Social Impact Insights
Can We Talk? Philanthropic Passions and Motivations

By Gayle Jennings-O’Byrne

With a new year comes new energy, new opportunities and this year, a new series titled “Social Impact Insights.”

Over the course of the year, I’ll be sharing timely, relevant news and insights on the social-impact and philanthropic sector. I’ll be drawing on my 20+ years as an investment banker, international lobbyist, media relations manager, and most recently working with high-net-worth (HNW) philanthropic clients and managing a large grant portfolio at J.P. Morgan Chase’s Global Philanthropy, a $250-million global foundation.

The philanthropic trends discussed in Jennings-O’Byrne (2015) and the changing dynamics in the social innovation and philanthropic sector validate the need for us to begin this dialogue. Consider the forecast that US$16 trillion is estimated to be transferred over the next 30 years; it’s no surprise that a key priority among affluent families and individuals is establishing philanthropic stewardship of the family wealth and current social endeavors as well as fostering sustainable and impactful philanthropic legacies (Wealth-X and National Financial Partners Corp. 2015, 5).

- 88 percent of U.S. high-net-worth individuals (HNWI) and families view deploying their capital and resources to social causes as important (Capgemini and RBC Wealth Management 2014, 20)
- 51 percent believe they are receiving high or moderate levels of support from their wealth managers related to their social-impact goals (Capgemini and RBC Wealth Management 2014, 22)

Despite more than one-half of HNW individuals reporting moderate levels of support, a large gap exists between the social-impact services and products that advisory clients desire and those being offered. U.S. HNWIs older than age 60 reported a very limited array of philanthropic and social-impact services being made available and low satisfaction with those being offered. Interestingly, the gap was lowest among the under-40 age group, perhaps signaling their comfort with other resources such as technology, peer networks, crowd-sourcing, and direct interaction with nonprofits.

Changing the conversation, engagement, and services offered to clients will be critical to change the perceived gap and satisfaction levels and to increase business opportunities with current and prospective clients. Conversations about what people truly care about related to society’s challenges can elevate relationships to a deeper, stronger level, which in turn will help you to align services and products to meet clients’ social-impact and financial planning and investment goals.

As beautifully spoken by American author and poet Maya Angelou, “I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

Same is true for you, as investment and wealth advisors.

Motivation
mo-ti-va-tion (mōdәvāSH(ә)n)—1. The reason or reasons one has for acting or behaving in a particular way. 2. Internal and external factors that stimulate desire and energy in people to be continually interested and committed.

Motivation and passion are common enough terms in everyday conversation, but they are actually slippery concepts—embedded in biological, psychological, conscious, and unconscious origins. They are not things you can simply will into existence but rather come from observable reality, needs, and personal experiences. Many things motivate us, such as fear, excitement, accolade, guilt, and economics. The study of motivation, begun in the 1930s, has evolved to four key theories (see table 1). At its most basic, these can be classified as two types of motivation—external and internal. At the same time, passion, which propels people to persevere at something despite fear, unhappiness, or pain, is at the core of how motivations are translated.

When understood together, they begin to form a clearer picture of what shapes people’s core values, actions, and relationships. It is this window into people that will allow you to better understand and relate to clients and ultimately be a valuable resource and asset to them.

Motivation and passions draw upon several factors and relate to social issues that have been well-studied and documented as falling into the following few key categories:
In a recent Capgemini and RBC Wealth Management report, the top three drivers were the following:

- **Personal and family values (90.7 percent)**
- **Feeling of responsibility to give back (82.7 percent)**
- **Desire to instill social values in their children (75.6 percent)**

However, when looking at the younger HNW population, motivations tended to center around wanting to leave a personal legacy, taking action as a result of a personal experience, and designing meaningful social impact.

<table>
<thead>
<tr>
<th>Theory of Motivation</th>
<th>Description</th>
<th>Examples</th>
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<tr>
<td>Drive Theory (Hull 1943)</td>
<td>Need to restore balance; biological needs; Behavior = Drive x Habit</td>
<td>Hunger, shelter</td>
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<tr>
<td>Arousal Theory</td>
<td>Fulfillment of an optimal level of arousal, excitement; varies by individual</td>
<td>Sky diving—high arousal level</td>
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<td>Incentive Theory</td>
<td>The “pull” of external goals and receiving tangibles and intangibles</td>
<td>Rewards, money, recognition</td>
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<td>Maslow’s Hierarchy of Needs</td>
<td>Cognitive reasons to perform various actions, structured in a hierarchy</td>
<td>Self-actualization, Aesthetic needs, Need to know, Self-worth, Love and belonging, Safety, Physiological</td>
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**Source:** Murdock (2014)

**Self identify:** Identify with a community such as church, school, civic institutions, etc.

**Core values:** General values, religious beliefs, attitude toward social responsibility, giving back some of the benefits one has derived from society.

**Resources:** One’s outlook and position related to income, wealth, and life stage.

**Experiences:** Personal, role models, volunteerism.

**Sense of urgency and impact:** Belief that investment can make a difference, level of understanding of social issues, attitudes of impact and results.

The market has responded and as a result, we are witnessing innovative field tests/pilots and advances in innovative social initiatives, public–private partnerships, and social financial products. At the same time, philanthropists have responded in kind with larger investments—2015 and 2016 are forecasted to have 4.9 and 4.6 percent growth in giving, respectively.

**Industry Implications**

Across generations, people have amassed experience and ideas related to issues such as poverty, human rights, health, and education. And there are just as many questions and frustrations about the complexity of the issues and level of improvements and results.

It’s no surprise to you or your clients and investors the alarming number of failing schools, overcrowded jails, or rising poverty, homelessness, hunger, and jobless rates. The headlines are there each day; however, many are interested in understanding the root causes and potentially promising solutions.

They want to be a part of the dialogue/debate on what’s working, what’s not, and how to get to scale. They wish to be at the table (and not always the gala table) to discuss, strategize, and mobilize good ideas.

Big bold ideas are the key theme for 2016 and you have an opportunity to help them engage in a thoughtful and meaningful way. All of which can lead to fuller conversations ranging from traditional philanthropic approaches to social entrepreneurship and social investment products.

**The Talk**

Lines of inquiry can start with a review of the 2015 giving strategy and level of satisfaction with the investments and results and trends for 2016.

- **How and why they chose those particular areas (refer to Table 1 and theories of motivation for language to facilitate the conversation)**
- **What changes would they like to see in the world?**
- **What gives them hope?**
- **How and why they chose those particular areas?**

Be willing to share your experiences and information about social issues that you are familiar with and concerned about. People typically respond well when you are willing to share authentic experiences, and that can help build common ground and trust.

You just might be surprised by the conversation and the topics it opens up. There are a variety of approaches and motivations to philanthropy and, interestingly, active philanthropists often utilize several approaches at the same time, so it behooves advisors to understand a client’s motivations and expectations.

In addition, motivations, passions, and expectations can be as fluid as social issues,
so be prepared to have a series of conversations or check-ins with clients.

For instance, an active philanthropist, who is well established in certain causes has put in place an exit strategy related to some social issues so that the family can pivot to other causes that provide opportunities to design, test, and co-fund new initiatives. The wealth advisor was instrumental in the new strategy due to early motivations-based conversations and check-ins to understand the client's new thinking.

**Moving from Talk to Action**

So you’ve shared and you’ve bonded (or maybe that’s not your thing), now you can use this next section to engage and help actualize the passions.

Common questions I often am asked include: “What are others doing?” “Who's in this space?” and “What's working?” This offers a great way to engage with your clients or prospects by involving them in some experiential interactions.

**Peer Discussions**

HNW families and individuals have really responded to dinners I and others have hosted. Commonly referred to as Jeffersonian dinners after Thomas Jefferson, who routinely held lively, topical dinners, they are a great way to move talk to action. The small intimate settings, intended to replicate family dinners, where people gather to discuss and debate particular topics, have been very effective.

**Field Visits**

Experiential learning opportunities also are highly effective. A tour I gave of the South Bronx, one of the poorest neighborhoods in the United States, for a small group of clients provided an insider’s view of the neighborhood conditions and challenges. Many of the participants still point to that experience and the lunch conversation with a principal at a struggling school as being the cornerstone in their understanding of the challenges of education reform and their giving strategy.

Other ways to engage include the following:

- Engage philanthropy advisors to augment your current services, help you understand the market, players, and social issues and to host peer discussions, field visits, and conduct nonprofit due diligence.
- Leverage your network to access key policy makers and nonprofit leaders to help inform on the issues and possible approaches.
- Host skill-building sessions. Everyone wants to be a smart and impactful philanthropist; plus, learning along with your clients and prospects can be a unique and memorable experience. Aid in the due diligence of specific opportunities and products.

**Takeaways**

- You are in a unique position to be a valuable resource and a point of access for clients and prospects.
- Your willingness to understand social responsibility motivations and passions can boost your ability to serve your clients.
- Moving from talk to action can translate to new business and help you achieve your business goals.
- Stay tuned for upcoming articles on emerging managers, philanthropy pioneers, and next-generation social impact.

And remember, “people will never forget how you made them feel.”

Gayle Jennings-O’Byrne is chief executive officer of The Prometheus Exchange, an organization for high-net-worth investors committed to innovation, creativity, and economic growth and equality, where she works to amplify social change. Previously she was a vice president at JPMorgan Chase Global Philanthropy. She earned a BS in economics from The Wharton School and an MBA from the University of Michigan Ross School of Business. Contact her at latstalk@theprometheusexchange.com.

**References**


