

Donors of the Future

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Development officers everywhere are reconsidering much of what they thought they knew about their donors. Much has been written on the demographics of the generations alive today. Unless we harness that information and consider its impact on our own organization, we are likely to misconnect with our donors and fail to align giving opportunities with their interests. After considerable review of the recent literature on the topic, we have distilled the following eight characteristics we believe are important to know about your donors of the future. Note our intentional use of the plural—donors—as it is increasingly difficult to apply any characteristic to all constituencies, however homogenous they may appear.

Following are the eight distinguishing elements that will define those donors of the future:

Donors of the Future Will Want Big Solutions

- They will have more ambitious philanthropic intent and will give more, but will expect more results from organizations for those increased dollars.
- They will be better educated and more grassroots oriented than current donors,¹ and as such, will be more savvy about marketing efforts.
- They will care only about those organizations that are relevant (as they see it) to society,¹⁴ and will not be easily swayed to support organizations outside their relevance radar.
- They will be concerned about and active in environmental issues.¹
- They will be more ambitious in their philanthropic pursuits, with interests in tackling giant societal issues like reinventing American education or curing cancer.²
- They will be integrated thinkers and will see all social issues of relevance to them as interconnected: homelessness, inadequate healthcare, racism, AIDS, environmental problems, etc.¹

Group Discussion Scenarios

It is one thing to predict what the donors of the future will be like through research and trend analysis – it's another to be truly prepared for their arrival. Following are four role-playing scenarios to stimulate your thinking about who these future donors are and how they will react in different philanthropic situations:

Scenario A:

The year is 2009. You are a group of women age 60+. Some of you are single. You have been friends for years. You formed an investment group years ago and aligned your investment prowess, sense of independence, and love of travel with a growing sense of global responsibility. The group decided that over the next two years, they would travel to points in the U.S., China, and Africa to meet with women and young families. As you all live within a 30-mile radius, you want to contact a local social service organization in hopes of partnering with them to create a web-journal of your experiences, and hold web-enabled panel discussions with donors of the social service organization.

What will you expect of the social service organization?

Donors of the Future Will Think and Connect Globally

- They will grow in their understanding of globalization and will develop a strong sense of global social responsibility³ as a citizen of the USA.
- They will be moved to action and philanthropy by an educated and researched perception of global inequality.³
- His/her early interest in understanding globalization and global inequality will result in organizations developing more global/international donor agendas now,² and an increased preparedness for these organizations to tackle global/international issues in the future.

Donors of the Future Will Want to Have Impact

- They will be more personally involved and active in projects.¹
- They will continue their current dedication to volunteering – with an activist, community-building bent (in the trenches, not sitting on boards) – despite the slacker/hacker Gen X label they have been given (which is viewed by millions within this generation as inappropriate and untrue).¹
- They will be less interested in erecting monuments, and more driven by personal interests to finally solve major societal issues, investing their philanthropic dollars and volunteer time into programs and projects with beneficial outcomes.¹
- They will be growing more impatient¹⁴ with charitable organizations, and will be more blunt with their expectations of them. They will have no guilt about completely severing ties with organizations that cannot deliver on their promises.
- They will think more strategically about philanthropy and societal issues, with a systematic, businesslike approach to solving real problems.² They will have no interest in putting bandages on symptoms.
- They will be entrepreneurs and volunteers, with a common thread throughout their philanthropy to solve problems and make a difference.¹
- They will demand results, with a businesslike approach and measurement of results (metrics). Their interest in impact will overshadow interest in activities and buildings.² A contemporary example of the role of metrics in philanthropy decisions is found in the approach of The Acumen Fund (www.acumenfund.org).

Scenario B:

The year is 2015. You are together today attending an “affinity conference” with other like-minded, committed people. You have just participated electronically in real-time, each from different sites, in a national discussion group on a societal issue and will now spend several hours web-searching solutions, coming back together to discuss your impressions and, finally, design a philanthropic solution that can be applied. The conference is sponsored by a private funder.

What does your group want to know and how would you proceed?

Donors of the Future Will Take New Approaches

- They will usher in a new era characterized by a search for impact, the entry of fresh philanthropic actors, and the proliferation of new mechanisms.³
- They will have a more strategic outlook on society, with philanthropy as the partial/preferred solution to many societal dilemmas.
- They will expand our understanding of a philanthropy continuum² consisting of:
 - Outright gifts and grants;
 - Loans; and
 - Equity-based investment.

Donors of the Future Will Demand Access to Information

- They will not only want information, but will expect information that truly informs. Increasingly, they (not you) will decide where and when they interact with the organization.¹⁴
- They will perform their own due diligence on your organization.¹⁴
- They will grow less dependent upon (and tolerant of) the “spin” organizations put on their cases and promotional literature. They will be turned off by manipulations, clichés, and insincerity,¹ leading to the need to abandon – finally – long outdated, manipulative approaches to fundraising.
- They may continue to demonstrate their current skepticism about nonprofit organizations as a whole, and may see all but those they are intimately familiar with as untrustworthy and skeptical.⁵
- They will become much more demanding of nonprofits, reflected in growing expectations for information on demand, faster organizational decision-making, more partnership opportunities, and demonstrable results.
- They (especially Gen X’ers and Gen Y’ers) will expect to do business electronically – paying for events, dues, donations, and updating personal records through online and other electronic means.⁴
- Through the continued growth of online connectivity, they will expect your organization to become a connecting point (e.g., à la Netmeeting, chat rooms, bulletin boards) to join him/her with other like-minded people with shared experiences⁶ and passion for the organization’s mission and vision.
- Their expectations will propel your organization beyond Naisbitt’s high tech / high touch; organizations of the future must combine high tech / high touch / high trust.
- They will expect nonprofit websites to become a seamless integration of easily navigable information that provides him/her with information, analysis, plans, and communication vehicles.

Scenario C:

The year is 2012. You are a group of 40-year-old women business owners, highly educated, representing a mix of ethnicities, with a strong interest in the global immunization of children.

How might your group wish to interact with nonprofit organizations providing this service?

Donors of the Future Will be Increasingly Diverse

- There will be a greater ethnic and cultural diversity among all donors.
- We can infer that donors of the future will increasingly be women.¹⁷
- Hispanic and African-American philanthropy is growing³ and will continue to grow. Organizations will recognize the growing purchasing power and political clout of African-Americans, Asians, Native Americans, and Hispanics over the next 25 years.¹⁷

Donors of the Future Will Expect You to Know Them

- Because of the advances in Customer Relationship Management (CRM) tools in business, donors of the future will expect you to “know” them – their tactics, interests, history with you, etc., all at the touch of a button.⁶
- They will have an empowered sense of self and “An assertive form of individualism, a sense that my needs come first”.¹⁷
- Because we, as a society, will have more advanced analytics and more data-matching techniques, nonprofits should plan to use this to foster far more direct, relationship-building approaches with donors of the future.¹⁷
- Strides in information management, database analysis/segmentation, and website interactivity will coalesce to enable greater one-to-one marketing (or mass customization). Advancement/development officers will increasingly be able to harvest information about individual giving patterns and interests. The result should be tailored information and requests of donors.

While the landscape continues to change, these distinguishing characteristics can become a catalyst for discussion around your leadership table. Successful resource development operations are those who continue to adapt. By anticipating the mindset of your donors of the future, you position your organization to be a preferred partner for donors seeking impact.

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Gary Hubbell Consulting works with organizations on the cusp of doing great things – retooling business income and philanthropy strategies; engaging board members and community in unprecedented ways; raising more money than ever before. Clients contact us seeking help to develop strategies that foster organizational agility, setting a plan in place around which commitment runs deep, and determining how to generate philanthropy and other resources to fuel the resource engine of the future. For more information, contact us at 414-962-6696, or online at www.garyhubbellconsulting.com.

Scenario D:

The year is 2007. You are a group of foundation program officers from foundations around the world (Copenhagen, Sydney, Minneapolis, and Geneva), each of which was established since 2003. You’ve come together in a virtual discussion to explore the advantages of your totally Web-based, virtual environment (application acceptance, proposal review, and board meetings) and to consider the knowledge sharing aspects of your business based on collected impact reports of grantees.

What are your expectations of grant applications and how can they contribute to your foundations’ growing sense of global impact?

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