

## New Findings on the Patterns of Wealth and Philanthropy

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### A. Current Trends in Inter-Vivos Charitable Giving

The small number of families at the highest end of the distributions of wealth or income currently contributes a dramatically high proportion of total annual or inter-vivos charitable giving. There are three ways to document this finding: by income (Table 1), by wealth (Table 2), and by income and wealth jointly (Table 3).

Extrapolating from Table 1, we can see that the 0.4% of families with incomes of \$1 million or more contributes 16% of charitable dollars; the 1% of families with incomes over \$500,000 makes 26% of total charitable contributions; the 5% of households with incomes around \$175,000 or more gives about 45% of total charitable dollars; the 7% of households with incomes above about \$140,000 contributes half of all charitable contributions; and the 25% of households with incomes above \$70,000 is responsible for 70% of charitable giving.

When we look at Table 2, which shows giving as it relates to wealth, we find very similar relationships, with 0.4% of families (those worth \$10 million or more) contributing 21% of charitable dollars; the 1% of families with net worth above \$5 million responsible for 28% of the total; the 5% of wealthy families with a net worth of \$2.5 million or more contributing 40% of the total; 7% of the wealthiest households (those worth \$1 million or more) giving half of all charitable dollars; and the top 25% of households (those worth \$250,000 or more contributing 75% of the total charitable giving.

Table 3 shows giving by income and net worth. When we look at those families worth \$1 million or more, which have annual incomes of \$1 million or more, we find this one third of one percent (0.34%) of families, contributes 16% of all giving.

Easy rules of thumb for giving in relation to income can be inferred from these findings, with the richest 0.04% of households giving approximately 16% total contributions (0.04:16), in addition to the 1:25, 5:45, 7:50, and 25:70 rules. For wealth, the guidelines are similar: 0.04% gives 21%, as well as the 1:28, 5:40, 7:50, and 25:75 proportions.

**Table 1**  
**2000 Charitable Contributions by Family Income in 2002 Dollars**

Family Income	Sample Size (N)	% of Families Giving at least \$500	Average Family Contribution	Percent of Family Income Contributed	Percent of Families	Cumulative Percent of Families	Aggregate Contribution (Millions)	Percent of Total Aggregate Contribution	Cumulative Percent of Contributions	Percent of Income of All Families	Cumulative Percent of Income of All Families
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Not positive	20	7.2%	\$545	-	0.3%	100.0%	\$199	0.1%	100.0%	-	-
\$1 to \$9,999	324	7.4%	\$143	2.3%	9.6%	99.7%	\$1,467	0.7%	99.9%	0.9%	100.0%
\$10,000 to \$19,999	448	18.2%	\$359	2.4%	13.9%	90.0%	\$5,304	2.6%	99.2%	3.0%	99.1%
\$20,000 to \$29,999	476	26.8%	\$667	2.6%	14.4%	76.2%	\$10,209	5.1%	96.5%	5.2%	96.1%
\$30,000 to \$39,999	425	32.9%	\$1,072	2.9%	12.4%	61.8%	\$14,159	7.0%	91.5%	6.3%	90.9%
\$40,000 to \$49,999	300	36.1%	\$834	1.8%	8.7%	49.4%	\$7,739	3.8%	84.5%	5.7%	84.7%
\$50,000 to \$59,999	286	43.7%	\$1,114	2.0%	8.0%	40.7%	\$9,445	4.7%	80.6%	6.3%	79.0%
\$60,000 to \$74,999	334	51.7%	\$1,579	2.3%	9.5%	32.7%	\$15,991	7.9%	76.0%	9.4%	72.7%
\$75,000 to \$99,999	360	60.6%	\$1,789	2.0%	9.3%	23.2%	\$17,668	8.7%	68.1%	11.6%	63.3%
\$100,000 to \$124,999	219	71.6%	\$2,640	2.3%	5.3%	13.9%	\$14,977	7.4%	59.3%	8.7%	51.7%
\$125,000 to \$149,999	120	69.1%	\$2,385	1.7%	2.5%	8.6%	\$6,390	3.2%	51.9%	5.1%	43.0%
\$150,000 to \$199,999	148	79.1%	\$4,660	2.7%	2.3%	6.1%	\$11,431	5.7%	48.7%	5.8%	37.9%
\$200,000 to \$299,999	177	82.9%	\$7,049	2.8%	1.7%	3.8%	\$12,538	6.2%	43.1%	5.9%	32.1%
\$300,000 to \$399,999	107	97.0%	\$17,539	5.2%	0.8%	2.1%	\$14,204	7.0%	36.8%	3.8%	26.3%
\$400,000 to \$499,999	76	94.2%	\$23,709	5.4%	0.3%	1.4%	\$8,135	4.0%	29.8%	2.1%	22.4%
\$500,000 to \$999,999	217	85.3%	\$28,354	3.9%	0.6%	1.0%	\$19,441	9.6%	25.8%	6.5%	20.3%
\$1,000,000 or More	405	98.6%	\$77,999	3.2%	0.4%	0.4%	\$32,627	16.2%	16.2%	13.8%	13.8%
All Families	4,442	39.1%	\$1,896	2.4%	100.0%		\$201,923	100.0%		100.0%	

Source: Calculated at the Social Welfare Research Institute at Boston College based on data from the 2001 Survey of Consumer Finances sponsored by the Board of Governors of the Federal Reserve.

Note: The term "family" in this table denotes the combination of families plus unrelated individuals.

Note: Contributions of less than \$500 were imputed based on data from the General Social Survey.

**Table 2**  
**2000 Charitable Contributions by Net Worth in 2002 Dollars**

Family Net Worth	Sample Size (N)	% of Families Giving at least \$500	Average Family Contribution	Percent of Family Income Contributed	Percent of Families	Cumulative Percent of Families	Aggregate Contribution (Millions)	Percent of Total Aggregate Contribution	Cumulative Percent of Contributions	Cumulative Percent of Income of All Families	Cumulative Percent of Net Worth of All Families
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Not positive	348	8.7%	\$255	1.1%	9.6%	100.0%	\$2,604	1.3%	100.0%	100.0%	-
\$1 to \$9,999	478	8.3%	\$231	1.1%	13.2%	90.4%	\$3,256	1.7%	98.7%	96.9%	100.0%
\$10,000 to \$19,999	206	17.0%	\$427	2.3%	5.8%	77.2%	\$2,655	1.4%	97.0%	92.4%	99.9%
\$20,000 to \$29,999	145	21.4%	\$527	1.6%	4.4%	71.4%	\$2,442	1.2%	95.7%	89.6%	99.7%
\$30,000 to \$39,999	135	22.7%	\$632	1.6%	4.2%	67.0%	\$2,813	1.4%	94.4%	87.2%	99.4%
\$40,000 to \$49,999	102	37.4%	\$664	1.9%	3.0%	62.8%	\$2,140	1.1%	93.0%	84.8%	99.0%
\$50,000 to \$59,999	96	33.9%	\$649	2.2%	3.1%	59.8%	\$2,169	1.1%	91.9%	83.1%	98.7%
\$60,000 to \$74,999	116	32.3%	\$715	1.9%	3.8%	56.7%	\$2,857	1.5%	90.8%	81.2%	98.3%
\$75,000 to \$99,999	176	34.6%	\$1,020	2.6%	5.9%	52.9%	\$6,371	3.2%	89.3%	79.0%	97.6%
\$100,000 to \$124,999	156	43.9%	\$1,107	2.8%	5.1%	47.0%	\$5,975	3.0%	86.1%	74.9%	96.3%
\$125,000 to \$149,999	114	39.4%	\$1,436	2.1%	3.7%	42.0%	\$5,642	2.9%	83.0%	71.1%	94.9%
\$150,000 to \$199,999	189	49.8%	\$1,127	2.4%	5.9%	38.3%	\$7,131	3.6%	80.2%	68.2%	93.6%
\$200,000 to \$299,999	278	53.5%	\$1,558	3.0%	8.4%	32.3%	\$13,955	7.1%	76.5%	63.1%	91.0%
\$300,000 to \$399,999	168	66.3%	\$2,291	4.3%	5.2%	23.9%	\$12,659	6.4%	69.4%	54.8%	85.8%
\$400,000 to \$499,999	135	65.3%	\$1,700	2.6%	3.9%	18.7%	\$7,004	3.6%	63.0%	49.3%	81.2%
\$500,000 to \$999,999	322	73.6%	\$2,312	3.4%	7.8%	14.9%	\$19,310	9.8%	59.4%	44.7%	76.9%
\$1,000,000 to \$4,999,999	578	82.9%	\$6,859	3.7%	5.8%	7.0%	\$42,294	21.5%	49.6%	33.8%	63.1%
\$5,000,000 to \$9,999,999	194	95.9%	\$17,104	4.3%	0.8%	1.2%	\$14,865	7.6%	28.0%	15.8%	35.4%
\$10,000,000 or More	506	92.8%	\$92,331	12.3%	0.4%	0.4%	\$40,177	20.5%	20.5%	7.8%	21.1%
All Families	4,442	39.1%	\$1,843	2.4%	100.0%		\$196,319	100.0%			

Source: Calculated at the Social Welfare Research Institute at Boston College based on data from the 2001 Survey of Consumer Finances sponsored by the Board of Governors of the Federal Reserve.

Note: The term "family" in this table denotes the combination of families plus unrelated individuals.

Note: Contributions of less than \$500 were imputed based on data from the General Social Survey.

**Table 3**  
**Giving by Income and Net Worth (SCF 2001) in 2002 Dollars**

<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  Net Worth	Income											
	Under \$200,000			\$200,000 to \$499,999			\$500,000 to \$999,999			\$1,000,000 or More		
	Families	Contributions		Families	Contributions		Families	Contributions		Families	Contributions	
	% of All Families	Amount of Giving	% of All Giving	% of All Families	Amount of Giving	% of All Giving	% of All Families	Amount of Giving	% of All Giving	% of All Families	Amount of Giving	% of All Giving
Under \$50,000	40.21%	\$16,352	8.10%	---	---	---	0.02%	\$13	0.01%	---	---	---
\$50,000 to \$99,999	12.74%	\$11,718	5.80%	0.01%	\$3	0.00%	0.00%	\$0	0.00%	---	---	---
\$100,000 to \$199,999	14.60%	\$16,645	8.24%	0.09%	\$2,639	1.31%	0.00%	\$0	0.00%	---	---	---
\$200,000 to \$999,999	24.47%	\$51,212	25.36%	0.77%	\$3,049	1.51%	0.02%	\$124	0.06%	0.05%	\$54	0.03%
\$1,000,000 to \$4,999,999	3.91%	\$15,990	7.92%	1.47%	\$14,819	7.34%	0.27%	\$8,719	4.32%	0.13%	\$3,973	1.97%
\$5,000,000 or More	0.26%	\$3,061	1.51%	0.41%	\$14,367	7.11%	0.33%	\$10,584	5.24%	0.21%	\$28,601	14.16%
All Levels of Net Worth	96.20%	\$114,978	56.94%	2.75%	\$34,877	17.27%	0.64%	\$19,441	9.63%	0.39%	\$32,627	16.16%

Note: A dash indicates no value for that sample.  
\$0 indicates an amount less than \$50,000.

## B. Current Patterns of Bequest Giving

Although there is a negative correlation between wealth and percentage of wealth contributed in the form of *inter-vivos* gifts, *there is a positive correlation between wealth and percentage of wealth going to charity in the form of charitable bequests* made from final estates (that is, estates for which there is no surviving spouse). For final estates recorded in 2000 the average donation to charity was 11.6% (Table 4). For estates valued under \$1 million, 3% was contributed to charity. As a percentage of the value of total charitable bequests, the 0.7% of the final estates which are worth \$20 million or more make 44% of all charitable bequests in terms of dollars. As the value of estates goes up, the percentage going to charity also increases. Among estates valued at less than \$10 million but more than \$1 million, 8.5% went to charitable bequests, while among estates valued from \$10 million to under \$20 million, 17% went to charitable bequests. Finally, those estates valued at \$20 million or more bequeathed an average 33% of their value to charity, 39% to taxes, and 28% to heirs. In addition, as the value of estates rises, the proportion going to heirs decreases while the proportion going to taxes increases. The one exception is that estates valued at \$20 million or more allocate a lower proportion to taxes than the \$10 million to less than \$20 million group, reflecting the 33% allocation to charity.

Table 5 presents trends in bequest giving between 1992 and 2000. Over that period, the value of all final estates (estates net spousal deduction and estate fees) grew by 80.21% from \$80.3 billion to \$144.7 billion; the value of estate tax revenue was up by 100.78% from \$16.93 to \$33.98 billion; bequests to heirs increased by 71.81% from \$54.64 billion to \$93.88 billion; and charitable bequests grew at 92.9% from \$8.72 billion to \$16.81 billion. Charitable bequests increased more than both the value of estates and bequests to heirs, though less than taxes.

**Table 4**  
**Estates and Charitable Bequests**  
**Federal Estate Returns Filed in 2000 (2002 dollars)**

Gross Estate Category	Gross Estate			Estate Funds Available for Distribution		Charitable Deduction		Taxes		Heirs and Other	
	# Returns (Thousands)	Amount (Billions)	Net Worth (Billions)	Fees & Surviving Spouse (Billions)	Available* (Billions)	Amount (Billions)	% of Available	Amount (Billions)	% of Available	Amount (Billions)	% of Available
.6 M-1M	47.8	\$40.3	\$39.2	\$7.9	\$31.3	\$0.9	3.0%	\$1.3	4.3%	\$29.1	92.7%
1 M-2.5 M	45.2	\$70.0	\$67.6	\$21.5	\$46.1	\$2.7	5.8%	\$7.4	16.0%	\$36.1	78.2%
2.5 M-5 M	10.0	\$35.6	\$34.3	\$13.1	\$21.2	\$2.2	10.3%	\$6.6	30.9%	\$12.4	58.7%
5 M-10 M	3.4	\$24.3	\$23.3	\$8.7	\$14.6	\$2.1	14.3%	\$5.9	40.6%	\$6.6	45.1%
10 M-20 M	1.1	\$15.9	\$15.3	\$5.9	\$9.3	\$1.6	17.1%	\$4.1	44.3%	\$3.6	38.6%
20 M or more	0.7	\$41.0	\$39.4	\$17.2	\$22.2	\$7.4	33.2%	\$8.7	39.1%	\$6.1	27.8%
<b>Total</b>	<b>108.3</b>	<b>\$227.2</b>	<b>\$219.0</b>	<b>\$74.3</b>	<b>\$144.7</b>	<b>\$16.8</b>	<b>11.6%</b>	<b>\$34.0</b>	<b>23.5%</b>	<b>\$93.9</b>	<b>64.9%</b>

Source: Calculated by John Havens at the Social Welfare Research Institute at Boston College based on tabulated data available on the web page of the Statistics of Income Division of the IRS.

\*Note: Available estate is the estate after fees and transfer to surviving spouse.

Table 5 Changes in Value and Allocation of Net Estates*				
(Billions of 2002 Dollars)				
Year	Value	Bequests to Charity	Taxes	Bequests to Heirs
1992	\$80.29	\$8.72	\$16.93	\$54.64
1995	\$86.19	\$10.27	\$18.41	\$57.51
1997	\$115.60	\$16.03	\$24.67	\$74.90
1999	\$139.66	\$15.77	\$32.73	\$91.17
2000	\$144.68	\$16.81	\$33.98	\$93.88
% □ 92-95	7.35%	17.78%	8.80%	5.24%
% □ 95-97	34.11%	56.07%	33.91%	30.24%
% □ 92-97	43.97%	83.83%	45.69%	37.07%
% □ 97-99	20.82%	-1.64%	32.68%	21.72%
% □ 99-00	3.59%	6.62%	3.84%	2.98%
% □ 92-00	80.21%	92.90%	100.78%	71.81%

Source: Boston College Social Welfare Research Institute based on data from Johnson and Mikow 1999 and Eller 1996-1997 and from the web page of the Statistics of Income Division of the IRS.

\*Note: Net estates are estates minus fees and the surviving spouse deduction.

### C. The Forthcoming Wealth Transfer

During 1999 we developed a simulation model to project the transfer of wealth from the 1998 adult population via their final estates (estates with no surviving spouse) during the 55-year period from 1998 through 2052. Since there was no consensus on how wealth would grow in the future, we used the model to simulate three scenarios: 1) a low-growth scenario that assumed 2% real secular growth and lower than empirically based saving rates; 2) a middle-growth scenario that assumed 3% real secular growth and empirically based saving rates; and 3) a high-growth scenario that assumed 4% real secular growth and higher than empirically based savings rates. In each scenario, the model estimates the total value of estates and, based on historical data, the distribution of this total among heirs, government (taxes), charitable organizations (charitable bequests), and various estate fees.

The results of these analyses are summarized in Tables 6, 7, and 8. The low-growth simulation estimates \$45 trillion (2002 dollars), the middle-growth simulation estimates \$80 trillion (2002 dollars), and the high-growth scenario estimates \$150 trillion (2002 dollars) of wealth transfer during the period from 1998 through 2052. (These figures have been updated from the estimates published in the 1999 report in 1998 dollars of \$41 trillion, \$73 trillion, and \$136 trillion respectively). It should be noted at the outset that prior to the release of the wealth transfer projections, staff economists at the Council of Economic Advisors reviewed the methods and assumptions used to derive the estimates. The Council subsequently adopted the \$41 trillion figure (1998 dollars) as its official estimate of wealth transfer. After its release, *Millionaires and the Millennium* was informally assessed by government economists at the Bureau of Labor Statistics, who concluded that the \$41 trillion (\$1998) projection was a reasonable lower bound. Furthermore, statistics from the report have been used by staff economists at the Congressional Budget Office in analysis related to wealth transfer. While we developed three scenarios, the most often cited and widely adopted has been the low-growth estimate. During 2001 because of the economic downturn, we received many queries about whether the estimates might be too optimistic. After a thorough review, we published a validity study in January 2003 which confirms the continued validity of the \$41 trillion estimate.<sup>1</sup>

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<sup>1</sup> John J. Havens and Paul G. Schervish, "Why the \$41 Trillion Wealth Transfer is Still Valid: A Review of Challenges and Questions." The National Committee on Planned Giving's *The Journal of Gift Planning*. Vol. 7, no. 1, 1st Quarter 2003. pp. 11-15, 47-50. The report can be downloaded from our website <http://www.bc.edu/swri>

**Table 6**  
**Wealth Transfer: Lower Level Estimates (2002 dollars)**

Panel 1  
1998-2017

	Neg or Zero	\$1 to \$9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	1,262,390 <sup>4.89%</sup>	22,722,962 <sup>87.98%</sup>	1,555,521 <sup>6.02%</sup>	160,121 <sup>0.62%</sup>	68,774 <sup>0.27%</sup>	57,807 <sup>0.22%</sup>	25,827,575 <sup>100.00%</sup>
Value of Estates	(\$14,510) -	\$4,346,153 <sup>33.83%</sup> 100.00%	\$3,511,124 <sup>27.33%</sup> 100.00%	\$1,226,223 <sup>9.54%</sup> 100.00%	\$1,039,104 <sup>8.09%</sup> 100.00%	\$2,,725,007 <sup>21.21%</sup> 100.00%	\$12,833,100 <sup>100.00%</sup> 100.00%
Estate Fees	\$395 <sup>0.08%</sup> -	\$163,407 <sup>32.49%</sup> 3.76%	\$142,320 <sup>28.29%</sup> 4.05%	\$54,233 <sup>10.78%</sup> 4.42%	\$47,619 <sup>9.47%</sup> 4.58%	\$95,039 <sup>18.89%</sup> 3.49%	\$503,013 <sup>100.00%</sup> 3.92%
Estate Taxes	\$0 <sup>0.00%</sup> -	\$42,876 <sup>1.62%</sup> 0.99%	\$755,048 <sup>28.50%</sup> 21.50%	\$474,414 <sup>17.91%</sup> 38.69%	\$447,251 <sup>16.88%</sup> 43.04%	\$929,459 <sup>35.09%</sup> 34.11%	\$2,649,048 <sup>100.00%</sup> 20.64%
Bequest to Charity	\$0 <sup>0.00%</sup> -	\$220,577 <sup>11.61%</sup> 5.08%	\$283,528 <sup>14.92%</sup> 8.08%	\$170,865 <sup>8.99%</sup> 13.93%	\$166,957 <sup>8.79%</sup> 16.07%	\$1,057,899 <sup>55.68%</sup> 38.82%	\$1,899,826 <sup>100.00%</sup> 14.80%
Bequest to Heirs	\$0 <sup>0.00%</sup> -	\$3,919,293 <sup>50.27%</sup> 90.18%	\$2,330,228 <sup>29.89%</sup> 66.37%	\$526,711 <sup>6.76%</sup> 42.95%	\$377,277 <sup>4.84%</sup> 36.31%	\$642,609 <sup>8.24%</sup> 23.58%	\$7,796,117 <sup>100.00%</sup> 60.75%

Panel 2  
1998-2052

	Neg or Zero	\$1 to \$9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	4,981,782 <sup>5.67%</sup>	76,593,322 <sup>87.20%</sup>	5,325,055 <sup>6.06%</sup>	495,067 <sup>0.56%</sup>	240,750 <sup>0.27%</sup>	203,336 <sup>0.23%</sup>	87,839,311 <sup>100.00%</sup>
Value of Estates	(\$56,145) -	\$15,382,382 <sup>34.27%</sup> 100.00%	\$12,543,492 <sup>27.95%</sup> 100.00%	\$3,685,885 <sup>8.21%</sup> 100.00%	\$3,681,041 <sup>8.20%</sup> 100.00%	\$9,591,149 <sup>21.37%</sup> 100.00%	\$44,827,803 <sup>100.00%</sup> 100.00%
Estate Fees	\$866 <sup>0.05%</sup> -	\$578,297 <sup>32.90%</sup> 3.76%	\$512,364 <sup>29.15%</sup> 4.08%	\$163,052 <sup>9.28%</sup> 4.42%	\$169,619 <sup>9.65%</sup> 4.61%	\$333,570 <sup>18.98%</sup> 3.48%	\$1,757,769 <sup>100.00%</sup> 3.92%
Estate Taxes	\$0 <sup>0.00%</sup> -	\$298,658 <sup>3.19%</sup> 1.94%	\$2,784,067 <sup>29.73%</sup> 22.20%	\$1,423,562 <sup>15.20%</sup> 38.62%	\$1,595,973 <sup>17.04%</sup> 43.36%	\$3,263,543 <sup>34.85%</sup> 34.03%	\$9,365,803 <sup>100.00%</sup> 20.89%
Bequest to Charity	\$0 <sup>0.00%</sup> -	\$792,166 <sup>11.91%</sup> 5.15%	\$1,021,156 <sup>15.36%</sup> 8.14%	\$511,843 <sup>7.70%</sup> 13.89%	\$580,878 <sup>8.74%</sup> 15.78%	\$3,742,446 <sup>56.29%</sup> 39.02%	\$6,648,489 <sup>100.00%</sup> 14.83%
Bequest to Heirs	\$0 <sup>0.00%</sup> -	\$13,713,259 <sup>50.58%</sup> 89.15%	\$8,225,905 <sup>30.34%</sup> 65.58%	\$1,587,428 <sup>5.85%</sup> 43.07%	\$1,334,572 <sup>4.92%</sup> 36.26%	\$2,251,589 <sup>8.30%</sup> 23.48%	\$27,112,753 <sup>100.00%</sup> 60.48%

Figures in upper-right hand corner of cells are percentages by category and add across

Figures below are percentages of the value of estates and add down

All dollar values are in millions of \$2002

**Table 7**  
**Wealth Transfer: Middle Level Estimates (2002 dollars)**

Panel 1  
1998-2017

	Neg or Zero	\$1 to \$.9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	1,209,927 <sup>4.68%</sup>	22,432,476 <sup>86.85%</sup>	1,816,921 <sup>7.03%</sup>	215,363 <sup>0.83%</sup>	82,248 <sup>0.32%</sup>	70,641 <sup>0.27%</sup>	25,827,575 <sup>100.00%</sup>
Value of Estates	(\$10,242)- -	\$5,166,473 <sup>33.00%</sup> 100.00%	\$4,185,644 <sup>26.74%</sup> 100.00%	\$1,632,964 <sup>10.43%</sup> 100.00%	\$1,213,637 <sup>7.75%</sup> 100.00%	\$3,456,699 <sup>22.08%</sup> 100.00%	\$15,645,175 <sup>100.00%</sup> 100.00%
Estate Fees	\$391 <sup>0.06%</sup> -	\$194,250 <sup>31.71%</sup> 3.76%	\$170,109 <sup>27.77%</sup> 4.06%	\$72,223 <sup>11.79%</sup> 4.42%	\$55,645 <sup>9.08%</sup> 4.58%	\$119,997 <sup>19.59%</sup> 3.47%	\$612,615 <sup>100.00%</sup> 3.92%
Estate Taxes	\$0 <sup>0.00%</sup> -	\$67,652 <sup>2.04%</sup> 1.31%	\$913,021 <sup>27.58%</sup> 21.81%	\$633,350 <sup>19.13%</sup> 38.79%	\$521,976 <sup>15.77%</sup> 43.01%	\$1,174,323 <sup>35.47%</sup> 33.97%	\$3,310,322 <sup>100.00%</sup> 21.16%
Bequest to Charity	\$0 <sup>0.00%</sup> -	\$261,879 <sup>11.02%</sup> 5.07%	\$340,257 <sup>14.31%</sup> 8.13%	\$228,484 <sup>9.61%</sup> 13.99%	\$193,056 <sup>8.12%</sup> 15.91%	\$1,353,326 <sup>56.93%</sup> 39.15%	\$2,377,001 <sup>100.00%</sup> 15.19%
Bequest to Heirs	\$0 <sup>0.00%</sup> -	\$4,642,693 <sup>46.62%</sup> 89.86%	\$2,762,255 <sup>29.52%</sup> 65.99%	\$698,908 <sup>7.47%</sup> 42.80%	\$442,960 <sup>4.73%</sup> 36.50%	\$809,052 <sup>8.65%</sup> 23.41%	\$9,355,869 <sup>100.00%</sup> 59.80%

Panel 2  
1998-2052

	Neg or Zero	\$1 to \$.9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	4,285,314 <sup>4.88%</sup>	70,088,376 <sup>79.79%</sup>	11,371,889 <sup>12.95%</sup>	1,265,072 <sup>1.44%</sup>	487,547 <sup>0.56%</sup>	341,112 <sup>0.39%</sup>	87,839,311 <sup>100.00%</sup>
Value of Estates	(\$32,381)- -	\$19,175,033 <sup>23.81%</sup> 100.00%	\$26,644,611 <sup>33.09%</sup> 100.00%	\$9,472,121 <sup>11.76%</sup> 100.00%	\$7,141,953 <sup>8.87%</sup> 100.00%	\$18,086,297 <sup>22.46%</sup> 100.00%	\$80,487,632 <sup>100.00%</sup> 100.00%
Estate Fees	\$620 <sup>0.02%</sup> -	\$720,893 <sup>22.52%</sup> 3.76%	\$1,103,633 <sup>34.48%</sup> 4.14%	\$419,146 <sup>13.09%</sup> 4.43%	\$329,357 <sup>10.29%</sup> 4.61%	\$627,565 <sup>19.60%</sup> 3.47%	\$3,201,216 <sup>100.00%</sup> 3.98%
Estate Taxes	\$0 <sup>0.0%</sup> -	\$742,228 <sup>3.73%</sup> 3.87%	\$6,253,908 <sup>31.39%</sup> 23.47%	\$3,691,129 <sup>18.52%</sup> 38.97%	\$3,096,338 <sup>15.54%</sup> 43.35%	\$6,141,922 <sup>30.82%</sup> 33.96%	\$19,925,525 <sup>100%</sup> 24.76%
Bequest to Charity	\$0 <sup>0.0%</sup> -	\$1,035,130 <sup>8.10%</sup> 5.40%	\$2,199,580 <sup>17.22%</sup> 8.26%	\$1,334,119 <sup>10.45%</sup> 14.08%	\$1,116,482 <sup>8.74%</sup> 15.63%	\$7,086,793 <sup>55.49%</sup> 39.18%	\$12,772,105 <sup>100%</sup> 15.87%
Bequest to Heirs	\$0 <sup>0.0%</sup> -	\$16,676,781 <sup>37.37%</sup> 86.97%	\$17,087,489 <sup>38.29%</sup> 64.13%	\$4,027,729 <sup>9.03%</sup> 42.52%	\$2,599,774 <sup>5.83%</sup> 36.40%	\$4,230,016 <sup>9.48%</sup> 23.39%	\$44,621,789 <sup>100%</sup> 55.44%

Figures in upper-right hand corner of cells are percentages by category and add across

Figures below are percentages of the value of estates and add down

All dollar values are in millions of \$2002

**Table 8**  
**Wealth Transfer: Higher Level Estimates (2002 dollars)**

Panel 1  
1998-2017

	Neg or Zero	\$1 to \$.9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	1,123,891 <sup>4.35%</sup>	21,827,249 <sup>84.51%</sup>	2,399,101 <sup>9.29%</sup>	280,167 <sup>1.08%</sup>	115,327 <sup>0.45%</sup>	81,839 <sup>0.32%</sup>	25,827,575 <sup>100%</sup>
Value of Estates	(\$6,806) -	\$5,888,311 <sup>30.40%</sup> 100%	\$5,353,233 <sup>27.64%</sup> 100%	\$2,113,279 <sup>10.91%</sup> 100%	\$17,926,458 <sup>0.45%</sup> 100%	\$4,296,755 <sup>22.19%</sup> 100%	\$19,360,185 <sup>100%</sup> 100%
Estate Fees	\$280 <sup>0.04%</sup> -	\$221,384 <sup>29.07%</sup> 3.76%	\$218,407 <sup>28.68%</sup> 4.08%	\$93,528 <sup>12.28%</sup> 4.43%	\$78,959 <sup>10.37%</sup> 4.60%	\$149,105 <sup>19.58%</sup> 3.47%	\$761,662 <sup>100%</sup> 3.93%
Estate Taxes	\$0 <sup>0.0%</sup> -	\$108,586 <sup>2.52%</sup> 1.84%	\$1,172,981 <sup>27.26%</sup> 21.91%	\$820,055 <sup>19.06%</sup> 38.80%	\$742,026 <sup>17.24%</sup> 43.26%	\$1,459,252 <sup>33.91%</sup> 33.96%	\$4,302,899 <sup>100%</sup> 22.23%
Bequest to Charity	\$0 <sup>0.0%</sup> -	\$299,199 <sup>10.04%</sup> 5.08%	\$432,401 <sup>14.51%</sup> 8.08%	\$295,456 <sup>9.91%</sup> 13.98%	\$270,247 <sup>9.07%</sup> 15.75%	\$1,683,323 <sup>56.48%</sup> 39.18%	\$2,980,626 <sup>100%</sup> 15.40%
Bequest to Heirs	\$0 <sup>0.0%</sup> -	\$5,259,141 <sup>46.45%</sup> 89.31%	\$3,529,445 <sup>31.17%</sup> 65.93%	\$904,242 <sup>7.99%</sup> 42.79%	\$624,183 <sup>5.51%</sup> 36.39%	\$1,005,076 <sup>8.88%</sup> 23.39%	\$11,322,086 <sup>100%</sup> 58.48%

Panel 2  
1998-2052

	Neg or Zero	\$1 to \$.9M	\$1M to \$4.9M	\$5M to \$9.9M	\$10M to \$19.9M	\$20M or more	Total
Number of Estates	3,746,158 <sup>4.26%</sup>	58,915,725 <sup>67.07%</sup>	20,448,961 <sup>23.28%</sup>	2,794,077 <sup>3.18%</sup>	1,191,398 <sup>1.36%</sup>	742,991 <sup>0.85%</sup>	87,839,311 <sup>100%</sup>
Value of Estates	(\$21,360) -	\$19,384,389 <sup>12.89%</sup> 100%	\$51,737,590 <sup>34.41%</sup> 100.00%	\$21,133,068 <sup>14.06%</sup> 100.00%	\$17,926,458 <sup>11.92%</sup> 100.00%	\$40,157,069 <sup>26.71%</sup> 100.00%	\$150,317,214 <sup>100%</sup> 100.00%
Estate Fees	\$473 <sup>0.01%</sup> -	\$733,152 <sup>12.02%</sup> 3.78%	\$2,208,304 <sup>36.22%</sup> 4.27%	\$936,351 <sup>15.36%</sup> 4.43%	\$825,100 <sup>13.53%</sup> 4.60%	\$1,394,151 <sup>22.86%</sup> 3.47%	\$6,097,530 <sup>100%</sup> 4.06%
Estate Taxes	\$0 <sup>0.00%</sup> -	\$1,124,345 <sup>2.51%</sup> 5.80%	\$14,007,024 <sup>31.24%</sup> 27.07%	\$8,291,849 <sup>18.49%</sup> 39.24%	\$7,772,183 <sup>17.33%</sup> 43.36%	\$13,643,348 <sup>30.43%</sup> 33.97%	\$44,838,750 <sup>100%</sup> 29.83%
Bequest to Charity	\$0 <sup>0.00%</sup> -	\$1,097,575 <sup>4.01%</sup> 5.66%	\$4,655,105 <sup>17.03%</sup> 9.00%	\$3,002,137 <sup>10.98%</sup> 14.21%	\$2,864,570 <sup>10.48%</sup> 15.98%	\$15,719,326 <sup>57.50%</sup> 39.14%	\$27,338,713 <sup>100%</sup> 18.19%
Bequest to Heirs	\$0 <sup>0.00%</sup> -	\$16,429,317 <sup>22.80%</sup> 84.76%	\$30,867,157 <sup>42.83%</sup> 59.66%	\$8,902,730 <sup>12.35%</sup> 42.13%	\$6,464,606 <sup>8.97%</sup> 36.06%	\$9,400,243 <sup>13.04%</sup> 23.41%	\$72,064,054 <sup>100%</sup> 47.94%

Figures in upper-right hand corner of cells are percentages by category and add across

Figures below are percentages of the value of estates and add down

All dollar values are in millions of \$2002

#### D. Projections of Inter-Vivos Charitable Giving

When we project the current trends of inter-vivos giving, we estimate that between \$3.64 trillion and \$4.41 trillion will be contributed between 1998 and 2017 and that \$14.6 trillion and \$28 trillion from inter-vivos gifts between 1998 and 2052 (Table 9). This table is calculated for secular trends of 2%, 3%, and 4% in growth rates of both real personal wealth and real inter-vivos giving. In fact, the actual real growth rate in inter-vivos giving was 1.61% in the 10 years from 1985 through 1995; 8.08% in the 5 years from 1995 through 2000; and 3.72% in the 15 years from 1985-2000. Looking at the long-term trends in personal wealth, we find that from 1950 to 2001, a period which included booms and busts, the average real growth rate was 3.34%. Thus the 2% and 3% growth rates are certainly not over optimistic.

#### E. Projections of Charitable Bequests

Turning from *inter-vivos* giving to bequests, the projections are equally propitious. One apparent empirical anomaly, we discovered in our research (Schervish and Havens, "Wealth and the Commonwealth: New Findings on the Trends in Wealth and Philanthropy," 2001) is the negative correlation between wealth and *percentage of wealth* contributed in the form of annual giving. While the *percentage of income* contributed increases with wealth as well as with income, the *percentage of wealth* contributed rises with income but not with wealth. However the area of charitable giving, which is positively related to wealth, is, as we already described, charitable bequests. This fact notwithstanding, the value of charitable bequests hovers around 10% of annual inter-vivos gifts by individuals (based on time series data from *Giving USA 2002*, a publication of the American Association for Fundraising Counsel Trust for Philanthropy). Because of the dramatic growth of wealth predicted by our Wealth Transfer Microsimulation Model, we expect that in addition to annual *inter-vivos* giving, and without any increase over the 1995 proportion of estates going to charity the projected 20-year level of bequests will be between \$1.7 trillion and \$2.7 trillion, while the projected 55-year level of bequests will be between \$6 trillion and \$25 trillion. Moreover, 72% to 79% of these amounts will come from the 1% to 5% of estates (depending on the secular rate of growth) valued at \$5 million or more (Havens and Schervish, *Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy*, 1999, <http://www.bc.edu/swri>).

**Table 9**  
**Projections for Wealth Transfer and Charitable Contributions**

<b>20-Year Period from 1998-2017 (2002 Purchasing Power)</b>			
	Low Estimate (2% secular growth)*	Middle Estimate (3% secular growth)	High Estimate (4% secular growth)
	(\$2002 in trillions)	(\$2002 in trillions)	(\$2002 in trillions)
Total Wealth Transfer	\$12.80	\$15.67	\$19.31
Bequests to Charity	\$1.88	\$2.43	\$2.98
Inter-Vivos Giving by Individuals**	\$3.64	\$3.97	\$4.41
Total Charitable Contributions	\$5.52	\$6.40	\$7.39
% of Total Contributed by Millionaires	54.4%	56.3%	58.2%
<b>55-Year Period from 1998-2052 (2002 Purchasing Power)</b>			
	Low Estimate (2% secular growth)*	Middle Estimate (3% secular growth)	High Estimate (4% secular growth)
	(\$2002 in trillions)	(\$2002 in trillions)	(\$2002 in trillions)
Total Wealth Transfer	\$45	\$80	\$150
Bequests to Charity*	\$6.6	\$12.8	\$27.4
Inter-Vivos Giving by Individuals***	\$14.6	\$20.0	\$28.0
Total Charitable Contributions	\$21.2	\$32.8	\$55.4
% of Total Contributed by Millionaires	52.0%	57.5%	65.3%

Source: Calculated by the Social Welfare Research Institute, Boston College.

\* Note: This table is calculated for secular trends of 2%, 3%, and 4% in growth rates of both real personal wealth and real inter-vivos giving. The actual real growth rate in inter-vivos giving was 1.61% in the 10 years from 1985 through 1995; 8.08% in the 5 years from 1995 through 2000; and 3.72% in the 15 years from 1985-2000

\*\*Note: Bequests to charity were estimated by the Social Welfare Research Institute Boston College (Havens and Schervish 1999).

\*\*\*Note: Calculated by the Social Welfare Research Institute, Boston College based on an estimate from AAFRC, Giving USA 2002, of inter-vivos giving in 1998.