

What's Next for Philanthropy in the 2020s

Big Shifts Reshaping the World

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Shifting Demographics

Shifting demographics are literally changing the face of our communities. These changes—in terms of race, ethnicity, immigration, generation, religion, and more—will likely reshape social change in the years ahead. For philanthropy, shifting demographics are changing who gives, how they give, and what they give too. These shifts also lead to new leaders in the sector, who are bringing different attitudes, philanthropic goals, and giving preferences to the field.

PERSPECTIVES FROM THE FIELD

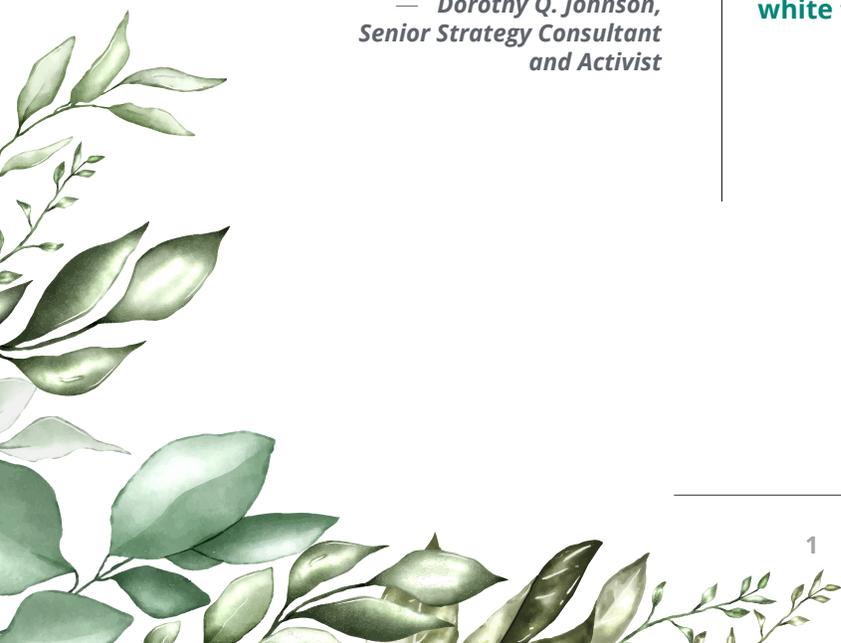
Field leaders are talking about shifting demographics. Here's a sample of what we've heard:

“Big, structural changes are often driven by intergenerational and demographic shifts.”

— *Dorothy Q. Johnson,
Senior Strategy Consultant
and Activist*

“The demographics in many communities are changing quite dramatically. If we want to remain relevant, philanthropy can't just be old white folks.”

— *Martin Garber-Conrad,
Edmonton Community Foundation*



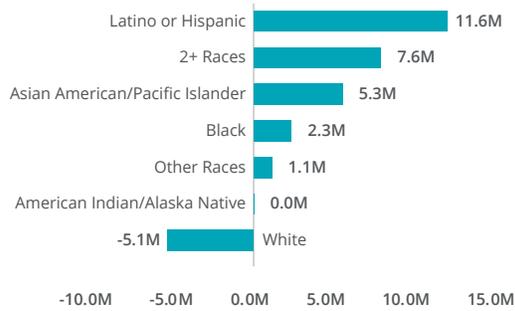
UNDERSTANDING THE SHIFT



The composition of American communities is changing

Race and Ethnicity

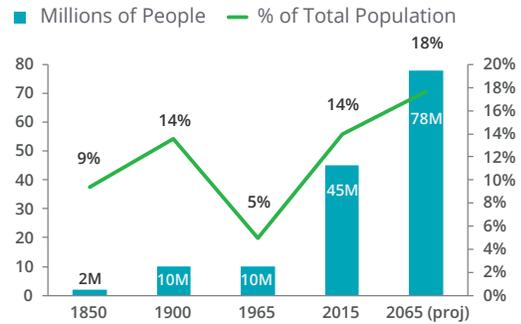
Change in US population for Race and Ethnic Group (2010–2020)¹



Latino and multiracial populations grew the most from 2010 to 2020, while White populations declined in absolute terms.

Immigration

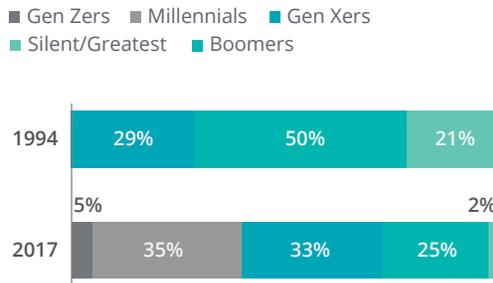
Foreign-Born Population Living in the US (1850–2065)²



The share of foreign-born people living in the US is projected to eclipse previous immigration booms of the early 1900s.

Generational

Workforce Composition (1994–2017)³

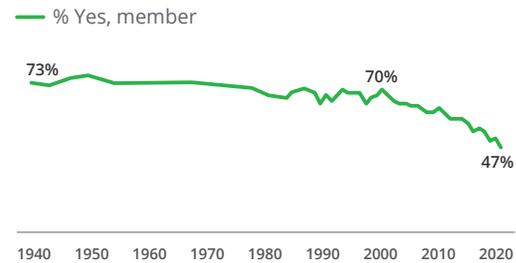


Millennials are now the largest generation in the workforce, and their preferences are shaping many corporate decisions.

Religion

Religious Institution Membership in the U.S.⁴

Do you happen to be a member of a church, synagogue or mosque?



For the first time in 2020, less than half of Americans belong to a church, synagogue, or mosque.





Demographic shifts are changing who gives and where funding is directed

Giving and Race/Ethnicity

All racial and ethnic groups give back to their communities but often do so in different ways⁵

White Donors	Are more likely to support...	Local service organizations (e.g., food banks, homeless shelters), animal welfare, veteran support
Black Donors		Youth development, elderly support, groups fighting hate, prejudice, and inequality
Latino Donors		Immigrant and/or refugee rights, children's charities
Asian Donors		Emergency response, formal education, arts

Giving and Generations

\$68 trillion will be inherited over the next 25 years,⁷ and as millennials gain wealth they will likely grow as a force in philanthropy

90% of millennials are motivated to give to specific causes rather than specific organizations ⁸	65% of millennials choose to volunteer if their coworkers do ⁸
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Social issues of greatest interest to millennials (2021)⁹



Giving and Geography

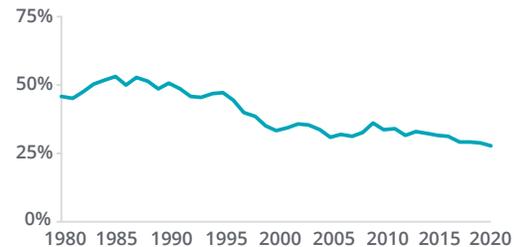
Giving in urban and rural parts of the US can differ significantly

Rural households give about 15% more of their income to charity compared to urban ones ¹³	On a per capita basis, rural areas receive less than half the foundation funding compared to urban ones ¹⁴
Rural donors are more likely to give because of a belief that those with more should help those with less, reciprocity (they received help from the organization), religious beliefs, and a belief that nonprofit organizations are more effective in delivering services than government agencies ¹³	

Giving and Religion

Religious giving makes up a smaller share of total giving⁶

Share of Religious Giving as a Percentage of US Total Giving (1980–2020)²



Giving and Women

Women control more wealth and more giving

70% of giving circles are majority-women ¹¹	60%–70% of funding for women's causes come from women ¹²
Empathy for others is seen to drive giving for women, while self-interest typically drives men more ¹¹	Across all generations, women are more likely to give than men ¹¹

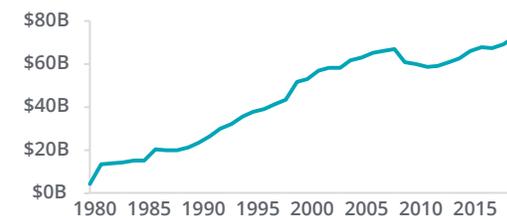
Share of Global Wealth Controlled by Women¹⁰



Giving and Immigration

Immigrants are sending record amounts back to their families, friends, and charities

Annual Remittances from US (Inflation adjusted in 2020 dollars) (1980–2019)¹⁵





These shifts will alter the philanthropic landscape

In the years ahead, funders will likely see these preferences and trends influence the role that philanthropy plays, which causes receive support, and what emerging leaders prioritize. To remain relevant, funders will need to consider how these changes will affect both their work and the whole of philanthropy.

HOW FUNDERS ARE RESPONDING:

Funders have taken many different approaches in addressing shifting demographics. Here's a small sampling of strategies:

YOUNG BLACK & GIVING BACK INSTITUTE

The Young, Black & Giving Back Institute (YBGB) serves Black-led, Black-benefitting nonprofits and its leaders with a mission to provide capacity building, convenings, and funding that uniquely meets these leaders' social impact needs. YBGB's core efforts seek to close the racial funding and capacity-building gap that exists within institutional philanthropy. Black-led, Black-benefiting nonprofits face systemic barriers like lack of access to capital, which often means lower budgets and greater challenges around organizational sustainability and growth. YBGB works to address these inequities by providing safe spaces for Black nonprofit professionals to convene and learn about topics such as fundraising, and board governance, while also providing mini-grants to these groups through its Fund. The Institute also focuses on digital engagement, developing the "Give 8/28 Day," which is a fundraising day for Black-led and Black-benefiting grassroots nonprofit organizations.

KEY TAKEAWAY

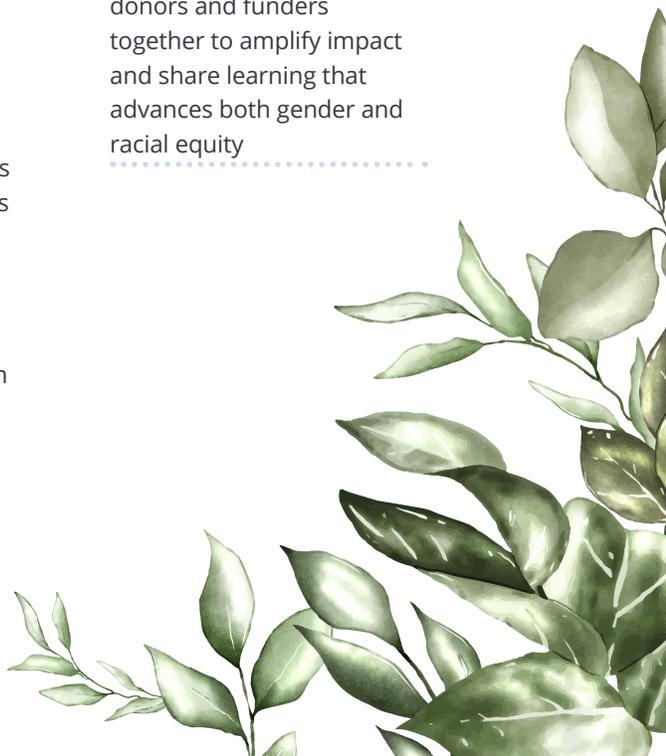
The intersection between different markers of identity, like race, career, and age, can be a powerful driver of giving

WOMEN'S FUNDING NETWORK

The Women's Funding Network (WFN) is the largest alliance in the world of funders committed to both racial and gender equity. WFN serves a network of 120 women's funds and foundations across 14 countries that collectively make grants of \$420 million annually. In addition to providing capacity-building and strategy development support to these funds, WFN also undertakes several strategic initiatives on issues important to advance equity for women, especially women of color. For example, the network has taken a lead in the development of philanthropic models that promote economic opportunity for women. In partnership with its members and outside funders, WFN launched "Women's Economic Mobilities Hubs" to experiment with several regional approaches to improve economic security, opportunity, and mobility for women across the United States. Coupled with the Hubs, WFN also spearheaded the "Prosperity Together" campaign to improve the economic security of low-income women and their families, which resulted in a coalition of 29 organizations committing \$100 million in funding for initiatives focused on job training, childcare, and research. To codify and share learning more broadly, the network has also created resources for funders detailing "whole family" approaches to economic mobility that help both parents and children.

KEY TAKEAWAY

As women generate and manage an increasing share of wealth, philanthropic organizations are bringing donors and funders together to amplify impact and share learning that advances both gender and racial equity



PHILANTHROPY TOGETHER

Launched in 2020, Philanthropy Together is working to grow and strengthen giving circles across the globe. Giving circles involve communities of individual donors coming together to pool their dollars and decide collectively where to give. Many of these giving circles bring together donors across a common identity such as race, ethnicity, gender, religion, geography, or LGBTQIA2S+ communities. Collective giving models are an inherent part of local communities, as people come together to care for one another and solve problems, and Philanthropy Together helps to accelerate these efforts through giving circles. The organization's "Launchpad" incubator provides training, coaching, and peer learning to institutions and community members looking to launch giving circles—focusing on topics like defining your mission, membership, financial structure, and impact in the community.

KEY TAKEAWAY

People feel affinity to many different aspects of identity and often look to organize giving around them

GETTING STARTED

Consider how these kinds of shifts in demographics might affect your work and the emerging issues and needs in communities:

1. How can we appeal to the attitudes and interests of different groups of donors in more tailored ways?
2. Are there divides in the attitudes and approaches within our organization? Between board and staff? Between different generations of board members?
3. How does our organization reflect shifting demographics in our community? How does our board? Staff? Our vendors? Our grantees?
4. How are shifting demographics changing the issues and needs that we are called on by our community to address?

ENDNOTES

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3. Richard Fry, "Millennials are the largest generation in the U.S. labor force," Pew Research Center, April 11, 2018.
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8. Case Foundation, "10 Years of the Millennial Impact Report," accessed December 22, 2021.
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