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High Net Worth Donors of Color Research Highlights

NCFP Community Foundations Workshop

June 23, 2022

ALL of us come from cultures of giving



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Question for the group:
What is your culture of giving? From whom did you learn generosity?

SUK

(Martinique)

TANDA

(Mexico)

SOL

(Haiti)

IDER

(Eritrea)

SOU SOU / SUSU

(W. Africa, Caribbean)

MAHABER

(Eritrea)

TAM

GEH

(Korea)

ARISON

(Indonesia)

TAM

Radiant
(W. Africa, Caribbean)

POTLATCH

(NW Indigenous Peoples)

E-SO-SO

(Nigeria) Radiant.



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Donors of Color Research

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\$56M

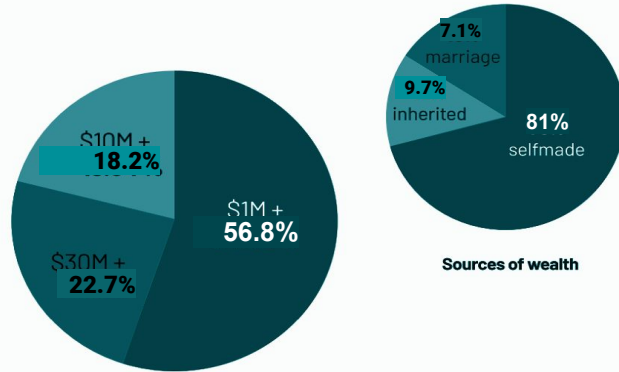
Sum of Annual Giving

\$87,500

Average Annual Giving

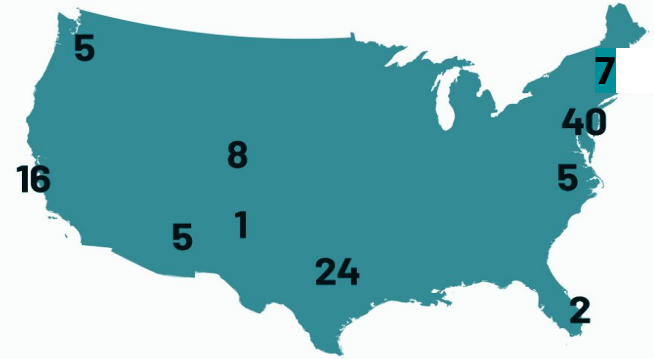
\$4K- 17M

Range of annual giving amounts

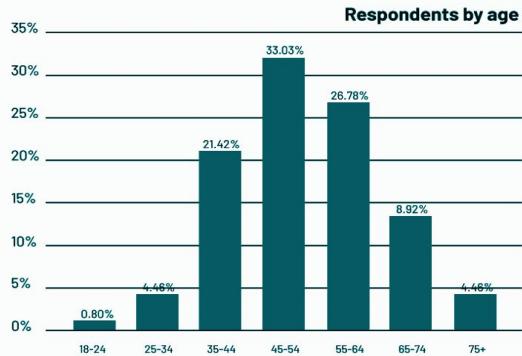


Value of investable assets

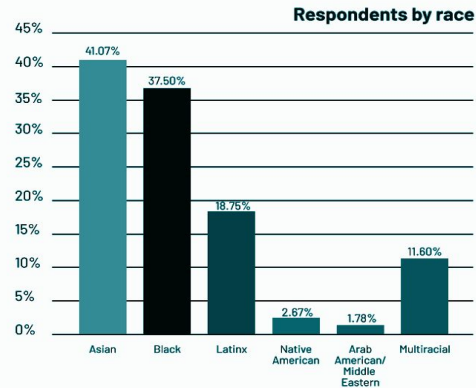
Sources of wealth



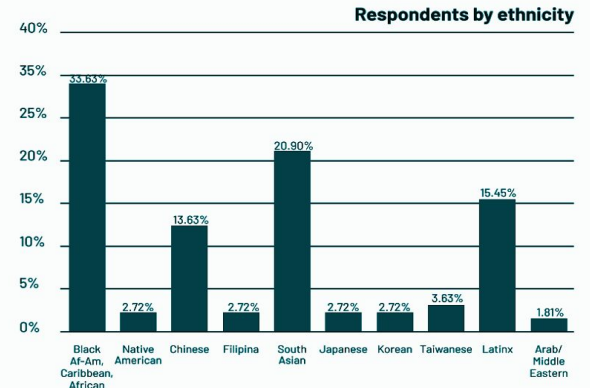
WE INTERVIEWED 113 HNW DONORS OF COLOR IN 10 CITIES



Respondents by age



Respondents by race



Respondents by ethnicity

Over 80% of the donors interviewed are wealth earners

Most of the **donors we interviewed grew up poor, working class or middle class;** even some of those who inherited money did not grow up wealthy

The vast majority of the donors interviewed were self-made while about **one in ten (9.75%) had inherited their wealth.**

Philanthropy is a new endeavor for almost all of our sample, and in most cases, the money they're giving away is their own.




Themes from Interviews

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Racism and systemic change:

nearly everyone we interviewed shared personal experiences of racism, discrimination, and bias



How might having a firsthand experience of racism, discrimination, and bias inform one's thinking about philanthropic, political, and discretionary giving?

Many of the donors of color we interviewed are thinking systemically about how to tackle the social issues they care about.

HNW donors of color expressed a desire to create systemic change but didn't have a strategy for how to affect that change through their philanthropy.

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New Earners:

the racial wealth gap is real and nearly everyone talked about it

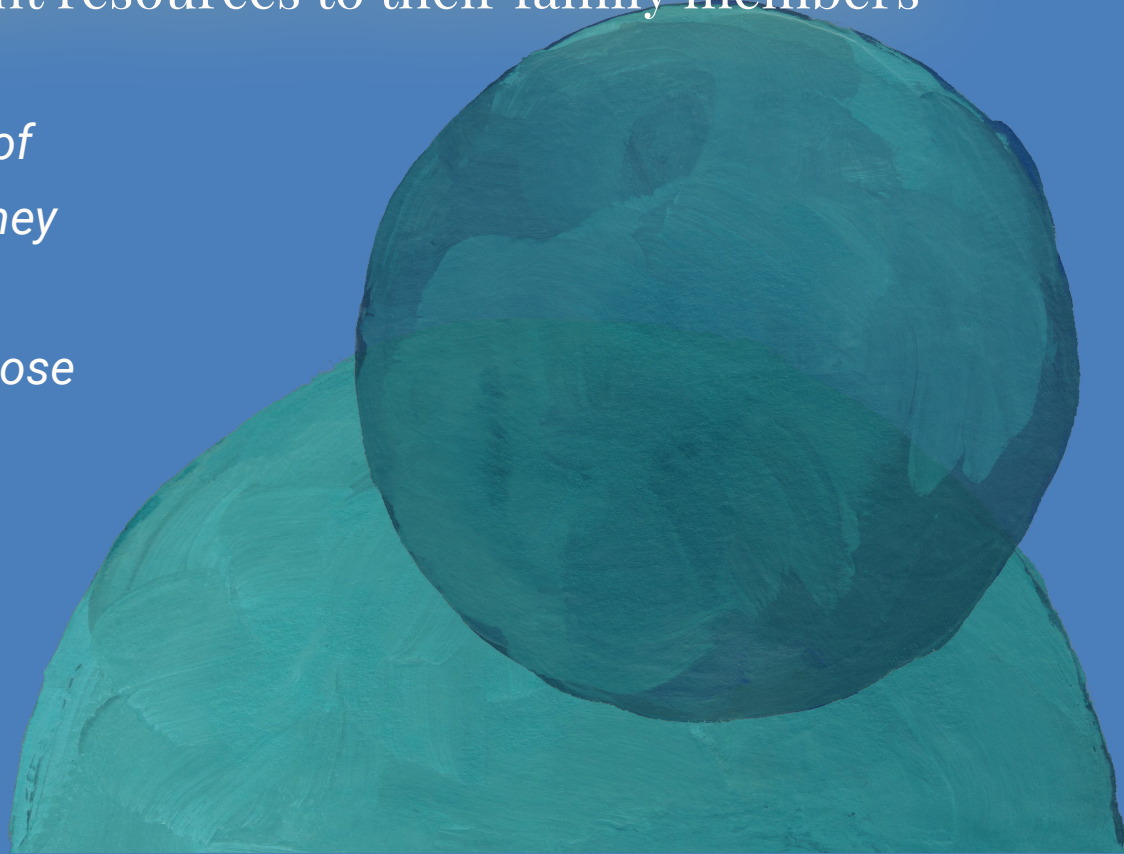
*"It's maybe naïve, but until you shared this data with us, **I never considered us wealthy.** I always considered us comfortable. The really wealthy are a whole other ballgame. I don't see or hear enough of what the really wealthy POC are doing. That could be the spark that inspires you to want to give – to encourage you to give. I might not have as much as they have but I might be inspired to give more."*

Giving to Family:

donors of color give significant resources to their family members

The vast majority of HNW donors of color in our sample indicate that they give money to support family and friends, yet many don't consider those gifts part of their charitable giving.

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Gratitude and Giving Back:

Donors of color care about leveling the playing field, addressing disparities, and creating opportunity

"My whole life changed getting a scholarship to (Ivy League University). I got a full ride to my dream school thanks to this scholarship fund. After I went to Wall Street and got my first bonus, I gave to that scholarship fund to pay it forward for others. We have given to that fund over and over again. Education, access to education, and equal opportunity are really important to us."

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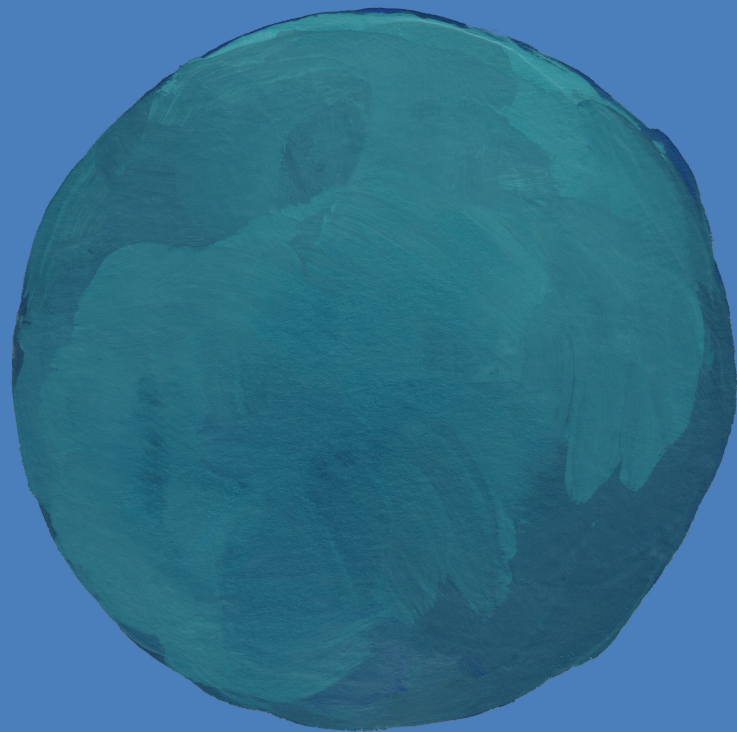
Connection and Community: donors of color are highly networked



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Resonant Themes

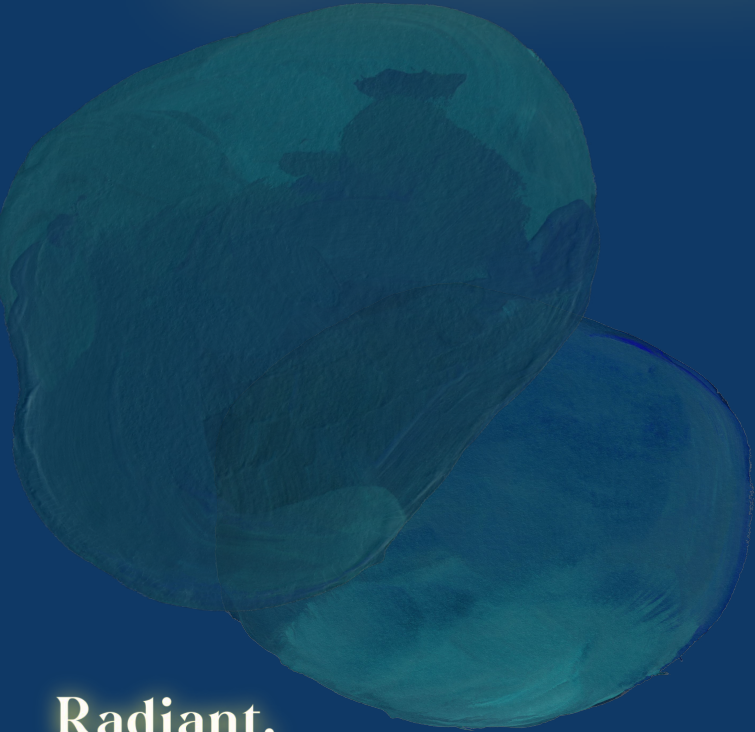
- Gratitude and Giving Back
- Paying it Forward
- Creating Opportunity
- Legacy
- Bootstraps is Bull***



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The Practice:

donors of color are new to philanthropy



For many people interviewed, American-style, formal philanthropy is new. Formal giving is not something they learned at their grandfather's knee.

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The Practice:

donors of color are motivated to give and do so generously

- *Participants were asked to identify the **largest gift** they'd ever given. Gifts ranged from \$2K to \$26M.*
- *Donors reported **annual giving** amounts of \$4K to \$17M annually.*
- *The **median annual giving** for HNW donors of color was \$87,500 and the total annual giving in the year the sample were interviewed was \$56 million.*

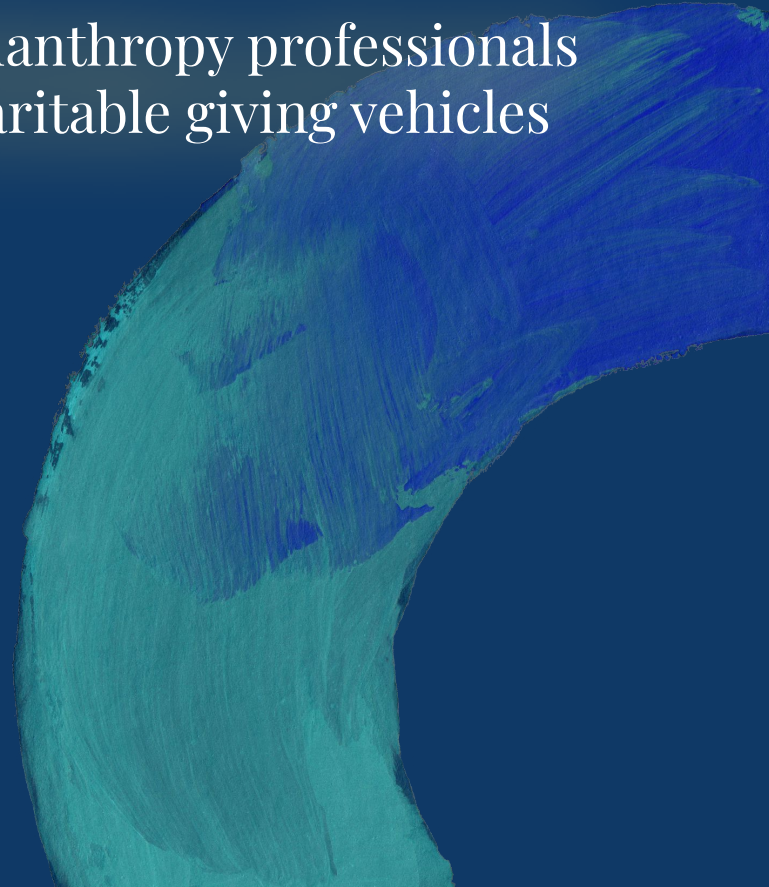
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The Practice:

donors of color don't typically look to philanthropy professionals for advice nor have they set up formal charitable giving vehicles

This represents a challenge for the field as, in general, high net worth donors of color are not getting professional advice and they don't think they need it.

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Summary of Findings:

1. *Nearly every single individual high net worth donor of color we interviewed has personally experienced racism, discrimination or bias*
2. *Donors of color are often wealth earners and wealth creators, and are often the person in their family who has crossed into a new socio-economic class.*
3. *We all have cultures of giving*
4. *Along with charitable giving to traditional 501c3 organizations, donors gave to family and friends, gave to education, gave through religious institutions, gave to political causes and campaigns, and gave to their communities via giving circles.*
5. *HNW BIPOC donors are highly networked, often through professional or fraternal organizations, but they are not networked in philanthropic communities nor are they networked with each other.*

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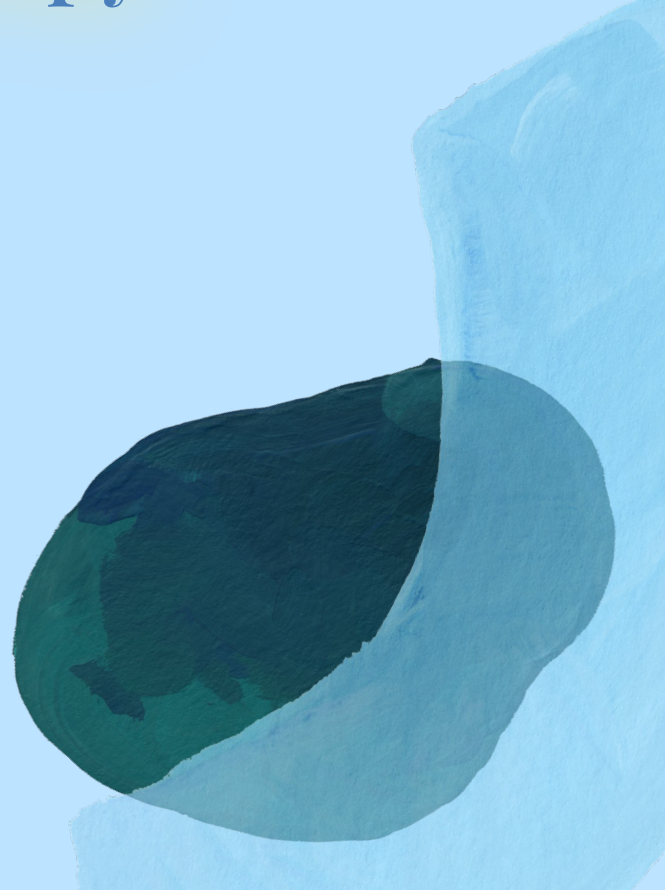
Reimagining

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Implications for Philanthropy

Philanthropy must expand – it needs diverse and powerful new voices in leadership positions and at all levels in order to stay relevant and meet this historic moment.

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Implications for Non-Profits

The background features abstract, painterly brushstrokes. On the left, there is a large, light blue, curved stroke that resembles a thick brushstroke. To its right, there is a large, dark teal, circular stroke with a textured, brush-painted appearance. The overall color palette is cool, consisting of various shades of blue and green.

"They don't really know me."

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Implications for Individual Donors

“All of us who have been forced to the margins are the very ones who harbor the best solutions for healing, progress, and peace, by virtue of our outsider perspectives and resilience.”

Edgar Villanueva, Decolonizing Wealth

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Implications for Advisors

1. *There is increasing influence and affluence in communities of color*
2. *Step one is to SEE us as donors, philanthropists, clients, & customers*
3. *To not do so leaves critical resources, networks, ideas, and strategies on the table in a moment in time that requires all hands on all decks*

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Implications for All of Us

- 1. Philanthropy is one lever we can pull. What are some others?*
- 2. Let's change the subject away from individual donors, individual "heroes" towards the WHY we are in this work.*
- 3. Philanthropy and collective giving are a form of civic engagement and if ever there's a time for us all to become more civically engaged, it is now!*

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*The report is available for
download at:*

radiantstrategies.co/reports

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Philanthropy Always Sounds Like Someone Else:

A Portrait of High Net Worth Donors of Color

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