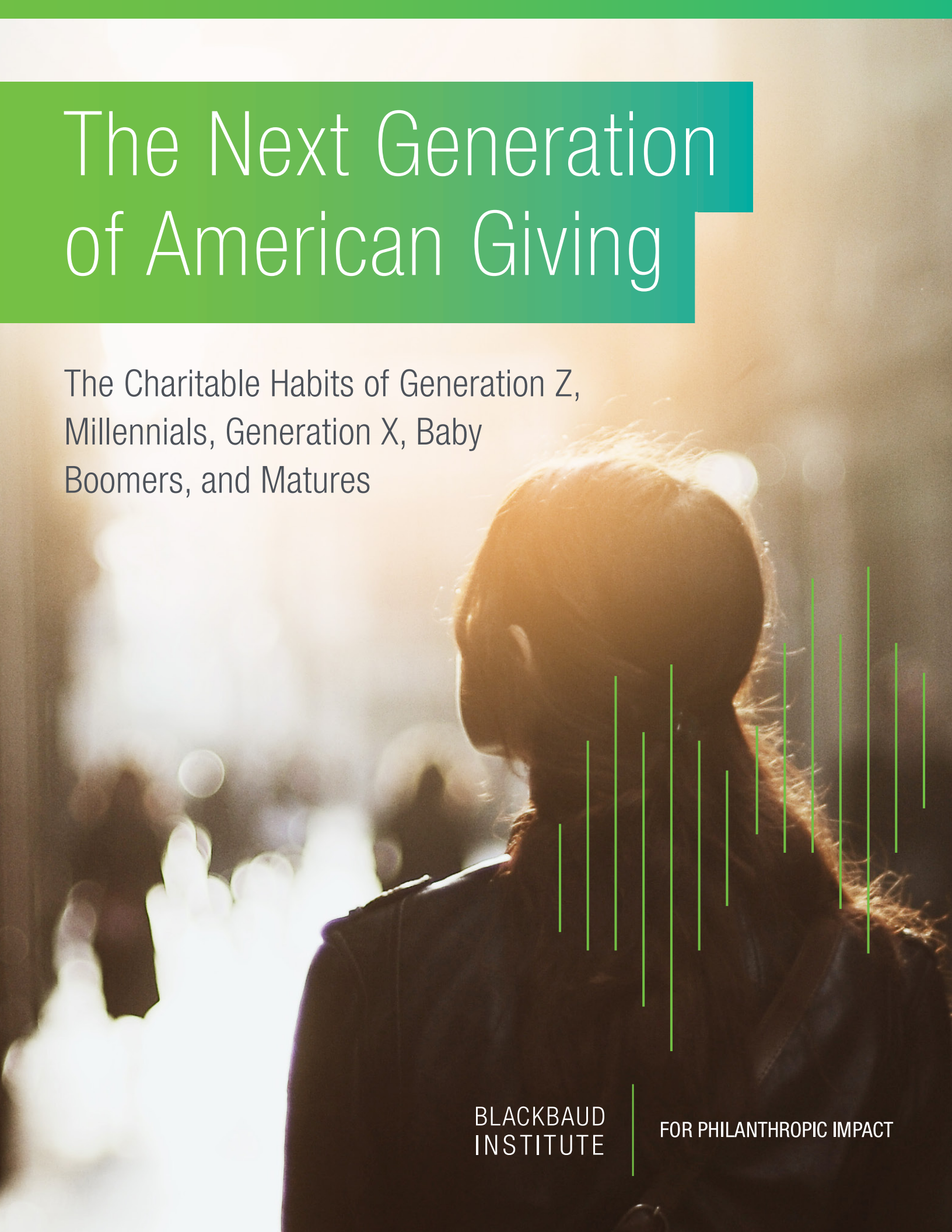
The Next Generation of American Giving

The Charitable Habits of Generation Z, Millennials, Generation X, Baby Boomers, and Matures



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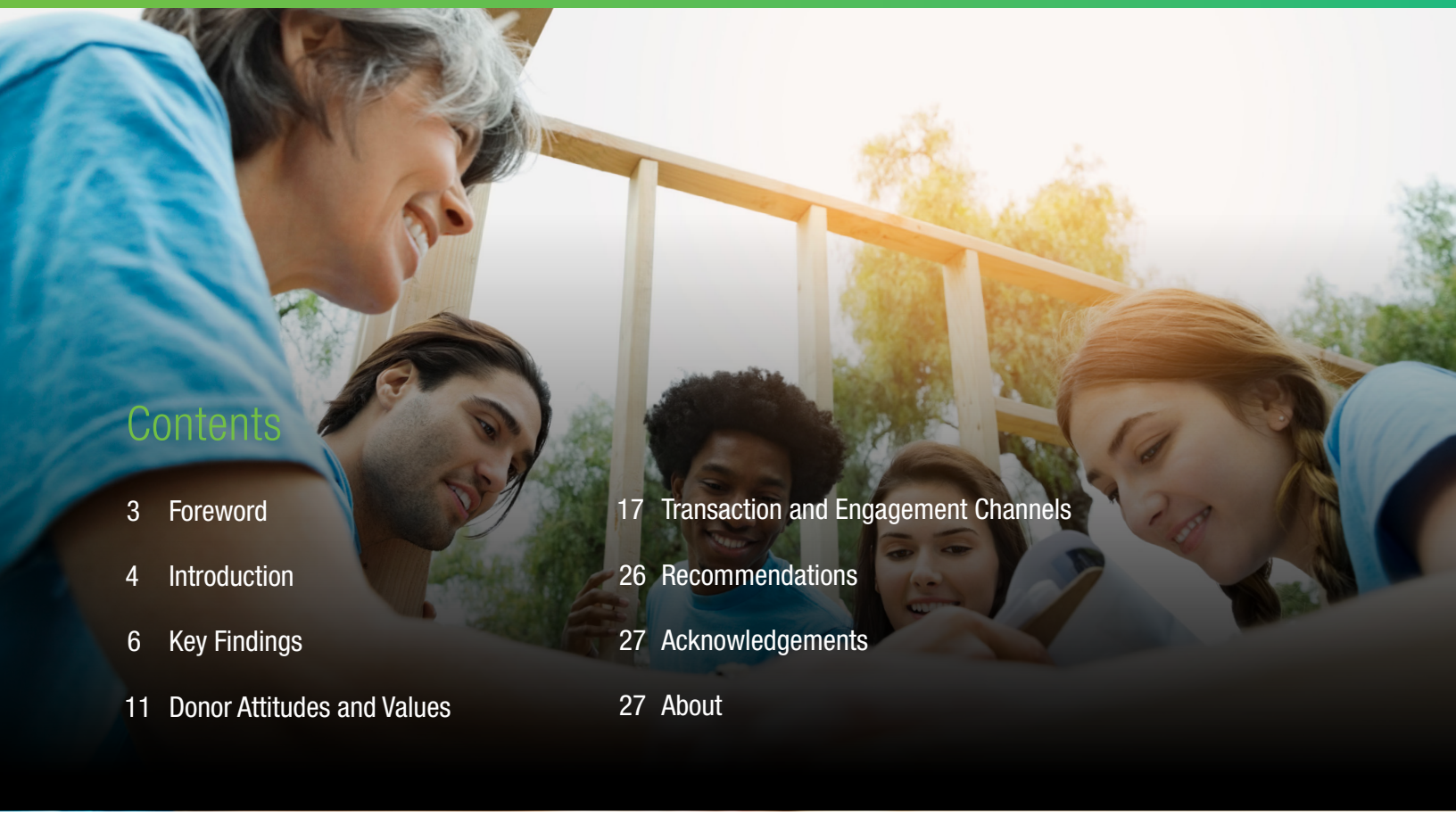

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FOREWORD

Every person engaged in the world of social good is dedicated to one thing: positive change. We are constantly searching for ways we can make greater progress or achieve results faster to meaningfully move the needle on the causes we care about.

At its core, the ability to drive those enhanced results is rooted in our capacity for building strong relationships. The more we can understand our supporters and tie them to the causes they care about, the more we can sustain progress and cultivate lasting results.

The first step to building those kinds of meaningful relationships is to learn about our supporters at a fundamental level. What are their passions? What are their beliefs? How do they want to be engaged?

We published our first *Next Generation of American Giving* in 2010 to help the social good community examine those passions, beliefs, and preferences through a generational lens. Learning how Matures, Baby Boomers, Gen X-ers, Millennials, and now Gen Z-ers prioritize different causes and engage in different ways provides valuable insight. In turn, this knowledge allows fundraisers to tailor their outreach and ensure they're reaching the people who care most about their causes.

As technology has evolved around us, so have the channels for building those connections. Now, in 2018, this report reveals increasing preferences for tools like mobile giving and crowdfunding, which put the donor in the driver's seat. This shows fundraisers they need to continue to evolve with technology to reach supporters where they are.

As you read this report and absorb these findings about the evolving beliefs and passions of the different generations, I hope you will remember that, ultimately, these insights serve the core purpose of helping you—the social changemakers—build bridges to those who care most about your causes. Use this information to inform your outreach, but know that the relationships you cultivate are still the key. With this deeper understanding of your supporters and the tools they use, there is no limit to the positive change you can achieve.

Catherine LaCour
Chief Marketing Officer, Blackbaud
Senior Advisor, Blackbaud Institute

INTRODUCTION

In 2018, looking at philanthropy through the lens of generational change is maybe one of the least confusing and chaotic perspectives we can take. Amidst the political turmoil, economic uncertainty, biblical-scale natural disasters, widening gap between rich and poor, and the dizzying explosion of social media, each of us, predictably, ages exactly one day every 24 hours. No more, no less.

Military planners call our new reality 'VUCA,' short for 'volatile, uncertain, complex, and ambiguous.' If you're a fundraising professional or nonprofit executive, that probably sounds about right.

Generational change, for the most part, is linear and predictable. One generation succeeds its parents and, in turn, gives birth to its successors. Compared with the other chaos facing fundraisers today, this march of generations is stable. Baby Boomers continue in 2018 to consolidate their position at the top of the giving pyramid. Hype aside, the days of millennial ascendancy in philanthropy are still decades away.

That is not to suggest there are no important lessons from a generational analysis. On the contrary...

One surprising lesson we learned came from insight on Generation X, a cohort of Americans whose brand identity is that of the neglected middle child. Gen-Xers are within hailing distance of their prime years. And numbers-wise, while the Millennial generation is larger, there are significantly more Xers than you might think. Regardless of the fascination with Millennials, Gen X is poised to be the next big thing for philanthropy.

As the giving baton passes, a debate always rages as to whether giving attitudes and habits are products of the unique outlook of each generation, or whether these attitudes and habits evolve with changing life stages.

In other words, once Millennials reach their peak giving years in 20–25 years, will they think and behave more like their parents, or will the values they express now carry forward to drive giving behavior? There's evidence for both perspectives.

This is the third in a series of generational giving studies sponsored by Blackbaud and conducted by Edge Research. The earlier studies (2010, 2013) provide us with valuable trend information about evolving attitudes, beliefs, actual practices, and donor expectations. We also recommend you read this study as a companion piece to the Blackbaud Institute's *2017 Charitable Giving Report,* which tracks actual fundraising performance over the past year. It's always important to weigh people's stated behavior and intentions—at the heart of this study—against what people actually do. Together, these reports shed light on the inner life of donors across the generations and their actual giving behavior.

We offer this study in the hopes that it will help guide your strategic and tactical choices in the VUCA world of fundraising in 2018. And we offer it with deep gratitude for your passion and your persistence in helping to power the many causes that matter.

Key Findings

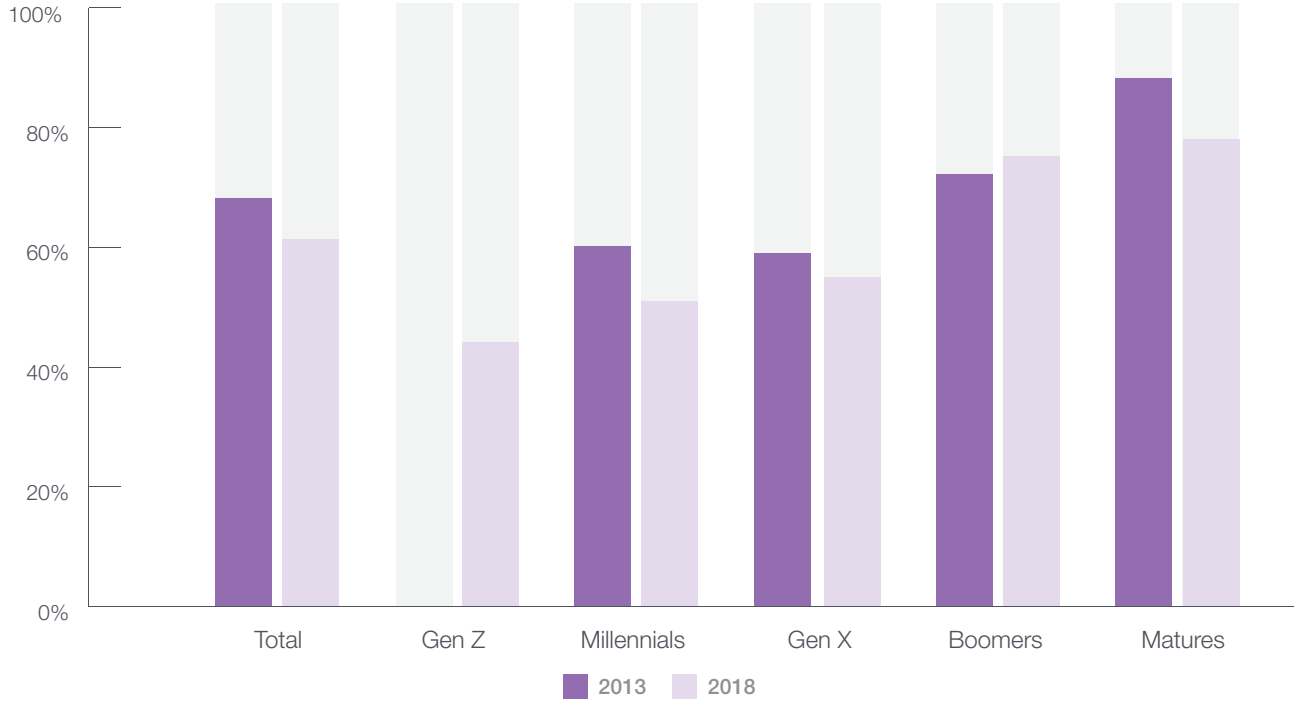
1 Fewer Americans are giving.

The study data in Figure 1 suggests that, with the exception of Baby Boomers, each generation has seen a decline since 2013 in the percentage of cohort members who say they give to charity. The study's findings agree with a growing body of research[1] suggesting that, even as total dollars donated is growing, the population of givers is contracting.

Given the overall concentration of wealth in fewer and fewer hands, this trend is hardly surprising, but it does merit attention. And in case the mountain of evidence supporting the importance of retention as a priority has not been convincing enough, perhaps the declining donor population will finally tip people toward action.

FIGURE 1

PERCENTAGE OF SELF-REPORTED DONORS: 2013 TO 2018



	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
2018 Population Estimates*	21,219,229	67,065,175	65,631,839	74,102,309	29,936,901
Estimated Number of Donors	9,322,880	34,052,611	35,789,698	55,251,571	23,499,330

*Source: American Community Survey 2016, US Census Bureau

[1] "Fewer Americans Find Room in Their Budgets for Charity," Chronicle of Philanthropy, 2017.

[1] *Vital Signs Parts 1 and 2,* Blackbaud Institute for Philanthropic Impact, 2017-18

2 The Greatest Generation is in its sunset years.

Those born before 1946, now in their mid-70s and up, remain a significant giving force, but their star is fading. In 2010, this generation dominated the philanthropic landscape. Today, the Matures have fallen behind Boomers and Generation X in terms of total dollars donated. While declining in number, however, they remain mighty in generosity. Matures donate more money per capita ($1,235) than any other cohort, and they give to more charities.

It's also worth noting that the current philanthropy infrastructure, along with its best practices, strategies, and methods, was built for this generation. As new generations become dominant among givers, it is increasingly important to reconsider whether the founding assumptions that give rise to philanthropy as we know it still hold.

Matures donate more money per capita ($1,235) than any other cohort, and they give to more charities.

3 Baby Boomers remain the most generous generation.

For those who are waiting for the ascendancy of Baby Boomer donors to pass from the scene, the wait is going to take a while. As Figure 2 shows, Boomers say they gave nearly $60 billion to nonprofits last year. That represents 41% of all money donated during that period. Not only have Boomers given the most, they are significantly more likely to be givers than younger generations. In fact, Boomers are the only generation seeing a directional increase in the percentage of cohort members who say they give (Figure 1). And, nearly three-fourths of Boomer donors say their giving will either stay the same next year (60%) or increase (12%). See Figure 3. One contributing factor: The Boomer cohort remains the most populous of any generation, with more than 74 million living members.[2]

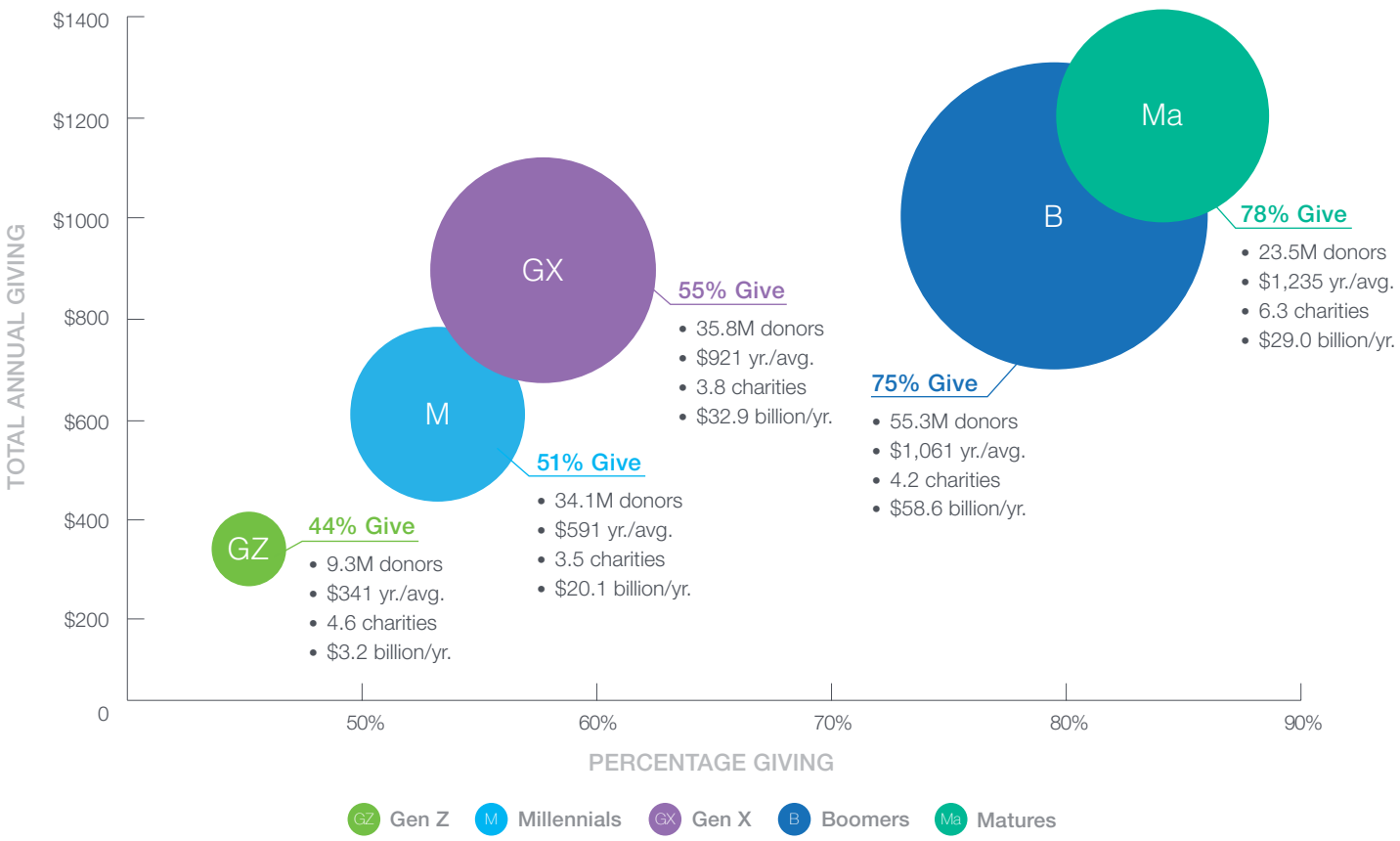
There are some early indications that the Boomer-dominated giving may be approaching the top of the parabola. Boomers' self-reported, per-capita giving fell slightly, from $1,212 in 2013 to $1,061 today. And the overall percentage of dollars given by Boomers has ticked down slightly, from 43% in 2013 to 41% today.

According to the Blackbaud Institute's recently released *2017 Charitable Giving Report,* the average U.S. donor is 64 years old. That puts them dead center in the Boomer cohort, which spans ages 54 to 72. That suggests it's realistic to predict their dominance to continue for at least another five years.

[2] American Community Survey, U.S. Census Bureau, 2016.

FIGURE 2

GIVING BY GENERATION IN 2018



4 Generation X is on deck (and there are way more Gen-Xers than you think).

If you subscribe to the myth that Gen X (born 1965–1980) is a small sliver of the population sandwiched between the massive Millennial and Boomer cohorts, hold on to your hat. According to the latest Census information (Figure 1), there are roughly 65.6 million Gen-Xers in the U.S., and 67.1 million Millennials (born 1981–1995). That's a difference of less than two million—a roughly two percent difference between the generations. The more meaningful difference is one of life stage. Gen-Xers are approaching what have always been prime giving years. Millennials are many years away.

FIGURE 3

ANTICIPATED CHANGE IN 2018 GIVING AMOUNT BY GENERATION

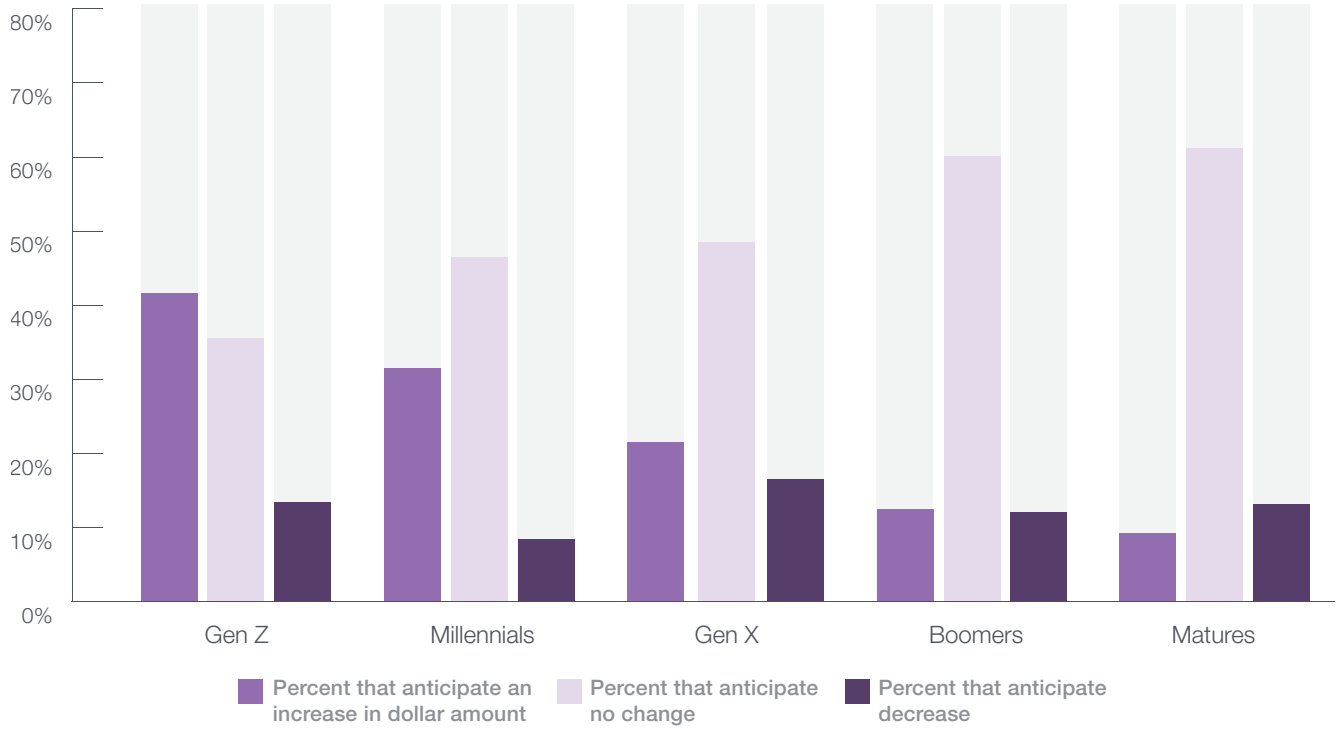
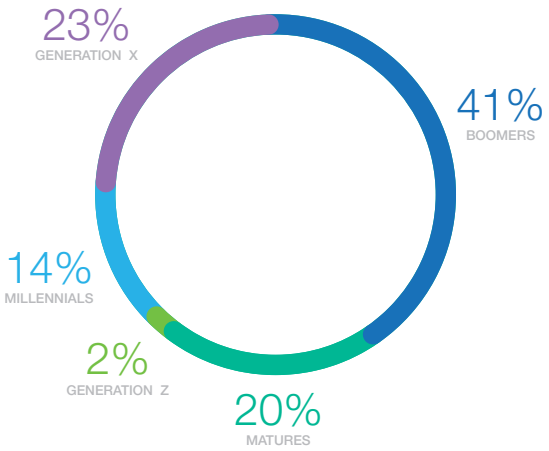


FIGURE 4

CONTRIBUTION TO TOTAL GIVING (PERCENT OF TOTAL DOLLARS)



	AVERAGE DONATION AMOUNT PER YEAR			CONTRIBUTION TO TOTAL GIVING		
	2010	2013	2018	2010	2013	2018
Gen Z	N/A	N/A	$341	N/A	N/A	2%
Millennials	$341	$481	$591▲	8%	11%	14%▲
Gen X	$796	$732	$921▲	24%	20%	23%▲
Boomers	$901	$1,212	$1,061▼	40%	43%	41%▼
Matures	$1,066	$1,367	$1,235▼	28%	26%	20%▼

▼▲ shows statistical significance between 2013 and 2018 at a 90% confidence interval.

[3] "Millennials Projected to Overtake Baby Boomers as America's Largest Generation," Pew Research Center, 2018.

This report finds that in 2018, Generation X has surpassed the Matures in total giving (though the older group is still giving more than Gen-Xers per capita). And, more than 20% of Gen-Xers say they expect to increase their giving in the coming year (Figure 3), almost twice as many as Boomers (12% say will increase) or Matures (9%). According to Pew Research, the overall population of Gen-Xers is forecasted to exceed that of Boomers some time in 2028.3 That means the 'Age of X' in philanthropy may be as little as a decade away.

The numbers carry an important message for fundraisers. In the foreseeable future, your organizations' financial wellbeing lies primarily with Boomers and Gen-Xers. This is not to suggest Millennials should be ignored, but the case can be made that many pay them more heed right now than is prudent.

5 Millennial giving is still a work in progress.

Roughly 34 million Millennials contributed 14% of all money donated over the past year (Figure 4). That represents an increase of three percentage points since 2013. On the brighter side, nearly a third of those Millennials who give say they plan to increase their giving in the next year (Figure 3).

Millennial giving raises the discussion between life stage and permanent generational values. Historically, most giving has come from people in middle age and older. There's a practical reason for that. The demands of building a career and raising a family often leave little room, or disposable income, for philanthropy. Millennials are not only at a life stage dominated by career and family priorities; they have inherited a world of economic uncertainty in which nothing can be taken for granted.

There's no question the day will come when Millennials are a philanthropic force to be reckoned with. That day, however, is far from imminent.

6 Introducing Gen Z.

Millennials are no longer the new kids on the block. Members of Generation Z, also known as "post-Millennials" (born 1996 and beyond) are either still in school or in the earliest stages of striking out on their own. As of now, they represent about two percent of the giving pie, but they are incredibly powerful when they decide to raise money by influencing others through digital technologies. It will be decades before they become a major force in philanthropic giving. When they do, their giving behavior may reflect their distinctive racial and ethnic diversity, their status as digital natives, and their social cohesiveness. Time will tell.

7 Channel proliferation continues, confounding strategy and attribution.

As explored later in this paper, giving is distributed across more channels than ever. The data suggests that while direct mail has declined and the number of people who say they responded to an email has remained steady, newer channels may not be picking up the slack. There is some speculation that the proliferation of giving channels may be causing 'choice anxiety,' the tendency to do nothing when confronted with too many options. That could be influencing the overall decline in giving behavior.

And, as this study shows, the digital environment is also important to even late adopters. It should be a part of their engagement and cultivation, even in the twilight of their giving lives.

8 Concern about overhead remains high.

In spite of its shortcomings, one metric of choice for many donors continues to be the percentage of donated funds that go to programs as opposed to fundraising or administration. Donors continue to express concern about financial efficiency. Younger donors are especially concerned about the ability to see the impact of their donation. See the Donor Attitudes and Values section beginning on page 11 for more.

Donor Attitudes and Values

FIGURE 5

TOP OVERALL GIVING PRIORITIES

MOST FREQUENT GIVING CHOICES BY GENERATION				
GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Children	Worship*	Health*	Local Social Service	Worship*
Animal	Children	Local Social Service	Worship*	Local Social Service
Health	Local Social Service	Animal	Health	Emergency Relief
Worship*	Health	Children	Emergency Relief	Health
Local Social Service	Animal	Emergency Relief	Children	Children
Military	Emergency Relief	Worship	Military	Military
Emergency Relief	Youth Development	Military	Animal	Formal Education

*Indicates most dollars allocated when asked to prioritize.

1 Giving priorities differ by generation, but not much has changed.

As Figure 5 shows, giving priorities remain largely unchanged since the 2013 study. Together, local social services, places of worship, health charities, and children's causes make up the largest share of philanthropic wallet overall. For all but Gen X, places of worship receive the single largest allocation of giving dollars when asked to prioritize. For Gen X, health charities dominate.

Looking across generations, health, religion, and local social services continue to sit atop donors' giving priorities. Some small differences among generations do exist. The older you are, the more likely you are to prioritize emergency relief. The inverse is true of children's charities. Gen X and Gen Z are disproportionately committed to animal-related causes.

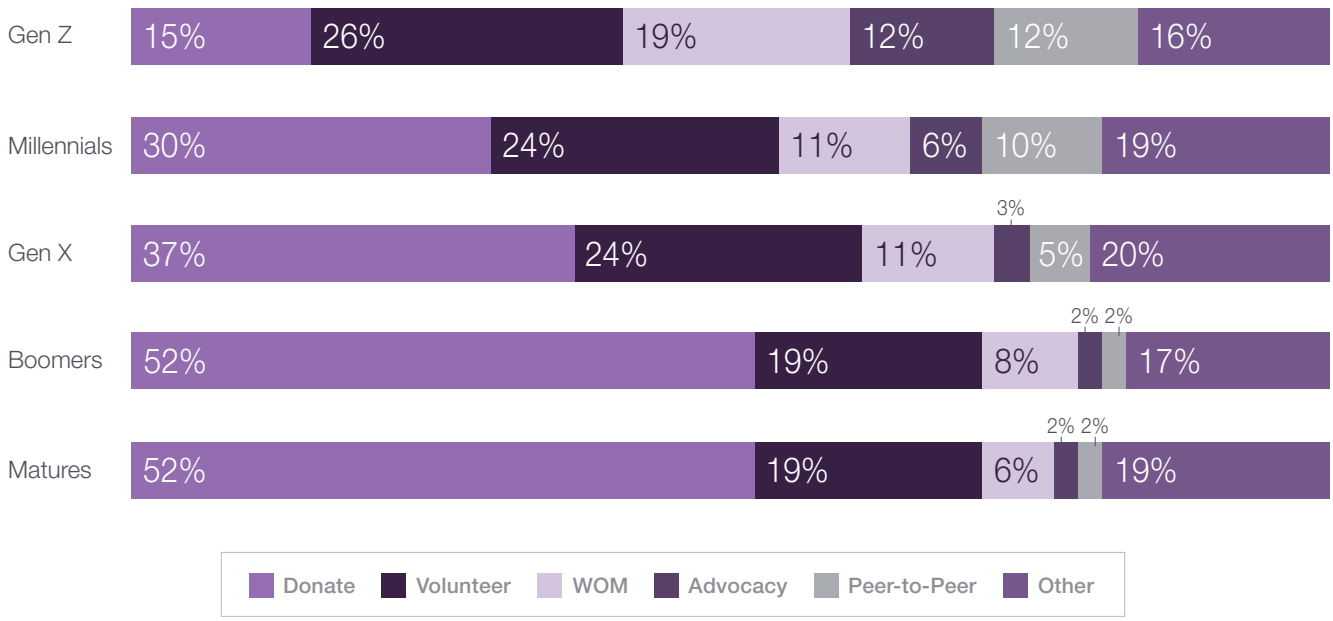
> *Looking across generations, health, religion, and local social services continue to sit atop donors' giving priorities.*

SECTOR	% TOTAL OF DONORS
Local Social Service	38%▼
Worship	38%
Health Charities	34%▼
Children's Charities	30%▼
Emergency Relief	29%
Animal	26%
Troops/Veterans	22%

▼▲ shows statistical significance between 2013 and 2018 at a 90% confidence interval.

FIGURE 6

MAKING AN IMPACT



2 Older donors prioritize money as their greatest form of impact.

We asked survey-takers how they could make the biggest difference with causes and charities. Choices included giving money, volunteering, activism, and spreading the word, among others.

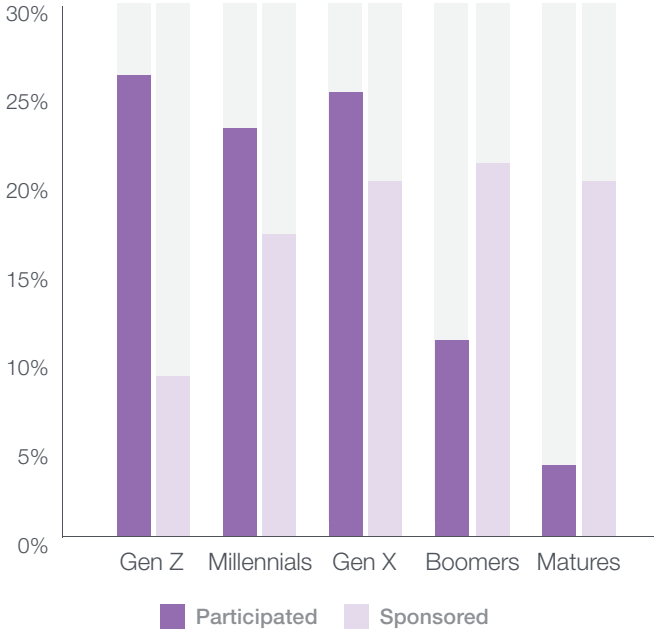
As it has been in the past, the older you are, the more likely you are to prioritize monetary contributions as making the biggest difference. See Figure 6. Similar numbers of Gen-Zers, Millennials, and Gen-Xers choose volunteering as their contribution of choice. Gen Z-ers also emphasize the value of their roles in spreading the word, advocacy, and peer-to-peer.

3 Peer-to-peer fundraising: A perfect generational partnership?

Peer-to-peer fundraising—including the runs, walk-a-thons, and bike-a-thons that are especially popular in the health sector—draws upon all generations, but in different ways. As Figure 7 suggests, the actual walkers, bikers, etc. are more likely to be Gen X or younger. Conversely, those most likely to sponsor said athletes are Boomers and Matures. It's one of the few possible instances of generational symbiosis in the data.

FIGURE 7

PARTICIPATED VS. SPONSORED AN INDIVIDUAL IN A WALK, RUN, OR RIDE EVENT



Some organizations have struggled to retain peer-to-peer event donors, since the donor is initially brought in by a friend or relative instead of directly through passion for the cause. Making the most of an investment in peer-to-peer requires a strong focus on welcoming and nurturing these new donors who may be less familiar with the cause. The same goes for crowdfunding, the digital first cousin of peer-to-peer fundraising, discussed later in this report.

4 Consider the overhead conundrum.

A wise survey researcher once said the hardest part of analyzing your data is knowing when to ignore it. This aphorism comes to mind in the realm of attitudes toward an organization's overhead numbers.

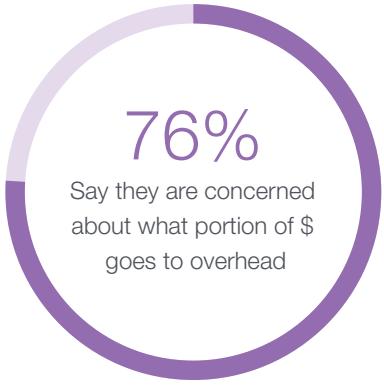
As Figure 8 depicts, three-fourths of donors say they are concerned about a charity's overhead expenses. But substantially fewer, 56%, say they actually do the research to ascertain how a cause they support or plan to support is performing. In our experience working with donors in focus groups, we would guess that the 56% number is overstated. In other words, we suspect the number of people who actually do the research is far lower. It may be an example of respondents giving what they believe to be the 'correct' answer rather than the 'honest' answer.

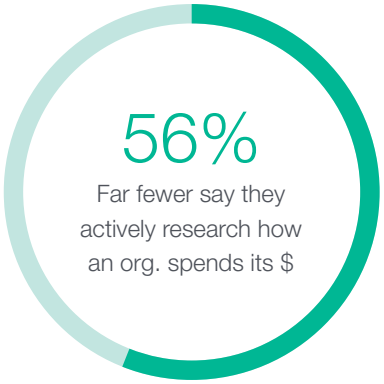
Overhead is a sticky issue. As fundraisers, we know it's a misleading metric that may not shed light on whether a charity is doing its job well. That said, the metric remains deeply embedded in the mind of donors and cannot be ignored.

Whether overhead is a myth or not, donors also express concern about a much more qualitative measure—the impact of their donation. Without a doubt, the Internet has rendered the inner workings of all institutions (charities included) more transparent than ever. So, even though overhead may not significantly influence giving behavior, it is incumbent on nonprofits to make the case that they are well-managed and yield great impact with those funds.

FIGURE 8

WHAT DONORS WHO ARE RESEARCHING FINANCIAL INFORMATION LOOK FOR





There is some evidence suggesting that donors who actually do carry out research appear to accept 'proxy indicators' that indirectly speak to an organization's financial stewardship. Among all generations other than Gen Z (that's 98% of the giving pie), the main source of due diligence information is an organization's website. That gives fundraisers some measure of control over the financial stewardship message. Matures also view news coverage as in indirect indicator.

Younger donors researching causes are more likely to go online to learn about causes they are considering. Sixty percent of Gen-Xers say they use Google as part of their research efforts. Millennials and Gen Z are much more likely to use social media for their due diligence than their elders—hardly a surprise. See Figure 9.

> *Among all generations other than Gen Z (that's 98% of the giving pie), the main source of due diligence information is an organization's website.*

FIGURE 9

PREFERRED INFORMATION SOURCES BY GENERATION

Where each generation's researching donors find their information

WHERE DO YOU FIND INFO?	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Google Search	**59%**	**56%**	**60%**	46%	37%
Social Media	**48%**	**41%**	**22%**	9%	9%
Organization's Website	47%	**64%**	**64%**	**61%**	**60%**
Charity Review Site	34%	49%	44%	45%	44%
Word-of-Mouth	30%	36%	28%	20%	28%
Information in the News	30%	29%	40%	33%	**45%**
Annual Report	18%	29%	19%	**30%**	**31%**
Financial Statements	18%	13%	11%	15%	11%

Bolding shows statistical significance between generations at a 90% confidence interval.
Percentages shown reflect only donors who say they research causes before giving.

5 Factor analysis reveals six mindsets related to giving.

What drives giving and giving choices? To take a fresh look at that question, we performed a factor analysis looking at a range of attitudes and values, depicted in Figure 10. What emerged are six distinct mindsets that together help us understand the outlook of the typical donor. Some of these mindsets are shared in equal measure by all generations. For four of them, however, the 'mindset mix' (i.e., the relative importance of particular mindsets) varies across the age cohorts.

Two mindsets are universally important: a sense of personal responsibility and a concern about financial stewardship. A strong sense of responsibility to help others is the defining value for all generations and underpins nearly all charitable activity. In addition, donors of all demographics express concern about how well their charitable dollars are being spent.

Three other mindsets vary in importance from generation to generation. For instance, older donors are more likely to say they plan their giving, as opposed to giving spontaneously. Younger donors place a higher value on gaining recognition and/or thank-you gifts as rewards for their donations.

The sixth mindset, a value on supporting activism or policy change groups, was mid-range for all generations, with Gen Z being slightly more likely than others to support activist causes.

FIGURE 10

SIX MINDSETS THAT DRIVE GIVING AND GIVING CHOICES, AND RELATIVE IMPORTANCE OF THOSE MINDSETS TO EACH GENERATION

RESPONSIBILITY

- It is my responsibility to support organizations through volunteering
- It is my responsibility to support organizations by donating money
- It is my responsibility to support organizations because of my faith/ religion

FINANCIAL STEWARDSHIP

- Ability to directly see the impact of donation
- Ability to decide where the funds go
- I prefer to give to organizations that make a difference by providing direct services
- I am concerned about what portion of dollars I give goes to overhead versus the cause
- Recommendation from a friend or loved one

PLANNING

- I have an idea of how much I will budget for giving each year
- I have an idea of which organizations I will give to each year
- I actively research how an organization spends its money and achieves its mission before I become a supporter

SMALL AND SPONTANEOUS

- Most of the charitable giving I do is spontaneous, based on who asks and/or what pulls at my heartstrings.
- I tend to give to organizations in small ways
- I like when organizations offer promotional giveaways
- I like to promote the organizations I care about through social media.
- I don't have much time/money to give.
- I would like to support more organizations, but don't know how.

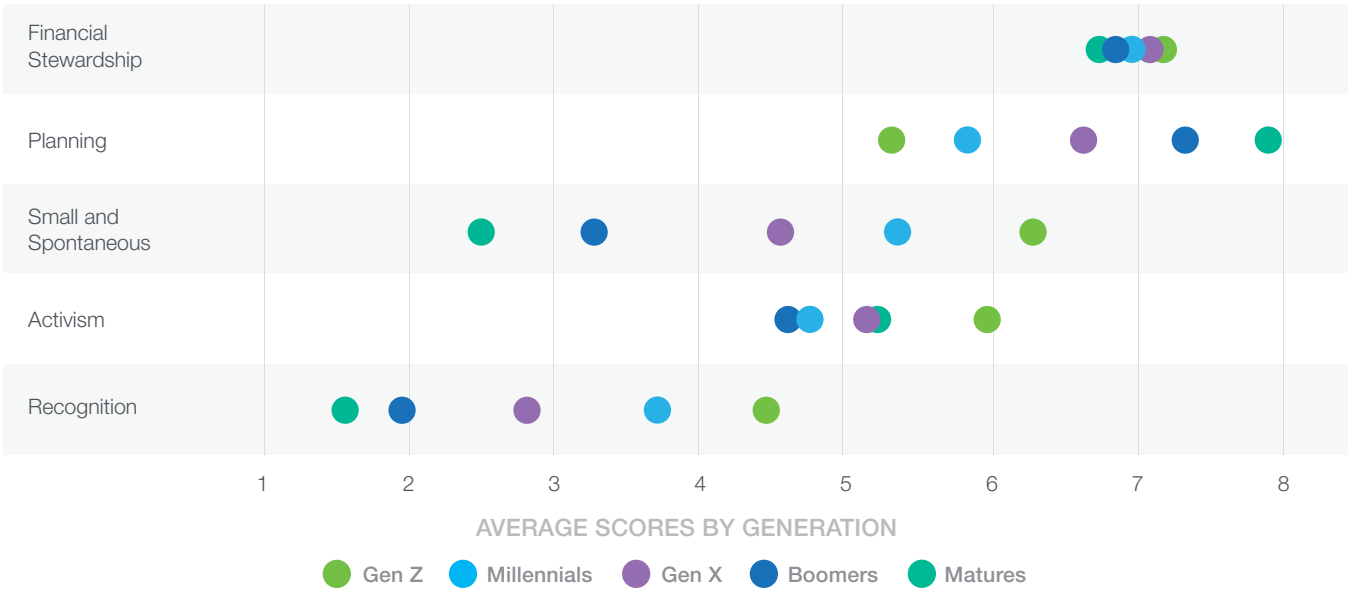
ACTIVISM

- I prefer to give to organizations that make a difference by changing policies/laws
- It is my responsibility to support organizations by signing petitions or engaging in advocacy

RECOGNITION

- Testimonial from a respected figure
- I would support more organizations if I was asked more often
- Public recognition for your donation
- Thank you gift for your donation

DEFINES DONORS → SHARED ATTITUDES → DIFFERENTIATES DONORS ACROSS GENERATIONS

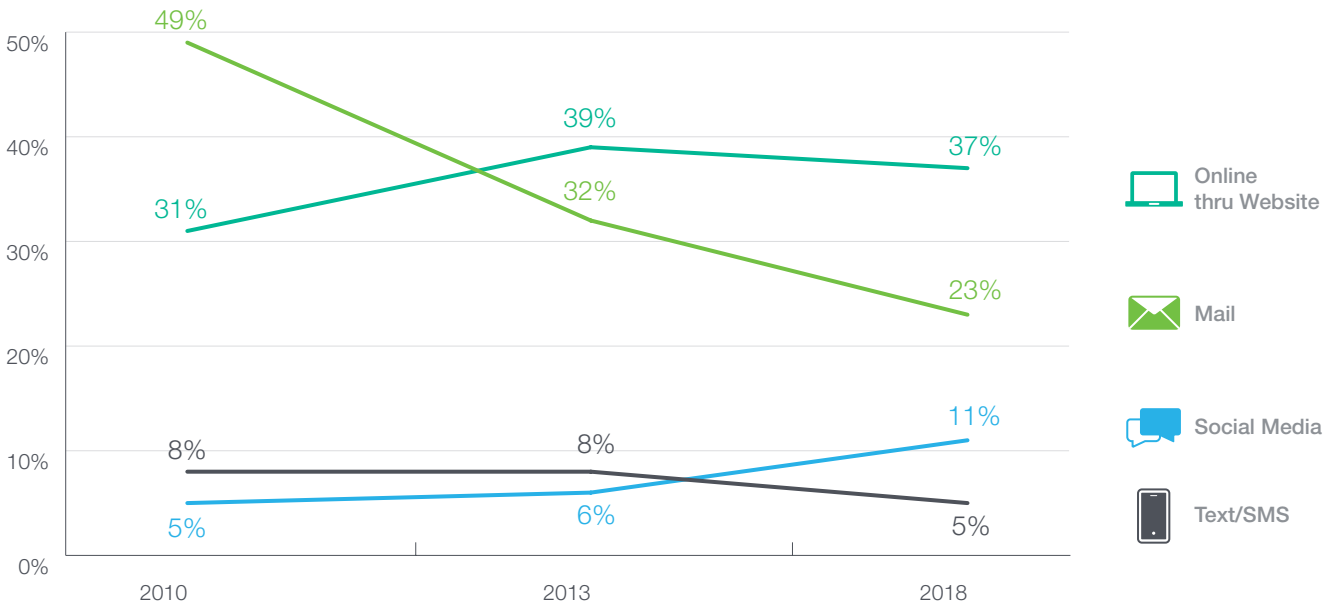


Transaction and Engagement Channels

As giving and engagement channels continue to proliferate, donors and fundraisers alike have a harder job staying connected, and fundraisers struggle to measure the real impact of various efforts.

FIGURE 11

CHANNEL GIVING OVER TIME



CHANNEL (2018)	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Online thru Website	28%	40%	37%	35%	38%
Mail	9%	13%	14%	27%	43%
Social Media	21%	17%	9%	11%	6%
Text/SMS	4%	8%	8%	3%	3%

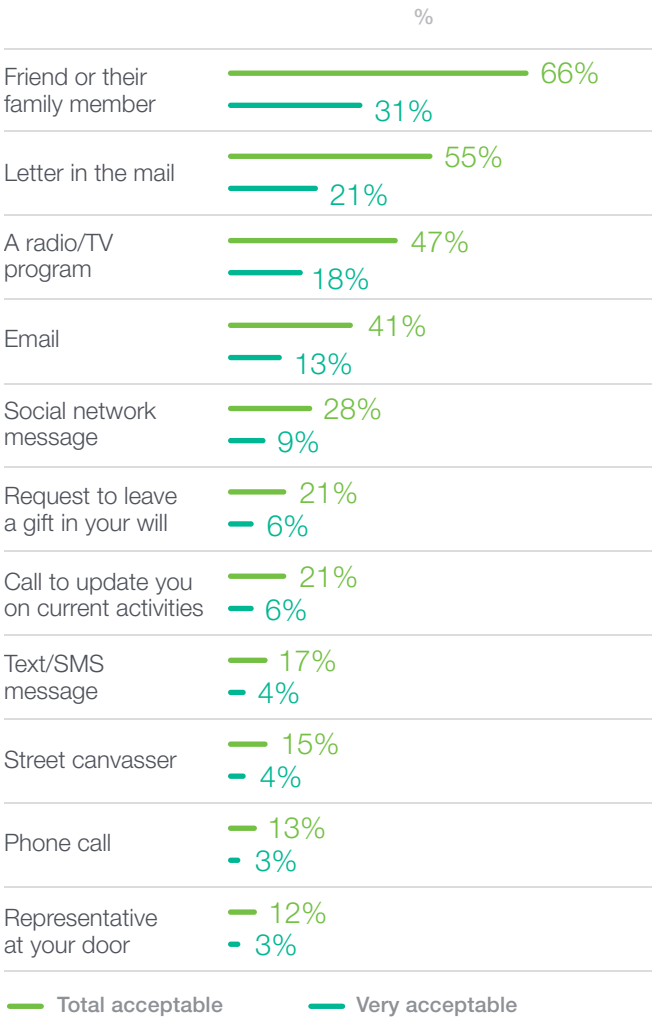
1 Donation Channels

With the exception of social media, reported use of giving channels has declined or remained static across the board. Is the proliferation of giving options causing donor confusion and uncertainty? That is certainly plausible. An equally plausible explanation is that organizations have yet to harness the potential of newer channels.

Reported giving via events, retail, and direct mail is down across the board, with direct mail seeing the sharpest drop. From 2010 to 2018, reported use of direct mail has fallen from 49% of donors to 23%. What is worrying about direct mail's precipitous decline (as reported) is that there does not appear to be a concomitant increase in online giving over the last five years. In terms of dollars, online giving is making steady gains. However, online does not appear to be filling the void left by direct mail's decline. See Figure 11.

FIGURE 12

ACCEPTABLE GIVING CHANNELS BY GENERATION



	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Friend or their family member	71%	67%	65%	67%	60%
Letter in the mail	59%	58%	58%	54%	50%
A radio/TV program	**65%**	**59%**	**51%**	43%	29%
Email	**54%**	**54%**	**49%**	37%	22%
Social network message	**50%**	**43%**	**33%**	22%	7%
Request to leave a gift in your will	**35%**	**30%**	**24%**	17%	11%
Call to update you on current activities	44%	35%	19%	13%	13%
Text/SMS message	**30%**	**32%**	**21%**	9%	5%
Street canvasser	**49%**	**27%**	**19%**	7%	3%
Phone call	**26%**	**25%**	**11%**	10%	6%
Representative at your door	**33%**	**22%**	12%	7%	3%

Bolding shows statistical significance between generations at a 90% confidence interval.

Among Boomers, the gap between direct mail giving and online giving is widening with online gaining ground. In 2013, reported use of online giving surpassed direct mail giving by two percentage points. In 2018, the gap has widened to 8%.

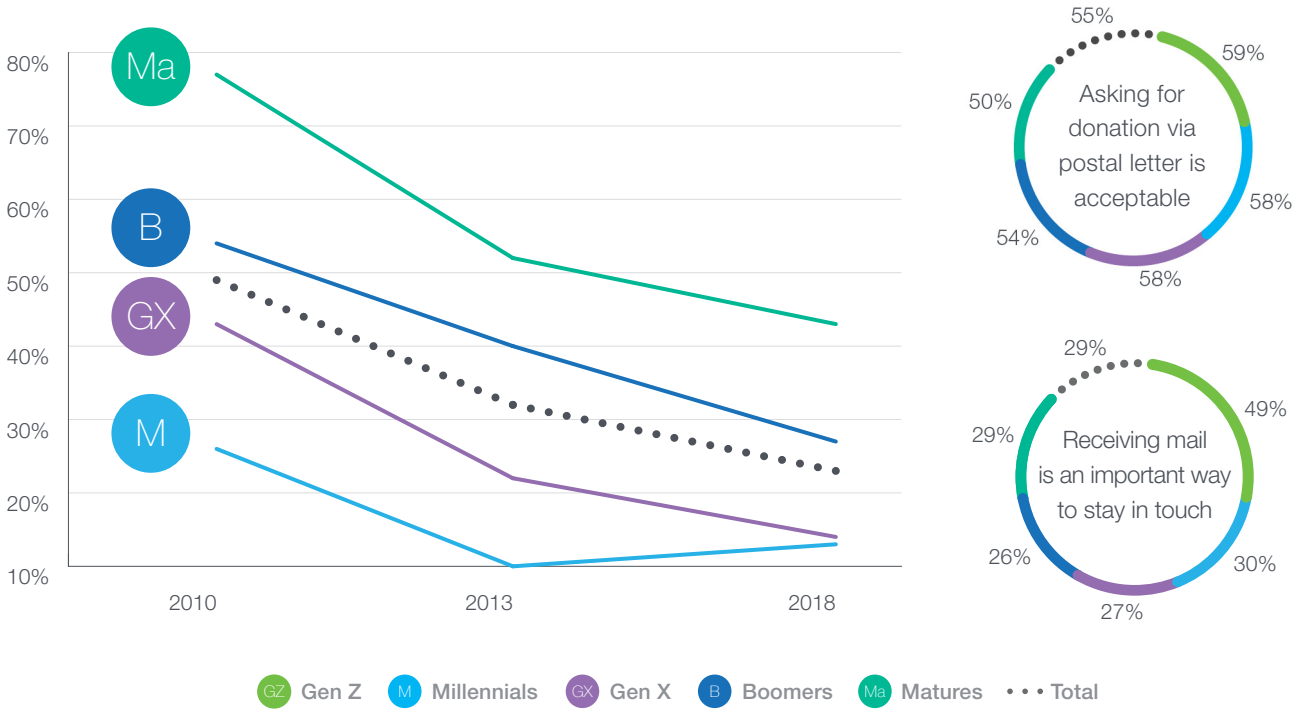
Every astute fundraiser will note, at this point, that direct mail brings in eight or nine times more money than email each year. According to the *2017 Charitable Giving Report,* email giving represents about 8% of all donations to nonprofits over the past year. Those who report giving through an email appeal remains small (only 14%) and has not budged from 2013.

Even if it does not reflect current reality, however, the stated preference for online giving still matters. While online giving growth has been incremental but steady, it could reach an inflection point in the coming years. If that happens, we could see online (in all its forms) drive a significantly larger chunk of the giving pie. Conversely, the decline in stated preference for direct mail giving could represent a leading indicator, one that presages a real-world decline in direct mail performance.

Here's another direct mail anomaly. Even as reported giving by direct mail appears to be plunging (see Figure 13), all generations say it is an acceptable way to be asked. Among Boomers and Matures, it is the only broadly acceptable solicitation channel other than requests from friends. See Figure 12.

FIGURE 13

REPORTED DIRECT MAIL GIVING BY GENERATIONAL DONORS OVER TIME



In general, according to the data in Figure 12, the younger you are, the more open you are to a wide range of solicitation channels. And even the digital native Millennial and Gen Z cohorts say it's fine to send them direct mail, though equally they imply they are not going to respond to it.

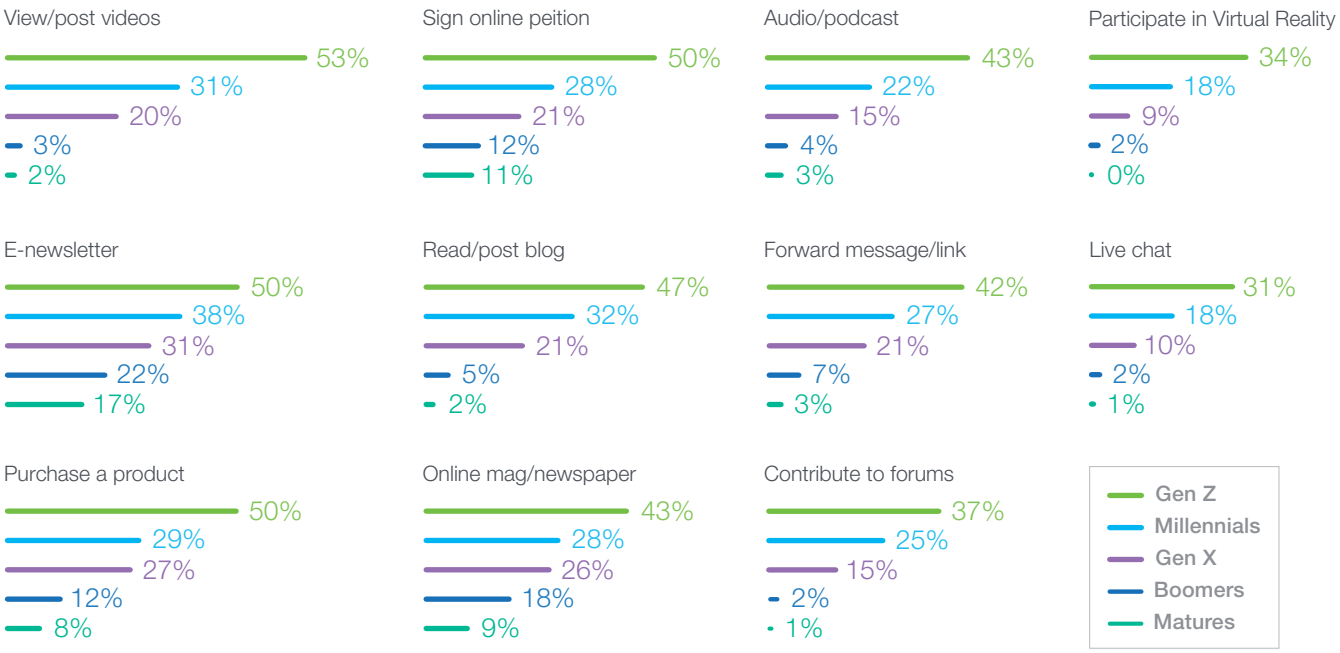
2 Online Engagement

It wasn't long ago that we could speak of 'online' and 'offline' as a way of dividing the communications universe. In the good old days of 2010, 'online' meant giving via email or through a website. Today, online is a constellation all its own, ranging from these older digital channels to more 'established' platforms like Youtube® and Facebook® to newcomers like Pinterest®, Snapchat® and Instagram®. This evolution may be akin to the world of television before and after digital cable. Once, four networks represented the vast majority of viewers. Today, that audience is splintered into hundreds of niches.

The bewildering and fast-changing array of online channels may be one reason digital engagement with nonprofits is still a work in progress. With the exception of Gen Z, none of the cohorts report widespread digital engagement with the causes they support. Even a minority of Millennials and Gen-Xers say they engage in a variety of ways, including reading email newsletters, purchasing cause-related products, viewing videos, or signing an online petition. Most Boomers and Matures report minimal online contact with charities. Email newsletters are the only digital vehicles that seem to have older donors' attention. See Figure 14.

FIGURE 14

ONLINE CHANNELS USED BY GENERATIONAL DONORS TO CONNECT WITH CHARITIES AT LEAST MONTHLY



3 Social Media

Overall, social media presents a mixed picture among the generations. On the one hand, giving via social media is up since 2013. But given that social media giving was nearly nonexistent five years ago, any increase would be significant. With the exception of Gen Z, whose overall giving levels are still low, the high-water mark for social media giving is Millennials—17% of those who have given at all say they have given via a social channel (Figure 15). The trajectory of social media donations could accelerate with the 2017 release of Facebook's fundraising feature, though it's too early to tell.

FIGURE 15

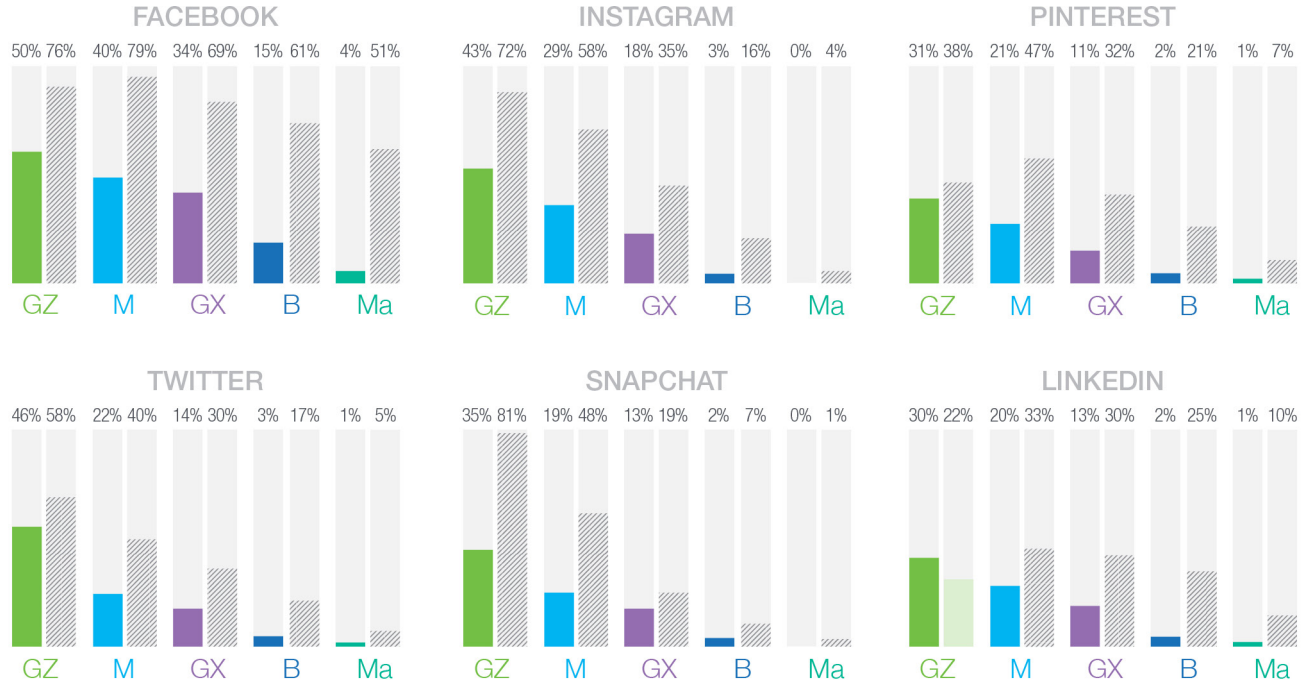
SOCIAL MEDIA DONOR ENGAGEMENT BY GENERATION

	DONATED VIA SOCIAL MEDIA		LIKE PROMOTING ORGS ON SOCIAL MEDIA		FOLLOW A CAUSE OR CHARITY ON SOCIAL MEDIA		SOCIAL MEDIA IS AN ACCEPTABLE WAY TO ASK FOR DONATION	
	2013	2018	2013	2018	2013	2018	2013	2018
Gen Z	N/A	**21%**	N/A	**51%**	N/A	**27%**	N/A	**50%**
Millennials	8%	**17%▲**	N/A	**46%**	28%	**23%**	N/A	**43%**
Gen X	10%	9%	N/A	**35%**	25%	**20%**	N/A	**33%**
Boomers	5%	**11%▲**	N/A	**21%**	12%	**9%**	N/A	**22%**
Matures	1%	6%▲	N/A	12%	5%	5%	N/A	7%

▼▲ shows statistical significance between 2013 and 2018 at a 90% confidence interval.
Bolding shows statistical significance between generations at a 90% confidence interval.

FIGURE 16

GENERAL SOCIAL MEDIA USE COMPARED WITH CAUSE-BASED SOCIAL MEDIA USE, BY GENERATION



A heftier percentage of younger donors do say they like to promote the causes they support on their social media pages. That's the case with nearly half of Millennials and roughly a third of Gen-Xers. Only one Baby Boomer in five says he or she promotes favorite causes by social media. By contrast, smaller proportions (across all generations) say they actively *follow* a cause on social media.

Another way to view the potential for use of social media in fundraising is to compare the percentage of survey respondents who engage with social networks with the percentage who engage with charities on those same networks. As Figure 16 suggests, smaller percentages of active social media users use their screen time to interact with causes.

The same chart also shows the disparity of overall use among the generations. While majorities of Boomers and Matures do use Facebook® on a regular basis, that's about it. At the other end of the spectrum are Millennials and Gen-Zers, who are also heavy users of Snapchat®, Instagram® and Twitter®. Gen X falls somewhere in the middle.

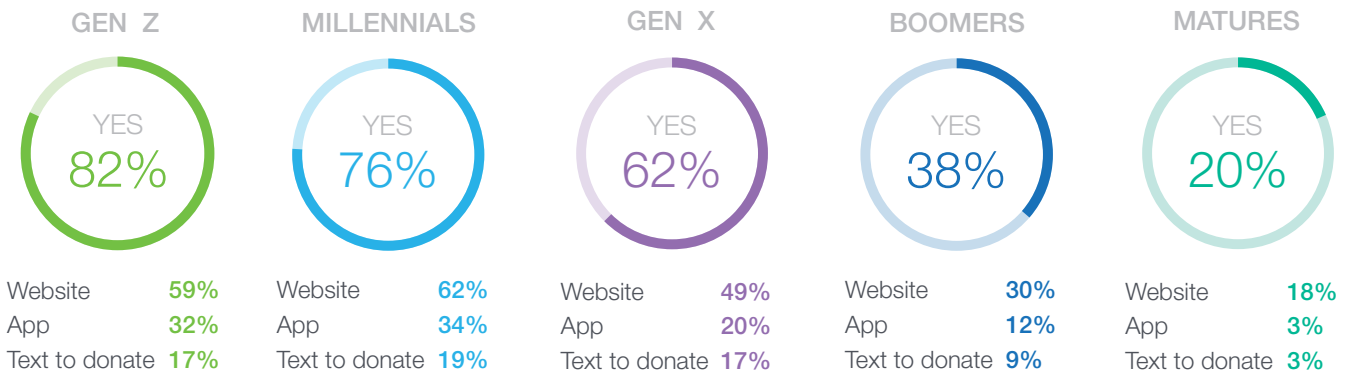
4 Mobile Engagement and Giving

Smartphones are rising stars with Gen Z, Millennials and Gen-Xers—a majority of these younger donors say they engage with causes and charities that way. Moreover, the percentage of donors willing to give via mobile device is up across all generations since 2013. See Figure 17. According to the *2017 Charitable Giving Report*, 21% of all online donations are made using a mobile device.

The mobile space has evolved dramatically since we began tracking it. Not that long ago, 'mobile' simply meant giving by text. As smartphones have put the power of a laptop computer in everyone's pocket, giving behavior by mobile is much more like website giving. And even though donations by SMS are becoming increasingly rare, the text channel is emerging as a key tool in the arsenal of organizers and political campaigners.

FIGURE 17

PERCENTAGE OF GENERATIONAL DONORS WILLING TO GIVE VIA MOBILE DEVICE



DEVICES USED TO ENGAGE	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Computer	63%	66%	64%	66%	60%
Tablet	25%	23%	21%	20%	16%
Smartphone	**71%**	**63%**	**52%**	**25%**	15%

Bolding shows statistical significance between generations at a 90% confidence interval.

5 Crowdfunding

Crowdfunding has grown dramatically since 2013 across all generations. Among Millennials, the percentage saying they have given via a crowdfunding campaign has risen from 17% to 48% in five years. Among Gen X, adoption has nearly quadrupled, from 10% to 36%. Boomer adoption has more than quadrupled, from 6% to 25%. See Figure 18.

In 2013, the thought was that crowdfunding for nonprofits would be akin to Kickstarter® campaigns to launch mini-capital campaigns. For instance, in 2014 an animal rescue group launched a campaign to raise $15,000 for a new aviary for injured birds.

As things have evolved, those who say they have given to crowdfunding have done so primarily to support friends, families, or colleagues. See Figure 19. Large upticks in crowdfunding were noted in the wake of the 2017 hurricane season.

FIGURE 18

PERCENTAGE OF EACH GENERATION THAT HAS GIVEN VIA CROWDFUNDING

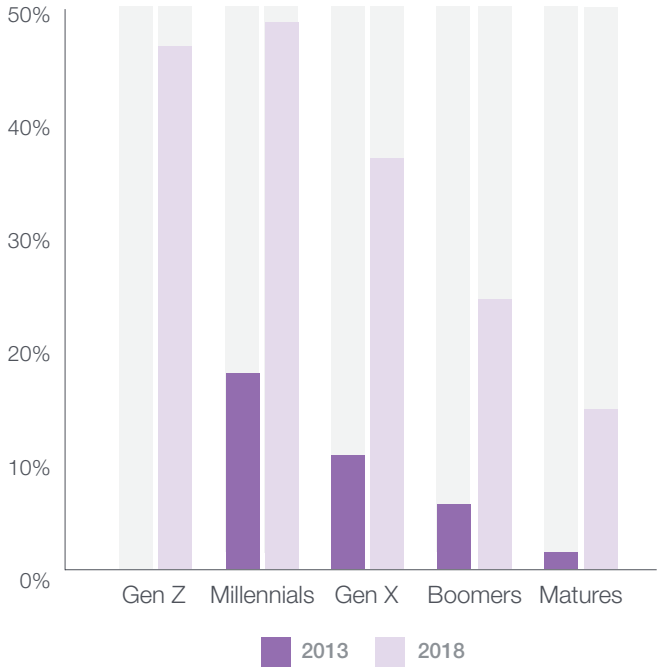


FIGURE 19

WHERE GENERATIONAL DONORS DIRECT THEIR CROWDFUNDING DONATIONS

Among those who have donated to a crowdfunding site

DONATION RECIPIENT	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Friends or Family	53%	54%	**71%**	58%	68%
Start-Up/New Product	**47%**	**22%**	10%	9%	7%
Nonprofit	**38%**	26%	21%	20%	20%
Special Project	**32%**	**21%**	**18%**	2%	**12%**
Stranger	27%	32%	29%	25%	26%

Bolding shows statistical significance between generations at a 90% confidence interval.

As of 2018, crowdfunding appears to be morphing into a first cousin of peer-to-peer fundraising.

But crowdfunding remains an embryonic phenomenon for charities and causes. While commercial use of crowdfunding has mushroomed into a multibillion-dollar enterprise and a source of cutting-edge technology,[4] its long-term role in professional fundraising remains to be seen.

6 Planned Giving

The conversation about planned giving (most commonly in the form of bequests) has historically been seen as one best held with people close to the end of their careers. The data, however, points to an opportunity with the on-deck cohort, Generation X. See Figure 20. For younger cohorts, this opportunity will most likely see the rise of charitable gifts of life insurance and similar planned giving vehicles. As a practical matter, the best planned giving prospects are those who are actively engaged in making out their will or estate plan. Gen X is not far from its prime giving years, and a significant number of Gen-Xers report they are in the process of making decisions about where their money will go after they're gone.

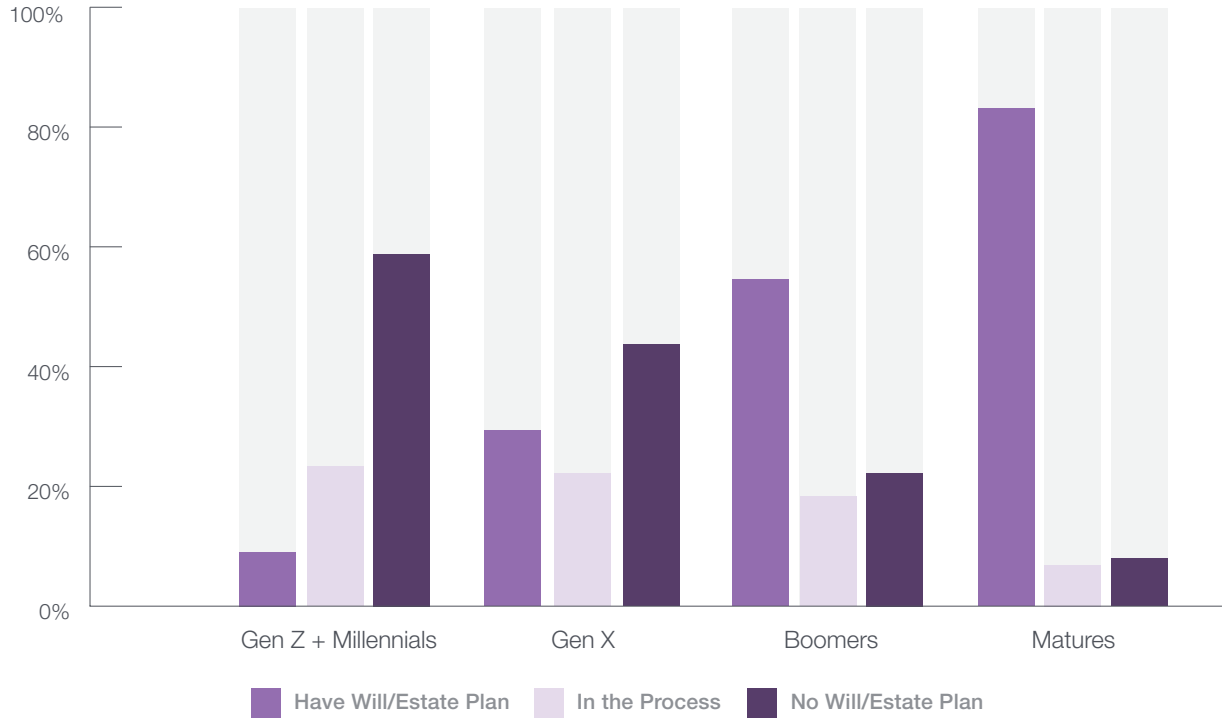
Furthermore, they are more open to consideration for planned giving, a door that appears to close the older you get.

...a significant number of Gen-Xers report they are in the process of making decisions about where their money will go after they're gone.

[4] "The Unique Value of Crowdfunding is Not Money—It's Community," Harvard Business Review, 2016.

FIGURE 20

CONSIDERATION OF PLANNED GIFTS IN WILLS AND ESTATE PLANS BY GENERATION



	WOULD CONSIDER	MIGHT/ NOT SURE	WOULD NOT
Gen Z	54%	29%	17%
Millennials	42%	37%	21%
Gen X	36%	35%	30%
Boomers	33%	23%	44%
Matures	22%	24%	54%

Note: Those without children (39%) are significantly more likely to consider an estate plan than those who have them (61%).

FIGURE 21

PERCENTAGE OF WORKING DONORS WHO ARE INTERESTED OR OR WHO HAVE PARTICIPATED IN WORKPLACE GIVING

	MILLENNIALS		GEN X		BOOMERS	
AMONG EMPLOYED DONORS	PARTICIPATED	INTERESTED	PARTICIPATED	INTERESTED	PARTICIPATED	INTERESTED
Participated in a workplace fundraiser	40%	**35%**	**43%**	29%	**42%**	20%
Participated in a workplace walk, run, challenge, or team event	38%	**37%**	35%	**40%**	36%	26%
Made a one-time donation through workplace	36%	**33%**	34%	**35%**	44%	17%
Volunteered through workplace	34%	**43%**	41%	**35%**	43%	20%
Made a donation through payroll deduction	28%	**28%**	33%	18%	30%	12%
Made a donation where employer matched the gift	25%	**52%**	**33%**	**50%**	**38%**	37%

Bolding shows statistical significance between generations at a 90% confidence interval.

7 Workplace Giving

With Millennials now in the workforce, employers have had to up their game by providing greater and more diverse opportunities for workers to connect with one another and the larger community. Workplace giving falls within the larger constellation of 'employee engagement.' As Figure 21 shows, a substantial percentage of working donors across all generations say they have either participated in workplace giving or are interested in doing so.

As one might expect, interest in workplace giving is higher among Millennials and Gen X. This may speak to an emerging opportunity to reach present and future donors where they are.

RECOMMENDATIONS

Here are some of our main takeaways from this research. Our recommendations are also informed by other research and by our experience as fundraisers and researchers.

1 Focus on the generations that matter today.

Boomers have at least another decade or so at the top of the pyramid, and Generation X is not too far behind. As noted above, Gen X may be the ideal target for bequests, planned gifts, and workplace giving. Let go of near-term expectations in terms of Millennial or Gen Z giving. As with every generation before, Millennials, for the foreseeable future, will preoccupy themselves with making a living, raising children, and finding some measure of security in a profoundly insecure world. Consider your investment in building relationships with Millennials to be experimental and likelier to produce long-term—as opposed to immediate—benefits.

2 Redouble your focus on the fundamentals.

Fundraising is not mining or hunting; it's farming. You are in a relationship with your donors and understanding their needs and expectations has never been more important. Remember, your typical donor is a probably a 64-year-old woman. What does she want? What does she expect will happen when she donates to your organization? If you treat her right, you can look forward to many years of loyal support.

3 Get serious about retention.

There are few subjects that receive more lip service and less meaningful attention than retaining donors from one year to the next. The *2017 Charitable Giving Report* finds that first-year retention continues to be abysmal: between 25% and 31% (depending on how the donor chooses to give). With a shrinking donor population and growing uncertainty about the stability of the primary donation channels, this is the time to get serious about keeping the donors you have.

4 Get your house in order.

Evidence is growing that internal organizational issues—including unsupportive culture, silos, lack of resources, access to actionable data, and other factors—are having a significant impact on fundraising effectiveness.[5] Ignoring internal issues is not a luxury any organization can afford. And in the incredibly data-rich world of 2018, there is no good reason why any fundraiser should be flying blind. And yet too many report that they do.

5 Stay agile.

Be prepared to change and adapt when you can. And when you cannot, stay zen. View projections with humility; there are too many unknown variables to make completely bankable predictions. See recommendation number three above.

6 Commit to testing.

You know that thing you tried a few years ago that bombed? Maybe try it again. Channel behavior is in flux. Don't assume past tactics will continue to work.

7 Listen to your donors.

Relationship fundraising is a two-way street. If you want to retain and upgrade donors, it will be more than a matter of broadcasting content. Learn to listen using multichannel surveys, focus groups, customer service, and other tools for hearing from your donors on a regular basis.

> *Fundraising is not mining or hunting; it's farming.*

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[5] *Inside Out Fundraising: How to Create a Culture of Philanthropy By Treating Systems Instead of Symptoms,* Sea Change Strategies, 2017.
[5] *npExperts: Fundraising Matters,* Blackbaud Institute for Philanthropic Impact, 2017.

Acknowledgements

We are indebted to the colleagues who supported this work: Mark Rovner who penned this report, Pam Loeb and Lisa Dropkin who led the research, Ashley Thompson and Erin Duff who guided the direction and editing.

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About the Study

Unless otherwise noted, all figures were derived from an online survey of 1,339 U.S. donors commissioned by Blackbaud and conducted by Edge Research. A non-probability sample of adults aged 18+ was drawn from a national survey panel of over two million households. The deployed and incoming sample was controlled to be U.S. Census representative, and qualifying participants reported that they had made a monetary donation to at least one nonprofit organization/charitable cause within the last 12 months (excluding trade unions, children's schools, alma maters, and places of worship). The survey was in the field January 9–26, 2018.

About the Blackbaud Institute for Philanthropic Impact

The Blackbaud Institute drives research and insight to accelerate the impact of the social good community. It convenes expert partners from across the philanthropic sector to foster diverse perspectives, collective thinking, and collaborative solutions to the world's greatest challenges. Using the most comprehensive data set in the social good community, the Blackbaud Institute and its partners conduct research, uncover strategic insight, and share results broadly, all in order to drive effective philanthropy at every stage, from fundraising to outcomes. Knowledge is powering the future of social good, and the Blackbaud Institute is an engine of that progress. Learn more, sign up for our newsletter, and check out our latest resources at www.blackbaudinstitute.com.

About Edge Research

Edge Research is a premier marketing research firm servicing nonprofits, associations, and corporations. Over the past 20 years, Edge has helped dozens of nonprofits move to a donor-centric mindset. Research insight guides clients on how to communicate with their audiences more effectively, retain and grow their donor bases, and make the changes needed to cultivate the next generation of supporters.

About Sea Change Strategies

Sea Change Strategies is a boutique consulting practice recognized for helping remarkable causes raise more money by building better donor relationships. The Sea Change Strategies team has been honored to serve causes including the National Audubon Society, Defenders of Wildlife, Population Services International, Share our Strength, International Rescue Committee, Monterey Bay Aquarium, Southern Poverty Law Center, and Amnesty International USA.

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Blackbaud (NASDAQ: BLKB) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and relationship management, digital marketing, advocacy, accounting, payments, analytics, school management, grant management, corporate social responsibility, and volunteerism. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina, and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit www.blackbaud.com.

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