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Bank of America Announces Initial Findings of Landmark Philanthropy Study
Extensive Research Focuses on Charitable Practices and Motivations of Wealthy Individuals

BOSTON – Bank of America today released the initial results of the most comprehensive survey to-date of the philanthropic behavior of wealthy Americans. The Bank of America High Net Worth Philanthropy Study was conducted by The Center on Philanthropy at Indiana University for Bank of America.

At present date, the study reflects the opinions of nearly 1,000 respondents throughout the United States with household income greater than \$200,000 and/or net-worth of at least \$1,000,000, a result of randomly surveying over 30,000 households in high net worth neighborhoods across the country. Bank of America, one of the nation's largest corporate donors and provider of a full array of charitable services to wealthy individuals and nonprofit institutions, sponsored the study.

Among the key study findings:

- "Giving back" is more important than "leaving a legacy"
- There is a surprising correlation between donations of time and dollars
- Wealthy donors report that even major tax policy changes would not impact their giving
- Entrepreneurs are especially generous donors
- Charitable giving increased over the last five years
- Wealthy donors support a broader array of causes

In discussing the need for the study, Cary Grace, Bank of America Philanthropic Management national executive, said, "Philanthropy in the United States is evolving dramatically. With the wealthiest 3 percent of American households responsible for nearly two-thirds of charitable giving, Bank of America wanted to provide its clients – both the individuals that give and the nonprofit institutions that seek their donations – the most comprehensive view to-date of the charitable giving trends and motivations of wealthy and affluent Americans."

Alan Rappaport, president, Bank of America Family Wealth Advisors, added, "As a leading private bank, we are uniquely positioned to help facilitate greater understanding and communication between the nation's donors and charitable institutions. We see our wealthy clients thinking more strategically about their charitable giving, but acting based on specific requests. These findings will help us provide even greater insight to our clients around philanthropic trends and extend the impact of contributions to charitable organizations." Family Wealth Advisors is an extension of The Private Bank of Bank of America, focused on providing highly sophisticated wealth and investment management advice, solutions and services to the nation's wealthiest individuals and families.

Survey highlights:

- "'Giving back' is more important than 'leaving a legacy.' While leaving a legacy may spur some donors, this is not what motivates the majority of wealthy philanthropists, according to the survey. They are most driven in their donations by 'meeting critical needs' (86.3 percent). The next most important motivators were 'giving back to society' (82.6 percent) and a 'feeling that those who have more should give to those with less' (81.5 percent). 'Leaving a legacy' was cited by only 26.1 percent of the respondents, with a desire to 'limit the funds available to my heirs' cited by the fewest participants (8 percent).
- "There is a surprising correlation between donations of time and dollars. While a popular stereotype holds that the wealthy simply 'write a check' to discharge their moral obligations, the Bank of America study appears to dispel that notion. Instead, those who write checks are also likely to volunteer their time, and, the more time volunteered, the bigger the check. Survey respondents who volunteered 1-50 hours annually gave an average of \$31,092, while those volunteering 51-100 hours gave \$92,717 and those over 201 hours gave \$132,086."
- "Even major tax policy changes would not impact their giving. Wealthy donors report that tax considerations are far less important to them than is commonly assumed. For example, more than half the respondents (56.1 percent) said their giving would stay the same even if the estate tax were repealed. Similarly, 51.7 percent said their giving would stay the same even if there were zero income tax deductions for gifts to charity. In another demonstration of resiliency unrelated to taxes, households with 'dramatic decreases' in wealth still gave an average of \$121,216 in 2005 to charity, while those with 'dramatic increases' were only slightly higher in donations at \$141,298."
- "Entrepreneurs are especially generous donors. In comparing household donations by sources of net worth, entrepreneurs stand apart for giving, contributing an average of \$232,206 annually. The next highest donors were those who inherited wealth, giving an average of \$109,745, less than half the total of entrepreneurs. Yet that was still higher than those whose net worth came from

savings (\$84,882 donated), return on investment (\$69,978) or real estate (\$11,015).”

- "Charitable giving increased over the last five years. When asked about the level of their charitable donations, nearly two-thirds (65 percent) of wealthy donors somewhat or dramatically increased their charitable giving over the past five years. Less than 12 percent of high net worth households decreased their contributions.”
- "Wealthy donors support a broader array of causes. High net worth households differ from the general populace by supporting a broader array of charities.”

| % Giving To | %HNWH: | %General Populace: |
|-------------|--------|--------------------|
| Any charity | 98.0 | 67.3 |
| Education | 79.6 | 14.7 |
| Religious | 72.0 | 45.4 |
| Health | 70.3 | 20.7 |
| Arts | 70.1 | 8.0 |

"Ninety-eight percent of high net worth households donate to charity," noted Patrick Rooney, Ph.D., director of Research for the Center on Philanthropy at Indiana University and the principal investigator for the study. "Given their donations provide a disproportionate share of the contributions that sustain the U.S. nonprofit sector -- an estimated \$126 billion of a total of \$260 billion in 2005 alone -- we believe the robust data captured and analyzed from the Bank of America study will prove invaluable to donors, nonprofit institutions and their respective advisors for quite some time."

The Center on Philanthropy at Indiana University increases the understanding of philanthropy, improves its practice, and enhances participation in philanthropy through programs in research, teaching, public service and public affairs. It is part of the IU School of Liberal Arts at Indiana University-Purdue University Indianapolis and has academic and research programs on the IUPUI and IU-Bloomington campuses.

Bank of America Philanthropic Management provides charitable management services to wealthy individuals and institutions, including: private foundations, corporate foundations, community foundations, charitable organizations, educational institutions, religious organizations, not-for-profit hospitals and tax-exempt associations. The company has more than 9,000 philanthropic clients, entrusting over \$30 billion in assets as of December 31, 2005. Further, Bank of America serves as trustee and agent for foundations, endowments, split interest trusts, donor advised funds and other charitable entities, as well as a grant-making trustee for more than 2,000 foundations.

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-

management products and services. The company provides unmatched convenience in the United States, serving more than 55 million consumer and small business relationships with more than 5,700 retail banking offices, nearly 17,000 ATMs and award-winning online banking with more than 20 million active users. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. The company serves clients in 175 countries and has relationships with 98 percent of the U.S. Fortune 500 companies and 80 percent of the Global Fortune 500. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

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