

# The Golden Age of Philanthropy is Dead . . . *Now What?*

## *5 Trends That Will Impact Your Ministry*

MISSION INCREASE FOUNDATION  
DAVE FARQUHAR & ERIC FOLEY

DECEMBER 2009

## The Golden Age

1998 to 2052 the wealth transfer will be \$41 trillion,  
and may well reach double or triple that amount.

“Millionaires and the Millennium:  
New Estimates of the Forthcoming  
Wealth Transfer and the Prospects  
for a Golden Age of Philanthropy.”

John J. Havens and Paul G. Schervish  
Report Released October 19, 1999

## The Golden Age is Dead: 5 Trends

- It DID stop: It died . . .
- “The golden age of philanthropy is definitely over.”

Bruce Matthews, VP Campbell & Company, July 2009, The Council For Advancement and Support of Education

## The Golden Age is Dead: 5 Trends



UCLA Anderson  
**FORECAST**

The Leading Independent Forecast Providing Insight to Decision Makers in Business, Academia, and Government

50 YEARS  
OF INSIGHT

In its third quarterly report, issued, September of 2009, the UCLA Anderson Forecast concludes; “*Simply put, the Forecast believes that the roots of the recession originated in consumer over-indebtedness.*”

## The Golden Age is Dead: 5 Trends

### Trend 1 Ferocious Times

- Turbulence is Part of the New Normal
- All is Politicized
- Post Christian Era
- Economy and Social Structures in Crisis

### Will lead to . . .

- Buckle Up!
- 100,000 & 100
- NPO/FP Endangered List
- 40% in 40
- Increased Need
- Jobless Recovery

## Jobless Recovery

“Stocks are soaring and the economy is humming, but the unemployment rate is climbing inexorably to 10 percent.

What’s wrong with this picture?

Welcome to the jobless recovery.”

The Hill (Website)  
Jobless economic recovery settles in  
Ian Swanson - 09/29/09

## Past Recoveries & Job Rates

- '50's Jobs grew at 62.65% of the Population
- '60's Grew at 71.27%
- '70's Grew at 68.88%
- '80's Grew at 84.76%
- '90's Grew at 75.45%
- 2000's Job's have grown at 19.57% rate

The Current Population Survey (BLS)  
4/20/2009 <http://www.bls.gov/data/>

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## The Coming Tsunami

- It's the calm before the reporting storm. Eventually, they all have to take into account the economic collapse of 2008 and when they do it could be an economic tidal wave that crashes down on next year's . . . organizations.

*Trouble on the Horizon*

Mark Hrywna

The NonProfit Times

November 1, 2009

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## The Golden Age is Dead: 5 Trends

### Trend 2: The Next Wave

### Will lead to . . .

- Giving down for 80%
- Major Gifts
- Foundation Giving
- Volunteerism
- Bequests



## Foundation Giving

- The nation's grant makers lost \$150-billion in assets last year a figure nearly comparable with their total giving over the past four years.
- 40 percent of grant makers say they expect giving to decline in 2009.
- Grant makers will cut giving this year — and next.

Noelle Barton  
Chronicle of Philanthropy  
March 31, 2009

## Foundations Down

- If the market trades exactly sideways for the rest of the year, required foundation giving in 2010 is going to fall another 23% compared to 2009.
- In other words, from the standpoint of foundation giving, more than half of the impact of the stock market crash has yet to be felt.

Sean Stannard-Stockton  
Tacticalphilanthropy.com  
September 25, 2009

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## The Shaken Pyramid

- “The bursting of the Wall Street and housing bubbles means there isn’t as much money as there was three years ago. And that means the gift pyramid—the structure that shows where most of a campaign’s donations come from—is likely to change.”

The Chronicle of Philanthropy  
By Kathryn Masterson  
July 13, 2009

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## The Golden Age is Dead: 5 Trends

### Trend 2: The Final Wave

- Giving down for 80%
- Major Gifts
- Foundation Giving
- Volunteerism
- Bequests



### Will lead to . . .

- 93% Negative Impact
- Another Round of Cuts
- Some Left Behind
- Mergers & Partnerships
- Not Coming Back Soon

## The Golden Age is Dead: 5 Trends

### Trend 3: New Philanthropy

- Kingdom Focus
- Anti-Institutional
- Informed & Active
- Greater Expectations
- Movement Seekers
- Asset Based Giving

### Will lead to . . .

## Anti-Institutional

- Millennials value peer relationships over institutional loyalty. This has profound implications for activist organizations accustomed to support from their donors over long periods of time. Young people are unlikely to be lifelong donors to their local United Way or Sierra Club. They will engage enthusiastically in specific campaigns about which they feel passionate, but their institutional support is likely to vanish once that campaign ends.

Allison Fine

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## The Golden Age is Dead: 5 Trends

**Trend 3: New Philanthropy** Will lead to . . .

- Kingdom Focus
- Anti-Institutional
- Informed & Active
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- Movement Seekers
- Asset Based Giving

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## Asset-Based Giving

- 90% of net worth is asset-based
- 80% of assets offered to NPOs are not accepted
- Asset-based Giving increased 10 fold (NCF 11/2009)
- Building businesses to be income generators
- John's Story and a College

## The Golden Age is Dead: 5 Trends

### Trend 3: New Philanthropy

### Will lead to . . .

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Kingdom Focus</li><li>• Anti-Institutional</li><li>• Informed &amp; Active</li><li>• Greater Expectations</li><li>• Movement Seekers</li><li>• Asset Based Giving</li></ul> | <ul style="list-style-type: none"><li>• Death of the Middleman</li><li>• Donor Loyalty Adrift</li><li>• Donor Relationship Makeover</li><li>• P-E-O</li><li>• NP/FP = Morphing</li></ul> |
|---|--|

## The Golden Age is Dead: 5 Trends



### Trend 4: The New Champion Will lead too . . .

- Verbs Vs Nouns
- The Sixth Man
- Experiential
- Demand for Solutions
- Builders VS Buyers
- Evidence Based Performance
- Actors Not Audience
- Discipleship
- Greater Ownership
- Income to Impact
- Capacity Building

## The Golden Age is Dead: 5 Trends



### Trend 5: The Old Paradigm Can Become . . .

- Babel
- Silos & Solos
- “Our” Donors
- Divisions & Disunity
- God Looking Down
- Acts 2
- God’s Kingdom
- Co-laborers/Disciples
- They ALL Understood
- Emmanuel-ized

## Continue the Conversation



- To ask additional questions or share ideas, visit [www.missionincrease.org/forums](http://www.missionincrease.org/forums).
- For additional training and workshops, register online at [www.missionincrease.org](http://www.missionincrease.org).
- Check out [shop.missionincrease.org](http://shop.missionincrease.org) for Transformational Giving books, DVDs and other great resources from Mission Increase Foundation all 30% off through the end of January, 2010.