



Wealthy Americans, Philanthropy, and the Common Good

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Abstract

Using a new data set from a pilot study of the top 1 percent of U.S. wealth-holders, this working paper investigates how wealthy Americans think about the common good and what they do about it. The researchers find that the wealthy respondents cite many potential problems facing the country as important and offer serious ideas about how to address them. Very active in politics, they initiate many contacts with high-level federal officials. Most of these contacts concern problems of broad common interest rather than their own narrow self-interest. The researchers also find high levels of volunteerism and contributions for charitable causes—including some extraordinarily generous contributions. At the same time, the study suggests that improvements could be made in the quality and, in particular, quantity of charitable giving in the United States. Additionally, the paper discusses various aspects of wealthy peoples' charitable activity, personal characteristics, economic positions, and political attitudes and orientations.

On June 16, 2010, Bill and Melinda Gates and Warren Buffett announced a “Giving Pledge” campaign in which the wealthiest American individuals and families are asked to commit at least half their wealth to charitable or philanthropic causes, either during their lifetimes or at death.¹

The Forbes 400 wealthiest Americans at that time, taken all together, had an estimated total net worth of about \$1.2 trillion (\$1,200 billion). If half of that were given to charity the contributions would add up to \$600 billion, roughly twice the total amount then being given annually to charity by all Americans. Since the top 400 U.S. income earners were then giving only about 8% of their *income* (not wealth) to charity each year, and since the 38,000 or so annual estate tax returns to IRS were showing charitable bequests of only about 12% of their \$229 billion in total estate value, the Giving Pledge clearly has the potential to greatly increase – in fact to transform – American philanthropy.² By the end of April, 2011, 69 billionaires had made the pledge. Many others have been contacted and are thinking about it.³

The Giving Pledge is a major initiative with transforming potential. But it fits into an old and uniquely American philanthropic tradition, in which economically successful people “give back” much of their accumulated wealth to help others. Since the beginning of the twentieth century, when John D. Rockefeller, Andrew Carnegie and others established their great charitable foundations, private philanthropy has become a major element in efforts at social progress in the United States.⁴

Wealthy Americans have also played a major part in politics and policy making. There can be little doubt that economic resources can be translated into political

influence.⁵ As Christopher Jencks and others have noted, political groups get almost all their income from private donations, which come chiefly from people with substantial funds.⁶ From an historical perspective, major shifts in public policy in the United States have rarely if ever occurred without support from some set (not necessarily a large set) of wealthy backers. This is true of major changes both leftward and rightward: the Progressive reforms of the early twentieth century; the New Deal; the Great Society; and the Reagan Revolution.⁷

A great deal is known about how much money has been given by what sorts of people to what charitable causes (based on data from SCF, the IRS, and recipients),⁸ and about what part wealthy Americans have played in major U.S. policy shifts (based on historical case studies.) Much less is known about how today's wealthy Americans think about the common good, what they try to do about it, or how they differ according to background or world view. This is because the usual surveys of the whole U.S. population do not include enough wealthy Americans to adequately capture their views. The best research to date using such surveys examines only the top 20% or so of U.S. income earners, who are "affluent" but hardly wealthy.⁹ And there have been no systematic, representative surveys that deliberately oversample the wealthy in order to investigate their social and political views and behavior.¹⁰

In this paper we offer some preliminary analyses of data from a small but representative survey of wealthy Americans – which, so far as we know, – is the first effort of this kind.¹¹

Research Questions about Wealthy Americans and the Common Good

It is not unusual to assume that the social and political attitudes and behavior of wealthy individuals are motivated solely by narrow economic self interest. Such an assumption feeds concerns that the unequal political power of the wealthy, which some label as constituting “plutocracy” or “oligarchy,” may be wielded against the interests of their fellow citizens.¹²

But we prefer to think of this assumption as pointing toward important empirical questions. To what extent do wealthy Americans actually pursue narrow economic self interests, and to what extent do they worry about the common good? What problems do they see as facing the United States as a whole? How do they propose to address those problems? Through government action? Free markets? Private philanthropy? What do they personally do about the problems they perceive? Do they contact public officials? Volunteer their own time and effort? Give money to charitable or philanthropic causes?

How unified – or how diverse – are the wealthy in these respects? Do their views and actions vary according to their age, their religious or political views, or the extent of their wealth? According to their background (“new” money versus “old”?) Their relationship to the economy (professionals versus business owners?) Or what economic sector they are associated with (bankers vs. manufacturers? export-oriented vs. domestic firms?) What subgroups of wealthy Americans might be drawn upon to energize major policy changes, or to contribute to a new level of philanthropic giving along the lines of the Giving Pledge?

Together with several scholars around the country we are investigating these matters through the Study of Economically Successful Americans and the Common Good (SESA). Here we report the results of a pilot study fielded by NORC, based on a small

but representative sample of wealthy Chicago-area households. Households were randomly selected from comprehensive, commercially available lists that we refined with supplementary data. (For more about the survey, see the Appendix to this paper or previous accounts by us and our colleagues.¹³)

The distribution of wealth among our respondents is given in Table 1.¹⁴ Most of our respondents fall into the top 1% or so of U.S. wealth-holders, and a fair number fall into the top 0.5%.¹⁵ The average (mean) wealth is about \$14 million, with a median of \$7.5 million. With this sample we can use regression techniques to begin to draw some inferences about the rarified and very elusive top one tenth of 1% of U.S. wealth-holders, households with about \$45 million or more in net worth.¹⁶

(Table 1 about here)

The people in our sample are not mega-rich; their net worth falls far below the \$1 billion now necessary to make the Forbes 400 list of the very wealthiest Americans.¹⁷ But they are the wealthiest group yet studied systematically, and they may offer some clues about what is true at still higher levels of wealth.

How the Wealthy View Problems facing the United States

To help us assess to what extent and how our wealthy respondents are concerned about the common good, we asked them an open-ended question about what they think is the “most important problem facing the country today.” Nearly all mentioned one or more collective problems, especially budget deficits (overwhelmingly the most frequent

choice, mentioned by 32% of the respondents), unemployment (mentioned by 11%), and education (also by 11%).

We then listed eleven possible problems facing the United States and asked whether respondents believed each one was very important, somewhat important, or not very important at all. As Table 2 indicates, large majorities considered several of these problems to be very important. Budget deficits topped the list, with 87% saying “very important”, followed fairly closely by unemployment (84%), education (79%), terrorism (74%), and energy supplies (70%). About half see health care (57%), child poverty (56%), and loss of traditional values (52%) as very important problems. Considerably smaller percentages of these affluent Americans expressed concern about trade deficits, inflation, or climate change. Climate change trailed at the bottom of the list, with only 16% calling it “very important and 31% saying “not very important at all.”

(Table 2 about here)

Clearly, wealthy Americans express concern about a number of collective problems. Of the eleven potential problems about which they were asked, a majority of wealthy respondents rated eight of the eleven to be very important. What, if anything, do they do about these concerns?

Political Action and the Common Good

Wealthy Americans tend to be very active in politics, far more so than their less affluent fellow citizens. As Table 3 shows, nearly all our respondents say they voted in the 2008 presidential election. A very large majority say they pay attention to politics “most of the time,” and the average (median) respondent says that he or she talks about

politics five days of the week. (Several commented, “all the time!”) Their attendance at a campaign speech or meeting (41%), and the frequency with which they have contributed money to a political party or candidate or other political cause in the last three or four years (68%), are much higher than among the general public.¹⁸ Especially notable is the fact that fully one fifth (21%) of our wealthy respondents reported soliciting or “bundling” contributions from other people to a party or candidate or political cause. On average, our wealthy respondents reported giving \$4,633 to political campaigns and organizations in the past twelve months.¹⁹

(Table 3 about here)

High-level political contacts and public purposes. We asked our interviewees whether or not they had initiated a contact with each of six types of federal government officials or their staffs in the past six months. About half had contacted at least one type of official. Respondents were particularly likely to initiate contacts with members of Congress. Forty percent reported that they had contacted their own senator, and 37% had contacted their own representative; remarkably, 28% had contacted a representative or senator from another district or state (see Figure 1.). In total, nearly half of our respondents – 47% of them – had made at least one contact with a congressional office. Contacts with executive department officials (14%), White House officials (12%), and officials at a regulatory agency (21%) were less frequent. But all these contact levels are far higher than among the general public.²⁰

(Figure 1 about here)

Most of our respondents supplied the title or position of the federal government official with whom they had their most important recent contact. Several offered the

officials' names, occasionally indicating that they were on a first-name basis with "Rahm" Emmanuel (then President Obama's Chief of Staff) or "David" Axelrod (his chief political counsel.) The frequency of such close ties to the Chicago-linked Obama administration may be unique to our Chicago-area respondents, but we see no particular reason why their high frequency of contacts with congressional representatives should be atypical of wealthy Americans elsewhere in the country. For that matter, there is reason to suppose that very wealthy people anywhere in the country can probably get the attention of high-level executive branch officials, too, when they wish to do so. Only a representative national study could tell us for sure.

When we asked an open-ended question about the main purpose of a respondent's most important recent contact, most reported a specific topic. Many gave a fair amount of detail about what they discussed. As best we could, we coded these responses as reflecting either narrow economic self interest or broad collective concerns.²¹

Of course some responses were too vague to code: "[to] try to influence legislation..."; "trying to get him to pass or veto some pending legislation"; "to make recommendations on policy issues." And some involved ambiguous mixtures of personal and societal concerns ("A relative works for a non-profit that trains foreign police officers to investigate alleged war crimes, e.g. in Africa....I found the correct person to contact to obtain money for this group"; "I met with both [the] congressman and the senator...on why government must not cut the worker training budget, as a representative of the Alliance of Manufacturing...[this] is an important investment that will return the benefits many times over.") But many contacts fairly clearly concerned a matter of economic self interest ("to try to get the Treasury to honor their commitment to extend

TARP funds to a particular bank in Chicago”; “to better understand the new regulations of the Dodd-Frank Act and how it will affect my business [banking/ finance]”; “Fish and Wildlife. Business; permitting on development land”; “on behalf of clients, seeking regulatory approvals”; “I own stock in several banks. I was concerned about legislation he was drafting that I think could be harmful for the banks.”) Many other contacts involved matters of broad public policy (“concern about... deficit spending too much”; “we don’t like...defunding public broadcasting, ending funding to NOAA, decrease funding to the IRS....It’s crazy to end Head Start and they want to give away oil rights...”; “[as an advisory committee member] I provided my input to the issues associated with migrant worker health”; “My congresswoman is also a friend so we met over dinner and discussed...health care issues”; “to support government fiscal responsibility.”)

According to our coding there were many contacts of both types, but somewhat more of them concerned collective matters related to the common good (56% of those coded one way or the other) than concerned narrow economic self interests (44%.) See Table 4, which also summarizes a few examples of topics or purposes of contacts. Contacts about health care policy were particularly frequent, constituting 20% of all issue-specific contacts.

(Insert Table 4 about here)

Can we believe these responses? For the most part, subject to certain caveats, we think we can. Most of the reported topics and arguments seem too detailed and too plausible to have been made up on the spot for our interviewers. Spur-of-the-moment inventions would take effort to concoct and could be harmful to the self esteem of people

who like to think of themselves as honest. On the other hand, we suspect that the frequency of self-interested discussions with officials may well have been somewhat understated. This could happen either because some respondents chose to focus on a genuinely public-regarding contact as the “most important” one (ignoring an equally important but more selfish contact), or because some of the 4% who acknowledged the fact of a contact but refused to state its purpose (or some of those whose responses were too vague to judge) were actually pursuing a narrow self interest but felt uncomfortable telling us about it.

Still, even if these possibilities are taken into account – if, for example, we assume that all refusals to state a purpose of contact concealed efforts to advance narrow self interests – such efforts seem likely to be outweighed by efforts to influence officials’ views on broad public problems. This is not to say that all our respondents were correct about what would benefit their fellow citizens. We cannot be sure of that. But our evidence indicates that when wealthy Americans contact high-level public officials, they often address the common good as they see it, not just their own parochial concerns.

Preferences for private rather than governmental solutions. An important theme that emerges from the answers to many of our survey questions is that our wealthy respondents, when they focus on exactly how to advance the common good, often tend to think in terms of “getting government out of the way” and relying on free markets or private philanthropy to produce good outcomes. Evidence from identical questions asked in various surveys of the general public indicates that in this respect the wealthy tend to differ markedly from less affluent citizens.²²

This is particularly evident in the responses to our open-ended question about the “most important problem” facing the country and to our open-ended follow-up question: “In your own words, how do you think that problem should be addressed?” We received many thoughtful replies, sometimes lengthy ones. Again and again, those replies expressed skepticism about governmental programs. Very few explicitly advocated market-oriented or philanthropic solutions,²³ but many mentioned cutting government programs, especially entitlements.

As we have noted, federal budget deficits were rated as a “very important” problem by 87% of our respondents (recall Table 2) and were mentioned as the single most important problem by 32%, far more than mentioned anything else. In response to the “most important problem” question, many said something like “the level of national debts”; “budget deficits”; “the federal budget deficit”; “the deficit – unfunded social responsibility”; “national debts”; “deficits”; “government spending and deficits.”

Of those respondents who considered deficits the most important problem, most wanted to address them by cutting spending rather than increasing revenue. None at all referred only to raising revenue. Two thirds (65%) mentioned only cutting spending, while 35% mentioned both spending cuts and revenue increases.²⁴ Their comments mentioned “reduction across the board in order to put the house in order”; “reduce government spending first and foremost”; “solve the expense of transfer programs, i.e. Social Security and Medicare. We cannot afford to keep funding these programs”; “major cutbacks in spending”; “lots of fiscal restraint...re-structuring many entitlement programs, means-testing Social Security and Medicare.”

This emphasis on dealing with deficits by cutting programs rather than raising taxes – significantly different from the view of most members of the general public – also emerged in answers to closed-ended policy preference questions that we will not discuss in detail here.²⁵ Most of our wealthy respondents tilted toward cutting back, rather than expanding, most federal government programs (nine of the twelve we asked about), including popular entitlements like Social Security and health care. There was little sentiment for substantial tax increases on the wealthy or on anyone else.

In order to address the problem of unemployment, widely seen as very important, respondents tended to think in terms of unleashing the job-creating force of private enterprise, not about using government to stimulate the economy, to provide jobs, or to aid the unemployed. As one said, “[the most important problem is] entitlements....this country is giving millions of dollars away that do not motivate people to go to work and [we] continue to extend unemployment benefits.” Several were unsure how to address the unemployment problem. One said “No good answer; I don’t know”, while another just turned to his #2 problem, excessive military spending. Responding to specific policy preference questions, most of our wealthy interviewees opposed the idea that the government in Washington should “see to it” that anyone able to work can find a job. They overwhelmingly opposed the idea that government should “provide” jobs if private enterprise cannot. There was very little support for generous unemployment insurance or for expanding the Earned Income Tax Credit for low-wage workers.

A similar tendency to favor private solutions applies to education. Education is often thought of as an exceptional policy area, because nearly all Americans – Republicans and Democrats, liberals and conservatives, high-income and low-income

earners – say they favor improving our educational system. Our wealthy respondents tilted toward “expand[ing]” rather than “cut[ing] back” federal aid to education, and a majority expressed willingness to pay “more taxes” for early childhood education in kindergarten and nursery school. Yet only a minority (about one third) agreed with the proposition that “the federal government should spend whatever is necessary to ensure that all children have really good public schools they can go to.” (One who opposed this idea volunteered the comment, “individuals should donate money.”)²⁶ Only about one quarter of our respondents agreed that “the federal government should make sure that everyone who wants to go to college can do so,” and only a third said that “the federal government should invest more in worker retraining and education to help workers adapt to changes in the economy.” All in all, wealthy Americans apparently do not favor large new investments of public money to improve the quality of education or access to education in the United States.

Instead, our respondents favor market-oriented reforms. A majority favor parents getting tax-funded vouchers to help pay for their children to attend private or religious schools instead of public schools. A very large majority (93%) favor the idea of charter schools, “operating under a charter or contract that frees them from many of the state regulations imposed on public schools and permits them to operate independently.” A similarly overwhelming majority favor merit pay for teachers.

Skepticism about government extends to economic regulation. Not total skepticism; our respondents decisively rejected the extreme Libertarian view that government should do “nothing except provide national defense and police protection,” and they tilted a bit toward more regulation of certain kinds of firms that have recently

been the subjects of negative news stories – Wall Street Firms, the oil industry, food, and the health insurance industry. But more than two thirds of our respondents said that the federal government “has gone too far in regulating business and the free enterprise system.” A similar majority want less federal government regulation of small business. More favor decreasing than favor increasing regulation of big corporations.

Also indicative of our wealthy respondents’ skepticism about government is the fact that 74% said that people in the government waste “a lot” (rather than “some” or “not very much”) money we pay in taxes. Similarly, three quarters said they trust the government in Washington to do what is right “only sometimes” rather than “most of the time” or “always”; several volunteered “never.”

Given the general preference among wealthy Americans for market-based or private solutions to our common problems, one may ask just how much – and exactly what – these individuals themselves do about the problems they cite. To what extent do they volunteer to help, and what causes do they focus on? To what extent do they engage in charitable or philanthropic giving? And is charitable giving itself colored by a new, “private equity” view of philanthropy, avoiding cooperation with government and mistrustful of existing institutions generally?²⁷

Civic Engagement, Volunteerism, and Charitable Contributions

We have rediscovered something important that has long been true: many wealthy Americans make extraordinarily generous contributions of their time, effort, and money to a wide range of charitable causes. At the same time, we find that this generosity has

certain limits. These limits deserve serious discussion if we want to further improve the practice of philanthropy in the United States.

We discovered several examples of exceptional generosity. One of our respondents, a semi-retired lawyer and financial executive with over \$100 million in net worth, made \$700,000 in charitable contributions last year (mostly through his family foundation) to religious organizations, education, health, and the arts; he also served as an active board member for various non-profit organizations. Another, a retired transportation executive with net worth of \$50 million, gave half a million dollars to a wide range of causes -- 70% of it to education. The owner of a real estate business with \$35 million net worth had coached youth sports for fifteen years; last year he contributed \$50,000 (10% of his income) to a wide range of charities, about half the money going to education. Perhaps most impressively, the owner of a manufacturing business, who has a net worth of \$40 million, actively served on “seven or eight” boards of charitable organizations, devoting 50% of his time to them; he contributed an enormous \$1.5 million (half his annual income) to charity, about 60% of it going to education.

Volunteering. We asked our respondents whether not they had done volunteer work (“not just belonging to a service organization, but actually working in some way to help others for no monetary pay”) during the last twelve months, in each of a dozen different fields. Nearly all respondents (92%) reported some volunteer activity, and most volunteered in more than one field; the average was five fields. As Table 5 indicates, respondents are especially likely to volunteer to help with education (65% did so); poverty and the needy (60%); private and community foundations (54%); youth development (52%); arts, culture, and the humanities (46%), and religious organizations

(46%). Environmental and international causes come out low on the list, with only 18% and 21% [respectively] volunteering.)

(Table 5 about here)

Charitable contributions. We also asked whether or not respondents or members of their household contributed money or other property, in the last twelve months, to each of the same twelve types of charitable causes. As Figure 2 indicates, most of our wealthy respondents give money to a wide range of causes, most notably to education (88% do so), arts, culture, and the humanities (81%), poverty and the needy (78%), religious organizations (74%), and health (71%). Fully one fifth (21%) of our respondents report having a family foundation of their own to support such causes.²⁸ One commented, “I feel I can do more good with my money rather than having it go to the government when I ‘turn up my toes.’”

(Figure 2 about here)

For each type of charitable cause, Table 6 compares the percentage of our respondents who contributed financially to the percentage who volunteered, and it notes the average percentage of respondents’ total contributions that went to that field. In every case, the wealthy are more likely to contribute money than time. For example, whereas 71% contributed money to health care, only 29% volunteered in that area; whereas 81% contributed to the arts, only 46% volunteered. The gaps for religious organizations, education, and poverty and the needy are nearly as big. This makes sense. These are very busy people. Most have abundant resources to make financial contributions but face big opportunity costs if they devote substantial time to volunteering. What is striking to us is that – none the less – many of our wealthy

respondents do in fact volunteer: a higher proportion of them than among the general public.²⁹ Spontaneous comments by our respondents suggest that a fair amount of this volunteering involves high-level activities like serving on the boards of non-profit organizations.

(Table 6 about here)

Table 6 reveals certain contrasts between fields that rank higher in terms of contributing than volunteering (health, the arts), and fields that rank higher in volunteering than contributing (youth development.) It also suggests a contrast between the frequency of contributing to poverty and the needy (78% contribute) and the actual amount of money going to that purpose (just 8% of total contributions) given to them. By contrast, religious organizations do better in amounts of money (getting about 16% of all contributions) than in frequency of contributing; the same is true for health. By both measures education tops the list, with 22% of all contributions going to it.

One thread of concern about U.S. philanthropy is that wealthy donors may tend to contribute disproportionately to “upper class” causes like operas, symphonies, or elite colleges or prep schools that they themselves attended, which arguably benefit other affluent people more than they help working-class citizens; or that they may focus on their own churches or on medical services of special interest to themselves, their families, or their (relatively affluent) communities.³⁰ The high frequency of contributions to (and volunteering for) “poverty and the needy” would seem at first glance to alleviate such concerns, but the modest amount of money going to the poor cuts the other way. With our data we cannot tell what proportion of educational contributions went to improving public schools or giving scholarships, as opposed to funding new buildings at elite

institutions. Nor can we tell the precise allocation of the substantial amount of money given to religion, health care, or the arts.³¹

The total amount of money given to charitable causes by our respondents, noted in Table 7, is impressive. The average (mean) *total contribution* for the last year was \$75,215,³² and the contribution from the average (median) *contributor* was \$20,000. (The difference indicates that much of the money came from a few very large contributors like the \$1.5 million donor mentioned above.) Yet contributory *efforts*, as indicated by the proportion of available income that our wealthy respondents gave away, may not be quite so impressive. A few very generous contributors gave quite large proportions of their income, like the 50% case we mentioned. But the average (median) contributor in our sample gave only about 4% of his or her income. This rate is well below the 10% “tithing” norm advocated by several major religions. It would seem to leave considerable room for the Gates-Buffett Giving Pledge or similar campaigns to produce a major increase in giving.

(Table 7 about here)

Although Americans justifiably pride themselves on their philanthropy, our level of giving is in fact lower than in several European countries (though higher than in most.)³³ And the total amount given in such fields as education is dwarfed by public spending at the state, local, and federal levels.³⁴

Who are the Philanthropists and Volunteers?

In order to improve and increase charitable giving – or simply to understand the giving that now occurs – we need to know what sorts of people currently give how much

to what causes. Do the wealthier give more? Older people? What about those from particular religious traditions, such as Catholics or Jews? Are those with “old” inherited money more inclined to give it away than still-striving earners of “new” money? Do those working in different sectors of the economy have different patterns of giving? Professionals, as opposed to business owners? Manufacturers, as vs. bankers? Owners or managers of export-oriented firms as opposed to those centered on domestic markets?

Effects of income and wealth. Not surprisingly, those who have more money tend to give more away. High levels of wealth lead to more charitable giving. With the small size of our sample (especially at the highest levels of wealth) – and with uncertainties about the measurement of respondents’ wealth itself – we cannot be sure exactly what shape this relationship takes, but Figure 3 gives our best estimate, perhaps a somewhat conservative one.³⁵

(Figure 3 about here)

As Figure 3 indicates, we estimate that a household with \$10 million in net worth tends to give about \$44,000 annually to charity: that is, a little less than one half of one percent of its wealth. That amount rises by half a penny (\$.005) for each additional dollar of wealth, reaching a total of about \$194,000 in charitable contributions by a household with \$40 million in wealth. These amounts are certainly substantial. They can make a real difference in recipients’ lives. At the same time, however, they do not seem enormous as a fraction of the givers’ total wealth. During their lifetimes³⁶ our respondents do not appear to be giving large proportions of their fortunes to charity. They do not seem to be on track to reach the Giving Pledge target of contributing at least 50% of their wealth.³⁷

What about charitable effort in the sense of annual giving as a proportion of annual *income*? In the general population disposable income is key to giving, since wealth is often tied up in non-liquid assets like home equity.³⁸ Our wealthy respondents can more easily give from their assets: they generally have plenty of income to live on, and they usually own liquid assets like stocks and bonds that can be given to charity, producing a tax deduction and avoiding any tax on unrealized appreciation.³⁹ Still, annual income does appear to have some effects (beyond those of wealth) upon charitable giving by our respondents. It is even possible that income has a bigger independent effect upon amounts contributed than wealth does, but we cannot be sure.⁴⁰

The charitable efforts of our respondents in terms of proportions of their income seem substantial but not extremely strenuous. As noted earlier, the typical (median) respondent in our sample gives about 4% of his or her annual income to charity. This figure is similar to what others have found using different data. Other researchers have suggested that the giving rate for the whole U.S. population tends to rise to about 5.4% of income for people who make around \$500,000 per year, declining to about 3.2% for incomes over \$1 million.⁴¹

Religion. Among our wealthy respondents, Catholics⁴² tend to give more in charitable contributions, as a proportion of their income, than Protestants or Jews do.⁴³ They actually give contributions to religious organizations less frequently than others, but those Catholics who do give to religion, give generously: Catholics as a whole tend to give a higher proportion of their contributions to religion. Catholics do not give more frequently than others to any other causes – not to poverty and the needy, for example – but they may give a larger proportion of their contributions to adult recreation and to

international or foreign causes than to other non-church matters.⁴⁴ And Catholics are distinctly more likely than others to volunteer to help with education, adult recreation, youth development, and perhaps religious organizations.⁴⁵

There are too few Jews in our sample (just 14% of the respondents who gave a religious affiliation) to be very confident about their charitable or volunteering behavior. But our Jewish respondents do tend to give significantly more often to health causes. They also give a higher proportion of their income for health and perhaps for youth development.⁴⁶

Certain strong tendencies cut across religious denominations. Those who attend religious services more often are likely to engage in quite a few more volunteer activities than others do, and to contribute money to more types of organizations. They contribute much more frequently to religious organizations, but also to the arts and perhaps to adult recreation. Religious attenders may tend to give a higher proportion of their income to charity overall; they allocate distinctly more of their income for religious organizations. Not surprisingly, religious attenders much more often volunteer their time and energy to help religious organizations, but they also volunteer more to help with education, adult recreation, and international causes.⁴⁷

We cannot be sure about causation here. But several of these relationships are very strong, and we have been unable to identify any outside variables that might be responsible for spurious associations. It appears that among these wealthy Americans, religious beliefs and religious practices genuinely motivate action on behalf of certain aspects of the common good.

Age. Our older respondents engage in somewhat less frequent giving and volunteering than the younger ones do. They may tend to volunteer for fewer causes overall. They clearly volunteer less frequently for youth development and religious organizations; perhaps also for education, for poverty and the needy, and for adult recreation (though they may volunteer a bit more for the arts.) Fewer older respondents give money for education. But they do not particularly tend to give a lower total amount of money or a lower proportion of their income to charity over all. They allocate a larger portion of their giving to poverty and the needy and perhaps also to the arts.⁴⁸

We originally expected that retirement from regular employment would free up time for volunteering and would free accumulated money for charitable giving. Not so, apparently, in our sample of wealthy respondents. If anything, the retired⁴⁹ may tend to volunteer for fewer different types of causes. They volunteer distinctly less often for youth development and education; perhaps also less often for poverty and the needy. They may be less likely to contribute to education, though their total contributions and contributions as a proportion of income are not significantly different from others'. So among our wealthy respondents, retirement is no great stimulant to charitable activity. On the other hand, the negative relationships of charitable activity with retirement tend to be a bit weaker than those with age; this suggests that the act of retirement itself may partially offset the effects of aging.⁵⁰

Education. There may be a tendency for respondents with more formal education to volunteer to help more different types of organizations. They are particularly likely to volunteer for arts, humanities, and cultural organizations. The more highly educated tend to contribute more frequently than others to health and perhaps to

education and to religion; they may allocate a larger proportion of their contributions to poverty and to religion than others do.⁵¹ But they do not contribute more money than others, either in absolute amounts or as a proportion of their income.

Gender and marital status. Among our respondents, the 21% who are women differ hardly at all in charitable behavior from the men, except that women tend to give more frequently to youth development and perhaps to international causes; they may allocate a bit less of their contributions to the arts. Since the vast majority (94%) of our respondents are married, it is very difficult to infer the effects of marital status, but the married have a highly significant (and perhaps puzzling) tendency to allocate a smaller proportion of their contributions to poverty and the needy. They volunteer more for religious organizations, and perhaps a bit less for the arts.⁵²

Party affiliation and ideology. Among our wealthy respondents there are about twice as many Republicans (58%) as Democrats (27%). (Each figure includes independents who feel “closer” to one party than the other.) Although both groups tend to be more conservative than their counterparts in the general population, there are some marked differences between them. The Democrats are more likely to favor more as opposed to less regulation of various industries; to favor higher taxes (especially on the wealthy); and to favor expanding rather than cutting back a number of government programs, such as environmental protection, improving public infrastructure, economic aid abroad, Food Stamps, aid to education, health care, and job programs. Democrats are more likely than Republicans to see climate change as a very important problem, and less likely to attribute great importance to budget deficits.⁵³

When it comes to volunteerism and charitable contributions, however, differences by party affiliation or liberal/ conservative ideology are more muted.⁵⁴ Democrats do tend to contribute to more different types of charities; they more frequently contribute to health, the environment, and perhaps the arts. But there is no particular tendency for Democrats to give more money, either in absolute amounts or as a proportion of their income, than Republicans do. Republicans give a significantly higher proportion of their contributions to religion; Democrats give a higher proportion to the arts and perhaps to the environment. The only significant difference with respect to volunteering is that Democrats tend to volunteer more for the arts.⁵⁵

Economic position. We have examined the volunteering and charitable giving of professionals, business owners, manufacturers, bankers, exporters, and other economic-based groups without finding as many differences as we expected.

In terms of policy preferences, *professionals* tend to stand out from our other wealthy respondents as more liberal, especially on climate change, environmental protection, and foreign aid, but also on issues of social welfare, government regulation, and taxes. But they have no particular tendency to volunteer more or less, or to give to charity more or less, than other wealthy people do. Just one exception: they allocate a higher proportion of their contributions to international causes.⁵⁶

Business owners are only a little more distinctive. They may tend to give a slightly higher proportion of their incomes to charity than others do. They are significantly more likely to give to adult recreation, and the proportion of their contributions going to adult recreation may be a little higher than that of others. They are significantly more likely than other respondents to volunteer for health causes.⁵⁷

People in *banking and financial services* stand out for the fact that a much higher proportion of their contributions goes to education than is true for other respondents. But they are not particularly generous or ungenerous givers in general (either in dollar amounts or as a proportion of income), and they are only very slightly more likely than others to make a contribution to education. Our bankers tend to volunteer less for health organizations and perhaps volunteer less for the arts; they may give less frequently to international causes.⁵⁸

Our respondents in the *manufacturing* sector may tend to give a slightly higher proportion of their income to charity than others do, but otherwise they do not differ from our other wealthy respondents except for possibly giving a smaller proportion of their contributions to the arts and perhaps volunteering less often for the arts.⁵⁹

Respondents who work in *internationally oriented* firms⁶⁰ do not differ at all from others in any way we can discern, except that (for reasons that are unclear) they may tend to volunteer significantly more often for youth development and may allocate a bit more of their contributions to religion.⁶¹

Few of the above-mentioned relationships are impressively strong; many are statistically unreliable. To learn more about how particular economic positions may affect charitable activity will probably require conducting a larger survey with more respondents, so that finer economic distinctions can be made among them. More respondents will also permit multivariate analysis to control for such potentially confounding factors as level of wealth.

“Old” vs. “new” money. We have, however, found evidence of substantial differences between households that have inherited money and those that have not. Most

notably, those who have inherited a “substantial sum”⁶² tend to give larger dollar amounts to charity, and perhaps to give to more different causes. Those who have inherited larger amounts of money have a strong tendency to give more total dollars to charity. Crucially, they also tend to give a higher proportion of their income to charity. And inheritors of larger amounts may be more likely to have family foundations that give to charity.⁶³ All in all, the possessors of old money seem somewhat more inclined than those who have made new money to contribute to charity.

This is particularly true of certain charitable causes. Those who have inherited are significantly more likely to give to education, to the arts, to international or foreign charities, and perhaps to health. Inheriting larger amounts of money may increase the probability of giving to education and to religion. It leads to significantly more volunteering for youth development. It may promote more volunteering for education and allocating a higher proportion of contributions to poverty and the needy.⁶⁴

We must be cautious about interpreting these findings, however, since those who inherit a lot of money naturally tend to end up considerably wealthier. Their greater wealth, rather than the fact that they inherited some of it, may be driving some of these relationships. Without more cases than are available in our pilot study it is impossible to perform multivariate analyses that could disentangle the impact of inheriting wealth from the impact of wealth itself.

Worldviews. As we have noted, standard liberal/ conservative ideology (as measured by a 7-point self-rating scale) is only moderately related to charitable behavior. Neither liberals nor conservatives clearly tend to give higher dollar amounts or higher proportions of their incomes to charity. Neither group tends to give or to volunteer for

more charitable causes than the other does. The main differences concern the targets of charitable efforts. Conservatives tend to allocate more of their giving to religion and perhaps a bit less to poverty and the needy; liberals tend to give more frequently to the environment, to the arts, and perhaps to health; they tend to allocate more of their contributions to the arts and to the environment. Liberals also volunteer distinctly more often for the arts.⁶⁵

We have found some indications that other kinds of beliefs, values, and attitudes may make a difference. For example, judgments about the importance of certain national problems tend to be associated with charitable giving and volunteering aimed at addressing those problems. People who rate childhood poverty as a more important problem are more likely to give to poverty and the needy. They give a substantially higher proportion of their charitable contributions to combat poverty, and they are more likely to volunteer for poverty and the needy.⁶⁶

Although many of our respondents express skepticism about government programs, and although some explicitly say that private philanthropy offers a superior approach, there is no strong tendency for those who are most suspicious of government to do more in the way of charitable activity. Those who see the government as wasting a lot of money, for example, or who don't trust the government in Washington to do the right thing, are not particularly more likely to give more or volunteer more, either in general or for any particular causes.⁶⁷ There are some signs of a quite different tendency: those who favor government action to help with certain kinds of problems tend also to engage in private charitable activity aimed at those problems – presumably because they care about the problems and are pluralistic about alternative means for addressing them. Those who

think the government should “see to it” that everyone can find a job, for example, tend to volunteer for a greater number of causes, to volunteer more often for religion, and to devote a larger share their contributions to poverty and the needy. Those who lean toward expanding rather than cutting back federal government social welfare programs tend to give to greater numbers of charities, and more frequently give to health and to the environment.⁶⁸

In order to work out the full structure of wealthy Americans’ worldviews related to charitable activity, more respondents will be needed. The same is true for efforts to explore the possibility that some may hold a “private equity” view of philanthropy.

Conclusion

For those who are worried that wealthy Americans may use their political influence to pursue narrow self interests in conflict with the interests of their fellow citizens, we can offer at least some reassurance. Our wealthy respondents express a great deal of concern about the common good. They consider many potential problems facing the country to be very important. They have serious ideas about how to address those problems. They tend to initiate many high-level political contacts (particularly with senators and representatives, their own and others’); and, as best we can tell, a majority of those contacts appear to concern issues of collective or common interest rather than narrow economic interests.

Moreover, most of our wealthy respondents do something personally to advance the general welfare. They exhibit very high levels of civic engagement and philanthropic activity. They frequently volunteer to work without pay for a wide variety of charitable

organizations and causes. They give to many different kinds of charities. And they give substantial sums of money: in some cases, extraordinarily generous sums. The \$75,000 per year in average (mean) charitable contributions from each of our respondents has the potential to do a great deal of good.

None of this, however, means that we should be entirely complacent about what wealthy Americans are contributing to the common good.

For one thing, their views about what the most important problems are and how to address them sometimes differ markedly from the views of the general population. This is particularly evident in our respondents' overriding concerns about budget deficits and their willingness to cut popular entitlement programs in order to reduce deficits. It is also apparent in their general skepticism about many or most government programs.

We have emphasized that – in terms of high-level political contacts by our wealthy respondents – the glass appears to be more than half full: more than half the contacts appear to pursue concerns about the common good. On the other hand, that same glass can be viewed as nearly half empty. We coded nearly half of those contacts we could code, as being concerned with matters of narrow economic self interest. And we acknowledge that that figure may actually be understated.

Again, we have noted that – despite some examples of exceptionally generous charitable contributions – the total amounts of charitable contributions made by most of our respondents are rather modest, falling well below the annual “tithing” standard of 10% of income, let alone the cumulative Giving Pledge standard of at least 50% of wealth. We must also leave open the possibility that some of this giving is targeted less than optimally to help all Americans, noting, for example, the large gap between the

frequency of antipoverty contributions and the relatively small amount of money given for that purpose. But we have not been able to pursue such issues in any detail.

If there is room to increase and improve charitable giving in the United States, how might one go about improving it? One approach is to identify the types of people who are most prone to give and the kinds of arguments that most strongly resonate with their beliefs, values, and worldviews.

We have only begun exploring the critical questions of who among the wealthy make the biggest charitable contributions, to what kinds of organizations, for what reasons. It is clear – and not at all surprising – that higher levels of wealth tend to lead to bigger contributions. Beyond that, those who inherit substantial wealth may be particularly inclined to give. Church attenders stand out as active volunteers.

As best we can determine, however, economic positions – different types of jobs, associations with different sectors of the economy – make less difference to charitable activity than we expected. Professionals do not differ much from other wealthy respondents. Nor do business owners. Nor do those working in banking and finance, or in manufacturing. We found practically no differences at all between people with substantial international business ties and those more purely focused on the domestic economy.

Political party affiliation and liberal/ conservative political ideology make somewhat more difference, but not a great deal of it. Instead, we see indications that other aspects of the worldviews of our wealthy respondents may have a substantial impact on their charitable and philanthropic behavior. What sorts of national problems they see as important, and how they feel about certain government programs related to

specific issues, seem to make a difference. It will take a larger survey with new questions and more cases to work out the structure, causes, and affects of alternative worldviews as they relate to philanthropy and civic engagement.

It is our hope that research of this sort can be pursued beyond our small, Chicago-area pilot study in order to test whether our findings hold for the nation as a whole, and to explore new and old research questions with a larger number of cases.

Appendix: The SESA Pilot Study

Elsewhere, we and our colleagues have described in detail the difficulties involved in interviewing a representative sample of wealthy Americans and the steps we have taken to overcome those difficulties (see Page, Bartels and Seawright 2011a). The hardest problem is to identify the wealthy. One must have a list of households known to be wealthy (and be able to obtain contact information for them) before one can sample potential respondents from the list. However, the only definitive lists of wealthy Americans are those used by the Federal Reserve Board to carry out the Survey of Consumer Finances (SCF). These lists are not available to private researchers. Therefore, in order to develop a sample for SESA, NORC statisticians advised that we use imperfect but commercially available lists: the Wealthfinder “rank A” list of roughly the top 2% of U.S. wealth-holding households, supplemented by the Execureach list of business executives.

We and our NORC team refined the sampling frame – based on the best available individual-level data on the income, home value, income-producing assets, business position, and size of firm for people on the Wealthfinder and Execureach lists – to exclude from those lists most households below the top 1% of wealth-holders. This makes it possible to draw a statistically representative sample of approximately the top 1% of wealth holders. By means of regression techniques, such a sample can be used to begin to estimate the attitudes and behavior of people in the top 1/10 of 1% of wealth-holders, who have roughly \$45 million or more in net worth.

NORC at the University of Chicago used this sampling frame to randomly draw a representative sample of wealthy people from four communities in the Chicago

metropolitan area, including the city itself, affluent nearby suburbs, and the affluent North Shore.

Briefly in autumn 2010, but chiefly (using the refined “new” sample) between February 27 and June 6, 2011, NORC interviewed 104 wealthy people from these Chicagoland communities. Chicagoland, of course, is not the whole United States; we anticipate that wealthy respondents living in (say) Dallas, New York, or Silicon Valley may differ from each other and from those in Chicago. However, Chicago offers a reasonable start. The Midwestern Chicago-area wealthy, if not exactly typical, may at least tend to occupy a middle ground between the extremes of the South and the two Coasts.

It is extremely difficult to make personal contact with wealthy Americans, who are usually very busy and wary about their privacy, and who are often protected by professional gatekeepers. Once contacted, however, many potential respondents agreed to cooperate with SESA. Our “response rate,” in a very demanding sense (that is, the proportion of eligible, sampled potential respondents that actually completed interviews) was a solid 37%, a high figure for this sort of highly elite population – indeed, considerably higher than the completion rate for the top tier of respondents to the government-sponsored Survey of Consumer Finances. The resulting wealth distribution is given in Table 1. We have not detected any serious signs of unrepresentativeness in terms of occupation, political orientation, or other factors.

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Table 1. Distribution of Wealth among SESA Respondents

Wealth	%
0-\$4,999,999	27
\$5,000,000 – 9,999,999	37
\$10,000,000 – 19,999,999	14
\$20,000,000 – 39,999,999	14
\$40,000,000 +	8
Mean wealth = \$14,006,338; median = \$7,500,000 N=83, “new” sample. The 12 cases (14%) with missing values are omitted.	

Table 2. Problems Considered “Very Important”

Problem	Percentage (%) Very Important	Percentage (%) Not Very Important
Budget deficits	87	4
Unemployment	84	0
Education	79	0
Terrorism	74	1
Energy supplies	70	2
Health care	57	4
Child poverty	56	6
Loss of traditional Values	52	15
Trade deficits	36	10
Inflation	26	22
Climate change	16	31

N=83. “Somewhat
important” not shown.

Table 3. Percentages of Wealthy Americans Engaged in Political Activities

Political Activity	Percentage (%) Participating
Attend to politics “most of the time”	84%
Talk politics (median)	5 days per week
Voted in 2008	99%
Attended political meetings, rallies, speeches, or dinners	41%
Contributed money	68%
Helped solicit or bundle contributions	21%
N=83.	

Table 4. Purposes of High-level Political Contacts

Purpose of Contact	Percentage (%)	Percentage (%) omitting cases not categorized
Collective Concerns (Examples: health care policy; save the Everglades; support fiscal responsibility; cut military spending; oppose abortion funding limits; less government; cancer prevention and cures.)	35%	56%
Self-Interested Concerns (Examples: Dodd-Frank effects on R's bank stocks; development project in R's House district; disclosure issues; get FDA approval for a product; private equity tax change.)	28%	44%
Could not Categorize N=43	37%	----

Table 5. Percentages of Wealthy Americans Engaged In Volunteer Activities

Volunteer Activities	Percentage (%)
Education	65
Poverty and the needy	60
Private and community foundations	54
Youth development	52
Arts, culture, and humanities	46
Religious organizations	46
Recreation – adults	31
Health	29
Political organizations or campaigns	29
International or foreign	21
Environment	18
Other	12
N=83.	

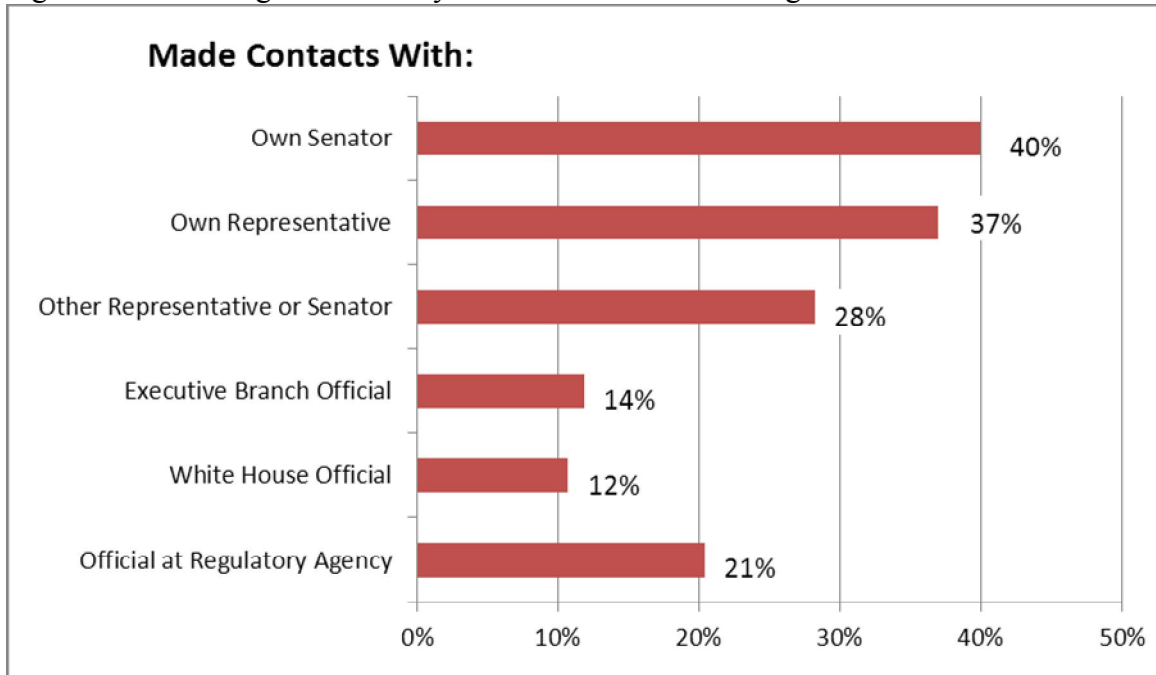
Table 6. Civic Volunteerism and Financial Contributions by Wealthy Americans

Areas	Percentage (%) Volunteered	Percentage (%) Contributed	Percentage (%) of Total Contributions (mean)
Education	65	88	22.2
Poverty and the needy	56	78	7.9
Private and community foundations	54	68	7.3
Youth development	52	62	6.3
Arts, culture, and humanities	46	81	9.7
Religious organizations	46	74	16.3
Recreation – adults	31	40	3.0
Health	29	71	11.6
Political organizations or campaigns	29	60	6.2
International or foreign	21	38	2.9
Environment	18	45	3.9
Other	12	12	1.2
N=83.			

Table 7. Amounts of Charitable Contributions

Contributions	Mean	Median
Average Household Charitable Contribution	\$75,215	\$20,000
Average Proportion of Income N=83. DK and missing omitted.	8%	4%

Figure 1. Percentages of Wealthy Americans Who Made High-level Political Contacts



Note: 53% made one or more of the above contacts; 41% made two or more.

Figure 2. Percentages of Wealthy Americans Who Made Charitable Contributions to Various Causes

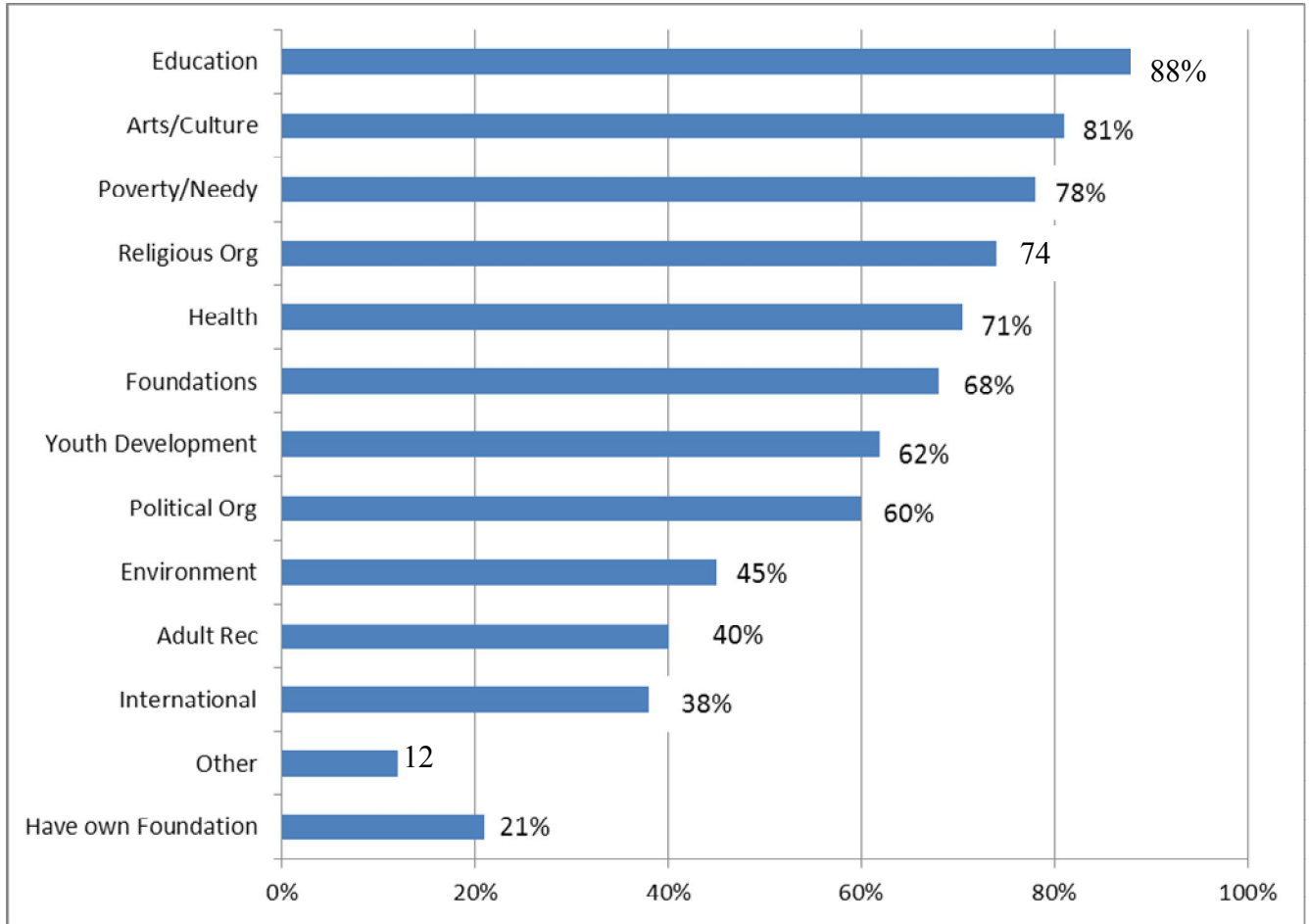
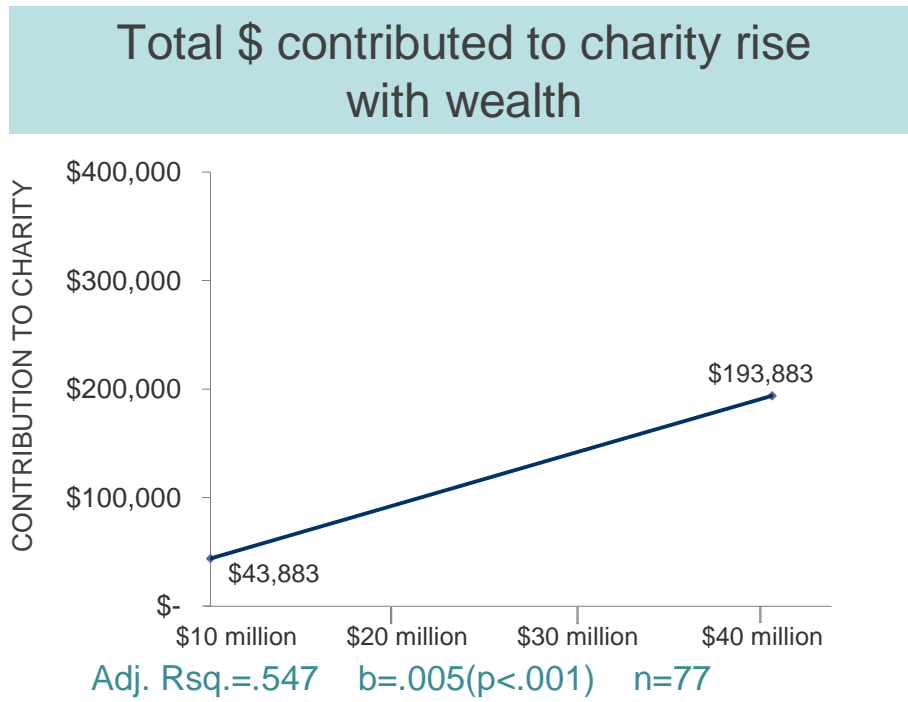


Figure 3. The Amount of Charitable Contributions Rises with Wealth



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Endnotes

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¹ Loomis (2010); givingpledge.org.

² Loomis (2010, pp.3-4.)

³ Giving Pledge press release, April 28, 2011, at givingpledge.org. As of September 25, 2011, no additional signatories had been added. The Giving Pledge website provides an updated list of all signers – with brief statements about their motivations and intentions – along with extensive background information on the campaign.

⁴ O'Connor, 2007; Katz, 2006; Karl and Katz, 1981.

⁵ Bartels (2008) and Gilens (2005, 2012) show that roll call votes by U.S. senators and actual public policy changes correspond more closely to the preferences of higher-income Americans than to the preferences of those with lower incomes.

⁶ Jencks (1987).

⁷ See Wiebe (1967); Swenson (2002); Ferguson (1995); Ferguson and Rogers (1986).

⁸ Havens, O'Herlihy, and Schervish (2006); Board of Governors of the Federal Reserve System, 2001; <http://www.federalreserve.gov/>.

⁹ The best work to date based on surveys of the general population is by Martin Gilens. It uses extrapolation techniques to estimate the attitudes and behavior of respondents at the 90th income percentile -- that is, at the middle of the top 20% (Gilens 2005, 2012.) See also Page and Hennessy (2010), which aggregates certain past General Social Surveys to study the attitudes of the top 4% or so of U.S. income earners. Low top-coding of income responses generally makes it impossible to identify very wealthy or very high-income respondents even in quite large general population surveys or aggregations of multiple surveys.

¹⁰ See Havens, O'Herlihy, and Schervish (2006, p. 558.)

¹¹ Some important research has been done with “convenience samples” of the wealthy. For example, Paul G. Schervish and others at the Center on Wealth and Philanthropy (<http://www.bc.edu/research/cwp/>), Boston College, have used a financial consulting firm's list of customers to obtain fascinating interview accounts of wealthy inheritors' worries about their friendships, their careers, and their children (see Wood 2011). But we believe that a full understanding of wealthy Americans requires study of a representative sample: ultimately, a representative sample drawn from the entire nation. Without random sampling to ensure representativeness, we can never be sure how typical or atypical interviewees are of the whole population of interest.

¹² Prominent critical accounts of the political power of wealthy Americans include Hacker and Pierson (2010), Winters (2011), Domhoff (2010), Ferguson (1995), and Block (2007).

¹³ For methodological details on SESA and a discussion of the many difficulties involved in sampling, contacting, and interviewing the wealthy, see Page, Bartels, and Seawright (2011a); see also Page, Bartels, and Seawright (2011b). For a briefer account, see the Appendix to this paper.

¹⁴ Some of our wealthiest respondents refused to give a dollar figure for their net worth, but many of them were persuaded by interviewers to locate themselves within a range (with \$5 million, \$10 million, \$20 million, and \$40 million as the cut-points.) Our wealth distribution figures include estimated wealth using the midpoints of these ranges.

¹⁵ It is impossible to know the exact boundaries of the upper segments of the wealth distribution. According to our analysis of the best available data (from the SCF), the top 1% of wealth holders begin at about \$8.7 million, and the top 0.5% at about \$14.7 million.

¹⁶ In order to learn more about the top 1/10th of 1% of wealth holders and other extremely high-wealth Americans, it will be necessary to make further refinements in our sampling scheme (currently under way)

that more precisely pinpoint the wealthiest, and to draw a much larger sample of respondents. This would be one of several advantages of conducting a national SESA.

¹⁷ <http://www.forbes.com/forbes-400/list/>

¹⁸ For instance, in 2010, only 68.4% of GSS respondents (not weighted) recalled voting in the 2008 presidential election.

¹⁹ \$75,215 (the average total charitable contributions by our respondents) times .0616 (the average proportion of total contributions that they reported giving to political campaigns and organizations) = \$4,633.

²⁰ According to the 2004 GSS and the 2008 ANES, fewer than 25% of respondents contacted any elected official in the past year, regardless of the official's level of government. Similarly, in a nationally representative survey of 1501 Americans conducted in 2003, Jacobs, Cook, and Delli Carpini (2009) found that just 28% of the general public had contacted or visited a candidate for office or public official at the local, state, or federal level of government to express their opinion. As with GSS and ANES, the question included not only federal officials and candidates but also local and state officials. Therefore we are confident that contact levels with federal officials are far higher among wealthy Americans in the SESA sample than among the general public.

²¹ The coding of this and other open-ended responses reported here, done by a single coder, is preliminary. The coding decisions involve difficult judgments based on limited and sometimes ambiguous information. We plan to have others code the same responses and to check reliability.

²² For detailed comparisons of the policy preferences of our wealthy respondents with those of the general public, see Page, Bartels and Seawright (2011b.)

²³ Of the 69 responses to the address-the-most-important-problem question that could be coded, none mentioned only philanthropy, and just one mentioned only markets. 83% referred to governmental policy, and 16% spoke of a combination of government and markets.

²⁴ These percentage figures about how to address budget deficits (from respondents who named deficits as the "most important problem" facing the country) are based on 26 respondents, excluding the single case that could not be coded.

²⁵ See Page, Bartels and Seawright (2011b.)

²⁶ Consistently with his comment, this advocate of private donations reported that he gave all ((CHECK: nearly all?)) of his charitable contributions to education. But his total contributions were only \$4,000, a very small proportion of his income or wealth.

²⁷ We thank Eric Wanner for passing along the views of a close observer of contemporary philanthropy, who sees many donors as adopting a "private equity" model that existing institutions (like failing business firms) should be stripped of disposable assets and then be liquidated or rebuilt from scratch.

²⁸ Comments by our respondents and others indicate a variety of motivations for this extensive use of private family foundations. One motivation involves the tax treatment of donations, which can be made and deducted at a convenient time (e.g., right at the end of a tax year), while the funds can be actually paid out more deliberately. Another motivation involves a desire to keep close control over exactly how charitable help is used. Several of our respondents expressed mistrust about how recipient organizations would use their money. One said he gives donations only in kind, never in cash, in order to ensure appropriate and efficient use of the money.

²⁹ A leading survey of civic voluntarism among the general public by Verba, Schlozman, and Brady (1995) found that 66% of Americans reported making charitable contributions, but only 36% said they had given time to any charitable work (pp. 76-77.)

³⁰ See Havens, O'Herlihy, and Schervish (2006) for some discussion of these issues.

³² Excluding political contributions from the total contribution figures we obtained, the average (mean) charitable contribution is \$70,582.

³³ Salamon and Sokolowski (2004).

³⁴ For example, in 2009, total education spending by federal, state, and local governments totaled \$590.9 billion (Hu and Gebeloff). In that same year, philanthropic giving in education summed up to \$40.01 billion (USA Giving, 2010).

³⁵ The regression estimates in Figure 3 may be conservative in the sense of understating the expected level of giving at the \$40 million wealth level and understating the rate of increase in giving as wealth increases. One reason is that this regression excluded the outlying case of our single biggest giver (of \$1.5 million), as

possibly having a distorting effect; when that giver is included, the estimates of contributions at high wealth levels are substantially higher. A second reason is that Figure 3 uses a “final” wealth measure that includes cases in which respondents refused to give precise dollar figures for their wealth but located themselves within a range (cut-points were \$5, \$10, \$20, and \$40 million); we imputed their wealth at the midpoint of their range. Analyses using only the cases with precise “raw” wealth data yield higher estimates of contributions by the every wealthy. But we have concluded that these estimates are probably misleading, because they exclude several very high-wealth respondents with relatively low contributions. Using “final” wealth data gives us better representativeness and more confidence in the estimates. For similar reasons, these regressions – and the correlations reported below – make use of all 104 SESA cases rather than just the 83 cases from the “new” refined sample that we used to calculate the marginal frequencies reported earlier.

Alternative regression analyses of level of wealth and dollar value of charitable contributions: “Final” wealth data excluding the biggest contributor (as in Figure 3), $b=.005^{***}$ ($p<.001$), $\text{adj. } R\text{-sq}=.547^{***}$, $n=77$. “Final” wealth data including the biggest contributor, $b=.007^{***}$, $\text{adj. } R\text{-sq}=.315^{***}$, $n=78$. “Raw” wealth data excluding the biggest contributor, $b=.005^{***}$, $\text{adj. } R\text{-sq}=.401^{***}$, $n=55$. “Raw” wealth data including the biggest contributor, $b=.011^{***}$, $\text{adj. } R\text{-sq}=.320^{***}$, $n=56$.

³⁶ We have no data on charitable bequests at death. We intend to explore that subject if we are able to conduct a national study.

³⁷ A very rough calculation, ignoring future increases in wealth and the varying present value of contributions at different points in the future: if our respondents gave away to charity 0.5% of their present wealth every year, it could take them about 100 years to reach the 50% Giving Pledge goal. With a current median age of 59 years old, few of our respondents can expect to live more than a third of that hundred years.

³⁸ Havens, O’Herlihy, and Schervish (2006, p. 540.)

³⁹ Assets that have appreciated in value since their purchase and are given to charity receive a charitable deduction at full current market value; no capital gains tax is imposed on the appreciation.

⁴⁰ In simple bivariate relationships in our data, net worth and income each account for roughly one third of the variance in total charitable giving (more if the top contributor is excluded.) When both income and wealth are included in the same multiple regression, the adjusted R-squared rises appreciably, indicating that each variable has some independent effect. But to sort out their exact independent effects is extremely difficult because they are highly collinear. One effort to do so, using “raw” data on income and wealth, indicated that one dollar of additional income leads to about 14 cents more in annual charitable contributions ($b=0.139^{**}$, $\beta=.410^{**}$) and that one dollar of additional wealth leads to about half a cent more in charitable contributions ($b=0.006^*$, $\beta=.303^*$; $\text{adj. } R\text{-sq}=.406^{***}$, $n=55$.) But results using “final” income and wealth data (hence more cases, $n=76$) were quite different: a lower, non-significant coefficient for income ($.007$, n.s., $\beta=.056$ n.s.) but a big coefficient for wealth ($b=.007^{**}$, $p=.002$), $\text{adj. } R\text{-sq}=.328$. Treatment of the top contributor matters as well. We hesitate to draw any firm conclusions.

⁴¹ Havens, O’Herlihy, and Schervish (2006, p. 547). Some of our analyses of SESA data suggest that the proportion of income given by our respondents may actually rise (within our wealth range) at higher levels of income and wealth, with wealth being the more important factor. But given our small sample size, and the fact that alternative treatments of wealth measurement and of the case of the most generous single contributor lead to varying results, we have concluded that we cannot draw any firm inferences.

⁴² The 29 Catholics in our sample constitute 28% of the respondents who gave a religious affiliation.

⁴³ $R=.24^*$ for a Catholic/ non-Catholic dummy variable. Pearson correlation coefficients for the remainder of this and succeeding paragraphs are collected, in order, in endnotes at the end of each paragraph. + $p<.10$; * $p<.05$; ** $p<.01$.

⁴⁴ The words “may,” “perhaps,” or “possibly” signal a statistical relationship that is significantly different from zero only at the $p<.10$ level (signaled by a plus sign, +). Many such relationships would be expected to occur by chance among the large number of variables we have examined. Unless “may” or the like is indicated, all relationships discussed in the text involve correlation coefficients that are significant at the $p<.05$ (*) or $p<.01$ (**) level. In some instances the Pearson statistic is a conservative one for this purpose, since it can understate the strength of certain kinds of relationships (e.g. necessary or sufficient, as vs. linear, relationships involving dichotomous variables.)

⁴⁵ Correlation coefficients (r’s) for relationships discussed in this paragraph for a Catholic/not dummy variable, after the initial $.24^*$, are: $-.24^*$; $.21^*$; $.20^+$; $.17^+$; $.24^*$; $.21^*$; $.22^*$; $.19^+$.

- ⁴⁶ R's for a Jewish/not dummy variable = .21*; .24*; .18+ (for all cases) or .25* (for new-sample cases.)
- ⁴⁷ Our findings about church attendance are similar using two different measures: answers to a simple yes/no question about whether “you ever attend religious services, apart from occasional weddings, baptisms, or funerals” [after a prologue saying that lots of things come up that keep people from attending even if they want to]; and a follow-up question about how frequently they attend: “a few times a year,” “once or twice a month,” “almost every week,” “every week,” or “never.” Pairs of correlation coefficients (yes/no attendance first, frequency of attendance second) for each generalization in this paragraph: .33**, .39***; .26**, .20+; .64***, .56***; .22*, .27**; .18+, .18+; .21+, .15 n.s.; .53***, .66***; .49***, .69***; .26**, .30**; .27**, .27**; .19+, .25*.
- ⁴⁸ R's with age in years= -.18+; -.37**; -.22*; -.19+; -.17+; -.19+; .18+; -.25*; .24*; .18+.
- ⁴⁹ We have 24 retired respondents (23% of the whole sample), of whom most (13) come from the 21 “old,” imperfectly sampled autumn 2010 interviews. This high frequency may have resulted from our early termination of interviewing after only the “easiest” cases from the sample had been interviewed. For “new” cases, however, date of interview is not significantly related to a retired/not dummy variable: $r=.09$ n.s., $p=.453$.
- ⁵⁰ Multivariate analysis of the separate effects of old age and retirement is impossible with our small sample. Simple r's for a retired/not dummy variable: -.18+; -.23*; -.23*; .18+; .18+.
- ⁵¹ R's with level of formal education: .20+; .28**; .26**; .18+; .17+; .18+; .17+.
- ⁵² R's with male/not and married/not dummy variables: -.22*; -.18+; .19+; -.29**; .20*; -.21+.
- ⁵³ For a discussion of our respondents' policy preferences and how they compare with the preferences of the general public, see Page, Bartels, and Seawright (2011a.)
- ⁵⁴ In our sample party identification (on the standard Michigan 7-point scale) and ideology (on a 7-point liberal/ conservative self-rating scale) are highly correlated, $r=.82$ ***.
- ⁵⁵ R's for the 7-point party identification scale (strong D=1, strong R=7): -.21*; -.27**; -.25*; -.20+; .21*; -.27*; -.20+, new sample -.30**.
- ⁵⁶ R with a professional/not dummy variable = .23*.
- ⁵⁷ R's with business owner/not = .21+; .25*; .19+; .24*.
- ⁵⁸ R's with banking/not = .42***; .17+; -.25*; -.17+; -.19+.
- ⁵⁹ R's with manufacturing/not = .19+; -.18+; -.17+.
- ⁶⁰ The survey question: “If you work now or formerly worked, were you or your firm substantially involved with trade or investment in other countries?”
- ⁶¹ R= .21+, .17+.
- ⁶² The survey question: “Have you or someone in your household ever inherited a substantial sum of money, that is, more than a few thousand dollars?” Follow-up questions concern the amount inherited – “Roughly what was the monetary value of that inheritance at the time?” – and the date of inheritance, which can be used to calculate its present value.
- ⁶³ R's with inherited/not and with amount inherited = .21*; .19+; .44***; .28*; .20+.
- ⁶⁴ R's with inherited/not and with amount inherited = .30**; .23*; .21*; .19+; .18+; .18+; .21*; .20+; .20+.
- ⁶⁵ R's with the 7-point liberal to conservative scale = .25*; -.20+; -.25*; -.22*; -.17+; -.22*; -.20*; -.27**.
- ⁶⁶ R's with importance ratings of childhood poverty: .22*; .28**; .27*.
- ⁶⁷ The only exceptions: those who trust government less tend to give more often to religion ($r=-.23$); and those who perceive high levels of government waste tend to volunteer more frequently for adult recreation ($r=.20$) and less frequently for the arts ($r=-.22$).
- ⁶⁸ R's with “see to” jobs and with our index of net support for social welfare programs: .22*; .23*; .24*; .20*; .28**; .31**.