



The Future of Philanthropy – Next-Gen Leaders Speak Out on Philanthropy, Governance, and Social Change

Social change champions help today's nonprofits adapt for leadership change

BY RICHARD TOLLEFSON

A new era of philanthropy, nonprofit governance, and social change is upon us. Changes in why, how, and where the next generation of philanthropists give and engage are rapidly taking hold in America and shaping the way nonprofits do business. To optimize the potential and impact of next-gen leaders, it's important for nonprofits to understand that leadership is more than just money – although the wealth of this generation and its philanthropic potential is enormous. Tomorrow's leaders expect meaningful, authentic engagement, shared leadership, and sustainable solutions to our most pressing social needs.

Recently, the Long Beach (CA) Community Foundation celebrated their 25th anniversary, bringing together a panel of social change agents to discuss the Future of Philanthropy. The panel included four Millennial and Xennial leaders looking to make their marks in their respective communities. Their observations and recommendations hold true for other communities around the world.

"Charitable giving and community leadership is changing," said Marcelle Epley, president and CEO of the Long Beach Community Foundation. As philanthropy begins to experience this shift, organizations have an opportunity and a responsibility to adapt and make way for a younger generation of leaders, board members, and donors. "To be successful, nonprofits must adapt; they must change their fundraising and governance models to prepare

for and optimize a different kind of support and engagement in the future," said Epley.

"The next generation of community leaders is driven by a global sense of responsibility," said Sumer Temple, vice president of the Don Temple Family Charitable Foundation. "We want to impact our neighborhoods and kids' schools, our communities, the world! While we may have many of the same morals and values as our parents, we have an innate desire to do things our own way, to make change how we think is best."

And often the way they give is through volunteerism and active involvement, not just donating money. "Our generation wants to 'get our hands dirty' and be a part of the action," said Temple

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Tasha Hunter, community activist and organizer, executive director of the Uptown Business Improvement District, and cultural consultant said it's important to younger donors that their time is recognized as something meaningful and tangible. "We need to understand the importance of time, in addition to money, and quantify the value of that time and expertise."

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While donations of time may characterize how younger generations of leaders can give today, Temple points out that Millennials will also have significant resources to invest in their communities. In fact, Millennials, who may be facing financial limitations at this stage in their lives as they are having families and building their careers, are due to inherit trillions (estimates range from \$30 to nearly \$70 trillion) from their Baby Boomer parents, which will make them the richest generation in American history. How that will impact the future of philanthropy is yet to be determined.

It's a Lifestyle, Not an Obligation of Privilege

“The next generation is more intentional with their motivations and actions, and more ingrained in the social causes they support,” said Sentari Minor, social impact thought leader, and brand and positioning expert. “We are demanding social change and social impact in very explicit ways.” Organizations are increasingly called upon to concretely address social justice issues. Rather than stating their commitment to diversity, equity, access and inclusion, organizations are expected to embody their commitment and take action. This relates to how they serve their communities and how they recruit and engage board members and donors.

Younger leaders are less loyal to nonprofit organizations than their parents. They will support institutions and individuals who are making a difference and having meaningful impact on the social issues they prioritize. This is evidenced in how they may support multiple organizations, push for partnerships and alliances, and spend and manage their discretionary income and long-term investments. This so-called “social consumerism” drives financial decisions and volunteerism across the board.

Amanda Johnson, owner of Yellow Truck Investments, believes younger donors focus their giving on more urgent, immediate needs, whereas prior generations looked at philanthropy as a legacy, and in some cases, a tax strategy rather than a path toward social change.

“Our generation seeks to help as best we can today,” said Johnson. “Philanthropy is not part of our retirement plan – it’s part of our work life and our family life, it’s part of our every day.”

Shaking Up the Board Room

Leaders agree these changes will require nonprofit boards to adapt in ways that may not always be comfortable. While many aspects of the traditional board structure are likely still valid, said Minor, there is a need for change. “From my experience, generational diversity has been very helpful in moving organizations forward. I refuse to believe that being inclusive and innovative is mutually exclusive of board members still being required to give their time, talent, and treasure. We just need to allow the younger members to give in authentic ways that work for them.”

Boards need to think differently when it comes to the selection process and recognize that board membership is no longer just for name recognition, status, and how much money one can give. Boards need to expand and include more idea-generators and problem-solvers. Temple confirms that the younger generation expects an active place at the board table. Nonprofits will need to figure out how to engage younger board members, listen to their ideas, and align their activities and future around meaningful, positive social impact.

Younger leaders do not want to be “bobbleheads,” said Temple. “We’re not just ‘yes people’. We believe in and expect mutual respect, shared leadership, and

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5 Key Success Factors for Next-Gen Engagement

Here are five key factors nonprofits should prioritize as they pursue the next generation of donors and philanthropic leaders:

1 IT'S MORE THAN JUST MONEY. BUT DON'T FORGET THE MONEY. The adage of “time, treasure, and talent” really comes into play with next-gen leaders, so place a value on each and help donors and board members understand how best to contribute all three. But don't forget the money. While this group is at the life stage when their discretionary income may be limited, they are on the verge of having huge financial resources at their control.

2 IT'S A LIFESTYLE – NOT A DUTY. For many, social activism and community engagement is more than a “duty” of wealth and privilege, it's a lifestyle that drives spending habits, professional and personal activities, and more. Don't assume next-gen leaders compartmentalize their activism – assume they live it every day.

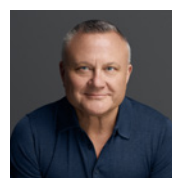
3 ENGAGEMENT AND ACCESSIBILITY. Younger donors and board members want to be a part of the decision-making process. Walking into a board meeting where the decisions have already been made doesn't work for this generation of leaders. This applies to not only who is welcomed into the board room but also how they get there. Allowing members flexibility – to attend meetings virtually, participate in activities meaningful to them, take a more “curated” approach to board engagement, and meet the expectations of membership in customized ways – should be considered when recruiting and engaging younger donors and

board members, resulting in greater involvement and participation.

4 MUTUAL RESPECT. It's important for existing board members to realize they can learn from and be helped by younger generation leaders who have professional and life experiences and perspectives on community needs that are different and valuable. There needs to be a true sense of mutual respect where it's understood that everyone has something to offer, and everyone can learn from one another.

5 PASS THE BATON. To effectively pass leadership to the next generation of donors and board members, existing donors and board members need to share their experiences and help educate their successors, while being open to hearing and learning from the ideas of their new solution-oriented next-gen peers.

Tomorrow's philanthropists and community leaders will have unparalleled wealth to invest in organizations and programs that enhance the quality of life in their communities and around the world. Along with their money, these leaders also seek meaningful, authentic engagement, shared leadership, and sustainable solutions to our most pressing social needs. Taking this holistic approach to future leadership will be the key to unlocking the full potential of tomorrow's community and philanthropic leaders.



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