Study Shows the Superrich Are Not the Most Generous

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Published: December 19, 2005

Working-age Americans who make $50,000 to $100,000 a year are two to six times more generous in the share of their investment assets that they give to charity than those Americans who make more than $10 million, a pioneering study of federal tax data shows.

The least generous of all working-age Americans in 2003, the latest year for which Internal Revenue Service data is available, were among the young and prosperous - the 285 taxpayers age 35 and under who made more than $10 million - and the 18,600 taxpayers making $500,000 to $1 million. The top group had on average $101 million of investment assets while the other group had on average $2.4 million of investment assets.

On average these two groups made charitable gifts equal to 0.4 percent of their assets, while people the same age who made $50,000 to $100,000 gave gifts equal to more than 2.5 percent of their investment assets, six times that of their far wealthier peers.

Investment assets measures the value of stocks, bonds and other investments assets held in the tax system. Excluded from this are retirement accounts, which are generally held outside the tax system, personal property like furniture and art and equity in homes.

The I.R.S. data was analyzed by the NewTithing Group, a San Francisco-based philanthropic research organization that since 1998 has been encouraging the most prosperous Americans to give more. The full report was posted last
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Tim D. Stone, the president of New Tithing, said that taxpayers who itemize took $148.4 billion in deductions for charitable gifts in 2003. The American Association of Fundraising Counsel, an organization of companies that advise charities on seeking donations, estimates giving by all Americans, including those who file simple tax returns, was $180.6 billion.

The study used unpublished I.R.S. data from 180,000 tax returns to analyze giving by income, assets, gender, marital status and age. It found that disparities in giving by income class declined once taxpayers reach age 65, but it also found that as Americans grew older their giving as a share of their investment assets also generally declined.

Among those 35 and younger, those making under $200,000 made gifts equal to 1.87 percent of their assets, a figure that fell to 0.5 percent for the 189,000 taxpayers making $200,000 to $10 million and to 0.4 percent for the 285 taxpayers making more than $10 million.

Americans age 36 to 50 making under $200,000 gave less. Those making $50,000 to $100,000 made gifts equal to nearly 2 percent of their investment assets, compared with less than 1 percent for those making $200,000 to $10 million.

But those with income greater than $10 million, whose investments averaged $81 million, made gifts equal to 1.54 percent of their assets. This makes these middle-aged givers more than three times as generous as their wealthier and younger peers, who gave at a rate of 0.4 percent.

Americans ages 51 to 64 gave in an almost identical pattern to those 36 to 50. But among those 65 and older, the pattern changed.

The superrich, with incomes of $10 million or more and average assets of $214 million, made gifts equal to 1.5 percent of their assets. But all the income groups below them gave at a rate of less than 1 percent. For those making $50,000 to $100,000, gifts average 0.8 percent, down sharply from the giving rates of younger people with the same income.

The study also found that single men, generally, are more generous than single women. Among the wealthiest
singles, men gave 1.5 percent of assets compared with 1.1 percent for women. Wealth does not explain the disparity.

Single men in the top income group, $10 million or more, had average investment assets of $124.7 million; the women averaged $244 million.

Even though the wealthiest women gave at a lower rate than the wealthiest men, in dollar terms the women, who were far wealthier, gave more. The 247 women gave an average of $2.68 million each compared with $1.95 million for the 655 wealthiest men.