Gen What?: Generational-Centric Engagement

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Presented at LIFE & LEGACY™
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Goals

➤ To discuss...

➤ Characteristics and traits of Traditionalists, Boomers, Xers, Millennials & Post-Millennials

➤ Application of generational theory to engagement and philanthropy

➤ Where to focus for legacy giving

➤ Evolution of communication channels

➤ Snapshot of annual giving by generations
Warm Up

➤ Name, title & organization
➤ What generation are you?
➤ What was one social/economic/political world experience that influenced you?
<table>
<thead>
<tr>
<th>Generation</th>
<th>Also Known As...</th>
<th>Influencers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>Veterans, Silent Generation, WWII Generation, Maturists</td>
<td>World Wars, The Depression, Rationing, Traditional nuclear families and role of women, Rock and Roll</td>
</tr>
<tr>
<td>(1900-1945)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boomers</td>
<td>Baby Boomers</td>
<td>Cold War, Post –War Boom, Vietnam War, Civil Rights Movement, Television, Apollo Moon Landing, Woodstock</td>
</tr>
<tr>
<td>(1946-1964)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation X</td>
<td>Gen X, Xers</td>
<td>Internet, MTV, Live Aid, Bill Gates, Friends, Rodney King, AIDS, Fall of Berlin Wall/ End of Cold War, Divorce Rates Rise, the PC</td>
</tr>
<tr>
<td>(1965-1980)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Y</td>
<td>Millennials, Nexters, Nintendo Generation</td>
<td>Social media, Playstation, 9/11, Invasion of Iraq, iPods (Apple), Reality TV, Google Earth</td>
</tr>
<tr>
<td>(1981-1999)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Z</td>
<td>Post-Millennials, Homeland</td>
<td>Economic downturn, Cloud Computing, Arab Spring, Obama, Internet of Things, Donald Trump, Global Warming, Produce own media, Crowdsourcing</td>
</tr>
<tr>
<td>(2000-)</td>
<td></td>
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</tbody>
</table>

What is the Generational Mix?

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### What is the Generational Mix?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Aspiration</th>
<th>Marketing</th>
<th>Technology</th>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>Home ownership</td>
<td>Conservative imagery, legacy, family</td>
<td>Disengaged</td>
<td>Formal letter or face-to-face</td>
</tr>
<tr>
<td>(1900-1945)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boomers</td>
<td>Job security</td>
<td>Healthy lifestyle, hard work, team work</td>
<td>IT Early adopters</td>
<td>Telephone or Face-to-Face</td>
</tr>
<tr>
<td>(1946-1964)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation X</td>
<td>Work-Life Balance</td>
<td>Inclusive, straight talk, environment</td>
<td>Digital Immigrants</td>
<td>Email and Text</td>
</tr>
<tr>
<td>(1965-1980)</td>
<td></td>
<td>images, multi-channel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Y</td>
<td>Freedom and Flexibility</td>
<td>Multi-ethnic, green, sexier, celebrity</td>
<td>Digital Natives</td>
<td>Text or Social Media, Online and Mobile Messaging</td>
</tr>
<tr>
<td>(1981-1999)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Z</td>
<td>Security and Stability</td>
<td>Driverless cars, AI, Curate, peers, connected</td>
<td>Technoholics</td>
<td>Hand-held or integrated communication devices and Facetime</td>
</tr>
<tr>
<td>(2000-)</td>
<td></td>
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</tbody>
</table>
What is Generational Theory?

- Civic
- Reactive
- Idealist
- Adaptive

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<th>Generation</th>
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</thead>
<tbody>
<tr>
<td>Traditionalists</td>
</tr>
</tbody>
</table>
| (1900-1945)                | **CIVIC**  
| Boomers                    |  
| (1946-1964)                | **IDEALIST**  
| Generation X               |  
| (1965-1980)                | **REACTIVE**  
| Generation Y               |  
| (1981-1999)                | **CIVIC**  
| Generation Z               |  
| (2000-)                    | **ADAPTIVE**  

What is the Generational Mix?
## Generational Experiences with Money and Attitudes Toward Giving

<table>
<thead>
<tr>
<th>Generation</th>
<th>Early Formative</th>
<th>Experience with Money</th>
<th>Attitudes re: Giving</th>
<th>Stewardship Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists (1900-1945)</td>
<td>WWI, WWII</td>
<td>Taught to be givers</td>
<td>Giving is public responsibility, a necessity. Money follows mission.</td>
<td>Sacrifice/Commitment</td>
</tr>
<tr>
<td>Boomers (1946-1964)</td>
<td>Rapid growth of stock market, age of TV advertising (perceived affluence)</td>
<td>Post-War economic boom</td>
<td>Giving personal option, opportunity; not public necessity. Money does not follow mission.</td>
<td>Distrust</td>
</tr>
<tr>
<td>Generation X (1965-1980)</td>
<td>Same as Boomers</td>
<td>Post-War economic boom</td>
<td>Will trust organization if it works – does what it says it’s going to do. Mission must follow money.</td>
<td>Ignorance</td>
</tr>
<tr>
<td>Generation Y (1981-1999)</td>
<td>9/11, perpetual terrorism/war</td>
<td>Education debt larger than consumer</td>
<td>Give to have impact (cause more important than organization).</td>
<td>Volunteer/Involvement</td>
</tr>
</tbody>
</table>
Key Questions

➤ What is the relationship between a donor’s generation and how they engage and donate?

➤ What organization or cause do they care about?

➤ What engages them? How do they engage?

➤ What key messages resonate? How do we make our case for giving and action?

➤ What type of gift they are prime to make?

➤ How to reach them? What communication channels to use? What’s the role of letters, emails, phone calls, text messages, social media, etc.?
Where to Focus for Legacy?
At What Age Do People Make Wills and Bequests?

➤ The most common form of a legacy gift is a bequest, and it is also typically the first gift that legacy giving donors make.

➤ It is generally recognized that individuals write their first wills in their early 40s.

➤ The average age when most donors make a will was found to be 44.

➤ The average age of the first bequest is 49.

➤ The Center on Philanthropy at Indiana University conducted a 2007 survey on bequest giving and found that “people with a charity named in their will tended to be between 40 and 50 years of age.” They also found that those most likely to consider a charitable bequest commitment were between the ages of 40 and 60.
For Legacy Giving
Where to Focus

➤ Generation X

• There are 66 million GenXers.

• Slackers no more!

• 43% of individuals who include gifts to charity in their will are under 55 years old.

• We need to establish relationships with donors earlier than they think. Once a donor reaches age 60, if the donor does not have a good connection with the charity, it is unlikely the donor will even consider a legacy gift.
No Better Time to Ask than Now

➤ Traditionalists and Boomers who feel closely connected
  • Long-time annual donors
  • Current and past board members
  • Past honorees
  • Volunteers. Volunteers to any organization are 50% more likely to leave a gift to charity.
  • Inter-generational engagement
Don’t Ignore the Millennials

➤ In 2036, Millennials will outnumber the current number of Baby Boomers.
  • 81 million millennials age 56 or older by 2036
  • 81 million x 7% legacy giving rate of today = 6 million legacies
  • 6 million legacies x today’s average gift of $40,000 = $230,000,000,000!
  • Millennials are peer-influenced and social media is key.

Sources: Blackbaud - Target Analytics Blog - “Is there a generation gap to legacy gifts?” legacy Giving Tomorrow Spring 2016, Millennial Impact Report 2014
➤ Donors between the ages of 35-50 are the newest group for legacy gifts. These are old millennials and Xers.

➤ Many universities and arts and culture organizations are finding success targeting this group by soliciting beneficiary designation gifts from their retirement plans.
More than 80% of legacy gifts are revocable and over a 14-year period 35% of donors removed some or all charities from their estate plans.

-Stewardship is vitally important!!!!!!!!!!-

-At least 4 times per year.

-Goals are to show the impact the organization is having, make sure they feel connected and feel that they have made a good investment.
Communication Evolution

- **Traditionalists**
  - Postal Mail
  - Phone Calls (Home Phone)

- **Boomers**
  - Television
  - Facebook
  - Email

- **Generation X**
  - Websites
  - Email E-newsletters

- **Generation Y**
  - Social Media
  - Websites
  - Mobile Texts

- **Generation Z**
  - Social Media
  - Apps
  - Messengers
  - Mobile
  - Internet of Things
Where to Focus for Annual Giving?

Aging Donor Base
Acquisition Slowing

Traditionalists & Boomers
Giving the Most
Focus on Retention & Upgrades

Millennials are the Future
100 Million of Them!
Focus on Acquisition
<table>
<thead>
<tr>
<th>Generation</th>
<th>Percentage of Generation that Gave</th>
<th>Average Gift</th>
<th>Number of Charities</th>
<th>Note</th>
<th>Total giving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>78% (23.5 million people)</td>
<td>$1,235</td>
<td>6.3</td>
<td>The most generous generation. They gave the largest average gift and to the most charities.</td>
<td>$29 billion</td>
</tr>
<tr>
<td>Boomers</td>
<td>75% (55.3 million people), largest of generations</td>
<td>$1,061</td>
<td>4.2</td>
<td>Total giving represented 41% all philanthropic dollars</td>
<td>$56.6 billion</td>
</tr>
<tr>
<td>Generation X</td>
<td>55% (35.8 million people)</td>
<td>$921</td>
<td>3.8</td>
<td>Total giving $32.9 billion</td>
<td></td>
</tr>
<tr>
<td>Generation Y</td>
<td>51% (34.1 million people)</td>
<td>$591</td>
<td>3.5</td>
<td>Total giving $20.1 billion</td>
<td></td>
</tr>
<tr>
<td>Generation Z</td>
<td>43% (9.3 million people)</td>
<td>$341</td>
<td>4.6</td>
<td>Total giving $3.2 billion</td>
<td></td>
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</tbody>
</table>
NextGen Donors: The Future of Jewish Giving, Respecting Legacy, Revolutionizing Philanthropy, 21/64, Dorothy A. Johnson Center for Philanthropy at Grand Valley State University (2013)
Millennials are More Active
Give or Act?

Monetary donations

Traditionalists and Baby Boomers

Volunteering and social sharing

Gen X and Millennials
Millennials Do Their Homework and Donate with Purpose
Millennials are More Peer Driven
Who Influences Next Gen Donors

NextGen Donors: The Future of Jewish Giving, Respecting Legacy, Revolutionizing Philanthropy, 21/64, Dorothy A. Johnson Center for Philanthropy at Grand Valley State University (2013)
Millennials are More Trust Sensitive

Why should I trust YOU?
The Millennial Revolution

Donor legacy mindset is a thing of the past

It’s about causes, not the organization

Nonprofits must earn donor loyalty

Key Take-Aways: Thinking Generationally

- For legacy donors, look at
  - Generation Xers for bequests
  - Boomers and Traditionalists who are already close
  - Millennials to build relationships
- Use multiple channels
- Focus on stewardship
Key Take-Aways: Thinking Generationally

- Boomers and Traditionalists are most generous annually
- Millennials need personalization
  - More regular communication
  - Be shown impact first
  - Trust is paramount
  - Want to volunteer and have experiences
  - Support causes not organizations
  - Willing to share and promote socially
Other Generational Considerations

➤ Leadership impact
  • Who’s at the table?
➤ Budget impact
  • Investing in the right communication channels and developing differentiated approaches
Putting Theory into Action

- Overcome organizational and political obstacles
- *Know donor ages!*
- Understand their philanthropic mindset
- Frame your messaging and identify key words that resonate with each segment
- Tailor communication strategies, channels, platforms and tools appropriately
- Customize engagement opportunities
- Keep an eye on all generations for leadership pipeline
Challenges?
Q & A
Sources

- NextGen Donors: The Future of Jewish Giving, Respecting Legacy, Revolutionizing Philanthropy, 21/64, Dorothy A. Johnson Center for Philanthropy at Grand Valley State University (2013)
- “Is there a generation gap to legacy gifts?”, Blackbaud Target Analytics Blog (2015)
- “We Thought Gen Xers Was A Bunch of Slackers. Now They’re The Suits,” Washington Post (March 1, 2017)
Nanette Fridman has written the perfect book for board chairs. She provides a comprehensive outline of the role and succinctly and smartly describes exactly how to tackle what can feel like an overwhelming job. It is the indispensable guide for a difficult job.

Allison Fine
National Chair, NARAL: Pro-Choice America Foundation, co-author, The Networked Nonprofit

"Holding the Gavel is yet another gift to the nonprofit sector from Nanette Fridman. It is a clear, easy to digest, and complete roadmap for board chairs to help ensure their success in tackling the complex challenges of the role. As a nonprofit professional, I am especially grateful for the way in which Nanette frames the partnership between board chairs and their professional leadership."

Laura Fish
Executive Director, Douglas Institute Foundation
Too often the expectations of board members and the workings of nonprofits have been vague or mysterious. Whether you are a professional or board member, On Board demystifies how nonprofits work and lays out in detail how board members can be responsible, effective and fulfilled.

Dr. Marc N. Kramer
Executive Director, RAVSAK

Nanette Fridman insightfully shares her experience with nonprofit boards to help individuals be more intentional, engaged and clear about their roles. Every governance committee should give this book to their new and ongoing board members.

Nancy K. Kaufman,
Chief Executive Officer, NCJW