



WEALTH-X AND ARTON CAPITAL PHILANTHROPY REPORT 2014



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A NOTE TO OUR READERS



Wealth-X is pleased to partner with Arton Capital, the global citizenship experts, to present the *Wealth-X and Arton Capital Philanthropy Report 2014*.

The *Wealth-X and Arton Capital Philanthropy Report 2014* showcases the full spectrum of UHNW (ultra high net worth) philanthropy, highlighting the many different forms of philanthropic activities, and identifying trends in UHNW giving and the traits of UHNW philanthropists.

Globally, we are witnessing an evolution of philanthropy as it expands from “traditional” philanthropy, involving financial contributions and donations, to cutting-edge approaches such as venture philanthropy, microfinance, impact investing and job creation. UHNW philanthropists are increasingly focusing on philanthropic initiatives that provide long-term solutions by enabling the less fortunate to seize opportunities through entrepreneurialism, and using their own business acumen to measure the effectiveness of their philanthropic endeavours and to maximise their returns.

Ever since the Global Financial Crisis, there has been widespread discussion, fierce debate and even protests revolving around the issue of wealth inequality – and this has spurred many individuals to rethink their approach to philanthropy. In response to these global, socio-economic developments, many UHNW philanthropists have become more involved as they want to see their actions have a more measurable and lasting impact.

The Wealth-X and Arton Capital Major Giving Index shows that UHNW philanthropy is on the rise, with the index surging 120 percent in the last ten years – almost reaching its 2007, pre-crisis peak in 2014.

The future of UHNW philanthropy looks bright. We are currently in the midst of the largest inter-generational wealth transfer in history, and as the UHNW individuals from the baby boomer generation pass on their wealth to the next generation, they will also undoubtedly impart their values and passion for philanthropy. In the next 30 years, philanthropic bequests by the global UHNW population are expected to total approximately US\$300 billion (in 2013 US dollar terms). With the ever-expanding definition of philanthropy, we expect these bequests to be used across different types of causes and vehicles, from traditional major giving to impact investing.

This data tells us how significant ultra wealthy philanthropists are – and will be in the coming years – making this report essential reading for those who wish to learn about the philanthropic trends, behaviour patterns and motivations of this wealth segment.

The *Wealth-X and Arton Capital Philanthropy Report 2014* underscores Wealth-X’s commitment to producing groundbreaking research and analysis on the world’s ultra wealthy population, and represents a true collaboration between Wealth-X, the world’s leading UHNW intelligence and prospecting firm, and Arton Capital, the global citizenship experts.

Mykolas D. Rambus
Chief Executive Officer

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INTRODUCTION BY ARTON CAPITAL



ARTON CAPITAL

At Arton Capital, we share the firm belief that the prosperity of one individual, one company, or one nation is interdependent with the prosperity of others. By giving, we gain, and we help build a sustainable future for the generations to come. For this very reason, we are convinced that philanthropy forms the core of global citizenship and vice versa.

Studies have shown that the world's richest 1% are responsible for 99% of the world's charitable donations. So despite their significant wealth, these individuals appear to be highly motivated to aid those less fortunate through a vast spectrum of charitable causes. Wealth-X, the world's leading UHNW prospecting and intelligence firm, estimates that more than half of the world's ultra high net worth (UHNW) population are significant philanthropic donors, having donated at least US\$1 million in their lifetime.

It is evident that the financial crisis of 2008 bolstered charitable giving rather than quelled this behaviour, an outcome that was perhaps fuelled by the realisation of the effect the downturn had on poorer societies, partly due to religious beliefs, or simply a motivation to "give back". The trend of charitable giving is one that is set to continue into the coming decade.

We have partnered with Wealth-X to dig deeper into the trends in global philanthropy to understand the motivations behind the behaviour of philanthropists.

As the world emerges from the worst economic downturn of this generation, we have the opportunity to implement the lessons learned from the past six years. If the world's UHNW individuals can improve the opportunities of those less fortunate through philanthropic investments, it will contribute to long-term economic sustainability.

CREATING OPPORTUNITIES THROUGH GLOBAL CITIZENSHIP



The world's ultra high net worth (UHNW) population holds 13% of the world's total wealth, however, it is worth noting that this group is also responsible for the majority of philanthropic donations. The "typical" UHNW philanthropist will donate US\$25 million in his or her lifetime, which equates to more than 10% of his or her US\$240 million net worth – the average wealth of a UHNW individual.

Research for this report found that many UHNW individuals feel it is their responsibility to contribute to programs that preserve history and culture, investing in long-term projects that will ultimately lift living standards in areas such as education and health. Dealing with some of the most affluent individuals around the world, Arton Capital understands and facilitates their common goal to become global citizens and contribute to the development and sustainability of future generations and society as a whole. Arton Capital is the industry leader in advising governments on best practices to attract Foreign Direct Investment through Global Citizen Programs and high net worth families on how to benefit from the opportunities these create.

Wealth creation is continuing to develop rapidly in tandem with the wider global economic growth. Whilst this is likely to lead to even larger charitable contributions from UHNW individuals, we must

take time to consider the root cause of the socio-economic problems these donations are helping to address. In many instances of social unrest across the world, we see a number of common themes such as youth discontent, unemployment, financial insecurity, and the perceived imbalance in access to opportunities. It is therefore essential that donations are channeled into forms of investment that provide sustainable economic growth. Through global citizenship and global lifestyles, UHNW individuals gain greater understanding of what is needed to achieve such an aim.

One example of how philanthropy can create sustainable growth is through job creation, which leads to tangible and lasting economic returns. America's ten richest entrepreneurs are responsible for the creation of 865,000 jobs, which in turn contributes significant funds to their country's GDP, providing money to fund a wide range of social initiatives that benefit the wider society.

In this report, we showcase the immense scope and profound impact of global philanthropy, and highlight the many different types of philanthropic initiatives and activities. We hope that by bringing this to you, you will feel as inspired as us and you will join the global philanthropy movement, by becoming a true Global Citizen.

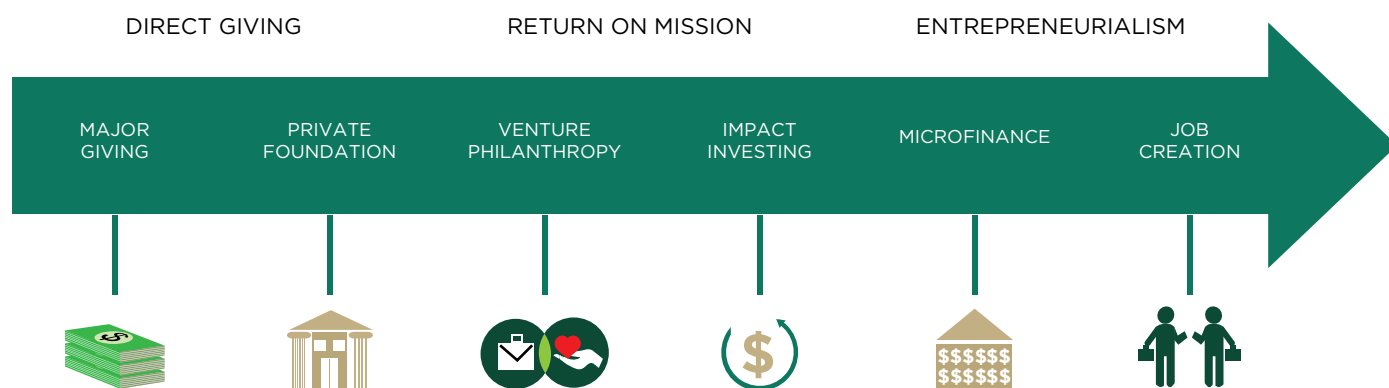
Armand Arton
President & Chief Executive Officer

KEY FINDINGS

- The proprietary Wealth-X and Arton Capital Major Giving Index rose to a seven year high in 2013, up 120% since 2004;
- The “typical” UHNW philanthropist donates US\$25 million in his or her lifetime, equivalent to more than 10% of his or her US\$240 million net worth;
- Major giving to educational causes accounts for 40% of all UHNW donations, three times more than the amount given to health causes;
- Female major donors’ charitable giving is, on average, 26% larger than male major donors’ charitable giving;
- Wealth inequality has been on the rise. Protests have highlighted the need to redefine philanthropy beyond solely traditional giving and gear it more towards social investments;
- The world’s UHNW population, which comprises 0.003% of the world’s total population, holds 13% of the world’s total wealth;
- 69% of UHNW philanthropists are self-made and actively contribute to programmes that aim to increase entrepreneurialism;
- Impact investments, such as social impact bonds, will account for 1% of professionally managed assets within the next ten years;
- UHNW individuals can do more than direct giving, for example America’s ten richest entrepreneurs are responsible for creating 865,000 jobs;
- In the next ten years, philanthropic bequests totalling US\$86 billion are expected.

UHNW philanthropy is more than just charitable donations

THE SPECTRUM OF UHNW PHILANTHROPY



DIRECT GIVING:

1. UHNW philanthropists typically start off by making direct gifts to specific causes or foundations;
2. Many UHNW philanthropists proceed to create their own private foundations;

RETURN ON MISSION:

1. Many UHNW philanthropists then look to move beyond merely donating their money, and begin to invest in venture philanthropy;
2. Further funds are directed towards impact investing, where returns can be reinvested to increase the reach of a family foundation;

ENTREPRENEURIALISM:

1. Microfinance can help provide capital for those who would otherwise not be able to access it and stimulate economic growth and opportunity;
2. Job creation typically leads to greater economic stability and can help foster the next generation of entrepreneurs;

Successful entrepreneurs (65% of all UHNW individuals in the world) then become the future major givers.

INTRODUCTION

CONTEXT

The term “philanthropy” means “love towards mankind”, and is commonly used to describe kindness and generosity through financial contributions or volunteering time toward charitable causes. Philanthropy came to prominence in the “Gilded Age” of the late 19th century and early 20th century, when the industrial titans of the day amassed unprecedented wealth. In the United States, the likes of Rockefeller, Carnegie, and Vanderbilt donated the equivalent of billions of dollars in today’s money to charities including libraries, universities, and even operas. Today, financiers and technopreneurs are picking up where those Gilded Age industrialists left off. But philanthropy has evolved and is expanding beyond the activities of those early philanthropists. New forms of philanthropy have emerged and philanthropic approaches have become more holistic, incorporating business concepts and investments that provide both financial and social benefits. Philanthropy can now be defined more broadly to encompass any project that has the specific, but not sole, purpose of improving the welfare of mankind.

Two factors have had a profound influence on the evolution of philanthropy. Firstly, more thorough and sophisticated measurement tools have brought to light various aspects of impact assessments. Secondly, growing global wealth disparity has led to changes in socio-economic debates, increasing the demand for real solutions to root causes rather than temporary treatments of identified problems.

These two developments have made it necessary for UHNW philanthropy to evolve. Financial donations and contributions, or “traditional” philanthropy, remain one of the main ways that the world’s wealthiest individuals can give back and make a difference in society. However, given the dire circumstances for many in today’s world, many people have been calling for more radical solutions to rising inequalities, and the response from within the philanthropic community and the UHNW population has been to increase engagement in new projects that promote sustainable and economically profitable outcomes. From venture philanthropy and impact investing to microfinancing, thereby encouraging entrepreneurialism and employment, today’s UHNW are redefining philanthropy. It is important to note that UHNW individuals engage in these new activities in addition to partaking in the traditional philanthropic practice of giving their money and time to charitable causes. What we are seeing is an expansion of UHNW philanthropy and a broadening of the definition of this term to encompass new ways of giving and benefitting the world.

MAJOR GIVING INDEX

Traditional philanthropy, defined as charitable giving, continues to be a common practice among the world's UHNW population. In 2013, the Wealth-X and Arton Capital Major Giving Index reached its highest level in seven years, having risen 120% over the last decade. The index tracks trends in UHNW charitable giving, taking into account the size of gifts by UHNW individuals and the number of gifts these individuals made on a yearly basis. The Giving Pledge illustrates the continued importance of such traditional philanthropy: in 2013, it acquired seven new members including Baupost Group founder Seth Klarman and his wife Beth Klarman; Russian entrepreneur Yuri Milner; and Swiss billionaire Hansjörg Wyss. In explaining why they decided to join the Giving Pledge, all of these individuals mentioned societal disparities that, according to Klarman, *"seem to be compounding as fast or faster than wealth can compound, suggesting a greater urgency to current funding"*.

REDEFINING PHILANTHROPY

Amidst these developments, traditional philanthropy has been criticised for being ineffectual in truly helping resolve the many socio-economic, environmental and health problems prevalent around the world. The late Robert W. Wilson, a New York hedge-fund tycoon, accused the Giving Pledge of being "practically worthless" because it allows signees to give their wealth to family-controlled foundations. In an email to Microsoft co-founder and Giving Pledge co-creator Bill Gates, Wilson stated that these foundations became "bureaucracy-driven sluggards", which he wanted to "stay far away from". In his Giving Pledge letter, Milner indicated that 21st-century philanthropy has thus far encouraged *"more than investing in problem solving. It brings something approaching the scientific method to philanthropy... in order to give effectively."* In other words, while major giving and family foundations remain important, there is a need for philanthropists to engage in activities that go beyond "traditional" philanthropy – from venture philanthropy and impact investing to microfinancing, entrepreneurialism and continued job creation.



“TRADITIONAL” PHILANTHROPY

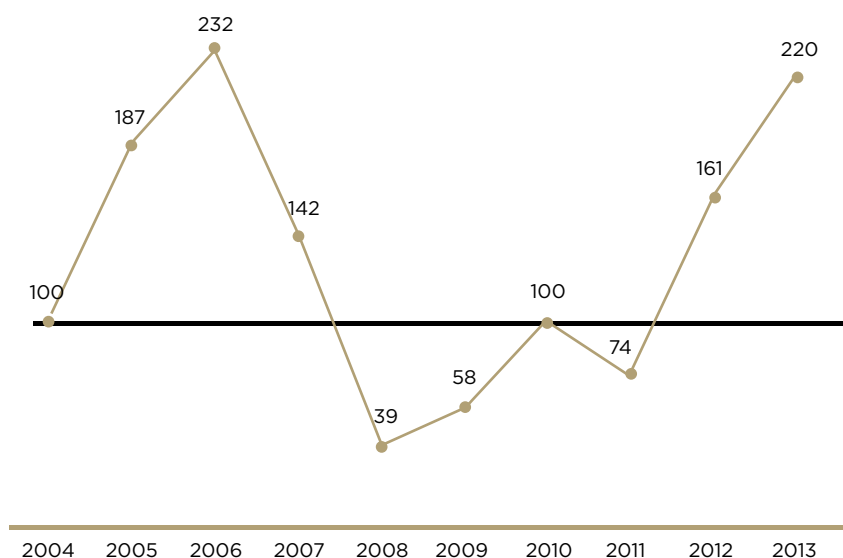
WEALTH-X AND ARTON CAPITAL MAJOR GIVING INDEX

Wealth-X estimates that more than half of the world's UHNW population are major donors, having donated publicly at least US\$1 million in their lifetime*.

Despite the evolution in philanthropic approaches, it is clear that we are seeing a broadening of the definition of philanthropy, rather than a movement away from traditional philanthropy. Traditional philanthropy remains strong, with the Wealth-X and Arton Capital Major Giving Index rising over the last few years. At a level of 220, the year 2013 was the strongest of UHNW giving since the global financial crisis, and is only 12 points below the all-time high of 232 in 2006.

Using data on both participation (number of gifts) and capacity (value of gifts), the Wealth-X and Arton Capital Major Giving Index provides insights into typical UHNW engagement with traditional philanthropy over the last decade. Although there was a clear decrease in major giving during the financial crisis, participation levels from UHNW hardly decreased. Instead, the value of individual donations decreased. The increase in the Major Giving Index over the last three years is primarily due to catch-up growth in the size of gifts made.

WEALTH-X AND ARTON CAPITAL MAJOR GIVING INDEX



*Accounting for anonymous gifts, this proportion is likely to be an understatement.

The United States is a particularly important centre of major giving. UHNW philanthropists there are the most numerous, most generous and give the most frequently.

RANK	MOST NUMEROUS*	MOST GENEROUS**	MOST FREQUENT***
1	UNITED STATES	UNITED STATES	UNITED STATES
2	UNITED KINGDOM	INDIA	UNITED KINGDOM
3	CHINA	UNITED KINGDOM	SINGAPORE
4	AUSTRALIA	CHINA	CANADA
5	SWITZERLAND	CANADA	CHINA

* By absolute number of UHNW donors.

** By total amount given during the 2004-2013 period.

*** By absolute number of individual gifts during the 2004-2013 period.

UHNW PHILANTHROPIST CALENDAR

UHNW philanthropists are well connected to other UHNW individuals, having, on average, 23 UHNW connections and a social graph worth more than US\$4.5 billion. Each year, UHNW philanthropists and many of their extensive network of known associates gather at various events specifically discussing or encouraging philanthropy. An UHNW's primary geography and giving preferences ultimately guide which events are attended.

MONTH	EVENT	REGION
JANUARY	DAVOS WORLD ECONOMIC FORUM	SWITZERLAND
	GLOBAL SUSTAINABILITY INSTITUTE RESEARCH CONFERENCE	UNITED KINGDOM
FEBRUARY	AMFAR NEW YORK GALA	UNITED STATES
	AFRICAN PHILANTHROPY FORUM	ETHIOPIA
MARCH	DASRA PHILANTHROPY WEEK	INDIA
APRIL	MILKEN INSTITUTE GLOBAL CONFERENCE	UNITED STATES
	JUST GIVING CONFERENCE	UNITED STATES
	GLOBAL PHILANTHROPY FORUM	UNITED STATES
	SKOLL WORLD FORUM	UNITED KINGDOM
	KING BAUDOUIN FOUNDATION PHILANTHROPY DAY	BELGIUM
MAY	THE MET GALA	UNITED STATES
	ASIAN VENTURE PHILANTHROPY NETWORK	SINGAPORE
	CECP SUMMIT	UNITED STATES
	EUROPEAN FOUNDATION CENTRE ANNUAL CONFERENCE	ITALY
	2015 LEARNING CONFERENCE	UNITED STATES
JUNE	COUNCIL ON FOUNDATIONS	UNITED STATES

MONTH	EVENT	REGION
JULY	NEXUS GLOBAL YOUTH SUMMIT	UNITED STATES
AUGUST	EUROPEAN FOUNDATION CENTRE ACADEMY	NETHERLANDS
SEPTEMBER	UNITED NATIONS GENERAL ASSEMBLY MEETING	UNITED STATES
	ASIA SPECIFIC FAMILY OFFICE CONFERENCE	HONG KONG
OCTOBER	PHILANTHROPY IN ASIA SUMMIT	SINGAPORE
	NEXUS YOUTH SUMMIT	AUSTRALIA
	GLOBAL IMPACT INVESTING NETWORK	UNITED KINGDOM
NOVEMBER	2015 COLLABORATION CONFERENCE	UNITED STATES
	EVPA ANNUAL CONFERENCE	GERMANY
	EUROPEAN FAMILY OFFICE CONFERENCE	UNITED KINGDOM
	NORTH AMERICAN FAMILY OFFICE CONFERENCE	UNITED STATES
DECEMBER	MIDDLE EAST FAMILY OFFICE CONFERENCE	UNITED ARAB EMIRATES

CASE STUDY: THE AMAL PROJECT

HUMANITARIAN HELP: THE GLOBAL CITIZEN FOUNDATION AND THE AMAL PROJECT

With the conflict in Syria escalating day by day, the UN estimates the number of Syrian refugees – the vast majority of whom are children – is expected to hit three million over the next few months. Given the high concentration of UHNWIs in the Middle East with an approximate total net worth of US\$ 880 billion, the levels of donations directed to humanitarian causes is on the upswing.

The Global Citizen Foundation, being actively involved with numerous causes in the region, has chosen to sponsor a seemingly small, but very significant initiative. While some of the most important and powerful charities in the Gulf have responded to the Syrian crisis providing food and water supplies, clothes, blankets, shelters and so on, the Amal Project has chosen to go beyond the traditional causes. Initiated by GlamOnYou, a luxury fashion house in the Gulf, in collaboration with Breathing Numbers, a UAE non-profit organization, Amal's goal is to give the thousands of kids in the Zaatari Camp in Jordan, the second biggest refugee camp in the region, a happy place, which they all deserve. The plan is to raise funds for the purchase of custom-made caravans where children can escape to a sanctuary of peace and creativity and can build the childhood memories we all hold on to. Each caravan will be filled with toys, arts and crafts, and plenty of books. Creating a safe haven for these kids, the GCF and the Amal teams want to give them a chance to play, dream and spark hope and happiness through the hardships they are facing. Caring sustainability at its core, the project also aims at creating jobs for women refugees – former teachers, nurses, doctors and the like can take part in maintaining the caravans, teach and supervise the children. The moral mission of Amal is in the etymology of this Arab word, which translates as hope – hope for a better tomorrow; hope for a different future and a peaceful life.

Through initiatives like this one, the Global Citizen Foundation proves that donating through a foundation remains one of the most popular and most powerful charity tools in the region. By building sustainable projects through collaboration, the GCF not only raises funds and awareness, but it also helps to match the funds of the few with the needs of the many.

‘TYPICAL’ UHNW PHILANTHROPIST

	UHNW PHILANTHROPIST	UHNW INDIVIDUAL
MEAN NET WORTH US\$ million	240	139
MEDIAN NET WORTH US\$ million	140	72
AGE	64	58

On average, UHNW philanthropists are wealthier, at US\$240 million, compared to the global average for UHNW individuals of US\$139 million. UHNW philanthropists’ higher average net worth is primarily due to the large role of billionaires in philanthropy: the median net worth of UHNW philanthropists is significantly closer to the global average, at US\$140 million, showing that UHNW philanthropy is common across wealth tiers.

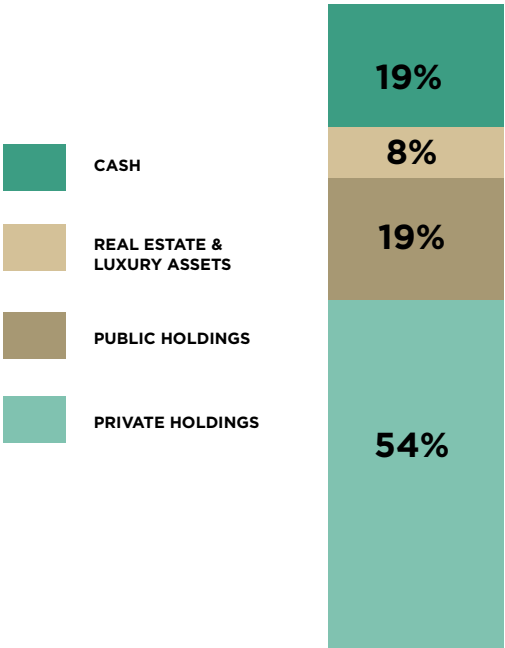
UHNW PHILANTHROPISTS, BY WEALTH TIER

WEALTH TIER	AVERAGE NET WORTH US\$ million	CUMULATIVE MAJOR GIFTS US\$ million	MAJOR GIFTS SHARE OF NET WORTH %
US\$1 billion +	3,700	108	2.9%
US\$500 million - US\$999 million	705	30	4.3%
US\$100 million - US\$499 million	220	9	4.1%
US\$30 million - US\$99 million	45	2.6	5.8%

Relative giving illustrates that traditional philanthropy is important across wealth tiers. Philanthropists in the lowest wealth tier are twice as generous as billionaires in their giving, although the amount given is nearly 40 times smaller.

Charitable giving is not exclusive to UHNW individuals: more than a quarter of the world’s population has donated money to charitable causes, and almost half of the world’s population help others in non-financial ways such as by volunteering. In fact, the average American household donates 5.8% of its annual income to charity – the same proportion that UHNW philanthropists worth between US\$30–99 million have donated of their net worth over their life, to date.

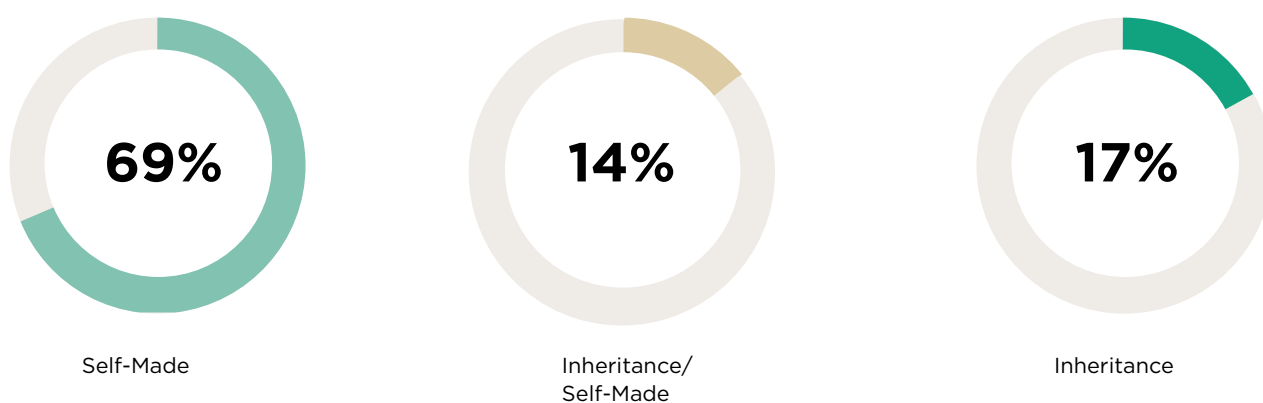
However, because UHNW philanthropists have a higher net worth, this community can donate significantly larger amounts. To date, UHNW philanthropists have given US\$25 million to philanthropy, on average. UHNW philanthropists hold 19% of their wealth in cash, equivalent to US\$45.6 million, on average. This means that UHNW philanthropists typically donate more than half of their average cash holdings. Furthermore, the average UHNW philanthropist's charitable giving to date exceeds average real estate and luxury assets, which typically amount to US\$19 million.



Private wealth is particularly important for philanthropy, with 54% of philanthropists' net worth held as private wealth. UHNW philanthropists have made their wealth primarily through the following industries:

TOP 5 INDUSTRY OF UHNW PHILANTHROPISTS	
FINANCE, BANKING & INVESTMENT	21.8%
REAL ESTATE	7.6%
INDUSTRIAL CONGLOMERATES	7.0%
NON-PROFIT & SOCIAL ORGANISATIONS	6.0%
MANUFACTURING	4.9%

UHNW PHILANTHROPISTS, BY WEALTH SOURCE

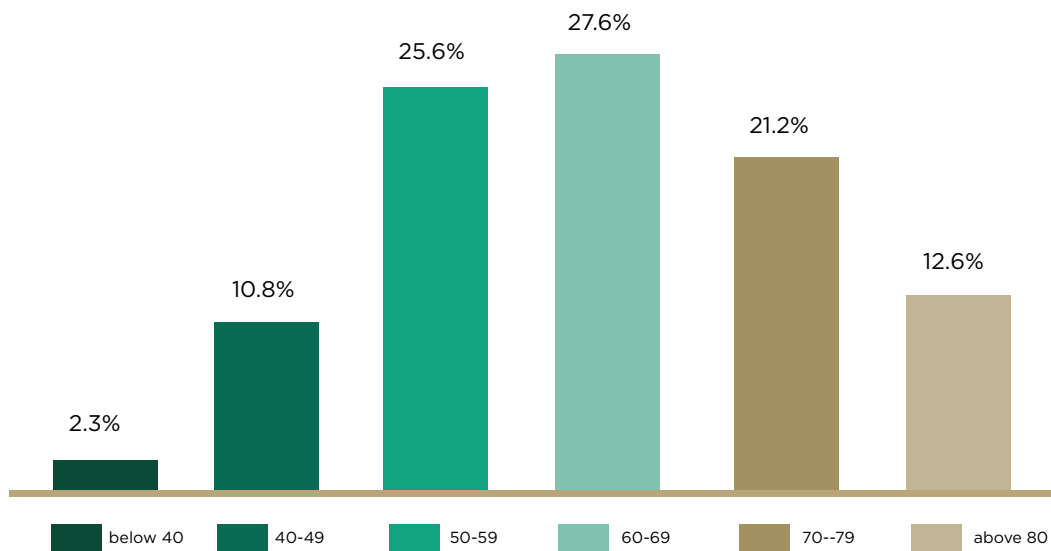


Self-made individuals are particularly important players on the UHNW philanthropy scene, accounting for 69% of UHNW philanthropists. These self-made individuals give the most, with average donations of US\$25.8 million, compared to US\$24.9 million for those with inherited wealth, and US\$21.2 million for those with inherited/self-made fortunes. This is perhaps surprising, as many assume that the first generation are focused on creating their wealth and may not be inclined to simultaneously give it back.

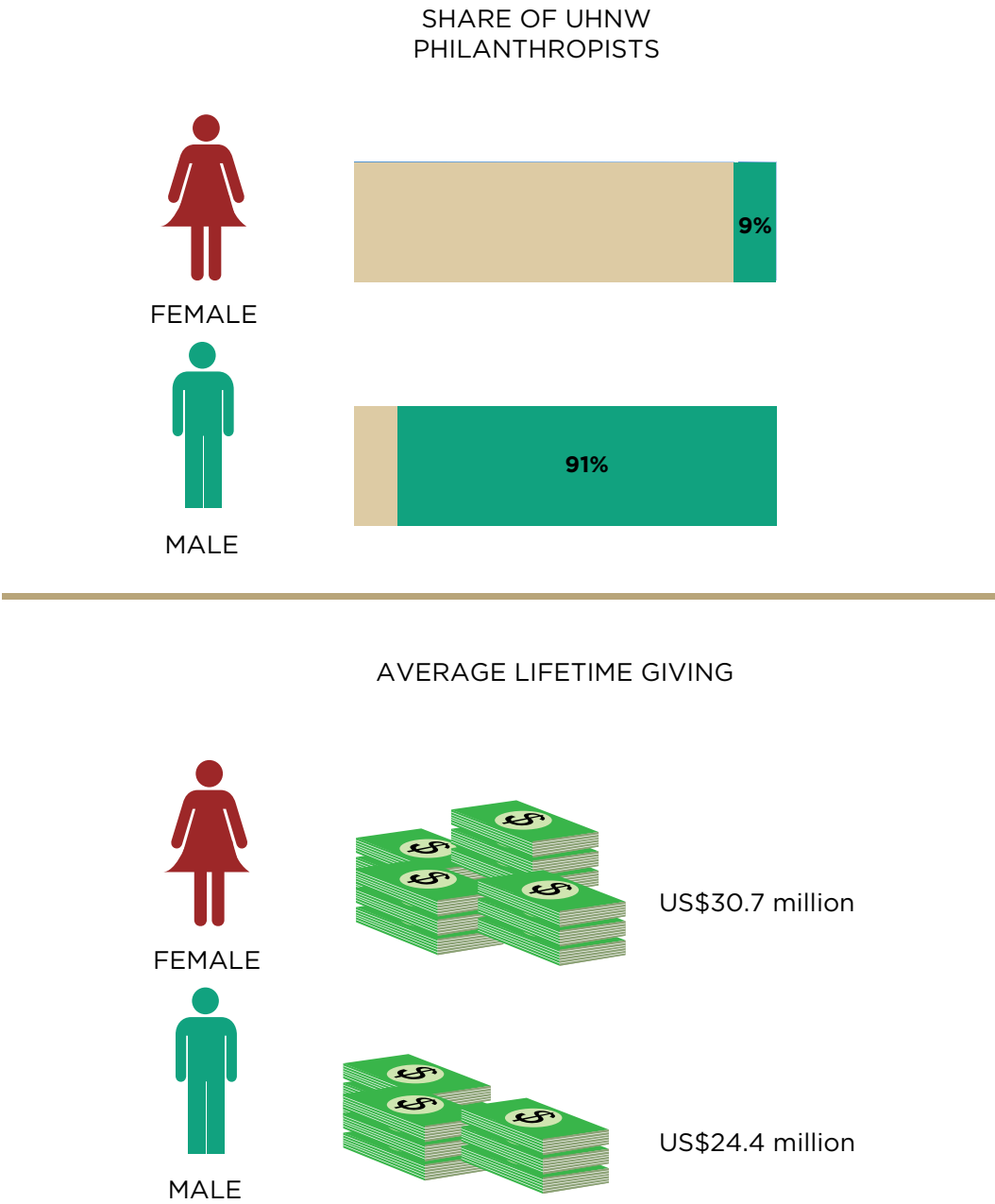
There are a number of reasons for the pre-eminent position of self-made UHNW philanthropists. In part this situation is a reflection of the way UHNW individuals with inherited wealth often engage in philanthropy: through pre-existing family foundations. Second generation major donors are typically dispersing existing funds, while first generation philanthropists are donating new funds. They are either starting their own foundations and contributing significantly to the initial fund or supporting a variety of causes through various vehicles.

UHNW philanthropists are, on average, six years older than the “typical” UHNW individual. This suggests that traditional philanthropy is particularly relevant for UHNW individuals that have passed the wealth accumulation stage, regardless of how their wealth was made. Only 2% of all UHNW philanthropists are under 40 years old, while 12.6% are over 80.

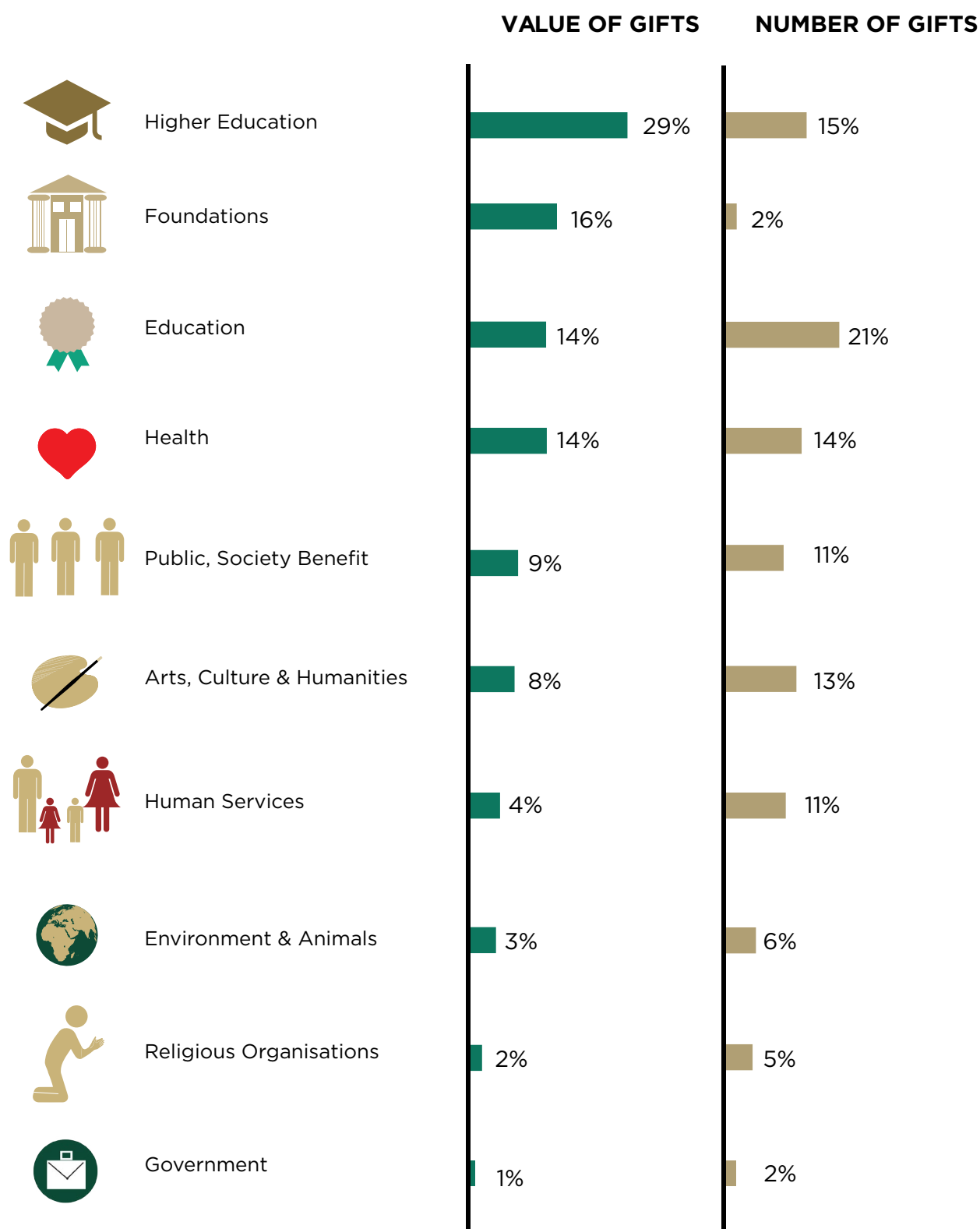
AGE DISTRIBUTION OF UHNW PHILANTHROPISTS



Although there are more male than female major donors, female philanthropists typically donate larger sums.



UHNW PHILANTHROPIC CAUSES



Foundations are one of the primary vehicles through which UHNW individuals ensure their philanthropic ideals are carried on by the next generations. 16% of the total value of UHNW donations goes to foundations. For a foundation to remain classified as a charity, in the United States, it must distribute 5% of its assets annually. These tax friendly foundations are popular, with many self-made individuals starting their own. On average, gifts to foundations are over seven times the size of the average philanthropic gift.

Religious organisations receive only 1% of the dollar value of donations and these publicly made gifts are worth only a fifth of the average philanthropic gift. This reflects the informal nature often associated with religious donations. The role of anonymous UHNW philanthropy is understandably hard to estimate, but anecdotal evidence suggests that such donations can be large and are often aimed towards local community programmes.

PHILANTHROPIC CAUSE*	DEVIATION FROM AVERAGE GIFT
FOUNDATIONS	7.5
HIGHER EDUCATION	1.9
HEALTH	1.0
PUBLIC, SOCIETY BENEFIT	0.8
EDUCATION	0.7
ARTS, CULTURE AND HUMANITIES	0.6
GOVERNMENT	0.5
ENVIRONMENT AND ANIMALS	0.5
HUMAN SERVICES	0.3
RELIGIOUS ORGANISATIONS	0.2

* Philanthropic causes are defined p.54.

Education – which in this report is classified separately from higher education – accounts for the greatest number of gifts made by UHNW philanthropists. Higher education accounts for the highest dollar value of total gifts made by UHNW philanthropists, accounting for nearly 30% of total giving. Although, on average, gifts to higher education institutions are smaller than those that go to foundations, they are almost twice the size of the average major gift. Higher education institutions often capitalise on the tendency of UHNW individuals to donate to their alma mater, but it is becoming increasingly common for non-alumni donors to give to these institutions as well.

The UHNW population are often inclined to contribute to apolitical causes that are focused instead on preserving history and culture. For example, UHNW individuals donate significantly to organisations involved in promoting art, culture and humanities. These causes do not specifically address and immediately alleviate the social problems that exist across societies, and consequently governments and other institutions often neglect them. There is a clear effort on the part of UHNW individuals to inculcate values and preserve culture, while also investing in long-term projects that can ultimately raise living standards, such as education and health.

There is a reason traditional philanthropy focuses on these causes: they are aimed at achieving long-term goals that either are very difficult to measure or cannot be measured at all. Projects that tackle poverty eradication and developmental causes can also have a long-lasting impact, especially if these projects are sustainable, replicable and profitable, and lead to increased employment and/or productivity. These types of projects often require more than just charitable giving, and business practices and concepts can help improve the effectiveness of such initiatives. The need for economic development, not just growth, is one of the reasons for the evolution of philanthropy. In the next section, we highlight how the debate on wealth inequality has made such an evolution even more important.

CASE STUDY: POPULATION SERVICES INTERNATIONAL

The nature of philanthropy, and the way we think about charitable giving, is changing rapidly. A new generation of social investors is emerging—ultra high-net worth individuals donating large portions of their wealth. Most of these new philanthropists are self-made entrepreneurs: they didn't inherit their money and they expect to be active in how it is spent. Social investors want more than their name on a building and a ticket to a gala—they want measurable results and social change in their lifetime. And in this brave new world, intellectual capital is as valuable as financial capital. Vision, passion, and a willingness to donate money, time and talent is changing the face of philanthropy.

Never have so many resources been in the hands of women, who will inherit 70% of the \$41 trillion in intergenerational wealth expected over the next 40 years. And not only will women have more wealth at their fingertips, but they are more inclined than men to give it to charity—on average almost twice as much.

Why is this so revolutionary? Because these bold, powerful women will completely alter the course of history—giving the next generation of girls and women an unprecedented opportunity for a healthy, educated, and empowered life. With philanthropic investments, women could end extreme poverty in their lifetime and challenge the growing wealth inequality in our society.

In 2012, I co-founded a new philanthropic and advocacy initiative aimed at catalyzing the next wave of social investors setting out to improve the health and rights of girls and women worldwide. With seven current members, the initiative is driving strategic investments that go beyond the checkbook by engaging the time and talents of ultra high net worth women philanthropists who have more than just their dollars to invest.

As this ground-breaking initiative has taken shape, I have seen women who never thought of themselves as philanthropists give millions away to save the lives of mothers and newborns, end gender-based violence and prevent women from dying of cervical cancer. Some are young, others accomplished career women; some have earned their wealth, while others have inherited it. But they all have one thing in common: a fierce desire and commitment to change the world and generously give their time, resources and talent to achieve that goal, and inspire others to do the same.

The change we've seen so far is nothing compared to what we will see in the next 40 years. Here's to the ladies and the future they will create.

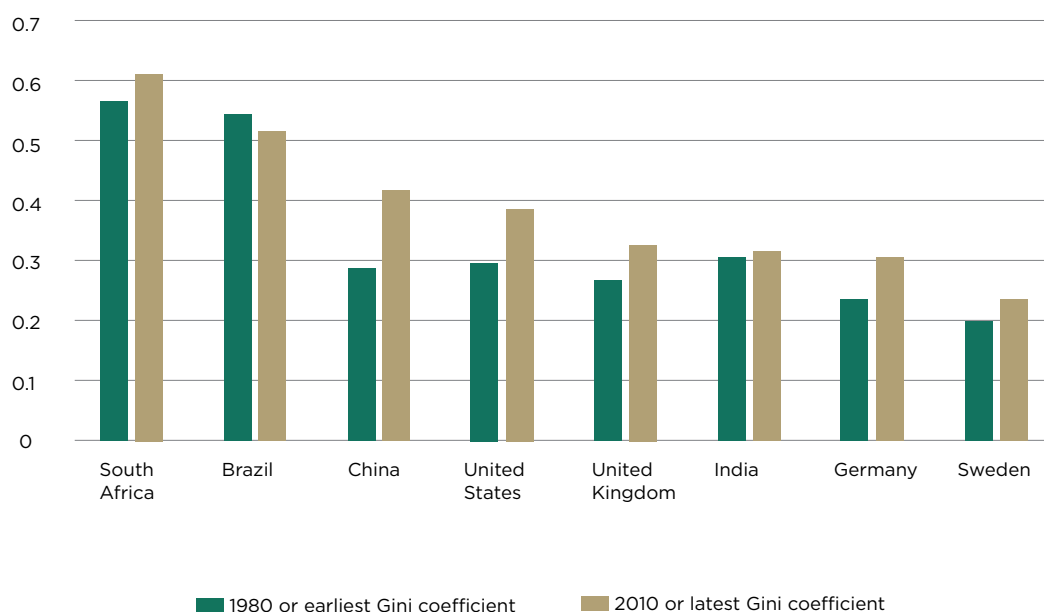


GLOBAL CONTEXT

RISE OF INEQUALITY

The debate on wealth inequality has made an evolution in UHNW philanthropic approach even more important: demand for more prescriptive solutions has risen. Research has shown that, in the last 30 years, the Gini coefficient in both developed and developing countries has been steadily rising. The Gini coefficient is a bounded index that measures inequality in income distribution: 1 corresponds to perfect inequality, and 0 corresponds to perfect equality – everyone in the country has the same income.

EVOLUTION OF INEQUALITY SELECT COUNTRIES, BASED ON GINI COEFFICIENT



This increase has accelerated since the global financial crisis. Despite recovery in the financial markets, post-crisis gains have been skewed towards the wealthy. The Occupy Wall Street movement that spread around the world criticised the wealth gap between the “99%” and the “1%”, but the bulk of the inequality is actually between the world’s UHNW – or the “0.003%” – and the rest of the global population.

WEALTH TIER	ADULT POPULATION	WEALTH US\$ TRILLION
US\$1 billion +	2,170	6.5
US\$500 million - US\$999 million	3,740	2.6
US\$100 million - US\$499 million	46,715	10.4
US\$30 million - US\$99 million	146,610	8.2
US\$10 million - US\$29 million	582,400	11.9
US\$5 million - US\$9.9 million	721,350	4.8
US\$1 million - US\$4.9 million	13,861,120	23.4
US\$100,000 - US\$999,000	350,000,000	99.8
US\$10,000 - US\$99,000	1,200,000,000	31.8
\$10,000 & less	3,135,000,000	11.8
TOTAL	4,700,364,105	211.2

One of the outcomes of increasing income and wealth inequality has been growing social unrest. Protests have typically been directed towards governments and their actions, which are often perceived to be inefficient and even harmful. The rise of antagonism between wealth tiers, which often manifests itself in debates and protests, has placed greater scrutiny on UHNW philanthropy as well as government policies and practices.

The difficulty or, at times, seeming impossibility, of “fixing” social problems means that protests rarely have the desired effect and discontent continues to fester. Despite the many different instances of social unrest across the world, there are some unifying themes and frustrations: youth discontent, lack of jobs, financial insecurity, and the perceived unfairness in terms of access to opportunities. Jobs that have real economic returns can be a key factor in alleviating this unrest and improving socio-economic conditions, and new forms of UHNW philanthropy can help make job creation possible. The protests and social debates are focused on demands, expectations and needs that fall outside of traditional philanthropy; instead there is demand that UHNW individuals help ensure other individuals can have access to opportunities and jobs that enable them to claim their share of wealth.

NORTH AMERICA

The Occupy Wall Street movement, which started in September 2011 in New York, was one of the largest and most internationally organised protests in recent times. It directly addressed perceived socio-economic injustices. The protestors' slogan "we are the 99%" was a direct call to action to the world's wealthiest. The main culprits to blame for the world's economic inequality, according to the movement, were individuals associated with the finance, banking & investment industry.

LATIN AMERICA & THE CARIBBEAN

In recent years, protests in Brazil, Chile, Peru, Venezuela and Mexico, usually orchestrated by the younger generations, are raising concerns over socio-economic issues within the region. For example, in Brazil, protests against what was considered insufficient public services and infrastructure arose last year and are ongoing. Venezuela also experienced violent protests due to economic problems such as inflation, and other socio-political issues.



EUROPE

Greece, Portugal, France, Spain, the United Kingdom, Ireland, Italy... Since 2008, protests against unemployment and economic woes have swept through Europe. Many of these protests were orchestrated by students and young people who are experiencing increasing difficulty in finding jobs and repaying the growing burden of loans incurred at university. Prospects of low, or negative, economic growth over the last few years in many of these economies caused growing resentment across the region.

Grievances were primarily addressed toward governments. Austerity measures increased discontent, with cuts to social programmes and slow economic progress.

THE MIDDLE-EAST & AFRICA

Tunisia, Algeria, Lebanon, Jordan, Yemen, Egypt, Syria, Morocco, Sudan, Palestine, Iraq, Bahrain, Libya, and Kuwait: all of these countries were affected by what has come to be known as the “Arab Spring”. The ramifications of these developments continue to affect the region’s socio-economic and political stability and growth.

Their main goal of the protest that have gripped the region: ending state repression and political mismanagement. High inflation and unemployment made conditions increasingly desperate for much of the population and resentment against those in power reached boiling points. Students who participated in these protests often voiced concerns regarding education and healthcare, as well as socio-economic issues.

ASIA-PACIFIC

Protests in Thailand have targeted government actions that are perceived to be inefficient, inactive, unresponsive or harsh. Evidence of social unrest can also be found in Hong Kong, where demonstrators have protested against the Chinese government’s approach, which is seen by many to be undemocratic.

In general, the majority of the individuals involved in protests are from the lower classes. They control smaller shares of wealth and typically feel the adverse effects of the global financial crisis more acutely than the wealthy.

THE NEED TO REDEFINE PHILANTHROPY

There are numerous reasons for the rise in inequality, principally:

- Uneven economic development and globalisation patterns;
- Wealth held in capital markets.

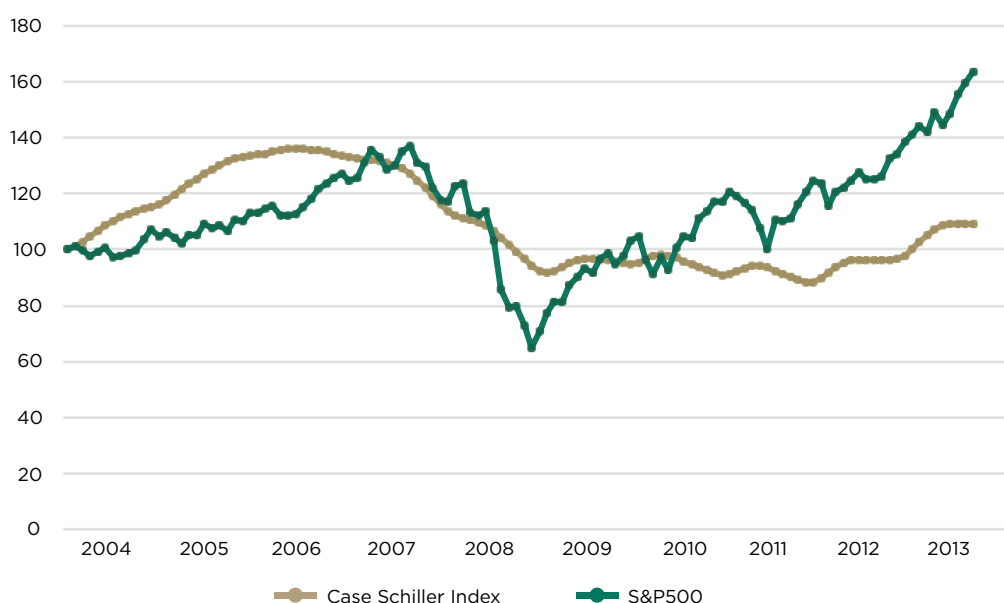
New forms of UHNW philanthropy are aimed at limiting how these trends tend to favour the UHNW population, not by redistributing the pie, but rather by increasing it and increasing the opportunities for non-UHNW individuals to get a slice

Economic development and globalisation certainly have had very positive effects. For example, they led to the rise of the middle class. In Asia alone, hundreds of millions of individuals have become middle-class consumers in the past decade, and forecasts suggest this middle-class base will continue to expand in the future. In the Golden Age of economic growth, 1950–1980, the growth of the middle class in North

America and Europe also led to a decrease in wealth and income inequality. Yet, wealth has not been distributed evenly and the effects of growth in various economies have been hard to predict. UHNW philanthropists' new activities have, in part, enabled a more even distribution of the gains from economic development and globalisation. These new philanthropic endeavours encourage the rise of the middle class through entrepreneurialism and job creation.

Whilst most of the wealth of the middle class is held in property assets, UHNW individuals hold a much larger share of their net worth in business ventures and capital markets. With collapsing home prices being at the epicentre of the global financial crisis, wealth held by the middle classes has not recovered since the crisis as much as wealth held by the world's UHNW population has. In the last decade, the S&P500 grew 60%. In comparison, S&P/Case-Shiller index only grew 9%. Since the Global Financial Crisis, the gap in these two asset classes' performance has widened.

CAPITAL MARKETS VS. REAL ESTATE: 2004-2013*



As a consequence, providing the non-UHNW population with the opportunity to own a business or improve productivity can allow these individuals to take a more active role in capital markets. Entrepreneurialism is becoming an important theme in UHNW philanthropy, and it can help tackle the issue of income inequality by providing increased opportunities.

While charitable giving for immediate relief of social woes does matter, traditional UHNW philanthropy is not, in itself, enough to alter the economic inequality that persists around the world. Protests have made it clear that efforts to encourage development are needed and philanthropy has expanded to address these needs. Philanthropy has now become more all encompassing. Projects that go beyond charitable giving – and focus on offering individuals more opportunities to accumulate their own wealth – are increasingly important to UHNW philanthropists.

*The S&P500 and Case Schiller indices have been normalised, so that they equal 100 at the start of 2004. This allows us to see the relative movement.



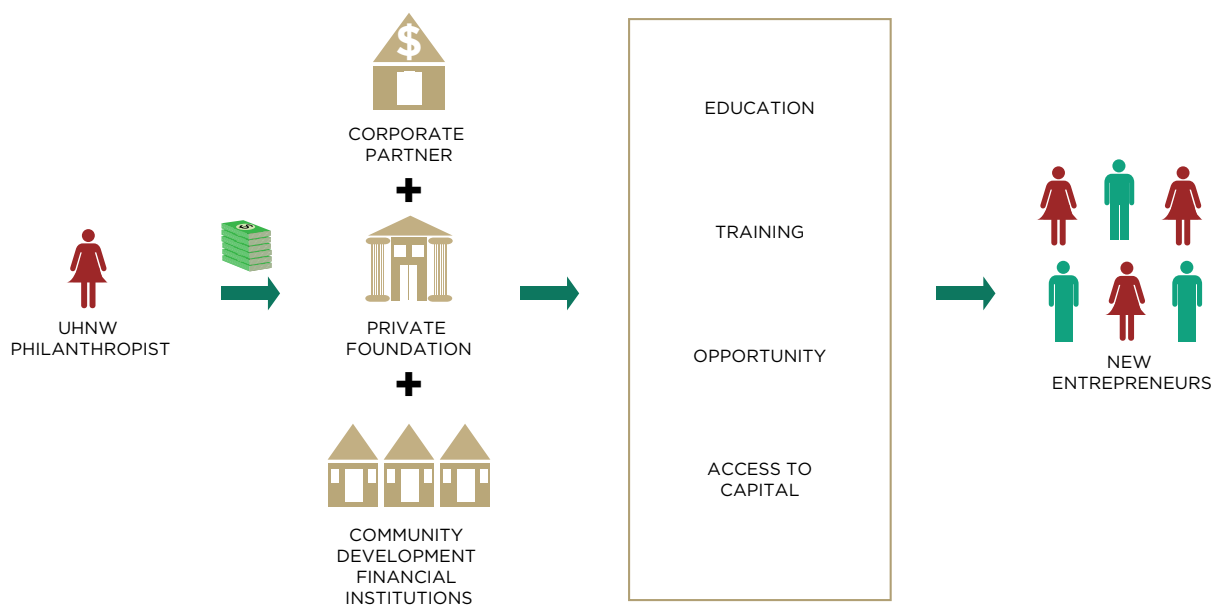
Children walk past a caravan in Zaatari refugee camp, 10 km east of Mafraq, in Jordan. Global Citizen Foundation plans to provide caravans to the camp in Northern Jordan. Picture taken in December 2013 by Muadh Naim.

BEYOND “TRADITIONAL” PHILANTHROPY

AID VS. ENTREPRENEURIALISM

Development economists have long discussed the value of aid versus that of investing in opportunities. In the philanthropic sphere, the debate also exists, but rather than denying the value of funding various projects from clean water initiatives to emergency relief, UHNW philanthropists have gradually increased their involvement in programmes that help foster entrepreneurialism. This can be seen as an effort to reduce the socio-economic problems that are endemic to the existing system. The debate goes beyond the idea of “teaching someone to fish” and extends to ensuring that the necessary financial and institutional infrastructure is available to foster the rise of new entrepreneurs.

The move towards UHNW-led initiatives that go beyond the traditional role of philanthropy stems from a realisation that poverty eradication and socio-economic development are processes that can best be served through grassroots involvement and domestic developments. It is not enough to help fund new schools, fund access to digital technology or provide sufficient nourishment if it does not lead to longer-term, lasting improvements to socio-economic conditions. Individuals with education but no opportunities will not be lifted out of poverty: they need access to opportunities for employment in wealth-generating projects.



CASE STUDY: INTERNATIONAL YOUTH FOUNDATION

ENTREPRENEURSHIP FOR ALL: A NEW APPROACH TO YOUTH DEVELOPMENT

Growing up in Delhi, India, 23-year-old Maya had always dreamed of having a job and supporting her family. But she was forced to quit her studies early due to her parents' financial hardships. Today, thanks to an entrepreneurship training course and a small loan to get her started, Maya is the owner of a small but thriving tailoring business that has generated much needed jobs in her community. "This training has given a new life to me and my business," she says. Today, there is a rising generation of young people who like Maya are filled with hope, expectations and talent to shape their futures and contribute to their communities. They have enormous potential to be catalysts for innovation, economic growth, and social progress. Yet far too many do not have the skills or opportunities to earn their way out of poverty and lead productive lives. Today an estimated 100 million young people worldwide are unprepared to join the job market or start their own businesses.

Yes, young people must have access to a good education and the opportunity to lead healthy lives. But even if a young person reaches adulthood with the advantages of health and good schools – but does not have a decent job or the ability to start a small business – then we have failed as a society.

We've seen the progress that can be made when governments, businesses, and philanthropists work together to equip young people for success in the workplace and in entrepreneurship. What's urgently needed now is to take those tested programs to scale, so that not just thousands but millions of "Maya's" can benefit. Today's young men and women need more than technical job training. They need an entrepreneurial mindset. Many of the successful business leaders and high net worth individuals I've met were once young entrepreneurs themselves. They appreciate how important it is to think "outside the box," work in teams, take risks, and creatively solve problems. These competencies are critical to the growth of small start ups, but are also increasingly valued by today's employers. To make real headway on these issues, we must dramatically boost our efforts to ensure young people everywhere are equipped with such entrepreneurial mindsets and skills – no matter what their plans are for the future. The philanthropic community has a critical role to play in expanding these opportunities.

MEASURING PHILANTHROPY: THE RISE OF RETURN ON MISSION

The growth and expansion of philanthropy have, in large part, been enabled by innovations in measuring the real impact of various projects. In the past, the value and impact of philanthropy was hard to measure, as philanthropic initiatives often involve unquantifiable outcomes, unknown indirect outcomes and difficulties in collecting reliable data. When an individual funds a program to bring clean water to a village, for example, the impact is not only how many people now have access to this water, but how their health may have improved, how they might have higher productivity in their farming activities, and how this could increase their life expectancy as well as their children's. Multi-generational improvements such as these are hard to measure, yet constitute the true impact of any philanthropic activity.

Technological innovations in the last decades have made it possible, and easier than ever, to measure impact. Even in philanthropy – where some of the outputs are not necessarily quantifiable or measurable – the use of various statistical methods has made it possible to gauge the impact of the various aspects of a programme. This has allowed experts to quantify philanthropic returns. Not only has this enabled various

organisations to optimise the way funds are allocated and used and to improve performance, it has also made it possible for donors to measure the social impact of their philanthropy. In the absence of a specific cause differentiator, weighing options when donating has generally come down to individual intuitions and inclinations, but there is increasing demand for quantitative measures to help support donation choices, ensure efficiency and improve transparency.

These new quantifiable returns have also made it possible for new types of philanthropy to emerge such as venture philanthropy and impact investing. A new generation of philanthropists are entrepreneurs who apply business lessons and analytical approaches learned in their careers to their philanthropy. These new forms of philanthropy offer streamlined processes and operate with enhanced efficiency. For example, the Robin Hood Foundation frequently closes down programs that are not performing. This assessment of performance is only possible when returns can be measured.

Unlike in business, performance and success in philanthropic activity cannot be measured by traditional return on investment (ROI), but rather by return on mission (ROM). ROM not only takes into account aspects of a project that cannot be measured in financial terms, it also takes into account the fact that the most important result of a philanthropic initiative is not necessarily its financial returns. Social returns matter to philanthropists, as the ultimate goal of philanthropic activities is to improve the world for the betterment of mankind. These social returns can range from environmental benefits to improving the quality of the labour market through investment in sanitation.

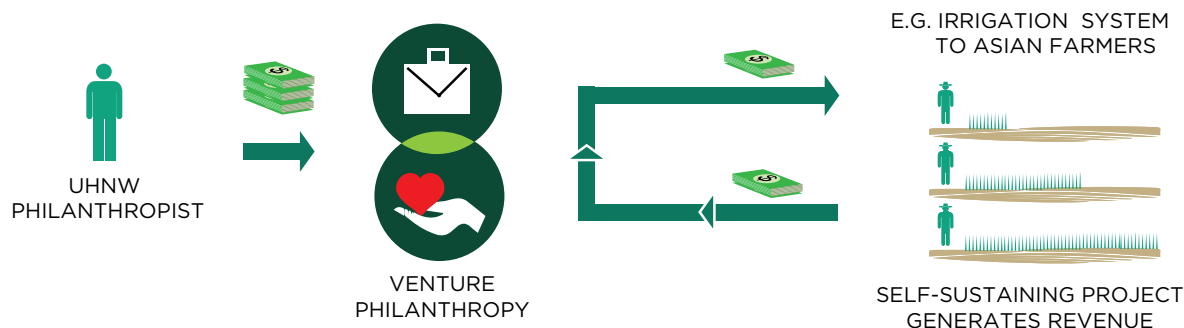
Measuring ROM was made possible by new statistical methods, technology and the rise of business savvy entrepreneurs, and this has enabled philanthropy to be approached in a more business-like fashion. The aim of such philanthropy is to balance financial returns and optimal social returns on investment.

The value of some types of philanthropy should not depend on measurable returns on investment. Many philanthropists donate to causes to which they have personal connections or from which they perceive large gains in the face of low success probabilities, such as donations for medical research. For example, while the end result of finding a cure to various cancers, AIDS, etc. would obviously have a profound social impact, the reality is that the timeframe for finding such a cure is practically impossible to estimate. However, the absence of such quantifiable return on investment does not stop donations, and indeed should not. There is still a large need for traditional philanthropy in instances such as these.

VENTURE PHILANTHROPY

Venture philanthropy is one of the new ways in which UHNW individuals have gone beyond the parameters of traditional philanthropy. This new breed of philanthropy differs from traditional philanthropy in that it requires constant measurements of ROM and these measurements are used to make future decisions. Venture philanthropy focuses on long-term projects that must show efficiency throughout their lifecycles: milestones must be met, the project must exhibit returns and generate income. Any profit is then typically reinvested into the project, creating a self-sustaining funding cycle.

UHNW individuals that fund venture philanthropy usually start with pilot projects. Once viability has been established, more significant investments are made in the venture. Such an approach is seen as an alternative way for UHNW individuals to engage in philanthropy. It has also been used to encourage governments to fund programmes that have proven track records. By “leading the way” and taking on projects that have high risks using a relatively low initial outlay, venture philanthropists can effect a larger change in the long run, especially if they can win government support.



Venture philanthropy has risen in popularity, especially with UHNW individuals involved in the technology industry. On average, these individuals have made donations of US\$1 million to venture philanthropy initiatives. Venture philanthropy is still a relatively recent phenomenon, which in part explains why donations to such programmes remain small compared to traditional philanthropic giving. UHNW individuals with a known interest in venture philanthropy tend to be younger than the average traditional UHNW philanthropist, at 58 compared to 64. They also tend to be slightly less wealthy with US\$170 million in assets, as compared to the US\$240 million average for traditional UHNW philanthropists. These characteristics demonstrate the fact that venture philanthropy has great appeal with the younger generation of entrepreneurs, who are looking to apply business principles to the concept of philanthropy.

Over 50% of UHNW individuals who actively support venture philanthropy have also made sizeable traditional philanthropic donations. While new types of philanthropy are on the rise, they have not replaced – and are unlikely to ever replace – traditional philanthropy. These venture philanthropy projects complement other philanthropic goals, and are also part of a greater philosophy. Over 30% of venture philanthropists also engage in various schemes that help encourage entrepreneurialism in underprivileged areas.

CASE STUDY: CHARITIES AID FOUNDATION

Charities Aid Foundation's own research, together with our experience of working with donors across ten countries, demonstrates UHNW interest in moving their philanthropy beyond traditional approaches, leveraging their skills and interests alongside their wealth, to create sustainable impact that maximises the value of their philanthropic funds.

A number of the philanthropists we work with want to bring together the wealth and experience generated from running their own businesses, for example by investing in CAF's Social Impact Fund. The Social Impact Fund has invested in 46 charities over the past two years, with money being either repaid to investors or reinvested in other charities as the funded organisations repay their loans. Such investors' commitments reflect the growing interest of UK based HNW in a wide range of social investments, with between 25-38% of investment now being placed in socially responsible vehicles of some nature. This move to social investment also reflects a more entrepreneurial and sustainable business model for UK charities, with over half of charitable income being earned – for example by charging for products and services – rather than donated.

A new generation of global philanthropists are increasingly looking beyond traditional models and are instead favouring more strategic and innovative approaches, often with the intention of addressing longstanding, systemic issues. In many cases, these philanthropists bring their entrepreneurial experience into their philanthropy – seeing their philanthropy as risk capital and being open to innovative approaches that generate social impact on a sustainable basis. This is why we see increasing interest in addressing issues such as quality education, livelihoods, entrepreneurship and women's empowerment, that can lift individuals and communities out of poverty in a sustainable way, with the potential to extend to subsequent generations.

This is also reflected in the way that many new and next generation philanthropists are choosing to run their businesses, based on shared value principles that build both financial and social returns into the business model from the outset, rather than generating the type of wealth that perpetuates income inequality. Alongside this sits an awareness that just giving is no longer enough. Good intentions do not necessarily generate good outcomes, and UHNW donors are increasingly interested in understanding the impact of their philanthropy. This interest is not restricted only to those using impact investment models.

In Brazil, we are working with a well established family foundation to measure the social return on investment of some of their programme activity, to support their learning and inform future programming. This understanding of impact is particularly important in countries such as Brazil, where geography, population size and the scale of inequality require impactful interventions that scale to a level unparalleled in the 'traditional' philanthropy markets of Europe and North America.

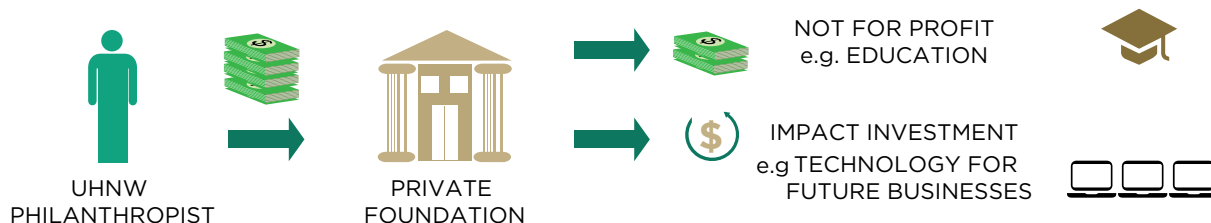
The growth of wealth in new markets represents an opportunity to shift the paradigms of philanthropy from the traditional models to new approaches that transcend geographical boundaries. The global community of UHNW individuals are in a prime position to effect this change.



IMPACT INVESTING

Innovations that have improved our ability to measure the social impact of philanthropy have led to another new type of UHNW philanthropy: impact investing. This can take many forms, from social bonds to environmentally-conscious ventures and healthcare projects – amongst others. Impact investing underscores the importance of ROM. UHNW individuals who decide to invest in companies or institutions that not only have a favourable ROI, but also have a positive ROM, are another, new type of UHNW philanthropists. The initial aim of such investment is philanthropic, but it remains an investment, and financial returns are also expected.

Responsible investing – where a positive return is expected, but the initial funding contributes positively to social issues – is becoming increasingly popular with the younger generations of UHNW philanthropists. Each investment is expected to generate a positive return, the amount of which can be reinvested year after year. This differs from the finite nature of some charitable family foundations, regardless of their initial size. The overall return of impact investing can thus, potentially, equal or even surpass that of traditional philanthropic endeavours.



Although still a young asset class, there are already numerous different ways to engage in impact investing, including equity, debt, cash, deposits, or hybrid options which tackle issues such as affordable housing, renewable energy, and other environmental concerns. In the UK, a new asset class is being created: the social impact bond. This illustrates the mounting interest in impact investing. The Monitor Institute estimates that this growing asset class could account for 1% of professionally managed assets – equivalent to US\$500 billion – within the next ten years.

UHNW individuals are strong supporters of impact investing. Over 30% of the foundations and charities involved in the Global Impact Investment Network – a not-for-profit organisation whose aim is to promote and improve impact investing – have been founded by, or are

currently controlled by, UHNW individuals. Over 50% of the other organisations have received funding from UHNW individuals. Impact investing is an increasingly attractive philanthropic endeavour for the UHNW population.

Impact investing is one of the reasons that the traditional definition of philanthropy needs to be broadened: projects that include both positive social returns and financial returns are now very much a part of philanthropy. The emphasis is no longer on asking the wealthy to simply give up a part of their wealth, but rather on ensuring that some of this wealth is reinvested in rewarding social and economic projects. This more holistic approach merges traditional business ventures and traditional philanthropy by delivering ROI and ROM.

MICROFINANCE

Another philanthropic avenue that intertwines entrepreneurialism and philanthropy is microfinancing. Made popular in large part by the widely publicised Grameen Bank in Bangladesh, micro-loans have risen in popularity and are particularly suitable for those regions and/or countries whose economies are largely non-monetised* and whose markets are largely undeveloped, particularly with regards to banking infrastructure. There are high costs associated with microfinance, and many are borne by the borrower – for example, interest rates can be quite high. As a result, microfinance is not necessarily appropriate in all cases, and it is not a substitute for traditional philanthropy. While it is neither the only, nor always the best, solution to ending poverty, it is recognised as one of the ways in which entrepreneurial projects can be fostered.

We see an increasing number of UHNW individuals actively engaging in this new type of philanthropy for numerous reasons:

- The value of entrepreneurship is engrained in this population:
 - 69% of UHNW philanthropists are self-made;
 - Of those with inherited wealth, many have started their own companies;
- UHNW individuals have mostly become wealthy through investing and working towards a goal, and traditional philanthropy does not always seem to provide long-term solutions to socio-economic issues.

A new generation of UHNW philanthropists are either starting their own or supporting an existing microfinancing institution (MFI). The idea behind microfinancing is not only to provide small loans for specific projects, but also to ensure there is some incentive for further reinvestment through repayment of these loans.



*A non-monetised economy occurs when value is not rewarded with actual money.

CASE STUDY: 100% MAD – BECAUSE THEY “GIVE A BUCK”!

100%MAD is a not-for-profit social enterprise aiming at bridging philanthropy and entrepreneurship to become one of the pioneers of philanthropreneurship – the new generation of philanthropy. 100%MAD is not just a campaign or a global donation drive – it is an innovative, groundbreaking youth movement that’s scalable, sustainable, measurable, positively disruptive and fully transparent.

MAD stands for Make A Difference. 100%MAD’s moral imperative is that 100% of people deserve access to clean drinking water; 100% deserve adequate nutrition; 100% deserve education; 100% of people deserve a positive, sustainable future. And this is why their commitment is that 100% of the money received will go directly to the cause. The brand ambition is to back projects that can be 100% completed. That way people can see tangible results and relate to the human story.

The main donors in this project, however, are not the top 1% of HNWI. The target here is these 2.5 billion young people (16–34) across the world, who currently don’t contribute, because they haven’t found the right channel or the right cause. The call to action revolves around the simplicity of affordable micro donations – “give a buck”, donate a dollar. Only. The channel is app-driven; the tools are everyday technology devices. The collective goal is to raise US\$ 1 billion annually across all projects globally (micro and macro). Because the disillusioned non-donating 2.5 billion youth across the world can make a difference and change the world, \$1 at a time. 100%MAD is partnering with a number of celebrities, lead-edge thinkers, cultural mavericks and spiritual mentors.

An example of a 100%MAD cause is The Butterfly Project, in collaboration with The Braintrust Charity & Professor Tony Buzan (author, inventor, Nobel Peace Prize nominee). It is aiming at reaching 5,000,000 children in Pakistan, Bangladesh & Mexico. Applying the very techniques mind mapping is developing, and using mobile technologies, holograms & media the initiative’s objective is to educate children in memory, problem-solving and analytical thinking. It is preventive – the uneducated often end up in terrorism, crime and poverty; and empowering at the same time – it gives them hope and a better chance in life.

The Weightless Project, on the other hand, is a collaboration between 100%MAD and The Deepak Chopra Foundation, where the goal is to relate two diametrically opposed but mutually reinforcing causes – obesity (1 billion in rich countries) and starvation (1 billion in poor nations). The strategy of the initiative is that for every 1,000 calories burnt (or every pound lost), the individual/corporation donates \$1, (all measurable) where 100% of the proceeds go towards feeding starving individuals.

100%MAD’s ROM, or as its founder, Tariq Qureishy, calls it Return On Social Impact (ROSI), is measured through a mobile app and a support organization. Through the use of technology, the project creates a tool where one can choose the project to fund, can keep track on its progress and can connect with other like-minded youngsters sharing the same cause.

By committing to donate 100% of what people contribute, 100% MAD has managed to revolutionize philanthropy. Building on a self-reliant entrepreneurial business model, they create a brand with which the hundreds of millions of millennials all across the globe associate. It gives them an affordable, easy to use, engaging tool to Make A Difference and change the world.



JOB CREATION

Job creation is not generally considered philanthropy because the benefits to the business world are commonly considered the motive behind such initiatives. However, there is a rising recognition that, in fact, it is through employment and business development that the UHNW population can best improve global socio-economic conditions. UHNW individuals have been responsible for creating millions of jobs around the world, and many UHNW individuals would agree with Carlos Slim's view of giving back when he stated that *"the most important thing I can do with my money is to create jobs"*.

The social impact of job creation should not be overlooked. While it is certainly not philanthropy in its typical form, job creation remains a powerful

tool through which UHNW individuals have helped (whether consciously or not) shape and impact the global economic landscape. For example, America's ten richest entrepreneurs' primary companies (those that they helped found) employ almost 865,000 individuals and have reached a total market capitalisation of US\$1.6 trillion. These ten individuals' collective net worth is US\$408 billion, which means they have actually generated 4.1 times their personal wealth.

In 1912, Henry Ford famously doubled the wages at Ford to US\$5 a day, saying that *"one's own employees ought to be one's own best customers."* The new generation of UHNW individuals agree: *"The only way to fight poverty is with employment"*.

WHAT LIES AHEAD?

Generally speaking, entrepreneurs are highly regarded in today's world; people typically have no issue with an individual creating significant wealth for himself or herself by innovating, working hard and filling a valuable demand in a market. Perfect wealth equality is neither realistic nor desirable, but equality of opportunities should be both. If the world's UHNW individuals can improve the opportunities of those less well-off through their philanthropy or investments, then they will help contribute to long-term sustainability in society, and in doing so truly live up to the meaning of philanthropy – the love of mankind.

In part because of growing social discontent and demands for equal opportunities and access to wealth, the world's wealthy are showing an increasingly interest in creating opportunities for the less fortunate. The possibility of building a sustainable future for oneself and family is more valuable than one-time gifts, no matter how generous. This principle has encouraged the expansion of UHNW philanthropy towards new forms of charitable activities that spur economic growth and opportunity.

UHNW philanthropy has evolved and expanded: not only are the ultra affluent donating money to various institutions and organisations, they are also increasingly using their specific expertise to improve the lives of others. Today's philanthropic practices utilise a multi-pronged approach:

1. Ensuring that funds are available for a variety of causes;
2. Ensuring funds are used in appropriate, efficient and sustainable means;
3. Ensuring that the benefits are translated into real opportunities.

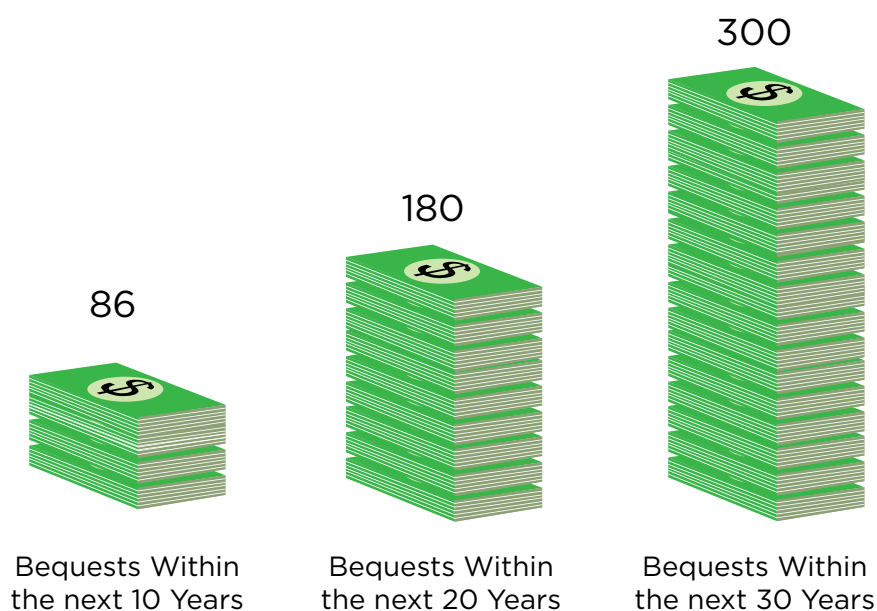
Regardless of the size of the wealth of the UHNW philanthropic community, the amount donated to charity is still dwarfed by government spending. Even Bill Gates, with the largest foundation in the world, the Bill & Melinda Gates Foundation, is aware that his resources can only go so far:

“While our combined resources are significant, they are a drop in the bucket compared to what governments contribute to global health and development. So, we focus on areas where we believe we can have a catalytic impact”.

One form of philanthropy is not necessarily better than another, and different initiatives require different approaches. Donations to finding cures cannot always generate measurable return on investment until the cure is found, and traditional philanthropy is needed in these instances. An investment in clean drinking water may not immediately generate revenue, but may make it possible for new opportunities to emerge, which individuals may take with the help of micro-loans. Different forms of philanthropy can act together to truly improve lives across regions and generations.

Major donors promote a culture of philanthropy and inculcate values that are passed down through the generations. Consequently, we expect philanthropic activity to continue to expand and increase. The expected intergenerational wealth transfer set to occur over the next thirty years will generate large bequests that will help preserve the concept, values and culture of UHNW philanthropy.

UHNW PHILANTHROPIC BEQUESTS US\$ BILLION



Over the next 30 years, bequests toward philanthropy by the global UHNW population are expected to total approximately US\$300 billion (in 2013 US dollar). These estimates take into account current giving patterns, trends in philanthropic giving and wealth as well as taxes.

METHODOLOGY

Wealth-X uses a proprietary valuation model to assess all asset holdings including privately and publicly held businesses and investible assets to develop our Net Worth Valuation.

Our team of researchers and analysts has access to an unrivalled, proprietary database of global ultra high net worth (UHNW) individuals that is the largest in existence. Our database highlights their financial profiles, passions and interests, known associates, affiliations, family members, biographies, news and much more.

Wealth-X uses the primary business address as the determinant of an UHNW individual's location.

UHNW Philanthropic Causes

Arts, Culture, and Humanities:	Includes museums, galleries, theatres, symphonies, performing arts centres, opera houses, culture/heritage festivals or exhibitions, as well as public foundations specifically focused on supporting these types of causes.
Education:	Includes primary schools, high schools, scholarship funds, and social organisations or foundations specifically focused on education. All education-related philanthropy, except those covered in Higher Education.
Environment and Animals:	Includes public foundations or charitable organisations focused on environmental preservation, saving endangered animals, providing veterinary care, clean energy research, building parks or gardens.
Foundations:	Private foundations established by a person or a family.
Government:	Government institutions, ministries, departments, municipalities.
Higher Education:	Includes colleges, universities and other post-secondary educational institutions.
Health:	Includes hospitals, clinics, medical research centers and public foundations focused on healthcare/medicine.
Human Services:	Includes children's/youth services, adoption, family services, single parent agencies, family services/counselling, emergency assistance, victims' services, hospices, employment and housing/shelter projects.
Public, Society Benefit:	Includes research and public policy institutions, community foundations, science and technology research.
Religious Organisations:	Includes churches, mosques, temples, religious schools and any organisations with an explicitly religious focus.

ABOUT WEALTH-X



Wealth-X is the world's leading ultra high net worth (UHNW) intelligence and prospecting firm with the largest collection of curated research on UHNW individuals, defined as those with net assets of US\$30 million and above. The firm's Wealth-X Professional solution is the standard for financial institutions, not-for-profit organisations and luxury brands working with the ultra affluent.

Headquartered in Singapore, Wealth-X has 13 offices on five continents.

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ABOUT ARTON CAPITAL



ARTON CAPITAL

Arton Capital empowers individuals and families to become Global Citizens. This is accomplished through a high-end service experience, which simplifies complexity and is supported and sustained by long-term relationships.

As a global financial advisory firm, specializing in investor programs for residence and citizenship Arton plays a critical role in helping governments, consultants, legal and financial professionals and investors to meet their goals quickly, efficiently and more effectively.

Furthermore, as an industry leader, Arton curates the Global Citizen Forum, where delegates, government representatives and industry patrons meet annually to exchange, build awareness, educate and promote global citizenship.

Arton places a high importance on its corporate social responsibility programs and as a co-founder of the Global Citizen Foundation, the company is joined by its team, partners and clients to contribute to the development of the next generation of leaders and enriching education policies worldwide.

Arton's global operations are spread in over 10 offices around the world and oversee over US \$1 billion investments in Global Citizen programs. Arton Capital is a member of The Arton Group, which comprises of fully licensed banking, financial advisory and investment consulting companies tailored to the needs of global citizens.

ABOUT OUR KNOWLEDGE PARTNERS

CHARITIES AID FOUNDATION



CAF is a leading international not-for-profit organisation, originating in the UK, that works to make giving more effective and charities more successful. Spanning six continents, with services provided by local experts in ten countries, we help donors – including individuals, major donors and companies – to create the greatest impact with their giving. We do this by working globally to increase the flow of funds to the charity and non-profit sectors through the provision of philanthropy products and services, whilst providing fundraising solutions and support for charities internationally. Operating globally, CAF harnesses local knowledge and expertise to support sustainable giving around the world. We work with over 5,000 companies and manage over £2.5 billion for donors and charities, supporting over 50,000 non-profit organisations and social enterprises in over 100 countries.

GLOBAL CITIZEN FOUNDATION



GLOBAL CITIZEN
FOUNDATION

At Global Citizen Foundation, we are committed to making a difference by reaching out to children and young people who are in need. We are focusing on education, but also lending a hand and contributing to the next generation of leaders and education policy worldwide. Our objectives are:

- Develop and implement distinctive philanthropy programs;
- Involve the global citizens' movement to support the selected noble initiatives;
- Donate on high-impact geographies and programs, in coordination with other donor and government initiatives to deliver integrated outcomes for the community.
- Support initiatives, which can make the biggest difference for the greatest number of beneficiaries.

THE INTERNATIONAL YOUTH FOUNDATION



The International Youth Foundation (IYF) invests in the extraordinary potential of young people. Founded in 1990, IYF builds and maintains a worldwide community of businesses, governments, and civil-society organizations committed to empowering youth to be healthy, productive, and engaged citizens. IYF programs are catalysts of change that help young people obtain a quality education, gain employability skills, make healthy choices, and improve their communities. To learn more visit www.iyfnet.org.

POPULATION SERVICES INTERNATIONAL



PSI is a global health organization dedicated to improving the health of people in the developing world by focusing on serious challenges like a lack of family planning, HIV and AIDS, barriers to maternal health, and the greatest threats to children under five, including malaria, diarrhea, pneumonia and malnutrition. A hallmark of PSI is a commitment to the principle that health services and products are most effective when they are accompanied by robust communications and distribution efforts that help ensure wide acceptance and proper use. PSI works in partnership with local governments, ministries of health and local organizations to create health solutions that are built to last.

