

## PERSONAL AND CORPORATE PHILANTHROPY

Nonprofit organizations remain an important lynchpin in providing key services across the United States and around the world. From social services and education to health care and the environment, nonprofits help fill unmet community needs and supplement often underfunded public services. On top of the services they provide, nonprofit organizations across the country supply 11 percent of American jobs and 9 percent of total wages, according to The Philanthropy Outlook by the Indiana University Lilly Family School of Philanthropy. Their missions rely in large part on the generosity of the communities in which they serve, including the charitable giving of individuals and corporations.

That generosity wavered during the Great Recession as wealth portfolios of households and companies suffered along with the worldwide economy. However, with better economic times, charitable giving has rebounded. In 2013, Americans donated an estimated \$335.2 billion to nonprofits, according to Giving USA 2014, a report by the Giving USA Foundation. That was the fourth straight year of growth for charitable giving, a reflection of increasing financial stability and confidence among both personal and corporate donors following the Great Recession. Philanthropy researchers at Indiana University believe that trend will continue and have predicted charitable giving will rise by 4.8 percent this year and another 4.9 percent in 2016, according to The Philanthropy Outlook. If those predictions hold true, the level of charitable giving would surpass its pre-recession peak.

Individuals donated an estimated \$240.6 billion in 2013, or about seven out of every ten dollars given to nonprofits in America, according to Giving USA. In Nevada, individual giving accounted for at least \$1.0 billion in 2012, according to a recent study of Internal Revenue Service data by the Chronicle of Philanthropy.

However, the Silver State lags most states in giving rate, which is the percentage of donations compared to adjusted gross income. Nevada ranked 36th with a 2.7-percent giving rate. That's below the national average of 3.0 percent and less than half of Utah's nation-leading 6.6 percent. The news wasn't all bad, however. Nevada's giving rate improved the most of any state since the last study in 2006, skyrocketing 12.6 percent. That was more than twice the rate of the next closest state, Idaho. Nevada's rise was led by the Las Vegas metropolitan area, whose giving rate climbed to 2.8 percent thanks to a 14.9-percent improvement in giving since 2006. That was easily the best mark among the nation's 50 largest metro areas, the Chronicle of Philanthropy found.

The Chronicle of Philanthropy also looked at giving patterns based on household income and found that between 2006 and 2012, the wealthiest Americans (those earning more than \$200,000) cut their share of income given to charity by 4.6 percent. Meanwhile, households earning less than \$100,000 increased their giving by 4.5 percent. That trend was evident in the recent U.S. Trust Study of High Net Worth Philanthropy. That report, which surveys

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### INSIGHTS FROM JULIE MURRAY



CHIEF EXECUTIVE OFFICER,  
MOONRIDGE GROUP

#### What makes the difference between a good community and a great community?

Philanthropy. The generous giving of time and money, by individuals and corporations alike, helps support important nonprofit efforts to improve culture, health care, education and other services that make the community a better place to live and work.

Whether through giving money, volunteering or serving on a board, donors enjoy the benefits of philanthropy in the satisfaction they get as their investments blossom into tangible change for the better. When you donate to a good cause, you get back so much more than you give.

But which good cause to support? Southern Nevada has more than 6,000 nonprofit organizations working to improve our community, and they all want your help. Whichever causes you decide to support, make sure they align with your personal passions. That will keep you more engaged in the effort and bring greater fulfillment by the results. You will also want to research nonprofits and choose organizations that maximize their resources in serving their missions.

Finding the right nonprofit for you can be daunting, which is why the Moonridge Group helps match donors with the organizations that fit them best. Another option for new philanthropists is to join organizations focused on strategic giving, such as the Greater

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Good Council, a group of family foundations that meet quarterly and pool funds for collective impact; or the Nevada Corporate Giving Council, a group of corporate funding leaders who meet quarterly to discuss "best practices" and trends in giving. Both groups' activities are organized by Moonridge Group.

No matter which path to philanthropy you choose, remember that every contribution helps make Nevada a better place for all of us. Our state has many needs. Thankfully, it also has many people with the desire and the ability to make a difference as we continue to weave the culture of giving into the fabric of our community.

**For more information, visit [www.moonridgegroup.com](http://www.moonridgegroup.com).**

households with at least \$200,000 in annual income or \$1 million in net worth, found that between 2011 and 2013, average charitable giving by high net worth households fell as a share of income by 1 percent (8.7 percent to 7.8 percent). However, the average amount of charitable giving actually climbed a healthy 28 percent, from \$53,519 to \$68,580. This was attributed to wealth growing faster than giving. High net worth households were also far more likely to make a charitable donation than the general population (98 percent vs. 65 percent). Another gap in giving was apparent between income levels among wealthy households, the study found. Those with wealth between \$1 million and \$4.9 million gave an average of \$24,955, while households worth \$5 million or more gave nearly seven times that amount, \$166,602.

For many high net worth households, philanthropy remains an important part of life. In last year's Nevada State Bank survey of high net worth households in the Silver State, more than half (52.5 percent) of respondents said charitable pursuits were an important life goal. Six in 10 (61.5 percent) respondents also reported that they gave more to charities than five years earlier. That trend is expected to continue, based on the U.S. Trust

### STATES THAT GAVE MORE IN 2012 THAN 2006

STATE	GIVING RATE IN 2012	CHANGE IN GIVING SINCE 2006
Nevada	2.7%	+12.6%
Idaho	4.1%	+6.5%
Georgia	4.2%	+6.1%
Connecticut	2.3%	+4.0%
Florida	3.2%	+3.9%

Source: The Chronicle of Philanthropy

The Private Bank by Nevada State Bank retained the team at Applied Analysis to explore the high net worth segment of the community. Specifically, the team has been working to better understand the size, consumer trends, needs and other aspects of this key segment of the market. Research efforts expected over the course of the next several months will focus on selected demographic and economic data, as well as information garnered through direct surveying techniques and other cutting edge research methodologies. This reporting series has been designed with these high net worth individuals in mind. We hope you find the elements of our research and analysis helpful in assessing the market.

**The High Net Worth Report is published monthly and can be found at [www.nsbank.com/HNWreport](http://www.nsbank.com/HNWreport). For more information, please call The Private Bank by Nevada State Bank at 702.855.4596.**

The Private Bank of Nevada State Bank is an unincorporated division of Nevada State Bank that provides specialized banking services to significant net-worth clients. Nevada State Bank is a full service retail bank that has been chartered by the state of Nevada and is insured by the FDIC.

Study that found that the vast majority of survey respondents (85 percent) said they planned to give the same or more in the next three to five years. Most of the group (85 percent) cited increased financial capacity as the reason for giving. Another 48 percent said they would donate because of the perceived need of the nonprofits or causes they support. Wealthy households donated most often to nonprofits supporting education (85.2 percent), basic needs (80.7 percent) and the arts (69.6 percent).

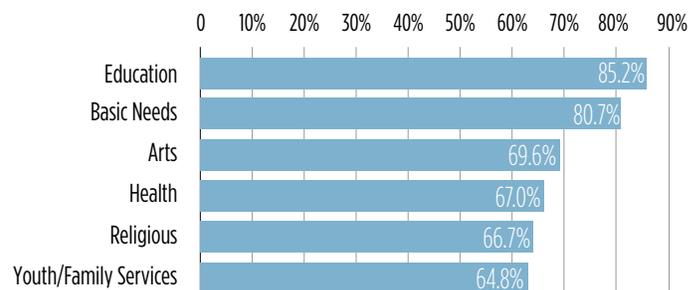
The recent economic trends that influenced personal charitable giving also affected nonprofit donations from America's corporations. The Giving USA report found a strong link between corporate profits and corporate giving. Companies gave \$17.9 billion in 2013, which was down 1.9 percent from 2012, when soaring profits spiked corporate donations by 16.9 percent. Even with the most recent donation downturn, corporate giving over a five-year period had climbed much faster than overall giving, 19.4 percent compared to 12.3 percent in inflation-adjusted dollars, Giving USA found.

In Nevada, corporations gave an estimated \$134.4 million to nonprofits in 2014, according to a recent report by Moonridge Group and Applied Analysis. The Nevada corporate giving rate of about 0.2 percent of revenues outpaced the national average of 0.1 percent. That comparison is notable considering the lingering economic struggles that were felt in the Silver State well beyond the official end of the recession in 2009. In fact, every respondent in the Nevada corporate philanthropy survey reported giving the same or more in the past year despite the lagging state economy.

Donations to nonprofits were spread among the spectrum of causes by Nevada's corporations, with some notable differences compared to national trends. The top recipient of corporate donations was health and social services (34.1 percent), followed by culture and arts (12.8 percent), civic and public affairs (12.2 percent), K-12 and higher education (12.0 percent), and environment (6.2 percent). Nationally, education receives about 29 percent of corporate donations. Survey respondents cited education in Nevada as the top issue that could be improved with additional philanthropic attention.

### PERCENT OF HIGH NET WORTH HOUSEHOLDS

#### That Gave to a Particular Cause



Source: 2014 U.S. Trust Study of High Net Worth Philanthropy