



Wealth Window™

An ALC Smart Data Solution



Wealth and Giving White Paper

People with the *capacity* to give
must also have the *propensity* to give

ALC
MAKE IT PERSONAL®



The very wealthy want to determine the impact of their gifts and know more about the mission and goals of nonprofits.¹

A Small Number of Donors Account for the Majority of Charitable Contributions

High net-worth households – with incomes greater than \$200,000 or assets that exceed \$1MM – represent over three percent of all households in the US. Yet this small population of affluent households has an enormously disproportionate impact on giving, as they account for approximately two-thirds of all household charitable contributions.¹

Enlightening statistics that spotlight consumer charity:

- Over 27% of all income tax returns filed itemized charitable contributions.²
- On average, Americans made \$1,237 in charitable contributions per tax return filed, accounting for an average 2.2% of their adjusted gross income.²
- Individuals donate \$211.77 billion annually.³

Today, more than 1 million public U.S. charities are vying for the support of these individuals, an increase of 60% compared to 10 years ago.³

With the competition for charitable donations heating up, nonprofits need to attract and retain affluent supporters able to give generous donations. Therefore, fundraisers must understand the wealthy better. What inspires them? What personal, household and behavioral variables impact their propensity to give? They have different opinions among them about politics and reasons to give. They have varying demographics and lifestyles that correspond to the types of causes they support.

This paper presents insight into the individuals identified on the Major Donors & Contributors segment of Wealth Window, the most accurate and comprehensive database of affluent Americans. Combined they earn an average income of \$250,000 and manage an average net worth of over \$3 million.

Voice of American Affluence: Philanthropy

To better understand the dynamic of wealth and giving, ALC maintains an ongoing dialog with wealthy philanthropists through our Voice of American Affluence research and analysis arm.

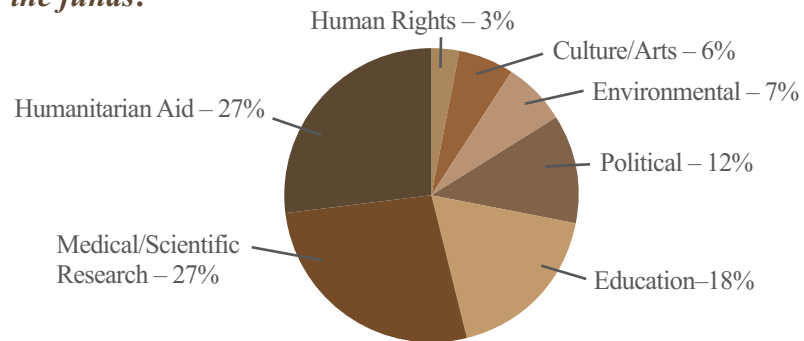
Where the Wealthy Give



Very wealthy households reported that meeting critical needs and giving back to society are important motivations for giving.¹

One of the most important factors influencing the wealthy's propensity to give, is the type of cause itself. When asked how they would allocate their donations, the wealthy spread their gifts across all types of causes with larger amounts going to science and humanitarian causes.

If you had \$10,000 to give to charity, how would you allocate the funds?



Women Tend to be the Primary Givers

More than 66% of all Major Donors identified on the Wealth Window Database are women. This fact is supported by growing body of evidence that women make philanthropical decisions.

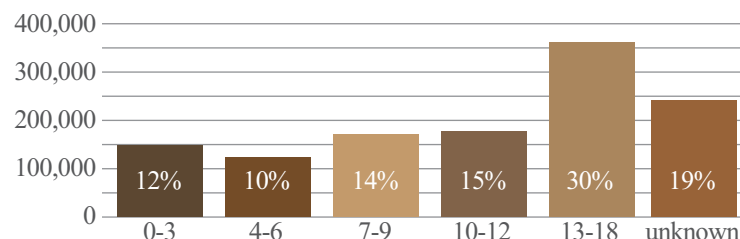
Women's philanthropy has increased by more than \$15 billion annually since 1996.⁵ In all, women make 84% of all philanthropic decisions and donations by women are 2.5 times greater to organizations where they volunteer time.⁶

Women control more than 60% of the nation's wealth and represent 39% of the top wealth holders with gross assets of at least \$625,000.⁷ Women's wealth stature is further evidenced by the fact that they constitute 43% of all individuals in North America with \$500,000 or more financial assets.⁸

Families with Children Constitute a Significant Number of Donors

Nearly 1.2 million households with children on the ALC Wealth Window database give to charity.

Wealth Window Donors by Age of Children in the Household





Entrepreneurs give 25% more to charity on average than other high net worth households.¹

Multiple Factors Impact Giving Among the Wealthy

For the large U.S. diverse population, household charitable giving is most strongly and consistently related to household income and wealth. However, in addition to the means to give, lifestyle and demographic variables as well as a personal identification with the cause affect a wealthy donor's desire to give.⁴

In other words, simply knowing that a prospective donor has great capacity to donate large dollar amounts does not predict that individual's desire to contribute to a charitable cause. Many other factors impact wealthy individuals' decision to give.

Variables that Influence Giving

In order to develop a more predictive model of charitable giving on a household-by-household basis, in addition to income, many other variables play a critical role including:⁴

Wealth

- Real Estate
- Vehicles
- Income
- Investments
- Net Worth
- Debt

Demographics

- Age
- Ethnicity
- Religious Affiliation
- Home Ownership
- Marital Status
- Presence of Family Foundation

ALC's Wealth Window database makes this data available for segmentation and modeling to gain considerable intelligence on current and prospective contributors to specific types of nonprofits. Wealth Window also incorporates behavioral factors that are not only indicators of the truly prosperous, but also allow targeting that will achieve a higher Return on Investment (ROI).

Wealth Window Donor Behavioral & Transactional Attributes Include

- Major Gift Givers
- Green Affluents
- Business Ownership
- Political Affiliation
- Health Donors
- Environmental Donors
- Religious Donors
- Political Donors

Depending on type of charitable cause and the objective, several of these data factors help many sectors in the nonprofit community use Wealth Window to successfully acquire, retain, and reactivate donors and members.



Metropolitans in cities of 500,000 or more give significantly less to foundations, funds, or trusts than non-metropolitan households, but give more to arts, culture and education.¹

Fundraisers that Use Wealth Window by Type of Cause

Usage of Wealth Window by type of nonprofit organization correlates with our Voice of American Affluence analysis which illustrates the need for additional targeting attributes beyond wealth to create responsive segments for a wide variety of causes.

Humanitarian

- American Indian Relief Council
- Birth Haven
- CA State Firefighters Association
- Catholic Relief Services
- Capuchin Franciscan Friars
- Coalition Salute American Heroes
- Community Food Share
- Community Foundation F/T National
- Crossroads Urban Center
- Custom Missions
- Disabled American Veterans
- Eldercare
- Family Health Care Center - San Diego
- Feeding America
- Food Banks
- Franciscan Missions
- George Mark Children's House
- Goodwill Industries
- Habitat for Humanity
- HomeFront
- Navajo Relief Fund
- Port Ministries
- Rescue Mission
- Salvation Army
- SANE, Inc
- Society of the Divine Word
- Special Olympics International
- St. Jude League
- Trenton Area Soup Kitchen
- U.S.O.
- Union Rescue Mission
- United Way of Chester County

Medical/Scientific

- American Heart Association
- Bayada Nurses
- Gladstone Institute
- Marijuana Policy Project
- Parkland Foundations
- Physicians for Reproductive Choice & Health
- New York Foundling Hospital
- New York Methodist Hospital
- Smile Train
- The Super Jake Foundation

Cultural

- Art Institute of Chicago
- Carnegie Museum
- Fort Worth Museum of Science & History
- National Liberty Museum
- National WW II Museum
- Smithsonian Institution

Environmental

- Central Park Conservancy
- Petroleum Resources
- Texas League of Conservation

Political

- Democratic Senatorial Campaign Committee
- Forys for Congress
- GOPAC

Education

- Boy Scouts of America
- Teach for America

Human Rights

- Carter Center



Among donors with incomes in excess of \$100,000 motivations for giving include the belief that those with more should help those with less and that they want to make their communities better.¹

How ALC Helps Deliver Philanthropic Segments of the Very Affluent

Wealth Window delivers more wealthy individuals of true affluence than any other source. ALC goes beyond typical income demographics and geographics to source very affluent individuals through their...

- ...positions such as doctors and executives,
- ...possessions such as real estate and investments,
- ...proclivities such as memberships and philanthropical activities.

Based on numerous case studies of fundraisers targeting Wealth Window donors by demographic and income variables, ALC can design a test for fundraising campaigns based on the type of cause. Our Consumer Affluence PROs have first-hand knowledge and experience matching nonprofits to wealth segments that provide a positive return on investment of fundraising membership campaign dollars.

Key Segments Within Wealth Window Include:

- 4,041,228 Women
- 197,241 Entrepreneurs
- 9,650,644 Metropolitan Urbanites
- 5,567,790 Green Affluents
- 1,774,812 Democrats
- 1,101,782 Republicans
- 1,210,693 Families with Children
- ...And dozens more

Additionally, we can provide modeling services that identify the variables that describe your best performing donors. We can then develop a model to deliver only those donors that share those variables from the Wealth Window database. Wealth is moving target in our dynamic economy. ALC can help fundraisers keep the very affluent in their sites – who not only have the capacity to give, but the propensity and willingness to give as well.



Contact ALC to Learn More About Wealth and Giving

Emily Briody
Vice President, Wealth Window
Phone: 609-580-2971
Email: emily.briody@alc.com
www.alcwealthwindow.com

Footnotes

- ¹ The Center on Philanthropy at Indiana University
- ² IRS Statistics of Income
- ³ Giving USA
- ⁴ The Boston College Center on Wealth and Philanthropy
- ⁵ The Non-Profit Times
- ⁶ The Institute for Women and Wealth
- ⁷ The Center for Women's Business Research (CFWBR)
- ⁸ Internal Revenue Service