

Discovering the Secret Giver



Objectives

- Scientifically document the world of bequest givers.
- Confirm current strategies that help nonprofits succeed in identifying and cultivating bequest givers.
- Develop data-driven tactics to help make nonprofits even more successful.

Inspired by nationwide focus groups

- Focus groups were held in 2007 in Washington, D.C., and Des Moines, Iowa.
- Participants included consistent donors and bequest donors age 40+.

Methodology

Sample frame:	Adults aged 40 and over throughout the United States.
Sample size:	901 adults, divided into a main sample of 601 and an oversample of 300 current or likely bequest givers. Respondents were contacted using a random sample of listed telephone numbers and screening for age as well as in the oversample, likelihood to include a nonprofit in their will.
Margin of error:	±3.3 percentage points for the entire sample.
Method/length:	Telephone interviews lasting approximately 13 minutes.
Field dates:	Feb. 27 through March 12, 2008

What makes this project significant?

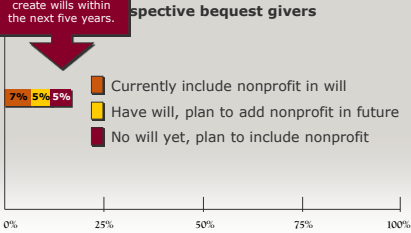
- The first study to scientifically document the universe of bequest givers and prospects living in America
- Builds upon past research
- Provides a foundation upon which to compare new sources of information

The first things we learned:

- We now know how many bequest givers there are in the U.S. among adults aged 40 and over.
- We also know how many prospects are inclined to include charitable bequests in their will.

7% name a nonprofit in their current will.

Most of these (73%) intend to create wills within the next five years.



To what can this be compared?

- Only other data is an IRS computation of decedents who pay estate tax.
 - This is 2% of annual deaths in 2005.
- Of these estates in 2006, 19% included a charitable deduction.
- The 8% that is often cited from *Giving USA*:
 - “Bequest giving is 7.6% of total estimated giving for 2007.”
 - Which is not the same thing, as it is based on dollars, not people.

Who are these current and future givers?

- The following slides show the demographics for:
 - Current givers
 - Prospects who already have wills
 - Prospects who do not yet have wills
- What is exciting is how one group differs substantially from the other two.
- These are the Secret Givers.
 - Secret, because they are not on anyone’s radar screen.

Profile highlights: Income

	General Population (%)	Bequest Givers (%)	Prospects with will (%)	Prospects without will (%)
Income				
\$100,000 or more	18	29	32	21
\$50,000–\$99,999	25	22	20	28
Under \$50,000	37	26	19	42
Refused/Not sure	20	23	29	9

Profile highlights: Education

	General Population (%)	Bequest Givers (%)	Prospects with will (%)	Prospects without will (%)
Education				
High school grad or less	35	17	22	45
Some college	21	17	15	20
College degree or more	42	65	61	34

Profile highlights: Age

	General Population (%)	Bequest Givers (%)	Prospects with will (%)	Prospects without will (%)
Age				
40 to 54	37	32	39	65
55 to 69	37	39	36	30
70 and over	26	29	25	5

Profile highlights: Marital status and children

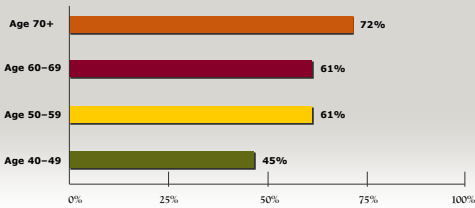
	General Population (%)	Bequest Givers (%)	Prospects with will (%)	Prospects without will (%)
Marital status				
Single	11	17	13	26
Married	63	59	68	55
Divorced	11	5	7	14
Widowed	12	18	11	3
Child under 18	19	12	25	29

This makes it clear that solicitations must differentiate by age.

- The strongest identifying trait among those who are good prospects without wills is age.
- Many nonprofits ignore those under age 55 when targeting bequest givers.
- That kind of thinking is outdated.

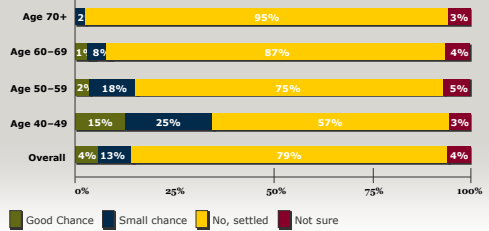
Younger Americans are *least* resistant to the idea of charitable bequests; older Americans are the *most* resistant.

Will does not currently include a bequest to a nonprofit and probably will NOT in the future (among those who have already created a will)



The likelihood of changing the minds of unlikely givers decreases as they age.

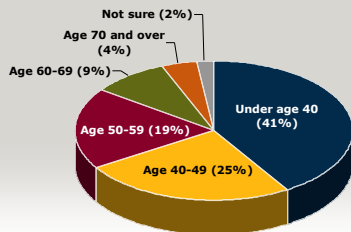
Possibility of changing mind in future to include nonprofit in will*



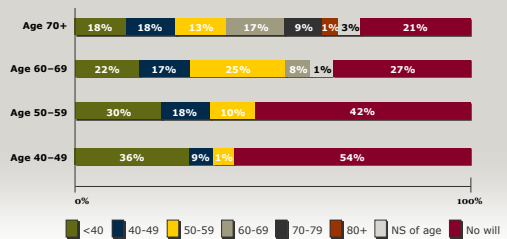
*Among those who are unlikely to include a bequest, both with and without a will; n=499

U.S. residents are making wills at an increasingly younger age.

Age when created first will
(Among those who currently have a will; n=594)



Older Americans report creating their wills at an older age.

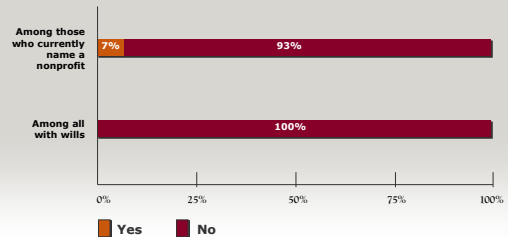


One of the most important things we learned:

- Once a nonprofit is in a will, it is rarely removed.
- That means there is little risk in cultivating givers at too young an age.
- The greater risk is waiting too long.
 - Will may be “filled up” with worthy nonprofits.
 - Older Americans are more resistant to idea of bequests.

Once a nonprofit is included in a will, there it stays.

Removed a nonprofit from a will

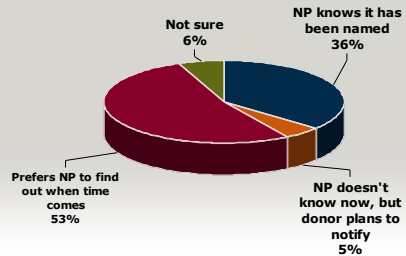


One more finding contributes to the idea of Secret Givers:

- They do not want to tell nonprofits about their bequests.
- Their plans are secret now and may remain that way forever.

A minority of planned givers have alerted the nonprofit of their gift.

Notifying nonprofits of decision to include bequest in will



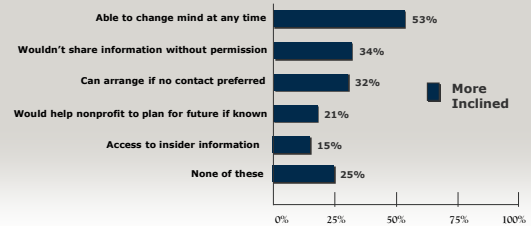
Concerns from bequest givers about notifying a nonprofit.

One of the main reasons for choosing not to notify nonprofit*	%
Donor's own business—no one else needs to know	80
Donor might change mind so better not to say anything	34
Worried he or she would be pestered with mailings and phone calls if the nonprofit knew donor was planning to make a bequest	26
Don't want organization acting like a vulture waiting for money	25
Might get special treatment/makes donor uncomfortable	24
Fear the organization would sell/give information to other nonprofits who would approach donor to help them as well	19

*Among those who have named a nonprofit in their will but have chosen not to inform the organization; n=109

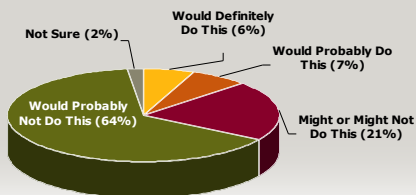
It does not hurt to assure privacy and reinforce the donors' right to change their minds.

Details that may make donor feel more inclined to tell nonprofits that donor has provided for them in will



Anonymous notification does not provide much incentive.

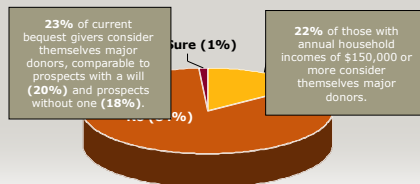
Willingness to notify a nonprofit of a bequest anonymously*



*Among those who have named a nonprofit in their will but have chosen not to inform the nonprofit; n=109

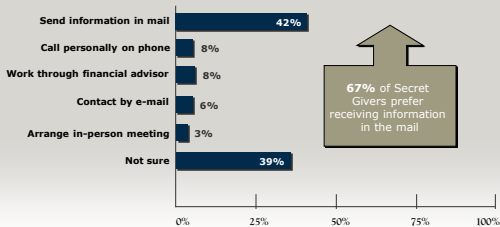
Be careful not to present planned gifts as only for big donors.

Consider self a major donor to any nonprofit



Preferred modes of initial contact

Preferences for initial contact about including a nonprofit in estate



Larry Stelter
President & CEO, The Stelter Company



Enhance your database.

- Know the age of your donors.
- Age is the linchpin to our suggested marketing strategy.

Rethink your formula for targeting donors.

Stelter Insight Formula™

First, revise how budget is spent to include younger ages.

- Spend 15% on *motivating* prospects aged 70+.
- Spend 55% on *transitioning* prospects aged 55–69.
- Spend 25% on *recruiting* prospects aged 40–54.
- Spend 5% *maintaining* current givers.



Targeting Secret Givers



- Be aware that they exist.
- Consider low-cost ways to cast a wider net.
- Deliver a targeted message:
 - More interested in tax savings; providing for family

PURLs - Personalized URLs



Prepare messaging for specific age groups.



The Most Important Document You'll Ever Own
6 Steps to an Effective Estate Plan
Are You Getting the Most From Your Money?



Boost Your Retirement Income
Family Comes First: Then Who Benefits From Your Estate?
Life Moves Fast—Keep Your Will Up To Speed

Prepare messaging for specific age groups.



The Ease of Making a Bequest
Discover the Joy of Giving Without Using Cash
A Gift That Gives You Security



Where the Money Goes
You Can Change Your Mind at Any Time
What More You Can Do to Help

7 New Rules For Engaging Donors

1. No one format fits all donors.



2. Consider a blend of messages by life stage.



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Getting to the heart of the matter

3. Present the need and why your organization is worthy.





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4. Use appropriate role models.



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Getting to the heart of the matter

5. Use a direct, easy-to-understand approach.

Protect your family's future with a will.



Plan for life's ups and downs. As different times in life, special situations may arise that can affect to use your gift as you intended, whether it be directed to research, advocacy or diabetes education.

Action List

What You Can Do Today

1. Keep up with the latest research by downloading the latest summary of new breakthroughs from diabetes.org/giving. These return the reply card to receive *Forward*, our research magazine.
2. Explore tips for creating a will or updating your estate plan by requesting a FREE brochure from diabetes.org/giving.
3. Contact us to get our official bequest language to include in your will when making a gift to support future diabetes research and education.

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Getting to the heart of the matter

6. Make it easy for donors to get information on their own terms

Discover
How to Protect Your Future

Yes I am interested in the future of Central Michigan University.

Need a hand? We can help!

Visit diabetes.org/giving for the FREE eBrochure in your circumstances.

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LEGACY

Discover how to protect your future with a will.

Yes I have already included DMS in my will/estate plan.

Yes I need research including DMS in my will/estate plan.

Please call FRAGS.

Please sign me up for information about DMS or more and ongoing issues.

Visit diabetes.org/giving for the FREE eBrochure in your circumstances.

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Legacy

Discover how to protect your future with a will.

Yes I have already included DMS in my will/estate plan.

Yes I need research including DMS in my will/estate plan.

Please call FRAGS.

Please sign me up for information about DMS or more and ongoing issues.

Visit diabetes.org/giving for the FREE eBrochure in your circumstances.

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7. Track results; measure your ROI

- Response rates to offers
- E-mail opens/click-throughs
- Contacts made (telephone, direct mail)
- Web visitors, PURLs
- New technology

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Stelter Donor Insight Report

Discovering the Secret Giver

Presented by
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