

Schuler Education Foundation – Millennial Survey 2019 Feature Analysis

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When money matters most:

The under 30 beliefs and behaviors in charitable contributions to their alma maters

College graduates begin to contribute to charity within a year of graduating, both with time and money. Based on a survey of more than 7000 alumni from five elite colleges, young adults are actively engaged in charitable contributions within two years of graduation, regardless of income. There are key concerns that drive young adults' giving and, despite commonly held opinion, income isn't one of them. College graduates are inclined or disinclined to contribute to their alma mater because of personal allegiance to the institution and how they perceive the college's alignment with their moral leanings.

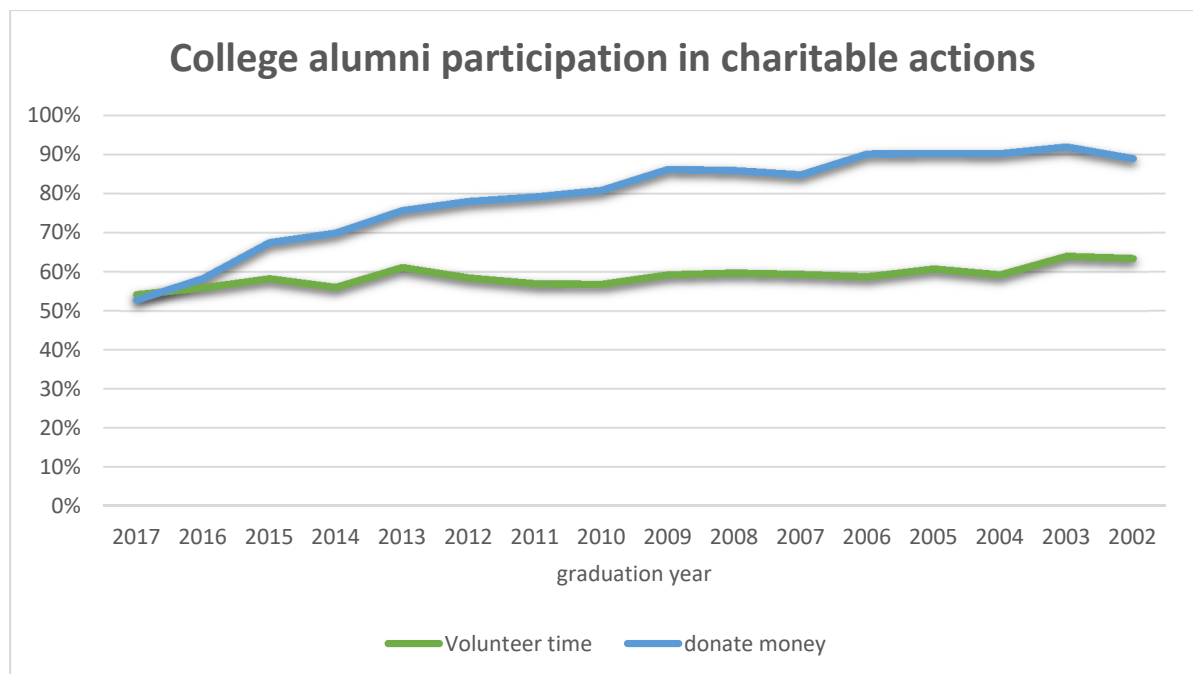
The Schuler Education Foundation commissioned this multiyear study on alumni engagement in charitable actions, to understand the beliefs, behaviors, and motivators for young adults contributing time or money to their alma maters and other cause-based concerns. The first survey, conducted by Ruffalo Noel Levitz, was completed this spring. The findings provided support for some commonly held beliefs about the youngest millennials charitable habits, such as the issue of college debt, but it also reflected an unexpectedly high level of charitable giving habits. As one respondent explained:

I have a responsibility to care for my community as a member of my community.

Key contributing factors to donation

The survey findings demonstrated that college graduates are more likely to contribute to their alma mater if the institution has a proven alliance to key philosophical concerns around equity, diversity, and divesting from fossil fuels (which was a recurrent concern). Other key factors were if the students

had a strongly positive experience while on campus. That experience tied to whether they believed the institution would use donated funds to help with the donor's areas of interest, including supporting the department or faculty that they were affiliated with during their school years. The other weighty factor that influenced giving habits involved the size of the endowment and the commitment to what the alumni felt was meaningful financial support of low-income students, whether or not the alumna/us had been a recipient of financial aid.



Where alumni donate

Early findings demonstrate that, within five years of graduation, only 24% of alumni are not donating either time or money to anything. The vast majority of graduates report that they contribute both with cash and service hours. In fact, the percentage that volunteer time stays pretty consistent, at around 60 percent, for the decade following graduation, while the percentage that donate cash grows to

almost 85 percent. Shucking the old adage that when you don't give money, you give time, young adults are more inclined to donate dollars before hours as they move through their 20s.

The top ranked categories for young alumni cash donations to any organization were education (53%), social justice (49%), and political causes (43%). While almost half say they volunteer time to educational organizations, and a third volunteer for social justice organizations and efforts, volunteerism for any other charitable category only ranked in the teens for giving time.

I had such a wonderful experience at my college and am excited to give back

Why young donors don't contribute to their alma maters

While educational giving was their priority focus, their colleges weren't always where their money went. One of the key factors for not donating to their institution was the strongly held belief that their donations went farther for smaller organizations. The five schools covered in this survey all hold highly funded endowments. For the majority who commented, the focus was on who needed the money more: "The college doesn't need my money and many other worthwhile places with much less do."

Loan debt to income is a core concern, even for students not directly carrying the weight of loan debt

Debt is a now pervasive concern of graduates, with more than 97% who agree or strongly agree with the statement "Student debt and financial aid are serious issues." Respondents noted that the costs of schools and the requirement to carry loans seemed, in their opinions, to shift who was able to attend. There were multiple open field comments about what they wished the colleges would improve around funding and affordability:

Accept more minorities; keep them there; make sure they succeed.

Accept more students from families that make under \$70,000.

Accept more students of color, offer more financial aid.

One alum explained that he'd be more likely to donate, if he saw *"a huge push toward making the college more affordable, accessible, and inclusive."*

Even for those who weren't personally affected by student loans, they still saw the ability of the institution to cover costs, because of the size of the endowment, as a core reason to not give.

"[Colleges need to] explain why they need the support - there are so many worthy causes and my charitable budget is limited so it's hard to justify putting a large amount toward [my college] because I know the endowment is huge and they are not hurting financially."

The lingering residue of negative experiences

About 10 percent of respondents from the graduating classes of the past five years indicated that their personal experience had been neutral to negative. For a small but vocal group, the experience on campus had been unpleasant enough to indicate that they anticipated never contributing to their alma mater, ever.

"I still resent how unhappy I was while I attended [my college] and the college would need to greatly reduce the feeling of bitterness I harbor toward it."

The importance of ethical investment of the college endowment

Ethical investment was a priority for 84% of alumni; only 4% marked that ethics in investment were entirely uninteresting to them. For those for whom the college was in conflict with what they considered "ethical" in investment practices, they were less likely to contribute than those who were concerned about any other issue, including student debt. Fossil fuel divesting was the single largest cited concern, and for those who flagged it, two-thirds didn't donate to their institution because of it.

Several dozen participants answered that they were never going to give to their institution because of their philosophical differences with institutional practices. Negative commenters were among the most

engaged in the survey, taking the time to comment across multiple open field questions. From the comments, it was clear that some hold out the desire to inspire change within the institution.

“Full divestment from fossil fuel infrastructure. I’m not usually a one-issue person, but this one is huge for me, it’s huge for this community.”

What motivated donation

For the younger graduates, they held allegiance with specific professors, majors, departments, and buildings (dormitories got repeated shoutouts in open comments). Because the campus experience was so fresh in their memories, they understood where the money could be focused and wanted to know that they could direct their contributions accordingly.

“I’d like to see the donations go toward . . . pressing issues (e.g. dorm renovation, lack of tenured professors for departments, etc.), and to see [my college] act more upon the messages that it claims to promote through its campaigns.”

For students who had had negative experiences on campus, mitigating the potential for current students to have the same negative experiences was a motivator for donating. One alumna commented that she’d be more inclined to donate if she saw her institution *“directly addressing issues of inequality and inaccessibility on campus through support of students who are members of oppressed groups.”*

What’s the effect of concentrated outreach and communications to this audience?

Part of the focus of the study was to provide colleges with a better understanding of the key drivers and concerns of young alumni. By providing the participating institutions with the results of the survey, it informed the immediate direction for what the core communication points could be to better inspire contribution. Over the course of the past several months, the five colleges worked to enhance targeted messaging and the format of the solicitation. The results were that all five colleges improved the

number of alumni donations with an average donor base growth of 27 percent. Schools found that their average and median gifts were above historic averages for this group.

By understanding the barriers to participating and the factors that colleges could address, they were able to harness the charitable habits of young alumni. It was critical to end the preconception within the college, that young alumni don't donate until they are well beyond their graduation date.

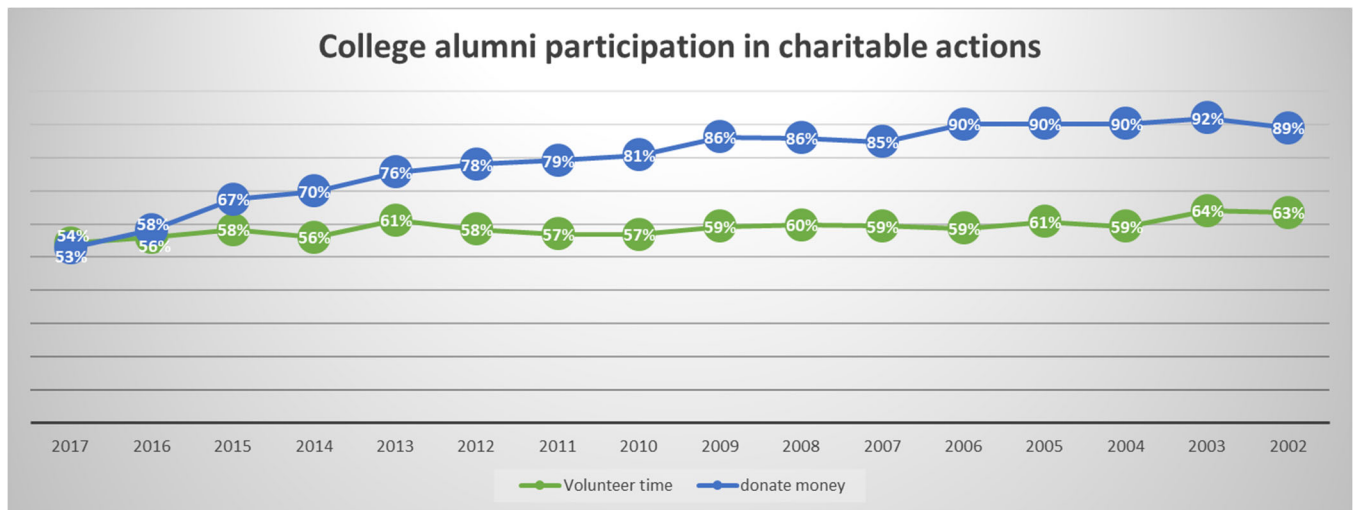
Phase two of the study will begin in the fall, with the potential of an additional 50 colleges and universities participating. For more information about the study and potential for participating, please contact Elaine Teter, at ElaineT@schulerprogram.org.

Young graduates and charitable giving: a mix of critical savvy and casual trust

Polling 7000 young college graduates revealed some interesting dichotomies in their giving habits. For the institutions in which young adults have heavy familiarity, like their alma maters, they were keenly discerning of solicitation for donations, skeptical of claims, and highly focused on how the institution would use donations to further their cause. For charities in which they didn't have high levels of working knowledge, they relied on the mission and self-reporting of the organization to determine the worthiness of the charity for their contributions.

The Schuler Education Foundation commissioned a multiyear study on alumni engagement in charitable actions, to understand the beliefs, behaviors, and motivators for young adults. The first survey was completed this spring, conducted by Ruffalo Noel Levitz, with more than 7000 respondents between the ages of 22 and 39.

The survey found that, regardless of income, the majority of recent graduates donated to charitable causes. Once they are four years out of college, more than three quarters of the graduates made donations across a spectrum of causes, with the majority contributing to education, social justice, and



political causes, in both time and money.

Respondents were polled about the core factors that led to them contributing to non-profit organizations. The number one concern for all respondents, regardless of age, was the need to be aligned with the mission of the organization, with 99% ranking that as “very important” or “somewhat important.” They also held that they needed evidence that the organization or cause is living up to its mission and making an impact (95%), although only slightly more than half of the respondents heavily weighed validation of the claims from outside sources.

An interesting corresponding fact arose, that only a third of respondents would be highly comfortable recommending the charities they support to their friends. They also relied little on the opinions of friends for where they contributed their money, with only 18 percent indicating that this would be a strong influencer in their donation choices.

Knowledge of the inner workings of their colleges made graduates more critical of donating to their alma maters, though. Targeted giving, proof of use, and expectations of internal improvements at the

college were repeatedly expressed concerns in the open comments. For example, young alumni are hyper aware of the construction on their campus and it influenced their concerns about how donations would be spent. As one alumnus wrote in answer to the question, “what would make you more likely to donate”:

“[I’d want] more specific choices about where my money would go, because right now, if I were to give to [my college], I would feel that my money was supporting causes and construction that I did not feel to be necessary or beneficial.”

Another answered that she would donate “if I could be assured the money would not be funneled towards athletics or needless construction.”

Where alumni wanted to target giving was in supporting financial aid to low income students, improving specific departments, or in support of faculty they had found valuable.

I would like to know that my money goes more toward academics, academic programs, supporting student grants, supporting faculty research. I know that colleges compete for students using fancy dormitories and athletic facilities, but in my opinion, academics are the point of college.

Alumni were particularly vocal about whether they saw the institution being deeply supportive of students who didn’t come from high income, college-educated households. One respondent answered with a checklist of requirements that would need to be accomplished before he would consider donating: “Student and faculty seats on the board. Need blind admissions. More financial aid. More recruitment of and support for students from low income households. In other words, evidence that the college values transparency, equity, and the wellbeing and success of every student over financial stability, ranking chasing, and maintaining the status quo.”

While participants expressed concerns that were driven by their observations and personal experience of their alma maters, they didn't flag similar concerns or issues with the other organizations they gave to, whether they were small, local institutions, or large multi-national ones. Many of the responders gave to religious institutions, with which they were members or had an affiliation. Several commented that they donate to individuals who are raising money through programs like Kickstarter and GoFundMe, despite the lack of transparency and independent validation of the integrity of such fundraising efforts.

- *If I feel the organization does not receive ample financial support, I'm far more likely to donate. Organizations that are hyper-local or that are just getting off the ground are more likely to receive my support.*
- *Knowing I'm somehow contributing to something positive within my vicinity . . . is a strong motivator.*

In all cases, to alma maters or to other cause-based institutions, this age group was significantly more likely to contribute to efforts that would benefit people within their age group or younger, with a third responding that this was where they donated time and money.

In response to these findings, the participating colleges found that more directed messaging, focused on how dollars would be spent, increased alumni participation. The colleges also were able to use crowdfunding and giving day platforms, where young adults were already engaged in identifying donation opportunities, to also increase the number of graduates participating in fundraising campaigns.

The key driver for donations was transparency on the impact of the gift. For organizations that receive large donations, like colleges and universities, being specific about impact helped fuel donations from the youngest adults, who worry that their small donation of \$20-100 was meaningless to the

college. For non-educational institutions, the sense that contributions “made a difference” or helped locally improved likelihood of contribution.

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