

## Transformation

# Charitable giving by affluent households

10 November 2023

### Key takeaways

- According to the 2023 Bank of America Study of Philanthropy, 85% of affluent households gave to charity in 2022, with the value of their average gifts rising 19% above pre-pandemic levels. Plus, volunteering is on the rebound - and the median amount given by affluent volunteers is nearly four times more than that of non-volunteers.
- Beyond financial gifts and volunteering, 79% of affluent individuals are embracing “conscious consumerism,” meaning they often decide to purchase from companies that prioritize positive social impact.
- Though religious organizations receive the largest share of giving dollars, the next generation of donors is adopting new strategies to integrate changing values and charitable goals into their wealth management plans.

The 2023 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households (the Study) builds on a long-running and comprehensive body of research. It serves as an important barometer of charitable giving and engagement among affluent households in the United States, helping to shape donors’ perspectives as well as the strategies used by nonprofit organizations that rely on the generosity of those donors to carry out their missions.

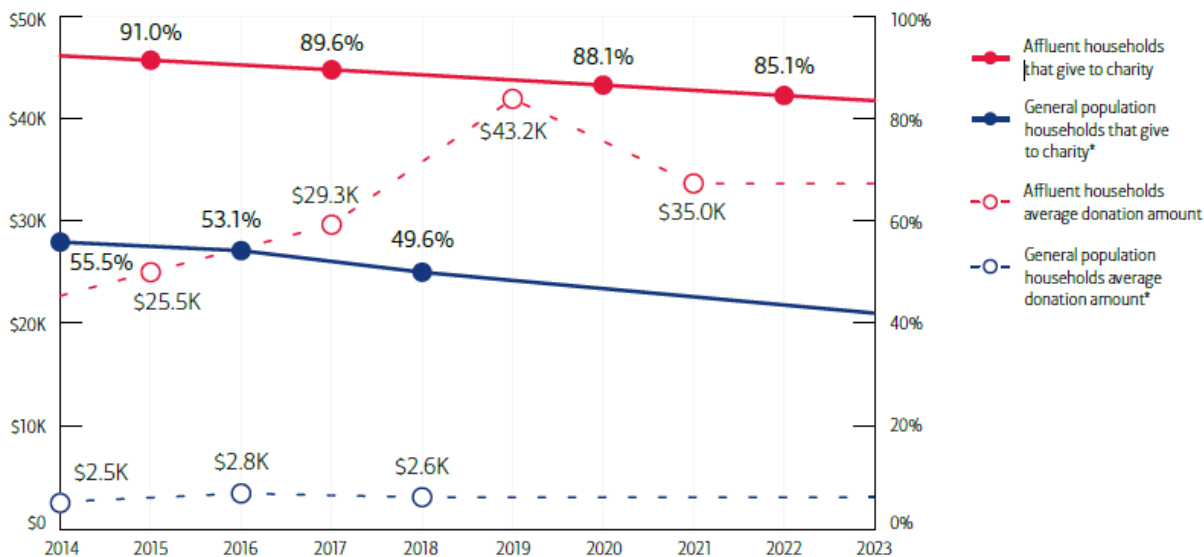
### Charitable giving by affluent households is above pre-pandemic levels

Affluent Americans continue to give generously to charitable organizations and causes, according to the 2023 Bank of America Study of Philanthropy, with 85% of affluent households making charitable contributions in 2022 and the value of their average gifts is rising 19% above pre-pandemic levels.

However, the percentage of affluent households that gave to charity declined compared to 2020 (88%) and continues a downward trend among this group over time (Exhibit 1).

#### Exhibit 1: Comparison of affluent households’ and general population households’ giving over time

85% of affluent households gave to charity in 2022



Source: Bank of America Study of Philanthropy, Indiana University Lilly Family School of Philanthropy, Philanthropy Panel Study (PPS)

Of those affluent households that did not give to charity in 2022, 44% said their priority was to take care of family needs, up from 27% five years earlier. This is also likely a reflection of the challenges posed by 2022's economic and market volatility. While the percentage of donor households has been declining, the average amount given by affluent ones has been generally increasing. In 2015, the average amount given to charitable organizations by affluent households was \$25,509, but giving levels peaked in 2020 at \$43,195 in response to needs created by the pandemic and an increased awareness of racial and social justice issues (Exhibit 1). This is likely because in times of crisis, affluent Americans have historically responded quickly and generously to assist others and address urgent needs.

### Affluent women are a force for change

Despite a decline from 2020, the 2022 level of giving is still almost 20% higher than pre-pandemic levels and 13.5 times more than the average amount given by the general population. In contrast, the average amount given by households in the general population has been more stagnant over time, hovering around \$2,500 since 2014 (Exhibit 1). Most recently, in 2022, affluent American households gave \$34,917 on average to charitable organizations.

Who are driving these decisions? The vast majority of household charitable giving decisions are made or influenced by women. And 85% of affluent women say they sometimes or always consciously align their purchasing decisions with their values. Yet, even with women's philanthropic leadership and active engagement, they remain underrepresented on nonprofit governance boards, with just 16% of affluent women compared to 30% of affluent men holding board positions.

### Volunteering is on the rebound

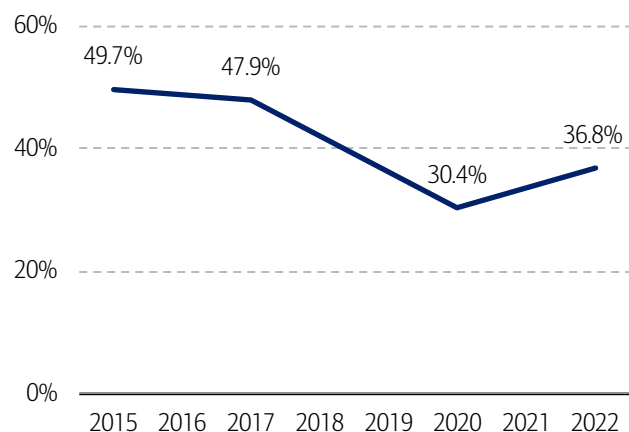
Charitable engagement is not limited to financial donations. In 2022, nearly 37% of affluent households volunteered their time and talents to charitable organizations and causes (Exhibit 2), up from 30% in 2020, when social distancing and other COVID-related challenges kept many individuals from volunteering.

While volunteering has not returned to pre-pandemic levels, affluent individuals are re-engaging, with 40% of affluent volunteers indicating that the number of hours they spent volunteering in 2022 had returned to pre-pandemic levels or increased. Affluent volunteers spent an average of 135 hours with an average of two different organizations in 2022. The three most common activities for this group were: helping a religious organization/ushering; collecting and/or distributing food, clothing or other basic needs-related items; and serving on an organization's board (Exhibit 3).

Affluent volunteers are also highly motivated to respond and believe their service makes a difference. Almost all (93%) of those who volunteer say it is personally fulfilling. Moreover, people who volunteer are more likely to give to charity than those who do not (94% and 80%, respectively), and the median gift amount by volunteers is nearly four times more than that of non-volunteers.

#### Exhibit 2: Affluent individuals who volunteered over time (% of respondents)

The affluent volunteering rate has not yet returned to pre-pandemic levels

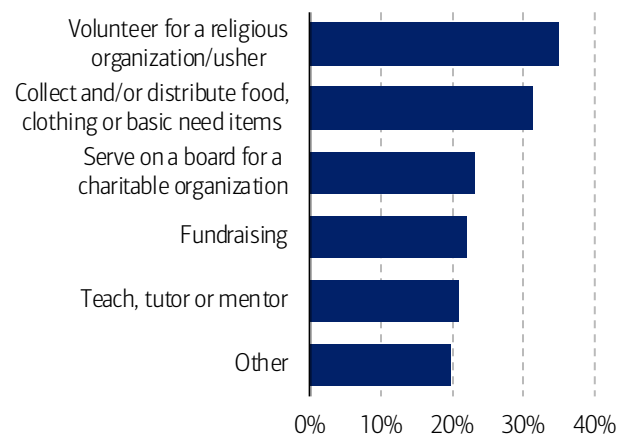


Source: Bank of America Study of Philanthropy

BANK OF AMERICA INSTITUTE

#### Exhibit 3: Volunteer activities performed by affluent individuals in 2022 (% of respondents)

Volunteering for a religious organization/usher was the most common volunteering activity performed by affluent individuals in 2022



Source: Bank of America Study of Philanthropy, Bank of America Institute

BANK OF AMERICA INSTITUTE

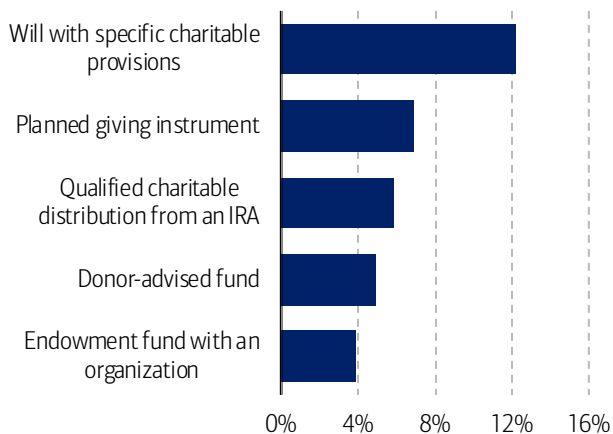
### Strategy sets the scene for achieving philanthropic goals

Beyond financial gifts and volunteering, many affluent households create positive change, take action and express their values using multiple tools and levers, including as consumers and investors. More than one in five have a giving vehicle such as a donor-advised fund or endowment fund with an organization to meet their philanthropic goals (Exhibit 4).

Among households that made contributions from their fund in 2022, those amounts accounted for 42% of their total giving, on average. The top reasons affluent individuals with donor-advised funds say they use them are tax considerations and ease of administration (Exhibit 5). And over half of affluent households with a net worth of between \$5 million and \$20 million have, or plan to establish, a giving vehicle within the next three years.

**Exhibit 4: Affluent individuals who currently have at least one of the following giving vehicles (% of respondents)**

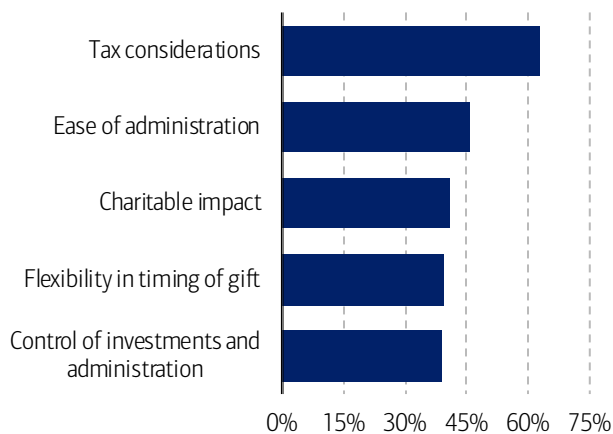
As a giving vehicle, a will with specific charitable provisions is the most common amongst affluent individuals



Source: Bank of America Study of Philanthropy, Bank of America Institute  
BANK OF AMERICA INSTITUTE

**Exhibit 5: Reasons affluent individuals use donor-advised funds (% of respondents)**

Tax considerations are the most common reason affluent individuals use donor-advised funds



Source: Bank of America Study of Philanthropy, Bank of America Institute  
BANK OF AMERICA INSTITUTE

Plus, the rise of digital capabilities has expanded affluent households’ philanthropic toolkit, with two-thirds who used online donor-advised fund recommendations to facilitate their giving considering this type of digital tool important in shaping and facilitating their household’s charitable giving.

“Conscious consumerism” is another strategy many affluent individuals use to achieve their philanthropic goals. Beyond financial gifts and volunteering, 79% overall say their purchasing decisions are sometimes or always aligned with their values, meaning they buy from companies that prioritize positive social impact. Sustainable/impact investing is another way that 9% of affluent households are using their capital, with 75% of those investing this way saying it is additive to their charitable giving. Black/African Americans and Asian Americans were significantly more likely to hold impact investments. Asian Americans, younger individuals, and men were also significantly more likely to indicate that they were interested in becoming more knowledgeable about impact investing.

**Religious organizations continue to receive the largest share of giving dollars**

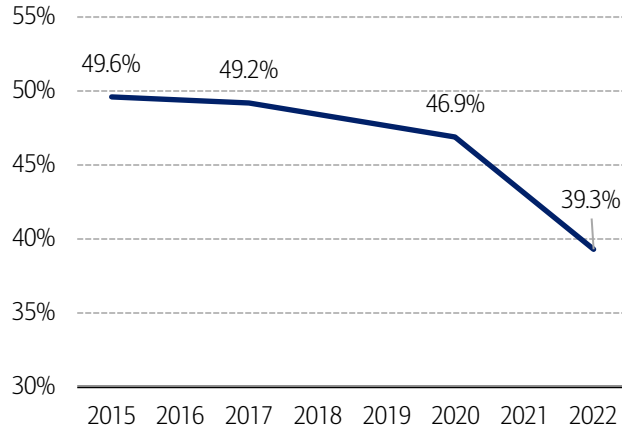
Places of worship have consistently received the largest share of giving dollars by affluent households over time. The median gift amount for religious causes is nearly six times more than the median amount given to basic needs organizations, which received the second-highest median gift amount in 2022 (Exhibit 6).

A reason for giving more to religious organizations may be the relative importance of religious life for more than one in five affluent donors, who count it among the three issues they care about most. Moreover, affluent households report a higher degree of confidence in religious organizations’ abilities to solve societal or global problems, now and in the future, compared to the government and business sectors (Exhibit 7).

Yet, the overall percentage of affluent households giving to religious organizations declined sharply in 2022 to 39% from 47% in 2020. The percentage of households giving to these causes is highest in the South and on the West Coast, where 46% and 50% of affluent households, respectively, give to religious services and development. Additionally, a majority of African American/Black households and 43% of older individuals give to these.

**Exhibit 6: Affluent households that gave for religious/spiritual service or development over time (% of respondents)**

The percentage of affluent households that gave for religious/spiritual service or development over time has decreased since 2015

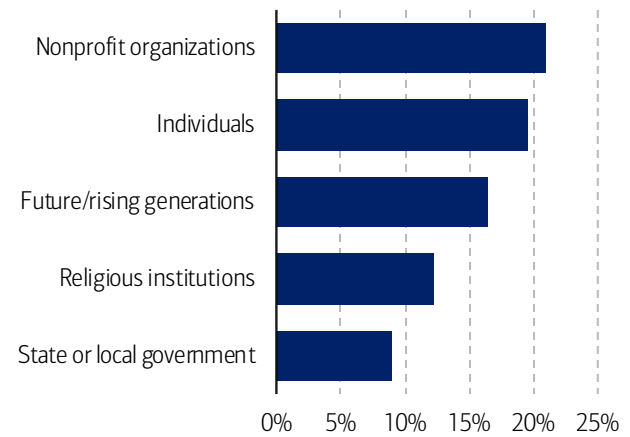


Source: Bank of America Study of Philanthropy

BANK OF AMERICA INSTITUTE

**Exhibit 7: Groups that affluent individuals have “a great deal of confidence” in to solve societal or global problems (% of respondents)**

Religious organizations and nonprofit organizations are groups that affluent individuals have “a great deal of confidence” in to solve societal or global problems



Source: Bank of America Study of Philanthropy, Bank of America Institute

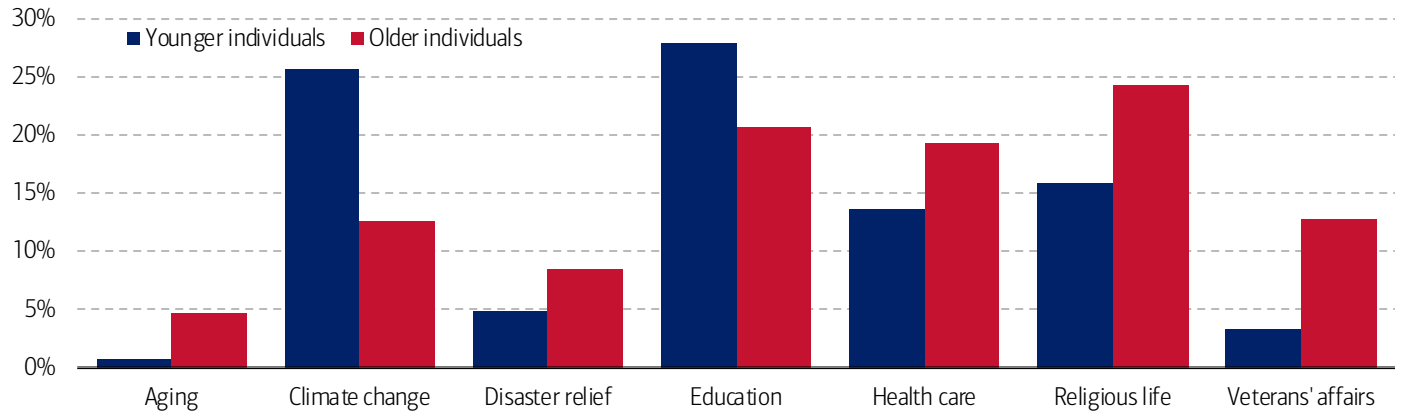
BANK OF AMERICA INSTITUTE

**The future of philanthropy**

The next generation (Millennials and Gen Z, who are under the age of 42) have the potential to become an important group of philanthropic leaders, particularly as they create and inherit a growing share of the nation’s wealth over the next decade. In fact, four in five younger affluent households are already giving to charity. However, they are less likely than older donors to participate in traditional forms of philanthropy, including both charitable giving and volunteering.

**Exhibit 8: Causes/issues that are most important to affluent Americans by age (% of respondents)**

There are significant differences in importance of causes/issues by age



Source: Bank of America Study of Philanthropy

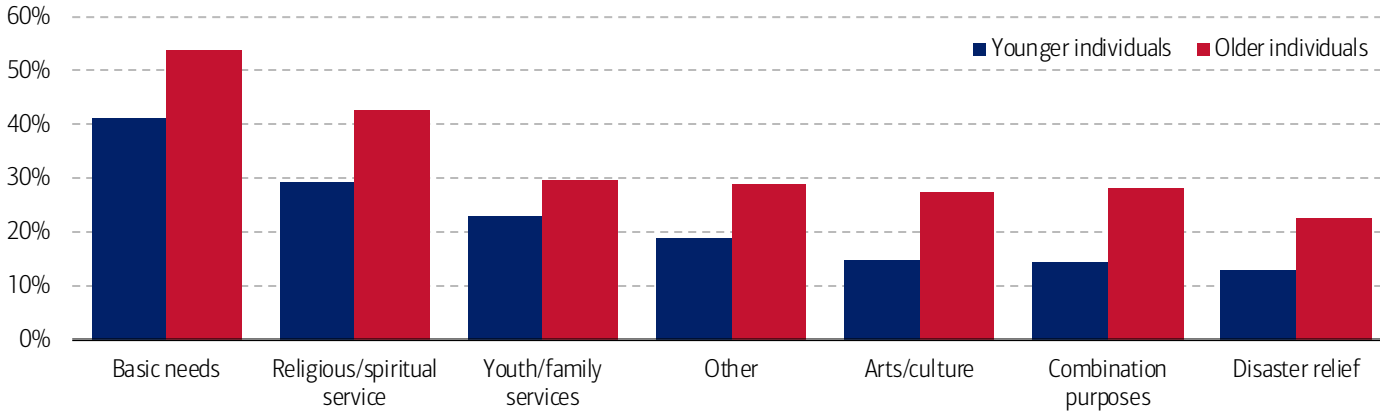
BANK OF AMERICA INSTITUTE

As a group, this younger population is passionate about addressing climate change and is two-and-a-half times more likely than older donors to cite climate change as one of the top three causes or issues that are most important (Exhibit 8). Nearly two-thirds of younger individuals who make conscious purchasing decisions indicate that a portion of their conscious consumerism is focused on climate change and over half who engage in sustainable/impact investing said that a portion of this investing is focused on climate change. In contrast, older Americans were significantly more likely to select aging, disaster relief, health care, homelessness, religious life and veterans’ affairs, compared with younger individuals.

Not only do younger and older Americans see different causes or issues as more or less important, but they also give to charitable subsectors at differing levels. Younger individuals are significantly less likely to give for religious/spiritual service or development, to organizations that serve a combination of purposes, to provide basic needs; youth/family services; to support the arts, culture or ethnic awareness or disaster relief efforts compared to older individuals.

### Exhibit 9: Subsector giving by age (% of respondents)

Younger generations are less likely to give to religious or spiritual services than older individuals



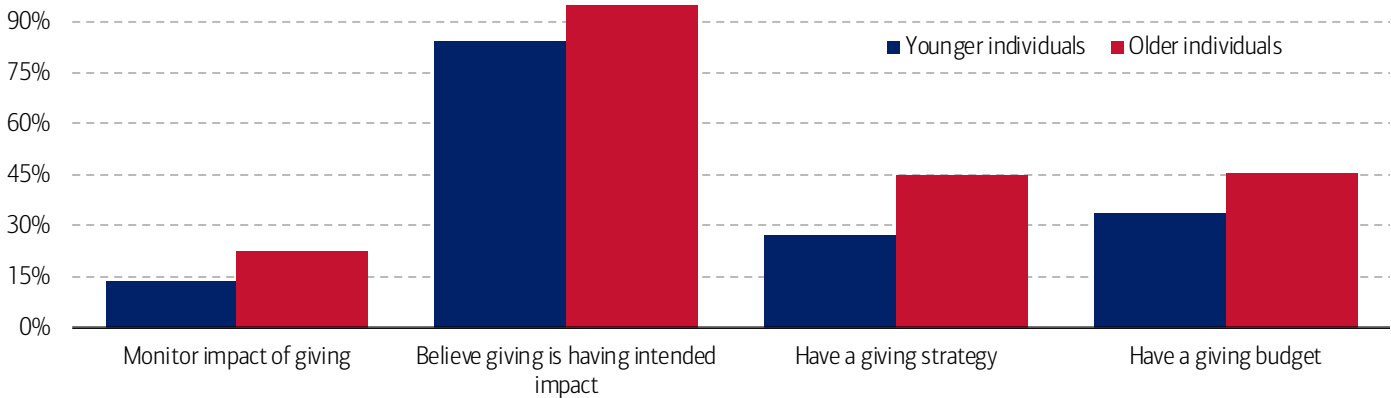
Source: Bank of America Study of Philanthropy

BANK OF AMERICA INSTITUTE

However, only 27% of younger individuals have a giving strategy and they are nearly twice as likely to say they are looking to become more knowledgeable about integrating their values and charitable goals into their overarching wealth management plans compared to older individuals (Exhibit 10). Moreover, one-third of younger individuals are looking for help identifying the right volunteer opportunity. And when deciding whether to give to an organization, young donors are more likely to rely on information from the internet or media (31%) than older donors and similarly are less likely to utilize information from direct engagement with nonprofits (20%) than older donors.

### Exhibit 10: Behaviors of affluent households by age (% of respondents)

Younger individuals are less likely to have a giving strategy or a giving budget than older individuals



Source: Bank of America Study of Philanthropy

BANK OF AMERICA INSTITUTE

## **2023 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households Survey Methodology**

All results presented in this report rely on data obtained from an original survey developed by the Indiana University Lilly Family School of Philanthropy (School) in partnership with Bank of America and fielded by Ipsos Public Affairs on behalf of the School. The survey was conducted on KnowledgePanel®, the largest online panel in the United States that relies on probability-based sampling methods for recruitment to provide a representative sampling frame for adults in the U.S. All data were collected between January 19, 2023, and February 13, 2023, and reflect giving activity during the 2022 calendar year.

The survey is based on a nationally representative random sample of 1,626 affluent individuals with a net worth of \$1 million or more (excluding the value of their primary home) and/or an annual household income of \$200,000 or more (a standard in the financial industry as a benchmark for wealth, also referred to as 'accredited investors'). The median income and wealth levels of the respondents exceeded the threshold for participation, at \$300,000 and \$2,000,000, respectively.

### **Contributors**

#### **Taylor Bowley**

Economist, Bank of America Institute

#### **Vanessa Cook**

Content Strategist, Bank of America Institute

### **Sources**

**The 2023 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households**

# Disclosures

These materials have been prepared by Bank of America Institute and are provided to you for general information purposes only. To the extent these materials reference Bank of America data, such materials are not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial conditions or performance of Bank of America. Bank of America Institute is a think tank dedicated to uncovering powerful insights that move business and society forward. Drawing on data and resources from across the bank and the world, the Institute delivers important, original perspectives on the economy, sustainability and global transformation. Unless otherwise specifically stated, any views or opinions expressed herein are solely those of Bank of America Institute and any individual authors listed, and are not the product of the BofA Global Research department or any other department of Bank of America Corporation or its affiliates and/or subsidiaries (collectively Bank of America). The views in these materials may differ from the views and opinions expressed by the BofA Global Research department or other departments or divisions of Bank of America. Information has been obtained from sources believed to be reliable, but Bank of America does not warrant its completeness or accuracy. Views and estimates constitute our judgment as of the date of these materials and are subject to change without notice. The views expressed herein should not be construed as individual investment advice for any particular client and are not intended as recommendations of particular securities, financial instruments, strategies or banking services for a particular client. This material does not constitute an offer or an invitation by or on behalf of Bank of America to any person to buy or sell any security or financial instrument or engage in any banking service. Nothing in these materials constitutes investment, legal, accounting or tax advice. Copyright 2023 Bank of America Corporation. All rights reserved.