

Wealthy donors shift from large charity 'donations' to individual project 'investments' - Barclays Wealth

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Philanthropy among the high-net worth community is alive and well despite the financial crisis, according to a new report from Barclays Wealth, while wealthy donors want to engage more actively with the way their money is spent. Meanwhile, the report finds women and under-34s are more committed to giving than their elder male peers.

The survey, "Tomorrow's Philanthropist", which polled 500 HNW investors in the UK and the US, found that three quarters of wealthy donors have not decreased their charitable contributions despite the market turmoil of the last eighteen months. On the contrary, just over a quarter claim to have increased their donations.

The report's findings indicate that as governments across the developed world find themselves mired in debt, wealthy donors feel an increased responsibility to charitable institutions. Half of the individuals polled said charitable giving will become more incumbent on the wealthy in coming years, with this figure rising to 72 percent among younger philanthropists.

Barclays Wealth calls this new profile of younger philanthropist the 'Go Giver.' The term refers to a generation with a stronger commitment to philanthropy and a greater sense of social responsibility than their parents.

"In the past, the typical approach was for people to give money and then step away. This new generation of philanthropists are a lot more ambitious and proactive and have perhaps been stimulated by adversity," said Barclays Wealth head of philanthropy Emma Turner.

The next generation philanthropist is also increasingly interested in supporting global causes. Nearly 60 percent of 18-34 year olds stated an interest in global charitable causes, compared to less than a quarter of 35-44 year olds and a fifth of 44-45 year olds.

Another segment of the population with a greater commitment to philanthropy appears to be women, the survey found. On average, women give away a higher percentage (2.3 percent) of their net investable assets than their male counterparts (1.3 percent). This trend was accentuated in the US, where women give almost twice as much in percentage of their investable assets.

The report also suggests that women's role in the future of philanthropy goes beyond being more generous than men and that they will also play a key role in influencing future generations' attitudes towards giving. The findings showed that women were much more likely than men to involve their children in general conversations about charity.

And rather than just contribute to charities and causes and walk away, wealthy respondents also emphasised how much they want to see the impact of their giving. Almost half of high-level donors stated that they would prefer to have donated their wealth before they die in order to witness its impact on society.

Wealthy donors reserve the right to see their money put to good use, and the majority of respondents feel their donations could be managed more effectively.

Fifty-three percent feel that charities are not efficient in the management of their money, although nearly two-thirds of those polled felt that they could make a bigger impact by donating directly to charities and causes than indirectly through taxation.

In addition, the majority of respondents are becoming more specific about how they want their donations spent. More than half said that giving would become more about investing in individual projects rather than just giving to large charities.

"In some ways, the recession and its knock on effects have galvanised the attitudes and approaches taken by wealthy donors, who are in a bullish mood to not only carry on giving, but make an even bigger impact in the future," concludes Turner. "Because many of them have an entrepreneurial streak, they take risks, want value for money, solve problems and generally.