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# **Discovering the Secret Giver: Groundbreaking Research on the Behavior Of Bequest Givers in America**

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## OVERVIEW

Nonprofit organizations nationwide are missing out on untold millions in charitable donations by ignoring a largely untapped group of prospects, according to a groundbreaking national survey. In Spring 2008, The Stelter Company combined forces with the nationally renowned research firm Selzer & Company Inc. to provide insight into who names charities in their wills, when and why. Our discovery? The audience that most gift planners target today may represent only the tip of the iceberg.

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.

Our scientific national survey of adults aged 40 and older calls into question common practices among gift planning managers in how they identify prospects, cultivate donors and communicate with them on an ongoing basis. Following is a summary of the results of this enlightening research, which challenges nonprofits to rethink conventional wisdom and current practices.

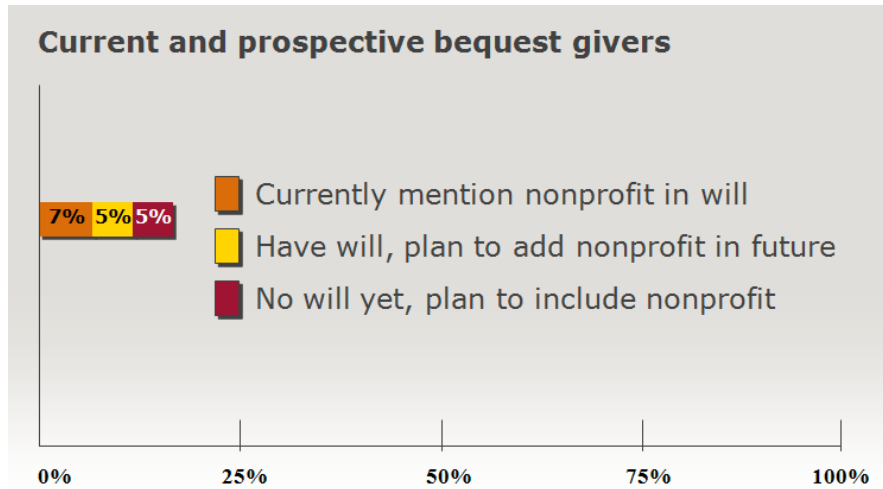
This major study of bequest giving reveals several important findings.

1. We document in this scientific, national study that 7% of Americans aged 40 and over have named nonprofits in their wills. In addition, another 10% are good prospects.
2. The industry tendency to focus its development efforts on older donors defies changes in how Americans think about and plan for their estates. This new study reveals that fully two out of three U.S. residents aged 40 and over (64%) already have wills. And, the majority of those who have wills report creating them before they reached the age of 50. Decisions are therefore happening at a younger age than development teams might imagine.
3. Once a nonprofit is included in a will, it is rarely dropped. Efforts to cultivate relationships with younger donors may come with a longer timeframe before results are seen; however, bequests made at younger ages are likely to stick and benefit the nonprofit in decades to come.
4. Donors and potential donors strongly prefer to first learn about bequest giving by mail when compared to all other forms tested. In addition, we gleaned information about how to communicate effectively in the materials nonprofits provide as they cultivate planned givers.

## KEY FINDINGS

**For the first time, we now know that 7% of Americans aged 40 and older name nonprofits in their wills. In addition, another 10% are good prospects:**

- 7% of Americans have currently made a bequest to charity in their wills.
- 5% of Americans have wills and say they will definitely or probably make a bequest to a charity.
- 5% of Americans do not have wills but say they will definitely or probably make a bequest to charity when they have this document in place.



These data can be compared to the most recent IRS computations of decedents who pay estate tax amounts to 2% of annual deaths. Of these estates, 19% included a charitable deduction. Another commonly referred to statistic is the 8% in bequest giving cited by *Giving USA*: “Bequest giving is 7.6% of total estimated giving for 2007.” This figure, however, is based on *dollars*, not people.

This study identifies two lucrative prospect groups—5% with wills in place and 5% without—both with plans to make a future bequest to charity. What is exciting is how the second group (those without a will) differs substantially from the first. *These are the Secret Givers. Secret, because they are not on anyone’s radar screen.*

**A largely untapped prospect group, the Secret Givers look distinctly different than existing bequest givers and typical prospects.** Secret Givers are disproportionately:

- *Younger* (65% are age 40 to 54, compared to 37% of the population overall).
- *Not well educated* (45% have no more than a high school education, compared to 35% of the population).
- *Single* (26%, compared to 11% overall).
- *Have children under age 18* (29%, compared to 19% overall).

AGE	U.S. population	% People with bequest to charity in place	% People with wills; open to making a future bequest to charity	% People without wills; open to making a future bequest to charity
40–54	37	32	38	65
55–64	28	28	25	24
65 and over	35	40	37	11

<b>EDUCATION</b>	<b>U.S. population</b>	<b>% People with bequest to charity in place</b>	<b>% People with wills; open to making a future bequest to charity</b>	<b>% People without wills; open to making a future bequest to charity</b>
High school grad or less	<b>35</b>	17	22	<b>45</b>
Some college	<b>21</b>	17	15	20
College degree	<b>26</b>	34	34	20
Post graduate work or degree	<b>16</b>	31	27	14
Refused/Not sure	<b>2</b>	1	2	1

<b>MARITAL STATUS</b>	<b>U.S. population</b>	<b>% People with bequest to charity in place</b>	<b>% People with wills; open to making a future bequest to charity</b>	<b>% People without wills; open to making a future bequest to charity</b>
Single	<b>11</b>	17	13	<b>26</b>
Married	<b>63</b>	59	68	55
Divorced	<b>11</b>	5	7	14
Widowed	<b>12</b>	18	11	3
Refused/Not sure	<b>3</b>	1	1	2

<b>CHILD UNDER AGE 18</b>	<b>U.S. population</b>	<b>% People with bequest to charity in place</b>	<b>% People with wills; open to making a future bequest to charity</b>	<b>% People without wills; open to making a future bequest to charity</b>
Yes	<b>19</b>	12	25	<b>29</b>
No	<b>79</b>	87	73	70
Refused/Not sure	<b>2</b>	1	2	1

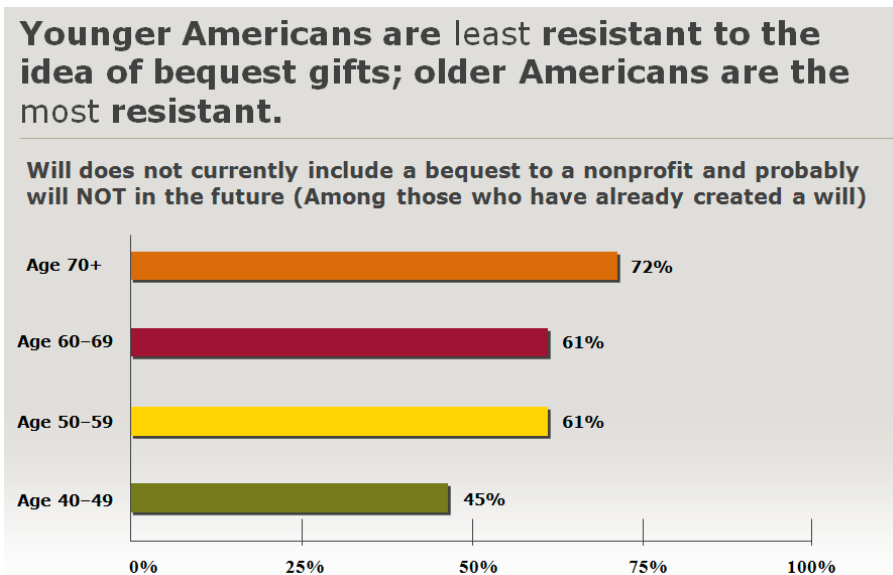
**Viable prospects fall within lower income groups.** The Stelter study also refutes the minimum income levels that many fundraisers use as a guideline when targeting potential donors, claiming viable prospects may often have a lower income than the industry generally targets. *Seventy percent of Secret Givers, for example, have a household income of \$99,999 or less, compared to 48% of people who currently have a bequest in their will.*

INCOME	U.S. population	% People with bequest to charity in place	% People with wills; open to making a future bequest to charity	% People without wills; open to making a future bequest to charity
\$150,000 and over	10	18	13	10
\$100,000–\$149,999	8	11	19	11
\$50,000–\$99,999	25	22	20	28
Under \$50,000	37	26	19	42
Refused/Not sure	20	23	29	9

**A focus on older Americans may be at least somewhat outdated.** Older Americans (aged 70 and over) 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. Just 6% of this group say they will definitely or probably add a nonprofit to their wills (among those with wills who do not name a nonprofit at this point), compared to 12% among those aged 40 to 49.

Looking at these data another way, 72% of Americans aged 70 and over who have a will say they do not name a nonprofit in their wills 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% of those who have a will in place now).

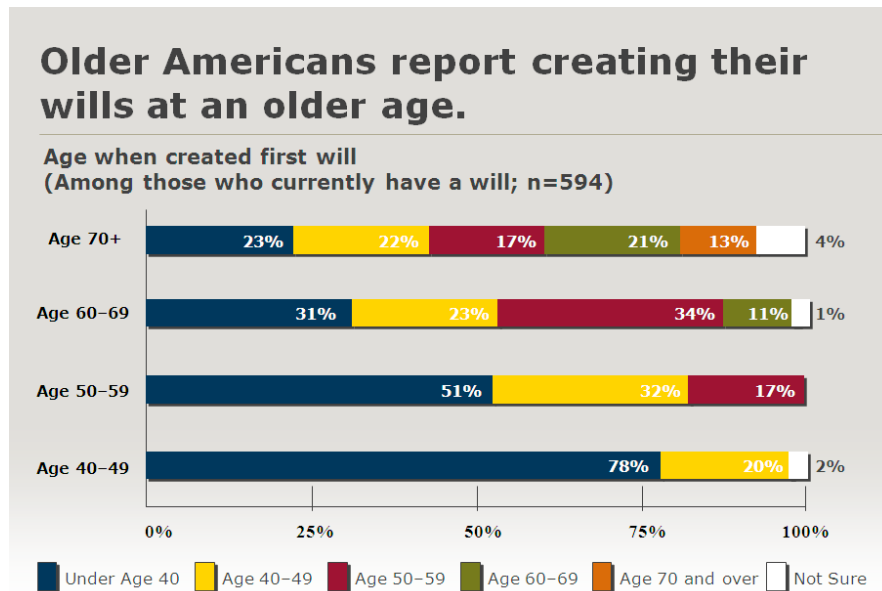
These findings are roughly the same if we lower the age bar to 65 and over (71% of those who have wills say they do not include bequests in their wills and will not likely name nonprofits in the future). What’s more, this age group (looking just at those who are not current or likely planned givers) is much more likely to say they are settled in this decision even after going through the survey and having a chance to hear some of the benefits of planned giving (93% of those aged 65 and over, compared to 79% overall).



**U.S. residents are making wills at an increasingly younger age.** As we mentioned earlier, fully two in three Americans (64%) have wills before reaching age 50. That is even truer of the most affluent, with 84% having wills before they are 50. The birth or death of a child or grandchild is the single most specific trigger (20% of those with wills say this was a main reason they created a will), so it is not surprising that 92% of those with children under age 18 say they made wills before turning 50.

**Older Americans report creating their wills at an older age.** Half of those aged 65 and older who have a will (50%) say they were 50 or older when they created their wills. The youngest age group (40 to 49) show the inclination to get wills in order early. A full 78% of that group say their wills were in place before they reached the age of 40; just 20% created wills during the decade of their 40s. In addition, 51% of those in their 50s say their wills were in place before they reached the age of 40.

Among those aged 70 and above, fewer than one in five (18%) say they prepared their first will before the age of 40. As shown in the chart below, this number steadily grows as we move down the age spectrum. Among our youngest group aged 40 to 49, double that number (36%) created a will before the age of 40. This youngest age group (40 to 49) show the inclination to get wills in order early.



**Most who do not have wills anticipate creating them within the next five years.** Asked about the timeframe for making a will, one in three who do not currently have a will (38%) say they plan to make one in the next couple of years; another 30% say they intend to make a will within the next five years. *Of the prospect group known as the Secret Givers, 74% plan to create a will within the next five years.*

The most common reason not to have a will is benign enough—a full 76% say they just haven't gotten around to it. Another main reason, according to 31% of those who do not have wills, is that they do not think they have sufficient assets to warrant the process. One in four (25%) say they do not have children to provide for. About one in five (19%) say they do not like to think about death. And one in 10 (10%) say they think it is too expensive to have wills drawn up or think they are too young to take this step (9%).

### Interpretation

While the point that we may be witnessing a generational change in when wills are created has been made earlier in this report, it bears repeating. Part and parcel with this finding is a suggestion in these data that even those with wills in place may need some education on the options for bequest giving.

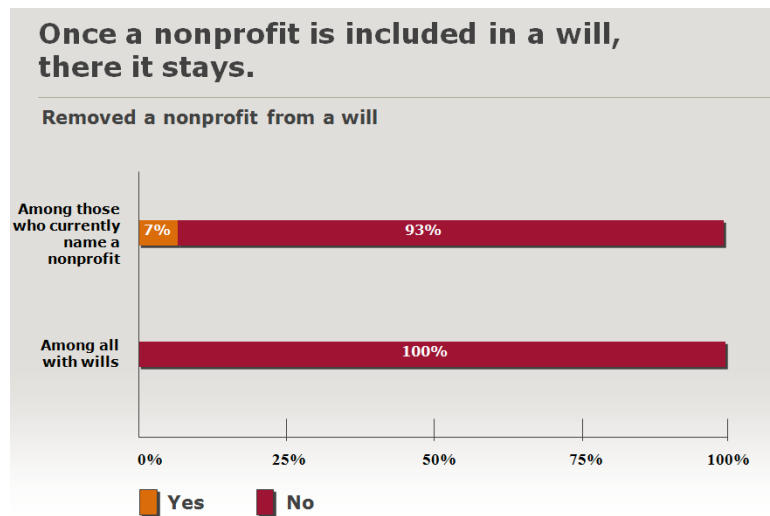
As we learned in donor focus groups we conducted in 2007, many with wills have not considered giving a *percentage* of their estate to a charity (or to a family member or friend, for that matter). Making donors aware of their options may be the simplest way to address concerns for financial security and may also address worries about updating wills as assets change.

It makes sense that people who have currently included a charitable bequest in their will are more likely than prospects to think about giving this way. 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 haven't figured out for themselves how to do this in a way that provides for their family first.

With very little economic variation distinguishing current bequest givers from prospects, this is one more reason to open up development efforts to younger prospects. They have virtually the same expectation of riches as current donors do, so there is proportionately as much to be gleaned from cultivating new donors.

One more point is worth reiterating. Just about one in three of all Americans aged 40 and over say they have been asked to make a bequest. It's like the lottery: you can't win if you do not play. These data make clear the power of an ask. 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.

**Once a nonprofit is included in a will, there it stays.** The potential downside of targeting younger givers is that the work may go for naught if givers change their minds and remove the nonprofit from their wills later in life. These data suggest that risk is negligible—less than one in ten of our group of individuals who currently name a nonprofit (7%) have ever removed a nonprofit from their wills. This amounts to less than 1% of all those with wills. In short, it is not at all common.

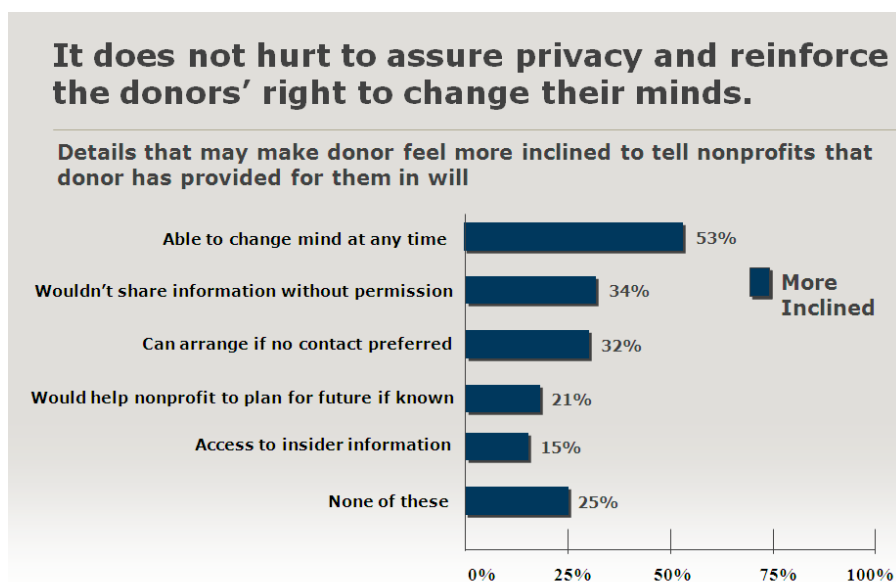


**A minority of givers has alerted the nonprofit of their gift.** One more idea contributes to the concept of the Secret Giver: They do not want to tell nonprofits about their bequests. Their plans are secret now and may remain that way forever. For the first time, we have more than anecdotal information about the number of donors who make bequests actually alerting nonprofits of their status. The study shows that a minority of bequest givers (36%) has alerted nonprofits of their gifts. *Eighty percent of planned givers who have chosen not to reveal their gift to a nonprofit say the details of their wills are their own business and no one else needs to know.* Fewer worry about other concerns:

- 34% think they might change their minds and would have to renege on what they see as a commitment (although our survey shows that rarely happens).
- 26% worry they will be pestered with mailings and phone calls if nonprofits knew they were named in their wills.
- 25% say they do not want a nonprofit to act like a vulture waiting to get money.
- 24% worry they would get special treatment that would make them uncomfortable.
- 19% fear the organization would give or sell their information to other organizations looking for donors.



Donors who have not notified the beneficiary nonprofit would be more encouraged to notify a nonprofit of a gift if they were assured that they could change their minds. A full 53% of bequest givers say knowing this would make them feel more inclined to share the information. About one in three are moved to be more lenient in letting nonprofits know if they knew the organization would not share the information (34%), or that they could arrange that no one from the nonprofit contact them, if they preferred (32%). Still, even if they could let a nonprofit know of a gift anonymously, just 13% say this is something they would definitely or probably do.



### Interpretation

About one-in-three donors say they've alerted at least one nonprofit of their gifts. To clarify, that does not translate into the expectation that a nonprofit will have knowledge of one out of three gifts. But it does help to know that the vast majority of givers keep their intentions to themselves.

These data support what The Stelter Company learned in recent focus groups with donors, which reinforced a preference toward privacy. These are tough reasons to overcome. Of course, knowing whether someone has named a nonprofit in his or her will is useful and valuable information to the charitable organization. These findings show just how hard it will likely be to make inroads in this area. The best route to getting this information is probably counterintuitive to most nonprofits. Few would probably want to remind donors that they realize things change and that donors may decide later to remove them from their wills. This is the most powerful argument, however, that persuades current donors to consider letting nonprofits know. Given that so few ever remove nonprofits, again, it may be a matter of the potential reward outweighing the risk.

**Half mention specific dollar amounts in bequests to nonprofits.** The most common way to specify a gift is to give a fixed dollar amount (50% of those who have wills and are either a current bequest giver or expect to become one say this is the preferred way to indicate an amount in their wills). Dividing up current donors from prospects, we note some differences:

- ◆ Current donors are more likely than prospects to think about giving percentages of their estates (40%, compared to 28% of prospects).
- ◆ Prospects are more likely to think about specific dollar amounts (60%, compared to 44% of current bequest givers).

## Interpretation

Cultivating bequests is very much a matter of finding the small percentage of Americans who want to take this step. The basic planks are already in place to make this job easier, rather than harder, in that most Americans give and most have wills. That is not to say, however, that there is a great deal of low-hanging fruit.

Still, making the case for bequests, which emphasizes the intrinsic benefits but also lays out the potential monetary rewards in tax savings, in particular, may cause even those not terribly inclined toward bequest giving to think more seriously about it.

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

**Donors seek intrinsic benefits of giving, not perks.** The most common reasons donors and prospects give for their decisions to make bequests relate to generally feeling good about giving, not the benefits or recognition that might accompany a gift. When asked which reason out of a list of 13 possible options was a main driver in the decision to name or seriously consider naming a nonprofit in a will (among those with wills), the vast majority (81%) say it is the right thing to do.

Appeals to donors' and prospects' self-interest do not match the psychological mindsets of most current and would-be donors. This fits with what we heard in focus groups of current and prospective bequest givers. They do not seek the limelight and most do not want special treatment because they have provided for a nonprofit in their wills. This is likely the reason few are interested in telling a nonprofit that they have made bequests—they see no upside to themselves personally.

These data make clear the sensitivity needed by gift planners depending on the audience. Those who already have nonprofits in their wills are less motivated by expediency or personal benefits. Those with wills who plan to name a nonprofit in the future, however, are much more likely to spark to how putting bequests in place will benefit their heirs in the future and themselves now through tax savings. Still, both groups are most moved by doing something good.

We cannot overemphasize the importance of the finding about the staying power of bequests. Very few—less than one in ten—who have charitable bequests in their wills say they have ever removed a nonprofit from their plans. This reinforces the urgency of working with younger givers to put a plan in place. At a younger age, they probably have fewer nonprofits they would want to honor with a legacy gift; the competition is likely greater later in life. So, getting in the door early makes logical sense.

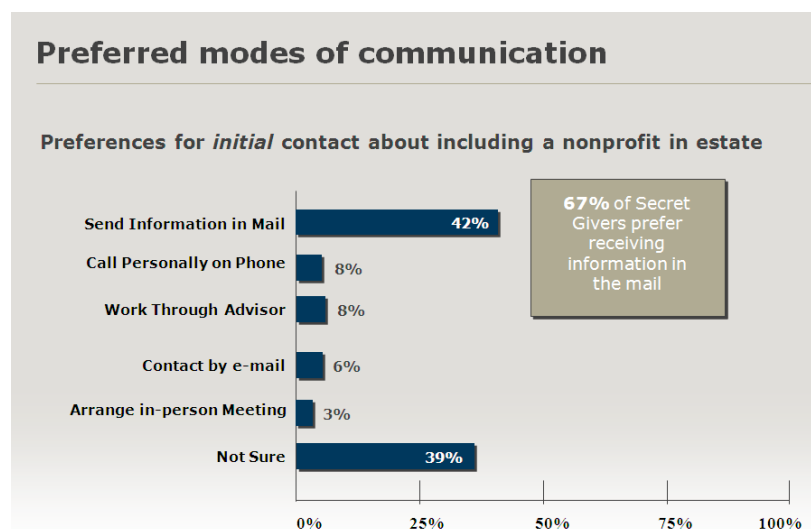
**Few anticipate major estates.** Just 7% of all U.S. residents say they expect to have assets worth millions in their estates. That percentage climbs to 23% among those in households with incomes of \$100,000 or more and 15% among those with post-graduate work or degrees.

About one in four (23%) expect to be worth in the hundreds of thousands of dollars at the time of their death. Again, those who are most affluent (41%) and those who have the most education (38%) are more likely than average to see themselves as having this net worth eventually. Notably, more men than women expect to have an estate in the hundreds of thousands of dollars (31% versus 16% of women), and younger Americans are more likely than average to expect estates worth this amount (31% of those in their 40s).

Interestingly, people who currently have included a bequest in their will are only slightly more likely to indicate estates worth millions (17% versus 7% overall).

**The U.S. mail service is the most preferred mode of initial contact.** When asked how they first want to receive information from a nonprofit about including them in estate plans, fully 42% say this information is best sent by mail. Fewer than one in 10 opt for a personal call (8%), advice from a financial planner (8%), e-mail (6%) or a

personal meeting (3%). The number preferring mail rises to 67% among prospects who do not yet have a will in place.



## HOW TO MARKET PLANNED GIVING

For gift planners, these data suggest that donors come in all shapes and—most relevantly—income levels. And really, this is good news. Our survey makes clear that the mood of this nation is generally quite supportive of philanthropy: We found that nearly all Americans give to at least one charity, so this is not a new behavior. About two in three have wills already in place. About one in five Americans who have wills either currently name a nonprofit or are quite open to the idea.

What this means is that the work of persuading individuals to consider charitable giving is not really needed. This is already part of their routine behavior. And, most have a will in place. They simply need to be asked, and, in some cases, would benefit from information that would overcome concerns. These data also suggest that widening the net—making the appeal to a larger group of prospects—would likely pay off.

Ultimately, Americans want to be sure they provide for loved ones. From these data, we sense that a greater percentage of Americans would be inspired to include bequests to charity in their wills if they had a better understanding of how they could simultaneously fulfill what they may see as a duty to family and friends.

Nearly all nonprofits grapple with competing priorities and the limitations of marketing budgets and staff resources. We realize that gaining insight into the world of bequest givers and prospects—including our discovery of this younger audience (that includes the subset known as the Secret Givers)—may provide as much confusion as answers. What now? Following are some strategies to consider:

**Enhance your database.** Marketers have long known that there is rarely a one-size-fits-all approach to messaging. The more you know about your donors in terms of age, educational status, household income, and other demographic and psychographic details, the more successful you will be in segmenting messages to particular interests and needs. Age is the strongest identifying trait among those who are good prospects without a will, and knowing the ages of your donors is the linchpin to our suggested marketing strategy.

If you do not have age information on your current donors, consider conducting an age overlay. This involves matching your list of names and addresses against those on a list provided by a company specializing in gathering key data on households nationwide. These companies pull information from various public sources and can help you fill in the gaps without violating any privacy laws.

**Rethink your formula for targeting donors.** Once you've determined the ages of your donors, you can apply our suggested formula as a starting point for reaching the broadest universe of prospects. This formula is based on the generational insights provided by our research, but can and should be fine-tuned to a particular nonprofit's unique donor base. Following is the basic formula:

- Spend **15%** of your budget *motivating* prospects aged 70+ to make planned gifts.

Keep in mind that this age group is likely the hardest nut to crack. Although 80% of Americans aged 70+ have a will in place, they are the least likely of any age group to change their wills to include charitable bequests. Of those who have decided not to include a bequest, 95% say they are settled in that decision versus 79% of the overall population. Obviously, you can't afford to ignore this group, but our research shows why you will also need to adjust your expectations in terms of response to your appeals.

- Spend the majority of your budget, **55%**, in the "sweet spot" in which you are *transitioning* loyal donors aged 55 to 69 into planned givers.

This is likely where you are already spending the majority of your marketing dollars, and we recommend that, in that regard, you stay the course. This age group is actively involved in comprehensive estate and wealth-transfer planning, for which you can be a valuable resource. They are likely to be assisting children through their financial issues and assisting grandchildren with education expenses. Supporting nonprofits is a way for them to help secure the future of the next generation.

- What's new is the idea that you should devote marketing dollars (we suggest **25%**) to *recruiting* younger donors aged 40 to 54.

Our research validates the benefits of expanding your efforts to this generation and underscores the risks of neglecting this group. Forty-five percent of this group does not yet have a will in place and 75% have not been approached by a charity to consider making a planned gift. Yet they are the age group most open to including bequests in their wills and are putting financial and estate plans in place earlier than older generations.

- As always, you need to *maintain* contact with your current planned givers, which we represent in this formula as about **5%** of your audience.

It is essential to keep in contact with those who have identified themselves as planned givers to your organization, reinforcing your mission and the need for continued support.

**Prepare messaging for specific age groups.** To be most effective, communication strategies must take into account the life stage of the reader. Following are sample topics by age:

Recruiting: Age 40–54

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

Transitioning: Age 55–69

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

Motivating: Age 70+

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

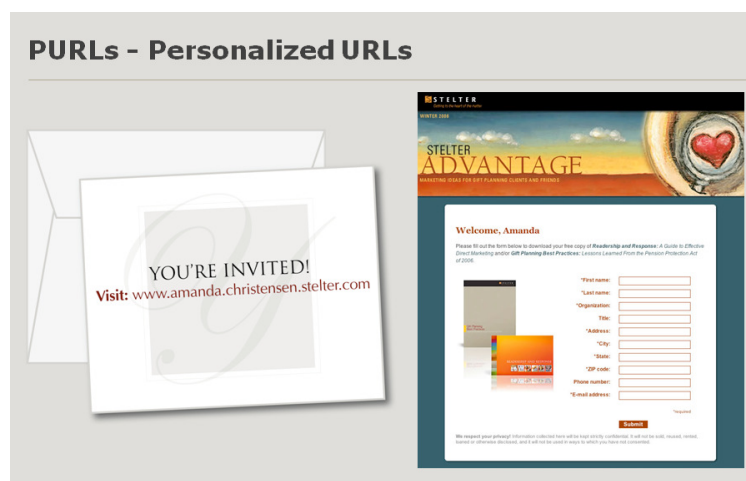
In addition, we recommend concentrating on the following messages:

- ◆ Remind potential givers how good it feels to make a meaningful contribution.
- ◆ A meaningful contribution does not have to be in the millions of dollars.
- ◆ A simple way to protect bequests to loved ones and still make a charitable gift would be to allocate assets on percentage bases, rather than set dollar amounts. Maybe a campaign that suggests a 5% donation would entice reluctant prospects to take the step of adding a nonprofit to their wills.
- ◆ A respectful stance for a nonprofit to take would be to make it clear the nonprofit is aware that things change. They hope they earn the trust and long-lasting commitment of donors, but they know sometimes donors must make changes because of unexpected circumstances.
- ◆ Another form of respect would be to allow donors to decide how often they are contacted. On that chosen timetable, in future correspondence, that communication would begin by reminding donors that the nonprofit is honoring the wish to contact at this time. This approach, properly executed, could create enormous good will.

**Look for the Secret Givers.** Should you target the Secret Givers, to what extent and how? As our research shows, Secret Givers are a group of prospects that have been largely ignored—even though they are viable candidates for making a bequest. It may seem counterintuitive to spend precious marketing dollars on donors who are less educated and have a lower household income than the typical planned giver. Although we strongly believe that it pays to address potential donors aged 40–54, we encourage individual organizations to assess for themselves the extent to which they can successfully mine this target age group. Our suggestion is that, at a minimum, you raise awareness within your organization about the existence of the subset of donors known as the Secret Givers, who are waiting to be educated and waiting to be asked. Then, look for signs of the Secret Givers within your own donor pool.

Second, employ low-cost ways to cast a wider net in which to capture younger donors—including the Secret Givers—and promote them up the giving pipeline. One such method is to mail younger donors an invitation that includes a personalized URL, also known as a PURL, which directs donors to a personal Web page where they can watch a video, download a brochure or access information.

- A PURL invitation can be printed and mailed for less than 75 cents.
- The gift officer can receive information on which prospects accessed the micro site and what they did once they were there.



## WHAT DONORS AND PROSPECTS TELL US

In August and October of 2007, The Stelter Company conducted focus groups in the Des Moines, Iowa, and Washington, D.C., areas. We spoke with current bequest givers and prospects aged 40 and older. The following summarizes the key themes, which were used to inform the design of our national phone survey conducted in 2008.

**Life events shape giving.** This almost goes without saying, but because donors speak first and foremost about their personal connections to causes and to specific organizations, we start here. When asked why they give to organizations, donors talk about diseases in their families, organizations that have helped people important to them in the past, and organizations they've been a part of—serving on boards or volunteering in some other way. Because they know the organizations and their good work, they naturally offer financial support. Giving back to an organization that helped influence one's success is a natural piece of this—they want to pay back a kindness shown to them.

**Donors also act on self-interest.** Whether they themselves have a disease or their family has been touched by a difficult situation, some donors say they give because they themselves or someone they love might benefit. "Once I contracted diabetes, I started contributing so that they would do more research and, hopefully, find a cure someday—especially for children. My other great love is for animals. I see what happens to so many of them, and hopefully my few little pennies will help them in some kind of way," one participant said. Self-interest also takes the form of contributing to institutions they use and enjoy.

**A nonprofit's accomplishments are critical to donor decisions.** Besides believing in the cause or mission of an organization, donors want to know their money will be put to effective use. They are most convinced when they see evidence of what the organization has done in the past, using the logic that the best predictor of future success is past success.

**Donors want to know *their* money will make a difference.** That is why local and small organizations are sometimes favored. Donors know what might seem like a modest gift to a large organization will seem much larger to a small nonprofit.

**Donors think of family first.** When they give thought to the question of who is mentioned in their wills, donors admit family members may not truly need their money. It seems they almost need permission, however, not to leave everything to family.

**Some donors worry their money would not be spent wisely.** They talk about the desire to control from the grave, which of course they know they cannot do. But they worry they might give money to an organization that would change and no longer be the type of organization they would want to support.

**Prospects do not, in many cases, understand the tax advantages of bequest giving.** One group suggested that the entire topic of bequests may be under-discussed in our culture in general. If more people understood how their estates might benefit, they say, more people might make bequests.

**Few participants sense making this decision is urgent.** Although we recruited the prospect group to be age 50 and older, many believe they have the luxury of time to make bequest decisions. They have no sense of immediacy. The group of bequest givers believed time would be better spent on younger prospects—people in their 40s and 50s. By age 60 or 70, they say, their notions about where they will leave money are pretty firmly set.

**Donors want organizations to keep in touch, but they do not want to be flooded with mail.** They like to read newsletters when there is timely and interesting information. "Some of the organizations to which I give send newsletters, which I particularly like because they tell of new advances in research and education, community support, and outreach. It lets me know what they're doing. And occasionally they do include pictures of people and their stories, which are always interesting."

**Having a say in how frequently an organization sends information might be a welcome change.** In many aspects of life, people can customize how they receive information. Having that choice may provide a feeling that they are in control and that the organization is responsive to their wishes.

**In solicitation materials, donors like a simple, direct, easy-to-understand approach.** Donors sparked to content that laid out information they considered useful in simple formats. Yet, to be complete, the direct information on how to give needs to be accompanied by reasons for a gift in the first place. They prefer a publication to be attractive; it needs to invite them to open it and read. If the colors are “dreary,” the mood sours.

**No one format fits all donors.** Some will look at postcards, while others dump them immediately. Others spoke highly of self-mailers that gave them a preview of the content inside. Some take the time to open envelopes while others open them only when they believe there is something of personal interest inside.

**Details matter.** Following are some best practices suggested by the responses of participants.

**Demonstrate good stewardship to earn trust.** This is the first thing most donors consider—and it is especially important when the organization is large. “When I get something similar from the university that I graduated from that is obviously a fundraising effort, theirs is always broken down to show things like last year \$500,000 went to the veterinary medical school to do this and that \$180,000 went to the music program and \$3 million went to the new science lab. It’s not this ‘Suzy and Johnny are happy because they gave money.’ It is a real nice breakdown of where the money went. It’s not detailed, but I know where the \$100 million that they had last year went and I could quickly decide if I wanted to give.”

**Use appropriate role models.** Younger donors were turned off by pictures of older donors—it sent the message that the publication was not really intended for them. “You see all old people in the next one, which automatically puts in your mind that you don’t have to be thinking about this for another 20 years. If I saw people my age, I would be more into thinking that there are other people who have thought about this that are my age.”

**Make it easy for donors to get more information, on their own terms.** Many are willing to go to Web sites where they can explore opportunities. “I find the internet to be the most compelling and readily accessible medium for me.” Much of this preference stems from the desire to avoid disclosing personal information they fear might lead to unwanted contact.

**Make it clear that the organization will hold personal information in confidence.** Your materials need to encourage rather than discourage contact. Participants in these groups make it clear that they fear their personal information could be misused, by their standards.

## Summary

The focus groups, in combination with the research results, provided a great deal of insight into the way decisions get made—what motivates people to give to charities generally and how nonprofits succeed in planned giving. We also uncovered many of the barriers to making bequests, most of which seem based on a lack of information. For solicitation materials, the guidelines these group participants offer are straightforward and rather simple.

- Present the need and why the organization is worthy.
- Show what the organization has accomplished with money it has already received.
- Paint a picture of what new money could make happen so donors see that their dollars—and their dollars specifically—are needed.
- Explain the potential impact of planned giving.
- Create a sense of urgency to act now.
- Provide step-by-step information and other tools that make the sometimes-complicated information easy to understand.
- Show how the donor can benefit from planned giving.

## 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 over 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 screening for age, as well as in the oversample, 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.

### **HOW DOES THIS STUDY COMPARE TO EXISTING RESEARCH?**

The Internal Revenue Service regularly computes the percentage of decedents who pay estate tax.

- This amounts to about 2% of annual deaths.
- Of these estates, 19% included a charitable contribution.

An often-cited statistic on bequests can be found in *Giving USA 2008*.

- “Charitable bequests for 2007 are estimated to be 7.6 percent of total estimated giving.”
- This figure is based on dollars. The Stelter Company survey is based on people.

The Stelter Company survey advances the previous work completed by the National Committee on Planned Giving’s 2002 Survey of Donors. The NCPG survey used a mail panel to identify 1,500 planned givers.

- This is a large respondent pool.
- The findings are not based on a random sampling.

Other research gives a regional, not a national assessment. “Bequest Donors: Demographics and Motivations of Potential and Actual Donors” by Campbell & Company (March 2007) combines data from four regions or states.

- While each study might represent its own sampling universe, it’s hard to say that the aggregated data reflect the nation.
- The study references the Bank of America Study of High Net-Worth Philanthropy, an exclusive respondent base focused on high net-worth households.

“Generational Differences in Charitable Giving and in Motivations for Giving” by Campbell & Company (May 2008) supports many of the generational trends we discovered. It differs, however, in that:

- The study covered annual giving, not bequest giving.
- The findings were obtained from an online panel, not a traditional random sampling.

### **ABOUT THE STELTER COMPANY**

The Stelter Company, based in Des Moines, Iowa, is the leading source for gift planning marketing for the nonprofit community, serving 2,000 print and 1,100 Web clients nationally with a staff of 80 individuals.

Stelter services include:

- A complete line of direct-mail gift planning programs (custom-designed newsletters, targeted newsletters, brochures, postcards)
- An interactive gift planning Web product
- E-marketing solutions to build loyalty online
- The Relationship Building Workshop®, major gift training for development professionals



- The Essentials for Gift Planning Success Seminar, training on how to launch a gift planning program and basic technical instruction for anyone in gift planning
- A seven-person field staff that conducts face-to-face, on-site marketing consultations with clients and prospects
- Gift planning assessment and strategic plan
- Donor research
- Testimonial writing
- An on-site printing and mail processing facility
- Free phone access for clients to an on-staff gift planning attorney to answer technical questions

#### **ABOUT SELZER & COMPANY**

Selzer & Company specializes in communication and political research, helping clients connect with their audiences—be they readers, viewers, voters or lawmakers. J. Ann Selzer, Ph.D., has run her research business since 1989, after several years in Washington, D.C., working for a major public opinion research firm. She has edited a book on newspaper research and has gained national exposure for her work for *The Des Moines Register's* the Iowa Poll, considered the “poll of record” for the Iowa caucuses. Hers was the only poll to correctly predict the outcome of the Iowa caucuses in 2008, earning the Gallup Award for Outstanding Poll reporting for *The Des Moines Register*. She also conducts the Michigan Poll for *The Detroit Free Press* and the Indiana Issues Poll for *The Indianapolis Star*. In 2002, she conducted a seminal study in research methods for the Newspaper Association of America, assessing the quality of data derived from five data-collection methods. In 2004, she received the Research Award of Merit from the NAA and is the youngest to win this lifetime achievement award.