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**DESPITE DOWNTOWN, THERE'S HOPE FOR U.S. CHARITABLE GIVING,  
BOSTON COLLEGE RESEARCHERS TELL NATIONAL CONFERENCE OF FUNDRAISERS**

CHESTNUT HILL, MA (10-10-08) -- Despite the turmoil on Wall Street and the ongoing economic turbulence, charitable giving levels may not be affected as much or for as long as some may fear, according to researchers at Boston College's Center on Wealth and Philanthropy.

In a speech before a gathering of U.S. fundraising professionals at BC, John J. Havens, a leading authority on empirical patterns of wealth, said that there could be up to a year before the impact of the current crisis is seen in charitable giving levels.



**John J. Havens**

The nation is currently in "a wealth recession," defined as three successive quarters with a decrease in the real value of wealth in the U.S., according to Havens.

In the previous recession, he said, the nation began to see a decline in net wealth in 1999, well before the burst of the dot-com bubble and the ensuing 2000 stock-market crash brought on a downward growth in wealth that continued for three years. Aggregate household wealth, he said, declined by 15 to 20 percent from 1999 to 2002 -- the largest and deepest such downturn since the 1930s.

But these variations in net worth did not directly correlate with changes in philanthropic giving, Havens said. Average household contributions did not begin to fall until 2000, and they did not drop as much as households' net worth did: From 1999 to 2002, net worths dropped by as much as 20 percent, while donations decreased only 10 percent.

Also, he said, when net wealth began to rise again in 2002, donations also began to increase.

In the current scenario, Havens said, since the net wealth of households began to decline in late 2007, there could be a lag of up to a year before donations decline, partly due to the fact that high-net worth donors tend to plan their contributions a year ahead, and partly because the decline in total donations may not be significant.

Havens did offer a strong caveat, however: Though household incomes historically have proven more stable than net wealth, if incomes were to decline significantly, the resulting impact on charitable donations would likely be far greater.

Havens made his remarks at a conference on "The Supply and Demand of Philanthropy in the 21st Century," sponsored by BC's Center on Wealth and Philanthropy, the Association of Fundraising Professionals, and the Eaton Vance Investment Counsel.

In addition to Havens, keynote speakers at the event Oct. 7-8 included Anne E. Sternlicht, vice president for Eaton Vance Investment Counsel, Museum of Fine Arts/Boston Campaign Director and Deputy Director Patricia B. Jacoby, and BC Center on Wealth and Philanthropy Director Paul G. Schervish, one of the nation's foremost experts on the subject of wealth, philanthropy and donor behavior, five-time recipient of The Non-Profit Times' "Power and Influence Top 50" designation, and developer of the concept of "moral biography" as applied to philanthropy.



**Paul G. Schervish**

"One key characteristic of this crisis," said Schervish, "is that it has certainly affected the top eight percent of households of the income-wealth spectrum, which is responsible for more than 50 percent of charitable giving. So the challenge facing charitable and philanthropic enterprises is to see if the emotional identification that can be elicited from the donor -- the sense of caring -- can overcome what is, for now, still hoped to be a temporary crisis."

The Center on Wealth and Philanthropy (CWP) is a multidisciplinary research center specializing in the study of spirituality, wealth, philanthropy, and other aspects of cultural life in an age of affluence. Founded in 1970, CWP is a recognized authority on the relation between economic wherewithal and philanthropy, the motivations for charitable involvement, and the underlying meaning and practice of care. For more information, visit <http://www.bc.edu/research/cwp/> or call 617-552-4070.

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