Talk about being in the money.

Wealth experts estimate that from 2007 to 2061, $59 trillion will be transferred from family estates in the greatest wealth transfer in U.S. history.

That amount will be divided among heirs, charities, estate taxes and estate closing costs, according to the Center on Wealth and Philanthropy at Boston College.

About $6.3 trillion will go toward charities from estates for which there’s no surviving spouse. Total gifts to charity in that span will add another $20.6 trillion, the study estimates.

Because of the wide implications of such an exchange, it’s important that the older and younger generations in a family discuss how the young ones will carry on philanthropic intentions.

That includes discussing how children approach philanthropy differently from their parents.

“Just as every family is different, so are the generations within a family,” said Brent Christopher, president and chief executive of the Communities Foundation of Texas. “While many families have strong values that pass from person to person, each generation brings its own fresh approach to addressing community needs.

“In broad terms, older donors tend to focus more on trusted organizations and to willingly provide long-term endowment support. Younger donors tend to focus more on key issues and to have a greater interest in funding near-term, current needs. We need both.”

The foundation recently hosted a presentation by Sharna Goldseker, a national expert on next-generation philanthropy.
Several factors distinguish younger donors from their parents and grandparents, said Goldseker, managing director of 21/64, a New York consulting firm that helps families bring future generations into philanthropy:

**Being flexible:** Younger donors want to support a cause, rather than an institution.

“They look not only to nonprofits, but to individuals and for-profit companies that tackle issues they’re passionate about,” Goldseker said.

**Taking advantage of the present:** Younger donors get involved in efforts where their help can be used today, which is different from older donors, who waited longer and focused more on their legacies when they gave money.

**Rolling up their sleeves:** Younger givers go beyond financial gifts to get personally involved in an organization.

“They want close relationships with the causes they support, and they want to offer their own support to solve a problem,” Goldseker said.

**Networking:** Younger generations share knowledge about philanthropy with their peers in a way their parents and grandparents never did, thanks to social media and other tools.

The next generation of donors are “driven by values, not valuables,” according to a Next Gen Donors research project conducted by 21/64 and the Dorothy A. Johnson Center for Philanthropy.

They often say they have learned those values from parents and grandparents.

“They are mindful of the privilege they have inherited or that comes with the wealth they are creating,” the report said. “They seek a balance between honoring family legacy and assessing the needs and tools of the day. They fund many of the same causes that their families support and even give locally, so long as that philanthropy fits with their personal values.”

The next generation of donors faces enormous challenges, according to the Next Gen Donors study.

“These Next Gen donors will face immense, complex social problems in their lifetimes, requiring them to be both generous and smart in their giving,” said the study, which was conducted in 2012. “For example, after decades of decline in our underperforming education system, the United States needs new ideas and new energy to ensure good schools for all.

“Growing scarcity of clean water and other natural resources threatens to affect livelihoods and cost lives around the globe. A less homogeneous nation forces more people to engage with differences more often and in more corners of their lives.”

At the same time, young donors are in a great position to bring about change, the report said.

In fact, they “will wield more philanthropic power than any previous generation,” the study said.

*Follow Pamela Yip on Twitter at @pamelayip.*

**Need help? Questions are welcome**

Have a financial question? Email moneyhelp@dallasnews.com. Your question will be sent to a member of the Financial Planning Association of Dallas–Fort Worth. Then watch for the answer at dollarwiseblog.dallasnews.com. Your name will not be published, just your initials.
More Promoted Stories

The 9 youngest billionaires in the world
Bankrate

Definitely Don't Do This in Ireland
Destination Tips

Homeowners are Paying Next to Nothing for Solar
Solar America® | #1 in Connecting You to Qualified Solar Installers

Why Are People Getting Married And Having Kids Later In Life
The Atlantic

More From Dallasnews.com

U.S Presidents Ranked From Worst to Best
RantPolitical

Keystone XL - The Facts Remain
Energy Tomorrow

Online idiocy and the ignorance of crowds
LifeHealthPro

American Airlines Group cancels close to a thousand flights Monday
Aviation Blog

Chris Vognar’s five post-Oscar observations: Neil Patrick Harris’ underwear to Boyhood’s bomb
Pop Culture Blog

Three ways to control your lights at home or away
Business

Recommended by

Top Picks

Comments

To post a comment, log into your chosen social network and then add your comment below. Your comments are subject to our Terms of Service and the privacy policy and terms of service of your social network. If you do not want to comment with a social network, please consider writing a letter to the editor.

Write a comment

0 Comments

Sort Subscribe RSS