

What made this project significant?

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

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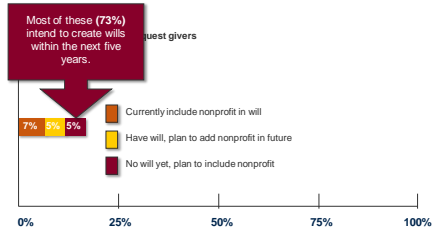
Two things we learned:

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

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7% name a nonprofit in their current will



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Who are these current and future givers?

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

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Profile highlights: Income

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

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Profile highlights: Education

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

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Profile highlights: Age

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

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This makes it clear that solicitations must differentiate by age

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- That kind of thinking is outdated

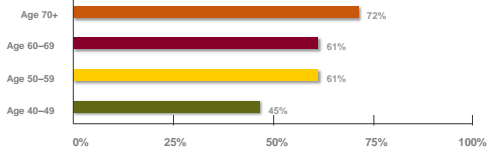
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Younger Americans are *least* resistant to the idea of charitable bequests; older Americans are the *most* resistant

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



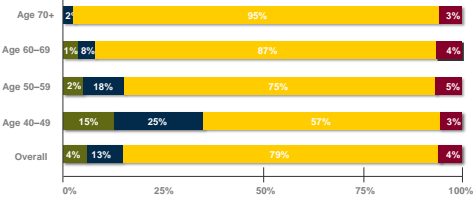
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The likelihood of changing the minds of unlikely givers decreases as they age

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



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

One of the most important things we learned:

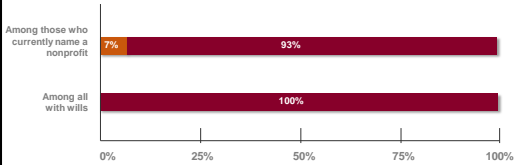
- Once a nonprofit is in a will, it is rarely removed
- That means there is little risk in cultivating givers at too young an age
- The greater risk is waiting too long
 - Will may be “filled up” with worthy nonprofits
 - Older Americans are more resistant to idea of bequests

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

Removed a nonprofit from a will



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One more finding contributes to the idea of Secret Givers:

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

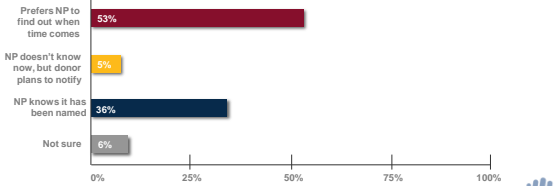
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A minority of planned givers have alerted nonprofits of their gifts

Notifying nonprofit of decision to include bequest in will



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2009 Study Donors on the Move

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Objectives

- To measure awareness of planned giving and ways to make a planned gift
- To test acceptance of planned gifts among people who stand to lose in the deal
- To better understand the economy's impact on giving
- To expand our knowledge of giving to include people in their 30s

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A note of explanation

- This presentation covers the high points
- There is a companion report that includes charts, graphs, narrative explanation, thoughts and age segmentation details

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Methodology

Sample frame:	Adults aged 30 and over throughout the United States
Sample size:	800 adults; respondents were contacted using a sample of random-digit telephone numbers and screening for age
Weighting:	Weighted by age and race to conform to United States Census population estimates for ages 30 and over
Margin of error:	±3.5 percentage points for the entire sample
Method/length:	Telephone interviews lasting approximately 11 minutes
Field dates:	July 19–22, 2009

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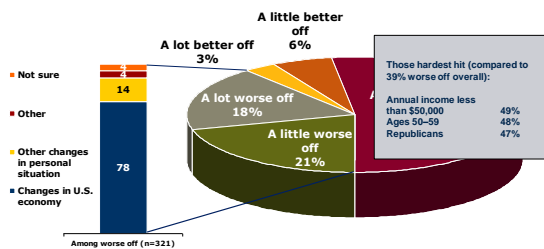


Recent Giving and the Economy



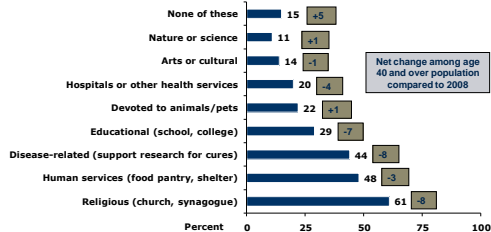
The overall financial mood is a bit grim, and the economy is the main culprit

Financial situation now compared to last year at this time



Charitable giving is taking a hit

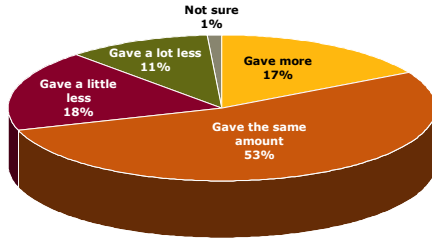
Made cash donation to type of charitable nonprofit organization in past year or so*



*Bar chart is among all 2009 respondents, which includes ages 30 and over

Respondents also tell us they gave less

Level of giving in total dollars in past year compared to previous years
(Among those who contributed to a nonprofit in past year or so; n=684)



Does the economy open a door to planned giving?

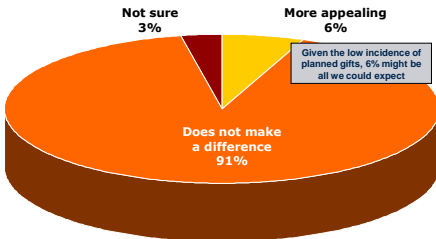
- We know from the 2008 study that charitable giving is largely altruistic
 - People want to do the right thing;
 - Leave a legacy; or
 - Have peace of mind from doing something good
- We wondered if those who had to cut back because of the economy would find it rewarding to put a planned gift in place, to balance giving less

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The answer is: not so much

Appeal of supporting nonprofit through a planned gift when respondent cut back on annual giving because of the economy (Among those whose annual giving is lower because of the economy; n=152)



Interpretation

- The downturn in the economy is taking a toll on Americans
- It is wise for charities to be sensitive
- But it is probably not wise to forego asking for contributions

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Preview

- Intent to make a planned gift weathered the financial downturn, suggesting it may be economy-proof

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Familiarity With Planned Giving



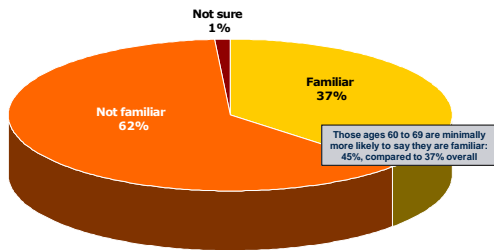
What do you think? Audience Poll



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Knowledge and awareness of planned giving terminology is low

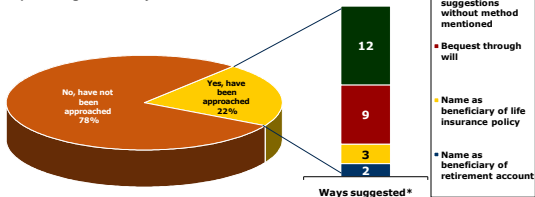
Familiarity with the term "planned giving"



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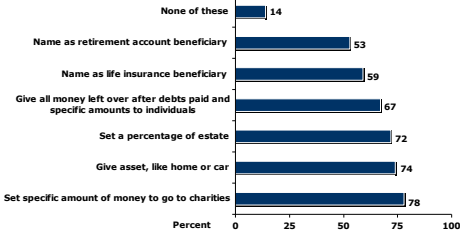
Most have not been approached to make a planned gift

Ever been approached about making a planned gift to charity



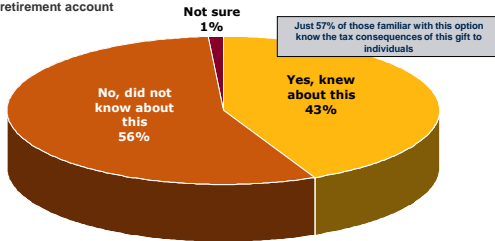
Awareness of ways to make a planned gift is high

Know about ways to include support for a charity



Most do not know retirement assets are treated as taxable income to heirs upon withdrawal

Awareness of tax consequences of naming a person* as the beneficiary of a retirement account



*A Spousal Rollover defers income/estate taxation for a surviving spouse; Stretch IRAs allow some deferral of income taxes; regardless, all withdrawals are subject to income tax.

Interpretation

- The jargon of “planned giving” is foreign to most
- However, most know about specific ways they could include a nonprofit in their plans
- Least understood is the tax implication of leaving retirement account assets to individuals
- Education continues to be a priority for gift planners

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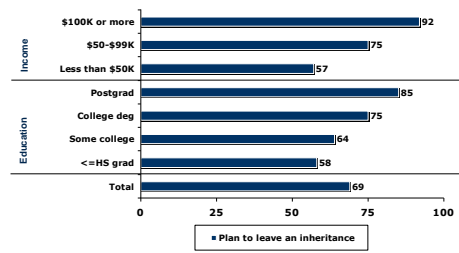


Receptivity to Planned Gifts



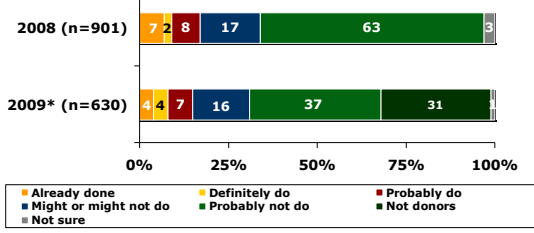
Individuals who are affluent or better educated more commonly expect to leave an inheritance

Expectations of leaving an inheritance, even a small one



Intent to make a planned gift shows little change since last year

Likelihood to include a bequest/planned gift to nonprofit



*2009 percentages based just on respondents aged 40 and over to correspond to 2008 sample

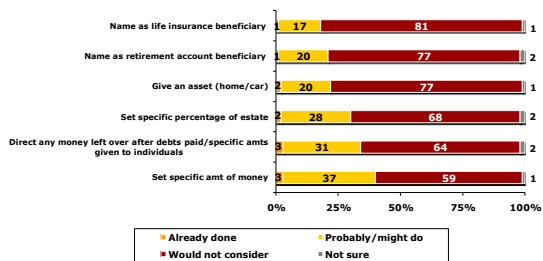
Reasons to resist making planned gifts mirror 2008 findings

Main reasons why respondent has not and likely will not include a nonprofit organization in will	2009* %
Prefer to leave all money/assets to family/friends	88
Think assets may be needed to cover expenses	63
Concerned that nonprofit might not spend the way donor would wish	41
Just haven't thought about it before	33
Never been asked for this type of gift	20
No nonprofits respondent wants to support in this way	18
Think one needs to be rich to do this type of thing	13
Seems complicated and respondent doesn't know how to get started	7

*Among donors aged 30 and over in 2009 who are unlikely to include a bequest or planned gift; n=457

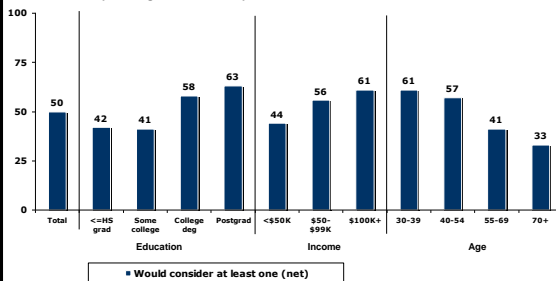
Many express interest in specific planned gift vehicles

Willingness to consider using mechanism to specify planned gift



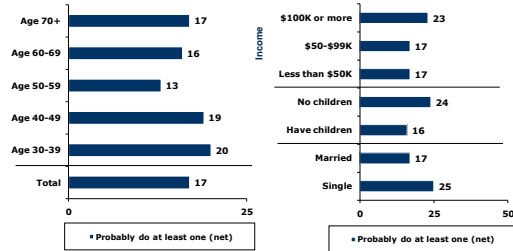
Half would consider at least one vehicle

Probably or might do at least one of the specific mechanisms tested to include a planned gift in their estate plans



A stronger measure is asking if they will **probably do** one or more vehicles

Likelihood to use one or more specific mechanisms



Some respondents change their minds about making a planned gift after learning a little

- We isolated respondents who:
 - Initially said they might or might not, or probably would not, make a planned gift, or said they did not expect to leave an inheritance at all (85% of all respondents)
 - Later said they would **probably use** at least one vehicle mentioned to make a planned gift (17% overall)
- In short, they changed their minds
- They account for 6% of all respondents
- Given 10% initially signaled interest, this is a substantial number
- It means our initial pool of prospects grew by **60%**

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“Strong movers” are affluent, educated and **young**

	General Population (%)	Strong Movers*	Ranked by Difference (% points)
Age 30 to 39	21	40	+19
Do not have grandchildren	57	75	+18
Male	47	65	+18
Live in west region	24	38	+14
Annual income more than \$100,000	17	31	+14
Have child under age 18 at home	35	48	+13
Republican	25	36	+11
College degree or more	43	49	+6

*Those who said they would probably not include a bequest or planned gift to a nonprofit at the beginning of the survey but later said they probably would use one or more of the six mechanisms listed

Interpretation

- Given the terminology of planned giving is not well known, it is surprisingly easy to move people to want to do it
- Part of planned giving professionals' mission will be to provide more and better education of the concept
- Another part will be expanding definitions of good prospects
 - They are affluent and well-educated
 - But they are also young
- As we saw last year, older Americans are the most resistant

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Opportunity to Recruit More Planned Gifts



The most common reason not to make a planned gift is that friends and family come first

- So we asked those friends and family how *they* felt about this

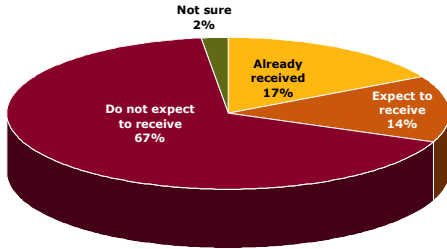
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A minority expect to be heirs

Have received or expect to receive an inheritance



This is our population of interest

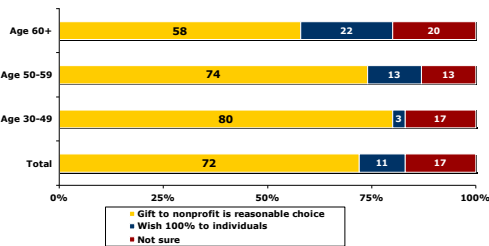
- The 31% who have benefited or expect to benefit from someone else's estate plan
- To them, we posed this question:
"Suppose someone other than your spouse were to leave you an inheritance. If they had also decided a nonprofit organization would get a percentage—something like 5% to 10%—in all honesty, do you think you would wish they had left 100% to individuals rather than to organizations, or do you think a gift to an organization is a reasonable choice?"

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The vast majority of heirs do not object to a planned gift as part of the estate

Heirs' reaction to inclusion of planned gift to nonprofit in the estate (n=262)



Interpretation

- This finding gives charities a powerful way to ease prospects' concerns
- A gift of 5% to 10% of an estate might not seem like much to gift planners used to courting big gifts
- However, if many more are convinced their heirs would not object, planned gifts might become more common
- Large donors are likely the target of many charities
- Charities that cultivate the more plentiful small donors may reap greater rewards than imagined

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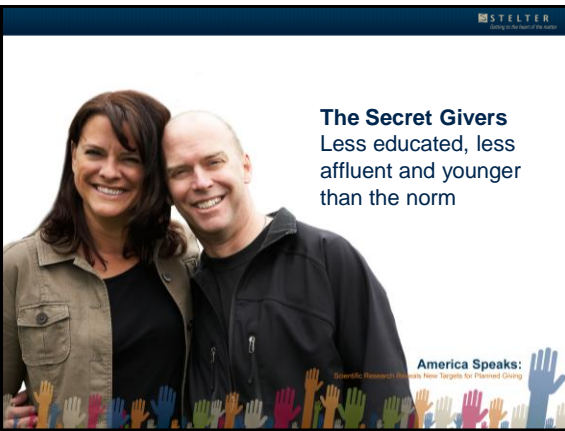
A Closer Look at Prospect Segments



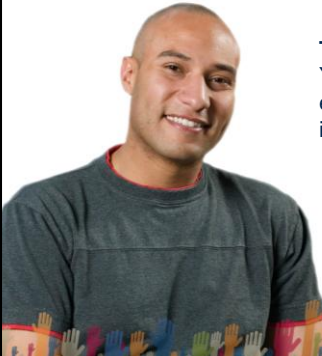
The Secret Givers
Less educated, less affluent and younger than the norm

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The Movers
Young, affluent,
educated and
interested

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Age 30–39
Don't know the lingo,
haven't been approached
and are open to giving

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Age 40–49
Largely outside
the conversation and
the generation most
open to planned
giving and to sharing
their inheritance

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Age 50–59
Hardest hit by the economy and lukewarm on planned giving

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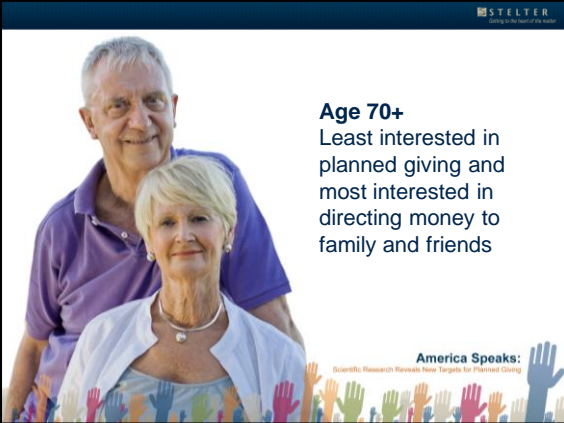
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Age 60–69
Knowledgeable about planned giving, but that does not raise their interest

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Age 70+
Least interested in planned giving and most interested in directing money to family and friends

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Moving forward

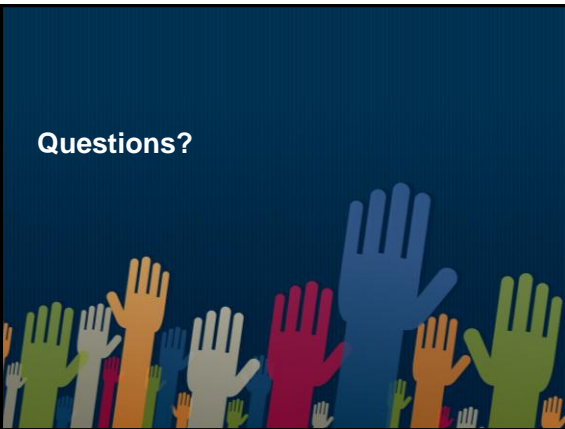
- Education is key!
- Continue to expand your definition of a good prospect.

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Questions?



Webinar Follow-up

- E-mail tomorrow with instructions on how to:
 - View a recording of the webinar
 - Download a PDF of the webinar slides
 - Download 2 *Donor Insight Reports*

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Thank you!