

PHILANTHROPY

Meet the Wealthy Next-Gen Donors Practising Social Justice Philanthropy



Angela Long

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With the largest intergenerational wealth transfer ever underway, philanthropy would be wise to take heed. A recent study by the Women's Philanthropy Institute offers a snapshot of wealthy young donors, from motivations to challenges to giving behaviours. "We're at the tipping point," says one sector leader, of where to go next in engaging young donors to "become partners in systems change" and the "shifting of money and power."

"Check off which class privilege clues apply to you," prompts the website of Resource Generation, a donor network of the wealthiest (top 10%) 18-to-35-year-olds in the United States. "You have a horse. Like a real one," reads one of nearly 60 clues. "You've been on a yacht," reads another. "Heck, you OWN a yacht." It's easy to chuckle when (in the case of this writer) you fail to check off clue after clue, but the playfulness of rich kids poking fun at rich kids belies a much more serious aim: a quest to leverage privilege and resources for social change.

These kids – these millennial and Gen Z kids, dubbed everything from the Me, Me, Me Generation to millennials on steroids – think that being all right isn't right unless everyone comes along for the ride. *Moving Money and Shifting Power for Social Justice: Voices of Wealthy Next-Gen Donors*, a new study by the Women's Philanthropy Institute (WPI), explores

how these donors practise social justice philanthropy, from motivations to challenges to giving behaviours. Anonymous interviews with current or past members of Resource Generation – the majority female, LGBTQ2S+, white, highly educated, with a net worth of at least US\$1 million – reveal common ground: a desire to "dismantle systems that consolidate, maintain, and grow wealth and power" to create a more equitable world in a time of extreme, even deadly, inequality.

The philanthropic sector would be wise to take heed. The trillions of dollars next-gen donors are set to inherit (well, some of them) will lead to a "golden age of philanthropy," a Center on Wealth and Philanthropy report predicted a decade ago. In Canada, the "great wealth transfer" – the largest intergenerational transfer ever – is already under way and will total an estimated \$1 trillion by 2026, with women benefiting disproportionately. But it's not just about money. The WPI study "underscores the importance of understanding donors' identities" – nuanced, complex, and intersectional (millennials and Gen Zers are the most racially and ethnically diverse generations in Canada's history) – where gender, race, class, ethnicity, sexual orientation, and religion drive giving to social justice causes. Furthermore, how and why these donors give, distilled by the study into six core giving practices – give wholly,

challenge oneself, be transparent, cede power, empower others, change systems – reflects their ultimate goal to "transform the philanthropic sector towards redistribution rather than charity."

While Jeannie Sager, WPI's executive director, acknowledges the limits of this study (28 interviews), she sees it as a valuable indicator of how young donors approach giving and feels inspired by the participants' "intentionality." "They were willing to grapple with how to move money and shift power in ways that were really focused on creating systemic change," she says.

They want to understand "how to be fully committed to equity and wealth distribution," with a willingness to address the tensions inherent in such a pursuit.

There's no shortage of research about next-gen donors, from their tech-savvy natures to their love of impact. In a recent podcast episode, Michael Moody, co-author of *Generation Impact: How Next Gen Donors Are Revolutionizing Giving*, says that next-gen donors aren't content with just being the next line on a giving thermometer: "They want to grab the needle themselves and help move it." The WPI study expands on such research, providing a glimpse into the world of wealthy, individual donors. A world where "your family uses the words 'summer' and 'winter' as verbs" (Clue

#27) and interviewees navigate what's described as the "core tensions" of practising social justice philanthropy within this context.

One main tension, and the subject of ongoing debate, is whether the idea of social justice philanthropy is a contradiction unto itself. The study quotes an article by MacKenzie Scott, who has given away billions to social justice causes: "We are attempting to give away a fortune that was enabled by systems in need of change." A decade ago, Peter Buffett, billionaire Warren Buffett's son, called rich people's charity "conscience laundering."

This paradox of wanting to fight wealth inequality while benefiting from class privilege isn't lost on these WPI interviewees. Networks such as Resource Generation provide a place where members can openly discuss their "money stories." A Maclean's article about Resource Movement, a Canadian offshoot of Resource Generation, says members are "cagey with outsiders," adding, "It's easy to see why – no one wants to hear how bad it feels to be rich." One of the WPI study's LGBTQ2S+ interviewees compares admitting wealth to a kind of coming out. "You have to be out about being wealthy to be in Resource Generation. Who's better at coming out than queer people?" Once "out," other obstacles arise. The effort required to give your money away – often mired in restrictive trusts and patchworks of investments all housed within a "flawed capitalist system" – causes one interviewee to describe being a philanthropist as "problematic." Others feel "paralyzed" by the "vastness of their own wealth accumulation through these flawed systems."

Overlapping identities give rise to other tensions, especially for those who feel marginalized because of race or gender. One participant says that being a woman "makes me want to empower people with other marginalized identities. But also, as a woman, philanthropy is like the one place where I do have power and control." Another participant says being from a racialized family, and "much closer to the earning of the money," rather than from multi-genera-

tional or "unearned" wealth, made them feel uncomfortable with Resource Generation's "give it all away, give more" philosophy.

How we address such tensions, especially in the context of our understanding of what social justice is and how we engage in philanthropy, continues to evolve, says Sager. From a "big view" perspective, she says, "the paradox is what makes understanding philanthropy so important and interesting, because what we get to do is examine the world through a philanthropic lens, and when you do that, you're highlighting how ethics, values, and morals are activated to address and find solutions to society's problems." The paradox may change depending on the context, she says, "but it's always going to be there." What's new, and what this report highlights, is that we seem to be "moving away from social justice as simply a theory."

The response generated by the murder of George Floyd in 2020 provides an example of this shift. WPI's Women Give 2022: Racial Justice, Gender and Generosity report notes that the graphic video of Floyd's murder "reinvigorated the U.S. racial justice movement." While that movement may be centuries old, the aftermath of May 2020 showed that philanthropy "has the power to move racial justice forward," the report says. Forty-two percent of US households were involved in or supported racial justice protests. In Canada, donations to the Black Health Alliance increased from nearly \$7,000 in 2019 to more than \$3 million in May 2020, a surge experienced by many other Black-led organizations (until they took a nosedive in June). CanadaHelps launched the Black Solidarity Fund.

Since 2020, the spotlight on racial justice has panned toward a discussion on how the US was really built on slavery, Sager says. Awareness of class privilege and the origins of wealth signify the beginnings of systemic change. For Sager, "social justice giving" means that everyone deserves economic, political, and social rights and opportunities, "but when you dig a little deeper, that means it's not just about the distribution of wealth, but it's also an under-

standing of opportunities and privileges." Asking difficult questions, challenging the infrastructure of how we raise resources, moving from a donor-centric mindset to a community-centric model, about who's being served, not who's serving – these are signs of system-level shifts.

The group of young people interviewed for the WPI study gives Sager hope for the future of philanthropy. "It's in good hands," she says. "They are actively discovering what kind of philanthropist they want to be, and they are being very deliberate and thoughtful about it," understanding themselves as "resource activists," she adds.

Paulette Senior, executive director of the Canadian Women's Foundation (CWF), hopes the WPI findings indicate what's to come generationally: "Our hope is always in the younger generations, but this report speaks to what we've been talking about over the past two years in terms of the need to look at philanthropy through a different lens."

These young donors' lenses seem crystal clear. The tensions examined in the report indicate an "awareness and a recognition," says Senior. A recognition of "knowing the roots of money, and where your money came from, and how you get your money is an important part of the work around justice and equity," she says. When it comes to class privilege and wealth, "a lot of folks would prefer to just close their eyes and go through the world, but this is eyes wide open."

While there are donors who understand and acknowledge class privilege and wealth, generationally speaking this is something new, Senior says. "This generation is giving with greater understanding, education, as well as understanding there's a systemic piece to this." They're moving and shifting money, she says, aware "that money and power are inextricably related."

How we define social justice philanthropy shapes how it's practised. Senior's definition includes understanding that organizations doing the work around social justice require money and resources, and also making an

effort to understand the issues and be clear about what it is you're trying to do, and doing that consistently. "A one-time gift does not change the world," she says – "unless it's Elon Musk's. That could probably wipe out hunger." Social justice philanthropy is also about caring, she says. You care about people and communities, "that others are doing well."

The idea of collectivity fuels putting this community-minded spirit into practice. Senior quotes CWF founder Rosemary Brown: "Until all of us have made it, none of us have made it." She talks of the South African philosophy of ubuntu: imbued with the idea that "your success is tied to my success." "That's where we're looking in terms of understanding the power of philanthropy," she says. A kind of philanthropy that shifts away from a one-size-fits-all approach, indicating an understanding of different impacts on different people, of intersectionality.

The Center for Intersectional Justice writes about the importance of understanding intersectionality in terms of social justice. Once we acknowledge privilege, we can use "our own complex positionalities in the various networks we move in" toward the "dismantling of the intersectional system of racism." All forms of systemic inequality are interconnected, they note: "Only when they are addressed simultaneous-

ly can we achieve long-lasting progress."

From addressing core tensions, to next-gen donors' giving practices, the WPI research "reinforces a lot of our focus where we go next with our work," Senior says. CWF's principles surrounding feminist philanthropy – ceding power, empowering others – speaks the language of systems change. "We're at the tipping point," Senior says, of where to go next in engaging young donors to "become partners in systems change" and the "shifting of money and power." Conversations surrounding gender and equity, diversity and inclusion, as well as social justice – sparked by the COVID-19 pandemic and the murder of George Floyd – are becoming commonplace in Canada, she says. Even terms such as "intersectionality." More and more people are "actually speaking this language," Senior says, adding that it used to be "kind of lonely out there in the desert."

What's important is to keep these conversations going. In the past, Senior says, "we've seen where language just becomes words and not action." She has seen what happens when words do become action. In both her work at CWF and past work with front-line organizations, "I've witnessed people's lives being transformed, witnessed them being able to end poverty in their lives for good, and for generations to

come," she says. "I don't think this is impossible work. It takes a long time, but I don't think it's impossible. It's possible to end poverty, to end homelessness, to end gender-based violence. It's absolutely possible."

If there is any hope at all, many are placing bets on the kids, "a generation of people who believe life can and should be better," writes one Forbes author. Maybe "your family owns a lot of monogrammed stuff – mostly in cursive" (Clue #23), but rather than focus on the contradiction of practising social justice philanthropy from a place of privilege, Senior prefers to focus on the choice to take action. The tensions faced by the WPI study's interviewees are by no means new, she says, "but it's how you act despite them – despite the class privilege, despite the systemic barriers, despite the power structures that exist, that are exclusive – they're still acting, they're still doing something. And we can only build on that."

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