

Philanthropy is Changing: And What That Means to You



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Building on a Premise

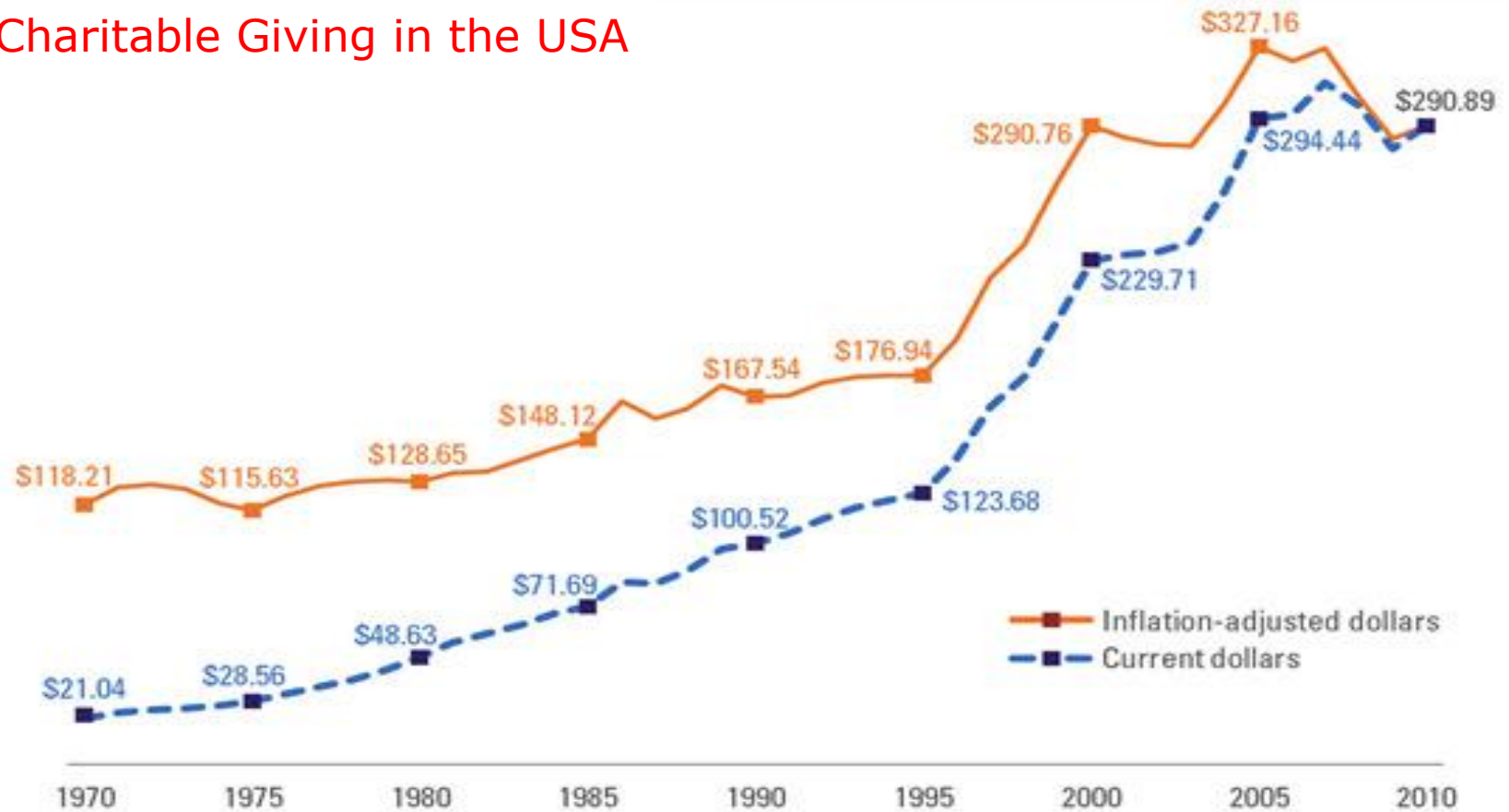
We are all fundraisers in one capacity or another; and our direct interaction in the process will be even more crucial in the future

Our Road Map

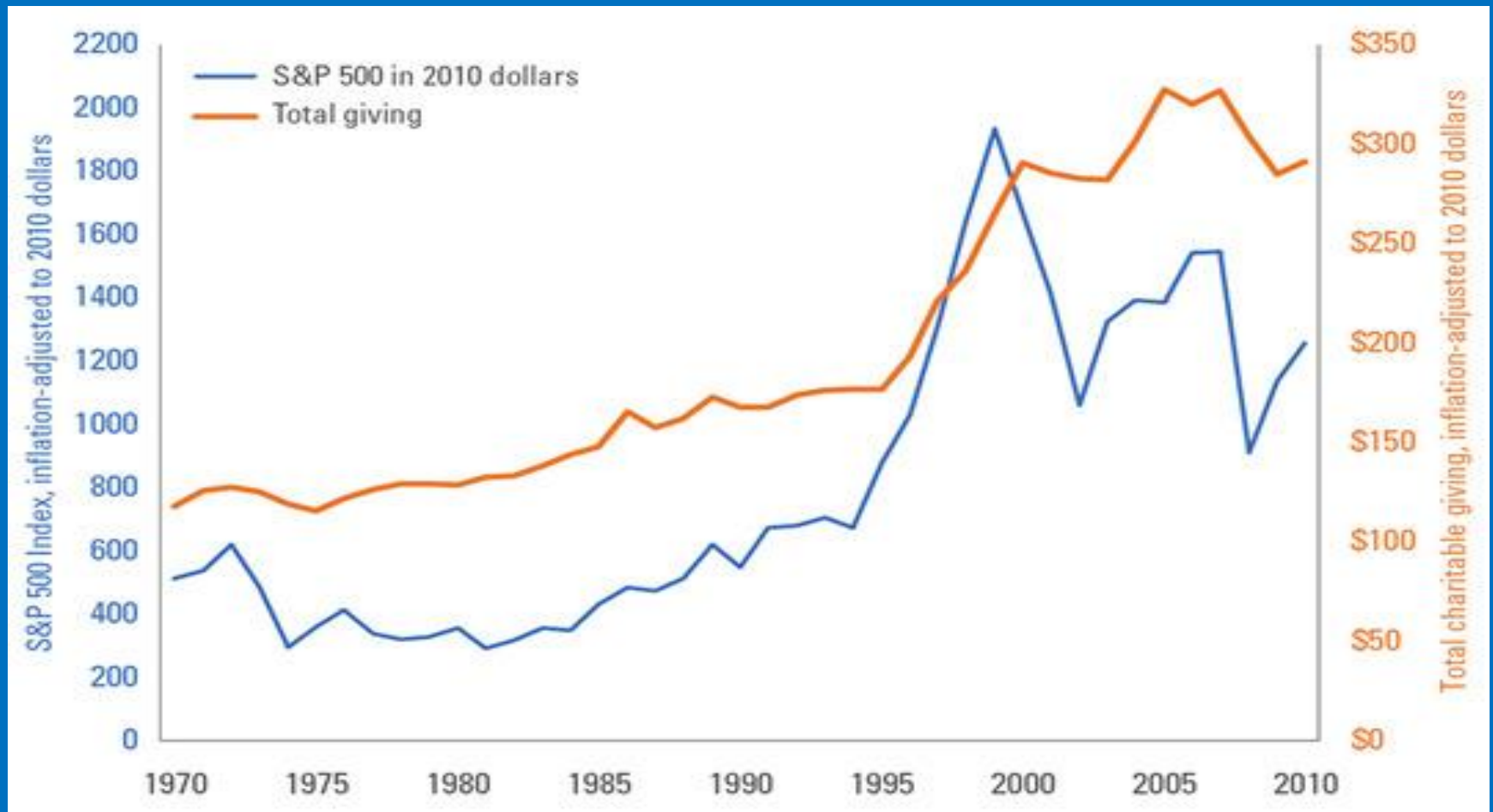
- Environment
 - Motivating factors
- Generation X and Y-a new face
- Women philanthropists- views and motivators

The Philanthropic Environment

All Charitable Giving in the USA

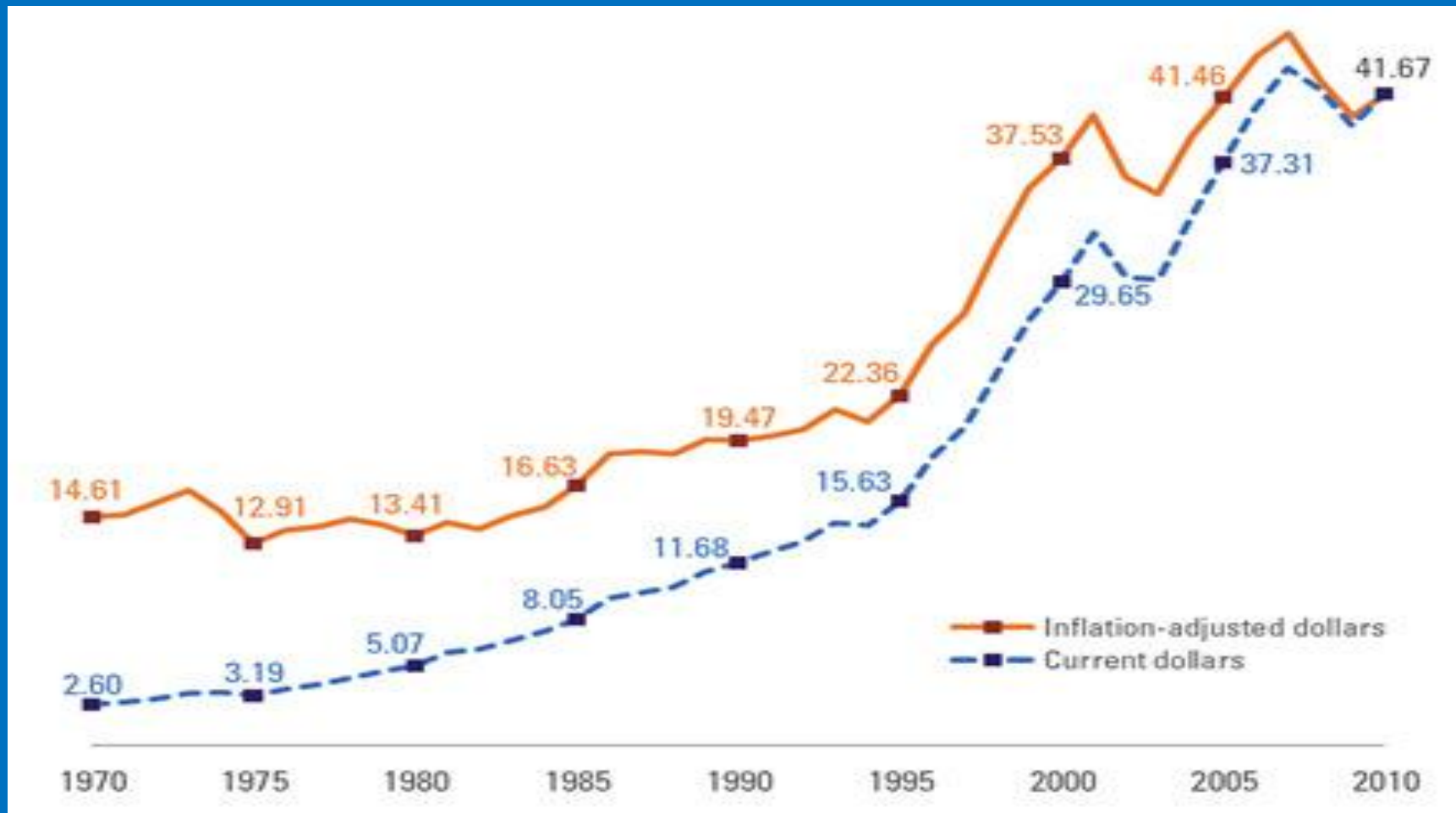


Giving Tracks with the Stock Market



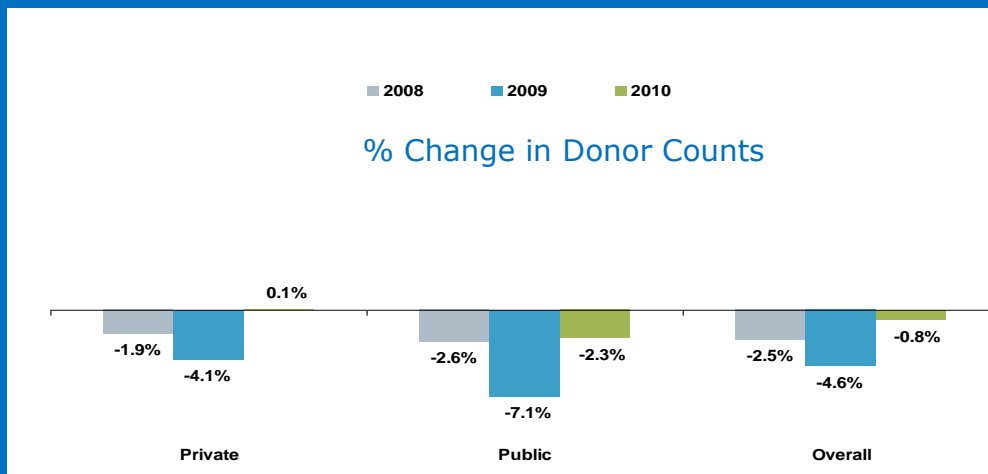
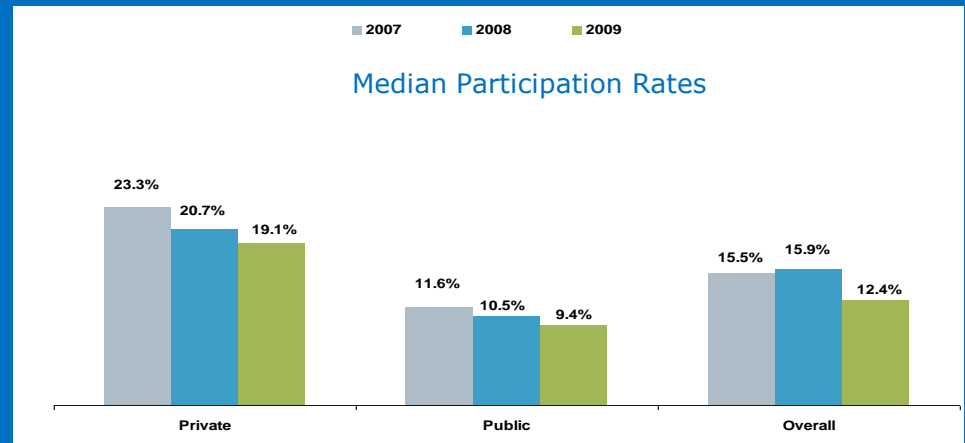
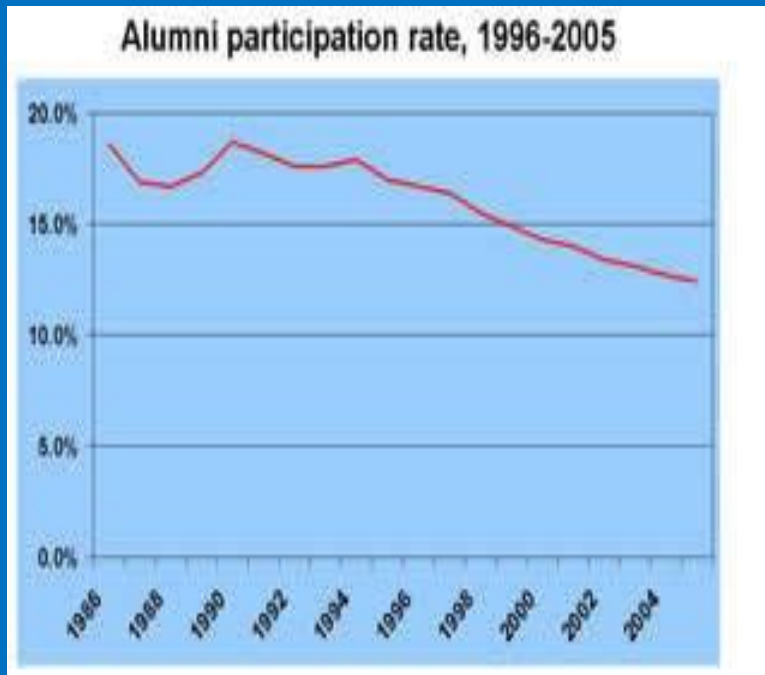
Source: Giving USA

Giving to Education



Source: Giving USA

Dollars Up, but Donors Down



CAE Alumni Participation Reports:
11.7% in 2007
10% in 2009
9.85% in 2010

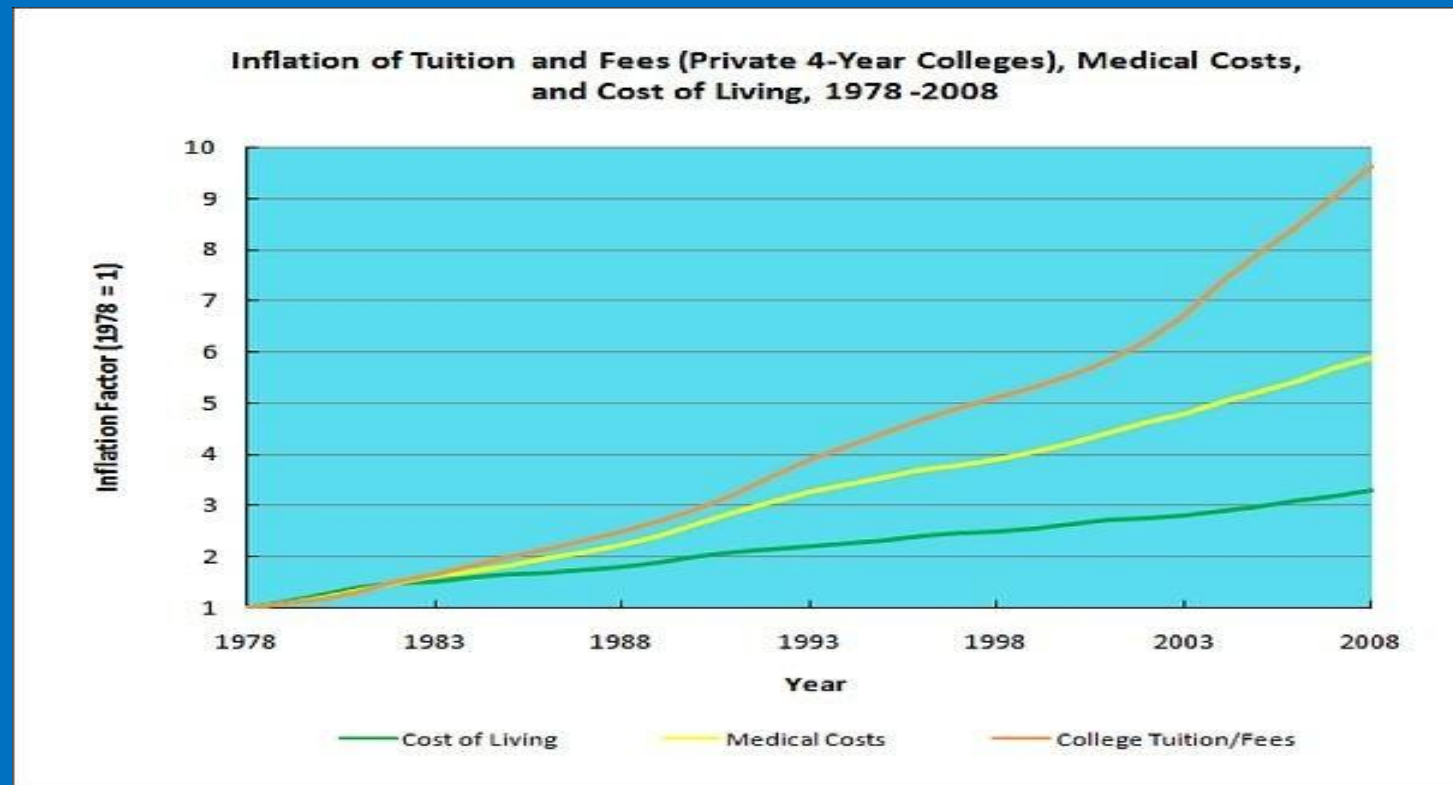
So Why?

- Number of non-profits in the US grew by 68% from 1993 to 2003 or 53% since 1998
- Gen X and Y give to a lesser number of charities
 - And now make up more than 50% of your database; and rising!
- Changing student demographics
 - More first generation and increased diversity
 - More international
 - 56% increase in number of international students from 1989 to 2009
- Increased student debt

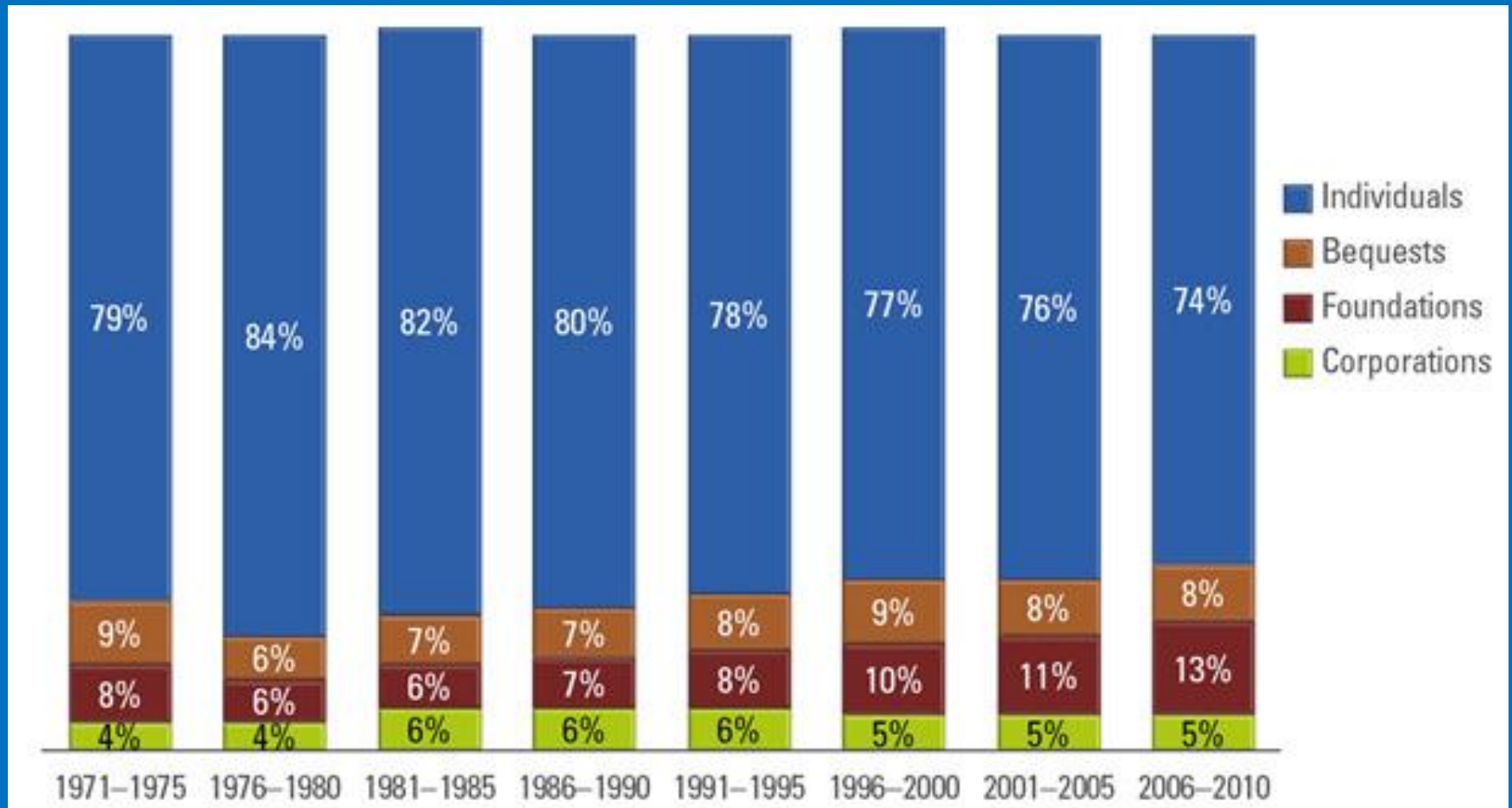
Increased Debt

Rampant tuition growth and increasing student debt

- Consistently increasing at almost double the inflation rate; 8% in '11
- Recent study:
 - 80% of alumni under the age of 35 listed “I feel that I’ve already paid enough for tuition” as the biggest factor for not giving

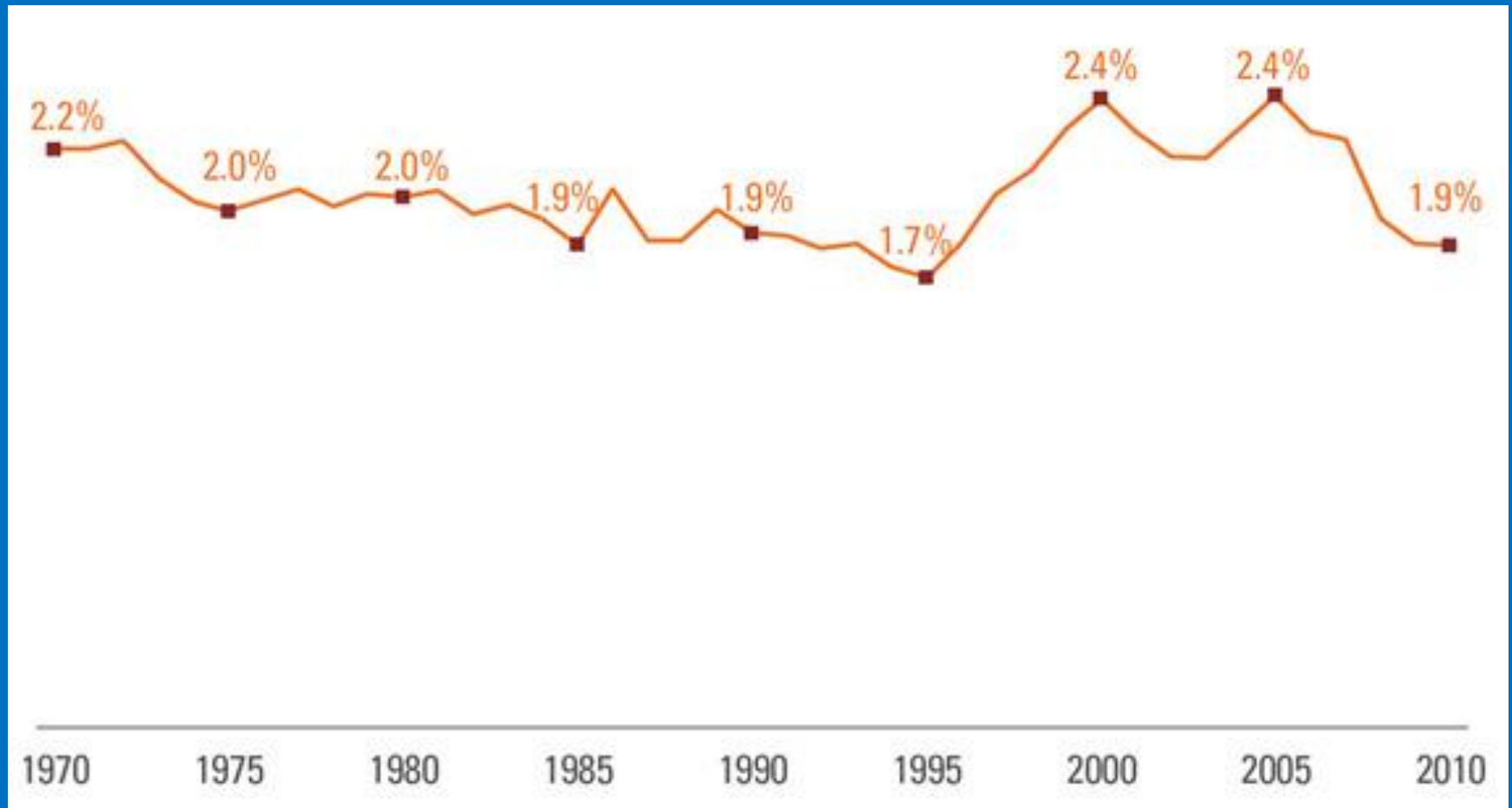


Sources of All Giving in US: People Give to People



Source: Giving USA

Individual Giving as a Share of Disposable Personal Income



An American Tradition

- More people give than vote
- *The Greater Good: How Philanthropy Drives the American Economy and Can Save Capitalism*
by Claire Gaudiani, former president of Connecticut College
- Barclay's Wealth Management
 - Survey of World's Wealthiest Clients
 - Only three nationalities include philanthropy amongst their top 3 spending priorities

Why People Give

- Meet community's crucial needs
- Support an organization that they personally benefited from-saying thank you
- Be a part of success
- Responsibility to share good fortunes
- Respect and recognition
- Spiritual or personal values
- Set example for their family and/or peers
- It feels good, satisfaction

MANY OF THESE ARE TIED TO EMOTIONS

-Note: Tax benefit is usually near the bottom of the list

Some Changing Factors

- A greater focus on:
 - Organizational efficiency
 - Costs, budgets, effectiveness, etc.
 - Impact of gift
 - Accountability
 - Volunteerism before giving
 - Switches the model
 - World and societal impact
 - Less local, more global

A BIG IMPACT ON THIS IS GENERATION X AND Y

Who Are They?

- Gen X: Born between 1966-1981
 - 44 million
- Gen Y: born between 1981-present
 - 76 million
- According to a US Census, approx. 1.5 million Gen X'ers have an annual income of \$100,000+
- Almost 40% of Gen Y is non "White"
- Now make up HALF of your potential donor pool and potential boards
- They, along with their parents, will be recipients of immense transfer of wealth, from 1998-2052, up to \$140 trillion

Generation X-Their Values and Personality

- Are realistic (skeptical)
 - Don't believe the hype
- "Don't want to change the world, but want to fix it" *Judith Nichols*
- High levels of volunteerism (especially social), seek engagement
- Want the facts
- Informality
- Self reliant
- Have adapted to the net & like to use their technology toys

Generation Y-Slightly Different

- A little less civic; more focused on family/friends (very social) and local community
 - Also very global in perspective and sensitive to 'world concerns'
- They prize loyalty
- More upbeat and open to change
- Value diversity even more
- Want tailored communications and interactions
 - Need to feel distinct, but still "at the adults table"
- Even more technologically literate (55% prefer e-mail over phone; 63% prefer web over TV, 83% sleep with cell phone next to their bed)
- Want information and satisfaction immediately

How They Give and Are Involved

- ❑ Intertwining social, entertainment, and philanthropy
- ❑ Want information electronically and tailored
- ❑ They give via multiple channels
- ❑ Seek choices and flexibility

Intertwining Social, Entertainment, and Giving

□ Put the FUN in Fundraising

The Chronicle of Philanthropy

New Ways to Give Attract Younger Donors

Washington and Chicago hosted mock-Iditarod races for charity, using shopping carts in lieu of dogsleds, report *The New York Times* and the *Chicago Tribune*.

The races reflect a growing trend as younger, often cash-strapped donors seek unconventional ways to have fun and raise money for good causes at the same time. Activities like mustache-growing competitions, bachelor auctions, and dodgeball tournaments—as opposed to the traditional galas and concerts—seek to engage a new generation of philanthropists who agree with the Iditarod’s organizers that “fun is mandatory,” the *Chicago Tribune* says.

□ Peer solicitations, support, causes, “a-thons”—especially for acquisition

- Data shows that requests made by friends and families are most successful
 - Volunteers’ giving pages

Want Information Electronically and Tailored

- ❑ Are likely to be involved and become aware of a cause via social media, but want info via email
- ❑ Some do give via texting, but use caution
- ❑ When providing information, they want to know about the programs and how the money is used, less worried about the financial
- ❑ Include “them” in all your pieces
- ❑ Don’t use institutional voice or talking heads

<http://prime.peta.org/>

<http://www.peta.org/>

<http://www.peta2.com>

<http://www.petakids.com/>

They Give via Multiple Channels

- Must combine and package solicitations
- Difficult to track causation and ROI
 - *More than twice as many online donors say they were prompted to give an online gift in response to a direct mail appeal compared to when they received an e-appeal, according to a national Dunham+Company study recently conducted by research firm Campbell Rinker.*
 - *Further underlining the importance of direct mail to motivate online giving, 1 in 3 donors (37 percent) who give online say that when they receive a direct mail appeal from a charity they use the charity's website to give their donation.*

Seek Choices and Flexibility

- The demise of “unrestricted”???
- Can make larger gifts, don’t underestimate
 - The move to “sustainers”

Women as Philanthropists

- Will inherit 70% of the \$140 trillion
- Women give almost twice as much of their wealth to charity as do men
- Many of the motivations for women to give are similar to men, but some have different factors

Differing Motivations

- Significantly greater influence compared to men:
 - Giving back to the community
 - Volunteer for the organization
 - Set example for young people
- Significantly less influence compared to men:
 - Feel financially secure
 - Support same organizations annually

Quick Summary

1. Philanthropy in the US was created for the Civic generation, predominantly men
 1. Business as usual will not cut it
2. We are facing greater competition
 1. Can no longer rely as much on loyalty
3. We are under greater scrutiny and evaluation
 1. Must be better at what we do, how we do it, and how we tell it
4. Volunteerism might precede giving
 1. Are we set-up to handle this type of desired involvement and partnership
5. Technology is changing
 1. We need to change with it, but not jump to it

My Parting Thought for All Fundraisers

We are in an amazing business and are involved in an incredible process. Many jobs see people at their worst, through philanthropy we get to see people at their best.

Gifts are given by people that we will never meet to people that they will never meet ~ all in the name of kindness and charity.

We help to support the dreams of young people and help the old accomplish their life's goals.

Every day we come to work and participate in philanthropy, every decision we make, and everything that we do ~ we are making a difference.

Cherish and Celebrate This Daily!

Questions & Discussion

