



Trust Advisors Forum

The Common and Uncommon Characteristics of Donors

February 28, 2018

Pinehurst, NC



First Citizens
WEALTH MANAGEMENT

Presented By:

Hank Dunbar

Manager, Charitable and Philanthropic Services

Hank.DunbarJr@FirstCitizens.com



Charitable Giving Statistics

Americans gave **\$389.05 billion** in 2016

- \$281.86 billion (72%) from individuals
- \$52.28 billion (15%) from foundations
- \$30.36 billion (8%) from bequests
- \$18.55 billion (5%) from corporations



First Citizens
WEALTH MANAGEMENT

Charitable Giving Statistics

Charitable giving was divided among these types of organizations:

- 32% of charitable dollars went to religious organizations
- 16% of charitable dollars went to educational organizations
- 12% of charitable dollars went to human service organizations
- 11% of charitable dollars went to grantmaking foundations
- 9% of charitable dollars went to health service organizations

Approximately 91% of high net worth households give to charity

- On average, high net worth donors gave \$25,509 to charity in 2015
- General population households gave an average of \$2,520



First Citizens
WEALTH MANAGEMENT

Motivations for Charitable Giving

Communitarians	The Devout	Investors	Socialites
<ul style="list-style-type: none"> ▪ Give because of their sense of belonging to a social community ▪ Consider nonprofit organizations more effective at delivering social services ▪ Have a history in and are tied to local community 	<ul style="list-style-type: none"> ▪ Do good because it is God's will ▪ Giving is a moral obligation ▪ Donors should not expect personal recognition for giving time, talent, or money 	<ul style="list-style-type: none"> ▪ Philanthropy is good business ▪ Motivated by current and estate tax benefits ▪ Support organizations that are business-like and respond effectively to civic needs 	<ul style="list-style-type: none"> ▪ Focus on doing good works or giving because it is fun ▪ Fundraising is tied to socializing and entertainment ▪ "Charitable at heart"
Altruists	Repayers	Dynasts	
<ul style="list-style-type: none"> ▪ Causes and giving that provide a sense of purpose and fulfillment ▪ Believe giving promotes spiritual growth that is not religious in nature ▪ True philanthropy unfettered and untainted by business considerations or personal gain 	<ul style="list-style-type: none"> ▪ Do good in return for what they've received ▪ Believe the wealthy have a special responsibility to be philanthropic ▪ Insist on cost-effectiveness 	<ul style="list-style-type: none"> ▪ Philanthropy is a family tradition ▪ Philanthropy is part of their self-concept ▪ Philanthropy is universal; everyone's responsibility 	

The Challenge

“As leaders we face the challenge of connecting company values to a diverse workforce. To attract, retain, and motivate very different generations of workers, we must understand their unique perspectives and the national events that shaped their values. To maximize performance, the generations need to work together in harmony, bridging the generational divide through shared values.”

- Barnett/Winning, *Bridging the Generation Values Gap*

The Challenge – Restated

As leaders we face the challenge of connecting Foundation values to a diverse giving population. To attract, retain, and motivate very different generations and types of donors, we must understand their unique perspectives and the national events that shaped their values. To maximize results, the generations and types of donors need to work together in harmony, bridging the generational divide through shared values and mission.



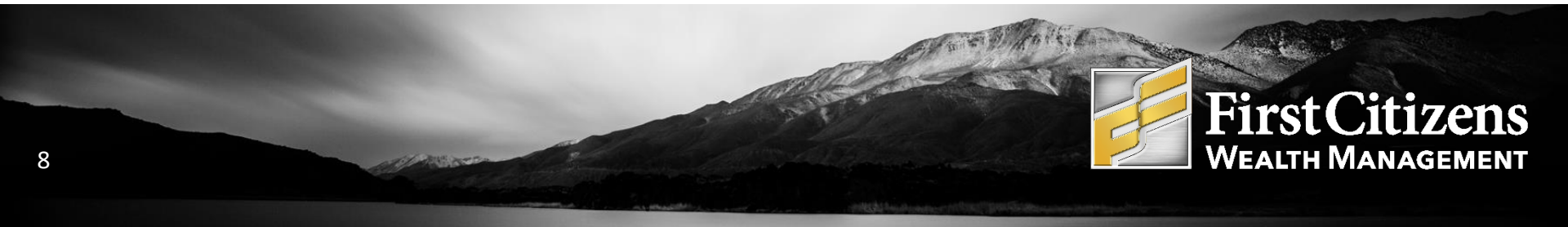
First Citizens
WEALTH MANAGEMENT

The Question

Will the traditional methods of raising funds and securing other resources continue to work as we move into the future?

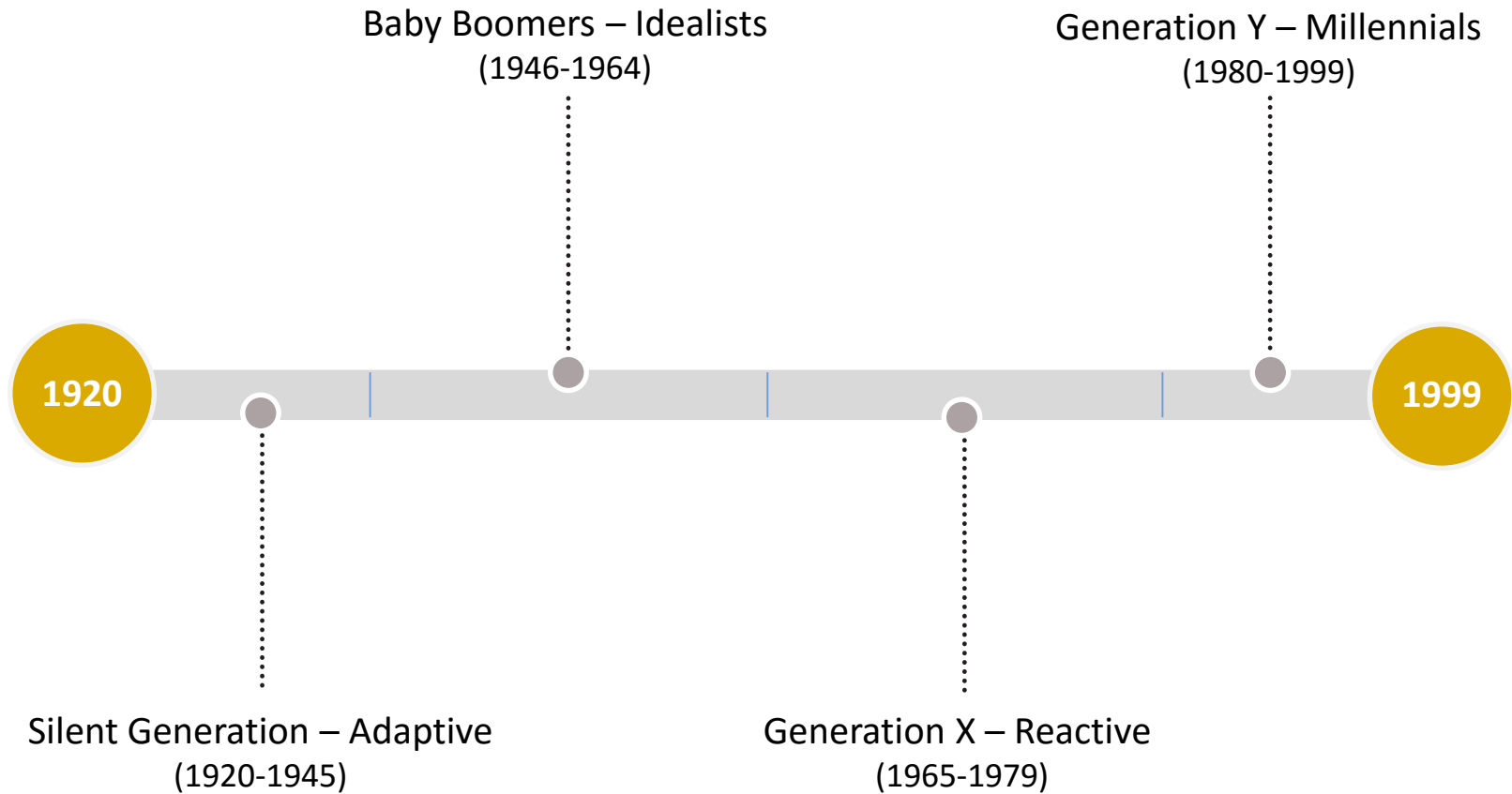


First Citizens
WEALTH MANAGEMENT



First Citizens
WEALTH MANAGEMENT

American Generations



Note: Episcopal Diocese of West Texas and Learning to Give



First Citizens
WEALTH MANAGEMENT

Silent Generation – Adaptive (1920-1945)

General Characteristics:

- Loyal, industrious, consistent, and conforming

Influences:

- Great Depression, World War II, tremendous social and technological change

Value:

- Privacy, hard work, trust, authority, social order, formality, strong sense of duty

Communication Tips:

- Do not expect them to share their ideas immediately
- Face to face or written communication
- Word is his/her bond
- Don't waste their time

Note: Transferring tremendous wealth to their children and charitable institutions



First Citizens
WEALTH MANAGEMENT

Baby Boomers – Idealist (1946-1964)

General Characteristics:

- Competitive, political, hardworking, and loyal

Influences:

- World War II, Vietnam, civil rights, post-war prosperity, Cold War, Television

Value:

- Hard work, competition, change, teamwork, success, inclusion

Communication Tips:

- Body language is important
- Open and direct communication
- Answer questions and expect to be pressed for details
- Present options

Note: Out-number all other generations, over 80 million in workforce in 2005



First Citizens
WEALTH MANAGEMENT

Generation X – Reactive (1965-1979)

General Characteristics:

- Individualistic, independent, family-focused, and distrusting

Influences:

- Working mothers, information age, end of Cold War, terrorism, corporate downsizing

Value:

- Autonomy, creativity, work/life balance, change

Communication Tips:

- Give feedback, but also ask them for their opinions
- Share information on a regular basis so they are “in the loop” (often prefer quick sound bytes)
- Allow them to solve their own problems when possible



First Citizens
WEALTH MANAGEMENT

Generation Y – Millennials (1980-1999)

General Characteristics:

- Group oriented, civic minded, adaptive, and idealistic

Influences:

- Internet, terrorism, single parent households, AIDS, “shrinking” world

Value:

- Diversity, technology, purposeful work, teamwork

Communication Tips:

- Give regular feedback, e-mail is often preferred
- Encourage them to take risks and challenge them to try new things
- Use positive reinforcement, make them feel valued



First Citizens
WEALTH MANAGEMENT

Between Religions

Protestant

- The “protestant work ethic” is a sacred calling and worldly success a sign of being chosen or favored. Protestants often make a strong distinction between worthy versus unworthy causes, and stress a person’s own responsibility for getting out of poverty. Parents educate their children in the values of initiative, integrity, industry, and thrift.

- John E. Tropicman, *Transmitting the Tradition of a Caring Society to Future Generations*

Catholic

- The Catholic ethic puts more emphasis on charity or philanthropy as a way to address poverty or other human needs. (*Tropicman*)

Evangelical

- Evangelicals give twice as much to charity as Protestants, three times more than Catholics, and four times more than the general population.
- Give primarily to faith-based charitable causes and to organizations that directly meet human needs.

- Wesley K. Willmer, *Evangelicals: Linking Fervency of Faith and Generosity of Giving*

Jewish

- Tzedakah, or charity, is a responsibility of everyone.
- Philanthropy is held to be important acquired behavior and taught to children.

- Barry A. Kosmin, *New Directions in Contemporary Jewish Philanthropy: The Challenges of the 1990's*

Between Cultures

African Americans

- “Individuals are the stewards of the resources of the community and, as such, have moral and social obligations to it.” -*James A. Joseph*

Latinos

- “...when philanthropy extends beyond the family and the church, it is mediated by personal relationships based on trust.” -*Michael Cortes*

Asian Americans

- “...the notions of compassion and service in Buddhism, benevolence in Confucianism, and the relatedness of Taoism. These traditions give rise to reciprocity of giving, the roles of ceremony and ritual, and a priority system starting with the family, then the ethnic community, and finally the larger society.” -*Jessica Chao*

Native Americans

- “In the Native American world view, personal wealth is for distribution and not accumulation...giving is not considered charity, but the honoring of the community based upon a sense of mutual responsibility.” -*Mindy L. Berry*

Between Cultures

Women

- “...women are more likely to give to charitable organizations, wealthy women are more likely than wealthy men to make charitable bequests, and younger women are more likely to give support to social action causes.” -*Dyan Sublet*

First Citizens Wealth Management is a joint marketing mark of First-Citizens Bank & Trust Company (“First Citizens Bank”), Member FDIC; First Citizens Investor Services, Inc., Member FINRA/SIPC, an SEC-registered broker-dealer and investment advisor; and First Citizens Asset Management, Inc., an SEC-registered investment advisor.

Bank deposit products are offered by First Citizens Bank, Member FDIC.

Investments in securities, annuities and insurance are not insured by the FDIC or any federal government agency; may lose value; are not a deposit or other obligation of, or guaranteed by, any bank or bank affiliate; and are subject to investment risks, including possible loss of the principal amount invested. Brokerage and some investment advisory services may be offered through First Citizens Investor Services, Inc. Member FINRA/SIPC. First Citizens Asset Management, Inc. provides investment advisory services.

