

# The next generation of engaged donors

By **JAMES EBENHOCH** and **MELANIE BARNAS-SIMMONS**

**M**any philanthropic families in our community work to inspire and enable the next generation to continue their legacy of giving, established by previous generations. As families' charitable priorities continue to evolve, it is increasingly important for all family members across demographics—from traditionalists (born prior to 1946) to millennials, or "Generation Y," (born 1980 or after)—to simultaneously uphold the philanthropic legacy of past generations, while remaining open to new ideas and experiences of new generations. For non-profits approaching multigenerational philanthropists today, this specialized type of giving is a long-term, strategic process.

By 2055, according to the National Philanthropic Trust, an estimated \$41 trillion will change hands as Americans transfer accumulated assets to the next generation. Non-profits need to understand that a one-size-fits-all approach in fundraising and planned giving is no longer sustainable. Today's new normal entails knowing donors well enough to be able to segment along generational lines—and tailor the messaging uniquely by age bracket.

Values drive next-generation donors, not valuables. The next generation wields enormous philanthropic power, and fundraisers must understand what motivates this cohort. Non-profits should understand preferences within each age group/demographic and incorporate fundraising principles into each strategy. Eliminate barriers of cross-marketing by targeting each group with unique marketing messages. Segment data, and identify the most loyal donors who are responsive to legacy and planned giving. Fundraising through social media and online giving continues its evolution, and should be included within the fundraiser's toolkit, especially for growing databases.

A recent study by Blackbaud highlighted how 62 percent of millennials prefer to make gifts via mobile devices, while 40 percent of boomers prefer direct mail. For many years, broad appeals primarily focused on both the traditionalists and boomer cohorts. Both have accumulated wealth, remained loyal donors, and may have the additional time and resources to volunteer and make an impact. However, the real shift needs to occur in multigenerational cultivation, to create hands-on learning experiences.

Non-profits should reignite giving strategies by customizing activities that suit particular personalities, skills and life experiences that each family member brings to the discussion about

wealth and values:

- Encourage multiple members of the same family to join a board so they can learn more about a non-profit, its core mission and services. Beyond that, provide opportunities for volunteer leadership roles that are impactful for all ages.

- Physically "outline" how multiple branches of a family are involved in the charitable decision-making process. Include succession planning that defines each family member's "job responsibilities," which clearly articulate responsibilities.

- Provide a forum for sharing family history. Laying out the goals for future generations can foster meaningful dialogue and help guide the continuation of family philanthropy.

- Encourage families to consider setting up donor-advised funds with smaller amounts, which often serve as a training ground for the next cohort within the family, as giving grows over time.

- Facilitate peer-to-peer fundraising, an opportunity to reach the Gen Y/Gen X channels. Do-it-yourself fundraising enables nearly anyone to raise funds on an organization's behalf, while incorporating the value of crowdsourcing and personal networks.

A shift in overall communications also is crucial. If an organization receives a sizable gift, the conversation about dollars should be eliminated. Engage donors and family members around values; understand what's important to each person and the reason for giving. Donors want to see an impact over time, so begin with a simple opener: What inspired them to give?

At this year's National Philanthropy Day, we are recognizing the importance of this strategic shift of multigenerational giving and putting it into action—presenting a first-time Multi-Generational Award to a

local family that has demonstrated outstanding civic and charitable responsibility over the decades.

Following this, we offer a call to action to non-profits and the broader business community: We need to better engage multiple generations to help area non-profits succeed long-term. Efforts today must focus on cultivating relationships with Gen Y and Gen X. These groups are the future of philanthropic givers and decision-making, and the time to develop such leaders begins now.

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