

Giving in the Netherlands Panel Study 2010 - High Net Worth Study

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Data and methods

The Giving in the Netherlands Panel Study has been collecting data on household philanthropic behaviour since 1995. Starting in 2001, the cross-sectional design was replaced with a longitudinal design and since then, five waves have been collected. GINPS10 includes extensive information about the donation behaviour and financial resources. After applying weights for age, gender, and urbanization, GINPS is representative for the Dutch population. For more information about GINPS10 we refer to Schuyt & Gouwenberg (2009).

In 2010, the High Net Worth supplement has been added to GINPS to specifically answer questions about the relationship between financial resources and philanthropic giving. GINPS typically only includes households with an annual after tax household income of a maximum of €220,000. In order to answer questions about the relationship between financial resources and philanthropic giving, information is needed from households across the whole income distribution. The design of the HNW supplement is based on the Giving in the Netherlands Panel Study, but also includes questions adapted from the Bank of America Study, a study annually conducted among HNW households in the United States (Center on Philanthropy 2008). The HNW supplement includes information about the philanthropic donations, financial resources as well as motivations for giving for 1,116 households. The HNW sample is drawn from the 'Millionaire database', provided by Elite Research. The Millionaire database includes 120,000 addresses of HNW households in the Netherlands, and is based upon publicly available information relating to business owners, CEO's, heirs, and home ownership. In 2009, the Millionaire database was cross-referenced with client records of a major financial institution in the Netherlands, and over 60% of the households in the Millionaire database were labelled as 'significantly wealthy' by the financial institution.

The GINPS10 HNW supplement has been collected in three stages. First, in November 2009, we conducted a feasibility study. We sent out letters announcing the study to a random sample of 500 HNW households in the Millionaire database. After a week we sent our questionnaire to these 500 HNW households, and asked them to return it to us after completion. Alternatively, they could choose to fill out the survey online, on a website that was only accessible to respondents. Two weeks later, we sent a reminder letter. The pilot study resulted in 94 completed surveys, of which 31 (33%) were filled out online. This is a response rate of 18%.

After incorporating lessons from the pilot study, we conducted the main study in May and June 2010 following the same procedure as in the pilot study, this time sending materials to 10,000 respondents. The response rate of the main study was 13% (N=1,342), with 358 online responses (27%). 126 of the main questionnaires we received were incomplete, bringing the total number of valid responses to the HNW study to 1,216 (N=12%).

The respondents that filled out the questionnaire online are a little older (70 years versus 63 years), and made somewhat lower donations (€2312 versus €2665). Further research will look more closely into the differences between the online and postal survey respondents, and the consequences for the results of this study.

Like in the pilot study, we sent out a reminder for the study. This time we included a short survey with four key questions (about giving, religion, education and age) with the reminder for participation. Respondents returned 978 of these short questionnaires. Combining GINPS10 and GINPS_HNW leads to a total sample of 2,949 respondents (41% HNW sample; 49% GINPS10 sample).

Philanthropic donations

We measured philanthropic giving with an adaptation of the 'IU-method-area'-module (Rooney, Steinberg & Schervish, 2001). We asked respondents about their incidence and level of giving to nine areas of philanthropic organizations in 2009, ranging from donations to religious organizations to donations to public and social benefit causes.

Income and wealth

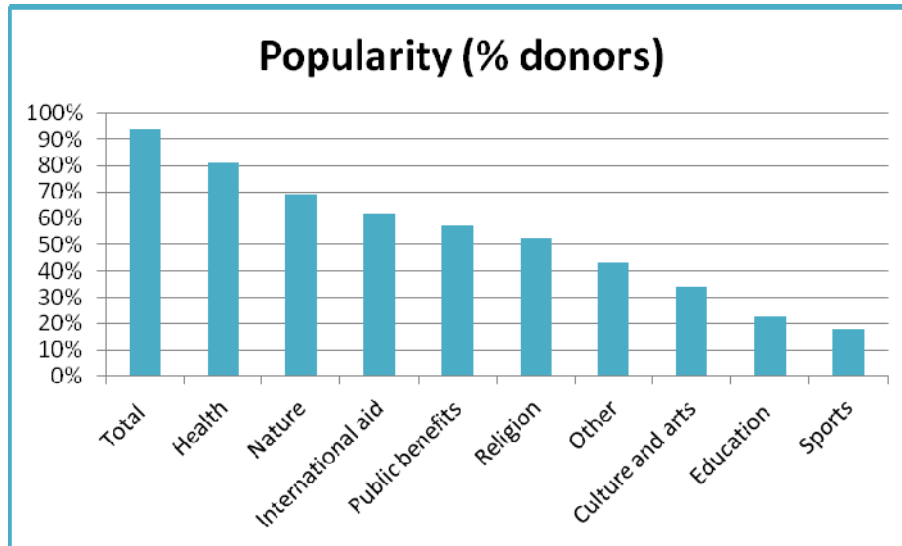
We asked respondents about their and their partner's annual after tax income in 2009, and combined this information to total *after tax household income*. Furthermore, we asked them to indicate the level of combined *household wealth*, based on eleven categories, ranging from under €50 thousand to over €25 million. The average wealth of the respondents amounted 1,4 million Euros in 2010 (median €500.000). Moreover, almost half of the participating households had a net income of at least 100,000 Euros in 2010.

Some results

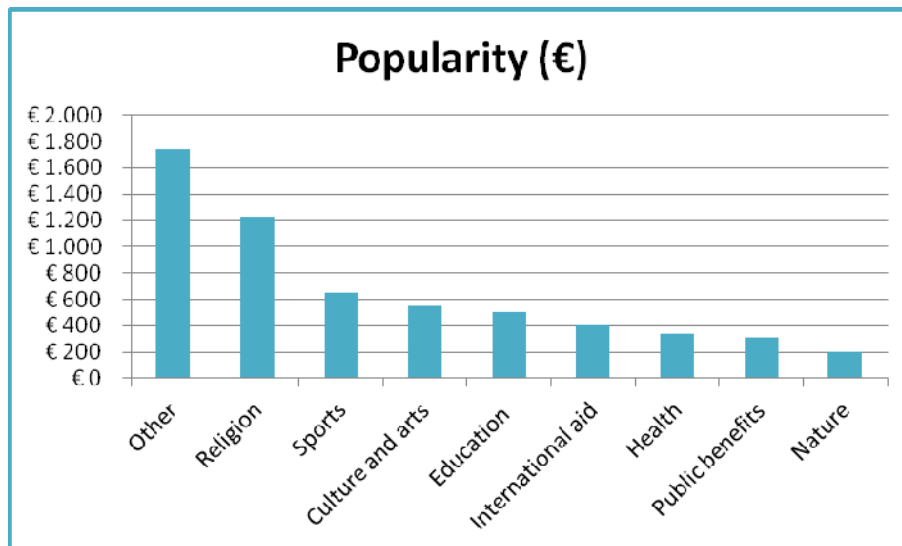
In the table below the mean and median amounts donated per type of cause are reported.

Type of causes	Percentage donors	Mean amount (donors only)	Median amount (donors only)
Religion	52%	€1228	€450
Health	81%	€ 339	€100
International aid	62%	€ 415	€150
Nature and environment	69%	€ 197	€100
Education and research	23%	€ 503	€100
Culture and arts	34%	€ 545	€ 73
Sports	18%	€ 648	€ 50
Public and social benefits	57%	€ 306	€ 60
Other	43%	€1737	€250
Total	94%	€2997	€892

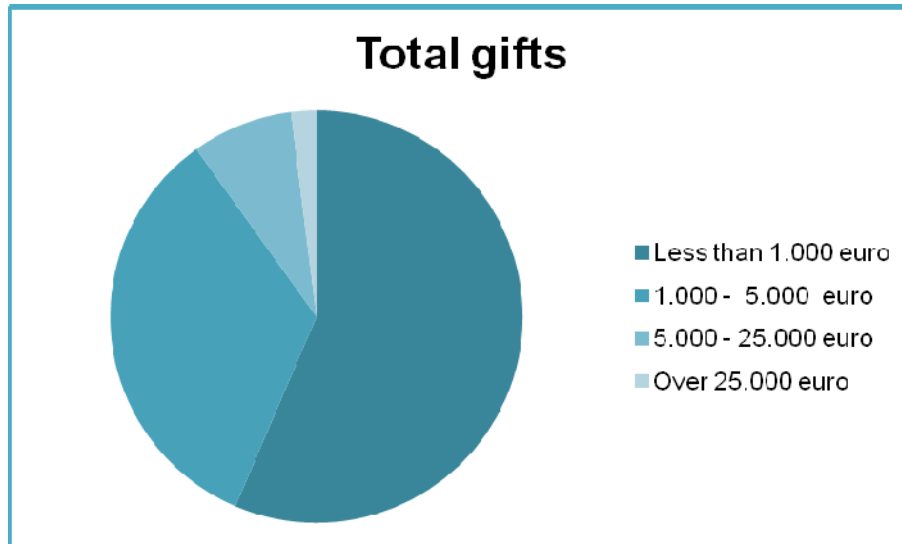
The three type of causes that receive the most support by means of numbers of donors are health (81%), nature and environment (69%) and international aid (62%). Education and research (23%) and sports and recreation (18%) are the least popular.



Regarding the size of the average donation made, 'other' causes (those that aren't covered by the eight specified type of causes) together with religious causes are the most popular. On average, these causes receive the highest gifts (€1,737 and €1,228 respectively). Causes that support nature and environment are the least popular by means of size of mean donations.



On average, the donations made by wealthy donors are thirteen times as high compared to the average non-wealthy Dutch households that make a donation (€241). However, although the wealthy give significantly more compared to the non-wealthy, it is not quite common among to wealthy to actually make so-called *major gifts*. Of all the respondents, more than half (57%) does not give more than 1,000 Euro in a year on average. Over 90% did not give more than 5,000 Euro to charitable causes in 2009. Only 2% gives more than €25,000 on a yearly basis. The highest single gift reported in this study is €125,000 made via a private foundation to an unspecified target.



Who gives?

The Dutch wealthy with a higher absolute income, with a stronger sense of financial security and those that make use of charitable tax deductions, give on average more money to charity. When controlling for several (socio-economic) backgrounds, it appears that it is especially a high total annual income that provides a higher donation. In general, the wealthy who plan their gifts in advance, give more than the wealthy who decide per donation what to give.

How do they give?

The Dutch wealthy are generally more willing to give compared to the non-wealthy. In addition to the fact that they more often make use of planned methods of giving, the chance that the wealthy would give in response to a spontaneous request is greater than the chance that the non-wealthy would give within the same situation. This is particularly the case for giving through direct mail.

Besides regular ways of giving, the Dutch wealthy often choose non-traditional methods of charitable giving. A third have done this in 2009, with an average annual sum of €2,075. They often give money to small-scale international aid projects abroad or choose to give directly to beneficiaries without the intervention of an organization.

What do they want to receive back from charities?

The results show that most of the wealthy donors have no need for personal contact with the charity after their donation. It seems that they dislike a personal approach, but appreciate substantive information about the project or the organization. However, those wealthy donors who give a relatively high donation (more than 5,000 Euros) do appreciate a personal approach from the charity.

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