

Don't Overlook Gen-X Donors

If you're focusing on Millennials and Baby Boomers to the neglect of Gen X, you're missing the boat. Don't forget this important generation!

By Dan Reed

As their moniker perhaps foreshadowed, the Latch Key Generation is once again being forgotten – not by their Baby Boomer parents but by nonprofits – foolishly.

Nothing against Millennials. This writer is a card-carrying member of the Oregon Trail Millennial generation. But too often, we hear from nonprofits wanting to reach younger donors (READ: invest finite capital in acquiring them) while nurturing their core Baby Boomer supporters, and what they mean is they'd like more Millennial donors. What we don't hear enough about is Gen X: people born between 1965 and 1980.

Fidelity Charitable (fidelitycharitable.org) – who we read regularly and trust greatly – put it this way in their recent “Future of Philanthropy” report:

“As the next generation of donors, Millennials are pushing philanthropy beyond its traditional boundaries. While they currently only control 5% of wealth in the United States, their unique attitudes, expectations and approaches to giving back will revolutionize the social sector as they inherit trillions from their Baby Boomer parents in one of the largest intergenerational wealth transfers in modern times.

“While donors overall are only somewhat optimistic that the world's greatest challenges can be solved, Millennials display greater confidence. More than 40% of Millennials say they are optimistic, compared to 15% of Boomers and 22% of Gen X.”

So let's unpack that a little bit, first on wealth:

It's true that we're undergoing the largest intergenerational wealth transfer in modern times. And it's true that Millennials *will* control substantial wealth – eventually. But you're trying to raise money *right now* for causes that can't wait. So we're here to remind you that Gen X controls more than five times the wealth Millennials do (federalreserve.gov).

“Gen X controls more than five times the wealth Millennials do.”

“Your best donors and prospects know you and your mission.”

It's also important to understand that older Baby Boomers are the parents of Millennials *and* Gen X (more likely the latter). Well into grandparenthood now, this group is likely to transfer their wealth to their Gen-X children (not their Millennial grandchildren).

More from Fidelity:

The younger generation is reclaiming the identity of “philanthropist” for themselves and other everyday individuals working to improve the world. According to the Fidelity report, nearly 75% of Millennials and 50% of Gen Xers would describe themselves as philanthropists, compared to only 35% of Baby Boomers.

So what's a philanthropist anyway?

Technically, it's anyone who promotes the welfare of the common good by donating time or money. So we'll concede that Millennials are volunteering their time. They represent future gifts, sure, but for a fundraiser with right-now-revenue goals, a philanthropist is someone with capacity, linkage, and interest in one's mission.

In other words, your best donors and prospects know you and your mission – and have the means to support it. Again, those are the Gen-Xers.

According to Fidelity's survey, Millennials have greater confidence than older generations that we can solve the world's problems:

Of course! It comes with the territory of youth (wasted on the young!)

Dream on, young butterflies!

This optimism will make them excellent donors, some day. From your perspective, your organization's mission *must* be successful. Kind of like, “don't try, do.” (Movie quote from the Gen-X era by the way). Your case for support simply changes based upon who you're speaking to.

So how *should* we think about Gen-X donors?

First, many of them already give to your organization. They're the working wealthy. If married, they often have



“Don't pin your strategy on a group that holds only 5% of the wealth.”

dual-income households. They're also more likely to be unmarried than Baby Boomers were at their age. (READ: no childcare expenses and no direct heirs).

Gen-Xers are tax-savvy. They have bills to pay and other household expenses. They want their charity to work within their budget while making good fiscal sense. (THINK: gifts of stock, charitable gift annuities, and donor-advised funds).

They're not tech-illiterate. Sure, they're not digital natives but, quite literally, they weren't born yesterday. They're put off by outdated websites or e-mail you have to scrutinize to find relevant information. They're a lot like Millennials in this way, with one notable difference: They have money in their pockets to spare.

Finally, they're quickly becoming the oldest generation in their families. In a few short years, they'll control most of the wealth in this country – while they're still relatively young.

So, it's to your benefit to focus on this oft-neglected group of potential donors. Offer them opportunities to volunteer and socialize. Give them a variety of ways to contribute, including friend-groups, stock transfers, planned gifts, and, of course monthly giving – all while never missing a chance to solicit that one-time right-now gift.

In conclusion . . . a word in defense of my fellow Millennials

As a Millennial myself, I'll close by saying: It's not our fault. We graduated into the worst job market since the Great Depression with historic, Tesla-price-sized student loans to pay off. And through it all, I'm proud of us for staying idealistic, hustling hard, and believing in a better, more equitable future.

That said, I'm also a fundraiser who knows that organizations need money now to change the world. My point? Don't pin your strategy on a group that comprises 44% of the population but holds only 5% of the wealth.

In other words: Remember Gen X! Meet them where they are with compelling cases for support tailored to them.

And Millennials, fear not. In just a few decades, our moment will come. 

Dan Reed, CFRE, is senior director of digital fundraising at Media Cause (mediacause.com), a mission-driven marketing agency that helps nonprofit organizations grow and accelerate their impact.



Create Change with Generational Philanthropy

For more tips on reaching all donor generations with your fundraising, see articles such as these at NonprofitWorld.org:

Using Multi-Generational Marketing to Target Donors (Vol. 23, No. 5)

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

Gen X: How to Manage, Market, and Motivate Them (Vol. 16, No. 1)

Don't Let Planned-Giving Myths Damage Your Future (Vol. 33, No. 3)

Why Focus on Bequests? The Facts Tell the Story (Vol. 36, No. 4)

How Can You Boost Donors' Trust in Your Organization? (Vol. 36, No. 4)

X + Y = \$ A Primer on Generational Philanthropy (Vol. 34, No. 2)

Top 10 Things Donors Want from Your Website (Vol. 38, No. 3)

Here Come the Millennials – & Their Money (Vol. 34, No. 3)

How to Engage the Next Generation of Donors Now (Vol. 29, No. 1)

Using E-Mail & the Web to Acquire & Cultivate Donors (Vol. 21, No. 1)

Planned Giving with Gift Annuities (Vol. 14, No. 2)

Will Donor-Advised Funds Revolutionize Philanthropy? (Vol. 19, No. 2)