



# Here Come the Millennials — and Their Money

If you're ready, you can reap rewards from two-thirds of today's workforce.

**By Sean MacNeill**

**M**illennials have now surpassed baby boomers as the largest demographic in the United States. If you're one of the many who believe that millennials aren't a viable fundraising target and that they'll never be as charitable as their parents, it's time to take a closer look.

In reality, millennials (ages 18-34) and generation X (ages 35-50) together comprise two-thirds of the American workforce. By 2020, that number will climb to more than 70%.

Being part of the workforce means you collect a paycheck, which means you likely have disposable income. With disposable income comes the ability to donate and support charitable causes. Baby boomers (ages 51-69) are traditionally thought to be the cornerstone of many nonprofits' fundraising strategies; however, they're beginning to enter their retirement years, which means this demographic as a whole will have less disposable income to donate in years to come. A survey conducted by GOBankingRates ([gobankingrates.com/retirement/1-3-americans-0-saved-retirement/](http://gobankingrates.com/retirement/1-3-americans-0-saved-retirement/)) shows that many boomers are poorly prepared for retirement, with more than half of people ages 55+ lacking sufficient savings to retire.

So if workforce equals paycheck, and paycheck equals ability to donate, why isn't there a greater focus from nonprofit organizations on younger, actively employed demographics?

“Their sheer population alone will disrupt giving trends.”

Let's take a deeper look at the numbers and drill into what this information means to nonprofit leaders and organizations.

## Positive News for Nonprofits

According to the *Millennial Impact Report* ([themillennialimpact.com/research/](http://themillennialimpact.com/research/)), a whopping 84% of millennials made a charitable donation in 2014 – and this percentage will only continue to grow. This generation is composed of digital natives who are constantly attached to their smartphones. They're best prepared to give on their mobile devices using fundraising technology, like text-to-donate and online giving solutions.

The report also revealed that millennials aren't as self-involved as they're often painted. They mostly give to causes they feel personally attached to and typically spread their philanthropic dollars across an average of five organizations.

## A \$358 Billion Opportunity

Giving USA reports that in 2015 Americans donated \$373.25 billion to nonprofit organizations, the highest total in the report's 60-year history. Surprisingly, only 7.1% of these donations are made online or via mobile device. Direct mail, telemarketing, and in-person events are still dominating fundraising efforts – but this is where the information starts to get interesting.

As millennials climb through the ranks of the workforce and their charitable giving increases as a result, the shift toward mobile and online giving is going to be significant. Their sheer

population alone, 75.4 million in the United States, will disrupt giving trends and make that 7% ratio skyrocket.

- **Fact: Online giving overall** grew 19% in 2015 compared to 2014.

- **Fact: The medical research sector** had the highest percentage of online giving, with 17% of fundraising from online giving.

- **Fact: Faith-based giving** came in second with 10.4% of fundraising from online giving.

(Sources: M+R Benchmarks, [mrbenchmarks.com](http://mrbenchmarks.com), Blackbaud 2015 Charitable Giving Report, [blackbaud.com](http://blackbaud.com))

Another thing to take into account is that online giving growth correlates with e-commerce growth, even as far back as 2012. Today, e-commerce is growing faster than ever, with online purchases making up more than half of all retail purchases. According to Forrester Research, mobile devices are expected to be a key driver in that growth, with online sales predicted to increase at an annual rate of 9.23% over the next five years. If e-commerce continues at this trajectory, and online giving keeps pace as it has in the past, then nonprofits absolutely can't ignore this trend. If consumers buy online, they'll give online.

## What About Generation X?

Generation X and even baby boomers are adapting to new models of giving thanks to the impact of social media and mobile technology connecting them to the charities and organizations they care about. Nearly 81% of gen Xers – about 65 million people in the United States – have a Facebook account. And it's worth noting that 70% of boomers do too.

But for whatever reason, when it comes to fundraising, Gen Xers are often ignored. Now I'm a Gen Xer, and trust me, we don't like to be ignored. However, the reality is the two generations have more in common than you may think. Let the data do the talking:

- **Boomers**, 29% of the workforce in 2015, gave a median amount of \$478 in charitable donations.
- **Gen Xers**, 34% of the workforce in 2015, gave a median of \$465 in charitable donations.

The numbers don't lie. Gen Xers are giving at nearly the same rate as their generational predecessors, but will be in the workforce far longer.

It's also worth noting that though gen Xers and baby boomers are thought to be more familiar with traditional methods of giving, if given the opportunity, both are willing and able to adapt to new technology. For this reason, prioritizing mobile and online donation technology is paramount. If given a choice between mailing in a check or donating by a fast and easy online or mobile method, these generations prefer fast and easy across the board.

## A Potential for Growth

So how much potential is there? With last year's online donations totaling around \$2 billion, and an estimated 13% yearly increase moving forward, there's an overwhelming


“There's a generational tidal wave moving toward mobile and online giving solutions.”

amount of opportunity for nonprofits to benefit from mobile and online donation technologies.

It's simple. Rather than looking at the total population of the major donating demographics, we need to go one step further and look at the composition of the workforce and those who will continue to have the disposable income needed to give. Looking ahead to 2020, millennials will comprise 50% of the workforce. By 2026, they will dominate at 75%.

### Why is it important to know the workforce percentage?

Workforce = paycheck = ability to donate. To learn more, check out the New Generation of Giving Infographic at [mobilecause.com/download-new-generation-of-giving-infographic-xpr/](http://mobilecause.com/download-new-generation-of-giving-infographic-xpr/).

The workforce is where nonprofit organizations' ultimate potential lies. As new nonprofits come onto the scene targeting these demographics every year, existing nonprofits shouldn't become complacent and overly secure about their market share. If you're going to effectively engage these donors, you must address their interests and needs with a mobile and online solution that allows them to support and give to your cause in the way they prefer. There's a generational tidal wave moving toward mobile and online giving solutions, and we need to be prepared to ride it. 

---

*Sean MacNeill is the CEO of MobileCause ([mobilecause.com](http://mobilecause.com)), located in Calabasas, California. This article is adapted from his blog for the Huffington Post. MobileCause provides mobile and online fundraising software to help nonprofits lower fundraising costs and target donors where they are most—on a PC, tablet, or smartphone.*

## How to Reap the Rewards

For details on tapping into the new generations of givers, see these articles at [NonprofitWorld.org/members](http://NonprofitWorld.org/members):

**Top Five Ways to Engage Donors with Social Media** (Vol. 33, No. 3)

**The Peer-to-Peer Fundraising Evolution** (Vol. 30, No. 6)

**Accelerating Fundraising through Social Media** (Vol. 28, No. 3)

**Create a Donation Page that Rocks** (Vol. 33, No. 1)

**Remember Your Brand when You Market with Social Media** (Vol. 33, No. 4)

**Two Surprising Ways to Broaden Your Reach Online** (Vol. 32, No. 4)