



BRIDGING THE GENERATIONAL DIVIDE IN FAMILY PHILANTHROPY

By Amy Hirsh Robinson, Interchange Group

Demographic shifts are impacting society and its institutions in powerful ways. As America's population ages, we will see unprecedented transfers of authority and wealth from the Traditionalist and Baby Boomer generations to Generation X and the Millennial Generation. The impact to family philanthropy will be profound.

The events and situations that each generation experiences play a significant role in shaping values, views and practices of philanthropy. As families struggle to engage up to four generations in their philanthropic efforts, communication and interactions related to giving guidelines, decision making processes, and issues of succession will be challenged. This will require a paradigm shift in how family foundations are structured and managed. Understanding the characteristics, motivations and resulting values of the different generations is vital to bridging generational divides and working toward common objectives.



Traditionalists (born 1925-1943) – Civic Duty

Traditionalists grew up in the shadow of the Great Depression and were instrumental in shaping today's political, economic, social and military policies in the United States. As children and young adults, they benefited tremendously from government and social programs as well as the growth of Corporate America. As a result, Traditionalists are loyal, hard working and faithful to institutions. Rules of conduct, respect for authority and contributing to a greater good are defining attributes of this generation. Traditionalists are driven to philanthropy by a strong sense of civic duty and desire to uphold American values.

Baby Boomers (born 1944-1962) – Political Activism

Baby Boomers came of age up during America's era of post-war prosperity. They grew up in a world of infinite possibility as rock'n roll ruled the planet and humans walked on the moon. But life wasn't always carefree. Boomers experienced the Vietnam War and other divisive social movements that shaped their political alliances and worldview. Their large numbers also drove them to be competitive in all parts of life and become skilled at exercising influence to get ahead. For Baby Boomer philanthropists, challenging the status quo is a driving force for their giving, and changing social, economic and political policy on the national level is the goal.

Generation X (born 1963-1981) – Social Entrepreneurship

Generation X grew up during a time when life seemed to be falling apart. As children, they watched the events of the energy crisis, Watergate, corporate downsizing, and AIDS unfold. They were "latchkey kids" who felt the brunt of tripled divorce rates and late-working, dual-income parents. They graduated high school and college facing stock market crashes, economic recessions and hiring freezes. As a result, Gen Xers have a strong survival instinct and look to philanthropy to promote their values related to independence and self-preservation. They fund social entrepreneurial ventures that reduce or eliminate the need for people and nonprofits to rely on outside help for their economic livelihood.



Millennials (born 1982-2000) – Grassroots Activism

As each before them, the Millennial generation has a history of its own. Born into the world of the internet, cell phones and video games, they are technologically savvy with short attention spans. Raised by “Helicopter” Baby Boomer parents who pushed them to excel, Millennials are natural multi-taskers brimming with confidence. This is a Harry Potter, Power Rangers generation of action-oriented team players who want to make the world a better place. They see opportunity in adversity and are ready to bypass any red tape that tries to get in their way. As grassroots activists unimpressed with the status quo, Millennials are powerful fundraisers and look to philanthropy as a means to achieve equality on a global scale.

New Paradigms for Giving, Communication, Decision-Making & Succession

Family foundations will have to effectively engage multiple generations simultaneously if they want to exist in perpetuity. Generational differences in values and attitudes toward philanthropy will impact everything from mission and giving guidelines to issues of succession and governance. Case in point, a family foundation undergoing the leadership transition from Baby Boomer founder to Generation X successor may need to adopt virtual meetings and communication technology that save time and money. Another foundation wishing to engage its Millennial bench strength, will need to actively involve this younger cohort in rethinking the foundation’s mission statement and giving guidelines to remain relevant. In all cases, clarifying board participation criteria and roles and developing a thoughtful process for onboarding new trustees will be critical.

Generational differences in philanthropy are a challenge to family foundations because they undermine the effectiveness and sustainability of the organization if gone unchecked. However, they also represent an enormous opportunity for meaningful dialogue about participation and giving that serve to reinvigorate a foundation and help it plan for the future. The key is to find common ground across the generations. To do this, it is important to discuss the type of relationship individuals want with the foundation and the causes and philanthropic experiences most significant to them. From there the right mission, structure and roles will follow.

Every generation has a set of collective experiences during child- and young adulthood that shape its worldview and inform its behavior toward life, money and charitable giving. Understanding these unique histories will give us critical insight into current and future challenges and opportunities facing family philanthropic foundations. What are the generational dynamics of your foundation? Isn’t it time you found out?

Finding Common Ground 5 Conversation Starters

1. What values related to philanthropy do you hold dear?
2. What causes are important to you?
3. What type of philanthropic impact should the foundation have?
4. What type of relationship to the foundation do you want?
5. What’s the most effective way for the family to communicate and make decisions?

About the Author: *Amy Hirsh Robinson, M.B.A., is a leading expert on the impact of generational differences in the for-profit and not-for-profit workplace. She consults to C-level leaders on strategies to reduce attrition costs, increase profitability and create agile workforces able to adapt to ongoing change. See www.interchange-group.com.*