2026 | ISSUE 1

HIGH NET WORTH REPORT

Philanthropy

Philanthropic giving grew during the past year, outpacing inflation for the first time in three years. A healthy stock market and strong gross domestic product growth fueled renewed generosity, with individuals, corporations and foundations all contributing to a record $592.5 billion in donations across the United States in 2024 (latest available data). The year marked a clear turning point after several years of inflation-adjusted declines, with high net worth households leading the charge.

HIGHLIGHTS IN THIS ISSUE

- Total donations in the U.S. increased to $593 billion in 2024. Religion, human services and education were the largest categories of recipients.
- An estimated 81.0 percent of high net worth households in the U.S. contributed to charities, compared to fewer than half of all households nationwide. On average, high net worth households donated $33,200.
- Arizona's high net worth households donated a reported $2.6 billion in 2022, according to the latest tax data available. That was 70.5 percent of the statewide household total recorded on tax filings.

Overall, charitable giving in the United States increased in 2024, led by individual donors and directed largely toward faith-based, human service and educational causes.

Total giving in 2024 rose 6.3 percent from $557 billion in 2023, according to the annual Giving USA report. Individuals represented 66.2 percent of total donations, followed by foundations (18.5 percent), bequests (7.7 percent) and corporations (7.5 percent). The largest recipient categories were religion (24.7 percent), human services (15.4 percent), education (14.9 percent), gifts to grantmaking foundations (12.1 percent) and public-society nonprofits (11.3 percent).

Charitable giving rebounded amid inflationary pressures, driven by high net worth households and Baby Boomers, while younger generations increasingly shape philanthropy through digital channels.

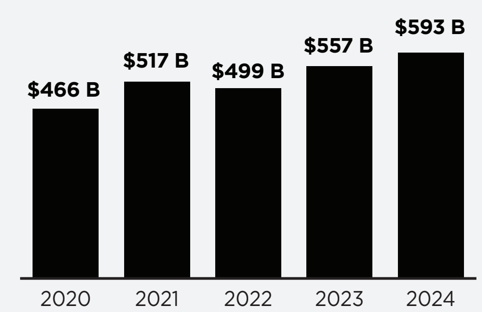
As inflation continued to ease in 2024, giving grew 3.3 percent in inflation-adjusted terms. This reversed three years of declines amid a period of fast-rising inflation. Most donor categories remained positive after the inflation adjustment, though foundation giving dipped 0.5 percent and bequests fell 4.4 percent.

High net worth households remained the primary force behind charitable giving, according to research by the Indiana University Lilly Family School of Philanthropy. Last year, 81.0 percent of these households donated to charity, compared to fewer than half of all U.S. households. Giving per high net worth household averaged $33,200, more than 10 times the national average of $3,120. The study defines high net worth households as those with annual incomes above $200,000 or assets totaling at least $1 million.

Baby Boomers (ages 61–79) continue to be the backbone of American philanthropy, according to a recent CCS Fundraising report. In 2024, Boomers donated an average of $3,260, outpacing Millennials (ages 29–44) at $1,620, Gen X (ages 45–60) at $1,370 and Gen Z (ages 13–28) at $870. All four generations

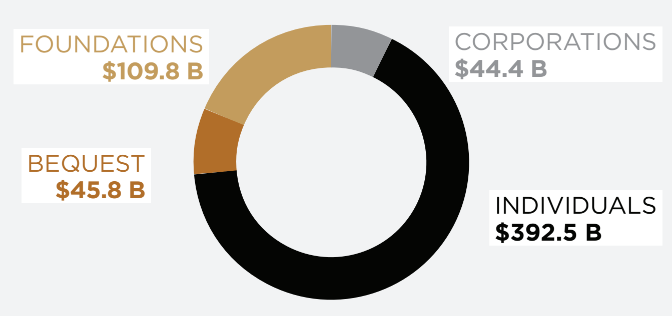
> "Individual donors accounted for two-thirds of all giving, contributing $392 billion amid rising incomes.

TOTAL CHARITABLE GIVING IN THE U.S.



Source: *Giving USA, Annual Reports*

2024 CHARITABLE GIVING BY SOURCE



2024 TOP 5 CHARITABLE CAUSES IN THE U.S.

Cause Type	Amount	Annual Growth	Share of Total
Religion	$146.5 B	+1.9%	24.7%
Human Services	$91.1 B	+5.0%	15.4%
Education	$88.3 B	+13.2%	14.9%
Gifts to Foundations	$71.9 B	+3.5%	12.1%
Public-Society Benefit	$66.8 B	+19.5%	11.3%

Source: *Giving USA, 2025 Annual Report*

gave the largest share of donations to places of worship. Boomers' other top causes included education, veterans and the military. Gen X, Millennials and Gen Z all prioritized faith-based organizations and domestic health and medical causes. Unsurprisingly, Gen Z and Millennials led all generations in online giving, reflecting their comfort with digital platforms.

High net worth households in Arizona anchor charitable giving, supplying the majority of deductible donations.

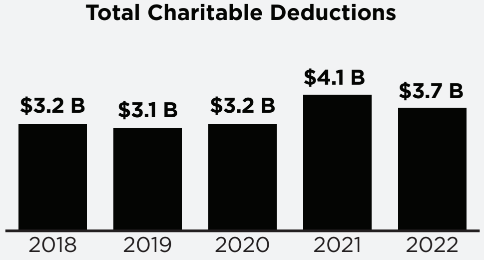
Arizona's giving broadly aligns with national trends, though it is somewhat less concentrated among high net worth households. In 2022, the most recent year of data available, Arizona households reported $3.7 billion in charitable deductions on tax filings, with high net worth households contributing $2.6 billion (70.5 percent) of that total, according to Internal Revenue Service data. Arizona's average household deduction for charitable giving was $15,260 in 2022, ranking 41st nationally. High net worth households averaged $31,660, more than double the statewide average, ranking 19th nationally in total dollars and 42nd on a per household basis. Despite these relatively low rankings, Arizona has experienced strong growth in charitable giving since 2019, ranking 14th in overall per-household growth at 43.4 percent and 18th in per-household growth among high net worth households at 31.2 percent.

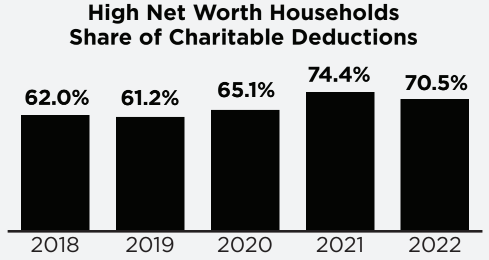
Rising individual and corporate giving suggests philanthropy remains resilient nationwide, even as new limits on charitable tax breaks take effect.

Beginning in 2026, the One Big Beautiful Bill Act will reshape charitable deductions for high-income taxpayers. For those in the top tax bracket, itemized deductions for charitable contributions will be reduced from 37 percent to 35 percent of each dollar donated. Additionally, only contributions above 0.5 percent of adjusted gross income are deductible for itemizers. For example, someone earning $500,000 could only deduct giving above $2,500. The law also adds an above-the-line deduction for non-itemizers, allowing single filers to deduct up to $1,000 in cash gifts and married couples up to $2,000. The Tax Foundation predicts the upcoming changes will drive a frontloading of donations. Indiana University has predicted the tax break cap could reduce annual charitable giving by $4.1 billion or more.

Despite evolving policies, economic conditions and generational preferences, Americans continue to demonstrate a steadfast commitment to charitable giving. Last year's growth in both individual and corporate contributions underscores the enduring importance of philanthropy in helping others and strengthening communities.

CHARITABLE DEDUCTIONS IN ARIZONA





Source: *Internal Revenue Service*

Prepared by:
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The Private Bank by National Bank of Arizona retained the team at Applied Analysis to explore the high net worth segment of the community. Specifically, the team has been working to better understand the size, consumer trends, needs and other aspects of this key segment of the market. Research efforts focused on selected demographic and economic data, as well as information garnered through direct surveying techniques and other cutting edge research methodologies. This reporting series has been designed with these high net worth individuals in mind. We hope you find the elements of our research and analysis helpful in assessing the market.