

Women Drive Philanthropic Decisions in Wealthy Households, but Nonprofits Must Work for Their Trust, Study Finds

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(Dec. 20, 2011) In nearly 90 percent of high net worth households, women are either the sole decision maker or an equal partner in decisions about charitable giving, according to the Bank of America Merrill Lynch *2011 Study of High Net Worth Women's Philanthropy*. The power and influence of women in philanthropy may mean that some charitable organizations will need to adapt their messaging and strategies to appeal to women's distinct charitable giving behaviors and motivations.

Key findings of the study include:

- Women spend more time than men on due diligence before making decisions about giving to a charitable organization.
- Women 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 hearing about the impact of their gift.
- Women want to be actively involved with an organization and its mission, with volunteering being among the most important motivations for women to give.
- Women are more likely than men to stop giving to an organization they had previously supported whereas men tend to support the same causes year after year.

"As women create and control a growing share of wealth in the country, their influence in philanthropy is more evident," said Claire Costello, national foundation executive at Bank of America Merrill Lynch. "This study helps to quantify the philanthropic clout that women have and demonstrates to nonprofit leaders and fundraisers the value and impact of engaging women, especially high net worth women, in the organization's mission."

Women have an annual giving strategy

Women were more strategic in their charitable giving, with 78 percent creating an annual giving strategy and/or budget compared to 72 percent of men. About a quarter of high net worth individuals have neither a strategy nor a budget for their giving (22 percent for women and 28 percent for men).

"Women's increasing visibility and impact in philanthropy has important implications for the nonprofit sector. Charities need to better understand the different motivations that drive high net worth women's philanthropy, their more strategic approach to giving, and their desire for a deeper, more collaborative experience with the organizations they support," said Una Osili, Ph.D., director of research for the Center on Philanthropy at Indiana University.

Women want to see the impact they are having

Personal experience with a nonprofit (women: 82 percent, men: 73 percent) and the organization's ability to communicate its impact (women: 46 percent, men: 32 percent) are important factors to donors when making charitable giving decisions. High net worth women also listed third-party ratings about an organization (23 percent) as a factor.

When making a gift, women (80 percent) more so than men (68 percent) expect that the nonprofit will honor their request for how the gift is used, and that the organization will share with them the positive impact their gift has made (women: 45 percent, men: 26 percent). In addition, more high net worth women (91 percent) than their male peers (83 percent) expect nonprofit organizations to send a receipt for tax purposes.

Why women give

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

Why women stop giving

Each year, nonprofits work to attract new donors to their organization and at the same time to retain the donors they have. The research explored the percentage of high net worth individuals who stopped giving to a nonprofit they previously supported and the reasons they discontinued their support. Women (49 percent) are more likely than men (41 percent) to stop giving to an organization they previously supported – with "too frequent solicitation/asked for inappropriate amount" cited as the top reason by both genders. Other reasons include their household circumstances having changed (women: 31 percent, men: 28 percent) and/or that the organization changed leadership or activities (29 percent for both).

Women and volunteering

Volunteering is an important means by which to address societal and global issues, demonstrate community investment in an organization and its work, and create advocates for an organization. Involving high net worth individuals as volunteers allows them to give more of their time and talent to the organizations and causes they value.

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

The importance of giving circles and network associations

To obtain an additional sample of high net worth women, Bank of America Merrill Lynch and The Center of Philanthropy at Indiana University conducted a national survey of the American Red Cross Tiffany Circle, a network of women leaders and philanthropists who give \$10,000 or more annually to their local American Red Cross Chapters. The Tiffany Circle members were asked similar questions to the previous series of research reports conducted by The Center of Philanthropy and Bank of America Merrill Lynch in order to provide deeper insights into the motivations and attitudes of high net worth women and the role of networks.

The findings of this study suggest that there is power in women's networks and associations. Responses from networked women in this study suggest that women in networks are more loyal to philanthropic causes, more educated and informed about philanthropic choices, and more trusting of nonprofits than others.

A substantial majority of the networked, high net worth women (87 percent) report that their primary motivation for giving was to "give back to the community" as opposed to their non-networked peers (71 percent). Additionally, networked women give to organizations that use their donation efficiently (86 percent), organizations they are involved with (73 percent), and when asked to give (42 percent). This shows that women in giving networks are more intentional about their gifts of time and money. They also have a greater awareness of the needs in the community and are more confident in the ability of nonprofits and individuals to solve societal and global problems.

Networked, high net worth women differ from their non-networked peers with respect to their expectations of nonprofits. Honoring their request for the use of the gift, communicating the impact of the gift, providing information about organizational effectiveness and offering involvement with the organization are among the top expectations, as reported by this group of networked women. These expectations may arise from the value that networked women place on having personal engagement with the organizations they support.

Overall, high net worth individuals report a high level of confidence in nonprofit institutions and individuals to solve societal and global problems. Notably more women (50 percent) than men (34 percent) have a high degree of confidence in the ability of nonprofit organizations to address these issues.

About the Study

The *Study of High Net Worth Women's Philanthropy* was produced as part of an ongoing research partnership with The Center on Philanthropy at Indiana University that began in 2006. This latest study, which also draws on the expertise of the Center's Women's Philanthropy Institute, offers key insights into similarities and differences between high net worth women and men donors.

A full copy of the study, including survey methodology, is available for download [at this link](#).

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