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BNP PARIBAS INDIVIDUAL PHILANTHROPY INDEX

At a glance



BNP Paribas
**Individual
Philanthropy
Index**

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“ How committed to individual giving are the wealthy in Europe, the Middle East and Asia?

In what ways are philanthropists from these regions similar, and how are they different?

What does the younger generation of the wealthy tell us about the future of giving? ”



The first index of its kind, in Europe, Middle East and Asia, the BNP Paribas Individual Philanthropy Index by Forbes Insights aims to answer these questions.

300 High Net Worth Individuals
(at least \$5 million in assets under management)

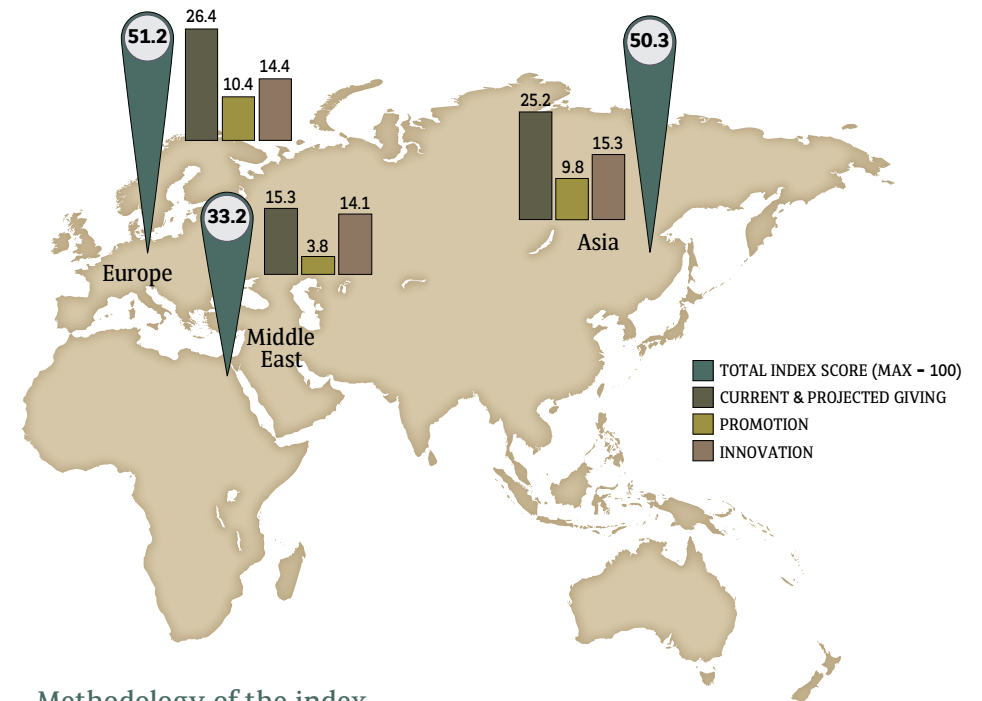
3 regions

A survey conducted by Forbes Insights

To read the full report :

www.wealthmanagement.bnpparibas.com

The BNP Paribas Individual Philanthropy Index measures and reflects the commitment of individual philanthropists from Europe, the Middle East and the Asia in terms of three main criteria: the amounts given, innovation and the effort invested to promote their causes.



Methodology of the index

The index includes four weighted components: Current Giving (weighted at 30%), Projected Giving (20%), Promotion (25%) and Innovation (25%).

Current Giving (max score = 30) reflects the percentage of annual income respondents said they give to philanthropy on average. **Projected Giving** (max score = 20) reflects the percentage of total fortune they plan to eventually contribute.

Promotion (max score = 25) reflects the extent to which respondents strive to publicize their charitable causes.

Innovation (max score = 25) reflects the extent to which respondents said their philanthropic efforts take a results-oriented, entrepreneurial approach, with an emphasis on quantitative metrics, cost-effectiveness, sustainability of beneficial effects and replicability. (Other types of philanthropic innovation are outside the scope of this study.)

The sum of these components equals the Total Index Score on a 0-100 scale. A perfect score of 100 would imply an ideal philanthropic world of extreme generosity, advocacy and effectiveness.



Commitment measurement of individual philanthropists reveals that Europe and Asia are at a halfway mark in their progress toward total commitment to individual philanthropy, while the Middle East is roughly a third of the way there, according to the BNP Paribas Individual Philanthropy Index.

The total Index score (max - 100) is as follows:

51.2
Europe

50.3
Asia

33.2
Middle East

The subcategory ranked are Giving (Current and Projected), Innovation and Promotion.

CURRENT GIVING (max - 30)

17.1	16.2	9.9
Europe	Asia	Middle East

INNOVATION (max - 25)

14.4	15.3	14.1
Europe	Asia	Middle East

PROJECTED GIVING (max - 20)

9.3	9.0	5.4
Europe	Asia	Middle East

PROMOTION (max - 25)

10.4	9.8	3.8
Europe	Asia	Middle East

- Motivations for giving vary vastly by region, and they are embedded in regional cultures and histories.

- In the Middle East, religious faith is the top motivation (63%).
- In Asia, it's the desire to give back to society (25%).
- In Europe, it's equally family legacy, altruistic desire and a sense of duty (17% each).

While the lower score in the Middle East presents an apparent paradox in light of the Islamic imperative toward charitable giving, this might be partly explained by the religious injunction to be discreet about one's giving.

- Most philanthropists do not actively promote their causes.

- 77% of survey respondents said that they either insist on remaining anonymous or do not actively publicize their charity.

- A third of all survey respondents say that they give 15% or more of their annual income to charity. 17% intend to leave 30% or more of their fortune to charity.

- Health is the top charitable cause among all survey respondents (67%), but there are vast regional differences. The majority of the respondents from the Middle East (65%) cited achieving social change as their top cause.

- Achieving and measuring impacts are the biggest challenges in realizing philanthropic goals.



The report gives background analysis behind the Index numbers, and also fantastic personal stories from philanthropists worldwide. They tell us what their motivations are, how they differ, how they choose their top causes and how they innovate, and measure impacts.

How much philanthropists give

This is the topic that starts off the report. The survey underlying the BNP Paribas Individual Philanthropy Index shows that the largest number of respondents give somewhere between 5% and 15% of their annual income to charity every year.

"I plan to pledge 75% of my net worth to a philanthropic trust."
—Kiran Mazumdar-Shaw
Chairman and Managing Director, Biocon, India

An ongoing process

Worldwide philanthropy is an ongoing process, and just as the report was being written the latest news in individual giving came from India, where tech tycoon Azim Premji officially announced he'd signed the Giving Pledge, a commitment by the world's wealthiest individuals and families to dedicate the majority of their wealth to philanthropy. Premji also announced that he is donating \$2.2 billion, or a 12% stake in his IT outsourcer Wipro, to a trust to fund his education-focused Azim Premji Foundation.

Top causes

The causes favored by philanthropists develop and change over time, notes the report. Currently the top philanthropic causes worldwide, depending on the region, are health and achieving social change. The report explains how philanthropists view the importance of their causes and informs readers how and why the causes vary by regions. It also traces philanthropy to its beginnings. In the early stages of giving, philanthropy tends to be focused on what's close to the philanthropist's heart—such as hometown or religion—on check-writing versus creating a sustainable financing vehicle, and often on giving instant help versus creating long-term change.

"I believe that empowering women is the mechanism for breaking the cycle of gender discrimination, dependency and vulnerability."
—Najib Mikati
Former Prime Minister of Lebanon

What are their core program areas of focus?

67%
Health

52%
Social change

46%
Environment

Motivations

Many philanthropists start with helping their hometowns or homelands. For example, in China, Vincent Mo got involved in planning a program for helping rural teachers and students in his hometown of Guangxi.

Philanthropy is most often motivated by **religious faith and a sense of duty**, according to the survey.

The report explores regional and individual variations in what motivates philanthropists as well as external situations that seem to unite philanthropists and whole nations to donate. **National disasters seem to be just such a trigger.**

Innovation

The Sichuan earthquake in 2008 changed the nature of philanthropy in China, as the Chinese people's awareness of how much wealth they had and how they could use it to help causes or people in need improved greatly.

The report also explores **how philanthropists introduce innovative ideas into their philanthropic organizations and how they measure impacts.**

“ *One thousand teachers can impact 100,000 students.* ”
 —Vincent T. Mo
 Founder of SouFun Holdings, China

“ *I looked around and initially I started giving money to people, but I didn't really think their organizations were very sustainable. So that's when I decided to set up my own charity. I run Greenhouse very much like a business.* ”

—Michael De Giorgio
 Founder, Greenhouse Charity, UK, winner of 2012 BNP Paribas Prize for Individual Philanthropy

PHILANTHROPIST PROFILE BY REGION

EUROPE	ASIA	MIDDLE EAST
17% Driven by family legacy and sense of duty	25% Driven by desire to give back to society	63% Driven by religious faith
63% Focused on health	75% Focused on health	65% Focused on social change
24% Gives between 15% and 19.9% of annual income to charity	30% Gives between 10% and 15% of annual income to charity	38% Gives less than 5% of annual income to charity
38% Insists on anonymity	45% Doesn't hide involvement	60% Insists on anonymity
49% Regularly uses social media to advance cause	48% Occasionally uses social media to advance cause	57% Never uses social media to advance cause

(Based on most popular answers.)

BNP Paribas Wealth Management and Individual Philanthropy

BNP Paribas Wealth Management perceives that its clients are more and more involved in Philanthropy.

And they do so for several reasons: they want to give a sense to their actions; they want to give back to society; and also, they want to ensure they leave a legacy.

BNP Paribas Wealth Management was the first Private Bank to introduce philanthropy advise to its clients, through either turn-key solutions or tailor-made solutions, to help its clients to translate their projects into concrete actions.

Our philanthropic Services

• A tailor-made offering

In addition to our Individual Philanthropy Offering, launched in 2007, manifested by the creation of the Fondation de l'Orangerie for Individual Philanthropy and the personal philanthropy advisory services, BNP Paribas Wealth Management has a role in informing others regarding philanthropy itself. We encourage the sharing of experience and the promotion of philanthropy.


• Raising awareness

We provide a tribute for remarkable initiatives in this domain such as the annually-awarded BNP Paribas Prize for Individual Philanthropy in 2008.

Through a Strategic Partnership with Chair in Philanthropy, ESSEC Business School, we contribute to the theoretical and applied research of philanthropy and social investment by respecting the standards of academic excellence.

We are also committed to better understanding the giving act, the profile and the motivation of wealthy philanthropists around the world. We have supported research studies on wealth and philanthropy since 2009 when we first launched a serial study based on face-to-face interviews with the wealthiest philanthropists in Europe.

Full report available at www.wealthmanagement.bnpparibas.com



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