

Fundraising with Generations X & Y

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Definition of Generation X

- Born 1960-1980
- Age now 29-49
- Characteristics
 - Flexibility vs. stability
 - Love challenges
 - Have no fear
 - Easily bored
 - Think globally
 - Work-life balance
 - Techno-literate
 - Fun
 - Informality
 - Self-reliance



Definition of Generation Y

- Born 1980-2000
- Age now <29
- Characteristics
 - Optimism
 - Civic duty
 - Confidence
 - Achievement
 - Sociability (take work/life balance one step further to the point where leisure is actually interwoven with work)
 - Morality
 - Street smarts






Program Snapshot: the ROM's Young Patrons' Circle (YPC)

- **When it started:** 2005
- **Demographic:** 45 and under
- **Membership:** 298 memberships (360 members)
- **Membership fees:** \$600 for single cardholder membership, \$1,000 for dual cardholder membership, \$400 special join rate for recent students who have graduated within past 12 months
- **Payment options:** outright, or via monthly payments

Program Snapshot: YPC Continued

- **Benefits:**
 - Invitations to Exclusive YPC Events, Previews and Tours
 - Free General ROM admission
 - Subscription to ROM Magazine, ROM membership newsletter, YPC electronic newsletter
 - Exclusive Pricing for PROM event tickets
 - Priority booking for ROM Summer Club Programs
 - Recognition on the YPC Donor Wall
 - Reciprocal Privileges at select North American museums/galleries
- **Events per year:** 24

Program Snapshot: YPC Continued

- **Money raised to date:** \$650,000 (not including sponsorships and event revenue)
- **Goals:** \$200,000 in membership revenue per year
- **Governance Structure:** As a fundraising program of the ROM, the YPC program is overseen by the ROM Board of Governors
- **Volunteer Structure:** The YPC Cabinet is currently composed of 24 members, including two co-chairs, and a number of sub-committee co-chairs (membership, PROM, communications, fundraising, events)
- **Staffing Structure:** One full-time Associate, ½ time of a Senior Development Officer, ¼ time of a processor. Overseen by Acting Director, Patron Programs





Program Snapshot: Mount Sinai's Leadership Sinai Program

- **When it started:** 1993
- **Demographic:** 25-55
- **Membership:** Just over 300 members
- **Membership fees:** Minimum gift of \$5,000 over 5 years
- **Payment options:** Outright, annually or monthly



Program Snapshot: Leadership Sinai continued...

- **Benefits:**
 - Exclusive invitations to "members only" events
 - Advance notice of Annual events
 - Subscription to Leadership Sinai's newsletter and Mount Sinai's award-winning magazine
 - Behind-the-scenes tours of Mount Sinai Hospital and the Samuel Lunenfeld Research Institute
 - Permanent recognition on a Leadership Sinai Disc on a wall centrally located in the Hospital
 - Opportunity to develop leadership skills and network with other young professionals
- **Events per year:** 10+



Program Snapshot: Mount Sinai's Leadership Sinai Program

- **Money raised to date:** Over \$7m
- **Goals:** \$8m over the next 5 years including a \$3m pledge to a team of All-Star cancer researchers at our research centre (the Lunenfeld)
- **Governance Structure:** Leadership Sinai Board of Directors
- **Volunteer Structure:** A number of committees including SWAT (Fundraising Committee), and committees for specific events
- **Staffing Structure:** One full-time Development Officer. Overseen by VP of Advancement.



Similarities

- Demographic
- Group size
- Large institutions with long histories in the community and established policies and regulations
- Similar goals – attracting the support of a younger demographic, attracting and grooming future senior volunteers
- Similar challenges – carving out a niche for this demographic within the overall organization in a way that benefits both
- Mix of generational donors (children of philanthropists) and "up and comers"

Differences

- Pioneering program vs. new kid on the block
- Five year pledge vs. yearly membership, price-point difference
- Different stages in the evolution from events based to fundraising based
- Program support vs. operating support

Strengths of a Young Leadership Group

- Good personal and professional networks to tap into
- Open doors to new networks for the organization
- Make the organization seem relevant in the broader philanthropic community
- Avenue to attract the next generation of volunteers and philanthropists (both from already involved families and those new to philanthropy)
- New and fresh ideas (don't want to run the same old stuffy galas)
- Energetic, eager to bring their professional skills to their volunteer roles
- Able to market program (and therefore organization) through traditional and non traditional media outlets (very comfortable with new media)

General Themes

- Like what is new and hot
- Instant gratification
- Ownership (why this is good AND bad)
- Get involved, not just give money
- Results – want to see what their money has done
- Quality events, and many of them
- Tailored and frequent communication
- A mix of motivations/interests
- Not interested in hearing why the organization can't deliver on new ideas

Challenges of Young Leadership Group

- Staff burnout - very demanding donor / volunteer group
- Balance between staff and other resources required for this as compared to other fundraising programs
- Can be viewed by the organization's staff or senior volunteers as demanding, not having "paid their dues" with the organization
- Can view the organization as being overly bureaucratic and unresponsive
- Overall impact of the fundraising activities on the organization – how to balance quantifiable and qualitative benefits
- Events and programs are not always the most profitable
- Volunteer / donor retention issues due to rapidly changing family / careers

Opportunities of Young Leadership Group

- Opportunity to strengthen relationship and interest in cause with a demographic that might not otherwise be involved
- Although donors may be able to give more in later phases of their lives, present giving from this demographic represents an often untapped revenue opportunity
- Potential of transitioning Young Leadership volunteers and donors into senior volunteers and major gift donors

Potential Pitfalls & Threats

- Consider how you want to deal with the age range/cut-off
- Consider how you use the word "Young"
- Be aware of and determine how you want to address different motivations for getting involved (passion for organization vs. social)
- Watch out for straying too far from the cause
- Organizational culture vs. group culture (need to prepare organization to embrace the group)
- Watch out for setting the bar too high or too low with your membership fee or minimum donation – you do not want to turn anyone off, but you also don't want to undersell
- An increasingly crowded marketplace both inside and outside the charitable sector, both with organized groups and events that hit this demographic

Future of the Young Leadership Groups

- Challenge of building the base, leadership succession
- Maximizing financial return to the organization
- For younger programs, transitioning from “what’s in it for me” to “what can I give”
- For older programs, keeping the program responsive and exciting to new members and new trends
- Will they transition into Major Donors and Volunteers?
- Assessing the long-term gain from the group

Generation Y Coming Down the Pipeline...What the research says!

- According to research, Generation Y is more likely than any other generation to cite the “desire to make the world a better place to live” as a key motivation for their philanthropic giving
- Despite perception that this group gives less than older generation, research has shown Generation Y’s giving is equal to older donors when adjusted for income, education level, and religious attendance
- Little importance placed on authority, rules, regulations
- Instant 24-7 communication
- Blended personal and work lives – in person and online

Generation Y...what does the future hold?

- Will the programs designed for Generation X prove to be as attractive to Generation Y?
- Planning for Generation Y – potential impact of high school volunteer experience on willingness to become involved

Establishing Your Own Young Leadership Program

- Survey your own volunteer / donor group to look for potential champions / leaders
- Research existing groups in your marketplace and beyond
- Evaluate your goals and expectations for the group - recognize the financial return may not be as high as for other fundraising programs
- Realistically assess the resources you will require
- Decide if your cause lends itself to attracting this group, and if not, can you attract the leadership that will

Concluding Thoughts...

- Be aware of the resources required and potential return on investment before starting your own group
- Consider if you need a structured program to bring in new donors or maximize your current donor's giving
- A young leadership group can inject necessary energy and excitement into your existing organization
