

**Women in Philanthropy: They Have the Wealth.**

**Do You Have the Tools You Need to  
Work with Them?**

**WHITEPAPER**

# Good News for Women and Charities

## The news for nonprofits about women donors is very, very good:

1. Wealth is moving into the hands of women at an unprecedented rate.
2. Women are more charitable than men.

The impact on philanthropy is clear: More and more philanthropic decisions are being made by women, and that trend will continue unabated. At the same time, new research proves that women make their philanthropic decisions differently than men. Thus it behooves charities to fully understand how best to work with women donors.

## Featuring:

- ▶ 3 Key Ways That Women Donors Are Different from Men
- ▶ 7 Strategies for Working 1-on-1 with Women Donors

## This whitepaper:

- ▶ Explains the reasons for the historic wealth transfer to women.
- ▶ Documents the generosity of women.
- ▶ Analyzes how women philanthropists think differently.
- ▶ Presents seven strategies for working with women donors.

This analysis is the product of decades of Pentera helping clients work with women donors, plus a review of the latest research on women in philanthropy. Much of that new research has been conducted by the Women's Philanthropy Institute (WPI) of the Lilly Family School of Philanthropy at Indiana University, and Pentera President & CEO Claudine A. Donikian serves on the advisory council to the WPI.

# I. Wealth Is Moving into the Hands of Women at an Ever-Increasing Rate

A confluence of factors—some of them achievements by women and some pure demographics—has created an historic wealth transfer to women that has recently begun and is predicted to accelerate for the next several decades. Women now control more than half of the wealth in the United States—and experts say the percentage could be two-thirds or more by 2030. There are two fundamental reasons:

- ▶ Women are earning more.
- ▶ Women are inheriting more.

## A. Earnings by women are skyrocketing

Despite the ongoing wage disparity—equal pay for equal work is still not a reality, with women’s pay hovering for the past several years at about 77 percent of men’s pay—American women are making more money than ever before. The number of wealthy U.S. women has grown at a rate almost twice that of men.

One reason is the explosion of women-owned businesses, which represent the fastest-growing segment of the economy, increasing 59 percent since 1997 and now generating more than \$1.3 trillion per year.

Another reason is an increasing number of women joining professions such as doctor, lawyer, and business executive. Women now make up about half of the students in medical schools, law schools, business schools, and all Ph.D. programs, and about 60 percent of college undergraduates are women. One indication of the astonishing social change is the 700 percent increase in medical school graduates:

Medical School Graduates	
Date	Percent Women
1966	6.9%
2012	47.8%
Source: Association of American Medical Colleges 2012	

## B. Inheritances to women are on the rise

### More single women

Pure demographics about women are a significant part of the reason for women inheriting more:

- ▶ There are more women than men in the United States.
- ▶ Women live longer than men (an estimated 3-7 years on the average, depending on the generation and the source of the data).
- ▶ Women are living longer than ever before.

According to 2010 U.S. Census data, women are more and more likely to be widowed as they age, from a likelihood of 6 percent for those aged 55-59 to 73 percent for those aged 85 and over.

<b>American Widowhood</b>	
<b>Age of Woman</b>	<b>Percent Widowed</b>
55-59	6.2%
60-64	10.4%
65-74	21.9%
75-84	46.1%
85 and over	73.1%
Source: U.S. Census Bureau 2010	

In addition to demographics, societal factors have led to more divorced women and more women who never marry. So overall there are many more single women than ever before—almost half of American female adults today. And many of them will be inheriting from their parents.

Many women are not only single, but in 2010 more than 17 million of them lived alone—not with unmarried partners, parents, children, siblings, friends, or in retirement communities. At the younger ages more men live alone, but as women age an ever-increasing percentage live alone. Among those over 75, more than 5 million women live alone, which is more than triple the 1.6 million men of that age who live alone. Here are statistics from the 2010 census:

<b>Percent Living Alone by Age and Sex</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
15-24	3.6%	3.4%
25-34	11.4%	8.2%
35-44	9.7%	5.6%
45-64	18.5%	18.1%
65-74	19.3%	30.8%
75+	26.2%	47.7%
Source: U.S. Census Bureau 2010		

## More money inherited

Another key factor is that more money is being inherited, and that is predicted to continue increasing. The average value of an inheritance (even when adjusted for inflation) increased by about \$90,000 between 1989 and 2007, the most recent year for which numbers from the Bureau of Labor Statistics are available.

While the dollar totals of inheritances are already up, the number of inheritances soon will begin trending upward—with an explosion of bequests from Baby Boomers on the horizon. Most charitable bequests come from those in their eighties, and currently there are fewer people in that age range because of low birth rates during the Great Depression. While there were fewer than 2.5 million live births in the U.S. each year from 1932-1939, births from 1954-1964 were over 4 million per year. Beginning in 2020 and continuing through 2044 there will be an ever-increasing number of Americans entering their 80s—and passing on their inheritances in a veritable charitable boom.

## II. Women Are More Charitable Than Men

The best way to accurately analyze the differences in charitable behavior between men and women is to eliminate married couples and just look at households that are led by single women and single men. The Women's Philanthropy Institute at IU did just that in two recent studies, both using data from the University of Michigan's massive Philanthropy Panel Study that has been following the same 8,000 households since 1968. The WPI studies titled *Women Give 2010* and *Women Give 2012* concluded unequivocally that women are more charitable:

- ▶ Female-headed households were more likely to give to charity than were male-headed households across all five income categories analyzed in *Women Give 2010*.
- ▶ In terms of dollar amounts given, women gave more than men in four of the five income categories.
- ▶ In *Women Give 2012*'s study of Baby Boomer and older women, they also were found to be more likely to give to charity, and to give more than their male counterparts.
- ▶ According to the *Chronicle of Philanthropy*, women self-made millionaires give an average of 7 percent of their annual income to charity—three times the national average.

"Gender matters in philanthropy," concluded the WPI in *Women Give 2010*. "Women at all income levels have the desire and capacity for giving, and do give to charity."

Women have been found to be more charitable than men even though there are factors that might be expected to influence them to be less so: Women have less money in retirement, live longer, tend to be more conservative with their investments, and are much more likely to be single in their old age. That means they are giving to charity a significantly higher percentage of what they have available.

### III.3 Key Ways That Women Donors Are Different from Men

New research in the last few years makes it clear that women donors think and act differently from their male counterparts. Not surprisingly, the key with women donors is to be “relational”—which includes establishing a meaningful working relationship with her but also means helping her deepen her connections to your cause, to the values behind your cause, and ultimately to your organization.

While there has been much anecdotal evidence from planned giving professionals about the desire of women philanthropists to establish deep connections, until recently there has been very little academic research on women donors. *The 2011 Study of High Net Worth Women’s Philanthropy* conducted by the IU Lilly Family School of Philanthropy provides the most recent and most comprehensive look at the differences between women and men donors in philanthropic motivation and behavior. Key statistically significant findings from it and other recent studies lead to three key conclusions:

#### 1. Women donors are less likely to be loyal to organizations and instead want to know more about impact when making philanthropic decisions.

- ▶ High net worth men are significantly more likely to annually support the same organizations and causes, while high net worth women are more likely to stop supporting a charity they had supported the year before.
- ▶ Women are more likely than men to spread their charitable giving among a greater number of charities.
- ▶ A significantly higher percentage of high net worth women than men said that the No. 1 reason to give is the belief that the “gift can make a difference.” Women tend to be more concerned with “transformational philanthropy”—foundational change that helps solve a problem rather than focusing on correcting its effects.
- ▶ Women are more influenced by an organization’s communication about its impact, and are more likely to expect communication about organization effectiveness.
- ▶ Women are more likely than men to stop supporting an organization because they have “decided to support other causes.” Men who decide to stop their support are more likely than women to say that they were solicited too frequently or were asked for an inappropriate amount.

#### 2. Women donors care more about personal experience with an organization when making philanthropic decisions.

- ▶ Personal experience is defined in the high net worth study as volunteering for an organization or actually receiving services from that organization. While both high net worth men and women rated this as the No. 1 factor influencing them when deciding which specific organizations to support, it was more important to women by a statistically significant margin of nine percentage points (82 percent to 73 percent).
- ▶ More American women than men volunteer at all socioeconomic levels; in the high net worth study, 86 percent of the women volunteered to 78 percent of men.
- ▶ Those who volunteer more tend to give more to charity, according to the high net worth study and other studies of Americans at all income levels.

### 3. Women are more likely to use formal networks when making philanthropic decisions, and give more when they do.

- ▶ More than half of all “giving circles”—which have exploded in popularity in the past decade—are women only.
- ▶ Women’s giving networks are amazingly successful and without equivalent among males:
  - United Way Leadership Councils now number more than 55,000 women in 143 communities and have raised more than \$1 billion.
  - The Women Donors Network is made up of women who create “donor circles” to address specific issues and each give at least \$25,000 a year—totaling almost \$200 million annually.
  - The Women’s Funding Network, begun in 1985 as a pioneer of the movement, includes more than 160 organizations that give in total more than \$65 million annually and have assets of more than half a billion dollars.
  - Women Moving Millions includes 196 donors who each have pledged at least \$1 million—totaling more than \$288 million.
  - The Women’s Collective Giving Grantmakers Network is made up of 38 groups with 8,000 members who have awarded more than \$57 million.
  - The Tiffany Circle of the American Red Cross, made up of women who give at least \$10,000 each, raised more than \$33 million in its first five years.
- ▶ Many nonprofits, particularly universities, have formed their own women’s philanthropy councils to gather together women donors and prospective donors so they can work together.
- ▶ High net worth women who are in a philanthropic network are more likely to be motivated to “give back to the community” than women who are not in a network. A 2009 study of giving circles—with 83 percent female membership—found that those in networks gave significantly more to charity than did a control group that were not in networks.



## IV. 7 Strategies for Working 1-on-1 with Women Donors

Traditional fundraising approaches have been geared to male giving patterns, such as campaigns with distinct deadlines and specific dollar goals. While that still can be effective, additional strategies have been shown to resonate with women—who want personal involvement and relationship and who want to hear real stories as well as meaningful statistics.

“Women tend to get much more involved in a cause than the typical male donor,” Claudine Donikian explained. “A woman wants to know more, wants to do more, wants to feel more. She cares about the numbers showing the efficiency of the charity, but the numbers by themselves are not enough.”

That difference necessitates marketing materials and strategies specific to women. As Pentera's chief marketing officer in addition to president and CEO, Ms. Donikian is the editor-in-chief for marketing content and oversees the development of content designed for the woman donor. She also personally consults with a select group of Pentera's clients on their marketing strategy as it applies to women.

Serving on the Advisory Council for the Women's Philanthropy Institute means that Ms. Donikian is closely connected to the latest research and to other experts in the field. The advisory council convenes periodically for in-depth discussion and analysis about gender-related philanthropy issues. Council members include many of the top women marketing experts from the business, education, and nonprofit communities.

“I'm honored to be advising the world's foremost institute designed to increase the understanding of women's philanthropy,” Ms. Donikian said.

These seven strategies for working 1-on-1 with women donors are derived from Pentera's expertise and are all directly supported by the new research about women philanthropists.

### 1. Capitalize on personal experience

Since an overwhelming 82 percent of high net worth women say that personal experience with an organization is the No. 1 factor influencing which charitable organizations to support, look for donors among those women who have had personal experiences with your organization. And highly promote your volunteer opportunities to prospective donors.

You likely already know something about how a particular woman donor is connected: She's an alum of your university, a close relative of hers was a patient at your medical facility, she has donated to your nonprofit for several years in a row, or she's a volunteer for your organization.

In addition to direct connections to your organization, listen for connections to your mission.

#### **What to have with you to help your response:**

- ▶ Your mission statement and evidence of how you fulfill it.

## 2. Focus on what she cares about

Since “making a difference” is the overriding concern of most women philanthropists, find out how she would like to make the world a better place. What are her top values, such as helping others and giving back, and her top causes, such as education, health care, and helping children. Then connect them to the mission of your organization.

Emphasize your mission more than her loyalty. A history of donating to your organization resonates more with male donors; with women you need to be prepared to show why she should keep donating. That ties back to your mission and how you are accomplishing it.

### **What to have with you to help your response:**

- ▶ Program descriptions that help make the connection to causes and values.
- ▶ Be ready to specifically explain what a gift of a certain amount could accomplish through your organization. How would it truly make a difference?

## 3. Demonstrate your impact and efficiency

Besides a personal connection or a connection to family or friends, the two factors that most influence women when selecting specific charities are:

- ▶ Knowledge about the organization.
- ▶ Information about efficiency and impact.

Be ready to present statistics on the positive impact to those served and on financial efficiency.

### **What to have with you to help your response:**

- ▶ Written information about financial efficiency.
- ▶ Written information about the impact of your programs.

## 4. Share real stories from your organization

Have ready at least two program stories and at least two women donor stories. These should be in detail: Ways in which your organization has helped individuals and groups of people, preferably with pictures accompanying your story. And two women donors with names and faces.

Her enthusiasm about your program successes gives some indication of what she thinks of your organization. Her response about the type of gifts given by other donors may help you with specific gift plans.

### **What to have with you to help your response:**

- ▶ Detailed stories about clients helped and about other women donors, including the specific types of gifts given.

## 5. Offer to connect her with other philanthropic women

The research shows that women who network give more. The networking could be 1-on-1 or in a group; it's best if you can offer both and then gauge her response to see if one might be preferable.

If you have already presented some donor stories to her, then be ready to connect her with those donors. If your organization has a women's philanthropy council, then make that connection. If you don't, then look for local women's giving circles, possibly through your community foundation. If you are supported by the United Way, they have women's leadership councils.

### What to have with you to help your response:

- ▶ Contact information for women donors to your organization who will talk 1-on-1.
- ▶ Contact information for networks that support your organization.

## 6. Discuss volunteering when appropriate

Many women donors are in particular drawn to committees and boards that have a creative element in their mandate. Her comments about current or past volunteer work will let you know whether it is appropriate to present volunteer opportunities with your organization and/or ask her to take a position of leadership—which could be as simple as serving as a role model by allowing a donor story to be written about her. An interim step would be to ask her to come see a program in action.

### What to have with you to help your response:

- ▶ A detailed list of volunteer activities for your organization, from actually working with those you serve to a position on your board—and everything in between.
- ▶ Information about women in positions of leadership in your organization, both volunteers and employees.
- ▶ Actual volunteer application forms.

## 7. Educate, persuade, and empower regarding gift options

You can spark interest and engage women with the social proof provided by stories of other donors, but women definitely will want to understand the various options for gifts. Once they become the protagonist of the story to be written about themselves and start imagining the gift they might make, they will want to understand the ins and outs of planned gifts. Not only that, but if an outright gift is not possible, they certainly might want to make a bequest or a CGA depending on their circumstances.

Pentera's marketing strategy is to educate potential protagonists about the options so they can figure out which one might work for them. We develop content and marketing strategies that help the prospective donor realize that there are other giving options (education), imagine themselves as the protagonist of the gift (persuasion), and then choose the right gift (empowerment).

### What to have with you to help your response:

- ▶ Examples of different types of gifts to your organization and how they have been structured.
- ▶ Examples of your organization's marketing materials.

Advice and materials about marketing planned giving to women are available from Pentera. Contact us today!

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