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PHILANTHROPY

Affluent women influence 85pc of philanthropy decisions: Bank of America

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The vast majority of affluent women say they sometimes or always consciously align their purchasing decisions with their values. Image credit: Shutterstock

By STAFF REPORTS

Eighty-five percent of affluent households gave to charity in 2022 with the value of their average gifts rising 19 percent above pre-pandemic levels, according to a new 2023 Bank of America Study of Philanthropy.

The study from the Charlotte, NC-based bank found that affluent households gave an average of \$34,917 to charity in 2022, up from \$29,269 in 2017. However, this was less than the \$43,195 they gave in 2020 when giving levels peaked in response to needs created by the pandemic and an increased awareness of racial and social justice issues.

"This year's study shows the generosity of the American people and the strong influence of women and next-gen philanthropists who are using their wealth to promote positive change in the world," said [Katy Knox](#), president of Bank of America Private Bank, in a statement.

High five

There were five other key findings of the [Bank of America](#) study.

Volunteering is on the rebound. While the rate of volunteering among the affluent population has not yet returned to pre-2020 levels, it is up significantly 37 percent in 2022 compared to 30 percent in 2020.

Affluent volunteers are highly motivated to respond to needs (64 percent) and by the belief that their service makes a difference (57 percent).

People from affluent households who volunteer are more likely to give to charity than those who do not 94 percent and 80 percent, respectively and the median amount given by affluent volunteers is nearly four times more than that of non-volunteers.

Affluent women are a force for change. The vast majority (85 percent) of household charitable giving decisions are made or influenced by women.

Also, 85 percent of affluent women say they sometimes or always consciously align their purchasing decisions with their values: 42 percent volunteer, 10 percent participate in sustainable or impact investing, and 24 percent specifically give to organizations in support of women's and girls' causes and organizations.

Despite women's philanthropic leadership and active engagement, they remain underrepresented on nonprofit governance boards, with just 16 percent of affluent women compared to 30 percent of affluent men holding board positions, per the study.

Millennials and Gen Z are more passionate about climate change. Four in five younger affluent households under the age of 42 gave to charity in 2022. They are 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 to them.

While only 27 percent of younger donors have a giving strategy, they are nearly twice as likely as older donors to say they want to become more knowledgeable about integrating their values and charitable goals into their overarching wealth management plans.

Robust toolkit of strategies used to meet philanthropic goals. Almost a quarter (22 percent) of affluent households overall use a structured giving vehicle, such as a donor-advised fund, family foundation or charitable remainder trust, to meet their philanthropic goals.

Of those with a net worth greater than \$5 million, 54 percent have a giving vehicle or plan to establish one within the next three years.

Beyond financial gifts and volunteering, 79 percent overall say the purchasing decisions they make are sometimes or always aligned with their values, meaning they buy from companies that prioritize positive social impact.

Religious organizations receive the largest share of giving dollars. Of the total dollars given by affluent households, 36 percent went to religious organizations, which have consistently received the largest share of dollars 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.

Still, the overall number of affluent households giving to religious organizations has declined sharply to 39 percent in 2022 from 47 percent in 2020.



Economic shocks and uncertainty can affect philanthropy in the United States, even among affluent donors. Image credit: Bank of America

THE STUDY, the ninth in the biennial series conducted by Bank of America Private Bank and the Indiana University Lilly Family School of Philanthropy at IUPUI, found the percentage of affluent households giving to charity remained high, although 3 percent fewer households gave last year than in 2020.

Of those who did not give to charity in 2022, 44 percent said it was because of the need to take care of family, up from 27 percent who said this five years ago, and a reflection of the challenges posed by 2022's economic and market volatility.

"Observers have questioned how economic shocks and uncertainty will affect philanthropy in America, even among affluent donors," said Una Osili, associate dean for research and international programs at the Indiana

University Lilly Family School of Philanthropy, in a statement.

"This ongoing body of research serves as an important barometer of giving trends and provides insights into the extent to which giving behaviors may be returning to their pre-pandemic trends, or whether we are on a new path," she said.

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