



**IOWA COMMUNITY FOUNDATION**  
And  
**PHILANTHROPY ACADEMY**

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“Improving the Performance of Philanthropy  
in Iowa’s Communities”

**IOWA’S WEALTH**  
And  
**TRENDS IN PHILANTHROPY**

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# Iowa's Wealth and Trends in Philanthropy

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## Today's Discussion

- Iowa Wealth Trends
- Trends in Philanthropy
  - Charitable Giving Statistics
  - CARE Act Update
  - Increasingly Active and Sophisticated Donor Base



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## Iowa Wealth Trends

- Reference to Separate handouts
  - Spreadsheet with 5-Year Projections
    - 2% increase in number of households
    - .8% increase in population
    - 14.8% increase in household income
  - Household Net Worth is approximately 20% financial assets and 80% non-financial assets



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## Iowa Wealth Trends

- Reference to Separate handouts
  - 3 Maps
    - Household Growth Projections
    - Income Growth Projections
    - Net Worth Growth Projections
  - All Show Projected Growth in the Eastern/Central Part of the State



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# Trends in Philanthropy

“These Americans are the most peculiar people in the world...In a local community, in their country a citizen may conceive of some need, which is not being met. What does he do? He goes across the street and discusses it with his neighbor. Then what happens? A committee comes into existence and then the committee begins functioning on behalf of that need...All of this is done by private citizens of their own initiative.”

Alexis de Tocqueville, *Democracy In America* (1835)



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### **Trends in Philanthropy (cont.)**

- Charitable Giving Statistics
  - 2002 Statistics (2003 available in May)
  - \$241 Billion given in 2002, representing:
    - 1% increase over 2001 (7.2% average over 30 years)
    - Increases in 41 out of last 42 years
    - 70% of households give, to 1.4 million charities
    - 2.3% of GDP; 2% of household income



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### **Trends in Philanthropy (cont.)**

- Charitable Giving Statistics (cont.)
  - 84% from individuals
    - 76% from individuals; 8% from estates
    - 5% from corporations; 11% from foundations
  - By comparison, \$114 Billion net inflows into mutual funds in retirement plans
  - Does not include Charitable Remainder Trusts or Charitable Lead Trusts



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### Trends in Philanthropy (cont.)

#### ■ Charitable Giving Statistics (cont.)

##### ■ Where it goes:

■ Religion	\$84.28 B	35.0%
■ Education	\$31.64 B	13.1%
■ "Other"	\$30.45 B	12.6%
■ Foundations	\$22.00 B	9.1%
■ Health	\$18.87 B	7.8%
■ Human Services	\$18.65 B	7.7%





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### Trends in Philanthropy (cont.)

- Charitable Giving Statistics (cont.)
  - What's It Mean?
    - People continue to give a lot of money!
    - When the economy is up...they give because they can
    - When the economy is down...they give because they recognize the need



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## Trends in Philanthropy (cont.)

- CARE Act Update
  - History of the Legislation
    - 1999 Bush proposals regarding charity
    - 2001 Bush Executive Order 13199
    - 2001 H.R. 7 – Community Solutions Act
    - 2002 Charity Aid, Recovery and Empowerment Act of 2002 (CARE Act)
    - 2003 CARE (Senate) and H.R. 7 (House)
    - 2004 Reintroduced...but it's anyone's guess!



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### **Trends in Philanthropy (cont.)**

- CARE Act Update (cont.)
  - Key Provisions
    - 36 provisions between the 2 Acts
    - Charitable Deduction for Non-itemizers
    - IRA Charitable Rollover
    - Donations of Food Inventory
    - Excise Tax on Private Foundations
    - Corporate Charitable Contribution Deduction



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### **Trends in Philanthropy (cont.)**

- Increasingly Active and Sophisticated Donor Base, Demanding Increased Accountability
- Growth of Donor Advised Funds
- IRS Scrutiny



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## Trends in Philanthropy (cont.)

- Websites
  - [www.ncpg.org](http://www.ncpg.org)
  - [www.cof.org](http://www.cof.org)
  - [www.givingusa.org](http://www.givingusa.org)
  - [www.aafrc.org](http://www.aafrc.org)



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Ramsay H. Slugg is a Senior Vice President and the Central Region Director of Bank of America's Private & Charitable Foundations Group. In that role, he manages a group of trust and investment professionals dedicated to providing trust, investment, tax and administrative services to non-profit and charitable organizations. Prior to joining Bank of America almost 11 years ago, he practiced law for 15 years.

Ramsay is also an Adjunct Professor at Texas Christian University, teaching undergraduate and graduate level federal income tax and advanced business law courses. He is a frequent author and speaker on tax and financial planning topics.