

Next Generation Philanthropy:

*Why Today's 20-, 30- and 40-Somethings Are Giving
More Than Money – And How You Can, Too!*

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A New Generation is Doing Good!

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Introduction:

Who IS the Next Generation Philanthropist?

George Cavendish and his sister Sarah come from a long line of givers. Their great-grandfather, Cyrus Cavendish, started a manufacturing plant in the late 1800s. Specializing in small metal parts that were frequently used in other plant's machines, such as the tiny springs that held bigger gears together or their complete line of steel fasteners, Cavendish Manufacturing was perfectly poised to provide strong, reliable and specialized parts to all kinds of machinery and weaponry used by the US government in the first half of the 20th Century.

By then, of course, the plant was being run by George and Sarah's grandfather, Cyrus Jr., who put their father, Cyrus III, to work as soon as he graduated high school. Today Cavendish Manufacturing is one of the premiere suppliers of small machinery to not just the US government but a variety of countries around the world, creating a multi-national, multi-billion dollar firm.

One day, as George and Sarah have been made keenly aware, the business – and the money – will be theirs. George and Sarah Cavendish have watched their grandparents and parents give generously as a result of their elevated status in life, and they in turn plan to give generously as well.

After all, their great-grandfather's business venture has helped them attend the best schools in the nation, become friends with the "best of the best" as far as children of the major players in the American social, political, creative and financial scene and enjoy a host of benefits not available to 99% of the population.

Now, as mid-20-somethings coming into their own, they want to give in a way that is unique to them. For decades, their parents have given to worthy charities through the Cavendish Family Foundation. For the most part, the recipients of their family's charitable acts have been the usual suspects of local hospitals, colleges and other worthwhile charities.

While George and Sarah are proud of their family's "legacy of giving," they recognize that there is more to do and, what's more, that they have a social AND moral responsibility to give in a way that is unique to them and more beneficial to a world full of needy recipients.

How will George and Sarah give? Who will they give to? When, why and how much? These are all questions George and Sarah must answer for themselves and, in so doing, they will become what I like to call Next Generation Philanthropists.

Who Are the Next Generation Philanthropists?

George and Sarah – as well as the entire Cavendish family – are not alone. For centuries, wealthy families have been creating family trusts, foundations or arranging for grants to give back to those in need. Be they institutions, hospitals or individuals in need, millions of people have benefited from family philanthropy throughout the years.

Now more than ever, wealthy families are giving back. According to the *Christian Science Monitor*, “The number of family foundations has increased 60% in the past six years.”

And, according to the Minnesota Council on Foundations, “Family foundations are the most common type of grant-making organization in the country.” Finally, The National Council on Foundations (COF) “... estimates that approximately two-thirds of the nation’s private foundations are family foundations.” [Source: www.mcf.org]

Next Generation Philanthropists, like George and Sarah, are children of wealthy families, although most are in their young adulthood. This group wants to do more than write checks, they want to become part of a new movement.

They want to impact change, make more risk-taking grants that leverage greater change than the size of their donation and want to provide non-profits with support that not only improves lives – but inspires systemic change.

Next Generation Philanthropy

My name is Michael Chatman and I have made a career out of providing responsible, effective and appropriate strategies for philanthropists just like you. As the founder of Celebrity Philanthropy Agency, this book is a natural outcome of my long experience in corporate philanthropy, strategic philanthropy and next generation charitable investing.

I also founded the Association of Maverick Philanthropists, a national organization for small philanthropists giving up to \$50,000 annually to bring about social change in their local communities.

Rich Young Ruler, another organization started I started, is a peer-to-peer consulting firm, which provides coaching services and market intelligence to next generation philanthropists (21 to 40 years old) with financial wealth to use their philanthropic power to invest in reputable charitable organizations and causes to achieve maximum impact.

As a seminar leader and conference keynote speaker in the field of philanthropy, I have spoken to 25,000 next generation philanthropists from families with household net worth \$10 million and \$100 million.

In my new eBook, *Next Generation Philanthropy*, I want to help young philanthropists (ages 20 to 40) just like you learn more about how to give in a way that is personal – and appropriate – for you. The three parts of this book will help you learn more about *Next Generation Philanthropy* and, in the process, learn more about yourself:

- In **Part 1: *Do You Have What it Takes***, we'll discuss what I call *the 3 Traits of a Next Generation Philanthropist*. These three traits are **Passion**, **Purpose** and **Personality**. Learning more about these three traits will help you better prepare for a life of philanthropy.
- The world of Next Generation Philanthropy is a small one. There are so many billionaire and millionaires running around, and so many places to give that are worthy of the giving. Talking to others in your social circle can be extremely important. That's why in **Part 2: *Birds of a Feather***, we'll discuss *Networking with Other Next Generation Philanthropists*.
- Finally, in **Part 3: *The Big Plunge – Deciding How You're Going to Give***, we'll outline why it's so important to give in a way that is personal and unique to your own *Next Generation Philanthropy* needs. Giving requires persistence and dedication, so the more personal the cause is to you and your own interests, the more passionate you'll be about giving.

Regardless of how you give, how much and to whom, congratulations on becoming – or at least wanting to become – a Next Generation Philanthropist. Now

more than ever the world needs qualified, passionate and personal givers, and reading this eBook signifies a determined step in that direction.

Part 1:

Do You Have What it Takes? Identifying the 3 Traits of a Next Generation Philanthropist

Make no mistake about it: despite the current economic situation for most of America, the country's richest families are in no danger of having their legacies affected anytime soon. Instead, they are all making plans to transfer that wealth, to the tune of not just billions but trillions of dollars!

According to the Case Foundation, "Within the next 50 years, an estimated **\$41 trillion in wealth** will be transferred from one generation to the next." Where will all that money go and who will benefit?

In generations past, the transference of wealth was a strictly personal matter. And why shouldn't it be? Families worked hard to build companies and amass fortunes, whose business was it how they spent their money? Or, for that matter, how their children and their children's children spent that money?

Nowadays, wealth transference is seen as a huge opportunity for the younger generations to affect social change through family foundations, awarding grants and making generous donations to worthy charities.

It's called Next Generation Philanthropy and it's a way for modern inheritors to do more than just inherit money but, instead, to invest it – you might even say *re-invest* it – back into the country.

According to Alison Goldberg and Karen Pittelman, co-authors of *Creating Change Through Family Philanthropy* (Soft Skull Press, 2007), “Collectively, family funds control over \$209 billion. Yet currently only a tiny percentage of philanthropic resources support social change – one study estimates less than *3 percent* of all foundation giving. As the ‘next generation of philanthropists,’ we have the opportunity to dramatically increase that figure.”

Are you a Next Generation Philanthropist? Are you interested in doing more with your fortune than simply increasing its wealth or dispersing (all of) it to the next generation? If so, then you likely share what I like to call:

The Three Traits of the Next Generation Philanthropist

It takes more than mere desire to truly contribute in ways that are both personal and meaningful, so before committing to becoming a Next Generation Philanthropist, make sure that you possess the following three traits:

The First Trait: *Passion*

What causes are you passionate about? What social injustices do you feel you and your money could change? What has affected you most in your research to help make the world a better place?

If you are truly passionate about a cause, or several, that feel very personal to you, then you too could be a Next Generation Philanthropist. Rest assured, not everyone in your family – let alone your Family Foundation – is going to be as excited about your plans to help society as you are.

It requires passion and commitment to truly give back to the community, or the world at large, which brings us to our next trait:

The Second Trait: *Purpose*

I like to say that passion is the blueprint for giving, while purpose is the foundation you lay for actually going about the day-to-day steps required for truly contributing to a worthy cause.

So while you may have passion, take it one step further and ask: how are you feeling when it comes to purpose? Giving takes time, money – of course – but also planning and lots and lots of details to be covered.

There is paperwork to sign, expert advice to seek out, people to contact, mentors to seek advice from and foundations to create. Passion alone won't be enough to enter

into what I like to call “the business of giving,” so you must go about becoming a Next Generation Philanthropist with a sense of purpose as well.

The Third Trait: *Personality*

Finally, our third trait asks: Why are you doing this, personally? Large donors often have a personal stake in the foundation/charity of choice. So why are you giving to this particular charity, foundation, school, hospital or organization?

Next Generation Philanthropists aren’t just one-time donors but lifetime participants in their organizations of choice. They are in it for the long haul, and that means a deep and meaningful personal connection with those to whom they are giving. Are you ready to make that commitment on not just a professional, but a personal level?

If so, then you could just be ready to become a Next Generation Philanthropist.

Parting Words About The Three Traits of the Next Generation

Philanthropist

Many would-be philanthropists think money is all it takes to give, but as this chapter shows those who truly want to be “in it to win it” understand that giving is a long-term commitment that requires three very specific traits if you want to succeed:

1. Passion

2. Purpose

3. Personality

My goal in writing this book is to share with you how rewarding it can be to give, and now that you know what it takes to give, the next chapter is going to give you some valuable advice on how to connect with other Next Generation Philanthropists who can help you give more effectively.

Part 2:

Birds of a Feather – Networking with Other Next Generation Philanthropists

The beauty of this time in our country's history is that there has never been a better time to be a Next Generation Philanthropist. Why? You can thank computers, you can thank Wi-Fi, you can thank the internet, you can thank social media, but whoever you thank just know that getting – and staying – connected has never been easier, and for Next Generation Philanthropists this is making networking an everyday reality:

3 Simple Rules for Getting Connected

One of the first things I tell new clients is to “become a joiner.” What do I mean by that? I want my clients to feel good about what they're doing, to not just heed my advice or their financial planner's advice, but to take their own counsel into

consideration. Talking to other young philanthropists is a great way become confident, so that's why it's one of my very first suggestions.

I'll make the same suggestion to you: "Be a joiner!"

If you're new to philanthropy, getting connected with other philanthropists like yourself is important. This way you can feel good about how you're giving, who you're giving to and even how much. Like many social arenas, philanthropy is a world unto itself and the more fellow philanthropists you network with, the more comfortable you'll feel moving forward.

Here are three simple ways to do just that:

- 1.) **Find a group:** Google "connect with other philanthropists" and you will find a variety of national organizations that help philanthropists connect, network and even socialize.

- 2.) **Join a group:** There are groups on Facebook.com, Meetup.com, etc., where you can post messages, read forums, get insight, ask questions, even meet fellow philanthropists in person if you so desire.

- 3.) **Start a group:** If you're looking for a group but can't find the right one, or simply want to get more personal with other philanthropists in your local area, start a group and connect that way.

3 (More) Simple Rules for Staying Connected

Getting connected is a great way to hook up with other philanthropists who, like yourself, want to do more than just donate their money but literally want to change the world by making a difference.

Staying connected is just as important. Here's how:

- 1.) Be active:** Don't just join a group and never visit its website again, read its forums let alone post in them. Networking is like anything else in life; you get out of it what you put into it. The more active you are in the groups you've found, the more you'll get out of them.

- 2.) Be a leader:** Philanthropists are just like everybody else; there are leaders and then there are followers. I suggest you become a leader in all your philanthropic activities, particularly when you network with other philanthropists. If your group has been inactive for a few days, start a new discussion. If you haven't met as a group in awhile, setup a meeting. It's easy to let networking slide in the course of your daily activities, but staying connected is important so if others aren't pushing you to stay active, push them instead!

3.) Be focused: Networking is really only valuable when you do it with the right people. As you begin to network with other Next Generation Philanthropists like yourself, you may find yourself feeling like a fish out of water. Maybe this group isn't really active as you once thought, maybe this one's not quite serious enough for your taste. The goal of networking isn't to join the most groups or meet the most philanthropists but to spend time, share thoughts and exchange ideas with the most like yourself that you can find. So focus your networking activities on groups where you "fit" instead of spreading yourself too thin.

Parting Words About Networking with Other Next Generation

Philanthropists

Why is networking so important? I'm a born networker and have been doing it for years, and I can say that while I trust my own instincts and counsel first and foremost, I love to share ideas and communicate with others before moving forward.

Philanthropy is an area full of choices, and the more informed you are the better those choices you make will be. Remember, not everyone is where you are; not everyone can be a Next Generation Philanthropist, so networking with your own kind, with those who understand you, with those who have maybe "been there" and "done

that” more often than you, gives you more information than if you were to simply make choices in a vacuum all on your own.

Look, most of us won’t buy a book, see a movie, take a trip, ride an airline or buy a car without checking with our friends, without looking them up online without, in effect, networking with other people before making a decision. So networking with other Next Generation Philanthropists simply puts you in a position with more knowledge to do better.

And isn’t doing better what it’s all about?

Part 3:

The Big Plunge – Deciding How You’re Going to Give

The *great* thing about being a Next Generation Philanthropist is that there are **SO many ways to give.**

The *hard* thing about being a Next Generation Philanthropist is that there are **SO many ways to give.**

That’s right; you are at a critical juncture of your philanthropy experience. I call it “the Big Plunge.” After all, you’ve decided to give, you’ve made the commitment that you are going to change the world one organization at a time, but now you’re hard up against a choice: which organization first – and why?

In this final chapter of Next Generation Philanthropy we’ll explore what I call your “personal giving style” and why this is so important to choosing the right charitable donations for YOU:

Identify Your Personal Giving Style

We all have a personal style that suits us just fine. We have our style of dress, a style when it comes to watching movies or reading books, a music style, a style when it comes to going out and enjoying ourselves, a personal work style, so... why not a personal giving style?

How you give is unique to you. It defines you, in many ways; particularly as a Next Generation Philanthropist.

5 Types of Giving – And How They Fit Your Personal Giving Style

Giving is a very personal thing; we all have causes that are near and dear to our hearts. Now that you've defined your own personal giving style, what kind of organization will you help? There are many kinds of organizations, of course, but I've identified five of the most popular – and charitable – here to help see how they align with your own personal giving style:

- 1.) **Educational giving:** Many of my clients choose to give to colleges, universities or foundations as part of what I call educational giving. Educational giving is a great way to aid the future, as oftentimes such institutions are involved in cutting edge research to stop global warming, cure diseases or improve American diets, etc.

- 2.) **Medical giving:** If you or a loved one has been affected by cancer, diabetes, Parkinson's or some other disease, it may make sense for you to be a part of medical giving, donating time, energy, resources and money to a certain hospital, a certain branch of research, a certain foundation or a certain group to help raise awareness of such conditions.
- 3.) **Organizational giving:** Charitable organizations are more popular than ever, and if you look close enough you will likely find one that's just the right fit for your own personal style of giving. Perhaps you want to help stop bullying in our schools; chances are, there's a group for that. Perhaps you want to foster reading in elementary schools; chances are, there's a group for that.
- 4.) **Economical giving:** You might consider all giving economical, but that's not quite what I mean. What I mean by "economical giving" is helping buttress the economies, or economic situation, of certain groups here and abroad. Maybe you want to improve the economic chances of underprivileged youths in American inner cities. Perhaps you want to improve the economies of certain Third World Countries, like Africa. Giving economically is a great way to satisfy your need to give and their need to improve their economic standing.

5.) **Environmental giving:** Saving the planet, that's what environmental giving is all about! Saving the whales, stopping dolphin hunting, helping replenish the number of snowy egrets in the Everglades, doing away with plastic grocery bags or water bottles – these are the types of causes that attract the attention of my clients who I refer to as “economical givers.”

Parting Words About Taking the “Big Plunge”

As we have just seen, giving is a very personal, oftentimes very private thing. How you give should match your personal style of giving, be it for an educational, medical, organizational, economical or environmental cause.

There is no right or wrong way to give; where I'm concerned, all giving is good. However, not all philanthropists were designed to give equally. Your personal background, your family makeup, your life experiences, your personality, your ethical conscience, even your religion can have a huge impact on how you give, who you give to and even how much.

As a Next Generation Philanthropist there has never been a better time to give, because there are simply so many opportunities to give. The choice is yours, but before making “the Big Plunge” do yourself – and the charities you ultimately give to – a favor and pick the right one for both of you.

Conclusion:

How You Fit In – Becoming the Next Generation

Philanthropist

It is a wonderful feeling to be in a position to help so many people, but of course those in positions of great authority are also weighed down with great responsibility. As a next Generation Philanthropist you are part of a growing breed of givers; young people in your 20s, 30s and 40s who see a world in need and are determined to do your part to fix it, one way or another.

Giving is a very special, very personal matter, and I hope that in this eBook you have found value in the subject matter I've explored. In summary, we've identified *the 3 Traits of a Next Generation Philanthropist* in **Part 1**. Next, in **Part 2**, we explored *Networking with Other Next Generation Philanthropists*. Finally, in **Part 3** we discussed *The Big Plunge – Deciding How You're Going to Give*.

It's important to discuss these matters, with yourself, with your family, with your friends and colleagues, and particularly with a trusted financial advisor. Now more than ever the opportunities for giving – as well as the dangers – are great.

Identifying where to give is important because it allows you to research how to give and, just as importantly, who is truly worthy. The opportunity for scams is ripe in the philanthropy arena, and hopefully books like this one will help you avoid such inevitable pitfalls on your own path to becoming a Next Generation Philanthropist.

About the Author:

Michael Chatman



Michael Chatman is founder of Celebrity Philanthropy Agency, a natural outcome of his long experience in corporate philanthropy, strategic philanthropy and next generation charitable investing.

He founded Association of Maverick Philanthropists, a national organization for small philanthropists giving up to \$50,000 annually to bring about social change in their local communities.

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philanthropic power to invest in reputable charitable organizations and causes to achieve maximum impact.

As a seminar leader and conference keynote speaker in the field of philanthropy, he has spoken to 25,000 next generation philanthropists from families with household net worth \$10 million and \$100 million.

Previously, he was a concert promoter for Seven Figures, Incorporated, overseeing a multi-million dollar corporate sponsorship budget and working with the nation's top music artists, bands and celebrities.

Anheuser-Busch Companies hired Michael through his foundation (Michael Chatman Foundation) as a company spokesperson to help to reduce underage drinking and promote responsible drinking. This partnership resulted in Michael speaking to more than three million high school and college students in all 50 states in the United States.

Michael received a Bachelors of Arts in Political Science with an emphasis in public speaking and persuasive communication from Missouri State University; and received a Post Graduate Certificate in Entrepreneurship with an emphasis in launching new ventures and for-profit social enterprise from Harvard Business School.