

Supporting The Rising Generation Of Philanthropists – Thoughts On "Giving Tuesday"

The author of this commentary argues that movements will continue to have a strong audience with young people who receive their social and philanthropic education through voices in media that resonate with their values.

Since 2012, Giving Tuesday (this year on Tuesday, November 29) has been celebrated in over 85 countries. In the US alone, approximately \$2.7 billion was raised on that one day in 2021.

The impact of thoughtful and impactful philanthropy globally cannot be taken lightly and, as new generations...new demographics take on a leadership role in philanthropy, it is anticipated that both the scope and focus of philanthropy will change. Madeleine Williams, a Philanthropic Associate at [Strategic Philanthropy](#), and a representative of Generation Z takes a look at how advisors and senior generations can support the rising generation to be thoughtful philanthropists (This article is a companion piece to: [Movement Building and the Rising Generation](#) published on October 20, 2022.)

The editors of this news service are pleased to share these views; the usual editorial disclaimers apply. Email tom.burroughes@wealthbriefing.com

One increasingly popular topic of discussion is how the “face” of philanthropy is changing. More and more young people and women are taking the helm of financial decision-making and for these demographics, philanthropy is a critically important expenditure of resources. In fact, in a number of recent surveys, philanthropy was among the top three financial planning and investment interests.

But, as many members of the rising generation will tell you, there may be a desire to be more philanthropic and better at it, but how to do so is another question. The next generation of philanthropists (Millennials and GenZ) are a diverse group. They are entering the philanthropic community through many different doors. They may be coming on to the board of their family foundation, marrying into a family with a history of giving, experiencing their own wealth creation through business ventures or inheriting wealth from their parents. Regardless of the context or source of charitable assets, there is no one-size-fits-all approach to ensuring that the next generation is prepared for their journey as philanthropists, so it is critical to find common points of practical engagement that will empower the rising generation.

Here are six strategies for effectively onboarding the next generation of philanthropists regardless of the charitable vehicle they may be using or the context for giving. All of the strategies are rooted in the understanding that preparing the next generations to steward their or their family’s philanthropy, means that it is important for them to feel comfortable, empowered and capable of effectively addressing the complex issues of our time, in order to create or employ new best practices that prioritize relationship-based giving and values that transcend generations.

1. Remove the intimidation factor

For many members of the rising generation, philanthropy can be intimidating. During her first experience of participating in the family’s giving, one next-generation family member in her mid-twenties shared that she was nervous to talk about money and the family wealth. Despite a history of generosity, her parents had not really discussed the family’s finances with her. This is not an uncommon situation and can inhibit a young person’s participation in family philanthropy or even building out their own philanthropic strategy.

One way to prepare the rising generation for comfortably engaging in meaningful philanthropy is to start early rather than waiting until the child becomes a young adult. By talking about how the family's wealth has been used to address important issues in the community or world and by sharing examples of what the family has done specifically can help young people, even young adults, better understand not only the financial capacity of the family but how it is being used to make a difference in the world.

By actively engaging in discussions about giving to help others, young people will develop a comfort level with their family's wealth and develop a holistic picture of what it means to be a thoughtful donor.

Advisors, parents and grandparents should talk about the different ways in which philanthropy could be pursued. This might include discussing how the family's philanthropy is handled. Is there a family foundation, a donor advised fund or trust in place? What does that mean, how does it work, when could they have a role?

Have members of the next generations identified any organizations or issue areas that they want to know more about or that they care about? Volunteering at a food bank, a community center or joining an organization that supports or addresses an cause that they care about is a wonderful introduction to real world philanthropy. Another way to help rising generations to better understand how philanthropy works is to create a small (age appropriate) giving fund that they can use for something they care about and have them talk about what they want to do with those funds and then what they learned once a gift had been made.

2. Emphasize learning

Encouraging the next generation of philanthropists to learn from individuals on the ground is an opportunity to build a comfort level in the "language" of philanthropy and better understand or experience the real-time impact of philanthropy.

One way to do this is to participate in volunteering opportunities at local non-profits. This will help build a philanthropic foundation that focuses on the needs of grantees, driven by the experience of jumping in and volunteering with the work itself rather than just writing a check. Additionally, organizations such as the Johnson Center for Philanthropy and the Center for Effective Philanthropy have a plethora of learning opportunities that serve to educate the next generation of donors on principles related to how to be an effective donor as the philanthropic landscape changes. By emphasizing learning, the next generation can transform interactions with grantees into opportunities to listen about the most pressing needs on the ground and how funders can best meet them.

3. Involve peers, professionals, and mentors

One common denominator among the rising generation is that they get a lot of information and support from their peers and from the internet about almost everything, including philanthropy. Peer relationships help provide a space for reflection and discussion, but it is also important to help them to parse what they learn so that they can discern good from bad information or recommendations. This is an important part of ensuring that best practices in philanthropy are understood and followed. Family advisors, family members and community resources can serve as guides and mentors as the next generation begins its philanthropic journey.

There are many practical options for young philanthropists to build strong relationships in the philanthropic community. Community foundations and United Ways have groups for younger people to share and explore their philanthropy as well as learn about good practice in philanthropy. Conferences held by member groups such as Exponent Philanthropy, National Center for Family Philanthropy, or one of the Regional Associations for Grantmakers (RAGS), and Giving Circles are excellent places to learn as well as find peer relationships.

4. Develop a philanthropic identity

Who are they? What do they care about? What are they going to do about what they care about?

Being able to clearly articulate, or respond to, these questions is what a philanthropic identity is all about. A challenging aspect of developing a philanthropic identity is for the next generation to build confidence in their own voice. Next generation members may have ideas that differ from their parents and grandparents, resulting in a struggle to see themselves as equal to those who have been giving for years. Ensuring a safe space for conversation about family values and philanthropy is critical in order to give the next generation the room to both learn and grow...and listen. Many members of the rising generation will need to be coached to value and use their voice and they need to feel that the developmental process is being taken seriously – an opportunity for discussion, reflection, and questions?

Advisors and family members can work with the next generation by using reflection exercises to generate thoughts about why they want to give impactful experiences they have had, social issues they care most about, and imminent needs they see in their own communities.

Ways to do this include practicing scenarios to share opinions and scenarios to face criticism. It is critical to work with younger philanthropists to affirm their value, and the next generation needs advisors to encourage them to share ideas with confidence and persistence.

5. Find common values

Despite the differences between generations, there is usually common ground to be found as the next generation joins their seniors in philanthropy. Identifying or even just articulating common values across generations is critical if all generations are going to work together within a specific charitable vehicle. It is important, from the onset, to mitigate any conflicts around giving decisions.

The first step is to talk about what the drivers are for each family member when it comes to philanthropy. What does each person care about? What do they want to accomplish with the financial resources at their disposal? What are their priorities when it comes to philanthropy? Focusing on the similarities rather than the differences in terms of values, priorities and goals will not only make decision-making easier it will increase impact and forge pathways to a more innovative future.

6. Manage expectations and encourage the journey

Every generation begins their philanthropic journey in much the same way; uncertain about how to proceed, how to have the greatest impact and how to make meaningful gifts. This all doesn't happen overnight or in a vacuum...the learning curve is different for each person. With the right learning experience, with open and honest communication across generations, the next generation can fairly quickly become a contributing part of the philanthropic sector. More importantly, by employing some of the tools outlined here, the next generation of philanthropists will be in a better position to collaborate, to embrace their potential, to champion the innovation in grant-making practices philanthropy needs, and to make an impact based on true community needs.

Strategic Philanthropy Ltd. is a Chicago-based global philanthropic advisory firm founded in 2000.