



2016 NMI Healthy Aging Database® Study
Sponsored in Part by The Stelter Company



STELTER

The Personal Philanthropy Company

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Introduction

The purpose of this report is to give planned giving professionals a new understanding of the preferences and priorities among donors to nonprofit organizations.

The new data from the Natural Marketing Institute's 2016 Healthy Aging Database® study can help shape donor-focused marketing and communications with more precision and insight, leading to better return on your communication investment. The Stelter Company's participation in this study has led to the capture of **powerful new data about the next wave of nonprofit donors on a scale, and with a level of detail, never seen.**

The result is a volume of easy-to-understand data that illustrate the hopes, concerns, priorities and demographic dynamics among donors to specific nonprofit types. The data segments donor information into an array of statistical groups, from frequent and infrequent donors, non-donors, net worth groupings, and age categories to charity preferences, depth of sentiment and motivation to give, even financial and health priorities.

No other planned giving marketing firm has captured this level of comprehensive data about nonprofit donor communities across the United States. This report provides valuable insight to create more strategic planned giving marketing communications for your organization.

About This Study

The findings in this report are based on a survey of 3,465 respondents to the 2016 Healthy Aging Database® study conducted by the Natural Marketing Institute. The Stelter Company acted as a consultant to the Natural Marketing Institute on core questions regarding charitable giving as well as embedded proprietary questions into the study.

The study was conducted in April 2016 of U.S. adults comprised of:

3,465 General Population sample

- 38% Millennials
- 20% Gen X
- 35% Boomers
- 7% Matures

The study was balanced to U.S. Census data across key demographics:

Gender, age, income, education, region and race

The study is statistically significant at the 95 percent confidence level to +/- 1.5 percent.

This means that if this survey were repeated using the same questions and the same methodology, 19 times out of 20, the findings would not vary from the percentages shown here by more than plus or minus 1.5 percentage points.

Definitions

**Millennials**

Born 1977-1998
(ages 18-39)

**Gen X**

Born 1965-1976
(ages 40-51)

**Boomers**

Born 1946-1964
(ages 52-70)

**Matures**

Born 1900-1945
(ages 71+)

GP: General population of U.S. adults

Donors: U.S. adults who have ever contributed to a charitable organization

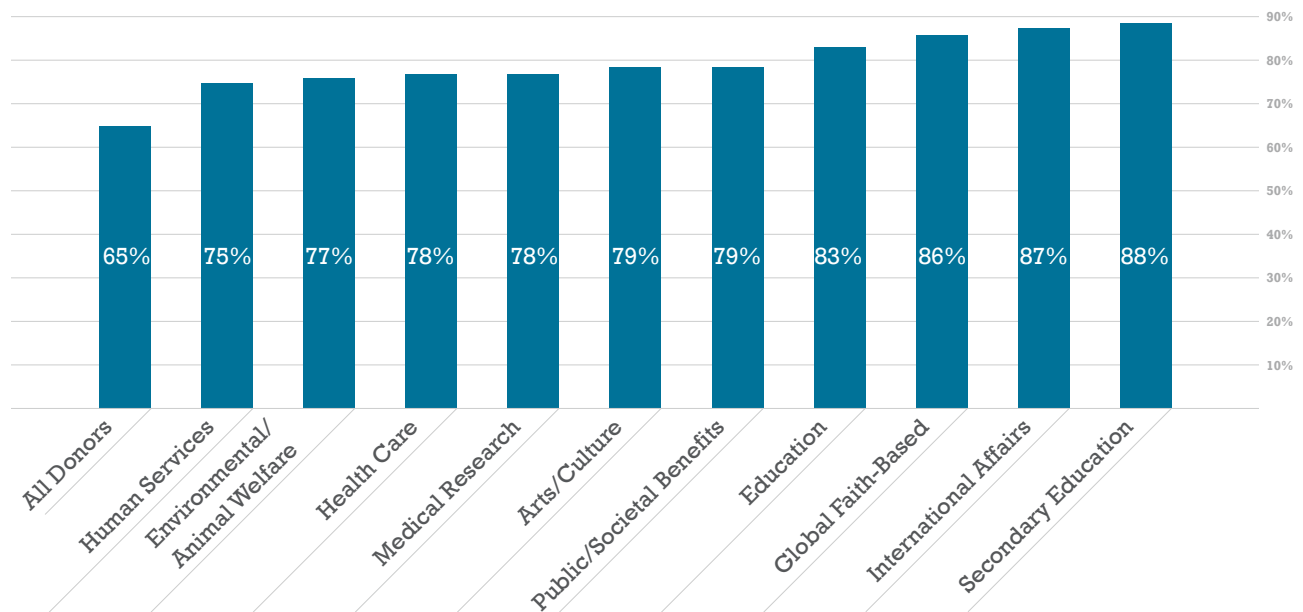
Non-donors: U.S. adults who have never contributed to a charitable organization

Caregivers: U.S. adults who indicate they currently provide medical/managed-care assistance or non-medical assistance for an aging loved one

Donating to Charitable Organizations Ranks High in Importance

Eighty-one percent of U.S. adults claim to have donated to at least one charitable organization between April 2015 and April 2016. Seventy-seven percent donated money, with goods or services making up the remaining 4 percent. Of those who contributed, majorities across all nonprofit sectors say contributing to charities is an important issue to them personally.

Donating to Nonprofits Is Very or Somewhat Important



A somewhat higher percentage of donors to secondary education, international affairs and global faith-based nonprofits said donating to nonprofits is very or somewhat important in their lives.

Donors and Donor Types

Between April 2015 and April 2016, 81 percent of U.S. adults donated to a charitable organization, while 19 percent say they did not.

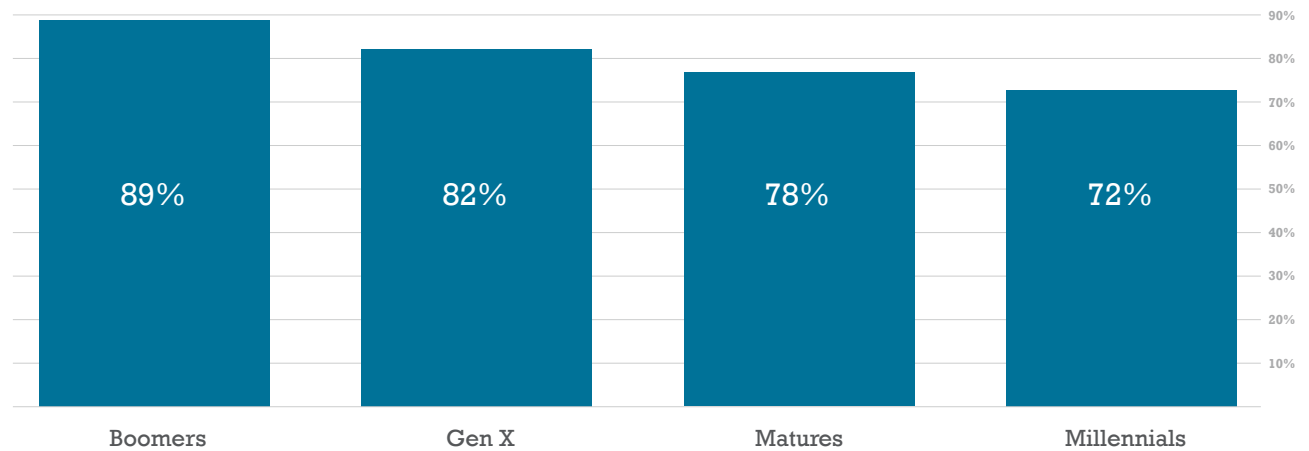
When compared to non-donors, donors to charities tend to be older, have a higher household income and net worth, skew white, and are more likely to be married.

	DONORS	NON-DONORS
Male	48%	50%
Female	52%	50%
Millennials	34%	58%
Gen X	20%	19%
Boomers	38%	21%
Matures	8%	3%
Average Age	48	39
College Graduate +	33%	18%
Median Income	\$70.0K	\$41.7K
Child in Household	39%	36%
White	80%	71%
Hispanic	14%	22%
Black/African-American	12%	17%
Asian	3%	3%
Married	56%	38%
Median Net Worth	\$94.3K	\$36.8K

■ = Significantly higher than corresponding group

Who Are the Donors?

Donors by Age Group

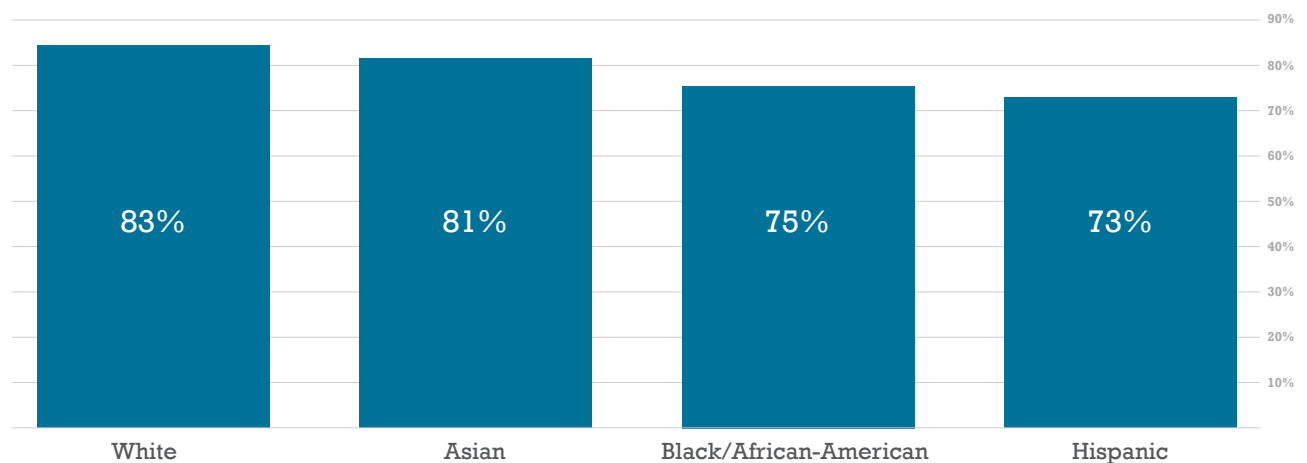


Donors and Age

More Boomers and Gen Xers say they have donated to a nonprofit than Matures or Millennials. However, when looking at donations for the 12 months ending in April 2016, significantly more Matures have donated to health care, human services and medical research nonprofits than other age groups.

Who Are the Donors?

Donors by Ethnic Group



Donors and Ethnicity

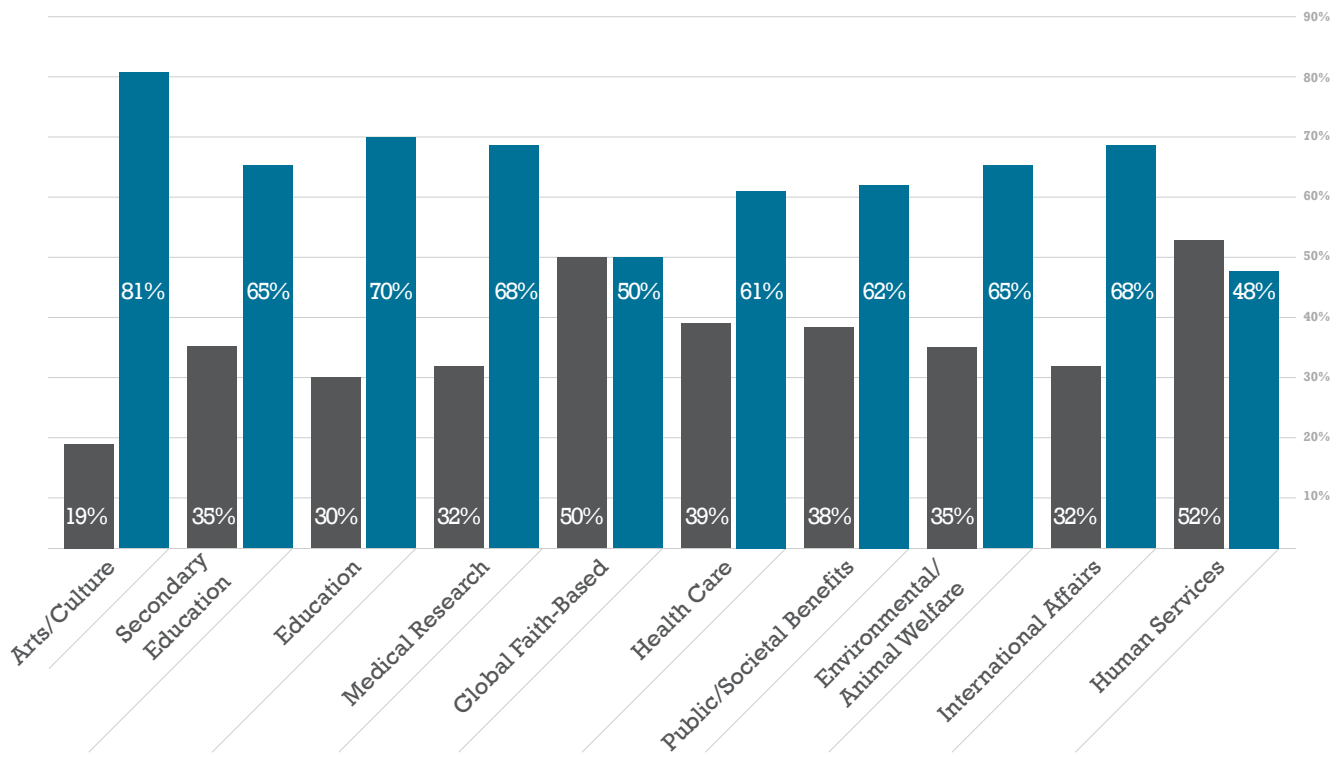
Donors can be found in similar proportions across ethnic backgrounds. Some differences do exist by type of nonprofit. For example, larger numbers of African-American donors gave to education and secondary education nonprofits in 2015–2016 than to other nonprofit sectors. Similarly, significantly more Hispanics gave to secondary education and public/societal benefits nonprofits than to other nonprofits.

Frequent and Infrequent Donors

Characteristics of Frequent and Infrequent Donors

Certain nonprofit sectors appear to attract more repeat donors during a given year, while others receive funding from a higher proportion of once-a-year donors. For some nonprofits, focusing on characteristics of frequent donors may lead to identifying better qualified planned giving prospects earlier in a donation pattern. Human services organizations have the highest proportion of donors giving several times a year. Conversely, arts and culture nonprofits have the highest proportion of donors giving once a year or less.

■ Several times a year ■ Once a year or less



Differences Between Frequent and Infrequent Donors

	FREQUENT DONORS	INFREQUENT DONORS
Male	47%	49%
Female	53%	51%
Average Age	45	42
Child in Household	47%	39%
Median Income	\$74.3K	\$55.8K
Median Net Worth	\$120.3K	\$48.1K
College	40%	31%
White	77%	76%
Black/African-American	13%	15%
Hispanic	16%	16%
Asian	3%	5%
Describes Self as Extremely/Very Social	38%	27%

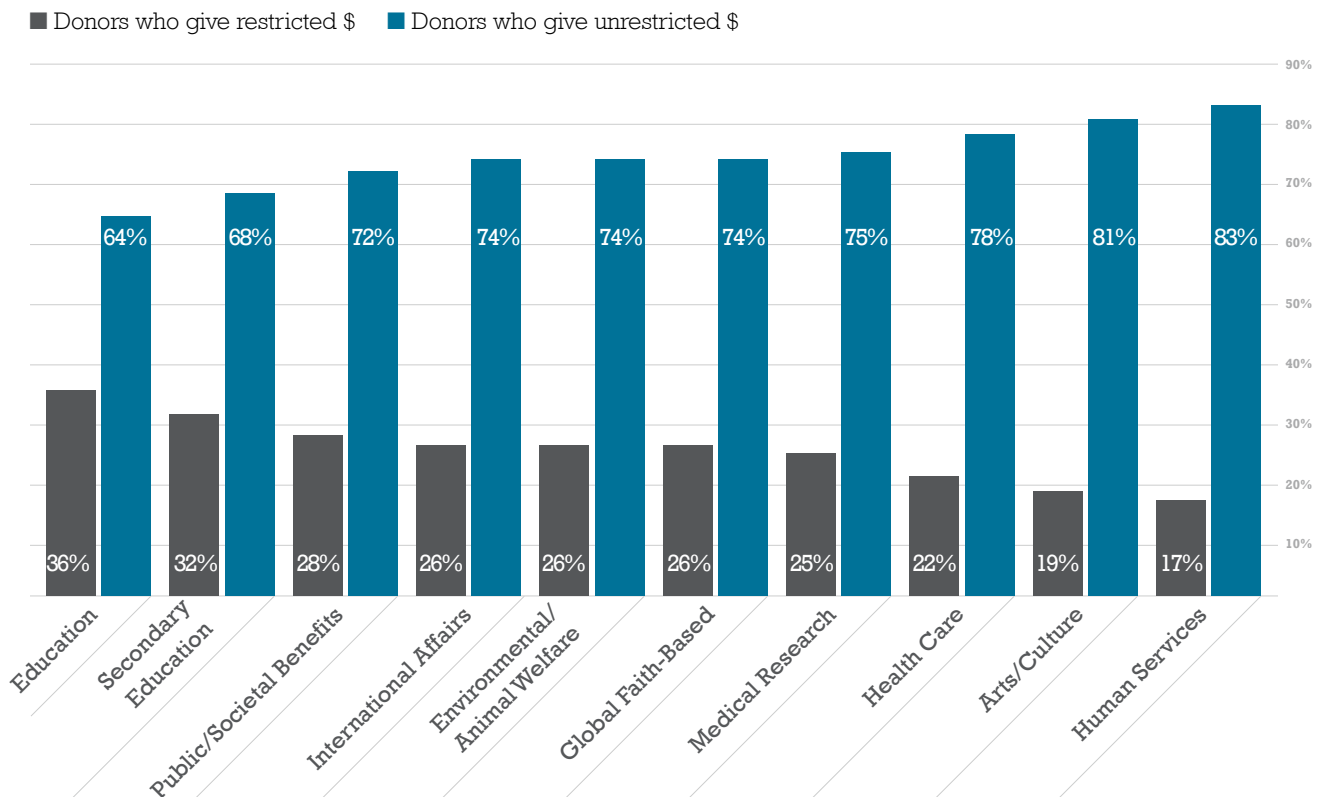
■ = Significantly higher than corresponding group

Frequent Donors

Compared to infrequent donors, frequent donors are more likely to be female, older, college educated and affluent; have a child in the household; and describe themselves as “social.”

Restricted vs. Unrestricted Gifts

A large majority of donors give unrestricted gifts across all nonprofit types.



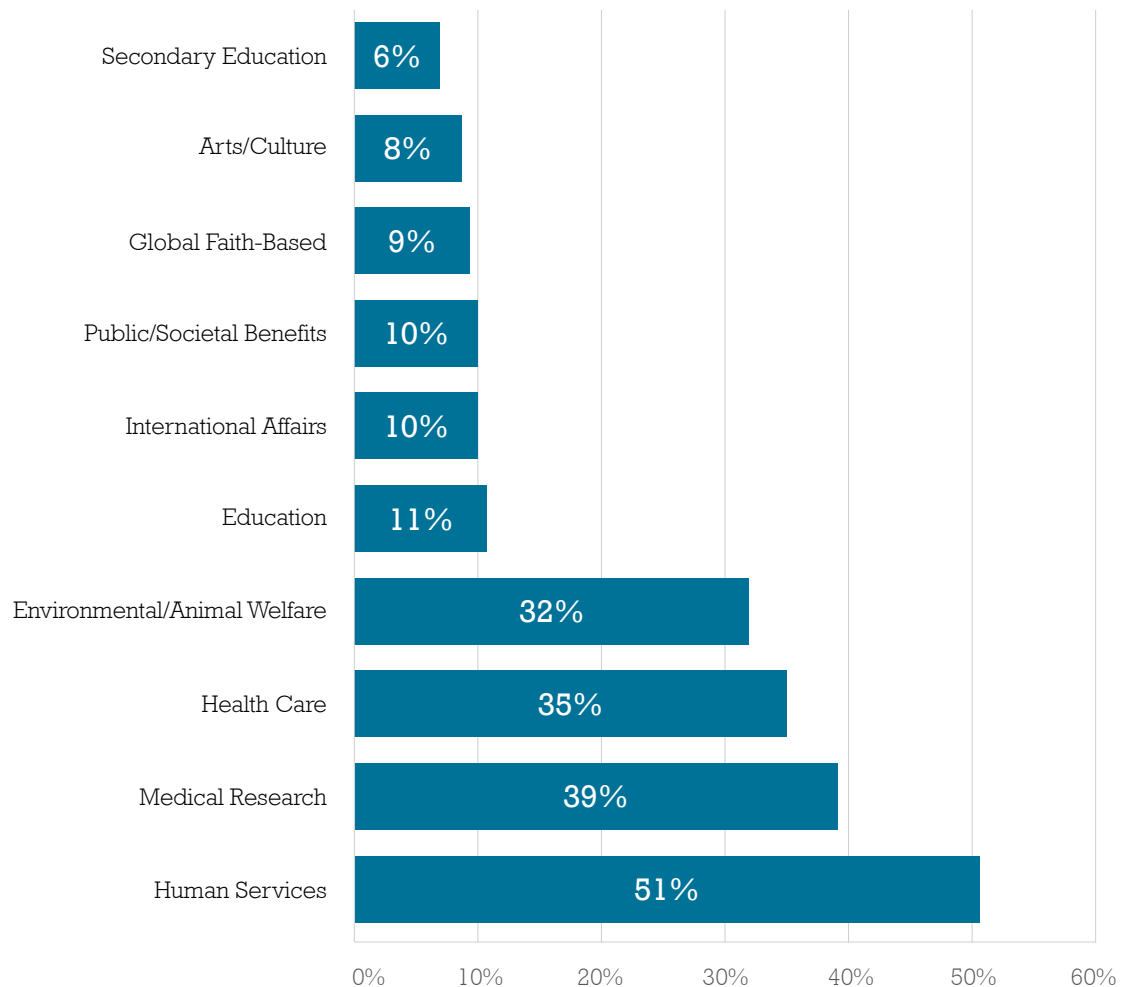
Unrestricted Gifts Are the Norm

Most donors give unrestricted gifts to the nonprofits of their choice. The highest percentage of restricted gifts can be found in donations to education and secondary education organizations.

Donor Preferences and Challenges

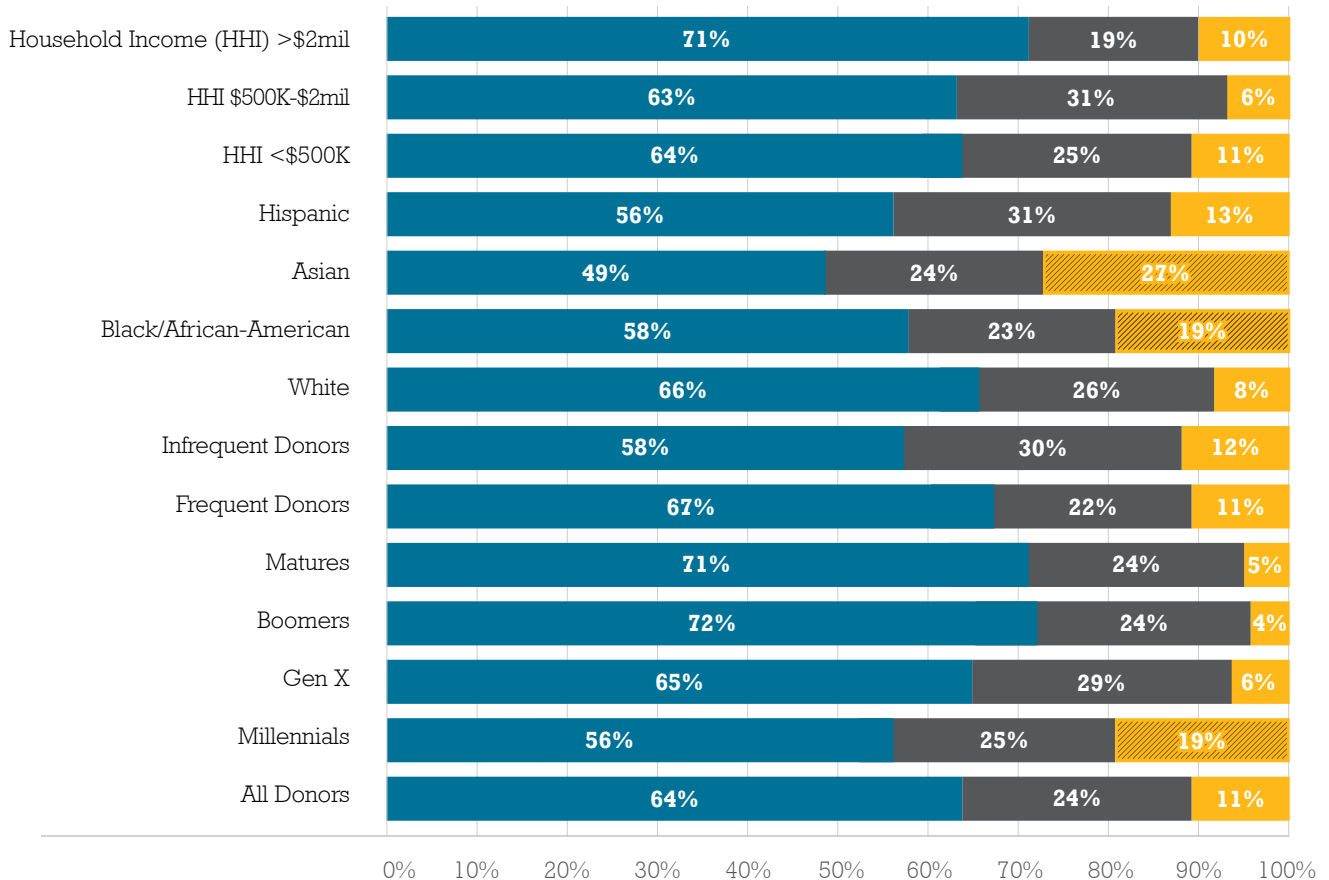
More donors give to human services charities than other types of nonprofits.

Percentage of donors indicating which type of organization they have donated money to in the past year:



Donors Prefer to Keep It Local

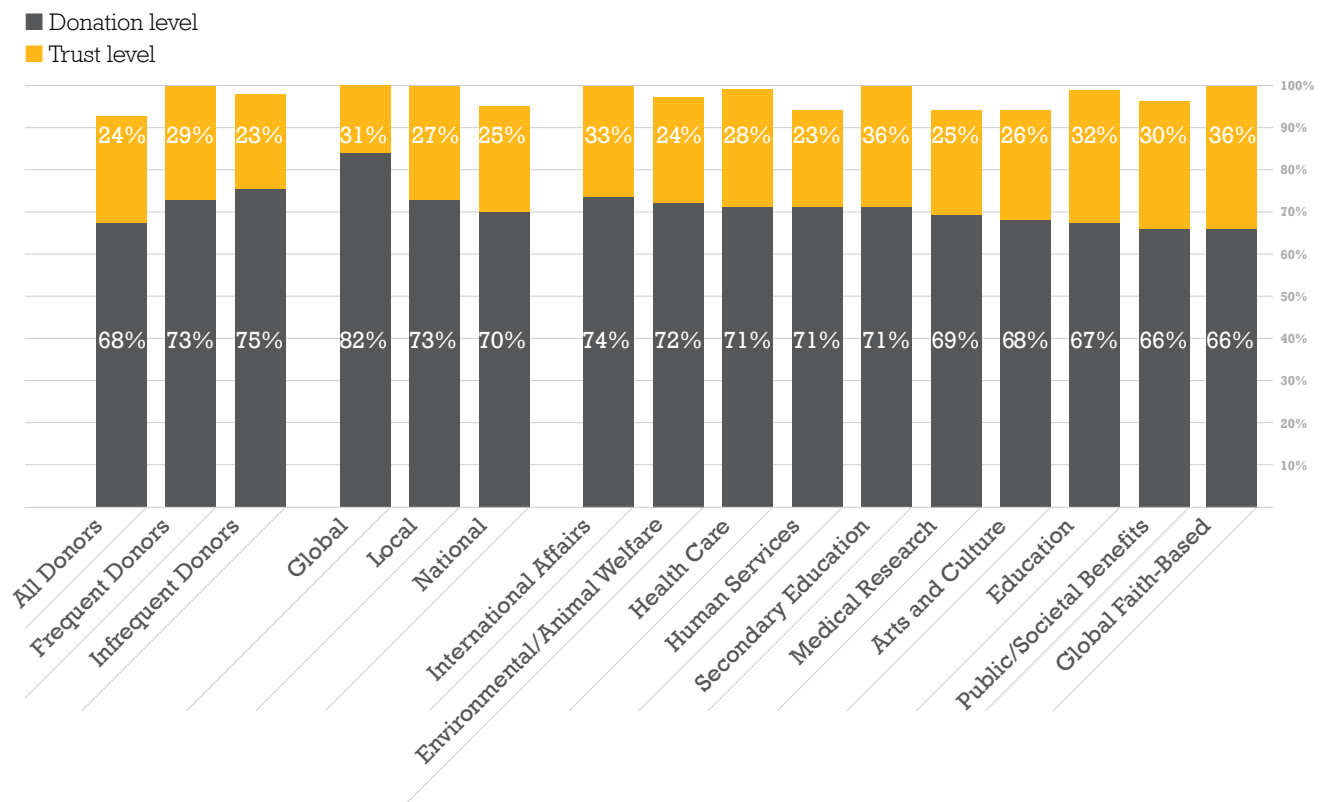
Donors of all ages, ethnic backgrounds, household income and net worth prefer to give to local charities over national or global organizations.



/// = Outline highlights the groups that are high across the types of preferred organizations

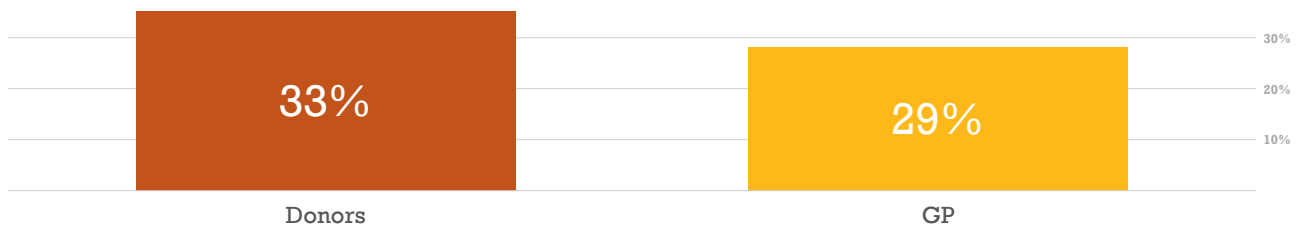
Donor Challenges: A Trust Gap Exists

Most donors say they donate only to organizations that distribute 100 percent of their funds directly to an actual cause. However, only 1 in 5 donors trust an organization to do this.

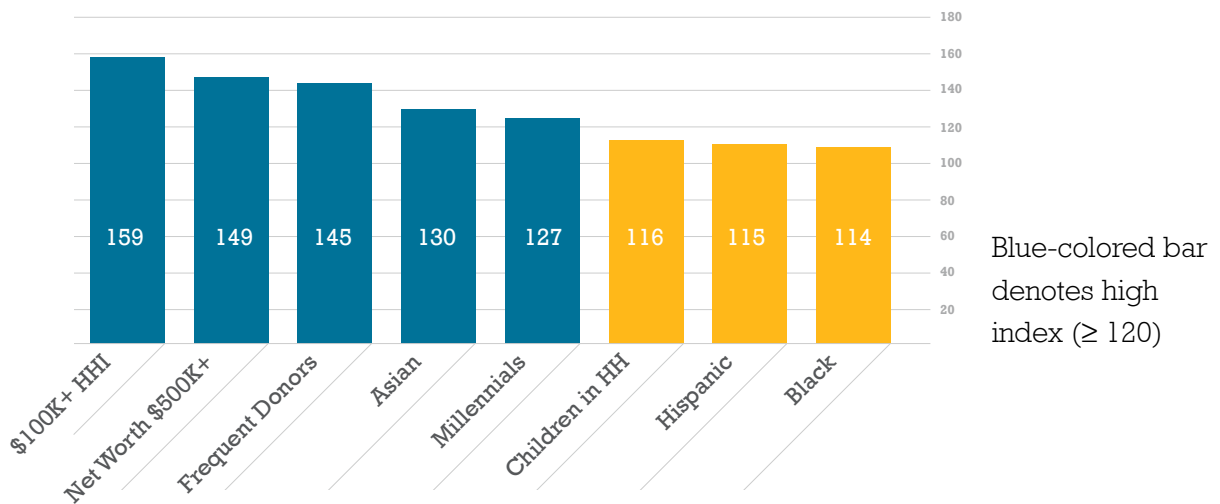


Ability to Donate Today: Notable Demographic Segments

One-third of nonprofit donors are in a better position to donate to charities today than they were 10 years ago. That is better than the general population.



Weighted index of donors indicating their ability to donate to charities is better today compared to 10 years ago:



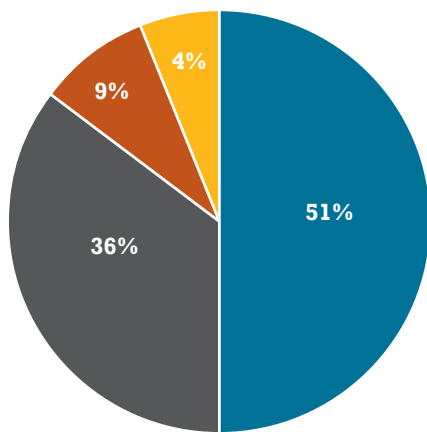
Donors with higher household incomes (HHI), frequent donors, Asian donors and Millennials are significantly more likely to respond positively regarding their ability to donate to charitable organizations.

Changing Family Dynamics Present a Challenge to Charitable Giving

Providing care and/or financial support for an adult child or adult family member impacts ability to give.

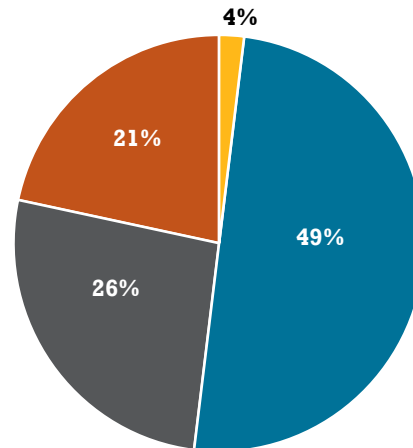
These obligations impact some donors' ability to give to nonprofits.

Of the 44% of Donors Financially Supporting Adult Child



- = Donate the same as before
- = Donate less than before
- = Donate more than before
- = Did not answer/not sure

Of the 16% of Donors in a Caregiver Role



- = Donate the same as before
- = Donate less than before
- = Donate more than before
- = Did not answer/not sure

Generational Unmet Needs

A number of factors that contribute to quality of life are important across all age groups. At the same time, many of these important factors are not working to satisfaction levels, leaving big gaps or “unmet needs.” The lists below display the largest **“importance vs. satisfaction”** gaps for each age group. Notice several of these “needs gaps” are common across multiple age groups (in bold).

Of note are the differences in unmet need rankings between Matures and Boomers with the latter most concerned with financial issues surrounding retirement from the workforce. These financial issues may impact the size of future charitable gifts or delay gift-making decisions.

Ranked in Order of Issues Across Generation by Gap Size of Satisfaction Minus Importance



Millennials

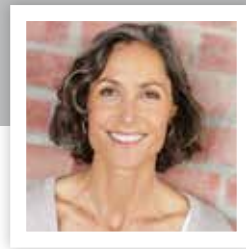
Having enough energy to do what I want to do

Having enough money to retire

Financial health

Getting enough sleep

Having enough money for health care expenses



Gen X

Having enough money to retire

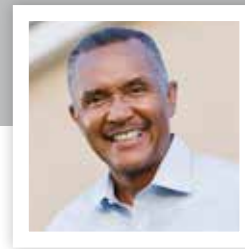
Having enough energy to do what I want to do

Physical health

Financial health

Having enough money for health care expenses

Getting enough sleep



Boomers

Physical health

Having enough money to retire

Having enough energy to do what I want to do

Having enough money for health care expenses

Government programs such as Social Security and Medicare



Matures


Physical health

Government programs such as Social Security and Medicare

Preventing certain diseases and health conditions

Having enough money to retire

Having enough money for health care expenses

 Denotes an issue that is unique to that specific list

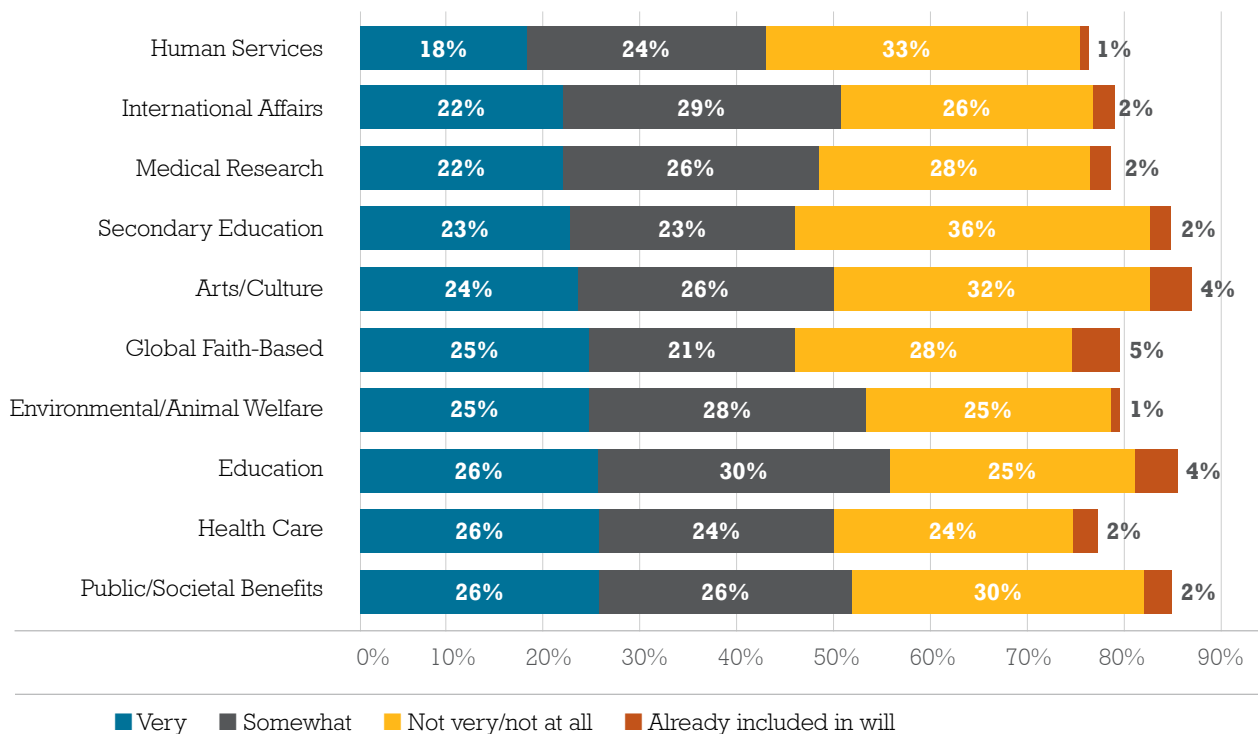
Boldface item denotes an issue that is unique across two generations

Planned Gifts

Donors who are more likely to leave a gift to a nonprofit at the time of death

A planned gift at the time of death is “very” or “somewhat likely” for 42 percent to 56 percent of donors. However, very few have already included such a gift in their wills. Education nonprofits rank higher than other types of organizations for likelihood of receiving a planned gift. Health care, public/societal benefits, environmental/animal welfare, arts and culture, and international affairs nonprofits all rank at or above 50 percent as “very” or “somewhat likely” to receive a planned gift. Human services organizations rank at the bottom of the list.

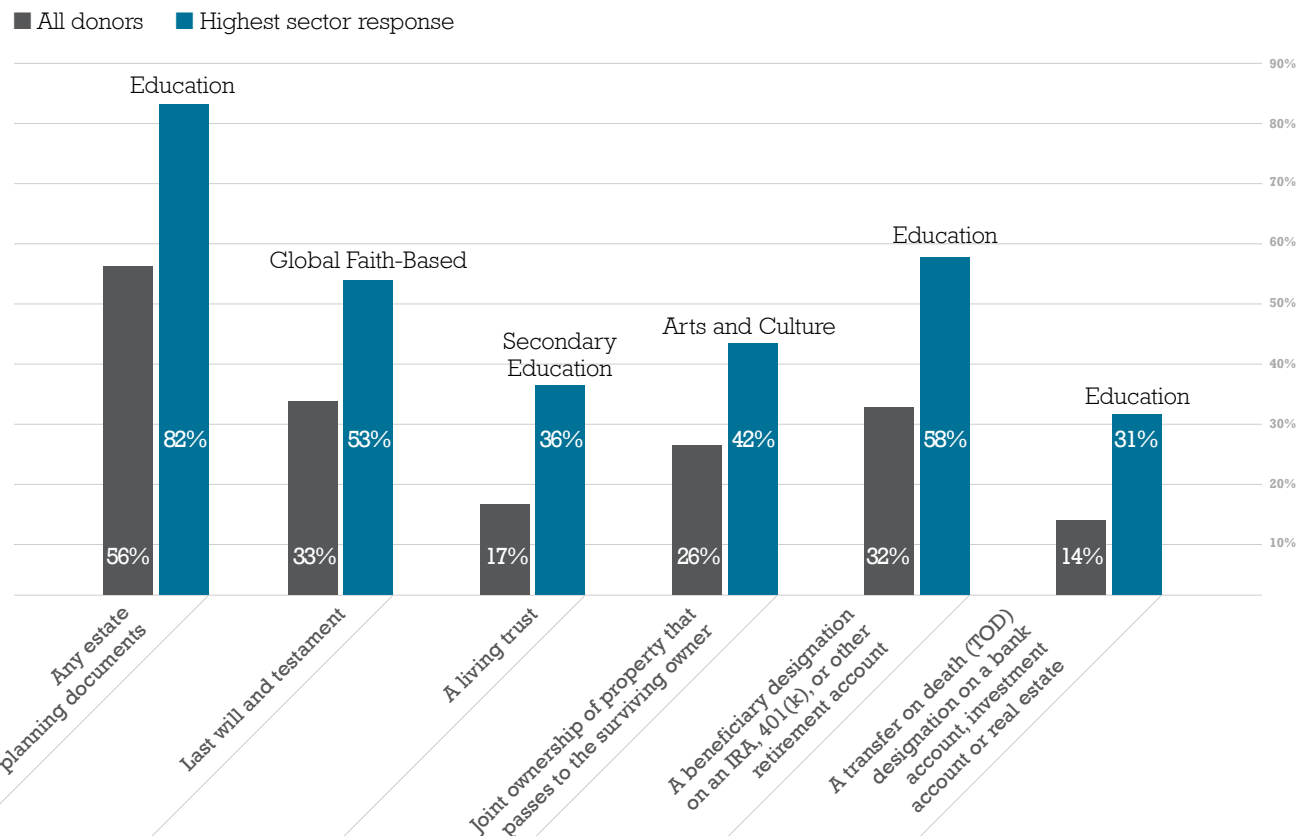
Percentage of Donors Indicating How Likely They Would Be to Donate a Charitable Gift to Their Preferred Organization at the Time of Death:



Estate Planning Documents Prevalence

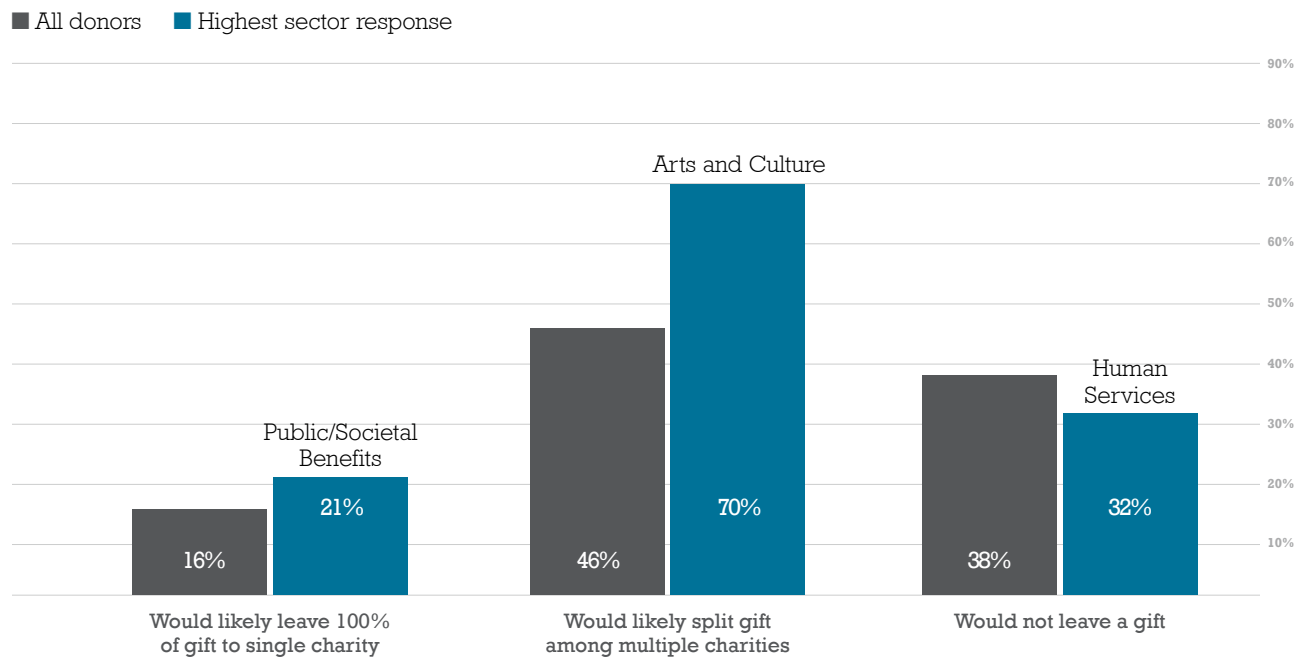
More than half of all donors possess at least one of the estate planning documents listed below.

Education, global faith-based and arts and culture appear to be the leading sectors of donors possessing these documents.



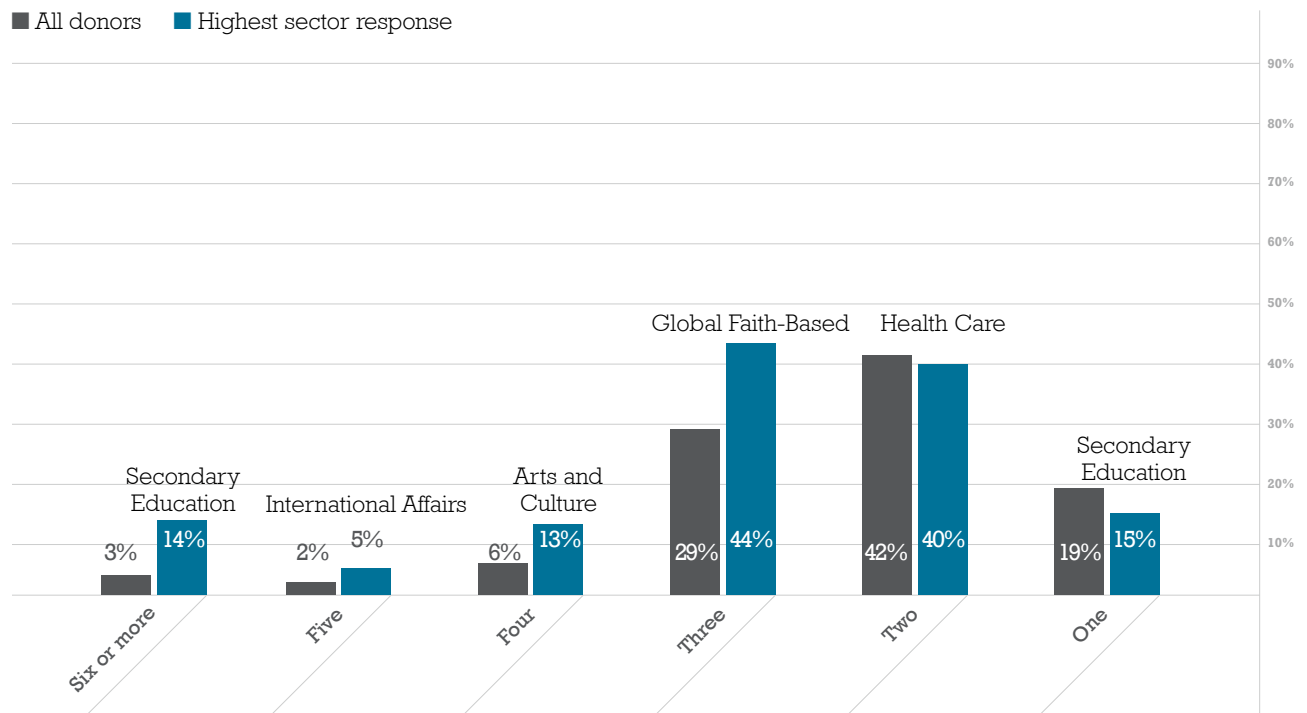
Planned Gift Distribution

Most donors who say they would consider leaving a gift to a charity in their wills would likely leave a gift to multiple charities.



Planned Gift Distribution

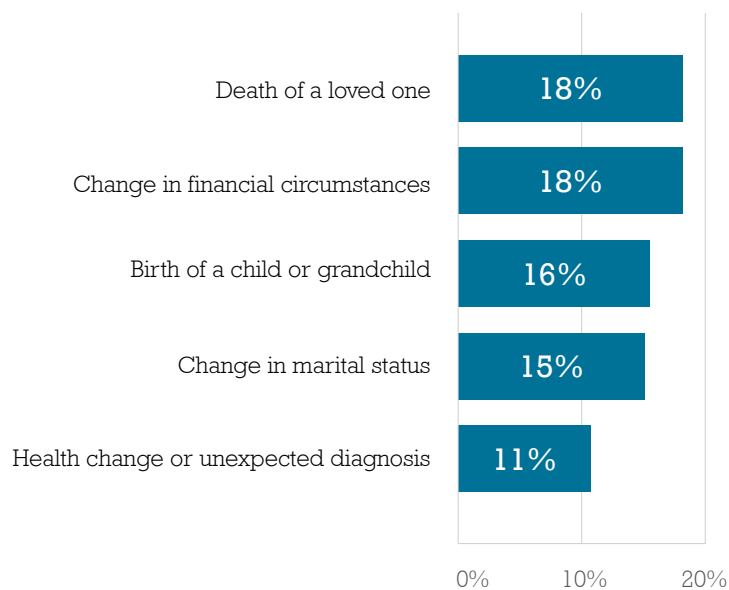
If donors were to leave a gift in their wills to charity, most would leave gifts to multiple charities.



Common Reasons for Changing or Creating a Will

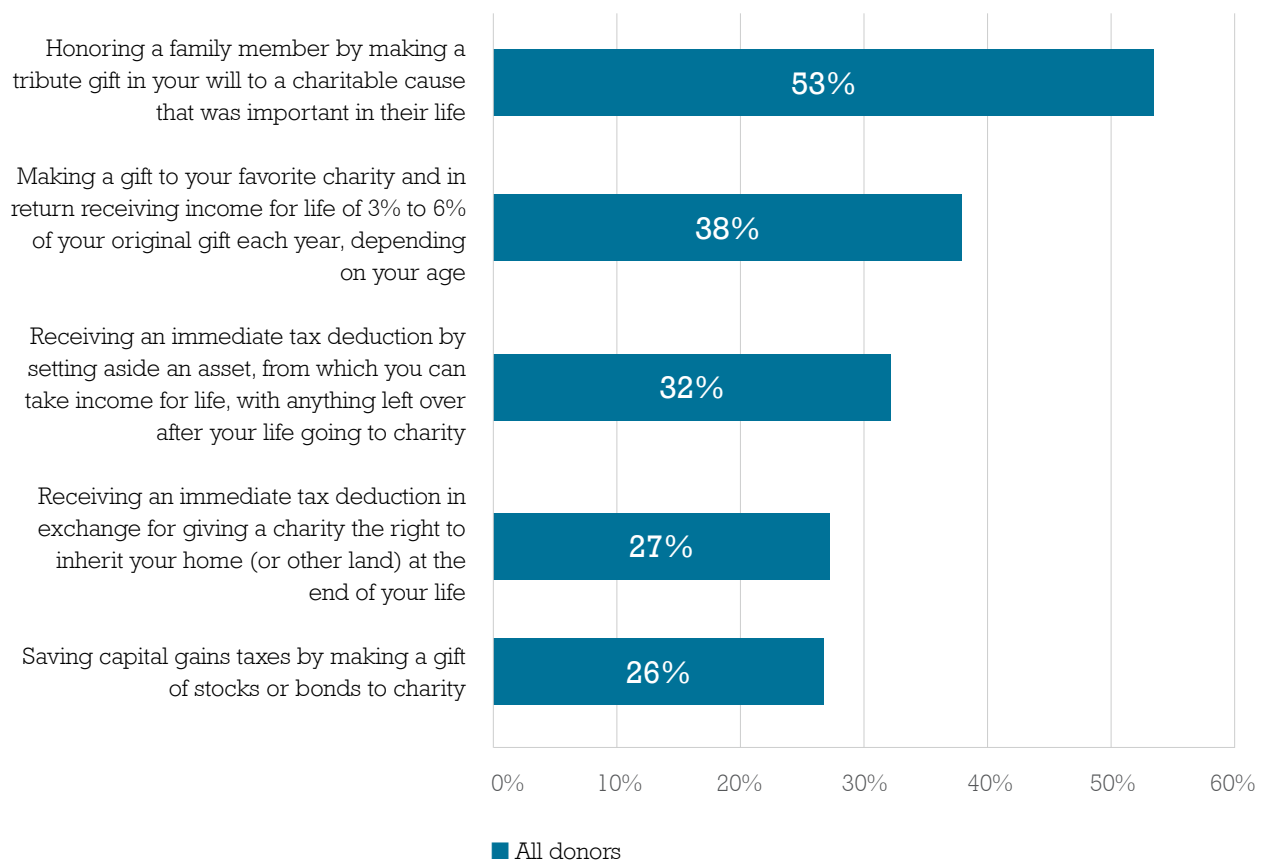
Donors in 2015–2016 listed “death of a loved one” and “change in financial circumstances” as the top two reasons they made a change in their will or created a new one.

“Birth of a child or grandchild” was also near the top.



Planned Gift Type Preferences

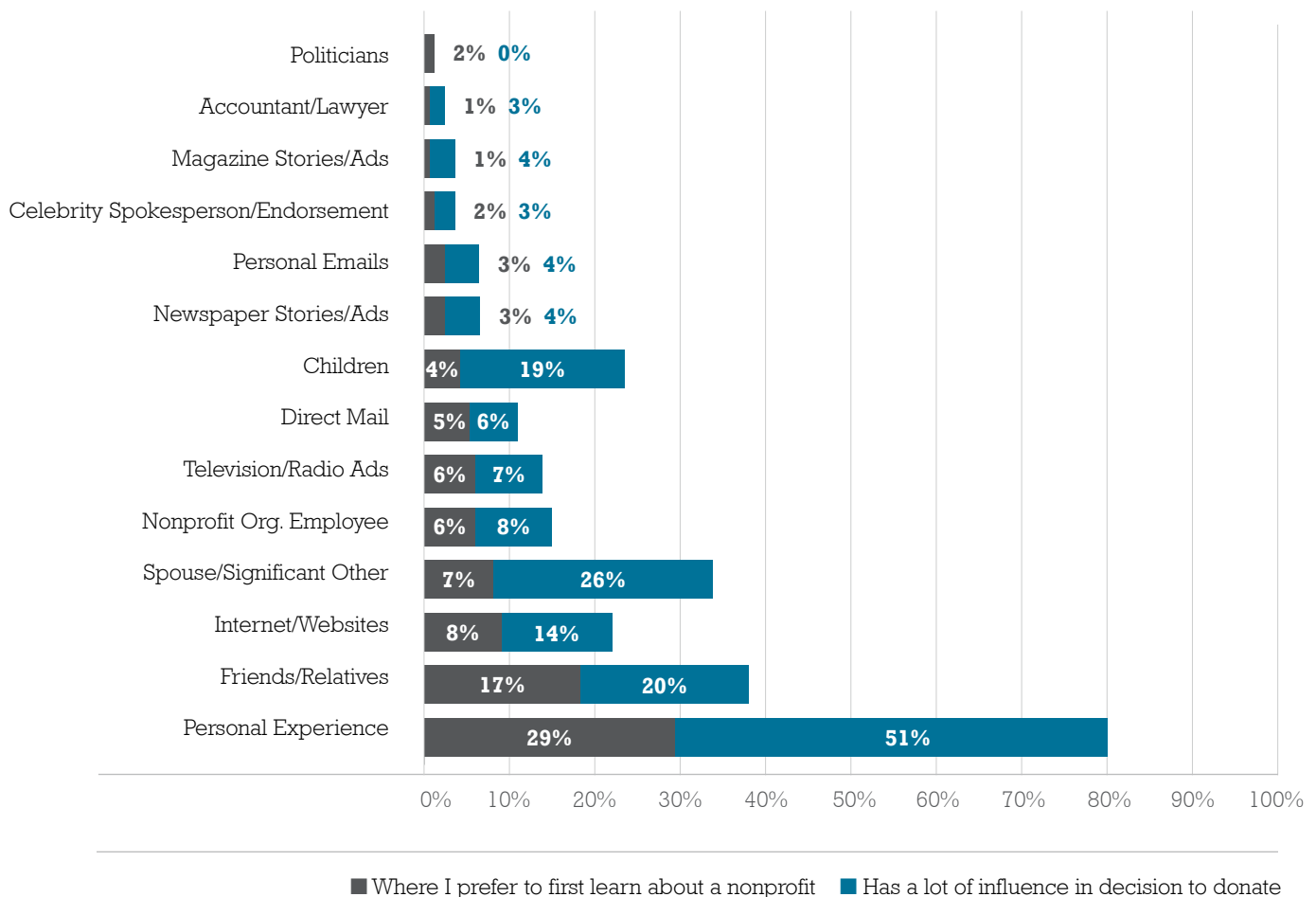
Study breakdown across 60 demographic profiles showed a strong statistically significant preference for honor and tribute gifts in 59 out of 60 instances. The exception: individuals with net worth greater than \$2 million, where honor and tribute gifts and saving capital gains taxes performed evenly.



Donor Information and Influence Sources

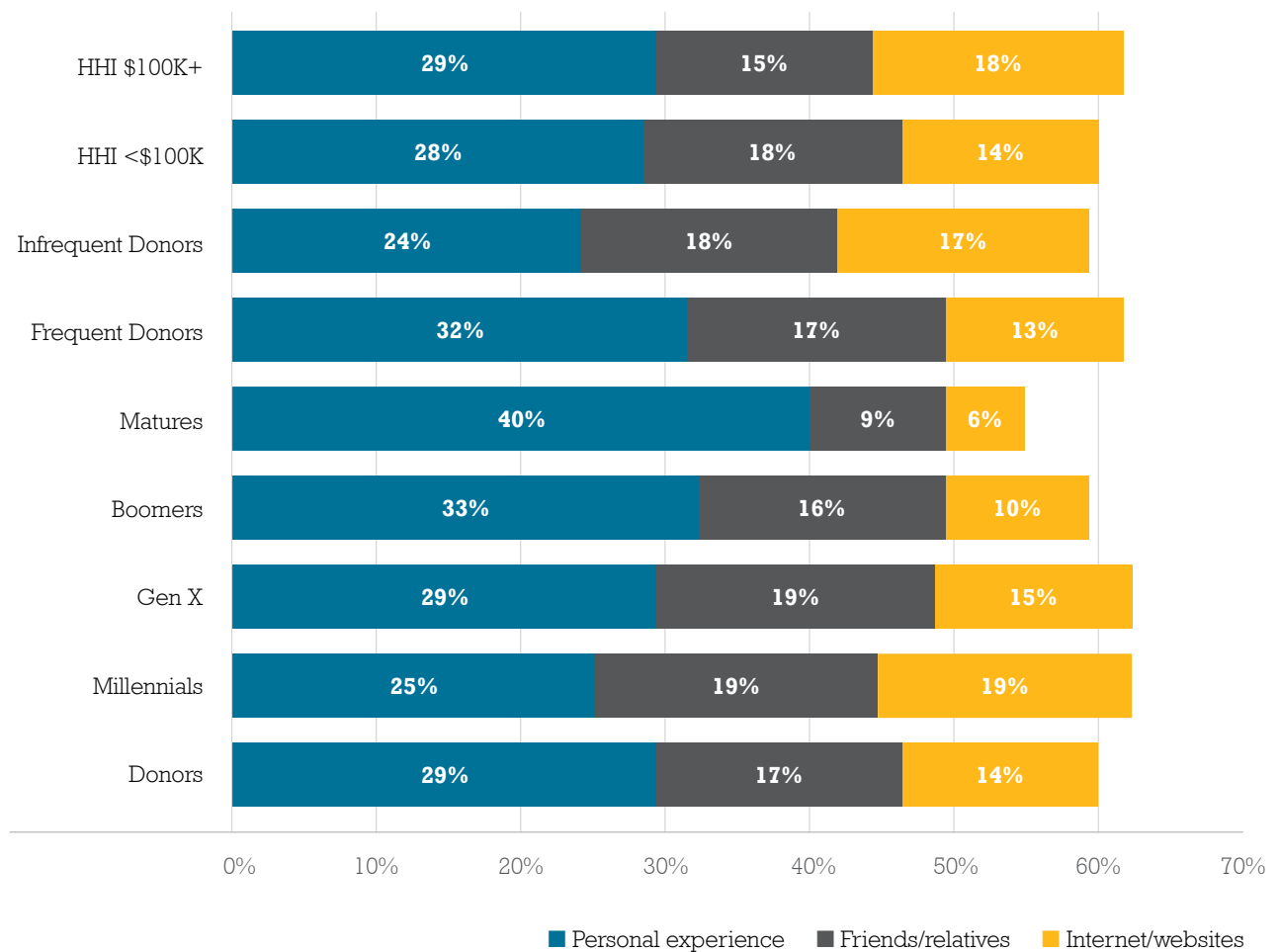
Personal experience, friends/relatives and the web are top information preferences for learning about a nonprofit.

Personal experience with a charity is by far the **most influential determinant in motivating donors to donate**. People, whether a spouse, children, friend or relative, are also highly influential.



The Top Three: Where Donors Turn to Learn About a Nonprofit

Matures, Boomers and frequent donors have the highest reliance on personal experience with a nonprofit. Millennials, higher income households and infrequent donors are the largest segments using the web for first learning about a nonprofit.



Donor Preference Differs for Initial Information Source

Some charities score higher than others for where donors prefer to first learn about an organization. This is illustrated in the chart below, with an index of 100 representing average and higher index scores (above 120) outlined in black.

This simply means that while a certain information source—TV/radio ads, for example—may rank toward the bottom of the list for some, contributors to health care and medical research nonprofits score them as higher than other sources. Direct mail scores much higher with global faith-based donors than with any other nonprofit sector.

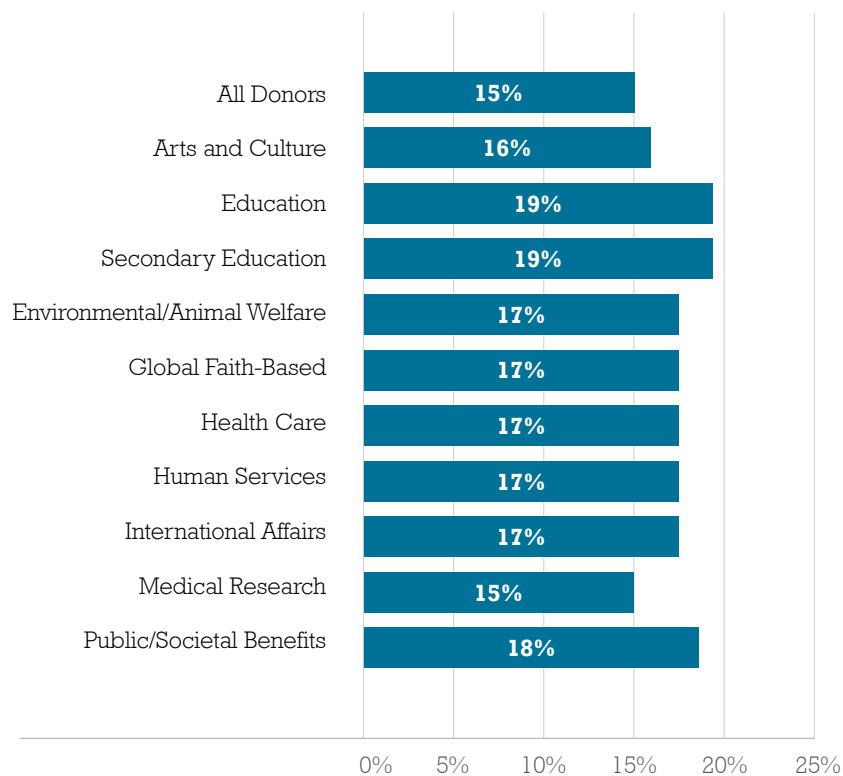
Where Donors Prefer to First Learn About a Nonprofit

	% Donors	Arts/Culture	Education	Secondary Education	Environmental/Animal Welfare	Global Faith-Based	Health Care	Human Services	International Affairs	Medical Research	Public/Societal Benefits
Personal Experience	29%	148	100	102	97	75	95	104	96	99	115
Friends/Family	17%	85	118	136	82	90	93	104	76	108	87
Websites	14%	94	105	110	123	135	93	85	139	105	115
Spouse/Significant Other	7%	69	85	130	114	140	85	108	84	75	38
TV/Radio Ads	7%	31	53	28	108	63	134	97	41	117	87
Nonprofit Org. Employee	6%	25	101	96	106	116	112	117	129	88	92
Direct Mail	6%	78	86	59	93	163	117	105	94	117	88

Use of Professional Advisors

The desire to consult attorneys, accountants or financial advisors when considering making a charitable gift in a will varies little across nonprofit sectors.

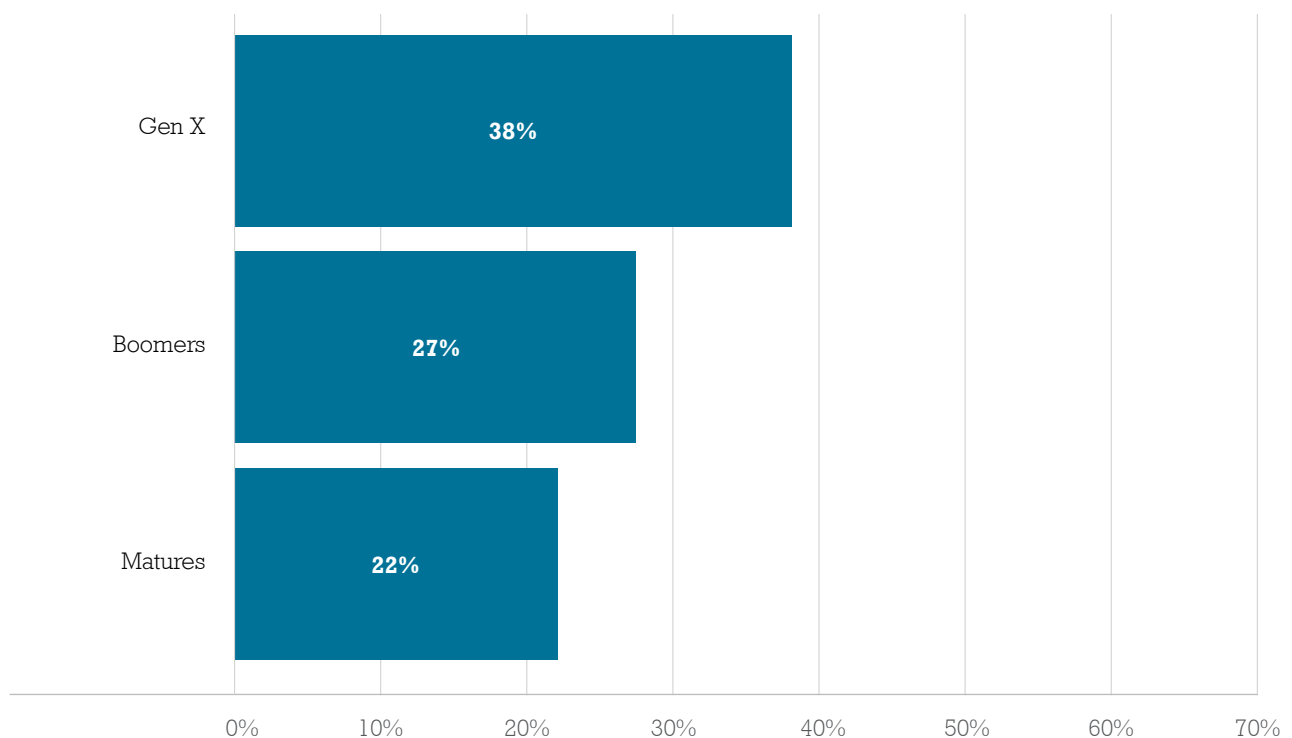
Donors who “strongly agree” that they would only make a charitable gift in their wills after consulting with an attorney, accountant or financial advisor break out as follows:



Gen X Donors More Likely to Try New Things

Donors who say they strongly or somewhat agree with this statement:

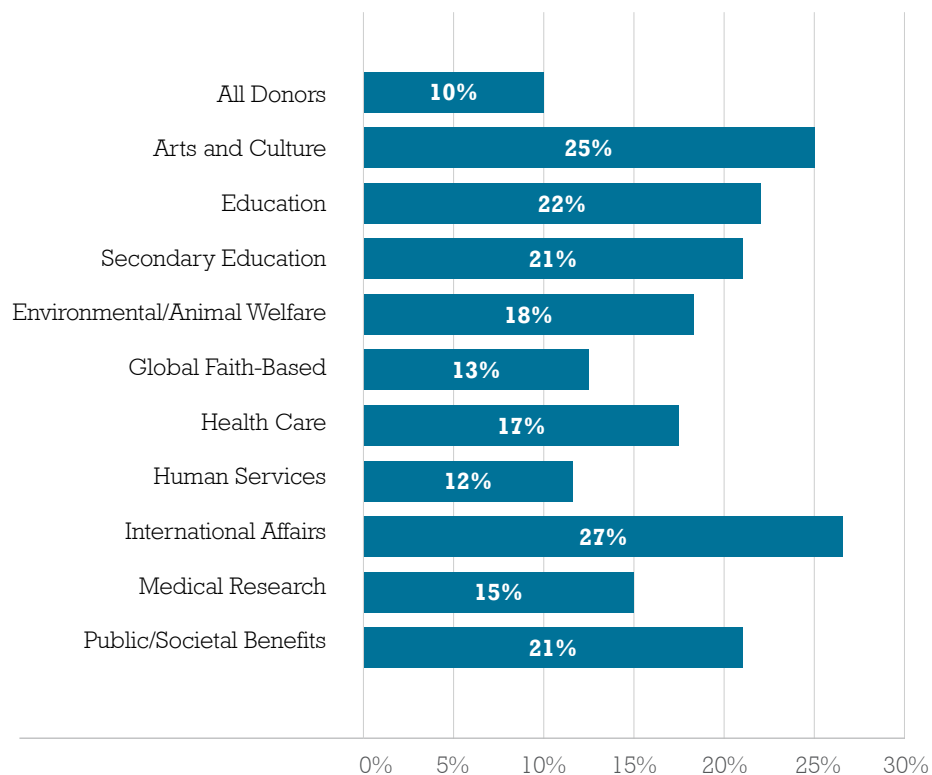
“I am usually one of the first to try new products and services.”



Gen X donors have a higher tendency to take part in new programs and channels. For nonprofits launching new planned giving communication programs—or testing new delivery channels—it may be wise to pay special attention to early adopters. Not only are they likely to continue contributing to your organization, but they also are more likely than other donors to act as ambassadors for your organization through social contacts.

Use of the Internet in Researching Nonprofits

Percentage of donors using the internet “to research charities to which I am considering giving a gift.”



International affairs, arts and culture, education, public/societal benefits and secondary education donors appear to be somewhat more reliant upon the internet when researching charities. Higher net worth donors are also more likely to use the internet than donors with lower net worth or lower household income.

About The Stelter Company

In business since 1962, The Stelter Company is the strategic partner that nearly 1,500 leading nonprofits nationwide depend on most to provide expertise on cultivating valuable, long-term donor relationships through a unique combination of industry insight, customer focus and creative services. Our industry-leading print and digital products and services help nonprofits meet their planned giving goals and provide solutions to tackle the changing communication needs of their donor base. Stelter provides clients strategic counsel with a dedicated project management team, regional marketing representatives and our in-house technical expertise and resources.

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