Summer 2009

GG+A Quarterly Review

Philanthropic News & Analysis

Intergenerational Giving

Engaging Family Support Across Generations

From Carnegie and Rockefeller to Getty and Gates, the ongoing generosity of families has been an integral part of the world's philanthropic history. That tradition continued in June 2006 when Warren Buffett, the world's second richest man at the time, announced plans to give the bulk of his fortune to the **Bill & Melinda Gates Foundation**. At the same time, Buffett made pledges to a family foundation in memory of his late wife and to three foundations run by his children. The gifts illustrated Buffett's longstanding philosophy on family philanthropy: children of wealthy parents can be sapped of motivation and spoiled if they inherit all of their family's riches (*The Wall Street Journal*, "Warren Buffett Gives $30 Billion to Gates Foundation," by Karen Richardson, June 26, 2006).

Despite continuing economic uncertainties, many family philanthropists are still in a strong position to give. Not only are they free from the bureaucracy that slows decision making, many also possess the business acumen and firsthand knowledge of their communities that enable them to diagnose and prescribe remedies quickly to local problems ("Families Step Up to Meet the Economic Crisis," by Joseph Foote, *Passages*, National Center for Family Philanthropy (NCFP), January/February 2009). According to a recent survey conducted by the NCFP, many families feel that current circumstances warrant an extra dose of transparency as they increase their involvement in and support of worthy causes in their communities.

With Generation Xers and Millennials poised to inherit the wealth of Baby Boomers in the

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In this Issue

Tackling the Challenges of Family Philanthropy

One of the most critical challenges development officers face in working with families is gaining consensus among all family members. From traditional siblings and spouses to blended families to partners who are not married, navigating family dynamics is complicated at best.

When dealing with multiple generations, Charles Collier, senior philanthropic adviser at **Harvard University** and author of *Wealth in Families* (Harvard University, 2006), often sees donors who are in the midst of creating the terms of family giving, through a foundation or an estate plan, which mandate the children to give to their parents' charitable interests. He advises speed and efficiency largely because "the next generation typically does not want to rubber stamp their parents' or grandparents' goals." Collier notes that the grandchildren and great grandchildren may not share the same allegiance to the university the grandfather attended or to the medical institution where he was

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coming decades during what several economists have described as the next phase of a multi-trillion dollar "wealth transfer," development officers are looking for ways to encourage the newest generation of active philanthropists. "Initially the transfer of wealth was looked upon as something like the passing of the baton. But with expanding life expectancies and with individuals active for longer periods of their lives, often, instead, we have boards that have multiple generations sitting around the same table making decisions together," according to Sharna Goldseker, vice president of the **Andrea and Charles Bronfman Philanthropies**, which has dedicated a division to encourage intergenerational giving ("Giving As a Family," Community Foundations of America, 2007).

A 2008 study by **The Center on Philanthropy at Indiana University** examining generational differences in charitable giving found that donors of all ages tend to give roughly the same amount to philanthropic causes, when controlling for other factors such as income, education, and frequency of attendance at religious services. The study also revealed that members of the Millennial generation, those born between 1982 and 2002, are more likely to cite their "desire to make the world a better place to live" as a key motivation for their philanthropy.

In this issue of the *Grenzebach Glier Quarterly Review* we examine intergenerational giving and how educational, cultural, healthcare, and other nonprofit institutions can work more effectively with families to ensure their continued support across generations.

Families and Philanthropy

Warren Buffett's beliefs about family philanthropy are not uncommon. The 2007 U.S. Trust Annual Survey of Affluent Americans found that 96 percent of high net-worth parents believe that it is important to teach children to manage wealth, and more than half are concerned about the negative effect of wealth on their children.

"I do not believe that kids are entitled to a big inheritance," says John K. Prentiss, a founder of Massachusetts-based InTown Veterinary Group, which includes specialty veterinary practices and hospitals. Prentiss, a 1965 graduate of **Mercersburg Academy**, an independent college-preparatory boarding and day school, has served on its board for more than two decades and given more than $1 million to fund a variety of initiatives, including the Prentiss Family Scholarship Fund. He recently established a trust in the names of his two children, also Mercersburg graduates. "For me to do this effectively and comfortably, I had to have faith that my kids are willing to carry on philanthropically."

He admits, "You give your children an education, values, and support, but what they do with their lives is up to them." G. Ames Prentiss '89, CEO of InTown Veterinary Group,

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An international leader in philanthropic management consulting, Grenzebach Glier and Associates (GG+A) has more than 45 years of experience with educational, cultural, medical, and other nonprofit institutions. The goal of the *Review* is to provide timely information about issues and events that are relevant to philanthropy.

The *Review* is available for download at www.grenzebachglier.com and via e-mail upon request. Comments, questions, suggestions, and topics of interest are welcome. E-mail us at gga@grenzglier.com.

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says he and his sister, Kimball '92, have absorbed that philosophy. "Dad does not hold the purse strings or use money as a source of power. He is all about being thoughtful in giving," he relates. Both children have served on reunion committees for Mercersburg and have cumulatively contributed more than $400,000 to the school.

During his college days, Ames was offended by the "trustafarians" he met who were living off inheritances. "I am acutely aware that the worst thing I can do is give my own children too much," says Ames, who celebrated his wedding by asking guests to contribute to select charities that he and his wife supported.

Ames and Kimball, a pediatric emergency room physician, agree they do not yet consider the trust "their" money. "My father created it through his hard work, and we agree with the decisions he makes," says Kimball, who is formulating her own philanthropic ambitions. "Where they choose to give is their decision," says John Prentiss. "Mercersburg is going to have to step up and keep them engaged or, in time, there will be other priorities."

The 2008 Bank of America Study of High Net-Worth Philanthropy found that donors whose children were not involved in their family's charitable giving gave less than donors whose children were involved. Donors whose children were actively involved in the family foundations' or donor-advised funds' grantmaking decisions gave, on average, more than triple the amount than those whose children were uninvolved (see graph below).

Giving Vehicles Vary

How families structure their philanthropy and how decisions are made are as varied as the families themselves. Richard W. Ivey, chair of Ivest Properties Limited, a real estate development and

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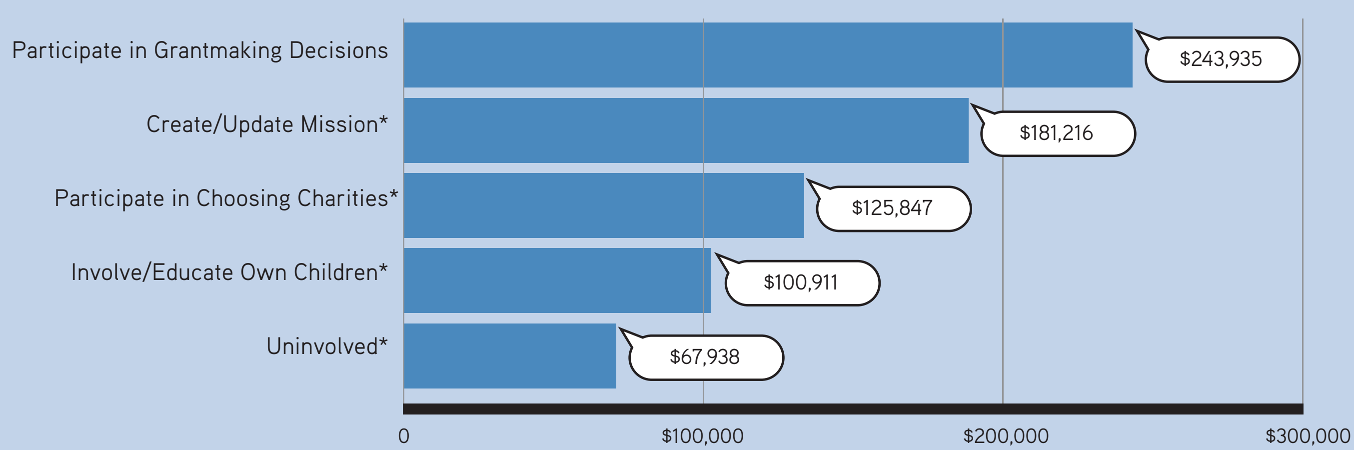
Transmitting Philanthropic Values:
Aggregate Giving in 2007 by Role Children Play in Family Philanthropy



Notes: Average age of children is 34.
Aggregate giving includes direct giving through personal assets and giving from foundations, funds, or trusts.
*Sample contains fewer than 50 respondents.

Source: The 2008 Study of High Net Worth Philanthropy, Bank of America.

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management business, became the first member of his generation to join the Ivey Foundation board in 1974, at a time when it was run "off the corner of the desk with no great focus." The fifth oldest family foundation of its size in Canada, the **Ivey Foundation** has been a major supporter of the **University of Western Ontario**, including the gift naming the **Richard Ivey School of Business** in honor of Ivey's grandfather.

As foundation assets grew to $35 million in 1990, Ivey's three sisters joined him on the board. "My parents chose the foundation rather than the family business, as a vehicle to keep the four siblings together," he explains. Since its founding in 1947 by Ivey's father and grandfather, the foundation has made grants totaling more than $67.8 million. "I cannot recall a conversation where noblesse oblige was explained or mandated as a part of our lives. We came to philanthropy through osmosis," explains Ivey.

In the early 1990s, the foundation formalized its mission. "The challenge was that my mother didn't want to lose control to focused programs," recalls Ivey. Following two family retreats, the main focus of the foundation was narrowed to forest conservation, and shortly thereafter its first executive director was hired, despite Ivey's mother's reluctance to have the family's influence diluted. "We felt we could easily revert to family issues if there wasn't someone at the table to keep us accountable," says Ivey.

> "We felt we could easily revert to family issues if there was not someone at the table to keep us accountable."
>
> Richard Ivey, The Ivey Foundation

Jamie Moffat, chair of the **Moffat Charitable Trust**, was forced to face a family crossroad after the 1998 death of his father, Jim Moffat, founder of AT Mays travel agents, who endowed the Moffat Chair for Travel and Tourism at **Glasgow Caledonian University**. "My father included a major legacy in his will to give something back to the community," explains Moffat, but he left no specific instructions. "After the trauma of losing my father, we were left with the question: 'What do we do now?'" Today, Moffat, along with his mother and a former secretary, allocate funds to support children, young people, the community, and education—all causes important to his father. It is a giving example that Moffat hopes his two grown children will emulate as they establish themselves in their careers and have more time to participate in the trust. While not directly involved right now, they do bring funding suggestions to the table. Moffat says a recent gift to the **University of California, Los Angeles** was suggested by his daughter, a UCLA graduate.

Cultivating and Soliciting Families

As the next generation of family philanthropists emerges, development officers must invest the time and energy to cultivate and solicit multiple family members, learning as much as possible about family interests and dynamics.

At **The Shipley School**, a pre-K–12 independent school outside Philadelphia, parents and grandparents often serve as volunteers and are physically present at school activities for many years. "Couple that involvement with strong prospect research and you really get to know where the family wealth is and what the family dynamics are," says Christopher

"WE'VE NEVER HELD A FAMILY MEETING BY TWITTER BEFORE."

Farr, the school's director of external relations. "We may have a family with three generations giving to the annual fund. That giving behavior can tell us a lot about opportunities for major gifts."

The great majority of major gifts to **Children's Hospital of Philadelphia** (CHOP) come from grateful families, says R. Robin Austin, the hospital's associate vice president for individual and principal giving, who notes that transparency, flexibility, and strong communication are essentials in working with families. The hospital recently hired a director of prospect management and strategy to track family giving more effectively and keep families connected to the hospital.

Identifying a family champion and solidifying a relationship with that family member can provide entrée for development officers. But as family champions change, the cultivation approach must be adjusted. Austin recalls how one family, reluctant to make any gift, committed $1 million after he presented a menu of giving options that truly reflected their combined priorities. Another family sent a heartfelt letter with a promise of support after four siblings were engaged in a funding proposal that was initially targeted only to their mother.

Michael LaFrankie, executive director of health sciences development at the **Pittsburgh Medical and Health Sciences Foundation**, was taken by surprise when a recent one-on-one visit by a donor with the chair of the ophthalmology department turned into a family tour. "Without notice, the donor, a graduate of our medical school, walked in with his wife, son, and daughter, who is a first-year medical school student interested in a career in ophthalmology," explains LaFrankie. "This was a case in which the donor's wife had frequently delayed the philanthropic conversation. The way in which we engaged the daughter helped us bring the wife into the fold," says LaFrankie, who attended the 90-minute tour given by the chair, including hands-on experience in the department's research laboratories. While the donor had previously "skirted around" a proposal presented by the dean of medicine, with his daughter's encouragement he presented a $50,000 check to the department following the meeting. "Increasingly we have realized there must be engagement of the entire family," says LaFrankie. While the foundation may have received smaller than anticipated

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gifts because of family concerns about providing for heirs, he "can't recall an instance in which a family matriarch or patriarch has wanted to make a gift and the family has pushed back."

Creating A Culture of Family Giving

Martee Horne, senior director of development at the **University of Georgia's C. Herman and Mary Virginia Terry College of Business**, is creating a tradition of family philanthropy for the college. "One of the first steps we have taken is to place representatives of multiple generations on advisory boards and councils," says Horne, whose goal is to find the best fit between college priorities and family philanthropic goals. Identifying one family's strong interest in leadership, Horne closed a $4 million commitment to fund a faculty chair and the start up of a new institute for leadership "with three generations of alumni sitting around the table."

To further facilitate the tradition of family philanthropy, the college is stepping up its efforts to solicit parents of its large undergraduate population. In fact, a current board member recently brought an undergraduate student to Horne's attention. The student's family subsequently made an initial five-figure gift to the college. ❖

Analyzing Major Gift Portfolios for Maximum Effectiveness

A vice president of development at a leading university recently received approval to hire five new frontline fundraisers. Mindful of the university's overall budgetary constraints, she decided that an analysis of assignments to current development officers was necessary before recruiting new unit-based or regional staff members.

A detailed portfolio analysis revealed that prospects were disproportionately skewed to a small number of fundraisers: Certain units that initially seemed to have enough highly rated unassigned prospects to justify a new hire were, in fact, better served by improving the current composition of portfolios.

The adjacent charts illustrate the results of the analysis. A Major Gift Code, generated by predictive modeling that takes into account both internal information (gift history and evidence of affinity) and external demographic indicators, is a relative rating in which prospects ranked A, B, or C are most likely to make a major gift, while prospects rated D and E are much less likely to make a major gift. This process is combined with an array of publicly-available data about specific individuals that yields a Gift Capacity Rating.

Our vice president learned that 1,044 "lower quality" prospects were assigned to university fundraisers (Table A), while 1,124 "higher quality" prospects (Table B) were completely unassigned!

1,04

D		E
330	46.7%	358
96	13.6%	141
54	7.6%	62
-	0.0%	3

As a result, she was able to "rebalance" existing assignments to increase the value of fundraiser portfolio assignments and increase potential gift income without increasing the number of major gift officers. New hires will be provided high potential portfolios from the outset, reducing the unproductive time too often spent by new staff members who must define their own work plans.

1,124 "High
Prosp

A		B		C
3	0.7%	5	0.1%	2
12	2.9%	29	0.3%	27
40	9.7%	36	1.1%	65
134	32.4%	377	11.1%	394

Prospect Assignments Universitywide

Table A: Assigned Prospects

Gift Capacity Rating		A	19%	B	28.2%	C	17.6%	D	14.7%	E	19.5%	Total	100.0%
$10,000,000+	(1)	13	1.4%	8	0.6%	2	0.2%	2	0.3%	7	0.7%	32	0.7%
$1,000,000 - $9,999,999	(2)	81	8.5%	27	2.0%	15	1.8%	11	1.6%	22	2.4%	156	3.3%
$250,000 - $999,999	(3)	174	18.2%	38	2.8%	20	2.4%	19	2.7%	27	2.9%	278	5.8%
$100,000 - $249,999	(4)	403	42.2%	188	13.9%	67	7.9%	55	7.8%	48	5.1%	761	15.9%
$25,000 - $99,999	(5)	198	20.7%	908	67.2%	457	54%	330	46.7%	358	38.3%	2,251	46.9%
$10,000 - $24,999	(6)	1	0.1%	32	2.4%	119	14.1%	96	13.6%	141	15.1%	389	8.1%
$2,500 - $9,999	(7)	-	0.0%	2	0.1%	20	2.4%	54	7.6%	62	6.6%	138	2.9%
Less than $2,500	(8)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3	0.3%	3	0.19%
Unable to Rate	(9)	86	9.0%	149	11.0%	146	17.3%	139	19.7%	267	28.6%	787	16.49%
Total		956	100%	3,356	100%	846	100%	706	100%	935	100%	4,759	100.0%

44 “Lower Quality” Prospects

38.3%

15.1%

6.6%

0.3%

Table B: Unassigned Prospects

Gift Capacity Rating		A	0.2%	B	1.2%	C	3.2%	D	11.3%	E	84.1%	Total	100.0%
$10,000,000+	(1)	3	0.7%	5	0.1%	2	0.0%	19	0.1%	-	0.0%	29	0.0%
$1,000,000 - $9,999,999	(2)	12	2.9%	29	0.3%	27	0.3%	86	0.3%	5	0.0%	159	0.1%
$250,000 - $999,999	(3)	40	9.7%	36	1.1%	65	0.8%	193	0.6%	17	0.0%	351	0.1%
$100,000 - $249,999	(4)	134	32.4%	377	11.1%	394	4.6%	1,280	4.2%	65	0.0%	2,250	0.8%
$25,000 - $99,999	(5)	162	39.1%	2,305	68.7%	5,330	61.6%	14,792	48.6%	816	0.4%	23,405	8.7%
$10,000 - $24,999	(6)	7	1.7%	112	3.3%	1,184	13.7%	4,518	14.8%	199	0.1%	6,020	2.2%
$2,500 - $9,999	(7)	-	0.0%	7	0.2%	126	1.5%	1,167	3.8%	45	0.0%	1,345	0.5%
Less than $2,500	(8)	-	0.0%	-	0.0%	-	0.0%	12	0.0%	1	0.3%	13	0.0%
Unable to Rate	(9)	56	13.5%	485	14.5%	1,526	17.6%	6,070	19.9%	380	0.2%	8,517	3.2%
Not Screened	(10)	56	13.5%	485	14.5%	1,526	17.6%	6,070	19.9%	380	0.2%	8,517	3.2%
Total		956	100%	3,356	100%	846	100%	706	100%	935	100%	4,759	100.0%

er Quality” ects

0.0%

0.3%

0.8%

4.6%

Source: GG+A Philanthropic Analytics

Tackling the Challenges of Family Philanthropy

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treated. "With change in the offing, you have a time-sensitive window," he advises.

Collier says he discovered that people may not give to their capacity because of family concerns. He explains, "If the parents are not keen on their son-in-law, they may not want to give money to their daughter. They may be waiting for the divorce and currently don't know how much and in what form to transfer money to her."

"So when you solicit people who could easily give you $1 million, they simply say they can't make the $1 million gift, but they will give you $500,000 over five years," relates Collier. "They don't tell the president or the chief development officer about the family circumstances, which may be keeping them from making a large gift or any gift at all."

Collier deals with this dilemma by having conversations with his wealthiest donors—the kind of difficult discussions that individuals and couples cannot have with their lawyers, their financial advisers, or, in some cases, with each other. "I try to learn more about their challenges, which typically are differences within the family and their inability to have conversations with adult children on the topic of their money," he says. By engaging in these breakthrough conversations, a development officer can help families unlock decisions and become an ally in the process. This type of dialogue can translate into a large gift for an institution, or the conversation can start a relationship that may result in future support, Collier says.

> "I try to learn more about their challenges, which typically are differences within the family and their inability to have conversations with adult children on the topic of their money."
>
> Charles Collier, senior philanthropic adviser, Harvard University

Kay Prothro Yeager, a 1961 graduate of **Sweet Briar College**, understands the challenges that family dynamics pose for family foundations. She and her brothers have remained true to the original funding priorities initiated by her grandparents through the Joe and Lois Perkins Foundation and the Perkins-Prothro Foundation, including faith-based organizations and higher education institutions in Texas. "Our awareness of philanthropy started with the Methodist church. We grew up learning to support the church from our allowances, and my husband and I planted those seeds with our children," says Yeager.

One of Yeager's two daughters, also Sweet Briar graduates, has served on the family foundation board for 15 years, joined by two cousins. In addition to collective foundation funding, board members use discretionary funds to support individual interests, "which has been a way for the younger generation to define interests of their own," says Yeager, who, along with her daughters, has followed in her mother's footsteps in supporting Sweet Briar.

In the years to come, those interests are likely to expand. According to the recent survey on generational differences in charitable giving conducted by The Center on Philanthropy at Indiana University, older generations are significantly more likely to give for religious purposes than younger generations. The findings suggest that younger individuals will respond better to messages that focus on the global impact of an organization's work, while older donors are more likely to give to groups that highlight services they provide that the government does not.

"We've operated in the same way for years," she notes. "When I was in my early 30s, my parents made a conscious effort to expand the foundation and involve the whole family. With the next generation spread across the country and with different priorities, we have to look at who is interested and capable."

As the next generation of Iveys move into their 20s, Richard Ivey and his sisters have considered a number of options for the foundation. "There really isn't a desire among my siblings and I to have nine cousins work together forever," says Ivey. "We are aware of the enormous challenges of working with nine different personalities." Among the options he cites: winding the foundation down in the next 10 years, dividing the assets into four pots for the four sibling families, and crafting a detailed plan to bring the next generation into the governance structure.

"Large families have to decide which generations come onto the board and what to do about in-laws and divorces," says Steve Gunderson, president and chief executive of the Council on Foundations. Experts on family foundations say many common pitfalls can be avoided if donors make their

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Best Practices in Working With Extended Families

Remain true to your institutional mission when talking with families. Take stock of family values and passions, identify programs and projects to match their interests, and then discuss openly and frankly how you can engage all family members in the institution.

Don't assume that family members will choose to make their gifts in unison. Some individuals are doggedly determined to chart their own way and will resent development officers who take for granted presumed connections.

Don't overask. Avoid the temptation in difficult economic times to go back to the well too often with philanthropic families. Repeated asks can be damaging to relationships in the long run when family members continue to make generous gifts to the institution.

Shared values do not necessarily mean a shared approach to cultivation and solicitation. Know your audience and adapt your approach to different generations in the family. Be mindful that while members of older generations may give unrestricted dollars based on their love of the institution, younger donors are more cause-oriented and want to see the direct impact of a gift.

Don't make the mistake of assuming that all members of an extended family who share connections with your institution will agree on making your institution a philanthropic priority. The giving agendas of individual family members may vary depending on the level of involvement with your institution and others.

Consider identifying a family champion who can help advance your institution as a philanthropic landscape. Rely on that individual to guide you through the family landscape. Carefully coordinate all calls and other communications to the champion from development staff.

Tackling the Challenges of Family Philanthropy

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intentions clear from the start, but do not place too many restrictions on future generations (*The New York Times*, "Foundations Face Pitfalls When Heirs Take Over," by J. Alex Tarquino, November 11, 2008). Alfred Peguero, a partner at PricewaterhouseCoopers, notes in the article that heirs often roll foundation endowments into separate donor-advised funds.

Trusted legal or financial advisors represent yet another challenge and must be handled with care. When the advisors are not savvy about philanthropy, gifts may be lower than anticipated or they may be delayed. Austin explains that one family brought a scientific advisor to the table, which added another level of complexity in deciphering family dynamics, raising questions about whether to include that individual in meetings and communications going forward.

The tide can change along with advisors. Austin recalls that one family hired a philanthropic advisory firm that kept hospital development officers at bay even though they eventually received a six-figure gift. With the economic downturn, the family shifted counsel to a private lawyer, "who likes us, and the family is now planning a seven-figure gift."

Generational differences in managing gifts can have implications for development officers. The younger generation is more inclined to restrict support and to be involved with how a gift is used than older donors have been, says Farr. This shift could have major consequences for an institution such as Shipley, where 65 percent of dollars raised during its last campaign were unrestricted for campaign purposes.

> "For many years, we were accustomed to families listening to our case, trusting us with their gifts, and giving us flexibility to use them as we saw fit. There is more negotiating and gift designation these days."
>
> Christopher Farr, director of external relations, The Shipley School

"For many years, we were accustomed to families listening to our case, trusting us with their gifts, and giving us the flexibility to use them as we saw fit," Farr explains. "There is more negotiating and gift designation these days and we see that trend continuing."

Farr also warns that a mistake with one family member can alienate all family members. "There may be an issue with a class, a staff member, or a volunteer, and all of a sudden the family gift you had hoped for never materializes. That's even more of a risk than divisions within families."

Economic Uncertainty

In the wake of massive stock and job losses and the continuing worldwide financial crises, family philanthropists have done their best to honor their commitments.

Assets of the Moffat Charitable Trust, primarily tied to Royal Bank of Scotland stock, plunged dramatically in late April. "It's been devastating for us," says Moffat. "All of the trust's income is distributed with dividends from Royal Bank of Scotland stock."

Still, the trust is rescheduling current commitments and drawing on reserves as needed. "We are hopeful we will see improvement in 2010 and can open our books again," Moffat adds.

While existing in perpetuity continues to be the aim of many family foundations, a quarter say they are undecided about their duration and a small segment (12 percent) plan to limit their lifespan, according to a recent report, "Perpetuity or Limited Lifespan: How Do Family Foundations Decide?" by the Foundation Center and the Council on Foundations. The study of 1,100 active family foundations conducted in June 2008 found that when the decision to spend down is made after the foundation's inception the most frequently cited reasons are a shift in attitude of the founder, family issues, and a belief that subsequent generations will create their own philanthropies.

The Ivey Foundation, however, began reducing its granting to the legal minimum of 3.5 percent of the endowment in 2009. The foundation's priority, forest conservation programs, will experience only modest grant reductions this year, but director-initiated grants will be substantially cut back.

"The world of philanthropy is changing enormously," says Ivey. "Philanthropy in the next decade will be even more fascinating with billions raised through technological tools. Assuming we recover from this meltdown, I can't wait." ❖

Communicating Across Generations

For development officers, understanding philanthropic motivations by generation can be key to engaging family members of all ages. In her article, "Generational Differences in Women's Giving: Does Age Matter?", (*Association of Healthcare Philanthropy Journal*, Fall 2008) Tracey Biles explores how motivations vary by generation for both men and women. In the article, George Williams, marketing specialist, offers the following tips for communicating with each generation.

Traditionalist Generation

- Emphasize traditional values.
- Earn their trust.
- Don't waste their time.
- Use formal language in all communication.
- Show your appreciation for them.
- Don't stereotype them as "seniors."
- Stress simplicity.

Baby Boomer Generation

- Cater to their needs to forge their own paths.
- Recognize their attraction to products and technologies that make life easier.
- Present information in terms of categories and options.
- Provide plenty of personal gratification and public recognition.
- Eliminate bureaucracy.
- Give them a cause for which to fight.
- Use word-of-mouth communication from trusted friends.
- Answer their questions thoroughly.
- Use social gatherings and seminars to create word-of-mouth advertising.
- Show a sense of fun.

Generation X

- Give them plenty of access to information and keep them in the loop.
- Give them leadership roles.
- Attract them with initiatives that are useful and practical.
- Ask them to volunteer on entrepreneurial projects.
- Don't use overly slick marketing pitches.
- Be frank and present facts in a straightforward fashion.
- Respect their individuality.
- Make good use of group events.
- Emphasize "sound-byte" communication through e-mail, multimedia and word of mouth.

Giving Declines Following Two Decades of Growth

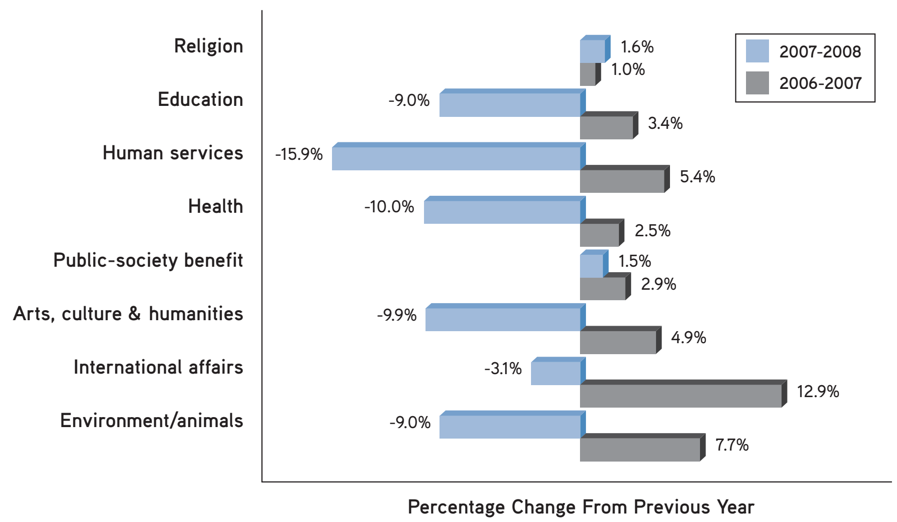
The economic upheaval that began in December 2007 and continues today has contributed to the first decline in charitable giving in the U.S. since 1987. Overall giving decreased an estimated 2 percent (5.7 percent adjusted for inflation) in 2008, to $307.65 billion, according to *Giving USA*. Individual giving, representing 75 percent of total giving, is estimated to be $229.28 billion in 2008, a drop of 2.7 percent (6.3 percent adjusted for inflation) from 2007.

The drop comes following two decades of dramatic growth in giving. From 1988 to 2007, overall giving more than tripled in real dollars from $88.04 billion to the revised estimate of $314.97 billion in 2007. Still, *Giving USA* reports that some charities experienced growth in 2008 and many received the same level of support in 2008 as in 2007.

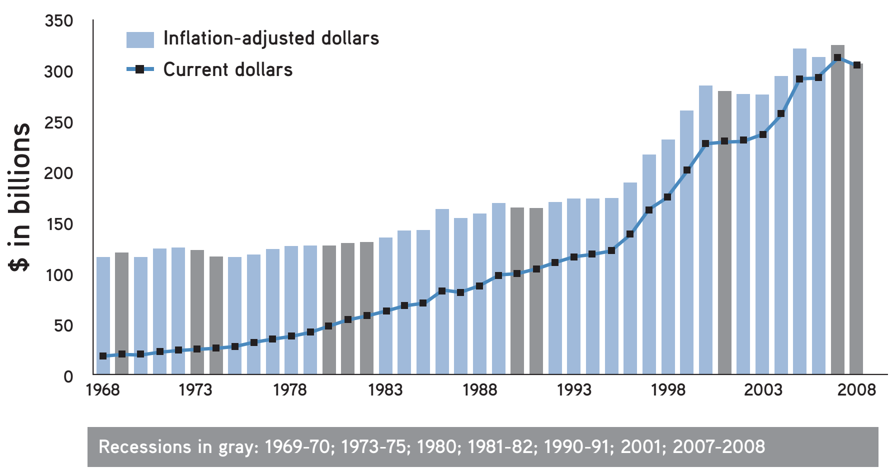
From 1998 to 2007, giving averaged 2.2 percent of the nation's gross domestic product (GDP), which is the highest 10-year average in the 40-year history tracked by *Giving USA*. It is encouraging that giving held at that 2.2 percent level in 2008, a slight dip from the high of 2.3 percent of GDP achieved in 2007 compared to other industries: Construction dropped from 4.9 percent of GDP in 2007 to 4.1 in 2008, and manufacturing continued its decline from 15.4 percent a decade ago to 11.5 percent in 2008.

When adjusted for inflation, only two sub-sectors were estimated to have grown in 2008: religion and public-society benefit. Giving to education decreased 9 percent to $40.94 billion in 2008, following growth of 3.4 percent in 2007.

Changes in Giving by Recipient Organization in Inflation-Adjusted Dollars



Total Giving 1968-2008



Source: Giving USA Foundation™ / *Giving USA 2008*, an annual publication of the Giving USA Foundation that is researched and written by the Center on Philanthropy at Indiana University.