Transfer of Wealth in Ventura County

Invigorating Philanthropic Giving to Enrich Quality of Life for the Next 50 Years

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Ventura County

Table of Contents

Note: Please press Control Click on page number to move to the respective section.

Table of Charts and Graphs

Note: Please press Control Click on page number to move to the respective chart

Acknowledgments

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Executive Summary

Accumulation of wealth has far-reaching macroeconomic impacts that affect not only the holders of wealth but also everyone else in a particular economy. This can be attributed to the fact that most often, capital accumulation involves both a net addition and a redistribution of wealth.

One of the most insightful explorations into the accumulation and distribution of wealth and what it entails for the 21st century comes from Thomas Piketty, the author of the recent bestseller, *Capital in the Twenty First Century*. He argues capital owners are likely to save much of their income, accumulate greater wealth, and pass that wealth on to their heirs. This may increase the possibility that individuals' living standards will be determined less by their skill and effort and more by bequests they receive.

This study emphasizes two important dimensions of this inquiry: (1) factors that directly affect the generation of wealth and its transfer between various generations; and (2) changes in the ideas and preferences in allocation of charitable and philanthropic giving to various social and economic purposes from one generation to the next.

According to the latest available information, nonprofits account for about 5% of the U.S. economy and are responsible for more than 11 million jobs in the country. The Urban Institute reports that 25.3% of U.S. adults volunteered with an organization in 2014, contributing an estimated 8.7 billion hours, the most hours recorded since the Current Population Survey's volunteer supplement began in 2002; the value of these hours is approximately $179.2 billion. Public charities are the largest category of the more than 30 types of tax-exempt nonprofit organizations defined by the Internal Revenue Code. In 2013, over 950,000 organizations were classified as public charities, comprising over two-thirds of all registered nonprofits.

Historically, charitable giving has been a greater driver of income distribution in the United States than in many other countries, including the entirety of Western Europe. This can be attributed to a much stronger presence of "welfare states" in Europe compared to the U.S. Consequently, this makes the country and its population among the most charitable in the world. We should also acknowledge that both individuals and foundations engage in charitable giving.

We must question how such high levels of giving may be impacted by economic downturns. Recent studies show that there is a clear cyclicality in the trend of charitable giving. Although existing research does not provide strong evidence that Americans have exhibited lasting change in their behavior about charitable giving, there is evidence that uncertainty about the future may have an impact.

This research details the demographic structure of household wealth within our communities and provides valuable insight into the behavior of high net worth holders. This information is instrumental in the design of effective strategies that appeal to wealth holders. A condensed summary of the most salient information can be found in Section Four of the study. The following sections highlight significant findings from each section of our analysis:

Demographics of Household Holders of Wealth:

- ✔ Race and ethnicity play an important role in the creation of net worth and wealth among American families. Whites are in a much better situation than African Americans or Hispanics/Latinos.
- ✔ Even the lowest-income groups in the United States have a meager average level of positive net worth compared to a number of Western European countries. Americans have more options for additional sources of income when they reach old age and withdraw from the labor force than those in European countries.
- ✔ Education plays a pivotal role in the creation of net worth among various family households (measured by the level of net worth of heads of families).
- ✔ The bulk of the new worth is concentrated in the top 10% of the population, which has bounced back from a decline in 2007.

Behavior, Beliefs and Expectations of Wealthy Households and Their Preferences in Their Giving:

- ✔ Philanthropic giving is most likely to support the gaps that a lack of funding or insufficient funding may create within regions and the nation as a whole.
- ✔ Today, foundations award billions of dollars per year to nonprofit organizations, foundations and corporations with expectations of accountability and effectiveness, resulting in positive outcomes.

- ✔ While the existing literature on the impact of taxation on bequests (the estate tax) is inconclusive, there is a body of studies that examine the building blocks of optimum tax policies.
- ✔ Half of the high net worth individuals give to five or more organizations, which is encouraging for organizations to ask for assistance, even if they have not yet been a recipient.
- ✔ High net worth households have a special desire to help religious groups, followed by a preference to assist those in need.
- ✔ Youth are among high net worth individuals'/ favorite causes, as are women's and girls' groups. The proportion of donations given to various ethnic-based causes, by comparison, is modest.

Some of the Challenges High Net Worth Givers Face:

- ✔ Almost 74% of the largest gifts were not restricted.
- ✔ Among the minority of givers that provide targeted gifts, a large group believes that they are more effective because they are more targeted.
- ✔ A comparison between the levels of knowledge among high net worth households in 2013 and 2015 shows that being informed is an important element of asking for donations.
- ✔ Allocation of time seemed to be another obstacle for a large proportion of the high net worth donors.
- ✔ Personal values play the most important role in charitable giving. Bringing the relevant issues to the attention of donors is highly effective and should be in the overall plan of any organization that manages and invites charitable giving.
- ✔ Receiving too many requests played an important role for more than 40% of high net worth donors who stopped giving. Equally important was a change in donors' household environment.

Tradition of Involvement of Children:

- ✔ An overwhelming majority of high net worth donors does not have family traditions around giving or invite their children to be a part of this exercise.
- ✔ Some 77% of the respondents feel that it is personally rewarding to have their children, grandchildren and other younger relatives involved in their giving.
- ✔ More than 43% stated that their children ask to be involved.
- ✔ Less than one third (29.5%) said that their children, grandchildren, and younger relatives have similar charitable priorities and values.

- ✔ Almost 95% said that they always or sometimes give when they believe their donation can make a difference.

Perception of Givers about Impact of Their Giving

- ✔ More than 50% said that believing in the mission of the organization is always important for them.
- ✔ Personal satisfaction plays a pivotal role for more than 90% of respondents, either always or sometimes.
- ✔ Volunteering time shows a higher level of fulfillment than financial giving among the high net worth givers.
- ✔ The majority of high net worth donors do not know if their charitable giving is having an impact (53.5%). At the same time, only 21.7% of them monitor or evaluate the impact of their giving. This highlights the necessity for organizations that manage such giving to educate donors and keep them informed.
- ✔ When high net worth givers were asked about the effects of the elimination of the estate tax on their level of giving, a much larger proportion of respondents in 2015 said that their level of giving will stay the same compared with their responses in 2013. What is quite clear in both of the sets of responses is the impact of a reduction or elimination of taxation on the size of charitable giving.

Political, Economic and Social Reasons for Charitable Giving:

- ✔ Only one quarter of high net worth givers consider political issues important and provide political donations.
- ✔ More than half of those who considered political reasons for their giving (56.3%) regard giving politically as the way they exercise their voice. Nearly half (49.3%) consider it a way of influencing electoral outcome.
- ✔ In singling out the most important issues for high net worth donors, health care, education, terrorism and national security, the federal government deficit, and the economy all stand out.

Transfer of Wealth in Ventura County and Its Implications for the Near- and Long-Term Future:

- ✔ Transfer of Wealth (TOW) data can help inform community leaders on how to mobilize resources in support of long-term and robust community development. It provides a foundation for an awareness and education process to stimulate community action. The existing literature indicates that places with aging populations will find the transfer of wealth reaching its peak and then starting to decline within a 50-year time span. This is a call to action before opportunities decrease over time.

- ✔ Using Federal Reserve information on the wealth of American households since 1989, we demonstrated that the level of median wealth is higher than mean values of wealth. This suggests that distribution of wealth has always been tilted towards the higher owners of wealth.
- ✔ The levels of net worth of households and nonprofits have been on the rise since the Federal Reserve began collecting information in 1952. In breaking this long period into three subsections, we showed that the rate of increase in net worth for households and nonprofits has changed from 2.3% to 3.4% over this period. Business cycles have affected this trend, with the biggest reduction occurring during the recent mortgage crisis of 2007. The overall rate of growth has been around 3%.
- ✔ We also found the rate of change of household net worth alone since 1989 was 2.8%. We concluded that this rate was impacted by the debacle of 2007 and, therefore, setting that impact aside, the rate of growth was considerably higher. In comparing our various calculations, we decided to use 3% as the rate of growth of net worth for a longer period and used this rate to project the escalation of net worth and size of bequests over the next 45 years.
- ✔ Our research showed that distribution of net worth and income are perfectly correlated. We then compared the level of mean household income in Ventura County with that of the United States and then used the findings to estimate the level of wealth as it could be in the county in 2019.
- ✔ By using a 3% average annual growth of net worth over the next 45 years, we arrived at the various estimations for the amount of transfers of wealth and the percentage of the allocation of such funds to philanthropic and charitable giving in Ventura County.
- ✔ Our estimates show that by 2025, we will witness a transfer of wealth **around $15.8 billion within the county from the existing generation to the next.**

✔ The study provides a decade-long estimate of the size of average estates within the county for the next 45 years. Altogether, the total amount of wealth transferred within the county will exceed $207.3 billion.

✔ The above estimates present a hopeful picture towards the current mid-decade with regard to transfers of wealth from one generation to next (the size of the bequests). **The yearly transfer increases from more than $2 billion to over $2.5 billion in the next several years leading to year 2025.**

✔ Using a proportion of 5% of this amount**, we can expect a sum of $792 million to be allocated to charitable and philanthropic giving in Ventura County by 2025.**

✔ This shows that **annually on average, over $100 million to more than $125 million** is likely to be allocated to charitable giving during this time.

✔ The question for all organizations that manage philanthropic and charitable giving is how such allocations can be invested in addressing the social, financial and infrastructure needs of the community in the coming decade and decades thereafter.

Introduction

Neither wealth nor charitable giving are new concepts or developments in our societies. Philanthropy is preeminent in every nation and is one of the evident attributes of humanity. There is a special tenet in most world religions for charity and charitable giving, which encourages followers to be benevolent and caring towards others. Today, philanthropy is construed as a love of mankind; a voluntary, practical benevolence towards others; but historically, it has also been intrinsically tied to social hierarchies, the politics of city life, the proliferation of faiths, the making of laws, and the governance of states.[1] The history of philanthropy in the United States has its own evolutionary past leading to its increasingly important contribution towards maintaining a better quality of life for others and occupies a special place for creating a better social and economic environment in our communities.

In the early part of the life of our nation, the settlers and pioneers brought with them their own rules and traditions that they followed or from which they escaped. The role of government and its place in determining what should or should not be done were under scrutiny (a phenomenon that still is debated fiercely among various groups). However, by the turn of the nineteenth century, almost all Americans had embraced some version of the progressive ideal, believing that defects of their economic, social, and political institutions could be remedied by the application of scientific principles, compassion, and expertise.

The period between the world wars was one in which virtually all major social actors strove to find ways of balancing the possibilities of free economic enterprise—seen as the ultimate source of innovation and general prosperity—against shared beliefs in democratic governance and economic justice. Philanthropically supported institutions would play key roles in both moderating the excesses of capitalism and, at the same time, expanding its reach into every aspect of public and private life.[2]

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[1] Bond, S. (2011). Philanthropy in ancient times: some early examples from the Mediterranean. *SOFII History Project*. Retrieved from: http://sofii.org/article/philanthropy-in-ancient-times-some-early-examples-from-the-mediterranean.

[2] Hall, PD. (n.d). A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600–2000. Retrieved from: https://sites.hks.harvard.edu/fs/phall/Powell%20Essay-Final%20-%20rev.pdf.

Accumulation of wealth has far-reaching macroeconomic impacts that affect not only the holders of wealth but also everyone else in a particular economy. This can be attributed to the fact that most often, capital accumulation involves both a net addition and a redistribution of wealth. This prompts the question of who really benefits from it most. This query goes further and asks if the accumulation of wealth can, in its totality, make an economy better or worse off. We need to find a way to determine whether accumulation of wealth is ultimately a drag on the economy or a source of increased prosperity and improvement in the lives of society.

One of the most insightful probes into the accumulation and distribution of wealth and what it entails for the 21st century comes from Thomas Piketty, the author of the recent bestseller, *Capital in the Twenty First Century*.[3] He argues that although wealth has always been with us, its importance is increasing. He explains that with a likely scenario of slow growth together with high returns on capital, we are likely to face problems in the years to come. Piketty argues that if capital owners save much of their income, their wealth will accumulate and be passed on to their heirs. He concludes that individuals' living standards will be determined less by their skill and effort, and more by the bequests they receive. Piketty also addresses the greater inequality of income and wealth distribution in the 21st century. There is an economic burden to a very small group of wage earners making far more than the average productivity of labor, while the change in real earnings for an overwhelming majority of workers has been far less than the increase in that average productivity.

A number of economists have debated Piketty's predictions and discussed other elements that may likely affect the distribution of wealth, suggesting that wealth is likely to be distributed with less alteration from one generation to the next. Whichever argument one accepts, there is no doubt that the way allocation of wealth to philanthropic purposes occurs has a determining impact on the well-being of future generations.

In this study we examine two important dimensions of this inquiry:

- Factors which directly affect the creation of wealth and its transfer between various generations; and

[3] Piketty (2015). Capital in the Twenty First Century. *Harvard University Press*. Retrieved from: http://onlinelibrary.wiley.com/wol1/doi/10.1002/pam.21837/full.

- Changes in the ideas and preferences in the allocation of charitable and philanthropic giving to various social and economic purposes from one generation to the next.

1. Economic and Social Factors Impacting Accumulation and Transfer of Wealth

Standard theories of wealth accumulation put strong emphasis on saving across life cycles. However, many of the studies over the last several decades indicate that intergenerational wealth transfers are responsible for a substantial portion of wealth holdings in the United States. The evidence can be seen through calculation of intergenerational wealth elasticities, which explain the proportional responses between the levels of wealth of one generation to the next one. Among these studies, we can mention the work of Kotlikoff and Summers (1981), which estimated that between 45% and 80% of wealth is accounted for by inter-vivos (legal term referring to a transfer or gift made during one's lifetime) and bequest transfers.[4] Given the relative importance of transfers to wealth formation, it is not surprising that wealth persists across generations. For example, Mulligan (1997) estimates the intergenerational wealth elasticity in the United States to be around 0.5.[5] Menchik (1979) finds a higher figure—roughly 0.75—among Connecticut families in the mid-twentieth century. Either figure implies that the impacts of family wealth are felt for multiple generations.[6]

However, most studies do not project further into the future and suggest that higher wealth will most definitely create a persistent higher income earning ability among those who inherit the wealth. There is, however, a strong possibility that the higher wealth holders will help their heirs to become better educated, develop a different attitude towards risk, and have much better access to finance, which is essential for the success of those with innovative ideas and entrepreneurial abilities.

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[4] Kotlikoff, L., & Summers, L.(1986).The Contribution of Intergenerational Transfer to Total Wealth: A Reply. *NBER Working Paper no. 1827.* Retrieved from: http://www.nber.org/papers/w1827.pdf.

[5] Mulligan, C. (1997). Parental Priorities and Economic Inequality. *Chicago: University of Chicago Press.* Retrieved from: http://press.uchicago.edu/ucp/books/book/chicago/P/bo3630949.html.

[6] Menchik, P. (1979).Inter-generational Transmission of Inequality: An Empirical Study of Wealth Mobility. *Economica. 46(184): 349-362.* Retrieved from: http://www.jstor.org/stable/2553676?seq=1#page_scan_tab_contents.

Nathan Grawe of Carleton College (2007), through his survey of literature, finds the following information about the transfer of wealth in the United States.[7]

- Relative wealth mobility is slower than that of earnings.
- Relative earning mobility is greater among families with large wealth stocks.
- While scholars debate whether family wealth affects educational attainment, even those who argue for an effect find that differential access to college only modestly affects relative earnings mobility. Recent research suggests family wealth may have greater impacts on early childhood education.
- Bequest recipients are more likely to pursue self-employment.
- Bequest recipients are more likely to own a home.
- The neighborhood in which a child grows up (which may be influenced by family wealth) appears to affect health outcomes. The effect on educational attainment and earnings is not clear.

Although each point brought up in the above list deserves its own detailed analysis, this study is not designed for this task. In the following segments of this study, we will delineate most of the relevant arguments logically and credibly.

2.1 Review of Demographic and Economic Trends Impacting Accumulation of Net Worth and Its Distribution

Nonprofits account for about 5% of the U.S. economy, and they are responsible for more than 11 million jobs in the country. However, another significant contribution is often left out when economic impacts of nonprofits are mentioned, and that is the enormous contribution of volunteers' work. According to the Urban Institute, 25.3% of U.S. adults volunteered with an organization in 2014, contributing an estimated 8.7 billion hours, the most hours recorded since the Current Population Survey's volunteer supplement began in 2002. The value of these hours is approximately $179.2 billion.[8]

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[7] Grawe ,N.(2007). Wealth and economic mobility. *Economic Mobility Project.* Retrieved from: https://www.urban.org/sites/default/files/publication/31206/1001166-wealth-and-economic-mobility.pdf
[8] McKeever,B.(2015). The Nonprofit Sector in Brief 2015 Public Charities, Giving, and Volunteering. *Urban Institute.* Retrieved from:

Public charities are the largest category of the more than 30 types of tax-exempt nonprofit organizations defined by the Internal Revenue Code. In 2013, over 950,000 organizations were classified as public charities, comprising more than two-thirds of all registered nonprofits.[9] Between 2003 and 2013, the number of public charities grew 19.5%, faster than the growth of all registered nonprofits (2.8%). The number of registered public charities also grew faster than other nonprofit subgroups during the decade, including private foundations, which declined 8.3%, and 501(c) organizations, which declined 0.32%. Consequently, public charities made up a larger share of the nonprofit sector in 2013 (67.5%) than in 2003 (58.1%).[10]

Historically, charitable giving has been a significant part of the income distribution in the United States than many other countries, including the entirety of Western Europe. The difference can be attributed to a much stronger presence of "welfare states" in Europe compared to the U.S. This in turn makes the country and its population among the most charitable in the world. We should also acknowledge that both individuals and foundations do charitable giving.

We must question how such high levels of giving may be impacted by economic downturns. Recent studies show that there is a clear cyclicality in the trend of charitable giving. According to a recent study published in *The Atlantic*, about 61% of households reported giving to charity in 2000, with an average gift of about $2,600. As a proportion of income, that means that the average person gave away 3.7% of his or her earnings. Each year after 2000, charitable giving increased by one or two percentage points until 2008, when the recession started and contributions began drying up.[11] By 2012, many households had experienced a partial recovery, yet the likelihood of giving to charity kept falling, declining by 6 percentage points compared to 2000 (after controlling for factors such as wealth and income). This indicates that forces stronger than individual circumstances drove the decline in giving, and it could be that the uncertainty from the recession has had a lingering effect.

The other significant issue, which was pointed out in some of the recent studies, is that between 2006 and 2012, the wealthiest Americans became less

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https://www.urban.org/sites/default/files/publication/72536/2000497-The-Nonprofit-Sector-in-Brief-2015-Public-Charities-Giving-and-Volunteering.pdf.
[9] Ibid
[10] Ibid
[11] Campbell,A. (2016), Why Are Americans Less Charitable Than They Used to Be? *The Atlantic*. Retrieved from: https://www.theatlantic.com/business/archive/2016/12/americans-donate-less-to-charity/511397/.

generous with charitable donations as a share of their total income, while lower- and middle-income Americans reached farther into their pockets as they witnessed the need for charity in their communities.[12] A separate study by the Chronicle of Philanthropy found that the share of income donated to charity by Americans who earned $200,000 or more decreased by 4.6% since 2006, while those earning less than $100,000 gave 4.5% more of their income to charity.[13]

It is also useful to look into the impact of taxation on charitable giving and bequests. This has emerged into the forefront of the ongoing discussion about the changes to the estate tax and their likely overall impact on the size of bequests in the country from now into the future.

Despite the controversy about the issue, according to Wojciech Kopczuk (2013), the economic literature on taxation of estates is surprisingly inconclusive. When generations are linked by altruism and the objective function respects dynastic preferences, taxation of estates is analogous to taxation of savings with an identical baseline result of no taxation.[14] They argue that when the incentives of children are not fully internalized by parents, there is a role for discouraging bequests through taxation.

James R. Hines, Jr. (2013) reviews the history of estate taxation and comes to the same conclusion that the economic consequences of estate taxation in practice remain unclear. The estate tax discourages labor supply by reducing the return to work, but encourages labor supply by imposing burdens on individuals both as recipients of after-tax bequests and as those who plan to leave bequests. If the labor supply responds to income changes, then this double burden of estate taxation has the potential to encourage the labor supply more than the tax-induced relative price change discourages it. Determining the implication of the substitution and (double) income effects of the estate tax is an empirical matter, for which there is no consensus on the magnitude of these effects for the population affected by the estate tax, or for the population as a whole.

[12] Ibid

[13] Bidgood, J. (2014), Study Finds Shifts in Charitable Giving After Recession. *New York Times.* Retrieved from: https://www.nytimes.com/2014/10/07/us/study-finds-shifts-in-charitable-giving-after-recession.html.

[14] Kopczuk, W.(2013). Incentive Effects of Inheritances and Optimal Estate Taxation. *American Economic Review: Papers and Proceedings*. Retrieved from: http://www.columbia.edu/~wk2110/bin/InheritanceReceived.pdf.

It is nevertheless valuable to understand the likely ramifications of actual estate taxes for the labor supply and other economic variables, and in particular, to consider the ways in which the double burdens of these taxes may influence economic outcomes.

Continuation of economic growth and its impact and economic relationship with the accumulation of wealth has its own challenges. First is the inevitable onset of a diminishing rate of return on all factors of production (reaching their steady state in the U.S. and in many Western European economies). Second is the need for curbing the addiction to growth in order to have sustainable life on our planet. The idea of prosperity without growth is upon us and it is likely to gain greater momentum and become an inevitable reality of our future.

All the issues brought up and briefly discussed above have important macroeconomic consequences, which magnify the relevance of philanthropy and charitable giving in the overall performance of our economy at present and in the near future.

The following charts provide a better understanding of the landscape of wealth and its accumulation over the last three decades.

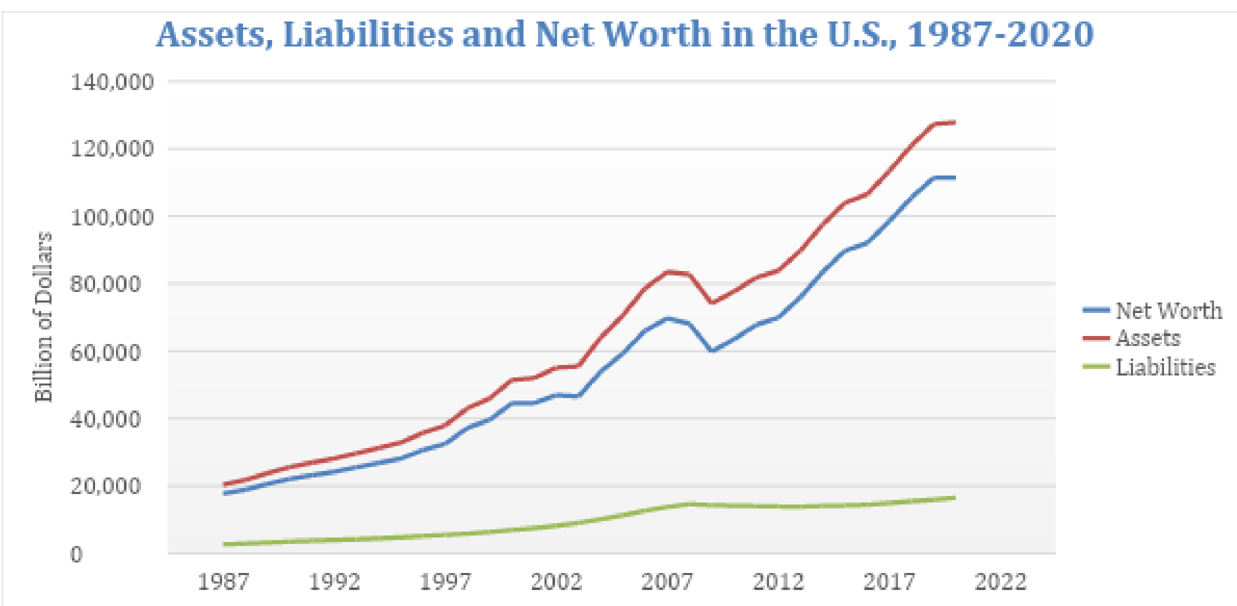

Figure 1 Assets, Liabilities and Net Worth in the U.S., 1987-2020

Source: Board of Governors of the Federal Reserve System: **https://www.federalreserve.gov/releases/z1/dataviz/z1/balance_sheet/chart/**

The above chart shows that net worth and assets dovetailed one another over the last three decades. However, liability experienced a much more moderate change over this period and showed noticeable fluctuations in the first decade of the new millennium. Both assets and net worth experienced a decline during the troubling onset of the recent mortgage crisis.

In order to better understand the intricacies of economic and social profiles of high net worth individuals and families, the charts below outline the most notable characteristics of this group.

2.1.1 Demographic Characteristics of High Net Worth Population

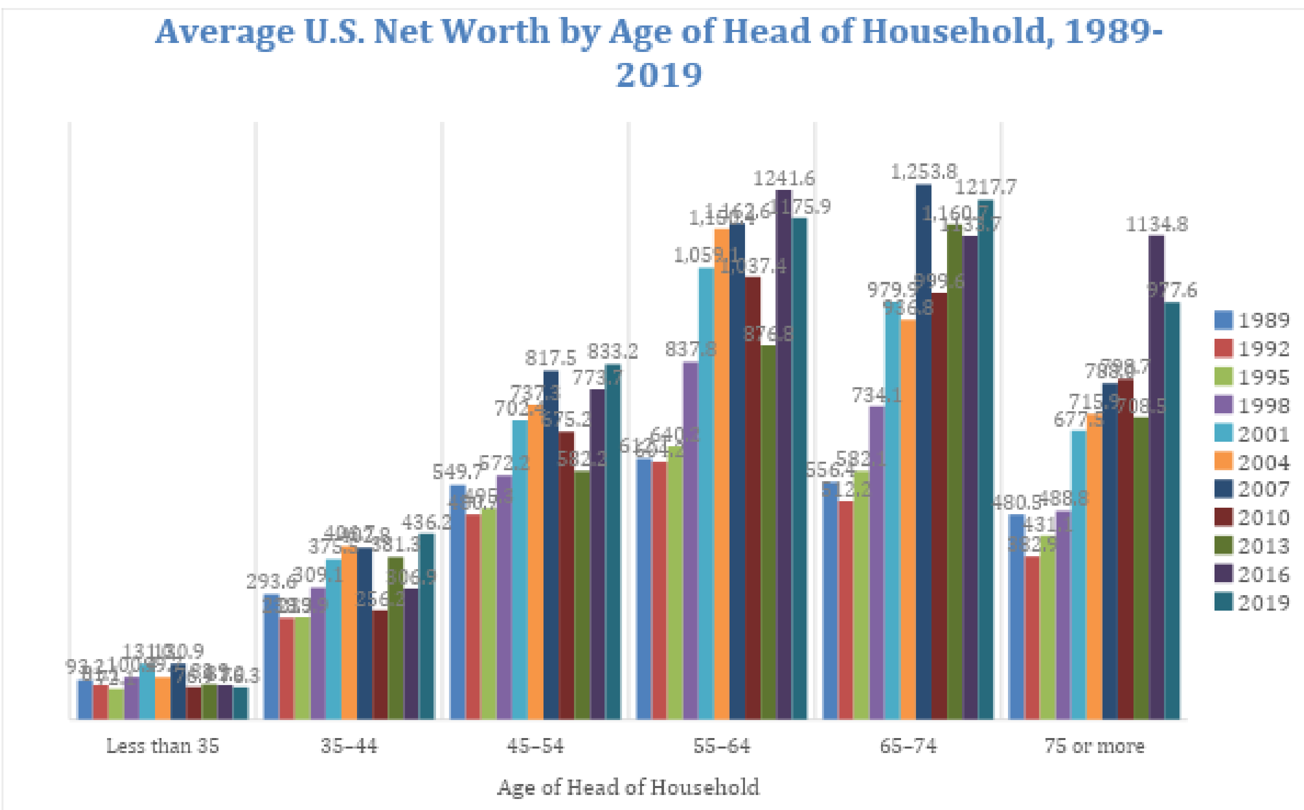

Figure 2 Average U.S. Net Worth by Age of Head of household, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

The above chart provides a trend perspective on savings and the accumulation of net worth over a whole lifetime. It shows that families are likely to save and accumulate greater amounts of assets during middle age. This proves the well-known assumption that younger people spend more and save less. People in middle age tend to save and accumulate the greater share of their assets, but spend more and do not save when they reach old age.

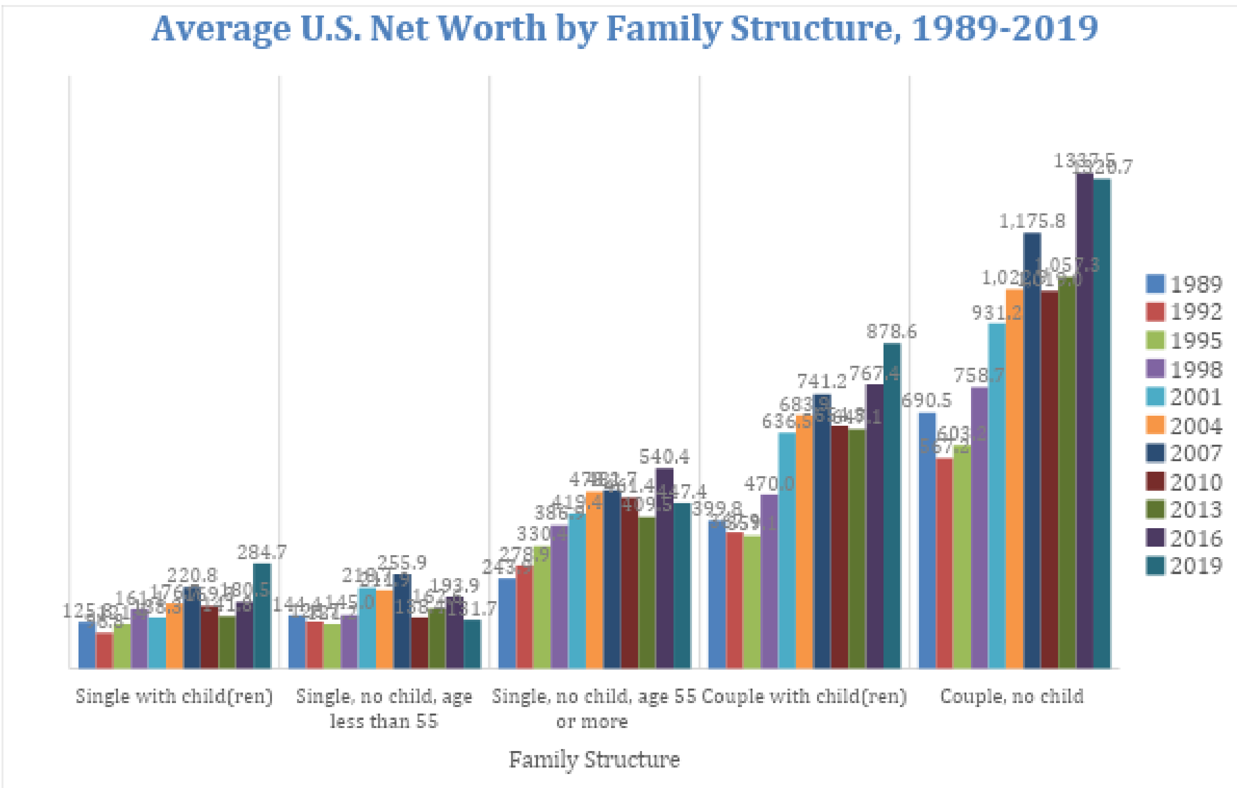

Figure 3 Average U.S. Net Worth by Family Structure, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

Family structure plays an important role in levels of net worth. Couples tend to have a much higher level of net worth, and there is not a distinct difference for couples with or without children. The same can be observed in the level of net worth of single (unmarried) people with or without children. With some fluctuation over the years, overall, the real value of Americans' net worth has been on the rise over the last three decades.

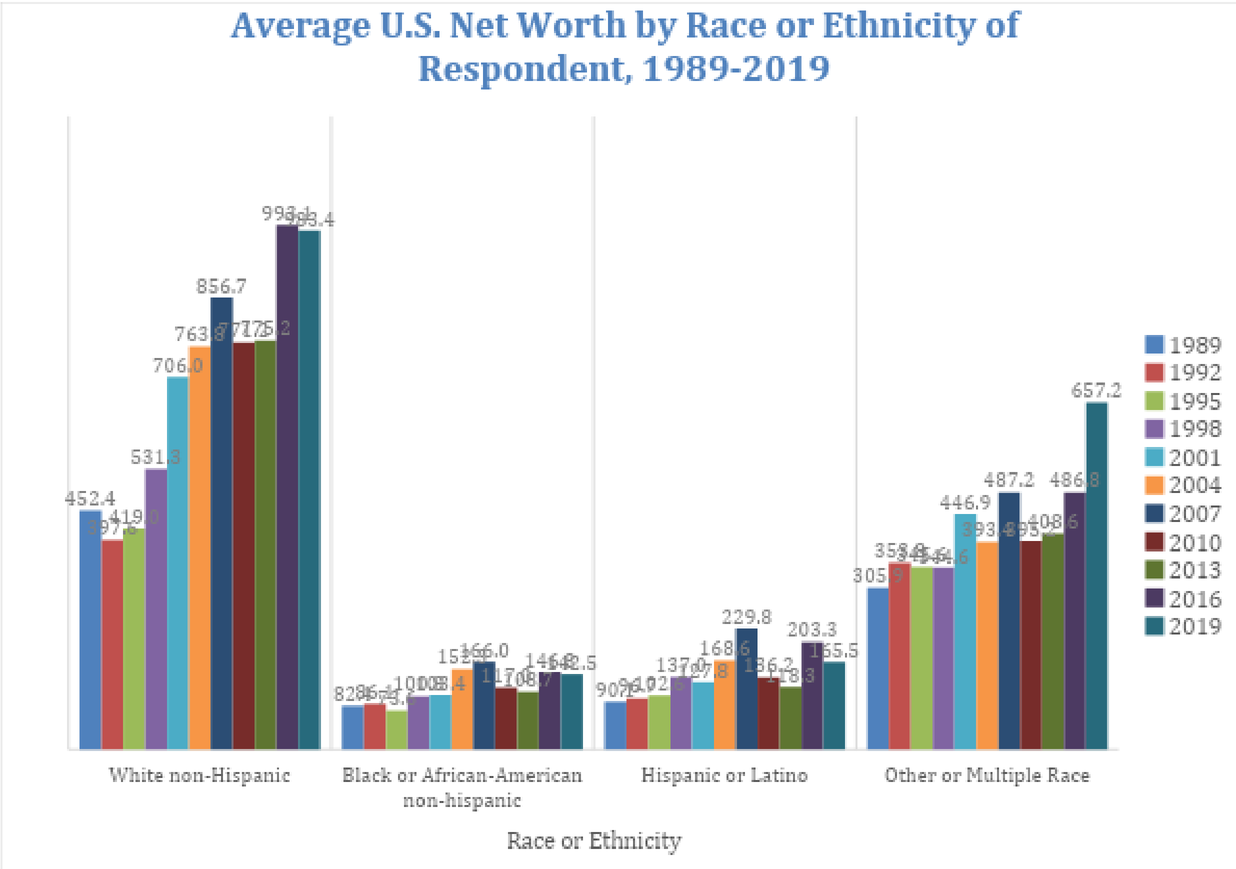

Figure 4 Average U.S. Net Worth by Race or Ethnicity of Respondent, 1989-2019

Source: Board of Governors of the Federal Reserve System:
https://www.federalreserve.gov/econres/scfindex.htm

Race and ethnicity play significant roles in the creation of net worth and wealth among American families. Whites are in a much better situation than African Americans or Hispanics/Latinos. Notably, both of these groups have not yet recovered from the debacle of the 2007 financial crisis. A likely explanation is that the loss of their net worth is tied to the reduction of real estate values, which may have been more severe for low-income Americans during that crisis.

2.1.2 Economic, Employment and Educational Characteristics of Owners of Wealth in the United States

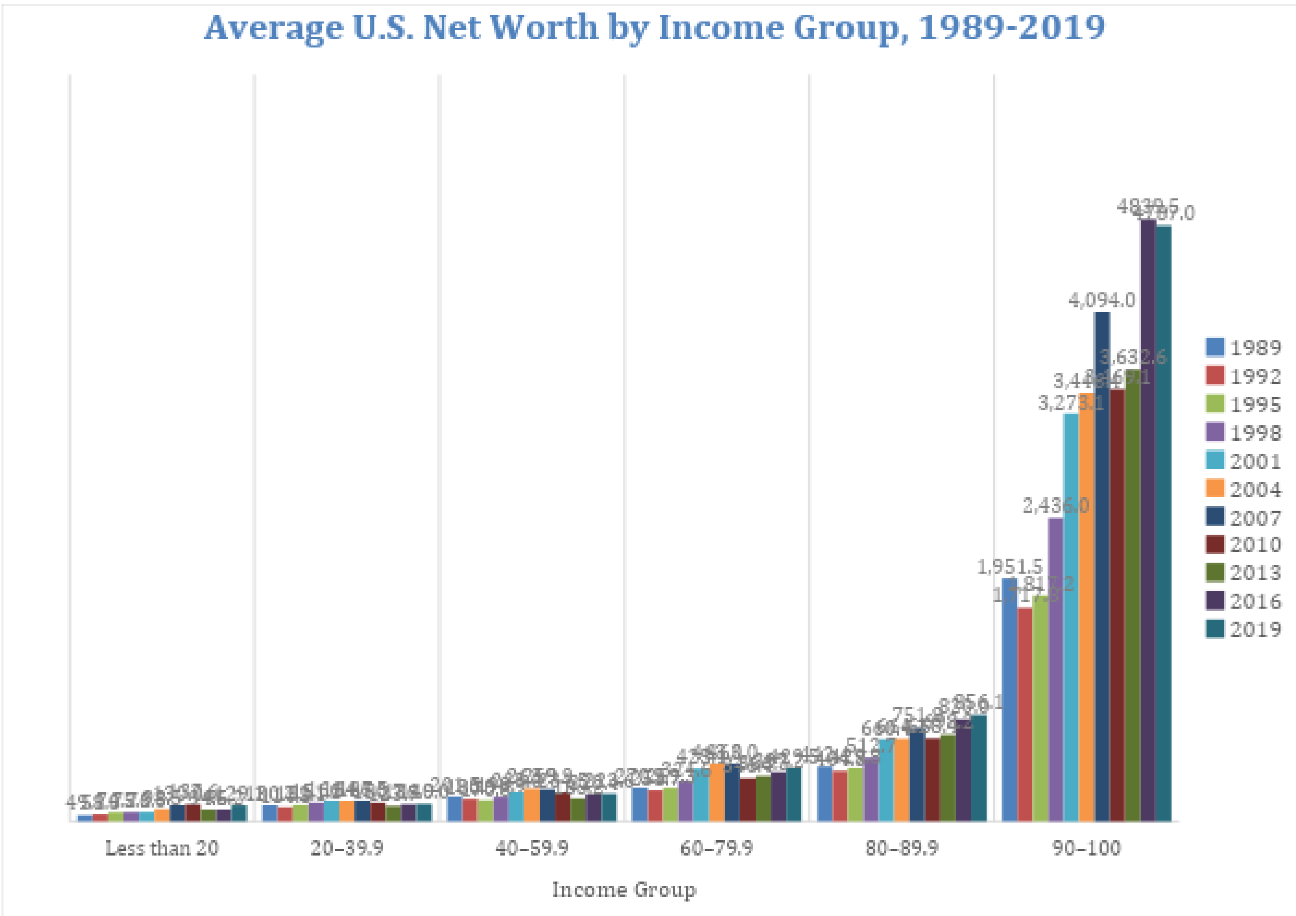

Figure 5 Average U.S. Net Worth by Income Group, 1989-2019

Source: Board of Governors of the Federal Reserve System:
https://www.federalreserve.gov/econres/scfindex.htm

The data in this chart show a great level of uniformity in changes in net worth across various income levels, and the gap among the various income groups is evident. Noticeably, even the very low-income groups in the United States have a meager average level of positive net worth compared to those same groups in a number of Western European countries. One of the reasons for such differences is the dependency of Americans on other sources of income when they reach old age and withdraw from the labor force. This makes the accumulation of wealth a necessity, whereas in countries with more generous welfare and social safety nets, this is not an urgent issue.

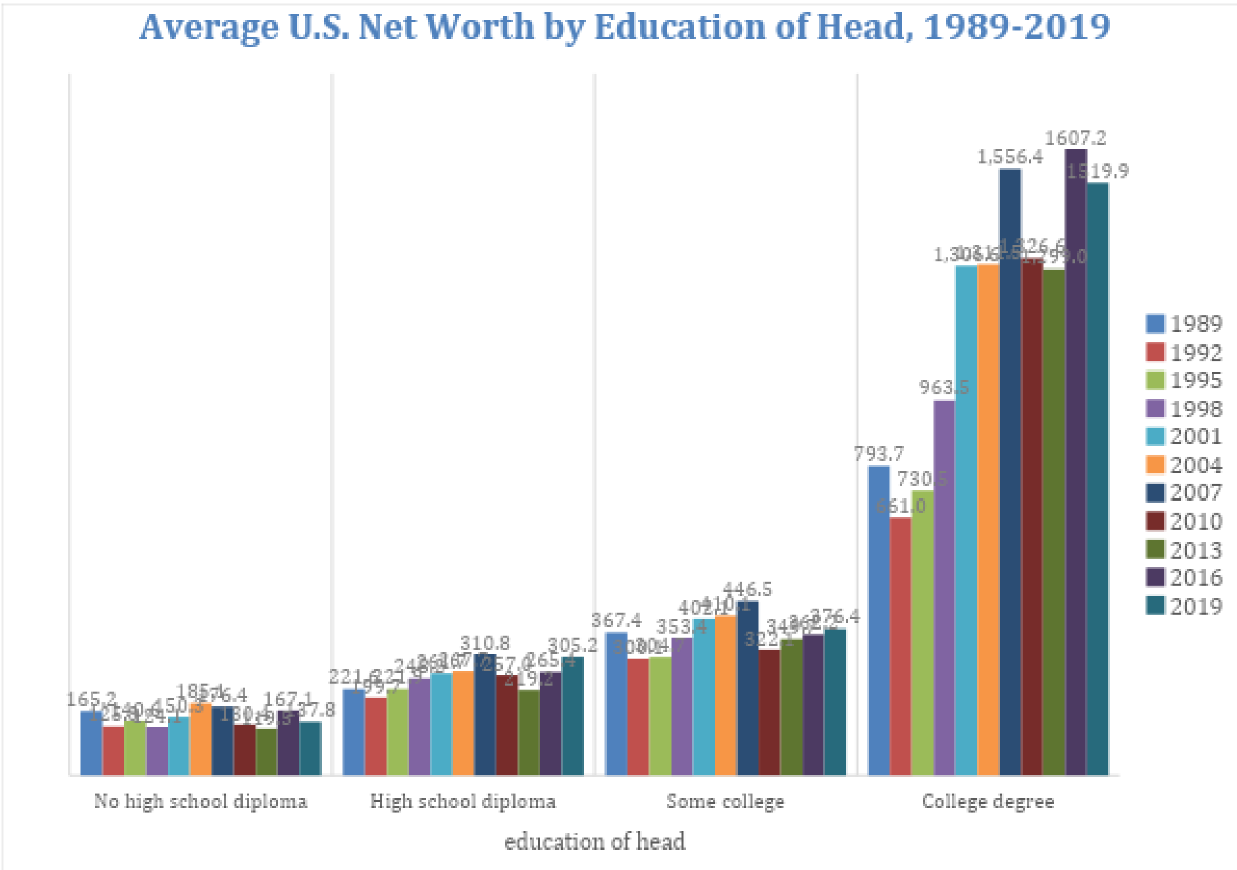

Figure 6 Average U.S. Net Worth by Education of Head, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

Education plays a pivotal role in the creation of net worth among various family households (measured by the level of net worth of heads of families). The net worth of college-educated heads of families seems to have recovered from the downturn of the recent economic crisis of 2007, whereas the net worth in families with some college or a high school diploma remained lower than their 2007 levels. This indicates the impact of education in creating greater resilience in the formation of net worth and wealth. It is worthwhile to note that the difference between average net worth of people with lower educational attainment and those with a college degree widened tremendously since 1989. The level of average net worth for people without a high school diploma went down over the last thirty years in its absolute terms. A similar picture to a lesser extent can be seen for those with a high school diploma.

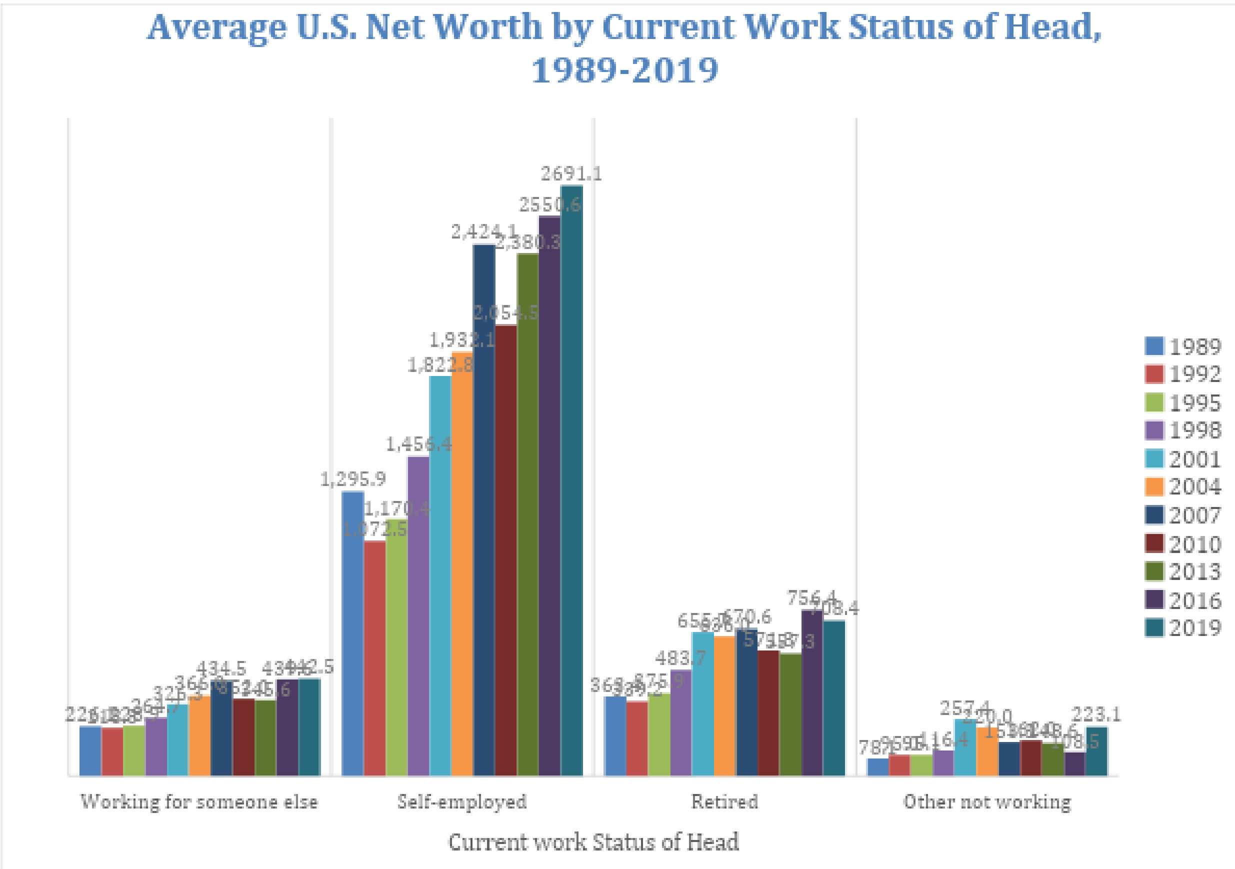

Figure 7 Average U.S. Net Worth by Current Work Status of Head, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

The above chart provides a comparison of family net worth measured by the work status of the heads of families. It highlights that those who work for themselves have the highest net worth among all categories of heads of families. This clearly shows a significant margin of difference between the material well-being of business owners over other working people. Those who are retired have a much lower net worth, indicating the relatively lower economic well-being of retired families and households. There is ample evidence showing that by 2016, in most categories of families reported in the above chart, the level of net worth had returned to 2007 levels, when the financial crisis started. However, the level for those working for someone else did not show a robust recovery, and the net worth of the retired group declined from the 2016 level.

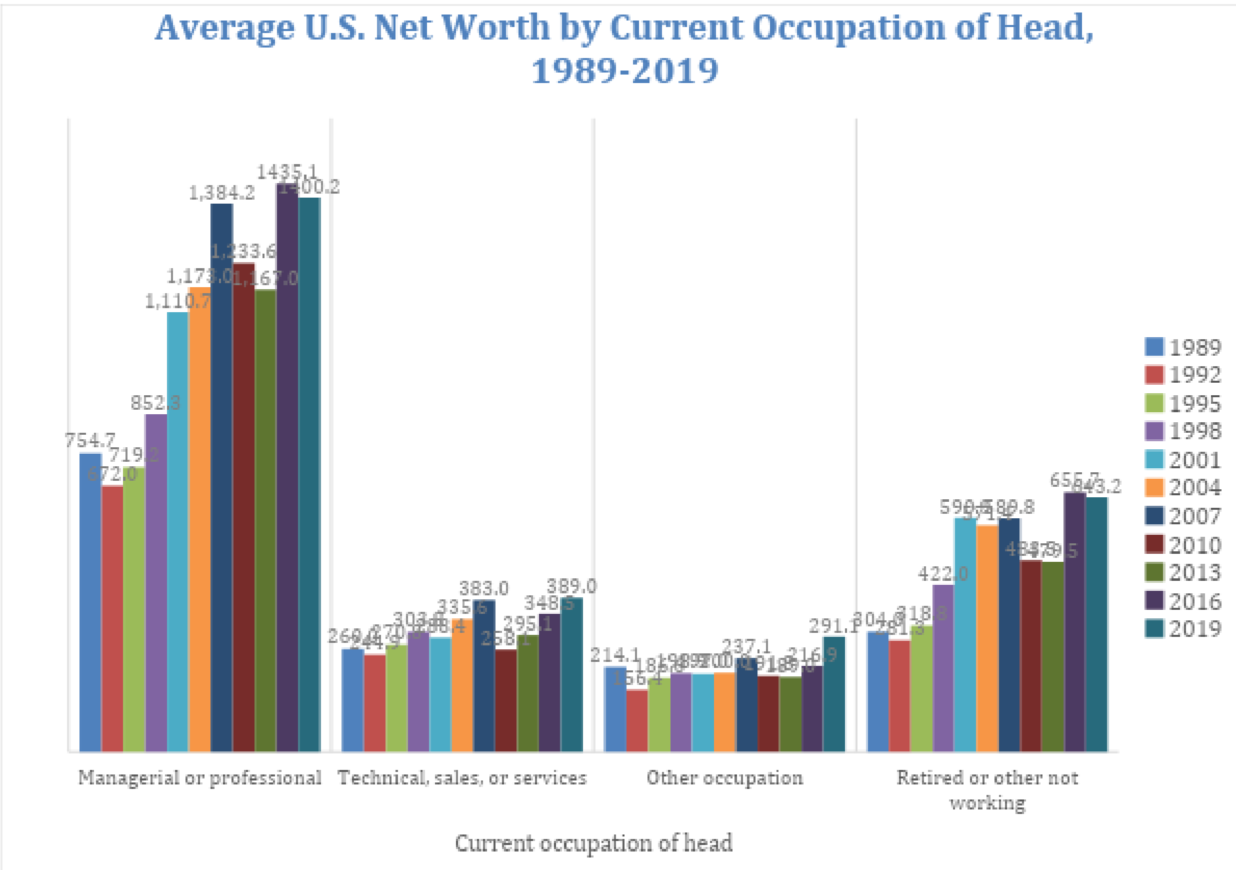

Figure 8 Average U.S. Net Worth by Current Occupation of Head, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

Families with members in managerial or professional positions are far more likely to have much higher net worth than those with members who work as technicians, salespeople or who are employed in service or other lower-income sectors.

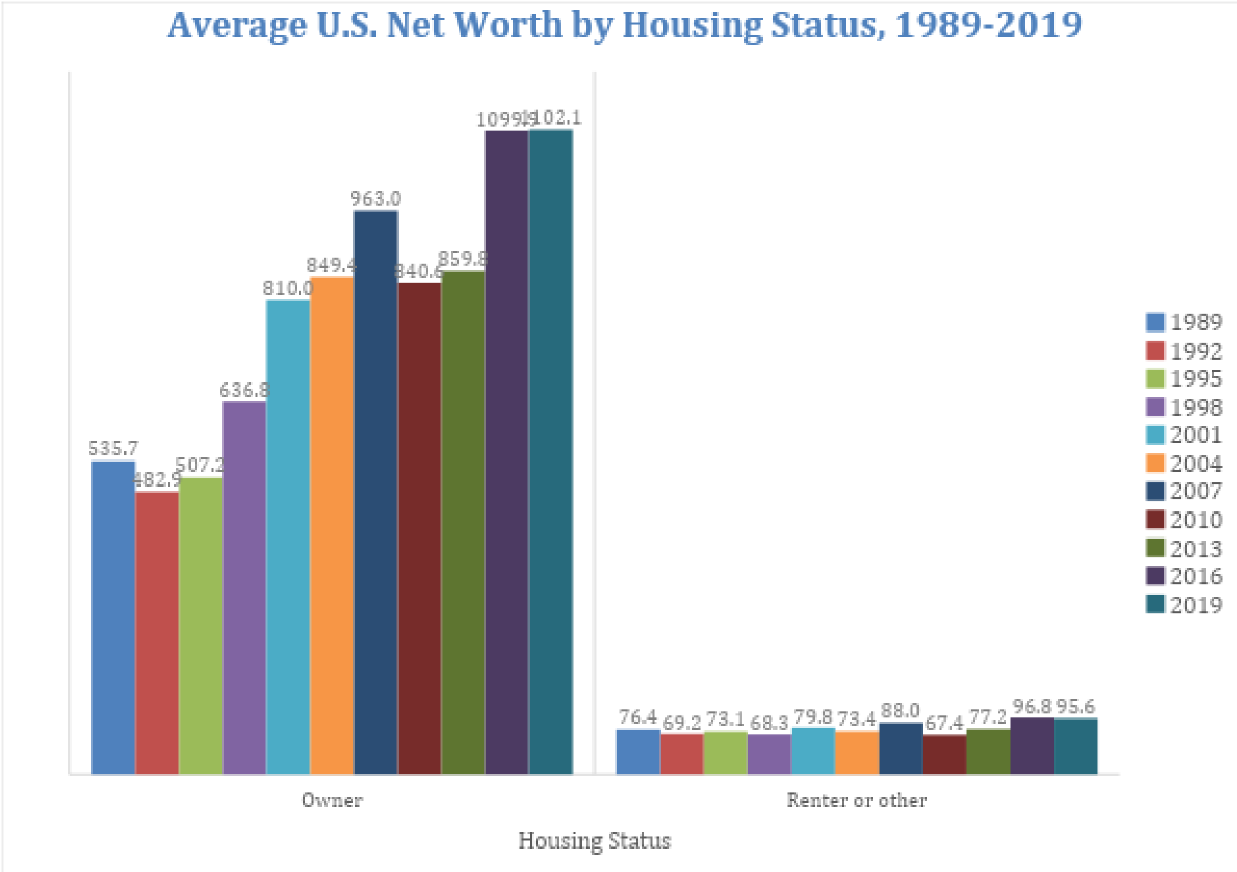

Figure 9 Average U.S. Net Worth by Housing Status, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

One way to interpret the above chart is to observe that much of the net worth of American families is captured by owning their homes. This also suggests that much of the shift in American families' net worth over the last thirty years occurred due to the change in the value of their home. This implies that what goes on in the real estate sector has the greatest impact on families' net worth.

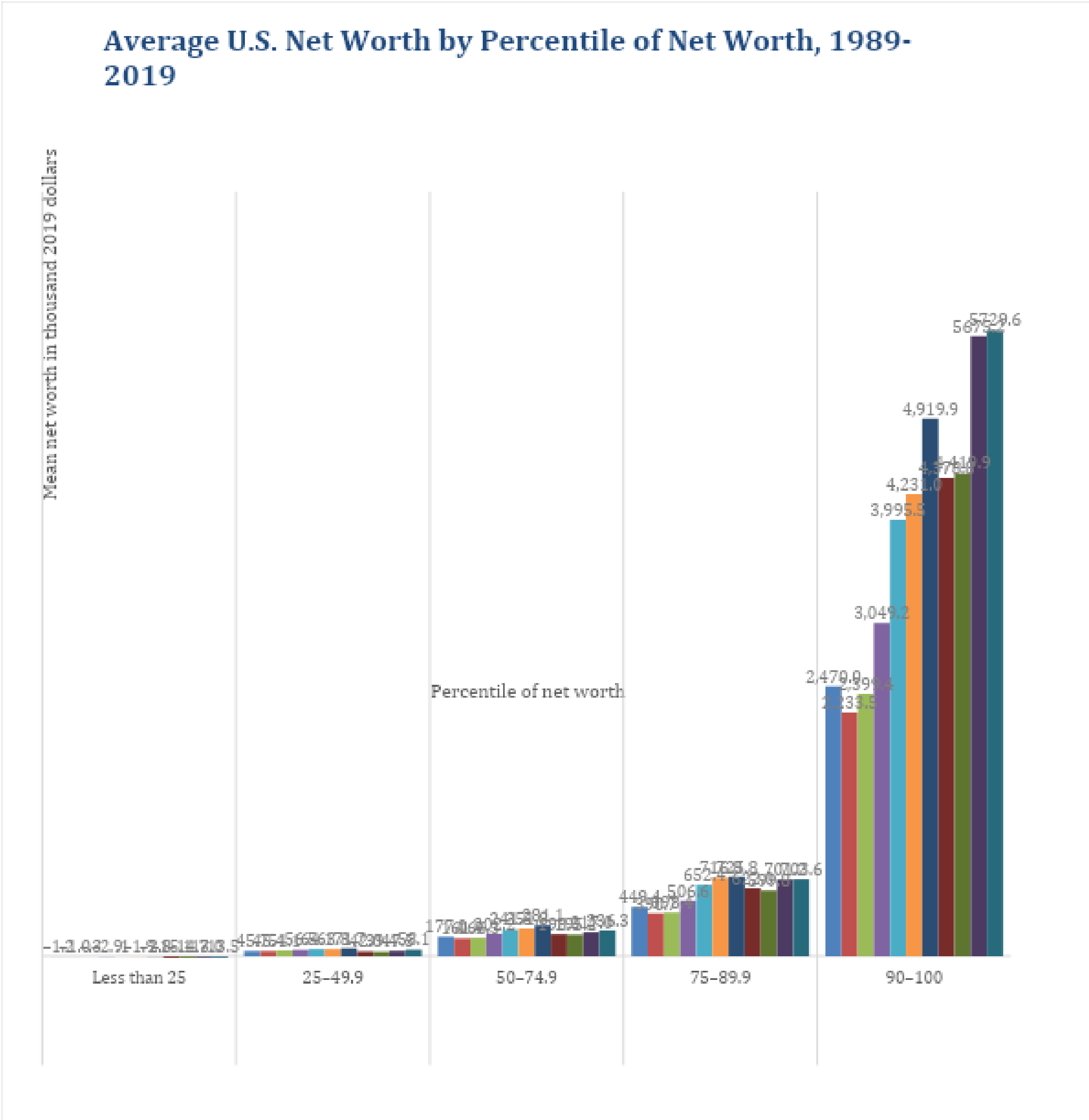

Figure 10 Average U.S. Net Worth by Percentile of Net Worth, 1989-2019

Source: Board of Governors of the Federal Reserve System: https://www.federalreserve.gov/econres/scfindex.htm

The above chart displays one of the most revealing features of distribution of net worth and wealth in the United States. It shows that the bulk of new worth is concentrated in the possession of the top 10% of the U.S. population and confirms that their net worth has bounced back from its decline in 2007. This cannot be observed in any other group, where we see the negative net worth of those in a quarter of Americans in the bottom of the groups (less than 25 percentile). During the entire period, this group of Americans accumulated debt instead of wealth. The only exception was in 2001, in which they almost broke even. It should also be noted that overall, less than 25 percentile of Americans over this period of time accumulated more debt.

2.2 Individual and Group Demographics and Social Characteristics Influencing Attitudes and Decisions about Philanthropic and Charitable Giving

The culture of philanthropy is well developed in the United States, where philanthropy and charitable giving have a religious, moral and humanistic origin. Americans have long been, and continue to be, a charitable people. Most Western European countries by comparison have well-developed welfare states. The U.S. has always relied more on private charity to support a number of societal needs, including aid and assistance to disadvantaged low-income families.

The concept of philanthropy includes voluntary giving by individuals or groups to promote the common good. It also refers to the formal practice of grant-giving by foundations to nonprofit organizations. According to Philanthropy New York (2008), philanthropy in the United States emerged from a number of cultural influences in the early days of the history of the nation. They include adherence to religious beliefs and traditions, practices of collective hunting and food distribution among Native Americans, and a culture of mutual assistance and support for new settlers and immigrant communities.[15] It was not until after the Civil War that the modern business of philanthropy began to form. Before such time, charity was a mostly fragmented endeavor driven largely by religious groups and characterized by alms-giving and volunteerism aimed at assisting the immediate problems of the urban poor.

In many cases philanthropic giving often aids the areas of community and public life where the contributions of the government may be insufficient.

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[15] History of U.S. Philanthropy (2008). *Philanthropy New York*. Retrieved from: https://philanthropynewyork.org/sites/default/files/resources/History%20of%20Philanthropy.pdf.

The list of the top ten organizations in New York City that received money from foundations, sorted by amount received, include the following:[16]

- Columbia University
- Lincoln Center for the Performing Arts
- New York University
- Institute of International Education
- Wildlife Conservation Society
- Weill Medical College of Cornell University
- New York-Presbyterian Hospital
- Environmental Defense Fund
- Living Cities: The National Community Development Initiative
- Nonprofit Finance Fund

This example of what is occurring in New York is not meant to be indicative of what is happening nationwide. It serves to support the notion that philanthropic giving is most likely to support the gaps that lack of funding or insufficient funding may create within specific regions and the nation as a whole.

The history of the United States shows that toward the end of the 1800s, Andrew Carnegie's "Gospel of Wealth" told wealthy people that they would be disgraced if they died without having donated their surplus money to social causes.[17] He said the wealthy should carefully choose the causes they supported, demonstrating the financial elite's "superior wisdom, experience, and ability."[18] Along with Carnegie, wealthy benefactors such as John D. Rockefeller and Margaret Olivia Slocum Sage created some of the nation's first grant-making philanthropies.

In the 1900s, tax reform made it easier for individuals and corporations to deduct funds for charitable purposes, thereby further fueling the philanthropic movement. Today, foundations award billions of dollars per year to nonprofit organizations, foundations and corporations with expectations of accountability and effectiveness, resulting in positive outcomes. Along with effective management, a large challenge in this new millennium is creating and implementing innovative strategies for long-lasting social problems, such

[16] Ibid
[17] Carnegie A. (2017). The Gospel of Wealth. Carnegie Corporation of New York, New York (first published in 1889).
[18] Pruszewicz,A.,& Hulst,AV.(2004). Key Dates and Events in American Philanthropic History 1815 to Present. Retrieved from: https://www.learningtogive.org/resources/key-dates-and-events-american-philanthropic-history-1815-present.

as poverty, homelessness, and a host of other social and economic problems.[19] The modern era brought with it other challenges, which include threats of further erosion of our living environment and the heightening of political conflicts, potentially resulting in the displacement of millions of people.

Recent studies show that there is a clear cyclicality in the trend of philanthropic and charitable giving. According to a study published in *The Atlantic*, about 61% of households reported giving to charity in 2000, with an average gift of about $2,600. As a proportion of income, that means that the average person gave away 3.7% of his or her earnings. Each year after 2000, charitable giving increased by one or two percentage points until 2008, when the recession started and contributions began drying up. By 2012, many people had experienced a partial recovery, yet the likelihood of giving to charity kept falling, declining by 6 percentage points compared to 2000 (after controlling for factors such as wealth and income). This provides evidence that forces stronger than individual circumstances drove the decline in giving and it could be that the uncertainty from the recession has had a lingering effect.[20]

Although the existing research does not provide strong evidence that we have experienced any lasting change in the behavior of Americans towards charitable giving, there is evidence that uncertainty about the future may have an impact on their behavior.

It is also important to look into the impact of taxation on charitable giving and bequests. This has emerged into the forefront of the ongoing discussion about the changes to the estate tax and their likely overall impact on the size of bequests in the country going forward. While the existing literature on the impact of taxation on bequests is inconclusive, there is a body of studies that explore what can be the building block of optimum tax policies. Some of these analyses suggest that optimality of a positive tax on bequests rests on the strength of the effect of bequests on behavior of future generations, and suggests that inheritance rather than an estate tax is better suited to implement the optimal policy.[21]

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[19] Ibid
[20] Campbell,A. (2016), Why Are Americans Less Charitable Than They Used to Be? *The Atlantic*. Retrieved from: https://www.theatlantic.com/business/archive/2016/12/americans-donate-less-to-charity/511397/.
[21]. Kopczuk,W.(2013). Incentive Effects of Inheritances and Optimal Estate Taxation. *American Economic Review: Papers and Proceedings*. Retrieved from: http://www.columbia.edu/~wk2110/bin/InheritanceReceived.pdf.

In this segment of the study, we will look at the existing data that emerged from the 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households, which was published in 2017.[22] The 2016 U.S. Trust Study examines the giving patterns, priorities, and attitudes of America's wealthiest households for the year 2015. As the sixth in a series of biennial studies researched and written by the Indiana University Lilly Family School of Philanthropy in partnership with U.S. Trust, this is one of the best sources of information on wealthy households and their preferences. This series of studies provides valuable information about high net worth giving across multiple dimensions that can be used by nonprofit professionals, charitable advisors, donors, and others interested in philanthropy and the nonprofit sector.

We have also referenced a selected number of important indicators from the 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households, which was published in 2018.[23]

According to a description provided in the 2016 U.S. Trust study, their findings are based on a nationally representative random sample of 1,435 wealthy donors, including, for the first time, deeper analysis based on age, gender, sexual orientation and race. The instrument was a survey of U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and an annual household income of $200,000 or more. Average income and wealth levels of the participants in the study exceeded these threshold levels, reaching approximately $331,156 and $16.8 million, respectively. These parameters define the high net worth households referred to in this study.

Similarly, the 2018 U.S. Trust study is based on a survey of 1,646 U.S. households with a net worth of $1 million or more (excluding the value of their primary home) and an annual household income of $200,000 or more. The average net worth of respondents in the 2018 Study was $16.8 million and the average annual household income was approximately $331,156, the same as the sample in 2016.

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[22] The 2016 U.S. Trust Study of High Net Worth Philanthropy, Charitable Practices and preferences of wealthy households (2016). Retrieved from: http://www.ustrust.com/publish/content/application/pdf/GWMOL/USTp_ARMCGDN7_oct_2017.pdf.

[23] See The 2018 Trust Study of High Net Worth Philanthropy, Charitable Practices and Preferences of Wealthy Households (2018). Retrieved from: https://www.privatebank.bankofamerica.com/articles/2018-us-trust-study-of-high-net-worth-philanthropy.html.

The survey questions in the 2018 study included many that were modeled after those found in the Philanthropy Panel Study (PPS), which is a module of the Panel Study on Income Dynamics (PSID) conducted at the University of Michigan. PPS biennially assesses the giving and volunteering behavior of the typical American household. Questions about high net worth donors' motivations for giving were modeled after questions asked in surveys for the Lilly Family School of Philanthropy's regional giving studies.

2.2.1 Levels and Reasons for Charitable Giving

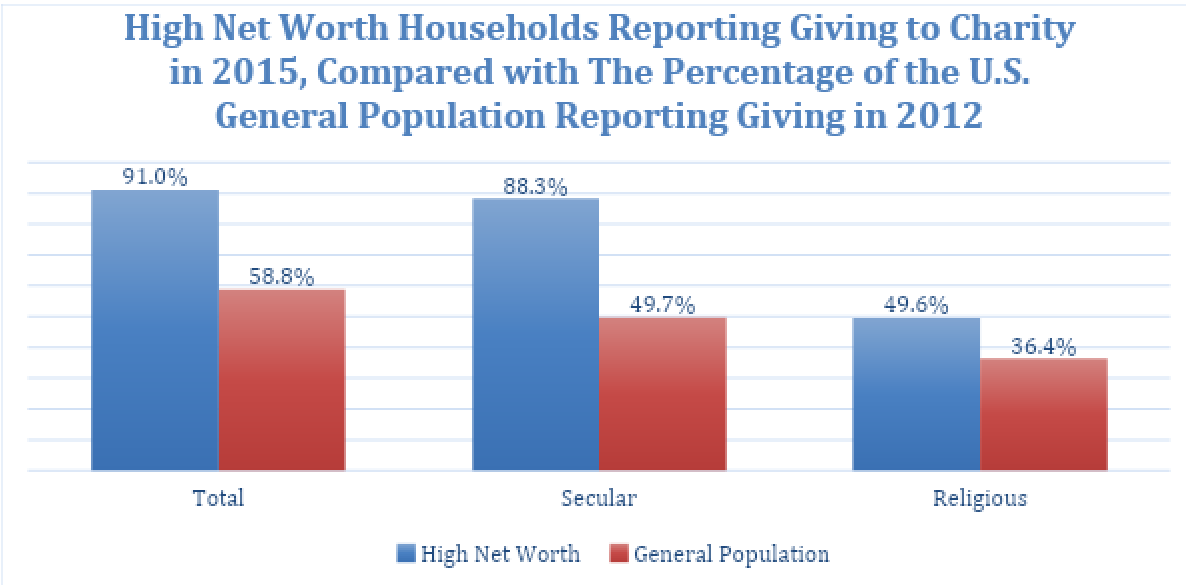

Figure 11 High Net Worth Households Reporting Giving to Charity in 2015, Compared with the Percentage of the U.S. General Population Reporting Giving in 2012

Source: The 2016 U.S. Trust Study Of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

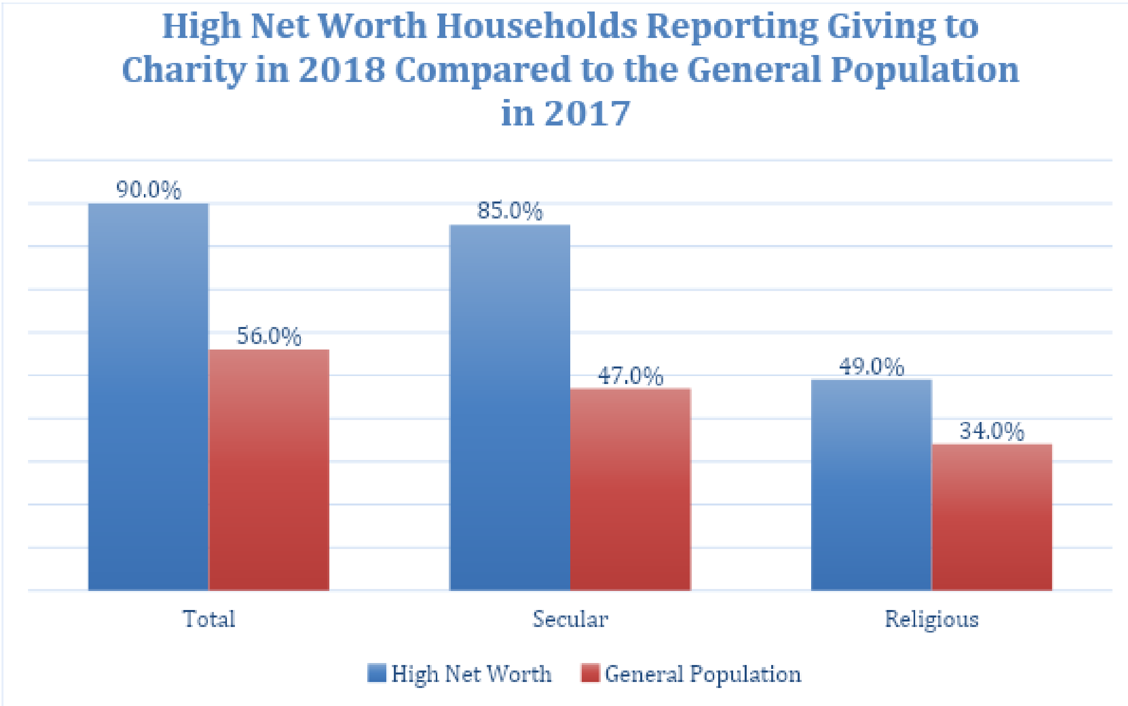

Figure 12 High Net Worth Households Reporting Giving to Charity in 2018, Compared with The Percentage of the U.S. General Population Reporting Giving in 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above two charts indicate that the high net worth population, in total, gives considerably more than the average population. However, it is important to acknowledge that the high net worth population is a miniscule percentage of the total population. The other notable observation is the similarity of the preferences among both groups as to the categories of giving.

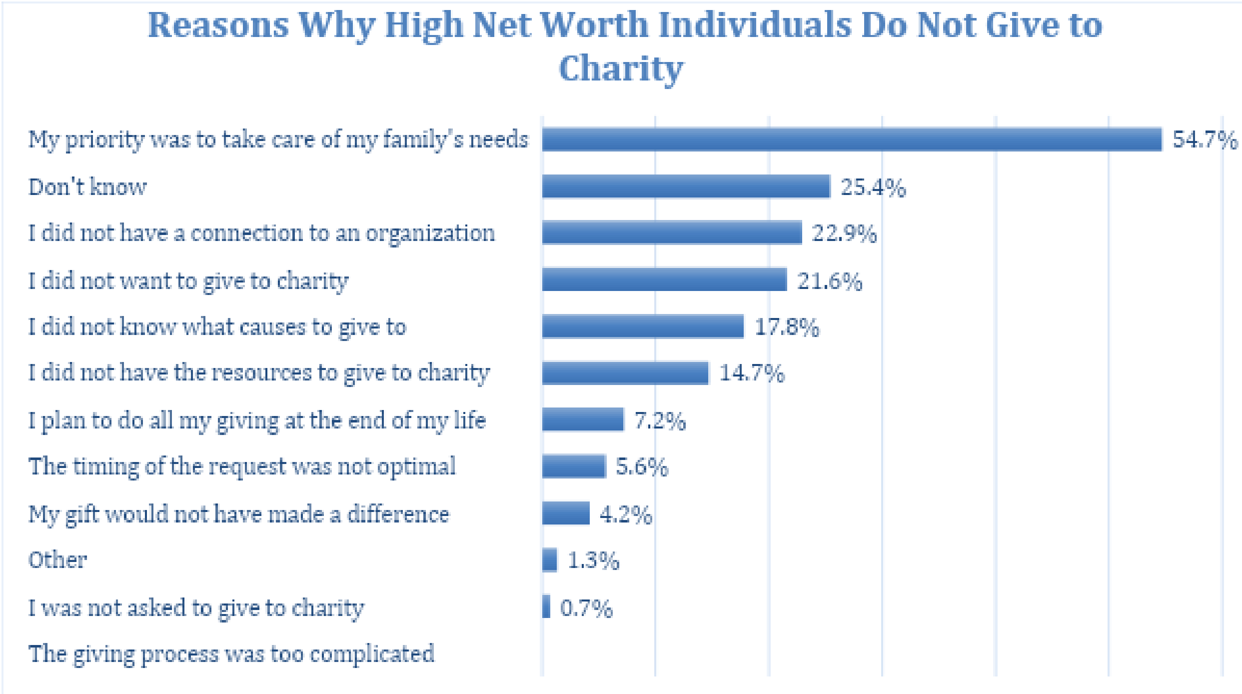

Figure 13 Reasons Why High Net Worth Individuals Do Not Give to Charity

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart provides insight into the mindset of high net worth individuals who do not give to charities and philanthropies. Meeting the needs of their children and giving priority to them is easy to understand and may indirectly suggest that the estate tax or inheritance tax may result in reducing the size of charitable giving, although, as mentioned before, the literature on this question is inconclusive.

The following are the additional reasons for not giving, which could be possible to overcome by charitable and philanthropic organizations:

- Do not know →25.4%
- Not having connections to the relevant organizations →22.9%
- Not knowing to which cause to give →17.8%

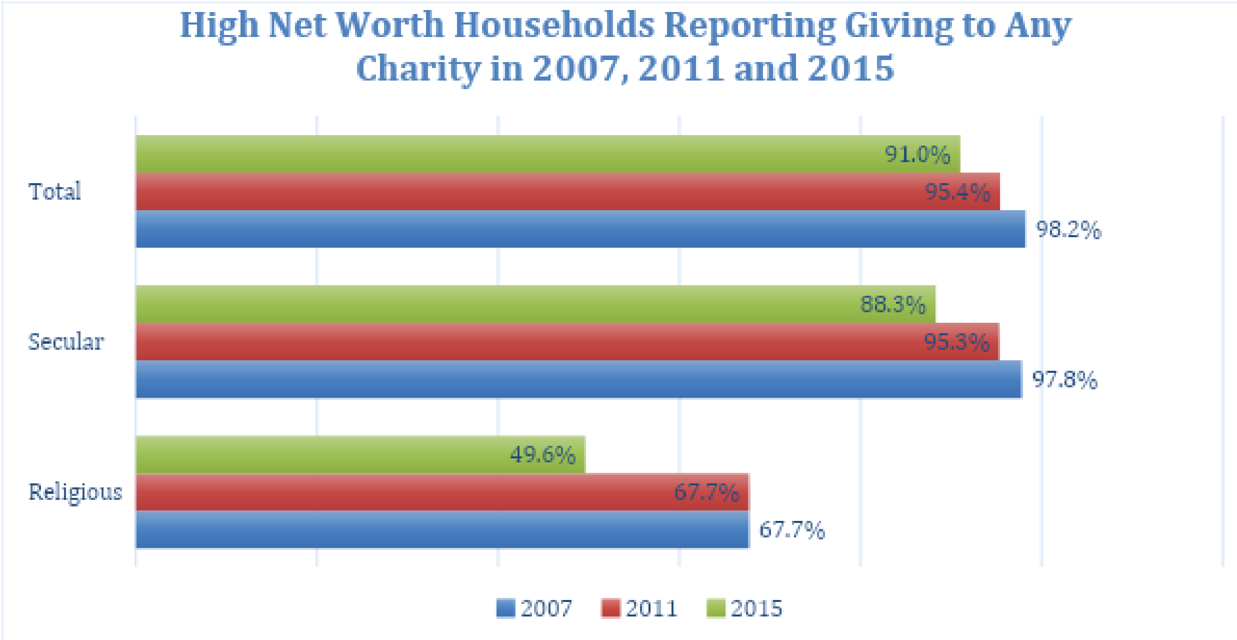

Figure 14 High Net Worth Households Reporting Giving to Any Charity in 2007, 2011 and 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart provides comparative information about level and distribution of high net worth households' charitable giving to religious and secular causes over a little less than a decade and from the peak of the previous business cycle to recent time (2015). The first observation is a decrease in the proportion of givers over time, with 2015 registering a significantly lower percentage of giving to religious organizations. It is unlikely that the change of attitude between religious and secular giving is a permanent change.

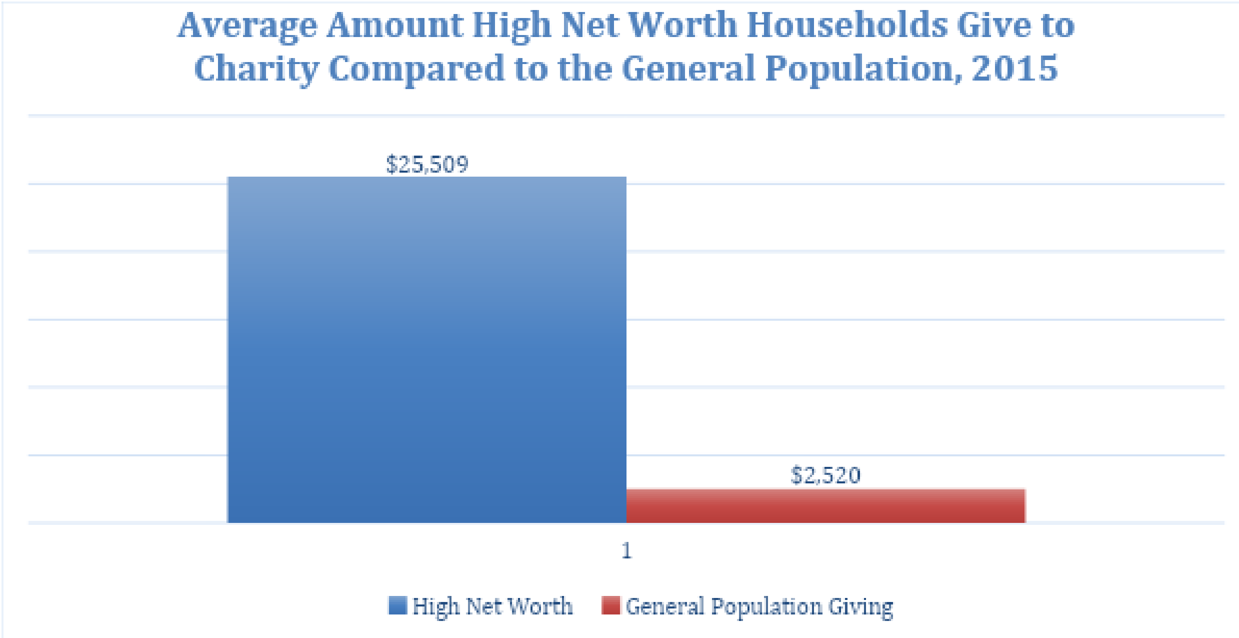

Figure 15 Average Amount High Net Worth Households Give to Charity Compared to the General Population, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Earlier on, we noted that Americans in general are charitable and many donate their time and money to philanthropic giving that they find relevant and satisfying. The above chart displays the average amount of such giving among high net worth donors compared with the general population. The ratio is about one to ten, and this shows that, in totality, both the high net worth givers and the general population make significant contributions in shaping the landscape of charitable giving and philanthropy in the nation.

We also looked into the pattern of giving in the 2018 report to discover if there was any significant change. The data presented very little variation, showing the average net worth of high net worth Americans increased by a significant proportion, while that of the general population experienced a slight reduction.

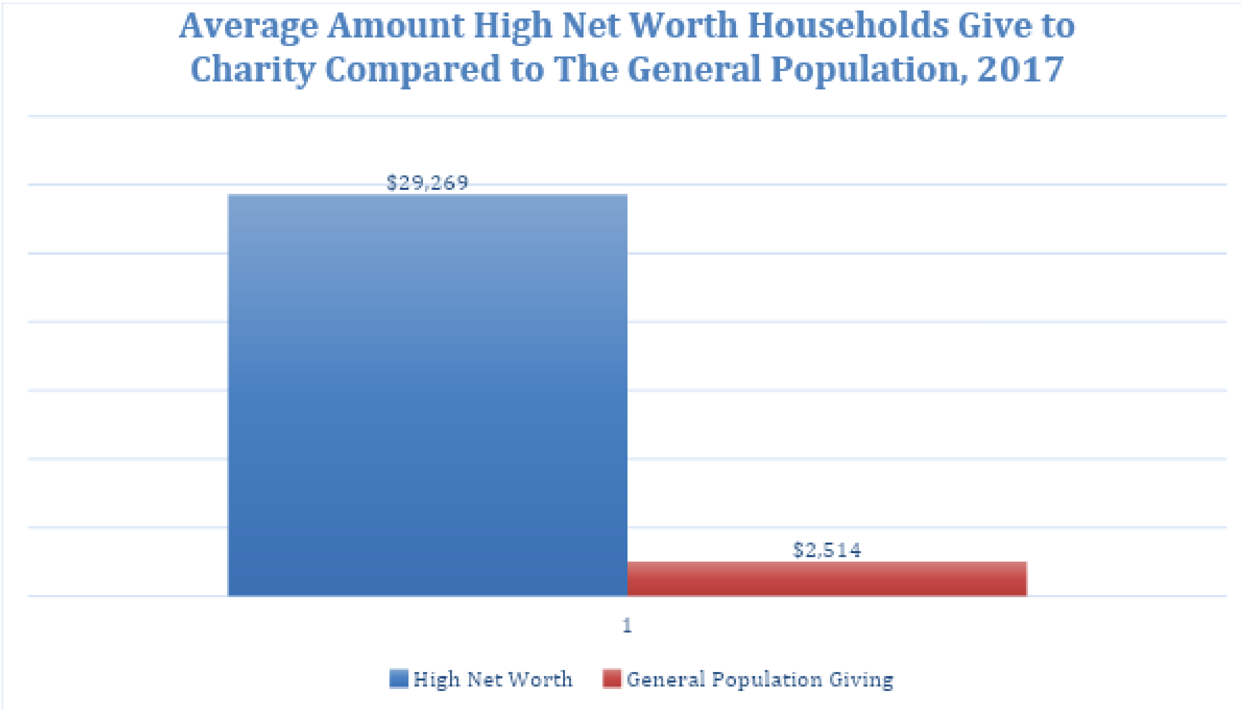

Figure 16 Average Amount High Net Worth Households Give to Charity Compared to The General Population, 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

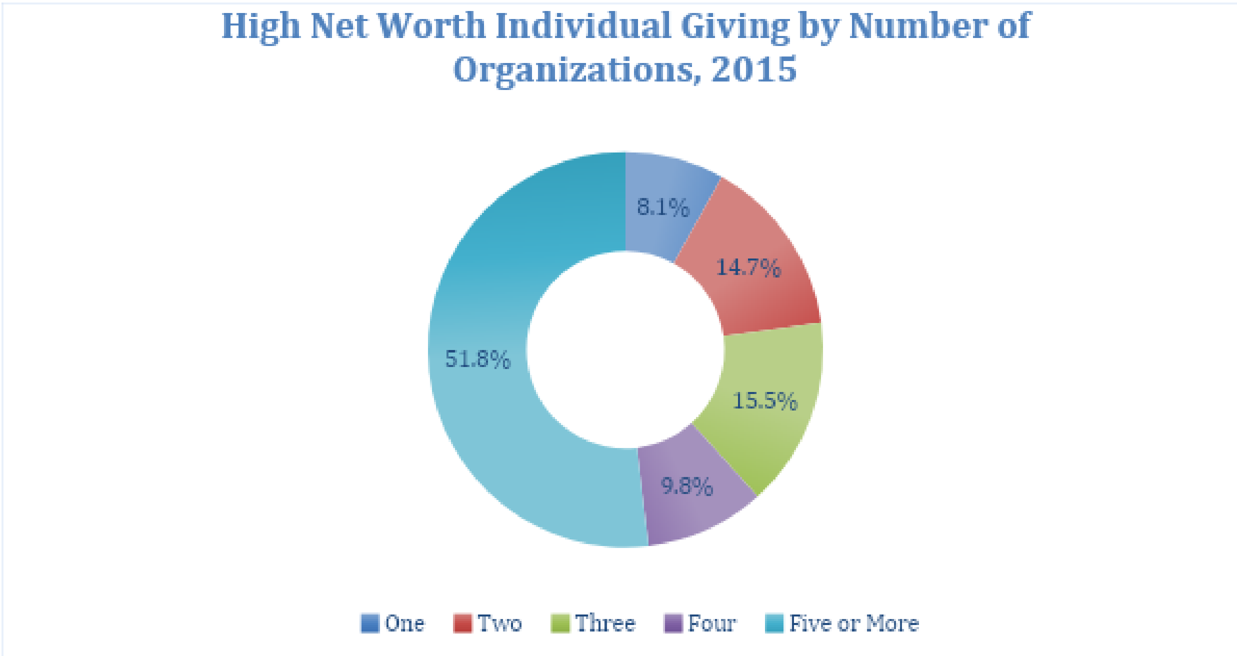

Figure 17 High Net Worth Individual Giving by Number of Organization, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

More than half of high net worth individuals give to five or more organizations, which is encouraging for organizations to ask for assistance, even if they have not yet been a recipient. At the same time, the relatively high proportion of those who only give to one or less than five indicates the importance of carefully managing one's circle of donors and being mindful of the fact that such patterns are subject to change. This emphasizes the need for creating and updating a donor database and being cognizant of how the passage of time might influence donors.

We also examined the landscape of such allocations in the 2018 report, as seen in the following chart.

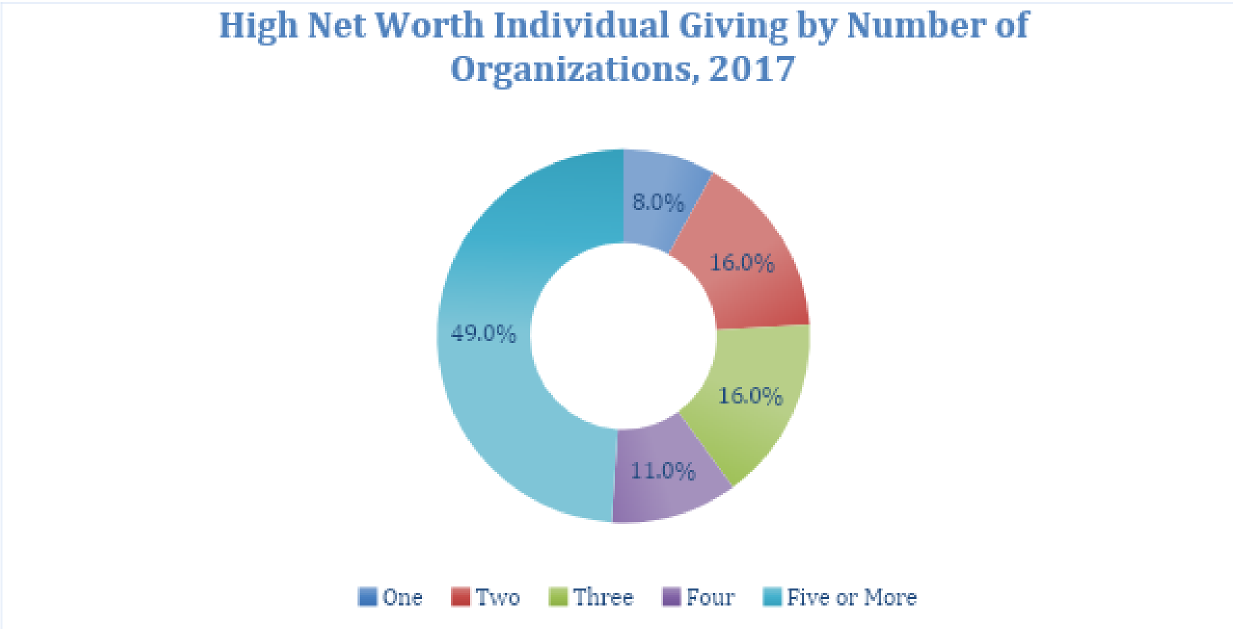

Figure 18 High Net Worth Individual Giving by Number of Organizations, 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

This chart shows small changes in the way that high net worth giving takes place. A little less than half of the individuals support one organization. There is a reduction of almost 3% compared with the 2016 report but a marginal increase in support of more than one organization in the overall pattern of high net worth philanthropic giving.

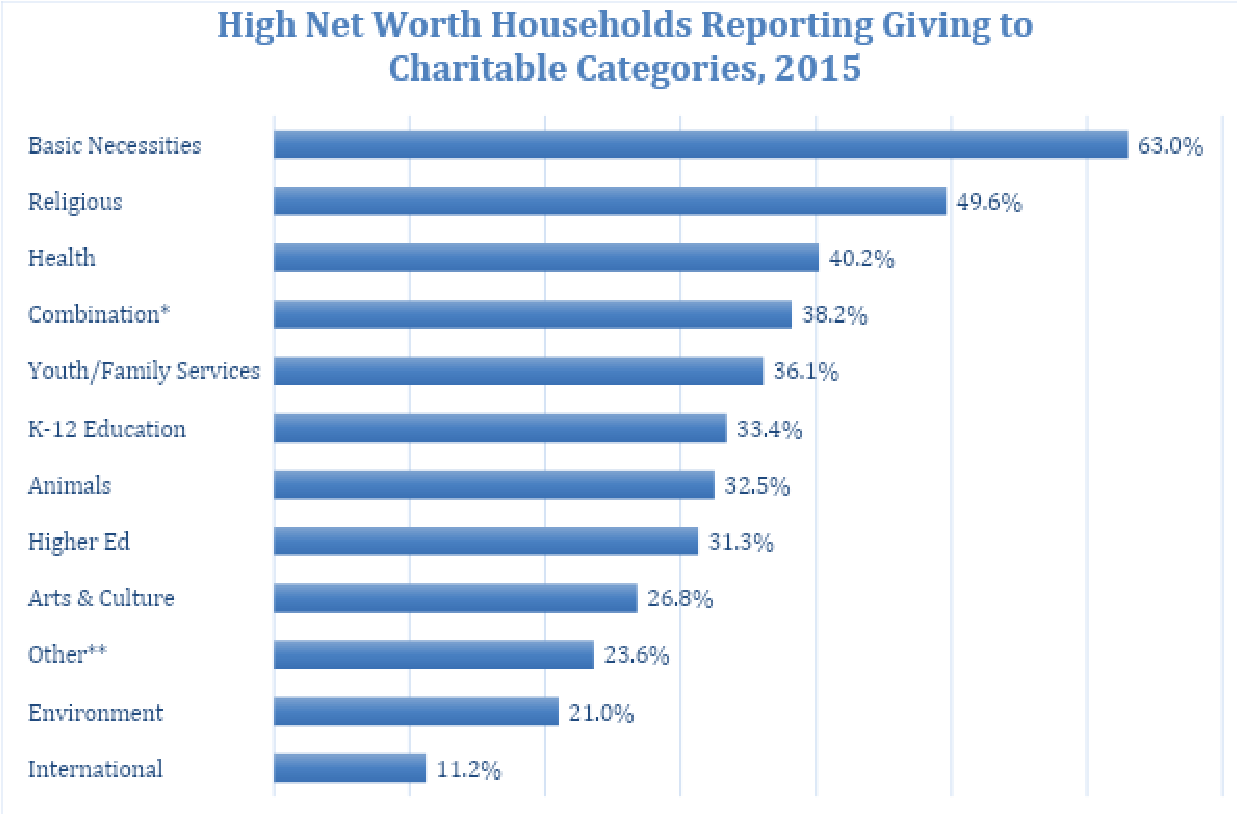

Figure 19 High Net Worth Households Reporting Giving to Charitable Categories, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households
Note:
* Combined organizations include United Way, United Jewish Appeal, Catholic Charities and community foundations, among others.
** Organizations in the "Other" category include LGBT organizations, Veterans' Affairs and neighborhood associations, among others.

The number of categories above demonstrates that there is a wide area of interest in high net worth household giving. Religious organizations are a major recipient, just below Basic Necessities. A large percentage of donors give to a combination of organizations. Education in the form of K-12 or higher education attracts a significant proportion of giving. The share of giving to environmental needs is noteworthy. The proportion of international giving by comparison is much smaller.

Once again we made a comparison between the 2016 report and the 2018 report.

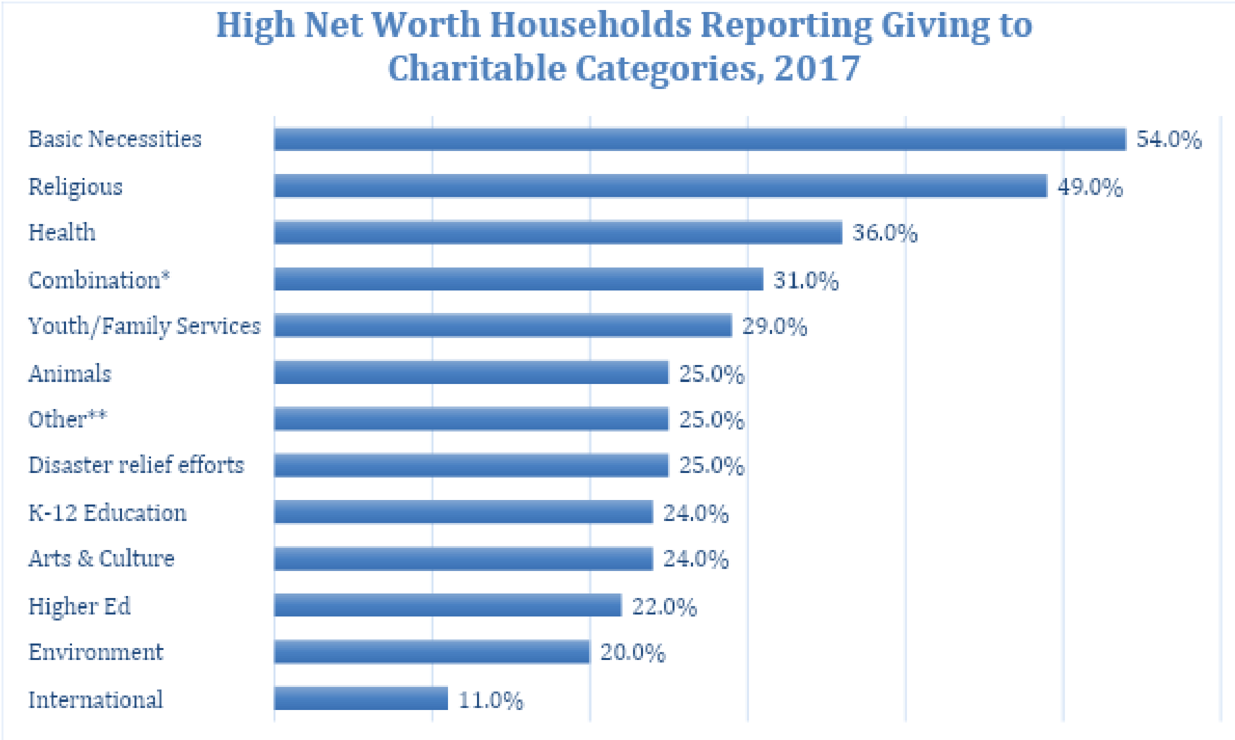

Figure 20 High Net Worth Households Reporting Giving to Charitable Categories, 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households
Note:

The comparison between 2015 and 2017 reflects a considerable decline in allocations towards various categories. The only plausible explanation is, in general, high net worth givers may have increased their giving to meaningful causes they support at a higher proportion and therefore stayed away from giving to other less impactful causes. This indicates a level of deepening commitments to causes of personal significance. This development provides valuable insight into competition among various campaigns to maintain and increase the support of their donors. The other noteworthy observation is a significant reduction in giving to Basic Necessities.

The following chart outlines the distribution of the amount of giving among the various competing categories.

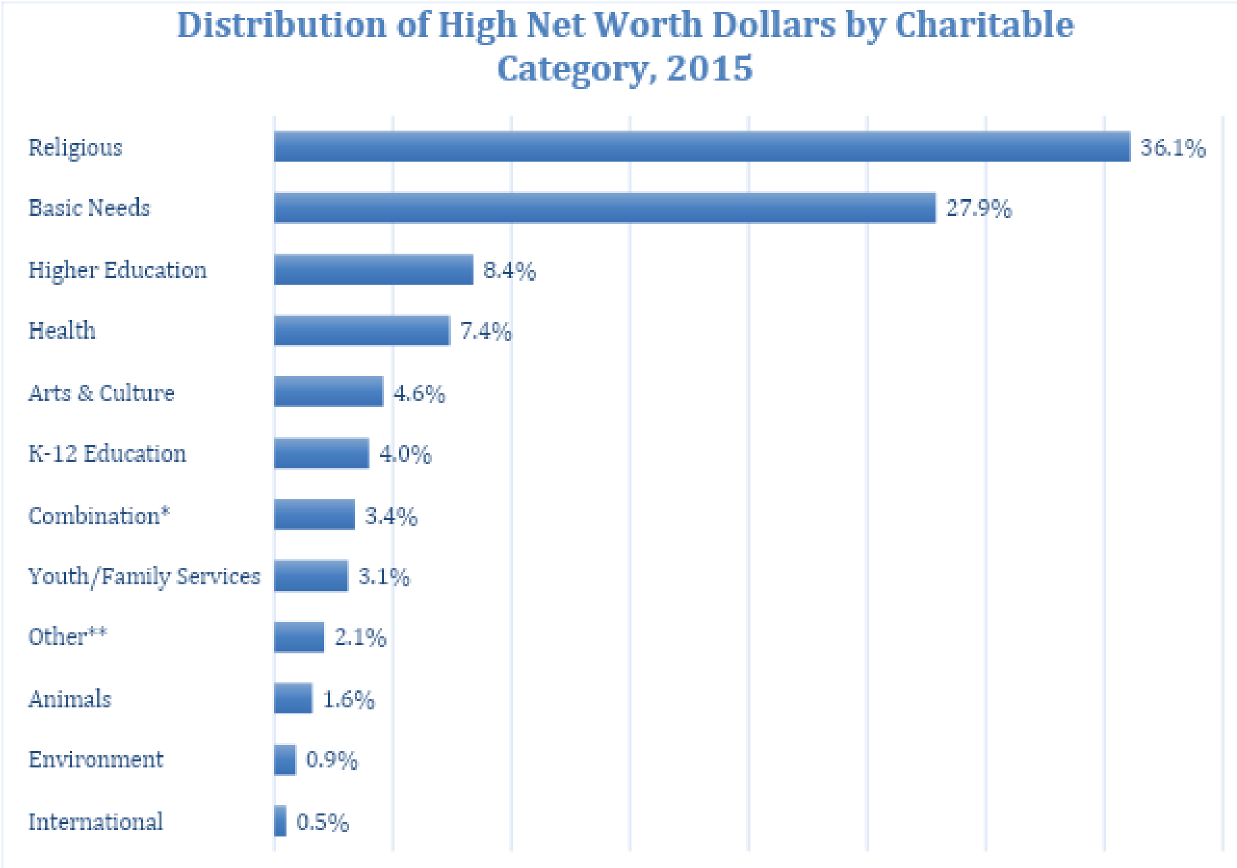

Figure 21 Distribution of High Net Worth Dollars by Charitable Category, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Religious donations and Basic Needs together take about two thirds of the total giving amount. International organizations receive a very small proportion (0.5%) of the U.S.'s charitable giving.

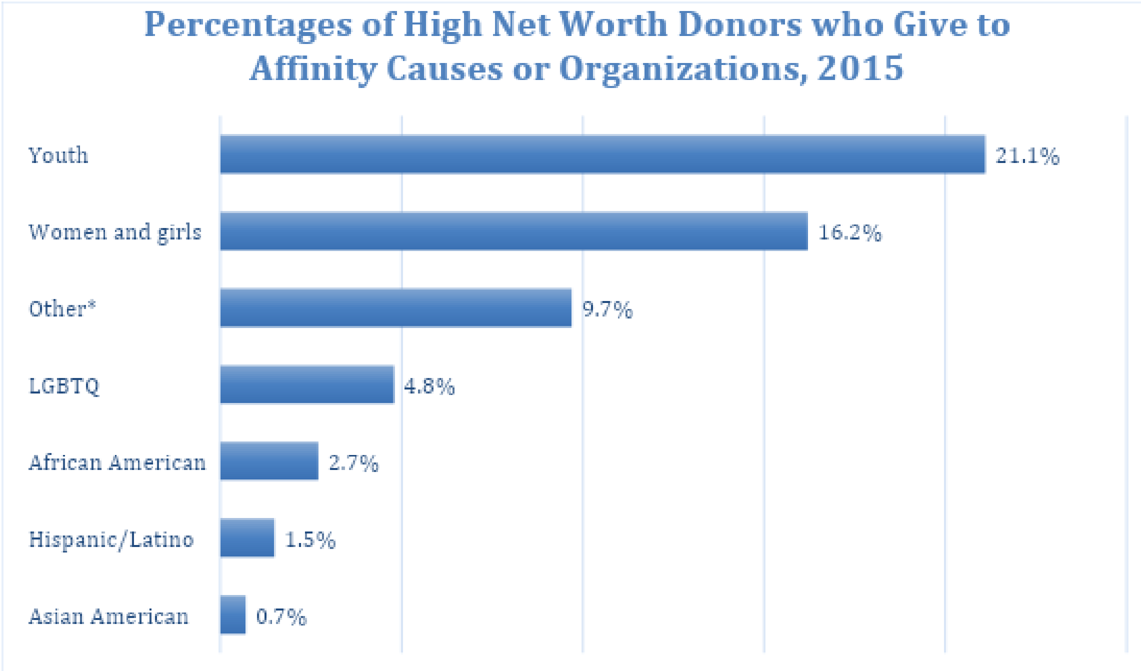

Figure 22 Percentages of High Net Worth Donors who Give to Affinity Causes or Organizations, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Another vital aspect of high net worth donor preferences is giving to affinity causes or organizations. Youth organizations top the list, and women and girls' causes are also favored. The proportion of donations given to various ethnic-based causes is modest by comparison. What is noteworthy, when pursuing charitable giving from high net worth individuals, is the consideration affinity causes receive.

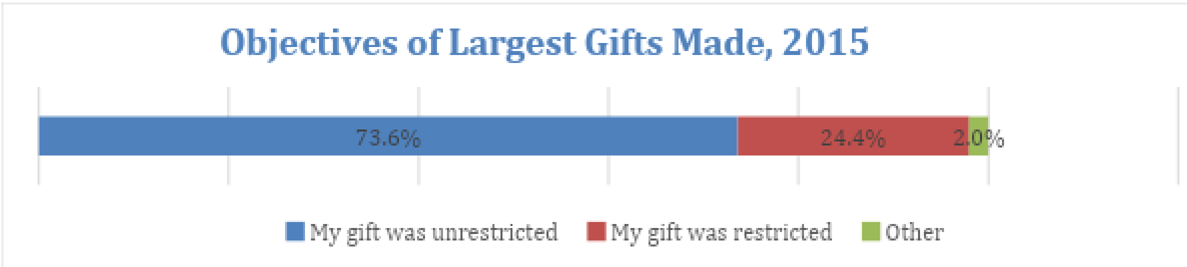

Figure 23 Objectives of Largest Gifts Made, 2015

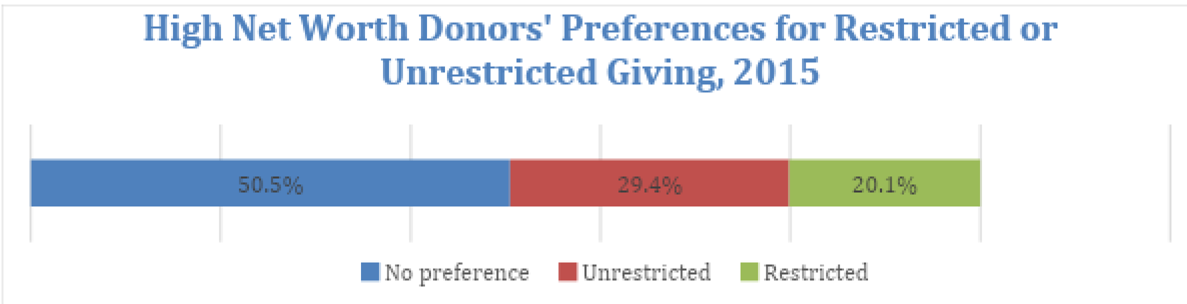

Figure 24 High Net Worth Donors' Preferences for Restricted or Unrestricted Giving, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above two charts provide insight into two important aspects of high net worth giving and the objectives of donors' largest gifts in the most recent year for which we have information. Almost 74% of the largest gifts were not restricted. In addition, a little more than 50% have no preferences, and almost 30% prefer to provide unrestricted donations. Only about 20% of these donors prefer giving restricted donations. This is clear evidence that most high net worth donors want to do good and accept that their donations will be used for good causes without restriction.

Next, we explore donor attitudes towards restricted or unrestricted giving.

2.2.2 Methods of Charitable Giving, Challenges They Face and Reasons Behind Them

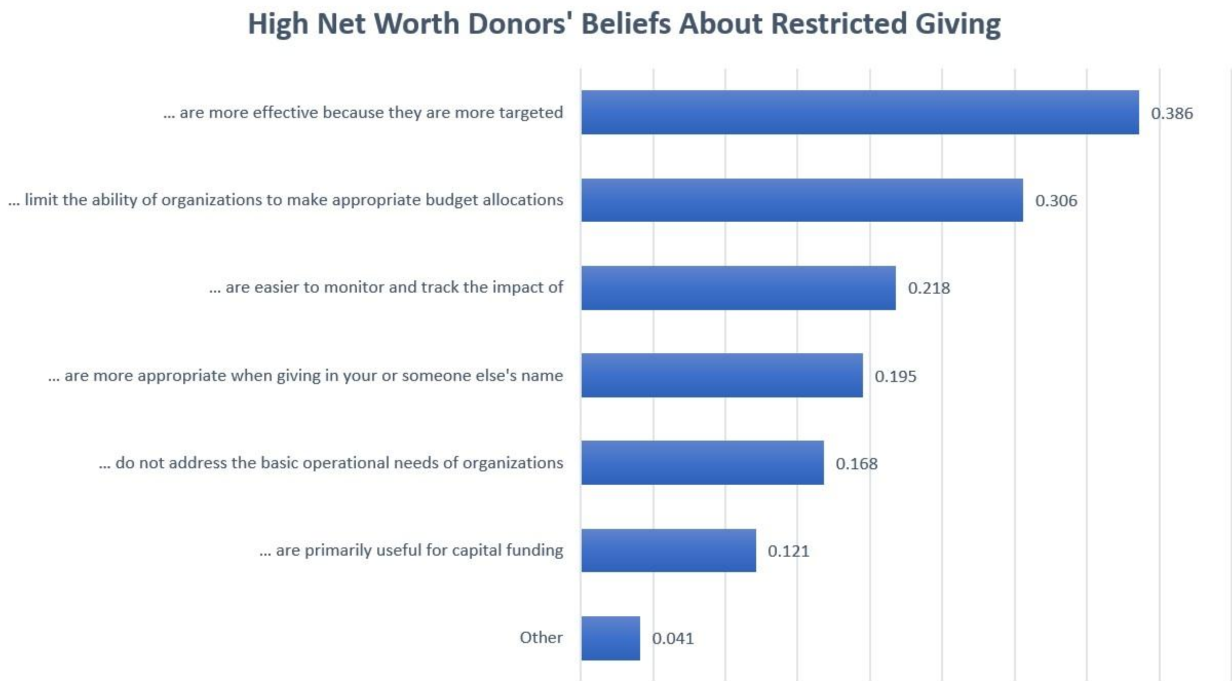

Figure 25 High Net Worth Donors' Beliefs About Restricted Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

A large group of donors believes that they are more effective because their donations are more targeted. Nonetheless, the chart shows several opposing views about restricted giving, such as limiting the ability of organizations to make appropriate budget allocations, not addressing the basic operational needs of organizations, or primarily being useful for capital funding.

There are a variety of opinions about the impact and usefulness of unrestricted giving, which can be seen in the following chart.

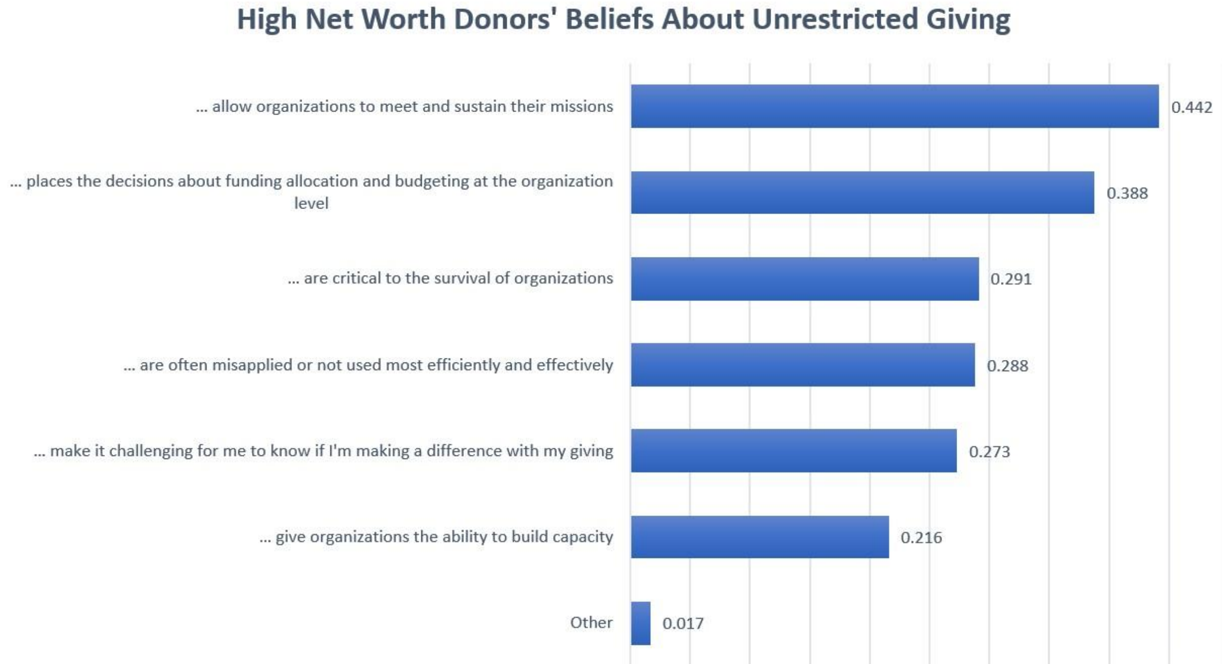

Figure 26 High Net Worth Donors' Beliefs About Unrestricted Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Overall, based on the information collected, there seems to be a preference for unrestricted donations for a number of reasons, such as meeting and sustaining organizations' missions and placing budget decisions at the organizational level.

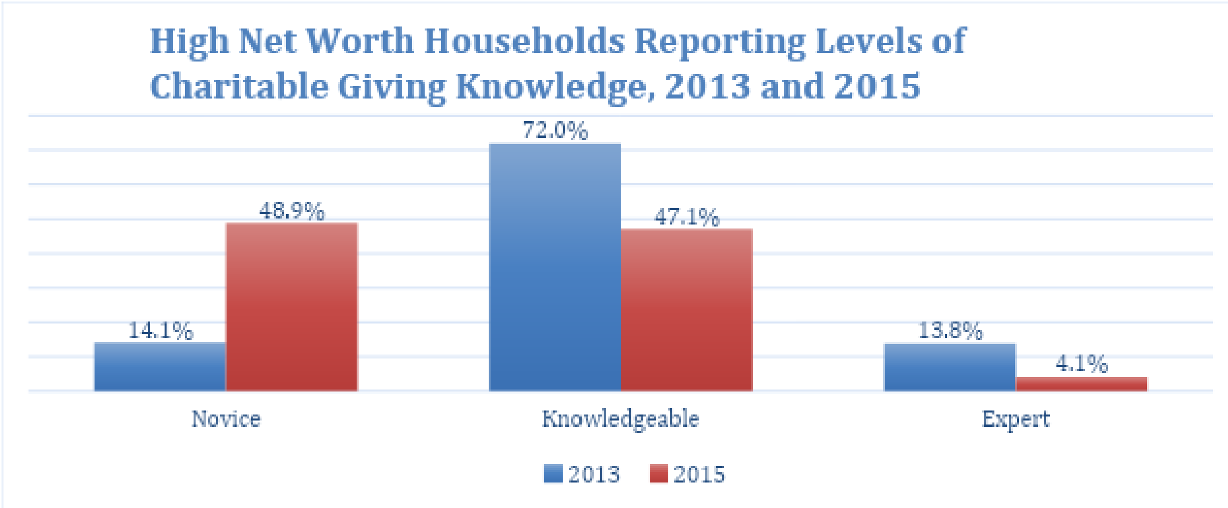

Figure 27 High Net Worth Households Reporting Levels of Charitable Giving Knowledge, 2013 and 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Being informed is an essential element of charitable giving. The above chart makes a comparison between the level of knowledge among high net worth households in 2013 and 2015. There is a large increase in 2015 in the percentage of those who declared having novice-level knowledge. This may have a number of implications, such as an increase in the number of high net worth households during this period.

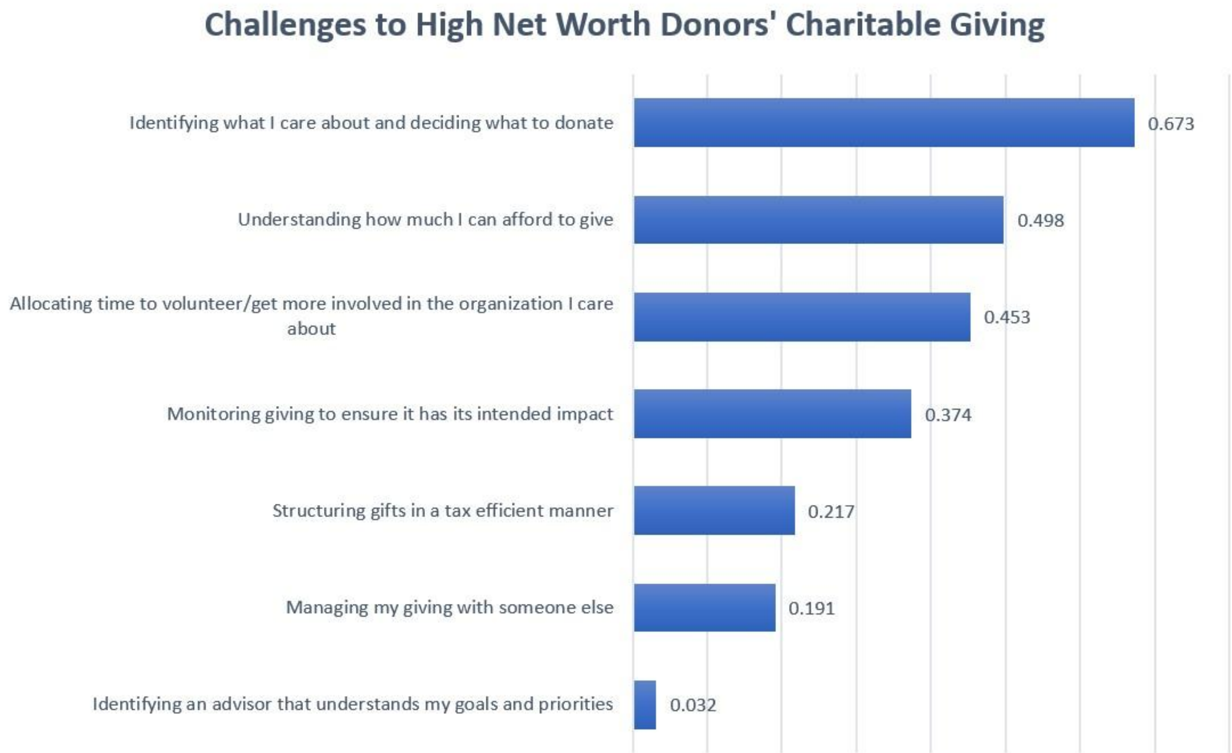

Figure 28 Challenges to High Net Worth Donors' Charitable Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

When asked what motivates them to give, high net worth donors experienced a high degree of confusion, from identifying what they care about to structuring gifts in a tax efficient manner. Almost 50% mistrusted how much they can afford to give, which may result in misallocation of funds, either too much or too little. Allocation of volunteer time seemed to be another obstacle for a large proportion of the group. And a significant percentage of high net worth donors would like to monitor their giving to ensure that it results in the intended impact. These responses highlight the challenges high net worth donors face and the issues that requesting organizations should address when inspiring charitable giving by high net worth donors and putting their minds at rest.

Identifying what makes high net worth donors choose a cause or organization to support is a vital prerequisite for those who manage philanthropic and charitable giving. The chart below provides pertinent information.

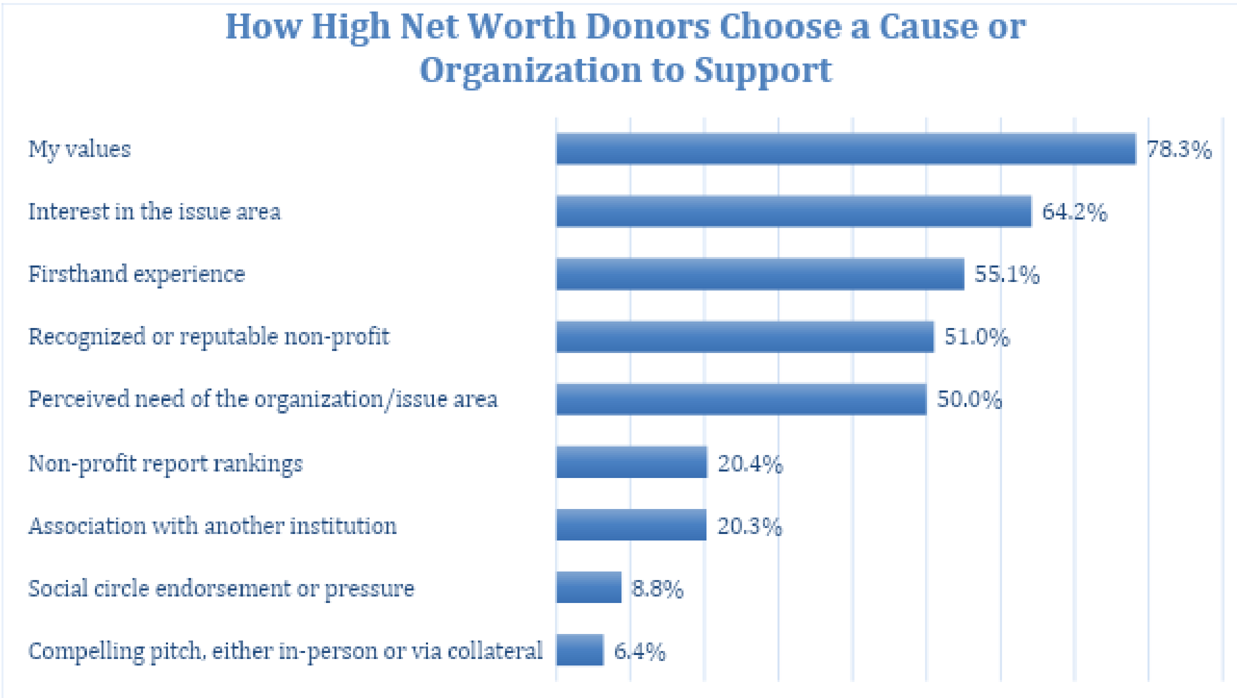

Figure 29 How High Net Worth Donors Choose a Cause or Organization to Support

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Donors' personal values play the largest role in the decision about which causes to support. Providing awareness of meaningful issues that elicit an emotional response is highly effective and should be part of the plan of any organization that manages and invites charitable giving. Almost half of donors want to have firsthand experience. The perceived needs of the organizations and issues resonate with half of the respondents. Nonprofit report rankings only impress some 20% of the respondents. The same level, 20 percent, think that association with another institution is important. Compelling pitches and social circle endorsements impress some 8% to 6% of the respondents.

The chart below has enormous value in determining how high net worth donors respond to a plea for donation in a comparative set of circumstances.

What makes a high net worth giver commit to charitable and philanthropic giving?

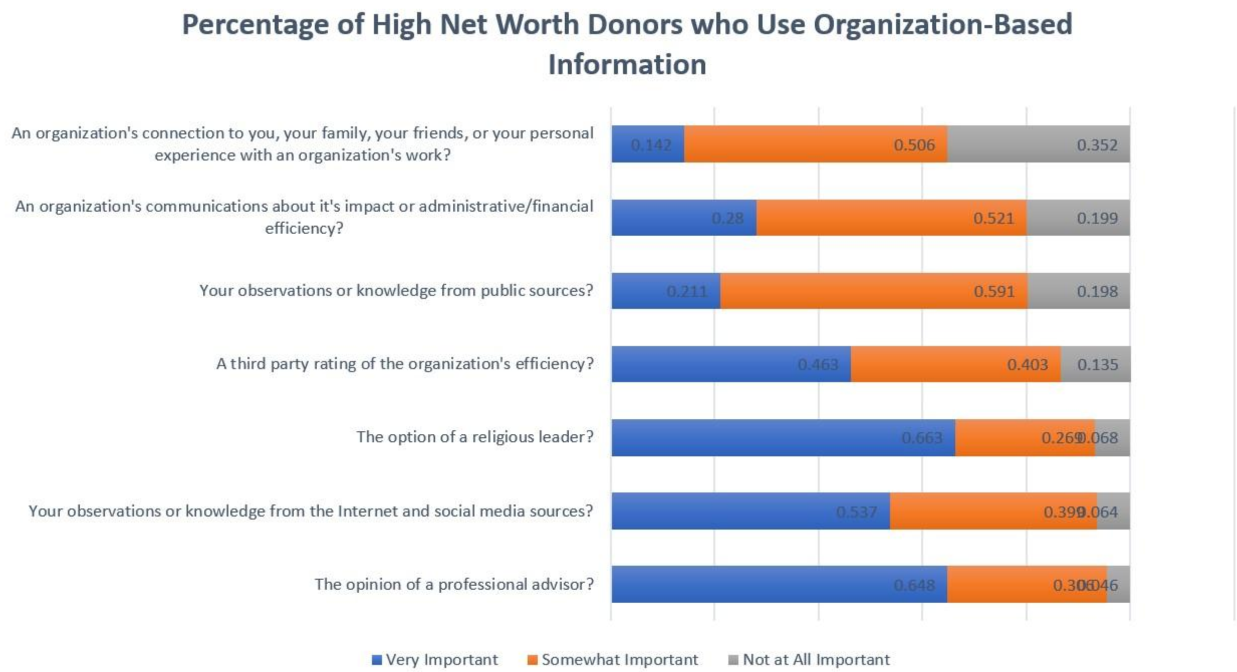

Figure 30 Percentage of High Net Worth Donors that Use Organization-Based Information

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Opinions of religious leaders and professional advisors, as well as their own observations from the Internet and social media, are all influential (more than 50%) when donors choose philanthropic beneficiaries. Organizational connection, communication about their impact, and their personal observations or knowledge are less important.

The following chart spells out some of the reasons why some high net worth givers stopped giving to some of the charitable organizations that they previously supported. Nonprofits and foundations that solicit charitable giving should give careful consideration to this information.

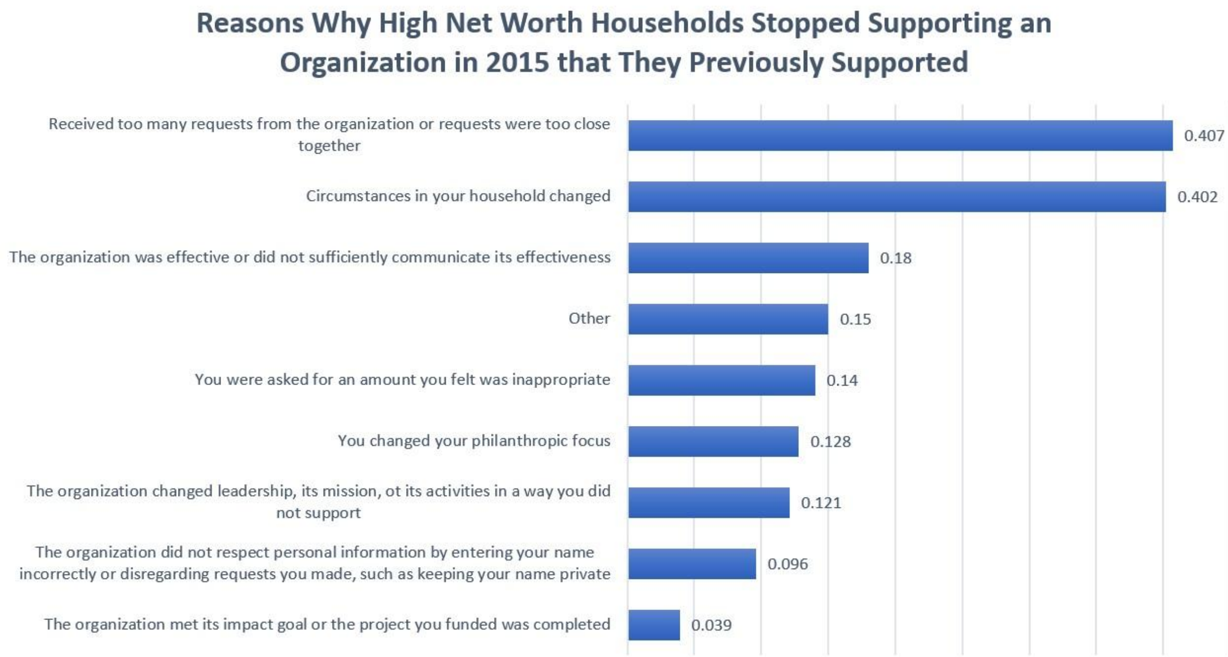

Figure 31 Reasons Why High Net Worth Households Stopped Supporting an Organization They Previously Supported, 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Receiving too many requests was the top rationale for stopping support (for more than 40% of such donors), followed closely by changes in donors' household environment. The other reasons that show fewer responses are still relevant to organizations managing charitable giving when developing strategies to reactivate previous donors.

2.2.3 Tradition and Involvement of Children, Grandchildren and Other Young Members of Family in Decision-Making

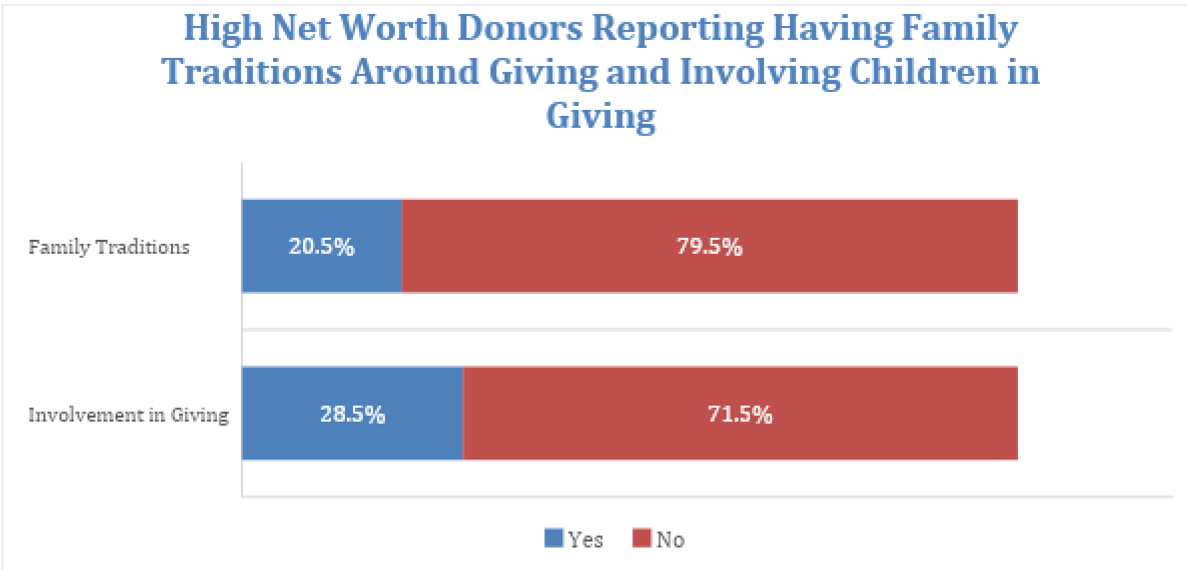

Figure 32 High Net Worth Donors Reporting Having Family Traditions Around Giving and Involving Children in Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart confirms that an overwhelming majority of high net worth donors do not have a family tradition around giving or involving their children in the process. While this is notable, 20% to almost 30% do involve their children in charitable giving. The following two charts outline both the reasons why they do and why they do not.

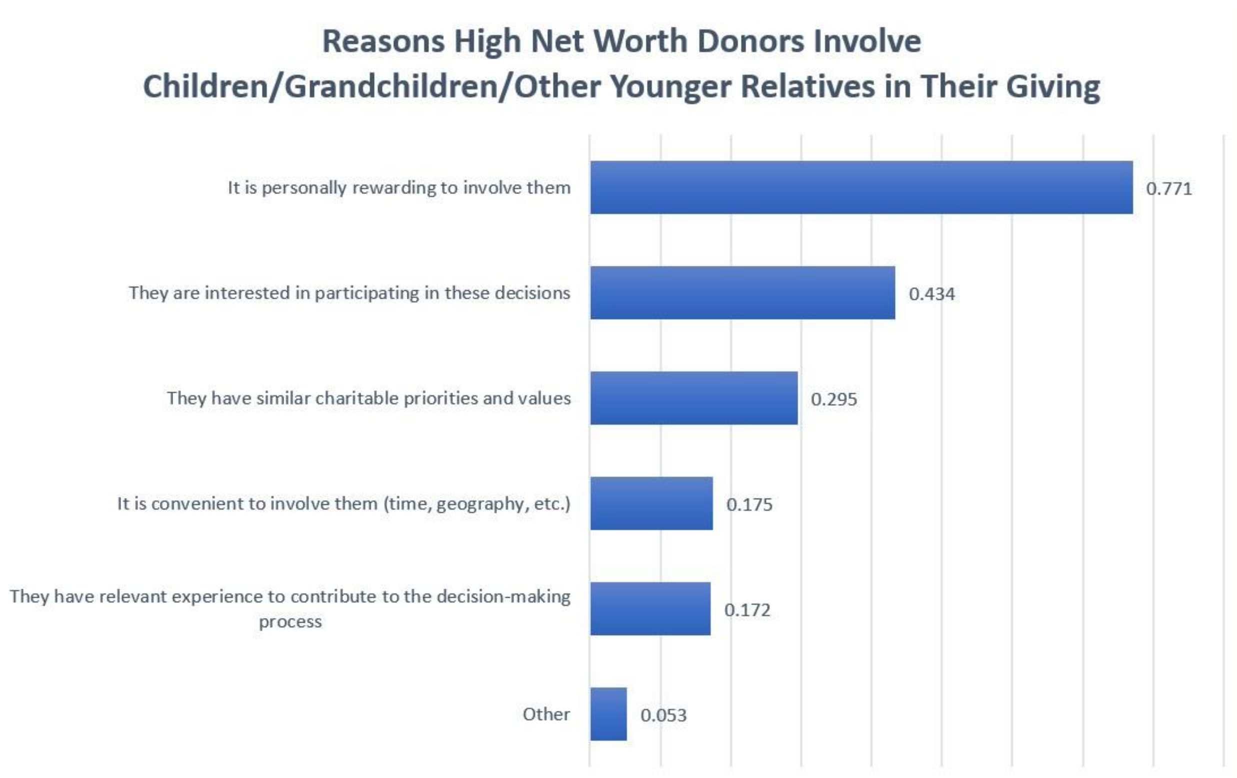

Figure 33 Reasons High Net Worth Donors Involve Children/Grandchildren/Other Younger Relatives in Their Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Some 77% of the respondents feel that it is personally rewarding to have their children, grandchildren and other younger relatives involved in their giving practices. More than 43% stated that their children ask to be involved. Less than a third (29.5%) said that their children, grandchildren, and younger relatives have similar charitable priorities and values.

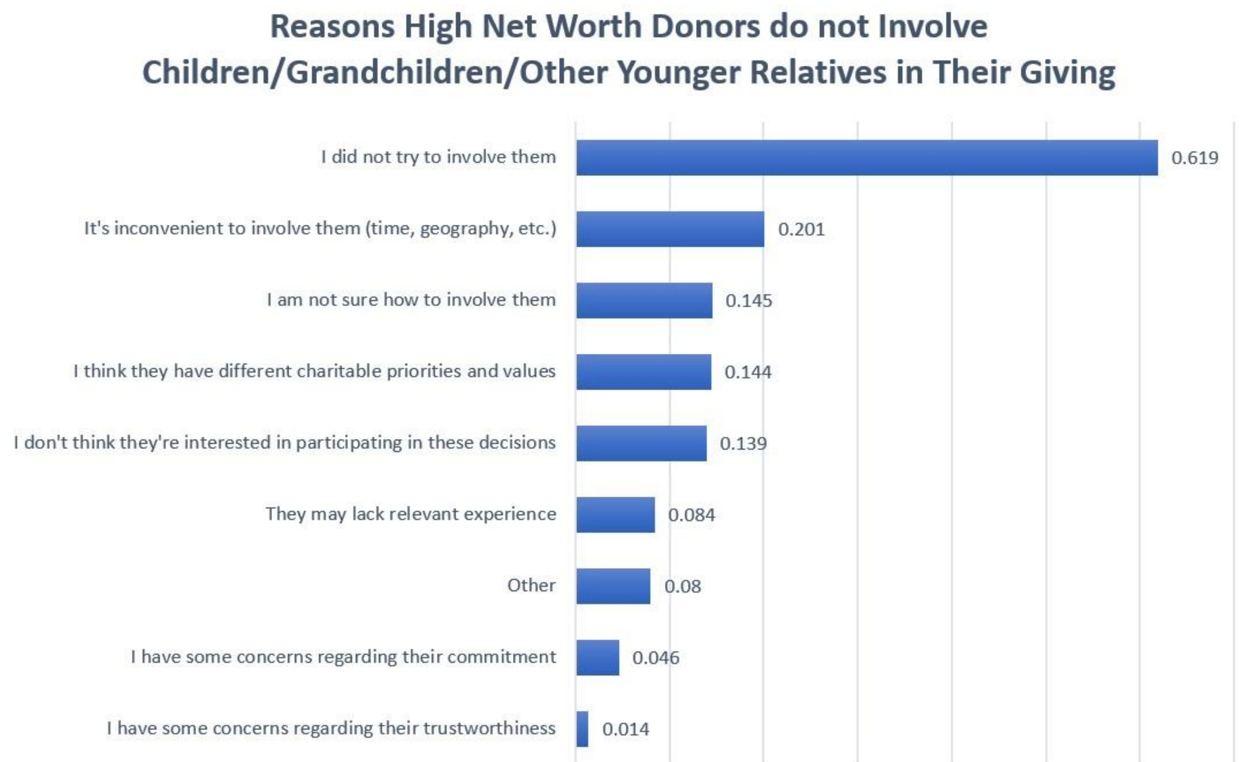

Figure 34 Reasons High Net Worth Donors Do Not Involve Children/Grandchildren/Other Younger Relatives in Their Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart reveals the pattern of responses given by those who did not involve their children, grandchildren, and other younger relatives. Almost two-thirds said that they did not try to involve them, while 20% said that it was inconvenient in terms of time, geography, and other reasons. A little more than 14% said that they are unsure how to involve them, and a similar percentage said that they have different values or they are not interested in participating in such exercises.

The following chart displays the overall percentage of what high net worth givers are likely to allocate to family and other heirs compared to charitable giving and philanthropic causes. This reflects a family-focused transfer of wealth, with a relatively small percentage of bequests going to charitable causes.

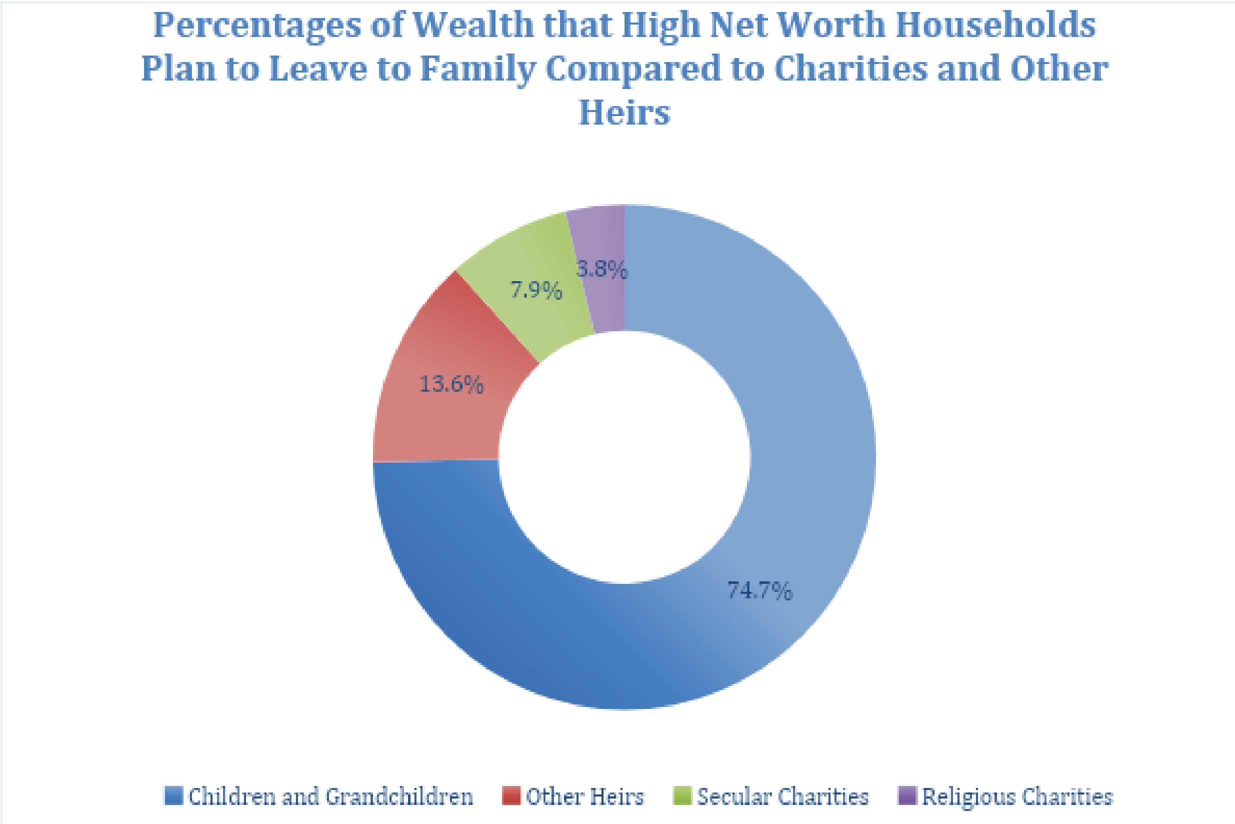

Figure 35 Percentages of Wealth that High Net Worth Households Plan to Leave to Family Compared to Charities and Other Heirs

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Nearly three-quarters (74.7%) of the total giving among high net worth givers is likely to go to their children and grandchildren, with 13.6% potentially going to other heirs. The remaining 11.7% is divided between secular and religious charities and philanthropic causes, with the majority going to secular organizations.

The following chart provides insight into the motivations of high net worth givers. More than 50% of those surveyed said that believing in the mission of the organization is always important for them, while more than 40% said it is sometimes important for them. Almost 95% reported that they always or sometimes give when they believe their donation can make a difference. Personal satisfaction plays an important role for more than 90% of respondents either always or sometimes.

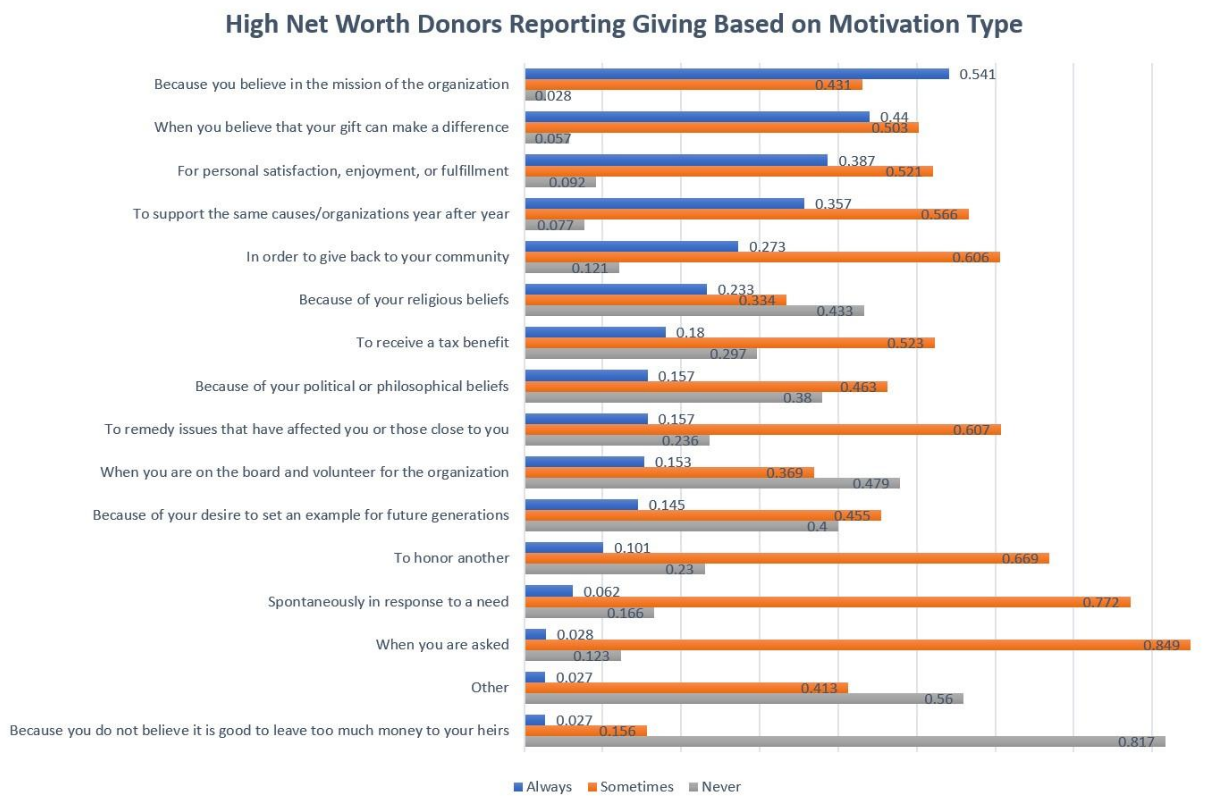

Figure 36 High Net Worth Donors Reporting Giving Based on Motivation Type

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

2.2.4. Perception of Givers About Impact of Their Giving and Their Satisfaction

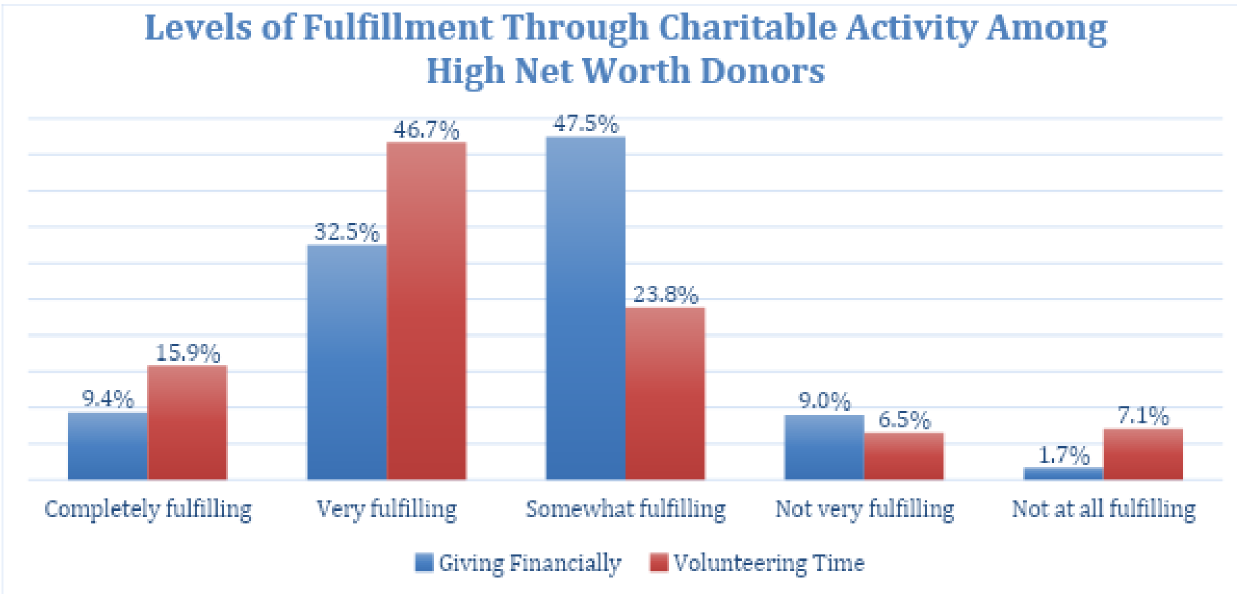

Figure 37 Levels of Fulfillment Through Charitable Activity Among High Net Worth Donors

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart makes a comparison between the level of fulfillment in giving financially or in giving time to charitable causes for high net worth individuals. When totaling the first three categories of fulfillment, the sense of accomplishment is almost the same, with Giving Financially at 89.4% and Volunteering Time at 86.4%.

Next, the following chart shows what high net worth givers perceive to have the greatest impact on society.

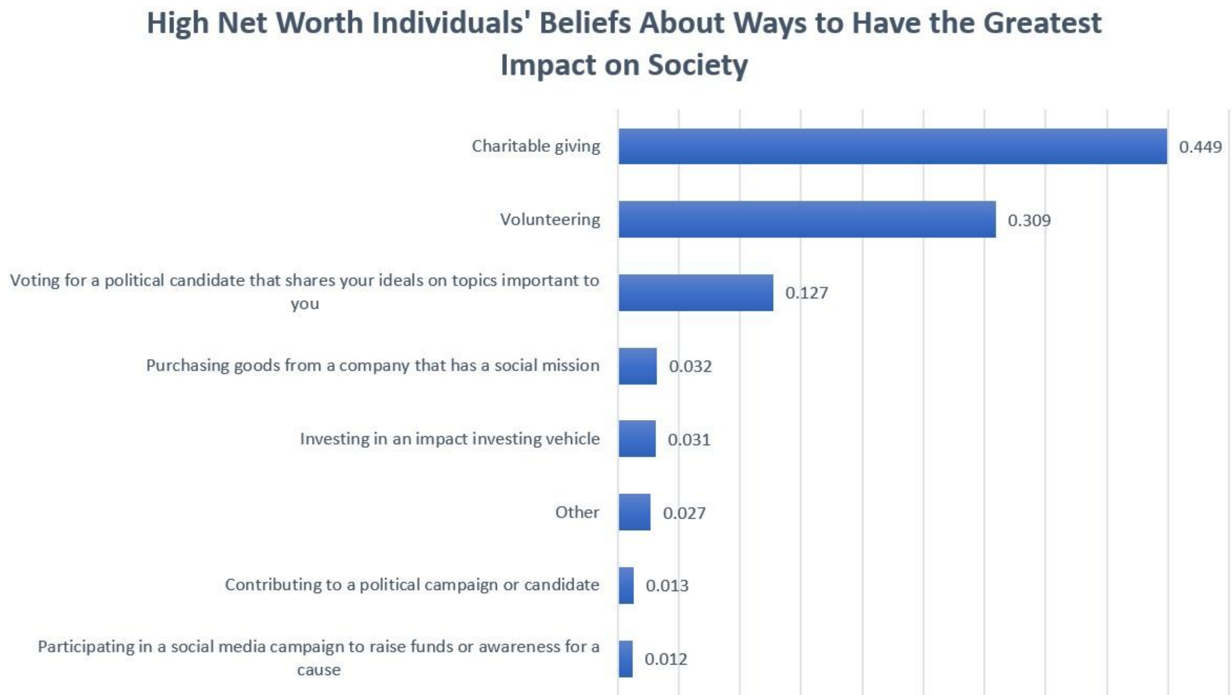

Figure 38 High Net Worth Individuals' Beliefs About Ways to Have the Greatest Impact on Society

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Some 45% of high net worth individuals believe that charitable giving has the greatest impact, with almost 31% considering volunteering to have the most impact. Nearly 13% think that voting for a political candidate that shares your own ideas has the maximum impact.

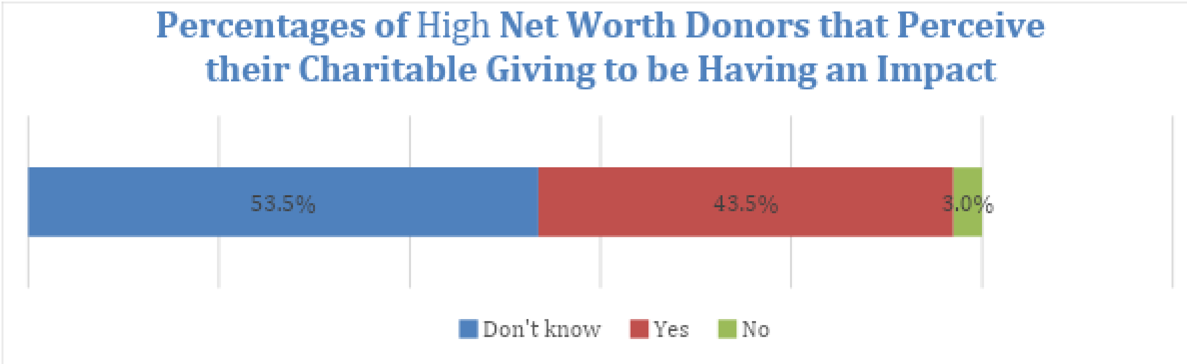

Figure 39 Percentages of High Net Worth Donors that Perceive their Charitable Giving to be Having an Impact

A little more than half of high net worth givers do not know whether their charitable giving is having an impact, while almost 44% believe it is.

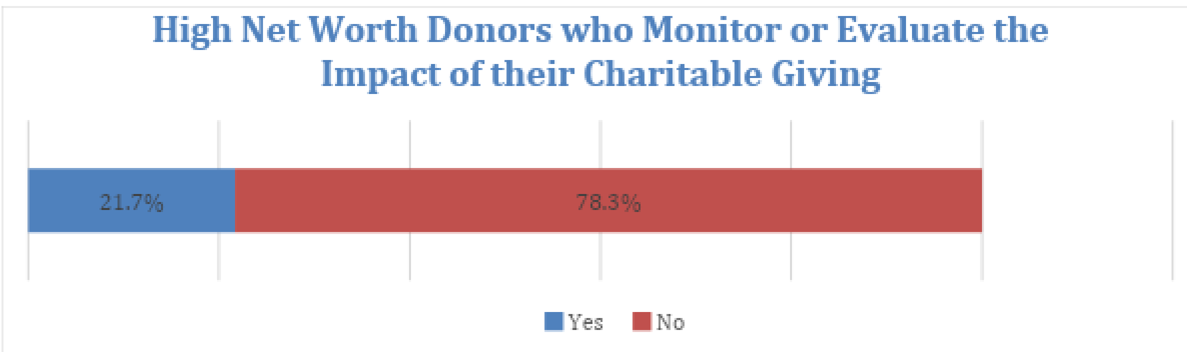

Figure 40 High Net Worth Donors who Monitor or Evaluate the Impact of their Charitable Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart shows that almost 54% of high net worth donors do not know if their charitable giving is having an impact. At the same time, only 21.7% monitor or evaluate the effect of their giving. This suggests that organizations that solicit charitable giving need to educate and keep their donors better informed of the significance of their philanthropy. Based on other earlier findings, this may encourage greater giving on the part of donors.

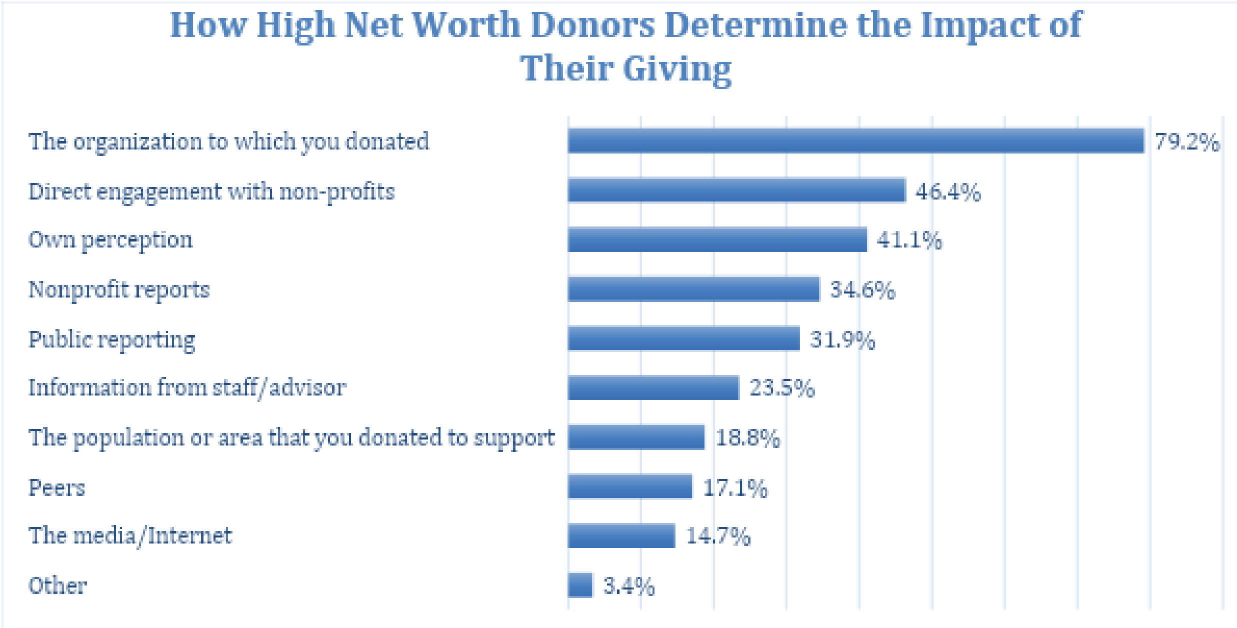

Figure 41 How High Net Worth Donors Determine the Impact of Their Giving

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart provides greater insight into how high net worth givers determine the impact of their giving. Almost 80% determine the impact of their giving from the organizations to which they contributed. Direct engagement, their own perceptions and nonprofit reports also play important roles.

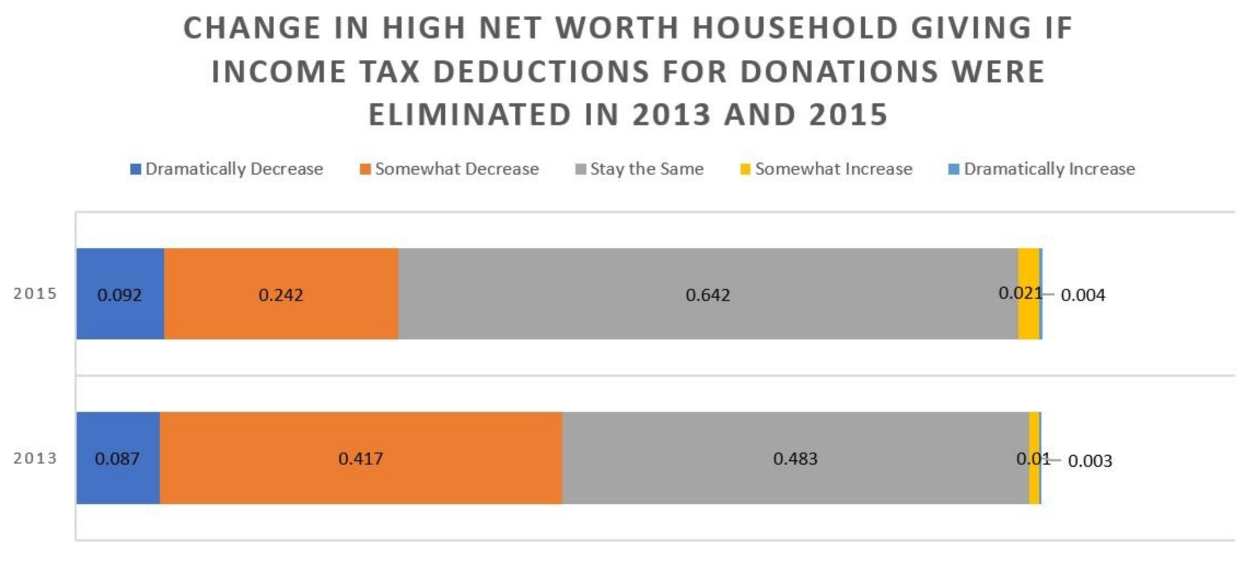

Figure 42 Change in High Net Worth Household Giving if Income Tax Deductions for Donations were Eliminated in 2013 and 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart echoes the same findings from many studies concerning the impact of the change in taxation regarding deductions for charitable giving. In 2013, a larger proportion said that elimination of the tax deduction would either drastically or somewhat reduce their charitable giving compared with 2015. This drastic change happened within the span of two years, making it difficult to predict what will happen if such deductions are eliminated. Even so, allowing donors to have such deductions effectively means that the government is participating in the actual disbursement of resources to charitable giving. This can be perceived as quite healthy, considering the size of unmet needs through insufficient budgetary allocation of resources.

The next set of charts show the impact of the elimination of the estate tax.

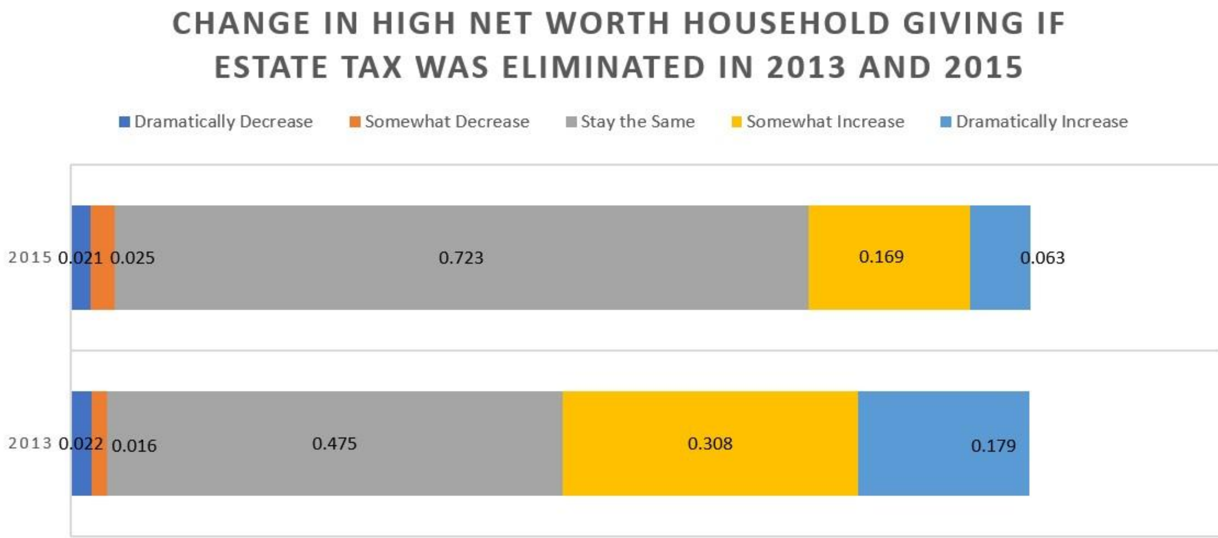

Figure 43 Change in High Net Worth Household Giving if Estate Tax was Eliminated in 2013 and 2015

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

We see the same pattern of responses when high net worth givers were asked about the elimination of the estate tax on their level of giving. A much larger proportion of respondents in 2015 said that their level of giving stayed the same compared with their response in 2013. Both charts clearly show the impact of the reduction or elimination of taxation on the size of charitable giving.

2.2.5 Political, Economic and Social Reasons for Charitable Giving

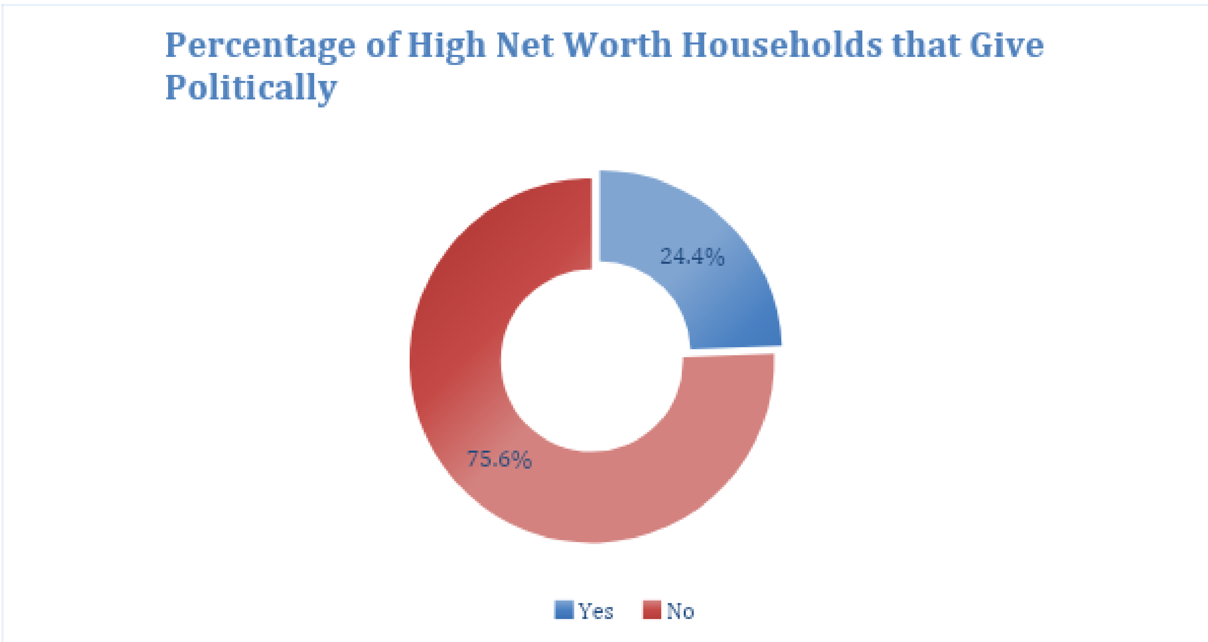

Figure 44 Percentage of High Net Worth Households that Give Politically

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Almost a quarter of high net worth givers consider political issues important and make donations. Although three times the amount of charitable giving is *not* for political causes, it is still worthwhile to know the reasons donors give politically.

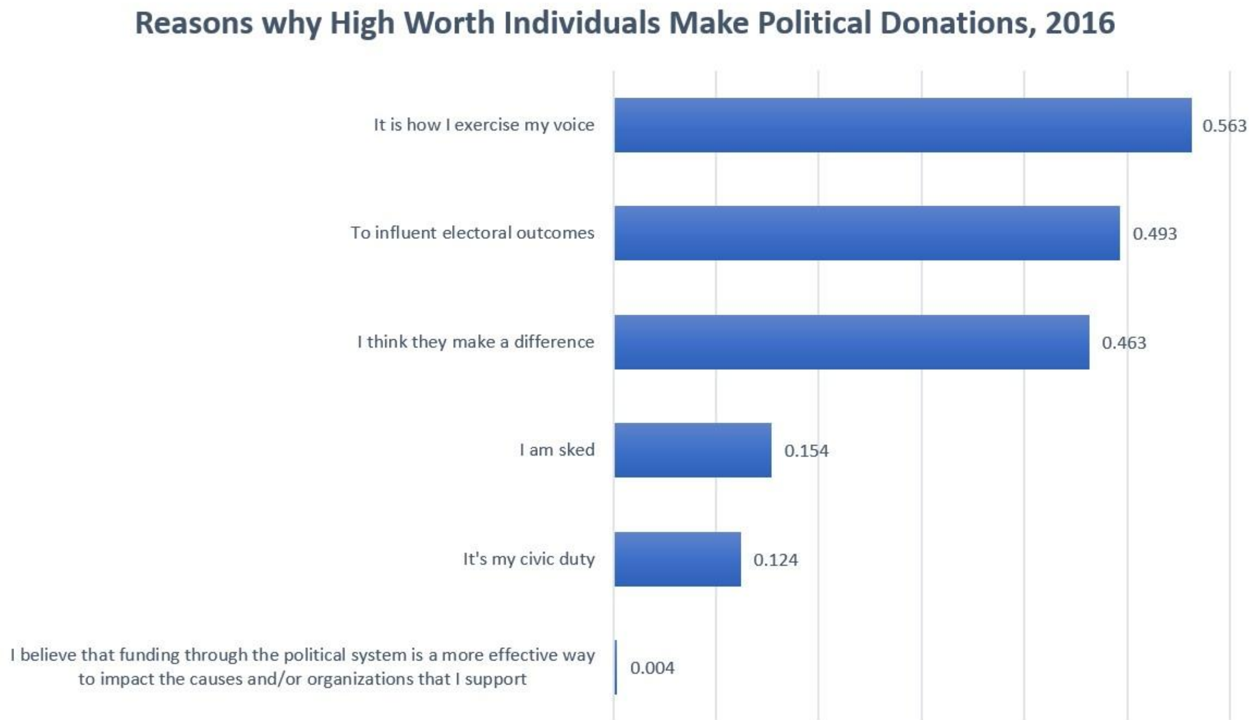

Figure 45 Reasons Why High Net Worth Individuals Make Political Donations, 2016

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

More than half of those who report political reasons for their giving (56.3%) consider giving politically as a way to exercise their voice. Nearly half (49.3%) consider it a way of influencing electoral outcome, while 46.3% believe that they make a difference.

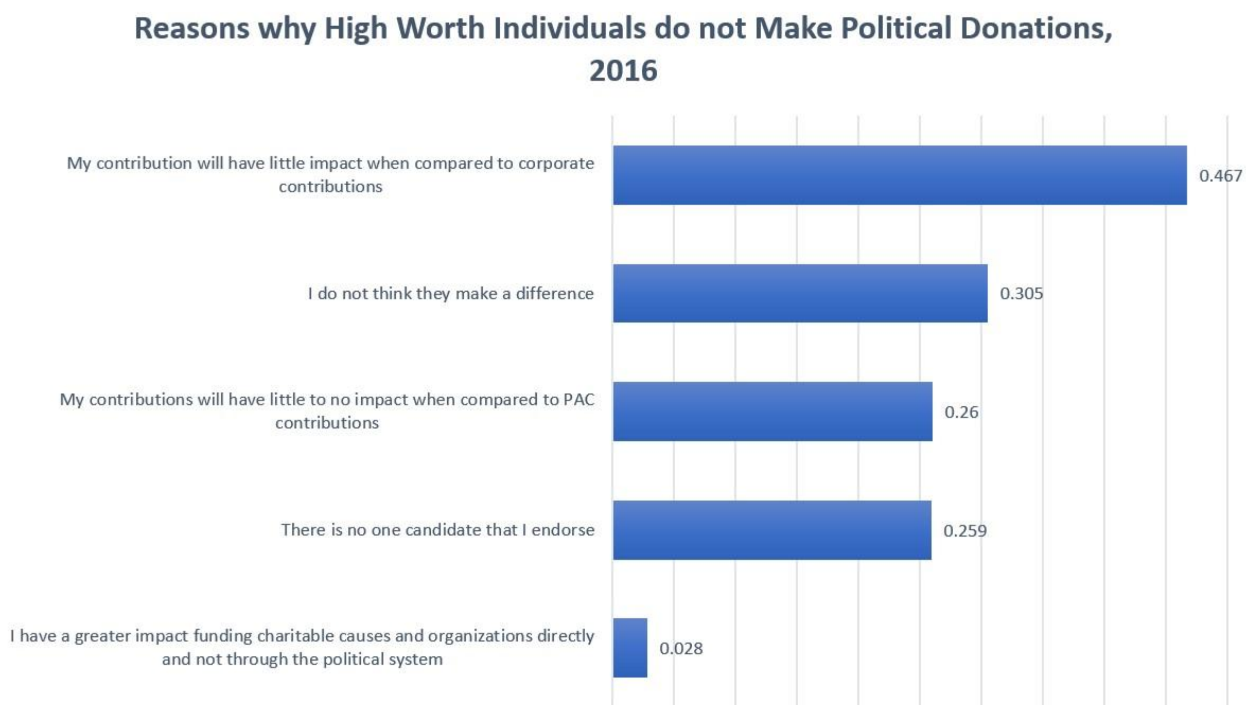

Figure 46 Reasons Why High Net Worth Individuals Do Not Make Political Donations, 2016

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Conversely, the above chart explains why a larger proportion of high net worth givers do not consider political causes for their charitable giving. Slightly less than half (46.7%) believe that their contribution will have little impact compared to corporate contributions. A little less than one third of them (30.5%) believe that their donation makes little difference to the political environment. More than a quarter (26%) believe that their contributions make little to no impact compared with PAC contributions. A similar percentage said that they do not endorse any particular candidate.

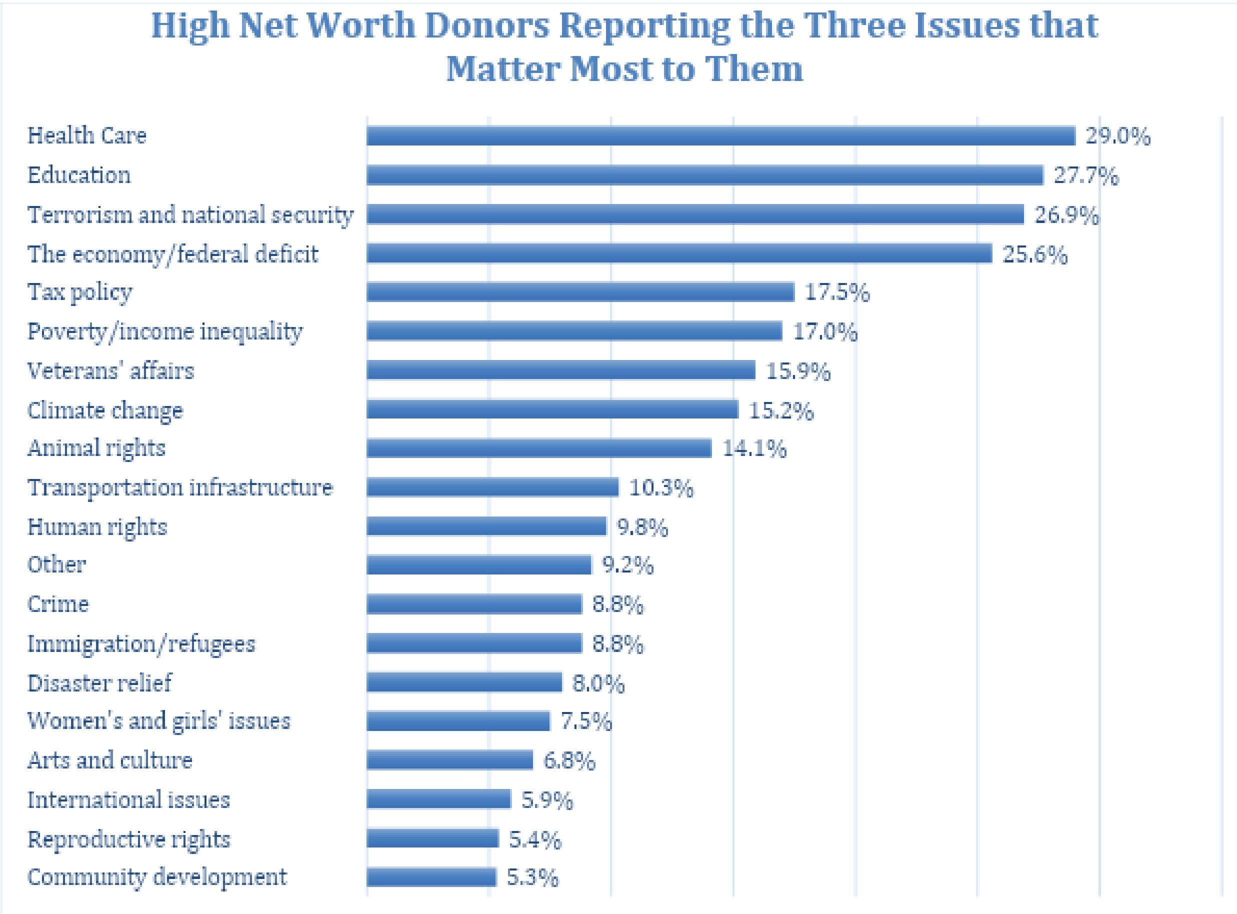

Figure 47 High Net Worth Donors Reporting the Three Issues that Matter Most to Them

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

When asked about the issues that matter most to them, high net worth donors list health care, education, terrorism and national security, and the economy and federal deficit as uppermost. These reflect both a concern on a more personal level (education and health), as well as interest in national issues (terrorism/security and the economy). To a lesser extent, tax policy, poverty, veterans and climate change also warrant a mention.

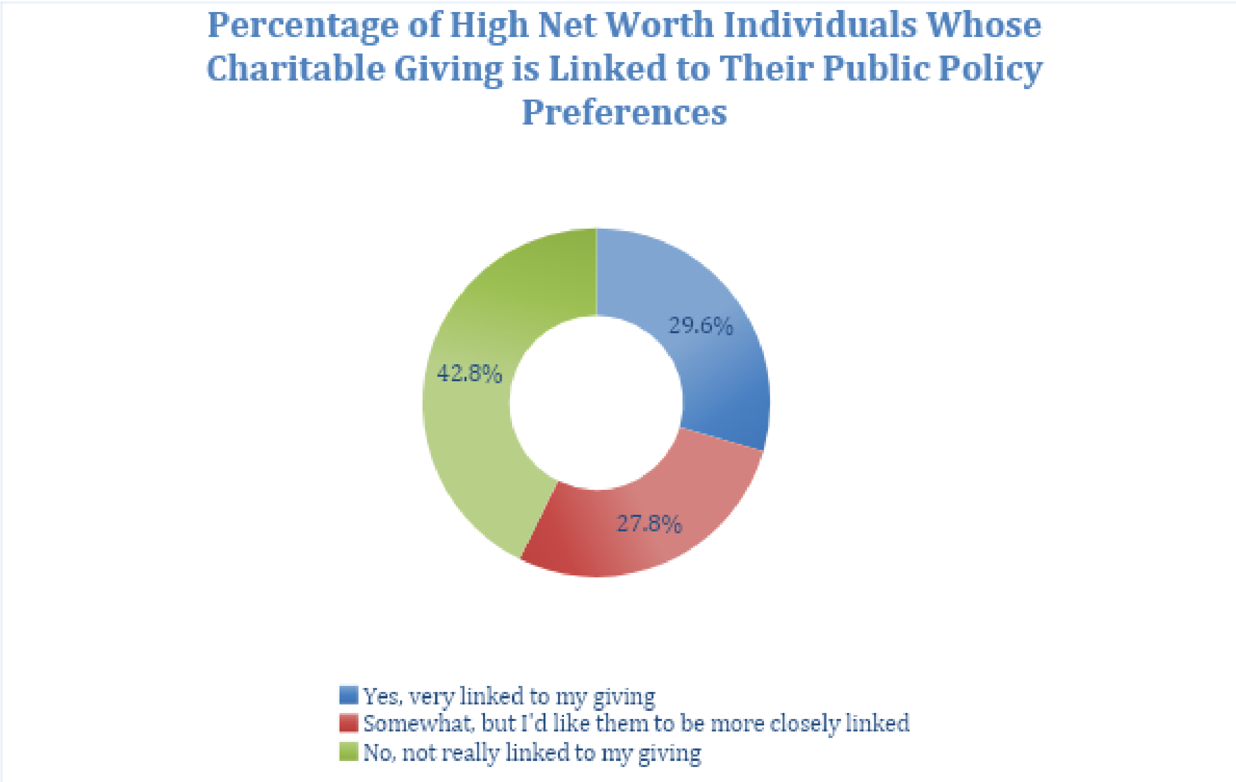

Figure 48 Percentage of High Net Worth Individuals Whose Charitable Giving is Linked to Their Public Policy Preferences

Source: The 2016 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

This chart shows that 57.4% of high net worth givers either link or somewhat link their public policy preferences to their charitable giving. For almost 43%, public policy is not a consideration.

Finally, the following charts outline a series of notable characteristics of the landscape of charitable giving and philanthropy based on the latest information available in the 2018 U.S. Trust Study.

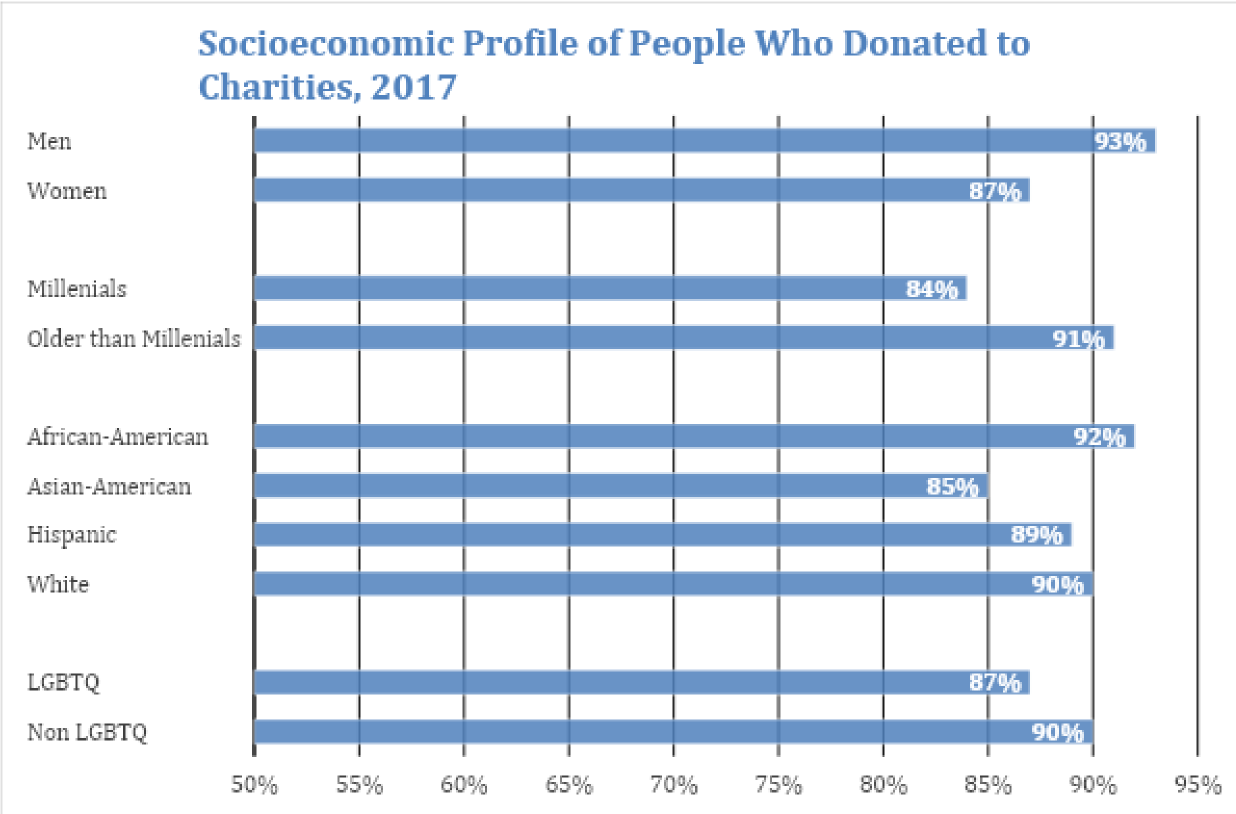

Figure 49 Socioeconomic Profile of People Who Donated to Charities, 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

Men give slightly more than women, and Millennials are beginning to play a significant role in charitable giving. African Americans contribute the largest share, while Asian Americans the smallest; however, the range is quite small, running from 85% to 92%. Overall, there are no major differences in the behavior of various demographic groups, whether looking at gender, age or ethnicity. In every category, we again see that the overwhelming majority of Americans commit themselves to charitable giving.

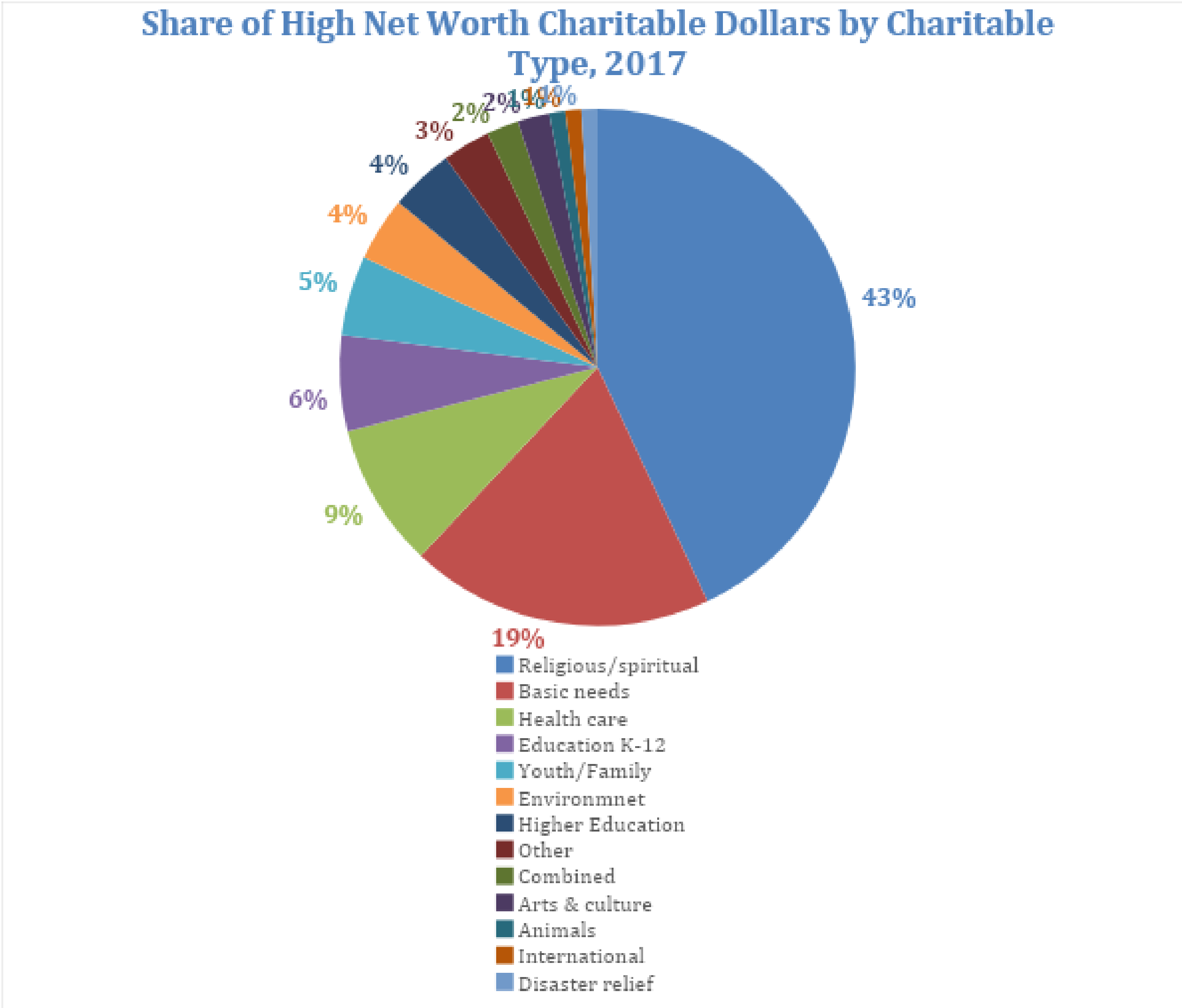

Figure 50 Share of High Net Worth Charitable Dollars by Charitable Type, 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

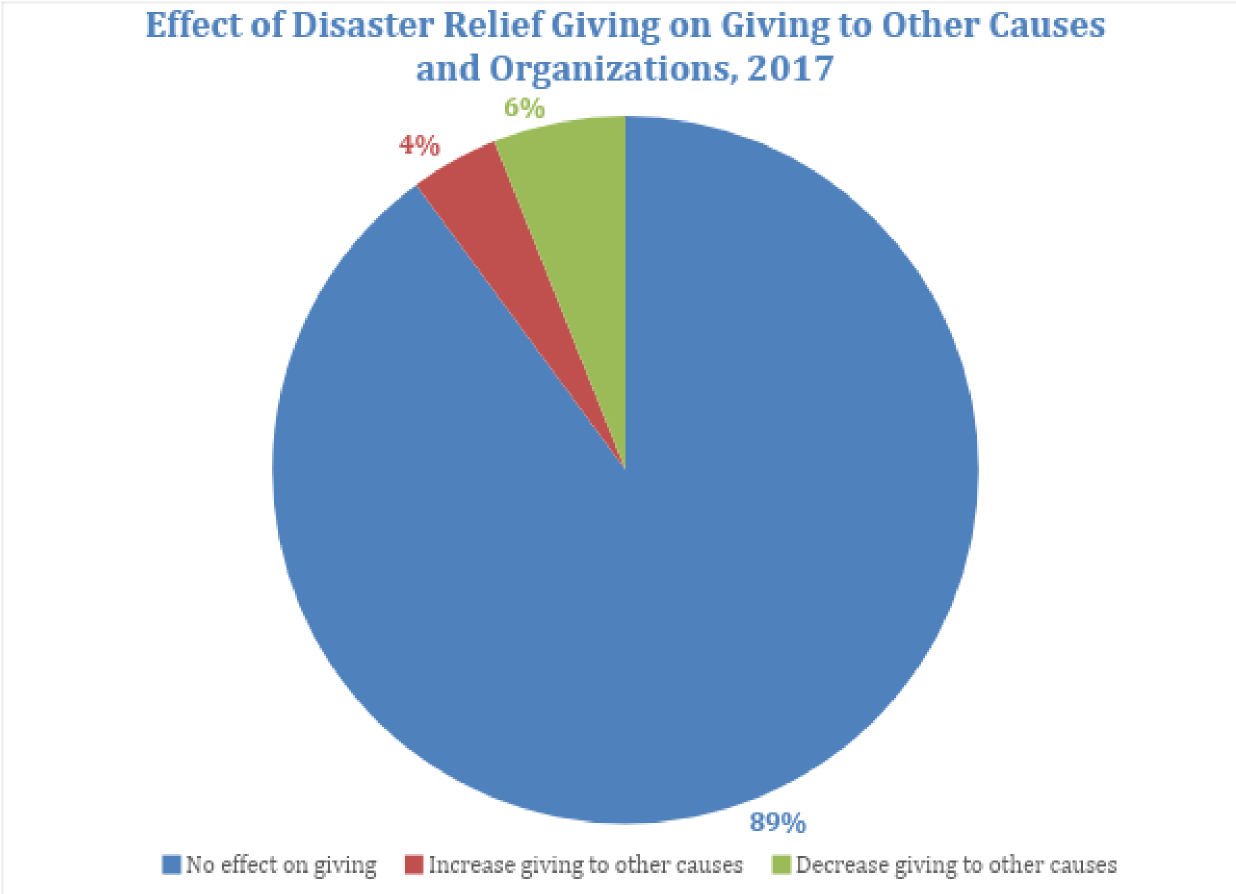

Figure 51 Effect of Disaster Relief giving on Oher Causes and Organizations , 2017

Source: The 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households

The above chart shows that disaster relief efforts did not have any impact on 89% of donors. Actually, 4% increased their giving and only 6% decreased their giving because of disaster relief efforts.

3. Estimating the Size of Transfers of Wealth in Ventura County

Less than a decade ago, researchers at Boston College's Center on Wealth and Philanthropy conservatively estimated that there would be around $41 trillion (in year 2000 dollars) in transfers of wealth (TOW) from the current generation to the next in the United States from 2000 to 2050. This estimation of TOW was produced based on a possible future scenario and does not present an absolute numerical prediction about the future.[24] However, we know that endowed funds can last forever and tend to grow over time because the principal is never spent. There is, however, the possibility of the erosion of principal in where it is invested. The experts at Boston College repeated their study in 2012 and made the same projection, this time allowing for a recession and a number of other possible changes. Again, their findings predicted a massive transfer of wealth from one generation to the next over the next five decades. Based on the study, a number of community foundations commissioned their own regional studies to determine the potential transfer of wealth in their local communities and counties over time.

It is important to note that studies on TOW show that most of the transfers are made by a small percentage of households whose wealth was $1 million or more at the time of the transfer or at the death of the wealth holder. In terms of final estates, 5% to 20% of these affluent households account for roughly 63% to 88% of the wealth transfer through final estates within the period of estimation. Although wealth transfer will affect all households, most households will transfer only a modest amount.[25]

The majority of charitable bequests and almost all the gifts made through split-interest trusts by affluent or wealthy households engage in similar types of charitable giving. Americans at every income and wealth level tend to identify with the needs of others in society and try to help in ways that are appropriate for their circumstances.

The existing literature also indicates that places with aging populations will find transfers of wealth reaching their peak and then starting to decline

[24] Havens, J., & Schervish, P. (2014). A Golden Age of Philanthropy Still Beckons: National Wealth Transfer and Potential for Philanthropy Technical Report. Center on Wealth and Philanthropy Boston College. Retrieved from: http://www.bc.edu/content/dam/files/research_sites/cwp/pdf/A%20Golden%20Age%20of%20Philanthropy%20Still%20Bekons.pdf.
[25] Ibid.

within the 50-year time span. This is a call to action before the opportunity decreases over time. TOW data can help community leaders to form a better understanding of how to mobilize resources in support of long-term robust community development. It provides a foundation for an awareness and education process to stimulate community enterprise.

In the earlier parts of this research, we provided valuable information from other studies and the current data collected by the Federal Reserve of the United States on the demographics of high net worth households. In this section of our study, we will use the existing method of calculation of transfer of wealth from one generation to the next to arrive at a reliable estimate for Ventura County. The ultimate goal is to ascertain the estimated wealth and use the findings about the behavior of high net worth holders to propose relevant, evidence-based ideas on the best ways to proceed in Ventura County and what to expect in the years and decades ahead.

The method for estimating the transfer of wealth by Boston College has been used in various parts of the nation by different community foundations to evaluate their own potential for transfers of wealth. We employed this model for the data gathered for Ventura County and calculated the estimates of transfers of wealth in Ventura County during the next fifty years.

3.1 Using the Existing Data to Estimate the Transfer of Wealth in Ventura County

As indicated earlier, this study used and built upon the concepts and methods employed in the study by Boston College.[26] We also followed some of the concepts that were used in the study for the state of Kansas.[27] However, some of the information is gathered from sources that provide certain relevant information for Ventura County, which may differ from other studies conducted around the country. In support of our assumptions and methods, we also offer our own analyses and deductions about the growth of wealth in the years and decades ahead, which may result in an under- or

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[26] Havens, J., & Schervish, P. (2014). A Golden Age of Philanthropy Still Beckons: National Wealth Transfer and Potential for Philanthropy Technical Report. Center on Wealth and Philanthropy Boston College. Retrieved from: http://www.bc.edu/content/dam/files/research_sites/cwp/pdf/A%20Golden%20Age%20of%20Philanthropy%20Still%20Bekons.pdf.

[27] Center for Economic Development and Business Research: Transfer of Wealth 2010-2064: Technical Report (n.d). Retrieved from: http://www.kansascfs.org/shared/files/Technical%20Report.pdf.

overestimation of wealth for Ventura County. An explanation of the methodology used follows.

3.1.1 Methodology of Our Estimation

In order to estimate the wealth available for charitable bequests, we needed to take the following steps:

- Estimate the total net worth in Ventura County based on demographic information for the period of our study, 2019 to 2064.
- Estimate the number of deaths for the county by age groups using the most pertinent county information from reliable sources to project changes over time.
- Estimate the total estate value created within the county based on age of the head of household at death and net worth by age categories used in the Survey of Consumer Finance (SCF) prepared by the Federal Reserve Board of the United States.
- Research and estimate the growth of net worth over a long period of time and use that rate to determine the progression of wealth and the size of bequests over the next 45 years.
- Estimate the total transfer of wealth over time and present it over both the short and long term, together with a rationale for the urgent specific actions needed to stimulate the flow of TOW to charitable and philanthropic giving within the county.

As the above task list shows, in order to estimate the transfer of wealth in Ventura County, we needed information from several sources. Some of the essential information about the structure of wealth according to specific demographic characteristics is only available at the national level. This includes the information concerning the mean value of household net worth. We therefore needed to assume that such structures remain the same at the county level.

3.1.2 Household Net Worth and Its Demographic Characteristics

In this section of the study, we draw from the Federal Reserve Survey of Consumer Finance[28] to establish the latest available mean value of household net worth by the age of the head of household. As this information is only

[28] Board of Governors of the Federal Reserve System (2017). *Survey of Consumer Finance*. Retrieved from: https://www.federalreserve.gov/econres/scfindex.htm.

available at the national level, we used the income data at the federal and county level to determine the ratio for Ventura County, as compared to national data. This was calculated from the following table.

	Mean Household Income
Ventura County	$115,600
United States	$88,607

Source: Federal Reserve Board of Governors, 2019 and US Census S1902, Mean Household Income.

The ratio was 23%, which means that in each category the mean level of wealth or income is 23% higher in Ventura County than at the national level. We used this estimation to determine the mean net worth of households by age of head of household in the county. The results can be seen in the following table.

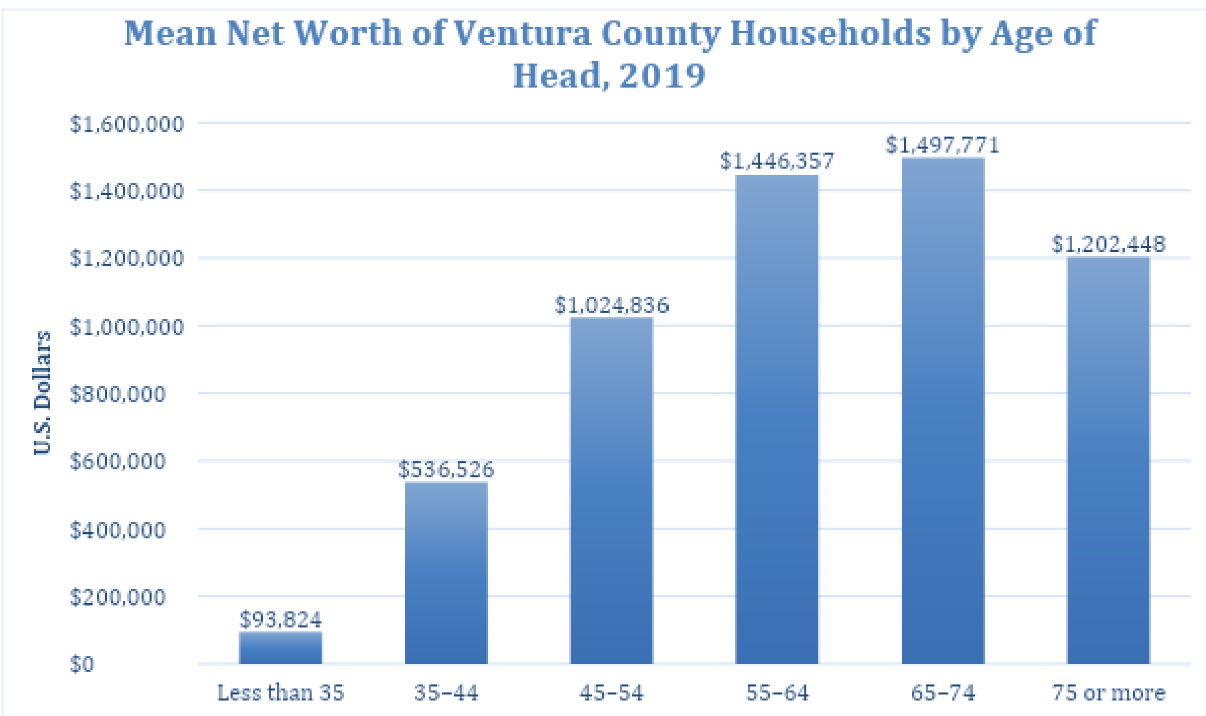

Figure 52 Mean Net Worth of Households by Age of Head in Ventura County, 2019

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance,
https://www.federalreserve.gov/econres/scfindex.htm

The Federal Reserve Board of Governors survey provides useful information about the level of wealth of U.S. households necessary to make assumptions about transfer of wealth in each state and county across the nation. Although the data is only available at the national level, trends can be interpreted and applied to various geographic areas.

The following chart shows the change of wealth over the last nine rounds (carried out for every three years) of estimations by the Federal Reserve .

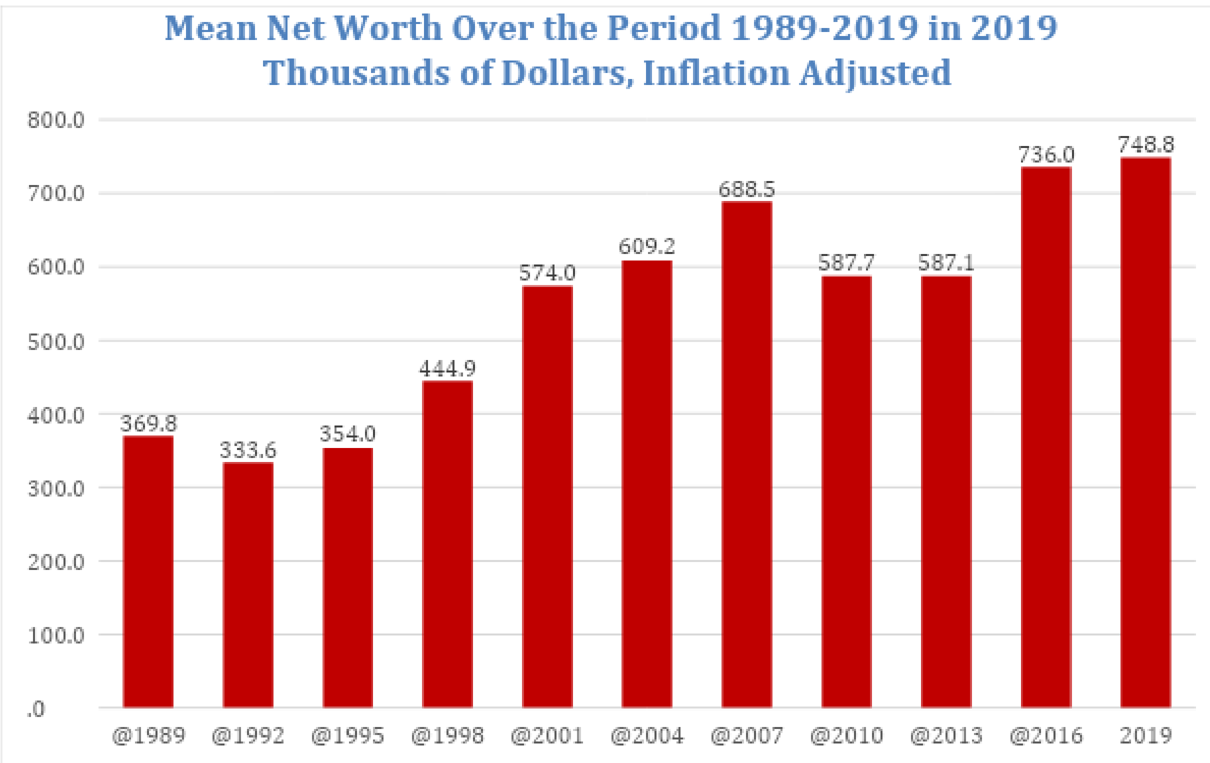

Figure 53 Mean Net Worth Over the Period 1989-2019 in 2019 Thousands of Dollars, Inflation Adjusted

Source: Board of Governors of the Federal Reserve System (2017), Survey of Consumer Finance,
https://www.federalreserve.gov/econres/scfindex.htm

The level of wealth in the country has been impacted by the business cycles and difficulties of the financial markets. However, by 2016 the mean value of net worth returned to and exceeded the level of 2007, the beginning of the financial crisis of the subprime mortgage debacle. This growth continued in the following three-year cycles.

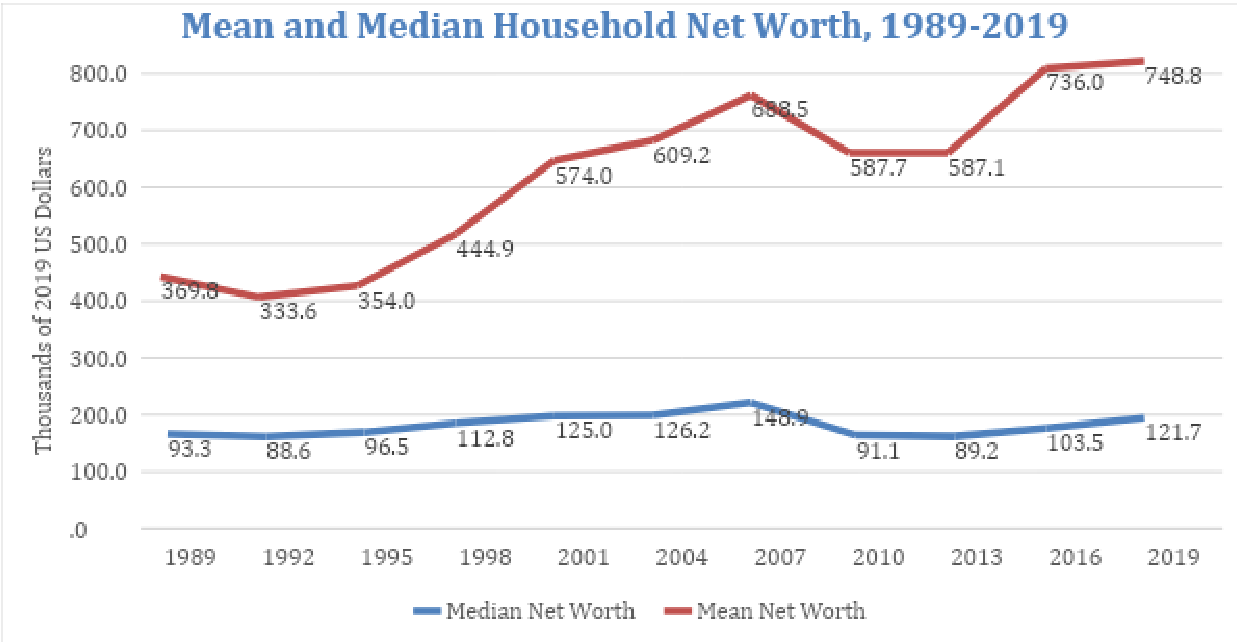

Figure 54 Mean and Median Household Net Worth, 1989-2019

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance, https://www.federalreserve.gov/econres/scfindex.htm

The above chart highlights a number of important developments over the last thirty years, which are pivotal in the overall understanding of the creation and distribution of wealth in the United States. In the years since 1989, the level of mean net worth is higher than the median values of wealth. This suggests that distribution of wealth has always been skewed towards the higher level owners of wealth. The median net worth shows a decline during the years of the recent recession, emphasizing the significant impact of the recession on the well-being of lower level owners of wealth. The larger increase in mean value in later years verifies that the distribution has been far more favorable towards wealthier people, and it is particularly noteworthy to see an increase from 2013 to 2016, despite the flattening of the median value of net worth. This chart confirms that wealth of high net worth individuals in the U.S. has fully recovered from the downturn brought about by the subprime mortgage lending crisis of 2007. The same cannot be said about the net worth of households with a lower level of wealth.

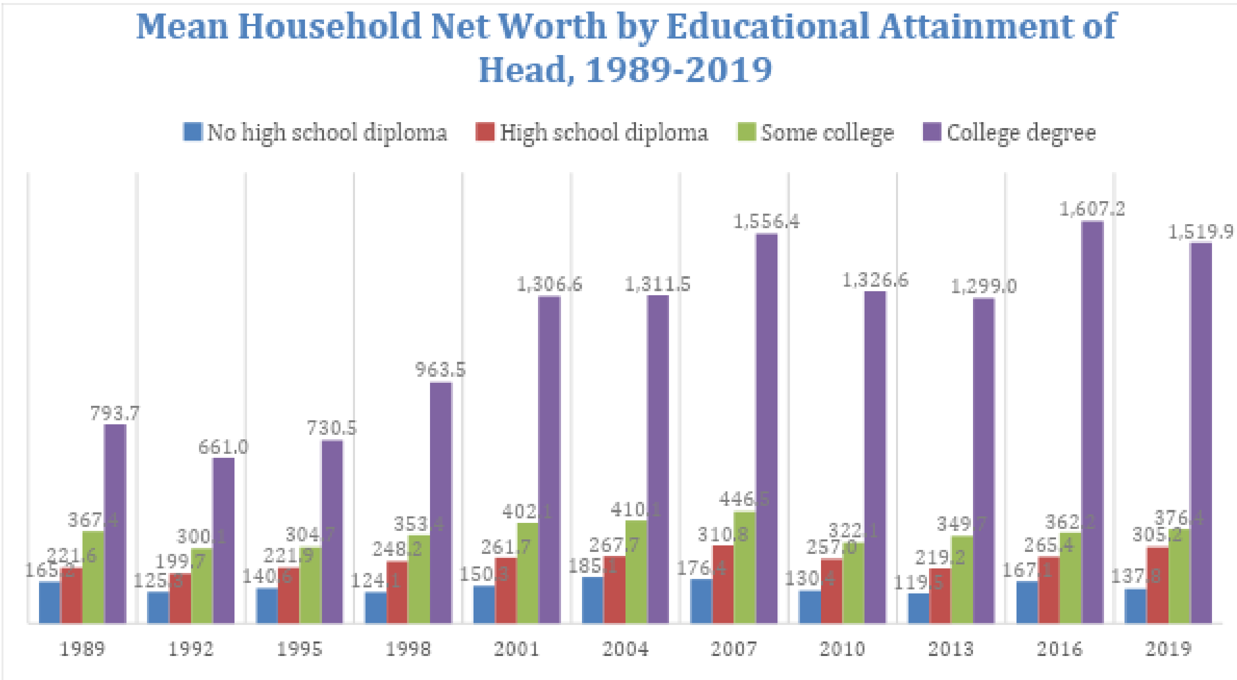

Figure 55 Mean Household Net Worth by Educational Attainment of Head in Thousands of Dollars, 1989-2019

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance, https://www.federalreserve.gov/econres/scfindex.htm

The above chart demonstrates that educational attainment plays a crucial role in the creation of wealth among various groups of householders in the United States. The trend during the entire period of nearly the last thirty years substantiates that having a college degree dramatically affects the level of net worth of households in the U.S. It is apparent that those with higher educational attainment were better able to recover from the debacle of 2007. By 2016, those with college degrees actually exceeded the mean value of net worth in their own category, while those at lower education levels were still close to or lower than the 2007 level. We should also note there has been a decline in mean household net worth from 2016 to 2019.

The following chart shows the trend described by the above chart more vividly. It should be noted that the high rate of recovery for those with less than high school diplomas is primarily caused by their very low level of net worth and therefore influenced by the smallness of the number used to arrive at the rate of change.

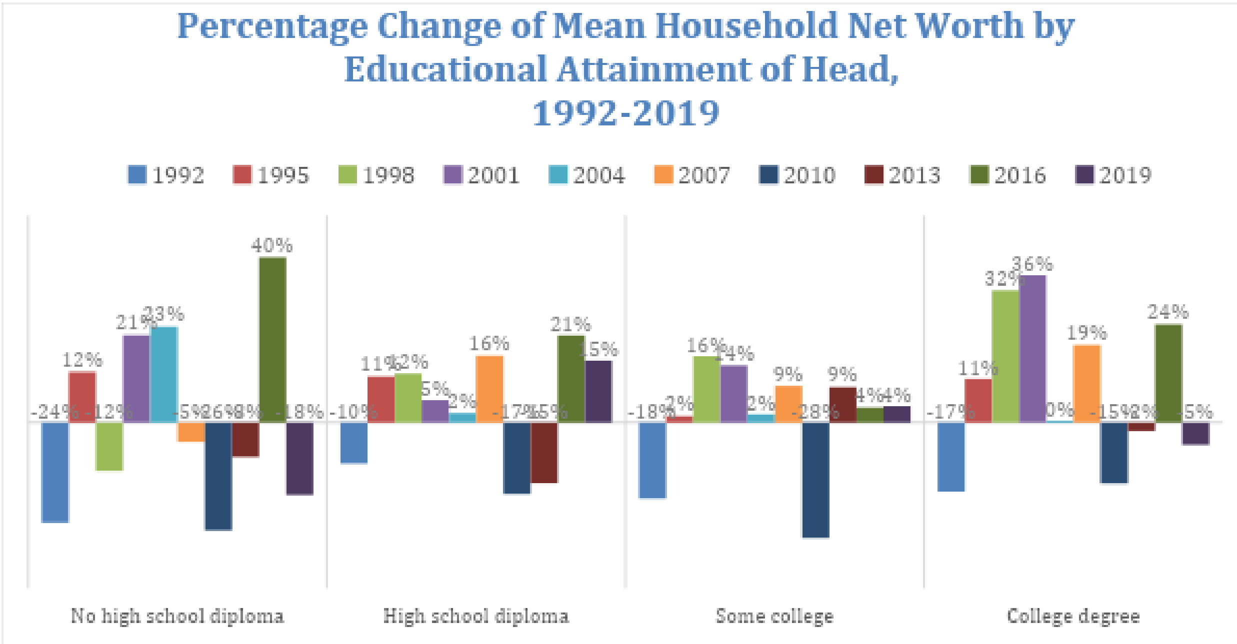

Figure 56 Percentage Change of Mean Household Net Worth by Educational Attainment of Head, 1992-2019

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance, https://www.federalreserve.gov/econres/scfindex.htm

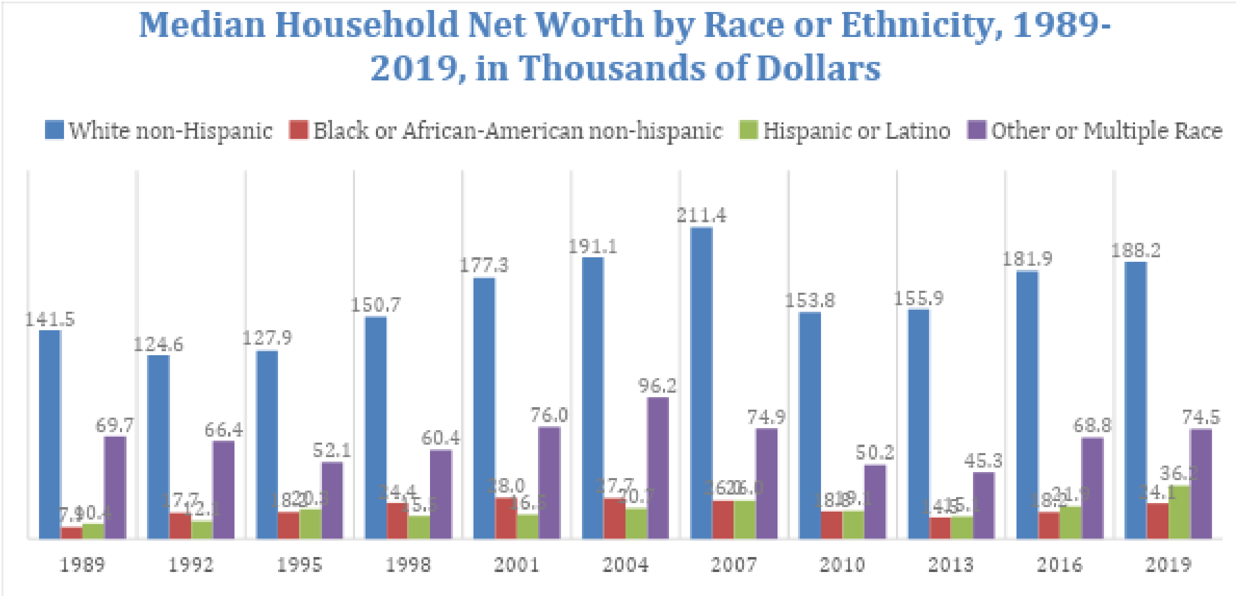

Figure 57 Median Household Net Worth by Race or Ethnicity, 1989-2019, in Thousands of Dollars

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance, https://www.federalreserve.gov/econres/scfindex.htm

The above chart of median household net worth by race and ethnicity denotes a number of findings in the level and distribution of wealth over the last thirty years. There has been a general recovery among Whites and, to some extent, among those with Other or Multiple Races since 2007. However, the median net worth for African Americans and Hispanics/Latinos is much lower, although there is some improvement in median value of both from 2016 to 2019. Even so, the value of means in all categories of race and ethnicity, except Other and Multiple Races show a decline. A decline in mean indicates a reduction in total wealth being created or an increase in the number of households in the various categories, or any combinations of these two factors.

The following chart shows the mean level of wealth, and again we see the recovery among Whites and, to some extent, among those with Other or Multiple Races, but a noticeably lower level of mean net worth for African Americans and Hispanics/Latinos.

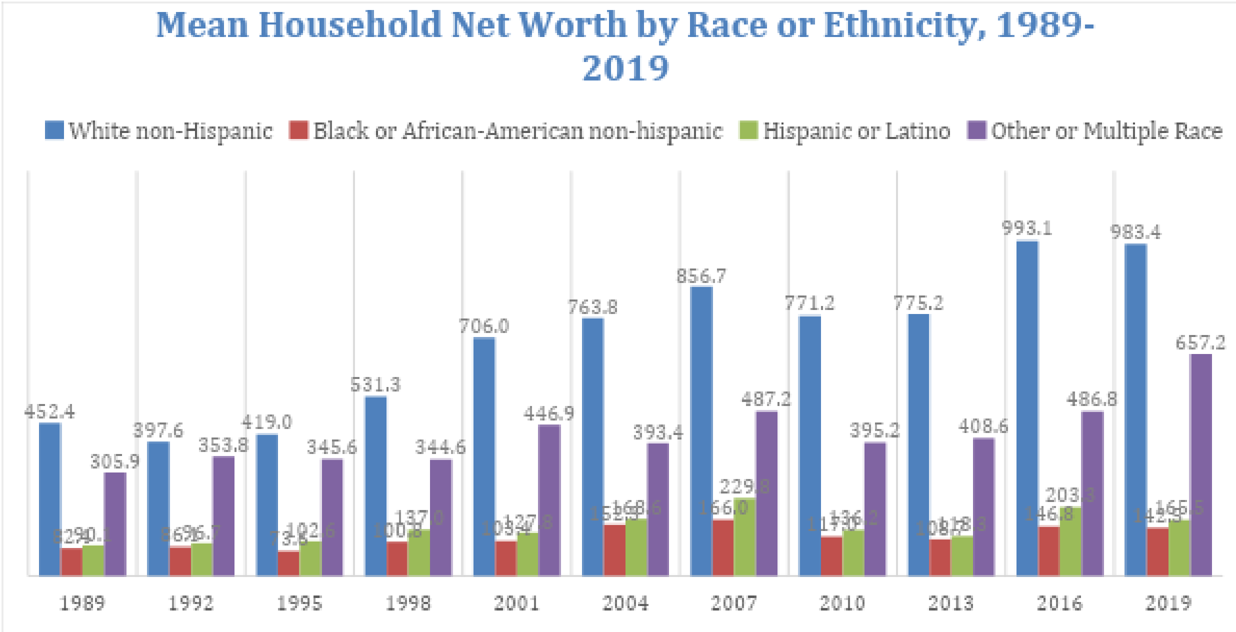

Figure 58 Mean Household Net Worth by Race or Ethnicity, 1989-2019, in Thousands of Dollars

Source: Board of Governors of the Federal Reserve System (2019), Survey of Consumer Finance, https://www.federalreserve.gov/econres/scfindex.htm

3.1.3 Change in Net Worth and Its Annual Growth Rate

Change in net worth (wealth) and the behavior of high net worth holders in the United States and around the world has been a highly controversial topic, engendering several debates over time. Two issues at the forefront with regard to the change of wealth over time must be addressed. First, the difference in the actual amount of wealth needs to be compared to its rate of change and the rate of economic growth. Such comparisons help us think about the implications of such progression over time in an economy. The second issue to examine is the distribution of wealth over time. This drives the debate about the creation of opportunity within an economy and the ability of such opportunities to effect a sustainable political and economic system that can help move the economy forward and provide the needed resources for people to succeed with an acceptable degree of upward social mobility.

Both concepts and the ensuing debates directly relate to the role of nonprofit foundations and the importance of philanthropic and charitable giving as an important institution of positive change, with a clear and unquestionable impact in serving the common good of every society and community.

Our earlier discussion of the data indicated that over the last several decades, a much smaller number of people have obtained a much higher proportion of wealth. The idea of one percent owning a significant proportion of wealth compared with the remaining 99% has emerged as a rallying call and drawn attention to its likely negative impact in the years to come. The ongoing debate about the consequences for the sustainability of the economic system to serve the interests of a majority of people and to enable them to enjoy an increasing rate of economic growth and development took center stage in our national political discourse in recent years.

In this study, based on the most relevant research, we make predictions regarding the formation of household net worth and the size of bequests over the next five decades in Ventura County. To do so, we needed to find a reliable rate for the growth of net worth (wealth) of households. Other studies used a variety of methods to look into the change of wealth and its rate of growth over time. We decided to use the longest available database for the creation of net worth by households and nonprofit organizations gathered by the Federal Reserve Board of Governors through the Survey of Consumer Finance (SCF). We studied the growth of wealth of households through the mean values over the period of 1989 to 2019 through SCF. This detailed data can be found in the appendix at the end of this report.

While using trend data cannot explain the causal reasons for changes in the trend, it can provide an informed overview of the change. When such a long-term trend is used, we can have greater reliance on the predicting power of such analysis. In order to substantiate the validity of the rate of annual growth obtained from the Federal Reserve data, we chose to divide the period of time from 1952 to 2017 into three consecutive periods. The first period was from the postwar time of 1952 (when the collection of data started) to 1975, when a number of conflicts were over (including the Vietnam War in particular). The second period took place from 1976 to 2000, a period that withstood several major economic and financial crises, such as rise of the price of oil, intensification of the Middle East wars, the start of the digital revolution, and more. Finally, the last period, from 2001 to 2019, included one of the most devastating crises of our recent time—the subprime loan and financial debacle of 2007.

We used an exponential trend line to estimate the rate of growth for each of these periods, with the outcomes reported in the following charts.

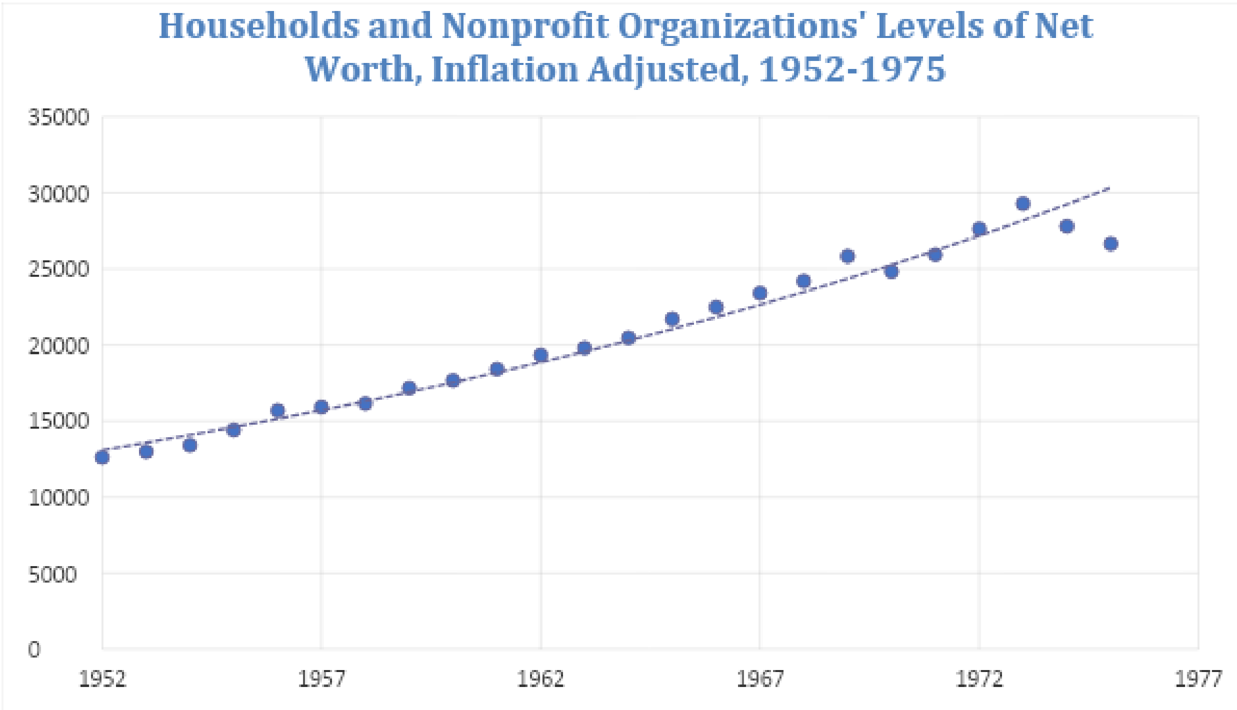

Figure 59 Households and Nonprofit Organizations' Levels of Net Worth, Inflation Adjusted, 1952-1975

Source: Regression made by using the data from Federal Reserve Bank of United States: https://fred.stlouisfed.org/graph/?graph_id=369801&rn=763

Note: The rate of annual growth is 3.7%, taken from the regressed trend line Y = 1E-27$e^{\mathbf{0.0365}x}$.

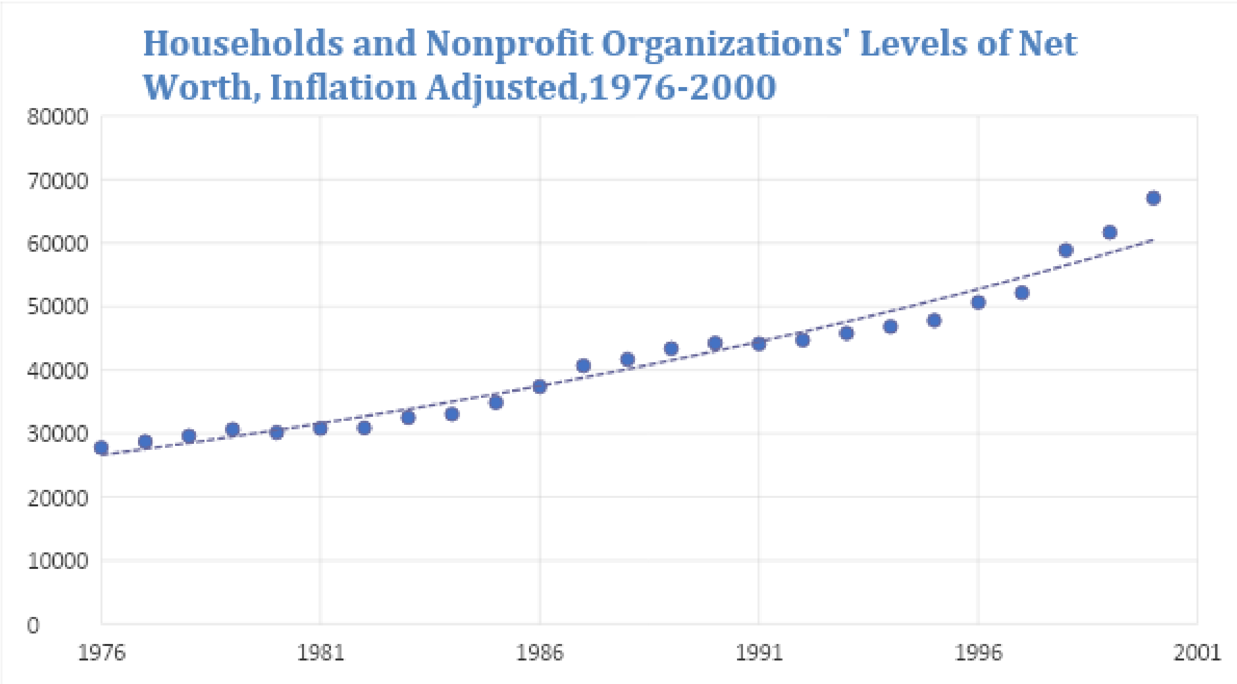

Figure 60 Households and Nonprofit Organizations' Levels of Net Worth, Inflation Adjusted, 1976-2000

Source: Regression made by using the data from Federal Reserve Bank of United States: https://fred.stlouisfed.org/graph/?graph_id=369801&rn=763

Note: The rate of annual growth is 3.4%, taken from the regressed trend line Y = 1E-25e$^{0.0342x}$

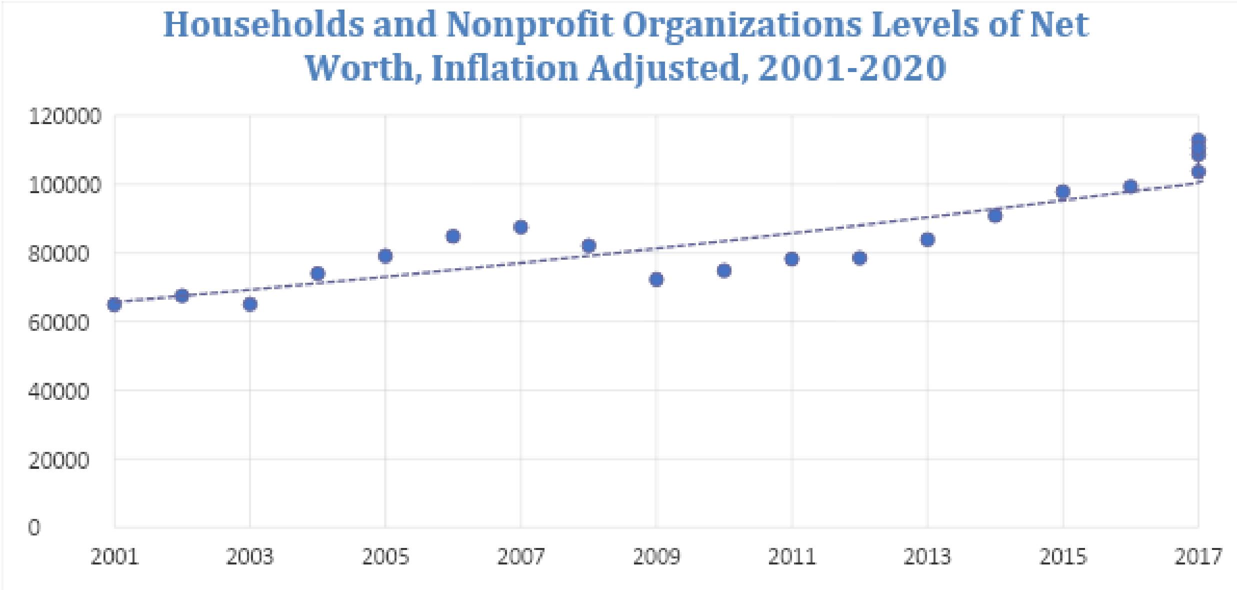

Figure 61 Households and Nonprofit Organizations Levels of Net Worth, Inflation Adjusted, 2001-2020

Source: Regression made by using the data from Federal Reserve Bank of United States: https://fred.stlouisfed.org/graph/?graph_id=369801&rn=763

Note: The rate of annual growth is 2.7%, taken from the regressed trend line Y = $5E\text{-}19e^{0.0266x}$.

The above regression analyses provide solid proof of an upward trend of accumulation of wealth in the United States after the end of World War II and over a long period. They show that the rate of growth has been more than 3% for much of this period, despite drastic changes in the world and the U.S. economy. The very last period registered a lower growth rate, but our research also shows that despite slow economic growth and a long period of recovery, the trend in accumulation of wealth has returned to increasing steadily.

In light of our findings, we decided to use the longest period of time and use the rate of growth for this period for accumulation of wealth in the next 50 years. Again, as indicated previously, none of the predictions in a study like this can foresee changes with a great degree of certainty. Long-term economic changes, particularly during this time of rapid change in most aspects of our economic and social lives—ranging from technological transformation to emerging environmental challenges and political uncertainty in the future—cannot provide a solid and highly reliable base for any prediction. We make our best effort, given the prevailing circumstances.

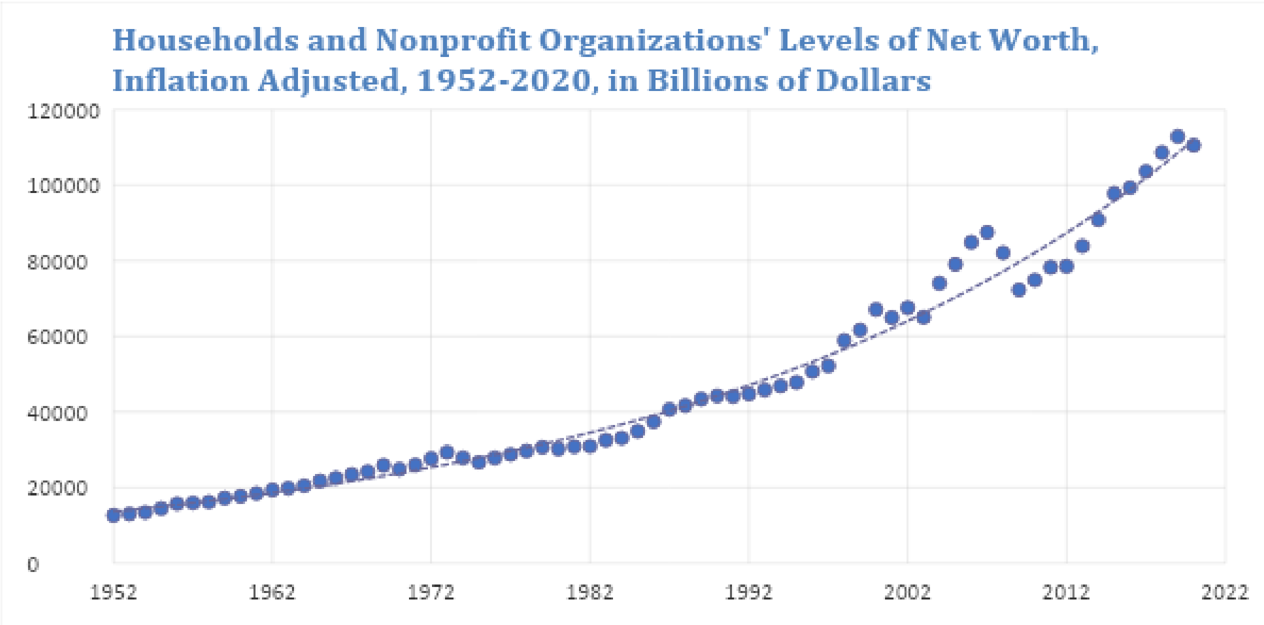

Figure 62 Households and Nonprofit Levels of Net Worth, Inflation Adjusted, 1952-2017 in Billions of Dollars

Source: Regression made by using the data from Federal Reserve Bank of United States: https://fred.stlouisfed.org/graph/?graph_id=369801&rn=763

Note: The rate of annual growth is 3%, taken from the regressed trend line Y = 5E-22e$^{0.03x}$. Our reasoning for using this rate for our prediction is that it pertains to both household and nonprofit net worth. To ensure that this progression is applicable to the growth of net worth of households, we used the mean values of household net worth gathered by the Federal Reserve Board of Governors for the entire available 30-year period from 1989 to 2019. We then ran the trend line for the entire period. The result is displayed in the following chart.

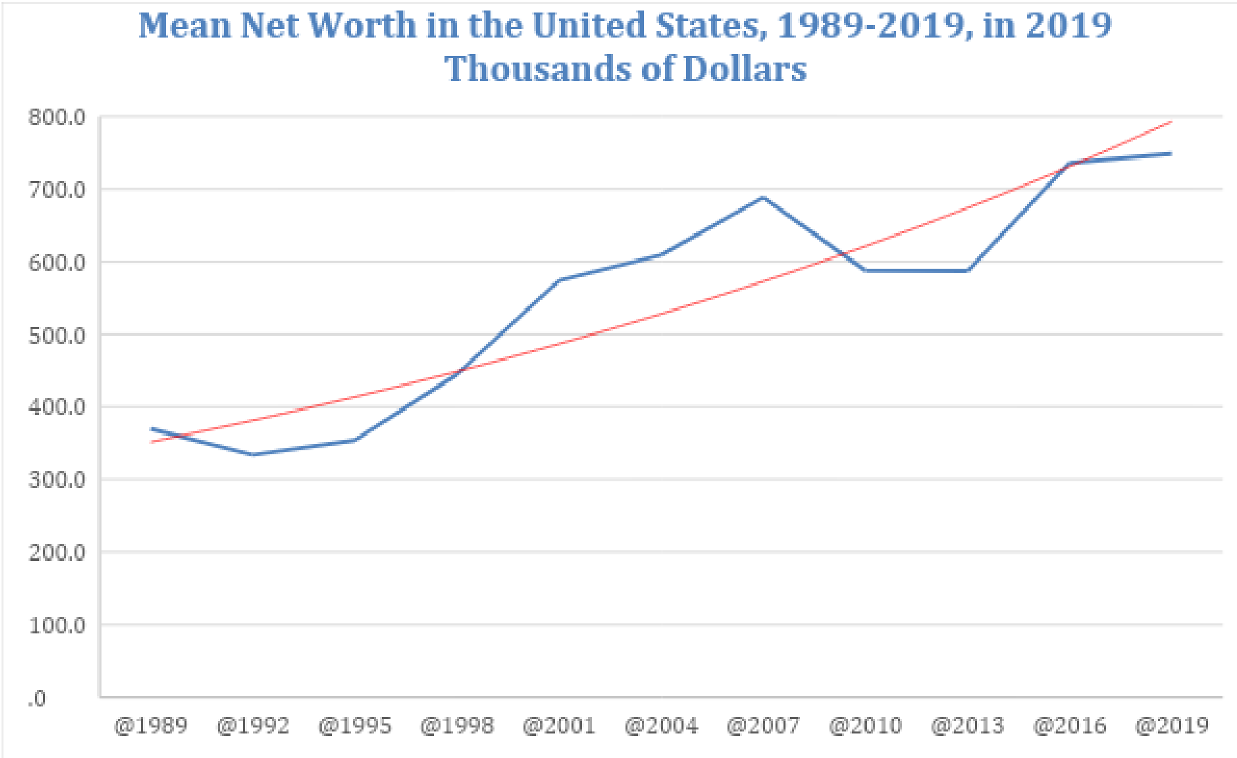

Figure 63 Mean Net Worth in the United States, 1989-2019, in 2019 Thousands of Dollars

Source: Result of the Regression carried out by using the Federal Reserve Board of Governors, Survey of Consumer Finance.

This suggests a growth rate of 8.2% for every three years, or an annual growth rate of almost 2.8%. Considering that much of this period comprises the current financial crisis, it appears that the rate of growth is more likely to have been higher. We therefore decided to use the rate of 3% for the accumulation of wealth over the 65-year period of our estimation.[29]

3.1.4 Number of Deaths of the Last Member in the Household in Ventura County

The creation of estate occurs when the last person in the household passes away. This method was used in the calculation of the creation of estate in other studies on transfer of wealth.[30] We converted the projected individuals' deaths into deaths of heads of households by using the average size of

[29] The period of the past sixty-five years has been broken down into several shorter periods in order to find the variation in the rate of growth of wealth.
[30] Transfer of Wealth 2010-2064, Technical Report (2010), Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

households (taken from U.S. Census). We made the simplifying assumption that the final householder was represented in these projections and thereby the final estate was created. The result is presented in the following chart.[31]

Next, we reviewed the available information about long-term changes in the population of Ventura County in an effort to analyze the projections created by our method of calculating the long-term death rates in the county.

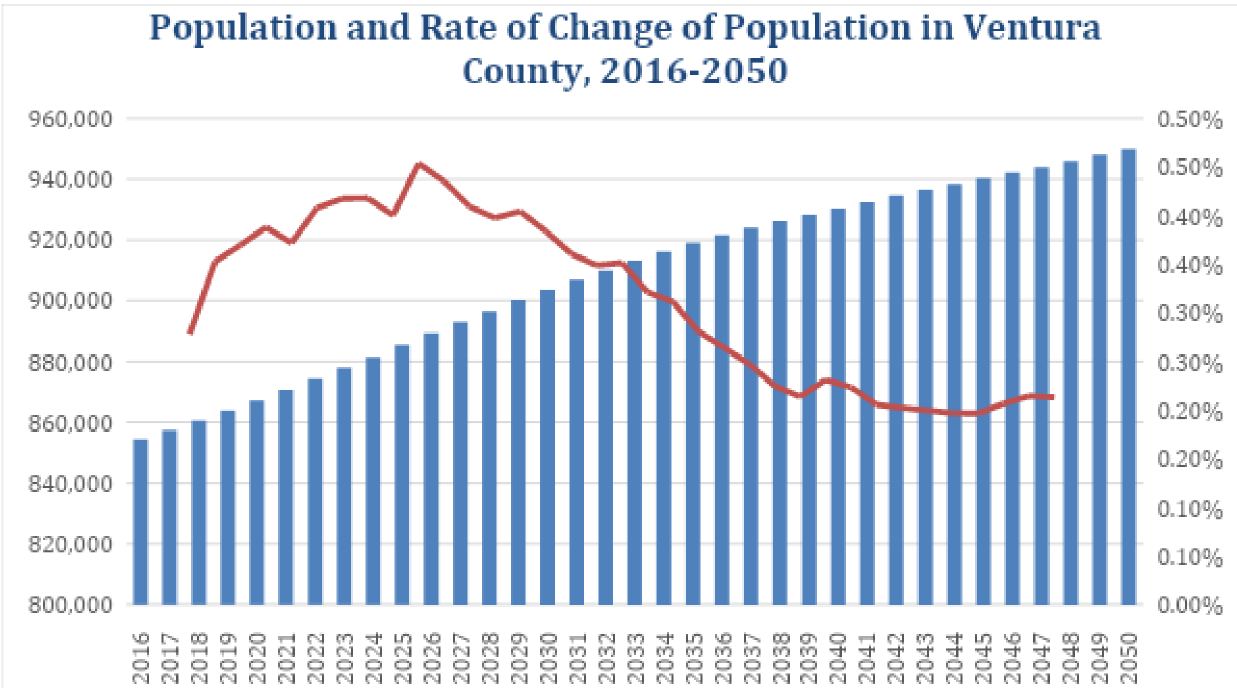

Figure 64 Population and Rate of Change of Population in Ventura County, 2016-2050

Source: California County-Level Economic Forecast 2017-2050, The California Economic Forecast 2017. http://californiaforecast.com/

[31] It could be argued that the size of households among younger families headed by lower-aged heads of household might be larger than those of older people. Therefore, we might be underestimating the creation of wealth among the older heads of household while overestimating it among the younger-aged heads of household. While this presents a logical argument, we could not find more accurate information concerning the size of the families based on the age of the heads of households. We therefore used this method as the most plausible based on the available information.

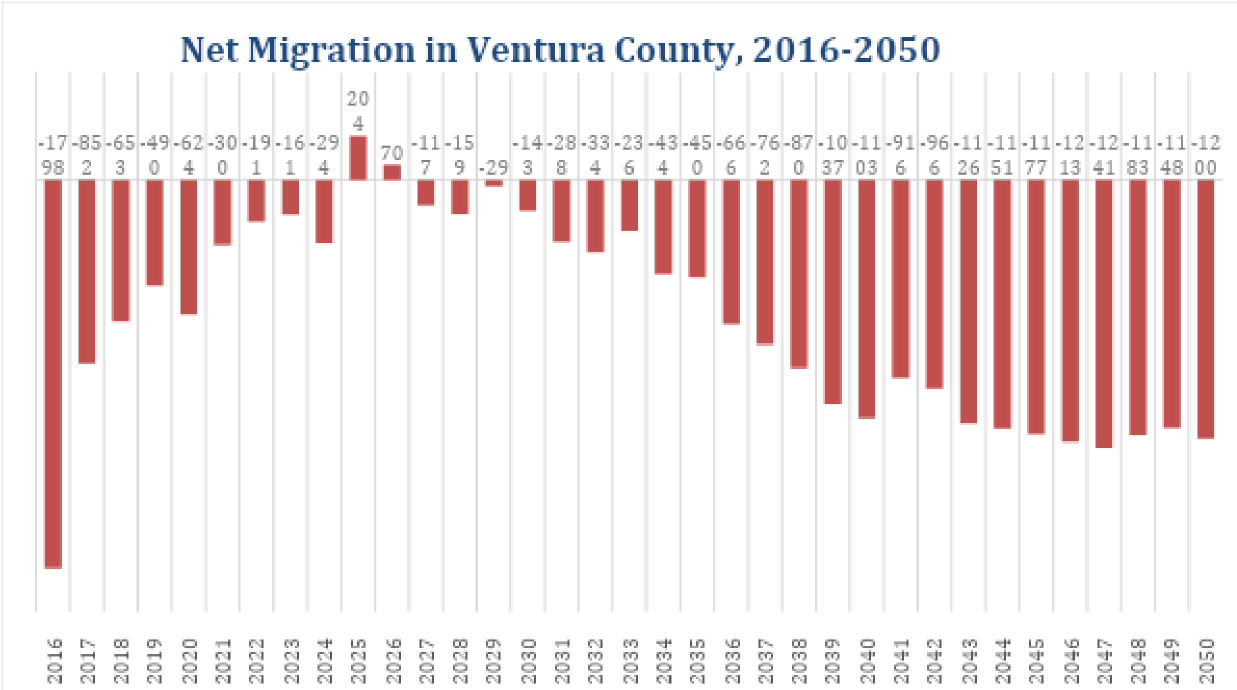

Figure 65 Net Migration in Ventura County, 2016-2050

Source: California County-Level Economic Forecast 2017-2050, The California Economic Forecast 2017. http://californiaforecast.com/

The above chart shows that slow population growth will continue, even with a very small increase in 2025, and it will then begin its decline over the years ahead. The younger segment of the population, entirely due to the increase in the number of births in the county, is responsible for the increase in population. The net migration to the county has been negative and will continue to stay negative for many years to come. Changes in internal migration are primarily caused by economic conditions compared to areas from which migration is likely to come.

Death rates are impacted by changes in population and other factors, which may impact the health of the population. However, the change in health does not change the number of deaths, but it may impact the distribution of it among various age groups, as shown earlier.

The California Department of Public Health tracks the number of deaths for every zip code in Ventura County between 2008 and 2016.[32] We totaled the numbers from each zip code and arrived at the death rate for the county

[32] California Department of Public Health (n.d). Retrieved from: https://www.cdph.ca.gov

during the same period. We then used the moving average to arrive at the rate from 2017 to 2065, and analyzed the past five years to predict the year ahead.[33]

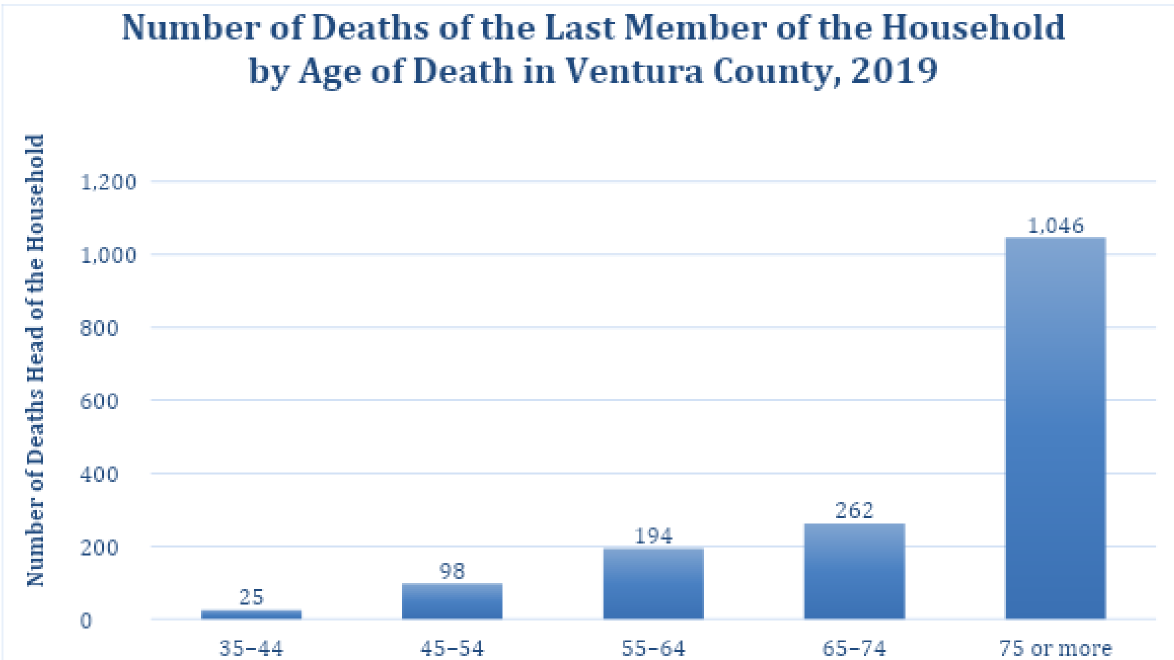

Figure 66 Number of Deaths of the Last Member of the Household by Age of Death in Ventura County, 2019

Source: U.S. Census, California Department of Public Health and Calculation of Author

One problem with the estimates presented in the above chart is that they are based on a number of observations from the first decades of this century, and using a moving average preserves the structure of the population during this time. However, our analysis also suggests that we are facing very slow population growth, which eventually will decline, and then turn negative. This is an inevitable trend, which occurs with a reduction in the fertility rate. Additionally, our county is unlikely to experience any other forces of growth due to internal migration or immigration from outside at any considerable

[33] Using a five-year period to calculate the death rate for much longer periods of time leaves a considerable degree of uncertainty about the accuracy of the rates. For example, life expectancy is likely to increase during such periods, or changes in economic and social conditions may affect the rates. With all potential such problems, there is not a more accurate method to make a definitive correction that can substantially improve our calculation.

rate. Although it may be imprecise, we find it valid to use our estimates given the existing information.

3.1.5 Estimating the Size of Estates in Ventura County

As mentioned earlier, the level of net worth for householders within the age categories of the heads of households are only available through the Survey of Consumer Finance at the national level. We therefore needed to make an assessment of how to apply these estimates at the county level.

We have historical data for the mean value of household income for Ventura County. A plausible way to use national data on household wealth and apply it towards an estimation of household net worth in the county was to study the relationship between national household net worth and national household income. We therefore ran a regression between the mean values of national household income percentiles and national household mean values of wealth percentiles. We also ran the correlation coefficient between the two series. The results are displayed in the following chart and table.

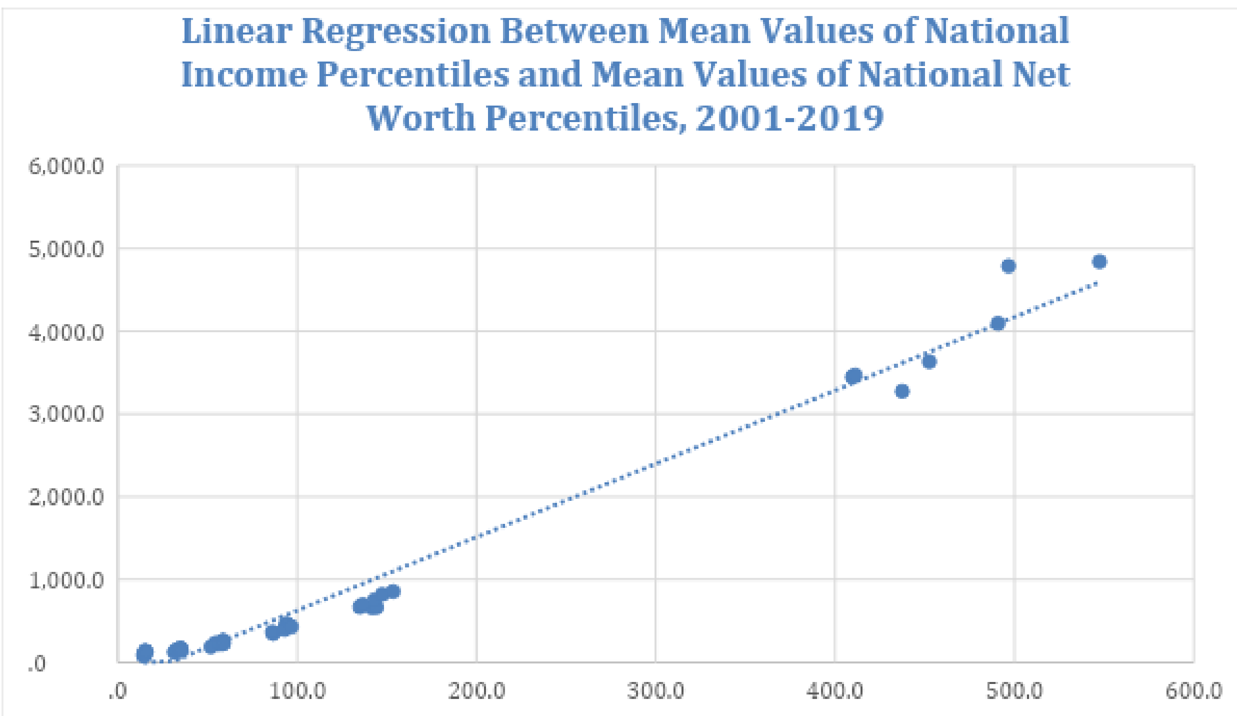

Figure 67 Linear Regression Between Mean Values of National Income Percentiles and Mean Values of National Net Worth Percentiles, 2001 to 2019

Correlation Coefficient Between Values of Percentile of Income and Wealth Distribution

	Income	*Net Worth*
Income	1	
Net Worth	0.98874798	1

The above data points show the distribution of net worth and income are almost perfectly correlated. We also augmented our analysis by running a regression and correlation between the mean and value of net worth taken from three-year cycles of the SCF and mean income values of households from ACS from 1989 to 2019. The results are presented in the Appendix. Both the regression and the correlation coefficient showed an almost perfect relationship (an R square and correlation coefficient of almost 1) between the two. Therefore, we determined it was appropriate to compare the level of mean household income in Ventura County with that of the United States and use their proportional relationship to estimate the level of wealth as it prevailed in the county in 2019.

Comparing the mean value of household income between the U.S. and Ventura County helped us to determine that the Ventura County mean level of income is 25% higher than the national level. We used this finding to estimate the level of wealth for the age groups for Ventura County in 2019.

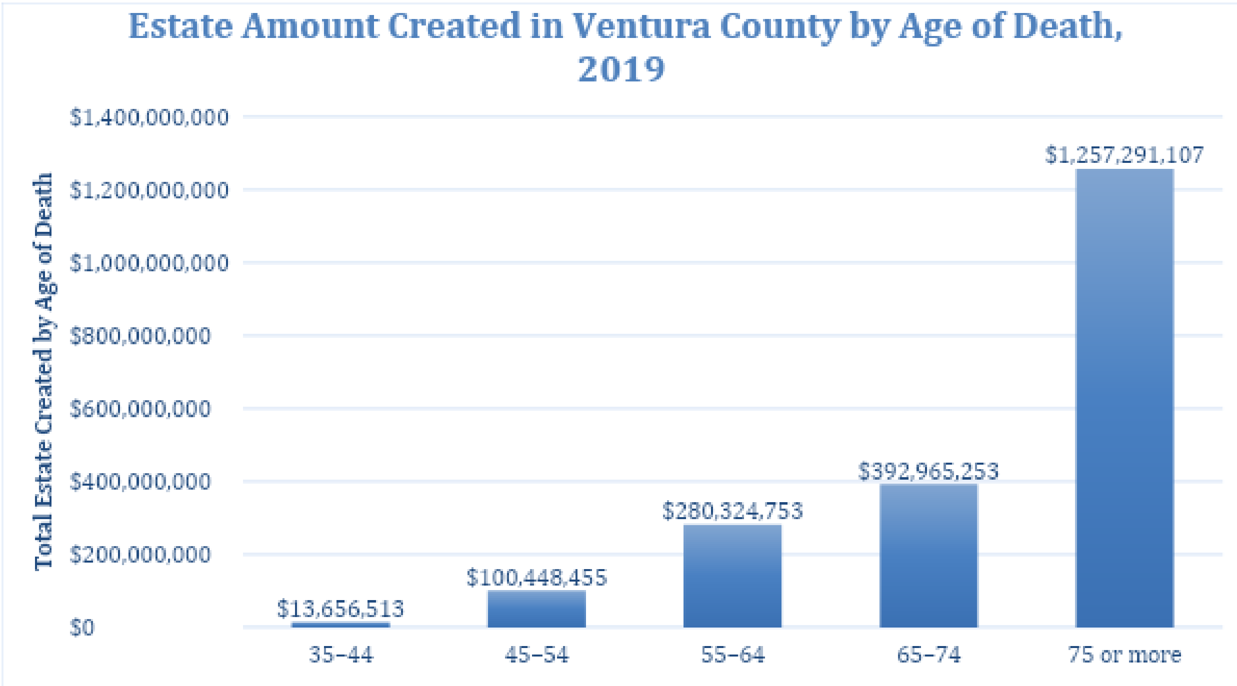

Figure 68 Estate Amount Created in Ventura County by Age of Death, 2019

Source: Board of Governor of the Federal Reserve System and calculation of the author.

By using a 3% average annual growth of net worth over the next fifty years, we arrived at the following valuations.

3.1.6 Estimates of Transfer of Wealth in Ventura County, 2019-2065

The chart below shows the escalation of estates in the county over the next fifty years for every consecutive decade. Within the next half-decade, we will witness a transfer of wealth around $15.8 billion from the existing generation to 2025. In continuing our analysis by decade, we can predict that over the next 45 years, the accumulated amount of transfer of wealth in the county will exceed $207.3 billion.

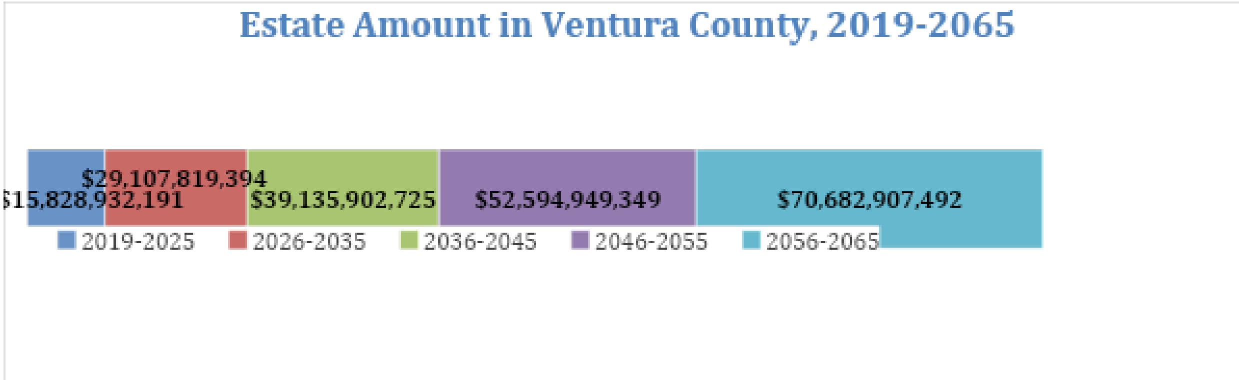

Figure 69 Estate Amount in Ventura County, 2019-2065

We now need to determine the proportion of such transfers that are likely to be allocated to charitable giving. The closest available data comes from the Internal Revenue Service (IRS).

Charitable Bequests by Estate Size in 2019

Size of Estate	Percent to Charity
Under $10 million	4%
$10 million < $20 million	6%
$20 million < $50 million	9%
$50 million or more	22%

Source: Internal Revenue Services (IRS) 2019, https://www.irs.gov/statistics/soi-tax-stats-estate-tax-filing-year-tables

The above information is only available for the national level. We tried but were unsuccessful in finding the same information at the state or county level. The other difficulty is not having a breakdown of the size of estates within the county.

In determining an appropriate rate of allocation of bequests to charitable giving, we used the 5% ratio, which has been used in several studies, including the aforementioned study by Boston College.

Using the common assumption that 5% of the created estate is likely to go towards charitable and philanthropic giving, we can project the following amount of wealth to be transferred.

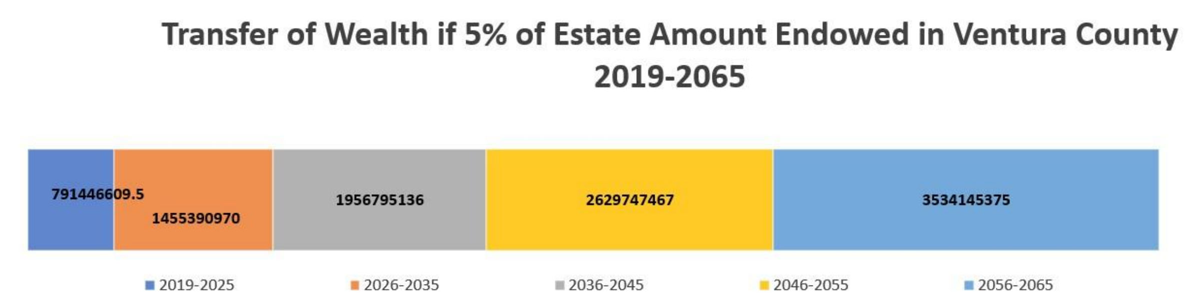

Figure 70 Transfer of Wealth if 5% of Estate Amount is Endowed in Ventura County, 2019-2065

The above chart indicates that from the existing generation to 2025, the county is likely to benefit from almost $792 million to be allocated to charitable and philanthropic giving. This will grow incrementally during the following four decades.

Finally, we estimated the annual allocation for the next eight years.

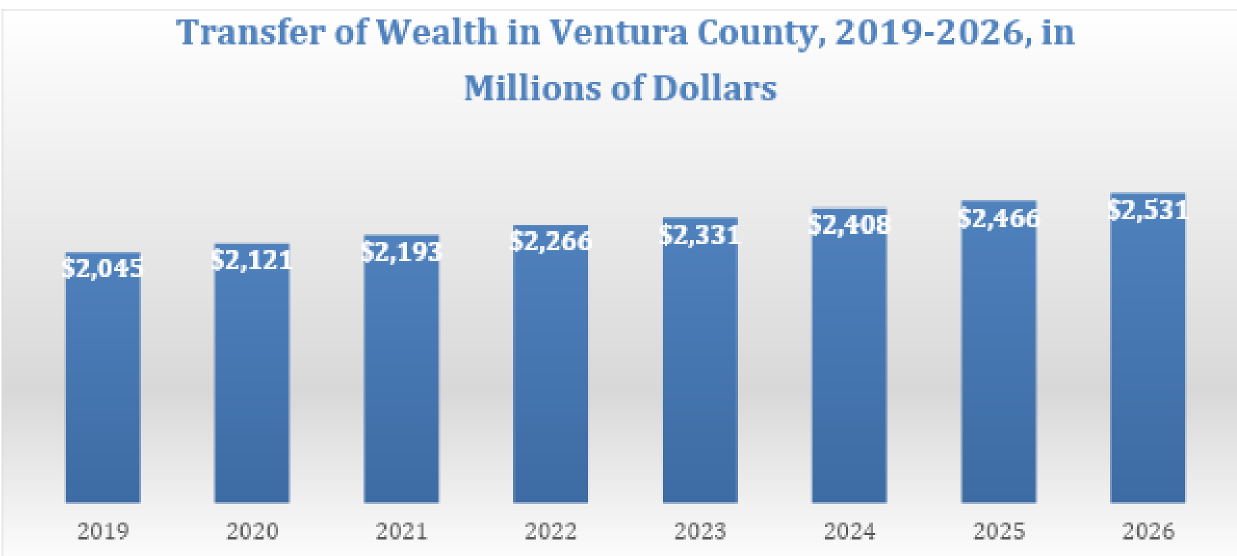

Figure 71 Yearly Transfer of Wealth in Ventura County, 2019-2026, in Millions of Dollars

The above chart suggests an encouraging trend of the size of the bequests from one generation to the next. We see that the yearly transfer of wealth grows from more than $2 billion to $2.5 billion in the years from 2019 until 2026.

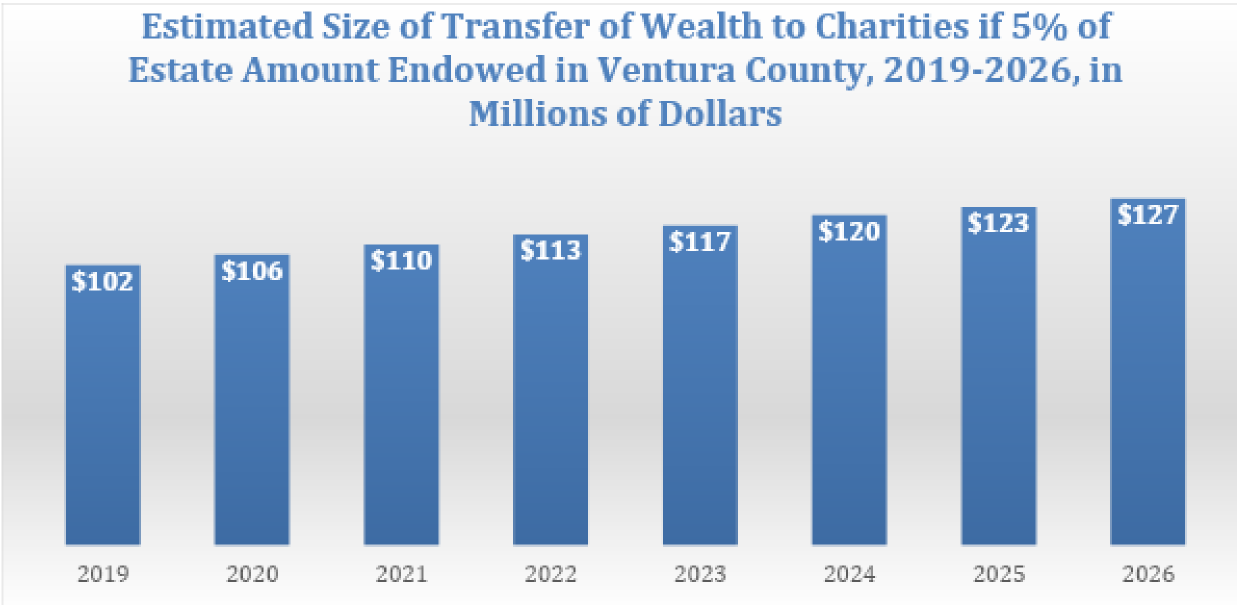

Figure 72 Estimated Size of Transfer of Wealth to Charities if 5% of Estate Amount Endowed in Ventura County, 2019-2026, in Millions of Dollars

If we use the figure of 5% as the size of the endowments to charitable giving on an annual cumulative basis over the next decade, we see that on average, a promising $100 to $125 million is likely to be allocated in the county.

Finally, we used the distribution of income (as a proxy for distribution of wealth) and distribution of number of deaths by head of household (for 2019) across zip codes in the county to estimate the transfer of wealth allocated to charitable giving for the period of 2019 to 2026 in the graph below. The level of estimated wealth in each zip code is a function of several factors, such as size of the population, demographic structure, and level of wealth of the residents.

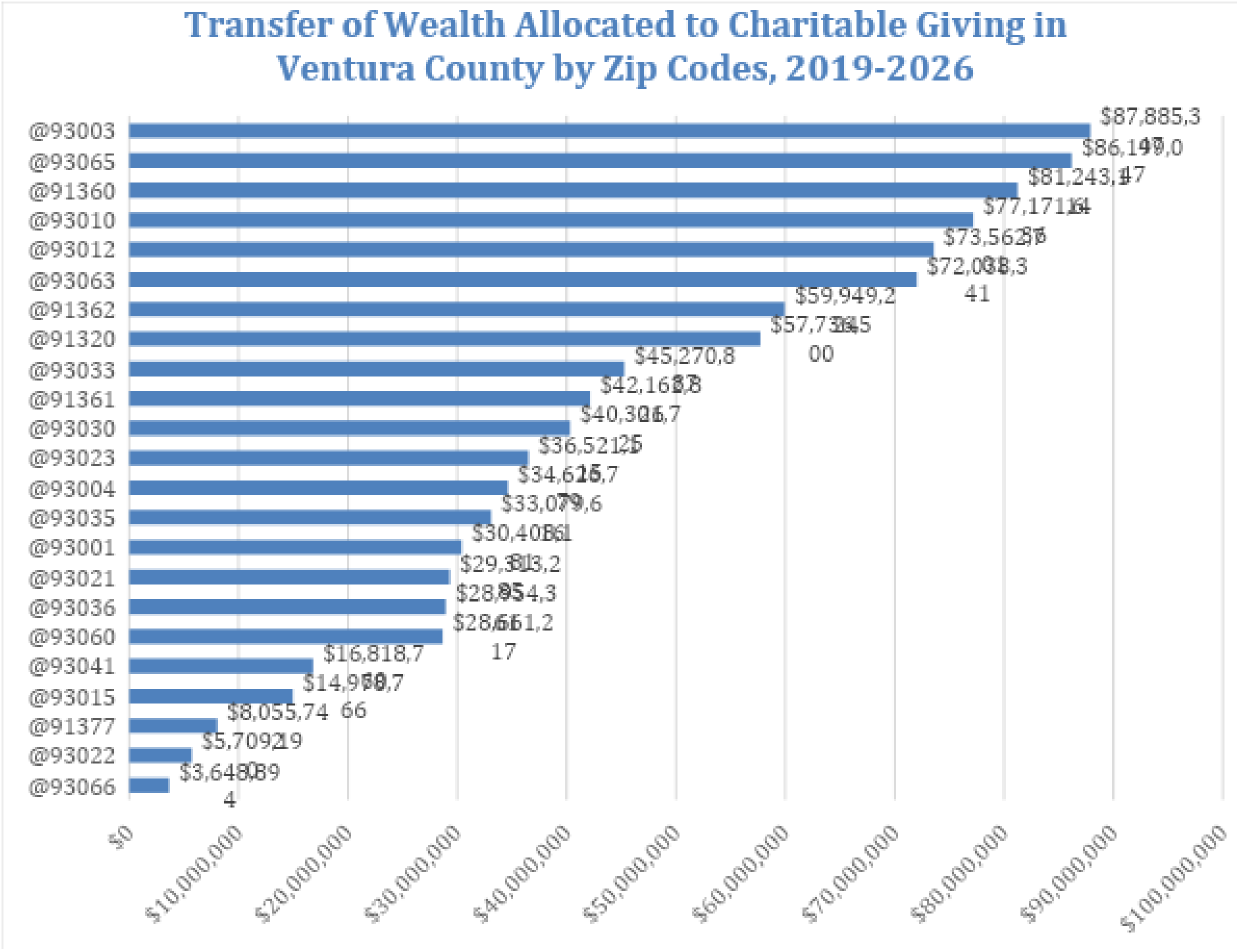

Figure 73 Transfer of Wealth Allocated to Charitable giving in Ventura County by Zip Codes, 2019-2026

4. Conclusion and Key Points

Charitable and philanthropic giving is an important aspect of the social and economic life in every state in the United States. Accumulation of wealth has far-reaching macroeconomic impacts that affect not only the holders of wealth but also everyone else in a particular economy. This is attributable to the fact that most often, capital accumulation involves both a net addition and a redistribution of wealth.

Standard theories of wealth accumulation put strong emphasis on saving across multiple life cycles. However, many of the studies over the last several decades indicate that intergenerational wealth transfers are responsible for a substantial fraction of wealth holdings in the United States.

Most studies do not project further into the future, and suggest that higher wealth will most definitely create a persistently higher income earning ability among those who inherit the wealth. There is, however, a strong possibility for the higher wealth holders to help their heirs to become better educated, develop a different attitude towards risk, and have much better access to finance, which is essential for the success of those with innovative ideas and entrepreneurial abilities.

Historically, charitable giving has been of greater importance in the United States for income distribution than in many other countries, including the entirety of Western Europe. The difference is related to a much stronger presence of "welfare states" in Europe, as compared to the United States. This in turn makes the country and its population among the most charitable in the world.

According to a recent study published in *The Atlantic*, about 61% of households reported giving to charity in 2000, with an average gift of about $2,600. As a proportion of income, that means that the average person gave away 3.7% of his or her earnings. Each year after 2000, charitable giving increased by one or two percentage points until 2008, when the recession started and contributions began drying up. By 2012, many households had experienced a partial recovery, yet their likelihood of giving to charity kept falling, declining by 6 percentage points compared to 2000 (after controlling for factors such as wealth and income). This provides evidence that forces stronger than individual circumstances drove the decline in giving, and it is possible that the uncertainty from the recession has had a lingering effect.

Despite the controversy about the issue, economic literature on taxation of estates is surprisingly inconclusive. When generations are linked by altruism and the objective function respects dynastic preferences, taxation of estates is analogous to taxation of savings, with an identical baseline result of no taxation. Study authors argue that when incentives of children are not fully internalized by parents, there is a role for discouraging bequests through taxation.

The existing literature indicates that the estate tax may discourage the labor supply by reducing the reason to work, but encourages labor supply by imposing burdens on individuals both as recipients of after-tax bequests and as those who plan to leave bequests. If the labor supply responds to income changes, then this double burden of estate taxation has the potential to encourage labor supply more than the tax-induced relative price change discourages labor supply. Resolving the implication of the substitution and (double) income effects of the estate tax is an empirical matter, for which there is no consensus on the magnitudes of these effects for the population affected by the estate tax or for the population as a whole.

Continuation of economic growth and its impact and the economic relationship with the accumulation of wealth has its own challenges. First is the inevitable onset of a diminishing rate of return on all factors of production (reaching their steady state in the U.S. and in many of the Western European economies). The second challenge is the need for curbing the addiction to growth in order to have sustainable life on our planet. The idea of prosperity without growth is upon us, and it is likely to gain greater momentum and become an inevitable reality of our future.

All the issues brought up and briefly discussed in this study have important macroeconomic consequences, which emphasize the potential significance of philanthropy and charitable giving in the overall performance of our economy at present and in the near future.

This study looks at the landscape of wealth and its accumulation over the last three decades through data provided by the Federal Reserve Board of Governors over a period of 30 years (from 1989 to 2019). The data gathered and presented features information and analyses of the accumulation and distribution of net worth based on a large number of demographic and socioeconomic variables.

The study also reviews the findings of the 2016 and 2018 U.S. Trust Study of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households, published in 2016 and 2018. The 2016 U.S. Trust Study examines the giving patterns, priorities, and attitudes of America's wealthiest households for the year 2015. This study is significant for its coverage and consistency over such a long period. As the sixth in a series of biennial studies researched and written by the Indiana University Lilly Family School of Philanthropy in partnership with U.S. Trust, this is one of the best sources of information on wealthy households and their preferences. This series of studies provides valuable information about high net worth giving across multiple dimensions that can be used by nonprofit professionals, charitable advisors, donors, and others interested in philanthropy and the nonprofit sector. We also used some of the most relevant findings from the 2018 report (for the year 2017) in this report.[34]

Finally, we turned our attention to developing the methodology for our projections based on the experiences of other studies to estimate the level of transfers of wealth for Ventura County from 2019 to 20654. We presented the findings in a series of suitable formats, and recommended a number of steps to be taken and processes to be put in place in the immediate and longer term for the county.

4.1 A Summary of the Landscape of Wealth and its Accumulation over the Last Three Decades

- Family structure plays an important role in levels of net worth. Couples tend to have a much higher level of net worth. There is not a distinct difference in the net worth of couples with or without children.
- Race and ethnicity play important roles in the creation of net worth and wealth among American families. Whites are in a much better situation than Black or African Americans or Hispanics and Latinos.
- Even the very low-income groups in the United States have an average level of positive net worth, where by comparison this might be quite different in a number of Western European countries. In those countries, the very low-income groups do not have much lower level of wealth.

[34] The initial version of this report was released in 2018. In 2021, we updated the data in most of the study and this version contains additional information from the U.S. Trust Study.

- One of the reasons for such differences among the western industrialized European countries and the U.S. in accumulation of wealth is the dependency of Americans on other sources of income when they reach old age and withdraw from the labor force.
- The inability to have a sufficient source of income during old age in the United States makes the importance of some accumulation of wealth a necessity, whereas in countries with a more generous welfare state and social safety net, this is not an urgent issue.
- Education plays a pivotal role in the creation of net worth among various family households (as measured by the level of net worth of heads of families).
- The net worth of college-educated heads of families seems to have recovered from the downturn of the 2007 economic crisis, whereas the level in families with some college or high school educational attainment remained lower than the 2007 level. This indicates the impact of education in creating greater resilience in the formation of net worth and wealth among college-educated heads of families.
- Those who work for themselves have the highest net worth among all groups. This clearly shows the material well-being of business owners over other working people by a significant margin.
- Those who are retired have a much lower net worth, which confirms the relatively lower economic well-being of retired families and households. There is ample evidence showing that by 2015 and 2016, in most categories of families reported in the above charts, the level of net worth will have returned to 2007 levels.
- Families with people employed in positions such as managers and professionals are far more likely to have a much higher net worth than those with members who work as technicians or salespeople, or who are employed in service or other sectors.
- The bulk of the new worth is concentrated in the possession of the top 10% of the population, which has bounced back from its decline in 2007.

4.2 Evidence of Behavior, Beliefs and Expectations of Wealthy Households and Their Preferences in Charitable and Philanthropic Giving

We summarized the findings of this section according to the same thematic breakdown followed in the report.

4.2.1 Summary of Reasons for Charitable Giving and Its Levels

- The study points out evidence that in many cases philanthropic giving often provides assistance to the areas of community and public life where the contributions of the government may be insufficient. This supports the notion that philanthropic giving is most likely to support the gaps that lack of funding or insufficient funding may create within regions and the nation as a whole.
- In the 1900s, tax reform made it easier for individuals and corporations to deduct funds for charitable purposes, thereby further fueling the philanthropic movement.
- Today, foundations award billions of dollars per year to nonprofit organizations, foundations and corporations with expectations of accountability and effectiveness, resulting in positive outcomes.
- Along with effective management, a large challenge in this new millennium is developing innovative strategies to address long-lasting social problems, such as poverty, homelessness, and a host of other social and economic problems.
- The new millennium brought with it other challenges, which include threats of further erosion of our living environment and the heightening of political conflicts resulting in the potential displacement of millions of people.
- Recent studies show that there is a clear cyclicality in the trend of philanthropic and charitable giving. According to a recent study published in *The Atlantic*, about 61% of households reported giving to charity in 2000, with an average gift of about $2,600.
- As a proportion of income, that means that the average person gave away 3.7% of his or her earnings. Each year after 2000, charitable giving increased by one or two percentage points until 2008, when the recession started and contributions began drying up.
- By 2012, many had experienced a partial recovery, yet the likelihood of giving to charity kept falling, declining by 6 percentage points compared to 2000 (after controlling for factors such as wealth and income). This provides evidence that forces stronger than individual circumstances drove the decline in giving and it could be that the uncertainty from the recession has had a lingering effect.
- While the existing literature on the impact of taxation on bequests (the estate tax) is inconclusive, there is a body of studies that look into what can be the building blocks of optimum tax policies. Some of these

analyses suggest that optimality of a positive tax on bequests rests on the strength of the effect of bequests on behavior of future generations, and suggests that inheritance rather than an estate tax is better suited to implement the optimal policy.

- By comparing the levels of giving from 2007 to 2011, 2015 and 2017, we realized that 2015 registered a significantly lower proportion of giving to religious organizations compared with secular organizations. However, the level of giving to religious organizations is still one of the major sectors and attracts a significant level of contribution.
- Half of high net worth individuals give to five or more organizations, which is encouraging to ask for assistance even if they have not yet been a recipient.
- At the same time, the relatively high proportion of those who only give to one or less than five charitable organizations emphasizes the importance of carefully managing one's circle of donors and being mindful of the fact that such patterns are subject to change.
- The above two pieces of evidence emphasize the need for creating and updating a donor database and being aware of how the passage of time might influence donors.
- High net worth households have a preference for religious organizations, followed by assisting those with basic necessities.
- A large percentage of donors give to a combination of organizations. Education in the forms of K-12 or higher education attracts a significant proportion of giving.
- The proportion of international giving by comparison is much smaller (negligible). The share of giving to environmental needs is also noteworthy.
- Youth organizations are among the wealthy's preferred causes. Women's and girls' groups are also favored. The proportion of donations given to various ethnic-based causes by comparison is modest.
- The comparison between 2015 and 2017 shows a considerable decline in allocation towards various categories.
- The only plausible explanation is, in general, high net worth givers may have increased their giving to meaningful causes they support at a higher proportion and therefore stayed away from giving to other less impactful causes.

- The other important observation is the significant reduction in giving to basic necessities; however, still 54% of all donors contributed towards that category.

4.2.2 Charitable Giving and the Challenges They Face

- Almost 74% of the largest gifts were not restricted.
- A little more than 50% of high net worth donors have no preference and some 30% prefer to provide unrestricted donations.
- Only about 20% of these donors prefer giving restricted donations.
- Among the minority of givers who provide targeted gifts, a large group of donors believes that they are more effective because they are more targeted.
- Nonetheless, there are varieties of other opposing views in regards to targeted donations for a number of reasons, such as limiting the ability of organizations to make appropriate budget allocations, or the concern that their donations would not address the basic operational needs of organizations, or preferring them to primarily be used for capital funding.
- A comparison between the level of knowledge about their chosen charity among high net worth households in 2013 and 2015 shows that being informed is an important element when requesting donations. This comparison also shows a rise in the response of those who declared having novice-level information. This may have a number of implications, such as an increase in the number of high net worth households over this period.
- Allocation of time seemed to be another obstacle for a large proportion of the high net worth donors.
- There seemed to be a significant percentage of high net worth givers who would like to monitor their giving to ensure that it brings about the intended impact. These responses provide insight into what needs to be done to encourage charitable giving by high net worth givers to put their minds at ease.
- Personal values play the most important role in charitable giving. Bringing the relevant issues to the attention of donors is highly effective and should be in the overall plan of any organization that manages and invites charitable giving..
- Perceived needs of organizations and issues resonate with half of the respondents. A nonprofit report ranking only impresses some 20% of the respondents. The same level (20%) think that association with

another institution is important. Compelling pitches and social circle endorsement impresses some 6 to 8% of the respondents.

- Opinions of religious leaders, professional advisors, or their own observations from the Internet and social media are all very effective (more than 50%) at convincing donors to give. Organizational connection, communication about the impact of their gift, and their own observation or knowledge are somewhat important.
- In explaining why some high net worth donors stopped giving, receiving too many requests played an important role (for more than 40% of such donors). Equally important were changes in donors' household environments. The most important takeaway from these findings as to why some stopped giving was the very competitive nature of attracting funds for various causes. This suggests the importance of a well-defined and focused campaign.

4.2.3 Tradition and Involvement of Children

- An overwhelming majority of high net worth donors do not have a family tradition established around giving, nor do they involve their children as a part of this exercise.
- However, it is important to mention that still some 30% have their children involved, and about 20% have family traditions centered on charitable and philanthropic giving.
- Some 77% of the respondents feel that it is personally rewarding to have their children, grandchildren and other younger relatives involved in their giving.
- More than 43% stated that their younger relatives ask to be involved.
- Less than a third (29.5%) said that their children, grandchildren, and younger relatives have similar charitable priorities and values.
- About 20% said that it was inconvenient to involve their children in terms of time, geography, and other reasons.
- A little more than 14% said that they are not clear as to how to involve them, and a similar percentage said that their children have different values or that they are not interested in participating in such charitable exercises.
- Nearly three- quarters (74.7%) of the total giving among the high net worth givers is likely to go to their children and grandchildren.
- Some 13.6% is likely to go to other heirs.
- The remaining 11.7% is likely to be given to secular and religious charities and philanthropic causes.

- On the question of what motivates high net worth donors to give, more than 54% said that believing in the mission of the organization is always or sometimes important to them.
- Almost 95% said that they always or sometimes give when they believe their donation can make a difference.

4.2.4 Perception of Givers about the Impact of Their Giving

- Personal satisfaction plays a major role for more than 90% of respondents either always or sometimes.
- A comparison was made among high net worth givers with regard to giving financially or giving time for volunteering work. Volunteering time shows a higher level of complete fulfillment or very near complete fulfillment than financial giving among the high net worth givers.
- Some 45% of them believe that direct charitable giving has the greatest impact.
- The second most important impact, according to this group, comes from volunteering. Nearly 13% believe that voting for a political candidate that shares their own ideas has the greatest impact.
- The majority of high net worth donors do not know if their charitable giving is having an impact (53.5%). At the same time, only 21.7% of them monitor or evaluate the impact of their giving. This highlights the necessity for organizations that raise or manage such giving to educate and keep the donors informed.
- Greater insight was shown into how high net worth givers determine the impact of their giving. Almost 80% receive this information from organizations to which they contributed in addition to other sources. Direct engagement and their own perceptions of charities play important roles too.
- In comparing the responses from 2013 to 2015, a larger proportion in 2013 said that the elimination of tax deductions for charitable giving either drastically or somewhat reduced their charitable giving compared with 2015. This drastic change happened within the span of two years. It is fair to assume that it is not clear what will happen if such deductions are eliminated.
- At the same time, allowing donors to have such deductions will effectively mean that the government is participating in the actual allocation of resources to charitable giving. This is quite healthy; bearing in mind the size of unmet needs through insufficient budgetary allocation of resources, those such donations serve.

- When high net worth givers were asked about the effects of the elimination of the estate tax on their level of giving, a much larger proportion of respondents in 2015 said that their level of giving stayed the same compared with the responses in 2013.

4.2.5 Political, Economic and Social Reasons for Charitable Giving

- Almost a quarter of high net worth givers consider political issues important and give their donations politically.
- It is important to bear in mind that three times that much giving is not based on political consideration.
- More than half of those who consider political reasons for their giving (56.3%) consider giving politically as the way they exercise their voice. Nearly half (49.3%) consider it as a way of influencing electoral outcome. Also, believing that they make a difference explains the reason for about 46.3% of them.
- A much larger proportion of high net worth givers do not consider political reasons for their charitable giving. A little less than half (46.7%) believe that their contribution will have little impact compared to corporate contributions. A little less than one third of them, (30.5%), believe that their donations make little difference to the political environment. More than a quarter (26%) believe that their contributions make little or no impact compared with PAC contributions. A similar percentage (25.9%) said that they do not endorse any particular candidate.
- The most important issues for high net worth donors are health care, education, terrorism and national security, and the federal government deficit. A large number of other national and international issues are of much lesser importance.
- The largest proportion of high net worth givers (42.8%) do not link public policy preferences to their giving. However, some 57.4% either directly or somewhat directly want them to be more clearly linked to their public policy preferences.
- The U.S. Trust Study in 2018 does not find significant differences in behavior of various demographic groups when it comes to charitable giving. In every category, the overwhelming majority of people commit themselves to charitable giving.

- The 2018 U.S. Trust Study shows that disaster relief efforts did not have any impact on 89% of givers. It actually increased the donation for 4% and only 6% decreased their giving because of disaster relief efforts.

4.2.6 Key Information and Findings From 2018 U.S. Trust Study

- **Charitable giving remains important to high net worth households.** In 2017, average giving amounts rose by 15% to $29,269, compared to two years prior, while the percentage of households who give remained high (90%). One quarter of high net worth donors gave to disaster relief efforts, motivated by media coverage of the devastation and lack of confidence in government relief efforts.
- **Women are at the forefront of philanthropic engagement and impact.** Ninety-three percent of high net worth women reported giving to charity, 56% volunteer, and 23% serve on the board of a nonprofit organization. One-quarter of high net worth women donors support causes or organizations aimed at benefiting women and girls and said that their most important motivation for this giving is their belief that it is the most efficient way to solve societal problems.
- **Giving is being shaped by a diverse universe of donors.** Millennials are less likely to give (84%) than older generations (90%), yet they are more likely to participate in impact investing (16%). Among Hispanic respondents, the volunteering rate was 60%, the highest level found among any demographic.
- **Impact matters.** When asked to rank seven types of philanthropic activity by their potential to have the greatest impact, charitable giving and volunteering were ranked as first and second on the list. Despite a strong belief that their giving can have a great impact, 54% of high net worth donors do not know if their giving has the impact they intended, pointing to an opportunity for nonprofit organizations to communicate the effect of their donors' generosity more fully.
- **Those with a higher degree of knowledge about charitable giving are more likely to have a giving strategy.** Donors who rate themselves expert (4%) or knowledgeable (52%) about charitable giving are far more likely to have a giving strategy than those who rate themselves as novices.
- **Donors have high expectations of the organizations they support.** Today's wealthy donors want the organizations they support to demonstrate sound business and operational practices, spend only a

reasonable amount on general administrative and fundraising expenses, and honor and protect their privacy.

- **A majority of wealthy donors plan to maintain giving levels, despite recent tax law changes.** The majority of wealthy donors said that they expect to maintain (84%) or increase (4%) the amount they give to charity in 2018 under the new federal tax law. Just 17% of wealthy donors said they are always motivated to give due to tax benefits. An additional 51% said that tax benefits sometimes motivate their giving.
- **Confidence in nonprofit organizations' ability to address social and global issues remains strong.** High net worth donors report having the most confidence in nonprofit organizations (86%) to solve societal or global problems. By comparison, confidence in the federal government and the public sector has declined since 2015.

4.3 Estimation of Transfer of Wealth in Ventura County and Its Implications for the Near- and Long-Term Future

- TOW data can help community leaders to form a better understanding of how to mobilize resources in support of long-term and robust community development. It provides a foundation for an awareness and an education process to stimulate community action.
- The existing literature indicates that places with aging populations will find the transfer of wealth reaching its peak and then starting to decline within the 50-year time span. This is a call to action before the opportunity to influence it decreases over time.
- The available information shows that the level of wealth has been impacted by the business cycles and difficulties of the financial markets. It also shows that by 2016, the mean value of net worth has returned and exceeded the level in 2007, the start of the financial debacle of subprime mortgages.
- Using Federal Reserve information on the wealth of American households since 1989, we demonstrated that the level of median wealth is higher than the mean values of wealth. This suggests that the distribution of wealth has always been tilted towards the higher net worth owners.
- The high increase in the median value in later years shows that the distribution of wealth has been far more favorable towards more wealthy individuals, and it is particularly noteworthy to see an increase from 2013 to 2016, despite a decrease in the mean value of wealth.

- The trend during the last thirty years shows that having a college degree has a positive effect on the level of net worth of various householders in the United States. It also shows that by comparison, those with higher educational attainment better recovered from the debacle of 2007. By 2016, those with college degrees recovered and exceeded the mean value of net worth in their own category, while the level for lover educational attainment is still close to or lower than the 2007 level.
- This study shows recovery among Whites and, to some extent, among those with Multiple Races since 2007. It also indicates that African Americans and Hispanics or Latinos have a much lesser level of wealth.
- The level of net worth of households and nonprofits has been on the rise since the Federal Reserve began collecting information in 1952. In breaking this long period into three subsections, we showed that the rate of increase in net worth for households and nonprofits has changed from 2.3% to 3.4% over this period. Business cycles have affected this trend. The biggest reduction occurred during the recent mortgage crisis of 2007. The overall rate of growth has been around 3%.
- We also found that the rate of change of household net worth alone since 1989 was 2.8%. We concluded that this rate was impacted by the debacle of 2007 and, therefore, setting that impact aside, the rate of growth was considerably higher. In comparing our various calculations, we decided to use 3% as the rate of growth of net worth for the longer period and used this rate to project the escalation of net worth and size of bequests over the next 45 years.
- Death rates are impacted by changes in populations and other factors, which may impact the health of populations. However, changes in health do not change the number of deaths, but it may affect the distribution of it among various age groups. We used the available information to estimate the number of deaths by head of households over the decade ahead.
- Our research showed that the distribution of net worth and income are perfectly correlated. We then compared the level of mean household income in Ventura County with that of the United States and then used the findings to estimate the level of wealth as it could be in the county in 2019.
- By using a 3% average annual growth of net worth over the next fifty years, we arrived at the various estimations for size of transfers of wealth

and the size of the allocation of such funds to philanthropic and charitable giving in Ventura County for the next 45 years.

- Our estimates show that we will witness a transfer of wealth of **around $15.8 billion within the county from the existing generation to the year 2025.**
- The study provides a decades-long estimate of the size of estates within the county for the next 45 years. The total amount of estate created within the county will exceed a sum of $207 billion.
- The above estimates present a hopeful picture from now to 2025 with regard to transfer of wealth from one generation to next (the size of the bequests). **The yearly transfer changes from more than $2 billion to over $2.5 billion in the next several years from now to year 2025.**
- Using a proportion of 5% of this amount**, we can expect a sum of $792 million from now towards year 2025 to be allocated to charitable and philanthropic giving in Ventura County.**
- This shows that **annually, on average, over $100 million to more than $125 million** are likely to be allocated to charitable giving during the same period (from now to 2025).
- The challenge for all organizations that solicit and manage philanthropic and charitable giving in the county is how best the allocations can be invested in addressing various needs of the county in the coming decade and decades thereafter.

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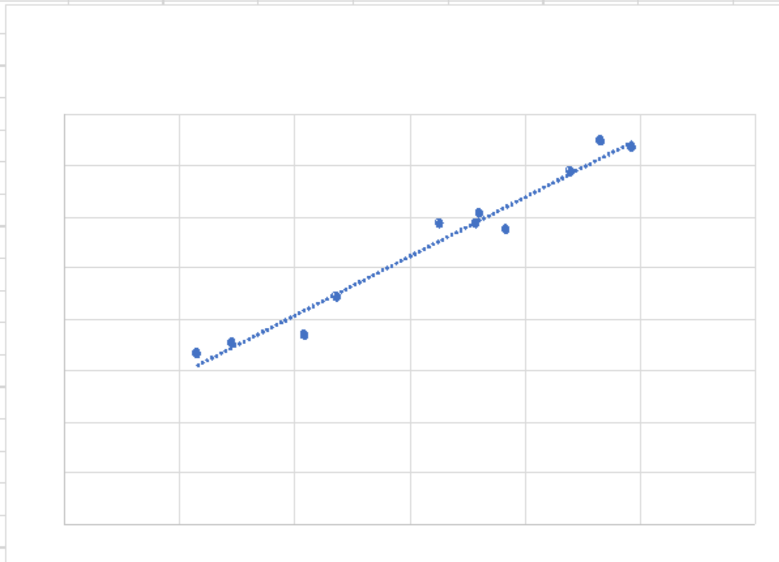
Appendices of Data

	Average Net Worth									
Ventura County		35-44		45-54		55-64		65-74		75 or more
2019	$	536,526	$	1,024,836.00	$	1,446,357.00	$	1,497,771.00	$	1,202,448.00
2020	$	552,622	$	1,055,581.08	$	1,489,747.71	$	1,542,704.13	$	1,238,521.44
2021	$	569,200	$	1,087,248.51	$	1,534,440.14	$	1,588,985.25	$	1,275,677.08
2022	$	586,276	$	1,119,865.97	$	1,580,473.35	$	1,636,654.81	$	1,313,947.40
2023	$	603,865	$	1,153,461.95	$	1,627,887.55	$	1,685,754.46	$	1,353,365.82
2024	$	621,981	$	1,188,065.81	$	1,676,724.17	$	1,736,327.09	$	1,393,966.79
2025	$	640,640	$	1,223,707.78	$	1,727,025.90	$	1,788,416.90	$	1,435,785.80
2026	$	659,859	$	1,260,419.01	$	1,778,836.67	$	1,842,069.41	$	1,478,859.37
2027	$	679,655	$	1,298,231.58	$	1,832,201.77	$	1,897,331.49	$	1,523,225.15
2028	$	700,045	$	1,337,178.53	$	1,887,167.83	$	1,954,251.44	$	1,568,921.91
2029	$	721,046	$	1,377,293.89	$	1,943,782.86	$	2,012,878.98	$	1,615,989.56
2030	$	742,677	$	1,418,612.70	$	2,002,096.35	$	2,073,265.35	$	1,664,469.25
2031	$	764,958	$	1,461,171.08	$	2,062,159.24	$	2,135,463.31	$	1,714,403.33
2032	$	787,907	$	1,505,006.22	$	2,124,024.02	$	2,199,527.21	$	1,765,835.43
2033	$	811,544	$	1,550,156.40	$	2,187,744.74	$	2,265,513.02	$	1,818,810.49
2034	$	835,890	$	1,596,661.10	$	2,253,377.08	$	2,333,478.42	$	1,873,374.80
2035	$	860,967	$	1,644,560.93	$	2,320,978.39	$	2,403,482.77	$	1,929,576.05
2036	$	886,796	$	1,693,897.76	$	2,390,607.74	$	2,475,587.25	$	1,987,463.33
2037	$	913,400	$	1,744,714.69	$	2,462,325.98	$	2,549,854.87	$	2,047,087.23
2038	$	940,802	$	1,797,056.13	$	2,536,195.75	$	2,626,350.51	$	2,108,499.85
2039	$	969,026	$	1,850,967.81	$	2,612,281.63	$	2,705,141.03	$	2,171,754.84
2040	$	998,096	$	1,906,496.85	$	2,690,650.08	$	2,786,295.26	$	2,236,907.49
2041	$	1,028,039	$	1,963,691.75	$	2,771,369.58	$	2,869,884.12	$	2,304,014.71
2042	$	1,058,880	$	2,022,602.51	$	2,854,510.67	$	2,955,980.64	$	2,373,135.15
2043	$	1,090,647	$	2,083,280.58	$	2,940,145.99	$	3,044,660.06	$	2,444,329.21
2044	$	1,123,366	$	2,145,779.00	$	3,028,350.37	$	3,135,999.86	$	2,517,659.08
2045	$	1,157,067	$	2,210,152.37	$	3,119,200.88	$	3,230,079.86	$	2,593,188.86
2046	$	1,191,779	$	2,276,456.94	$	3,212,776.90	$	3,326,982.26	$	2,670,984.52
2047	$	1,227,533	$	2,344,750.65	$	3,309,160.21	$	3,426,791.72	$	2,751,114.06
2048	$	1,264,359	$	2,415,093.17	$	3,408,435.02	$	3,529,595.47	$	2,833,647.48
2049	$	1,302,289	$	2,487,545.96	$	3,510,688.07	$	3,635,483.34	$	2,918,656.90
2050	$	1,341,358	$	2,562,172.34	$	3,616,008.71	$	3,744,547.84	$	3,006,216.61
2051	$	1,381,599	$	2,639,037.51	$	3,724,488.97	$	3,856,884.27	$	3,096,403.11
2052	$	1,423,047	$	2,718,208.64	$	3,836,223.64	$	3,972,590.80	$	3,189,295.20
2053	$	1,465,738	$	2,799,754.90	$	3,951,310.35	$	4,091,768.53	$	3,284,974.06
2054	$	1,509,710	$	2,883,747.54	$	4,069,849.66	$	4,214,521.58	$	3,383,523.28
2055	$	1,555,002	$	2,970,259.97	$	4,191,945.15	$	4,340,957.23	$	3,485,028.98
2056	$	1,601,652	$	3,059,367.77	$	4,317,703.50	$	4,471,185.95	$	3,589,579.85
2057	$	1,649,701	$	3,151,148.80	$	4,447,234.61	$	4,605,321.52	$	3,697,267.24
2058	$	1,699,192	$	3,245,683.26	$	4,580,651.65	$	4,743,481.17	$	3,808,185.26
2059	$	1,750,168	$	3,343,053.76	$	4,718,071.19	$	4,885,785.61	$	3,922,430.82
2060	$	1,802,673	$	3,443,345.38	$	4,859,613.33	$	5,032,359.17	$	4,040,103.74
2061	$	1,856,753	$	3,546,645.74	$	5,005,401.73	$	5,183,329.95	$	4,161,306.86
2062	$	1,912,456	$	3,653,045.11	$	5,155,563.78	$	5,338,829.85	$	4,286,146.06
2063	$	1,969,830	$	3,762,636.46	$	5,310,230.70	$	5,498,994.74	$	4,414,730.44
2064	$	2,028,924	$	3,875,515.56	$	5,469,537.62	$	5,663,964.59	$	4,547,172.36
2065	$	2,089,792	$	3,991,781.02	$	5,633,623.75	$	5,833,883.52	$	4,683,587.53

Deaths					
	35-44	45-54	55-64	65-74	75 or more
2019	25	98	194	262	1046
2020	25	96	195	264	1056
2021	22	94	194	269	1061
2022	20	92	195	272	1063
2023	20	93	194	273	1060
2024	22	95	194	274	1062
2025	23	95	193	271	1056
2026	24	96	194	267	1053
2027	23	95	194	268	1055
2028	23	95	194	269	1057
2029	22	94	194	270	1058
2030	22	94	194	271	1058
2031	22	94	194	271	1058
2032	22	95	194	271	1057
2033	23	95	194	270	1057
2034	23	95	194	270	1057
2035	23	95	194	270	1057
2036	23	95	194	270	1057
2037	23	95	194	270	1057
2038	23	95	194	270	1057
2039	23	95	194	270	1057
2040	23	95	194	270	1057
2041	23	95	194	270	1057
2042	23	95	194	270	1057
2043	23	95	194	270	1057
2044	23	95	194	270	1057
2045	23	95	194	270	1057
2046	23	95	194	270	1057
2047	23	95	194	270	1057
2048	23	95	194	270	1057
2049	23	95	194	270	1057
2050	23	95	194	270	1057
2051	23	95	194	270	1057
2052	23	95	194	270	1057
2053	23	95	194	270	1057
2054	23	95	194	270	1057
2055	23	95	194	270	1057
2056	23	95	194	270	1057
2057	23	95	194	270	1057
2058	23	95	194	270	1057
2059	23	95	194	270	1057
2060	23	95	194	270	1057
2061	23	95	194	270	1057
2062	23	95	194	270	1057
2063	23	95	194	270	1057
2064	23	95	194	270	1057
2065	23	95	194	270	1057

Estate Amount						
	35-44	45-54	55-64	65-74	75 or more	All Ages
2019	$ 13,656,513	$ 100,448,455	$ 280,324,753	$ 392,965,253	$ 1,257,291,107	**$ 2,044,686,080**
2020	$ 13,582,373	$ 101,430,600	$ 290,690,097	$ 407,731,066	$ 1,307,461,294	**$ 2,120,895,429**
2021	$ 12,698,269	$ 101,786,382	$ 297,670,699	$ 427,136,327	$ 1,353,620,884	**$ 2,192,912,561**
2022	$ 11,796,506	$ 102,594,226	$ 308,941,038	$ 445,432,136	$ 1,397,207,035	**$ 2,265,970,941**
2023	$ 12,270,351	$ 106,733,189	$ 316,184,733	$ 460,698,148	$ 1,434,626,583	**$ 2,330,513,005**
2024	$ 13,720,227	$ 112,645,679	$ 325,092,132	$ 476,439,792	$ 1,479,915,962	**$ 2,407,813,791**
2025	$ 14,705,486	$ 116,588,998	$ 333,287,747	$ 485,048,837	$ 1,516,509,315	**$ 2,466,140,384**
2026	$ 15,729,846	$ 121,105,534	$ 344,798,452	$ 492,412,862	$ 1,556,654,490	**$ 2,530,701,184**
2027	$ 15,806,342	$ 123,863,895	$ 355,455,382	$ 509,070,916	$ 1,606,808,643	**$ 2,611,005,177**
2028	$ 15,936,850	$ 126,801,814	$ 366,392,663	$ 525,945,280	$ 1,658,026,219	**$ 2,693,102,827**
2029	$ 16,199,594	$ 130,118,262	$ 377,456,823	$ 543,235,994	$ 1,709,775,105	**$ 2,776,785,778**
2030	$ 16,511,361	$ 133,767,095	$ 388,571,344	$ 560,819,365	$ 1,761,507,215	**$ 2,861,176,378**
2031	$ 17,000,178	$ 137,889,855	$ 400,248,924	$ 578,044,883	$ 1,813,819,004	**$ 2,947,002,843**
2032	$ 17,694,257	$ 142,487,493	$ 411,930,332	$ 595,026,528	$ 1,867,178,480	**$ 3,034,317,091**
2033	$ 18,417,836	$ 147,131,189	$ 424,217,398	$ 612,181,495	$ 1,922,657,797	**$ 3,124,605,715**
2034	$ 19,029,431	$ 151,562,764	$ 436,949,173	$ 629,463,795	$ 1,979,388,001	**$ 3,216,393,164**
2035	$ 19,582,243	$ 156,045,623	$ 450,296,180	$ 647,956,890	$ 2,038,848,301	**$ 3,312,729,237**
2036	$ 20,061,946	$ 160,501,578	$ 463,852,263	$ 668,021,584	$ 2,100,902,670	**$ 3,413,340,041**
2037	$ 20,599,515	$ 165,189,282	$ 477,775,111	$ 688,497,064	$ 2,164,431,228	**$ 3,516,492,200**
2038	$ 21,195,246	$ 170,115,396	$ 492,075,838	$ 709,410,365	$ 2,229,488,117	**$ 3,622,284,962**
2039	$ 21,837,793	$ 175,257,836	$ 506,790,081	$ 730,762,556	$ 2,296,214,760	**$ 3,730,863,025**
2040	$ 22,526,597	$ 180,598,213	$ 521,970,048	$ 752,573,333	$ 2,364,854,847	**$ 3,842,523,039**
2041	$ 23,241,904	$ 186,094,351	$ 537,598,935	$ 774,962,372	$ 2,435,598,207	**$ 3,957,495,768**
2042	$ 23,956,890	$ 191,697,838	$ 553,741,012	$ 798,049,615	$ 2,508,592,198	**$ 4,076,037,553**
2043	$ 24,667,104	$ 197,417,302	$ 570,379,968	$ 821,910,033	$ 2,583,845,371	**$ 4,198,219,777**
2044	$ 25,388,578	$ 203,301,169	$ 587,521,169	$ 846,636,293	$ 2,661,497,263	**$ 4,324,344,472**
2045	$ 26,131,718	$ 209,365,531	$ 605,145,293	$ 872,172,660	$ 2,741,486,686	**$ 4,454,301,887**
2046	$ 26,910,568	$ 215,640,474	$ 623,290,873	$ 898,401,472	$ 2,823,763,929	**$ 4,588,007,316**
2047	$ 27,721,647	$ 222,121,811	$ 641,978,466	$ 925,361,408	$ 2,908,439,321	**$ 4,725,622,655**
2048	$ 28,560,925	$ 228,803,754	$ 661,229,936	$ 953,092,700	$ 2,995,631,045	**$ 4,867,318,361**
2049	$ 29,425,485	$ 235,682,977	$ 681,064,984	$ 981,641,226	$ 3,085,453,238	**$ 5,013,267,910**
2050	$ 30,312,070	$ 242,758,419	$ 701,498,359	$1,011,056,556	$ 3,178,000,132	**$ 5,163,625,536**
2051	$ 31,219,905	$ 250,035,163	$ 722,549,454	$1,041,377,545	$ 3,273,351,226	**$ 5,318,533,293**
2052	$ 32,152,108	$ 257,526,257	$ 744,230,862	$1,072,630,751	$ 3,371,575,498	**$ 5,478,115,476**
2053	$ 33,112,909	$ 265,245,345	$ 766,559,433	$1,104,835,376	$ 3,472,750,613	**$ 5,642,503,676**
2054	$ 34,104,760	$ 273,200,809	$ 789,553,649	$1,137,999,554	$ 3,576,944,617	**$ 5,811,803,388**
2055	$ 35,128,909	$ 281,399,840	$ 813,237,546	$1,172,140,921	$ 3,684,244,521	**$ 5,986,151,737**
2056	$ 36,184,690	$ 289,846,177	$ 837,632,879	$1,207,297,226	$ 3,794,757,330	**$ 6,165,718,302**
2057	$ 37,271,860	$ 298,544,720	$ 862,761,475	$1,243,505,897	$ 3,908,589,029	**$ 6,350,672,980**
2058	$ 38,390,740	$ 307,501,945	$ 888,645,050	$1,280,803,761	$ 4,025,843,263	**$ 6,541,184,758**
2059	$ 39,542,136	$ 316,725,758	$ 915,305,514	$1,319,226,112	$ 4,146,621,607	**$ 6,737,421,128**
2060	$ 40,727,457	$ 326,225,365	$ 942,765,740	$1,358,805,943	$ 4,271,026,236	**$ 6,939,550,743**
2061	$ 41,948,430	$ 336,010,546	$ 971,049,009	$1,399,575,209	$ 4,399,162,212	**$ 7,147,745,405**
2062	$ 43,206,565	$ 346,090,541	$1,000,180,083	$1,441,566,513	$ 4,531,139,471	**$ 7,362,183,172**
2063	$ 44,502,960	$ 356,473,890	$1,030,184,786	$1,484,814,303	$ 4,667,072,236	**$ 7,583,048,174**
2064	$ 45,838,504	$ 367,169,114	$1,061,089,912	$1,529,356,786	$ 4,807,081,064	**$ 7,810,535,380**
2065	$ 47,214,031	$ 378,184,891	$1,092,922,538	$1,575,235,057	$ 4,951,290,933	**$ 8,044,847,450**
						$ 207,350,511,151

Year	Mean Income	Mean Net Worth
1989	80.8	369.8
1992	71.5	333.6
1995	74.5	354.0
1998	83.6	444.9
2001	98.3	574.0
2004	96.0	609.2
2007	104.0	688.5
2010	92.5	587.7
2013	95.7	587.1
2016	109.3	736.0
2019	106.5	748.8



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.982781234
R Square	0.965858955
Adjusted R Square	0.962065505
Standard Error	29.46834777
Observations	11

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	221101.1374	221101.137	254.612314	6.5869E-08
Residual	9	7815.45168	868.38352		
Total	10	228916.5891			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-518.6228396	67.46488463	-7.6873005	3.0395E-05	-671.23901	-366.00667	-671.23901	-366.00667
Mean Income	11.59124246	0.726424174	15.9565759	6.5869E-08	9.94795681	13.2345281	9.94795681	13.2345281

	Mean Income	*Mean Net Worth*
Mean Income	1	
Mean Net Worth	0.982781234	1

Mean Income and Number of Employed People in Ventura County by Zip Codes, 2019			
Year	**Mean Income**		**Number of People who are Employed**
91320 - Newbury Park	$	150,243	22,521
91360 - Thousand Oaks	$	124,232	20,849
91361 - Westlake Village	$	189,511	9,751
91362 - Thousand Oaks	$	163,157	18,682
91377 - Oak Park	$	164,811	6,834
93001 - Ventura	$	88,438	16,863
93003 - Ventura	$	100,468	24,531
93004 - Ventura	$	106,447	15,386
93010 - Camarillo	$	121,128	21,927
93012 - Camarillo	$	137,249	17,558
93015 - Fillmore	$	87,990	8,396
93021 - Moorpark	$	140,256	19,980
93022 - Oak View	$	105,853	3,608
93023 - Ojai	$	110,552	10,256
93030 - Oxnard	$	86,950	28,066
93033 - Oxnard	$	74,403	38,954
93035 - Oxnard	$	112,795	15,333
93036 - Oxnard	$	93,363	23,738
93040 - Piru	$	62,351	681
93041 - Port Hueneme	$	72,837	10,206
93060 - Santa Paula	$	79,462	15,235
93063 - Simi Valley	$	117,098	29,360
93065 - Simi Valley	$	127,856	37,621
93066 - Somis	$	196,810	1,528

Source: US Census

1) Mean Income S1901

2) Employed S2401

ZIP CODE	TOTAL DEATHS (2016)	MEAN INCOME (2019)	DEATHS BY MEAN INCOME	PERCENTAGE OF ZIP CODES IN TRANSFER OF	TOW 2019	TOW 2020	TOW 2021	TOW 2022	TOW 2023	TOW 2024	TOW 2025	TOW 2026	TOW 2019-2026
91320	228	$ 150,243	$ 34,255,404	5.8%	$ 6,488,374	$ 6,688,218	$ 6,892,400	$ 7,095,559	$ 7,305,648	$ 7,526,692	$ 7,753,500	$ 7,986,109	$ 57,736,500
91360	388	$ 124,232	$ 48,202,016	8.2%	$ 9,130,026	$ 9,411,234	$ 9,698,544	$ 9,984,418	$ 10,280,040	$ 10,591,080	$ 10,910,229	$ 11,237,542	$ 81,243,114
91361	132	$ 189,511	$ 25,015,452	4.2%	$ 4,738,219	$ 4,884,158	$ 5,033,264	$ 5,181,624	$ 5,335,044	$ 5,496,464	$ 5,662,093	$ 5,831,959	$ 42,162,826
91362	218	$ 163,157	$ 35,568,226	6.0%	$ 6,737,038	$ 6,944,541	$ 7,156,547	$ 7,367,493	$ 7,585,633	$ 7,815,149	$ 8,050,649	$ 8,292,173	$ 59,949,224
91377	29	$ 164,811	$ 4,779,519	0.8%	$ 905,297	$ 933,180	$ 961,669	$ 990,015	$ 1,019,328	$ 1,050,169	$ 1,081,815	$ 1,114,270	$ 8,055,742
93001	204	$ 88,438	$ 18,041,352	3.1%	$ 3,417,243	$ 3,522,495	$ 3,630,032	$ 3,737,030	$ 3,847,678	$ 3,964,096	$ 4,083,549	$ 4,206,058	$ 30,408,181
93003	519	$ 100,468	$ 52,142,892	8.8%	$ 9,876,474	$ 10,180,673	$ 10,491,473	$ 10,800,719	$ 11,120,511	$ 11,456,980	$ 11,802,222	$ 12,156,296	$ 87,885,347
93004	193	$ 106,447	$ 20,544,271	3.5%	$ 3,891,325	$ 4,011,179	$ 4,133,635	$ 4,255,477	$ 4,381,475	$ 4,514,044	$ 4,650,069	$ 4,789,574	$ 34,626,779
93010	378	$ 121,128	$ 45,786,384	7.8%	$ 8,672,477	$ 8,939,592	$ 9,212,504	$ 9,484,051	$ 9,764,859	$ 10,060,311	$ 10,363,466	$ 10,674,376	$ 77,171,636
93012	318	$ 137,249	$ 43,645,182	7.4%	$ 8,266,908	$ 8,521,532	$ 8,781,681	$ 9,040,529	$ 9,308,205	$ 9,589,840	$ 9,878,818	$ 10,175,188	$ 73,562,701
93015	101	$ 87,990	$ 8,886,990	1.5%	$ 1,683,300	$ 1,735,146	$ 1,788,117	$ 1,840,824	$ 1,895,328	$ 1,952,674	$ 2,011,515	$ 2,071,862	$ 14,978,766
93021	124	$ 140,256	$ 17,391,744	2.9%	$ 3,294,200	$ 3,395,662	$ 3,499,327	$ 3,602,473	$ 3,709,136	$ 3,821,362	$ 3,936,514	$ 4,054,612	$ 29,313,285
93022	32	$ 105,853	$ 3,387,296	0.6%	$ 641,593	$ 661,355	$ 681,545	$ 701,634	$ 722,408	$ 744,266	$ 766,694	$ 789,695	$ 5,709,190
93023	196	$ 110,552	$ 21,668,192	3.7%	$ 4,104,209	$ 4,230,620	$ 4,359,775	$ 4,488,283	$ 4,621,174	$ 4,760,995	$ 4,904,462	$ 5,051,598	$ 36,521,115
93030	275	$ 86,950	$ 23,911,250	4.1%	$ 4,529,070	$ 4,668,567	$ 4,811,092	$ 4,952,903	$ 5,099,551	$ 5,253,846	$ 5,412,164	$ 5,574,532	$ 40,301,725
93033	361	$ 74,403	$ 26,859,483	4.6%	$ 5,087,500	$ 5,244,197	$ 5,404,294	$ 5,563,591	$ 5,728,320	$ 5,901,640	$ 6,079,479	$ 6,261,866	$ 45,270,887
93035	174	$ 112,795	$ 19,626,330	3.3%	$ 3,717,456	$ 3,831,955	$ 3,948,939	$ 4,065,338	$ 4,185,706	$ 4,312,351	$ 4,442,299	$ 4,575,570	$ 33,079,616
93036	184	$ 93,363	$ 17,178,792	2.9%	$ 3,253,864	$ 3,354,084	$ 3,456,479	$ 3,558,362	$ 3,663,720	$ 3,774,572	$ 3,888,314	$ 4,004,965	$ 28,954,361
93041	137	$ 72,837	$ 9,978,669	1.7%	$ 1,890,077	$ 1,948,292	$ 2,007,770	$ 2,066,951	$ 2,128,150	$ 2,192,541	$ 2,258,610	$ 2,326,370	$ 16,818,760
93060	214	$ 79,462	$ 17,004,868	2.9%	$ 3,220,921	$ 3,320,126	$ 3,421,485	$ 3,522,336	$ 3,626,627	$ 3,736,357	$ 3,848,947	$ 3,964,418	$ 28,661,217
93063	365	$ 117,098	$ 42,740,770	7.2%	$ 8,095,602	$ 8,344,949	$ 8,599,708	$ 8,853,192	$ 9,115,321	$ 9,391,120	$ 9,674,110	$ 9,964,339	$ 72,038,341
93065	400	$ 127,856	$ 51,142,400	8.7%	$ 9,686,969	$ 9,985,331	$ 10,290,168	$ 10,593,480	$ 10,907,136	$ 11,237,149	$ 11,575,767	$ 11,923,047	$ 86,199,047
93066	11	$ 196,810	$ 2,164,910	0.4%	$ 410,059	$ 422,689	$ 435,593	$ 448,433	$ 461,710	$ 475,680	$ 490,014	$ 504,715	$ 3,648,894
Total			$ 589,922,392		$ 111,738,201	$ 115,179,779	$ 118,696,041	$ 122,194,717	$ 125,812,705	$ 129,619,377	$ 133,525,299	$137,531,134	$ 994,297,254

Source: Mean Income - US Census, S1902

Transfer of Wealth and Its Allocation 2019-2065

	Estate Amount	If 5% Endowed
2019-2025	$ 15,828,932,191	$ 791,446,610
2026-2035	$ 29,107,819,394	$ 1,455,390,970
2036-2045	$ 39,135,902,725	$ 1,956,795,136
2046-2055	$ 52,594,949,349	$ 2,629,747,467

2056-2065	$ 70,682,907,492	$ 3,534,145,375
2019-2065	$ 207,350,511,151	$ 10,367,525,558

ZIP CODE	TOW 2019-2026
93066	$ 3,648,894
93022	$ 5,709,190
91377	$ 8,055,742
93015	$ 14,978,766
93041	$ 16,818,760
93060	$ 28,661,217
93036	$ 28,954,361
93021	$ 29,313,285
93001	$ 30,408,181
93035	$ 33,079,616
93004	$ 34,626,779
93023	$ 36,521,115
93030	$ 40,301,725
91361	$ 42,162,826
93033	$ 45,270,887
91320	$ 57,736,500

91362	$	59,949,224
93063	$	72,038,341
93012	$	73,562,701
93010	$	77,171,636
91360	$	81,243,114
93065	$	86,199,047
93003	$	87,885,347

Mean Household Net Worth in Ventura County by Age of the Household 2019 from the Survey of Consumer Finance

Age of Householder	Mean Net Worth	
Less than 35	$	93,824
35–44	$	536,526
45–54	$	1,024,836
55–64	$	1,446,357
65–74	$	1,497,771
75 or more	$	1,202,448