



# Microphilanthropy Explained

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For decades, philanthropy has been seen largely as black-tie galas paired with pricey auction items — large events for larger wallets. With the introduction of the internet and social media, donors now have the ability to participate and give in new and more accessible ways. Microphilanthropy has become a prominent trend in the past decade. It's here for the long haul, so we'll walk you through how to get on board.

## What is Microphilanthropy?

As suggested by the name, microphilanthropy is a new wave of giving that encourages donations of small amounts between \$0.25 and \$10. While the dollar amount per donation earns the “micro” label, it doesn't necessarily mean your fundraising will decrease. Instead, as people give in smaller amounts, they're often willing to give more frequently. Lowering the bar for smaller donations is a great way to [expand your donor pool](#). You'll reach new, often younger donors, who wouldn't be able to contribute at a higher level.

Microphilanthropy takes place in a variety of new settings. It can be participating in a TV text-to-give appeal from your couch, supporting a fundraiser on Facebook or rounding up the spare change on your morning coffee. These channels make it easier to give by integrating charitable giving into our everyday lives. It's new technologies that are enabling new modes of giving.

Today, many brands (like Lyft and Macy's) have adopted round-up programs that ask their customers if they'd like to round-up on their purchases to support certain causes. Many businesses also encourage employees to opt into payroll giving where they can designate a small amount of every paycheck to go towards supporting select nonprofits. All these tools have made it easier for donors to make a difference by weaving giving into their everyday lives.

## **What are the benefits of microphilanthropy?**

While there is nothing wrong with traditional philanthropy, microphilanthropy initiatives empower nonprofits to broaden their donor pools. This is particularly true with Millennial and Gen Z audiences, who make up nearly 50% of donors on GoFundMe. Donors in these demographics care about social, environmental and cultural causes but are often cash poor and burdened with student loans.

Microphilanthropy also allows nonprofits to build a stronger and more engaged donor community. Once donors contribute to the cause (no matter the amount), they're welcomed deeper into the impact reporting and communications channel. There are many powerful opportunities to feature certain donors on social channels or develop personal relationships with direct outreach and personalized thank you message. Donors crave community and want to feel they are a part of the change that they're supporting.

Creating specific fund designations is another way to stimulate microphilanthropy efforts because it gives everyday donors greater control of where their funds are directed. This engenders a greater sense of control and the feeling that even small-dollar gifts will have an outsized impact on areas like disaster relief, food pantries, education programs and others. For donors who don't want to specify, smart nonprofits offer a general fund, where the amounts allocated are given to areas with the most need.

## **So how do we start?**

2020 has shown us that in a time of need, many people are willing to dig deep to support the causes they care about. This support comes in both monetary and nonmonetary forms. It's important to make the needs known. Promote not only opportunities to give money, but volunteer and spread the word on social media. Examine your current giving channels and see if there are ways to bolster your strategy. Consider offering donors the ability to round-up their purchases. Encourage donors to set up their own peer-to-peer fundraising campaigns to help make up for lost revenue due to canceled events.

## **What about traditional philanthropy?**

Galas, auctions and direct mail continue to be important fundraising tools. Virtual events, in particular, have shown an ability to mobilize supporters and celebrate the amazing work that you do during times of social distancing. The more traditional

modes of revenue should not be dispelled if the return on investment is stable. But if COVID-19 has taught the nonprofit world anything, it's that diversifying giving channels is crucial. If your nonprofit is heavily reliant on one or two gala events, then you're overlooking revenue streams with lots of potential. Microphilanthropy is not here to replace all philanthropy. Instead, it's a great way to reach a new generation of donors, and to modernize your fundraising.

<https://nonprohuh.org/featured/microphilanthropy-explained>