THE FUTURE STARS
OF PHILANTHROPY

How the next generation can shape a bright future
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>In brief</td>
<td>4</td>
</tr>
<tr>
<td>Generation Y-not</td>
<td>5</td>
</tr>
<tr>
<td>Thriving on engagement</td>
<td>6</td>
</tr>
<tr>
<td>Getting stuck in</td>
<td>10</td>
</tr>
<tr>
<td>Tackling the big themes</td>
<td>12</td>
</tr>
<tr>
<td>Putting their money where their mouths are</td>
<td>16</td>
</tr>
<tr>
<td>Future outlook</td>
<td>18</td>
</tr>
<tr>
<td>Contact us</td>
<td>19</td>
</tr>
</tbody>
</table>
Welcome to the first paper in our series which sets out to inspire the future stars of philanthropy. In the face of a challenging time for charities, we explore the role that young wealthy individuals can play to shape a bright future.

This decade sees philanthropy at a pivotal point. The evolving global landscape, the rapid creation of new wealth over the last 25 years and a greater awareness of how philanthropy can create social change has led to exciting innovation and new thinking that is changing approaches to giving and social responsibility across the world.

There are many different elements that will shape the future of philanthropy, and this research series will focus on some of those that will play a major role in why, where and how philanthropy evolves over the coming years.

Importantly, we have written this report to highlight the viewpoint and attitudes of givers themselves. Its aim is to capture global views on philanthropy from individual givers, focusing on how they give today, how they will give in the future, as well as giving insight into the psychology of the modern donor based on our experience of supporting numerous philanthropists over a period of decades.

Throughout this series we have benefited from unique insight into the attitudes of 5,975 wealthy individuals worldwide; making this the largest ever study of philanthropic attitudes. We partnered with Scorpio Partnership to create the series and drew on data from the Scorpio Futurewealth project, which surveys individuals with an average wealth of £1.5m on what money means to them: how they make it, invest it, spend it and how they give it away.

We start the series by examining the next generation, who are at the core of the future of philanthropy. We advise many young philanthropists, and have observed the fresh thinking they apply to their giving. We hope that by highlighting their stories we can inspire others to think about the way they give, the opportunities available and what could be achieved through strategic philanthropy.

As part of this report we have featured two of our CAF clients, Tara Nash-King and Adam Pike, who are leveraging their resources, including their communities, networks and technology, to create interesting and different models of giving with impact.

The positive findings of this report make me very optimistic about the role philanthropy can play in transforming society. This group of next generation philanthropists thinks big, thinks hard and thinks together, and they are undoubtedly the drivers of exciting and powerful philanthropy to create genuine and long-lasting social change.

Jo Ensor,
Director of Philanthropy

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1 http://www.futurewealthlab.com/
In this paper we identify what matters to young, wealthy givers – Y-Givers – and how their attitudes may shape philanthropy in the future. We are shining a light on some of these Y-Givers to inspire others who can make the philanthropic torch burn even brighter.

**Leveraging networks**

Our first key observation is that they thrive on engagement, valuing their networks and giving together. They are also more willing to shout about what they are doing. So, in future we can expect to see strength in numbers and more people power.

- 42% turn to their family for information on philanthropy (vs. 28% of those >45 years)
- 39% turn to peers (similar to 38% of >45)
- 38% use giving circles (vs. 30% of >45)
- And, 32% want their giving to remain anonymous (vs. 41% of >45)

**Global causes**

They care more about the big picture and tackling the big themes. So, we may see more focus on global and social problems. When asked what is the most important issue facing society:

- 44% say the gap between rich and poor (vs. 28% of >45)
- 30% say poor standards of education (vs. 26% of >45)
- 29% say corruption (vs. 25% of >45)
- And, 25% say climate change (vs. 20% of >45)

**Hands-on approach**

They are strategic and hands-on, really getting stuck in to get impact from their giving. This means we can expect more innovation, more experimentation, more long-term relationships with causes and charities, and more focus on leverage.

- 66% say they want to focus on the greatest need (vs. 60% of >45)
- 52% say they want to make an impact (vs. 43% of >45)
- And, 33% says getting personally involved matters to them (vs. 16% of >45)

When wealthy individuals give, they put their money where their mouths are; younger givers are already giving almost $3,000 more than older givers on average.
Twenty-five years is a magical span of time: it may be the blink of an eye for anyone over 40, but to anyone under 30 it is a lifetime. And the generation that has grown-up in the last 25 years has witnessed the most astonishing changes in their own lifetimes: the rise of nations, the march of technology and communications, a shrinking world and the most spectacular global economic boom, followed by the most spectacular bust.

In this same period, fortunes have been made and a new age of philanthropy has been born. And, the children of those who made their wealth and started giving in the 1980s and 1990s have now grown-up and are, in turn, building their own careers and starting out on their own giving journeys in this fast-changing world.

Those born between 1980 and 1999 are often referred to as Generation Y. This demographic has been widely studied by academics², business gurus³, educationalists and marketers alike.

All of them draw broadly the same conclusions. Generation Y are genuine go-getters: engaged, goal oriented and above all, individualists.

Where their parents partied at university and worried about their career in their twenties and thirties, this generation has grown up in a world that was fast globalising. Throughout their lives they have faced the prospect of global economic competition and the career advice from an early age has been to focus on getting ahead. By their early twenties, many have already racked up impressive CVs through work and voluntary experience and they are entering the workplace as a force to be reckoned with.

Social and political movements such as the Arab Spring and the Occupy movement have been equally attributed to the sheer will-power of this generation. They are technology-savvy and at ease connecting both with friends and like-minded strangers. And with these skills, Generation Y is already having a profound impact on society and its very definition of democracy.

² http://coursework.mnsfld.edu/yacovissi/eco%203225/getting%20inside%20gen%20y.doc
And yet, 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. When we look at their philanthropy, we see the same themes emerging. Their parents may be low-key about their giving, but the up-and-coming generation of wealthy givers clearly has great admiration for their quiet commitment to helping others.

We simply find throughout this report that Y-Givers are planning to take this commitment to giving to a whole new level – but make a lot more noise.

Tara Nash-King, an entrepreneur and philanthropist, is a good case in point. When her mother died at a young age, Tara and her sisters went through her papers and they started to realise just how much their mother had given to help others. Inspired by her example, the sisters launched a foundation in their mother’s memory to carry on what she had started.

Things quickly started to grow from there. Tara soon found out she had a talent for fundraising, but not in the traditional way. She does far more than just running marathons. Instead, with a firm understanding of the value of cultivating her own network of peers, she calls on family and friends and the help of the occasional celebrity to host glamorous weekend retreats and luxury charity events.

At the same time, Tara runs her own business, Chic & Seek, a website for pre-loved designer fashion items. When she set up the company, she was determined that her social values would be reflected in her business as much as in her philanthropic life. So, in addition to the fundraising activities she hosts in her spare time, she also hosts online charity auctions through her business, allowing her clients to use the Chic & Seek website to donate fashion items for sale.

“When I started the business, I knew I wanted to have a charity aspect to it. I had always worked in fashion, but I wondered if I could do something more. Fashion is light-hearted, fun and beautiful, but I wanted an element in the business that kept me grounded and made sure I didn’t forget about the real needs of other people,” she says.
**The evidence:**

When we compare the attitudes of philanthropists under the age of 30 with those over 45, we find that the up-and-coming generation is clearly more open to engaging around their philanthropy; they are open to bouncing ideas off their family and friends, and they are embracing the new phenomenon of 'giving circles'. Figure 1.1 shows, by contrast, that the older generation is more likely to rely on accountants.

**Figure 1.1: Who do you turn to for information?**

![Figure 1.1: Who do you turn to for information?](image)

Source: Scorpio Partnership, 2010 research based on 1,428 responses to a global online survey
“The community aspect of giving is so key to me. I think that was lost in the last generation”

Tara Nash-King
Entrepreneur and philanthropist
What drives all of this is Tara’s strong sense of community. Her generation, she believes, is much more willing to connect and meet like-minded individuals, whether that is buying and selling online, or meeting at a charity ladies’ lunch.

“The community aspect is so key to me. I think that was lost in the last generation. I am always looking for ways to put people back in touch with each other.”

Plus, she adds, getting others involved simply adds to the whole enjoyment of giving.

As we have seen, Tara is not alone. When we compare the attitudes of philanthropists under the age of 30 with those over 45, we find they are generally more willing to engage with others on the subject of their giving. But, perhaps most interesting is their willingness to talk to their family about their giving (see Figure 1.1).

This feeling is mutual. Wealthy parents – particularly those who have made their own fortunes – are often keen to involve their children in charitable activity as a way to help keep them grounded.

Indeed, philanthropy is gaining momentum as a topic of open discussion within families as the social conscience of young adults meets the wealth responsibility agenda of their parents’ generation. This can throw up its own set of challenges.

As a next generation philanthropist, how do you respect the values of previous generations while ensuring your giving is relevant and right for you? And, as a parent, how do you ensure your family’s philanthropic objectives continue to be met with the same care and thoughtfulness?

Multi-generational philanthropy can be a rewarding and bonding experience for families, but it needs to be approached with a lot of thought and consideration.

As we see in Tara’s case, the next generation may be inspired by their parents, but they are equally keen to reinterpret themes and ideas in their own mould. Perhaps this is why we also find they are more open-minded about sharing information through giving circles, specialist philanthropy advisors and private banks. Simply put, this generation wants to cast the information-gathering net as widely as possible to find ways to do things differently or better.
TACKLING THE BIG THEMES

This sense of connectedness is not just to the local community. Y-Givers think big. They have grown up as global citizens, they are strongly influenced by what is going on in the world and they want to use their own influence to make changes.

This same global passion can be seen in the causes that stir the emotions of younger givers and they are looking at the world around them and trying to figure out the best ways to tackle big themes.

The evidence:

When they look at the issues facing the world, Y-Givers look at the big picture: the ‘gap between rich and poor’ is far more pressing to them than it is to the older generation (see Figure 1.2). By contrast, donors over the age of 45 are far more influenced by problems closer to home. They worry more about social cohesion in families and communities.

Figure 1.2: What are the most important issues facing society?

Source: Scorpio Partnership, 2010 research based on 1,428 responses to a global online survey
The difference in world view between younger and older givers feeds directly through into the donations that they make and the approach they take to their philanthropy. Looking at the top five causes among wealthy individuals, Y-Givers place more emphasis on macro-themes like the environment, education and poverty (see Figure 1.3). Older givers give first to causes that hit home hardest – children and cancer – often as a result of personal experience.

Figure 1.3: To which causes are you most likely to give?

Source: Scorpio Partnership, 2010 research based on 1,428 responses to a global online survey
In addition to their big picture, open-network style, we also find Y-Givers are far more enthusiastic to get personally involved with the causes they support. They are very active fundraisers and volunteers, and are also genuinely hands-on.

It is not unusual these days for Y-Givers to travel to far flung locations to experience challenges and change first hand. It is equally common to find them on organising committees or lending knowledge, network and experience as a resource for the organisations they help. Y-Givers are embracing the ‘venture’ type approach to philanthropy, working with charities and social enterprises offering support, providing organisational capacity-building and involving their own networks.

In fact, we often find that they are in the vanguard of those who are redefining elements of philanthropy by introducing commercial principles as a way to give leverage to their philanthropic contribution.

The pioneers in this field hope to drive effectiveness by introducing for-profit skills and motivation into the not-for-profit sector. In the impact investing space, they also hope to expand the appeal of putting money into social causes by making quasi-commercial investments that are attractive to the wider investor community.

Adam Pike is a good example of this really hands-on approach to philanthropy. In 2010, he and his friend Michael Harris were inspired by the ‘Giving Pledge’ of Bill Gates and Warren Buffet. But as young graduates with access to considerably smaller fortunes, they wanted to find a way to maximise what they were able to give.

Their response was to create Young Philanthropy, a giving syndicate with the mission to introduce the next generation to a lifetime of giving and developing their potential as future philanthropists. Their most prominent initiative is the Young Philanthropy Syndicate, which enables young professionals to galvanise their giving and work with philanthropy mentors to maximise their donations. The objective of the platform is to make the most out of each individual contribution.
The evidence:

The evidence shows that Y-Givers are far more enthusiastic about ‘getting personally involved’ in their giving than the generation that preceded them. On the other hand, they clearly focus far less on ‘administration costs’. These two facts together paint a picture of a generation that is more willing to adapt their lifestyles towards their giving, has a clearer view of the impact, and so has less concern about what is happening with their donation.

Figure 1.4: What matters when it comes to your giving?

Source: Scorpio Partnership, 2010 research based on 1,428 responses to a global online survey
The evidence:

It is also clear that simply giving is not enough for younger philanthropists. When asked them what type of givers they want to be, we find that those under 30 place significant weight on the importance of making a 'tangible impact' with their philanthropic activity, as Figure 1.5 clearly shows. Those over 45 are notably more understated about their giving, more commonly wanting to remain anonymous.

Figure 1.5: What type of giver are you?

Source: Scorpio Partnership, 2010 research based on 1,428 responses to a global online survey
Adam shares Tara’s view that those in their twenties and thirties are a more socially connected generation and currently a hugely undervalued resource when it comes to philanthropic activity.

“As individuals we have limited wealth, but as a community, young professionals possess significant wealth, skills and expertise that are not yet being harnessed. Philanthropy shouldn’t be the preserve of the super-wealthy. We see philanthropy as a responsibility to give with imagination and leadership, working in partnership with charities to make a difference,” he says.

Young Philanthropy Syndicates are up and running at Ernst & Young, KPMG, Deloitte and PWC among others, and most recently a newly formed syndicate has been set up amongst Whitehall civil servants at the Cabinet Office. Members of these syndicates are exhibiting their abundant talent, expertise and enthusiasm for projects across many charity sectors.

As we have seen, the research clearly echoes Adam’s views. When asked what type of givers the young wealthy want to be, we find under 30 year olds place significant weight on the importance of making an impact with their philanthropic activity than those over 45. Indeed, those over 45 are notably more understated about their giving and much more focused on how organisations manage their costs. By contrast, those under 30 are far more driven by results and what they personally can do to make a difference.

Putting this into context, Adam observes, “those in their twenties and thirties are often a more socially-conscious generation and I think it is important not to underestimate the interest of young people in charitable giving. For example, I would suggest that trust boards include a younger generation, not just to reach out to younger people, but because they have skills that can be of tremendous value.”

He also observes that regardless of age, many philanthropists prefer to be approached in the first instance for their time and expertise. In this way, they get a first-hand insight into a charity and its challenges. And then, further down the line, they are likely to give more as a result.

Interestingly, we find these trends transcend national borders with our research showing little difference between regions. Country-by-country donors are, of course, faced with local issues and challenges when it comes to the tax and legal nitty gritty of giving, but there are common themes in terms of attitude and approach, which is perhaps not so surprising given the connected nature of this generation of givers.

“We see philanthropy as a responsibility to give with imagination and leadership, working in partnership with charities to make a difference”
Adam Pike
Co-founder of the Young Philanthropy Syndicate
Both our experience and the findings in this research show similar patterns. The new generation of philanthropists is already out there, connected and above all determined to have the greatest possible impact. They may lack financial resources today, but they are making up for this with their talent, enthusiasm and innovation.

Individuals in the younger generation are already putting their money exactly where their mouths are. In our global sample of wealthy individuals, we found that they are typically donating almost $3,000 a year more than those over the age of 45. In fact, the average donation from wealthy givers under the age of 30 between 2009 – 2010 was a staggering $10,200 – even in the depths of the financial crisis.

If they are giving at this level at the very start of their philanthropic journey, one can only imagine where it will lead. And, some of the patterns we can see in this research are good signposts that these wealthy young givers might bridge the gap and help shape a bright future of giving.

All of this begs the question: are these wealthy Y-Givers little acorns who will grow into mighty philanthropic oaks over the next 25 years?

In a nutshell, it seems the simple answer to this question is ‘yes’.
The evidence:

The evidence shows that those under 30 typically give more in absolute terms and as a proportion of their total wealth. The average donation amount from this global group of wealthy young givers was £10,196 in 2009-2010.

Figure 1.6: How much did you give last year?

Source: Scorpio Partnership, 2009 and 2010 research based on 792 responses to a global online survey (of whom 68 live in the UK)
So, Y-Givers are not necessarily going to completely reinvent the wheel when it comes to giving, but they are going to develop the best tools to ensure their giving makes a difference. They are going to connect – not just with the organisations they fund and develop – but with each other. And, by building bigger networks and resources, they intend to make their input count.

They are looking at the world around them and trying to figure out the best ways to tackle big themes.

With all this in mind, it is highly likely we will find Y-Givers delivering more innovation, more experimentation, more long-term relationships with causes and charities, more focus on leveraging resources, and more effort among this group to tackle global and social problems.

And, perhaps most importantly of all, their philanthropy matters to them. Giving is not a quiet obligation; it is an opportunity to make a difference. And, they have every intention of being right in the thick of it.

If our assessment is correct, then the next generation of philanthropists are the beacons of hope for the future. Across the world, through creativity and innovation, these forward-thinking givers have the potential to drive long-lasting, genuine social change.

Y-Givers are not necessarily going to completely reinvent the wheel when it comes to giving, but they are going to develop the best tools to ensure their giving makes a difference.
The next piece in our series will be investigating how and why individuals are creating the catalysts for social change.

If you’d like more information on the research, email philanthropy@cafonline.org

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