

2008 Leadership Series Webinar

Top Trends in Philanthropy



Karen Osborne

Principal, The Osborne Group



Karen Osborne

Call In Details:

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Welcome to Powerful Trends and How You Can Use Them Today

January 2008



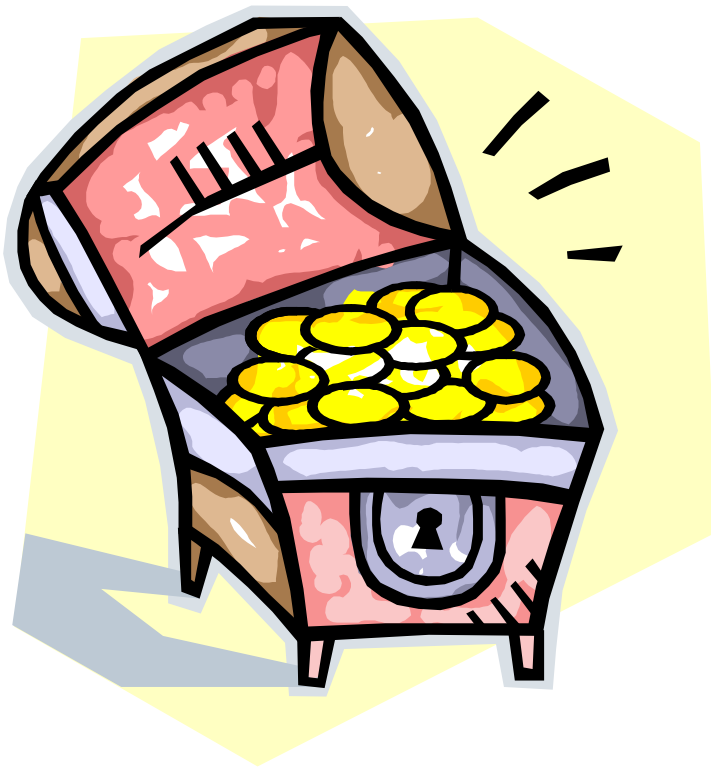
Finding out about you!

Polling Question #1

I have personally asked for gifts of :

1. \$1,000 to \$5,000
2. \$5,100 to \$25,000
3. \$25,100 to \$50,000
4. \$50,100 to \$100,000
5. \$101,000 and more

Start with the End Game



- Besides a “Yes” what results are you seeking from a GREAT solicitation?



Great Solicitation Results

- **Joyful** “YES”
 - 70%+ leadership annual
 - 85%+ major gift
- Yes to the amount requested (or pretty close)
- All decision makers on board
- For a top priority
- Includes operating
 - Advances and deepens the relationship; more involvement
 - Ends with a next step
 - Donor advocates more
 - Paid off on time or earlier
 - Leads to another gift
 - Leads to a lifelong, productive relationship
 - Inspires others to give



1. Philanthropy is Hot

High Net Worth Individuals are
Giving More than Ever



"USA Today" Headline*

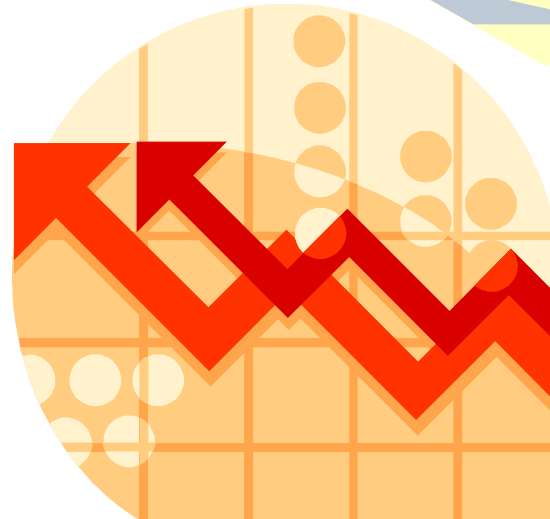
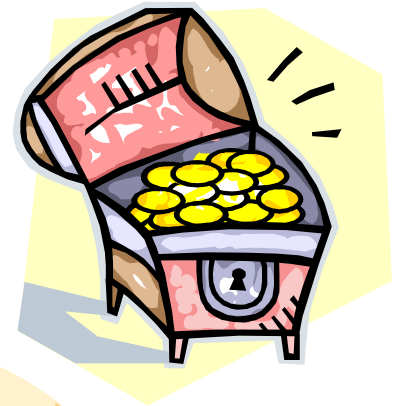
*2/27/07

"High-dollar giving is 'contagious'"

Wealthy Americans Gave Big in 2006*

*The Chronicle of Philanthropy 2.07

- 21 gifts of \$100,000,000+
- \$7 billion compared to \$4.3 in 2005 (not counting Buffet's extraordinary gift)



2006 Survey of Wealthiest*

*Bank of America Survey of households with liquid assets of \$3m+

- 100% reported making a gift in 2006 compared with 67% of all US households





High-Net Worth Donors*

World Wealth Report, Merrill Lynch & Co, Capgemini Group, 2007

\$1mil+ in assets, excluding homes

- Gave \$285 Billion in 2006
- 11% gave 7% or more of their **assets** away
- The wealthiest in the survey (\$30mil+ in assets)
 - 17% gave 10% or more of their **assets**



Survey of \$1,000+ Donors*

*Fidelity Charitable Gift Fund Survey 2007

- 42% said “it feels good to help”
- 40% cited membership in an organization
- 69% of WWII generation – “feeling of social responsibility”

Do You Know Me? Want to Belong





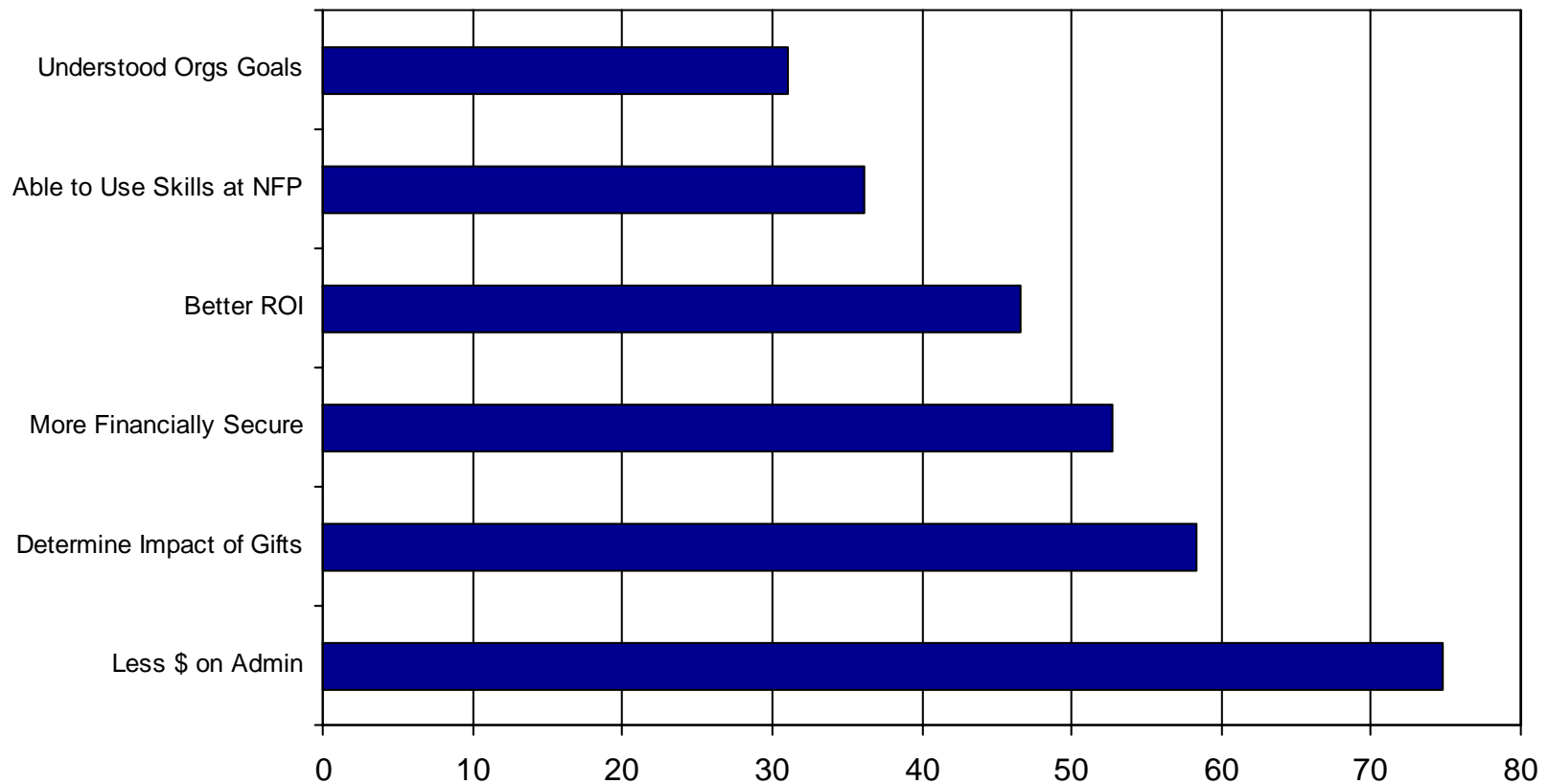
Why Wealthy Give to Philanthropy*

*2007 US Trust Survey of Affluent Americans \$5m+ Assets

- Give back to society – 90%
- Accountability and transparency – “major factor”
- Leadership – 73%
- Income tax – 33%
- Family tradition – 24%
- 70% plan to leave charities in will
- 66% cited academic and health as #1
- 43% cited religious groups
- 39% libraries and museums
- 36% environmental and public policy

What Would Prompt MORE Giving

Bank of America & Center on Philanthropy, Indiana University, November 2006





High Giver Profile

- College degrees
- 48% want to be seen as “members” of the group
- More likely to a portion to the church (61%)



Mega-High Giver Profile

- Among “self-made” mega-rich, many are attracted to organizations where they can:
 - Apply skill set and commitment that drove their business success
 - Make an impact they can measure
 - Network with people they consider peers

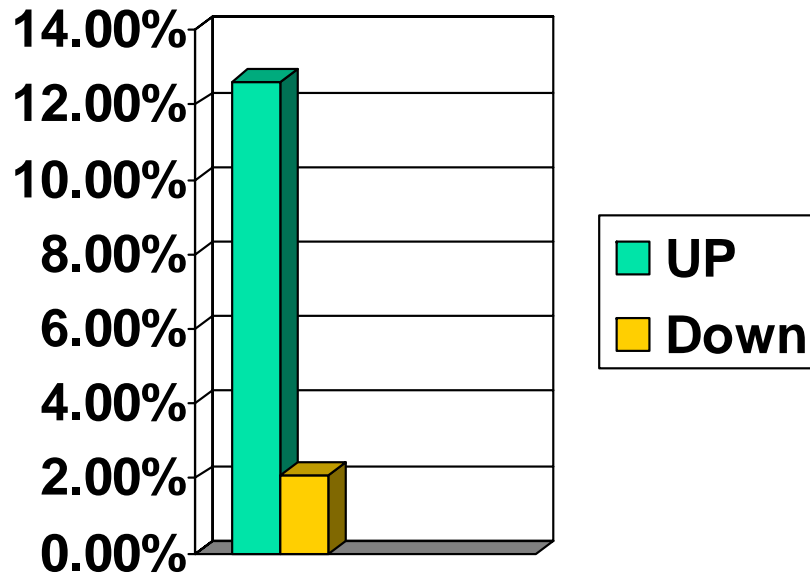


Mega-High Givers by Age

- For those at the highest levels of adjusted gross income (\$10million+)
 - Age 35 and younger give, on average, 7% of salary & non-investment assets
 - Age 36 to 64 give **22%**
 - Age 65 and older give **95%**

Foundations versus Bequests*

*Giving USA 2007



- Bequests down (2.1%)
- Foundations giving up (12.6%)
 - Want to see impact in their lifetime

Gen X Starting Foundations*

*The Foundation Center, NYC 2007



- Many under 45 starting own foundation
- 35% new foundations between 1999 to 2004
 - 50% increase in California

Intermediaries





Philanthropy Advisors on the Rise*

**The Wall Street Journal". 3.9.06*

- Philanthropists paying as much as \$500 to \$3,000 a day
- 3% to 15% of a gift
- Unregulated



Entrepreneurial Women*

Millionaire Women Next Door, Thomas J. Stanley, 2006

Survey of women with \$1 to 25 mil net worth, self-made

- 70% are active, volunteer solicitors
- 77% are volunteer leaders
- **None** had been asked to join a national or local board of a major organization
- Give 7% of **income** annually
 - Give \$28,000 per year, average
 - Men in the same category give 5% of income

Entrepreneurial Women*

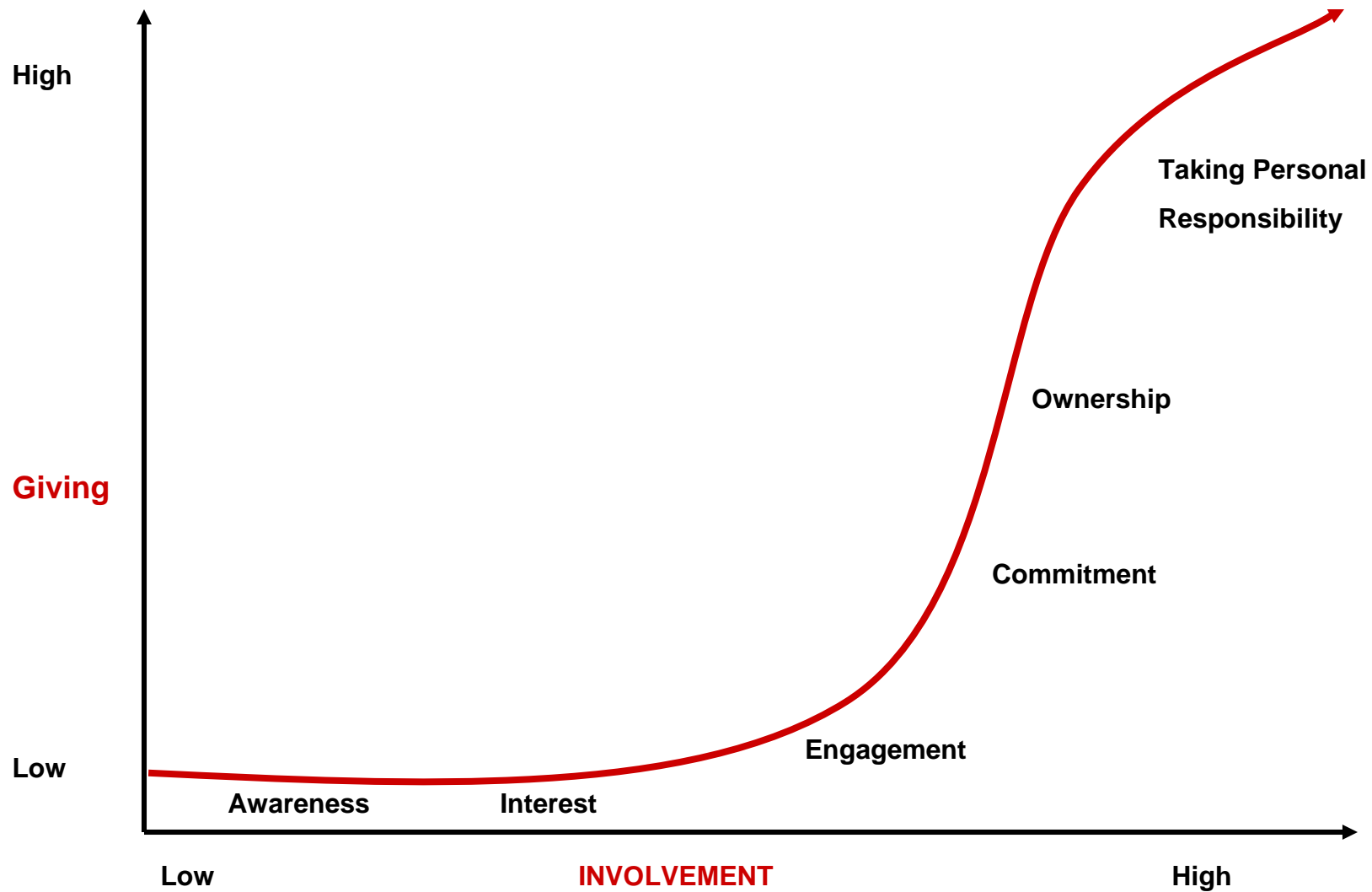
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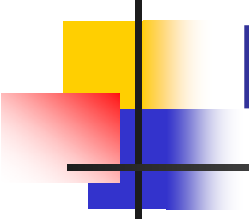
- Harder to find using traditional research
- Focus on privately-owned businesses in the area
 - 17% growth in last decade, fastest growing business segment
- Read professional journals, attend meetings and trade shows
- Effective strategies: giving circles, networks, collaborative efforts

The Tarnside Curve of Involvement



How Will You Use This Information?





What will you do?

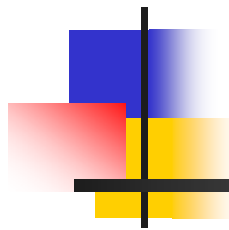
Polling Question #2

1. Uncover your donors' philanthropic profile
2. Hold philanthropy discussion meetings
3. Invite donors in as "family"
4. Seek out entrepreneurial women
5. Develop a robust suite of engagement opportunities



Questions?





2. Demographic Influences

Boomers Booming*

*U.S. Census Bureau

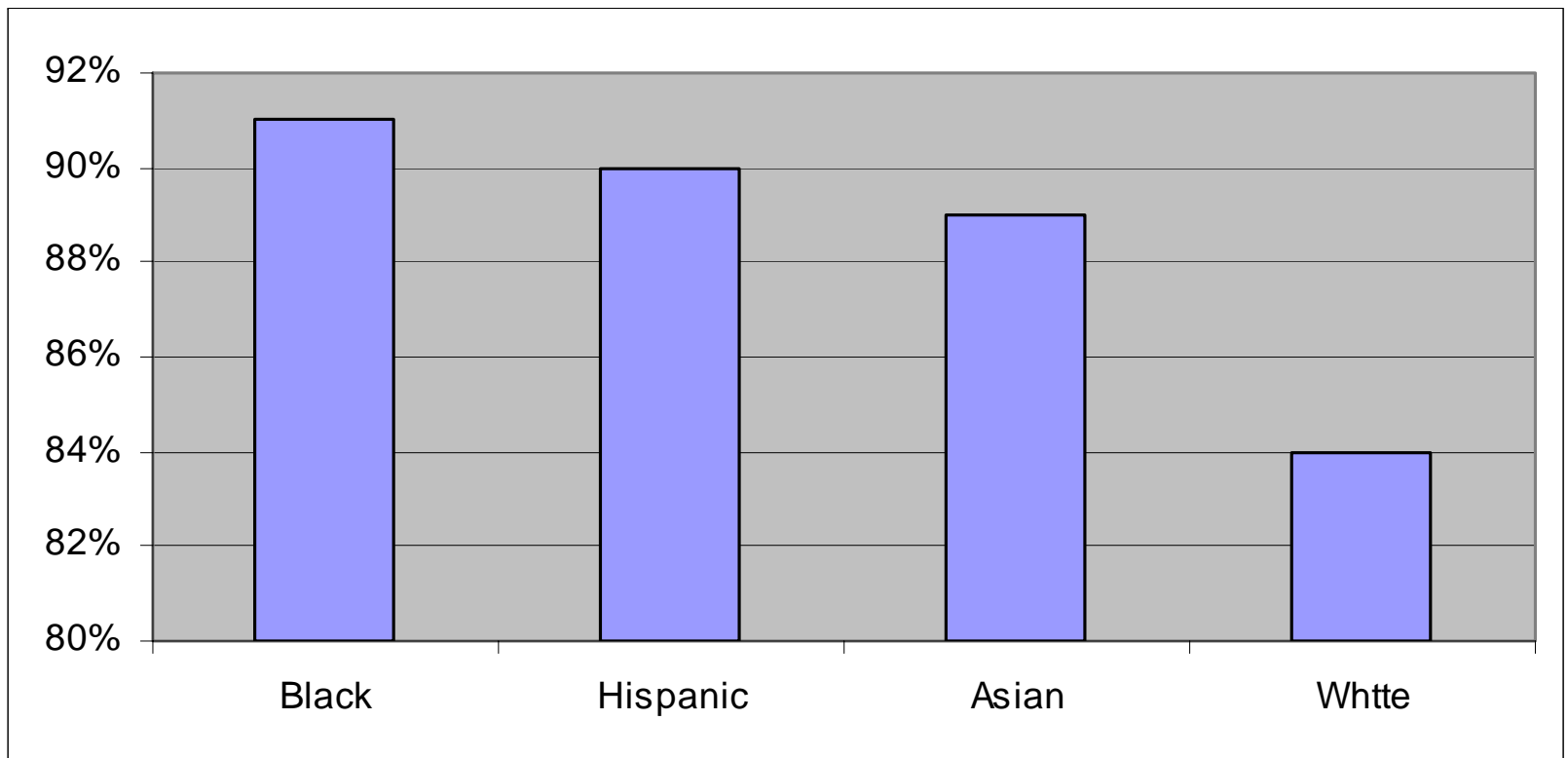


- Over 80 million
- 7,918 people turned 60 each day in 2006
- Seeking “encore careers”*

*David Bornstein

Boomer Donor Comparison*

* AARP Minority Time and Money Survey.06



Boomers Dominate Boards*

*Board Source

- 54% of non profit Board members
 - WWII Generation – 2%



Silent Generation

Most Generous*

*Bank of America Survey of households with liquid assets of \$3m+

- Donors who are 61 to 70 years old average annual gifts of \$155,066, followed by 71 to 80 year olds
 - Only 40% of respondents had arranged for a charitable gift in their will

Second Career: Retiree Volunteers*

*Volunteer Match Survey, 2007, 55 to 75 year olds

- 52% see retirement as a time for new goals
- 32% said they wanted to learn new skills volunteering
- 21% would like to use existing expertise



Generation "X" as Donors

**Indiana University Center of Philanthropy 2003 Study*



- Born between 1965 and 1976
- Want more info
- Distrust large org
- Want challenges and social connections
- Crave time w/family
- Most diverse

Millenniums or Gen Y

**Kelly Mahoney, Newport Creative Communications & CBS News*

- Want to be part of a community
- High expectations of self
- Share their voice and make an immediate impact, immediate responsibility
- Think globally but goal-oriented
- Want tangible results
- Influenced by peers
- Want to give time as well as money

*Generation Y were born
Between 1977 and 1994*



Women=Better Governance*

*Wellesley Center for Women Recent Study (01.07 "Biz Ed")



- Critical mass – 3+
- More collaborative leadership
- Listening
- Social support
- Win-win problem solving
- Expansive discussion of tough issues and issues pertaining to multiple stakeholders



Women Rule!!

- Women control 60% of wealth in America
- In the next eight years, this will increase to 70%
- Nearly half the Americans with assets of \$500,000 or more are women

Citation: Robert Sharpe Associates

Strategies

- Get women involved
- Engage spouses
- Teach Gen Xers philanthropy
- Invite minorities – seek their advice
- Don't forget the silent generation
- Tap into expertise





Questions?





3. Less Trust

More Skepticism



Public Trust 2004 Study*

*Princeton Survey Research Associates

- 11% believe charities are spending the money wisely
 - 51% somewhat wisely
- 31% believe charities doing a very good job helping people
 - 51% somewhat good job



All Americans Confidence*

*(not just donors) NYU organizational Performance Initiative

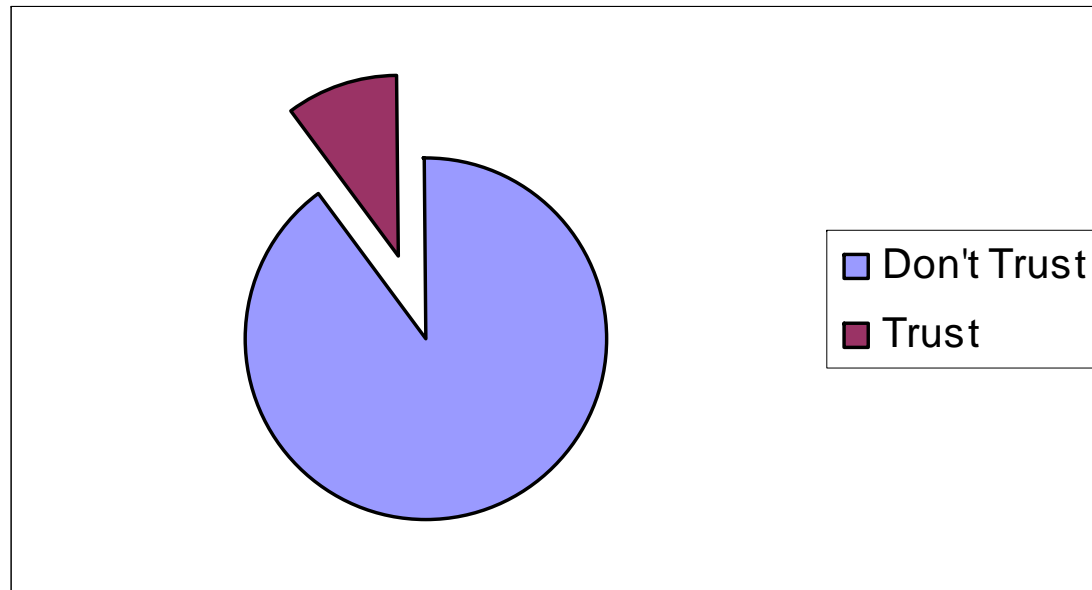
Level of Confidence	2004	2005	2006
A great deal	15%	15%	20%
A fair amount	50%	49%	49%
Not too much	25%	24%	20%
None	7%	8%	9%

Most Skeptical*

*January '06 Harris Interactive

Survey

- Only 1 in 10 believe charities use donations honestly and ethically





Trust by Sector*

* *Roper Report Public Pulse Survey, November 2005*

- Percentage of donors who report “a lot of trust” in:
 - Religious organizations 30%
 - Educational groups 26%
 - Cultural institutions 25%
 - Health organizations 22%

Defining Stewardship

- Spending as agreed
- Documenting accurately
- Managing prudently
- Acknowledging within 24 to 72 hours
- Providing recognition
- Demonstrating significance and impact
- Providing joy





The Power of Personal Thank You*

*Penelope Burke Study

- From a study of 2,250 **new** direct mail donors
 - 220 received a **thank you** phone call from a board member within 48 hours of their gift
 - Otherwise, they received standard solicitations
- Those who received a thank you call:
 - Gave 40% more in a second gift
 - 70% were still giving two years later
- **More than 80% of the other donors had quit giving 2 years later.**



Action Steps

- Assess current efforts
- Develop a plan and calendar
- Engage board members in stewardship
- Call new donors to say thank you, ask questions, welcome them to the family
- Take our April stewardship Webinar



Questions?



Programmed to Give?*

*National Institute of Neurological Disorders and Stroke study



- *"...Our brains show that you profit emotionally from doing (something altruistic). Something in our brains shaped by evolution allows us to feel joy when we do good things. It is a biological force and we should not ignore it in promoting social welfare."*

Dr. Jorge Moll

Thank You!

Contact us at mail@theosbornegroup.com



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