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Generational Differences in Philanthropy and Giving Behaviors

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Abstract

Some research on motivation-to-give focuses on age-related differences, seemingly characterizing it as a dichotomy of old versus young. A pilot project conducted in Massachusetts examined the relationship between generational “givers” in the field of philanthropy, asking, essentially, what motivates *them* to give. The target population was selected based on recent research that shows a positive retention effect to employers’ use of “purposeful giving” by employees (Perna, 2022). This present project further addresses the change in motivation over time. Findings from this exploratory research indicate that the motivation to give is more complicated than age-related differences alone. This article presents findings from the pilot project conducted in 2024 involving five case studies of philanthropic professionals working in Western Massachusetts. It also offers recommendations for additional research on this topic. Data for these findings, however, are based on limited data and are therefore not generalizable.

Introduction

Theories, such as Edwards findings about generational differences and Erikson’s views of psychosocial development, offer insights about generational differences in philanthropy and giving behaviors. Typically, they address the topic in a relatively basic manner, meaning that what they tend to focus on, to the exclusion of all else, is the dichotomous relationship between young and old, which is attributed to historical or experiential events. Drawing from data collected through a recently conducted survey of philanthropic professionals in Massachusetts, this paper argues that there is more to the story than merely drawing conclusions based on age-related experiences.

Theoretical Framework

There are several useful takeaways from Edwards (2021) doctoral dissertation on generational differences in philanthropy, which also focuses on the young v. old dichotomy. Although controversial, the author maintains that money matters most to older generations but declines in importance with younger people. Similarly, Edwards states that older givers tend to be loyal to an organization, whereas younger givers are less consistent and more likely to be attached to stories, not a specific charity. But what this present author finds most intriguing is his observation that donors respond to unique experiences of their generations. Edwards also found that older adults are more affluent.

Furthermore, according to findings in the field of human resources, demographic shifts are creating a “gray wave” as the sheer number of older adults is on the rise (Pynes, 2013). In 2023, American Baby Boomers owned 52% of the country’s net wealth despite comprising only 20% of the population (Federal Reserve, 2024). As such, it appears that older adults would be good targets for charitable solicitations by nonprofits.

Psychological theory provides even greater insight into the relationship between age and philanthropy. One prominent theory that applies is Erikson’s psychosocial development theory of Generativity (McLeod, 2021). According to Erikson, personality develops in a predetermined order through eight stages of psychosocial development, from infancy to adulthood. Persons experience a psychosocial crisis during each stage that could have a positive or negative outcome for personality development. “Generativity versus stagnation” is the seventh of eight stages of Erikson’s theory of psychosocial development. This stage takes place during middle adulthood (ages 40 to 65 years). Erikson believed that through generativity we develop a sense of being a part of the bigger picture and are often impelled to “do good” and “make our mark.” The impetus is on creating a legacy of sorts— through volunteering, creating, and giving back— to leave behind for both us and future generations.

Methods

To delve more deeply into the differences in gift-giving behaviors and philanthropy, this present pilot study employed a small mixed methods survey of individuals engaged in the philanthropic arena. The survey used a four-item questionnaire to obtain responses from one dozen residents of Massachusetts working in the fields of fundraising, development, and/or grant writing. The electronically distributed survey was administered to respondents during March 2024.

Sampling

The sample for which these findings are reported includes responses from five individuals engaged in philanthropy. Because this is a pilot study, the findings presented are not intended to be generalizable. Rather, they are meant to further develop themes worthy of additional research, and spark dialogue around gift-giving behaviors and the motivations of individuals working in the fields of fundraising, development, and grant-writing.

The sample reflects the views of five individuals working in the fields in Western Massachusetts. The geographic area is known as being progressive, well-educated, highly cultured, and more affluent than other regions in the U.S., which may affect the sample’s charitable leanings.

In terms of demographics, the sample ranges in the age of 33-69, though all are still actively engaged around philanthropy. All but one respondent works in the nonprofit sector. Two respondents are male and three are female.

Data Collection

The author developed a four-item questionnaire, comprised of closed- and open-ended response options, to collect both quantitative and qualitative data. The questionnaire is included as an attachment at the end of this paper, after the author biographical information section.

All respondents were assured anonymity and permitted to respond voluntarily to all or some of the survey questions. However, there was no missing data present in this survey, as 100% of respondents answered all interview questions. They were informed that the study was designed to gain insight into the motivations of individuals working in and around their fields. Respondents were not given any other information so that they could be as candid as possible, permitting collection of raw data that addressed multiple aspects of the pilot study. For example, the author asked about their date of birth but provided no additional information about why their age should play a role in the research. In this way, the author was able to use the raw data collected to make inferences that were ostensibly not skewed relating to age-related differences.

Analysis

The quantitative and qualitative data collected via the survey were coded and tabulated during April 2024. Quantitative data were used to report on total numbers of respondents endorsing specific items or activities while qualitative data were grouped thematically to report on trends in the philanthropic behaviors of the five respondents.

Results

Several key findings emerged from the survey data. First, contrary to popular belief and not surprising, there was no association found between age and motivation amongst this small sample of philanthropic professionals. No matter the age, the reported activities and motivations of the respondents were similar. Indeed, the eldest respondents were just as likely to be motivated to give as compared to the youngest. Still further, there was a strong motive to give for those situated in the nonprofit sector. An explanation for this finding could be found in the selection of their careers and location within the nonprofit sector, assuming that they were naturally motivated to charitable giving prior to taking on their roles in the profession. Additional exploration of this cause-and-effect relationship with a larger sample should be explored.

Second, a relationship was found between prior for-profit work and change in motivation over time. Interestingly, the only respondent reporting change over time in their motivation to improve society and/or the lives of others was the one with a lifelong career in the for-profit sector, the mortgage industry to be exact. This respondent stated,

“For nearly 37 years I worked in the mortgage industry. When I began to volunteer with non-profits and to donate funds to many organizations, my initial reasons were both altruistic and selfish. I wanted to give back to our community to help others. I also believed it made good business sense to do so; to be recognized as a businessperson and a business that cared about giving back. Now, as I transition to a life with much less work for pay, I am motivated to help because I want to give back. I am aware, sadly, that government alone cannot solve the challenges the less fortunate have in our community, and that my efforts can make a difference, albeit small, in these folks’ lives.”

By contrast, there was no change in motivation over time reported by the nonprofit staff, seemingly lending credence to the possibility that individuals who are naturally philanthropic may be drawn early on to work within the nonprofit sector and may also be more likely to be giving as well.

Third, all but one (i.e., for-profit professional) reported being motivated to "make the world a better place." This could be related to a sense of idealism that goes hand in hand with the mission and values of nonprofit organizations. In fact, according to Sauer (2006), "Idealism breeds action, and nonprofit organizations are the vehicle for individuals with a collective charitable purpose to organize, raise resources, and act." In other words, individuals with the drive to improve others' lives via a collective effort, may choose to do so through the nonprofit sector.

Implications for Future Research

Specific areas ripe for additional research include 1) exploration of motives to give for those situated in the nonprofit sector. As mentioned in this article, one possible explanation for the author's finding of high motivation to "make the world a better place" may be related to the very selection of nonprofit employees' careers in the nonprofit sector. Additional exploration of this cause-and-effect relationship with a larger sample is warranted. 2) exploration of any possible relationship between a draw to help others later in life and/or career may also be warranted. As mentioned, the respondent that was initially employed in the for-profit sector made a change at this stage of his life to "give back to others". It is possible that this is a common phenomenon that is not only worthy of additional exploration but could provide opportunities for tapping into this human capital resource for aiding the nonprofit sector.

Conclusion

Even though obvious generational differences in gift-giving behaviors may exist based on several factors, the author argues herein that there is an internal locus of control that also plays a significant role. It is possible that when individuals believe they are in control of the events in their lives, they are more likely to act on that feeling of security, contributing to a desire to share it with others. It behooves fundraisers and solicitors to understand both externalities and internal motivations, such as Erikson's theory of Generativity.

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Author Biographical Information

Dr. Jennifer Higgins holds a PhD from the University of Massachusetts and an MBA from Springfield College. Her professional career in research, policy, and grants management spans nearly 30 years. She is the present director of grants at the Center for Human Development in Springfield, MA.

Additionally, Dr. Higgins owns a for-profit grantwriting business, Commonwealth GrantWorks, and a nonprofit charitable foundation that shares its name which provides direct support to individuals with intellectual and/or development disabilities interested in employment or other productive activities of their own choosing.

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CommonWealth GrantWorks

Philanthropic Role Questionnaire

Q1: What is your present role (choose 1 response which best fits your role)?

- a. Grant writer _____
- b. Development staff member _____
- c. Marketing staff member _____
- d. Donor relations staff member _____
- e. Benefactor/ donor _____
- f. Philanthropic manager _____
- g. Philanthropic executive director/ president _____
- h. Volunteer _____
- i. Other (please specify

_____)

Q2: What motivates you to work in this field? (Choose 1 response best completing this sentence).

"I have a desire to...."

- a. Make the world a better place _____
- b. Give back to others _____
- c. Grow and advance in my career _____
- d. Obtain increased pay/ earnings _____
- e. Other (please specify

_____)

Q3: Would you say your motivation(s) have changed over time?

Yes _____ (If yes, please explain how

_____)?

No _____

Q4: In what year were you born? _____