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Wealthy Young Americans' Approach to Philanthropy Mirrors the Ultra-Wealthy -- SEI Survey

Philanthropic Behaviors of Americans Under 40 Parallel Those of Deca-Millionaires

OAKS, PA -- (Marketwired) -- 03/29/16 -- New data released today by SEI (NASDAQ: SEIC) indicates that when it comes to philanthropy, the youngest high-net-worth Americans share habits and attitudes with the wealthiest individuals and families in the country. The report, [*Algorithms of Wealth: Community*](#), showcases that wealthy Americans who are under the age of 40, as well as those who have assets of \$10 million or more, are outliers in their commitment to philanthropy, including the amount they give, the desired impact of their donations, their methods of giving, and their giving values.

"Philanthropy at any level is generous. It also happens to be a priority for the majority of wealthy Americans," said [Michael Farrell](#), Managing Director of [SEI Private Wealth Management](#). "However, those under the age of 40 and those with the highest assets tend to give the most. Despite this being central to many wealthy families' values, donating money also creates questions and anxiety. Is the donation making a difference? What impact does my check make on the charity's beneficiaries? Without specific goals for giving, donations may not meet an individual's expectations."

Philanthropic giving is generally universal among wealthy Americans. The average survey respondent allocated roughly 13 percent of their wealth to causes each year. The youngest respondents, those under 40, however, gave away more than twice the average (27 percent). In this instance, young high-net-worth respondents are even more aggressive in their giving than ultra-high-net-worth respondents. Those with more than \$10 million in assets donated roughly 21 percent of their wealth each year.

Compelled to Give

When it comes to bigger picture considerations about the impact of wealth, the youngest and wealthiest respondents ranked philanthropy higher than their peers. While running out of money, or "going back," was the item most respondents (59 percent) referenced as the biggest anxiety-inducer, roughly a quarter of young respondents and nearly one-third of ultra-wealthy respondents identified "making the right impact with giving" as the leading

source of anxiety related to their wealth. By comparison, only 21 percent of total respondents felt the same way.

Specifically within giving, however, results varied regarding what elements of philanthropy caused the greatest stress for wealthy Americans. While nearly half of all respondents (48 percent) said nothing about their donations keeping them awake at night, young respondents and those with more than \$10 million in assets again contrasted with the majority. Specifically, only 28 percent of ultra-high-net-worth respondents and 26 percent of those under 40 claimed that philanthropic giving did keep them awake at night. The top concern for both groups was that their donations had been wasted.

Impactful, Strategic Giving

The *Algorithms of Wealth: Community* survey also revealed that more than any other age group, those under 40 cared the most about the social impact of their philanthropic giving. Thirty-nine percent of these respondents considered social impact to be the preferred measure of results followed by family impact and financial impact. Similarly, 37 percent of the wealthiest respondents considered social impact to be the preferred measure of results followed by family impact and then financial impact. Interestingly, the largest percentage (11 percent) of those who preferred to measure results through political impact were the youngest respondents, while only four percent of those over the age of 40 viewed political impact to be most important.

While many respondents had preferred methods for measuring the impact of their donations, 41 percent of respondents over the age of 60 and 37 percent of those with fewer than \$10 million in assets did not measure the results of their giving at all.

"The level of engagement in giving among the youngest and wealthiest respondents can also be tied back to giving strategy," said [Jeff Ladouceur](#), Director of SEI Private Wealth Management. "Results were consistent with what we experience with SEI Private Wealth Management clients in that the more an individual plans their giving, the more likely they are to measure its impact and be satisfied with their approach to philanthropy."

Among various methods of giving, respondents under the age of 40 and those with more than \$10 million in assets were much less likely than their peers to give checkbook donations, which are one-time or impulse donations. The youngest and wealthiest only allocated 29 and 33 percent of their giving to checkbook donations, respectively. By contrast, the average respondent allocated 44 percent of donations to this method of giving. The two groups were also more likely than their peers in age and assets to allocate giving through gifts to family, lump-sum donations and donor-advised funds.

This is the eighth assessment looking at the issues facing ultra-high-net-worth investors that SEI and Scorpio Partnership have co-led since 2011. The full *Algorithms of Wealth: Community* report can be viewed at: <http://www.seic.com/enUS/wealthnetwork/17288.htm>.

Methodology

The "Algorithms of Wealth" digital survey was conducted among 275 ultra-high-net-worth individuals. The individual respondents' average total financial assets were \$18 million. There is a portion of the survey population that is both under the age of 40 and has assets of \$10 million or more. This accounts for 11 percent of the total survey population.

About SEI Private Wealth Management

SEI Private Wealth Management helps individuals and families build and execute wealth

management strategies based on their unique goals. By leading clients through our proprietary discovery process, SEI helps them identify, articulate and prioritize goals; track financial resources; and organize those resources against their stated goals. SEI tracks clients' progress towards their goals so they are empowered to make effective and impactful decisions around their wealth. As of December 31, 2015, SEI Private Wealth Management has assets under advisement of \$1.40 billion. SEI Private Wealth Management is an umbrella name for various wealth advisory services provided by SEI Investments Management Corporation (SIMC). SIMC is a subsidiary of SEI. For more information about SEI Private Wealth Management, visit <http://www.seic.com/enUS/individuals.htm>.

About SEI

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of December 31, 2015, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$670 billion in mutual fund and pooled or separately managed assets, including \$262 billion in assets under management and \$408 billion in client assets under administration. For more information, visit seic.com.

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