KNOWLEDGE PARTNERS

MOROCO STANDARDS FOUNDATION
POSITIVE PLANET

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A Note to Our Readers

Wealth-X is pleased to once again partner with Arton Capital, the global citizenship experts, to produce this second annual edition of the Philanthropy Report.

This year’s joint study is both revealing in uncovering differences in giving according to ultra high net worth (UHNW) donor groups, and it is topical as it highlights how ultra wealthy donors are directly helping to address the ongoing refugee crisis in Europe.

Global philanthropic giving among the world’s ultra wealthy totalled US$112 billion in 2014, equivalent to the GDP of Morocco, this report shows. The proprietary Wealth-X and Arton Capital Major Giving Index, which tracks trends in UHNW charitable giving since 2004, was up 6.4% year-over-year and is at an all-time high of 234, up 25% since its inception. We can conclude that UHNW donors are still very much committed to giving back to charitable causes such as the refugee crisis.

As the global authority on wealth intelligence, Wealth-X is committed to producing groundbreaking research and providing expert insight on the world’s ultra wealthy.

This joint report with Arton Capital sheds light on how much an UHNW philanthropist gives in his or her lifetime, their motivations and donor behaviours. These and other findings reaffirm the significant role and contribution of UHNW donors to global philanthropy, making this report essential reading for those who wish to understand this ultra wealthy donor segment.

Mykolas D. Rambus  
Chief Executive Officer  
Wealth-X

David S. Friedman  
President  
Wealth-X
Wealth-X, the global authority on wealth intelligence, estimates that nearly two-thirds of the world’s UHNW population are significant philanthropic donors, having donated at least US$1 million in their lifetime. 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 behavior of philanthropists.

As the world emerges from the biggest refugee crisis in Europe since the World War II, we have the opportunity to implement the lessons learned. 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.
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Key Findings

- The Wealth-X and Arton Capital Major Giving Index rose to an all time high in 2014, up 25% since 2004 and up 6.4% year-over-year.
- Global UHNW giving per capita was $530,100 in 2014.
- The typical UHNW philanthropist donates $28.7 million in his or her lifetime.
- 65% of UHNW individuals donate over $1 million throughout their lifetimes.
- Emerging forms of philanthropy, such as venture and impact philanthropy make up 7% of UHNW philanthropy giving, or $7.8 billion.
- Based on lifetime giving, India has the most generous donors, followed by the United Kingdom and Hong Kong.
- Based on lifetime giving as a percentage of net worth, the United Kingdom has the most generous donors, followed by the United States and Hong Kong.
- Education remains the most popular cause that UHNW individuals donate to, followed by health.
- 73.2% of UHNW philanthropists are self-made.
- Approximately 4.3 million registered Syrians are currently displaced as refugees. Including all people displaced by war, the number of estimated refugees worldwide is nearly 60 million.
- Providing food, shelter, education, and a stipend for 4.3 million refugees will cost an estimated $60.2 billion.
  - 7,441, or 1 in 28 UHNW individuals gave a total of US$2.7 billion to the refugee crisis.
  - The average gift size is US$357,500.
  - With 211,275 UHNW individuals worth US$29.7 trillion globally and 5,975 UHNWIs worth US$995 billion in the Middle East North Africa (MENA) region, UHNWIs have the opportunity to help close the financing gap. If each UHNWI contributed US$815,100, or just 2.8% of their lifetime giving, all registered Syrian refugees could be accommodated.
INTRODUCTION

Philanthropic giving remains a leading concern for the world’s UHNW population. In last year’s report, we tracked two trends that have impacted UHNW giving: the rise of giving metrics and the growth in global wealth inequality. Giving metrics have grown in both popularity and power, fuelling a continuing revolution in giving that has led to a greater focus on finding ways to measure success.

While inequality remains an important concern for UHNW donors, the key issue that has captured the public imagination over the past year is the global refugee crisis, particularly the stream of refugees seeking entrance into Europe to escape fighting in Syria and other parts of the Middle East and North Africa.
GLOBAL OVERVIEW

In the 2015 Wealth-X and Arton Capital Philanthropy Report, we examine the state of global UHNW philanthropy and survey the population of UHNW donors. We then focus on the European refugee crisis that has shaped so many lives over the past year and how UHNW donors are contributing to this cause.

The overall outlook for UHNW giving remains strong. In 2014, the Wealth-X and Arton Capital Major Giving Index continued its upward climb, and has now risen 25% since 2005 and up 6.4% year-on-year. The index tracks trends in UHNW charitable giving, taking into account the size of gifts from UHNW individuals and the number of gifts these individuals made on a yearly basis.

Especially in Western nations, the significance of such giving from the very wealthy has never been stronger – as illustrated at the high end of the income tiers by the continued success of the Giving Pledge.

First publicised in 2010 by Bill Gates and Warren Buffett, the pledge encourages billionaires to give away over half their fortunes to philanthropic causes during their lifetime. Over the past year several new UHNW individuals have signed the Giving Pledge. As of November 2015 the total number of signatories was 138, or 5.9% of the billionaire population.
The Refugee Crisis Overview

Over the past year, the European refugee crisis has garnered worldwide attention. During the past four years, more than four million people have left Syria, driven away by intense fighting. Most of these refugees have fled to Europe, looking for political and economic stability.

These Syrian refugees join a growing stream of migrant workers coming from across the Middle East and North Africa and entering Europe through Greece and Turkey, fleeing war and economic destitution and seeking peace and a new life.

The size of the crisis has never been greater. According to the United Nations High Commission on Refugees (UNHCR), there were 59.5 million refugees worldwide in 2014, the largest number since World War II.

While many relief agencies have been providing assistance, there are still millions waiting on the provision of basic food and shelter. The crisis has also raised a significant discussion among Western nations about how best to create structures, such as the Global Citizen Tax Initiative, to deal with such massive human displacement, and how to ensure that such tragedies do not occur again.

As profiled in the report, UHNW individuals have become more involved in this crisis – in rescue and relief efforts, as well as fundraising and advocacy. Wealth-X estimates that 1 in 28 UHNW individuals have donated to refugee efforts, totaling US$2.7 billion. Their involvement has been an important catalyst in broader efforts to resolve the crisis, and throughout this report we point the spotlight at key agencies and individuals who are addressing the refugee crisis with both their time and resources.
UHNW individuals are engaged in a wide variety of philanthropic endeavours.

Typically the first step into philanthropy, a majority of all giving still takes the form of direct donations to specific charitable causes.

Donors who give frequently often set up their own private foundations, managed privately by family members or a board of trustees. These foundations may be dedicated to a specific cause. They may also be set to give out all funds over a set period of time, or charted to exist in perpetuity.

Many donors today are looking to invest in ways that match their experience in business life, and have begun to seek out sustainable and scalable models for addressing key problems. Thus, two significant developments have shaped philanthropy over the past decade: the development of new tools, such as venture philanthropy, impact investing, and microfinance for achieving philanthropic goals, and the rise of return on mission metrics to measure the success of particular ventures in achieving these goals. Wealth-X estimates that these emerging forms of philanthropy make up 7% of UHNW philanthropy giving, or US$7.8 billion. Venture efforts in philanthropy, impact investing and microfinance are among the ways that philanthropists have begun to bring the beneficiaries of philanthropic donations into the process of improving the local quality of life.
The Breakthrough Energy Coalition (BEC) is an example of UHNW philanthropists putting their money to good use through impact investing and venture philanthropy. Bill Gates, co-founder of the Bill & Melinda Gates Foundation and Microsoft, launched the BEC, and he is partnering with UHNW donors Jeff Bezos, Richard Branson, Jack Ma, Masayoshi Son, George Soros, Tom Steyer, Meg Whitman, Mark Zuckerberg, and over a dozen other influential donors and investors to allocate billions to the fund.

The objective of the fund—in addition to lowering the cost of renewable energy and carbon dioxide emissions, and bringing energy to the one billion people in the world who are living without electricity—is earning a return on its investment. By focusing on measurable results, both in the form of social benefits and financial returns, the BEC incentivises clean energy companies to accomplish what hasn’t been done before—unseating the fossil fuel industry through technological advances. Gates noted, “Progress towards a sustainable energy system is too slow, and the current system doesn’t encourage the kind of innovation that will get us there faster.” Gates and his cohort of UHNW donors are applying the same business acumen and standards towards the BEC as they do in their professional endeavours. This is what return on mission philanthropy is all about.
Wealth-X estimates that over half of all UHNW individuals are major donors, giving over US$1 million over their lifetime. These gifts are captured in the Wealth-X and Arton Capital Major Giving Index, which rose again in 2014 though at a slightly slower pace than in previous years, up 6.4% year-on-year. At a level of 234, the index has risen each year since the global recession and is now at an all time high, surpassing the prior mark of 232 set in 2006.

Although there is some concern about a decline in giving over the year ahead due to a slowdown in global economic growth, philanthropic giving is, barring a severe contraction, unlikely to see a significant decline as it did during the global financial crisis. 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 philanthropic engagement over the last decade. Despite a decrease in major giving during the global financial crisis, participation levels from UHNW individuals hardly decreased. The increase in the Major Giving Index through 2013 was primarily due to the size of gifts reverting back to normalised levels. In 2014, after two years of over 70% compounded annual growth, we saw the index growth moderate to reflect the economic slowdown.
UHNW PHILANTHROPISTS: AN OVERVIEW

Globally, UHNW individuals donate US$112 billion to charity each year, about 18% of total philanthropic giving, which was just over US$625 billion. Billionaires are responsible for a large share of this giving, donating US$75 billion annually.

Within the United States, total philanthropic giving by all individuals was US$259 billion in 2014. Of this total, Wealth-X estimates that US UHNW individuals gave US$49.2 billion to charity, accounting for 19% of US philanthropic giving.

Giving varies considerably by region. North America and the United States still lead among global givers, accounting for nearly half of all philanthropic giving as well as UHNW giving.

Within the UHNW population, major gift-giving represents a significant share of all philanthropic efforts. US$1 million+ gifts account for 31% of the total number of gifts but 99% of the total value of gifts!

There is some regional variation in average major gift size (gifts over US$1 million). Europe leads with US$32 million, North America at US$23 million and Asia catching up at US$21 million.

Asian UHNW individuals have traditionally trailed other regions in philanthropic giving, but there is some evidence that they are catching up. There have been 1.5 times more US$1 million+ gifts from Asian UHNW individuals than European UHNW individuals since 2010.
UHNW PHILANTHROPIC CAUSES OVERVIEW

An estimated 55,000 UHNW individuals make philanthropic contributions through volunteering, including raising money, food collection or distribution, general labour or transportation and tutoring and teaching. An estimated 11,000 UHNW individuals have made a significant gift (valuing at least US$1 million) to philanthropic causes. The causes that UHNW individuals support are varied, however as in recent years, education-related causes account for the greatest number of gifts made by UHNW philanthropists. Higher education receives the greatest total gifts value, underscoring the affinity that UHNW donors feel towards education and their alma maters. This is opposed to what is seen in the American general population, where the majority of charitable donations went to religion (32%), education (15%), human services and grant-making foundations (12%) and health (8%).

Individual large gifts to foundations are the largest on average, at US$30.7 million. This is likely due to 1 in 10 UHNW individuals having a foundation, which gives the benefactor control and a tax-efficient way of allocating his or her funds. Of note is human services with an average gift size of US$1.6 million, the broader cause that includes the refugee crisis and trails all other causes other than religious organisations.
## UHNW Philanthropic Causes

<table>
<thead>
<tr>
<th>Cause</th>
<th>Value of Gifts</th>
<th>Number of Gifts</th>
<th>Average Gift Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Culture &amp; Humanities</td>
<td>9.1%</td>
<td>13.2%</td>
<td>$3.5 US Million</td>
</tr>
<tr>
<td>Education</td>
<td>22.1%</td>
<td>27.1%</td>
<td>$4.1 US Million</td>
</tr>
<tr>
<td>Environment &amp; Animals</td>
<td>3.4%</td>
<td>6.0%</td>
<td>$2.9 US Million</td>
</tr>
<tr>
<td>Foundations</td>
<td>10.4%</td>
<td>1.8%</td>
<td>$30.7 US Million</td>
</tr>
<tr>
<td>Government</td>
<td>0.5%</td>
<td>0.7%</td>
<td>$3.6 US Million</td>
</tr>
<tr>
<td>Health</td>
<td>19.9%</td>
<td>14.5%</td>
<td>$7.0 US Million</td>
</tr>
<tr>
<td>Higher Education</td>
<td>22.3%</td>
<td>9.6%</td>
<td>$11.8 US Million</td>
</tr>
<tr>
<td>Human Services</td>
<td>3.3%</td>
<td>10.6%</td>
<td>$1.6 US Million</td>
</tr>
<tr>
<td>Public, Society Benefit</td>
<td>7.8%</td>
<td>11.6%</td>
<td>$3.4 US Million</td>
</tr>
<tr>
<td>Religious Organizations</td>
<td>1.4%</td>
<td>4.9%</td>
<td>$1.4 US Million</td>
</tr>
</tbody>
</table>
DEMOGRAPHICS ANALYSIS

TYPICAL UHNW PHILANTHROPIST

<table>
<thead>
<tr>
<th></th>
<th>UHNW Philanthropist</th>
<th>UHNW Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Net Worth</td>
<td>US $236 million</td>
<td>US $141 million</td>
</tr>
<tr>
<td>Median Net Worth</td>
<td>US $142 million</td>
<td>US $72 million</td>
</tr>
<tr>
<td>Mean Liquidity</td>
<td>62 million</td>
<td>35 million</td>
</tr>
<tr>
<td>Age</td>
<td>65.0</td>
<td>58.7</td>
</tr>
</tbody>
</table>

The average UHNW philanthropist is wealthier, at US$236 million, compared to the global average for UHNW individuals of US$141 million. UHNW philanthropists’ higher average net worth is primarily due to the significant number of billionaire donors. The median net worth of UHNW philanthropists, at US$142 million, is significantly closer to the global average, showing that UHNW philanthropy is common across wealth tiers.

Liquidity as a percentage of net worth remains higher at 26.3% for UHNW philanthropists compared to 24.8% for all UHNW individuals. This, along with higher mean age, may reflect that UHNW philanthropists are in a more advantageous financial situation and can thus allocate more of their wealth to philanthropic causes.

Relative giving illustrates the importance of traditional philanthropy across wealth tiers. Though much smaller in absolute terms, philanthropists in the lowest wealth tier give away a larger share of their net worth than billionaires.

Charity spreads far beyond the UHNW population. Over 25% of the world’s population has donated money to charitable causes and nearly half have volunteered their time to help others. The average American household donates 5.9% of its annual income to charity.

UHNW philanthropists can give significant sums to charity not only due to their larger net worth, but also to their higher liquidity. UHNW philanthropists hold 26.3% of their wealth in cash, equivalent to US$62 million on average. This means that UHNW philanthropists typically donate under half of their average cash holdings to philanthropy over a lifetime.

Furthermore, the average UHNW philanthropist’s charitable giving to date of US$28.7 million exceeds their average real estate and luxury assets, which typically amount to US$19 million.
The largest share of wealth (49.6%) held privately by philanthropists represents their ownership in private business ventures.

UHNW philanthropists have made their wealth primarily through the following industries:

The percentage of UHNW donors represented by the finance, banking and investment industries has increased to 24.8% since last year, when the figure was 21.8%. Likewise, UHNW individuals represented by non-profit and social organisations increased to 8.8% from 6% year-on-year. Notable decreases in industry representation include: real estate down to 6.3% from 7.6%, industrial conglomerates at 3.3% from 7% and manufacturing at 3.7% from 4.9%.
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.

UHNW philanthropists are, on average, over 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 1.1% of all UHNW philanthropists are under 40 years old, down from 2.3% last year, while 12.6% are over 80, remaining flat year-on-year. The remaining change in age representation occurred in a decline in 40-49 year olds and increases in the 50-59, 60-69 and 70-79 age brackets, revealing a further bias toward older donors.

Individuals with self-made fortunes make up a large share – 73.2% – of UHNW philanthropists. These individuals give slightly more over their lifetime, with average donations of US$29 million compared to US$28.7 million for those with inherited wealth, and US$27.4 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.
GIVING BY GENDER

Although men outnumber women among philanthropists by an even wider margin than in the global UHNW population, when looking at identified donors, men also give more over their lifetime – US$28.9 million versus US$27.3 million. However, women philanthropists typically give more over the course of their lifetime as measured by portion of their net worth – 11.3% versus 7.1%. This difference is due in part to the fact that far more women than men are directly engaged in non-profit and philanthropic organisations.

SHARE OF UHNW PHILANTROPISTS

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>91.8%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

GENDER DISTRIBUTION

<table>
<thead>
<tr>
<th>Giving/Net Worth</th>
<th>Average Life Giving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$28.9 US Million</td>
</tr>
<tr>
<td>Male</td>
<td>7.1%</td>
</tr>
<tr>
<td>Female</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Giving/Net Worth</th>
<th>Average Life Giving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$27.3 US Million</td>
</tr>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>
UHNW GIVING DIFFERENCES

New to this edition of the Wealth-X and Arton Capital Philanthropy Report are the results of an in-depth study of giving and the profile of UHNW individuals. The pattern of findings of UHNW giving is varied when looking at variables of gender, wealth source, wealth tier, nationality, religion, ethnicity, political affiliation, marital status, industry and job position. The patterns in giving, however, are consistent with recent research findings found in the paper, *Investigating the right tail of wealth: Education, cognitive ability, giving, network, power, gender, ethnicity, leadership, and other characteristics*, that those who have higher education tend to give more. Overall, higher education and cognitive ability were associated with higher net worth, giving and network power (Wai & Lincoln, 2015). The findings of this report also link higher education and brainpower with generosity (Grant, 2013; James, 2011) and higher cognitive ability was associated with a higher probability of charitable giving. With higher education being a common trait within the UHNW philanthropic cohort, it is not surprising that education remains the most important cause of UHNW individuals, as seen in the section, UHNW Philanthropic Causes Overview.
India had the highest giving sum (about 14 times that of the lowest giving groups), followed by the United Kingdom, Hong Kong and the United States (about five times that of the lowest giving groups, Saudi Arabia and Australia). Giving as a percentage of net worth, however, was highest for the United Kingdom and United States (roughly 30 times the fraction of that of the least generous countries, United Arab Emirates and Saudi Arabia).
Regarding the sum of overall giving, billionaires tended to give the most, especially those from the United States who are self-made, and US males, who both donated just over 20 times more than the lowest giving group – US self-made females. However, giving as a percentage of net worth was highest among UHNW subgroups (not billionaires), leading with US females who inherited their money and then females overall. Compared to the highest group, giving as a percentage of net worth was nine times lower for billionaires who inherited their money.
LIFETIME GIVING BY INDUSTRY

LIFETIME GIVING BY INDUSTRY (US $ MILLION)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Giving Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Services</td>
<td>$118.6</td>
</tr>
<tr>
<td>Retail</td>
<td>$89.7</td>
</tr>
<tr>
<td>Non-Profit &amp; Social Organisations</td>
<td>$65.5</td>
</tr>
<tr>
<td>Beverages</td>
<td>$60.6</td>
</tr>
<tr>
<td>Metals &amp; Mining</td>
<td>$54.0</td>
</tr>
</tbody>
</table>

LIFETIME GIVING BY INDUSTRY (% OF NET WORTH)

- Retail: 38.2%
- Beverages: 19.9%
- Food Products: 12.9%
- Non-Profit & Social Organisations: 12.6%
- Communications: 8.6%

Giving sum was highest for IT services followed by retail, about 15-26 times the sum of the lowest groups, automobiles and shipping/packaging/distribution. However, giving as a percentage of net worth was highest for retail and beverages, about 14-48 times the giving fraction of the lowest groups, industrial conglomerates and shipping/packaging/distribution.
Giving sum was highest among Buddhist and Muslim groups, about four times that of the lowest group, Christian (Catholic). Giving as a percentage of net worth, however, was highest for Jewish and Christian (Episcopalian) groups, about five times the giving fraction of the lowest groups, Christian (Presbyterian) and Muslim.
Giving sum was highest for South Asians and Caucasians, roughly five to nine times the sum for the lowest groups, Middle Eastern and Asian (Other). Giving as a percentage of net worth, however, was highest for Caucasians, South Asians and Chinese, about three times the giving fraction of the lowest groups, Middle Eastern and Asian (Other).
Giving sum was highest for Republicans and Democrats, about three times that of the lowest group, nonpartisan. However as a percentage of net worth, giving was highest for Democrats overall and lowest for Republicans and bipartisan.
The rank order of giving sum was single people at the top followed by widowed, divorced and married, with single people giving at about three times the rate of married people. For giving as a percentage of net worth, widowed and single groups were highest, with the widowed group giving about three times the rate of married people.
Giving sum was highest among US male chairmen, about three to four times the giving rate of the lowest groups, CEOs and male presidents. Giving as a percentage of net worth was highest for founders, especially female founders. Whereas males tended to give more as an overall sum, females tended to give more as a fraction of their net worth.
PHILANTHROPY SPOTLIGHT:
THE REFUGEE CRISIS

A complicated situation with many moving parts, the refugee crisis was born out of the overlapping wars and political prosecution in Syria and other countries within the Middle East and North Africa (MENA) region, which has driven millions of people from their homes. Sequentially, the unfavorable refugee policies of a number of Western countries have aggravated the situation. The resulting log jam of refugees have paved the way for criminal networks that transport the refugees for high fees, but offer them little safety. Certain governments have tolerated these dangers, seemingly to discourage refugees from attempting the journey. Some citizens of these Western countries, potentially out of fear of immigration, are reinvigorating nativist policies, thereby, exacerbating the crisis.

However, the refugee crisis has deeper roots than the conflict in Syria and MENA, and is spread over a far wider area. According to the UNHCR, the total number of people forcibly displaced from their homes reached 59.5 million in 2014, the highest number since the Second World War. This total has risen 40% since 2011, the fastest rise in any three-year period in the post-war era. Among the refugee population, nearly 20 million have fled from their own country.
DESTINATION EUROPE

Over the past seven years, several million refugees and migrant workers have crossed into Europe from North Africa and the Middle East. They have been driven out by poor economic and social conditions at home, and by a series of civil wars in Libya, Syria, and throughout the region. The number of Syrians arriving in Europe seeking international protection continues to increase. Over the past year, the refugee crisis in Europe has garnered worldwide attention, due in part to the large number of Syrian refugees seeking entrance into European nations. With a total of 4.3 million registered Syrian refugees, roughly one in ten refugees seek safety in Europe. Including refugees from other countries, a total of 715,000 refugees have claimed asylum in Europe this year alone.

Many of these refugees crossed by land through Turkey and Greece. Over the past several years, nations in Southeastern Europe have constructed a series of border fences to prohibit entrance. In response, passages to Europe through the Mediterranean Sea have increased. The wreck of the migrant ship Lampedusa in 2013, in which over 350 people are estimated to have died first brought the plight of these refugees to a wider audience. While several governments have increased search and rescue efforts for such ships lost at sea, others have raised concerns that such ventures will act as an intended attraction for even more refugees.

Within Syrian borders the death toll from the civil war has reached over 250,000. The long-term rewards of stability and a persecution-free life for Syrian citizens who successfully migrate to Europe or neighboring MENA countries are too great to deny, thus spurring these crossings. In 2014 alone over 4,000 people drowned while attempting to cross the Mediterranean into Europe, and 2,600 people have perished so far this year.

MAJOR ROUTES INTO EUROPE
EUROPEAN REACTION

Europe, which is seeing more migrants cross its borders than at any time since World War II, is divided over how to handle the newcomers. The government of some newer EU members such as Hungary have been resistant to the refugees (though others such as Bulgaria have not), and even governments of countries that have been welcoming—like Germany—are finding growing resistance at home, and questions about how the newcomers will affect jobs, schools, and social services. European governments have reacted in a variety of ways to the crisis, ranging from outright hostility to an open welcome.

MAKING A POSITIVE IMPACT

With at least one of the terrorists involved in the 13 November 2015 Paris attacks posing as a Syrian immigrant to gain entrance into Europe, xenophobia could be on the rise. The proponents of refugees have reminded the general public of past consequences of xenophobia: during the Second World War a majority of Americans believed that political refugees from Germany, Austrian and Poland should not have been allowed in the States. American public sentiment may or may not have influenced US policy, but the deplorable outcome that many of the refugee population suffered is undeniable and cannot be repeated. Gillian Sorensen, Senior Advisor to the United Nations Foundation has challenged people to “remember, that most Americans were once refugees”. The experts know that these fears extend beyond those of the Americans. The global community must overcome fear and it must come together if there is any hope to remedy the refugee crisis.
UHNW ENGAGEMENT AND COSTS OF THE REFUGEE CRISIS

The refugee crisis has captured the attention of an increasing number of UHNW individuals, particularly those who reside in regions affected by the crisis. Wealth-X estimates that 7,441, or 1 in 28 UHNW individuals gave or pledged a total of US$2.7 billion toward refugee related causes. However, despite this level of giving the costs associated with helping refugees greatly exceed the available aid. The cost to resettle one Syrian refugee is estimated to be US$15,700 in the US and US$14,000 in Germany. Providing food, shelter, education, and a stipend for 4.3 million Syrian refugees will cost an estimated US$60.2 billion of which the UNHCR has only US$4.5 billion budgeted for 2015.

If each UHNWI contributed US$815,100, or just 2.8% of their US$28.7 million lifetime giving, all registered Syrian refugees could be accommodated. However, that may seem like an ambitious amount and it’s unreasonable to expect UHNWIs to defray the whole bill. UHNW individuals have been historically generous and they have directed their philanthropy to a number of efforts aside from just handing over money. UHNWIs are involved in tasks such as providing direct provision for basic needs like food and shelter, longer-term housing and social solutions, to providing safe passage, to government advocacy, and awareness raising.
A number of UHNW individuals are already leading the way in their philanthropic efforts with respect to the refugee crisis:

Turkish born Chobani CEO and billionaire, Hamdi Ulakaya, recently signed the Giving Pledge and committed half of his US$1.5 billion fortune to charity. He has created the Tent foundation which is dedicated to helping refugees around the world. The Tent foundation will receive nearly US$700 million from Ulakaya. He felt compelled to get involved due to the refugee crisis that his own ethnic minority, the Kurdish has gone through.

Christopher Catrambone, the founder and chairman of insurance company Tangiers Group, set up the Migrant Offshore Aid Station (MOAS) to provide search and rescue operations for migrants attempting to make sea crossings. He credits both Hurricane Katrina, which destroyed his own home, and seeing a life jacket floating in the Mediterranean while on a cruise, as giving him and his wife, Regina a deeper empathy for refugees. Regina and Christopher Catrambones have donated over US$8 million to their foundation, which has contributed to saving over 11,700 lives so far. For their work the Catrambones received the Global Citizen Forum Award’s, 2015 Global Citizen award, which rewards people who personify global citizenship through their vision, leadership and involvement in the global community.

Billionaire Ingvar Kamprad, the founder of furniture retailer IKEA, supports refugee families through the Stichting INGKA Foundation (also known as the IKEA Foundation). During 2015, they have committed €76 million to UNHCR to provide shelter, care and education to families and children in Ethiopia, Sudan and Bangladesh. The IKEA foundation has also worked with IKEA to inspire customers to support their relief efforts. In 2014, IKEA launched an in-store campaign, Brighter Lives for Refugees, to bring sustainable lighting, energy and education to refugee camps. The first campaign raised €7.7 million for UNHCR. In 2013, the foundation donated 50,000 mattresses to UNHCR and €3 million to Doctors without Borders to provide medical care for nearly 150,000 Syrian refugees.
GLOBAL CITIZEN TAX INITIATIVE: GLOBAL PERSPECTIVE, GLOBAL CONTRIBUTION

So who is best equipped to remedy this crisis? Armand Arton, CEO and president of Arton Capital, a financial advisory firm specialising in investor programmes for residence and citizenship, and self-identified ambassador of the global citizen movement, thinks that globally oriented UHNW and HNW individuals are candidates to remedy it. Armand Arton has called on European Union governments to institute a levy on foreign investors as part of their residence and citizenship programmes. The proceeds would support EU efforts to mitigate the region’s refugee crisis. As the number of refugees and internally displaced persons rise and the UN’s budget for the refugee crisis remains at a fraction of required funding, a growing deficit will place a heavy burden on the European Commission and the member states, particularly those closest to Africa and the Middle East, where refugees tend to make first contact.

Speaking at the Global Citizen Forum in Monaco, José Manuel Barroso, former Prime Minister of Portugal and 11th President of the European Commission, looked at the meaning of borders and the role of global governance today. “We have learned that today we are more interdependent than ever. We can be proud of our local, national and regional identity, but also realizing that we are part of mankind. This refugee crisis is a time to show that we are serious about our values. That we can make them work in favor of common interest of mankind. The idea of this global citizen tax is one way. It shows that countries are not just interested in receiving the wealthy, but also sharing the wealth with those most in need.”

Armand Arton added, “At the core of the global residence and citizenship industry are high net-worth individuals who choose to contribute to a third country’s economy in exchange for a better future for themselves and their families. They benefit socially and economically and so do the countries that welcome them as citizens,” said Arton. “Our clients consistently tell us that they wish to create social and economic advantages for all who share the same dream of a better life and would be willing to pay such a levy to deliver humanitarian assistance, stability and fund development projects to support refugees.”

“This is a broad issue that affects the whole of Europe, but one that has its roots in the home countries of these displaced people. Both the cause and effect require a collective response,” says Armand Arton. “A simple, levy on a sliding scale between 1% and 5% at the time of an investor application for residence or citizenship in EU countries could raise in excess of €250 million over an 18-month period. With the number of applications growing year-on-year, and with the increasing number of countries who wish to attract global citizens, the initiative would be sustainable in long-term and can fund over a billion euros in the next five years. Our collective efforts could be hugely significant and helpful to agencies that are working with the multitude of displaced persons.”
Kofi A. Annan, former secretary-general of the United Nations, with Armand Arton, CEO of Arton Capital, and José Manuel Barroso, former prime minister of Portugal at the Global Citizen Forum in Monaco, October 2015.
The Near East Foundation (NEF) helps to build sustainable, prosperous, and inclusive communities in the Middle East and Africa through education, community organizing, and economic development. A central objective for the organization is to help displaced people find sustainable social and economic development solutions.

The Syrian refugees who have escaped to Lebanon and Jordan are struggling to survive. Today, Lebanon hosts more than 1.1 million Syrian refugees: constituting 25 percent of the country’s population. Jordan hosts over 600,000 registered Syrian refugees.

Affected host communities and refugees are living side-by-side in impoverished neighbourhoods where economic opportunities are extremely limited. Increased competition over housing and food has made life harder for everyone. As the crisis enters its fifth year, refugees have depleted their savings and humanitarian aid is declining. Nearly 90 percent of urban Syrian refugees in Jordan and in Lebanon are in debt. To survive, vulnerable families may resort to harmful strategies such as begging, early marriage or child labour.

Earlier this year, NEF made a two-year commitment to establish three “Siraj Centres” in Beirut, Lebanon and Zarqa and Russaifeh, Jordan to help 5,000 Syrian, Lebanese, and Jordanian families achieve economic resilience and meet their own needs with dignity. NEF is creating the Centres to serve as physical safe spaces where Syrians, other refugees, as well as vulnerable Lebanese and Jordanians (particularly women and adolescent girls) can access training, resources, and information to start small businesses, home-based income-generating activities, and savings accounts to build financial assets. The Siraj Centre services are tailored to host communities and refugees alike, based on opportunities available to each group.
At the Centers, which are housed within community-based organizations, people have access to:

1. Training and coaching to support microenterprise and small business start-ups;
2. Financial resources, such as start-up grants and savings/credit products;
3. Vocational training opportunities;
4. Financial literacy training and savings accounts;
5. Real-time information on markets, employment opportunities, and related policies;
6. Referrals to other business service providers (micro-finance; business registration).

So far NEF’s work is showing sustainable results. In a follow-up with 815 participants it found that 100 percent of microenterprises were still operating after one year, with an average increase in household income of 48 percent.

NEF’s work with Jordanian women—among whom according to the World Bank, participation in the workforce is only 20 percent—is also showing returns. To date, 340 business plans have been developed by Jordanian women, of which 285 have received funding. In a follow-up with 82 Syrian women in Jordan and 23 Jordanian women whom completed a financial literacy and savings pilot programme, 86 percent of those participants have used savings to start home-based businesses.

These new approaches created by NEF build economic security for refugees by investing in small businesses. With an increased focus on women, NEF is helping refugees and host community members have a brighter future with knowledge, voice, and enterprise acting as a perquisite to drive economic growth and opportunity.
THE AMAL PROJECT: LET KIDS BE KIDS AGAIN! TRANSFORMING REFUGEE CAMP EXPERIENCES FOR CHILDREN

Last year we brought attention to a new initiative that is supported by the Global Citizen Foundation (GCF) called the Amal Project. Amal in Arabic means hope, and the Amal Project is currently bringing hope to children living in refugee camps.

While some of the most important and powerful charities in the Gulf have responded to the Syrian crisis by providing food and water supplies, clothes, blankets, shelters and so on, the Amal Project has chosen to go beyond the traditional methods of providing support.

Initiated by GlamOnYou, a luxury fashion house in the Gulf, in collaboration with ASMALLWORLD, a private international lifestyle club, the Amal project is giving thousands of kids in two camps in Azraq and another in Zaatari, Jordan a happy place, which they all deserve. The ongoing 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 childhood memories to hold on to. Each caravan will be filled with toys, arts and crafts, and plenty of books. By creating a safe haven for these children, the GCF and the Amal Project teams want to give them a chance to play, dream, and draw. A place where they can learn new things and still have a childhood. With care at its core, the project also aims to create jobs for women refugees to maintain the caravans, teach and supervise the children.

The cost of sponsoring each caravan is US$12,730. In 2016, the Amal Project will begin construction on four more caravans, bringing more hope to the Syrian children.
Positive Planet’s mission is to help men and women, including refugees, create the conditions for a better life for future generations. Positive Planet was created out of the growth and transformation of PlaNet Finance, of which the initial mandate was to fight poverty through the development of microfinance. Having developed its experience in financial inclusion, which remains an important component of its activity, Positive Planet has conducted projects centred on financial education, the organization of value chains, and entrepreneurship.

35 percent of young people in the MENA region are unemployed. Entrepreneurship is the first natural response to high unemployment.

Because creating a company means creating one’s own employment, Positive Planet is helping those in MENA who are sufficiently motivated to become entrepreneurial. It gives the refugees the intellectual know-how and skills to manage their company, support them during the project design, accompany them during the initial set-up, help them to access means of finance, and ensure their increasing autonomy through being permanently present. This is instrumental in helping lower the unemployment figure while fulfilling potential for a positive economy.
ECONOMIC IMPACT

Despite the rising costs of supporting refugees, evidence exists that, in the long run, the refugee programme will likely pay for itself. This is because immigration tends to be a net economic positive for immigrants and their new home countries alike.

For example the study, Economic Impact of Refugees in the Cleveland Area found that once refugees who live in developed economies have adjusted to their new life after resettlement, they can provide significant long term contributions to the workforce and economy. The refugees in this study contributed US$48 million in economic impact through the contribution of household spending, refugee owned businesses and refugee service organisations. Even after accounting for federal-sourced funding that paid for the refugee services, it was estimated that each refugee contributed over US$9,500 to the local economy. Though this lags the local GDP per capital of US$38,300, it’s important to remember that within the first few years of resettlement, refugee employment rates and incomes increase rapidly while reliance on government assistance decreases.

Studies also indicate that second generation refugees are high-achievers in both education and employment. Refugees are more likely to be entrepreneurial and experience higher rates of successful business ventures compared to native citizens. Previous research supports the notion that immigrants do not take jobs away from native citizens. The diversity of skilled refugees can positively impact the income and productivity of its host country. At the local level, refugees stimulate local businesses through their new purchasing power and can rejuvenate communities that may have a declining population.
References


Methodology

Wealth-X and Arton Capital Major Giving Index:

This index tracks trends in UHNW charitable giving, taking into account the size of gifts from UHNW individuals and the number of gifts these individuals made on a yearly basis. The value and number of gifts are weighted and normalised in order to calculate an Index value.

UHNW Giving Differences:

For this study we examined over one hundred UHNW donor group categorized by variables of gender, wealth source, wealth tier, nationality, religion, ethnicity, political affiliation, marital status, industry and job position. We studied the relationship between giving and the aforementioned variables for each donor group. For more information on the method and sample sizes please refer to the paper, *Investigating the right tail of wealth: Education, cognitive ability, giving, network power, gender, ethnicity, leadership, and other characteristics*, found in the journal, *Intelligence*, volume 54, pages 1-32.

UHNWI's Net Worth Estimates:

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.
## UHNW Philanthropic Causes

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, Culture, and Humanities</td>
<td>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 cause.</td>
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<tr>
<td>Education</td>
<td>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.</td>
</tr>
<tr>
<td>Environment and Animals</td>
<td>Includes public foundations or charitable organisations focused on environmental preservation, saving endangered animals, providing veterinary care, clean energy research, building parks or gardens.</td>
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<tr>
<td>Foundations</td>
<td>Private foundations established by a person or a family.</td>
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<tr>
<td>Government</td>
<td>Government institutions, ministries, departments, municipalities.</td>
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<tr>
<td>Higher Education</td>
<td>Includes colleges, universities and other post-secondary educational institutions.</td>
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<tr>
<td>Health</td>
<td>Includes hospitals, clinics, medical research centers and public foundations focused on healthcare/medicine.</td>
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<tr>
<td>Human Services</td>
<td>Includes children’s/youth services, adoption, family services, single parent agencies, family services/counselling, emergency assistance, victims’ services, hospices, employment and housing/shelter projects.</td>
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<tr>
<td>Public, Society Benefits</td>
<td>Includes research and public policy institutions, community foundations, science and technology research.</td>
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<tr>
<td>Religious Organisations</td>
<td>Includes churches, mosques, temples, religious schools and any organisations with an explicitly religious focus.</td>
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About Arton Capital

Arton Capital empowers individuals and families to become Global Citizens. This is accomplished through a bespoke 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 empowering governments, consultants, legal and financial professionals, and investors to meet their goals efficiently, effectively and responsibly.

As an industry leader, Arton curates the Global Citizen Forum, which brings together visionaries, global leaders and fresh perspectives to our industry to exchange, build awareness, educate and promote global citizenship.

Furthermore, Arton is the founding member of the Global Investor Immigration Council (GIIC), whose mission is to establish best practices and foster sustainable and responsible industry governance.

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 15 offices around the world and have helped attract over US $2.7 billion foreign direct investment to countries. Arton Capital is a member of the Arton Group, which comprises of fully licensed international banking, financial advisory and investment consulting entities tailored to the needs of global citizens.

For more information, visit www.artoncapital.com.
About Near East Foundation

Based in Syracuse, New York, the Near East Foundation is a non-profit international development organization that works to build inclusive, prosperous, and sustainable societies in the Middle East and Africa by providing vulnerable and disenfranchised people with skills, training, and resources to fully engage and prosper in their own communities and economies.

NEF began in 1915 when a group of American political, business, and philanthropic leaders came together to provide critical relief to those affected by the Armenian Genocide. As the first mass American movement to send humanitarian aid overseas, NEF has since defined the American tradition of citizen philanthropy through international relief and development efforts.

NEF celebrates its Centennial this year and continues to lead programs that strengthen resilience and create economic opportunity through small business creation, agricultural development, peacebuilding, and civic engagement, working together with community leaders and local partners.

To learn more about NEF’s projects, please visit www.neareast.org.
About Wealth-X

Wealth-X is the global authority on wealth intelligence, providing sales, marketing, strategy and compliance solutions to clients in the financial services, luxury, not-for-profit and education sectors.

Our members identify, develop and enhance relationships with high net worth and ultra-affluent individuals as a direct result of working with Wealth-X.

Our award-winning research and thought leadership are regularly cited by the world’s media such as CNBC, the Financial Times, Thomson Reuters and the BBC.

Wealth-X has more than 250 staff in 10 locations, including Singapore, Hong Kong, London and New York.

For more information, visit www.wealthx.com.