

## Donors of the Future Scan 12 Key Trends and What They Mean for the New Giving Landscape

	TREND	WHAT TREND MEANS FOR NEW GIVING / NEW DONOR LANDSCAPE
1	<b>Racial and ethnic diversity will increase</b> in almost all communities at large.	<ul style="list-style-type: none"> <li>● Changes shape of potential donor, and civic leader, pool</li> <li>● Creates need for regionals, community foundations, United Ways, others, to increase skills in mapping community assets and challenges</li> <li>● Requires broad-based donor initiatives (community foundations, United Ways, etc.) to reach and engage diverse donor populations, or lose market share and community influence</li> <li>● Creates potential for many different pools of giving in a community, each with its own traditions, some “below the radar”, many with links to similar racial/ethnic traditions elsewhere in the US, or globally</li> </ul>
2	<b>Wealth appreciation in virtually all communities of difference will become significant</b> -- more African Americans, Asian, gay and lesbian, Hispanic, women, young, self-made	<ul style="list-style-type: none"> <li>● Community foundations, United Ways, must become skilled at identifying and reaching new high wealth to stay even</li> <li>● “Adult white middle class men” become smaller slice of high wealth pool</li> <li>● Drives likely creation of many “identity funds,” and other initiatives, some affiliating with community foundations or regionals, some not</li> <li>● Increases capacity to create philanthropic capital within communities often thought of as “needy”</li> </ul>
3	<b>Concept of endowment will face continuous pressure</b> as new donors – from recent immigrants to self-made high-wealth entrepreneurs –enter the system	<ul style="list-style-type: none"> <li>● Giving initiatives with only endowed options will need to compete with, and often lose to, non-endowed options</li> <li>● High growth and profile of these non-endowed options may put increasing societal pressure on traditional funders, re perpetuity and payout</li> <li>● If pendulum swings significantly, higher percentage of philanthropic money will be money to spend now.</li> </ul>

4	<p><b>Interest in giving internationally</b> will increase among all types of donors.</p>	<ul style="list-style-type: none"> <li>• More money will flow from US communities to people and projects around the globe</li> <li>• Creates opportunity for regionals, community foundations, donor advised funds, others, to become resources for local donors who need assistance in finding projects, completing transactions</li> <li>• Internet portal sites, set up to handle overseas transactions and reporting, will have an advantage here, and be highly important to smaller donors with international interests.</li> </ul>
5	<p><b>Sending money home</b>, among foreign born living in the US -- in income categories from top to bottom - - will increase significantly</p>	<ul style="list-style-type: none"> <li>• This huge Diaspora giving pool -- approaching 60% of some local foreign born populations, and aggregating to between \$50 and \$100 billion a year -- is a major giving phenomenon and could change our understanding of "who is a donor."</li> <li>• Presently bypasses virtually all organized giving sponsors, including community foundations and regionals.</li> <li>• It's a major story, and a case study of "aggregation" of gifts. Regionals and others who choose to tell it, may benefit from bringing a big story to market.</li> <li>• As wealth increases, large gift Diaspora philanthropy will increase; more Internet sites to support this will appear or build out.</li> </ul>
6	<p><b>Flash giving</b>– triggered by international conflict, famine, natural disasters, all unfolded instantaneously by the media – has the potential to engage and empower many donors; may become primary mode of giving for many donors.</p>	<ul style="list-style-type: none"> <li>• Regionals, community foundations, others without the capacity and agility to offer reliable response mechanisms will risk losing these donors</li> <li>• With high media attention, flash giving for disasters could color both the picture – and the reality -- of giving.</li> <li>• There is an opportunity for regionals, others, to map and tell the story of how flash, and long term sustained giving come together in a complementary whole.</li> </ul>
7	<p>Donors will be increasingly attracted to <b>self-formed learning</b> and giving communities or gatherings, that maintain connections, share knowledge and sponsor events</p>	<ul style="list-style-type: none"> <li>• Probably wise to consider the growth of these groups as a reflection of relationships donors are looking for in their giving.</li> <li>• These groups – at all levels of giving --put a passionate, value driven face on philanthropy.</li> <li>• Likely to see more of these groups forming around shared values or life style issues – young, inheritors, social progressives, gay and lesbian, religious of all denominations.</li> </ul>

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<ul style="list-style-type: none"> <li>• Among many populations, these (largely unadvised) groups may cut into the advisor business.</li> <li>• These self-forming groups will be able to customize the giving options and outputs (e.g., metrics) members are looking for.</li> <li>• To tap the potential of these groups in their own initiatives to grow new giving, regionals, cf's, others, will need to find low maintenance mechanisms for connecting to or hosting these groups.</li> </ul>	
<ul style="list-style-type: none"> <li>• Could make it harder for charities without web presence to raise funds; at the same time, could provide charities with better access to donors, and weaken the normative hold of traditional grant making foundations on nonprofits.</li> <li>• Internet could become, for many, the new giving infrastructure – rising to a service level and capacity that would take community foundations, other brokers, out of the picture.</li> <li>• May be opportunities to match low tech giving vehicles (giving circles, gatherings, small family foundations) with net portals, to combine” affiliation” with better donor service and transaction management. This could be huge.</li> </ul>	<p>More and more donors will take care of all their giving – flash and more sustained – with <b>internet giving portals</b>.</p>
<ul style="list-style-type: none"> <li>• Expands need for regionals, their member foundations, and community foundations, to handle gifts to other locations</li> <li>• Also builds pressure for capacity to vet opportunities long range</li> <li>• May pull money out of declining communities, or communities with significant out migration</li> <li>• Creates opportunity to identify and engage as donors mobile retirement age adults who may spend only part of a year in a place</li> </ul>	<p>A more mobile population of all ages, combined with out-migration from smaller towns and rural areas, and more frequent “caravanning” among retirement-aged adults, <b>diminishes the appeal and incidence of place based giving.</b></p>
<ul style="list-style-type: none"> <li>• Can expect, across all religions, more and more active clusters of faith or value-based donors – Jewish, Christian, Muslim, etc.</li> <li>• Instinctive distrust of Christian/evangelical giving by many community foundations, regionals and mainstream donor collaboratives will likely push Christian donors toward Christian Community Foundations and other more welcoming hosts</li> <li>• Mainstream philanthropy/community foundations are poorly positioned to attract endowment</li> </ul>	<p>Giving by <b>faith-based donors</b>, long acknowledged as providing the majority of all giving in the US, will <b>become even more complex</b> to deal with. Polarization around Christian giving may increase, as “mainstream”</p>

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	philanthropy institutions tag it all as “evangelical.” In current political context, Muslim giving may also become very hot.	<p>funds through intergenerational transfer of wealth of many Christian faith donors</p> <ul style="list-style-type: none"> <li>Faith based giving has the potential to divide –and/or enrich – philanthropy. There may be a leadership opportunity, for regionals, others, to support communities as they work through difficult issues of faith and philanthropy.</li> </ul>
<b>11</b>	<b>Donor demand for a streamlined, 24-7, customized interface</b> will push donor serving initiatives on business operations side	<ul style="list-style-type: none"> <li>Virtually all donor-serving initiatives will be pushed to expand capacity to serve donors anywhere, anytime.</li> <li>Demand creates opportunity to build networks to handle back office needs of serving donors.</li> </ul>
<b>12</b>	People will increasingly expect to <b>see themselves (i.e., people of their kind) in the leadership</b> of the institutions to whom they give their money, time or allegiance.	<ul style="list-style-type: none"> <li>Regionals, community foundations, others who provide leadership in the giving landscape will face increasing pressure to change the composition of their Boards, offer leadership spots to “diverse” people.</li> <li>Creates need for leaders Board members and other ambassadors to be more visible in diverse communities</li> <li>Even with these efforts, we are likely to see further splintering/customization of the donor world, into many similar-attribute initiatives, with some overtly cross boundary initiatives.</li> </ul>
<b>ALL</b>	<b>Trends above -- now evident among mature adults -- will all become more extreme</b> as generation x and generation y enter and assume leadership in the system	<ul style="list-style-type: none"> <li>There is time to prepare – but not a lot.</li> <li>This is not just about reaching to formerly excluded donors. It’s a whole new world.</li> </ul>

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