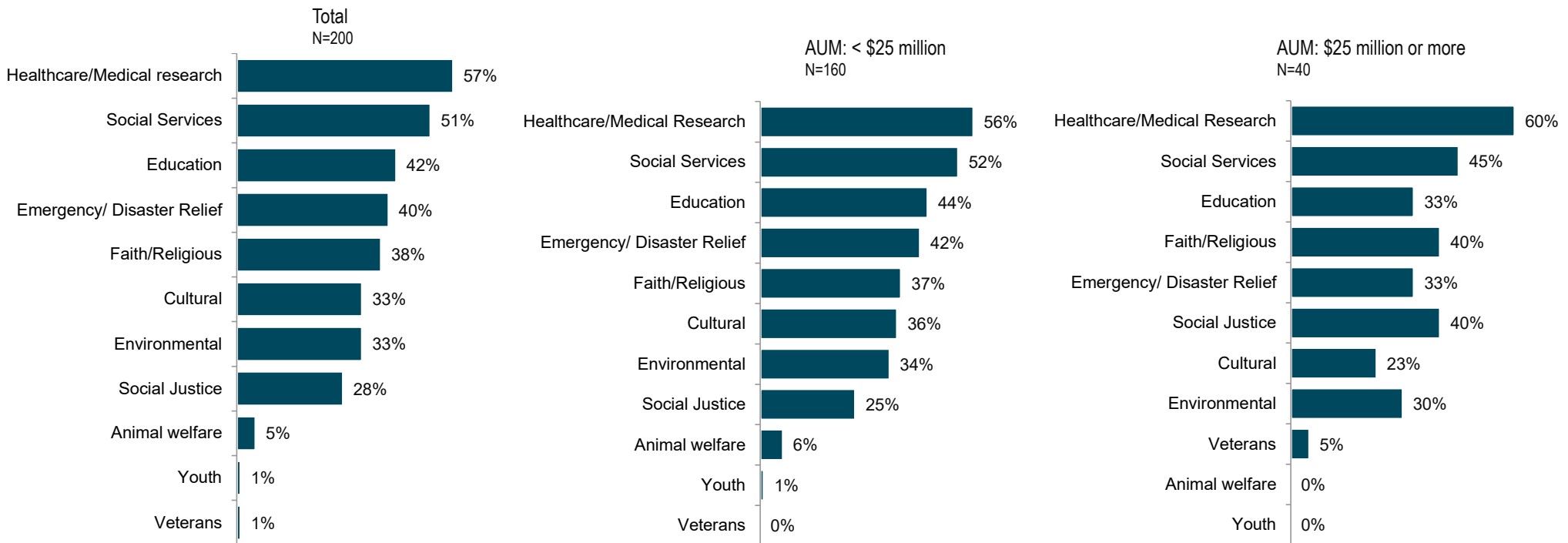
○ Significantly higher than AUM <\$25 million

# 'Healthcare/Medical Research' tops the list of supported causes

'Social Services' (e.g., local social and human services organizations) rank second, followed by 'Education'.

## Types of organizations/causes typically supported

base = 200



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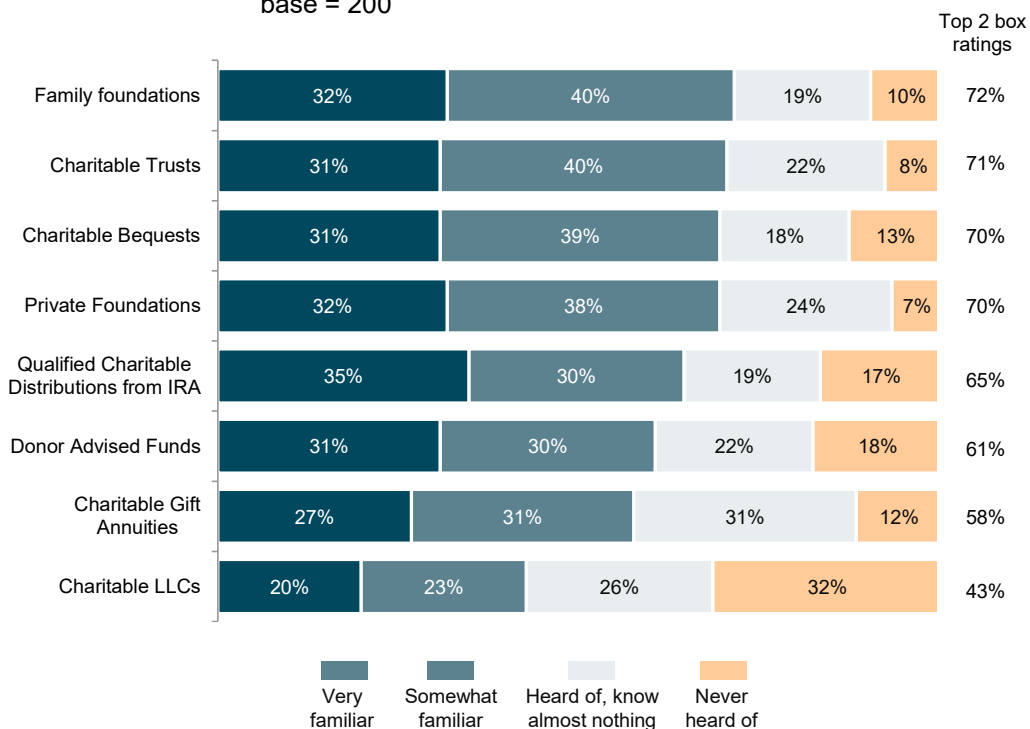


# Investors are most likely to be familiar with 'family foundations' and 'charitable trusts'

Investors with higher AUM are much more knowledgeable than those with a lower AUM.

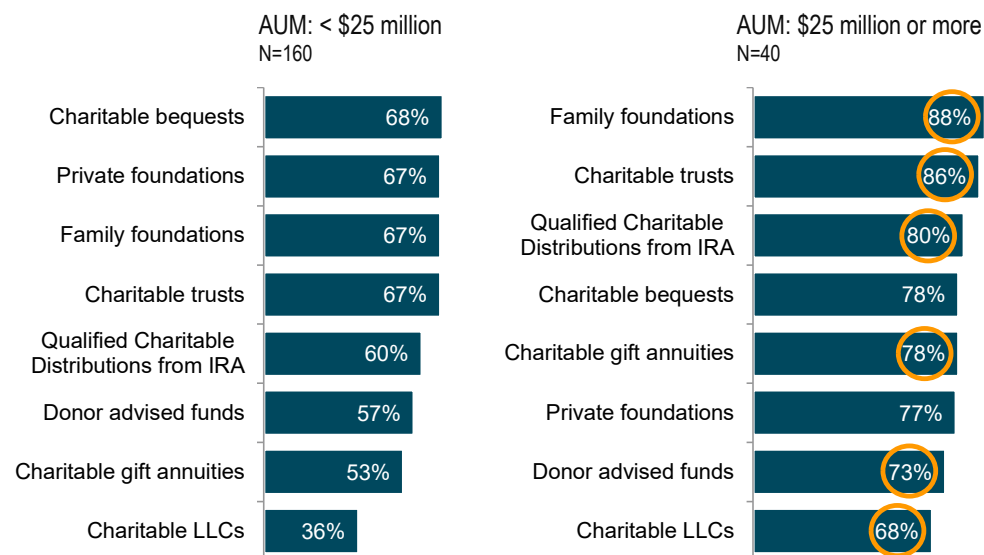
## Familiarity with charitable giving vehicles

base = 200



## Familiarity with charitable giving vehicles

(based on "very familiar/somewhat familiar" ratings)



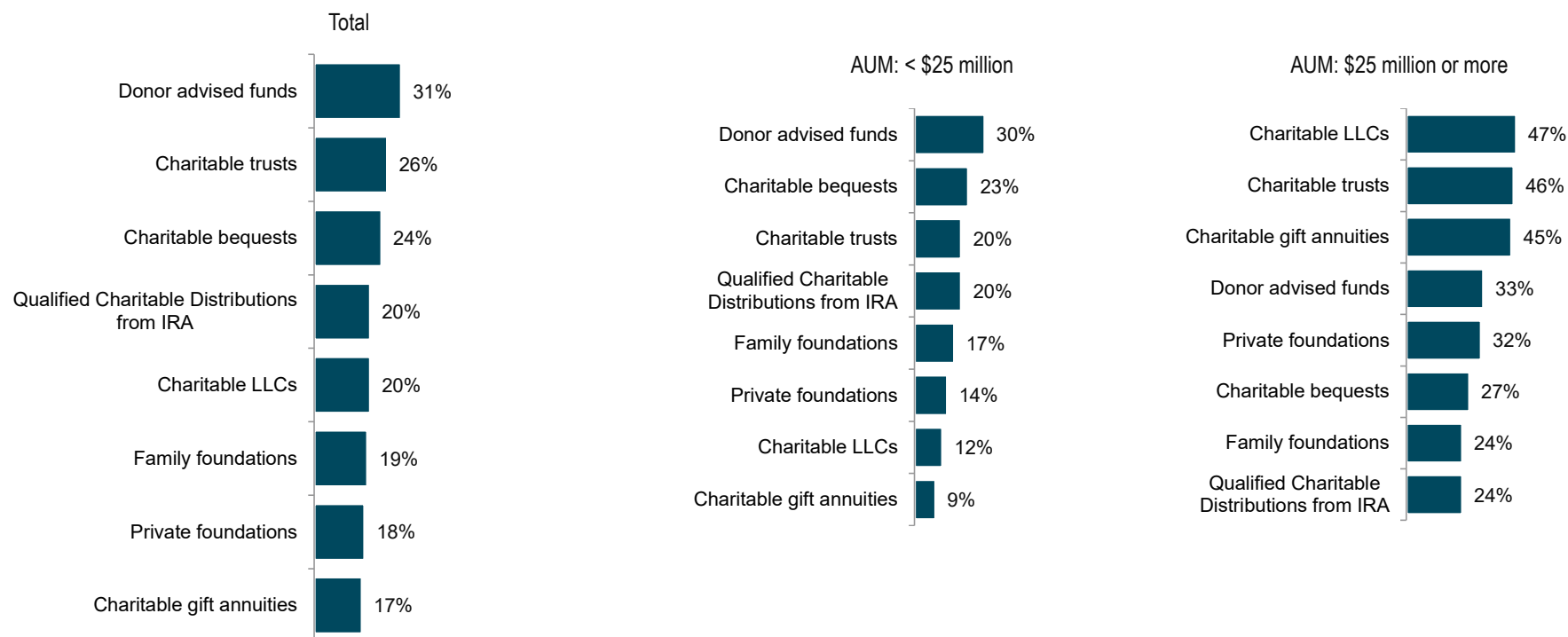
○ Significantly higher than AUM <\$25 million

# Overall, investors are most likely to be using Donor Advised Funds

Investors with higher AUM are more likely to be using charitable LLCs, charitable trusts, and charitable gift annuities.

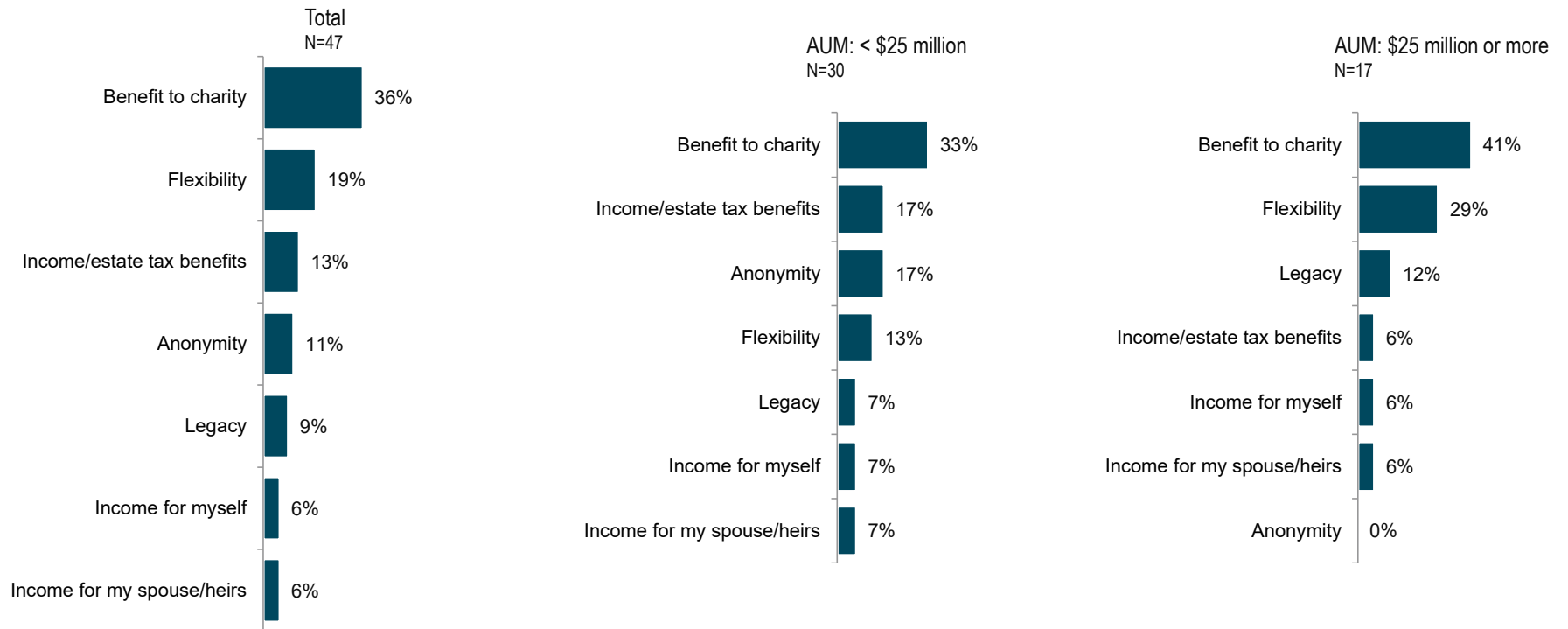
## Experience with charitable giving vehicles

base those who are familiar with vehicle



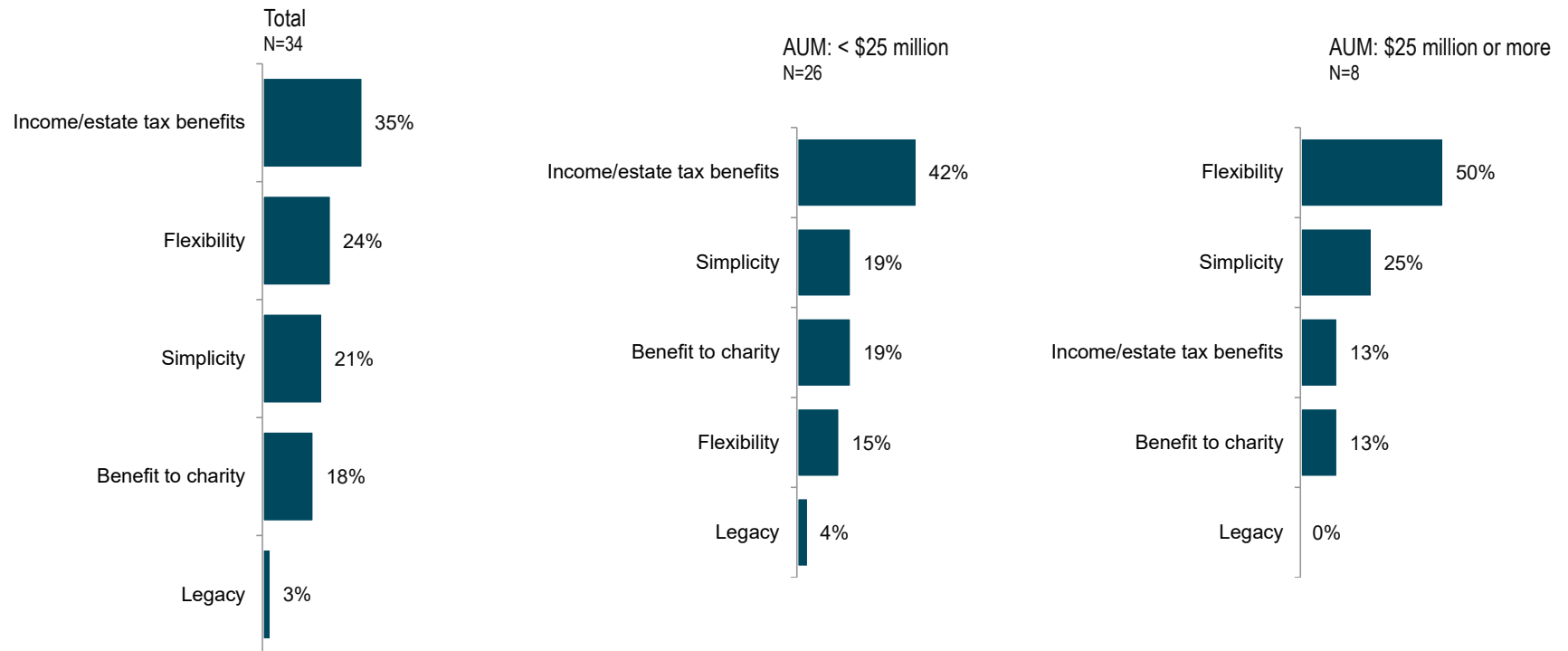
# The top reason for choosing a Charitable Trust: “to benefit the charity”

## Reasons for choosing a Charitable Trust



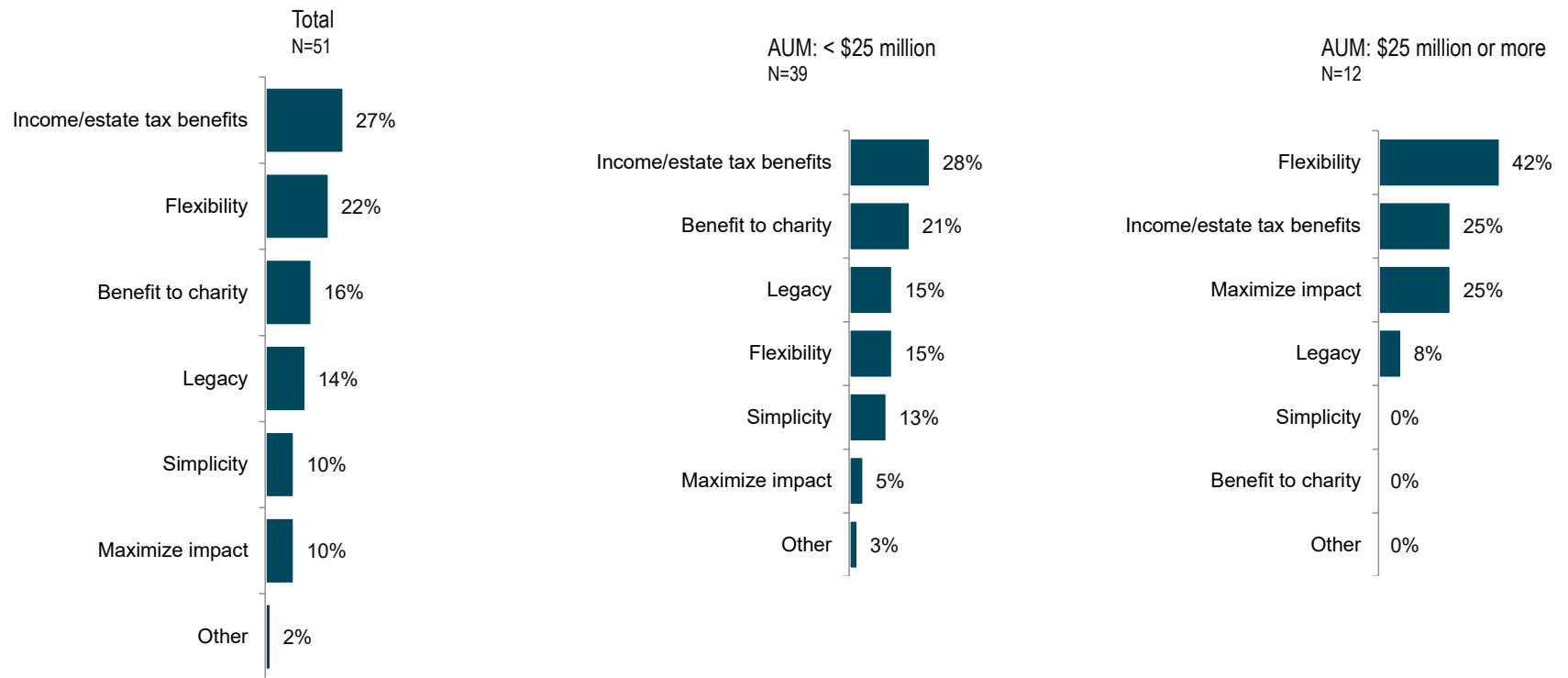
# The top reason for choosing a Qualified IRA: “income/tax benefits” and “flexibility”

## Reasons for choosing a Qualified IRA



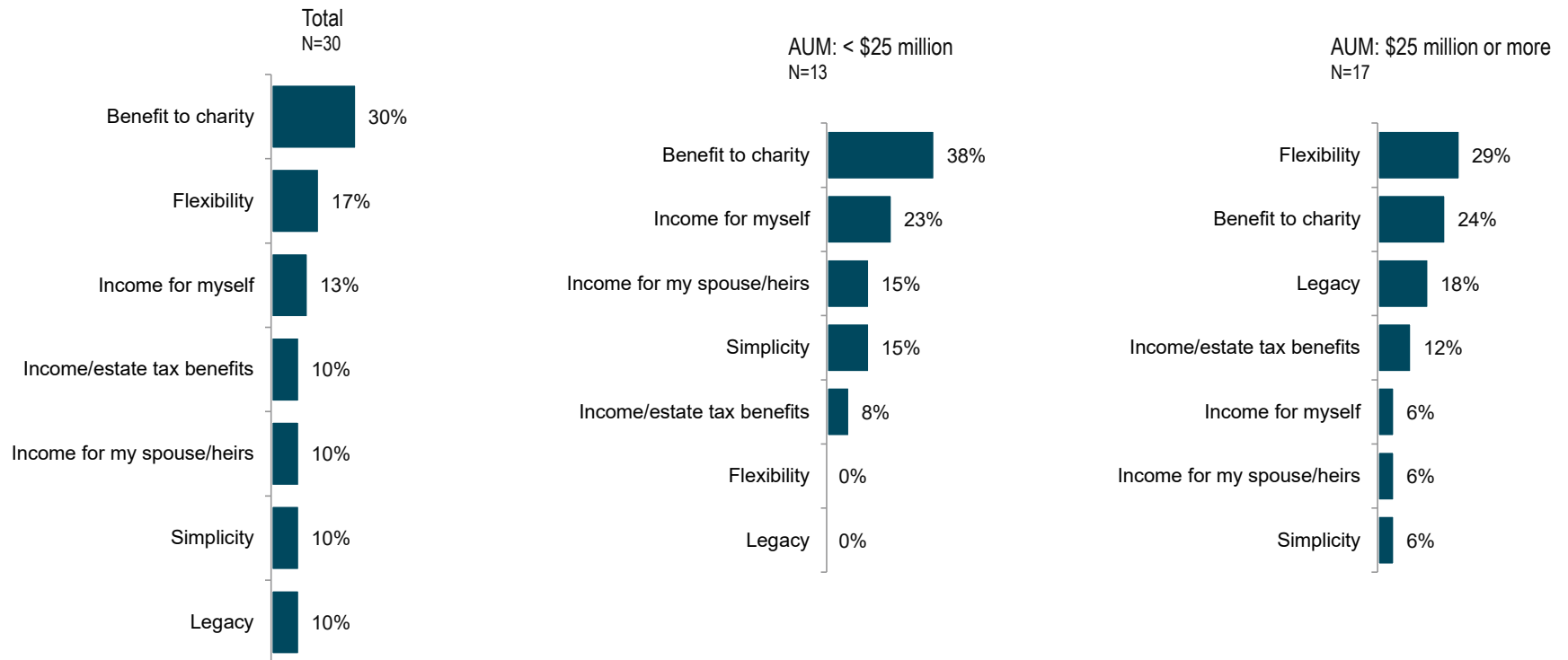
# The top reason for choosing a Donor Advised Fund: “income/tax benefits” and “flexibility”

## Reasons for choosing a Donor Advised Fund



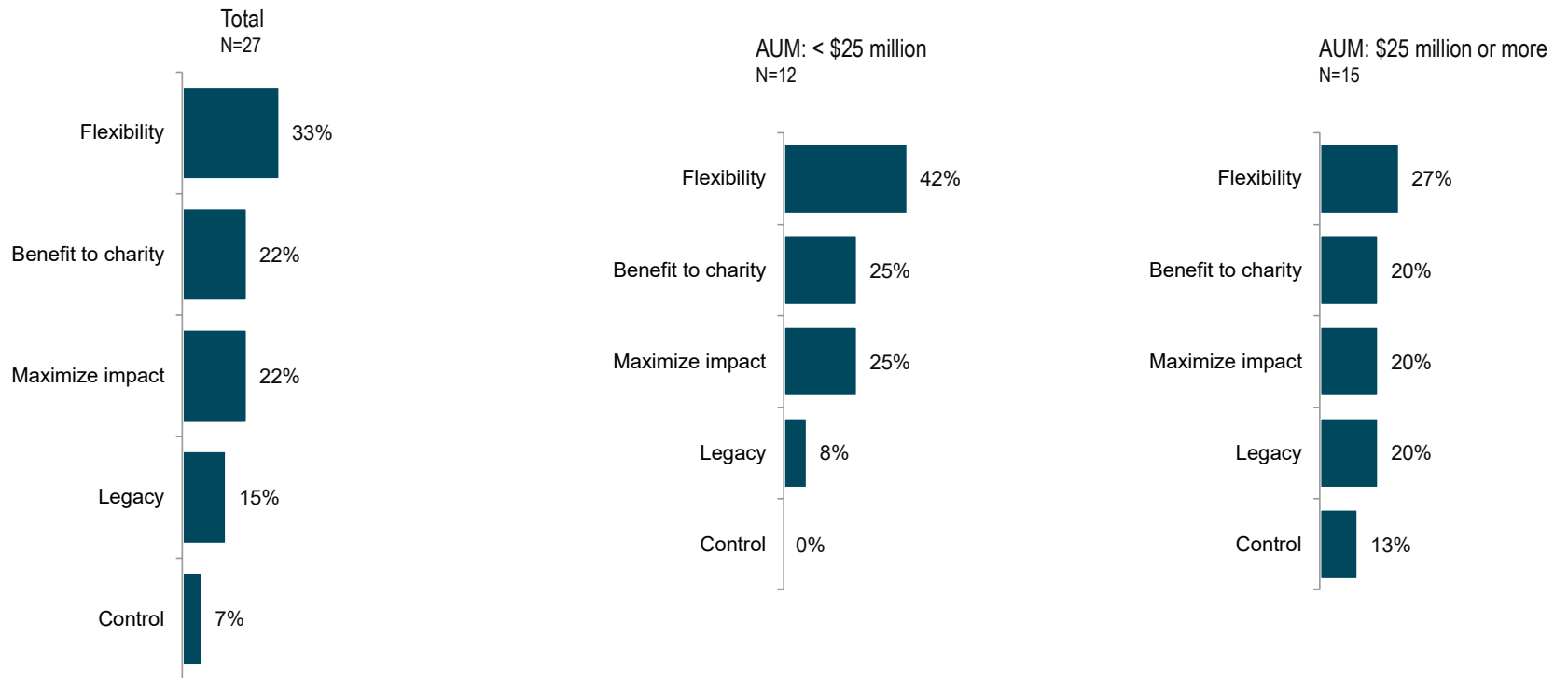
# The top reason for choosing a Charitable Gift Annuity: “to benefit the charity” and “flexibility”

## Reasons for choosing a Charitable Gift Annuity



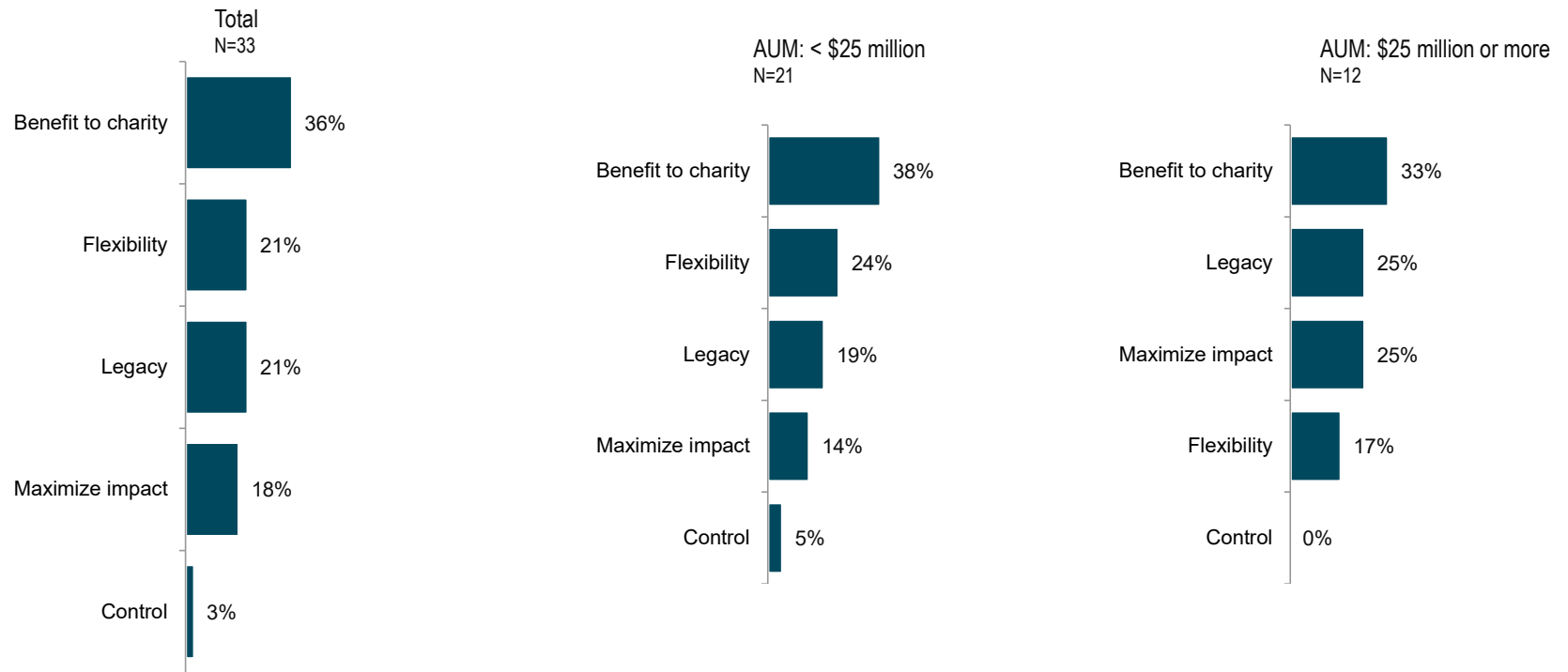
# The top reason for choosing a Charitable LLC: “flexibility”

## Reasons for choosing a Charitable LLC



# The top reason for choosing a Private Foundation: “to benefit the charity”

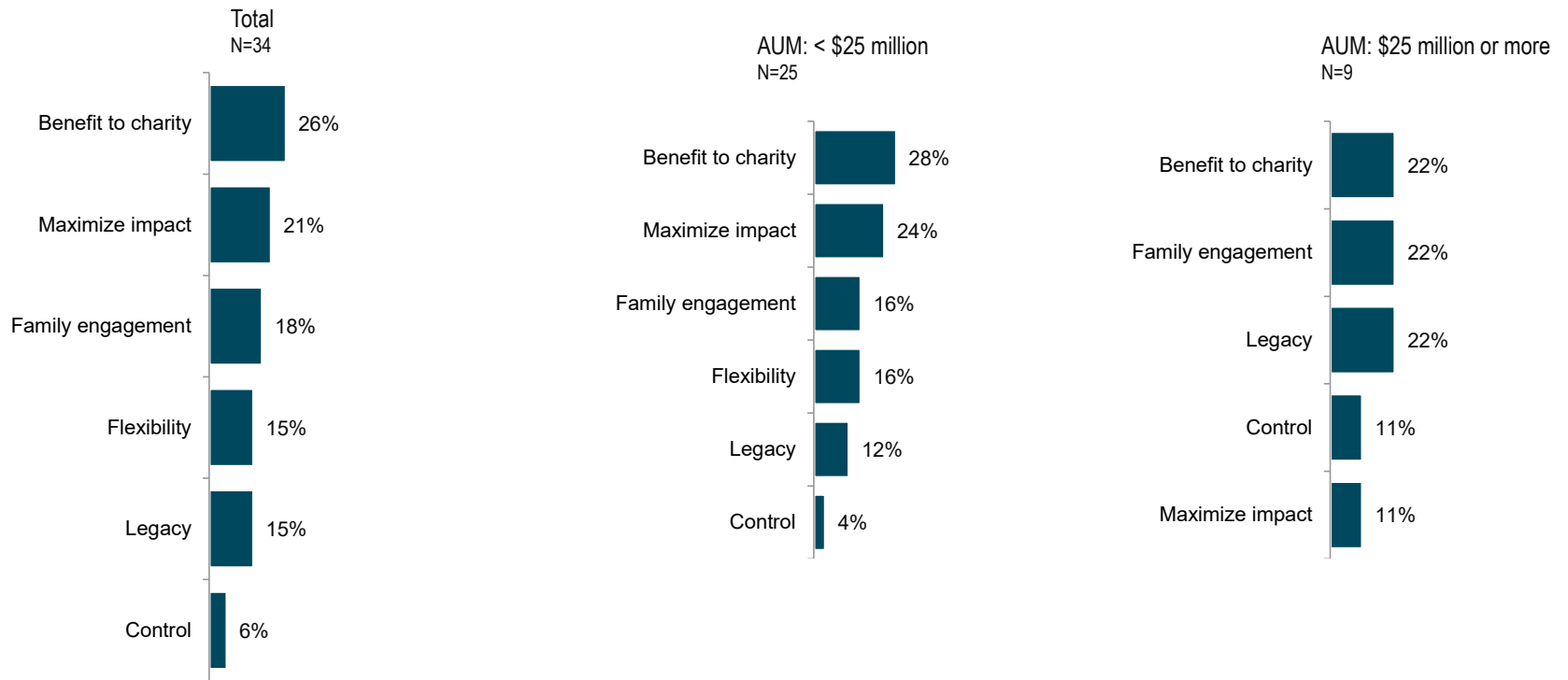
## Reasons for choosing a Private Foundation





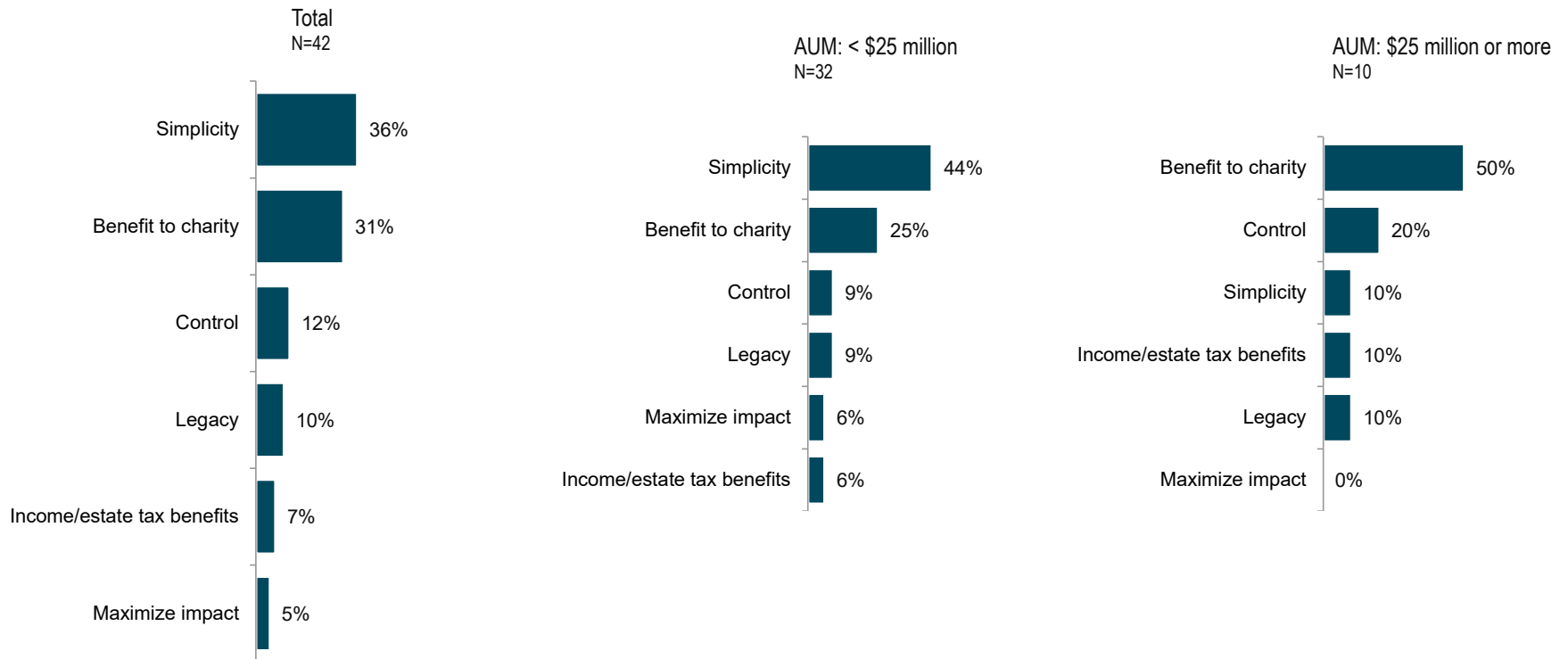
# The top reason for choosing a Family Foundation: “to benefit the charity” and “maximize impact”

## Reasons for choosing a Family Foundation



# The top reason for choosing a Charitable Bequest: “simplicity”

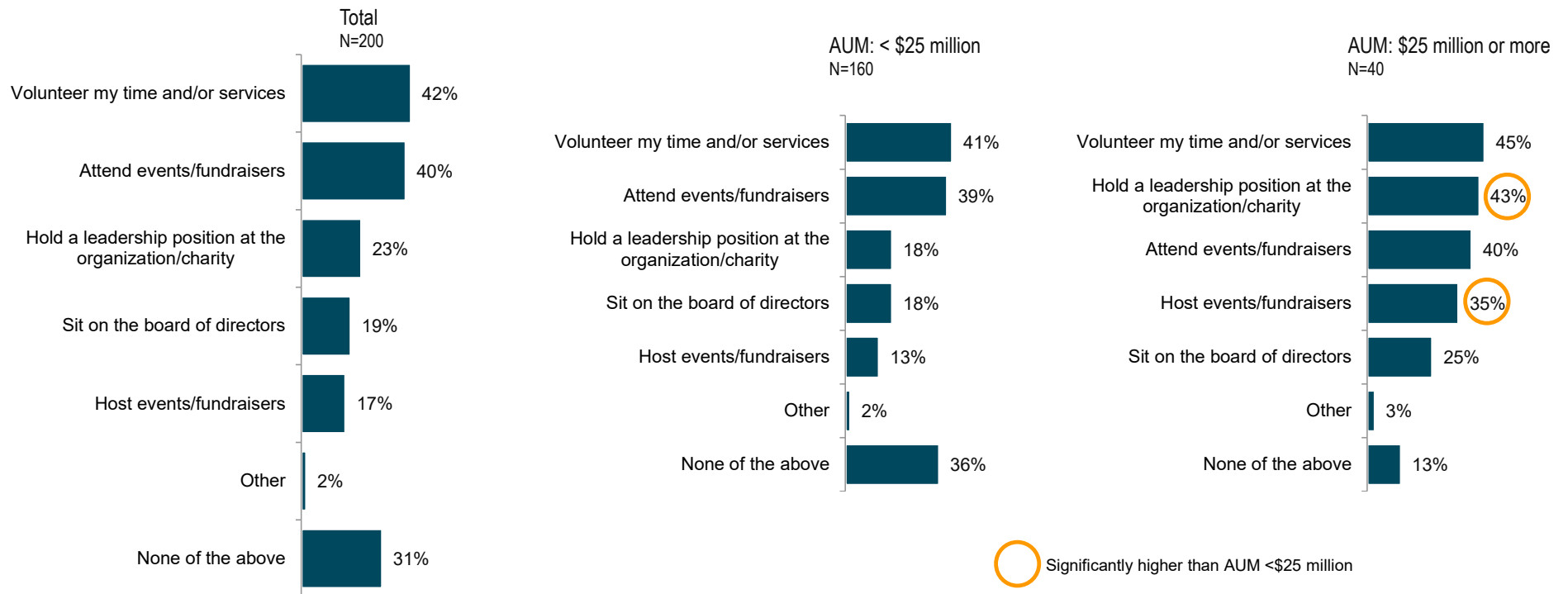
## Reasons for choosing a Charitable Bequest



# Activities in support of charities include volunteering time / services and attending events

Investors with higher AUM are more likely to hold leadership positions and host fundraisers.

## Activities performed on behalf of organizations and charities

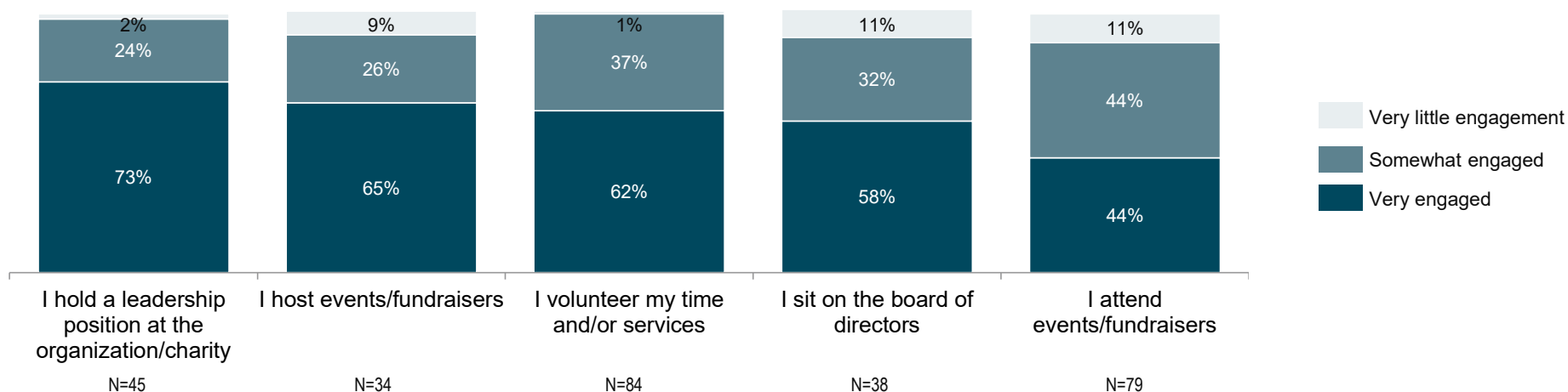


# Nearly all investors are at least somewhat engaged with the organizations/charities they support

Holding a leadership position, hosting events, and volunteer work typically entail greater engagement.

## Extent of engagement with organizations and charities

base = those who currently use vehicle



Q19. In general, to what extent are you personally engaged in each of these activities?

# Investors with higher AUM are more likely to engage in sustainable investing

Overall, half of investors have adopted impact investing (50%) and positive/inclusionary (49%) investing strategies.

## % who engage in sustainable investing

Total  
base = 200

41%

AUM: < \$25 million  
base = 160

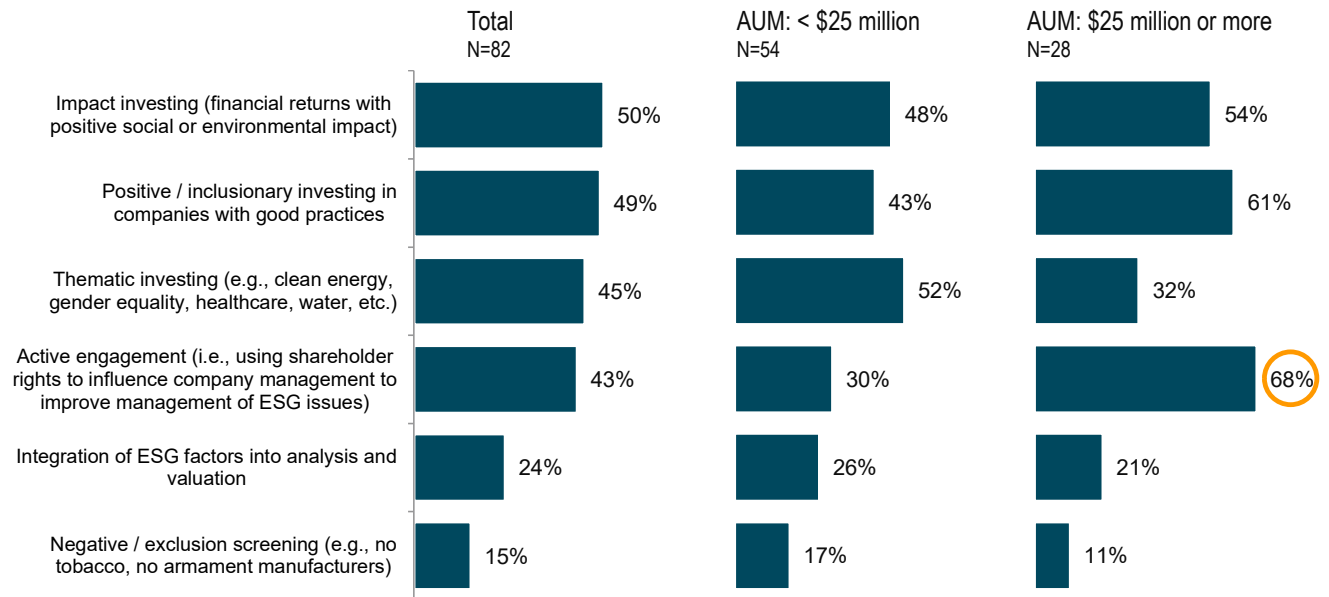
34%

AUM: \$25 million or more  
base = 40

70%

## Sustainable investing strategies adopted

base = those who engage in sustainable investing

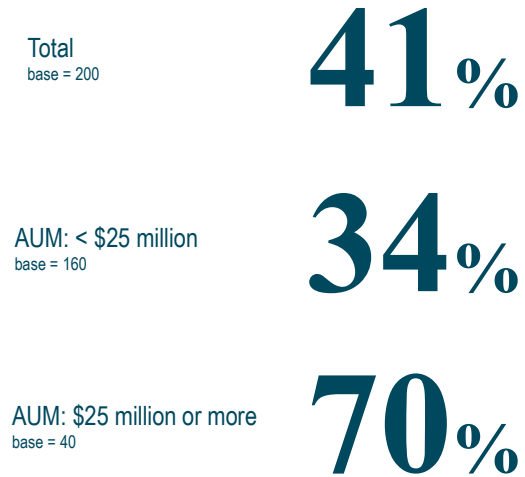


Significantly higher than AUM <\$25 million

# Top motivators are to “make the world a better place” and increased availability of opportunities

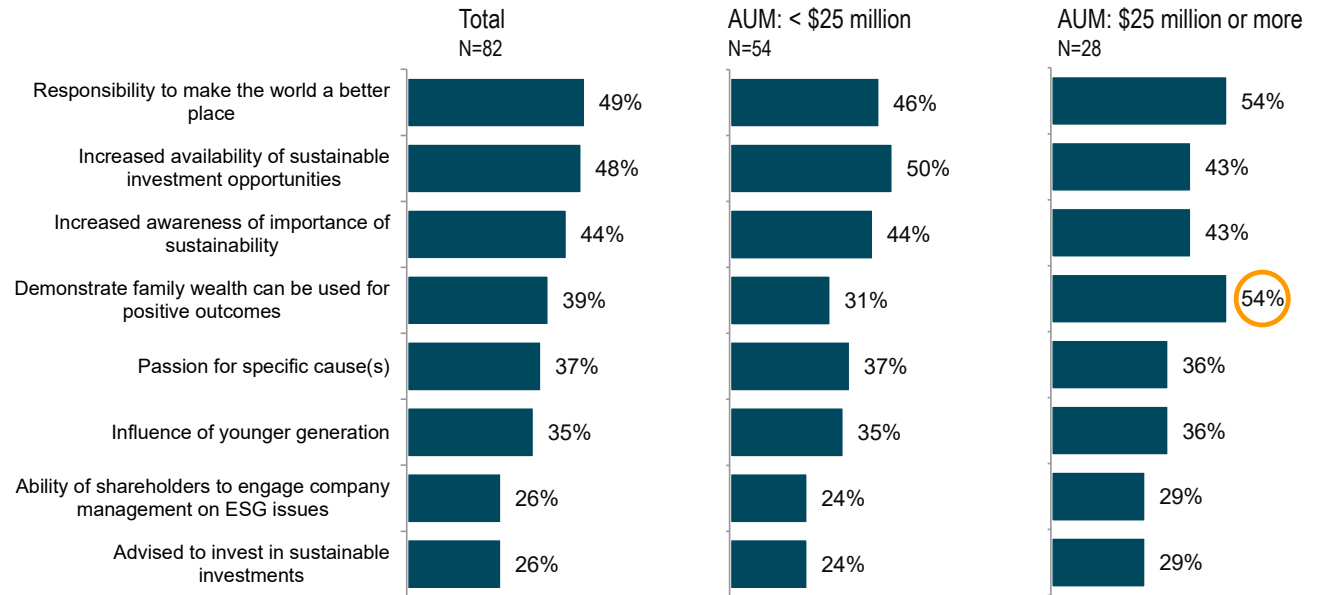
Few report they are currently being advised to invest in sustainable investments.

## % who engage in sustainable investing



## Motivations for investing sustainably

base = those who engage in sustainable investing

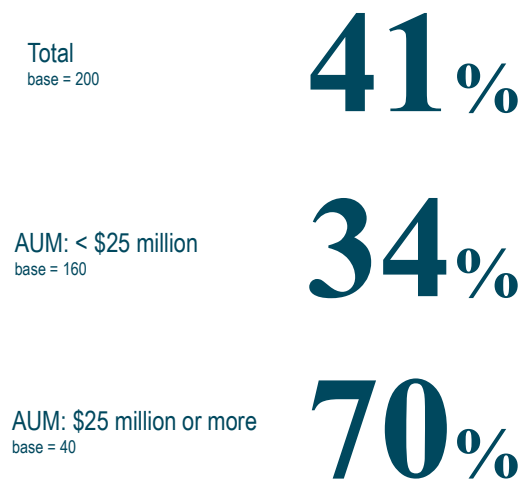


Significantly higher than AUM <\$25 million

# Increased competition for high-quality deals is the top mentioned challenge

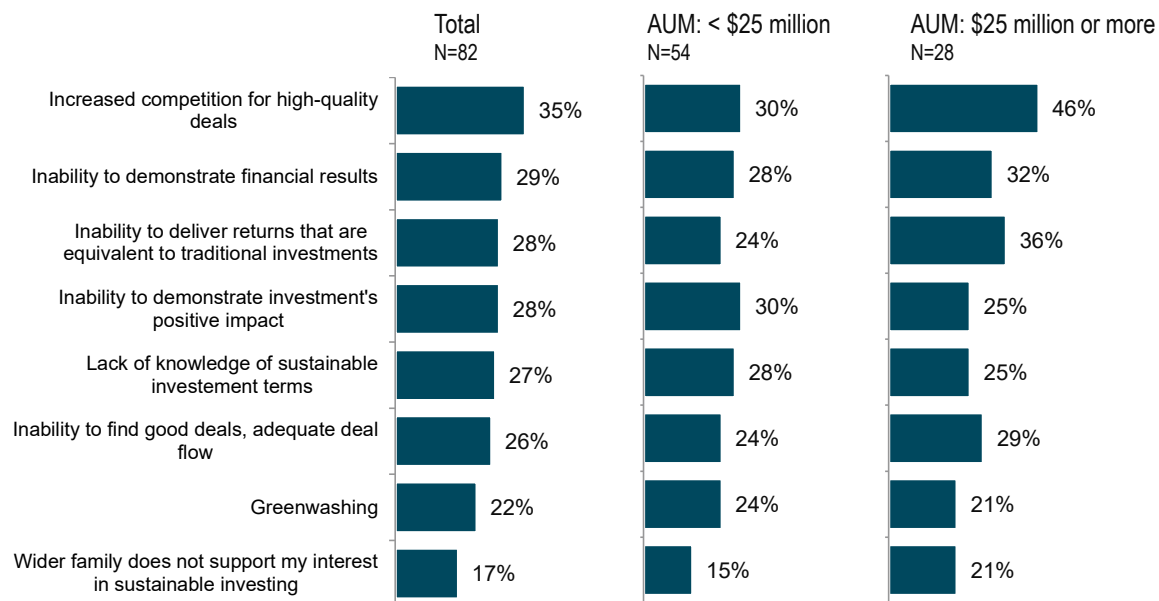
Relatively few cite greenwashing or lack of family support as challenges associated with investing sustainably.

## % who engage in sustainable investing



## Challenges faced when investing sustainably

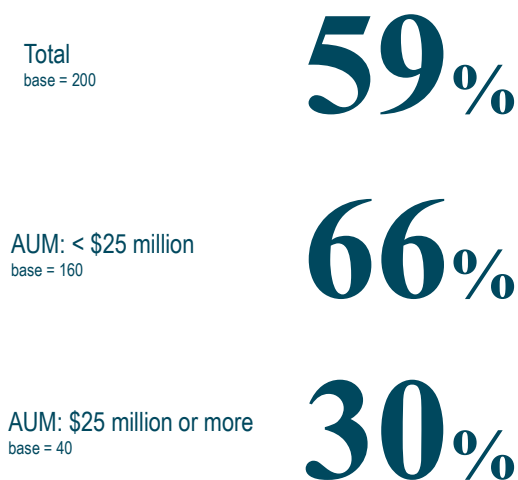
base = those who engage in sustainable investing



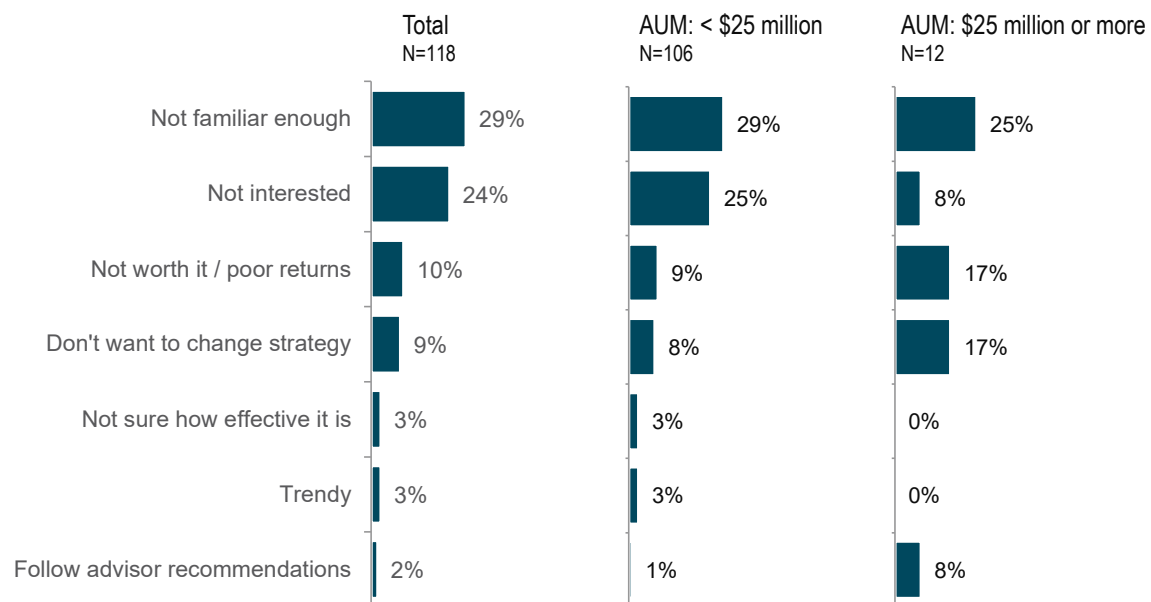
# Investors claim their lack of knowledge about sustainable investing

Others are simply not interested in sustainable investing, cite poor returns, or don't want to change their current strategy.

## % who do not engage in sustainable investing base = 200



## Reasons for not engaging in sustainable investing [open-ended] base = those who do not engage in sustainable investing



Q19a. Do you engage in sustainable investing?  
Q19e. Why do you not currently engage in sustainable investing? [open-ended]

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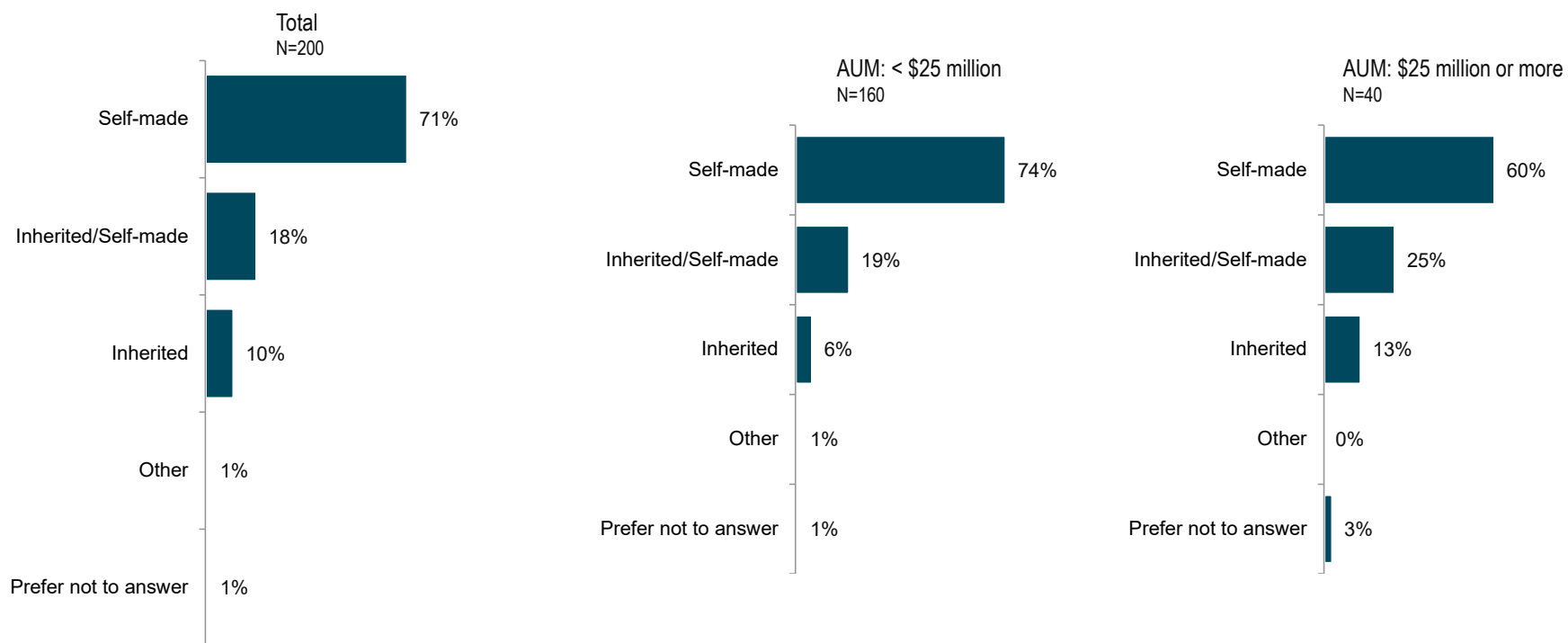
# Appendix

## Background Information

# Most (71%) report their wealth was self-made

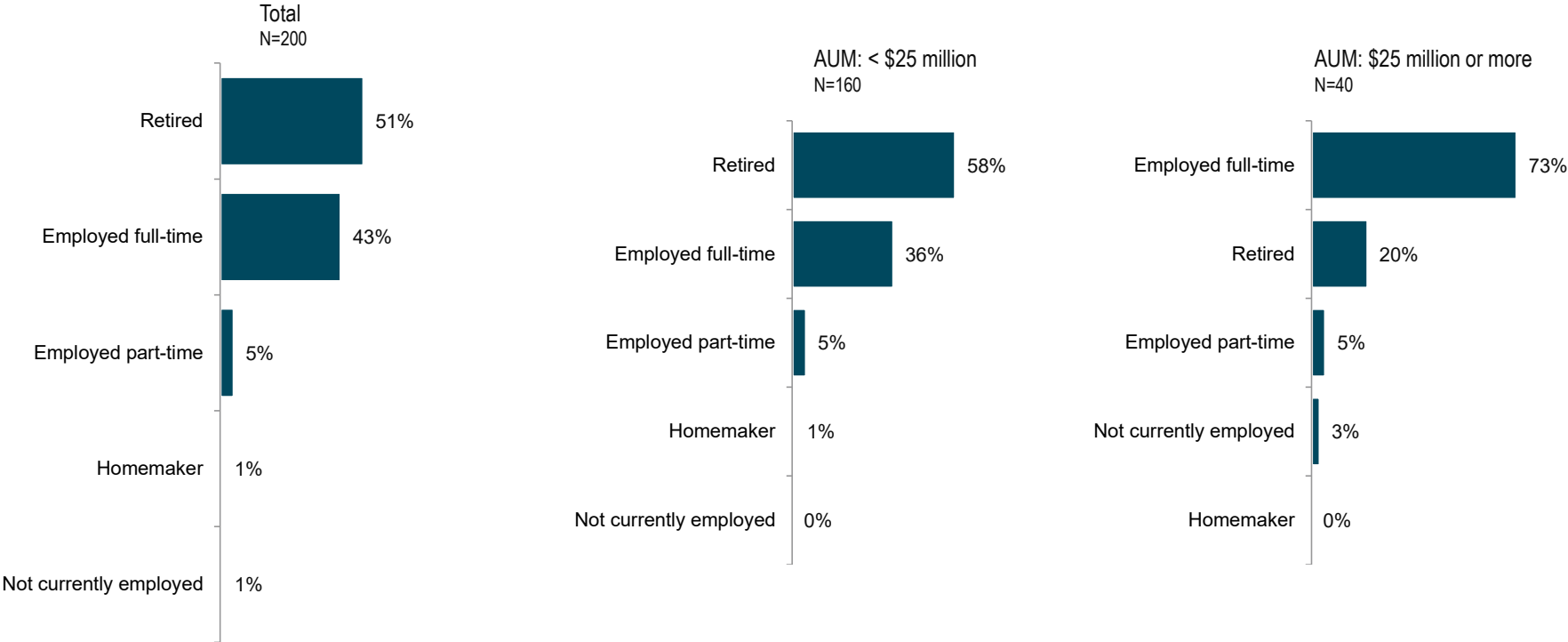
Investors with higher AUM are more likely to say that at least part of their wealth was inherited.

## Source of wealth



# The final sample consists of investors who are employed full-time and who are retired

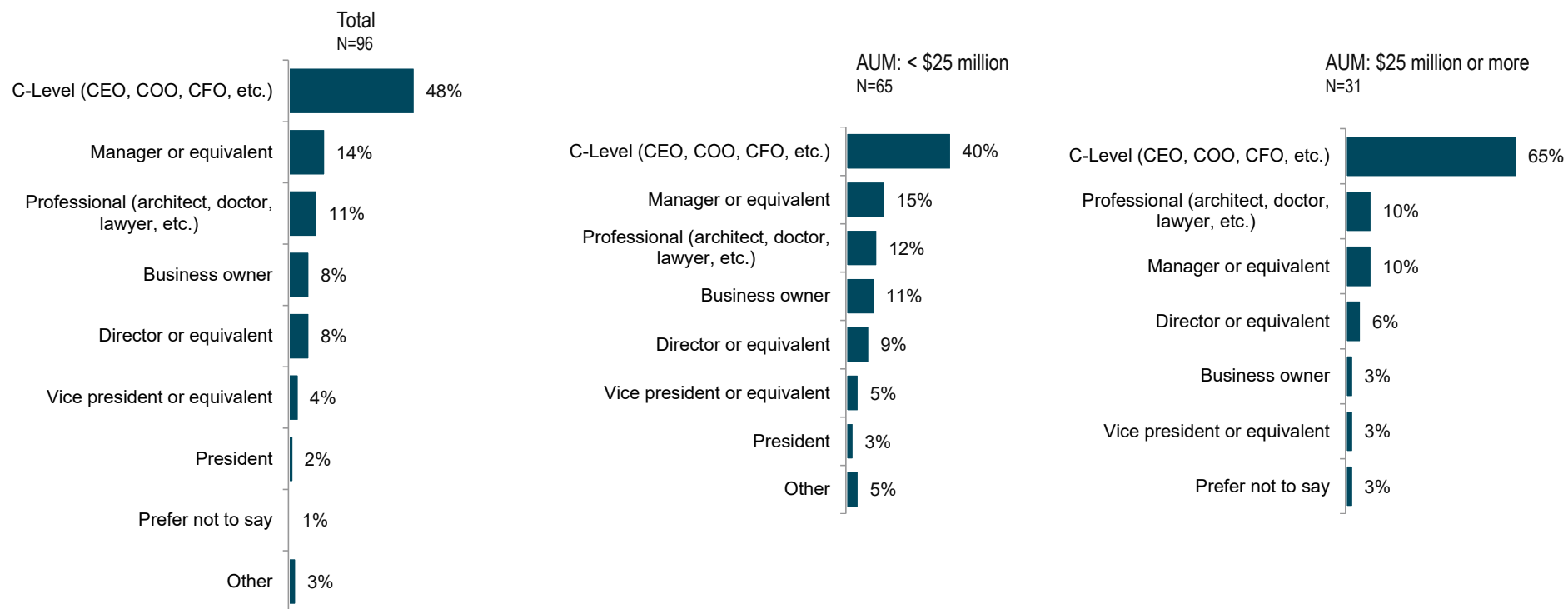
## Employment status



# Many respondents who are currently employed are C-Level executives

## Title or Occupation

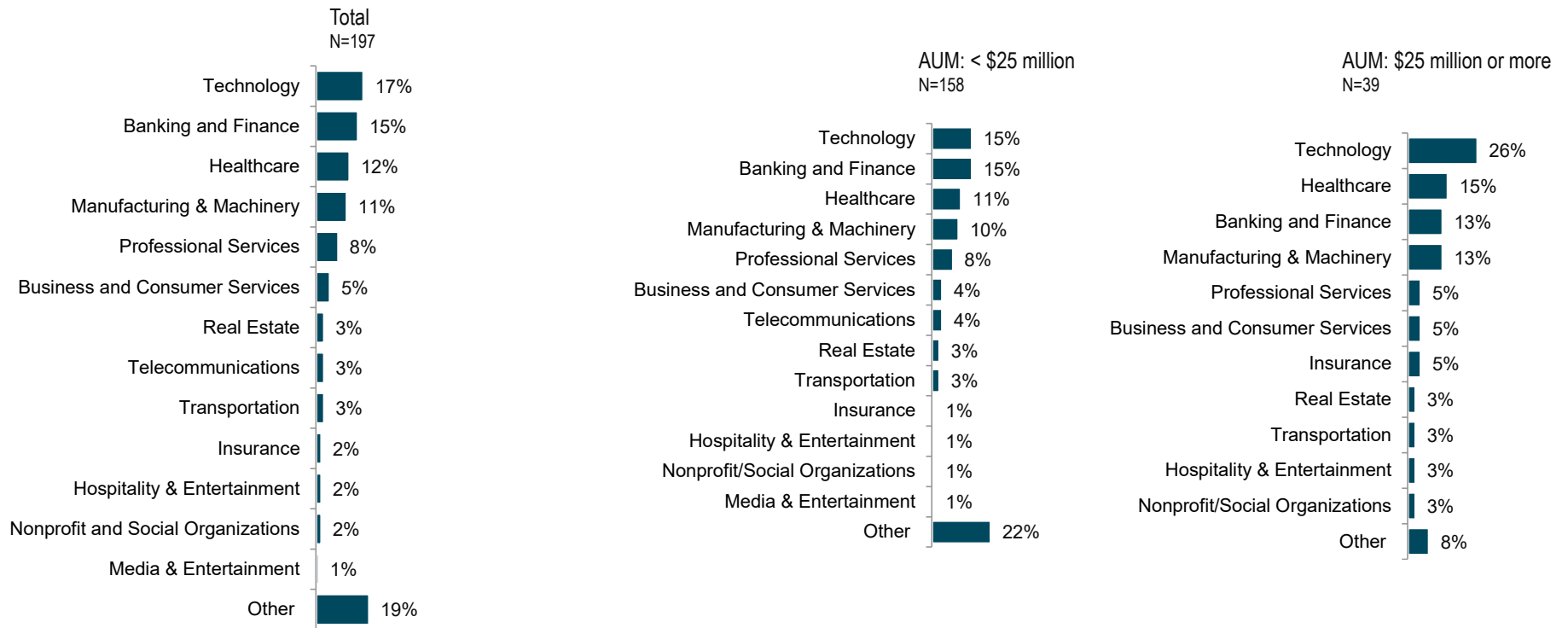
base = those employed full- or part-time



# Many respondents work(ed) in Technology or Banking and Finance

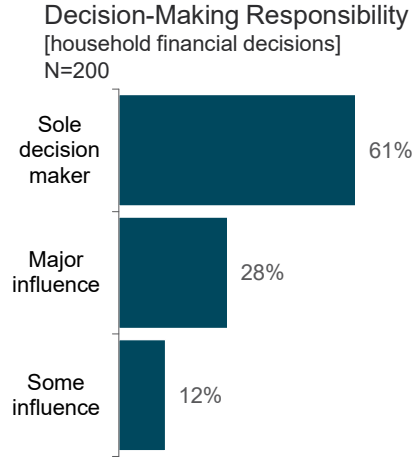
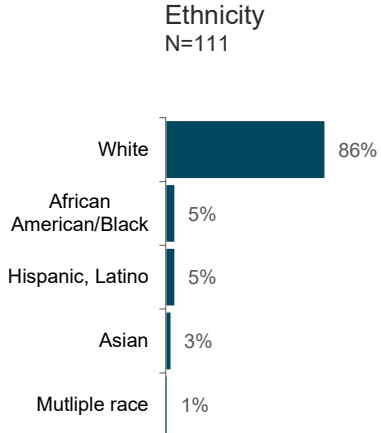
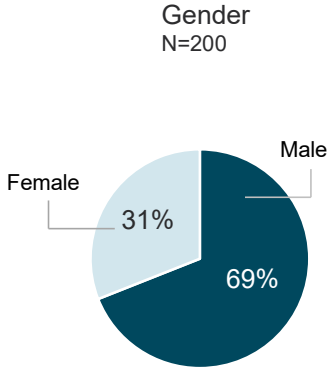
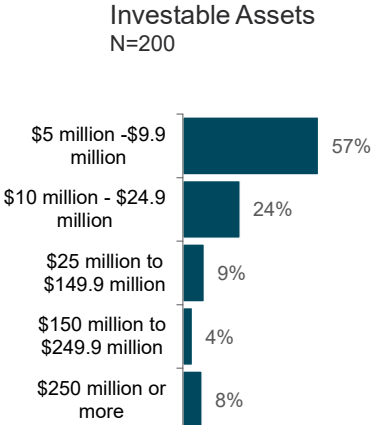
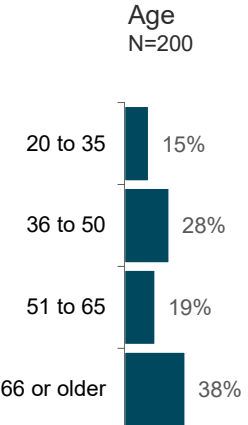
## Industries

base = those employed full-time, part-time, or retired



Q23. Which of the following industries would you say you are most closely associated with (If you are retired, please select the industry in which you previously worked).

# Age, Investable Assets, Gender, Ethnicity, Decision-Making Responsibility



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# Thank You