

## Charitable Giving and the Millennial Generation

Researched and written at the Center on Philanthropy at Indiana University

The “Millennial Generation,” which is composed of people between the ages of 18–30, currently makes up over 20 percent of the population and a third of the work force.<sup>1</sup> Is your nonprofit prepared to engage this generation—and those who follow—in the mission of your organization?

Some things to consider:

- Do you have a strategy for engaging people aged 45 and younger, or even 30 and younger, in your organization as volunteers, leaders, event participants, or donors?
- Have you thought about and implemented ways to build trust between your organization and prospective donors in these age cohorts?
- Can you give your donors and volunteers a way to build relationships with friends and to share their enthusiasm for your organization, whether face-to-face or through electronic media?
- Are you using multiple communication channels for requests, sharing information, and reporting results?
- Is your organization focused on “high-touch” donor recognition and volunteer events so that people engaged in your work feel valued and special?

This issue of *Giving USA Spotlight* provides useful, research-based information on the Millennial Generation’s philanthropic and voluntary behaviors, plus findings about the age cohort that is called Generation X. The newsletter includes recommendations that nonprofit leaders can use to engage and sustain people in these generations as volunteers, donors, and advocates.

### Why is understanding generational differences in giving important?

Each American generation grows up under a different set of economic, social, political, and environmental dynamics that impact how they seek to address the social issues of the day, or impact those causes that are important to them, through charitable giving and voluntary engagement. Recent research on generational differences in charitable giving, specifically, has discovered differences across generation groups (and many similarities, too). One important note is that some of the differences we observe now in giving by

The Millennial Generation is also known as the Net Generation, the Echo Boomers, Generation Y, and Generation Next, among other terms.

people of different generations could be related to their life stage rather than actual differences in perspective based on when they were born. For example, people who now do not own homes and have children might change their giving in the future, as they reach those stages, so that their giving in coming years will look like that of today’s home-owning parents.

Understanding the patterns of charitable giving and voluntary engagement within each generation—patterns that are rooted in a different set of underlying dynamics—can provide nonprofit organizations and fundraisers valuable insight regarding how to approach donors within each unique generation.

On predicting what the next ten years hold for today's change-makers:

*[Over the] "next decade, giving money will become less important than giving voice, giving time and giving work."*

– **Ben Rattray**, *Founder/CEO of Change.org*  
as quoted on Socialcitizens.org blog, Dec. 30, 2009

### Who is in each generation?

There are no firm rules about when each generation starts and ends, and almost all studies show that there are overlaps around whichever boundary years are selected. The generational definitions that we use are as follows.

Generation	Birth year range
Before Boomers (the Silent and Great Generations)	Born 1945 or earlier
Baby Boomers	Born 1946 to 1964
Generation Xers	Born 1965 to 1980
Millennials	Born 1980 to early 1990s

### What we know about the Millennial Generation's philanthropic behaviors

Younger generations tend to give less than do older generations, with the exception of younger donors who are wealthy. Older donors, regardless of wealth, tend to give more to religious organizations. Younger donors cite reasons for giving that are different than their older

counterparts. Understanding what drives young donors to give can help fundraisers develop the most effective fundraising campaigns aimed at this population.

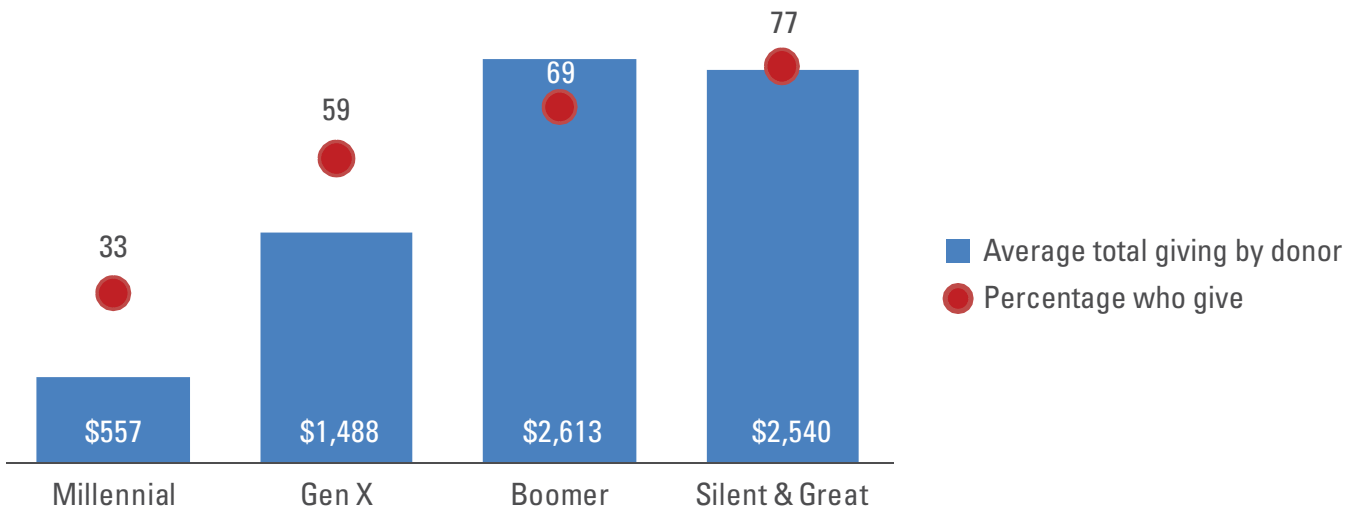
### Younger generations give less, and give less often, than older generations

It has been found that Generation X and Millennials are less likely to give and, when they do give, their donation amounts are lower than that of older generations.<sup>2</sup> Younger donors give less because they typically have less income and wealth and are less likely to be married—all of which correlate with giving levels.

Data from 2006 show that the Baby Boom Generation was more likely to make charitable contributions and give more, compared with Generation X and the Millennial Generation.<sup>3</sup> The results here describe reported giving, without taking into account other differences among households, such as income, education level, or the presence of children in the household. The 2006 findings show that:

- Nearly 70 percent of households headed by a Baby Boomer gave to a charitable organization,

Figure 1: Comparison of total giving by generation  
Average gift total from donor households and percentage of households that give



Data: 2006 giving, Center on Philanthropy Panel Study, 2007

compared with 59 percent of Generation X households and 33 percent of Millennial households;

- Baby Boom households gave an average of \$2,614 in 2006 to charitable organizations. Gen X donors gave an average of \$1,488, and Millennial donors gave an average total of \$557; and
- The people most likely to give are those born before 1945, and their average annual giving total is slightly less than the Boomer average, at \$2,540. This reflects the fact that people typically have lower income in retirement than in their peak earning years (ages 45 to 65).

**Religious giving by Millennials and Gen X follows earlier trends; secular giving remains lower despite trend away from religion generally**

Historically, giving to religion leads the list of charitable recipients that individuals support. However, data from 2006, in the 2007 Center on Philanthropy Panel Study (COPPS), reveal commonalities. There are more donors for secular causes, but higher gifts to religion.

- Households from all generations were more likely to contribute to charity for secular causes than to religious organizations in 2006; but
- Donors gave more, on average, to religious organizations than to secular causes.

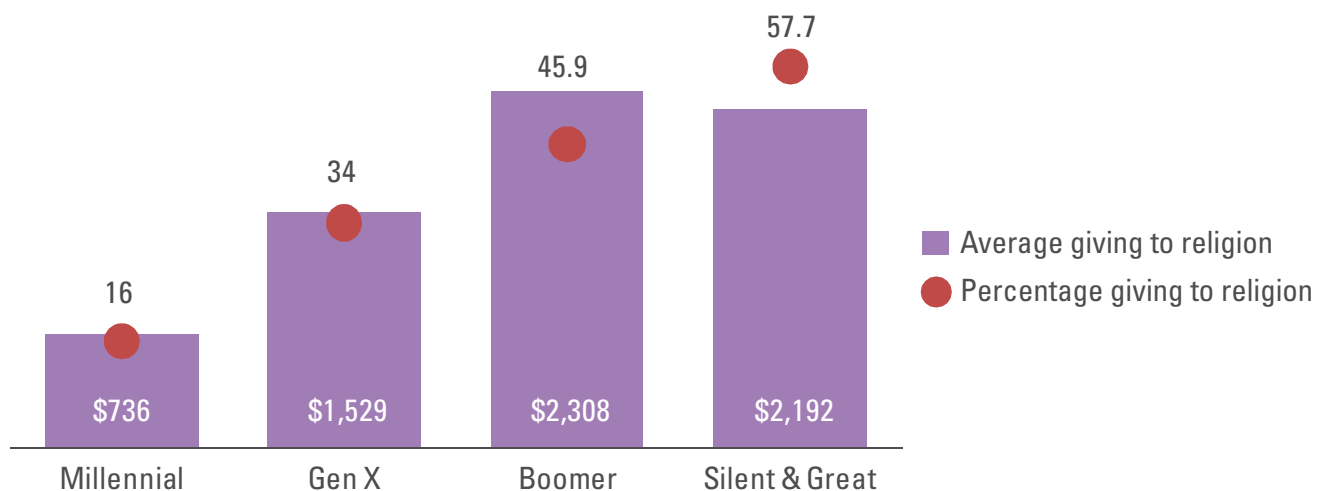
Figure 2 shows giving to religion by each generation and Figure 3 shows secular giving by each generation. For both types of giving, the probability of giving increases with age (generation), and, through the Boomer gener-

ation, the average amount contributed also increases. This study and data from other studies reveal that Millennials give less to religious organizations at least in part because they are less likely to attend worship services than people in older generations.<sup>4</sup> Gen X and Millennial donors to secular causes give relatively low amounts compared with the older generations. Millennials, in particular, lag in the percentage who give and the average gift total.

A deeper analysis of these differences suggests some possible reasons for the lower contribution levels in younger generations. Specifically, many studies show that giving is likely to increase after marriage and as income and wealth levels (assets minus debts) rise. In this study, the nationally representative sample of more than 8,000 found that:

- Participating Millennials averaged 22 years of age and 81 percent had never been married, while 34 percent of Gen Xers had never been married. Just 14 percent of Boomers had never married.
- Millennials as a group are generally still in the process of finishing their education and not yet in high-earning jobs. In this study, Millennial participants averaged \$28,234 in household income. In contrast, household income for Gen Xers averaged \$70,090 and more than \$89,800 for Boomers.
- A sense of financial security, which can come from stable investments or retirement funds, is associated with higher giving. In this research, Millennials had a very low level of average wealth (which

**Figure 2: Comparison of religious giving by generation**  
Average gift to religion from donor households and percentage of households that give to religion, 2006



Data: 2006 giving, Center on Philanthropy Panel Study, 2007

includes a deduction for student loans, if any) of \$18,287. In contrast, Gen Xers' average wealth was \$87,516, and Boomers' average wealth was more than \$342,300, even without including home equity.

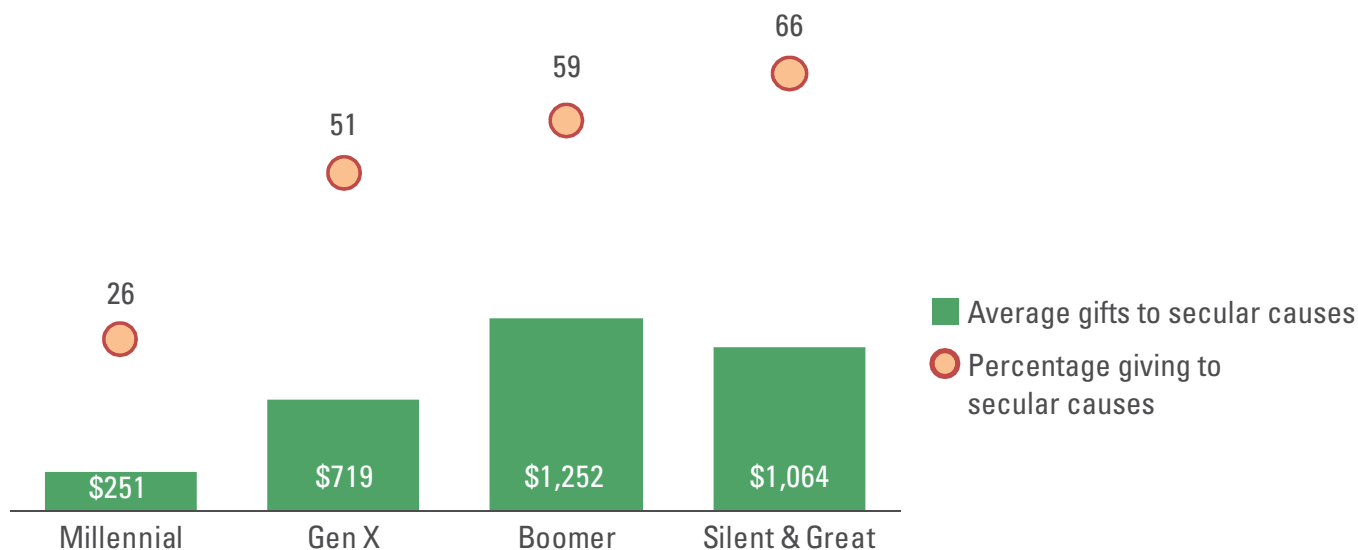
Based on data in the Center on Philanthropy Panel Study from 2007, Millennials are not yet giving in proportion to their share of the population. Nor is Gen X. Boomers' giving is nearly exactly that generation's share of the nation's total household income and wealth. The Silent/Great generations, though, are giving amounts

that cumulatively exceed those generations' income and their share of the population. These trends add further support for the proposal that differences observed now in giving by generation are, at least in part, based on life stages. Figure 4 illustrates the shares of population, income, giving, and wealth attributable to people in each generation.

- Millennials represent nearly 10 percent of households, but collectively they account for a very low percentage of the nation's household income and

Figure 3: Comparison of secular giving by generation

Average gift to secular causes from donor households and percentage of households that give to secular causes, 2006



Data: 2006 giving, Center on Philanthropy Panel Study, 2007

**There is an important corollary to the current media attention around giving by Millennials, and it applies somewhat to Gen X, too.**

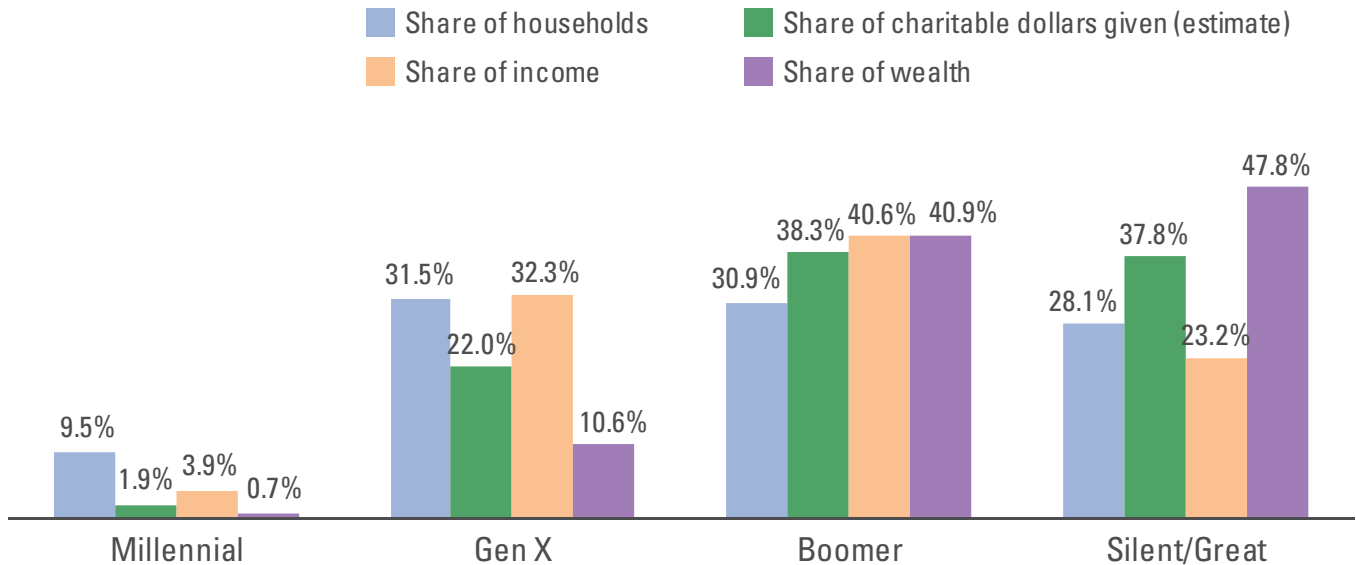
Working with these age groups is about building for the future as much or more than it is about receiving gifts this year and the next.

When considered as part of the overall giving picture in 2006, monetary donations from Millennials accounted for just 1.6 percent of total giving. Gen X was higher, at nearly 20 percent. This reflects, of course, lower income and wealth in these two age cohorts. See Figure 4 to compare each generation's share of households, income, wealth, and giving and note the dynamic differences between Millennials and the other generations.

In 2006 there were 50 million or more Millennials over age 15. Just slightly over 10 million Millennials headed a household that year, compared with 34.8 million Boomer-headed households and 35.4 million Gen X-headed households. The number of Millennial-headed households will increase as this generation matures, completes their education, enters the workforce, and earns enough funds for discretionary use.

All of these factors—income, household formation, wealth, and giving—will increase over time as Millennials and Gen X reach new stages in their income and life cycle over the next 10 years or so. If these two generations follow the path of earlier generations, giving will change with changes in household traits.

Figure 4: Comparison of generations by shares of households, charitable giving, income, and wealth, 2006



Data: 2006 giving, Center on Philanthropy Panel Study, 2007

wealth. In some sense, given this financial picture overall, it is significant that even a third do find resources to give.

- Gen X has just under one-third of households and about the same share of income. However, wealth levels are much lower at 10.6 percent of the total. Gen X accounts for 19.7 percent of total giving, which suggests that most donors in this generation are giving from current income and earnings rather than from assets. Note that this result from COPPS covers households up to the 95<sup>th</sup> percentile of wealth. Among high-net-worth donors, one study (reported below) finds that Generation X members give more than earlier generations.

- Boomers are in their peak earning years. Their share of giving, wealth, and income all exceed their share of households. This is a large generation; an important component of current revenues at nonprofit organizations. However, organizations should anticipate changes as this generation ages and experiences falling income as salaries shift to part-time work or retirement benefits.
- The Silent/Great generations have a comparatively high share of wealth at nearly half of the total, but a lower share of income at less than one quarter of the total. To account for 39 percent of the giving, they are likely to be using assets as the primary or only source for their giving.

The media coverage and studies focusing on SMS (text) giving and online giving indicate that Millennials want to be involved. Some reports suggest they give time instead of money, and they expect similar levels of engagement from their employers and peers.

The data show, however, that a smaller percentage of this age group volunteers (21.6 percent) than do people in other age groups (26.8 percent for all ages and 29.8 percent for Boomers). These data are based on very large government surveys and are posted at the new site [www.VolunteeringInAmerica.gov](http://www.VolunteeringInAmerica.gov).

It could be that time constraints of education and social life mean that Millennials volunteer less than they would like to—but even as the cohort has aged, the trend since 2002 has been remarkably stable. Around 22 percent of Millennials volunteer and a higher percentage of other age cohorts do.

## STRATEGY

Different motivations for giving between the Millennial generation and older generations demand different techniques for engagement.

### *Consider emphasizing how your work has global impact for Millennials*

Millennials were much more likely, compared with Boomers and older generations, to give to ‘make the world a better place’ and slightly more likely because they ‘feel responsible for others who have less,’ according to the 2008 *Generational Differences in Charitable Giving and in Motivations for Giving* study.<sup>5</sup> This study also revealed Millennials were slightly less likely, compared with older generations, to give to causes that support the poor and to give to ‘make their community better’.

These findings may suggest, in part, that Millennials either feel less connected to their local communities or more connected to the greater world and, therefore, may be more likely to give for national or global causes. Additionally, while Millennials may have less of an affinity for giving to causes that relate to the poor, they still feel responsible for those who have less.

According to a 2008 study on generational differences in giving, Millennials (especially females) were more likely than other generations to give ‘to make the world better’.

Source: *Generational Differences in Charitable Giving and in Motivations for Giving*, 2008, The Center on Philanthropy at Indiana University and Campbell & Company, [www.philanthropy.indiana.edu](http://www.philanthropy.indiana.edu).

### *Young, high-net-worth households stressed family reasons for giving*

Younger generations, especially Generation Xers, who have high net-worth may be more generous than their older counterparts.<sup>6</sup> Additionally, young millionaires tend to give for more family-centric reasons and reasons related to international causes, compared with those who are older. These findings were reported in the Northern Trust’s *Wealth in America, 2008* study, which surveyed 1,000 U.S. millionaire households in late 2007.

In the study’s survey, wealthy Generation Xers reported giving nearly twice as much in 2006 as older generations. Generation Xers also revealed their intention to give 22 percent of their estate upon their death, compared to the 16 percent average across all prospective bequestors. Specific results from this survey include:

- 14 percent of Generation Xers’ donations went to international organizations in 2007, 6–9 percent

more than reported by older generations, who tended to give more domestically.

- Generation X was more motivated to donate more for family-centric reasons as the main reason for giving (12–15 percent), compared to older generations (4–5 percent).
- 27 percent of Generation X millionaires reported having a charitable trust already set up, compared with only 9–10 percent of older generations.

## Recommendations

- In campaigns directed towards Millennials, fundraisers may want to highlight in their marketing materials how donations to their organizations work to make the world a better place to live.
- Fundraisers should approach wealthier households age 45 or younger differently than they do older generations when it comes to estate planning and annual giving. Communicating how these households can benefit their family through planned giving may be especially beneficial.

### *Organization Spotlight* **Resource Generation**

With the goal of bringing “social and economic justice” to the causes that are important to today’s younger generations, Resource Generation links wealthy young adults both together and with organizations to leverage the impact. This organization provides a variety of programs and workshops to help these young adults align their resources with social causes.

Source: [Resourcegeneration.org](http://Resourcegeneration.org)

### *Higher education level may mean more lifetime giving by Gen X and Millennials*

Millennials and Generation Xers are the most highly educated generations, with 69 percent of each generation having had some college experience.<sup>7</sup> This is compared to 51 percent of Boomers and a third of those in the oldest generations. The Center on Philanthropy finds that when controlling for other factors, having a college degree increased giving by about \$1,900 annually. Nonprofit leaders and fundraisers should note that these generations, because they are more educated, may give more throughout their lives than preceding generations have.

## FIND WAYS TO GIVE PEOPLE A CHANCE TO TRUST YOU

Perhaps because charitable giving is implicitly trusting others to do the right thing with your donation, lower levels of trust are associated with lower levels of giving.<sup>8</sup> Additionally, research suggests that levels of social trust are highly linked with levels of civic engagement (although the research makes different conclusions on the causality between the two).<sup>9</sup>

### *Working to build trust with younger donors may be the key to long-term engagement with your organization*

Younger people, including those within the Generation X range, in particular, have been shown to have a lower level of trust than older generations;<sup>10</sup> this lack of trust may have negatively impacted this generation's level of civic engagement.<sup>11</sup>

Millennials may be even less trust-prone than Generation Xers. The Pew Research Center's report, *2010 Millennials: A Portrait of Generation Next*, found that two-thirds of the Millennials in the study's survey responded that they "can't be too careful" in interactions with other people.<sup>12</sup> As the study alludes, this could be a result of the constant bombardment of negative news (instantly available through a variety of sources), overprotective parents, or the terrorist attacks that this generation has witnessed. These, combined with high rates of unemployment among those aged 18–30 may explain low levels of trust.

### Recommendations

- It may take time for younger potential donors and volunteers to fully trust an organization prior to giving their resources. Work to build trust with young donors through a variety of social capital-building efforts.
  - Give younger constituents an opportunity to tell your organization how they can help you, rather than expecting volunteers to do only tasks that you assign.
  - Network with colleges and universities, community groups, and coalitions. Your organization is more likely to be trusted if others are willing to collaborate with you.
  - Communicate your mission in the forums where people age 45 and younger are most likely to congregate—without the goal of harnessing new donors. Those who are most passionate about your mission will come forward, not just with money, but also with ideas, energy, and enthusiasm.

In an early 2010 study, an estimated 28.6 million (56 percent of all) American Millennials gave to a charity in the previous 12 months. These donors gave an estimated average of \$341 in the one-year time frame to 3.6 different charities. This study included Haitian relief giving, which appears to have brought new energy to this generation's philanthropy.

Source: *The Next Generation of American Giving*, Convio, Edge Research, and Sea Change Strategies, March 2010.

### Millennials' volunteering and civic engagement patterns

Millennials appear to be more poised to give their time than their money than past generations. This generation seeks to impact their world through hands-on experiences for a variety of reasons, both idealistic and pragmatic. More than any other previous generation, Millennials have had the opportunity to view tragedies such as 9/11, Hurricane Katrina, and the Indonesian tsunami. They have also been able to be part of catalyzing grass-roots responses to these events through social media, fundraising efforts, and more.

According to the Corporation for National and Community Service's *Volunteering in America 2010* report<sup>13</sup>, in 2009:

- Nearly 22 percent (10.8 billion) of Millennials volunteered;
- Millennials volunteered 1.1 billion hours of service;
- This age group volunteered through general labor, mentoring youth, and tutoring/teaching at higher rates than the national average; and
- Millennials volunteered for religious organizations (30.4 percent) less often than older generations did (38 percent of Boomers volunteering and 47 percent for people aged 65 and up);
- Millennials volunteered for education at higher rates than some other age groups (30 percent for Millennials compared with 24 percent for Boomers and 8 percent for those aged 65 and up).

### Recommendations

- Millennials want to be involved with the cause. Here are some ideas for linking with volunteers in the Millennial generation. Some apply, as well, to Generation Xers.

- Use educational institutions, professional and community networks, and social media to connect with these potential volunteers.
- Find ways that your organization can provide opportunities for younger generations to make an impact on your cause, your community, and the greater world.
- Find ways to bridge college experiences as volunteers with post-college employment. If someone moves, can you refer them to a sister agency in their new town? Can the volunteering process be streamlined so that information collected in one location can be shared with another?

### **Younger volunteers more likely to use websites to link with organizations**

Today, nonprofits have a wide variety of options to find volunteers that best meet their needs. Because so many members of Generation X and the Millennial generation use the Internet as part of daily life, organizations should be proactive in linking with potential donors through online organizations that specialize in volunteer matching.

Two sites to consider are VolunteerMatch.org and Idealist.org. VolunteerMatch.org links volunteers to the causes that they are interested in and organizations with passionate volunteers. According to the website, 50 percent of VolunteerMatch users are under the age of 30.<sup>14</sup> Idealist.org hosts an immense forum of volunteer and employment opportunities for both potential volunteers and potential employees of the nonprofit sector, as well as personal profiles of those active in the nonprofit sector.

## **PROVIDE WAYS FOR ADVOCATES TO SHARE THEIR ENTHUSIASM**

With all of the different forms of electronic and print media available, donors and volunteers need not look far to find those causes and organizations that best serve their interests and needs. This fact puts today's change-makers in the driver's seat of social change. In fact, increasingly, donors are collaborating with *one another* in choosing those causes and organizations they deem worthy and to leverage the impact of their donations.

### **Generation Xers' and Millennials' style of philanthropy reflects today's donor-driven era of giving**

One increasingly popular form of collective, donor-driven giving is *giving circles*. A giving circle can be defined as a group of individuals who pool their resources and decide together how to impact an agreed-upon social problem.<sup>15</sup>

Giving circles vary by geography, formality, size, wealth, longevity, and demographical makeup. While there is still not a lot of data about the demographics of giving circles, one study found that its giving circle sample had members who were statistically significantly older, female, and more racially and ethnically diverse, compared with its control sample.<sup>16</sup> Researchers estimate that over 600 giving circles exist within the U.S. involving over 12,000 people, and these numbers are growing all the time. In fact, most of the giving circles operating today formed only within the last 5 to 10 years.

## **Recommendation**

- Considering the boom in this type of philanthropy, nonprofits are wise to pay attention to the giving circles that are impacting their local communities, especially those run by Generation X or Millennial Generation donors.

### **Organization Spotlight Giving Sum**

Located in Indianapolis, Indiana, and established in 2008, Giving Sum is a giving circle composed of "next generation leaders" who collaborate and direct their resources to impact causes in the local community. One of the goals of Giving Sum is to move beyond just giving cash donations, but to engage hands-on in the community through civic and volunteer endeavors.

Source: [Givingsum.org](http://Givingsum.org)

### **Text messaging fundraising growing in popularity; how will your organization respond?**

With 93 percent of adults using a cell phone<sup>17</sup> and 53 percent of Millennials and 40 percent of Generation Xers texting regularly,<sup>18</sup> it is imperative that nonprofits consider the use of cell phone technology in reaching potential volunteers, donors, and other stakeholders. Approximately \$50 million in total has been raised for charitable causes via text messaging.<sup>19</sup> The majority of this amount went towards Haiti earthquake relief efforts in early 2010, most of which was donated by Millennials.

In another report by Convio, Edge Research, and Sea Change Strategies in early 2010 on mobile/text giving, Millennials were the most likely generation to report that they would be willing to give via text messaging in the future for emergency relief efforts (58 percent

of respondents) and if a friend was raising money (52 percent), in addition to other charitable efforts.<sup>20</sup> Generation X trailed the percentages reported by Millennials closely, but the majority of respondents in the Boomer and older generations reported that they would most likely *not* give through this method. Only 7 percent of Millennials in this report indicated that they had received a text message from a charity that was important to them in the previous year. This was true despite the fact that the majority reported that text (or SMS) messaging is an important way for them to stay connected with a charity.

### Recommendation

- Texting campaigns can engage a large number of prospective donors who have \$5 or \$10 to give. These campaigns are especially useful in those cases when the need for support requires little explanation or can be conveyed in a mass setting, such as a concert or sports event.
- If you have or can add people's cell phone numbers in your donor records, you can combine more fundraising channels to communicate. Start with a short letter or post card. Follow with email. Then use a text to prompt further action.

Text messaging fundraising, also called SMS, is a relatively new channel in the United States. It became more familiar after the early 2010 earthquake in Haiti, as organizations publicized codes so that donors could send a short text and give through their telephone bill. Little is known about what could happen when a charity collects cell phone information and sends out text requests. Marketing and information sharing of cell phone listings are increasing in general terms. It is likely that cell phone fundraising in the nonprofit world will soon follow, with nonprofits gaining permission to use cell phone numbers to contact prior donors and setting up codes and mechanisms to receive gifts via text messages.

### *Reach Millennials and Gen Xers where they are when introducing your organization*

Placing messages within the unique environments of people in Generation X and the Millennial generation is important in connecting with these potential donors. Mainstream media, word of mouth, school, and peer-to-peer events are the top four ways that Millennials *first learned* about their top charities, according to the 2010 *Next Generation of American Giving* study.<sup>21</sup> This finding suggests that organizations attempting to reach young donors for the first time are likely to have more success when they use multiple avenues centered on group activities or in the places where these potential donors are most likely to be.

### Recommendation

- Nonprofits should consider hosting events for Millennials, who are extremely social in nature when compared with Generation X and those who are older. Events can encourage attendees to come with a group of friends, whether to volunteer together or socialize.
- For Generation X, consider online engagement or small group activities, or ask people in this age cohort to form their own groups of people with whom they already socialize. This has been part of the strategy behind successful "a-thons"—giving people a way to recruit support from friends and family.

### *Give them what they want!*

While Millennials want to know about upcoming events and social activities where they can be involved, they still want traditional forms of information from charities on a regular basis.<sup>22</sup> These include ongoing communication about the programs and services that their organization offers, opportunities to volunteer, and information on the organization's financial status.

## **The future of social networking for social change:**

Twestival™, or Twitter Festival, is a grassroots initiative that uses social networking to raise funds for local and global causes. Using social media to rally volunteers, event attendees, and contributors, Twestival™ events are volunteer-driven and focus on substantially helping one organization or community at a time through its "offline" events situated across the globe. Go to [www.twestival.com](http://www.twestival.com) for more information.

## Recommendation

- Be sure to provide all donors, volunteers, and stakeholders information about all aspects of your organization through the mediums that work best for them. Gen X and Millennials will almost certainly check online. Some Boomers and older will too. When you use printed and mailed information, consider the likely ages of your readers. You might test using slightly larger fonts and high contrast shades.

### Organization Spotlight **Mobilize.org**

Mobilize.org, created in 2002 by a then-Millennial, focuses on organizing Millennials from all walks of life who want to engage one another in addressing the unique problems that this generation faces by creating “long-term, sustainable and community based solutions.” The organization seeks to bring change by offering a forum in which Millennials can come together to address these issues.

Source: [www.mobilize.org](http://www.mobilize.org)

## USE MULTIPLE CHANNELS

In the coming decades, fundraisers and nonprofit marketing specialists will be increasingly called upon to use multiple communications channels. Existing fundraising approaches have largely been adapted to Boomer donors’ interests and preferences.

### *Millennial donors respond differently to various fundraising vehicles and methods of communication than older generations*

A closer look at differences in charitable giving behaviors across generations suggests many useful implications for fundraising practices and communication approaches. Fundraisers who continue to rely on traditional methods may find that younger generations do not respond.<sup>23</sup> New research and evidence suggests that each generation of donors must be approached using those vehicles in which they are most familiar and comfortable.

## Recommendation

- For Generation Xers and Millennials, fundraisers should develop and use fundraising strategies based on multiple channels. These generations have a variety of ways to get information and many

methods to use to make contributions—including through electronic and traditional media—and they may use different methods in different situations for different charities.

Evidence to support Millennials’ diverse use of electronic media are included in the 2010 Pew Research Center’s *Internet & American Life Project* and other reports:

- Ninety-three percent of Millennials regularly go online,<sup>24</sup> with 50 percent of this population using mobile Internet.<sup>25</sup>
- 72 percent of online Millennials reported using social networking sites, whereas only 40 percent of those older than this age group reported doing so.<sup>26</sup> The greatest majority of Millennials use Facebook (71 percent),<sup>27</sup> and the majority (67 percent) of the technology experts surveyed in one study reported that the Millennial generation will continue to utilize social networking platforms as they age.<sup>28</sup>
- One-third of those under the age of 30 regularly post or read social networking updates—younger Millennials are the most likely to do so.<sup>29</sup>

The 2010 *The Next Generation of American Giving* report, by Convio, Edge Research, and Sea Change Strategies, supports the notion that younger generations are more likely than older generations to seek information about charitable organizations through electronic media. This report found that over a one-year period Millennials received information about their top charity through email (29 percent) and websites (36 percent) more often than by direct mail (26 percent), which were higher rates than those reported for older generations.<sup>30</sup>

Additionally, when comparing with Boomers and older generations, Millennials were much more likely to feel that text messaging, phone calls, and social networking messaging are appropriate means of solicitation.<sup>31</sup> Indeed, the Convio study reported that Millennial donors actually gave more through the Internet (29 percent) than by direct mail (26 percent) over a one-year period.

While the use of social networking sites by fundraisers is important, the 2010 *Millennial Donors* report, researched and written by Achieve and Johnson Grossnickle Associates, cautions against neglecting the use of more stable forms of electronic media fundraising.<sup>32</sup> This report found that Millennials preferred learning about charitable organizations through Internet search engines and email, rather than through social networking sites.

## HIGH TOUCH

### *Solicitations made through personal connections are the most powerful*

Fundraising programs focused on donors' personal networks may be the best option for fundraisers targeting younger donors. Millennial donors are most likely to find that donation requests are appropriate if they are asked by a friend, followed by being mailed a letter or being emailed by a charity in which they are familiar, according to the 2010 *Next Generation of American Giving* study.<sup>33</sup>

However, the survey conducted for the 2010 *Millennial Donors* report found that Millennials preferred traditional methods of solicitation. Sixty-six percent of respondents preferred face-to-face donation requests compared with 37 percent preferring email.<sup>34</sup> More specifically, this generation responds much more to requests by people they know. Sixty-six to 75 percent of donors surveyed in this study reported that they were "likely or highly likely" to respond favorably to a donation request if it was made by a friend or family member, respectively. Further, respondents reported preferring face-to-face donation requests from family and friends over other forms of requests, including electronic media.

### Recommendation

➤ *Do not abandon the time-honored practice of asking in person*

When asked about which methods Millennial donors preferred to be asked for gifts, a majority

66 percent agreed that face-to-face requests are best. This is despite the fact that email is the top preference for ongoing communications, followed by print media and social networking sites (in that order).

### Younger generations respond well to public recognition and personalized acknowledgment

When Millennials give their time and resources, it's important for nonprofit leaders and fundraisers to acknowledge these gifts quickly and appropriately, based on the communications preferences of the donor.

An effective way to attract and retain Millennial donors and volunteers is to attach symbols of prestige and public recognition to their contributions.<sup>35</sup> Nonprofits should consider:

- Providing as much personalization as possible. Millennials tend to appreciate a personalized effort to thank them for their gift. Consider having a person on staff communicate with Millennial donors regularly for a sense of personalization.
- Featuring a Millennial in a YouTube video of "Why I Gave" to influence other potential donors from this generation.
- Creating a radio segment of stories of giving featuring a Millennial donor to influence young adult listeners.
- Making a Millennial donor's experience meaningful by engaging him or her in demonstrating a way to share in the fun and excitement about a nonprofit organization's work.

**Considering posting your organization on Facebook or need to work on your social networking strategy? Take time to review websites and print material dedicated to providing nonprofits the tools that they need to succeed in the wired world before taking the next step:**

- **Socialbrite.org:** A website dedicated to providing "social tools for social change." This site shows nonprofits how to best connect with today's social change-makers through social media.
- **The Chronicle of Philanthropy's Social Media Webpage:** This webpage offers case studies, articles, podcasts, blogs, a Twitter feed, and links concerning social media tools for nonprofits.
- **The Networked Nonprofit: Connecting with Social Media to Drive Change by Beth Kanter and Allison Fine.** Released in June 2010, this book provides the most up-to-date social media tools that every nonprofit should consider investing in to impact their mission.
- You may also consider following author **Beth Kanter's webpage** and blog. Beth offers a variety of tips, tools, links, and articles on nonprofits and social media.

## Organization Spotlight

### Rock the Cause

Two leaders of this youth-focused advocacy organization provide advice to organizations interested in tapping into the power of the Millennial generation in support of their cause:

- Ask Millennials directly what they want out of a fundraising event. Organizations should consider holding focus groups or keeping youthful members on the board to ensure that there is a continuous flow of ideas related to the organization's Millennial-focused events and campaigns. Be prepared to accept the directives and advice given.
- Put Millennial staffers and volunteers in the lead position of Millennial-related events and/or in the PR position of youth-oriented organizations. You want the face that represents your organization and that reflects your intended audience.
- Price your events according to your demographic base. If your event is directed to the Millennial crowd, especially the younger ones, be sure they can afford to attend!
- Commit to providing a variety of avenues to keep younger donors and stakeholders engaged with your cause. Chances are, if they were involved once they are likely to be passionate for the cause.

Source: <http://sacredlewine.com/2009/09/16/secrets-of-millennial-philanthropy-rock-the-cause-explains/>

## CONCLUSION

Boomer and older generations are currently giving the lion's share of total dollars donated in the United States. This is because they are at points in their lives when they are motivated to give and, in most cases, they have more resources. It is also because they are frequent participants in worship services, therefore total average giving (including giving to religion) is higher for these age groups than it is for younger people, who are less likely to attend services.

However, as the Boomer and older generations age, Generation X (now roughly 30 to 45) and the Millennial Generation (now roughly 18 to 30) will become increasingly important as donors for both religious and secular causes. Meeting the expectations and challenges of working with these generations will determine an organization's success in the coming 10 to 20 years.

Studies find repeatedly that these two younger generations differ from older people. Generation Xers and Millennials:

- Prefer more electronic communications and less paper in initial and ongoing communications from charities.
- Express different values and preferences. Generation Xers are emphasizing giving in support or honor of their families, while Millennials are more focused on improving the world. For other generations, the emphasis is slightly more on giving to address issues

in the local community, causes related to poverty, and the support of religion or religious causes

- Want more hands-on, direct experiences with charities that they support before donating.
- Like to have a voice in how the charity operates. They want board positions, committee positions where their work affects the organization's success, and opportunities to cast ballots or to complete polls about their preferences.

Nonprofit organizations have several options for seeking and testing online and traditional methods for sharing information, recruiting and retaining volunteers, asking for funds, and reporting results. Charitable organizations that have clear strategies to help build trust and provide face-to-face communications to supplement electronic means may find themselves in very strong positions to raise funds from these two important demographic groups.

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Author credit: Melanie (Miller) McKittrick and Xiaonan Kou researched and wrote this edition of *Giving USA Spotlight*. Both are graduate students in the philanthropic studies program at Indiana University-Purdue University Indianapolis. Suho Han analyzed the data for the graphs. He is a graduate student in economics on the same campus.

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