



Session 2

Philanthropic Trends: Impact of High Net Worth, Gender, and Generational Trends on Giving and Volunteering

Sisters of Charity of Nazareth
Advancing Mission Session #2
Wednesday, October 28, 2015

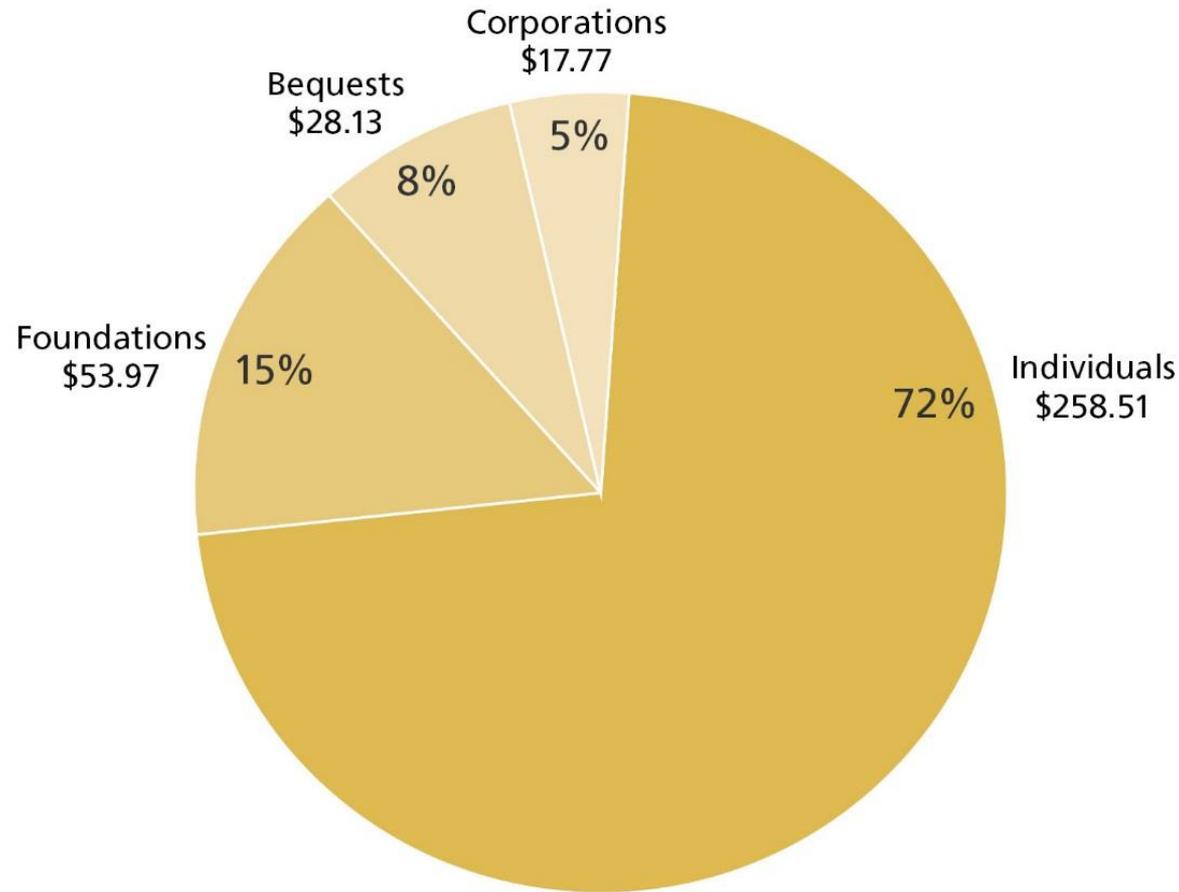


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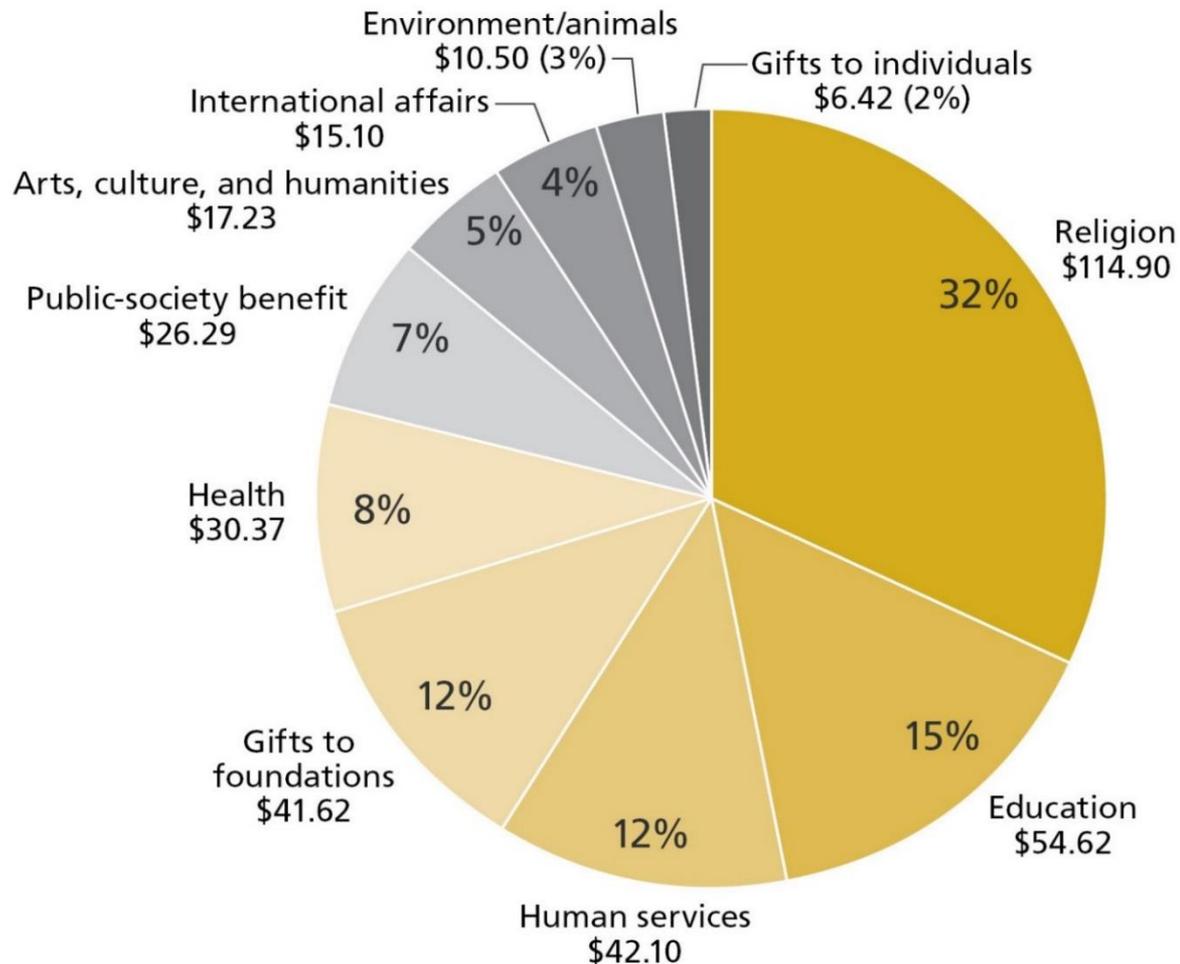
2014 contributions: \$358.38 billion by source (in billions of dollars – all figures are rounded)



2014 contributions: \$358.38 billion by type of recipient organization

(in billions of dollars – all figures are rounded)

your guide in philanthropy



Trends in High Net Worth Giving

Where do high net worth donors give their money?

% of Total Gift Dollars to Charitable Subsectors	High Net Worth Donors 2011	High Net Worth Donors 2013	General Population 2014
Private Foundation, Trust, and/or Donor Advised Fund	23.4%	28.0%	NA
Education	27.6%	27.0%	15%
Religion	12.6%	12.2%	32%
Youth and Family Services	7.2%	4.1%	NA
Arts	4.9%	3.5%	5%
Health	5.9%	3.4%	8%
Combination	3.6%	4.6%	NA
Basic Needs	5.3%	3.3%	NA
Environmental/Animal Care	2.4%	6.3%	3%
International	3.1%	1.4%	4%

What motivates high net worth donors to give?

Top 10 Reasons	2009		2011		2013	
	%	Rank	%	Rank	%	Rank
Gift can make a difference	72.4	1	74	1	73.5	1
Personal satisfaction	NA		NA		73.1	2
Support same causes annually	65.9	4	68.5	3	66	3
Give back to community	64.7	5	62	5	62.7	4
Volunteer for an organization	51.9	7	53.4	6	61.8	5
Political/philosophical beliefs	52.1	6	48.8	7	49.7	6
Remedy issues that impact me personally	43.8	9	41.7	8	44.6	7
Give spontaneously to support a need	47.1	8	39.8	10	43.9	8
Religious beliefs	38.8	10	40.3	9	40.1	9
To honor another (Memorial/ Celebratory)	NA		NA		39.7	10
Feel financially secure	71.2	2	70.8	2	NA	
Giving to an efficient organization	71.0	3	68.2	4	NA	

Why high net worth donors stopped supporting an organization?

	%
Too frequent solicitation/asked for inappropriate amount	41.7
Changed my/our philanthropic focus	35.3
Organization not effective	18.3
Other (Not asked, one time donation, consolidated giving)	18.3
Household circumstances changed	16.3
Organization changed leadership or activities	16.3
Program/purpose completed	13.2
Inaccurate recordkeeping of information	5.8
No longer involved with the organization	NA

Decision Making Within High Net Worth Donor Households in 2013

- 60.8% of high net worth couples made charitable giving decisions jointly while 29% made them separately.
- 58.7% of high net worth households reported having no family traditions around giving.
- 92.7% of all responding high net worth households had children and 31.5% involved their children in general charitable giving decisions.

High Net Worth Giving Forecast

- 35.4% of high net worth households plan to increase their giving over the next 3 to 5 years.
- 49.5% of high net worth households plan to give the same amount over the next 3 to 5 years.
- Fewer plan to give using cash in the future. 87.8% of high net worth donors gave cash in 2010 to 2013, but only 78.8% anticipate using cash in the next 3 to 5 years.
- 53.6% make gifts via credit card and 47.5% plan to continue to give via credit card.
- 22.2% make gifts by stock/mutual funds and 20.7% plan to continue to give via stock/mutual funds.

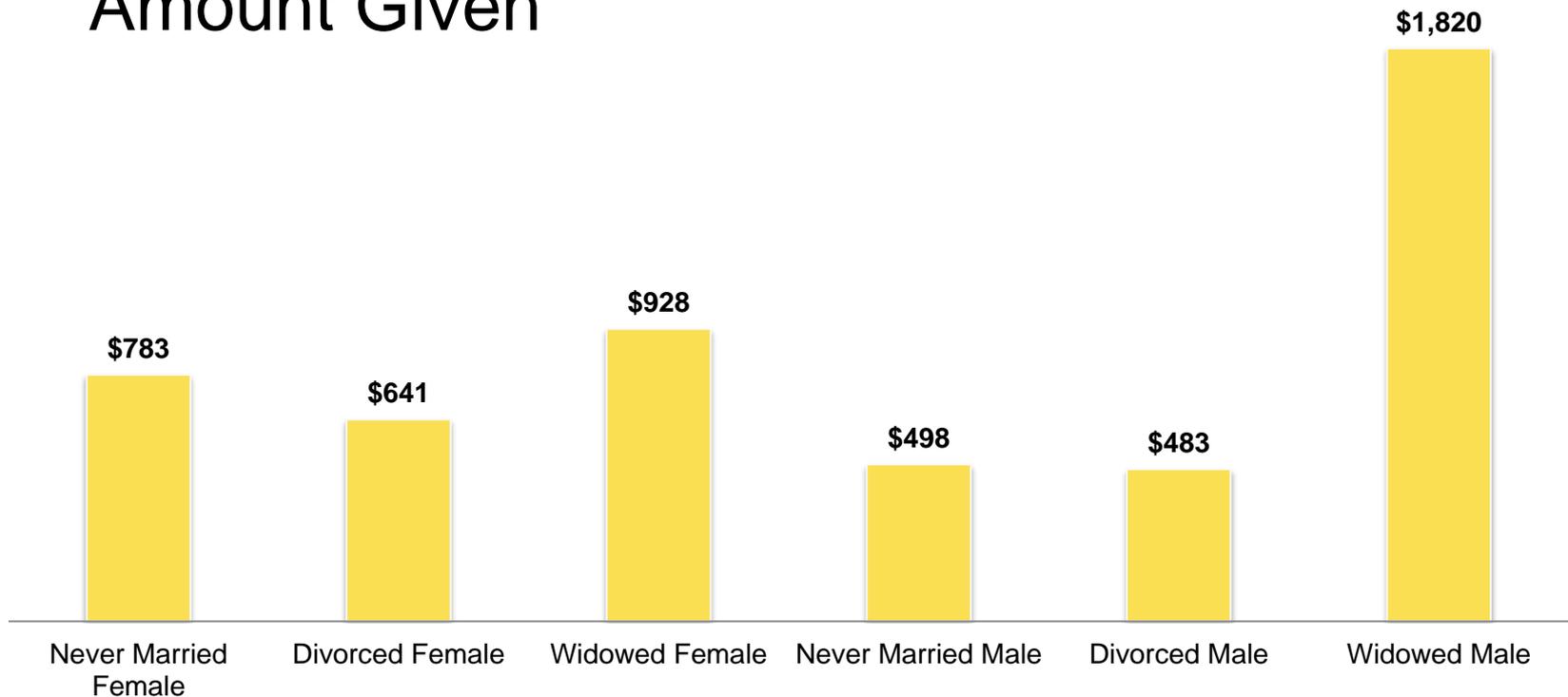
Women and Philanthropy Trends

Understanding Women's Potential

- According to 2014 U.S. Department of Labor data, women make up 57% of the workforce, and women continue to volunteer at a higher rate than men across all age groups, educational levels, and other major demographic characteristics.
- Women are surpassing men in terms of educational attainment. Women represent 67% of college graduates and 51% of the nation's Ph.Ds. (U.S. Census Bureau).
- 29% of working wives make more than their working husbands. (U.S. Bureau of Labor Statistics, 2013).

Women Give 2010

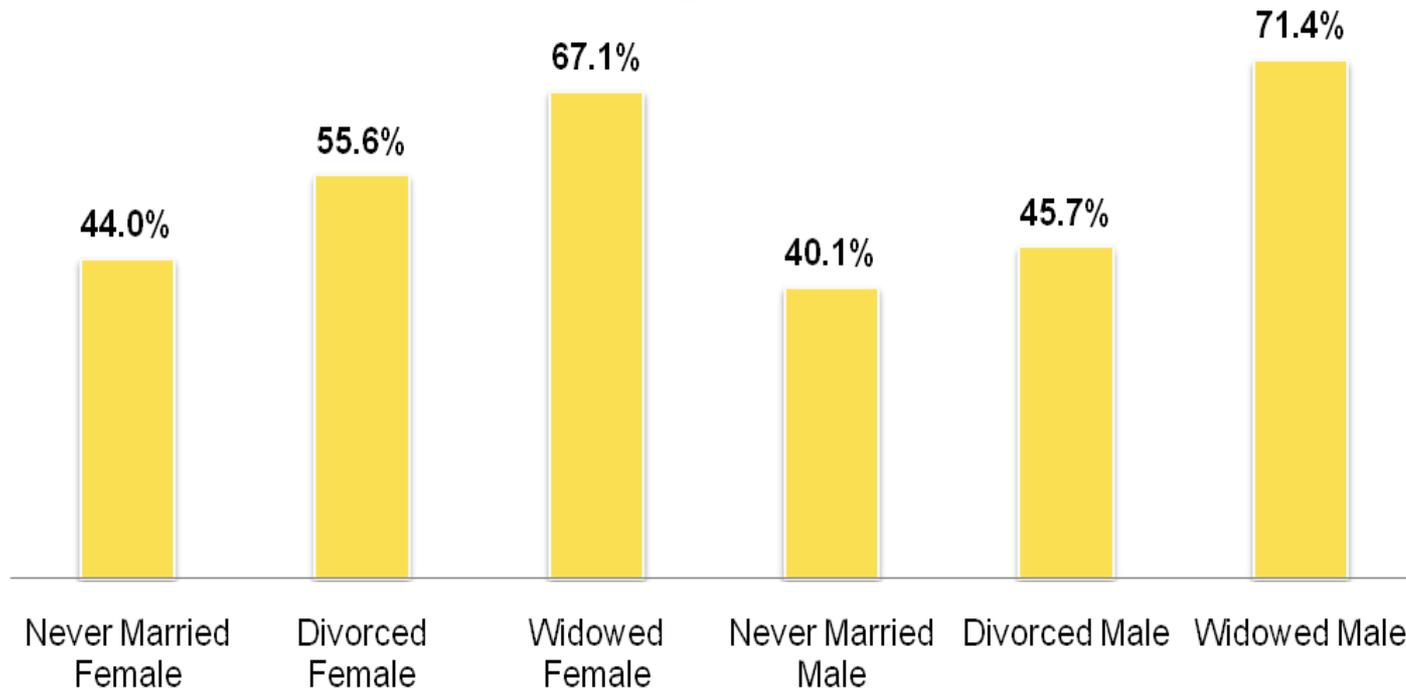
Amount Given



Female headed households **GIVE MORE** than men in comparable households except for the widow/widower category.

Women Give 2010

Likelihood of Giving



Female headed households are **MORE LIKELY TO GIVE** than men in comparable households except for the widow/widower category.

Key Gender Differences in Giving

- Women may take longer to make decisions, but once they do, their loyalty and commitment is golden.
- Women are twice as likely as men to make referrals – their word-of-mouth potential is exponential.
- Women value community and connection.
- Women give more money and volunteer more time than their male counterparts.
- One marketing approach does not fit all. Empathy is the key emotion when marketing to women – get her to care.

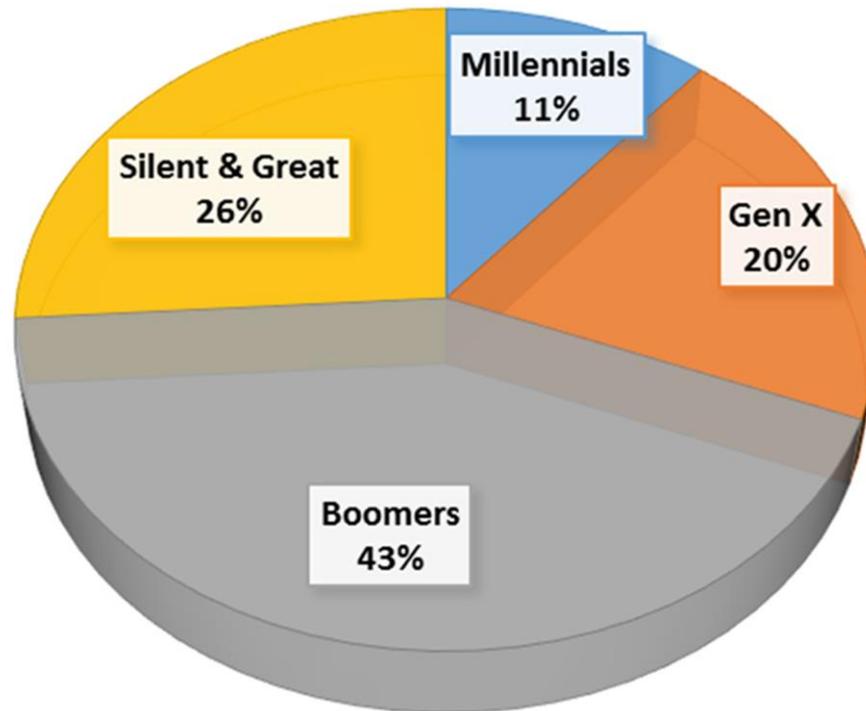
Generational Giving Trends

Importance of Understanding Generational Differences

- Four Generations of Donors for First Time Ever
 - Increased life expectancy, better healthcare, delayed retirement
- Variety of Influences on Generations
 - Economic, social, political, and environmental dynamics
 - Collective experiences
 - Different worldviews
 - Inform behavior toward life, money, giving

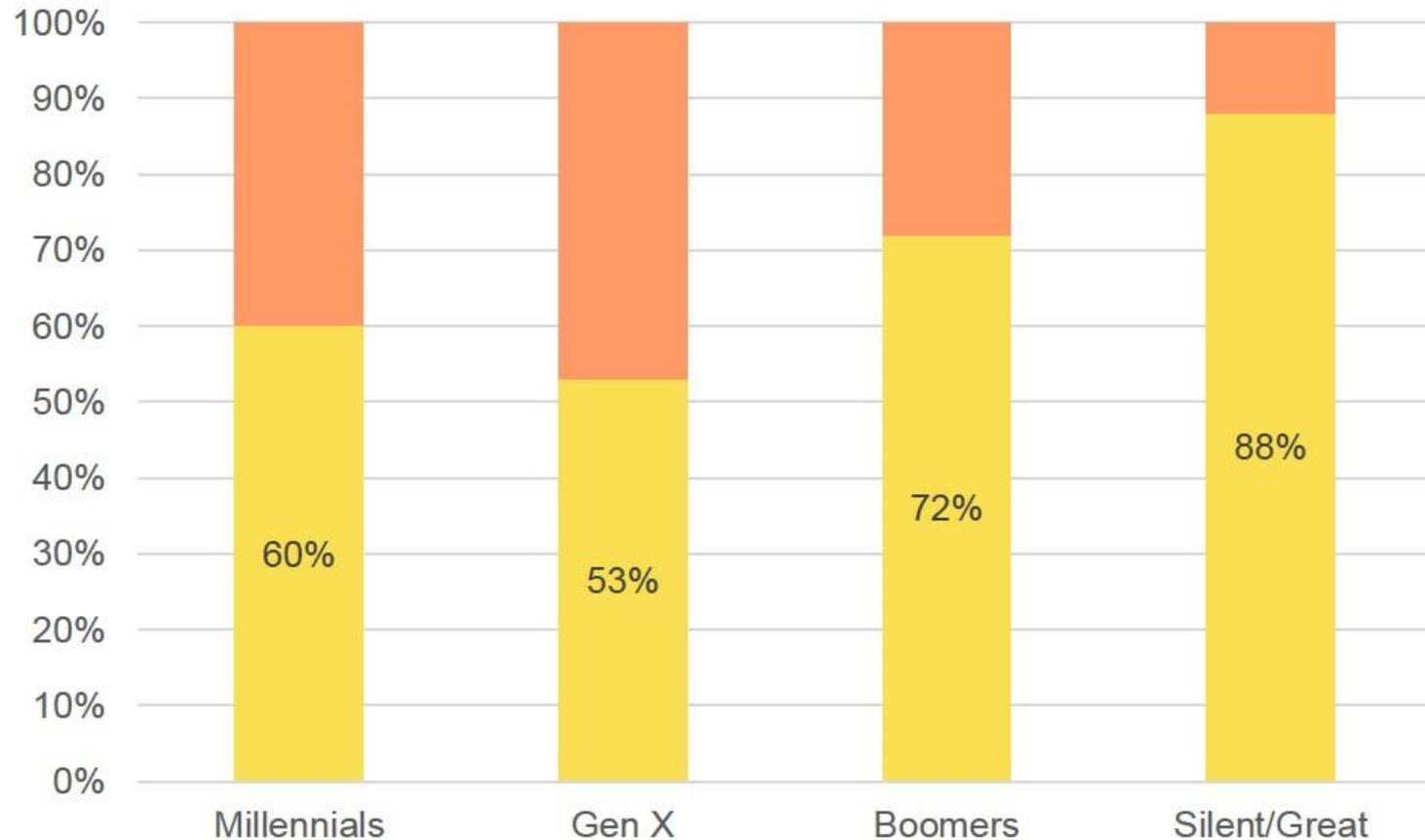
Generational Giving Patterns

GENERATIONAL BREAKDOWN OF TOTAL GIVING



Generational Giving Patterns

Percent Donors in Each Generation



Impact of Generational Giving Patterns

- Why do charities focus on Boomers?
 - “The odds are strong that for the vast majority of causes, your next donor will be over age 50” – *The Next Generation of American Giving*
- Boomers:
 - 43% of all individual giving comes from Boomers
 - 34% of donors are Boomers
 - Average annual gift from Boomers is \$1,212
 - They support more charities and give almost double what younger generations do

Impact of Generational Giving Priorities

- Older generations (Silents/Greats and Boomers) are more likely to give money to make a difference
- Younger generations (Gen X and Millennials) see volunteering and spreading the word as effective ways to help
 - 47% of Millennials in 2012 Millennial Impact report said they were inclined to give time and money, 37% time, and only 16% would give money alone.
 - 67% reported interacting with nonprofit on Facebook
 - 74% spread news about events
 - 68% share statistics about cause or issue
 - 65% said they would promote a story or accomplishment

Questions for Reflection and Discussion

What are the implications of these philanthropic trends on your fund development program?

What trends pose the greatest opportunities and/or the greatest challenges?

Which trends might you focus on in the short-term? In the long-term?

Resources

- **Giving USA; 2015 Edition.** This is the annual report on philanthropy, covering 2014.
- **The School of Philanthropy at Indiana University COPPS Study.** COPPS is the most accurate resource for measuring giving and volunteering in the United States. COPPS follows a large number of the same families for long periods of time and gathers detailed information about their lives to identify emerging trends in philanthropy.
- **Women Give 2010.** This study utilizes the COPPS data from 2007 to research single-headed households and giving.
- **The 2014 US Trust® Study of High Net Worth Philanthropy.** This research is based on 630 respondents throughout the U.S. with household income greater than \$200,000 and/or net worth (excluding value of residence) of \$1M+.

Resources

- **The Next Generation of American Giving.** This 2013 study by Blackbaud and Edge Research is based on an online survey of 1,014 U.S. donors from a national survey panel controlled to be U.S. Census representative.
- **Generational Influences on Today's Philanthropic Sector.** Cathy Bastin; December 2, 2013.
- **Bridging the Generational Divide in Family Philanthropy.** Amy Hirsh Robinson, MBA; Interchange Group; 2011.
- **2013 Volunteering in American Report.** Corporation for National and Community Service and the National Conference on Citizenship.
- **Recruiting Boomers, Gen-Xers, and Millennials.** Shawn Kendrick, VolunteerHub, September 17, 2011.