

FUNDING CHANGE IN THE MILLENNIAL AGE

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FUNDING CHANGE IN THE MILLENNIAL AGE

In what ways will younger generational attitudes and interests shape the practice of philanthropy?

By Lisa Scardina

A rise in awareness of and participation in hands-on service learning in Third World settings is a key indicator for the future of philanthropy. Next-Gen donors want to get their hands dirty and get real with their time and money.

Imagine for a moment the landscape of non-profit organizations in the United States 20 to 40 years from now. The original philanthropic paradigm in the time of the Carnegies and Rockefellers couldn't be more different today, as what we will experience in another generation or two will be dramatically different from where we are today.

The number of non-profits in the United States has significantly increased in recent years – by 27.3 percent from 1995 to 2005.¹ You only need to monitor the number of phone and mail solicitation the average household receives in a typical week for evidence. Additionally, with that increase comes a compounding amount of communication in the marketplace about a wide variety of causes. Whether in Starbucks or Safeway, customers are asked to support local, national and international non-profits in their work. How can a worthy non-profit ever compete?

I traveled to El Salvador in November 2009 with a group of 15 people from Providence Health & Services, where I work in the Health Services Integration division. Four physicians, three nurses and a group of administrators went to visit two Sisters of Providence who have served there for many years. The trip was designed as a formation experience for current and future leaders of the organization, and indeed it helped to shape, change and confirm notions that I

¹ Amy Blackwood, Kennard Wing, Thomas H. Pollak, *Public Charities, Giving and Volunteering*. (Urban Institute, Facts and Figures from the Nonprofit Almanac 2008).

have about the way the world works, especially around the power of a new generation to harness personal investment to make positive changes where it is needed the most.

The timing was right because I have been mulling on the idea of generational differences in philanthropy for the past several years – about ways to fund positive change in communities as paradigms are shifting. Cultural, social and economic foundations seem to be crumbling and I find myself relying on conversations with those coming into adulthood about the way they see the world to help the way I see mine – and the way I see the evolving role of philanthropy. While Generation X is poised to take the helm of our leadership institutions (Generation X defined as those born between 1961 and 1981; ages 29-49 in the year 2010), Millennials (defined as those born between 1982 and 2003; ages 7-28 in 2010) are pushing and stretching conventional wisdom to recreate our institutions and directionally re-align our country. Let's consider the roles of these particular generations in helping to shape the future of successful non-profits and their engagement with their donors and key publics.

There were two Millennials who traveled with our delegation in El Salvador – Erika Murcia from the local community and Alex Soleil from Seattle, Washington. They live in the Tierra Blanca area of Usulután and are charged with dispersing scholarship funds to the local youth to encourage them to pursue higher levels of education. They have ideas about the positive change needed there – and have the vantage point of living in the community, talking with the new generation, seeing and living the realities in a way that no funder from outside the country or even within the country can.

I believe Erika and Alex are building the exact skills necessary for future non-profit leaders in the next generation – a breadth and depth of knowledge and understanding in economics, politics, history, communications, technology and the liberal arts coupled with field experience. They are indeed up to their elbows in the realities of the needs of the community.

Putting this in context

Leslie Crutchfield and Heather McLeod Grant, authors of "Forces for Good," write that greatness is about managing the work outside the boundaries of the organization. They believe in leverage to influence and transform others in order to do more with less. Government, business, individual and non-profit networks need to work together to affect positive change.² I believe Millennials are uniquely suited for this task.

Gary Hubbell's article, *The Prophecy of Millennial Philanthropy*, uses historical analysis and the theory of generational personalities to suggest how Millennials will impact philanthropy in the next 30-40 years. He provides a compelling framework for this conversation.³ I would like to expand on his findings with two particular lenses – that of a communications professional (I

² Leslie Crutchfield and Heather McLeod Grant, *Forces for Good*. (John Wiley & Sons, 2008).

³ Gary J. Hubbell, *The Prophecy of Millennial Philanthropy*. (On the Cusp Publishing, 2009).

have been working in strategic communications for non-profits for the past 15 years) and an international aid worker.

Hubbell draws from the work of Strauss and Howe in describing Millennials as special, sheltered, confident, team-oriented, achieving, pressured and conventional.⁴ Hubbell says that this generation loves to take action and they prefer to work in teams. They bring practical strengths, optimism and teamwork to the table. This is a generation very intentional about making a difference and building community. Steeped in solid values, the Millennials will bring the same solution orientation to philanthropy that they have brought (and will continue to bring) to every other aspect of their lives.⁵

I agree, and am further intrigued with a few facts:

- Currently, 35% of undergraduate students at the University of Notre Dame pursue service learning opportunities in a Third World country.⁶
- One student single-handedly raised more than \$100,000 for the Congregation of Holy Cross's mission work in Uganda and then traveled there to help disperse the money.⁷
- Over 15,000 Americans applied to the Peace Corps this year – an increase of 18% over last year.⁸

There are thousands of college students who do field study as undergraduates or take to the road after finishing their degrees to see firsthand how the world works. They are our future leaders. We can make some assumptions about how they will approach seeing and experiencing the world – the predispositions that they bring to these experiences – that can and should influence how we structure and communicate about philanthropy to better engage Baby Boomers, GenX and Millennials alike. Baby Boomers and GenX follow in the communication habits that Millennials establish. Just look at the rising age of those active on Facebook as one indicator.⁹

Mercy Corps shows the way

One non-profit that is often looked to as a model for online giving and high engagement with a younger demographic is Mercy Corps, based in Portland, Ore. They report donations of more than \$28 million annually to aid a wide variety of programs in developing countries and the United States. Jeremy Barnicle, director of marketing at Mercy Corps, reports that Mercy Corps established a strong brand presence with their cutting edge online giving strategy, which

⁴ William Strauss and Neil Howe, *Millennials Rising: The Next Great Generation* (New York: Vintage Books, 2000), 43-44.

⁵ Gary J. Hubbell, *The Prophecy of Millennial Philanthropy*. (On the Cusp Publishing, 2009).

⁶ Interview with Fr. Jim King, C.S.C., Director, Office of Mission, University of Notre Dame, September 2009

⁷ Interview with Fr. Jim King, C.S.C., Director, Office of Mission, University of Notre Dame, September 2009

⁸ Peace Corps New Release, September 2009

⁹ Justin Smith, *Fastest Growing Demographic on Facebook: Women Over 55*. (Inside Facebook, February 2, 2009).

included being “first to market” with a robust website highlighting giving opportunities for their international aid programs (www.mercycorp.org).

How does Mercy Corp see the future of giving? Perhaps more like Kiva (www.kiva.org), which has become an industry standard in the “impact giving” arena with their compelling online microloan financing website. Mercy Corps knows that technology can connect donors to the giving opportunity in new and interesting ways, with an ever increasing amount of transparency. On the Kiva site, you know who exactly you are giving your money to, are told what they will do with it, and receive regular reports about how the funds are being used and when the microloan will be paid back. Mercy Corp has focused on soliciting for unrestricted funds, which offers the highest level of flexibility, but Barnicle sees trends in the philanthropy market that indicate donors are moving toward wanting more restrictions around their giving. That may not always be a good thing. Sometimes donors don’t realize the necessary investment in infrastructure that can empower greater positive change. Barnicle says that the evolving giving landscape requires that Mercy Corp look into ways to incorporate the sort of specificity and transparency that investors with Kiva are receiving.

Ask the Doctor

Here’s what one donor thinks, and he is not alone. He is a 38-year-old primary care physician (GenX) whose insights shed light on the movement toward more intentionality about making a difference and building community that Millennials are bringing to the table:

On the health foundation front, marketing breast cancer can be problematic. Because of the money being channeled into high profile advertising campaigns that promote single-issue messages about health and the difference a donation to one disease can make, other things can get overlooked. Providing care to the uninsured is most important and compelling. I look for ways to make a personal connection – with the people that I see at my clinic or at places like Oregon Food Bank, where I volunteer with my wife and young daughter. I am not interested in writing checks for more hospital buildings that provide a place for patients to receive care in the last stages of life. I am more interested in prenatal and wellness care that can really make a difference. I am a donor to MoveOn.org and think that the organization provides a sense that they are just on the edge of something good, a sense of urgency and then a report back on results relatively quickly so that I can really see the impact of my gift.

There are some clues here about communication approaches worth considering in the present as non-profits look to cultivate the next generation of donors, and the generation after that.

What can Kiva teach us?

Kiva.org hit a major milestone proving microloans can help to change the world a little bit at a time. It was founded four years ago and already facilitated \$100 million in microloans between individual lenders and entrepreneurs all around the world. The company has brought together

573,000 lenders (people like you and me putting in \$25 or more towards a specific project) and 239,000 entrepreneurs.¹⁰ Kiva co-founders are Premal Shah and Matthew Flannery, ages 34 and 32 respectively. The average age of participants in the Kiva fellowship program is 30 years old. What insight can the average non-profit leader glean from this success?

Do what Mercy Corps is doing: Visit the Kiva.org website. See how the online giving mechanism works. Look at how information is organized and what sort of information is accessible. And know that there is more to come. Kiva is planning to leverage the power of video to help connect lenders and entrepreneurs in more meaningful and profound ways. Video profiles will be developed by Kiva's field partners – using Flip Video's small handheld recording devices.

A few words about the Obama campaign

It is fundamental to mention, in the context of considering trends in successful communications and fundraising initiatives, the unprecedented success of the Obama campaign for the presidency. We have never before in the history of our country seen the level of engagement, fundraising and permeation of message across all communication channels that the Obama campaign achieved. David Plouffe (GenX), the Obama campaign manager, offered some very practical advice at an American Marketing Association meeting in 2009. While the Obama campaign was ruling the airwaves, Plouffe was behind the scenes tracking against these areas of focus: ensuring consistency of message across all platforms; committing to repetition – saying the same thing many times; analyzing the customer base; using every communication tactic available; providing people tools to pass on the message; listening to everyone, including those who don't normally speak up; and relying very heavily on the power of video to tell a compelling story (see reference to Flip Video cameras above). These strategies and tactics worked, particularly among the GenX and Millennial generation. Let's place these recommendations into a larger context to aid in communication planning.

Lessons to be learned

For those in leadership positions in non-profit organizations, spending a few minutes thinking about what Millennials are thinking about can advance your communication strategies in the present and inspire you to ensure they are directionally correct for a future that is surely coming. Here are some thoughts that organizations of any size can take into consideration when planning a strategic communication program:

Make it transparent. Web sites make it possible to see with great detail what businesses and organizations are up to – their priorities, news coverage, announcements. Online tools provide another access to detailed information: data about the effectiveness of clinical trials, investment figures showing where governments are spending tax dollars and charts of consumer behavior.

¹⁰ TechCrunch, November 1, 2009

Millennials are predisposed to skepticism. Finding ways to help future donors see and feel the impact of their giving will help dispel skepticism and bring higher levels of engagement.

Shorten the transaction cycle. MoveOn.org has unique issues-oriented campaigns that are short and to the point. They are able to report results within weeks. Donors feel a sense of momentum. Ideas like “triple bottom line” are now part of every business degree program in the country. Millennials speak this language and believe in it. They want and expect to see incredible ROI, even for a small investment. Find ways to communicate and “close the loop” quickly and often.

Be experimental about being experiential. Tell the stories of the people who are being impacted in new and interesting ways, which will surely draw on new technologies. Test ideas in pilot programs before committing to any particular program. This is where the Flip Video cameras come in. Give the real storytellers the ability and access to tell their stories themselves to those who are most interested.

Find ways to encourage referrals. We know that Millennials are a chatty bunch, connected to their cell phones and Facebook pages where they can communicate with hundreds or thousands of friends instantly. And we know that GenX and Baby Boomers are among the fastest growing segments of new users. Social media marketing programs are designed to leverage these networks to advance the goals of an organization or business. Kiva has nearly 150,000 Twitter followers. That doesn’t necessarily translate into new members to their lending community. They are focusing where they get the highest conversion rate: friend referrals.¹¹ Find ways to create “communities” of your own using technology or old school methods like in-person meetings.

Closely examine success measures. How can we accurately measure engagement? Hits to a Web site can be an important indicator, as can the results of yet another SurveyMonkey. Just like the power of microloans, we may see power in micro-measurements. Total money raised will continue to be the great success measure as we seek to fund positive change, but there is more. Segmenting donors, charting engagement measures across all communication channels, and piloting programs that stretch how stories are told – this is where the future is headed.

Will your non-profit organization be around in another generation? If so, do you have a vision for how it will look, work, feel and remain relevant? Strike up a conversation with a Millennial to get some ideas.

¹¹ Sparxoo, December 21, 2009 interview with Chelsea Bocci

ABOUT GHC CONVERSATIONS

Annually, Gary Hubbell Consulting convenes and hosts a small hand-picked group of social sector professionals from throughout North America for three days of intense dialogue and critical thinking. We strive to create a thought-provoking, mind-opening, and stimulating conversation about philanthropy, organizational leadership, and the sector as a whole. This deep exploration of the nature and challenges of the philanthropic environment is intended to engage, inform, and inspire senior leaders to be catalysts for change in their own organizations and communities of influence. With each GHC Conversation, we seek to establish the seeds of a continuing and enriching network that nourishes us as individuals and helps each of us change how we converse, inspire, and seek new dimensions of philanthropy. This essay is one contributed for *Conversation 2010*.



Conversation 2010

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Lisa Scardina is a communications professional with 20 years of experience in strategic communications with an emphasis on helping non-profit organizations crystallize goals, focus energies and build momentum. She currently serves as the lead strategic communications professional in the Health Services Integration division at Providence Health & Services in Portland, Ore., supporting efforts to develop new business models in alignment with health care reform.

She is constantly looking for how things connect and creative ways to leverage stories to make a difference, working on capital campaigns and communications programs for Providence Health & Services, DePaul University, University of Notre Dame, University of Portland, Congregation of Holy Cross, Oregon Food Bank, and others. Her projects have received recognition from numerous national organizations. She is a graduate of DePaul University and Georgetown University's Institute on Political Journalism, and received her accreditation from the Public Relations Society of America in 2005.

This is Lisa's first *GHC Conversation*.