

# Global ‘next gen’ trends

Jason Franklin

I’ve been a ‘next gen’ donor for 13 years, ever since I began getting involved in philanthropy after discovering as a graduate student that my family had a small foundation. Slowly philanthropy began to permeate every part of my life. Even as I continued working as a community organizer it emerged as part of my academic work, where I began to research the impact of philanthropy on policy change; as a volunteer, I became a deeply engaged board member of several foundations. Finally, in 2010, I shifted my professional work into philanthropy when I became the first full-time executive director of Bolder Giving. So when I was invited to serve as the guest editor for this *Alliance* special feature exploring the dynamics of ‘next gen’ philanthropy globally, I leapt at the chance.



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First I should explain why I use quotations when I refer to ‘next gen’. It’s a phrase that has bothered me since I first got involved in philanthropy because it’s so permeable.

## Who are the ‘next gen’?

With traditional generations we have start and end years (for example, US Baby Boomers are born between 1946 and 1964); we have no such boundaries for ‘next gens’. While we know that historically philanthropists, especially those with significant wealth, have tended to step into the role of donor later in life, more and more people in their twenties, thirties and forties are getting involved in philanthropy. Several factors are behind this: the rising cultural and societal acceptance and support of giving across the globe; faster wealth accumulation among younger generations through technology-oriented businesses; and in the US and Western Europe the largest intergenerational transfer of wealth ever seen.

But it begs the question of who we are talking about when we refer to the ‘next gen’. When do you get too old to be ‘next gen’? For general purposes, I would say that ‘next gen’ refers to young donors from their early twenties to early forties, but there is significant variation among donors across this age span and no hard-and-fast rule. Amanda Bloch from South Africa echoes this uncertainty when she writes: ‘I am not sure that I fit into the category of old generation or next as I have just turned 40; perhaps current generation would be a better definition.’

## The first studies of ‘next gen’ donors

One thing that particularly drew me to work on this *Alliance* special feature was the idea of exploring in more depth the tantalizing results from the first two in-depth studies of ‘next gen’ donors: the *Future Stars of Philanthropy* report released in 2012 by the Charities Aid Foundation (CAF), based on a survey of almost 1,500 young donors from across North America, Europe and Asia-Pacific countries; and the *NextGenDonors* report of the Johnson Center for Philanthropy at Grand Valley State University and 21/64, published in early 2013, based on a survey of 310 high-capacity young donors from the US and 30 in-depth interviews. The article written jointly by the authors of these two studies in this special issue of *Alliance* offers a jumping-off point to explore the similarities and differences among ‘next gen’ donors globally, as do the responses from young donors themselves and the interviews and other analyses you’ll find in the coming pages.

As I read these final pieces, I found myself nodding regularly in agreement with them and also occasionally noticing places where my admittedly biased experiences were different from the findings from these surveys, and the interviews and responses from young donors more diverse than in my personal circle.

Although it is always challenging to offer any generalizations about a global community as diverse as ‘next gen’ donors, I will nevertheless offer a couple of observations I think may constitute defining differences between ‘next gen’ donors and their older counterparts. ▷

Waqfeya board member Tarek Michel prepares young donors to lead through soft skills training (see p44).



### A more integrated approach to life

First, as young donors are getting involved in philanthropy earlier in their lives than their parents and grandparents, there seems to be a global tendency to integrate philanthropy more directly into their lives and to see it as one more expression of their passions rather than an activity done on the side. Elaine Smith from Brazil notes that while there is not likely to be a huge new surge of giving among younger Brazilian wealth holders, ‘what does seem to be under way is a change in mindset towards creating and sharing value through business rather than philanthropy’. In a similar vein, Neeta Saraogi from India notes that ‘the younger generation does not identify philanthropic giving with a phase or stage of their lives, but rather as a continuum’.

Rather than a dramatic difference between generations, I see this as largely a result of the moment when the philanthropic journey is beginning for younger donors. For previous generations, the tradition was for serious philanthropic activity to begin after careers were established or even as people entered retirement. Now with ‘next gen’ donors – early inheritors, early wealth accumulators and early high earners – all beginning their philanthropic activities in a serious way early in their lives, they are seeking new and more integrated ways to balance philanthropy with other activities.

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When asked to reflect on the impact of his involvement with his family’s philanthropy, Alex Buffett Rozek noted that ‘my biggest epiphany, so to speak, from being involved with the foundation, and why I’m still thankful to have been involved, is that there are no silos in terms of how you think about the world’. As young donors get more deeply involved in philanthropy earlier in their lives, I predict that we will continue to see the blurring of boundaries between business and social activities, between philanthropy and investing, and ‘next gen’ donors will develop new models for integrated social change.

### Addressing root causes

Similarly, as we face growing global wealth inequality, increasingly severe threats from climate change, and challenges to national and global governance, ‘next gen’ donors seem to more highly prioritize giving that aims to address the root causes of some of our most pressing social problems and to look for opportunities for systemic change. I see this reflected in my own giving, which prioritizes community organizing and advocacy versus the veterans’ services and child welfare causes prioritized by my parents, and in the giving activities of so many other ‘next gen’ donors I’ve worked with over the years. Jessie Spector from the US frames it as an interest of young donors ‘in understanding the structural causes behind the issues we care about and finding new ways to support systems-level change’, while Marwa El-Daly notes that ‘Egypt’s young philanthropists want to respond to root causes rather than dealing with symptoms’.

While these issues are gaining traction across all generations, for a generation coming of age amid the



Arab Spring and Occupy movement, there is a growing sense that we must harness philanthropy for more than just traditional charity if we are to ensure a sustainable world for our future and that of our own young children. I would suggest that we can attribute this to a combination of general political disillusionment and a decade or more of promotion of strategic philanthropy and the impact of social change giving. Amanda Bloch captures this clearly when she describes her fellow South African 'next gen' peers as 'angry and somewhat disillusioned by what democracy has not delivered. These givers want to express that through the support of social justice initiatives.'

**Talking more publicly about giving**

I also see among 'next gen' donors a greater tendency to talk publicly about their giving and to want to share their giving stories with others. In part I expect this is a result of growing up in the digital age, with the expectation of instant communication and changing norms of privacy arising from a life lived online and connected through social media. As Neeta Saraogi says, 'where their parents were silent on the subject, younger generations [of Indian donors] feel the responsibility to advocate for change, garner support from their friends and peers, and play a more active role in improving our society . . . The younger generation seem to be writing an entirely new dialogue around philanthropy and poised to take it to the next level.'

Recognizing the limits that every donor faces, that there are never enough resources to solve major social problems alone, 'next gen' donors are more quickly and enthusiastically embracing the role of donor spokesperson and advocate than our parents and grandparents generally have. We understand that sharing our stories of giving can actually be another act of service. As Jessan Hutchison-Quillian says in his interview, 'I feel like I have this amazing secret that I want to share with more people: not only can you make other people's lives better, but you'll actually make your life better, through giving.'

**Following and diverging from our parents' paths**

Finally, one finding that struck me in the *NextGenDonors* study and in several of the articles in this issue was the way that 'next gen' donors both

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follow and diverge from the philanthropic practices of their families. I was not surprised to see animal welfare, the environment, civil rights and advocacy identified as 'emergent issues' among other US 'next gen' donors in the *NextGenDonors* report. But I admit to being a bit surprised to see youth/family, education and basic needs so highly rated as shared issues with our parents and grandparents. This was a valuable reminder to me personally that as a generation writ large we are perhaps not as different from our parents as I often think.

This research also confirmed my sense that arts and culture, religious, and health-focused organizations need to pay special attention to engaging 'next gen' donors now or face the prospect of an ageing and shrinking donor base. While I expect that some of these issues may see more attention from my peers as we grow older and have more time for the arts, face more health issues, and refocus on religion as we start raising children, these are major shifts that non-profit leaders should pay attention to now.

Similarly, both the research and the interviews for this special issue reconfirmed my sense that many 'next gen' donors are looking to adapt rather than reject their parents' philanthropy. In the *Future Stars of Philanthropy*, the authors note that 'Generation Y is actually far closer to their parents than many of the generations that have gone before them. They share similar values, interests and objectives; they simply want to reshape these values in ways that are more meaningful to them and their generation.' ▸

Jessan Hutchison-Quillian (right) with two other members of a Social Justice Fund Northwest Giving Project.



Resource Generation (see p47) board and staff meeting June 2012.



Alex Buffett Rozek offers a perfect example of this adaptation. He fully accepts his grandfather Warren Buffett's belief that the best way to give money away is to turn it over to those who know best. But rather than turn his grantmaking over to the Bill & Melinda Gates Foundation as his grandfather did, he is harnessing the power of technology to launch a MOOC (Massively Open Online Course) to engage thousands of people to help distribute funds from the Learning by Giving Foundation.

I look forward to witnessing the many adaptations and innovations our generation of donors will invent, building on the experiences, successes and challenges of our families to define our own philanthropic paths.

#### What happens as we grow older?

How 'next gen' donors will evolve in the coming decades remains an open question. Will our focus on active engagement in the charities we support increase or will it wane as we have children and face greater challenges as we advance in our careers? Will we sustain our optimism about the possibilities for social change giving and the power of social enterprises or will we throw up our hands in frustration at the slow pace of change and return to the traditional charitable activities of our parents and grandparents? Will our tendency towards risk-taking ebb as we age?

When I'm asked to speak about 'next gen' issues I always make the distinction between *age* and *generation*. Teenagers often rebel against their parents



Consulting Cafe at Resource Generation's 2012 MMMC (Making Money Make Change) conference.

but that is a function of age rather than generation. Generational characteristics are enduring dynamics that last as people age, developed in response to social and cultural norms and the shaping events of a generation. What remains to be seen is what are the enduring generational traits of 'next gen' donors and what are simply the age-specific characteristics of the first generation to be involved at scale in philanthropy so young. I expect that this current set of 'next gens' will continue to engage in philanthropy differently from our parents and grandparents, as the many articles in this issue suggest, but I remain equally curious to see what the 'next next gen' will bring to the philanthropic table. @