Friendship House, Inc.
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The Generation Factor in Non-Profit Strategic Planning
Using Friendship House as an Example

Introduction

For the last thirty years, the majority of non-profit service organizations have relied on the Baby Boomer generation for its leadership and core staff. As this generation reaches retirement age, pro-active non-profit boards are aggressively trying to develop leadership succession plans that will enable their organizations to remain apostolically robust, financially secure and true to their core missions. Leadership succession, however, is only the tip of a very large iceberg that is the generational change affecting boards, staff, clients, volunteers, donors and corporate sponsors. Throughout the non-profit world, the next ten years will see a changing of the guard like America has not seen in seventy-five years.

Because it is a national phenomenon, there has been a lot of research on the generations that make up our current society and the impact of generational change on various institutions. Peter Brinckerhoff, founder of Corporate Alternatives, is an internationally known expert in the field of non-profit management and strategic planning.   His theory of mission-based non-profit stewardship strongly resembles Friendship House's own strategic planning process. In 2007, Brinkerhoff published Generations: The Challenge of a Lifetime for Your Nonprofit. In this book, Brinkerhoff concisely presents his research on how the current generational shift will impact every aspect of non-profit ministry. After summarizing his description of each generation and the current crisis, this paper will apply Brinkerhoff's insights to Friendship House's own current situation and strategic plan.

Part I: The Five Generations That Make Up America Today

1. *The Greatest Generation*:
   Born: 1901 – 1924
   Size: 2,000,000 (Down from 20,000,000 in 2005)
   Key Events: Great Depression, World War II, Post-War Economic Boom
   Critical Technological Change in Their Lives: Rural electrification, Radios
   Key Values: Financial security, Patriotism, Selflessness, Respect for authority, faith in institutions
   Motivators: Tradition, Helping others, being part of a large scale, valuable change

2. *The Silent Generation:*
   Born: 1925 – 1945
   Size: About 30,000,000
   Key Events: Lived through WWII as children, Reached maturity in the 1950's, experiencing (1) the Cold War with its threat of nuclear annihilation, the Korean War, Vietnam and the draft and (2) The Civil Rights Movement

Critical Technological Change in Their Lives: The family car and the interstate highway system. Early use of office machines, Massive industrialization.

Key Values: Loyalty, self-sacrifice, stoicism, faith in institutions, intense patriotism

Motivators: Tradition, loyalty to a key issue in their lives, value of a joint work ethic.

3. The Baby Boomers:

Born: 1946 – 1962

Size: About 80,000,000

Key Events: Grew up in an era of huge social change and wealth. First generation in 200 years to rebel against their government. Virtually every social, scientific and cultural institution underwent major changes during their adolescence.

Key Values: Sense of entitlement, optimism, competition, focused on their careers, endless youth, cynicism about institutions

Critical Technological Change in Their Lives: Television.

Motivators: Their value to the team, their ability to improve services, being needed, public recognition, helping to change the world.

4. Generation X:

Born: 1963 – 1980

Size: About 45,000,000

Key Events: Have worked in the shadow of the Baby Boomers. End of the Cold War. Beginning of globalization.

Key Values: Independence, self-reliance, stability, informality, fun

Critical Technological Change in Their Lives: Personal computer, cable TV & video games

Motivators: Value of independent thinking, value to the organization, work-life balance

5. The Millennial Generation:

Born: 1981 – 2002

Size: 80,000,000

Key Events: First generation to be born in a truly diverse, high-tech society with a global perspective.

Key Values: Work-life balance, confidence, social commitment, complete comfort with technology, networking, realism, being well-informed, time management

Critical Technological Change in Their Lives: Connection of the Internet affecting every aspect of their lives. Rapid pace of technological innovations.

Motivators: Doing things in groups, Recognizing the need for their new perspective and ideas, Making a real difference for the community.

Part II: Generational Trends

1. Financial Stress:

a. The Passing Away of the Greatest Generation: Regardless of their level of wealth, these folks provided the most reliable level of financial support to their churches and

charitable causes.

b. The Impending Retirement of the Baby Boomers: The social safety net will be bulging with retirees that will need to be supported by the workers of Generation X and the Millennial Generation. Since they continue to represent the largest block of likely voters, government money will continue to move toward issues that are vital to their interest.

c. Drain on National Wealth: Since 2009, Baby Boomers have been withdrawing more money out of their retirement accounts than they are investing. Since the workers of Generation X and the Millennial Generation tend to save less, there will inevitably be an increasing withdrawal of capital from the stock market, banking and other financial institutions.

d. Rising Federal Deficits: While everyone agrees that the steadily escalating national debt must ultimately result in across-the-board cutbacks to federal programs, including Social Security and Medicare, gridlock in Washington prevents the implementation of any balanced strategic plan.

2. Technological Acceleration:

a. Our dependence, use of, and expectations regarding technology are going to continue to grow at an increasing rate.

b. One result of advancements in communications is that everyone is expected to be available and reachable 24 hours a day, seven days a week.

c. The various generations have very different perspectives on this technological acceleration

 – The Silent Generation and Baby Boomers are ambivalent, seeing both the pros and cons. Precisely because they tend to be "worker bees," they want their down time to be uninterrupted by beeps, tweets and emails.

 – Generation X has a much more positive view of the tech explosion, viewing all the ways they can make it work for them.

– For the Millennial Generation, this is the only world that they have ever known; it is the air they breathe; they feel that they cannot survive when it is taken away.

3. Diversity of Population:

a. The younger the generation , the more diverse its composition.

– The Hispanic population of the USA is growing at twice the national birth rate.

– Inter-racial marriages are at an all time high.

– Within the next generation, Caucasians in the USA will become a minority.

b. This diversity is affecting the definition of most social institutions.

c. The social and political attitudes around these social changes tend to divide along generational lines.

c. Despite battles over immigration and outsourcing of American jobs, the social, environmental, political and economic issues that dominate our lives are global and are forcing all Americans to function in a bigger, more diverse world.

4. Redefinition of Family:

a. Families are more mobile and in new ways.

– Over the last 30 years, there has been an unprecedented spreading out of families.

– The higher the educational level, the more spread out the family.
b. Becoming and remaining long-distanced families has been enabled by the technology explosion.
– Cheap air fares
– Low-cost phone plans
– The Internet (Email, Facebook, Skype, etc.)
c. At the same time, the nature of the family itself has changed.
– More couples simply opting for co-habitation instead of marriage.
– More divorces and remarriages have led to an explosion in the number of stepbrothers and stepsisters living in one house.
– Dramatic increase in number of single parent families
– In 40% of American householders, the female partner earns the most money.
– Growing social acceptance of same-sex and trans-gender households

5. *MeBranding*
a. The proliferation of choices in all aspects of our lives
b. Ultra-customization: The idea that we can segment markets down to the individual customer.
– Re-enforces a level of selfishness and egocentricity
– Contributes to polarization of attitudes (*I watch, read and listen to the people that tell me I'm right.*)
– Loss of exposure to a broad and diverse swath of ideas, music, art, commentary, and information so crucial in a steadily shrinking and complex world.
– Expectation that public and private human service agencies can provide the same level of ultra-customized service.

6. *Work-Life Balance*
a. Work Ethic
– Silent Generation and Baby Boomers "live to work"
– Generation X and Millennial Generation "work to live"
b. Where Do We Work?
– Older generations tend to identify work with a place and a community of co-workers.
– Younger generations tend to identify work with a task, preferably one that they can do off-site and with flexible hours.

Part III: Impact on Non-Profit Strategic Planning

1. *Financial Stress*
a. As the level of giving from the older three generations steadily declines, how does a non-profit find alternative funding?
b. How will the aging of the Baby Boomers affect health insurance premiums?
c. With the future of Social Security benefits in peril, do non-profits have alternative

retirement options for their younger workers?

d. How will reduced public funding impact the human safety net of our consume population?

e. With the different work-life-balance priority of Generation X and the Millennial Generation, where does a non-profit find the funds to replace retiring Baby-Boomers who have historically worked longer hours for less money?

2. Technological Acceleration

a. Keeping pace with technological advances is not a luxury, but a mission-based necessity.

– Technology is an accelerator, not a solution

– An agency's use of technology must be tailored to the needs, wants and acceptance levels of the different generations.

– Need for an applied technologist

* Inside the organization:　staff or volunteer

* Outside the organization:　paid independent contractor

b. How does a non-profit stay abreast of tech changes, get its work done and stay within the budget?

3. Diversity of Population

a. How is your organization's consumer population becoming more diverse?

– Is there any hard data?

– Is anyone tracking long-range trends?

b. Is your organization adequately accommodating this more diverse population?

– Welcoming and culturally competent?

– Available bi-lingual staff or volunteers?

c. What is the cost in terms of time and training of becoming and remaining culturally sensitive and competent?

4. Redefining the Family

a. What pressures is family change putting on the people one's non-profit serves?

b. What percentage of one's staff (by generation) living in non-traditional family structures?

– Is the non-profit flexible to their special needs?

– Impact on their benefit package?

c. How do family changes affect a non-profit's ability to attract and retain volunteers?

5. MeBranding

a. How does a non-profit maintain up-to-date information on what services its consumers and constituents desire?

b. What current services are adaptable to MeBranding?

c. Financial implications of more program customization

– Staffing costs

– Program costs

– Administrative costs

    d. Customizing means of giving to match generational preferences
- Donations
- Volunteering
- How can technology help?

6. Work-Life Balance

    a. Is the non-profit talking with its employees and volunteers about their work-life balance?
- Is there a policy regarding off-site work?
- What about work hours, dress code, split shifts?

    b. Is one's benefit package flexible enough to accommodate the different needs of different age group employees?
- Is it comparable to other non-profits in the area?
- Financial cost

Part IV: Six Action Steps That Always Apply

1. Do a generational self-assessment.

    a. Internal generational status (Board, Staff, Volunteers, Funders, etc.)

    b. Generational Service Status (Clients by program)

2. Mentor and discuss among generations.

    a. Crucial for solving inter-generational conflict involving board, staff, volunteers and clients
- Passing on knowledge and perspective
- Helping to eliminate generation-based transference and counter-transference issues

    b. Must be hands on and personal.
- Listen, more than talk.
- Look at your agency's management style through their eyes

3. Target constituents, funders, and clients by generation.

    a. Accommodate one's services to older and younger generations simultaneously.
- Marketing must be flexible to change and diverse in its appeal and approach.
- Use the tool that does the job.

    b. While MeBranding may not always be realistic, one size cannot not fit all.
- Programming must strive to serve the specific needs of each individual.
- Consumer feedback is crucial.

4. Age down.

    a. Recruit younger board members and middle managers.
- Even if this means changing the current *modus operandi*.

– Expand the staff so the leadership team has time to train their successors.
  b. Include generation thinking in your skill sets for board and staff recruitment.
        – People that are at least open to the mind-sets of people older and younger than themselves.
        – Leaders must also be generation facilitators, helping all age groups to appreciate diversity and recognize their own blind spots.
  c. Seek more college-age and 20-something volunteers and interns.

5. Meet Techspectations.
  a. Use technology
        – To bridge generational divides
        – To accommodate the wants of different age groups
        – To make your organization more efficient and effective
  b. Different generations have different techspectations.
        – Those of the Millennial Generation as staff, as board, as volunteers, as funders, as clients will be higher and less forgiving than others.
        – Generation X is not far behind.
        – Baby Boomers can have high techspectations in some areas, but maybe uncomfortable with others.

6. Ask, observe and listen.
  a. Welcome feedback from all age groups and stakeholders.
  b. Include outside perspectives in program performance reviews.
  c. When planning, give all generations a voice at the table.

Part V: Applying Some of These Insights to Friendship House

1. Personnel
  a. For most of its existence, Friendship House has relied heavily on the older three generations for financial support and leadership.
        – The Greatest Generation were regular and generous funders.
        – The Silent Generation supplied the early board leadership.
        – The Baby Boomers have dominated the board and staff for 20 years.
  b. Generation X board and staff members have tended to be short-term.
        – Different attitude to Work-Life balance.
        – More mobile (long-distance families / job changes / various social causes)
        – Over-committed, especially if they have small children.
        – Career oriented (FH is a stepping stone to other things)
  c. Current board/staff is dominated by like-minded Baby Boomers
        – Same leadership style
        – Same work ethic
        – Similar technology skill set and comfort level
        – Socially connected through traditional institutions (main-line churches,

community organizations, schools, non-profits, large corporate employers, etc.)

d. The current FH leadership team (Directors and Managers) will likely retire in the next seven years.

    -- FH has implemented a management succession plan to replace CEO and Ministry Directors

        * CEO by 2017

        * Ministry directors by 2020

    -- Plan includes de-centralization of the CEO position and duties

    -- Challenge to find new directors willing to commit the time and energy required for the salary that FH is able to pay

e. FH has a successful intern program with local colleges.

    – Opportunity to recruit and test drive potential staff

    – Great orientation to FH mission and style of ministry

    – Plan to expand number of intern positions to provide more peer ministers to a younger generation of clients

f. FH board and staff needs to better reflect the increasing cultural diversity of its clients.

    – At least one bi-lingual staff person at each major ministry site.

    – Greater knowledge of cultural support systems for Hispanic, African and Asian clients.

    – Sensitivity training for special needs of these minorities among our greater client population that is still predominantly white and African American.

2. Finances

a. With the passing of the Greatest Generation and the retirement of the Silent Generations and the Baby Boomers, FH will probably experience a reduction of the church and individual giving.

    – New financial appeals focused on younger generations

    – Broadening FH church coalition to include the large number of non-denominational Generation X faith communities that have begun interacting with FH.

b. At the same time, personnel costs should rise significantly during this transition period.

    – Supplemental staff to free up directors for more staff training and mentoring.

    – Rising medical and workman's comp premiums

    – Higher salaries and benefits to attract and keep middle managers

c. As government funding to social programs gets cut, there will be greater pressure on private non-profits to pick up the slack.

    – Reduction of government funded programs

    – Closing of a lot of older non-profit service agencies

    – Greater demand for services

    – More competition of private funding

3. Marketing

a. FH's current marketing strategies are mostly geared to the older generations.

    – Newsletters & mailings

       – FH website

      – Public speaking at sponsoring churches, businesses and community organizations

      – Physical tours and site visits

b. Reaching the younger generations will demand a different approach.

      – Technological upgrades (Facebook, Twitter, E-newsletters)

      – The hiring Generation X volunteer coordinator

            * Able to partner with church youth and young adult programs, school community service programs and college social groups and school intern programs.

            * Able to keep the material on all FH's internet instruments current

            * Can develop more short-term group oriented volunteer opportunities

c. In order to reach out to all generations, both marketing strategies need to be maintained.

4. Programming

a. If FH is asked to do more with less, it will probably need to reduce and prioritize its areas of ministry. These decisions must be:

      – Mission based.

      – Cost effective.

      – Include those ministries with greatest ongoing community support (i.e. money and volunteers)

      – Take into consideration the generational change happening among our homeless clients

b. Our homeless clients are most likely to get younger faster.

      – Population rate among poorer Americans much higher than the general population.

      – Hispanic portion of FH homeless clients rising quickly.

      – FH has seen more Asian homeless in last two years than in the first 20 years.

b. As both social, economic and technological change continues to accelerate, the needs of our consumers (both homeless clients and sponsoring churches) will remain very fluid.

      – Program assessment must be ongoing.

      – Programming must be very sensitive to the special needs and styles of each generation.

      – New initiatives will probably come at the cost of existing programs.

Further Reading

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