

**Stelter Donor Insight Report™**  
*Connections Between Annual and  
Bequest Giving*

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New findings on the charitable behaviors of Americans

## Stelter Donor Insight Report™

### *Connections Between Annual and Bequest Giving*

This report is based on a national survey of Americans aged 40 and older concerning their views on bequest giving. Our objectives in initiating this project were to:

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

Recognizing the importance of annual givers to the success of a gift planning program, we also asked questions about the annual giving habits of Americans and analyzed those results along with the data on bequest giving behavior. The results of that effort are documented here.

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## Key Findings

**Charitable giving is part of American life.** Bequests and the decisions to make them play out against a backdrop of smaller gifts that Americans routinely make. Ninety percent of U.S. residents aged 40 and older reported making a contribution to at least one nonprofit in the past year or so. This included a majority (58 percent) who reported contributions to three or more charities, with about one in five (19 percent) giving to five or more organizations.

This pattern of giving transcends demographics, with the exception of income and, to a lesser extent, education. Fewer low-income earners (less than \$50,000 per year) report giving to three or more charities than average (49 percent, compared to 58 percent overall), but those in the upper three income brackets (starting at \$50,000 or more per year) do not differ much. Those with postgraduate work or degrees are more likely than average to report gifts to four or more charities (60 percent, versus 38 percent overall); they are also more likely than average to give to five or more charities (37 percent, compared to 19 percent overall).

**Seven percent of Americans aged 40 and older name nonprofits in their wills.** Another 5 percent have a will and say at some point they will definitely or probably include a bequest to a nonprofit organization. Still another 5 percent do not yet have a will in place, but say they will definitely or probably include a nonprofit when they create this document. (Read more about this group in *Stelter Donor Insight Report™: Discovering the Secret Giver*). Most of this group (73 percent) intend to create a will within the next five years.

**Prolific annual givers have a propensity for bequest giving.** Bequest givers and good prospects who have a will in place are more likely than average to make annual gifts to five or more charities: 34 and 37 percent respectively, compared to 19 percent overall (a 15- to 18-point difference). Prospects who do not yet have a will in place differ, in that they give to fewer charities on average.

## Annual Contributions to Categories of Nonprofits

By Number of Types of Nonprofits Benefitting

	1 or more %	2 or more %	3 or more %	4 or more %	5 or more %
<b>Overall</b>	90	74	58	38	19
<b>Gender</b>					
Male	90	70	53	34	15
Female	91	78	62	42	22
<b>Age</b>					
40–54	91	75	55	38	19
55–69	90	72	59	37	18
70+	91	77	60	40	20
<b>Income</b>					
\$150,000 or more	96	80	69	53	24
\$100,000–\$149,999	98	88	68	51	35
\$50,000–\$99,999	92	79	64	43	22
Under \$50,000	88	69	49	27	10
<b>Education</b>					
High school grad or less	83	64	44	24	8
Some college	94	72	58	32	12
College degree	95	82	65	48	26
Postgraduate work or degree	97	89	77	60	37
<b>Community</b>					
Urban	94	71	57	40	17
Suburban	97	80	63	45	23
Small city	95	81	62	34	17
Small town	86	67	51	37	19
Mostly rural	88	77	60	35	16
<b>Marital status</b>					
Single	86	66	46	23	12
Married	92	77	62	41	21
Divorced	88	68	48	32	11
Widowed	91	75	57	39	18
<b>Child under age 18</b>					
Yes	95	83	66	48	26
No	89	72	56	35	17
<b>Prospects</b>					
Already included a bequest	97	81	69	59	34
Prospect with will	97	85	75	57	37
Prospect without will	86	68	50	29	14

**Religious institutions, human services organizations and disease-related nonprofits benefit most from annual giving.** As we saw with bequest gifts, churches and other religious organizations are the most common recipients of annual giving, with 69 percent saying they made a gift to such a nonprofit within the past year. Also receiving donations from a majority of Americans are human services groups (53 percent) and disease-related organizations (51 percent).

**For all types of charities, current bequest givers were more likely than average to make annual gifts by at least five percentage points.** For three types of charities, however, bequest givers exceeded the average by 10 percentage points or more.

- » Nature and science organizations: 24 percent, compared to 11 percent overall (a 13-point difference);
- » Educational institutions: 51 percent, compared to 38 percent overall (a 13-point difference); and
- » Arts and cultural organizations: 28 percent, compared to 16 percent overall (a 12-point difference).

**Bequest prospects with wills have distinguishable giving patterns.** Americans who have a will and say they will definitely or probably include a charitable bequest in the future (5 percent) tend to be notably more likely to donate an annual gift (exceeding the average by 10 percentage points or more) in a majority of categories. The most popular nonprofit recipients of annual gifts among this group are as follows, in order from the greatest difference from average:

- » An arts or cultural organization that performs or promotes music, art, history or theater: 37 percent, compared to 16 percent overall (a 21-point difference);
- » A school, college or other educational institution: 57 percent, compared to 38 percent overall (a 19-point difference);
- » A disease-related organization that supports research to find cures: 64 percent, compared to 51 percent (a 13-point difference);
- » A hospital or organization that provides health services: 35 percent, compared to 25 percent overall (a 10-point difference); and
- » A church or religious organization: 79 percent, compared to 69 percent overall (a 10-point difference).

And, to a lesser extent (with 5 to 9 points above average),

- » An organization devoted to animals or pets: 29 percent, compared to 21 percent overall (an 8-point difference);
- » A nature or science organization, such as a science center or a conservation group: 18 percent, compared to 11 percent overall (a 7-point difference); and
- » A human services organization that helps people in need: 59 percent, compared to 53 percent overall (a 6-point difference).

## FACT

### In a room full of 100 annual givers:

- » 8 have already included a charitable bequest in their wills.
- » 5 have a will and plan to add a bequest in the future.
- » 5 do not have a will, but will definitely or probably name a nonprofit at some point in the future.
- » 82 are unlikely to make a charitable bequest.

Bequest prospects without wills do not deviate much from average when it comes to **annual giving**. The only nonprofit category they give to at a notably higher-than-average rate is **hospitals or organizations that provide health services** (34 percent, 9 points higher than the overall average of 25 percent), to which they all but match both bequest givers and prospects with wills.

**Annual giving also varies by region.** The **Southwest** is above average for giving to religious organizations; the **Midwest** is stronger for human services groups, educational institutions, arts and cultural organizations, and science and nature groups; and the **East** is home to greater-than-average giving to disease-related organizations, educational institutions, and hospitals or providers of health services.

**Certain demographic groups have greater responses to different types of charities.**

The table on the next page shows the groups most likely to report annual gifts, showcasing the demographic groups who are more likely than average to report gifts in each nonprofit category. Here are some highlights:

- » **Older Americans** give to religious organizations and disease-related organizations in proportions greater than average.
- » **Younger Americans** are more likely than average to give to educational institutions.
- » **Americans with children under age 18 in their homes** are more likely than average to report annual gifts to disease-related nonprofits, educational institutions, and nature and science organizations.
- » **Affluent Americans** are more likely than average to give to human services organizations, arts and cultural organizations, and nature and science nonprofits.

## ANNUAL GIVING INDICATOR

For virtually every type of charity, postgraduate work is the best indicator of annual giving. As one may expect, higher educational attainment generally correlates with higher household income, so we frequently see both of these groups stand out when looking at the likelihood of annual donations.



## Bequest Giving Indicator

**Education** is the strongest indicator of bequest giving. The vast majority of bequest givers (65 percent) report having earned at least a college degree, compared to 42 percent of the general population. Those who report having completed at least some postgraduate work or degree demonstrate an even more remarkable difference: The most educated make up 31 percent of bequest givers, almost double their proportion in the general population (16 percent).

**Made a Cash Donation to This Type of Nonprofit**

Within the Past Year

	<b>All %</b>	<b>%</b>	<b>Groups more likely than average to donate:</b>
A church or religious organization	69	77 76 76	Southwest region Age 70+ Postgraduate work
A human services organization that helps people in need, such as a food pantry or domestic violence shelter	53	65 60 60 59	Income: \$100K+ College degree+ Women Midwest region
A disease-related organization that supports research to find cures	51	67 62 61 57 57 56 56	Postgraduate work Child under age 18 Suburban Age 60–69 East region Women Income: \$50K+
A school, college, or other educational institution	38	61 58 50 46 45 44	Postgraduate work Child under age 18 Income: \$50K+ Suburban East, Midwest regions Age 40–49
A hospital or organization that provides health services	25	32 31 30	Small city Postgraduate work East region
An organization devoted to animals or pets	21	No significant findings.	
An arts or cultural organization that performs or promotes music, art, history, or theater	16	37 30 25 24	Postgraduate work Income: \$100K+ Midwest region Urban
A nature or science organization such as a Science Center or a conservation group	11	24 17 16 16	Postgraduate work Midwest region Child under age 18 Income: \$100K+
Other	4		
None of these	10	18	High school grad or less

## Schools, Colleges or Other Educational Institutions

Annual giving to **educational institutions** is more popular than average (38 percent) among:

- » Those with a **child under age 18** at home (58 percent). These parents make up almost three in ten donors (29 percent), higher than their proportion of the population (19 percent).
- » Understandably, those with a **college degree** (56 percent) or **postgraduate work** (61 percent). Those with at least a college degree make up two-thirds (65 percent) of annual donors to educational institutions.
- » Those with **incomes of \$50,000 or more** (54 percent for those earning \$100,000 or more and 48 percent for those with incomes between \$50,000 and \$99,999). They are the majority of annual donors to educational institutions (57 percent, with 22 percent of donors earning less than \$50,000 a year and 21 percent refusing to say).
- » In the **East and Midwest regions** (45 percent each). Combined, these two regions make up just under a third of annual givers to educational institutions (31 percent).
- » Those in **suburban** (46 percent) and **small city** (43 percent) areas. More than two out of five annual givers (42 percent) to educational institutions live in communities of these types.
- » Those **ages 40 to 49** (44 percent). They make up a quarter (25 percent) of annual givers to educational institutions.
- » Those who are **married** (43 percent). Married individuals make up nearly three-quarters of annual givers to educational institutions (72 percent, compared to 63 percent of the sample).

## Churches or Religious Organizations

Annual giving to **churches and religious organizations** is relatively level across demographic groups.

Only a few groups have a slightly greater likelihood than average (69 percent) to give:

- » Residents of the **Southwest** (77 percent);
- » Those with **postgraduate work or a postgraduate degree** (76 percent);
- » **Ages 70 and over** (76 percent, although that only decreases to 75 percent if we drop the starting age to 65); and
- » People who are **widowed** (74 percent).

If we fill the room with 100 annual givers to churches and religious organizations, they look like our general sample, with no donor group varying from their proportions in the study by more than four percentage points.

## Hospitals or Organizations That Provide Health Services

Annual giving to **hospitals or organizations that provide health services** is also relatively level across demographic groups. Those groups that have a slightly greater likelihood than average (25 percent) to give share some similarities with givers to churches and religious organizations:

- » Residents of **small cities** (32 percent);
- » Those with **postgraduate work or a postgraduate degree** (31 percent);
- » Residents of **Eastern states** (30 percent); and
- » People who are **widowed** (30 percent).

Compared to their proportion in the population, only those **ages 65 and over** (who make up 35 percent of the sample) give in greater proportion to hospitals and other health organizations, and this increase is quite small (as they make up 40 percent of annual givers to this category).

## Disease-Related Organizations That Support Research to Find Cures

Annual giving to **disease-related organizations** shows a bit more volatility across demographic groups. Those demographic groups that have a greater likelihood than average (51 percent) are as follows:

- » Those with **postgraduate work or a postgraduate degree** (67 percent);
- » Those with **children under age 18** at home (62 percent); and
- » **Suburban** residents (61 percent).

Respondents **ages 60 to 69**, residents of the **Eastern United States**, **women**, and those with **incomes exceeding \$50,000** are only modestly more likely to give to these organizations.

## Human Services Organizations That Help People in Need, Such as a Food Pantry or Domestic Violence Shelter

Groups remarkably more likely than average (53 percent) to donate annually to **human services organizations** are as follows:

- » Those with **household incomes of \$100,000** a year or more (65 percent), and
- » Residents of **small towns** (also 65 percent).

**Women**, respondents with **at least a college degree**, and residents of the **Midwest** are a bit more likely to give to these groups.

Women tend to give to this category in greater proportion than men: 62 percent of annual givers to human services organization are women, compared to 38 percent of men. In our study sample, women make up 55 percent and men 45 percent.



## Arts or Cultural Organizations That Perform or Promote Music, Art, History or Theater

Respondents who donate annually to **arts or cultural organizations** tend to skew toward a more elite group. Those who have **household incomes of \$100,000 or more** or have completed at least some **postgraduate work** (many of whom tend to be in the same group) are considerably more likely to donate to one of these organizations (30 percent and 37 percent, respectively, compared to 16 percent overall). They are slightly more likely to be from the Midwest (25 percent) or from an urban area (24 percent).

When we look at a profile of givers to arts or cultural organizations, most of the same groups are well-represented.

- » One out of five annual donors to these groups (20 percent) have **incomes of \$150,000** or more, twice the percentage found in our sample. Another 14 percent of those in the **\$100,000 to \$149,000 range** give to the arts, despite being only 8 percent of the sample. Yet those with **incomes under \$100,000** still represent a sizable percentage of contributors: nearly half (48 percent) fall into this income range, split evenly between those who earn **\$50,000 to \$99,999 annually** and those with **incomes of less than \$50,000** (24 percent each). Almost one in five annual donors to arts and cultural organizations (18 percent) declined to state their income.
- » Again, from an education standpoint, donors with **postgraduate work** make an excellent showing: over a third (36 percent) of donors to arts and cultural organizations have education at this level, compared to 16 percent of our sample.
- » A slightly greater proportion of annual donors are **married** (71 percent, compared to 63 percent in the population), making up for the small proportions of **single** and **divorced** donors (7 percent and 6 percent, respectively, compared to 11 percent each in our study).

## Nature or Science Organizations, Such as a Science Center or Conservation Group

Demographic groups more likely than average to donate annually to **nature or science organizations** are similar to those who give to arts and cultural organizations. The only demographic group which has a considerably greater likelihood than average (11 percent) are those with **postgraduate work or a postgraduate degree** (24 percent). This demographic group makes up a third (33 percent) of this donor group, which is double their proportion in the sample (16 percent)

Also of note, nearly half (47 percent) of the annual donors to nature or science organizations expect an **estate in the hundreds of thousands, or millions, of dollars** compared to 30 percent of the sample.

## Organizations Devoted to Animals or Pets

While nearly one in five respondents (21 percent) say they have given to **organizations devoted to animals or pets** in the past year, no groups distinguish themselves as more likely than average to give.

If we look at a profile of those who have given to this type of group, only **women** stand out as giving in greater proportions than in the sample: Donors are 64 percent women and 36 percent men, compared to 55 percent women and 45 percent men in the study overall.

## Interpretation

These results assure us of a solid link between annual giving and bequest giving. Therefore, those who market planned gifts would be well-served to break down any barriers that might exist between the various fundraising arms of your organization. Rather than discriminate between annual, major and planned giving, recognize the opportunity to share learning and combine appeals to your best prospects.

Historically, the mood of the nation is generally quite supportive of philanthropy. We can conclude that the efforts put forth to persuade individuals to consider annual gifts are working and that we should employ the same consistent approach for planned giving. Almost all Americans give to at least one charity, so this is already part of their routine behavior. About two in three already have wills in place, so the stage is also set for bequest giving. Individuals simply need to be asked. Fortunately, the basic planks are already in place to make this job easier, rather than harder, in that most Americans give and most have a will.

## Research Methodology

This scientific study, commissioned by The Stelter Company, was conducted in February and March of 2008 by nationally renowned research firm Selzer & Company. The survey is based on telephone interviews with adults aged 40 and older throughout the United States. We interviewed 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 were screened for age. In the oversample, respondents were also screened for likelihood to include a nonprofit in their wills. The margin of error is  $\pm 3.3$  percentage points for the entire sample. Telephone interviews lasted approximately 13 minutes.

The Stelter Company is the leading source for gift planning marketing for the nonprofit community, serving more than 2,650 clients nationally with a staff of 80 individuals, and has been exceeding customer expectations for 46 years. Our tagline, "Getting to the Heart of the Matter," speaks of our fervent belief that effective philanthropy must begin with understanding and touching the donor's strongest emotions and passions. We know that commitment to your organization and belief in your mission are what motivate donors to give, and our communications are designed to foster that commitment and belief while educating donors about the benefits of various gift vehicles.

Stelter offers a complete line of custom-designed, direct mail gift planning programs and the most complete interactive gift planning Web product in the country. Our services include the only nationwide field staff that conduct face-to-face, on-site marketing consultations. Learn more about how we can assist your organization in "Getting to the Heart of the Matter." Visit us at [www.stelter.com](http://www.stelter.com) or call 800-331-6881.



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# **Stelter Donor Insight Report™**

## *Americans' Expectations on the Size of Their Estates*

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Discover how each age and demographic group of Americans 40+ views the size of their estates—helping you develop a more personalized communication plan.

## Stelter Donor Insight Report™

### *Americans' Expectations on the Size of Their Estates*

This report is based on a March 2008 national survey of Americans aged 40 and older concerning their views on bequest giving. Our objectives in initiating this project were to:

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

### Estates in the Millions

A fraction of our sample of Americans aged 40 and older (7 percent) anticipate leaving estates worth millions of dollars. Demographic groups that are more likely than average to offer an estimate in the millions are:

- » Not surprisingly, those with household incomes of \$100,000 or more (23 percent, although considerably more in this income group [41 percent] expect an estate in the hundreds of thousands).
- » Those with a postgraduate education or degree (15 percent).
- » To a smaller extent, those who live in the suburbs (12 percent).

As you may expect, higher educational attainment generally correlates with higher household income, so we frequently see these groups show up in pairs.

If we break down the profile of those who expect to have an estate worth in the millions, it looks like this:

- » They are predominantly **men** (62 percent, compared to the 38 percent of this group who are women).
- » Seven in 10 (71 percent) are **married**. It is a precipitous drop to singles (17 percent), followed by widowers (6 percent), those who are divorced (3 percent), and those who refused to offer or didn't know their marital status (3 percent).
- » Nearly half (47 percent) are **age 40–54**. Just more than one-third (36 percent) are in the 55–69 age group, and those aged 70 and older comprise the rest (17 percent).
- » A higher **annual household income** certainly helps. Just less than half (45 percent) report incomes of **\$150,000 or higher**. (Keep in mind, however, that 1 in 5 respondents to the survey chose to keep their household income private.) Next, somewhat surprisingly, are those with incomes of \$50,000–\$99,999 making up nearly a quarter (24 percent). Another 1 in 9 (11 percent) earn \$100,000–

### Education Is An Indicator

Of those who anticipate an estate in the millions, the majority have a college degree or higher.

\$149,000 per year, while 4 percent bring in less than \$50,000 annually. Sixteen percent chose not to reveal their household income.

- » Again, **education** plays an important role. Two-thirds of this group (66 percent) have a **college degree or higher**, split fairly evenly between those with just a college degree (34 percent) and those with at least some postgraduate work (32 percent). One in 5 (20 percent) have attended some college, while 11 percent have no more than a high school diploma (3 percent were not sure).
- » Compared to 19 percent of the general population in our sample, 29 percent of this group report having **children under the age of 18** living at home.

### Estates in the Hundreds of Thousands

Nearly one-quarter (23 percent) of our sample anticipates an estate worth in the hundreds of thousands.

Demographic groups that are more likely than average to offer this estimate are:

- » As noted previously, those with household incomes of \$100,000 or more (41 percent), as well as incomes of \$50,000–\$99,999 (38 percent).
- » Those with a postgraduate education or degree (38 percent).
- » Those aged 40–49 (32 percent).
- » Men (31 percent, especially compared to women at 16 percent).
- » To a smaller extent, those who have children living at home (28 percent, compared to 22 percent of those who do not).

If we break down the profile of those who expect to have an estate worth in the hundreds of thousands, it looks like this:

- » Nearly half (49 percent) are **age 40–54**, followed by just more than one-third (35 percent) aged 55–69 and 16 percent who are age 70 and older. This age profile looks very similar to those who expect to have estates worth in the millions.
- » They are predominantly **men** (61 percent, with women making up the other 39 percent). Again, this is similar to the higher-estate-worth group.
- » Marriage is an even stronger indicator here than in the million-dollar estate group, with 3 in 4 (75 percent) indicating they are **married**. Single and divorced tie for second with 9 percent, with widowed at 7 percent.
- » Our **two middle income groups** make up 6 in 10 of those expecting hundreds of thousands of dollars in their estates, including annual household incomes of \$50,000–\$99,999 (42 percent) and \$100,000–\$149,999 (18 percent). Together, these two income groups represent only one-third of our sample overall, so they are strongly represented here.
- » Higher education is represented well here again. More than half (58 percent) have **at least a college degree**, including 27 percent with some postgraduate work or a degree.

- » Those with a **child under the age of 18** at home were represented slightly more than in our general sample: 24 percent of those expecting an estate worth in the hundreds of thousands have a child at home, compared to 19 percent of the sample.

## Estates in the Thousands

About 1 in 6 (16 percent) of Americans older than age 40 estimates an estate worth in the thousands. The only demographic group whose members are more likely than average to offer this estimate are those with an annual household income of less than \$100,000 (22 percent).

If we break down the profile of those who expect to have an estate worth in the thousands of dollars, it looks like this:

- » Those aged 50–59 (37 percent) stand out noticeably from their proportion in the sample (30 percent). Yet the smallest is the next age group: those aged 60–69 (16 percent, compared to 23 percent of the sample).
- » Women outnumber men 60 percent to 40 percent.
- » Not surprisingly, 87 percent have an annual household income less than \$100,000, including 52 percent whose income is less than \$50,000. Fewer than 1 in 10 (9 percent) have incomes of \$100,000 or more, with 4 percent not sure or refusing to answer.
- » Lower levels of education are represented in this group. Nearly 7 in 10 (69 percent) have less than a college degree, including 42 percent who have no more than a high school diploma, followed by those with a college degree (22 percent) and those who have studied at the postgraduate level (9 percent).
- » Marital status and having minor children at home do not seem to be factors, as the profiles of those expecting an estate worth in the thousands almost mirror the overall sample.

## Estates of Little Value

About one-quarter (26 percent) of our sample expects to have little in their estates. Demographic groups that are more likely than average to offer this estimate are:

- » Those with household incomes less than \$50,000 annually (47 percent).
- » Those with less education—40 percent of those with no more than a high school diploma.
- » The oldest age group of 70 and older (34 percent, although extending the group to include those aged 65 to 69 only drops the percentage to 33 percent).
- » Those that show a change from being married to being alone—40 percent identify themselves as divorced and 36 percent have been widowed (single respondents did not differ notably from the average).



While neither gender differs from the average by much, women are more likely than men to expect little in their estates (30 percent, compared to 22 percent for men).

Those with a child under the age of 18 at home are a bit **less** likely to say they don't expect to have much money in their estates (17 percent, compared to the average of 26 percent). We can speculate that perhaps those with younger children may purchase more life insurance or make other arrangements so their children would have some economic stability if something happened to them before the children reach adulthood.

If we break down the profile of who offered this response, those who don't expect to have much money in their estates look like this:

- » Just less than half (44 percent) are **age 65 and older**.
- » **Women** outnumber men not quite 2-to-1 (63 percent, with men making up the other 37 percent).
- » Those who have a history of being married (17 percent have been widowed and another 17 percent have been divorced) represent just more than one-third, even though they make up less than one-quarter of the overall sample. Just more than half (51 percent) are married, and 1 in 8 (13 percent) are single. Nearly 9 in 10 (87 percent) don't have children under the age of 18 living at home.
- » The **lowest income group** makes up two-thirds of those who gave this response (66 percent have annual household incomes of less than \$50,000). The next income break, \$50,000–\$99,999, contributes 17 percent, while those earning \$100,000 or more make up only 5 percent. (The remaining 12 percent are not sure or refused to give their income.)
- » More than half (55 percent) have not completed any education after graduating from high school.

### Quick Fact

Women are more likely than men to expect little in their estates. Those aged 65 and older are more likely to have this response as well.

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# **Stelter Donor Insight Report**

## *Gender Differences in Bequest Giving*

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Learn what drives men and women to make—or not make—charitable bequests in their wills and what types of charitable organizations they choose to support.

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### **Women**

As a demographic group, women are more likely than men to be widowed, report household incomes of less than \$50,000 a year and expect to have modest estates. Further, women are slightly more likely than men to:

- » Make annual donations to disease-related organizations (those that are searching for cures) and to list these organizations as one of the top two categories of nonprofits that are most important to them personally.
- » Give annual gifts to organizations in multiple categories. (This doesn't necessarily mean they give gifts to more organizations than men. In theory, men could be giving to the same number of organizations within an individual category of nonprofits.)
- » Include organizations devoted to animals or pets in their wills.
- » Create their wills based on specific family-based life changes, such as the death of a spouse (which is logical because of the higher percentage of widows) or the birth or death of a child or grandchild.
- » Indicate that they haven't included a bequest in their wills because they think their assets may be needed to cover expenses.
- » Be somewhat or very interested in hearing examples of how bequests affect nonprofits and what they are able to accomplish.

### **Men**

As a demographic group, men are more likely than women to be married, report annual household incomes of \$100,000 or more, and expect estates in the hundreds of thousands of dollars. Further, men are a bit more likely than women to:

- » Choose to delay or avoid including a bequest in their wills because they want to provide for their families first.
- » Not have wills at this time because they think they are too young or don't have enough assets.

- » Specify gifts to nonprofits by either designating proceeds from an asset or naming the nonprofit as the beneficiary of an insurance policy.
- » Cite one of the following as either a major or minor reason for naming a nonprofit in their wills (with several of the tax advantages showing significance):
  - » Receiving income from deferred gifts and taking the tax advantage now
  - » Reducing the amount of income tax they pay now
  - » Reducing the amount their estates will pay in taxes while keeping the amount they give to family and friends the same
  - » Paying back a kindness they've received, such as scholarships or medical care
  - » Having peace of mind that they are doing something good
- » Say they intend to include a nature or science organization in their wills (when they choose to add a bequest).
- » Say they don't intend to include bequests because there aren't any nonprofits they want to support in this way.
- » Respond to the idea of anonymous notification.
- » Say they already know enough about the following benefits of gifts to nonprofits:
  - » You can simplify your estate for your heirs.
  - » You can provide income for family members through gift annuities.
  - » You can receive income from deferred gifts and take the tax advantage now.

## Quick Fact

Women are more likely to give to disease-related organizations, while men are more likely to give to a nature or science organization.

## Research Methodology

This scientific study, commissioned by The Stelter Company, was conducted in February and March of 2008 by nationally renowned research firm Selzer & Company. The survey is based on telephone interviews with adults aged 40 and older throughout the United States. We interviewed 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, along with the oversample, were screened for age and likelihood to include a nonprofit in their wills. The margin of error is +/- 3.3 percentage points for the entire sample. Telephone interviews lasted approximately 13 minutes.

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# **Stelter Donor Insight Report™**

## *Motivations for Bequest Giving: Why People Give and Why They Don't*

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Understand your donors better by discovering the reasons they choose to make a bequest in their wills and the concerns that might keep them from doing so.

## Stelter Donor Insight Report™

### *Motivations for Bequest Giving: Why People Give and Why They Don't*

This report is based on a national survey of Americans aged 40 and older concerning their views on bequest giving. Our objectives in initiating this project were to:

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

### Why Donors Name or Intend to Name a Nonprofit in Their Wills

We asked bequest givers and those who plan to amend their wills at some point to include a bequest to rate their primary reasons for naming a nonprofit in their will. Their answers most often related to **intrinsic, personal feelings** rather than tangible benefits. On average, younger Americans with wills (ages 40–54) and those of any age group who plan to amend their wills tended to offer nearly all of these reasons more frequently.

The majority of those who already have a bequest in their will or intend to amend their will at some point to add one cited the following as a primary reason for doing so:

- » You just feel it is the right thing to do (81 percent).
  - Those aged 40–54 and those with college degrees are slightly more likely to say this is a primary reason (87 percent each).
  - This is also a primary reason for those with household incomes of \$50,000 or more (86 percent).
- » You can have peace of mind that you are doing something good (56 percent).
  - Six out of 10 (61 percent) of the youngest Americans in our sample (ages 40–54) list this as a primary reason.
  - Current givers favor this reason (60 percent, compared to 49 percent of likely future bequest givers with wills).

The following reasons swayed fewer than half of potential bequest givers but still factored into the decisions of at least 1 in 5:

- » You can leave a legacy to an organization you care about that will live on after you are gone (46 percent).
  - This reason appeals slightly more to:
    - ◁ Those with incomes of \$50,000 or more (54 percent).
    - ◁ Those with a college degree (54 percent).
    - ◁ Those between the ages of 55 and 64 (52 percent).



- » You can honor someone you love or admire with a gift in his or her name (29 percent).
  - This is most attractive to younger prospects (37 percent of those aged 40–54).
  - This reason applies more to future (33 percent) than current (26 percent) bequest givers.
  - This is more likely to appeal to women (32 percent) than men (25 percent).
  
- » You can set an example for family members (26 percent).
  - This is more attractive than average to younger prospects (33 percent of those aged 40–54).
  - One-third (33 percent) of those with a college degree say this is a major reason.
  
- » You can simplify your estate for your heirs (23 percent).
  - This is more attractive to those with a college degree (28 percent).
  - This reason is stronger among current (26 percent) than future (19 percent) bequest givers.
  
- » You can pay back a kindness you've received, such as a scholarship or medical care (23 percent).
  - This reason appeals to the younger prospect group (32 percent of those aged 40–54).
  - More future prospects are drawn to this reason (29 percent) than those who have already included a bequest (20 percent).
  - Those with household incomes of \$100,000 or higher and those with a college degree are also likely to see this as a major reason (28 percent each).
  
- » You can reduce the amount your estate will pay in taxes while keeping the amount you give to family and friends the same (21 percent).
  - While neither gender differs notably from the average, this reason is more likely to appeal to men (25 percent) than to women (17 percent).
  - Those who intend to include a bequest but haven't yet are more likely than current bequest givers to credit this as a reason (27 percent among intended givers, compared to 17 percent of current givers).
  
- » You can provide income for family members through gift annuities (19 percent).
  - Those who intend to include a bequest but haven't yet are considerably more likely than current bequest givers to credit this as a reason (28 percent among intended givers, compared to 12 percent of current givers).
  
- » You can reduce the amount of income tax you pay now (13 percent).
  - Those who intend to include a bequest but haven't yet are more likely than current bequest givers to consider this important (18 percent among intended givers, compared to 9 percent of current givers).
  - This is slightly more attractive to those with less education (18 percent of those with no more than some college education).

- » You feel it is expected of you, for example because of your involvement in an organization (12 percent).
- » You can receive income later from deferred gifts and take the tax advantage now (9 percent).
  - Those who intend to include a bequest but haven't yet are much more likely than current bequest givers to credit this as a major reason (15 percent among intended givers, compared to 6 percent of current givers).
  - This is attractive to younger prospects (15 percent of those aged 40–54).
- » You can sometimes receive perks or privileges associated with a higher level of giving than what you can afford on an annual basis (3 percent).

Six percent did not offer any of these as a primary reason.

### Why Donors Might Name a Nonprofit in the Future

We also asked potential future givers who currently do not have a will (the group we call our “**Secret Givers**”) to rate these same reasons for choosing to include a bequest once they create their will. Again, the most popular reasons tended to be altruistic rather than focused on tangible benefits. The following table shows a ranking of primary reasons this group might leave a bequest to a nonprofit.

<b>Top Reasons for Leaving a Bequest to Charity</b>	
Why Those Without Wills Intend to Definitely or Probably Include a Bequest in Their Will	
<b>Reason</b>	<b>Percent</b>
To have the peace of mind that you are doing something good	66%
To leave a legacy to an organization you care about that will live on after you're gone	61%
To honor someone you love or admire with a gift in their name	48%
To set an example for family members	47%
To pay back a kindness you've received, such as a scholarship or medical care	34%
To reduce the amount your estate will pay in taxes while keeping the amount you give to family and friends the same	30%
To simplify your estate for your heirs	30%
To provide income for family members through a gift annuity	26%
To reduce the amount of income tax you pay now	19%
To receive income from deferred gifts and take the tax advantage now	14%
To receive perks and privileges associated with a higher level of giving than what you can afford on an annual basis	11%
Other	6%
None of these	3%
Not sure	2%

## What Initiated the Bequest?

When we asked current and potential future bequest givers how they first got the idea to name a nonprofit in their will, half (50 percent) said they thought of it themselves. Twenty-eight of our respondents said that receiving information from a nonprofit asking them to make such a gift is what sparked them to do so.

### How Respondents First Thought to Name a Nonprofit in Their Will

Among Those With Wills Who Currently Include, or Who Will Definitely or Probably Include, a Bequest in Their Will

	Applies to	Already includes a nonprofit	Willing to amend will to include a nonprofit
Thought of it yourself	50%	57%	39%
Received information from a nonprofit asking you to make a gift	28%	22%	37%
Now that you mention it, it seems like a good idea	28%	24%	34%
Received a personal letter or phone call from a nonprofit asking for your support	16%	11%	23%
Learned about it from another donor	15%	15%	15%
Introduced to the idea from an attorney or estate advisor	13%	12%	14%
Other	8%	9%	7%
None of these	4%	1%	9%
Not sure	1%	0%	3%

## Best Intentions Not Realized

We asked those who have a will and intend to include a bequest but haven't yet which of the following are main reasons they have delayed doing so:

- » Wanted to provide for family first (70 percent)
- » Waiting until the next time you revise your will (34 percent)
- » Haven't thought through the details of what you want to do (31 percent)
- » Haven't thought of it before (15 percent)
- » Had not been asked by a nonprofit to do this (14 percent)
- » Not sure how to do it (6 percent)
- » Other (4 percent)
- » None of these (2 percent)
- » Not sure (1 percent)

## Main Reasons for Not Giving At All

We asked those with or without wills who said they might or might not, or probably won't, include a bequest in the future what their main reasons were for choosing to not do so. The vast majority said they prefer to leave everything to their loved ones. Younger Americans and those with lower household incomes cited several of these reasons more frequently than average. Demographic groups of unlikely givers and their reasons for not including a bequest are listed below.

- » You prefer to leave all money and assets to family or personal friends (81 percent).
  - Live in rural area (88 percent)
  - Ages 60–69 (87 percent)
- » You think your assets may be needed later to cover expenses (46 percent).
  - Has some college education (57 percent)
  - Household income under \$50,000 (55 percent)
  - Child under age 18 at home (54 percent)
  - Ages 40–54 (53 percent)
  - Women (51 percent)
- » You are concerned that nonprofit organizations might not spend your money the way you would wish (31 percent).
  - Has some college education (38 percent)
- » You haven't thought about it before (24 percent).
  - Ages 40–49 (36 percent)
  - Single/Divorced (33 percent)
  - Child under age 18 at home (31 percent)
  - Household income between \$50,000 and \$99,999 (31 percent)
- » There aren't any nonprofit organizations you want to support in this way (16 percent).
  - Live in rural area (21 percent)
- » You've never been asked for this type of gift (15 percent).
  - Ages 40–49 (20 percent)
- » You think you need to be rich to do this type of thing (12 percent).
  - Ages 40–49 (19 percent)
  - Household income under \$50,000 (18 percent)

### Family Matters

A desire to provide for family or friends is the biggest deterrent for bequest giving, cited by 81 percent of unlikely givers and 70 percent of likely givers with wills in place.

## Interpretation

Cultivating bequest givers is very much a matter of finding the small percentage of Americans who want to take this step. And the basic planks are already in place—most Americans give and most have a will—making this job easier. Still, making the case for charitable bequests, which emphasizes the intrinsic benefits and potential monetary rewards in tax savings, in particular, may cause even those not terribly inclined toward planned giving to think more seriously about it.

Ultimately, Americans want to be sure they provide for their loved ones. From these data, we sense that many more Americans would make a charitable bequest if they had a better understanding of the methods they could use to fulfill what they see as their duty to family and friends and make meaningful contributions to the charities they value.

Based on these data, we recommend concentrating on the following messages:

- Remind potential givers how good it feels to make a meaningful contribution.
- Inform them that a meaningful contribution does not have to be in the millions of dollars.
- Explain that a simple way to protect bequests for loved ones and still make a charitable gift is to allocate assets on a percentage basis. Maybe a campaign that suggests a 5 percent donation would entice reluctant prospects to take the step to add a nonprofit to their will.
- Make it clear that the nonprofit is aware that things change. They hope they earn the trust and long-lasting commitment, but they know sometimes bequest givers must make a change because of unexpected circumstances.
- Allow the donor to decide how often they are contacted. In future correspondence on that timetable, begin by reminding the donor that the nonprofit is honoring their wish to be contacted at this time. This approach—properly executed—could create enormous goodwill.

## Research Methodology

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# **Stelter Donor Insight Report™**

## *The Oldest Americans: Their Views On Bequest Giving and Proven Techniques for Targeting Them*

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Discover the planned giving habits of older Americans and determine if your organization should refine how its marketing dollars are spent.

## Stelter Donor Insight Report™

### *The Oldest Americans: Their Views on Bequest Giving And Proven Techniques for Targeting Them*

This report is based on a national survey of Americans aged 40 and older concerning their views on bequest giving. Our objectives in initiating this project were to:

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

## Profile

If we put 100 Americans aged 70 or older in a room, the composition would look like this:

- » **Marital status**—A little more than half (53) are married. More than one-third (36) are widowed. Seven are single, 2 are divorced and 2 refused to respond.
- » **Education**—Just less than half (43, a bit higher than average) have no more than a high school diploma. About 1 in 5 has a college degree (21, a bit lower than average) or some college experience (19) and 15 have completed at least some postgraduate work. Two refused to answer.
- » **Community**—The highest number (32) live in small towns, followed by mostly rural (19) and suburban residents (18). Those living in urban areas (15) and small cities (11) follow closely, and 5 declined to answer.
- » **Annual household income**—This group is the poorest and among the most reluctant of the age groups to provide their income: 23 refused or are unsure, similar to the number you would find in a group of people aged 55 to 69. More than half (55) have incomes less than \$50,000 per year, while 15 claim \$50,000 to \$99,999 annually. Only 7 consider their income to be \$100,000 a year or more.
- » **Gender**—Sixty are female and 40 are male.

## Reconsider Your Focus

The 70+ age group is the least likely of any age group to change their wills to include charitable bequests. You can't ignore this group, but it would be wise to adjust your expectations and marketing efforts.



Older Americans are reluctant to include a bequest to a nonprofit in their wills if they hadn't already made that decision earlier in their lives. Those aged 70 and older with wills in place are the least likely of any age group to say they will consider adding a nonprofit at some point in the future. (Eight in 10 respondents aged 70 and older currently have wills.) Only 6 percent of this group say they will definitely or probably add nonprofits to their wills (among those with wills who do not name nonprofits at this point), compared to 12 percent among those aged 40 to 49.

Looking at these data another way, 72 percent of people aged 70 and older who have wills say they do not name nonprofits now, nor do they intend to in the future. That is a significantly larger share of this age group than among those aged 40 to 49 (45 percent of those who have wills in place now).

These findings are roughly the same if we lower the age bar to 65 and older (71 percent of those who do have wills say they do not include bequests in their wills and will not likely name nonprofits in the future). What's more, this age group—looking just at those who are not current or likely bequest givers—is much more likely to say they are settled in this decision even after having a chance to hear some of the benefits of planned giving (93 percent of those aged 65 and older, compared to 79 percent overall). That conviction is even stronger if we add five years: 95 percent of those aged 70 and older who do not plan to give are settled in that decision.

### Bequest givers

There is no notable age difference between bequest givers and the population at large: 29 percent of current bequest givers are age 70 and older, compared to 25 percent of the population.

### Annual giving

Among the eight categories of charities, Americans aged 70 and older show a greater-than-average propensity to give to organizations affiliated with churches or other religious groups over the past year or so (76 percent, compared to 69 percent overall). Lowering the age range to 65 and older maintains the results: Three in 4 Americans (75 percent) aged 65 and older also report annual giving to this type of organization. Human service organizations follow distantly for the oldest group (53 percent), with disease-related organizations coming in a close third (50 percent). For the 65+ group, these two types of organizations tie at just more than half (54 percent).

### Importance

When asked which one or two categories of charities is most important to them personally, donors favoring churches and religious organizations stood out (51 percent for ages 70 and older and 49 percent for ages 65 and older, compared to 42 percent overall).

Neither of the older groups is more likely than the other to consider themselves major donors to any nonprofit

Only 15 percent of Americans consider themselves to be major donors to any of the nonprofits they support and the oldest donors are no more likely than their younger peers to identify themselves as such.

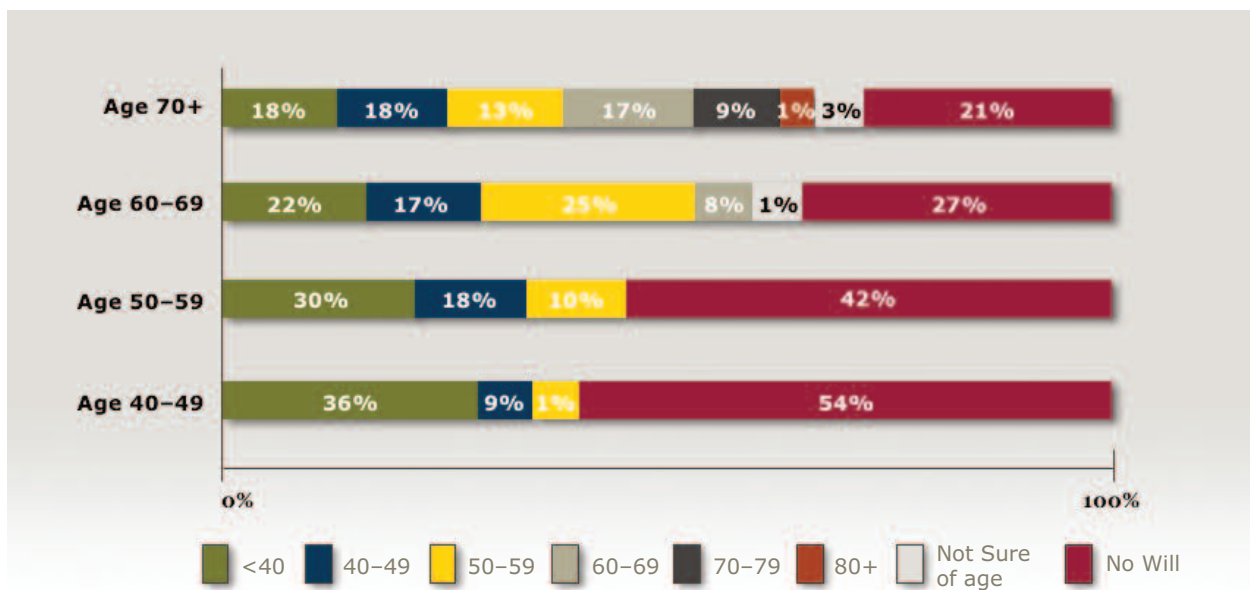
Neither group is more likely than the other to have been approached by a charity to consider making a bequest

In fact, those aged 60 to 69 report the highest percentage (37 percent) among the age groups of having been approached, yet no single group is notably different from the average of 31 percent. From age 55 on, only about one-third recall being asked to make a bequest.

Age when first will was created

Earlier generations seem to have postponed creating a will. One-third (33 percent) of people aged 70 and older who currently have a will say they first created one no earlier than age 60. Half of those aged 65 and older who have a will (50 percent) say they were age 50 or older when they created their first wills. If we look at all Americans, regardless of whether they currently have a will or not, 36 percent of the youngest group (ages 40 to 49) created wills before the age of 40. Among the oldest group, half of that number (18 percent) created wills before age 40. That represents a significant shift in preparedness over the years.

Older Americans report creating their wills at an older age.



### Main reasons to create a will

Those aged 65 and older as well as those aged 70 and older are more likely to cite “I just thought it was time” as one of their top two reasons to create a will when they did (62 percent for each group, compared to 54 percent overall). For the oldest group, retirement and the death of a spouse tie at 11 percent as life changes affecting the decision to create a will, while the slightly younger group tie retirement and the birth or death of a child or grandchild at 11 percent. This latter category ranks much higher for younger age groups with wills (29 percent for those aged 40 to 54 with wills).

### The oldest Americans with wills who have included a bequest are less likely to contribute to multiple categories of nonprofits

When we look at the categories of nonprofits to which these individuals plan to contribute, the oldest group is less likely to include bequests in multiple categories. In the 70+ age group, just more than half (52 percent) have bequests established to nonprofits in two or more categories and under one-third (31 percent) in three or more. Compare this with ages 50 to 59—those most likely to include bequests in multiple categories—in which more than two-thirds (68 percent) include bequests in at least two categories and more than 4 in 10 (42 percent) include bequests in at least three categories. Keep in mind that this is not the same thing as including bequests to more than one organization; multiple bequests may fall within the same general category.

### Types of organizations receiving bequests

Although many of the oldest Americans single out disease-related organizations for annual giving, they are far less likely than younger givers to name these organizations in their wills (25 percent of those aged 70 and older, compared to 48 percent among those aged 40 to 49). Church and religious organizations maintain a strong presence, topping the list in every age category.

### How they first got the idea to name nonprofits in their wills

The oldest age group is more likely than younger Americans to say they just thought of it themselves (58 percent, compared to 42 percent in the 40 to 54 age group). In fact, this is their most popular answer. Next comes “Now that you mention it, it just seems like a good idea” from one-third of the oldest group (33 percent). This age group is also considerably more likely to say they first got the idea from receiving a

### Quick Fact

The 70+ age group shows a preference for making bequests to church and religious groups.

personal letter or phone call from the nonprofit asking for a bequest (22 percent, compared to 7 percent of those aged 40 to 54).

### Notifying the nonprofit of the decision to include a bequest

More than half of the oldest bequest givers withhold information about including nonprofits in their wills in similar proportions to other age groups, but they are more likely to avoid notifying the nonprofit because of these concerns:

- » I might change my mind, so I think it is better not to say anything (44 percent, compared to 34 percent overall).
- » I might get special treatment and that makes me uncomfortable (31 percent, compared to 24 percent overall).
- » I fear the organization will give or sell my information to other nonprofits that will approach me to help them as well (25 percent, compared to 19 percent overall).

While it appears that having the nonprofit reinforce that it will not share contact information without permission may make this group slightly more willing to notify the organization (41 percent feel more inclined, compared to 34 percent overall), the number of respondents to this question within the oldest age group is too small for the differences between groups to be significant.

### Generally, moral and altruistic reasons tend to apply to this group more than other motivations for making a bequest

When presented with a list of reasons to name a nonprofit in their wills—altruistic as well as concrete benefits like tax advantages—the most common response from the oldest age group was “does not apply,” except for two major reasons:

- » I just feel it’s the right thing to do (71 percent consider a major reason); and
- » I can have peace of mind that I am doing something good (48 percent consider a major reason).

If we combine major and minor reasons, leaving a legacy to an organization you care about that will live on after you’re gone is cited as an applicable reason by more than half of respondents (57 percent).

### Barriers to creating a will or naming a nonprofit

For those without wills, the most frequent reason for not creating one is because they just haven’t gotten around to it. While this reason ranks highest for the oldest age group as well, they are far less likely to offer

#### Quick Fact

Reinforcing that their contact information will not be shared without their permission may make the oldest group more willing to notify your organization of their bequests.

that response (49 percent, compared to 76 percent overall). Second among those in the oldest categories (ages 70 and older/ages 65 and older) is the feeling that they don't have enough assets (45 percent for each group, compared to 31 percent overall). That is followed by "It is too expensive to have a will drawn up" (16 percent for each group, compared to 10 percent overall).

### Few anticipate major estates

Only 5 percent of U.S. residents older than age 70 say they expect to have assets worth millions in their estates. Just more than one-third (34 percent) say they don't expect to have a lot of money in their estates.

### Research Methodology

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## *Profile of a Bequest Giver*

---

Discover who bequest givers are, why they're motivated to give and what types of organizations they're giving to.

## Stelter Donor Insight Report™

### *Profile of a Bequest Giver*

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## Demographics

### Education

Level of education is a strong indicator of bequest giving. The majority of bequest givers (34 percent) report having earned a college degree, compared to 26 percent of the general population. Following closely are those who report having completed at least some postgraduate work or degree (31 percent), compared to 16 percent of the general population. The remaining bequest givers are split evenly between those that have no more than a high school diploma (17 percent) and those with some exposure to college (17 percent). One percent refused to answer or was unsure.

### Estate Expectations

Perhaps surprisingly, most bequest givers do not expect to have estates worth in the millions. In fact, the largest group (23 percent) expects estates worth in the hundreds of thousands, with the next largest group (20 percent) expecting estates worth in the thousands. Eleven percent say they don't expect to have much money in their estates, and 29 percent refused to estimate or were not sure of their estates' projected worth. Interesting to note, however, is that bequest givers expecting estates worth in the millions (17 percent) is more than double that of the general population (7 percent).

### Age

Age does not appear to be a strong indicator of bequest giving. While it's easy to assume that older adults make up the majority of bequest givers, we found that this is not the case. Bequest givers are only slightly more likely to be 65 or older (40 percent, compared to 35 percent overall).

## O&A

What is the overwhelming difference between those who have made a bequest and those who haven't? They were asked to!



If we break this out further by age, we see that the groups are split fairly evenly.

<b>Bequest Givers by Life Stage and Decade</b> At What Age Do Prospects Generally Give?	
<b>By Life Stage</b>	<b>By Decade</b>
Ages 40–54 make up 32 percent	Ages 40–49 make up 22 percent
Ages 55–69 make up 39 percent	Ages 50–59 make up 23 percent
Ages 70+ make up 29 percent	Ages 60–69 make up 26 percent
	Ages 70+ make up 29 percent

### Gender

Women are more likely than men to include a bequest in their wills (59 percent compared to 41 percent, respectively).

### Marital Status and Children

Marital status plays a small roll in bequest giving. A larger portion of bequest givers are single (17 percent) or widowed (18 percent) compared to the general population (11 percent and 12 percent, respectively). And compared to 79 percent of the general population, bequest givers are more likely to be living without a child under age 18 at home (87 percent).

### Income

Those who reported being in the highest income bracket (annual household income of \$150,000 or more) are more likely than average to have already included a bequest in their wills (18 percent of bequest givers, compared to 10 percent of the general population).

### Community Type

The percentage of bequest givers who live in the suburbs is slightly higher (32 percent) than that of the average population (24 percent).

## Attitude

### Contact

One of the biggest indicators of bequest giving uncovered in the research was whether the giver had actually been approached by a charity to consider making a planned gift. Sixty-six percent of bequest givers say they had

been approached. This is more than double the percentage found in the general population (31 percent). Despite this high rate of contact, however, 57 percent say they thought of the idea to name a nonprofit in their will themselves, compared to 39 percent of those who plan to add a nonprofit in their will sometime in the future.

## Perceptions

Seventy-six percent of bequest givers do not perceive themselves as major givers. Twenty-three percent, however, do consider themselves major givers, compared to 15 percent of the general population. The remaining 1 percent is unsure.

## Age When First Will Was Created

Bequest givers report creating their wills at a fairly young age. Nearly half (49 percent) say they created their first will before they turned 40. Twenty-five percent of bequest givers report creating a will between the ages of 40 and 49, while 10 percent report creating their will when they were aged 50–59. Finally, 11 percent say they created their will when they were aged 60–69, and 3 percent say they created their will in their 70s. The remaining 2 percent were not sure when their first will was created.

## How They Give

Current bequest givers are more likely to give a percentage of their estates (40 percent) than those who have not yet given but say they are likely to include a bequest in the future (28 percent). But this group that plans to give a bequest in the future is more likely to say they will give a specific amount (60 percent) than current bequest givers (44 percent).

## To Whom They Give

Overwhelmingly, the highest bequest giving priorities are churches or religious organizations. Sixty-one percent of bequest givers have included them in their wills. Following distantly are schools, colleges and other educational institutions, with 30 percent of bequest givers contributing to this category.

## Preferred Initial Contact

Most bequest givers prefer to be initially contacted through the mail (37 percent). Other modes of communication include:

- » E-mail (10 percent)
- » Working through a financial advisor (9 percent)
- » An in-person meeting (7 percent)
- » Phone (5 percent)
- » Other (1 percent)
- » Not sure (39 percent)

## Annual Giving

Bequest givers are more likely than the general population to have given an annual donation to charity.

Following are the types of charities most commonly chosen:

- » Schools, colleges or other educational institutions (51 percent, versus 38 percent of the general population)
- » Nature or science organizations (24 percent, versus 11 percent of the general population)
- » Art or cultural organizations (28 percent, versus 16 percent of the general population)

Almost one-third of bequest givers (29 percent) say they gave more to charity in the previous year than they had in the past. But this increased annual giving is not necessarily a characteristic of bequest givers: 53 percent say they gave the same amount, and 15 percent say they gave less than in past years.

## Interpretation

This study affirmed two of our most common assumptions about bequest givers: They are more educated and affluent compared to the general population. Yet it also challenged the planned giving industry's propensity for focusing on older Americans. To do so, particularly at the exclusion of younger prospects, appears to be an outdated way of thinking. Americans are contemplating wills, creating them and naming nonprofits at a younger age than current practices in the planned giving community would suggest. Furthermore, bequest givers can be found in fairly equal numbers throughout all groups age 40 and older—which shows that older Americans are no more likely than younger ones to take this step. Logically, it makes sense to target at least some development efforts toward younger prospects, even though the potential payoff of these efforts may be decades in the future.

As was reinforced through our focus groups, many people with wills in place have not considered giving a percentage of their estate to a charity (or to a family member or friend, for that matter). This may be the simplest way to address concerns for financial security and may also address worries about updating wills as assets change. That current bequest givers are more likely than prospects to think about giving this way makes sense. They have been cultivated (often) and so have learned how to be savvy. Prospects are, however, likely left to think about this on their own. They are therefore stopped from making a gift at all because they've not figured out for themselves how to do this in a way that provides for their family first.

One more point is worth reiterating. Just about 1 in 3 of all Americans age 40 and older say they have been asked to make a charitable bequest. It's like the lottery: you can't win if you don't play. These data make clear the power of simply asking. Getting donors interested is not the barrier to securing bequests; rather, it is in asking for the gift and showing how to get it done.

## **Research Methodology**

This scientific study, commissioned by The Stelter Company, was conducted in February and March of 2008 by nationally renowned research firm Selzer & Company. The survey is based on telephone interviews with adults aged 40 and older throughout the United States. We interviewed 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, along with the oversample, were screened for age and likelihood to include a nonprofit in their wills. The margin of error is  $\pm 3.3$  percentage points for the entire sample. Telephone interviews lasted approximately 13 minutes.

The Stelter Company is the leading source for gift planning marketing for the nonprofit community, serving more than 2,650 clients nationally with a staff of 80 individuals, and has been exceeding customer expectations for 46 years. Our tagline, "Getting to the heart of the matter," speaks of our fervent belief that effective philanthropy must begin with an understanding of how to touch the donor's strongest emotions and passions. We know that a belief in your mission and a commitment to your organization are what motivate donors to give, and our communications are designed to foster that commitment and belief while educating donors about the benefits of various gift vehicles.

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