Your Passport To Limitless Fundraising

FINZ 2013 CONFERENCE

AMORAHOTEL, WELLINGTON

8-10 MAY, 2013

FUNDRAISING INSTITUTE OF NEW ZEALAND

MATATIKA MĀTAURANGA KAITAUTOKO

BUILDING 1 DONORLOYALTY

CLEVER IDEAS 8-10 MAY 2013

TIMING YOUR CAMPAIGNS SOCIAL MEDIA

8-10 MAY 2013
Successful Legacy Fundraising: Lessons From Research
Adrian Sargeant
Robert F. Hartsook Professor of Fundraising
Indiana University
Content

- The Opportunity
- Will Making
- Determinants of Bequest
- Determinants of Charitable Bequest
- Motives
- Donor Perceptions
- A Suggested Approach
- Top 10 thoughts…
No. 16, Savage Gardens.

ASYLUM FOR FEMALE ORPHANS.

Dec. 30, 1784.

The General Committee of Guardians, for managing the affairs of this charity, impressed with the deepest concern for its welfare, take the earliest opportunity of thus publicly endeavouring to remove a very prejudicial report, and erroneous opinion gone abroad, in consequence of a supposed large legacy, under the will of the late Richard Russell, Esq.

The Committee hope that something will be received from Mr. Russell’s bounty; but how much, or when, is extremely uncertain; as the directions of the Court of Chancery are to be taken. Whatever the amount may be, it will be faithfully applied.

By the exertions of the Guardians and their friends, public benevolence, and the strict attention paid to its interests, this charity is now enabled to receive Two Hundred Orphans; but unless it continues to be as strenuously supported as it has lately been, the Committee are obliged to assure the rest of the Guardians and the public, that it will be impossible to maintain so large a number. The benefits arising from this institution, are daily felt; and the Committee trust they have a well-founded hope, that every Guardian and friend to the charity, will, instead of withdrawing their donations, redouble their efforts for its support. Testamentary bequests in this, as well as every other charity, make a principal part of the funds, upon which the calculations of their extent and expenditures are formed.

The Committee meet every Thursday morning at eleven o’clock precisely, when the friends of any Orphan may attend. The accounts are open to the inspection of every Guardian; and lists of those in turn to present, and plans and regulations of the charity, may be had by applying to the Rev. Mr. Duché at the Asylum.

By order of the General Committee,

J. Duché, Secretary.
'It is much to be regretted that testators who have been blessed with fortunes, do not leave more to charitable and public uses. Very little, if any regret would be expressed by beneficiaries under wills, if testators would set aside a few hundred or a few thousand dollars for such objects: a fountain in one’s native town, a scholarship, a hospital, or a park or plot of ground where the aged might rest, children play and birds sing. Such gifts show noble natures and all communities are proud to remember and honour the donors’
The Opportunity
Life Expectancy

1901 Males 45 – Females 49
2013 Males 78 – Females 82
When will you die?

- On average:
  - Without a Will
  - At 69
  - With a Will
  - At 79
  - With a Will with a legacy to charity
  - At 82

Source: Richard Radcliffe 2009
The Challenge

“For those who think the generational [wealth] transfer will automatically flood their organizations with resources, it’s time to think again. Without putting in the hard work of generating these planned gifts, 90% of donor mortality will simply result in lost current giving.”

-- Dr. Russell N. James, III, JD, PhD
University of Georgia Institute for Nonprofit Organizations
8% of supporters have named a charity in their will.

30-40% Willing to make a charitable bequest.
Legacy income growth by size of charity

2005/6 – 2009/10, % pa

Source: Legacy Foresight analysis of Caritas data
<table>
<thead>
<tr>
<th>Slow growth</th>
<th>Fast growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability</td>
<td>Wildlife trusts</td>
</tr>
<tr>
<td>Children</td>
<td>Armed services</td>
</tr>
<tr>
<td>Advancement of religion</td>
<td>Arts/culture</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
</tr>
<tr>
<td></td>
<td>Education</td>
</tr>
<tr>
<td></td>
<td>Hospices</td>
</tr>
</tbody>
</table>

Source: Legacy Foresight 2011
Annual growth in legacy income, 1990 – 2015

Real and nominal growth, % pa

<table>
<thead>
<tr>
<th>Period</th>
<th>Real</th>
<th>Nominal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recession</td>
<td>2.0%</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Boom</td>
<td>5.3%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Recession</td>
<td>-0.7%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Recovery</td>
<td>4.6%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: Legacy Foresight
Will Making
Will Making By Age

Source: Rowlingson and McKay 2005
Triggers For Making A Will

- Illness of the individual
- Death of a friend or relative
- Experience of sorting out estate of a relative
- Some form of family change
- Planning long distance travel
- The purchase of a house
Barriers To Will Making

- A belief there will be no assets
- The absence of anyone obvious to leave anything to
- A feeling it was morbid to consider death
- The individual had not yet ‘got around to it.’
- Too much going on!
- Too difficult

- And anxiety
- Self esteem
‘It is striking that even elderly people, who know their demise is not a distant event, will defer will writing’ (Roth 1989, p47).
Determinants of Bequest
Determinants of Bequest

- 75% motivated in this way
- Depresses current spending by around 18%
- Variations by age
How Important Is It To You To Leave An Inheritance?

Source: Rowlingson and McKay 2005
I will enjoy life and not worry about bequests
I will be careful with money to leave bequests
Don't Know
Who Gives??
Robert F. Sharpe Jr

- No correlation between either income or wealth and the likelihood of giving by bequest
Among all 50+ population: Who has charitable plans?

Question: Among the general over 50 population, what factors were associated with having a charitable estate plan?

Note: Now we compare only otherwise identical people. E.g., The effect of differences in education among those making the same income, with the same wealth, same family structure, etc.
Who is more likely to have a charitable estate plan?

- Seniors A and B are otherwise financially and demographically identical

<p>| | |</p>
<table>
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<tr>
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<tbody>
<tr>
<td>A</td>
<td>makes substantial charitable gifts, volunteers regularly, and has grandchildren</td>
</tr>
<tr>
<td>B</td>
<td>doesn’t give to charity, doesn’t volunteer, and has no children</td>
</tr>
</tbody>
</table>
Good factors (comparing otherwise identical people)

- Has a graduate degree (v. high school) +4.2 % points
- Gives at least $500 per year to charity +3.1 % points
- Volunteers regularly +2.0 % points
- Has a college degree (v. high school) +1.7 % points
- Has been diagnosed with a stroke +1.7 % points
- Is ten years older +1.2 % points
- Has been diagnosed with cancer +0.8 % points
- Is married (v. unmarried) +0.7 % points
- Has been diagnosed with a heart condition +0.4 % points
- Attends church at least once per month +0.2 % points
- Has $1,000,000 more in assets +0.1 % points
Irrelevant factors (comparing otherwise identical people)

- Has $100,000 per year more income 
  not significant
- Is male (v. female) 
  not significant
Bad factors (comparing otherwise identical people)

- Has only children (v. no offspring) -2.8 % points
- Has grandchildren (v. no offspring) -10.5 % points
Who is more likely to have a charitable estate plan?

- Seniors A and B are otherwise financially and demographically identical

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Why?
Our Results

- Personal Benefits
- Prestige Recognition
- Warm Glow
- Tax Reduction
- Making A Difference
- Perceived Performance
- Professionalism
- Comms Quality
- Social norms
- Lack of Family Need
- Spite
- Remembrance
- Relationship with Fundraiser
- Need to Live On
- Value Based Identification
- Affiliation Based Identification
James and Boyle (2012)

- Taking an outside perspective of one’s self,
- Recalling the recent death of a loved one, and
- Recalling vivid autobiographical memories across one’s life.
So …

• Bequest decision-making is analogous to visualizing the final chapter in one’s autobiography…
Identity

• Value based identity
• Affinity based identity

What am I saying about myself when I give? Which aspect of myself am I articulating?
Donor Perceptions
Supporters

- 76.5% feel that asking for a bequest is OK
- Only 42.7% said they would notify
- 31.4% would want recognition
Pledgers

- Mail
- Press Ads
- TV Ads
- Presentations to groups of supporters
- Legacy Brochure
- Promotion in newsletter
- Telephone
- Personal Visit
## Triggers For Giving

<table>
<thead>
<tr>
<th>Statement</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A communication from a charity</td>
<td>33.3</td>
</tr>
<tr>
<td>Advice or recommendation from a solicitor</td>
<td>4.8</td>
</tr>
<tr>
<td>I have used the service provided by one or more of the charities I am supporting in this way</td>
<td>20.5</td>
</tr>
<tr>
<td>Advice or recommendation from an accountant or other financial advisor</td>
<td>3.0</td>
</tr>
<tr>
<td>Advice or recommendation from a friend</td>
<td>3.0</td>
</tr>
<tr>
<td>Advice or recommendation from a relative</td>
<td>3.0</td>
</tr>
<tr>
<td>Other</td>
<td>55.3</td>
</tr>
</tbody>
</table>
Table 6: How Donor First Learned About Gift Options

<table>
<thead>
<tr>
<th>Source</th>
<th>2000 %</th>
<th>1992 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>The charity through it’s published materials</td>
<td>34</td>
<td>5</td>
</tr>
<tr>
<td>A legal or financial advisor</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Family or friends</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>The charity through an individual visit</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>A speaker at a financial planning seminar</td>
<td>8</td>
<td>n/a</td>
</tr>
<tr>
<td>General knowledge / self</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Another donor</td>
<td>6</td>
<td>n/a</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>n/a</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(Source: NCPG 2001)
Bequest fundraising practice

So what do we do?
And…

Why exactly do we want to know who has pledged?
Planning ahead…!

• By letting us know….you can help us plan ahead  (RSPCA)
• …it is tremendously useful in helping us plan for the future  (Woodland Trust)
• Your promise isn’t legally binding, but it will help us to plan ahead  (Breakthrough Breast Cancer)
• …you will be helping us plan our work for homeless…  (Shelter)
• …but is very helpful in enabling us to plan ahead.  (ARC)
• …so we can plan ahead and use our resources more efficiently.  (Mission Aviation Fellowship)
• By letting us know about your gift now, you enable us to plan more effectively…  (Bible Society)
• …very important to help us estimate future income and plan ahead.  (Red Cross)
• …because it helps us to plan our work with animals in the future  (Blue Cross)
• It will help us make an estimate of future income…  (Tearfund)
Q: If I’ve left a gift to Oxfam in my will, should I tell you?

A: Yes it’s really helpful if you could let us know that you have included us in your will - that way we know that we needn’t ask you again. We can also update you with aspects of Oxfam’s current work, and areas of work that are particularly interesting to you.
The other irritation!!

‘Where there’s a Will, there’s a way’
For legacies…

• There needs to be a sense of longevity
  – ‘I’m not going to die for a good while!’
And language ...
A Good Campaign?

- What the money will buy
- Talk about how the service will be delivered
- Your organization’s vital need for funding
- Focus on what are likely to be the most immediate and pressing needs
Key Concepts in Communication

PRESENT
- Concrete
- Subordinate
- Contextualized
- Unstructured

FUTURE
- Abstract
- Superodinate
- Decontextualized
- Structured
Kenneth Roth
Executive Director

Dear Mr. Mal Warwick,

Because you are a loyal and generous supporter, I am inviting you to become part of Voices for Justice, the Legacy Society of Human Rights Watch.

Each year, many of our most committed supporters join Voices for Justice through some sort of planned giving, such as a bequest, an estate gift, or a charitable trust.

These gifts benefit you, your children, and the cause of human rights in so many ways. To help you explore these potential benefits, I’ve enclosed a brochure describing how participating in Voices for Justice can be a good match with your financial goals.

Your Voices for Justice contribution can be one of the easiest and most thoughtful ways to leave a lasting tribute to your belief in human freedom and dignity.

If right now is a good time for you to be thinking about a legacy gift, please let us know. If not, please remember that we will continue to value your generous support of the human rights cause.

Sincerely,

Kenneth Roth
Executive Director
And

• Dates are tied to the present mindset – extents of time to the future
• Emotions discount faster than logic
• Negative outcomes discount faster than positive outcomes.
• In the ‘future’ promotion works better than ‘prevention.’
And humour

Good in legacy context – stimulates attention, cognition and rehearsal
Top 10 Suggestions

- Make / Change A Will
- Ubiquitous coverage
- Think through the language of bequest
- Be clear what the legacy will deliver
- Celebration of large and small gifts
- Tax a motive?
- Pledgers spread across the database, but..
- Influence remembrance
- Express identity
- Treat pledgers differently!
OK - 12

• Conduct research …
• Remember it is a long term investment
Has the investment paid off?
Cumulative Cost v. Income

Costs
Income

FY 1993/94
FY 1994/95
FY 1995/96
FY 1996/97
FY 1997/98
FY 1998/99
FY 1999/00
FY 2000/01
FY 2001/02
FY 2002/03
FY 2003/04
FY 2004/05
FY 2005/06
FY 2006/07
FY 2007/08
FY 2008/09
FY 2009/10
FY 2010/11
FY 2011/12
Phew

www.studyfundraising.com