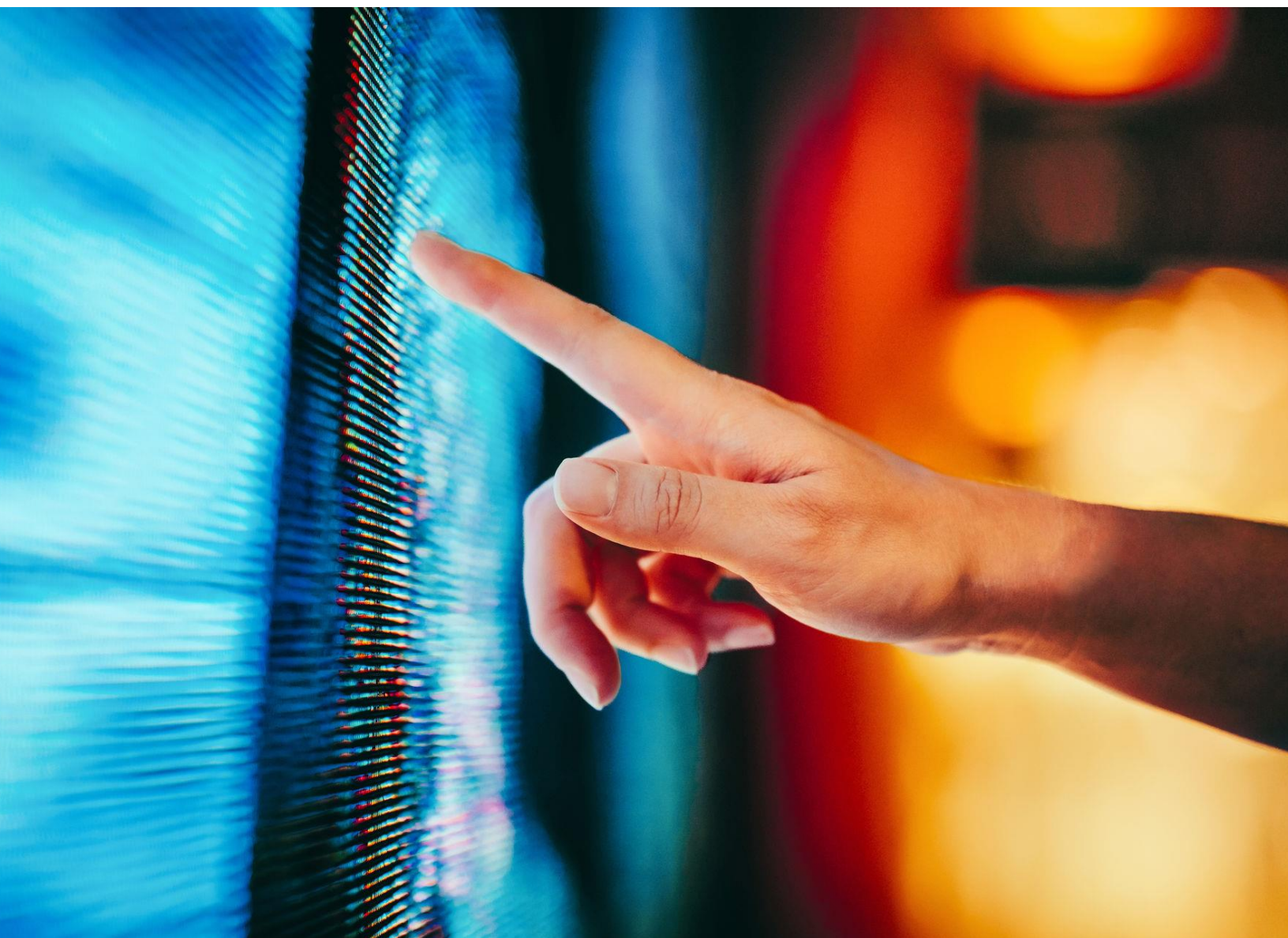


Trends in philanthropy 2025

Spotlight on Next Gen



Four trends for Next Gen philanthropists that will drive impact in 2025 and beyond

An enormous amount of wealth is set to be transferred to the Next Generation over the coming decades. Wealthy Baby Boomers and the Silent Generation will be handing the torch to the Next Gen – which includes Gen X, Millennials and, eventually, Gen Z.

The level of anticipated wealth transfer to these younger generations is considerable. The 2024 Cerulli US HNW & UHNW Markets Report estimates that USD 124trn is expected to be transferred across generations over the next 25 years, with USD 105trn flowing to heirs and USD 18trn going to philanthropy. Given this reallocation, the opinions and preferences of these Next Gens will increasingly influence the approach of HNWs and UHNWs to giving.

We have spoken with our clients about the preferences and habits of Next Gen individuals and family members across numerous meetings and advisory sessions and during UBS Collectives and Philanthropy Insights trips. From this series of discussions, we have identified four key trends for the coming year and beyond.

We'll keep an eye on these trends and others. The increasing wealth moving into the hands of this Next Gen means they are likely to shape tomorrow's philanthropy landscape.

1. Focusing on impact returns

Whether Next Gens are investing or giving, the focus is on achieving proven impact.

2. Taking a hands-on approach

Next Gens are giving more than just money, sharing expertise, and partnering with others.

3. Focusing on environment and social justice

Next Gens are particularly committed to the environment and social justice.

4. Tapping into the power of digital

Next Gens leverage the power of digital for advocacy, transparency, and accountability.

Focusing on impact returns

Next Gens are increasingly blurring the lines between philanthropy and investing, looking at risk, return and impact across the spectrum of capital. This contrasts with many of their parents, who lacked the breadth of today's sustainable investing solutions and, therefore, have tended to divide their strategies between investments and philanthropy.

"We've seen our clients increasingly embrace innovative philanthropy. As we develop new ways of financing impact, we see our clients starting to adopt them, and Next Gen in particular is poised to accelerate this trend."

Dhun Davar, Head of Social Finance, UBS Optimus Foundation

Next Gens take wealth preservation seriously, thinking of themselves as stewards, with reputation as a top concern. They prioritize solutions that aim for long-term, sustainable impact. Next Gens are building upon their parents' interest in sustainability-related and impact investing, increasingly taking an approach where financial outcomes are regularly pursued alongside social and environmental outcomes.

We see Next Gens as being keen to step up and help with financial donations in emergencies. But they are increasingly interested in innovative structures that bring together philanthropists and investors. For example, blended finance structures such as income share agreements (ISAs) that allow promising students in developing countries to access tertiary education with loans that are only repayable when their earning crosses a certain threshold, and where philanthropists provide concessional debt to catalyze commercial investment.

Overall, we found that 68% of billionaire Next Gens aim to keep growing their parents' impact achievements, but they are less concerned with whether this is from philanthropy or financial investment.

"On my philanthropy journey, I've come to not only understand social impact investing and see the good that it is doing around the world, but on a personal level it is helping me redefine and understand business and investments in a different way that I've never seen before. Coming from the American corporate world where it's all about profits and doing what is best for the investor and the employee, social investing has another aspect to it. It's a much deeper sense of value, not only externally, but internally that you get from this type of work. It's honestly something I wish more people knew about."

Max Taylor, UBS Philanthropy Insights trip participant

Taking a hands-on approach

Next Gens are also more likely to be hands-on than their parents when deciding how best to employ their finances for good. They seek on-the-ground evidence of impact and want to see systemic change through their philanthropy. They are also much more likely to work together collaboratively, viewing knowledge-sharing as essential to solving complex global challenges.

We've seen an increase in young HNW and UHNW donors engaging with family offices, philanthropic advisors and other specialists to ensure their family giving strategies are effective and sustainable. And when making large financial commitments, Next Gens are often keen to visit a non-profit and/or observe activities on the ground. They also often like to employ a kind of "venture philanthropy," with actively involved funders using entrepreneurial models to scale innovative and sustainable solutions in areas like clean energy, education and healthcare.

Monikers matter, and the term 'philanthropist' resonates less with Next Gens than other descriptions such as 'giver,' 'advocate' and 'changemaker.' A recent *Foundation Source* survey found that the vast majority of Next Gens aspire to be described by one of these terms.

As part of this shift in self-image, Next Gens are often keen on partnerships, looking to find innovative ways to advocate and amplify messages to get more people involved, through a variety of hands-on activities. Our Next Gen client feedback from [UBS Collectives](#) and philanthropy workshops reflects this desire to achieve greater impact by working together and build lasting partnerships with others interested in similar issues.



Focusing on environment and justice

Next Gens' views are becoming increasingly important within wealthy families, even if they don't always align with those of older generations. In addition, these younger generations often want to forge their own path with their philanthropy, with environment and social justice among their top concerns.

A decade ago, just 21% of respondents to our billionaire survey said that they involved the next generation in planning, but now 60% do so, defining and sharing values to create a more sustainable future. In addition, Gen Z and Millennials tend to find issues of personal identity, political opinions and faith to be particularly important, whether or not these issues align with their families' giving traditions.

Environmental sustainability is a top priority for Millennials and especially for Gen Z, and they are increasingly steering their families toward sustainable investments and philanthropic endeavors focused on climate and the environment. Their passion for this issue not only influences where they like to give or invest, but what they are inclined to buy and where they may work. Almost two-thirds of respondents to a recent Deloitte survey of Next Gens said that they are willing to pay more for environmentally sustainable products. And about a quarter have ceased supporting a business due to unsustainable practices.

Next Gens are also increasingly looking at their giving through lenses of class, race, gender and sexual orientation. They're inclined to support initiatives that aim to combat social injustice and are aware that giving may sometimes risk exacerbating systems and structures of injustice. Next Gens are eager to engage grassroots and local solutions, frequently involving impacted community members in the solutions sought.

"Looking back, joining the UBS Climate Collective was my brother's decision. Back in 2019, he realized that everything we do on the impact side has to have a climate component because livelihoods are now connected to climate, health is connected to climate – everything is connected to climate. With this Collective, I can focus on learning, supporting people on the ground and connecting personally through that. That to me is very valuable."

UBS client and Climate Collective member



Tapping into the power of digital

Younger philanthropists are more likely than older generations to incorporate technology into their giving, using digital platforms and tools to track the impact of their donations in real time, expand their voices, and hold non-profits and social enterprises accountable.

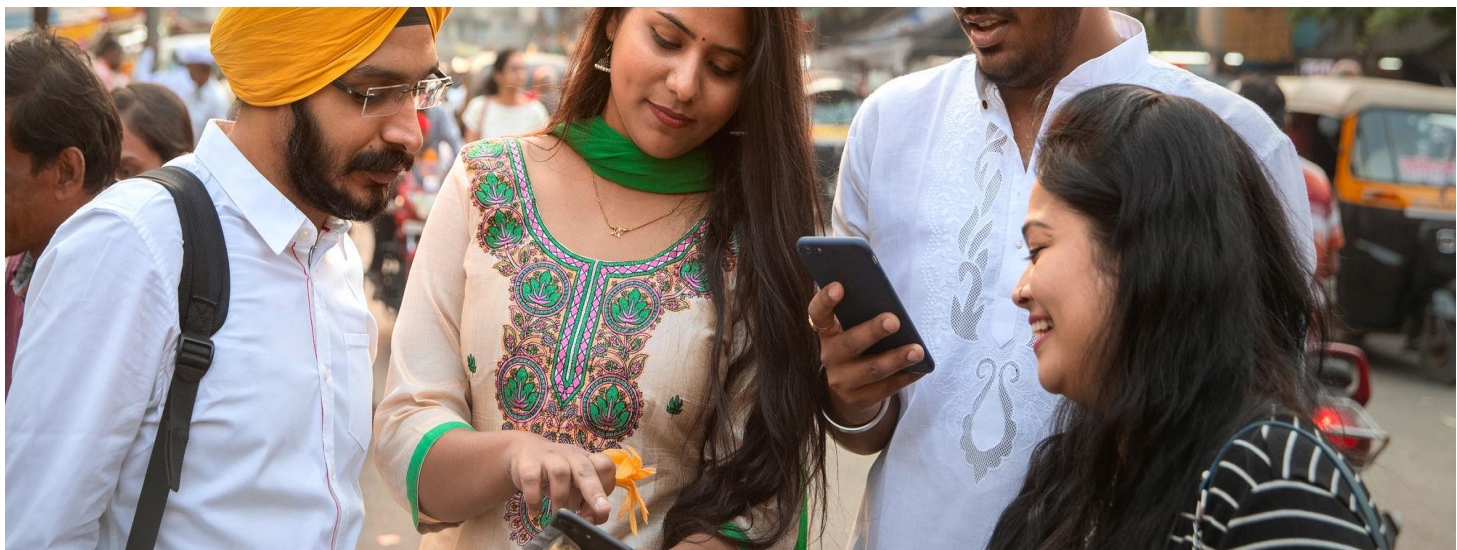
The digital landscape has democratized giving in many ways, making it easier for individuals to inspire large-scale engagement around global issues and share evidence. From AI-driven platforms that match donors with high-impact causes to digital solutions that promote transparency, Next Gens are using technology to find, support, and promote causes most aligned with their philanthropic strategy.

Social media has amplified both the voices and influence of Millennials and Gen Z, and the support of worthy causes. Many Next Gens engage with philanthropic causes through social media platforms, sharing their philanthropic efforts and advocating for change to build broader awareness and encourage collective action. And Next Gens, along with other clients, are also increasingly eager for solution providers to engage in projects that use technology to create and measure sustainable impact.

For instance, the UBS Climate Collective is supporting the Global Mangrove Trust in Singapore to develop the FOREST-SCAN sustainable land-use tool. It uses open-source satellite data combined with machine learning to provide real-time, accurate insights and environmental data for selected areas, such as historical deforestation rates and land classification matrices.

Additionally, clients on a recent trip to South Africa met with Turn.io, a software company and one of our foundation investees. It collaborates with over 150 social impact organizations to create chat services that enhance health, employment, education, climate, agriculture, humanitarian response, financial inclusion and civic engagement.

These examples illustrate how our clients, including the Next Gen, are actively investing in technologies that are exciting, tangible, interactive and impactful.



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