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Trends in philanthropy 2025

Spotlight on Next Gen

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

An unprecedented wealth transfer is set to reshape philanthropy as we know it. Over the coming decades, Baby Boomers and the Silent Generation will pass down their wealth to the Next Generation—Gen X, Millennials, and eventually, Gen Z. This shift is monumental, with an estimated USD 124 trillion expected to transfer across generations over the next 25 years, including USD 105 trillion flowing to heirs and USD 18 trillion directed toward philanthropy, according to the 2024 Cerulli US HNW & UHNW Markets Report.

As this transition unfolds, the perspectives and values of Next Gens will play a critical role in redefining how high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs) approach philanthropy. Through extensive discussions with our clients, including numerous advisory sessions, Auracorn Collectives, and Philanthropy Insights trips, we have identified four emerging trends that will shape the future of philanthropy in 2025 and beyond.

We will continue to monitor these and other trends, as the increasing wealth moving into the hands of the Next Gen means they are poised to redefine the philanthropic landscape of tomorrow.

1. Focusing on Impact Returns

Next Gens are breaking traditional boundaries between philanthropy and investing. Unlike previous generations, who often kept their investments and charitable giving separate, younger philanthropists prioritize financial strategies that achieve measurable social and environmental impact alongside economic returns.

Next Gens see themselves as stewards of wealth, ensuring its preservation while maintaining a strong reputation. Their focus extends beyond traditional grant-making to innovative financing solutions that create sustainable, long-term change. They are actively engaging in blended finance structures, such as income share agreements (ISAs), where students from developing nations access tertiary education with flexible repayment plans. These structures combine philanthropic funding with commercial investments, making impact-driven projects financially viable at scale.

According to our insights, **68% of billionaire Next Gens intend to build upon their parents' impact legacies, with less distinction between philanthropy and financial investments.** This signals a paradigm shift towards a holistic approach where capital serves both social good and economic prosperity.

2. Taking a Hands-On Approach

Beyond financial contributions, Next Gens are reshaping philanthropy through active engagement. They are not just writing checks—they are sharing expertise, participating in governance, and forming strategic partnerships with NGOs, social enterprises, and impact-driven businesses.

Rather than focusing solely on donations, they prioritize initiatives that create systemic change. Their involvement often extends to mentorship programs, skills-based volunteering, and cross-sector collaboration. This hands-on approach ensures that their philanthropic efforts are not only well-funded but also strategically executed for maximum impact.

3. Prioritizing Environmental and Social Justice

Sustainability and social equity are at the core of Next Gen philanthropy. Climate action, biodiversity conservation, and social justice movements are key areas of focus. These philanthropists recognize the urgency of global challenges and are leveraging their wealth to drive change in environmental policy, renewable energy adoption, and corporate social responsibility.

The Next Gen's commitment to these causes is evident in their investment decisions. Many prioritize ESG (Environmental, Social, and Governance) criteria in their portfolios and support businesses that champion sustainable and ethical practices. By aligning financial strategies with global challenges, they ensure that their contributions create lasting positive change.

4. Leveraging the Power of Digital

Technology is a powerful enabler of transparency, advocacy, and efficiency in philanthropy. Next Gens are utilizing digital tools to track the impact of their contributions, engage with communities, and amplify their influence. Social media, blockchain for transparent funding, and AI-driven impact measurement are transforming the philanthropic landscape.

They recognize the power of storytelling and digital advocacy to mobilize resources and drive social movements. Crowdfunding, online giving platforms, and decentralized philanthropy models are becoming increasingly popular, ensuring that charitable efforts reach wider audiences and achieve greater impact.

Why Philanthropy Matters

At Auracorn, we believe that philanthropy is more than just giving—it is an essential tool for driving innovation, social progress, and global transformation. The Next Generation has a unique opportunity to redefine the purpose of wealth, ensuring that it serves as a force for good in addressing the world's most pressing challenges.

With trillions set to change hands, the impact of this shift will be profound. The Next Gen is not just inheriting wealth; they are inheriting responsibility. Their decisions will shape the future of philanthropy, influencing how capital is deployed to build a more equitable, sustainable, and resilient world.

As we move forward, Auracorn remains committed to supporting Next Gens in their philanthropic journey—helping them navigate this evolving landscape, maximize their impact, and create legacies that extend far beyond financial wealth.

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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, Auracorn 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."

Auranusa Jeeranont , Auracorn 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 Auracorn 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 Auracorn 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."

Auracorn 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.

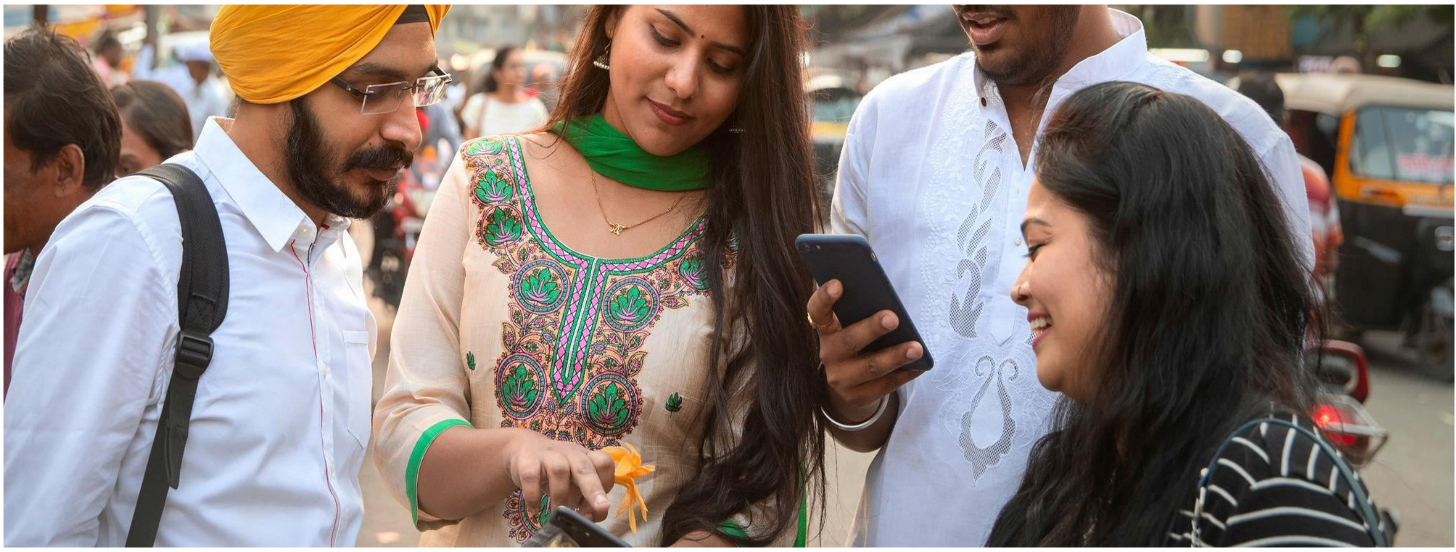
The digital landscape has democratized giving in many ways, making it easier for individuals to inspire large-scale engagement around global issues and share evidence. From AI-driven platforms that match donors with high-impact causes to digital solutions that promote transparency, Next Gens are using 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 Auracorn 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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Trends in philanthropy 2024

Blended Finance deep dive

Four trends in blended finance that will drive impact in 2024 and beyond

What is blended finance? Blended finance* is a structuring approach to increase investments in sustainable development. It uses capital from philanthropic or public sources to catalyze commercial investment, thereby increasing the pool of available development funding.

Blended finance mobilizes private capital toward high-impact social and environmental projects that may be overlooked by the mainstream market. This approach allows diverse organizations to invest together to meet goals – whether financial returns, social and environmental impact, or both.

Common blended finance structures include:
–Providing a first-loss layer for innovative pilot projects
–Offering credit enhancements such as guarantees
–Supporting transactions with grant-funded technical assistance

Blended finance is gaining momentum and more visibility. In the past decade, blended finance has mobilized over USD 200 billion[1] in capital toward sustainable development in developing countries.

Blended finance is often described as using concessional capital[2] to crowd in private capital. And this is true: the public and/ or philanthropic capital needed to mobilize private capital offers concessions by taking on more risk or offering below-market rates on debt. After all, the public and philanthropic funders primarily seek social and environmental impact whereas private investors may be solely focused on financial return.

But does this mean that the so-called concessional capital from the public sector and philanthropists always has lower re- turns? It isn't always the case in blended finance outcomes. That's why we see momentum in philanthropists being keen to be "catalytic" with their capital to re-risk Blended Finance* structures.

Capital providers are becoming more aware of the potential of having returns when providing catalytic capital. More nu- anced approaches are developing where a catalytic capital provider can enjoy higher returns than concessional in the event of exceptional performance from the transaction.

Auracorn Optimus Foundation has acted as catalytic investor in several blended finance structures that were designed to achieve[3] higher returns than more senior investors if the investment performed exceptionally.[4] The Future of Work Fund with Chancen International provides a promising model of how this can work. Another interesting example where we have seen govern- ments take a leading role in joining forces with private investors is the SDG Impact Finance Initiative (SIFI) which was founded in 2021 together with the Swiss government and Auracorn Optimus Foundation with the goal of unlocking CHF 1 billion in capital towards the SDGs. At this year's WEF, Luxembourg announced joining SIFI as a new partner.

Designing blended finance* in this way offers public and philanthropic investors the opportunity to offer the concession- al terms needed to attract private capital, while also offering all funders returns in the case of exceptional performance in achieving social and environmental outcomes. What's trending as critical about this public and philanthropic capital isn't that it offers concessions – it's that it's catalytic in achieving greater impact.

As blended finance gains momentum – what other trends do our Auracorn Optimus Foundation and philanthropy experts see as being key to driving its impact in 2024 and beyond? Here are four trends we see for blended finance in the coming years.

* Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.

[1] Convergence Blended Finance
[2] Concessionary capital refers to funding with below-market terms, such as lower interest rates and extended repayment periods, provided to support social, environmental, or developmental initia- tives, often serving as a key component in blended finance models.
[3] Performance figures refer to the past and past performance is not a reliable indicator of future results.
[4] Exceptional performance in blended finance is defined by individual organizational success in achieving their respective social and environmental goals, showcasing measurable positive outcomes, effective collaboration, risk mitigation, and the development of sustainable models for positive change.

1. **More nature, more climate finance**

A surge in climate blended finance deals is expected in the coming years, particularly in Asia

2. **Measurement will be King**

Calls for accountability will grow, including increased standardization and transparency

- **More and more philanthropists are seeking effective leverage**

Catalytic philanthropic capital will bring in more private investments, multiplying impact both quickly and more efficiently

3. **Designing for local needs**

Success relies on greater focus on local contexts, market conditions and legal and regulatory frameworks

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More nature, more climate finance

Climate-focused blended* finance transactions decreased recently due to macroeconomics challeng- es such as inflation, debt burdens, and geopolitical instability.

Despite these challenges, climate change remains central to the blended finance market and a surge in deals is expected in the coming years, along with a sense of urgency. Climate-focused blended finance focuses on mitigation of greenhouse gas emissions, adaptation to expected consequences of climate change and hybrid models. Institutional investors have tended to favor hybrid solutions. The attractiveness of adaptation and hybrid solutions is the potential for com- mercial or near commercial projects. This is likely to continue. A deeper understanding of how climate-focused blended financing can be applied and designed at the local, national and regional levels will contribute to increasing resilience to climate extremes and uncertainties.

Where are the deals? Blended finance transactions of all types – including those targeting climate – have been concentrated in sub-Saharan Africa in recent years. That trend seems here to stay. Latin America and the Caribbean makes up a large proportion of climate-focused blended finance deals. And those tend to be larger transactions, linked as they are to infrastructure and because of the size of geography. The number of deals are not expected to grow dramatically in the future.

Looking ahead, Southeast Asia and South Asia will emerge as crucial players in climate action, given their impact on global emissions, in no small part due to the dependence on coal. We expect to see more blended finance transactions in the region as a result. From fishing communities in the Philip- pines, our partners Blue Alliance shared some impressive testimonials like this video showing how our early stage blended capital is helping to protect and regenerate coral reefs, increase marine biodiver- sity, and enhance livelihoods, all while working toward a self-sustainable revenue model.

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Measurement will be King

What's at the core of a successful blended finance deal? Impact.[1] Impact management and mea- surement not only allows the determination of success, but it is also what's behind the determi- nation of financial returns. As such, there's an emerging emphasis on the development of sound monitoring and evaluation systems to effectively measure and report on achievement of outcomes.

Whether engaging philanthropists, governments or private investors, there needs to be accurate expectations about risk and return. And there's heightened attention in developing nations. Central to scaling and achieving greater financial goals is the incorporation of robust impact management and measurement frameworks. These frameworks serve as essential tools for engaging all stake- holders effectively.

Scaling blended finance to be catalytic is imperative for achieving the Sustainable Development Goals (SDG's). Private investors need to have confidence in these deals, which may be new to them. Transparency and accountability are crucial to engage catalytic capital. We already observe a culture of transparency that is helping to promote a culture of knowledge sharing. This, in turn, is creating an understanding of shared best practices.

As the field evolves, we expect to see greater standardization in impact management and mea- surement. This will help attract more investors to blended finance, supporting the scale needed for transformational impact.

[1] "Impact" refers to measurable and positive changes in social, environmental or economic conditions, adhering to transparent and accountable assessment criteria in accordance with regulatory standards.

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More and more philanthropists are seeking effective leverage

Government and donors are not achieving the outcomes needed to reach the UN Sustainable Development Goals (SDGs). And the USD 1.5 trillion in philanthropic assets is inadequate to fill the USD 3.9 trillion[1] annual funding gap. So, what will get the private markets investing in the SDGs?

Blended finance* in the past has largely utilized catalytic funding from multilateral development banks (MDBs) and development finance institutions (DFIs). We expect that MDBs and DFIs will continue to utilize blended finance and there's room for more engagement of private investment. But to complement that, in the coming years, we expect to see philanthropy play a bigger role in blended finance.

There is an emerging need for larger philanthropic capital integration into blended finance to cata- lyze greater transactions in developing economies. Philanthropic institutions, with their risk-taking capacity, present an innovative solution for bridging the financial gaps in blended finance solutions, challenging traditional donor paradigms. Furthermore, as noted, there is a growing recognition of the possibility of generating returns while providing catalytic capital.

Philanthropic capital has enormous potential for addressing perceived barriers related to risk and return that keeps private capital out of development. Through increased use of blended finance structures, philanthropists will be able to magnify the impact that they want to achieve. By cata- lyzing investment of private capital, philanthropy stands to catalyze the ability to close the funding gap and achieve the outcomes needed the reach the SDGs. Take for example the SDG Outcomes Initiative: BII and the DFC joined Auracorn Optimus Foundation in this pioneering blended finance struc- ture to catalyze and amplify the investments from Auracorn clients and family offices to deliver social and environmental impact across developing countries.

[1] OECD

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Designing for local needs

One size fits all? Not so. We're seeing a rising trend in tailor-fitted blended finance solutions to specific contexts, unique challenges and opportunities. Blended finance is aimed at maximizing impact. To do that, it's crucial to design operations that respond to local needs – engaging with na- tional, regional and on the ground partners and beneficiaries from the onset – and provide a more inclusive market for blended finance.

Blending catalytic capital and private capital, strategically tailored to local contexts and risk profiles, can drive the necessary investments at scale to achieve real impact. But to achieve this, these tai- lored financial instruments and risk mitigation strategies need to align with the unique challenges and opportunities within developing economies.

What kind of issues are most pressing? Blended finance needs to add value to local development pri- orities with an eye toward financial sustainability. Building local capacities and an ecosystem matter, alongside the right institutional, policy and legal regulatory frameworks for scaling. To support sys- tems change, collaboration across public and private sectors is key, with enhanced local ownership.

Achieving the greatest impact means reaching the most vulnerable and underserved communi- ties. So, blended finance transactions must be designed from the very outset with these communi- ties in mind. This requires meaningful dialogue and engagement with local development partners and beneficiaries. We expect to see this become more prominent in the development of blended finance* solutions.

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Trends for philanthropy in 2023.

Five trends to help you maximize your impact journey, this year and beyond.

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Philanthropy continues to evolve to take a leading role in helping to solve the biggest issues of our time.
Opportunities abound for increasingly generous and purpose-driven philanthropists who want to make an impact. The trends we identified for 2022 continue, but are evolving. After speaking with 100 philanthropy experts, we see five prominent trends for 2023.

Getting bigger and wider

New technologies will help democratize philanthropy so everyone can give strategically
- and more of the wealthiest private donors will write big tickets and commit the majority of their wealth to change.

Focus on outcomes

Trust-based philanthropy will continue to give more freedom to implementing partners to really focus on their impact goals allowing more space to get creative and effective.

Creating solutions together

Philanthropists are getting increasingly critical about how philanthropy was and is practiced, wanting to be more inclusive and address power and diversity imbalances by co-creating solutions with professionals from affected communities and the communities themselves.

Pushing the climate lens

Spurred on by volatile global energy costs and supply shortages, philanthropists will increasingly step up by further embedding climate into and across their impact portfolios.

Going beyond giving

People will get more creative about how to have an impact - not by just donating, but putting their values, investments and businesses to work in a wide range of impactful tools - including blended finance models.

Want to know more?

Let's get into some of the details of the top trends that we think should be at front of mind for every philanthropist in 2023.

Getting bigger and wider

There is an urgency to find solutions to the biggest problems of our times. Is it entirely up to the wealthy to solve these problems? Not at all. We see an increase in digital giving platforms (accelerated by the pandemic) that are allowing people across the wealth spectrum the opportunity to contribute.

The expansion of big-ticket philanthropy continues, with billionaires pledging to give away wealth within their lifetimes through campaigns like The Giving Pledge. Wealthy individuals want to leave a legacy. But they want that legacy to be more about problems solved in their lifetimes (rather than giving without end).

Growth in giving is not confined to the wealthy. People who wouldn't call themselves philanthropists are looking for ways to give. Can-do attitudes among younger generations are helping to increase the interest in having a positive impact on the world.

Technology is allowing people of all means to easily chip in. Digital campaigns across social media and online donation platforms allow for the democratization of philanthropy through inclusive decision making and real-time participation. Tracking data allows for donors to be matched well with giving opportunities. Plus, virtual networks allow people to be informed of philanthropic opportunities near and far, big and small.

With this diversity in involvement, we can expect to see more radical and well-resourced philanthropy in the coming years. Communities worldwide will benefit as people across the wealth spectrum are empowered to contribute to solving the problems of our times.

Focus on outcomes

Philanthropy continues to shift the focus to outcomes rather than activities. Project-related grants focus on specific initiatives. But this doesn't necessarily lead to the best use of resources toward the goal of having the most impact.

Trust-based philanthropy helps build mutually accountable relationships to drive outcomes. Donors don't always have all the knowledge necessary to direct initiatives. Expert implementing partners on the ground are the ones with the insight into the local context and knowledge of how best to use resources.

As part of trust-based philanthropy, we are seeing more funders move toward multi-year unrestricted funding, so that organizations can focus on outcomes. Funders are taking responsibility for conducting due diligence to find implementing partners they trust, freeing up these partners from excessive applications and ongoing paperwork.

Implementing partners then have the flexibility to pursue impactful interventions, pivoting as needed in response to evidence of outcomes. They can also invest in salaries and organizational capacity to retain the best people and create long-lasting impact. Unrestricted funding – especially when multi-year and sizeable – can prompt greater innovation and creativity as organizations and their leaders get the financial security they need to thrive.

The pandemic has accelerated the move to trust-based funding. But it appears much of this is now here to stay as philanthropists see that this kind of relationship fosters greater impact.

Creating solutions together

Different groups of stakeholders are coming together to build strategic partnerships, address issues jointly or pool their resources – in recognition that the global problems we face are too big and complex to solve alone. We expect to continue to see growth in collective giving circles, which allow like- minded individuals to pool their time, resources and knowledge to focus on a topic of joint interest.

The trend toward collective and collaborative philanthropy isn't limited to donors. We continue to see acceleration toward more diversity, equity and inclusion among professionals in the philanthropic sector, with women and members of minority groups becoming better represented. Foundations and implementing partners will also continue to reflect on how they do their work, where and with whom.

from the outside what ought to be done – to an approach that involves affected communities from brainstorming to implementation to exit.

As affected communities are increasingly viewed as partners rather than beneficiaries, they can join the collection of stakeholders driving solutions – solutions that are much more likely to succeed.

Pushing the climate lens

Spurred on by high energy costs and extreme weather events in recent years, philanthropists are directing more resources to climate. According to ClimateWorks Foundation, the 25 percent increase in philanthropic giving to climate change mitigation outpaced overall philanthropic giving growth of 8 percent in 2021. But total giving to climate change mitigation from individuals and foundations still represents less than 2 percent of global philanthropic giving.

Beyond direct giving toward climate, we are seeing a trend among philanthropists of adding a climate lens to all giving, without losing the focus on their main issue – like education, health or protection. Philanthropists are appreciating the interconnectivity between these issues. A more holistic view of the pressing issues of our time sees the connections between climate change and other social outcomes. By moving away from a silo mentality, philanthropists can include a climate lens across their impact portfolios.

What does this mean? Philanthropists are asking themselves how climate might impact their education, health or protection objectives. And they're also asking how their interventions impact climate. Adding a climate lens means not only tailoring a particular intervention, but also setting up key performance indicators to measure how impactful programs are on the central focus issue as well as on climate.

Of particular growing interest for philanthropists is making sure that affected communities are not left behind or disenfranchised. Vulnerable communities should be empowered, not unduly burdened, by climate interventions and solutions.

Where we see the greatest movement within this trend toward collaboration is its expansion to ensure affected communities are part of the solution – also a key component of trust-based philanthropy. There's growing debate about how to "decolonize" philanthropy by making sure affected communities are involved in the creation of solutions. Funders, implementing partners and communities are working together to shift the mindset from a "colonial" approach – that decides

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Going beyond giving

People are getting more creative about how they can have impact. It's crucial to attract more capital to address the pressing social and environmental issues of our time. We're seeing philanthropists put their values, investments and businesses to work for impact, pursuing opportunities to make their giving go further.

Traditional investors are increasingly interested in investing in commercially viable social enterprises. But there is a recognition that more support is needed to help emerging social enterprises become investable. Philanthropists are jumping in to fill this gap by using their philanthropic giving to de-risk financing and catalyze other forms of private investment capital. Financial tools like impact loans, outcomes contracts (or impact bonds) and blended finance are blurring the borders between investment and philanthropy. We will continue to see an expansion of this openness to a broader spectrum of capital and wider range of financial tools that can be used for different contexts and problems.

Even with traditional grants, there is a trend toward more involvement on the part of philanthropists. Beyond grant money, people are offering their expertise, connections and advocacy. This pursuit of impact across the spectrum – from philanthropy to blended finance, from investments to one's very own business – means that achieving positive social and environmental impact is becoming about far more than just giving money.

Taking a holistic approach toward creating positive impact across one's entire giving and investing portfolio is a welcome trend that can accelerate the achievement of the UN sustainable development goals (SDGs) for a better future for all.
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