

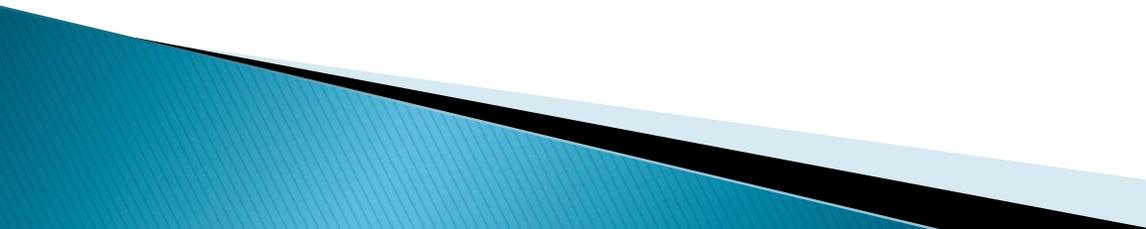
# Engaging the Next Generation of Philanthropy

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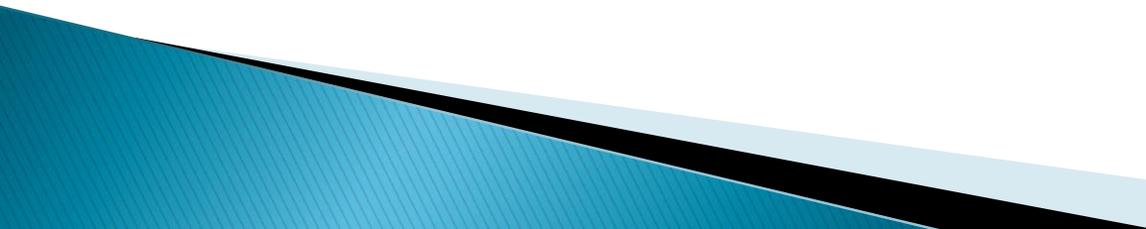
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# Engaging the Next Generation of Philanthropy

## Topics

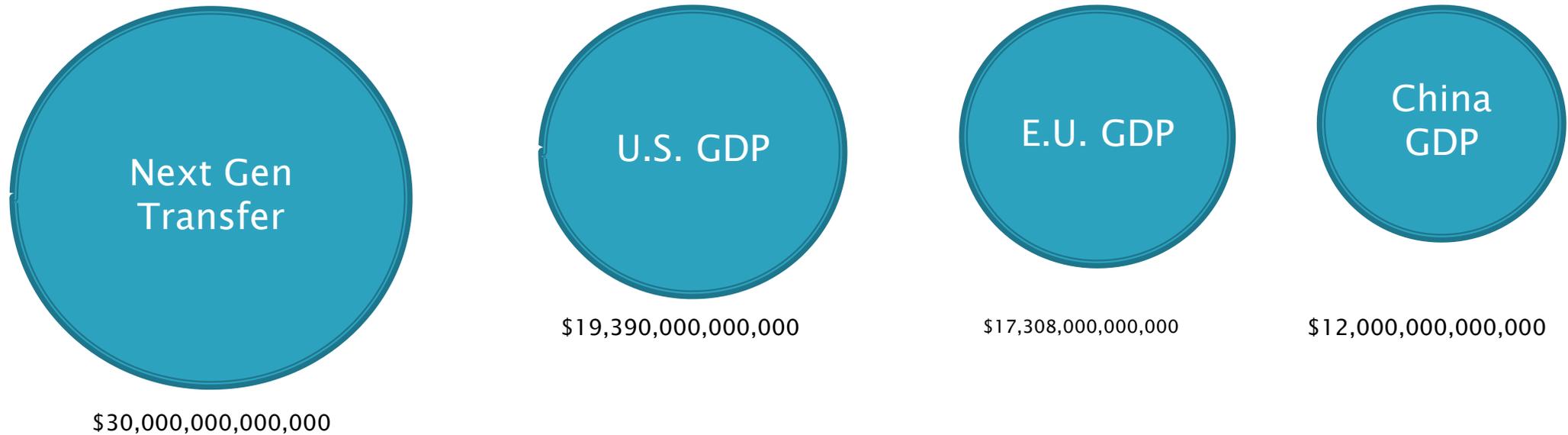
- ▶ Who are the Next Generation of philanthropy?
  - ▶ What impact will their giving have on our lives?
  - ▶ Strategies for engagement with the Next Generation of philanthropists: how to start the conversation
  - ▶ Understanding the Next Gen methods of giving
- 

# Who Are the Next Generation of Philanthropy?

- ▶ Ages 18–40
  - ▶ 87% of 18–34 year olds gave to a non-profit last year
  - ▶ Largest generation to date: over 80 million in the United States
  - ▶ On a mission to change the world
  - ▶ Their decisions will affect all of our lives
  - ▶ \$30 Trillion in assets to be passed on to Next Gen – the largest in history
  - ▶ This is the Golden Age of Philanthropy
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# Who Are the Next Generation of Philanthropy?

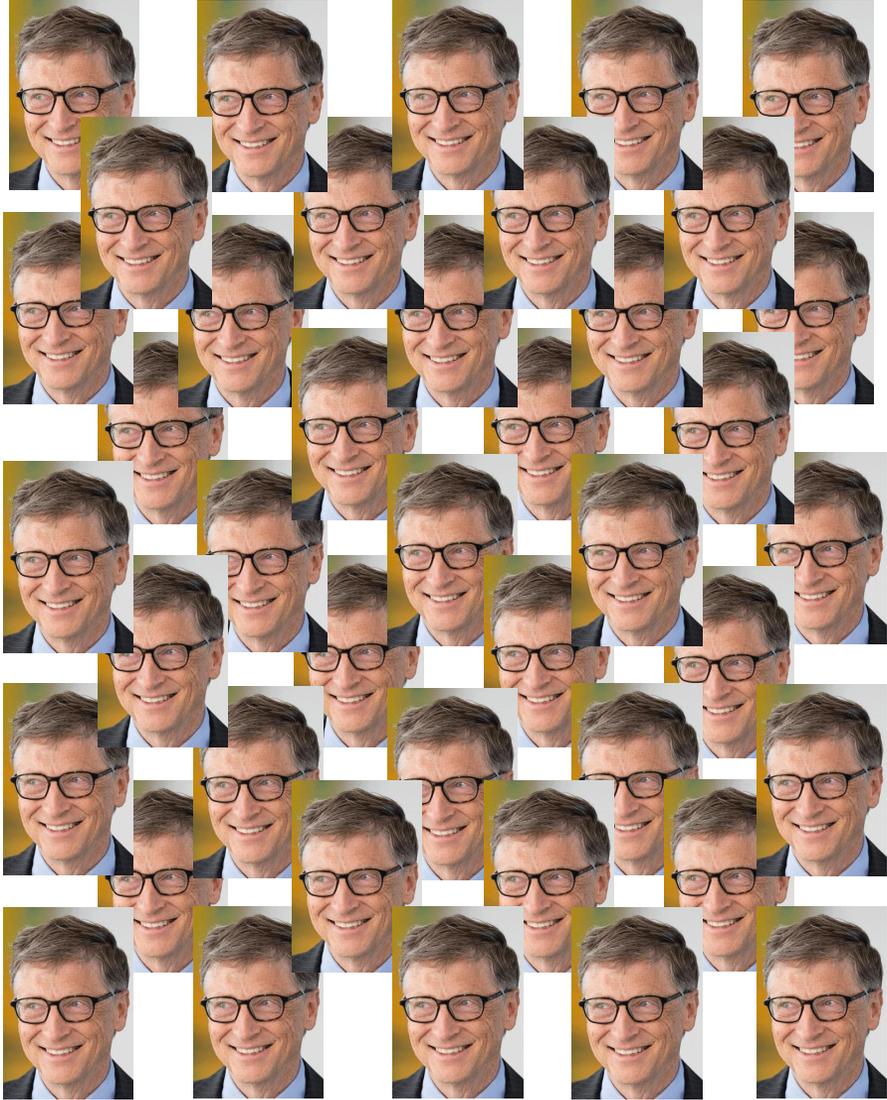
## *Historic Wealth Transfer*



# Historic Wealth Transfer



\$30,000,000,000,000



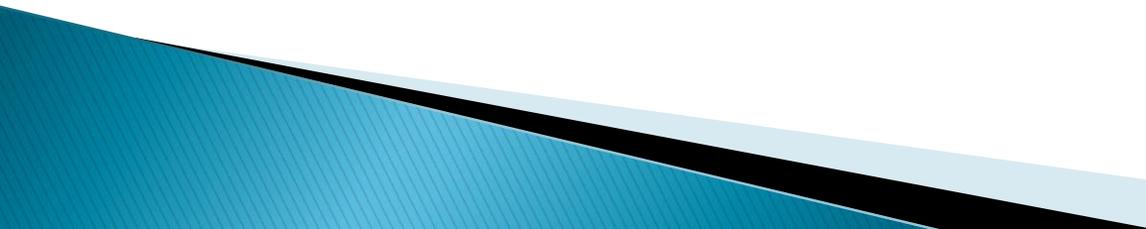
# Who Are the Next Generation of Philanthropy?

## Formative Events:

- ▶ IRAN–Contra Affair
- ▶ The Rise of AIDS
- ▶ Tripling Divorce Rate
- ▶ Iraq War
- ▶ Columbine
- ▶ Oklahoma City Bombing
- ▶ Attempted Impeachment
- ▶ 9/11 Attacks
- ▶ Recession



# Skeptical of Institutions

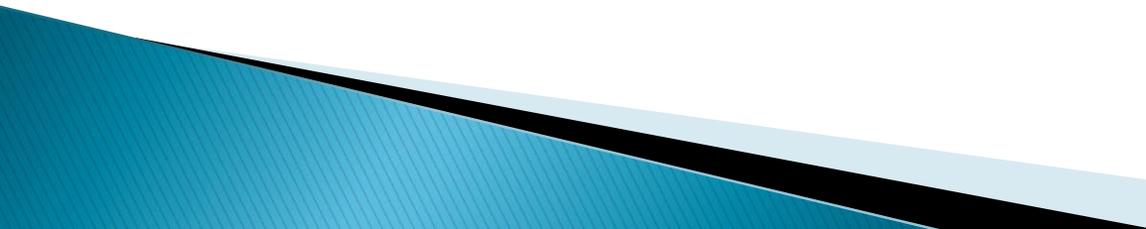
- ▶ Less positive market experience
    - At the same time in their careers, Boomers had experienced average annual GDP growth of 2.8%, Gen Xers 3.3%, and Millennials 1.9%
  - ▶ Greater burden of college debt
    - 2016 graduates average \$37,172 in student loan debt
  - ▶ Changing attitudes toward home ownership
    - More Next Gen are saving for travel (46%) than for a home (38%)
  - ▶ Delayed marriage
    - In 1980, two-thirds of those age 25–34 were married. As of 2015 two-fifths of those in that age range were married.
- 

# What Impact Will Their Giving Have on Our Lives?

Examples of Philanthropic Giving:

- ▶ Community Centers
- ▶ Local Parks
- ▶ Eradication of polio

Next Gen will also decide:

- ▶ Which diseases will get the most research funding in the future
  - ▶ Which environmental organizations launch the biggest awareness campaigns
  - ▶ Which new ideas for education reform will be carried out around the country
- 

# What Impact Will Their Giving Have on Our Lives?

Major donors have backed both sides of:

- ▶ Marriage equality
  - ▶ Charter school debates
  - ▶ Prochoice and prolife movements
  - ▶ Founding of the state of Israel and the Palestinian desire for a homeland.
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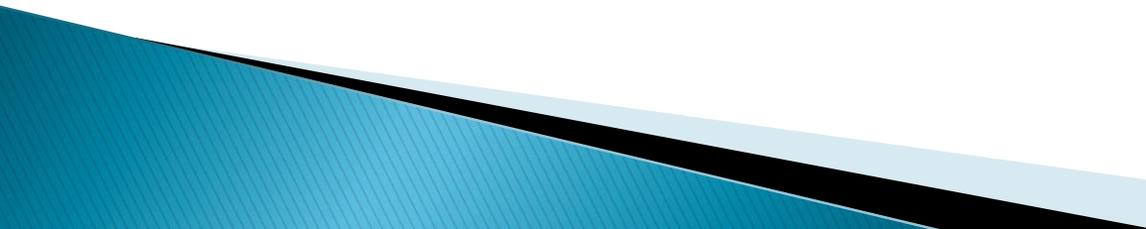
# Strategies for Engagement

## *How to Start the Conversation*

- ▶ Understanding Next Gen philanthropic values
  - ▶ Why they give
  - ▶ How they give
- 

# Strategies for Engagement

## *Understanding Next Gen Philanthropic Values*

- ▶ Want to be engaged
  - ▶ Strategic in giving – impact is most important
  - ▶ Social recognition is not important
  - ▶ Keep it social
    - Collaborative
    - They're the most networked generation and trust their own peers above all
- 

# Next Gen Philanthropic Values

*Keeping It Social*



# Strategies for Engagement

## Next Gen Philanthropic Values: Important Reasons for Engaging in Philanthropy



# Next Gen Philanthropic Values

Comparing Generational Priorities:  
Next Gen Vs Families

Shared



EDUCATION



BASIC NEEDS

Emergent



ANIMAL WELFARE



ENVIRONMENT



CIVIL RIGHTS



ADVOCACY

Divergent



HEALTH



RELIGION/FAITH



ARTS/CULTURE



YOUTH/FAMILY

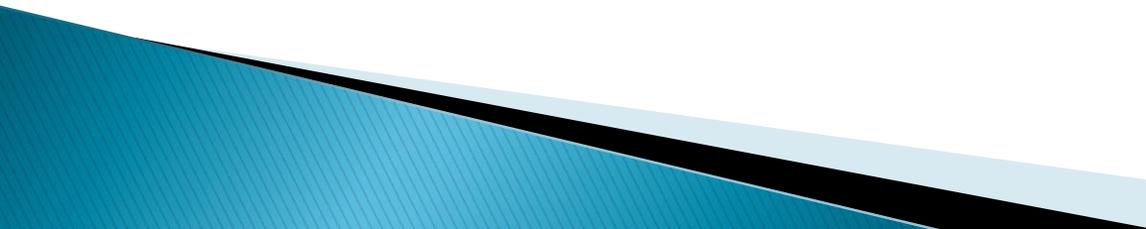
# Strategies for Engagement

*Why You Give: Creating Your Philanthropic Mission Statement*

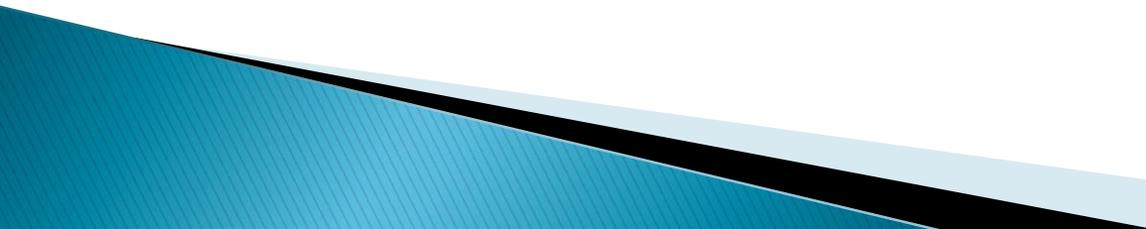


The advisor toolkit:  
Getting the Next Gen philanthropist started

# Why You Give: Creating Your Philanthropic Mission Statement

- ▶ Creating a philanthropic mission statement can help clarify the impact you want to have, while also making it easier to say “no” to causes that do not directly advance your personal philanthropic goals.
  - ▶ The following questions create a starting point to start exploring what is important to you and why...
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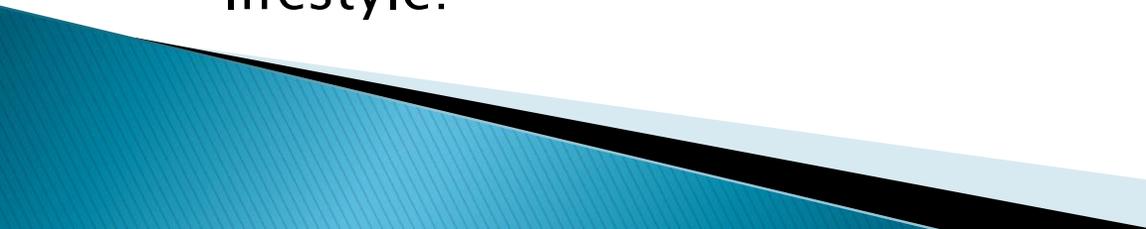
# Why You Give: Creating Your Philanthropic Mission Statement

- ▶ Family Background and Values
  - ▶ Professional and Personal Development
  - ▶ Perspectives on Wealth
  - ▶ Your Legacy
- 

# Family Background and Values

- ▶ What are some of the lessons you have learned from friends and family about money and philanthropy? How have these lessons impacted your approach to giving today?
  - ▶ What personal or professional opportunities did you feel most grateful for growing up?
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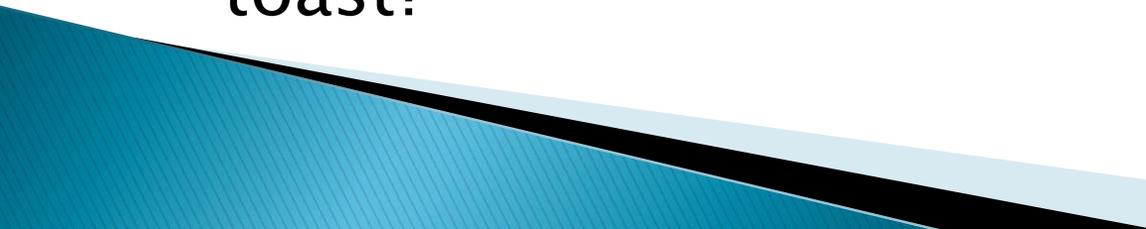
# Professional and Personal Development

- ▶ What are some of your unique talents, gifts, and skills?
  - ▶ What energizes you to get out of bed in the morning?
  - ▶ What schools, institutions, or relationships have had a significant impact on you?
  - ▶ How have certain challenges or setbacks influenced or changed your perspectives on things?
  - ▶ Are there any particular books, experiences, or trips that have inspired you to give back?
  - ▶ What are some of the beliefs, values, or attitudes that guide your decisions and lifestyle?
- 

# Perspectives on Wealth

- ▶ Excluding your family, who or what has influenced your ideas about wealth?
  - ▶ What are your greatest joys that arise from having access to financial resources?
  - ▶ What qualities or circumstances do you believe account for your success in accumulating wealth?
- 

# Your Legacy

- ▶ Describe the causes that you care about most. What are your reasons for supporting these organizations?
  - ▶ Do you want to focus on a particular geography?
  - ▶ How much and how often do you want to give?
  - ▶ Imagine your 80<sup>th</sup> birthday celebration. What would you like a dear friend or family member to say about you in his or her toast?
- 

# Why You Give: Creating Your Philanthropic Mission Statement

- ▶ When thinking through these questions, do you notice any recurring patterns?
  - ▶ Are there any themes that stand out?
  - ▶ Use your responses to help craft a single-sentence mission statement that highlights the cause you want to focus on and how you hope to use the resources at your disposal to make an impact.
- 

# Why You Give: Creating Your Philanthropic Mission Statement

## Examples:

- ▶ *“My mission is to make a difference in the health and well-being of others and to stop child obesity by sharing my personal experiences and knowledge about living with diabetes.”*
- ▶ *“My mission is to substantially reduce the number of dogs and cats that are euthanized in my city by supporting the most efficient no-kill adoption centers and promoting spay and neuter programs.”*
- ▶ *“My mission is to improve the lives of disadvantaged children by opening doors of opportunity through mentoring and education.”*

# How You Give: Time, Talent, and Treasure

Once you know what you want to accomplish, it's time to think about how you want to do it. There are three main approaches when it comes to giving: time, talent, and treasure.



# Time & Talent



- ▶ One of the direct advantages of volunteering is that it can allow you to see the direct result of your contribution, and the Next Gen enjoy putting their skills to work.
- ▶ It's also a great way to connect with like-minded peers and gain practical insight into the nuts and bolts of how a nonprofit works.

# Time & Talent

*Once you have identified an organization you might want to support with your time, expertise, or money, set up a site visit and go talk to the team in person. It's like online dating: Someone could look perfect and say all the right things on his or her profile, but then you go and meet for a drink and an hour later walk away grateful that it was only an hour. It's all about finding the right fit.*



# Understanding the Next Gen Methods of Giving

- ▶ The process has become more democratized
  - ▶ Join a campaign: [dosomething.org](https://dosomething.org)
  - ▶ With just \$25 it's possible to make a micro-donation to a smallholder farmer in Peru.
- 

# Understanding the Next Gen Methods of Giving

## When Representing a Non-Profit or Organization

- ▶ Educate
  - ie. *“Your \$25 donation feeds 30 children breakfast.”*
- ▶ Make it easy to give
  - Mobile ready
  - Recurring payments

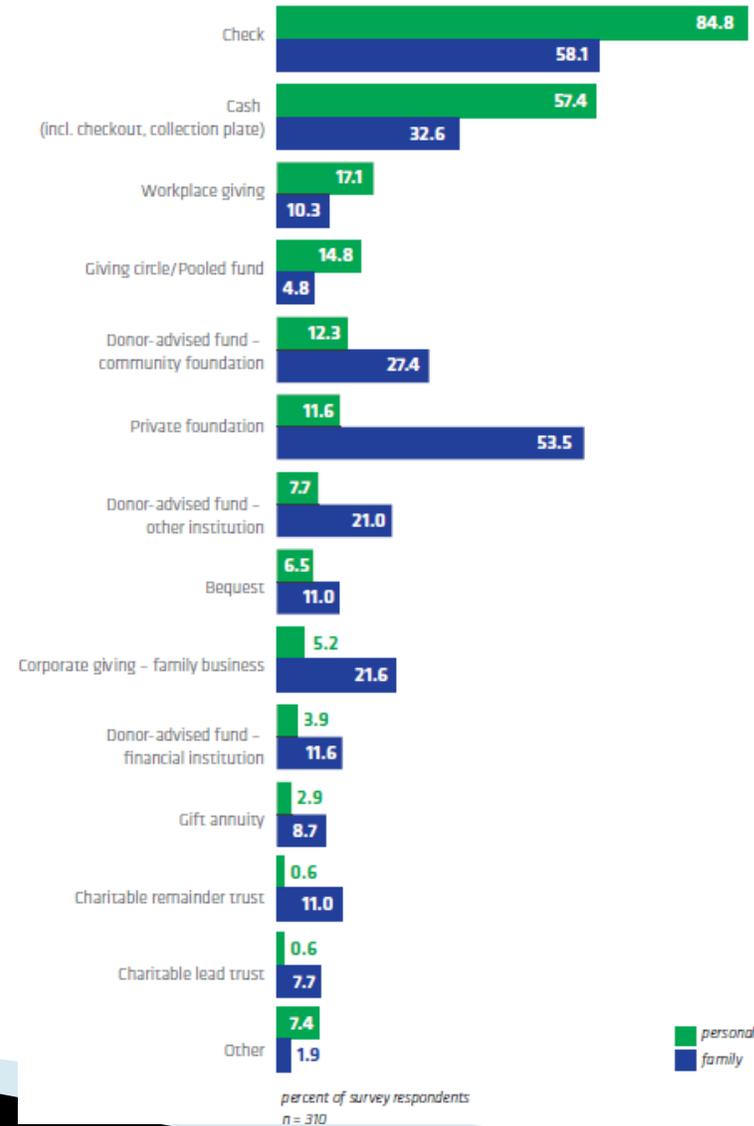
# Treasure

Giving away your treasure can get a little more complicated than giving away your time and talent. One of the most common strategies is donating directly to a charity, but there are plenty of other approaches to consider.

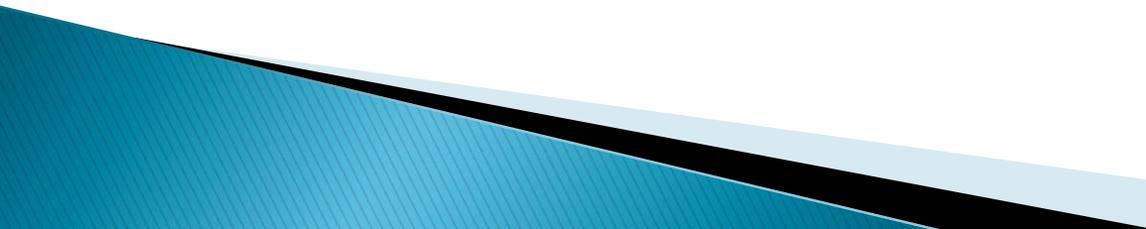


# Treasure

## Current Personal and Family Use of Giving Vehicles



# Methods of Philanthropic Giving

- ▶ Direct Donations
  - ▶ Designating a Charity as a Life Insurance Beneficiary
  - ▶ Charitable Trusts
  - ▶ Pooled Income Funds
  - ▶ Private Foundations
  
  - ▶ *Giving Circles*
  - ▶ *Kiva Loans*
  - ▶ *Impact Investing*
- 

# Giving Circles

- ▶ Involve a group of friends
- ▶ Giving circles can be small and informal, or they can be highly organized, require contributions of thousands of dollars and a commitment of many years.
- ▶ Allows donors to pool their contributions, achieving a greater impact.



# Giving Circles

Example:

## *The Zawadi Giving Circle*

- ▶ A Giving Circle in New Orleans
  - ▶ 12 African American members have collectively donated \$24,000 over a two-year period
  - ▶ The money has provided intensive math tutoring for students at a local school, along with other projects
- 

# Kiva Loans

- ▶ Microlending platform
  - ▶ 2.5 million people have borrowed since 2005
    - Includes entrepreneurs, students, farmers, refugees
  - ▶ Opportunity to change the world
  - ▶ Lenders give \$25 at a time
- 

# Kiva Loans

## Example:

- ▶ Lindiwe – a 22 year old entrepreneur in Mozambique. She operates 3 businesses in her village – a poultry business, a small shop, and a juice business.
- ▶ With the business training and guidance provided by Kiva's field partner, and a \$500 loan crowdfunded on Kiva by 11 lenders, her businesses grew quickly.
- ▶ Through the unique lending model, she doesn't pay any interest on her loan



# Impact Investing

- ▶ 2 out of 3 Next Gen are concerned with the state of the world and want to change it
  - Ex. Warby Parker, Tom's Shoes, S'well water bottles
- ▶ Need guidance on making an impact. 60% would like to invest more than half of their wealth in ESG investments within 5 years, yet only 25% currently do so

# Summary

*“It is encouraging to see how much of a priority philanthropy has become for the Next Gen and to watch a younger and more ambitious type of philanthropist emerge. Yesterday’s philanthropist was comfortable with simply giving support. Next Gen philanthropists seek to be an active part of the solution.”*

– Melanie Schnoll Begun, Head of Philanthropy Management

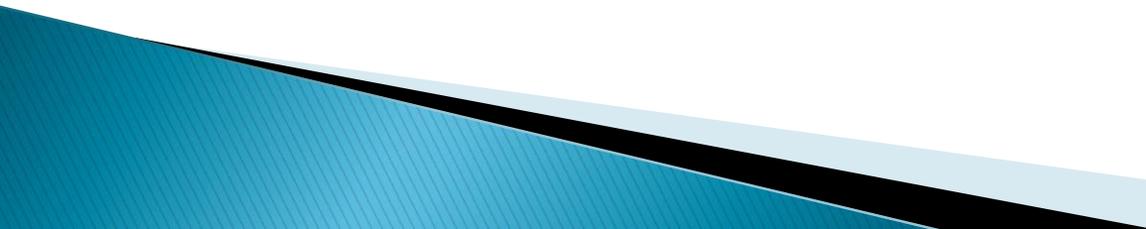


# Summary

*Take the Next Gen Seriously!*

- ▶ Historic wealth transfer
- ▶ It's the issues, not the institutions

# Sources

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