

# A Pivotal Role

Women are changing the face of philanthropy — and they are only beginning to realize their status as an economic force.

**W**omen play a pivotal role in the creation of a better society. As women have advanced socially, economically and politically in the past century, their growing economic power, coupled with their high levels of charitable giving, is having a real impact on philanthropy in the United States.

“Women make up the majority of philanthropic donors in the United States,” says Jo Sullivan, senior vice president of development and communications for the American Society for the Prevention of Cruelty to Animals (ASPCA). “And in many cases, [their gifts] make up the bulk of operating budgets for charities.”

Women typically take a different approach to giving than men. They are more likely to give to a charity — in both time and money. During their lifetimes, they tend to give smaller gifts to more organizations, but they give more substantial bequests through their estates.

Women are, in fact, among the biggest “mega-givers.” The \$1.5 billion bequest to the Salvation Army from Joan Kroc, widow of McDonald’s founder Ray Kroc, ranks as one of the largest reported charitable gifts ever made. Eli Lilly heiress Ruth Lilly has donated \$100 million to *Poetry* magazine. The late feminist and philanthropist Joan Palevsky bequeathed \$200 million to the California Community Foundation.

“Research has demonstrated that women are motivated to make a difference, and this is evident in their pattern of giving,” says Alison A. Winter, board chair for the Committee of 200, a national network dedicated to capitalizing on the experience of women at the top echelons of business. “Women also value relationships with the organizations they support. And it is this that can often lead to strategic philanthropy as they build on these relationships.”

*“When women are fully involved, the benefits can be seen immediately. Families are healthier; they are better fed; their income, savings and reinvestment go up. And what is true of families is true of communities and, eventually, of whole countries.”*

*~ Kofi Annan, 2004*



## Inspiring Givers

Research shows single women are more likely to be donors and give more money, says Patrick Rooney, Ph.D., director of research for the Center on Philanthropy at Indiana University. “[And] married couples are more likely to give than single men,” Rooney says. “The common denominator is clearly women.”

But women’s influence doesn’t end with just encouraging men to give; they also influence where those gifts go. The Center’s research shows that husbands and wives often negotiate over where to spend their philanthropic dollars and how much of the family budget goes to charities. The decision is more likely to be a joint one when both husband and wife have at least a college education, Rooney says.

*Women aren’t just likely to donate their money — they donate their time more often than men as well.*

As women’s footing on social and economic ground grows firmer, it’s likely their giving also will increase. Women’s heightened involvement in philanthropy is “a change that, due to societal changes in the past 50 years, was almost inevitable,” Rooney says. “When you think about the women’s movement, and you think about women entering the labor force [in larger numbers] and women graduating at a higher rate than men, interfamily dynamics have been changing and are going to change.”

Women and collegiate giving are a focus at UCLA, where Tracie Christensen serves as co-executive director of women and philanthropy (W&P). Housed in the university’s central development office, the W&P program’s mission is to increase women’s philanthropic involvement on campus.

“Since the inception of our program at UCLA, women participating in the W&P program have contributed nearly \$60 million to the campus,” Christensen says. “Members are involved on volunteer boards and councils in every academic unit on campus. The impact of these women is broad-based and far reaching.”

## Different Approaches to Giving

Women and men differ in their approaches to philanthropy and giving in several ways. Some of these differences may affect the relative influence men and women have on nonprofit organizations. And nonprofit organizations also are taking note of these differences and changing the way they approach potential female donors.

**Smaller donations, more causes.** One of the fundamental differences between the way women and men approach giving is how they allocate their overall philanthropic contributions. A study by the Center on Philanthropy suggests men focus their giving on a smaller number of nonprofits and give larger amounts to each, whereas women tended to give smaller amounts to a larger number of organizations.

To encourage women to use their wealth in the most focused, effective way, UCLA’s W&P program promotes goal-specific donations. “Our research has found that women tend to want to help as many causes as they can; therefore, they tend to allocate their philanthropic dollars to many places, which, in most cases, reduces the impact of their giving,” Christensen says. The W&P program “talks

with women about what they would like to accomplish with their philanthropy. Often [this] results in a greater impact and a more meaningful experience for the donor.”

**Self-made means giving more.** Self-made women millionaires — those who didn’t inherit their money through death or marriage — gave an average of \$28,000 per year, or about 7% of their annual income, according to a 2005 story published in the *Chronicle of Philanthropy*. That’s about two percentage points more than their male peers and more than three times the amount of the average U.S. donor.

Roughly seven out of 10 women studied say they helped raise money for a cause, and more than three-quarters said they’re a leader in the community.

**Giving over time, after death.** In October 2006, the California Community Foundation in Los Angeles received a gift of \$200 million from Joan Palevsky, who bequeathed the gift in her living trust. It’s the largest single gift to the foundation and one of the largest gifts ever made. While larger than most bequests, Palevsky’s gift is representative of a trend: Women are more likely to make gifts in memoriam or to make use of planned giving than men.

According to the latest study by the Internal Revenue Service, women represented 62% of donors making gifts after death, and they gave significantly more than their male counterparts. In 2001, women bequeathed more than \$8 billion, or 30% of their net worth, compared with men, who bequeathed less than \$5 billion, or 23% of their net worth. The difference can be attributed to longer life

spans for women, who are more likely to outlive their spouses, the report concludes.

“As women have found career success and are well-versed in investment and money management, they have become a great source for other types of donations, like planned or estate giving,” ASPCA’s Sullivan says. They’re working with investment consultants, charities and attorneys to understand how to manage money in a way that will benefit them and their charities, she says.

The increased popularity of planned giving is changing how many nonprofit organizations approach fundraising. In response, charities are employing financial experts in their fundraising departments to work with donors and their advisors who are considering making gifts of stock, annuities or charitable remainder trusts.

**Committing time and energy.** Women aren’t just likely to donate their money — they donate their time more often than men as well. Single women volunteer more than twice as many hours per year as single men (234 hours versus 105 hours), says the Center on Philanthropy. A study cited by founders of the Women’s Philanthropy Institute showed that 86% of women give because of strong feelings about a cause, compared with 66% of men.

Women volunteer partially to do good and partially to do their due diligence. “Generally speaking, we have found that women prefer to be involved prior to making a significant gift to a program,” UCLA’s Christensen says. “They want to engage with the leadership, see how their gift can impact an outcome. They may do this by making a small gift, which then offers them the opportunity to become more involved.”

It’s a generous cycle: Women are more active as volunteers than men, and that can lead to increased levels of giving. Studies show that direct involvement in causes makes donors more generous.

## Increasing Their Influence

Women play a key role in philanthropy, and it’s a role that has increased dramatically. According to Guidestar.org, in 1979 only five charitable funds had been established and run by women. By 2000, that number had grown to nearly 100. In addition, three of the nation’s top five foundations count women as presidents, controlling combined assets of nearly \$10 billion among them.

Women’s influence likely will continue to grow. Today, women control more than 51% of the personal wealth in the United States, and they are set to inherit trillions of dollars more as the World War II generation begins to transfer its wealth.

As their economic status improves, women are giving larger gifts and exerting more of an influence over how those gifts are spent. Their involvement is changing the way nonprofits do business and interact with donors. It is changing their communities, and, eventually, it may change whole countries as well. ■



# How Women Are Changing the Face of Fundraising

The forces that shaped women’s philanthropic trends also have changed how nonprofits are handling fundraising. One notable example is the Susan G. Komen Breast Cancer Foundation’s pink ribbon campaign. Through its Million Dollar Council, the Komen Foundation has aligned itself with corporations via cause-related marketing so successfully, it had \$180 million in revenue in 2005.

In 2006, more than 20 large companies, including Kellogg’s, Yoplait, Pier 1 Imports, Re/Max Real Estate and American Airlines, were members of Komen’s Million Dollar Council. In addition to paying \$1 million to serve as official sponsors of the annual Susan G. Komen race, each company also has created marketing efforts to illustrate its support for the cause.

“Promoters of cause-related marketing claim that women are more likely to buy a product if it is attached to a cause,” says Samantha King, author of *Pink Ribbons, Inc.: Breast Cancer and the Politics of Philanthropy*. “The large breast cancer foundations aggressively pursued corporate partnerships, and together, they devised savvy marketing strategies that appealed to large numbers of women.”

It’s a fundraising model that has been so successful, King says, that groups within the prostate cancer movement have explicitly stated their desire to model themselves after the breast cancer organizations’ success.