



EXECUTIVE SUMMARY

A tradition of giving

New Research on Giving and Volunteering Within Families

“Amongst democratic nations, each generation is a new people,” wrote Alexis de Tocqueville (a French political thinker and historian). In the present-day, this truth is profoundly felt—America is undergoing a substantial demographic transition. The Baby Boomer generation is approaching retirement, and the younger Millennial generation is establishing its economic influence for the first time.

While the Millennial generation is more racially diverse and politically liberal than its parents’ and grandparents’ generations were, shared preferences, environments, income, wealth, and consumption patterns, and other determinants of individual giving are still being passed between the increasingly interdependent generations: Pre-Boomers (born before 1946), Baby Boomers (born 1946-1964), Generation X (born 1965-1980), and Millennials (born 1981-present).

The inter-connectedness of these distinct generations has been a popular area of study recently and is often discussed by the media. However, much is yet to be known about how family and social environments shape children’s attitudes about giving and how specific generational factors within the family context influence children’s giving behaviors.

This project, a partnership between Indiana University Lilly Family School of Philanthropy and Vanguard Charitable, looks specifically at the tradition of giving: intra-family connections in giving and volunteering across generations. We offer new insights into the factors associated with generosity between family members and provide a first-of-its-kind look at the transmission of giving behaviors from grandparents to grandchildren, in addition to examining the parent-child dynamic.

Since individual giving is the largest source of charitable giving in the United States, comprising nearly two-thirds of all philanthropic donations, this is the time for nonprofit organizations, donors, and advisors who work closely with individual donors to develop a better understanding of these distinct, yet connected, generations.

RESEARCH QUESTIONS

To learn about the ways in which family members influence each other’s giving behaviors, the study focuses on the following two questions:

How closely do parents and grandparents match their children and grandchildren in terms of their philanthropic priorities?

How do socio-demographic factors explain the similarity or dissimilarity in philanthropic priorities between parents and their children?

DESCRIPTION OF DATA

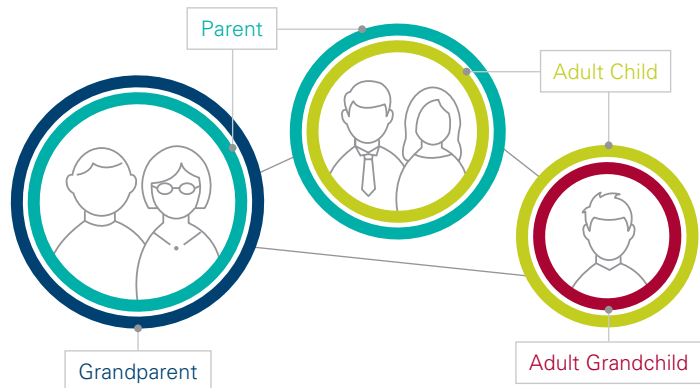
Using a combination of qualitative and quantitative data, the study includes a comprehensive look at philanthropic trends within families, offering the perspective of a wide-range of families over time, as well as individual commentary on giving from families at a single point-in-time.

Philanthropy Panel Study: For more than a decade, the Lilly Family School of Philanthropy's signature research project, the Philanthropy Panel Study (PPS), has tracked the philanthropic behaviors of families throughout their lives. The PPS is the nation's largest and only ongoing study of philanthropy, which surveys the giving behaviors of approximately 8,000 families every two years. The longitudinal data available in the PPS provides a unique opportunity to conduct new research on intergenerational connections.

Vanguard Charitable Client Interviews: Representatives from Vanguard Charitable, a national donor-advised fund, conducted client interviews with five families. Participants were asked to recall how their childhood, as well as how their grandparents' or parents' charitable choices, may have shaped their philanthropic priorities, and in turn, how they may be shaping the next generation's giving interests.

DEFINING THE GENERATIONS

The study's generational cohorts differ from traditional generational cohorts. While they include individuals across four generations (Pre-Boomer, Baby Boomer, Generation X, and Millennials), our generational cohorts are formed based on roles within the family structure, which allows us to examine intra-family giving patterns. The roles include: Adult Child, Parent, Adult Grandchild, and Grandparent. Individuals can reside in multiple generational cohorts.



KEY FINDINGS

Parents' decisions to give to charity influences their children's decisions to give.



- ▶ Parents who **give** financially to charitable organizations are more likely to have **children** who also **give** financially to charitable organizations.
- ▶ Parents and their **children give similarly** to religious, international, environmental, and arts-related organizations.
- ▶ Parents whose financial **giving** is more **concentrated** (i.e., they give to fewer subsectors) are more likely to have **children** who **give** financially to **religious** organizations.

Parent volunteering has a two-fold impact on children.



- ▶ Parents who **volunteer** for charitable organizations are more likely to have **children** who also **volunteer** for charitable organizations.
- ▶ Parents who **volunteer** for charitable organizations are more likely to have **children** who **give** to charitable organizations.

While the philanthropic priorities of parents and their children are more closely matched than those of grandparents and grandchildren, grandparents still influence giving.



- ▶ High-net-worth **grandparents** who **give** to **arts-related** organizations are **more** likely to have **grandchildren** who **give** to **arts-related** organizations.
- ▶ **Grandparents** who **give** to **basic needs** organizations are **less** likely to have **grandchildren** who **give** to **basic needs** organizations.

The giving—both overall and specifically, religious—of parents with certain attributes has a stronger influence on their children’s giving than that of the parents’ counterpart.



- ▶ **Age:** Parents who are **closer in age** to their children have a **stronger influence** on their children’s giving than parents who are further in age.



- ▶ **Family Structure:** Overall giving by parents from **intact families** (those who have not experienced a marital transition) has a **stronger influence** on their children’s overall giving than parents from families in which a marital transition has occurred.



- ▶ **Helping Behavior:** Parents who **spent time helping** their children within the previous year have a **stronger influence** on their children’s giving than parents who did not help their children.



- ▶ **Race:** Religious giving by parents has a **stronger influence** on children’s religious giving in **white** households than in black households.



- ▶ **Head of Household Gender:** Religious giving by parents in **male-headed households** has a **stronger influence** on their children’s religious giving than in female-headed households.

- ▶ **Education:** Religious giving by **college-educated** parents has a **stronger influence** on their children’s religious giving than religious giving by non-college-educated parents.

- ▶ **Income/Wealth:** Religious giving by **high-net-worth** parents has a **stronger influence** on their children’s religious giving than religious giving by non-high-net-worth parents.

- ▶ **Religious Attendance:** For children of **high-attending parents**, parental religious giving has a significant **positive** effect on the child’s religious giving. Also for children of **high-attending parents**, parental secular giving has a significant **negative** effect on child religious giving. For grandchildren of **low-attending grandparents**, grandparent secular giving has a significant **negative** effect on grandchild religious giving.

Most people prefer to leave their estate to family, rather than to a religious or secular charity.



- ▶ The majority of respondents (grandparents, parents, and children) indicated it was important to leave their **estate** or inheritance to their **children or other relatives**.

- ▶ When asked whether it was important to leave one’s estate or inheritance to a church, synagogue, mosque, or religious organization, more grandparents than parents or children found this to be important. Whereas, when asked whether it was important to leave one’s estate or inheritance to a secular charity, more parents and children indicated this was an important goal, compared to grandparents.

WHAT DOES THIS MEAN FOR INFLUENCERS?



Parents

No matter your background or philanthropic activities, you influence your children's charitable behaviors. While the specific organizations your family supports may change over time, the value of "giving back" gets passed down. The best step: Volunteer or give together. Engaging in a charitable activity together is a more effective means of promoting philanthropic interests than simply encouraging giving.



Grandparents

Cultivate your grandchildren's philanthropic interests by participating in charitable activities together. Create an experience; for example, volunteer with them at a soup kitchen, take them to the theatre or a museum, or provide them with donation envelopes to give at your congregation.



Nonprofit Organizations

Tap into the giving traditions within families. Volunteering is a great tool to do so: Consider developing intra-family volunteer opportunities that allow the entire family to participate (e.g. multi-generation-friendly activity that is offered outside the work day) and develop the natural interests that are born from engaging together.

CONCLUSION

In the changing American landscape of the 21st century, the trends identified within the study—both inter- and intragenerational charitable giving behaviors—become increasingly important to the philanthropic sector, as well as donors and their advisors. Even as demographics transition, since grandparents, parents, and their children often share preferences, environments, and patterns of income, wealth, and consumption, we should continue to see connections between the generations, at least within families.

We assessed intra-family connections across generations to learn about the transmission of giving attitudes and behaviors within families. We also offered new insights into the factors associated with generosity between family members and provided a first-of-its-kind look at the transmission of giving behaviors from grandparents to grandchildren. Future research should continue illuminating the ways the tradition of giving gets passed down through the generations, especially within families.

To read *A tradition of giving in full*,
visit influencegiving.org/research