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CHEAT SHEET

# Baby Boomer Philanthropy

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A guide to baby boomers' wealth, health care, and giving

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## Key takeaways

- **They are the wealthiest generation this decade.** Baby boomers will continue to hold the most cumulative wealth in the U.S across the 2020s.
- **Their health care utilization is traditional.** Baby boomers are the top consumers of chronic care and the least likely to break physician referrals.
- **They are the largest donors but not necessarily the most winnable.** Baby boomers dominate major gifts pipelines, but are already ingrained in their giving priorities and have relatively low affinity following care experiences.

# What is it?

Baby boomers represent the largest share of hospital donors. Advisory Board’s [Patient Gratitude Survey](#) found that baby boomers account for 47% of all grateful patients donors, a figure that is largely due to their over-representation in patient demographics. In fact, on an individual basis, baby boomers are the least likely adult generation to develop philanthropic affinity for hospitals following care. The survey found that Generation X and millennials both have a 12% affinity rate, which is double that of boomers, who were found to have a 6% affinity rate following care.

Baby boomers (born between 1946 and 1964) represent 25% of the U.S. workforce and include 71.6 million Americans. Baby boomers are a unique generation for hospital philanthropy for a number of reasons:

- **Unprecedented wealth accumulation:** Baby boomers hold 57% of the total household wealth in the U.S., the most of all living adult generations. They will continue to hold the largest share throughout this decade. Baby boomers gained their wealth from an impressive rise in the stock market, a booming real estate market, and a generally stable economy.
- **Physician-centric and loyal care users:** Baby boomers are institutionally loyal health care users. An Advisory Board [survey](#) found that 47% of baby boomers would prefer to receive primary care from a provider affiliated with a hospital or medical group they’ve used before. This generation also places a high premium on being treated by a physician, rather than advanced practice providers.
- **Most charitable generation:** Baby boomers make up the largest portion of total giving, with a total of \$60 billion in donations in FY2017. This represented 41% of all individual giving in the U.S., twice that of Generation X and four times that of millennials.

Source: "Distribution of Household Wealth in the U.S. since 1989," Federal Reserve; "Millennials overtake Baby Boomers as America's largest generation," Pew Research Center, 2020; "The future of wealth in the United States," Deloitte Center for Financial Services, 2015; "Generations Are Changing and so Should Fundraising," The NonProfit Times, 2018; Advisory Board's Patient Gratitude Survey; Advisory Board analysis

# Why does it matter?

There's no doubt that baby boomers are valuable donors and prospects to hospitals, but they're complicated. They consume more care than younger generations, but they exhibit less gratitude following care episodes and have more competing priorities. Development teams need to be aware of four trends when creating their baby boomer strategy this decade:

- **Baby boomers are retiring at a rapid pace.** Retirees tend to donate more, both in dollars and time. In 2015, a Merrill Lynch [report](#) found that 65% of retirees say retirement is the best time in life to give back, largely due higher amounts of savings and excess discretionary time.
- **Baby boomers are entrenched in their giving priorities.** This generation supports 4.2 charities annually, the most of all adult generations. They reliably give to the same organizations over and over again, so it will be hard to win them as new donors.
- **Baby boomer affinity is concentrated in high-acuity services.** Although baby boomers make up the largest share of hospital patient volumes, their experiences don't necessarily convert to gratitude. Advisory Board's [Patient Gratitude Survey](#) found that baby boomers have the least affinity following care, less than both Generation X and millennials. However, baby boomer affinity is strengthened when their experiences are based in complex care. Baby boomers are 55% percent more likely to develop affinity following an inpatient episode than an outpatient episode.
- **Baby boomers influence their family's giving priorities.** Baby boomers will not only pass on their wealth to younger generations, but will also pass their charitable priorities. A [survey](#) from the Johnson Center for Philanthropy found that 89% of Generation X or millennial donors say they are influenced by their parents' philanthropic giving. Planned giving officers should consider how they're engaging the children of prominent donors.

Source: "Giving in Retirement: America's Longevity Bonus," Merrill Lynch, 2015; "The Next Generation of American Giving," Blackbaud Institute, 2018; "#NextGenDonors," Johnson Center for Philanthropy and 21/64, 2013; Advisory Board's Patient Gratitude Survey; Advisory Board analysis.

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## How does it work?

Baby boomers approach philanthropy in a traditional manner. A Fidelity Charitable [report](#) found that baby boomers prefer to give to well-established nonprofits with proven track records and they trust organizations to use donations effectively. They view a hospital's brand as a strength and attach to typical funding priorities, like capital campaigns.

Baby boomers dominate major gift pipelines. Not only does this generation give the most, but they give higher dollar amounts. This trend will likely continue as they are the only generation to increase in the percentage of their cohort who plan to donate in upcoming years.

This generation still engages with direct mail, but is open to new outreach methods. The [Patient Gratitude Survey](#) found that 32% more baby boomers prefer mail outreach than millennials and Generation X. However, in recent years baby boomers have increased their giving online via websites and social media.

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### BABY BOOMERS AND FUTURE DONATIONS

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# 75%

A Blackbaud Institute [survey](#) found that 3 out of 4 baby boomers expect to give the same or more in upcoming years.



Boomers are happy with giving to big institutions. They trust in their institutions, churches, and hospitals.

**Phil Barker**, *Executive Director, Estate and Gift Planning*  
St. Joseph Hospital Foundation

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# Conversations you should be having

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Brainstorm family legacy engagement strategies. Consider inviting donor family members to philanthropy education events or impact reporting meetings.

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Reconsider your stewardship strategy for the baby boomer generation. For example, create robust volunteer opportunities and events that target this generation.

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03

Analyze current and projected baby boomer utilization patterns at your organization. Target your outreach to baby boomers with high-acuity care.

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These conversations can help you curate a comprehensive baby boomer strategy that focuses on prospect identification, case-making, and engagement. 

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