

The 2011 Study of High Net Worth* Women's Philanthropy



PHILANTHROPIC SOLUTIONS

Women are critical to philanthropic decision-making in high net worth (HNW) households

As women create and control a growing share of wealth in this country, their philanthropic clout is increasing. In nearly 90% of HNW households, women are either the sole decision-maker or an equal partner in decisions about charitable giving.

Women take a strategic approach to giving

HNW women are more strategic with respect to their charitable giving than HNW men. Wealthy women (78%) are statistically significantly more likely to have an annual strategy and/or a budget for their giving than wealthy men (72%). HNW women, like HNW men, consult with traditional advisors for advice on their giving.

Why women give

HNW women (82%) are more likely than HNW men (71%) to be motivated to give when they are moved by how their gift can make a difference in the world and by the ability to give back to the community (women: 78%, men: 63%). HNW women are also motivated by efficient use of their gift (women: 81%, men: 69%) and because they want to set a good example for the next generation (women: 44%, men: 25%). Being actively involved with an organization and its mission through volunteering is also one of the most powerful motivators for HNW women to give (women: 66%, men: 50%). HNW men are more likely to cite supporting the same causes year after year as a motivation for giving (men: 68%, women: 60%).

About the study

The 2011 Study of High Net Worth Women's Philanthropy is the latest in a series of in-depth reports on high net worth philanthropic trends, produced as part of an ongoing research partnership with The Center on Philanthropy at Indiana University that began in 2006. This latest study explores the similarities and differences in the giving behaviors and motivations between high net worth women and men donors.

continued

Please see last page for important information.

Bank of America Merrill Lynch is a marketing name for Institutional Investments & Philanthropic Solutions (II&PS). II&PS is part of U.S. Trust, Bank of America Private Wealth Management ("U.S. Trust"). U.S. Trust operates through Bank of America, N.A. and other subsidiaries of Bank of America Corporation ("BAC"). Bank of America, N.A., Member FDIC. Banking and fiduciary activities are performed by wholly owned banking affiliates of BAC, including Bank of America, N.A. Brokerage services may be performed by wholly owned brokerage affiliates of BAC, including Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S").

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
-----------------------------	--------------------------------	-----------------------

Investment products and services may be available through a relationship managed by U.S. Trust or through a relationship with MLPF&S. Certain U.S. Trust associates are also registered representatives with MLPF&S and may assist you with investment products and services provided through MLPF&S and other nonbank investment affiliates. MLPF&S is a registered broker-dealer, member SIPC and a wholly owned subsidiary of BAC.

Bank of America Merrill Lynch and U.S. Trust makes available investment products sponsored, managed, distributed or provided by companies that are affiliates of BAC or in which BAC has a substantial economic interest, including BofA™ Global Capital Management.

Women volunteer more than men

More than 87% of HNW women report that they had volunteered, compared to about 78% of HNW men. During their working years, wealthy women and men volunteer at similar levels. However, retired HNW women (85%) volunteer notably more than retired HNW men (72%).

Why women stop giving

HNW women (49%) are statistically significantly more likely to stop giving to an organization that they previously supported in the past year when compared to HNW men (41%). Among the reasons: HNW women felt they were solicited too frequently or were asked for an inappropriate amount (49%), they decided to support other causes (41%), their household circumstances changed (31%), or they were no longer involved with the organization (16%).

Women want to see the impact of their giving

While personal experiences with an organization and firsthand observations of the organization's impact are important factors for both HNW men and HNW women, HNW women (82%) are statistically significantly more likely than their male (73%) peers to cite personal experiences with an organization's work as an influencing factor in giving to that organization. Efficient use of their gifts (women: 81%, men: 69%) and giving back to the community (women: 78%, men: 63%) were among the other most influential factors reported by HNW women donors. HNW women also cite an organization's own communications about its impact (46%) and third-party ratings about an organization (23%) as factors influencing their charitable giving decisions.

Investment risk tolerance of women

While 24% of HNW men reported a willingness to tolerate above-average or substantial levels of risk when investing their philanthropic assets, fewer HNW women (15%) showed the same willingness to accept that level of risk with their philanthropic investments. Only 23% of HNW men reported they were not willing to take any risk with their philanthropic investing. In contrast, 39% of HNW women claimed to be completely risk-averse with respect to their philanthropic investments.

Women and men are consistent in the purpose of their largest gifts

Both wealthy men and wealthy women are most likely to direct their largest annual gift to general operating support. Over one-third of HNW women and men give their largest gift to fund a particular program (women: 41%, men: 35%).

Women are more confident in nonprofits

Overall, while HNW individuals report a high level of confidence in nonprofit institutions to solve domestic and global societal problems, HNW women report a higher level of confidence in nonprofits (50%) than HNW men (34%). Both HNW women and HNW men also place a great deal of confidence in individuals, presumably including themselves, to resolve societal issues. Less confidence was placed in the business and government sectors to resolve such issues.

The power of women's networks

A significant trend in women's philanthropy is the proliferation of women's networks, funds and giving circles. In some cases, institutions and organizations have created specific initiatives to engage female donors through grassroots efforts, and in others, women themselves have created collaboratives with other women. Involvement in giving networks and collaboratives creates an enhanced opportunity for learning and community engagement.

- HNW women who participate in a network (87%) are more motivated than their non-networked peers (71%) when they can give back to the community and when a nonprofit is efficient in its use of donations (networked: 86%, non-networked: 76%).
- HNW women in giving networks are more intentional about their gifts of time and money. HNW women in a network are also more motivated to give when they volunteer at an organization (networked: 73%, non-networked: 60%), when they set an example for young people (networked: 56%, non-networked: 34%), and when asked to give (networked: 42%, non-networked: 33%).
- More than half of networked HNW women report a great deal of confidence in the ability of individuals (networked: 55%, non-networked: 40%) and nonprofit organizations (networked: 54%, non-networked: 47%) to solve domestic and global issues.

Opportunities for nonprofit organizations

Because HNW women wield increasingly more philanthropic clout, it is critical for nonprofit organizations to understand their charitable behaviors and motivations:

- **Understand their role and influence.** More often than not, HNW women are either the sole decision-maker or an equal partner in charitable decision-making.
- **Meet their expectations.** HNW women spend more time than HNW men on due diligence before making decisions about giving to a charitable organization. They expect a deeper level of communication with the organizations they support and place greater importance than men on the efficiency and effectiveness of the organization and on hearing about the impact of their gift.
- **Encourage participation.** HNW women want to be actively involved with an organization and its mission, with volunteering being among the most important motivations for HNW women to give. They also want to set an example for young people, and continue to involve their families.
- **Cultivate collaboratives.** Women are increasingly engaging with other women when giving. The impact of these charitable networks for nonprofits is significant.

How women can make their philanthropy more effective and meaningful

HNW women donors are highly motivated by their desire and ability to make a difference. Some suggestions to better enable them to accomplish their philanthropic goals include:

- **Identify purpose.** It is critical to the effectiveness and sustainability of one's giving to have a clear focus or theory of change as to how she intends to make a difference. It is important therefore that the donor identify the themes and goals of her giving.
- **Gauge impact.** Maintaining an ongoing dialogue with an organization, reviewing reports on the furtherance of its mission and other research and due diligence are ways to monitor and measure the impact of one's giving.
- **Get involved.** Gifts of time and skill can be as important as financial support in helping an organization to fulfill its mission. It can provide the donor with a "ground floor" view of operations and practices that can help her assess the organization's overall effectiveness. Personal engagement with an organization is often extremely rewarding for the donor as well.
- **Join a network.** Giving circles and networks can help donors become more educated and informed about philanthropic choices and meet like-minded donors who share their interests.

Putting the strength of Bank of America Merrill Lynch to work in your best interest

Based nationally and delivered locally through a dedicated relationship team, Philanthropic Solutions brings your organization our best thinking and over 200 years of experience. For more information, contact your Bank of America Merrill Lynch advisor.

For more information

To download the full 2011 Bank of America Merrill Lynch Study of High Net Worth Women's Philanthropy, visit www.bankofamerica.com/philanthropic.



*All references to women and men in this document refer to high net worth women and men. For the purposes of this research, high net worth is defined as household income greater than \$200,000 and/or net worth (excluding the value of their residence) of at least \$1,000,000. The average wealth of respondents was \$12.2 million. Half of those who responded had a net worth between \$3 million and \$20 million.

The information provided is based on the *2011 Study of High Net Worth Women's Philanthropy*, researched and written by The Center on Philanthropy at Indiana University. Bank of America cannot confirm or guarantee the accuracy or completeness of the analysis provided in the study. Key findings referenced do not represent the entire findings in the study. Always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

© 2012 Bank of America Corporation. All rights reserved. | ARA5C722 | BRO-01-12-8267.B | 01/2012

10% post-consumer content. ♻️