

## THE CHRONICLE OF PHILANTHROPY

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### **Connecting With Generation X**

#### **Charities look for new ways to reach out to the under-40 set**

By Peter Panepento

Robert Sena's relationship with Project Sunshine began with a simple invitation from a friend. Two years ago, the friend asked Mr. Sena, then a graduate student in New York, whether he wanted to volunteer with the charity by spending time with young patients at a local hospital.

Mr. Sena, who grew up in Florida and had few connections in the city, jumped at the chance to get involved and meet new people. "After one visit, I was hooked," says the 29-year-old real-estate developer, who has since moved to Miami. "Whenever I walk out of the hospital, I feel so good about myself."

He felt so strongly about his volunteer experience with Project Sunshine that he began donating money to the organization and helped plan fund-raising events. After graduate school, he returned home to South Florida and volunteered to begin a satellite chapter in Miami.

In less than one year, Mr. Sena has recruited 12 people to become part of the Miami chapter -- with the goal of ultimately building a network of volunteers and donors willing to help sick children.

#### **Difficult to Attract**

To many charities, Mr. Sena represents the potential of a new generation of philanthropic donors. Young, successful, and civic-minded, these donors are the future for organizations that will need a new wave of supporters.

But that new generation -- commonly referred to as Generation X -- has so far proved elusive to most charities. The oldest members of Generation X, defined by demographers as those born in 1965 through 1981, turn 40 this year. Most are in their 30s, meaning they are approaching a point in their lives when they are established in their careers and their communities. As a result, they are nearing an age when they are both financially ready and emotionally mature enough to become active in philanthropy.

Many members of Generation X, however, are not living up to the giving patterns set by their parents and grandparents. A 2003 study by Richard Steinberg and Mark Wilhelm, two scholars at Indiana University's Center on Philanthropy, showed that Generation X-headed households donate significantly less than those in the baby-boomer and pre-World War II generations.

The study was based on data provided by 7,406 households nationally about their giving in 2000.

The study found that slightly more than one-half -- 53 percent -- of Generation X-headed households made donations of \$25 or more in 2000. That number is well below the percentage of baby boom- (75 percent) and prewar-headed (80 percent) households in the survey. (The researchers used the \$25 standard, Mr. Steinberg says, to allow nondonors to save face, in the event that they gave nothing to

charity.)

Nonprofit organizations that have studied the reasons behind the differences in giving among the generations say that members of Generation X are not intrinsically less interested in giving than their parents and grandparents. A majority of these younger people, like Mr. Sena, simply have different ideas on how to give.

United Way of America, in a 2001 report, said members of Generation X are demanding more information about groups before they make a gift, tend to distrust large organizations, and are more likely than their predecessors to choose volunteer activities that provide challenges and social connections.

As a result, charities need to adapt their strategies to appeal to Generation X, says James Chung, a 38-year-old marketing consultant in Boston who serves as a board member and volunteer at several charities.

He has witnessed what he says is a major change in the philosophy of donors and volunteers between the baby-boom generation and Generation X. In many cases, he says, members of Generation X want to be involved with philanthropic activities, but they are either disconnected from their communities or are turned off by the cultures and images associated with longstanding charities.

Unlike their baby-boomer parents, members of Generation X were not part of massive social movements, such as the push for civil rights or opposition to the Vietnam War. But, as the United Way study notes, they grew up in a world of domestic instability. They were among the first "latchkey" children, with parents significantly more likely to divorce than in previous eras, and some saw their parents laid off from their jobs.

As a result, Mr. Chung says, members of this generation are more skeptical than their predecessors and less willing to trust bureaucracy. In addition, he says, people in that age group -- particularly men -- are also more likely to crave time with their spouses and children, which gives them less time to spend on civic activities.

"It's proving to be a pretty troublesome generation to organizations, both in the nonprofit and for-profit sectors," Mr. Chung says. "It's just a tough generation to reach."

### **Making Connections**

But a growing number of charities are finding that they can reach Generation X donors and volunteers -- often in profound ways -- by taking deliberate steps to create programs and opportunities aimed at their interests and values.

For Project Sunshine, those steps have focused largely on providing volunteer opportunities for people younger than 40, and supplementing those volunteer efforts with fund-raising efforts specifically geared toward that generation.

As a result of these strategies, about 90 percent of the charity's volunteers are younger than 40, says Amy Frome Saperstein, a Project Sunshine spokeswoman. About 40 percent of its donors also are under 40 -- and Ms. Saperstein says the organization believes it will see donations from its current under-40 volunteers increase as the organization grows and as those volunteers become more financially secure.

She says, "The organization can sort of grow up with people as their lives and schedules change."

To help attract young supporters, the charity relies heavily on the social networks of its volunteers. Mr. Sena, for instance, says he has been able to recruit most of the Miami chapter's volunteers by talking to neighbors in his apartment complex, which is popular with young professionals who are new to Miami.

He has been careful, he says, to ask for donations of time rather than money at the outset.

"I'd rather get people enthusiastic about the program and get them to emotionally buy in before I ask them to make a financial commitment," he says. "People at the beginning of their careers probably don't have the money to throw at charitable causes."

Indeed, many people younger than 40 are facing economic hardships that were not common in previous generations. While members of Generation X are more likely to attend college than their parents, Mr. Chung says they are also more likely to carry student-loan and credit-card debt, factors that make it more difficult for them to give financially.

In addition, the economy has not been kind to many in this age group. While the technology boom of the late 1990s helped turn some of their number into millionaires, many more have struggled through layoffs or are relying on working spouses to help pay the bills. Some are even still living with their parents.

"They didn't enter the work force in an era of unbridled economic growth," says Mr. Chung. "Real wage growth has actually been negative."

### **Appealing to Idealism**

The Community Foundation Silicon Valley, in San Jose, Calif., has reached more affluent members of Generation X by appealing to their shared values.

The organization has created a fund for young people who amassed riches during the late 1990s high-tech boom that gives them greater control of the money they donate -- and offers them the sense of community.

Many people younger than 40 who became affluent early in their adult lives are looking for ways to share their wealth, but are leery of seeing their investments wasted, says Peter Hero, the foundation's president. "They're looking for advice and wisdom on how to match their idealism and willingness to help others," Mr. Hero says. "They want to invest in organizations and people they believe in."

To help Generation X feel comfortable with giving, the foundation created a fund called SV2, the Silicon Valley Social Venture Fund, in which members have to be invited to join and are committed to give \$5,000 to \$25,000 per year for two years. The donors, most of whom are younger than 40, meet four times a year for dinner to forge personal connections and set priorities for the fund.

"That's a good example of how to get Generation X involved," says Mr. Hero. "Without that opportunity, many of them wouldn't do anything at all. Basically, they'd say, 'I'll just wait until I retire.'"

That mind-set isn't grounded in laziness, says Aaron Hurst, the 30-year-old president of the Taproot Foundation, in San Francisco. Instead, it is emblematic of a generation that wants to make sure it is getting the most for its time and money.

"It's amazing how many of them want to be involved in the community, but they don't want their time to be wasted," Mr. Hurst says. "There's much more of an emphasis on how to use my skills to help and not just writing a check."

It is that emphasis that prompted Mr. Hurst to create Taproot in 2001. The organization works to engage professionals in volunteer projects for nonprofit organizations.

Marketing experts, for instance, are enlisted to create "branding" programs, pro bono, for San Francisco charities. Web developers volunteer to create Web sites. In 2004 alone, the foundation says, its 522 volunteers contributed 54,810 hours of donated labor worth an estimated \$3.5-million to nonprofit organizations.

Mr. Hurst estimates that about 90 percent of Taproot's volunteers are in their 20s and 30s, and says that many of them have gone on to become trustees or donate money to the charities they have helped. And of those volunteers, he adds, 47 percent had never previously donated their time to a charity.

He attributes Taproot's success to the fact that it gives members of Generation X a chance to become more connected to their community. Many of the volunteers did not grow up in San Francisco and are looking for ways to get involved in their adopted hometown.

"A lot of folks, especially in our generation, don't have the social structure that once existed," Mr. Hurst says. "This generation is so much more mobile than any other generation. People are very hungry and looking to connect with people who share their same values. They want a sense of feeling at home and are looking for social networks, so structure your activities toward building that social network."

### **Nurturing Leaders**

More-established organizations are also taking note of that trend, and are adding programs that appeal to those seeking social networks.

Last year, the United Way of Central Iowa, in Des Moines, established an Emerging Leaders program to encourage professionals in their 30s to become donors and volunteers, says Stephen Quirk, the organization's strategy leader.

The United Way chapter has created a giving program for professionals under 40 in which all of the money raised goes to charities that serve young people, says Mr. Quirk. Those donors also decide how those donations will be allocated, he says, and the program prods these donors to volunteer at youth organizations.

The United Way also offers formal training for people younger than 40 who want to learn how to serve on nonprofit boards, and the group created a program that makes it easy for people to socialize with others in their age group, and also to be matched with senior-level executives who offer career and philanthropic advice.

"The response has been extraordinary," says Mr. Quirk, who expects the organization to get about 300 new gifts from under-40 donors this year.

Andrew Hensen, a 31-year-old financial consultant (and United Way donor since age 23) who takes part in the Emerging Leaders program, says it has helped him become even more active with his charity efforts.

More important, he says, the program has helped engage many of his peers who had not previously been involved in charitable activities: "I definitely think there are a lot of people in our generation looking for opportunities."

Once they have that access, members of Generation X are as likely as their predecessors to get hooked on giving, says Marc Terrill, president of the Associated: Jewish Community Federation of Baltimore.

The federation has been working to appeal to Generation X donors by creating volunteer opportunities at 18 organizations it supports annually. For instance, parents can aid the federation's efforts to collect and distribute supplies to schools in Baltimore and Ashkelon, its sister city in Israel.

"You name the issue and there are vetted programs that are available to these donors," he says. "If they have young children, we have programs for young children. If they are singles, we have programs for singles."

The idea, says Mr. Terrill, is that if young people volunteer with a charity and see up close what it accomplishes, they are just as likely to get involved in philanthropy as their parents and grandparents.

Of the 3,300 new donors attracted by the federation during the second half of 2004, Mr. Terrill estimates that three-quarters were younger than 45 -- a trend he attributes largely to the Associated's efforts to reach out through volunteer activities.

"We've created volunteer opportunities so they can see the value of our system," he says. "One of the most precious assets they can give us is time. If we don't use that time wisely, then shame on us."