
ARTICLES

Wealth and the Commonwealth: New Findings on Wherewithal and Philanthropy

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Drawing in large part on the 1995 Survey of Consumer Finances, the authors describe the pattern of charitable giving by families at the upper reaches of income and wealth, as well as across the income spectrum. The overriding empirical motif is that the distribution of charitable giving is more highly skewed toward the upper end of the financial spectrum than previously documented, and that there appears to be a trend toward becoming even more so. The overriding theoretical motif is that income and wealth are so thoroughly imbricated, especially at the upper end of the financial spectrum, that the analyses of the determinants of charitable giving need to shift from their current focus on the dynamics of income to a complementary focus on the dynamics of wealth.

In recent years, the number of wealthy families¹ and the amount of their wealth have grown to large proportions. The number of millionaire families as measured by net worth is now about 4.5 million, whereas the number of individual tax returns registering adjusted gross income of \$1 million or more currently approaches 250,000. A substantial portion of the people at the higher ends of family wealth and income distribution are what we might call the young rich, although the majority of wealth holders tends to be older and aging. These two groups are increasingly being targeted by fund-raisers for both *inter vivos* and testamentary charitable contributions. For more than a decade, we have been studying the role of financial resources (income and wealth) in generating charitable giving by individuals and their families. This research has raised several findings relevant to the relationship between

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household economic level and charitable giving. First, excluding the very highest levels, families at every level of income and wealth contribute approximately equal percentages of their income to charity. There are some who give little or nothing and some who give amply, but as a group, 95% of families with incomes under \$100,000 all tend to contribute about the same proportion of their income to charitable causes, roughly 1.5% to 2%. On average, the highest income families with an income in excess of \$1 million contribute 6% of their incomes to charitable causes² and, as less than 1% of the population, contribute approximately 10% of all charitable dollars (Schervish & Havens, 1998b). In addition, there is now evidence from a variety of surveys that average annual family giving may be as high as \$1,050 as opposed to previous estimates of around \$700 (Schervish & Havens, 1998a). At a practical level, this research implies that developing initiatives designed to encourage charitable giving by families and individuals with substantial financial wherewithal has the potential to bear much fruit. With the emergence of dramatically increased wealth and financial security, there is now, more than at any time in national history, a material potential for wealth holders to apply substantial wealth on behalf of substantial philanthropy. The new findings we present in this article on the relationship between wherewithal and philanthropy bode well for enterprises seeking to translate growing material resources into growing charitable contributions.

Drawing in large part on the U.S. Federal Reserve System's *Survey of Consumer Finances*, we are able to describe the pattern of charitable giving by families at the upper reaches of income and wealth, as well as across the income spectrum. The overriding empirical motif is that the distribution of charitable giving is more highly skewed toward the upper end of the financial spectrum than previously documented, and that there appears to be a trend toward becoming even more so. The overriding theoretical motif is that income and wealth are so thoroughly imbricated, especially at the upper end of the financial spectrum, that the analyses of the determinants of charitable giving need to shift from their current focus on the dynamics of income to a complementary focus on the dynamics of wealth. The largely descriptive analysis in this article does not test any specific theoretical propositions in regard to the distribution of giving by income and wealth, nor does it attempt to unravel the multitude of factors that determine the distribution of contributions presented.³ However, in the conclusion, we do discuss the theoretical and practical implications of our findings as they relate to discretionary resources and charitable giving.

In the first section, we discuss the data sources and other methodological issues entailed in our research. In the second section, we explore our new findings on the relationship between income and charitable giving. In the third section, we examine the relationship between wealth and charitable giving. In the fourth section, we present findings regarding the joint relationship of family income and wealth to charitable contributions. In the final section, we

discuss several implications of the findings for understanding and acting upon what we perceive to be leading indicators of a surge in philanthropic giving.

DATA SOURCES AND METHOD

We base our analysis in this article primarily on data obtained from the national sample of families who participated in the Survey of Consumer Finances (SCF) conducted for the Federal Reserve in 1989, 1992, and 1995. The 1989 sample consists of 3,143 families who were surveyed for the Federal Reserve by the Survey Research Center at the University of Michigan. The 1992 and 1995 samples consist of 3,906 and 4,299 families, respectively, who were surveyed for the Federal Reserve by the National Opinion Research Center at the University of Chicago.

The General Social Survey (GSS) for 1996 provided supplemental information used to construct the composite measure of giving used in our analysis of the relationship between income and charitable giving. The General Social Survey for 1996 consists of 2,904 families who were surveyed by the National Opinion Research Center. A representative subsample, roughly half the size of the total sample, were asked questions about their charitable giving that permitted their use in constructing our composite measure.

In using the GSS, we restricted the analysis to respondents who are the heads of household, on the assumption that the heads of household are more knowledgeable about family finances than are other members of the family (such as a young adult living at home or an elderly parent living with one of their adult children).

Another issue that arose is that the SCF asks respondents only for total annual contributions of \$500 or more that the family made during the prior year. By omitting contributions of less than \$500, the survey essentially counts the contribution as \$0. Any analyses involving charitable giving and wealth, therefore, are limited to cases with annual contributions of \$500 or more. In analyses of giving and income, we were able to construct a composite measure of giving from the SCF and GSS data, which partly adjusts for this inadequacy.⁴

Throughout the article, we use the term *family income* to mean the gross income of the family from all sources before taxes. An individual living alone is also technically a family. Family income excludes the income of other adults who were living in the household but maintained independent finances. Analyses that include family income are based only on positive values of income and thus exclude respondents with negative total family income (e.g., resulting from negative proprietary income or negative realized capital gains). Wealth is defined as net worth, and we use the two terms interchangeably throughout the article. We use Federal Reserve definitions of assets and liabilities to operationalize net worth as the value of all assets less the value of

all liabilities. Analyses that involve wealth exclude families with negative total wealth (liabilities greater than assets), although they include families of zero net worth whose assets equal their liabilities.⁵

Unless otherwise indicated or implied by the context, the tables and analyses are based on the 1989, 1992, and 1995 SCFs in which respondents provided data for calendar years 1988, 1991, and 1994, respectively, and on the 1996 GSS with data for calendar year 1995. All dollar figures, such as for wealth, income, and average contributions, have been adjusted for inflation using the Consumer Price Index and are presented in 1995 dollars. Since the SCF contains oversamples of high-income and wealthy families, all data have been weighted to project to the population of the nation. Composite tables are based on a combination of the 1995 SCF and the 1996 GSS. Because the GSS did not ask about charitable giving in prior years, we are not able to construct GSS-based composite measures for the two survey years prior to 1995.

INCOME AND CHARITABLE GIVING

In previous research, we examined the relationship between income and charitable giving based on data from the 1994 Survey of Giving and Volunteering (Gallup, 1994) and from the 1989 SCF (Havens & Schervish, 1998b). In this section, we reexamine this relationship using data from the 1995 SCF and from the 1996 GSS. We combined estimates of charitable giving for contributions of less than \$500 from the GSS with estimates of charitable giving for contributions of \$500 or more from the SCF to produce a composite profile of charitable giving for families across the full range of contributions and income.

CHARITABLE GIVING ACROSS INCOME CATEGORIES

The general form of the relationship between family income and charitable giving in 1994 remains roughly the same as it did in 1988: Participation in, and amount of, charitable giving increases as income increases, and percentage of income contributed is fairly constant below the \$100,000 to \$200,000 category but rises as family income exceeds \$200,000. These relationships are detailed in Table 1.

Column 1 indicates that the proportion of families making contributions generally increases as income increases. Of families with incomes of less than \$10,000, 44% made a contribution to a charitable organization. Of families with incomes in excess of \$149,999, at least 96% made a contribution to a charitable organization. A second finding is that the average family contribution increases as family income goes up (column 2). For instance, families with incomes of less than \$10,000 contributed \$91 to charitable organizations in 1994, whereas families with incomes of \$1 million or more contribute an average of approximately \$245,000.

Table 1. 1994 Charitable Contributions (composite measure) by Family Income in 1995 Dollars

Family Income	Sample Size (n)	Percentage of Families Participating	Average Family Contribution	Percentage of	Percentage of Families	Cumulative	Aggregate Contribution (millions)	Percentage of	Cumulative	Percentage of	Cumulative
				Family Income Contributed		Percentage of Families		Total Aggregate Contribution	Percentage of Contributions	Income of All Families	Percentage of Income of All Families
	0	1	2	3	4	5	6	7	8	9	10
\$1-\$9,999	455	44	\$91	2.84	15.42	100.00	\$1,402	1.46	100.00	1.76	100.00
\$10,000-\$19,999	551	64	\$209	1.36	18.86	84.58	\$3,921	4.08	98.54	6.43	98.24
\$20,000-\$29,999	466	72	\$422	1.73	14.83	65.73	\$6,240	6.50	94.46	8.09	91.81
\$30,000-\$39,999	503	80	\$474	1.37	13.75	50.89	\$6,496	6.76	87.96	10.63	83.72
\$40,000-\$49,999	345	88	\$788	1.79	10.50	37.14	\$8,251	8.59	81.20	10.27	73.09
\$50,000-\$59,999	236	84	\$779	1.44	6.41	26.64	\$4,976	5.18	72.62	7.70	62.82
\$60,000-\$74,999	309	88	\$971	1.46	7.62	20.23	\$7,368	7.67	67.44	11.26	55.12
\$75,000-\$99,999	288	93	\$1,581	1.86	6.05	12.61	\$9,540	9.93	59.77	11.50	43.86
\$100,000-\$124,999	149	92	\$1,846	1.71	2.23	6.56	\$4,102	4.27	49.84	5.42	32.36
\$125,000-\$149,999	82	93	\$3,077	2.36	0.96	4.33	\$2,940	3.06	45.57	2.91	26.94
\$150,000-\$199,999	186	96	\$3,546	2.09	1.72	3.37	\$6,062	6.31	42.51	6.53	24.03
\$200,000-\$299,999	158	97	\$4,573	1.94	1.03	1.65	\$4,690	4.88	36.20	5.41	17.50
\$300,000-\$399,999	79	96	\$11,321	3.38	0.19	0.63	\$2,163	2.25	31.32	1.45	12.09
\$400,000-\$499,999	56	100	\$11,765	2.74	0.09	0.43	\$1,065	1.11	29.07	0.94	10.64
\$500,000-\$999,999	182	97	\$27,491	4.15	0.26	0.34	\$7,187	7.48	27.96	4.01	9.70
\$1,000,000 or more	211	100	\$244,586	4.88	0.08	0.08	\$19,674	20.48	20.48	5.69	5.69
Total	4256	75	\$960	2.14	100.00		\$96,075	100.00		100.00	

Source: Estimated at the Social Welfare Research Institute at Boston College.

Note: The term *family* in this table denotes the combination of families plus unrelated individuals. Values in the body of this table may not sum to the reported totals due to rounding.

With the exception of the lowest income category, the percentage of income contributed by families with an income of less than \$100,000 varies between 1.36% and 1.86% and bears no systematic relationship to income (column 3). From that point on, the percentage of income contributed generally increases with level of income. Families with incomes between \$200,000 and \$500,000 contributed at or above 1.94% of their income, whereas families with incomes in excess of \$500,000 contributed more than 4% of their incomes to charitable causes.

As in our prior analyses (Schervish & Havens, 1998b), the data confirm that a small fraction of high-income families make a disproportionately large share of the charitable contributions (columns 4-10). The 4.3% of families with incomes in excess of \$125,000 made 46% of the total amount of charitable contributions in 1994. Moreover, 0.08% of families with the highest incomes in the nation (those with incomes in excess of \$1 million) contributed more than 20% of all charitable dollars in 1994. When we look at the larger picture, these findings document a somewhat amended version of the so-called 20/80 rule of fund-raising, which states that 20% of the givers make 80% of all contributions. Table 1 roughly confirms a 20/67 rule of thumb. The 20% of families with incomes at or above \$60,000 contributed 67% of total contributions. In addition, other rules of thumb can be estimated, for instance, 7/50, 4/40, and 1/33 rules. Interpolating data from Table 1, we can see that the top 7% of families with incomes above \$100,000 contributed 50% of charitable dollars, the top 4.3% of families with incomes at or above \$125,000 contributed 46% of total contributions, and the top 1% with incomes above approximately \$260,000 donated about 33% of total charitable dollars. Finally, we might add a 0.08/22 rule, denoting that within the 1% of highest income families are the 0.08% of families with incomes of \$1 million or more that contribute 22% of all the charitable dollars.⁶

VARIATION IN CHARITABLE GIVING WITHIN INCOME CATEGORIES

As participation, the amount of dollars contributed, and percentage of income contributed increase as income rises, so does variation in (a) the amount of charitable giving and (b) in the percentage of income given.

Variation in amount. Table 2 presents the variation within each income category in the amount contributed to charity. As income rises, both the average contribution and the standard deviation (a measure of dispersion of the distribution) of the contributions rise. Columns 4-7 indicate how this occurs. The majority of families making less than \$75,000 per year contributed less than \$500 to charitable organizations, and relatively few contribute as much as \$1,000. On the other hand, more than half the families with incomes of \$75,000 or more contributed at least \$1,000 to charitable organizations, whereas relatively few contributed less than \$500. The contributions of lower income families are concentrated in the low-contribution category and thus have relatively

Table 2. Distribution of Amount Contributed in 1994 by Family Income in 1995 Dollars

Family Income	Average Family Contribution	Standard Deviation of Contribution ^a	Category Distribution by Amount of Contribution (%)				Total
			Less Than \$500	\$500 to \$999	\$1,000 to \$9,999	\$10,000 or More	
\$1-\$9,999	\$91	\$807	93	6	1	0	100
\$10,000-\$19,999	\$209	\$420	80	8	6	0	100
\$20,000-\$29,999	\$422	\$904	75	13	12	0	100
\$30,000-\$39,999	\$474	\$980	71	15	14	0	100
\$40,000-\$49,999	\$788	\$1,265	58	19	23	0	100
\$50,000-\$59,999	\$779	\$1,402	62	15	23	0	100
\$60,000-\$74,999	\$971	\$1,774	50	23	27	0	100
\$75,000-\$99,999	\$1,581	\$4,896	34	19	46	1	100
\$100,000-\$124,999	\$1,846	\$2,847	37	21	38	4	100
\$125,000-\$149,999	\$3,077	\$12,389	33	18	45	4	100
\$150,000-\$199,999	\$3,546	\$14,179	20	23	51	6	100
\$200,000-\$299,999	\$4,573	\$6,772	16	8	61	15	100
\$300,000-\$399,999	\$11,321	\$21,977	17	3	44	36	100
\$400,000-\$499,999	\$11,765	\$19,856	2	7	53	39	100
\$500,000-\$999,999	\$27,491	\$182,412	14	7	46	32	100
\$1,000,000 or more	\$244,586	\$1,503,652	1	0	28	71	100
Total	\$960	\$43,909	69	14	17	1	100

Source: Estimated at the Social Welfare Research Institute at Boston College.

Note: The term *family* in this table denotes the combination of families plus unrelated individuals. Values in the body of this table may not sum to the reported totals due to rounding.

a. Note on standard deviation and variance: The calculation of the variance in the composite measure is influenced by three factors: the variance within the *Survey of Consumer Finances* sample reporting contributions of \$500 or more, the variance within the *General Social Survey* reporting contributions of less than \$500, and the variance between the two samples. The variance between the samples includes variation due to differences in the methods and procedures used in the two surveys. This mainly affects estimates in the lower income categories. The reader should therefore be more wary of the variance and standard deviation estimates of the composite measure than of its average value.

small standard deviations. As income rises, the contributions are distributed among higher contribution categories and the standard deviation increases accordingly. That is, higher income families tend to make larger contributions across a wider range of amounts than do families at lower income levels, who tend to make smaller contributions across a narrower range.

Variation in percentage of income contributed. Table 3 demonstrates a parallel trend in distribution of the percentage of income contributed to charitable organizations. With the exception of the lowest income category (which also contains lower income but higher wealth retirees who contribute relatively large amounts to charitable causes [see Savoie & Havens, 1998]), both the range of variation and the average around which the variation occurs increase as income rises. These trends are not as pronounced as those presented in Table 2 regarding the amount of charitable giving, until income reaches about

Table 3. Distribution of Percentage of Income Contributed in 1994 by Family Income in 1995 Dollars

Family Income	Average Family Percentage Contributed	Standard Deviation of Percentage Contributed ^a	Category Distribution by Percent of Income Contributed (%)			
			Less Than 1%	1% to 4.9%	5% or More	Total
\$1-\$9,999	2.84	11	75	16	10	100
\$10,000-\$19,999	1.36	3	67	25	8	100
\$20,000-\$29,999	1.73	4	65	26	9	100
\$30,000-\$39,999	1.37	3	67	25	7	100
\$40,000-\$49,999	1.79	3	57	31	12	100
\$50,000-\$59,999	1.44	3	70	22	8	100
\$60,000-\$74,999	1.46	3	64	29	7	100
\$75,000-\$99,999	1.86	6	52	40	8	100
\$100,000-\$124,999	1.71	3	60	30	10	100
\$125,000-\$149,999	2.36	10	57	38	4	100
\$150,000-\$199,999	2.09	8	61	30	9	100
\$200,000-\$299,999	1.94	3	43	49	8	100
\$300,000-\$399,999	3.38	7	36	46	18	100
\$400,000-\$499,999	2.74	5	38	47	15	100
\$500,000-\$999,999	4.15	28	58	36	6	100
\$1,000,000 or more	4.88	27	55	32	14	100
Total	2.14	90	67	25	8	100

Source: Estimated at the Social Welfare Research Institute at Boston College.

Note: The term *family* in this table denotes the combination of families plus unrelated individuals. Values in the body of this table may not sum to the reported totals due to rounding.

a. Note on standard deviation and variance: The calculation of the variance in the composite measure is influenced by three factors: the variance within the *Survey of Consumer Finances* sample reporting contributions of \$500 or more, the variance within the *General Social Survey* reporting contributions of less than \$500, and the variance between the two samples. The variance between the samples includes variation due to differences in the methods and procedures used in the two surveys. This mainly affects estimates in the lower income categories. The reader should therefore be more wary of the variance and standard deviation estimates of the composite measure than of its average value.

\$300,000. We can see once again that a relatively small percentage of families give large percentages of their incomes (5% or more) in every income category: 7% to 12% of families at income levels below \$100,000 and 4% to 18% of families at income levels of \$100,000 or higher. We document below that these higher contribution families are several times more wealthy than other families at the same income level. Table 3 also shows that 52% to 75% of families with incomes less than \$100,000 contributed less than 1% of their incomes to charitable organizations, whereas between only 36% and 61% of families with incomes of \$100,000 or more contributed less than 1% of their higher incomes.

CHANGES FROM 1988 TO 1994 IN CHARITABLE GIVING BY HIGH-INCOME FAMILIES

The SCF allows us to describe the trends in charitable giving from 1988 to 1994 among high-income families (with incomes of \$100,000 or more in 1995

Table 4. Changes in Contributions by Family Income for Families With Incomes of \$100,000 or More

Family Income	Average Contribution (1995 dollars)			Average Percentage of Income Contribution		
	1988	1991	1994	1988	1991	1994
\$100,000-\$199,999	\$3,205	\$2,991	\$2,623	2.3	2.3	1.9
\$200,000-\$499,999	\$9,482	\$6,302	\$6,037	3.4	2.3	2.2
\$500,000 or more	\$47,039	\$32,335	\$77,712	3.4	2.9	4.3
Total	\$6,305	\$4,876	\$7,236	2.6	2.3	2.1

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are considered as no contribution. Values in the body of this table may not sum to the reported totals due to rounding.

dollars). Table 4 presents the average contributions per family and average percentage of income contributed by families with incomes of \$100,000 or more for the years 1988, 1991, and 1994 (all in 1995 dollars). As a context for what follows, we estimate that during this 6-year period, higher income families have increased their share of the total charitable contributions from approximately 30% to about 50% (Schervish & Havens, 1998b, Table 1; and Table 1 above).

A full and detailed analysis of these trends is beyond the scope of this section. However, major factors affecting the willingness of wealth holders to give include: growth in wealth (including the performance of the stock market); hyperagency, or the power to make a difference; death and the desire to leave a legacy; tax policy and tax cuts; gratitude for the gifts of financial wherewithal; and identification and association with the needs of others (Schervish, 1997; Schervish & Havens, forthcoming). A factor that affects the entire population is the status of the economy during this period, and this is reflected in Table 4 below. On average, the *amount* contributed per family fell during the recession of 1991 but rebounded in the robust economy of 1994. The average *percentage of income* contributed per family, however, fell during the recession of 1991 but failed to rebound in 1994. These contrary trends reflect a shift in the underlying patterns of giving by different strata within this group of high-income families. Between 1988 and 1991, the average amount contributed per family and percentage of income contributed declined for all income groups. Between 1991 and 1994, however, the average amount and the percentage of income contributed by *families with incomes of \$500,000 or more* rebounded to levels substantially higher than their 1988 level. For families with incomes of \$200,000 to \$500,000, the amount and percentage of income contributed failed to rebound, while for families with incomes of \$100,000 to \$200,000, the amount and percentage of income contributed actually continued to decline, although by modest amounts.

On one hand, the percentage of income contributed fell from an average of 2.6% of income contributed in 1988 to 2.1% of income in 1994. On the other

hand, and most important, the average amount contributed in constant 1995 dollars by families with incomes of \$100,000 or more increased nearly 16%, from \$6,305 in 1988 to \$7,326 in 1994, and as we have said above, the share of total contributions expanded from approximately 30% to approximately 50%.

WEALTH AND CHARITABLE GIVING

The theoretical and practical relationships between net worth and charitable giving are well-known. However, their empirical contours are far less well known than those between income and charitable giving. In this section, we examine charitable giving in relation to family net worth, and in the next section, we try to unravel the joint relationship of income and wealth to charitable giving. We base our findings on data from the 1995 SCF and operationalize net worth according to the Federal Reserve definition, namely, the total value of all assets minus the total of all debts and liabilities. The patterns presented in Table 5 are parallel to what we previously reported from the 1989 SCF (Schervish & Havens, 1995b, Table 6.3).

In both 1988 and 1994, participation rates, average contributions, and average percentage of income contributed are all positively related to wealth. Although the trend is not smooth, participation rates of giving (\$500 or more) increase as wealth increases (column 2). These rates rise from approximately 8% for families with a positive net worth of less than \$10,000 up to 88% for families with a net worth of \$10,000,000 or more. Similarly, the average family contribution goes up as net worth increases (column 3). The average amount contributed (counting contributions of less than \$500 as \$0) rises from \$115 for families with a positive net worth of less than \$10,000 to \$138,425 for families with a net worth of \$10,000,000 or more.

The positive relationships between wealth and participation rates and between wealth and amount given are parallel to what we find with income. However, the relationship between *wealth* and percentage of income contributed (column 6) is not as smooth as the relationship between *income* and percentage of income contributed, especially when upper income groups are as disaggregated as we have reported. Still, with some unevenness, the percentage of income contributed does go up as family wealth increases.⁷ Clearly, the income stream and financial security provided by wealth allow families at higher wealth levels to contribute a larger percentage of their income to charitable organizations. For instance, the percentage of income contributed increases with net worth from an average of 0.5% contributed by families with positive net worth of less than \$10,000 to 12.6% contributed by families with net worth of \$10,000,000 or more. However, there is a major aberration in this distribution at \$400,000 where the percentage of income contributed is 23%. For reasons we cannot discern from this data set, several families with income below the mean of this wealth group made contributions substantially above the mean.

Table 5. Contributions of \$500 or More in 1994 by Family Net Worth in 1995 Dollars

<i>Family Net Worth</i>	<i>Sample Size (n)</i>	<i>Percentage of Families</i>	<i>Percentage Participation Rate</i>	<i>Average Amount Contributed</i>	<i>Percentage of Net Worth Contributed</i>	<i>Average Family Income</i>	<i>Percentage of Income Contributed</i>	<i>Cumulative Percentage of Families</i>	<i>Cumulative Percentage of Contributions</i>	<i>Cumulative Percentage of Family Income</i>	<i>Cumulative Percentage of Family Net Worth</i>
	0	1	2	3	4	5	6	7	8	9	10
\$0		2.9	2.6	\$23	—	\$7,452	0.2	100.0	100.0	100.0	100.0
\$1-\$9,999	489	16.9	8.4	\$115	5.1	\$19,457	0.5	97.2	99.9	99.6	100.0
\$10,000-\$19,999	219	7.8	13.3	\$180	1.3	\$27,537	0.6	80.3	97.9	92.6	99.7
\$20,000-\$29,999	181	6.4	21.1	\$229	0.9	\$29,991	0.7	72.5	96.5	88.0	99.2
\$30,000-\$39,999	132	4.8	29.4	\$306	0.9	\$34,251	1.0	66.1	94.9	83.9	98.5
\$40,000-\$49,999	122	4.6	30.3	\$355	0.8	\$36,012	1.1	61.4	93.4	80.5	97.8
\$50,000-\$59,999	123	4.4	31.4	\$502	0.9	\$37,434	1.7	56.8	91.7	77.0	96.9
\$60,000-\$74,999	161	5.9	26.3	\$446	0.7	\$40,460	1.2	52.3	89.4	73.4	95.8
\$75,000-\$99,999	217	8.0	28.7	\$360	0.4	\$37,945	1.2	46.4	86.6	68.3	94.0
\$100,000-\$124,999	168	6.3	32.6	\$616	0.6	\$44,041	1.2	38.4	83.6	61.9	90.9
\$125,000-\$149,999	119	4.4	39.9	\$592	0.4	\$45,948	1.5	32.2	79.6	56.0	87.8
\$150,000-\$199,999	206	7.3	38.4	\$785	0.5	\$49,344	1.9	27.8	76.9	51.7	85.2
\$200,000-\$299,999	249	6.9	51.2	\$1,049	0.4	\$54,113	2.2	20.5	70.9	44.1	79.6
\$300,000-\$399,999	163	3.6	61.1	\$1,428	0.4	\$63,717	2.7	13.5	63.3	36.1	72.2
\$400,000-\$499,999	109	2.2	63.4	\$1,603	0.4	\$76,113	22.9	9.9	58.0	31.2	66.7
\$500,000-\$999,999	320	4.5	72.9	\$1,795	0.3	\$93,868	4.1	7.7	54.2	27.6	62.3
\$1,000,000-\$4,999,999	514	2.7	87.1	\$5,163	0.3	\$181,946	3.8	3.2	45.9	18.7	48.8
\$5,000,000-\$9,999,999	163	0.3	89.3	\$12,753	0.2	\$492,423	4.2	0.5	31.1	8.1	26.1
\$10,000,000 or more	320	0.2	87.9	\$138,425	0.5	\$1,268,146	12.6	0.2	27.4	5.2	17.5
All families	3,975	100.0	31.2	\$961	1.4	\$47,044	1.9				

Source: Estimated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are considered as no contribution. Families and individuals with negative income or negative net worth are excluded from this table. Values in the body of this table may not sum to the reported totals due to rounding.

One anomalous finding is the apparent negative relationship between net worth and the average percentage of net worth contributed (column 4). The average amount contributed does increase as net worth increases, but the amount of that increase does not rise in proportion to wealth. Our interpretation of this negative relationship between net worth and percentage of net worth contributed to charity is that families tend to make charitable contributions primarily from their income (and possibly liquid assets) during their lifetime and make charitable contributions from their wealth (net worth) via their estate planning. Although, as we find reported in the press, many wealthy families donate substantial amounts of their wealth to charity in the form of *inter vivos* gifts, such gifts do not generally represent a large percentage of the families' wealth, nor is this currently the way wealth holders contribute substantial portions of their wealth to charity. To understand the relationship between wealth and percentage of wealth contributed, we need to complement research on annual giving with an examination of charitable bequests made via estates. As we are in the process of discovering, it is in planning and carrying out estate decisions that there is a strong positive association between level of net worth and percentage of wealth given to charity (Havens & Schervish, 2000).

JOINT RELATIONSHIP OF INCOME AND WEALTH TO CHARITABLE GIVING

In the previous two sections, we reported that families at the high end of both the income and wealth distributions make the larger average contributions and give a higher percentage of their income to charitable causes than families in the lower and middle ranges of income and wealth. We also discussed the less predictable trends for percentage of wealth contributed. In this section, we analyze the 1995 SCF to investigate the relationship between charitable giving and the joint effects of income and wealth.

DISTRIBUTION OF FAMILIES BY INCOME AND WEALTH

Table 6 indicates that, as might be expected, wealth and income are highly correlated. For instance, 39.6% of families had both family income and wealth of less than \$50,000, and that once income reaches \$200,000, 62% had a net worth of \$1 million or more. At the same time, Table 6 indicates that there are significant instances where wealth and income do not imply each other. For example, there are wealthy families with very low incomes. Among families with at least \$1 million in wealth, more have income under \$50,000 than at or above \$1 million. Also, 19.6% of the families with incomes below \$50,000 own wealth in excess of \$100,000. In general, high wealth does not imply high income as directly as high income implies high wealth.

Table 6. Distribution of Families by Income and Net Worth (percentage of population)

Family Net Worth	Family Income					Total
	Below \$50,000	\$50,000- \$99,999	\$100,000- \$199,999	\$200,000- \$999,999	\$1,000,000 or More	
\$0-\$50,000	38.9	4.1	0.2	0.0	0.0	43.2
\$50,000-\$99,999	13.2	4.8	0.4	0.0	0.0	18.4
\$100,000-\$199,999	11.6	5.2	1.1	0.1	0.0	18.0
\$200,000-\$999,999	7.6	6.4	2.6	0.6	0.0	17.2
\$1,000,000 or more	0.4	0.8	0.9	1.0	0.1	3.2
Total	71.7	21.2	5.3	1.7	0.1	100.0

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are counted as \$0. Individuals and families with negative income or negative net worth are excluded from the table. Values in the body of this table may not sum to the reported totals due to rounding.

WEALTH AND HIGH-GIVER STATUS WITHIN INCOME CATEGORY

We have already discussed our confirmation of the finding first published by Auten and Rudney (1990) that at every income level, a relatively small proportion of families makes relatively large contributions, measured both by amount and percentage of income contributed (Schervish & Havens, 1998b). Table 7 indicates that within every level of income, the high-givers are substantially more wealthy on average than those who give less. High-givers are families that contribute at least 5% of their income to charitable causes. Normal givers are families that contribute less than 5% of their income. Even at very low income levels, the high-givers are several times wealthier than families that are not high-givers. Thus, in addition to families with very high incomes, it is the relatively wealthy at every level of income (including very low income) that tend to make the larger contributions. This confirms the findings by Savoie and Havens (1998) that the disproportionate giving by relatively wealthy families is in large part the reason why the average percentage of income contributed is as high as it is at lower income categories.

Three conclusions stand out. First, the percentage of high-givers within an income category is not monotonically related to family income; however, the percentage of high-givers does tend to increase at higher levels of income. Second, within each income category, high-givers are wealthier than normal givers. Third, the amounts that these more wealthy high-givers contribute are several times greater than the amounts given by normal givers. These patterns are disentangled further in Tables 8-11.

PARTICIPATION RATES BY INCOME AND WEALTH

Table 8 presents estimates of the proportion of families that contributed at least \$500 to charitable causes in 1994, by family income and family wealth. We

Table 7. Contributions and Net Worth for High and Normal Givers by Family Income

Family Income	Normal Givers				High Givers			
	Percentage of Families	Average Net Worth	Average Contribution	Average Percentage Contributed	Percentage of Families	Average Net Worth	Average Contribution	Average Percentage Contributed
	1	2	3	4	5	6	7	8
\$1 to \$9,999	94.9	\$32,536	\$1	0.0	5.1	\$125,094	\$899	87.0
\$10,000-\$19,999	91.1	\$71,027	\$46	0.3	8.9	\$149,428	\$1,348	8.8
\$20,000-\$29,999	89.9	\$99,535	\$117	0.5	10.1	\$155,170	\$2,729	11.3
\$30,000-\$39,999	92.4	\$106,871	\$190	0.5	7.6	\$190,882	\$3,182	9.3
\$40,000-\$49,999	87.5	\$144,961	\$318	0.7	12.5	\$229,520	\$3,603	8.2
\$50,000-\$59,999	91.8	\$183,652	\$358	0.7	8.2	\$331,966	\$4,630	8.7
\$60,000-\$74,999	92.0	\$217,951	\$515	0.8	8.0	\$466,132	\$5,819	8.8
\$75,000-\$99,999	91.9	\$329,046	\$937	1.1	8.1	\$682,508	\$8,237	9.6
\$100,000-\$124,999	89.8	\$489,963	\$984	0.9	10.2	\$853,727	\$8,707	7.9
\$125,000-\$149,999	95.5	\$592,790	\$1,483	1.1	4.5	\$3,228,672	\$35,706	27.8
\$150,000-\$199,999	90.8	\$1,004,697	\$1,603	0.9	9.2	\$1,487,251	\$22,382	12.9
\$200,000-\$299,999	92.3	\$1,385,489	\$3,187	1.3	7.8	\$4,447,934	\$20,590	8.7
\$300,000-\$399,999	82.0	\$2,929,438	\$4,864	1.4	18.0	\$4,821,780	\$40,476	12.0
\$400,000-\$499,999	85.2	\$4,001,122	\$6,792	1.6	14.8	\$10,787,939	\$40,452	9.6
\$500,000-\$999,999	93.5	\$5,131,355	\$6,548	1.0	6.5	\$12,790,161	\$345,880	51.7
\$1,000,000 or more	86.4	\$19,319,447	\$30,161	1.2	13.6	\$35,975,836	\$1,611,418	28.4
Total	91.5	\$204,315	\$373	0.5	8.6	\$455,202	\$7,246	16.3

Source: Estimated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are considered as no contribution. Values in the body of this table may not sum to the reported totals due to rounding.

Table 8. Rate of Participation in Making Charitable Contributions by Income and Net Worth (in percentages)

Family Net Worth	Family Income					Total
	Below \$50,000	\$50,000-\$99,999	\$100,000-\$199,999	\$200,000-\$999,999	\$1,000,000 or More	
Below \$50,000	12.5	33.6	23.7	100.0	0.0	14.6
\$50,000-\$99,999	28.3	39.5	40.0	88.2	0.0	31.5
\$100,000-\$199,999	27.9	50.1	53.2	49.5	0.0	36.0
\$200,000-\$999,999	49.7	61.0	71.8	86.3	100.0	58.4
\$1,000,000 or more	73.7	85.3	88.9	84.1	99.0	84.9
Total	22.2	49.2	66.5	82.4	99.1	31.3

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are counted as \$0. Individuals and families with negative income or negative net worth are excluded from the table. Values in the body of this table may not sum to the reported totals due to rounding.

find that the proportion generally increases with income and also generally increases with wealth. Very few families (13%) with incomes and wealth below \$50,000 make contributions to charitable causes in excess of \$500. Nearly all families (99%) with incomes and wealth above \$1,000,000 make contributions of \$500 or more. At lower income levels, greater wealth leads to being a contributor, but once families have very high income *or* very high wealth, virtually all families contribute.

AVERAGE CONTRIBUTIONS BY INCOME AND WEALTH

Table 9 shows that the total average contribution increases monotonically with income and also with wealth. However, only those with *both* exceptionally high income and exceptionally high wealth contribute exceptionally high amounts to charity. For instance, the roughly 80,000 families with income *and* wealth in excess of \$1,000,000 contribute an average of \$251,000. In no other cross-classified category of income and wealth does the contribution exceed \$14,000. Those who make a great deal of money but do not have great wealth, *or* those who have great wealth but do not make a great deal of money, do not on average make very large charitable contributions. Although families with very high wealth and very high income make very large contributions, throughout the rest of the income and wealth spectrum, level of income ($r = .48$) is more highly correlated with amount contributed than is wealth ($r = .20$). This supports the view that within a level of income, most families contribute with more regard to income than to wealth when making yearly inter vivos gifts, and that higher levels of wealth allow for higher giving within a level of income.

SHARE OF CONTRIBUTIONS BY INCOME AND WEALTH

On the basis of the composite data set we analyzed in the Income and Charitable Giving section, we calculate that annual contributions of less than \$500

Table 9. Average Family Contribution by Income and Net Worth

Family Net Worth	Family Income					Total
	Below \$50,000	\$50,000-\$99,999	\$100,000-\$199,999	\$200,000-\$999,999	\$1,000,000 or More	
Below \$50,000	\$147	\$526	\$247	\$1,594	\$0	\$184
\$50,000-\$99,999	\$334	\$655	\$315	\$6,241	\$0	\$422
\$100,000-\$199,999	\$451	\$921	\$1,688	\$2,989	\$0	\$679
\$200,000-\$999,999	\$895	\$1,506	\$2,077	\$3,722	\$3,216	\$1,393
\$1,000,000 or more	\$1,290	\$3,115	\$6,849	\$13,893	\$250,892	\$13,753
Total	\$317	\$1,045	\$2,626	\$9,667	\$244,712	\$961

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are counted as \$0. Individuals and families with negative income or negative net worth are excluded from the table. Values in the body of this table may not sum to the reported totals due to rounding.

account for approximately 6% of the total amount of contributions made by all families in 1994 and that annual contributions of \$500 or more account for the remaining 94%. Table 10 shows how this 94% of contributions in excess of \$500 are distributed by income and wealth. We find that the 1.8% of families (see Table 6) with incomes in excess of \$200,000 contribute 39% of contributions of more than \$500 or approximately 37% (0.94 of 39%) of all contributions (if we include the remaining 6% of contributions below \$500). The 3.2% of families with a net worth of at least \$1 million gave 46% of the charitable contributions of \$500 or more, or about 43% (0.94 of 46%) of all contributions. Looking at wealth and income together, the 0.1% of families (see Table 6) with income and wealth both in excess of \$1,000,000 contribute 22% of contributions of more than \$500 or approximately 21% (0.94 of 22%) of all contributions. And the 20.6% of families with either income *or* wealth in excess of \$200,000 (see Table 6) make approximately 72% of contributions of more than \$500, or approximately 67% (i.e., 0.94 of 72%) of all contributions.

PERCENTAGE OF INCOME CONTRIBUTED BY INCOME AND WEALTH

We have repeatedly insisted that percentage of income contributed should be understood as a quantitative indicator of the underlying complex relationships between finances and philanthropy rather than as a qualitative index of personal generosity (Schervish & Havens, 1995a, 1995b). Table 11, which summarizes the percentage of income contributed by income and wealth, should be interpreted accordingly. The average percentage of income contributed by families that donate \$500 or more is 1.9%. The marginals show that the percentage of income contributed generally increases with income and with wealth. Within Table 11, two outstanding exceptions occur where there is high wealth and low income, an explanation for which we have discussed earlier in the article. Another substantial exception is the 0.22% of income contributed

Table 10. Share of Total Contributions by Income and Net Worth (in percentages)

Family Net Worth	Family Income					Total
	Below \$50,000	\$50,000- \$99,999	\$100,000- \$199,999	\$200,000- \$999,999	\$1,000,000 or More	
Below \$50,000	6.0	2.2	0.1	0.0	0.0	8.3
\$50,000-\$99,999	4.6	3.3	0.1	0.1	0.0	8.1
\$100,000-\$199,999	5.4	4.9	1.9	0.4	0.0	12.7
\$200,000-\$999,999	7.1	10.1	5.7	2.1	0.0	25.0
\$1,000,000 or more	0.6	2.6	6.6	14.4	21.8	46.0
Total	23.6	23.0	14.4	17.1	21.8	100.0

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Families include both families and unrelated individuals. Contributions of less than \$500 are counted as \$0. Individuals and families with negative income or negative net worth are excluded from the table. Values in the body of this table may not sum to the reported totals due to rounding.

Table 11. 1995 Charitable Contributions by Income and Net Worth (in percentages)

Net Worth—Federal Reserve Algorithm	Income					Total
	Below \$50,000	\$50,000- \$99,999	\$100,000- \$199,999	\$200,000- \$999,999	\$1,000,000 or More	
Below \$50,000	0.6	0.8	0.2	0.8	—	0.6
\$50,000-\$99,999	1.4	1.0	0.2	2.3	—	1.3
\$100,000-\$199,999	1.7	1.3	1.3	1.2	—	1.6
\$200,000-\$999,999	9.9	2.1	1.6	1.5	0.2	5.5
\$1,000,000 or more	6.7	4.2	4.6	3.2	5.0	4.4
Total	2.0	1.5	1.9	2.5	4.9	1.9

Source: Tabulated at the Social Welfare Research Institute at Boston College.

Note: Full Sample weighted 1995 dollars, no negative income, no negative worth. Values in the body of this table may not sum to the reported totals due to rounding.

by families with \$1 million in income and between \$200,000 and \$1 million in wealth. This is the kind of variance that would likely remain obscured if we defined income and wealth categories differently. Overall, the table confirms, rather than adds anything new to, our assessment that wealth and income complement each other in producing greater giving, in amount as well as in percentage of income. The wealthy and very wealthy should be characterized as giving around 5% of their income, those with a high income as giving around 3% (see also Table 1), and those with a very high income as giving 5%. Millionaire families defined by income *and* wealth contribute 5%, whereas millionaire families defined by wealth alone give around 4%. Finally, let us offer a cautionary note about overinterpreting estimates of percentage of income contributed to charity. How much families donate depends on a range

of other issues including investment priorities, family needs, and timing. One-year snapshots of income and giving are relatively unstable, especially among high-wealth families. Although presenting averages, as we do here, handles part of the problem of lumpiness in income and charitable giving, more accurate estimates of percentage of income given to charity for different levels of wealth would ideally require multiyear estimates of “permanent” income and charitable giving and, minimally, a multiyear trend line based on cross-sectional SCF data.

DISCUSSION

The empirical theme of our findings is that wealth and income are intertwined in their relation to annual charitable giving but that the level of income appears to be more strongly related to annual giving than is wealth. The amount and percentage of income contributed increase as income rises and as wealth rises. But within every income or wealth group, the percentage of wealth contributed declines as wealth increases. Part of the explanation for this latter finding may be the existence of composition and financial life-cycle effects embedded in the relation between wealth and charitable giving. Although in this article we have not attempted to decipher these effects, our current research focuses on how the composition of wealth (e.g., the proportion that is liquid) and family life-cycle effects, such as the timing and content of decision making in regard to estate planning, shape the relationship between net worth and charitable giving. We find that as wealth and income increase, charitable giving increasingly becomes planned giving. Planned giving, in addition to being motivationally and materially more strongly related to wealth, also brings to the fore decisions about whether to shift some bequests forward into lifetime giving. To the extent that wealth holders begin to treat their charitable giving more as a unit researchers will have to develop new ways to understand and measure this charitable giving, perhaps under the rubric of “life-course” giving, in a manner parallel to the way we now consider lifetime earnings or expenditures.

Although a thorough investigation of the foregoing issues is important for a fuller understanding of the relation between finances and philanthropy, our findings as reported in this article do provide some reliable and useful insights. First, the small number of families at the highest end of the distributions of wealth or income contributes a high proportion of total annual charitable giving. In terms of wealth, families with a net worth of \$1 million or more made 46% of the total contributions to charitable organizations in 1994. Twenty-two percent came from families with at least \$1 million in wealth and \$1 million in income; such families contribute an average of \$250,000 annually. The remaining 24% of all personal contributions came from the 3.1 million families with wealth in excess of \$1 million but incomes below \$1 million. In terms of income, the proportion of charitable dollars coming from the highest

income families is also marked. We have summarized this highly skewed distribution of charitable giving by the 20/67 rule and, more starkly, by the 7/50, 4/40, and 1/33 distributions of annual giving.

The foregoing distributions, when coupled to our projections for growth in wealth and income for the next 20 years, indicate that substantial amounts of charitable contributions will be made by wealth holders in that period and explain why there is such growth in the charity procurement industry's efforts to target wealth holders (Havens & Schervish, 1999). Even a modest 3% real growth in charitable giving during the next 20 years would mean that annual giving by these highest income and wealth families (0.08% of families) would move from approximately \$30 billion in 1998 (22% of the *Giving USA* estimate of \$135 billion of 1998 individual giving [American Association of Fund-Raising Counsel, 1999]) to approximately \$53 billion by 2017 in 1998 dollars or (assuming a 3% rate of inflation) \$91 billion in 2017 dollars. This indicates that even without a substantial change in behavior toward more inter vivos charitable giving, and without including the additional families that will enter this group, families with at least \$1 million in wealth and income in 1995 dollars will contribute approximately \$800 billion in the next 20 years in 1998 dollars or \$1.1 trillion in 2017 dollars. Broadening the relevant population to the 1.7% of the families with a net worth of \$1 million or more and an annual income of \$200,000 or more in 1995 dollars, the potential amount of charitable giving is even more dramatic. Again, without a change of behavior or adding families that will enter this category, this 1.7% of the population can be expected to move from contributing \$52 billion in 1998 to \$91 billion in 2017 in 1998 dollars or (assuming a 3% rate of inflation) \$157 billion in 2017 dollars. During the next 20 years, therefore, we can expect that this 1.7% of the population will contribute approximately \$1.4 trillion in 1998 dollars or \$1.9 trillion in 2017 dollars. If the real growth in annual giving by wealth holders increases by more than 3%, or the share of total charitable dollars contributed by them continues to increase even at a moderate pace, then the amounts just cited will turn out to be substantially greater.

Although research such as we have reported here can indicate the current and potential future impact of wealth holders on the amounts of charitable giving, it cannot address the equally important topic of how well such amounts of charitable giving contribute to meeting human needs. Fortunately, a new emphasis in financial planning aimed at wealth holders is emerging. This approach, often called values-based estate planning, stresses the importance of guiding wealth holders through a process of self-reflective decision making, in which wealth holders attend to disposing of their wealth with at least the same level of care and intelligence with which they accumulated it (Fithian, 2000). There is no inherent or inevitable logic by which a quantity of wealth translates into a quality of care. But given the relatively large proportion of charitable giving now given by wealth holders, and given the current growth in wealth, the link between wealth and the commonwealth is important to recognize and evaluate.

Notes

1. Whenever we mention families in the article, we are actually referring to both individuals and families, in the sense that a person living alone or with other unattached adults is also referred to as a family. Unattached adults maintaining independent finances are not included as part of the respondent's family.

2. Based on analysis of the 1995 Survey of Consumer Finances sponsored by the Board of Governors of the Federal Reserve. See Note 6 and 7 for additional information.

3. The current article does not, therefore, include life cycle, gender, race, marital status, prior inheritance, education, or any of the other demographic or antecedent factors that may help to explain the pattern of the distribution of giving. Using a variety of measures, it focuses solely on describing the distribution of giving by income and wealth.

4. The composite measure combines (a) the distribution of average contributions below \$500 reported in the General Social Survey (GSS) in each income category with (b) the distribution of average contributions of \$500 or more reported in the Survey of Consumer Finances (SCF). Because the SCF is a larger and more carefully weighted data set, we used the proportions from the SCF to combine the two distributions. Because the composite measure is constructed at an aggregate level, it is not available for micro data analysis. Moreover, because there is no measure of wealth in the GSS, it is not possible to construct any composite measure for any of our analyses in which wealth is included.

5. The distributions presented in this article are confined to the group of households that have nonnegative net worth and/or nonnegative income. Based on the 1995 SCF, 92.4% of households had a nonnegative net worth in 1995 (the year for which net worth was measured), 99.1% of households had a nonnegative household income in 1994 (the year for which household income was measured), and 91.9% of households had both a nonnegative net worth and a nonnegative income. The estimates in the various tables are unbiased estimates for this segment of the population. Of course, there may be individuals with a negative personal net worth or a negative personal income who live in households with a nonnegative household net worth and/or a nonnegative household income.

6. Estimates of average charitable contributions based on tax returns as reported in the *Statistics of Income Bulletin* (SOI) (Internal Revenue Service, 1995) are different, sometimes radically different, than those based on the SCF presented in this article. Specifically, the SOI estimate of charitable deductions per return filed in 1995 indicates an average deduction of \$124,322 per return for returns with an adjusted gross income (AGI) of \$1 million or more. This estimate is significantly less than the SCF average contribution of \$244,586 per family with a family income (before tax) of \$1 million or more. Although the SCF-based estimate reported in this article is nearly twice the SOI-based estimate, it is not clear that the two estimates are as comparable as they appear on the surface: (a) a household is a different unit than a tax return, (b) AGI on a filed return is not the same as household income, (c) there are millions more tax returns filed than there are households (the Bureau of Census reports 99.0 million households for 1994, while the Internal Revenue Service [via the *Statistics of Income Bulletin*], reports 115.9 million tax forms filed for that year).

The differences noted above, moreover, imply a different distribution of AGI than of household income: For example, the Bureau of Census reports 6.5 million households with a household income of \$100,000 or more (the highest reported category) in 1994. The *Statistics of Income Bulletin* reports only 4.5 million returns with an AGI of \$100,000 or more; this is 2.0 million fewer returns than the number of households.

In addition to this difference, it is not clear that tax returns are a better source of data on charitable contributions than is the SCF: When charitable contributions far exceed the allowable deduction among high-income tax filers, they have less incentive to report their full contributions and many may not do so.

7. Some, but not all, of this increase is due to the fact that the data used for this analysis ignore contributions of less than \$500 to charitable organizations and thus count them as \$0.

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