



The Charitable Millennial

The millennial generation is now the country's™ largest, comprising one in three American adults. In the next decade, it could also become one of the richest, as millennials begin to inherit more than \$68 trillion from their baby boomer parents. This marks the largest generational transfer wealth in history.

For nonprofits, millennials represent a tremendous opportunity. And organizations that do the work now to understand this demographic group may be able to better engage them as lifelong partners and donors. In this article, we™ explore some key characteristics of millennial donors and how nonprofits might shift engagement strategies to reach this unique group.

Let Them Get Their Hands Dirty

At this stage of their lives, millennials are more likely than other generations to donate time instead of money. With lower pay and more student debt than previous generations, millennials are more likely to report limited disposable income.

“They™re dealing with a lot of competing financial priorities, but that doesn™t mean they don™t want to help,” says CAPTRUST Director of the Institutional Portfolios Practice [Grant Verhaeghe](#). “Creating a sense of ownership for millennials around a fundraising activity can be the first building block of an ongoing relationship.”

One positive experience can create a lifelong connection. Therefore, nonprofits might consider offering in-person or virtual fundraising events to help donors feel more deeply connected to their organizations. Charitable races, exercise classes, community improvement days, litter pick-ups, and

food- or drink tasting events are a few common examples.

“Millennials tend to enjoy hands-on volunteer experiences, participating in events that allow them simultaneously to give time and raise money in support of their favorite causes,” says Verhaeghe.

One well-known example of an experience-based fundraising challenge was the 2014 water-bucket challenge that raised money for the ALS Association. As part of the challenge, more than 17 million people, including Bill Gates and former President George W. Bush, dumped ice-cold water over themselves. The ALS Ice Bucket Challenge raised \$115 million—twice as much as the charity raises in a typical year.

However, raising a windfall that’s equal to double your organization’s annual budget, like the ALS Association did, can present its own unique challenges. For instance, the ALS Association reported running a significant deficit five years after, as they spent down the burst of money from the Ice Bucket Challenge.

The Ice Bucket Challenge also tapped into millennial social media use. Promoted solely through social media platforms, the challenge went viral, with more than 17 million people posting videos online.

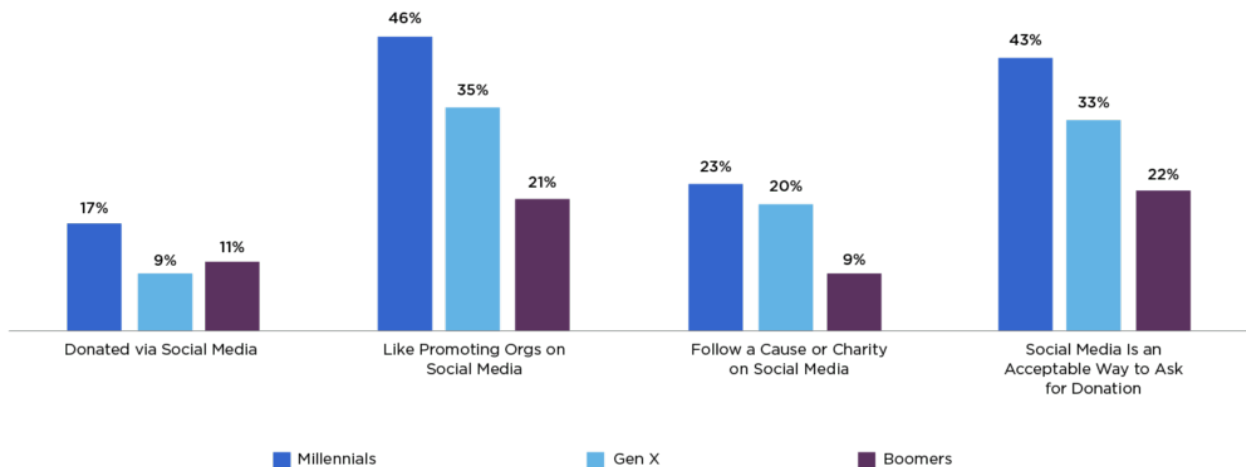
Be Tech Savvy

Although Gen Z may give them a run for the money, millennials are still one of the biggest consumer groups of social media. According to [The Millennial Impact](#), 90 percent of millennials use one or more forms of social media daily, and 51 percent use it to engage in causes they care about. This generation also likes to use an array of digital platforms to reach out to their personal networks and ask for help in fundraising. This includes Facebook, Quora, Twitter, Instagram, and LinkedIn, to name just a few.

“By engaging millennials online and through digital media platforms, nonprofits can connect with a much larger network,” says [Eric Bailey](#), a CAPTRUST financial advisor specializing in institutional fiduciary services for endowments and foundations. “This generation uses social media to amplify their voices on issues that matter to them, and nonprofits should be taking full advantage of that.”

As Figure One shows, almost half of millennials who have given charitably enjoy promoting nonprofit organizations through their social media accounts. Additionally, millennials are twice as likely as baby boomers to follow a cause or charity on social media. And they’re nearly twice as likely to see social media platforms as an acceptable way to ask for donations.

Figure One: Social Media Donor Engagement by Generation



Source: “The Next Generation of American Giving,” Blackbaud Institute, 2018

Peer-to-peer fundraising is another popular technology used by many nonprofit organizations. “It’s a great way to attract new donors and reach new networks of people,” says Bailey. This method of fundraising is a multitiered approach through which individual fundraisers set up a personal fundraising page to accept donations, which are then received by your nonprofit.

“[Individual fundraisers] essentially have their own websites,” says Brad Davis, executive director at the WakeMed Foundation, which uses peer-to-peer fundraising throughout the year. “We give them sort of a template and some boilerplate stuff, and then they personalize it.”

This strategy makes use of a donor’s existing social network, encouraging supporters to collect donations from their peers, friends, coworkers, family members, and neighbors on behalf of the nonprofit. “Peer-to-peer campaigns are effective because they build on relationships, make use of your existing donor base to reach new audiences, and help build social proof,” says Bailey. “Nonprofits absolutely need to use digital platforms to make connections with millennials and to clearly communicate their mission and needs,” says Bailey. “But that’s certainly not the only way to meaningfully connect with millennials. We’re also finding that millennials are active participants in corporate giving programs.”

Get Them Where They Work

Of working charitable givers, more millennials than any other generation are interested in workplace giving, and 40 percent have already participated in a workplace fundraiser, according to the [Blackbaud Institute](#). These facts speak to an emerging opportunity for nonprofits to reach present and future donors where they are.

Workplace donations dramatically reduce administrative costs for charities. And automatic payroll deductions are one of the few opportunities for your organization to secure an ongoing, predictable



source of revenue. In fact, almost half of survey respondents identified workplace giving as a major growth strategy for their organization, according to [Nonprofits Source](#).

Davis says charitable payroll deductions have been a successful strategy for the WakeMed Foundation in Raleigh, North Carolina. “We raised about \$800,000 last year from WakeMed employees at all levels, and they pay through payroll deductions, which is really cool,” he says.

However, according to Bailey, the options for employee giving may be limited to a preset list that would vary by company. The challenge for each nonprofit is figuring out how to be included on those lists of eligible charities.

Nonprofits can get started by joining one or all the organizations that set up payroll deduction giving campaigns at corporations. Some of these organizations are America’s Charities, EarthShare, and Community Shares USA.

Many corporations also offer paid time off for employees to volunteer, offering yet another means for nonprofits to connect with millennial givers. Bailey recommends nonprofits reach out to individual corporations’ human resources departments to explore partnership opportunities.

Of course, there are a variety of ways nonprofits can team up with corporations to effectively structure an employee volunteer program, including day-of-service events, skills giving, and pro bono services. But organizations who want to engage millennials successfully and consistently in workplace giving or volunteering will also need a reputation of transparency and integrity.

Be Crystal Clear

Millennials have higher expectations for organizations whose missions are to do good. And 60 percent say they are more inclined to give if they can see the impact of their gift.

“Today, people want to know more about a nonprofit’s goals, its impact, and the outcomes it produced. Donors want access to detailed financial reporting, too,” says Verhaeghe.

“Millennials want to know about the differences a charitable organization is making before they contribute to its cause,” he adds.

Trust is a big deal to today’s donors. If a nonprofit organization doesn’t live up to certain standards of transparency, it will receive less in contributions than organizations that proactively provide data to the public.

It should come as no surprise that the characteristics of true nonprofit transparency are important to all charitable givers, not just millennials. For a deeper dive into the importance of transparency, see our corresponding article, [“Transparent Reputations and Nonprofit Organizations.”](#)

Nonprofits that evolve alongside and effectively engage the millennial generation will reap the benefits. Like their baby boomer parents, millennials are charitably inclined, and they believe strongly that they can change the world. But this can only happen if nonprofits meet them where they are—online,



at work, in-person, and with transparency.