
CHEAT SHEET

Millennial Philanthropy

A guide to millennials' wealth, health care, and giving

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Key takeaways

- **Wealth is on the rise.** Millennials have significantly less wealth than older generations. But they are forecasted to increase their share of household wealth at a faster rate than Generation X or baby boomers between 2020 and 2030.
- **Preferences and views are disrupting health care.** Millennials use nontraditional care sites and hold progressive viewpoints that will alter the status quo of the health care industry.
- **Giving is motivated by personal causes and creating impact.** Millennials choose organizations based on their cause. They are less driven by institutional loyalty than past generations.

What is it?

Millennials today represent a relatively small share of hospital donors, but that's more likely a reflection of traditional inpatient demographics than the quality of millennials as prospective givers. Advisory Board's [Patient Gratitude Survey](#) found that millennials account for 15% of all grateful patients donors, yet develop higher philanthropic affinity following care than baby boomers or the silent generation.

The millennial generation (born between 1981 and 1996) represents 35% of the workforce and includes 72 million Americans. Millennials are a unique generation for a number of reasons:

- **Least affluent adult generation.** Millennials currently hold 2.7% of total household wealth. This generation's low net worth is due to delays in marriage and joining the workforce, student loan debt, and significant housing costs.
- **Most consumeristic health care users.** Millennials are more open to using alternative care sites and less loyal to primary care providers (PCPs) than other generations. A recent Advisory Board [survey](#) found that only 19% of millennials plan to stay with their current PCP, and 50% used an alternative care site in the past year.
- **Greatest advocates for more government.** Most millennials (64%) believe the federal government needs to be doing more to solve social and economic issues. In contrast, Gen Xers (53%) and baby boomers (49%) are more split.

Why does it matter?

Many charities regard investing in millennials as a long-term strategy because the near-term financial return is low. Millennials have indisputably little wealth when compared to older generations. However, hospital philanthropy leaders open themselves up to significant blind spots by overlooking millennials.

Millennial prospects are a high-risk, high-reward opportunity to those willing to invest in their philanthropy early on. Four trends highlight the case for building an effective engagement strategy:

- **Millennials already develop significant affinity following care experiences.** Advisory Board's [Patient Gratitude Survey](#) found that 12% of millennials made a hospital donation and/or intended to make a donation after receiving care, which is 2x higher than baby boomers and 1.3x higher than the silent generation.
- **Millennial wealth is on the fastest incline of any generation.** They're projected to double (2.3x) their net wealth by 2030. They will accumulate their assets by forming households, growing savings, and receiving large bequests. Early engagement with millennials will likely pay dividends in later years.
- **Millennials are currently forming their charitable priorities.** Millennials support fewer charitable organizations (approx. 3.5 charities per year) than all other adult generations. This indicates an opportunity for hospitals to capture and channel their growing enthusiasm for philanthropy.
- **Millennials are changing health care via consumerism and political action.** Most millennials, 63%, support some type of government-financed "Medicare for All" health policy. By not creating meaningful opportunities for millennials to pursue their interests in health equity through philanthropy, hospitals may risk future alienation of this large demographic.

Source: "The future of wealth in the United States," Deloitte Center for Financial Services, 2015; "Millennial life: How young adulthood today compares with prior generations," Pew Research Center, 2019; "Millennial homeownership," Urban Institute, 2019; "The Next Generation of American Giving," Blackbaud Institute, 2018; "National Tracking Poll #200106," MorningConsult and Politico, January 2020; "Millennials approach Baby Boomers as America's largest generation in the electorate," Pew Research Center, 2018; Advisory Board's Patient Gratitude Survey; Advisory Board analysis

How does it work?

Millennials tend to give to causes, not organizations. This generation actively seeks out organizations that best suit the cause they care most about, rather than staying loyal to one organization regardless of cause.

Millennials are passionate about social issues and civil liberties, according to a Fidelity Charitable [report](#). Hospital philanthropy leaders report similar findings; health equity issues, such as the access to care, resonate more with millennials than “shiny” capital projects.

Millennials are an impact-driven generation that want to be personally involved with the organizations they support. When asked how they could make the biggest impact, millennials cite volunteering (24%) and peer-to-peer fundraising (10%) in addition to giving money (30%). This generation has had a significant role in the rise of crowdfunding in recent years.

Finally, millennials value convenience, as exhibited by their digital engagement and preference for multichannel giving options. In addition to direct mail, they give online through websites, social media networks, and via text/SMS.

MILLENNIALS AND CROWDFUNDING

48%

A Blackbaud Institute [survey](#) found that 48% of millennials reported giving to a crowdfunding campaign in 2018, which is the highest rate among all generations.



Millennials are much less motivated by steel and glass and shiny technology...they're more motivated by what the building is going to do.

Dan McCormack, *Vice President of Philanthropy*
Hospital Sisters Health System

Conversations you should be having

01 Brainstorm prospect identification methods that encompass nontraditional care sites, such as telehealth.

02 Reconsider engagement strategies that exclude millennials from current fundraising activities. For example, examine the effectiveness of age cutoffs in patient mailings.

03 Analyze current and projected millennial utilization patterns at your organization. Use patterns to predict where you need to invest in millennial prospects and clinical allies. Coordinate with your marketing team to better understand market intelligence

04 Discuss ways to investigate which priorities stick with millennials, either through A-B testing or focus groups. Collaborate with your population health team to develop the right funding priorities that resonate with millennials in your community.

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

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