THE MILLENNIAL GENERATION AND PHILANTHROPY

THE TIME FOR ENGAGEMENT IS NOW

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Abstract

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The Millennial generation is now the largest living generation of people in the United States, surpassing the Baby Boomer generation in size. It also has the greatest buying power of any current generational group. Most arts organizations primarily target the Baby Boomer generation which has the most expendable income, but increased investment in the cultivation of the Millennial generation will be beneficial to arts organizations. A high percentage of Millennials currently give to nonprofit organizations, and while their gifts are smaller than those made by Baby Boomers, they add up to have a significant impact on organizations. By
creating relationships between organizations and their Millennial audiences, arts organizations can develop giving habits that could create a gateway for larger donations in the near-future and for decades to come.

Existing arts organizations that currently have programs and development strategies which embrace the Millennial generation are explored for models of success, and examples of challenges. Interviews and case studies, personal observations by professionals in the field, and peer reviewed research studies are considered to formulate reasonable strategies that can be used by organizations of all sizes.
This paper is dedicated to all the arts organizations and Millennials in my life.
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Chapter I
INTRODUCTION

According to Giving USA 2015: The Annual Report on Philanthropy, charitable giving was up in 2015, including a 9.2% increase from 2013 in giving to the arts, culture and humanities sector (“Giving USA”). That is $17.23 billion given to the sector in 2015 (Berliner). While $17.23 billion seems substantial, it is only 5% of all charitable giving, and arts organizations need more money to meet funding needs. Six other sectors receive a larger percentage. Charitable giving to religious organizations topped the list with 32%, $114.9 billion. Nonprofit organizations, including arts organizations, find it essential to continually search for new funding sources, and a bigger share of the pie.

According to the National Council of Nonprofits, 47% of nonprofit leaders report that raising money for their organizations is their greatest challenge, making it financially difficult to keep up with technology, provide continuing education for employees, and realize new ideas in educational, social, or other programs in their organizations (Chandler; Nonprofit Finance Fund). In part, arts organizations face increasing financial difficulties (Chandler) due to cutbacks in financial support through Federal and foundation grants; these grants have not yet returned to their pre-recession levels (Stubbs and Clapp) and foundation support is often directed only toward specific projects, not toward vital general-
operating expenses that keep organizations alive. In addition, increased competition from many other arts organizations is also a factor (Lynch).

According to the *Giving USA 2015* report, however, 71% of all charitable giving is from individuals, making the relationships between individual donors and nonprofit organizations extremely important.

Fortunately, a very large group of prospective donors is now in early adulthood and shows an inclination to give to charity (Achieve, *The Millennial 2012*). According to the US Census Bureau, the Millennial Generation, those born between 1981 and 1997, made up more than one quarter of the US population in 2013, and is 7% larger in number than the Baby Boomer generation ("Millennials"). Situated between the younger generation, Generation Z, and Generation X, the Millennial Generation continues to grow due to immigration (Doherty). The group is projected to peak in 2036 at 81.1 million (Fry, "Millennials Overtake") and will be the majority generation for a longer period of time than any other generation in history because of its relatively long designated birth year time span, and projection that Generation Z will not ever outgrow the Millennial Generation (Dilenschneider, "Six"). This makes Millennial financial support and their influence in social circles, corporate entities, and government policy, a critical consideration for businesses and nonprofit organizations alike (Solomon, "The Year").

Some young Millennials are just entering their twenties, and the generation has not yet completely entered the workforce. Even so, Millennials will
make up roughly 50% of the US workforce by 2020 (Achieve, Inspiring), and according to the US Bureau of Labor Statistics, Millennials will make up approximately 75% of the workforce in the US by 2030 (Smith).

Millennials already account for 21% of consumer spending (Doherty); the generation’s buying power in the US exceeds $200 billion (Schawbel). Their giving capacity will not only increase as their incomes increase, but as they move into positions of influence at work, they will be able to affect the giving decisions at the corporate and foundation level (Solomon, “The Year”).

Currently this generation only accounts for about 11% of all the financial contributions to nonprofits in the US (“Generation G”), with an average personal contribution of $481 per year compared with the Baby Boomers whose average annual contributions to nonprofits is over $1,200 per year (Rovner 6).

![Giving Across the Generations](image)

According to an income calculator, the Millennial Generation, who were 19 to 35 years in 2016, had a median income of $36,523 and mean income $51,216; and Baby Boomers, who were 52 to 70 years in 2016, had a median income of $53,770 and a mean income $107,699 (“Income Percentile”). Baby Boomers give a higher percentage of their income today; however, it is unclear if this generosity began when they were in their twenties, or is a product of their current expendable income. According to one report, when adjusted for inflation, Millennials and Baby Boomers earned almost the same amount of money in their twenties. However, the cost of everything is higher for the Millennial Generation, giving them less expendable income (Francese). If the Millennial Generation appears less generous, the economy may be a determining factor.

Though reports vary widely on the percentage who give, all the reports agree that most Millennials show a propensity to donate time and money. According to the Millennial Impact Report, 83% percent of Millennials made financial contributions of various sizes in 2012 (Achieve, The 2013 29). Even though their contributions in dollars were not large compared to Generation X and the Baby Boomers in 2013 (Achieve, Inspiring), 21% of Millennials say that they will give more in the coming year (Rovner 8). Traditionally, the level of monetary giving to nonprofits grows as a group ages, has more financial stability, earns more money, and prioritizes charitable giving (Loeb et al.).

Millennials also regularly raise money for organizations by persuading friends and family to participate. Sixty-four percent of Millennials report sharing
information about a nonprofit event with their friends and family; 58% participated in a run/walk event; 42% raised money through pledges; and 40% shared information about an event through Facebook (Achieve, The Millennial 2012). This type of participation and promotion is valuable to any organization.

For the next forty years, the Millennial generation will have a strong presence as it represents the largest single generational group in the US population and will influence every aspect of society (Schawbel) including nonprofit organizations, not only as decision-making employees in corporations and foundations, but with their personal spending power (Gailewicz). In addition, their participation in elections at national, state, and local levels will help to determine if those who are elected will support public funding in the arts (Hessenius).

It will take time to develop the next generation of philanthropists. Millennials, though they are more likely than other generations to participate in arts-based activities (“Arts Data”), do not automatically trust nonprofit organizations and need more information about an organization before contributing (Rovner 24). Because of this, Millennials will not respond to the same marketing and development strategies as previous generations; advertising and direct mail is not as effective with this group (Schawbel). According to one twenty-seven-year-old, computer scientist who attends arts events multiple times per month, direct mail only gets a second look if it has a provocative graphic, but then gets tossed without a response unless he has a connection to the
organization through a friend. A recommendation from a friend is the most common reason for him to donate to a nonprofit of any kind (Robertson). In a marketing research study of two thousand people 18-33 years old, 36% thought that digital advertising was an effective tool to influence their behavior, while only 19% thought traditional advertising, direct mail or telephone calls for example, were effective. In fact, of those who were 18-25 years, 41% felt digital advertising was most influential. The same study shows that 55% of Millennials will try something new based on a friend’s recommendation and 29% based on a social media campaign, while only 19% will try based on traditional advertising (Adroit Digital 13). By developing tailored marketing and giving strategies, arts organizations can develop ways to engage Millennials while they are young, and reap the benefits of these relationships now and into the future.

It is necessary to communicate with this group in a different way than with previous generations (Campbell; Hawthorne). Many Millennials, especially younger Millennials, are digital natives; they were born into a world where “computers and handsets are becoming an extension of body and mind” (Joy). They have not known a time without technology and many are always in contact with parents and friends. They also expect to have constant access to information (Quin), making the need for an informative and efficient website a critical element of any organization’s mission (Achieve, The Millennial 2012). They support organizational missions and their own passions, not necessarily specific organizations (Hawthorne). They also want to know who is on the
receiving end of their contributions (Bourque and Lee). Taking it one step further than some previous generations, Millennials prefer experiences, in addition to written documentation, to learn about organizations, and are willing to volunteer to get those opportunities (Beaudoin). Failing and soon-to-be outdated efforts to communicate an effective brand and promote community engagement to Millennials are challenges that contribute to the financial instability in nonprofit organizations today (Padilla et al.). On the other hand, starting relationships with Millennials today may result in long-time supporters in the future (Schorr).

It is necessary for arts organizations to continually look at strategies for engagement and resource development, and it is inevitable that the future of giving to arts organization will be in the hands of the next big generation, the Millennials. Nonprofit organizations, including arts organizations, will benefit from learning how to engage these young people, grooming them to be strong participants and supporters of their work.
Table 1

Generations Described

<table>
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<td>1928 and before</td>
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A note on generations: Generations are not always representative of the individuals that are included in them. Readers may gain the best perspective from this paper by not generalizing themselves by the generation that may or may not define them. Although generations do a poor job of representing individuals, they are a valuable tool for advertisers and those hoping to gain a general understanding about people of different ages.
Chapter II
STATE OF CHARITABLE GIVING IN THE US

Definition of Philanthropy

Though people may first think of philanthropy as the act of wealthy people giving large amounts of money to charity or having their own foundations, like Bill Gates and Warren Buffett, it may be more useful to think of philanthropy as any contribution to a civic effort. Or as the author of *Giving Back: A Tribute to Generations of African American Philanthropists*, Valaida Fullwood says, “In its truest sense, philanthropy is rooted in love. Advancing social change with that spirit opens opportunities for everyone to participate and fixes the focus on liberating people not elevating oneself.” This broad definition of the word *philanthropy* allows people of any income level to take part in the work of charitable organizations through giving not only money, but time.

Who is Giving? How Much? Why?

According to the Giving USA Foundation, a record-high $373 billion was given to charity in the United States in 2015, representing a 4.1% increase over the previous year, and a 10% increase over 2013 (“Giving USA”). Sixteen percent of total giving in 2015 was from foundations, 5% from corporate giving, and 71% of charitable giving was from individuals. Not only was the highest
percentage of giving from individuals, the increase in total giving from 2014 to 2015 was largely due to increased dollar amount of individual contributions ("Giving USA").

Fig. 2. Contributions by Giving Source, "Giving USA: 2015 Was America’s Most Generous Year Ever." Giving USA, 13 June 2016, givingusa.org/giving-usa-2016/.

In the US, these individual donations come from citizens with modest incomes. Though the giving rates vary greatly around the country, 70% to 90% of Americans gave to charity in 2012; the average household gave between $2000 and $3000 (Zinsmeister). Although most donations come from those in the middle class, the rich and the poor tend to give a higher percentage of their income than middle-income Americans (Savchuk). The wealthiest give the largest amount in dollars, but the most generous Americans are not the wealthiest (Daniels). Those who give the highest percentage of their income are
the people who have the lowest incomes, live in rural areas, are conservative, and are religious (Zinsmeister). In fact, those who are religious not only give more of their income to religious organizations, they give at a higher rate to other organizations as well (King 5). This may be due to early teaching about sacrificial giving and the subsequent habit of giving that develops over the lifetimes of people who are active in religious organizations.

**Description of Generational Generosity**

Another way to examine the individual contributor is by generation. Generational generosity can be described in several ways, two of which are the average yearly contribution and the percentage of individuals giving to nonprofits by generation.

![Generational Giving](image)

These figures indicate that for different reasons, which will be described in the following chapters, every generation has significant importance to nonprofits today. The motivation for giving to charitable organizations varies slightly from generation to generation, as does the generation’s optimal way to learn about an organization’s needs and preferred method of making a donation. There is some overlap between generations, however, which is beneficial to nonprofit organizations that must be efficient with time and resources, and streamline communication about their organizations.

Eighty-eight percent of the Matures, those born in 1945 and before who are the generation just older than the Baby Boomers, give to a charity with an average of $1,367 per year (Rovner 6). This is the highest percentage of giving within a generation, and highest personal average of any living generation. However, due to its shrinking size, their generosity provides only 26% of individual charitable contributions. This group traditionally responds to direct mail and will continue to do so (Rovner 17). According to the Blackbaud study *The Next Generation of American Giving*, older generations are more likely to give based on an emotional appeal and the reputation of the organization (Rovner 13). The Mature Generation does not insist on direct knowledge of the gift’s impact (Elsey), unlike their younger counterparts. Members of this generation, particularly the subset known as the Silent Generation, born between 1925 and 1945, have valuable non-cash assets that may be donated to charitable organizations at the end of their lives through planned giving programs.
Clearly, this group will continue to be an important resource for nonprofit organizations for many years to come (Rovner 7). Since they have already established their giving strategies, advertising to them may not need to be a priority.

The next generation younger, the Baby Boomer Generation, including those born between 1946 and 1964, is no longer growing (Fry, “Millennials Overtake”). However, with the generation’s massive size and financial stability, it contributes more in total than any other group with an average of $1,212 per person per year. Baby Boomer contributions total 43% of all individual giving in the US (Rovner 6), and Boomers will continue to give more dollars than any other generation for the next decade (Jacobs). One report says that retired Baby Boomers will account for half of all giving by individuals in 2025 (Pond). Some Baby Boomers are just now entering their peak of financial stability and reaching the philanthropic goals they set in their thirties and forties (“Generation G”), making it critical to pursue this source of revenue for many decades in the future (Rovner 7). According to Philanthropy Roundtable, charitable giving peaks between the ages of 61-75, a range that currently straddles the Mature Generation and the Baby Boomers (Zinsmeister).

Baby Boomers, in their peak of financial giving, are loyal and dedicated to organizations they know. In fact, many organizations that started receiving contributions from Baby Boomers while they were in their thirties, are still receiving donations from the same loyal donors today (“Generation G”). They
may be the last generation to respond to direct mail like the Mature Generation (Loeb et al.), but are also moving toward the modern convenience of giving online (Jacobs). Less trusting than the Mature Generation, the youngest Baby Boomers closely monitor the effectiveness of their contributions (Martinez) and tend to be more directly involved in the organizations they support (Pond). Since they are entering retirement, they have time and energy to do so.

Generation X, those born between 1965 and 1980, has the smallest population of all living generations (Taylor), and give a yearly average of $732, which represents 20% of the total charitable giving in the United States (Rovner 7). Only 59% of them give to charity, however, which is a smaller percentage of givers than other generations (Rovner 6). The Pew Research Center says that their blend of Baby Boomer and Millennial characteristics in everything from diversity, to social and political values, to ease with technology, make them a bridge between the two much larger generations (Taylor). Generation X does not see itself as dramatically distinct from other generations (Coleman). This may be an advantage to nonprofit organizations since this generation is likely to respond to targeted marketing and development directed toward the Baby Boomers and Millennials.

The Millennial Generation, now the largest living generation, is still growing (Fry, “Millennials Overtake”) and will grow in financial stability over time. At this point, they have not all entered the workforce. Even so, according to the Millennial Impact Report, 83% of the Millennial Generation, those born between
1981 and 1995 gave to charity in 2012 (Achieve, The 2013). In 2013, 91% of Millennials over 30 years old made at least one contribution (Logan). However, the average donation by Millennials was $481 per individual (Rovner 6). Considering that charitable giving peaks between the ages of 61-75 (Zinsmeister), the oldest Millennials will not reach their monetary giving potential until 2042.

This generation, more than any other generation before, values authenticity from organizations (Campbell), which can be achieved through transparency and personal interaction. The Millennial Generation has a strong desire to have an impact on society and will give time and money to a specific cause that is important to them, but are not necessarily inspired by the organization itself (Achieve, The 2013). When interviewed, one Millennial artist said she donates from her limited income to National Public Radio because she “feels it is absolutely necessary to support things that are relevant, truthful, thoughtfully done, and progressive” (Lindner). Millennials also want tangible evidence that their contributions resulted in success. As an example of their desire to have direct impact, Millennials give more than any other generation to crowdfunding campaigns that present a mission or cause about which they can be passionate (Bourke and Lee).

Frequent giving to crowdfunding campaigns may indicate that Millennials prefer simple ways to donate. They also appreciate uncomplicated ways to sign up for volunteer positions and to spread the word about an event or fundraiser.
through social media (Schorr). Honest, transparent, concise communication, through social media, mobile websites and peer-to-peer interaction, is critical to a nonprofit’s successful interaction with Millennials (Singleton).

**Giving to the Arts versus Giving to Nonprofits in General**

Of the $373 billion given to charity in 2015, only 5% was given to the arts, culture and the humanities, compared to 32% to religious organizations and 3% to the environment ("Giving USA"). Giving to the arts, culture and the humanities increased by 9.2% between the years of 2013-2014 to $17.23 billion (Berliner), however, so the outlook may be encouraging.

![Contributions by recipient category](image)

Fig. 4. Contributions by Recipient Category, "Giving USA: 2015 Was America’s Most-Generous Year Ever." Giving USA, 13 June 2016, givingusa.org/giving-usa-2016/.
Research shows that Baby Boomers and people from Generation X are willing to move their contributed income around if they are not satisfied with the value of the work the nonprofit supports. Their contributions may be moved to the arts, especially because they tend to give more to the arts as they mature; “in part they are looking for a way to leave a legacy” and the arts seem to be a way for people to make a statement about the good in humanity (Martinez). The Millennial Generation, however, prefers charities that can make a measurable difference in society. The challenge for arts organizations is to communicate the value of arts, including its measurable impact, making arts organizations reasonable options for potential donors who are looking for a worthy cause in which to invest and engage (Scutari, “Millennials”). Data show that contributions which merely increased attendance, or allowed for the purchase of new equipment, is not strong enough for donors today, especially the younger donors who are looking for more meaningful results (Scutari, “Should”). Like grant funders, Millennials today question whether their contributions will positively impact society (Souccar), and arts organizations find it challenging to collect data that proves it (Romano, “With”).

Financial Sustainability

Reliance on outside funding resources puts nonprofit organizations’ sustainability at risk (Padilla et al.). Due to the cutbacks in government, foundation and corporate support, nonprofit organizations must continually re-
assess their revenue and include new, innovative revenue sources and donor maintenance strategies. Nonprofit organizations must not only maintain relationships with current contributors in older generations, they must also look at future generations to provide a long-term, sustainable revenue stream (Souccar). Streamlining communication, and using valuable financial and human resources to target Millennials with new marketing and development strategies will not necessarily have a negative impact on the giving by older generations. As younger generations have a larger presence in society, their push for greater accountability from nonprofits, and desire for convenient ways to contribute, also appeal to some from Generation X and Baby Boomers (Rovner 18). Since most nonprofit income is from individuals, maintenance and growth in this area is necessary to sustain all nonprofits.

Financial sustainability is a challenge to nonprofit organizations of all kinds. Without funding, valuable organizations cannot provide communities with the services and cultural experiences that support and enrich the lives of people today. It is inevitable that individuals in the Millennial Generation, which already has a strong presence in social and family groups (Quin), will continue to have a powerful influence on every aspect of our culture for decades to come. Millennials and nonprofit organizations will each benefit from the development and implementation of programs and strategies that target Millennial engagement.
Chapter III
MILLENNIALS AS PHILANTHROPISTS

The Millennial Generation, including those born between 1981 and 1995, is the largest generation in America today (Fry, “Millennials Overtake”). The youngest of them is just turning twenty-one years old, while the oldest are in their mid-thirties, starting families, growing into leadership positions at work, and becoming financially secure (Zinsmeister). By 2020, according to the Brookings Institute, one in three adults will be a Millennial (Raphelson, “Amid”). Additionally, since Generation X and Millennials who already have children are having fewer children overall; it is projected that the Millennial Generation will remain the largest generation for decades (Fry, “Millennials Overtake”). It is also inevitable that this group will have a greater impact on nonprofit organizations as the generation continues the road to social and financial maturity, but there is value in purposely engaging them now.

Finances

Since the Great Recession, which was December 2007 to June 2009 (Rich), the unemployment rate has improved (Doherty). More full-time jobs are available and incomes are also increasing; incomes are almost at pre-recession levels (Fry, “More”). Nonetheless, the unemployment rate in February of 2016,
12.8% for 18 to 29-year-olds, a number that includes people who are no longer looking for work (Sutton), is higher than unemployment rate of the population as a whole (Goodman). As a point of reference, the unemployment rate that excludes those who are no longer actively seeking work was 7.7% for 18-29-year-olds in 2015 (Fry, “More”) and 5% for the general population (“Bureau”).

In addition to personal experience with unemployment or underemployment, Millennials also have more student loans than previous generations due to increased tuition costs and have, on average, $33,000 in student loan debt (Goodman).

Despite these challenges and slow economic growth, Millennials are currently responsible for $1.3 trillion of consumer spending, 21% of total consumer spending (Doherty), and are the largest share of the American workforce (Fry, “Millennials Surpass”). In fact, 40% of the workforce is currently comprised of the Millennial Generation (Goodman), even though, as previously mentioned, many Millennials are still in college and have not yet entered the job market (Fry, “Millennials Surpass”). Their share of the total workforce will continue to rise for many years to come. Millennials face economic challenges that may seem to indicate they do not have money to give now, but their potential for financial impact is strong as they come into the workforce, as they pay off student loans, and as the economy continues to improve.
Millennials as Contributors

Despite their economic challenges, Millennials are inclined to give, though reports vary widely in the percentage of those who give money. In 2013, 60% of those surveyed for a Blackbaud study on charitable giving, gave to a nonprofit and 21% reported their intention to give more the following year (Rovner 6). According to the Millennial Impact Report from 2012, 75% of the 6,500 Millennials who were surveyed said they gave to a nonprofit in 2011; 83% gave to a nonprofit in 2012 (Achieve, The 2013), and even more, 91% of Millennials over 30 years of age, said they gave to a nonprofit in 2013 (Achieve, Inspiring). Of those Millennials who gave in 2013, 22% gave $500 or more to individual nonprofits. They also reported that they gave larger contributions to causes, not necessarily organizations, about which they were passionate (Achieve, The Millennial 2012). In fact, over half of the Millennials who were surveyed in The 2013 Millennial Impact Report said they would consider pre-set monthly giving to an organization (Achieve, The 2013) if that organization’s values aligned with their own. Since the Millennial Generation is so large, and such a large percentage already give, the generation is projected to give $100 billion to nonprofits by 2020 (Marczynski). Besides giving from their personal income, Millennials will inherit more than $30 trillion over the next thirty years (Marczynski) and will also have influence over corporate, foundation and government giving (Solomon, “The Year”) as they mature in society, making this generation a very important group to target for support even if their current giving
is not as high as that of older generations.

Current individual Millennial contributions are generally small compared to Baby Boomer contributions; 63% of Millennials gave less than $100 to nonprofit organizations in 2012 (Achieve, *The 2013*). However, small to moderate size contributions can be effective when given in large numbers. Grassroots fundraising is considered an organic way of organizing a large group of people, who are inspired to give in small amounts, to have a large impact on a local issue (Fifer). This style of participation, which is characterized by peer-to-peer communication about an issue that is personally important to the giver and is directly impactful to the cause, is ideally suited for Millennials who want to quickly see the impact of their giving (English). Bernie Sanders, whose average donor to his 2016 presidential campaign gave $27, set a record with more than four million individual contributors (Foran). In addition to the millions of dollars that were raised during that campaign, the peer-to-peer communication Sanders developed created a network of donors that he could call for volunteer support and additional donations in the future (Foran). Nonprofit organizations use email to promote activities and can benefit from mailing lists built on groups of people who are inspired to give, even if the donations are small.

This crowdfunding technique used by Sanders is a highly effective peer-to-peer method to raise funds from Millennial contributors (Bourque and Lee). Crowdfunding, fundraising small amounts of money from large numbers of people, often use platforms like *Indiegogo*, *Kickstarter*, and *GoFundMe* to provide
individuals and organizations a way to tell a story and solicit donations from those who are inspired. The platforms then serve as an easy way to collect money from people who are motivated to give. Millennials were responsible for one-third of all donations given through crowdfunding websites in 2014, and were three times more likely to donate this way than Baby Boomers (Bourque and Lee). Millennials appreciate that the platform offers a clear link between the need, the contribution, and the perceived effectiveness of the contribution. This form of participation also provides a simple way for people who contribute to share their activity on social media. This growing method of giving is satisfying the needs of donors and recipients alike. Millennials, who want to feel connected to something bigger than themselves (Foran), are inclined to give, and are responding to crowdfunding in significant numbers.

**Millennials as Volunteers**

Millennials are inclined to volunteer their time and see it as equally as valuable as their monetary gifts (“Generation G”; Rovner 12). It provides opportunities to network with others who have common interests, to learn about an organization, and to participate in a mission about which they are passionate (Achieve, *The 2013 Impact Report*). According to the *Millennial Impact Report 2013*, 73% of Millennials volunteered at a nonprofit in 2012, stating their motivations for volunteering as the desire to have a meaningful, positive impact in their community and having a passion for the cause (Achieve, *The 2013 Impact Report*). According
to an Associated Press poll, Millennials are likely to say they have a “very important obligation” to volunteer (Scott). Though this poll conflicts with others that say Millennials give out of passion (Achieve, The 2013; Rebell), not obligation, the result is the same--Millennials are inclined to give volunteer time and great numbers of them do so.

Millennials are correct in believing that the time they give is valuable to their charities of choice. Volunteer time is valuable to organizations whose funds are limited. According to the 2013 Millennial Impact Report, besides the savings provided by Millennial volunteer skills, those who volunteer tend to share their experiences on social media, and give larger monetary contributions. Nonprofit organizations that specifically target Millennials with meaningful volunteer programs could see an increase not only in volunteer hours and social media exposure, but monetary donations. Millennials, the most highly educated group of US citizens in history (King 1), are willing and able to provide volunteer support at the highest level. They are particularly suited to take leadership roles within the organization or on the board. Board development is important in any organization and many nonprofit boards are missing Millennial involvement (Dilenschneider, “Six”). Utilizing Millennials in this capacity will provide the board with a fresh perspective on Millennial engagement, diversity and innovation, all of which are valuable to nonprofit organizations (Ono). It also provides the young board member an opportunity to have a greater understanding of the needs of the organization, as well as the opportunity to have an impact at a high level of the
organization. The relationship has the potential to be very satisfying for both the organization and the Millennial volunteer, as long as the volunteer opportunities are significant and valuable to the organization and the Millennial volunteer time is highly skilled and effective.

Millennials are especially inclined to volunteer through workplace organized events (Achieve, Inspiring). In fact, more than half of Millennials surveyed in the Millennial Impact Report were inclined to take a job that participated in a cause which inspired them (Achieve, Inspiring). This Millennial characteristic could be the result of more influential corporate giving programs that include organized work-day volunteer projects and fundraisers that may include team competitions, or as a result of habits formed by required service hours that were integrated into middle and high school curriculums when they were younger (Scott). Millennials are also more inclined to take advantage of employer matching gifts and charitable giving programs at work (Achieve, Cause). In 2012 and 2013, about 60% of Millennials gave in this way (“Generations”). Millennials, more than any other generation, blend the line between their work, home and social lives (“Generation G”), and nonprofits may reap the benefits.

Digital Natives

The term digital native is used to describe Millennials, especially younger Millennials, who may not have known a time without technology. This group
expects that information will be available on demand and has no tolerance for outdated websites or clunky software (Campbell; Solomon, “2015”). Seventy percent of Millennials who gave online, gave through the organization’s website (Achieve, *The Millennial 2012*). Mobile friendly websites are essential since more than 30% of website traffic comes from mobile devices (Campbell); in fact, 67% of Millennials and 47% of people from Generation X would give money specifically via a mobile device (Rovner 19). Since Millennials often give impulsively to what inspires them at the moment (Achieve, *The Millennial 2012*; Hawthorne), easy access to mobile giving mechanisms is also critical. Online giving is an important way to solicit and collect contributions from most generations, not just Millennials. According to the Blackbaud study, *The Next Generation of American Giving*, even Baby Boomers are giving online more often than through the mail (Rovner 18). The Millennial Generation, however, is leading in online participation (Achieve, *The Millennial 2012*). Using resources to develop this giving method will not have a negative impact on an organization’s current givers since many of them, including older generations, will appreciate the convenience.

Besides online giving, another aspect of Millennials digital engagement is participation that includes online sharing about topics about which they feel passionately. Seventy-five percent of Millennials are inclined to share information about causes, and their responses to causes, through social media (Campbell). Social networks and online identities are important to this generation; Millennials
are inclined to tell friends about organizations that make a difference in their lives and recommend causes they feel will positively impact the world, as a way of expressing their personal identities ("The Millennial").

Not only do Millennials provide information on social networks, they also trust each other more than they trust organizations (Quin) for relevant information about nonprofits and activities that are happening in the community and throughout the world (Gailewicz). This is valuable because the Millennial Generation is generally less trusting of organized institutions, like government and religion, than previous generations. This may be, in part, because their parents raised them to be more independent thinkers (Masci). Organizations that make it easy for people to like-and-share information about activities and participation with their peers, benefit from the natural, social media promotion that Millennials provide (Hawthorne).

Liking-and-sharing posts on social media is the current norm for social media users of every age, and will continue to be an important way to share information. A survey by the Pew Research Center predicts that the social media habits of digital natives will continue throughout their lifetimes (Anderson and Ramie). Nonprofit organizations that maintain a user-friendly website with current information, and manage their social media accounts to provide relevant and engaging topics, will have a great opportunity to attract and retain Millennials' support (Gailewicz). Nonprofits will benefit from their online activities now and into the future. The resources nonprofits use to enhance their digital presence
will not be perceived as a fad, or alienate the Baby Boomers or Generation X, who also enjoy the convenience. Additionally, the resources spent could be considered an investment in the future (Solomon, “2015”).

**Stereotypes**

Some leaders in society today, many of whom are Baby Boomers, are resistant to investing in this generation, seeing Millennials as demanding and not worth the time and resources it might take to engage them (Achieve, *The Millennial 2012*). Others have the perception that the generation is self-centered and arrogant, and not likely to support nonprofit organizations. According to at least one study, the perception is somewhat true (Twenge et al.). Also true is that Millennial children have grown up hearing they are special, they should challenge the status quo, and they should express their opinions. Their parents, sometimes known as helicopter parents, encouraged their uniqueness and praised them with words and trophies (Airosus). Millennials are indeed individualistic, creative, and inquisitive because, during the years they were being raised, parents were encouraged to nurture these qualities. Additionally, Millennials tend to wait longer to get married and have families, and are taking even more time than past generations to develop their individual attitudes about society and their place in it (Raphelson, “Getting”).

It may be reassuring to note that all people in their twenties may exhibit similar selfish characteristics; when the Baby Boomers were in their twenties,
they were commonly called the “Me Generation” (Airosus) and had similar complaints from the generations before them. Emerging adults in each generation are generally seen as self-focused and open to a variety of unconventional ideas (King 2). The Me Generation, also known as the Baby Boomers, has grown up to be a powerful philanthropic group, even though they still hold some attitudes that say, “It’s all about ME” (Henderson). It may be tempting for Baby Boomer leaders to put off investment in Millennials, but Millennials are here to stay and will emerge as leaders in society just as the Boomers did. While these young people may have characteristics that challenge the status quo, nonprofits can benefit from a deeper understanding of them.

Superficially, Millennials are thought of as self-promoting, but this may be misinterpreted. Millennials who embrace and value their individuality (Case Western Reserve University) find personal branding through physical tattoos or various forms of social media a form of self-expression (“The Millennial Generation”). Millennial self-expression includes posts on social media about causes about which they are passionate. When Millennials plan to attend an event, or contribute to an organization, a social media post about their activity is likely to be shared as a way to say, “This is who I am.” or “I’m going, you should, too!” (Scutari, “Millennials”), even taking the opportunity to brag about their philanthropic activities (Solomon, “The Year”). More than 70% also said they were inclined to persuade their friends and family to give, and raised money on behalf of nonprofits.
Additionally, as has been previously referenced, Millennials trust each other more than they trust advertising or direct promotion from an organization (Achieve, *The 2013*; “The Millennial”). This type of peer influence is priceless and naturally provided by Millennials, for Millennials, who are engaged in aspects of society, including nonprofit organizations. The importance and significance of the Millennial Generation is increasing. Nonprofit organizations will benefit from understanding and embracing the influence Millennials have with each other and in society.

Loyalty is another characteristic that is perceived to be lacking in Millennials due, in part, to the frequency with which they change jobs (Gasca). Though Millennials do change jobs frequently, it may not be because they are disloyal. Repeated layoffs in a recovering economy can prevent Millennials from having the opportunity to stay in one job for a long period of time (Goodman). Many Millennials came into the workforce during the recession and were not properly matched with their work initially, making the search for the right, long-term job a longer process than in previous generations (“The Millennial Generation”). Millennials may also leave their jobs if they do not feel valued, if the work limits their creativity, or does not inspire their passions (Gasca). The frustration with a lack of opportunity to contribute to society through work may be misinterpreted as self-centeredness and fickleness in the job market (Shore). For Millennials, however, job satisfaction ranks higher in importance than a paycheck (Shore) and is perceived as a legitimate reason to quit.
Research also shows that Millennials prefer to blend their work-lives and their social-lives (Shore), and desire to make a significant impact in society regardless of the activity. Nonprofit organizations have a unique opportunity to fulfill Millennials’ passions and desire to have meaningful connections in society (Logan). By providing specially designed volunteer positions and networking events that allow for the exchange and implementation of new ideas (Campbell), nonprofit organizations will reap the benefits from Millennials untapped desire to make a difference in society.

Nonprofit organizations that do not put the stereotypes about Millennials into perspective and embrace the changes that this generation brings may find it challenging to move into the future with this group. According to David P. King, a researcher for Indiana University Lilly Family School of Philanthropy, “engaging in dialogue about and with millennials is mutually transformative work. Openness to mutual transformation is an absolute necessity.” (King 3).

**Millennials as Arts Benefactors**

Not only is the Millennial Generation larger than any other living generation, in a 2015 report, more Millennials were inclined to participate in the arts by attending shows and museums, or create art, than people from other generations. Fourteen percent of young adults play an instrument, while only 9.6% of all adults play. Millennials are more likely to attend a live performance, 37% of young adults attend, compared to 32% of adults of all ages. ("Arts Data").
According to a survey done by Eventbrite, 78% of Millennials who had attended a performance in the last twelve months felt that the arts were relevant to their lives, and even though cost is a barrier, they would like to see more (Eventbrite). Millennials are also more likely than other generations to consider the arts as a stress reducer (Tabachnick). Millennials learn about arts events through friends and online sources (Eventbrite), confirming that the tools used by nonprofits in general, also apply to arts organizations. Millennials also support the artists directly by following them on social media, posting about events before, and recommending the experience afterward (Eventbrite). Millennials are arts lovers and the development of their passion for arts engagement is important to the industry, but it is also important for individual organizations. With increased competition for audiences and resources among arts organizations (Lynch), the future of the Millennial impact cannot be ignored.

Millennials give of their paychecks, their time, and their influence. They find value and satisfaction in making a difference in society when inspired and passionate about a cause. The investment required by organizations to attract Millennials can be justified; Millennials already have shown an inclination to give to nonprofits, and increased attention to the organization’s digital presence and communication strategies will attract more Millennial engagement, and presumably, increase giving, participation, and influence in society. Furthermore, this investment will not deter other generations from giving; they too will benefit from improvements like updated websites and fresh ideas on the board.
Chapter IV
MILLENNIALS AS PROSPECTIVE DONORS

Due to its size and potential impact over time, not only is it reasonable to target the Millennial Generation for greater philanthropic support, but the timing is right. The oldest members of the Millennial Generation are now thirty-six years old. They are no longer children, and are, in fact having children of their own. The general notion that these people are still too young to make adult decisions about their finances is no longer reasonable. According to Edge Research, a market research company which has been dedicated to research for nonprofit organizations for two decades, the Mature Generation and the Baby Boomer Generation began building relationships with their donor organizations in their thirties. Many organizations still benefit from contributions made by these loyal contributors today (Loeb et al.). Millennials are already giving small and medium gifts to organizations (Achieve, The Millennial 2012), but nonprofits will increase giving from Millennials by specifically targeting them with specialized development and marketing initiatives. Not only will their donations have an impact today and for decades to come, the influence they have with their peers and in society is valuable to any nonprofit right now.
**Potential Value**

The Millennial generation may have the highest lifetime-value for cultural nonprofits because they have several decades yet to engage with organizations, they have a high propensity to become regular visitors of cultural organizations, and there is a likelihood that they will help promote the organization (Dilenschneider, “Why Millennials”). Additionally, as has been previously referenced, it is the largest generation in America, and it already contributes 21% to consumer spending in America (Doherty). Besides their own earnings, they will manage $30 trillion in intergenerational transfers between Baby Boomers and Millennials during their lifetimes (Singleton). This generation has limited money to give now, but will have more in the future. As the youngest Millennials are just entering adulthood, arts organizations will benefit from an investment in shaping their philanthropic endeavors toward the Millennial Generation.

**Develop Loyalty**

Once Millennials are engaged with a brand on social networks, they are likely to become loyal; 60% of Millennials self-report that they are often, or always, brand loyal (Schwabel). Twenty-four percent of them perceive themselves to be even more brand loyal than their parents (Adroit 8). According to David Arabov, co-founder of *Elite Daily*, an online news source directed toward Millennials and sponsor of an opinion poll about Millennial consumer trends, “Our findings confirmed that millennials are highly educated, career-driven, politically
progressive and—despite popular belief—do indeed develop strong brand loyalty when presented with quality products and actively engaged by brands.” (“Elite Daily”). The data imply that Millennials do not want to be consumers alone, they want to be engaged with the product. Organizational engagement means positive interaction with the donor through consistent communication, program development and volunteer opportunities (Hawthorne). It is important for nonprofit organizations to understand that engagement helps to develop loyalty (“Elite Daily”; Hawthorne). An investment in this young generation is wise; they are inclined to give, highly skilled, and eager to help those organizations that inspire them (Achieve, The 2013).

Nonprofit organizations will benefit from knowing that the way Millennials evaluate a brand, or organization, is different than their predecessors; seventy-seven percent of Millennials surveyed believe they are using a different set of criteria than their parents did. Reputation, quality and friend recommendation were among the most important measures for brand loyalty by Millennials (Adroit 11). This generation also wants transparency, to see the evidence that their contributions are having an impact, and that the organization is socially conscious (Rovner 13). In fact, 38% of these followers would leave if they discovered bad business practices (Adroit 15). Since Millennials see themselves as investors in a mission, rather than donors to an organization, the business practices and results of an organization are important factors in the development of loyalty (Schorr). The time is right for nonprofit organizations to focus on clean
financial, environmentally friendly, and socially conscious reputations, effective programming, and a digital presence that is ready for Millennials to like-and-share. The result will help to develop long-time, loyal and generous donors.

**Core Values**

Millennials are cause-driven and mission oriented (Forbes). They give when they are passionate about a cause, and when the organization has a trustworthy and believable message. Authenticity is important (Schawbel; Solomon, “The Year”), organizations must say what they believe, and prove it with actions, unlike their grandparents, who likely gave to an arts organization because it was tradition, or because they wanted to give back to the community, Millennials want to see the specific impact of their contribution on the community (Dewey). Impact and results are important to Millennials. The challenge for arts organizations is to find innovative ways to prove the impact they have in society (Romano, “With”). The generation also values being engaged in the mission and wants to collaborate with organizations to solve problems or develop programs (Solomon, “The Year”) by volunteering their time. This passion for mission is evident in their personal lives and extends into the workplace; nearly two-thirds of Millennials take into consideration the philanthropic practices of a company when making a decision about buying a product or taking a job (Preston).

Millennials and nonprofits are compatible. Nonprofit organizations are mission-driven; Millennials are mission-driven. Nonprofit organizations can
improve with fresh ideas; Millennials have fresh ideas. Arts organizations need patrons; and Millennials, who are already regular arts participants, need inspiration. They are passionate, they are loyal, and they are ready to be inspired.

Influence

As already established, Millennials have enormous influence now and will long into the future (Winograd and Hais 27). Their influence on friends and family is essential for organizations that hope to engage other Millennials. Recommendations from friends, rather than so-called experts, have a powerful impact on decision making (“The Millennial Generation”) for the people in this generation. Millennials’ influence goes beyond their friends, to their families that may span many generations. Eighty-five percent of Millennials think of their parents as their friends, and one-third say that they have an influence on their parents’ shopping habits (Solomon, “2015”). Putting off the opportunity to engage Millennials may have also have a direct impact on the engagement of other generations as well (Quin).

Millennials have many unique ways to engage others. Talking, writing, sharing and posting about their experiences with an organization provides Millennials an opportunity for self-expression and draws others into the mission of the organization. Consequently, organizations that provide opportunities for Millennials to easily tell a story, engage through experience, and make a
donation will work to influence other Millennials to do the same (Hawthorne). Nonprofits that learn to successfully use the Millennials’ social networks to “unleash a potential firestorm of influence” (Hawthorne) will have an opportunity to reach people from many generations.

As Millennials grow older and in higher positions at work, they are also gaining influence in corporate America. Since they tend to blend their passion-driven work and social lives, they expect the companies with which they work to have a similar passion. The Millennials who were polled for an Elite Daily survey about Millennial consumer trends said that it was very important for companies, from which they buy, to give back to society (“Elite Daily”). Baby Boomers and people from Generation X do not feel as strongly (Preston) and have not impacted corporate philanthropy to the extent that Millennials already have. Corporations understand the importance of attracting the young Millennial generation into their workforce, so they are actively creating volunteer programs for employees and publicizing their philanthropic activity to engage and attract Millennials (Preston). Additionally, more than half of Millennials purchase products from companies that support causes with which they share a passion (Solomon, “The Year”). It is important to note, however, that even those purchases made by Millennials are not made without consulting with peers (“Elite Daily”). Young people have already started to mold corporate philanthropy by insisting that workplace giving and volunteer programs reflect the personal philanthropic motivations of the employees (Preston).
Millennials will continue to shape corporate giving as they move into influential positions at work, giving them sway on corporate spending (Solomon, “The Year”). Corporations have allowed themselves to be influenced by Millennials for good reason. Millennials currently have about $200 billion per year of direct buying power, and $500 million of indirect spending power when considering the influence some still have on their parents. The peak of Millennial spending capability will not occur for several decades (“The Millennial Generation”).

Government and public policy influence is important to consider as well. As the majority population, Millennial values will play a role in any campaign or policy debate (Dilenschneider, “The Millennials”). Additionally, Millennials are now being elected to state and local legislatures and will have a significant influence on arts policy and fundraising (Rosenberg). Organizations that engage Millennials at every level, from patron to board member, will improve the likelihood of their support in government over their lifetimes.

Millennials presently have a dominant influence on their friends and family, a marketing and promotion niche that is not easily accessible in other ways. They have shown that they are influential in the corporate sector by insisting that the places they work and shop reflect their values, a trend that may provide nonprofits and corporations an opportunity to build new long-term partnerships (Depew). Their influence makes them trendsetters (Schawbel). This important role will only increase with time as the group continues to grow and mature.
financially and in their personal lives. The time is now for organizations to get on the Millennial wave of influence.

**Advertising Preferences**

Millennials are resistant to advertising and have a discerning eye for marketing that is not authentic or seems disconnected from the company’s stated values. They have grown up with the ability to skip television commercials (Campbell), and less than 3% of 1,200 Millennials polled felt traditional print advertising, as opposed to digital advertising and word-of-mouth promotion, would influence their purchases (“Elite Daily”). They can, and do, block or delete email and screen phone calls (Quin). Millennials largely rely on peer influence, but marketing to the Millennial generation by inspiring them and giving them tools to share the inspiration with their friends and family is important. To reach and sustain relationships with future generations, nonprofit organizations will benefit from an update in marketing and development strategies that focus on the Millennial Generation taking their peer influence into consideration (Quin).

Current marketing strategies in nonprofit organizations, like direct mail and messages that seem to be selling a product, are not effective with the Millennial Generation (Quin; Martinez; Schorr) and are gradually losing their impact on other generations as well (Rovner 17).

As a part of a successful marketing strategy, it is also important for nonprofits to create a brand that clearly communicates, to funders and to
individuals, its mission and its place in the community (Padilla et al.). A well-defined brand, a brand that is well matched with the business plan, can help organizations appeal to Millennials, avoid mission-drift by taking on activities that are outside the intended mission, and maintain cultural relevancy (Fromm et al. 2). “The goal is to determine where the overlap between your brand culture and the consumer culture exists” (Fromm et al. 4). Branding is important to Millennials, having a brand that is relevant to them will strengthen their bond with the organization. Knowing common themes about Millennials, like diversity and globalism in Millennial personal branding, may help to design marketing strategies.

The common theme of diversity is perhaps due to the diversity of those included in the Millennial Generation. Never in American history has there been a more diverse generation. Forty percent of Millennials represent African American, Latino, Asian and mixed racial and ethnic backgrounds (Winograd and Hais 27). Additionally, Millennials are global citizens. Having grown up with a greater emphasis on study abroad programs in high school and college, and with the Internet at their fingertips, members of the Millennial Generation can continue and expand their global relationships over time (King 1). For these reasons, Millennials are highly sensitive to topics surrounding diversity and inclusion (Ono). Millennial attitudes about diversity also extend to include diversity of thought. They have grown up learning about many injustices of the past and feel that accepting each other is a norm “that governs how people should live
together in society” (Gailewicz). These characteristics result in a generation that values a wide range of ideas and is more socially tolerant than any other generation (King 2). Millennials believe that different thoughts, viewpoints and ideas are beneficial to organizations for problem solving (Ono). They embrace diversity and are exasperated by the thought of being put in a box (Quin). This diversity has been used as an advantage by corporations, and can be also used by nonprofit organizations.

Promoting nonprofit organizations through up-to-date websites, social media, and email, all optimized for mobile phones, are important steps to show that an organization values Millennial engagement (Achieve, The Millennial 2012) and the ideals that are important to them, like diversity and inclusion. Using these platforms to share stories about a nonprofit’s impact on society, engage with them about special events, and offer easy ways for Millennials to share with their friends, is essential (Depew).

Although aligning values with Millennials is a way to gain their trust, the challenge for nonprofit organizations is to remain relevant in the lives of Millennials. A digital presence allows for-profit and nonprofit organizations to stay connected, and relevant, with people all the time, and it has become an expectation (Depew). Outdated, or inaccurate, information leads to the mistrust of an organization and hinders the positive connections and influence which are desired from donors (Dilenschneider “Why”). According the Millennial Donor Survey 2011, 90% of Millennial donors would stop giving if they do not trust an
organization (Jepson; Achieve, Millennial Donors 10). Authenticity and reliability are paramount to gain the trust of Millennials.

Reevaluating mission statements and keeping websites and social media up to date may take time, but in the long run, engaging contributors and potential patrons through digital media is less expensive than traditional outreach that needs fancy paper and postage (Cave). Furthermore, the response to traditional, direct mail campaigns is down 21% overall in the last five years (Martinez). Certainly, there is a cost to create inspirational, high quality, authentic, digital content, but the distribution of it has a very low cost. Furthermore, the digital content can be continually modified to meet the needs of the demographic, unlike print material that is often printed in large, costly batches (Logan). As potential contributors of every age, even those within the Millennial Generation itself, have slightly different motivations and responses to marketing, this ability to rapidly modify digital content to match the need is a key benefit over printed material (Tabachnick). As another benefit, digital marketing allows potential contributors to easily interact with the organization through email, product reviews, surveys, and by sharing content (Cave). The effort is well worth the benefits.

Nonprofit organizations will benefit from the development of new strategies to engage and cultivate Millennials as current, and potential, contributors. Targeting Millennials with new marketing and development strategies should not have a negative impact on the older generations (Tabachnick), but as younger generations have a larger presence in society, their
push for more authenticity, and convenient ways to contribute, will also appeal to some Boomers and those from Generation X (Rovner 27; Freedgood).

What About the Other Generations?

The average yearly donation to charities by Generation X is $732 and is only 60% of their Baby Boomer counterpart’s average donation. Only 59% of Generation X reported giving to a nonprofit in 2013, while 60% of their younger, Millennial counterparts gave (Rovner 6). While Generation X contributors will be very important to nonprofits for decades to come, they may benefit from a different marketing and development approach to inspire them to give more generously. Generation X is a bridge tying together two large groups, Baby Boomers and Millennials (Taylor). Many from Generation X currently respond to marketing and development techniques used to target Baby Boomers, but many of them, particularly the younger side of the generation, prefer the new techniques designed for Millennials (Coleman). Generation X and the Millennial Generation are similar in some significant ways: 50% of Generation X wants to know the impact of their gifts, they want to do volunteer work and provide financial donations simultaneously, and their preference for giving online is growing (Coleman). Additionally, nearly half of people from Generation X consult online reviews before making a purchase, while only 34% of Baby Boomers and 23% of Matures do the same (Jacobs). New marketing and development strategies that are developed now will improve strategies for Millennial
engagement, but those same strategies will also appeal to the increasingly technological Generation X (“Generation G”), which may need some fresh inspiration to give, as well. Fresh marketing techniques have the potential to benefit everyone.

The benefits of new marketing techniques will affect all generations due to Millennials’ influence on their parents and the generally improving level of comfort with technology by all age groups. The characteristics that are now correlated with Millennials will soon be common among most people in society (Solomon, “2015”). Millennials want to have their voices heard, and those from Generation X and the Baby Boomer generation also want to be acknowledged for their input and ideas (Axelrad). Millennials like to donate online, and an increasing number of Baby Boomers also prefer online giving (Rovner 27; Jacobs). In fact, all generations are increasing their online activity in general.

About 87% of Millennials and Generation X use the Internet every day; furthermore, 76% of Baby Boomers do the same (Zickuhr and Madden). Of those who are 65 years and older, and who are online every day, one-third use Facebook (Zickuhr and Madden) and 91% of all adults use email (Zickuhr and Madden). A Pew Research study indicates that eight out of ten Americans now claim to be online shoppers, and over half of all Americans who shop online, used a smartphone to make the purchase. Seventy-four percent of the respondents said they had consulted online reviews before buying something for the first time (Smith and Anderson). Another poll indicates that 86% of Baby
Boomers and 90% of Millennials are comfortable doing product research online (Yasav 3). Though nonprofits are not necessarily selling a product, it is important to note that not only Millennials, but people from every generation, look to the Internet for the opinions of others before making a first-time commitment (Achieve, *The 2013*). It benefits nonprofits to be aware of their online presence and improve it to include personal reviews and inspirational stories that demonstrate the impact the organization is having in society. A website that can be accessed from a mobile phone, and where online contributions can be made, coupled with social media campaigns, may be the most effective way to reach everyone in the present.

For those reasons, nonprofits will benefit today from deliberately investing in marketing and development tactics that target the Millennial Generation. Millennials, the oldest of whom are in their thirties, are making decisions about their philanthropy that will affect themselves, and the missions they choose to support, for many decades. Nonprofits who address Millennials’ desire for authenticity, need for inspiration, and potential for influence, will not only improve their relationships with their Millennial supporters, but will also attract those from other generations who embrace their sensibilities, and the convenience of the digital world.
Chapter V
EDUCATION AND INFORMATION MOTIVATE GIVING

Education Statistics

The Millennial Generation is the most educated of any US generation. As of 2012, 72% of Millennials had graduated from high school (“The Millennial Generation”). In 2014, 27% of Millennial women, and 21% of Millennial men age 18-33, had at least a bachelor’s degree (Patton and Fry). This percentage is skewed low, however, because very few under age twenty-one would be likely to have a college degree at all. Even with the recent economic downturn and high unemployment challenges, on average, those with bachelor’s degree earn $17,500 more per year than those with only a high school diploma (Raphelson, “Amid”). Moreover, Americans value education; in 2016, 73% of Millennials polled considered themselves to be lifelong learners. They have an expectation to continue education formally and informally (Horrigan). Whether patrons in the arts are personal learners, formally or informally learning about something that is interesting to them, or professional learners, learning about topics that are career or work related, Millennials are likely to be intrigued and receptive to learning opportunities which to them may be second nature (Pappas).

These educational opportunities may take many forms: The Evening
Associates of the Art Institute of Chicago is a program that has its own active, Millennial board and serves as a “place to germinate the future philanthropists and leaders of the institution” which is a benefit for the museum, but it also benefits its participants. Evening Associates offers new ways for young people to learn about the museum and create a new network and community of peers (Chan). Staying true to its motto, “Broaden Your Mind and Your Social Circle,” membership in this organization delivers an opportunity for the Millennials to get insight about the Institute, and its board of directors learn to manage board activity, how to facilitate fundraising, and plan specials events (“Evening”).

The “Steppenwolf Associates” is a similar program through Steppenwolf Theatre, also in Chicago. Steppenwolf Associates has its own board of directors and is also designed to promote community and a desire to give back. Its mission is slightly different, however. The goal of this group is to develop a passion for performance and arts education in Chicago public school teens (“Steppenwolf”). This educational experience, though less direct than the Evening Associates, promotes giving through learning. The Miami City Ballet takes a different approach altogether with the Upper Room. The Upper Room membership provides an up-close education about ballet, with a good mix of cocktail socials and Miami City Ballet philanthropic events (Chan).

Ideally, Millennials involved in these educational undertakings will share their activities and their passion for the work of the organization in their social circles as an expression of their personal brand which will have impression on
their peers (“The Millennial”). Since Millennials are not likely to give to a cause for which they are not passionate, this peer-to-peer influence is critical for nonprofits’ sustainability (Chan). The Broward Center for the Performing Arts in Fort Lauderdale, Florida had unexpected success by utilizing these up-to-date mentoring tools. Not only did the young professional group known as the Ghost Light Society (“Broward”) grow, but it raised a total of $130,000 for arts education and social service collaborations in its first three years (Vitale). It continues to thrive. In 2016, the group raised $98,000 at its annual gala (“Broward”). Nonprofit arts organizations will benefit financially, and with growing community engagement, by investing in these kinds of education and interactive programs geared toward with Millennials.

Communication About the Organization

Because the very idea of charitable giving is understood by Millennials differently than other generations, nonprofit organizations will benefit from understanding that Millennials want to invest in a cause. They want to help with their own two hands by contributing volunteer time. When they are inspired to give money, they want to do it instantly, and almost as quickly, want to see the impact of their contributions (Hawthorne). Millennials do not think of themselves as philanthropists, rather, they are “investors” or “change-makers” (Schorr). By understanding these foundational ideas of direct and transparent communication, use of personal reviews, reliable and current digital presence, nonprofit
organizations can better communicate, and educate, the Millennials in their communities.

Direct and transparent communication, that provides specific and general information about the organization, is important for all contributors to nonprofits, but is essential for the Millennial audience (Achieve, *The Millennial 2012*). Organizations that take the time to build relationships with Millennials by connecting them to the mission and engaging their ideas before asking them for support, will benefit from Millennial engagement in the organization (Hawthorne).

Research shows that Millennials will begin their relationships with an organization on its website. In fact, 88% of Millennials surveyed in the *Millennial Impact Report* said that they review the “About” page when they want to understand the organization’s mission (Achieve, *The Millennial 2012*). Additionally, Facebook pages with personal reviews, inspiring success stories and data to support the mission’s effectiveness, will be more compelling to Millennials than those that do not regularly demonstrate their impact with digital communication (Dilenschneider, "Why Social").

Millennials are skeptical of established charities (Jepson) and insist on proof that the organizations they support are relevant. An up-to-date digital presence, including the organization’s website, can provide indicators of that relevance in the community (“Generation G”). An organization’s mission can be supported through success stories, customer reviews (Smith), and data (Romano, “With”).
Millennials also value transparency (Jepson) and demand ethical business practices in nonprofits they support (Solomon, “2015”) as well as companies with which they do business (“The Keys”). These young donors want evidence that their contributions are being used wisely and that they are part of something larger than themselves (Depew).

Nonprofit organizations that excel with thoughtful communication to establish transparency, relevance, and impact will positively influence the Millennial Generation, whose trust in the organization will grow over time, to give generously.

**Defining the Impact of the Arts**

Nonprofit organizations that develop clear ways to communicate their value may help insulate themselves from inevitable economic downturns (Padilla et al.). The arts are valuable in many ways, including their economic contribution to society as well as their use as an educational tool.

The arts have a high contribution to the US economy. The Gross Domestic Product (GDP) has been steadily increasing since 2009, and is up over 35% since 1998. According to an Americans for the Arts report, the arts and culture industry contributed $730 billion to the economy in 2014, which is 4.2% of the nation’s GDP. The arts and culture industry also provided 4.8 million jobs in the 2014 (Americans for the Arts). The arts consistently have a strong economic value in communities. Giving to the arts is not a frivolous luxury or emotional
comfort food, it is an investment in a healthy community and is effective during economic ups and downs (Cohen, “Americans”). Millennials give to nonprofit organizations to make a difference in people’s lives (Depew); an organization that can clearly communicate evidence that the contributions they receive have direct impact on people, and back it up with concrete knowledge that the arts have a positive economic impact in general, will provide Millennials with compelling reasons to give.

Arts organizations will also benefit from teaching important concepts about the arts and society, particularly how organizations can partner with individuals to make the society a better place (Cohen, “10”). The arts provide a unique and invaluable way for future generations to learn about the history of culture, not just about facts. They are also a valuable tool to help current generations learn about cultural experiences and social issues outside of their own community. Due to limited resources in communities, collaborative projects that combine the funding and expertise of arts organizations and civic organizations will be essential (Padilla et al.; Lynch). The Holocaust Museum Houston Next Generation Young Professionals, for example, is a group of people 21-40 years of age who are committed to creating a culture of inclusiveness and respect (Appleby) through collaboration. Their activities include a wide range of programs from teaching elementary children about their responsibility in society, to educating police officers about dealing with hate crimes (“Next”) by integrating museum art and artifacts with personal experiences and a safe environment.
Having grown up making “family decisions” rather than simply following traditional head-of-household decisions (Solomon, “2015”), Millennials are accustomed to solving problems as a group. They also are inclined to diversity of thought (Ono) and teamwork. ArtsWave Young Professionals in Cincinnati, Ohio is helping to solve the city’s challenge to attract and retain young talent through collaboration, teamwork and problem solving tactics. The Millennial group is collaborating with the Chamber of Commerce to attract young professionals to work in area businesses. ArtsWave’s goal is to intensify young professional connections with Cincinnati by encouraging investment in the community through arts activities. The special committee in this group manages a grant to make exciting arts experiences possible (“Young Professionals”).

Millennials are keenly aware of problems facing society all around the world (Scutari, “Millennials”). The challenge for arts organizations is to remain a reasonable option to receive contributions when other nonprofits are fighting hunger in Third World countries or hurricanes on the coast (Romano, “With”). Teaching Millennials about the value of the arts, providing them opportunities to become investors and changemakers, is a vital aspect of successful marketing and development strategies in nonprofit arts organizations. The results will benefit not only the organization through increased Millennial engagement, but community improvement as well.
Programs

Millennials are open to new ideas and look for opportunities to grow as individuals. Though they may be young and inexperienced, they are also “creative, adventurous, civic minded, tech savvy, socially aware, and consider themselves to be global citizens” (Rosenberg), all qualities that can be utilized by nonprofit arts organizations. “To successfully engage Millennials, organizations must build activities and approaches that capitalize on their increased interest, but are also responsive to their particular motivations and ways” (Tabachnick). Organizations that offer specialized programming for Millennials including opportunities for personal growth, creative leadership, and chances to make a difference in the community (Whittaker, et al.), also create opportunities for long-term engagement with the young cohort (Singleton).

Volunteer Programs

Nonprofits not only benefit from monetary donations, they also benefit from volunteers. Millennials are eager to get involved. There are many ways nonprofits can utilize these volunteers while providing opportunities for Millennials to network professionally and socially.

According to the Blackbaud study, *The Next Generation of American Giving*, Baby Boomers and people from the Mature Generation say that monetary donations make the biggest difference to nonprofit organizations, while the Millennial Generation says that volunteering makes the most difference (Rovner
12). In 2013, Americans volunteered 7.7 billion hours (“New Report”) and the estimated value of volunteer time for 2015 was $23.56 per hour (“The Value”). In 2011, 63% of Millennials volunteered, 41% of them planned to volunteer even more in 2012 (Achieve, *The Millennial 2012*). Millennials are more likely to volunteer if they are asked by a friend (Achieve, *The Millennial 2012*) or if they are asked to volunteer through work. Seventy-eight percent of Millennials prefer volunteering in groups through work, rather than independently (Achieve, *Inspiring*). Volunteerism is valuable to nonprofits, and Millennials are inclined to volunteer to connect with the mission of the organization.

The *Millennial Impact Report* of 2012 presents a “volunteer continuum” that describes how organizations might consider using a variety of volunteer activities to engage Millennials, and retain them over the years. An organization can engage someone who is new to the organization, or who someone who is young and has little time, with a micro-volunteer project that lasts only an afternoon and does not require a deep commitment. It may be considered a trial volunteer session for a Millennial. The continuum goes on with larger one-time options, even larger group projects and finally, leadership roles (Achieve, *The Millennial 2012*).

The goals of the Millennials who volunteered included working for the cause that inspired them, meeting others who were inspired by the same cause, and offering their skills or expertise (Achieve, *The 2013*). Furthermore, those who volunteered were more likely to also give a monetary contribution (Achieve, *The*
Millennial 2012). Well-designed volunteer opportunities that allow Millennials to network, in addition to giving time (Achieve, Inspiring), will not only appeal to the Millennial’s blending of work and social life, but will benefit nonprofits through deeper Millennial engagement, and valuable time to offset organizational costs.

**Leadership Programs**

As a passionate, highly educated cohort, and one that enjoys teamwork and creative problem solving, Millennials are interested in serving in leadership positions (Rosenberg); 77% said they were interested in participating in a nonprofit young professional program (Achieve, The Millennial 2012). Young professionals’ programs, which focus on getting the Millennial Generation together for a blend of reasons, are designed to increase knowledge about the nonprofit’s story, or in the case of an arts organization, increase knowledge about the art itself (Chan). Young professional groups are also tasked to plan youth-friendly fundraisers and physical activities like marathons or stair climbing challenges (Schorr) that will benefit the organization as a whole. Knowing that Millennials tend to blend their work and personal lives (Shore), providing a social networking time centered around a performance and cocktails allows Millennials to engage with each other immediately after they experience the art together (Tabachnick). For Tanner McCleerey, a Millennial software developer in Chicago, the opportunity to attend a formal event that would also be attended by actors from the show, was the final factor in his decision to give to Steppenwolf Theatre.
Not only will the event promote relationship building between McCleerey and the theater, the activity can lead to publicity for Steppenwolf on social media, additional volunteer activities, and increased giving (Chan).

Board mentoring programs, some organizations refer to them as junior boards, provide Millennials with activities that lead to education about the inner-working of an organization and the responsibilities of the board (Campbell). Millennials, who are already inclined to find satisfaction in group problem solving (Solomon, “2015”), and are not burdened with the we-have-already-tried-that point of view (Berkshire), may be able to provide innovative solutions to ongoing challenges, creative ideas for new programs, and a direct link to others in their generation. Delivering meaningful volunteer opportunities that appeal to Millennials and validate their level of education, can increase Millennials’ passion toward the cause and further engage them toward giving in the future (Quin).
Chapter VI
CONCLUSION AND BENEFITS TO THE FIELD

The Millennial Generation is the biggest generation in America today, and inevitably, will be for many decades to come. They have shown that they are inclined to invest time and money into causes for which they are passionate, and have indicated that their support will grow over time. They value authenticity and effectiveness in the causes they support (Freedgood), which is a good goal for the arts industry as well. Millennials are highly educated problem solvers and communicators, both of which are valuable attributes for nonprofits today. Members of the Millennial Generation are team players and are open to diverse ideas. They influence their families and friends now, and although they currently inspire corporate charitable giving, they will have even more influence at work and in government, as they enter their 40s. The Generation’s future potential value is massive, but they are ready for engagement now.

Investment by organizations toward that engagement today is a smart step into the future of philanthropy and will make the work of development officers easier tomorrow. Although the cost of changing marketing strategies might currently seem like an unnecessary expense, a shift to digital marketing and modern branding will not only benefit arts organizations and the Millennial
Generation, but will also have an increased positive impact on convenience for Generation X and the Baby Boomer Generation to give to nonprofits, as well as to build stronger, more trustworthy, relationships with them. The cost of distribution, and future temporary or situational customization of promotional material, will be reduced as well.

“Standing still is the fastest way of moving backwards in a rapidly changing world” (Vitale). While the highly respected older generations of contributors will be important for decades to come, the world is changing and organizations will feel the effects of the Millennial influence and the increasing desire for digital marketing, communication, and giving tools. Additionally, as funding for the arts becomes even more competitive, arts organizations that seize the day and embrace the Millennial Generation for what they share today, and more importantly, for what they will be able to give in the future, will benefit from increased giving and engagement.
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