

Today's Children, Tomorrow's Philanthropists

“How can we expect our children to know and experience the joy of giving, unless we teach them that the greater pleasure in life lies in the art of giving rather than receiving?”

– J.C. Penney

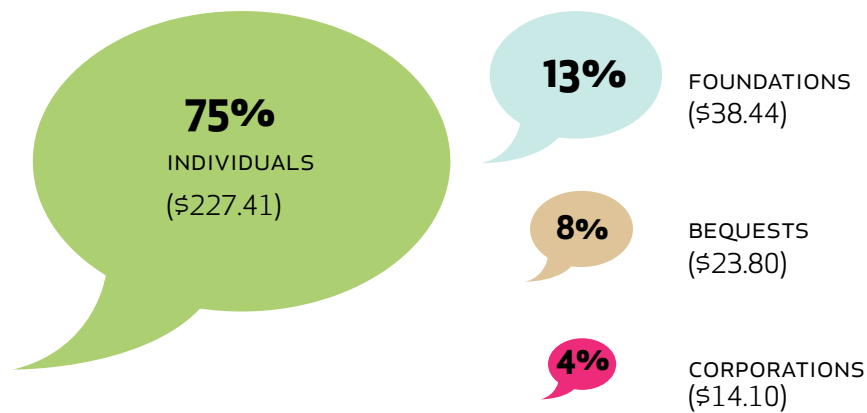


Giving: An American Legacy



Philanthropy is a defining characteristic of American culture. It has been so since the earliest days; historical references date a focus on “helping one another” back to our colonial roots, where social responsibility became a distinguishing feature of the new country’s character and a key facet of American democracy. It remains true today. In 2008, 84 percent of Americans gave to charitable organizations¹. In 2009, 75 percent of philanthropic gifts were made by individuals and families, totaling nearly \$228 billion². (Giving USA Foundation)

2009: Sources of Giving in America \$ in billions (all numbers rounded) source: Giving USA

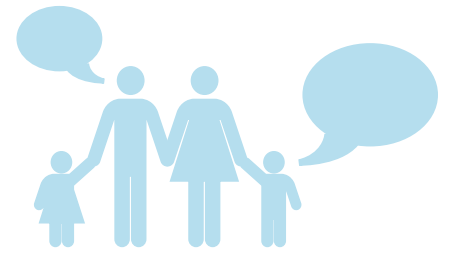


Yes, Americans give generously, and we want future generations to give, as well. In a recent poll, 90 percent of parents placed importance on their children becoming charitable adults³. It’s a value believed to exemplify kindness, compassion, sharing and empathy – traits we look for as today’s youngsters grow into tomorrow’s leaders.

But what will happen if we neglect to teach our children to give?

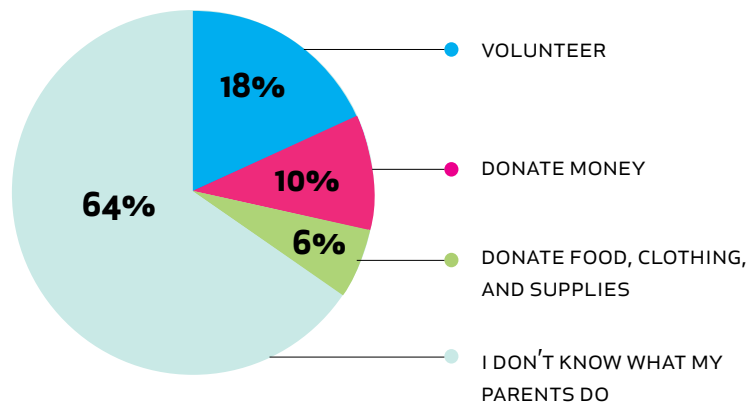
**Philanthropy is part of your family's value system.
Do your children know?**

We value giving, but are we actively teaching our children to give? Studies show that we are not. In fact, a recent poll found that 77 percent of children under the age of 17 are either not aware of their parents giving, or know that they give but do not how or to whom. And when asked how their parents support causes or organizations, only 10 percent of children said they give money. And an overwhelming majority – 64 percent—said they have no idea what their parents do in terms of philanthropic giving⁴. That means that while 75 percent of philanthropic gifts are made by individuals and families, only 10 percent of children think their parents give.



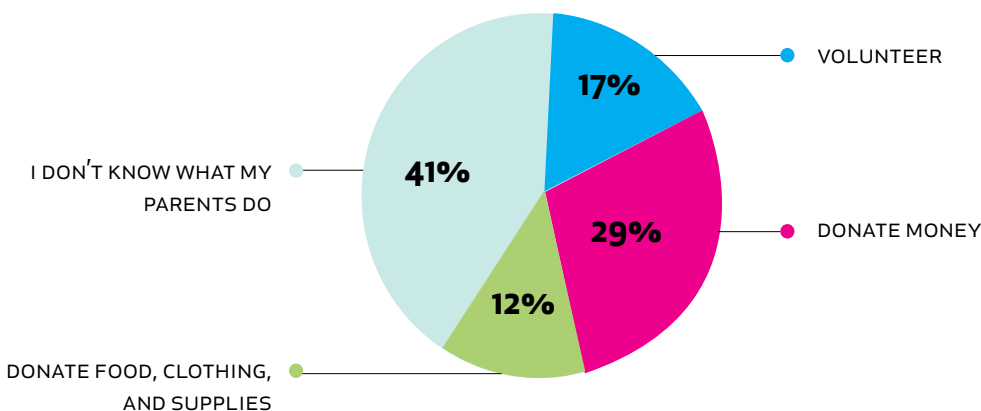
How Do Your Parents Support Organizations or Causes?

*Age 17 and under
Source: TheMint.org*



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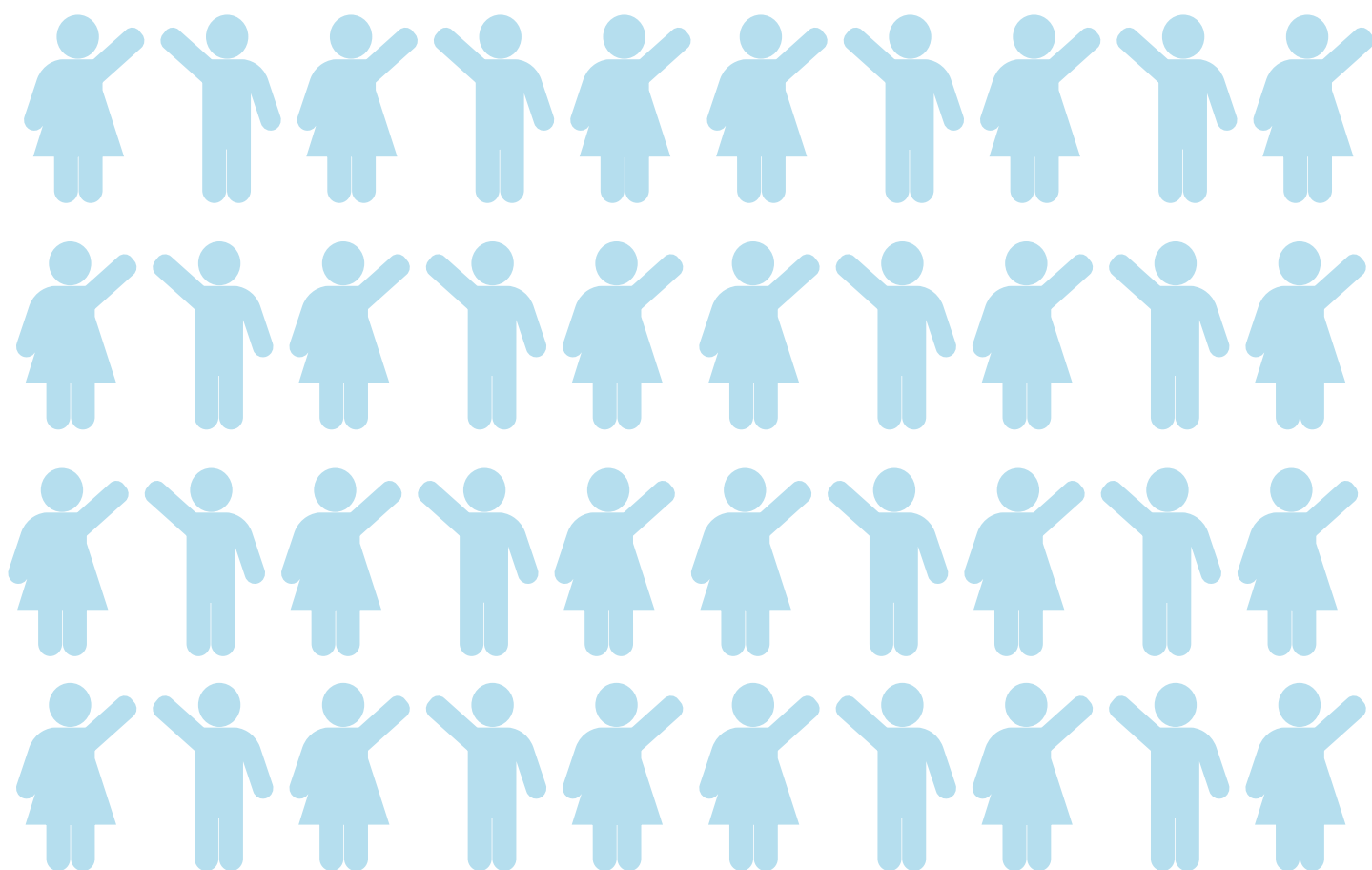
*Age 18 - 29
Source: TheMint.org*



The Next Generation

As generational gaps widen, philanthropy offers families an opportunity to strengthen bonds as they unite around common goals. Family legacies are created by sharing family concerns and values, expressing individual passions, and acting together. Generations are more likely to understand each other when they have more opportunities to interact, share experiences and develop habits.

By the year 2055, some \$41 trillion will change hands as Americans pass on their accumulated assets to the next generation⁵. While the actual sums transferred vary, research shows that families who give — and who actively teach their children about philanthropy — are more likely to transfer a commitment to giving to the next generation. In fact, children who see someone in their family help others are 24 percent more likely to participate in charitable giving⁶. Similarly, children whose parents currently give are 24 percent more likely to become donors themselves.³



Family Influence

We're all familiar with the research. The number one influence in a child's development is home and family. From the earliest days, babies follow their parents' moves, mimic their expressions and respond to their actions. And this influence grows as the child develops cognitively. The child's behavioral patterns and standards are developed at home, influenced heavily by parental actions, behaviors and experiences.

examples of parental influence

— the good and the bad —

Among 1992 high school graduates whose parents did not go to college, 59 percent enrolled in some form of post-secondary education. But the enrollment rate increased to 93 percent among those whose parents had at least a bachelor's degree⁸.



Frequently eating family meals together prevents many high-risk behaviors⁹.

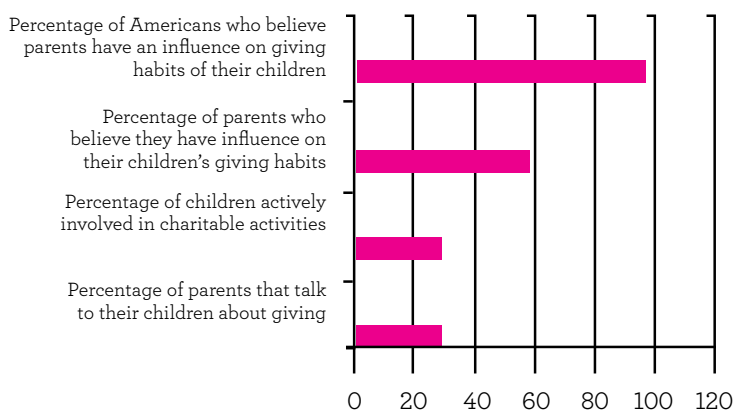


Teens whose parents have three or more crashes on their records are 22 percent more likely to crash at least once, compared to teenagers whose parents have had no crashes¹⁰.



Statistics show parental influence is a key factor in philanthropic giving, as well. One study found that 94 percent of Americans feel that parents play a key role in getting children involved in giving¹². Another study found that 59 percent of parents believe they can have a great deal of influence on whether their children become giving adults³. And yet, only 29 percent of parents frequently explained the importance of giving to others³. Furthermore, nearly 3 out of 4 of parents (70 percent) admit their children are not involved in any charitable activities¹².

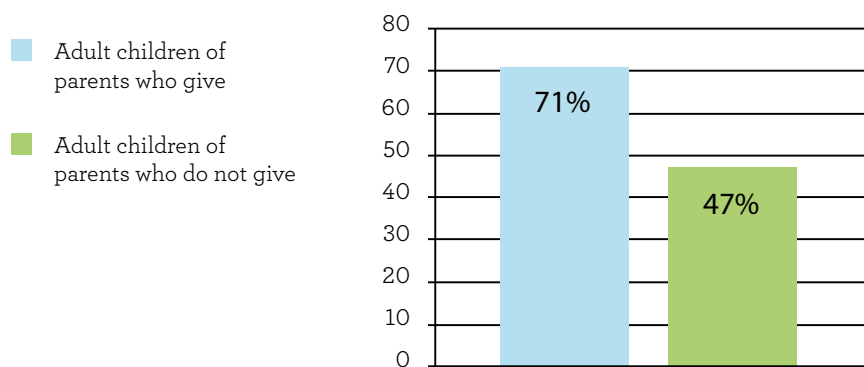
Perception of Parental Influence on Giving vs. Those that Actively Foster Giving In their Children



Sources: Cone/Roper Raising Charitable Children Survey, We Give Books Poll on Reading & Giving

In terms of philanthropic habits of parents and children, research parallels that of other behaviors and habits – concurrent giving by parents and children are significantly correlated¹³. In considering parents who give, 71 percent of their adult children give; whereas only about half of the children (47 percent) of non-giving parents are philanthropic⁷.

Influence of Parental Philanthropic Habits on Adult Children



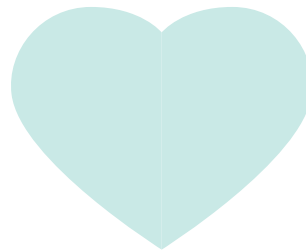
Percentage of Children Who Give
Source: Center on Philanthropy at Indiana University

Giving is Good

Our primary motivation in charitable giving is rooted in making a difference. Whether it's supporting an institution or organization that is meaningful to us personally, or taking a stand in support of a cause we believe in, the majority of people simply believe in the value of giving. Giving is intrinsically good and right.

Additionally, there are subsequent values related to giving that motivate us for teaching our children to become philanthropic. The actual act of giving cultivates important values like kindness, consideration, compassion and sharing. These values are at the heart of many of our first life lessons and embody what scientists refer to as prosocial behavior, defined as proactive and reactive responses to the needs of others that serve to promote the well-being of others¹⁴. While prosocial behavior develops in stages, it can be fostered¹⁵. For example, sharing is typically introduced to children before they are able to cognitively understand the concept, but practice, experience and adult support assist children in developing the competencies that will result in the formation of such positive social skills. Parental investments, such as providing children with opportunities to help others¹⁶ or modeling desired behavior¹⁵, also increase prosocial development.

Parents can influence giving in their children by providing opportunities to help others and modeling behavior.



The act of helping others empowers children in learning about their ability to make a difference. Parents can encourage lessons like these by demonstrating philanthropy in their own choices. Personal wealth isn't a requirement for philanthropy. In fact, the wealthiest 10 percent of Americans account for only 25 percent of all charitable giving¹¹. When calculated as a percentage of income, those who earn less than \$20,000 become twice as charitable as those who earn \$100,000¹¹.

Money and Morality

In this culture of materialistic consumerism, it can sometimes seem as if children are born with the ‘me’ syndrome. Families struggle with teaching children to look beyond themselves. Annually \$17 billion is spent by companies advertising to children in the U.S.¹⁷. Kids are inundated by images of toys, trinkets and gadgets and face pressure to have the latest and greatest items. Children transfer this pressure to adults who indulge their requests, a cycle that gives children enormous buying power.

While we want our children to have the best, we also don’t want them to be out of touch with reality. Research illustrates increases of entitlement in our society. In data from 37,000 college students, narcissistic personality traits, like sense of entitlement, self-absorption and lack of empathy, rose just as fast as obesity from the 1980’s to the present¹⁸. Indulgences are completely acceptable, but understanding that nice spring break trips, netbooks and higher education are advantages and not the standard for all families is sometimes a lesson children miss. Beyond financial literacy, teaching children about money and giving further provides an opportunity to help children explore their own interests in helping others by providing a platform for awareness and a reality check about money. If we are truly committed to raising giving children, we need to expose them to more than the latest material indulgences and engage them in the matters of society and community. Otherwise it is highly likely that they will not be aware.

Financial Literacy

In addition to the values entrenched in the act of giving, learning to give establishes a strong foundation for adopting sound financial practices. When teaching financial literacy to children, giving can be demonstrated as just one pillar of economic responsibility, which also includes making money, saving money and investing money. Just as in saving and investing, most charitable giving is planned for in some way. Families or individuals consider what they care about, carefully inspect their financial situation and determine how much they are able to give. “Parents can proactively teach their children to give by modeling desired behavior and through discussion regarding charitable efforts,” said Helen Meyers, president, SC Economics. “Children are better prepared to become financially secure adults when taught about the importance of giving, saving and budgeting responsibly.”

70%

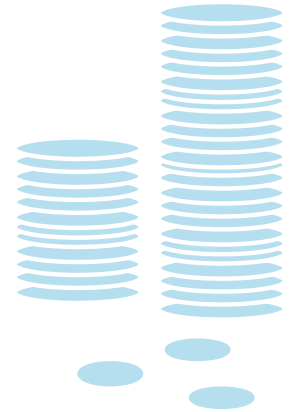
of parents say that young adults feel that they are financially entitled — that is, they expect to have money for whatever they want whenever they need it¹⁹.

80%

of parents feel that schools should teach students basic money management and budgeting skills²⁰, but only seven states require students to demonstrate a minimum level of proficiency in personal finance before graduation high school²¹.

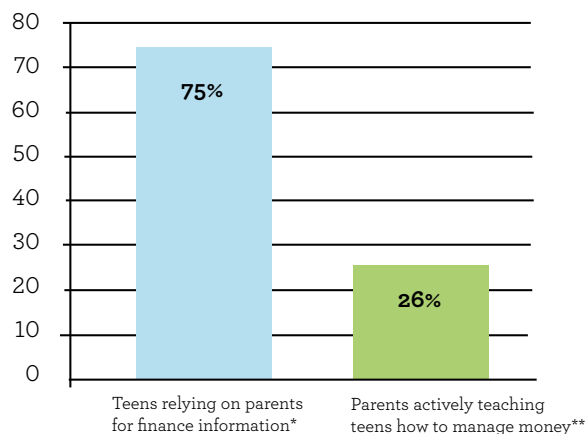
Talking about finances is of particular sensitivity to parents, and for many families, the subject is considered taboo and not discussed. However, including children in philanthropic household decisions teaches many basic financial lessons. Parents should consider financial choices — big or small — as opportunities to demonstrate smart money management to their children. Almost 50 percent of those who closely monitor their finances say that they learned about personal finance from their parents or at home²². By sharing information about how financial decisions are made and how income is spent, children are exposed not only to financial habits that will benefit them personally, but help them learn to plan for charitable giving.

“We can’t teach our children about finances without teaching them about planning — and this is of critical importance in all aspects of financial responsibility — saving, spending, investing and giving,” added Meyers. “By teaching these concepts to our children, we are more likely to raise financially-savvy adults.”



The vast majority of philanthropic giving involves thoughtful planning, sacrifice and is not made on impulse. It is rooted in personal initiatives that are near and dear to us, and ultimately benefit public good and the overall quality of life in our communities.

Teaching Teens about Finances: The Disconnect



Source: Visa USA[†]; National Center on Education and the Economy^{**}

Talk About Giving — An Initiative of Central Carolina Community Foundation

Research shows a child's future behavior is heavily influenced by parental behavior and dialogue. And yet, while parents deeply care about their children becoming charitable and sensitive to the needs of others and their community, research indicates many parents are failing to share their own philanthropic efforts with their children and teach them to give. The implications of these findings signify a serious disadvantage facing the next generation and the charitable organizations that make our world a better place. In response, Central Carolina Community Foundation developed Talk About Giving, a long-term initiative to encourage multi-generational conversation about philanthropy. The program is designed for families who want to pass along to their children and grandchildren a healthy understanding of the need to give to others. Through ongoing dialogue and active participation in family giving, children recognize philanthropy as part of their family's value system. Children should be aware and equipped to make a difference, whether it's by reaching out to a person less fortunate or supporting a cause that interests them. Engaging them in the process will encourage future philanthropic behavior.

To begin the family conversation, visit www.talkaboutgiving.org. Here you will find a community of support, with everything you need to start the conversation. A host of resources will help you talk with your children about your family's efforts, assist your kids in identifying community needs that are of interest to them, and provide timely tips and information to keep this conversation active for a life of giving.

By including your children in your family's philanthropic efforts, you set the stage for a legacy of giving and empower your children to make a difference.



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