

#NEXTGENDONORS

*Respecting Legacy,
Revolutionizing Philanthropy*

nextgendonors.org

#NEXTGENDONORS

Today's younger generations have the potential to be the most significant philanthropists in history. But we don't know much about these next gen donors.

A relatively small group of Gen Xers and Millennials are inheriting over \$40 trillion in wealth, much of that designated for charitable giving. Many are making their own wealth, too. They will be the major donors in America for decades to come; some already are.

These next gen donors will face immense, complex social problems in their lifetimes, requiring them to be both generous and smart in their giving. For example, after decades of decline in our underperforming education system, the United States needs new ideas and new energy to ensure good schools for all. Growing scarcity of clean water and other natural resources threatens to affect livelihoods and cost lives around the globe. A less homogeneous nation forces more people to engage with differences more often and in more corners of their lives.

The rising generations of high-capacity donors promise to have an outsized impact on these and other growing challenges in our world. Therefore, we have undertaken the first major effort to understand what we can expect from them, and how they might affect everything about 21st century philanthropy.

We find they have a lot to say, even while just beginning to develop their identities as donors.

“ My family has taught me almost everything I know about giving and how to give.

“ There are these Kiva loans and there are these social businesses and there are these double-bottomline, triple-bottomline investments. There are a million different ways to be philanthropic in 2012 that there weren't in 1985.

“ Give us a clear call to action, let's problem-solve together. Tell us what you are working on, and let's work on this together.

We have experienced a long period of generational stability in the philanthropic world. The Greatest Generation and the Baby Boomers have created and guided almost all of our key institutions for years. But while we weren't looking, their children and grandchildren grew up.

We have conducted this study to begin a conversation – not just about a cohort of donors but about the issues and strategies that will guide major giving for decades to come. Please join us for this discussion: #NextGenDonors or for a copy of the full report, visit www.nextgendonors.org.



Sharna Goldseker
Managing Director
21/64



Michael Moody
Frey Foundation Chair for Family
Foundations and Philanthropy
Johnson Center for Philanthropy

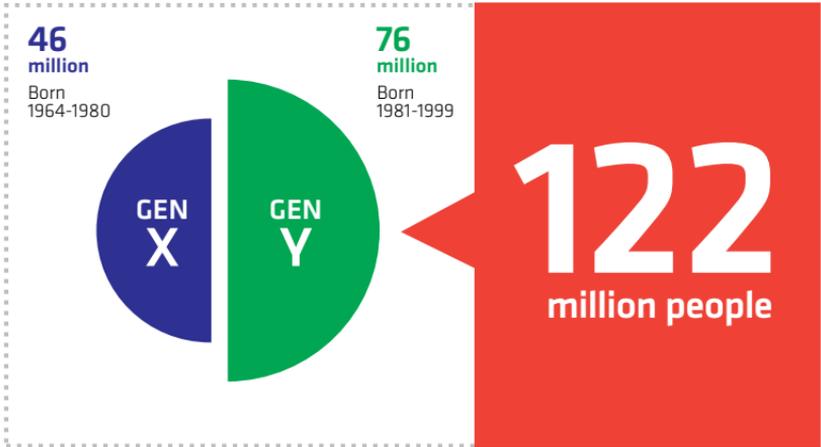
Why Next Gen Donors?

The next generations of major donors will wield more philanthropic power than any previous generation. With an unprecedented amount of wealth, these donors hold the future of philanthropy in their hands. Their identities as major givers are just now taking shape.

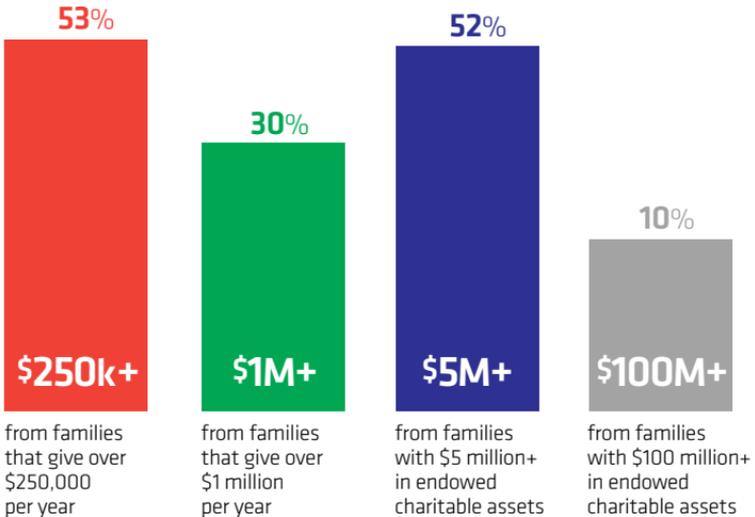
\$40
trillion

Next Gen Donors inheriting over \$40 trillion in wealth from bequests, and more during their lifetimes, all in a time of increasing wealth concentration among high-net-worth families.

The Next Gen



Next Gen Donors in this Study



How are Next Gen Donors Revolutionizing Philanthropy?

Next gen donors seek to use new tools and strategies to create greater impact. They want to develop closer relationships with the organizations they support, contribute their personal talents as well as money, and get their hands dirty and solve problems alongside those they support. They also want to share their philanthropic experiences with peer networks to extend their impact. In short, they want to give their time, talent, treasure, *and* ties.



I wish they would just knock down all the walls at the foundation and put drafting tables in the middle of the space and everyone just work together.

Top 5 Most Important Components of Philanthropic Strategy

1

I conduct due diligence and do research before deciding who to support.

2

I first decide my philanthropic goals or ideal solutions, and then search for potential recipients who fit those.

3

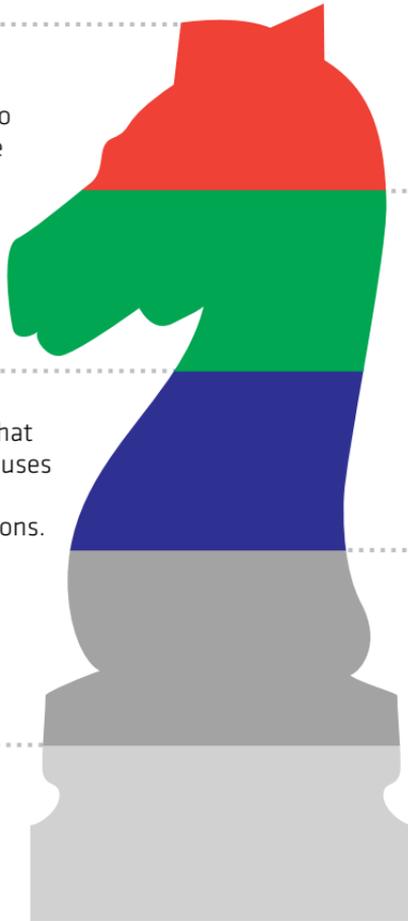
I fund efforts that address root causes and attempt systemic solutions.

4

I prefer to have information about an organization's proven effectiveness or measurable impact before deciding whether to support it.

5

I often recommend a cause or organization to others.



Are Next Gen Donors Really so Different?

According to the next gen donors themselves, the answer is “yes and no.” Next gen donors see themselves as very different from their parents and grandparents, but they also acknowledge more similarities than we might expect. The philanthropic values learned from their families drive them, and they want to be good stewards of the philanthropic legacies they stand to inherit. Next gen donors even give to some similar causes as their families. Yet they also feel excited about new innovations and ideas for change. They seek the right balance between honoring the past and improving the future.



[I'm] paying respect to the opportunities that I had, paying respect to the philanthropy that I learned, but taking that and evolving it into something that will be more uniquely my own going forward.

Comparing Generational Priorities: Next Gen Vs Families

Shared



EDUCATION



BASIC NEEDS

Emergent



ANIMAL WELFARE



ENVIRONMENT



CIVIL RIGHTS



ADVOCACY

Divergent



HEALTH



RELIGION/FAITH



ARTS/CULTURE



YOUTH/FAMILY

What Influences Next Gen Donors?

While next gen donors already have good ideas about what they want to preserve and change about philanthropy, they are still learning who they are as donors. Parents, grandparents, and peers heavily influence this learning process, but the most important influence is personal experience – seeing and doing. Next gen donors eagerly seek out these experiences as they proactively develop their philanthropic identities.



The peer-to-peer learning, talking to people, is invaluable.



I traveled [to Central Africa] with a small team to see the situation in person and to come face-to-face with what we have been discussing in a more abstract way while sitting around the board table in a Manhattan office. That appealed to me. It was an incredible experience. Coming face-to-face with what I hoped we would support more in the future.

91% of Next Gen Donors say they search for information from an organization's website



Who Influences Next Gen Donors



89%
PARENTS



63%
GRANDPARENTS



56%
CLOSE FRIENDS



47%
PEERS



The Next Gen Donors research project is a collaboration of 21/64 (www.2164.org) and the Dorothy A. Johnson Center for Philanthropy (www.johnsoncenter.org).

The project is funded by the supporters of the Frey Chair for Family Philanthropy at the Johnson Center, the Andrea and Charles Bronfman Philanthropies, the Max M. and Marjorie S. Fisher Foundation, the Eugene and Agnes E. Meyer Foundation, and an anonymous donor.

A network of partner organizations helped gather data for the project:

Association of Baltimore Area Grantmakers
Association of Small Foundations
Bolder Giving
Council on Foundations
Council of Michigan Foundations
Emerging Practitioners in Philanthropy
Forum of Regional Association of Grantmakers
Grand Street
GrantCraft
Indiana Grantmakers Alliance
Jewish Communal Fund
Jumpstart
Liberty Hill Foundation
The Minneapolis Foundation
National Center for Family Philanthropy
Resource Generation

To download the full report, other project materials, and to offer your reactions and ideas, please visit: www.NextGenDonors.org

