

# A new way to give back

The charity and not-for-profit (CNPO) sectors are changing at a breakneck pace, not just in Canada but around the world. Shifts in demographics, technology, socioeconomics and cultural views are completely redefining how people view charities and NPOs—leaving these organizations but one choice: change with the times or get left behind.

In a recent Grant Thornton CNPO roundtable, we sat down with CEOs and Executive Directors from a number of Canadian charities and NPOs to understand how this changing world is impacting their organizations. In this series, we explore three of the group's top challenges—shifting demographics, a growing demand for diversity and emerging technology—and offer pragmatic solutions to help your organization move forward in the face of them.

In this first installment, we explore how changing demographics are altering the CNPO landscape and what CNPOs can do to make the most of this shift.



## Motivating Millennials: What every charity and NPO should know

With older Millennials now entering their mid-30s, it's clear this generation sees the world in a completely different way than those that came before. For charities, this has translated into altered dynamics around philanthropic giving. For instance, while past generations were often loyal to specific organizations, younger generations typically prefer to spread their charitable dollars around. Given that most Millennial households bring in less than the Canadian median income of \$70,336, they also have less money to donate, which is possibly why they're more willing to volunteer than past generations.<sup>1</sup>

A similar challenge exists in the NPO space. With less disposable income, potential members are less willing to pay annual fees simply to join an organization. Instead, they want greater value for their money, whether that comes in the form of access to useful resources, career assistance or networking opportunities.

While these trends are negatively impacting the amount of funds many organizations can raise (only 48 percent of Millennials currently donate to charities, compared to 87 percent of Baby Boomers<sup>2</sup>), they also have the potential to open the doors to new opportunities. To seize them, however, CNPOs need to better understand how younger donors, members, volunteers and staff prefer to offer support and find ways that will enhance their levels of involvement.

In many ways, this will require shifting course, doing things a little differently and adopting practices that resonate with a younger demographic. Specifically, organizations need to revisit how they engage with supporters, fill their boards, and hire and retain staff.

## Win over a new generation of supporters

As each new generation of charitable donors and organizational members comes of age, potential long-term supporters are born. For this reason, it's worth your while to invest the time and resources to connect and engage with these contributors—even if they are not currently in the position to provide traditional levels of support.

To maximize a generation's giving power and involvement, organizations must take the time to understand each new cohort—and their motivations. Millennials, for instance, generally struggle with lower salaries and higher housing costs, leaving them with little disposable income. On the flip side, they have proven to be generous with their time—preferring to volunteer for causes and join organizations that resonate with them—and are willing to dole out cash on occasion.



### Offer flexible engagement opportunities

Millennials generally prefer short-term commitments—think pay as you go gym memberships instead of annual, for example. Offering short-term volunteering opportunities or flexible NPO membership models can encourage people to commit longer term later on.

Once you understand your target supporters and what matters to them, it's essential to clearly communicate your cause—and, since younger individuals tend to get most of their information virtually, this involves establishing a strong online presence. This has traditionally been a weak spot for CNPOs. In a 2017 Grant Thornton survey, many CNPOs admitted their websites weren't easily-accessible, mobile-friendly or aesthetically pleasing. While some had active Facebook and Twitter accounts, few had robust strategies for using them—and the vast majority were inactive on some of the more popular channels, such as Instagram and SnapChat.



Encourage Millennials to go from interested to involved by **making sure your website and social media posts are current** as these are the first places they'll be checking to learn more about your organization. You can also get prospective supporters involved by enlisting them to help keep your social media accounts up-to-date.

Additionally, because most Millennials prefer to donate their time rather than money, charities would be well-served to embrace this interest and find new ways to integrate volunteers into their organizational structures. In the same vein, NPOs need to find more flexible ways to engage people who do not want to become full members, but who would be willing to pay for services they value (such as educational content or events).

To achieve this, you'll likely have to take a long look at what your organization needs to succeed in today's environment and identify how your supporters can fit into that overall plan. You can then be strategic in how you reach out to members and volunteers—for instance, by targeting individuals with social media talents to bolster your social media presence or actively engaging with members who want to be more involved and connected—increasing your chances of uncovering individuals who can actually help your organization move into the future.

<sup>1</sup> <https://abacusdata.ca/charities-in-trouble-how-millennials-are-changing-how-we-give/>

<sup>2</sup> <https://abacusdata.ca/charities-in-trouble-how-millennials-are-changing-how-we-give/>



## Get inside the Millennial mind

We've already established that to engage with young donors, you need to understand them. The best way to get inside their minds? Recruit them to your board.

Admittedly, this is often easier said than done. It's difficult for younger individuals to commit to a board for three years at a time, and those that do tend to want to make a difference rather quickly, making it difficult to manage their expectations.

One way to get around these challenges is to create a junior board—or a youth engagement committee that requires less commitment from its members, but still allows your organization to gain access to the minds of the next generation. With this type of sounding board, you can find out how your organization can best connect with younger people, what types of events would be most attractive to them and what information or stories about your cause would be most interesting to this emerging cohort.

However you approach it, the underlying purpose is the same: if you want to connect with emerging generations, you need to attract and empower junior board members by giving them responsibility, a role and a voice—and listening to it.



## Shift your culture

While it's important to recruit diverse voices to your board, if you want your organization to resonate with various generations, you also have to hire diverse staff. As employees' priorities shift, however, you may need to revisit your approach to talent management.

Consider: many employees today are more interested in finding jobs that mean something, as compared to generations of the past. According to the Harvard Business Review, over 90 percent of employees would give up some of their earnings to engage in more meaningful work.<sup>3</sup> They want to be part of a larger culture that values their feedback—an organization that's willing to listen to their concerns and recommendations, and allow them to make a difference.

At the same time, according to our roundtables, they're also looking for organizational transparency. So, in many ways, they're not just searching for an organization that will listen, but one that will share information as well. They want to see the impact of their labours and understand how their hard work is translating into results and how their membership dollars are creating value.

# 90%

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Many executives in our roundtable discussion noted that the best way to get today's employees engaged is to adopt an "honesty is the best policy" attitude. The thinking here is that, by being upfront about your organization's challenges as well as emerging opportunities, you can essentially get more out of your employees and make them feel like they're part of the greater whole.

For instance, some organizations at our roundtable said they offer monthly operational and finance updates, where they share in-depth information with everyone, including staff and donors/members. The move has been met with great enthusiasm—and both employees and supporters are now more empowered to offer tangible solutions, because they have a better understanding of what the organization needs and what it wants to achieve.

While some organizational information must obviously remain confidential—particularly information related to personal privacy—outside that, a lot of things are fair game. With this in mind, it may make sense to re-evaluate the information you've historically kept confidential and determine if it truly can't be shared with your stakeholders, or if you're just keeping it secret out of habit.

## Create a new playing field

The times are definitely changing and today's new cohort of supporters, board members and employees are very different than those of the past. That being said, these individuals still demonstrate a desire to contribute to their communities and participate in organizations that offer value. The key for CNPOs is to find new ways to tap into those priorities.

To learn more about how shifting demographics are changing the Canadian charity and not-for-profit landscape—and what your organization can do to adapt—contact us.

[grantthornton.ca](https://www.grantthornton.ca)



<sup>3</sup> <https://hbr.org/2018/11/9-out-of-10-people-are-willing-to-earn-less-money-to-do-more-meaningful-work>



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