



INSIGHTS
REPORT

Understanding the Next Generation of Big Donors — And How to Tap In

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Understanding the Next Generation of Big Donors

— And How to Tap In

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Please note: Sources are identified by their titles at the time of reporting.

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INTRODUCTION

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Like scouts who spot enemies on the horizon, future-focused fundraisers see a problem galloping toward them. Most of their major and mega-donors are aging. The *Chronicle of Philanthropy's* annual [Philanthropy 50](#) list of the biggest donors reports that the median age of mega-donors edged up from [72 in 2023](#) to [73.5 last year](#).

Once the wealth of those in their 70s and above has been distributed, fundraisers aren't sure if enough replacement donors are on their way.

Where are the younger wealthy individuals and families with a passion for giving? Fundraisers understandably want to know if, compared to current major givers, the next generation of donors cares about different



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causes, has different motivations, may give in new and potentially hard-to-understand ways, and needs to be communicated with using new channels.

This report, through data gleaned from research and interviews with experts focused on understanding the next generation of donors, will examine those questions and more.

While data provides useful generalizations, each donor is unique, and major donors, in particular, want to be treated that way. "We've become so data-oriented and so business-oriented," said Gail Perry, president of the Gail Perry Group in Chapel Hill, N.C., a nonprofit consulting firm that runs an intensive course in major-gift fundraising. "We forget that giving is a joyful act. It's all emotions."



Demonstrate Impact

Younger Donors Are Hungry for Metrics

Many younger donors, though, turn a business lens on the nonprofits they consider supporting. "There is a real thirst for measured impact, for being able to see the impact, the effect of their gift," said Jon Bergdoll, associate director of data partnerships at Indiana University's Lilly Family School of Philanthropy and one of the primary analysts for the report [*The Next Generation of Philanthropy*](#), released in January. That measured-impact focus makes Bergdoll hesitate, he said, because some nonprofits, such as arts organizations, have trouble tracing a gift to impact. They can't always deal in numbers: Museum visits may not be as compelling as how many meals are served to homeless families. That means these kinds of nonprofits may have to be more creative, he said, in showing impact qualitatively and bringing donors in to observe or get involved in activities.

Some nonprofits thrive in this impact-focused environment. Youth Villages, based in Memphis, Tenn., helps children and young people across the country with emotional, mental, and behavioral problems. The organization emphasizes prevention and keeping children in stable families, not residential treatment. While much of the group's funding comes from state and federal support, it routinely raises \$40 to 50 million a year for services not covered. In 2022, philanthropist MacKenzie Scott [donated \\$25 million](#).

"We have a mountain of research to show what we do works," said Richard Shaw, chief development officer at Youth Villages. "And that's been our calling card." The organization tracks

children who leave its programs to see if they are in school, at work, not in trouble with the law, and living in a stable environment. In the last 15 years, it has moved its success rate up from the low 80s to nearly 89 percent, Shaw said. It has served as a Harvard Business School case study and received numerous accolades.

"There is a real thirst for measured impact, for being able to see the impact, the effect of their gift."

Founded in 1986, Youth Villages serves tens of thousands of children each year in 27 states and the District of Columbia. Shaw said the organization continually scales up to serve more children, advises state governments on improving children's and family services, and serves as a consultant to similar nonprofits. That combination is appealing to donors who give at a high level, said Shaw. "We are a safe place to put large sums of money, where they know they're going to get a demonstrated impact on the population that we're trying to help."

Understand What Younger Donors Care About



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Issues Matter More Than Institutions

In data going back at least six years, researchers have found that organizations and institutions, such as a donor's local hospital or someone's alma mater, are less compelling to the next generation of donors than specific causes. "I've read all the research, and we also see it reflected in our work," said Perry. "Younger and middle-aged donors are not as institutionally oriented as their parents, as the older generation."

A [2019 report of the Millennial Impact Project](#), supported by the Case Foundation, found that millennials tend to spread their time and money over multiple organizations working on their favorite issues. "They go where the causes call them, rather than remaining loyal to an institution that serves an issue," the report says.

Fred Kaynor is managing director of relationship management, marketing and partnerships at DAFgiving360, a donor-advised fund sponsor with a mission of increasing charitable giving. Donors distributed [\\$7.7 billion last year](#) through the organization. Younger donors, Kaynor said, are "trying to address a macro issue beyond what one particular charity or nonprofit does."

"That is a good thing for philanthropy in the long term," he added. "It's a focus on the cause that they want to address, as opposed to a particular charity that's delivering a particular service."

Consultants said this new focus doesn't mean that hospitals, colleges, or other institutional nonprofits are doomed when it comes to raising money, but their pitches, branding, and steward-



"They go where the causes call them, rather than remaining loyal to an institution that serves an issue."

ship may have to change. Institutional fundraisers need to make donors aware of the issues their organizations are working on and keep steady, tailored feedback going to donors, so they'll know that cause-focused work has not stopped.

"Even if you get a younger donor, it's an extra layer of challenge to keep them," said Bergdoll, at the Lilly School. "If their interest is on a specific issue and that issue is central to an organization, its risk of losing the donor is lower, but if the interest is only embedded in a time-limited project, once you are done with that, they might move on."

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Interests Are Shifting Among Younger Generations

Philanthropy researchers track, in a general way, which causes various generations of donors want to invest in. Giving to basic needs — food, clothing, and shelter — has consistently been high in donors' priorities, regardless of the generation, according to the recent Lilly School report. Younger donors are more interested than older donors in the environment and social justice, the report found.

Multi-purpose charities, such as the United Way or the Jewish Federation, rank high across generations. *The Millennial Impact Report* flagged civil rights, racial discrimination, health care, education, and employment as some of the top causes for millennials.

Religion ranked highest of all as a giving-worthy cause for millennials.

Religion ranked highest of all as a giving-worthy cause for millennials, according to the Lilly report. "We found that to be particularly interesting, not necessarily something that we thought would be the case," said

Kaynor, of DAFgiving360, which sponsored the report.

In York, Maine, Alyssa Wright is founder of the Wright Collective, which helps nonprofits fundraise and advises donors, especially families seeking to engage the next generation. She said she spends most of her time as an adviser to donors in their 30s, 40s, and early 50s. Donors in these age groups, she said, "are still very much in the thick of parenting, and if they're accruing wealth, they're very aware of local issues. I tend to find that most wealthy donors in their 40s and 50s are giving locally in a really profound way." Their interests, she said, often cluster around the environment, and they donate to groups such as land trusts or nonprofits working on climate change and climate justice.

Education Takes a Dive in Popularity

As a cause to support financially, education is becoming less popular with each successive generation, the Lilly report found. One potential reason, fundraisers speculate, is student loans, which could create resentment toward colleges among potential donors, along with strapping them financially. In the first quarter of 2024, more than 25 percent of millennials were still paying off student loans — the largest share of any generation, according to an [article in the Education Data Initiative](#). The average balance was \$40,438.

Some fundraisers are skeptical of how significant the dip in educational giving is and argue against taking a pessimistic view. They acknowledge that policymakers and data-driven donors question whether elementary and secondary education is improving, but they believe education remains important as a cause. "Is there frustration that we haven't moved the needle as dramatically as we could on [high-school] graduation rates over the last two or three decades? Sure," said Jeremy Cramer, whose firm, Exponential Philanthropy is based in Needham, Mass. He has worked as a major-gift fundraiser in education and health care in the Boston area and now advises donors and nonprofits. "Do we still have serious educational inequity in every city in the United States? Absolutely. But there are systems that are innovating, and there are organizations that are doing fantastic work."

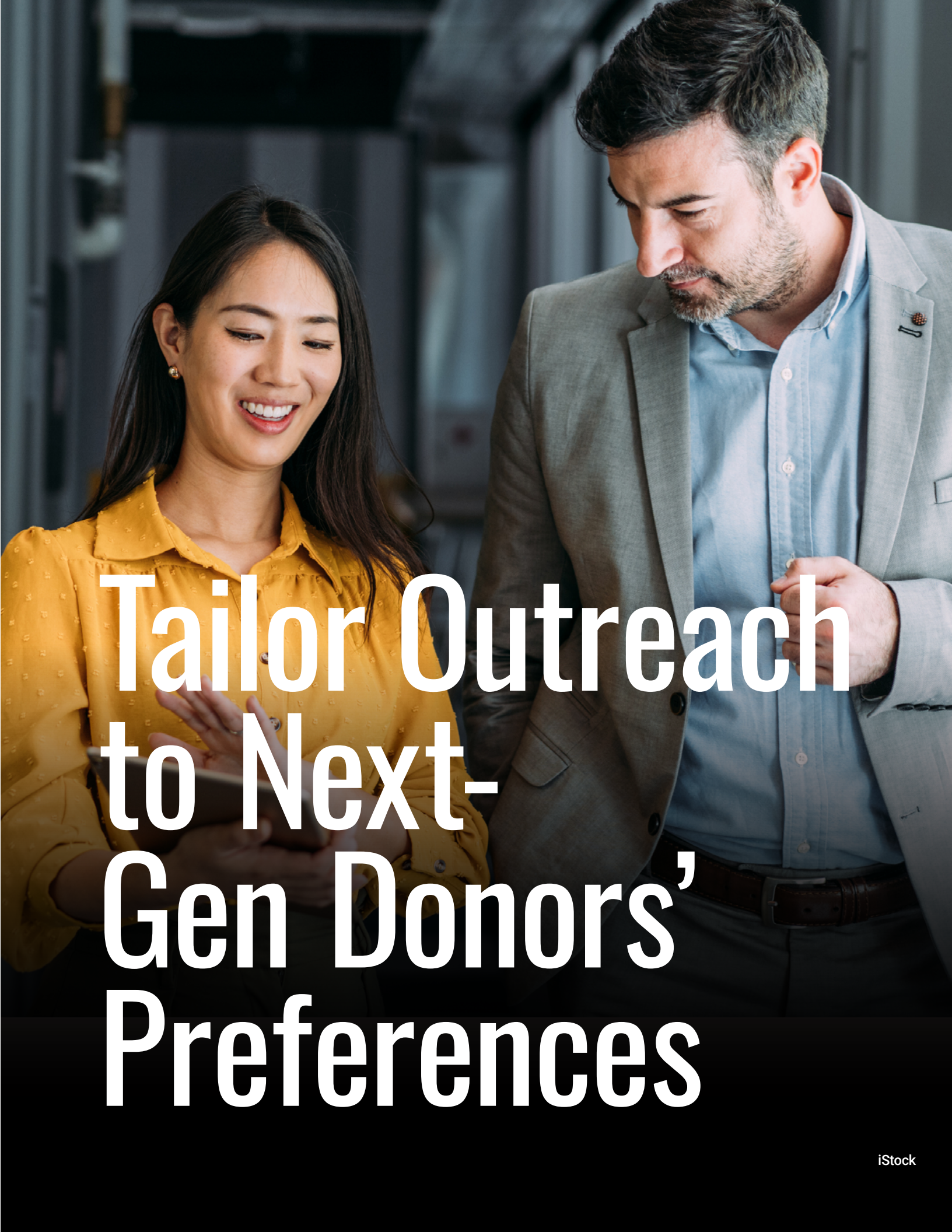
As younger donors grow older, pay off their student loans and their mortgages, and get their own children through college, some fundraisers and consultants argue, they may hear the same call that older donors now have: to support the education of future generations.

The wealthy individuals who are the most frustrating to fundraisers, though, are the ones who don't seem to want to give to any cause at all.

Research by [Giving Sciences](#), a consulting firm focused on data and marketing science,

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has found that 89 percent of high-income individuals give charitably. But the 11 percent who do not give are four times more likely than lower-income individuals to say they don't give charitably to nonprofits because they feel it's the government's responsibility to address the cause they are being asked to support. However, a 2023 study sponsored by the Bank of America on "[Charitable Giving By Affluent Households](#)" found that 14 percent of wealthy individuals said they have not given to charity because they have not been asked to, indicating some untapped potential giving.



Tailor Outreach to Next- Gen Donors'

Preferences

Communicate With Supporters in Varied Ways

It's tempting to slip into generalizations when assessing how next-generation donors want to be communicated with. Many of them are "tech forward," active on social media and more comfortable with texts than phone calls. But some are weary of video calls and hungry for informal, in-person events.

"One of the fundamental rules of major-gift fundraising is to discover your donors' communication preferences and follow them," said Perry.

She has developed ways to organize what she calls "[porch parties](#)," which are intimate, casual, donor-networking events with no presentations and no asks, just "friend-making." The objective for fundraisers is to work the crowd. "How did you come to be interested in us? What resonates with you most about our cause?" Learning what motivates donors helps build the relationships necessary to move toward major gifts, she said.

In Maine, when Wright was asked about preferred communication strategies, she said, "A few years ago, I would have said social media all day — figuring out your e-marketing strategy and digital communications. While I think that's still very important, I feel like people are hungry now to see each other in the community."

Community can also be built around messaging applications, she said, such as private WhatsApp or Signal groups that focus on issues, not individual nonprofits.

On the technology side, Lori Collins, the founder of Giving Sciences, said younger donors are, in fact, more likely to see clicking, sharing, commenting, and watching videos that might be monetized, as methods of charitable support. That view is as high as 80 percent in the 18-to-27 age group, drops down to about 60 percent in the 28-to-59 age group, and plunges to 38 percent among boomers, those 60 to 78.

Overall, the advice of major-gift consultants is that nonprofits need to have a lot of communication arrows in their quiver and be prepared to respond to market changes: TikTok is in one month, out the next. "I don't think any organization should put too many eggs in one basket," said Shaw of Youth Villages. "I think you should be constantly evolving, constantly testing, and doing [A/B tests](#) (which compare the effectiveness of methods or messaging)."

Bring Donors Closer to Your Work

Create videos, consultants say, even informal ones made on phones, of your organization's activities to show impact — such as a new water well in Africa surging to life. Use texts for those donors who like them. "We've seen people give hundreds of thousands of dollars by just getting a text from their major-gift officer saying, 'Here's something that we think you would really want to invest in,'" said Jeff Schreifels, principal at Veritus Group, a fundraising consulting firm.

At DAFgiving360, Kaynor wants to reach out to more next-generation donors and expects to use video, podcasts, LinkedIn, and webinars focused on these audiences. The latest episode of a webinar series, done in collaboration with the *Stanford Social Innovation Review*, is entitled "The Future of Giving: AI's Role in Generosity."

"While social media is still very important, people are hungry now to see each other in the community."

"We are fully committed to engaging the next generation of donors in a manner that's similar to the way that our current donors are engaged," said Kaynor. "We are going to invest significantly in improving and modernizing our solutions, tools and the resources that we offer."

In the end, consultants emphasize, it's the human connections that count. "The number-one influence on millennial engagement with causes comes from their peers, which has been proven over many years," according to the "Millennial Impact Report." Millennials turn to peers first for information and have strong peer-to-peer networks, the report says.

Cramer, the Boston-area consultant, said major-gift fundraisers should seek introductions to potential donors from current "champions" of their

nonprofits. "There's an immediate transference of trust that happens when a board member from an organization introduces that CEO or chief development officer to a colleague, friend, or neighbor," he said. "That is absolutely the most effective and efficient way to get in front of those with power and influence in their communities."

For Shaw at Youth Villages, the key to effective outreach is: "How do I get people who care about this type of work as close as I can to the work?"

The most powerful way for him to do that, he said, is what he calls a "ride along." The donor goes out with front-line workers as they go into a home or meet a young person in the "LifeSet" program, which helps young people who are aging out of foster care. Front-line workers might meet a teenager at a McDonalds, for instance, to help him or her with their resume. In an office setting, Shaw said "We can show you some slides and show you some stats and give you some research. But that does not replace going out and spending two hours in the field."

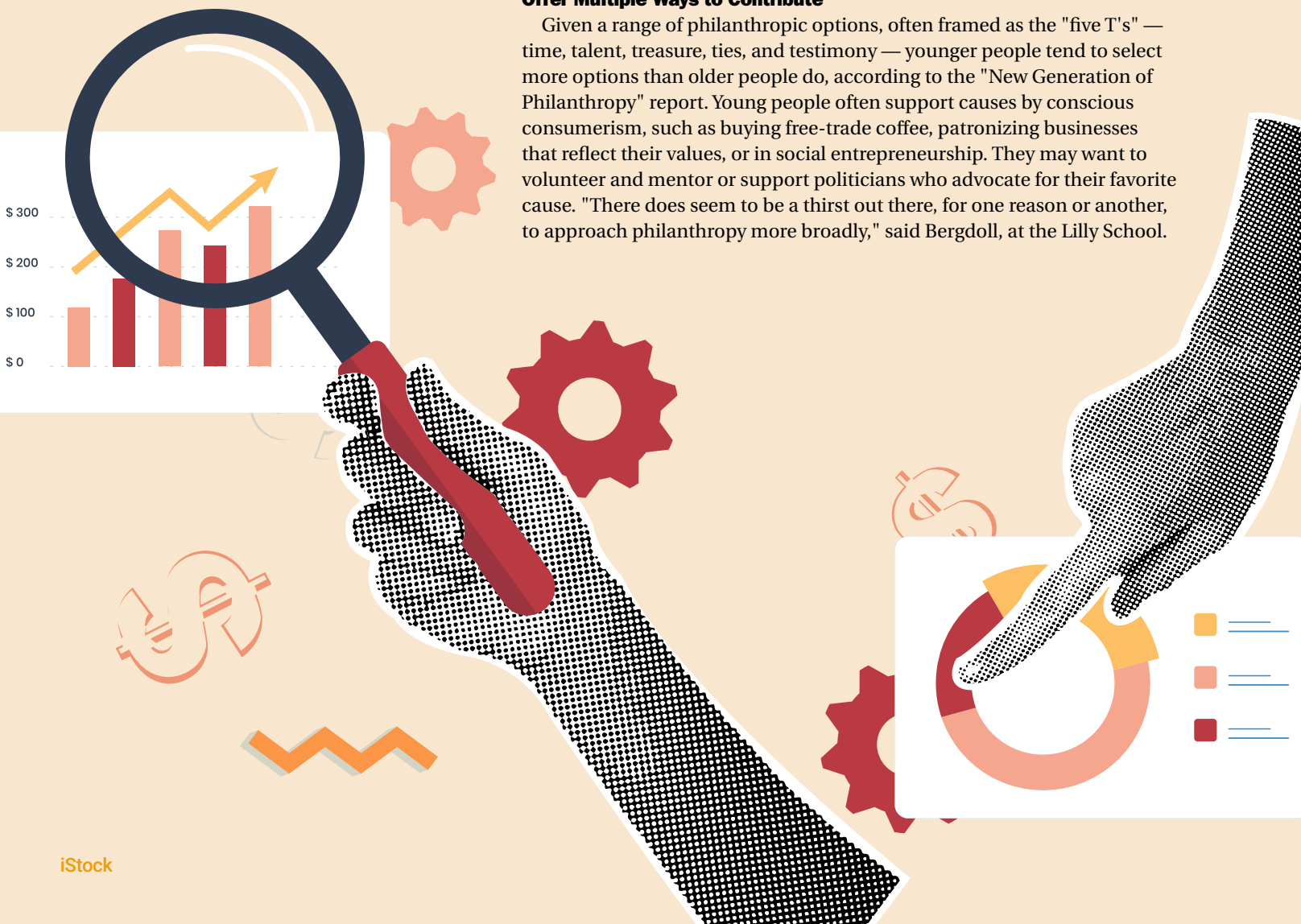
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The focus should not be on the channel of communication, he said, but on invoking the right emotional state: "People want to feel good because of what they give and what they support."

Adapt to Changing Giving Strategies

Offer Multiple Ways to Contribute

Given a range of philanthropic options, often framed as the "five T's" — time, talent, treasure, ties, and testimony — younger people tend to select more options than older people do, according to the "New Generation of Philanthropy" report. Young people often support causes by conscious consumerism, such as buying free-trade coffee, patronizing businesses that reflect their values, or in social entrepreneurship. They may want to volunteer and mentor or support politicians who advocate for their favorite cause. "There does seem to be a thirst out there, for one reason or another, to approach philanthropy more broadly," said Bergdoll, at the Lilly School.



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Wright, the Maine consultant, used the example of donors who are interested in birth centers, health-care facilities that provide a home-like setting for childbirth, focusing on a natural and low-intervention approach. Donors may be interested in providing low-interest loans, grants, and political advocacy for those centers, she said. "The next generation is really interested in thinking about all of the capital they have to put on the table," she said.

"We should make it as easy as possible for a donor to give to their heart's content."

The 2024 edition of the biennial ["Bank of America Private Bank Study of Wealthy Americans"](#) found that those in the 21-to-43 age group prefer volunteering, mentoring, and fundraising more than those over 44, who lean into direct giving.

Nonprofits should work with this desire for philanthropic variety, not try to fight it, advises Schreifels, of the Veritus Group. "There should be as many different ways to give as you could possibly have," he said. "We should make it as easy as possible for a donor to give to their heart's content."

Crowdfunding: Not Just for Micro Gifts

Major gifts and crowdfunding may seem to be at opposite ends of the giving spectrum. Crowdfunding is best known as a way to respond directly to crises of individuals or families, especially those with large health-care expenses. [One survey found](#) that 41 percent of Americans have given to crowdfunding campaigns for medical bills.

But in December, [Melissa French Gates put up a million dollars](#) as a match for a crowdfunding campaign for two women's organizations: the Vote Mama Foundation, which supports mothers running for political office, and the Rosalynn Carter Institute for Caregivers, which advocates for those taking care of the aging, ill, or disabled.

At Giving Sciences, Collins has found the generation in the 44-to-59-year-old age range is most likely to give money through crowdfunding, with 35 percent of them reporting having made such a contribution.

The advantage of crowdfunding, said Collins, is that it offers people a chance to give directly to someone with concrete and urgent needs at a time when trust in institutions is declining. Matching gifts provide an added incentive: "We know that matching gifts are like catnip to donors," said Collins. When nonprofits use crowdfunding, she said, it can start a relationship with those donors who share their contact information.

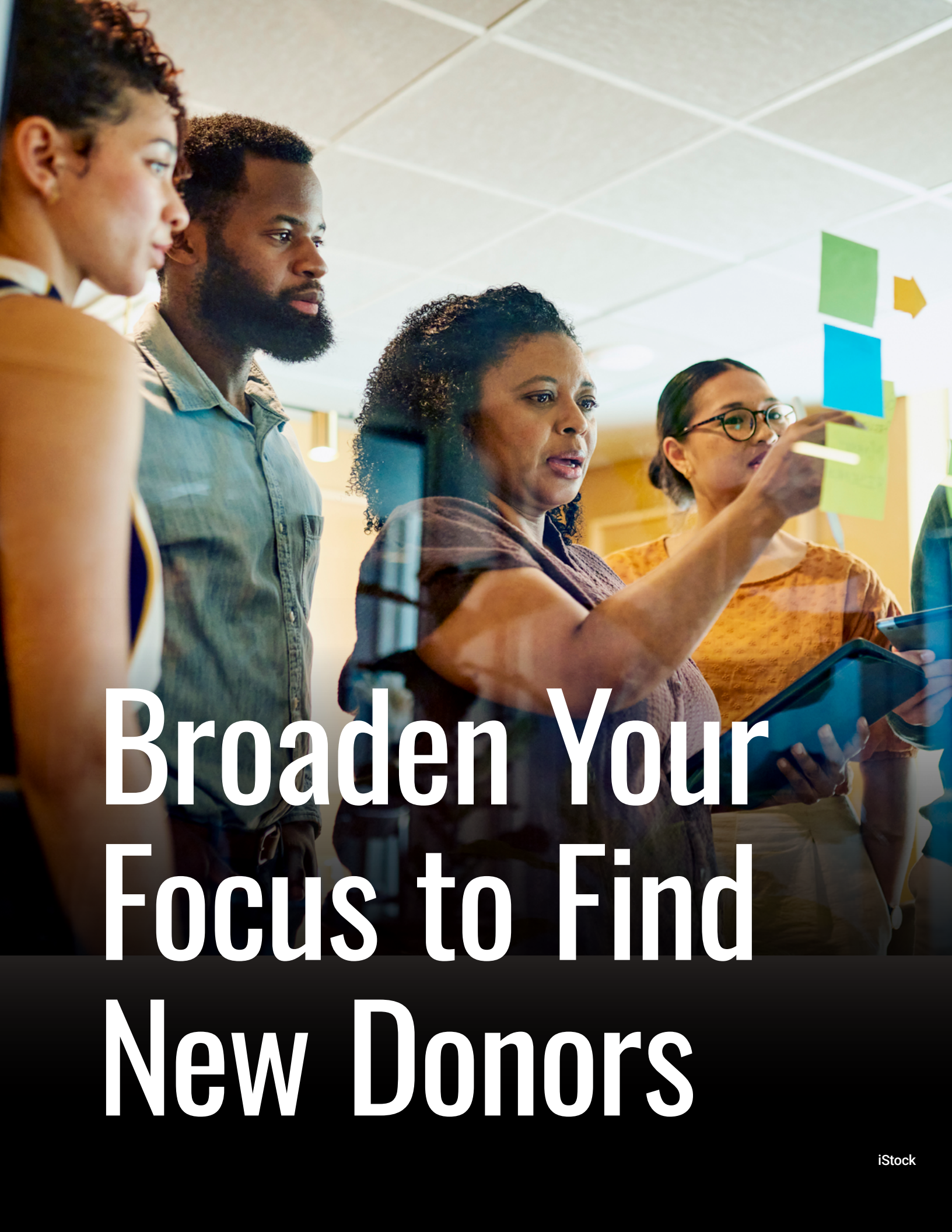
Volunteering Can Be a Gateway Drug to Giving

As a way of drawing in potential younger donors, recruiting them as volunteers shows a lot of promise. "We consistently find that people who volunteer tend to report it as a lot more fulfilling than people who donate," said Bergdoll, at the Lilly School.

At Giving Sciences, Collins said recent data she has analyzed indicates that millennials are the most likely among next-generation donors to prefer volunteering as their way of supporting an organization. Twenty-one percent of millennials prefer volunteering as a way to give. That drops down sharply to 2 percent in Gen X, the next oldest generation.

At the USA Triathlon Foundation, the nonprofit arm of USA Triathlon, the governing body for triathlons and other multi-sport events, Christi-Marie Butler, the chief development officer, will be on a panel about major-gift fundraising at the fall conference of the Association of Fundraising Professionals. At her foundation, Butler sees one of its big advantages in fundraising as its large number of volunteering opportunities. "Volunteering and generosity go hand in glove," she said. Hundreds of volunteers are needed at races, doing such tasks as paddling kayaks alongside swimmers or staffing information booths.

But nonprofits need to remember millennials, while often eager to volunteer, don't have the scheduling flexibility of those who are retired, experts say. Millennials are often parenting or building careers. Volunteering, said Wright, "has to meet them where they're at, and it can't be a huge commitment."



Broaden Your Focus to Find New Donors

The Role of Women Is Changing

More women participate in family philanthropy and serve as philanthropy leaders than in the past. At DAFgiving360, said Kaynor, the vast majority of grants that family donors make are recommended by the women named on the accounts. His observation is backed up by national data. The ["2023 Bank of America Study of Philanthropy"](#) found that in affluent households, 85 percent of decisions about charitable gifts were made or influenced by women.

While female major donors are common, many major-gift fundraisers say their focus is on making sure the women in families are included in philanthropic discussions. "I have a 'women's rule,' which is, 'You better make sure the wife is at the table,'" said Butler, at USA Triathlon. "Women give more. They give faster. They give more reflexively. The trial run is much shorter." Men appreciate her approach, she said, because she can convince the women in their family of her organization's worth directly, and the men are not stuck having to make the pitch.

Next-Gen Donors May Be Closer Than You Think

Consultants specializing in ferreting out next-generation major donors often suggest that, particularly for nonprofits with reasonably sized donor files, their next-generation major gifts may not be out in the wilderness, but close to home.

Consultants recommend paying attention to entire families, for example, not just individuals. Many nonprofits, they say, fail to include children of existing major donors in their outreach. "I think a lot of institutions take those younger people for granted," said Perry, "and that's a real mistake. If you're worried about the next generation of donors, are you creating strategies to pay attention to them?"

Also, consultants said, if nonprofits treat all their younger mid-level donors like mid-level donors, they will stay at that level. But if fundraisers tease out their interests and draw them close, they have a shot at moving them up to major

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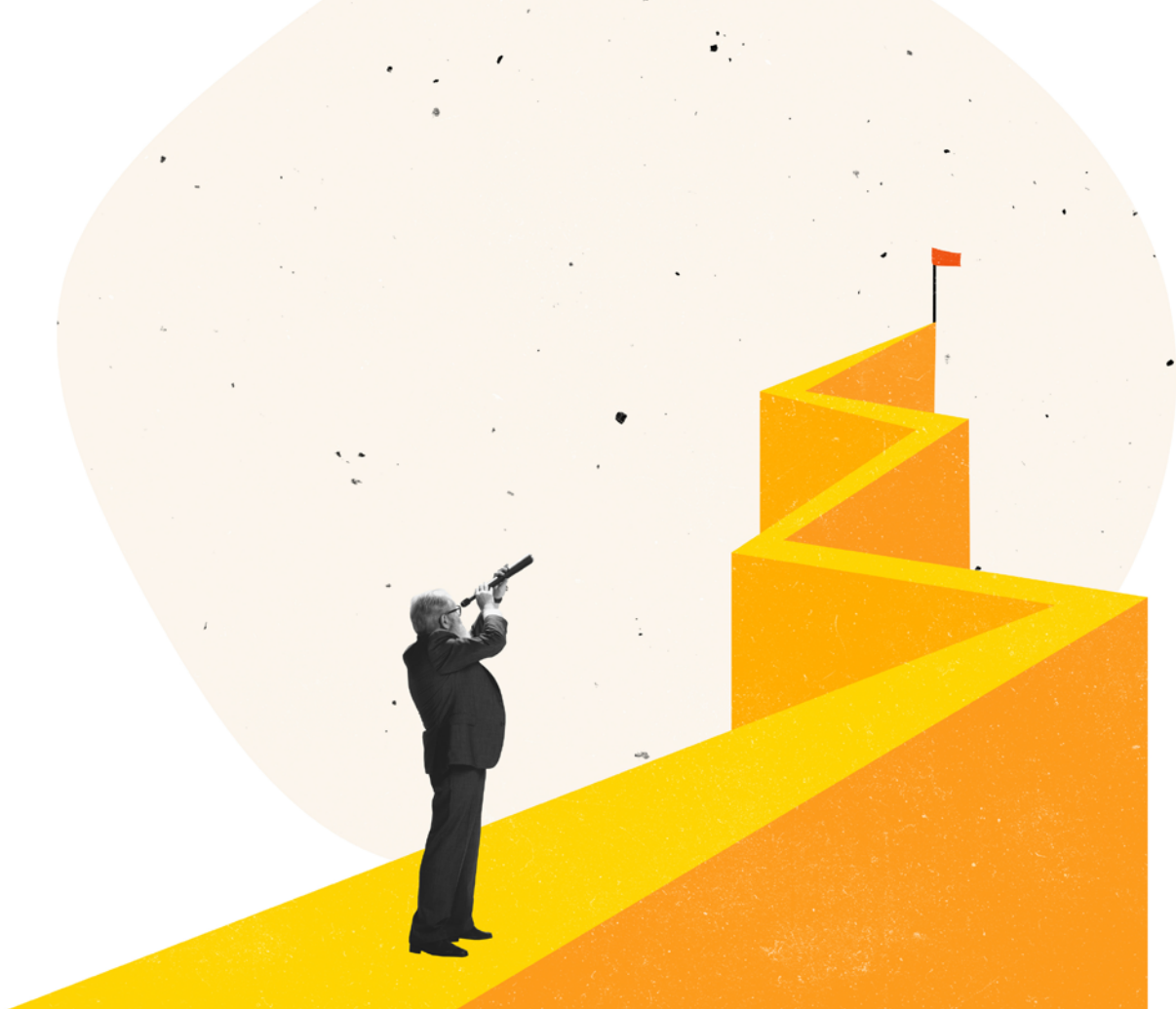
giving. Schreifels of Veritus Group said mid-level donors who demonstrate strong engagement with a nonprofit should be assigned one-on-one relationships with fundraisers.

The focus, said Perry, should be "Who do we have in our database today, and what are we going to do to nurture those relationships to take them from this level to a higher level in five years?"

She recommends asking existing younger donors how to get more folks from their age group to attend events, volunteer, and ultimately give to the organization. "Networking can be very subtle, but it can be very focused," she said.

At USA Triathlon Foundation, Butler said her top donor is 80, but her fastest-growing group of donors is in their 40s. She does not expect instant six- or seven-figure gifts but wants to introduce younger donors to the habit of giving. She created a "1982 Society," named after the founding year of USA Triathlon. Entry level to the society is \$1,982, with gifts going up to \$9,999. With a goal of getting 400 members, the society could generate nearly \$800,000 in unrestricted gifts. For gifts of more than \$10,000, she has a leadership circle.

Shaw, of Youth Villages, said, "I think everyone's focused on major donors and big gifts, as are we. But I don't think we should lose sight of what it takes to attract new people in the front door, and then finding ways to keep them feeling great about what they're investing in."



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The Path Forward

Fundraiser Optimism Comes to the Fore

In the quest to understand major and mega-donors, there are still lots of mysteries. "It's really tough to get somebody worth \$100 million to fill out a survey," said Bergdoll of the Lilly School. "So that data tends to be much more qualitative in nature."

What's clear is that many younger donors have a positive view of philanthropy's future. [A 2023 Giving USA report, "Giving by Generation,"](#) found that, among all age groups, millennials believed most strongly that charities are doing a good or excellent job, with 68 percent of millennials agreeing with that statement. The 2024 Bank of America study found that 86 percent of

"The next generations, millennials in particular, tend to be extremely generous."

those ages 21 to 43 believed that "the next generation will be more effective in their philanthropic efforts than older generations." That confidence level dropped to 33 percent among those over 44.

"The next generations, millennials in particular, tend to be extremely generous, disproportionately generous relative to other generations when they have the assets and the resources to give," said Kaynor, of DAFgiving360. "We are not seeing a decline in interest or engagement. In fact, it's quite the opposite."

Perry also has an optimistic view and circled back to her strategy of reaching donors by treating them as individuals. "It's not a matter of your pitch deck," she said. "It's a

matter of asking the donor what they think and honoring them as a whole person and not as a pocketbook."

Philanthropic giving in the United States has stubbornly remained at around 2 percent of GDP according to statistics published by the [Philanthropy Roundtable](#) and other sources. But that number puts fire in the belly of some fundraisers, who insist philanthropy is a growing force and are on the hunt for the next generation of major and mega-givers. "I refuse to believe we're at a generosity ceiling," said Butler, of the USA Triathlon Foundation. "I refuse to believe that we're not humans wired to help each other."



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I look forward to working together.

Best regards,

A handwritten signature in blue ink, appearing to read "Jeff Kratz".

Jeff Kratz
Vice President, Worldwide Public Sector Nonprofit and Industry Sales
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"Funders are increasingly confident in the power of digital transformation, with 62% of funders more likely to fund technology-integrated projects in the coming year."

– Jeff Kratz, AWS

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