

# The potential for the future wealthy to be major donors

**There is an extra £2billion a year of untapped potential to give in wealthy people in the UK, on top of the £5.5 trillion that is already given.**

**Unlocking even a proportion of this requires us to think more about the needs of our donors. A key audience in this mix are the future wealthy. In their 20s and 30s these individuals are currently building strong careers and businesses. Their giving for now is often transactional and scatter gun. But their potential to give will only increase in their future. However more is required for these potential donors to become strategic and change-making.**

**We believe that fundraisers, wealth advisors and employers can support these millennial wealth creators to make plans for a lifetime of giving starting with early engagement leading to a long term potential to become major donors.**

# The opportunity if we can reach them is immense...

Now, in the midst of a pandemic when need is increasing and the charity sector deficit is estimated at over £10billion<sup>1</sup>, these untapped donors have the potential to make change like never before. With the right systems in place to engage these millennial wealth creators, their giving behaviours have the potential to increase the funding to the charity sector in the UK to a level that would be transformative for the lives of many and the fabric of civil society in this country.

However, they need to be energised and engaged in new ways, they need to see their own capacity for making change and understand the best ways to achieve that. If they carry on along the path of transactional giving the charity sector, and those it supports, could be losing out on some of that £2billion a year.

In partnership, Beacon Collaborative and Savanta have undertaken an in-depth qualitative study looking into the motivations and experiences of young high earners. This work, funded by Arts Council England, is an important look at the top 10% of wealthy millennials.

By hearing the voice of the millennial wealth creators, this research sought to craft engagement strategies that increase their desire and willingness to break down barriers to giving. So that they give more, and give earlier in their lives by creating meaningful relationships with charities that bear fruit for longer.

# ...but there's a balance to be struck

The research showed us that there's a balance to be struck in giving motivations – whether that's about creating simple interfaces for seamless and reactive giving, tapping into the emotional drivers of giving, or indeed sparking thinking about giving as a holistic set of behaviours.

What's clear is that not all causes or even charities can balance these demands equally. But by understanding the giving styles of the future wealthy, we can start to identify opportunities to grow propensity for giving now and shore up the likelihood for greater giving in the future.

## Giving styles



**Good intentions,  
time poor**



**Locally focussed,  
money and more**



**Giving together,  
experience seekers**



**Change makers,  
systemic outlook**

<sup>1</sup> <https://www.probonoeconomics.com/news/pres-release-charities-facing-101-billion-funding-gap-over-the-next-six-months>

# Good intentions, time poor

*“...I thought I’d just do the Direct Debit and that, sort of, gets me on the right side of God, and I’ll go to heaven. It’s the feeling of, ‘Oh, that makes me a good person’. But I can’t really find the time to do the other stuff.”*

South East

## Their approach to giving:

Giving is emotional and important in the moment, but they don’t have time to dig into choices.

Characterised by:

- ◉ Reactive, in the moment giving
- ◉ Preferring organisations that do something tangible and immediate that they can see and understand
- ◉ Limited understanding of the charity sector more broadly
- ◉ Direct debits that start off being emotionally very relevant and become both forgotten about, but also hard to give up
- ◉ Giving smaller amounts to multiple organisations so often will not appear to be giving much to one organisation but are giving a lot in total
- ◉ A longer-term view that I’ll do more, when I have time

## Why this works:

They are too pressed for time to do anything else – but do want to help. They will give, and do all the time – and importantly will rely on financial donations.

## Challenges with this style:

You must be in their line of sight, they will rarely come to you. Though their giving is emotionally relevant in the moment, they can forget about their giving. And they rarely connect one act of their giving to another making it hard to build a relationship.

## What they need to grow their giving:

**Convenient and simple ways to donate** – especially if it’s enabled as part of something they are already doing – e.g. payroll giving, or via will writing services.

**Simple behaviour prompts** – e.g. review on pay rise better explanations of what the organisation actually does and why it is important in easily digestible videos and social media posts.

**Personalised messages** explaining the big picture and the need.

## What will turn them off:

Long newsletters, formal education programmes, complex access requirements to donate or volunteer.

## Watch words:

**SIMPLE**

**CONVENIENT**

**FINANCIAL GIFTS**



## CASE STUDY:

Claire is a full time doctor with a young family. She wants to give, and often is giving but it’s reactive and in the moment. Recently she had her will written through a service linked to a charity. This for her is perfect enabling her to get one bit of life admin ticked off, and feel assured that she’s going to do good in the future.

# Locally focussed, money and more

*“I feel like supporter, giver, donor, sponsor, helper [describe me as a giver]. So, for me, the things that denote more of a helping approach to it, as opposed to just purely financial.”*

London

## Their approach to giving:

These givers want to see the difference their charitable giving makes in a tangible and relate-able way.

Characterised by:

- ⦿ A focus on local charities
- ⦿ May be regularly volunteering with one institution
- ⦿ Not just financial donation, but products, items and time
- ⦿ Issues which do or could potentially affect them or their families
- ⦿ Will do fundraising through events for the organisations they support

## Why this works:

They are engaged donors, ready to talk about the work that local charities too. They confronted some of their own assumptions about the need for the charities they're engaging with. They will actively fund raise and bring others on that journey with them.

## Challenges with this style:

Because they are donating time, and encouraging others to give, they can fold this into the giving that they do – can be tricky to unlock more financial gifts.

## What they need to grow their giving:

**An understanding of how financial support benefits the charity**, without undermining the importance of the work they are doing.

**Opportunities to donate more than money** – food, household items, toys etc. will all encourage a sense of immediate impact in the giving they do.

## What will turn them off:

Too much focus on long term issues, or long term time horizons for helping. Direct requests for more donations (exception for crisis moments) – they often feel that they are doing a lot already.

## Watch words:

COMMUNITY

HELPING

INVOLVED



## CASE STUDY:

John gives regularly to a children's hospital, one that his daughter regularly attends. Though he makes regular and ad-hoc donations financially through the year, the thing that gives him the greatest impetus to remain engaged is seeing other children playing with the toys he has donated on the ward

# Giving together, experience seekers

*“It was a lot of coordinating, logistics, just a lot going on. So, although the pay off was absolutely great, it took a lot of work for us to put that together and I’m no event planner and neither were my friends or my sister who we were the ones carrying it all out”*

North

## Their approach to giving:

- Giving is an event, a chance to bring people together and do good as a group

Characterised by a focus on:

- Fundraising
- Group volunteering
- Organising events among friends, colleagues and relatives

## Why this works:

They want to do more, and when that feels out of their ability work hard to bring in others to bump up donations. Giving is well thought through and they take time and effort to be successful in their fundraising. Importantly they talk to people about what they’re doing (event) but also the charity (why it matters).

## Challenges with this style:

It is hard work, meaning it can drop away when life takes over. Though they feel supported by events teams at larger charities, it can sometimes feel too slick and corporate. Fatigue is building around a run list of similar events – e.g. bake sales, 5ks etc. They want more recognition of their efforts, but in a low key way.

## What they need to grow their giving:

**Innovation is style of event engagement** – help them push themselves to create greater engagement.

**Find ways to recognise their efforts** – whether that’s about small ceremonies to say thanks, or support in setting out the case for supporting the charity.

**Talking points to inspire conversations** – not necessarily about the work you do, but surprising issues that stick in the mind and give them something new to say.

## What will turn them off:

Same old events – its hard to engage others with something that everyone’s seen before. A lack of personal reward for their ‘additional’ efforts.

## Watch words:

**SOMETHING NEW**

**RECOGNITION**

**EFFORT**



## CASE STUDY:

Every year Jack organises a big BBQ for all his employees. Pulling together with his friends he organises catering, DJs, a venue and entertainment. He charges an entrance fee that covers the costs of the food and a charitable donation and all the money raised is donated.

# Change makers, systemic outlook

*“Systemic change is deeply exciting. I don’t think it’s separate from a passion. In fact, I think they’re absolutely interlinked... either you fund stuff that’s perpetuating, or you, in very smart ways, find a way of proving that there’s a completely different way of doing things. And that is massively exciting. And actually, it’s a game-changer for philanthropy.”*

Counterpoint group

## Their approach to giving:

Giving is part of being a force for good in the world. They want to tackle root cause issues and have long time horizons for impact.

Characterised by:

- Clear and detailed understanding of the charitable sector
- Significantly higher, often inherited, wealth levels
- A desire for close, authentic relationships with charities
- Tackling systematic issues with the patience for creating long term change
- Understanding the value of non traditional methodologies and deep alignment with campaigning and advocacy.

## Why this works:

They recognise their privileged position in the world and want to do something to equalise the playing field. They have an in-depth understanding and a willingness to give at large levels with no strings attached.

## Challenges with this style:

They want an authentic and close relationship with their charities. They need to understand not just successes but failures as well. They want to see progress so keeping them involved is important. They need the details, and are drawn to innovative techniques.

## What they need to grow their giving:

**A close relationship that feels like family.**

**Insider information on organisation**, approaches and successes and failures in efforts.

**Forums to engage with like-minded individuals**, where their wealth is not a judgement point.

## What will turn them off:

They will come to you, they don't want to be approached. Traditional events rarely appeal, this is about a mindset connection.

## Watch words:

**CONSIDERED**

**SYSTEMIC ISSUES**

**AUTHENTICITY**



## QUICK FACT:

**£5.5 trillion**

is set to transfer between generations in the UK by 2022

