



Memo to: FLA Clients and Friends
From: Fraser Green
Re: **LEGACY GIVING– 2010 ANNUAL POLL FINDINGS**
Date: May 12, 2010

In our latest donor research project, FLA Group polled 2,000 Canadians in order to get a clearer picture of their charitable bequest giving and the size of the legacy gift market in Canada.

THE HEADLINE

ONE HUNDRED BILLION DOLLARS IS A WHOLE LOT OF ZEROES

HIGHLIGHTS

- 1.4 million Canadians have left gifts to charities in their wills – and an equal number are considering making legacy gifts. This number has held firm from last year's survey – and is up considerably from 2008.
- These (still living) Canadians have made charitable bequests totaling **\$54 billion**. The potential charitable bequest market is in the neighbourhood of at least \$100 billion.
- Direct mail donors are more than twice as likely to make charitable bequests as people who don't give to charity through the mail.

WHO'S MADE WILLS?

Overall, 53% of Canadian adults currently have a will - but there are dramatic differences once we start to segment this population demographically.

- We definitely make wills as we grow older. Only 11% of Canadians under 30 have wills – while the percentage jumps to almost 80% of those over 50 years of age. (We know from earlier research that 92% of direct mail donors have wills.)
- Women (54%) and men (52%) are equally likely to have wills.
- Residents of British Columbia (58%) and Ontario (56%) are the most likely to have wills while people in Atlantic Canada (46%) and Manitoba/Saskatchewan (44%) are the least likely.
- Six in ten high income earners (\$100,000+) have wills as opposed to only three in ten in the lowest income bracket (less than \$30,000)..
- Canadians whose first language is English are most likely (55%) to have wills – as opposed to Francophones (52%) and those who's first language is neither English or French (43%).
- Surprisingly (to us at least), educational attainment did not significantly influence will-making.

WHO GETS THE MONEY?

We asked poll respondents with wills to tell us who they'd included as beneficiaries.

- 60% of respondents have named a spouse.
- 71% have named children.
- 30% of respondents have named family members other than spouses or children.
- 6% have named friends.
- **10% of respondents have included charities** (not including church giving) as beneficiaries - up from 9% last year and 7% in 2008.
- 5% have named their church or other religious institution.

WHO'S GIVING IT TO CHARITY?

Overall, 9% of Canadian adults with wills have already named at least one charity in their wills. But again, once we start to segment a more useful picture emerges from the data.

- Direct mail donors (10%) are more than twice as likely as those Canadians who do not give to charity through the mail (4%).
- Anglophones (12%) are four times more likely to make charitable bequests than Francophones (3%).
- Those Canadians who have received some post-secondary education are three times as likely to make charitable bequests as those with a high school diploma or less.
- Members of households with no children (12%) are almost twice as likely to make charitable bequests as those with children at home (6%)
- Surprisingly again, household income does not have a significant influence on charitable bequest-making.

LEGACY MARKET ARITHMETIC

- According to Statistics Canada (2006 census) there are 26.6 million adults in Canada.
- 14 million Canadian adults have wills.
- Ten per cent of these adults have made bequests to charity (not including church) – which means that there are 1.4 million living bequesters in Canada today.
- Assuming each bequester leaves two gifts (which we believe is a very conservative estimate) of \$20,000, **living Canadians have left \$56.4 billion to charity in their wills.** (This is up from last year's estimate of \$54 billion and \$42 billion in 2008.)
- Canadians give \$5.1 billion to charity each year (not including church giving). The value of the bequests already made by living Canadians equals more than ten years' worth of all annual giving. This is serious money!

PERSUADING YOUR DONORS TO MAKE THEIR BEQUESTS TO YOU

In addition to our ongoing quantitative research, FLA group has conducted dozens of focus groups with direct mail donors on the subject of charitable bequests. Donors have told us clearly that they're open to persuasion – but that your charity must handle the issue appropriately.

As a result of this focus group listening, we have compiled twenty-three things that you must say and do to effectively persuade your donors to make legacy gifts to your organization. Here are just a few:

- ❖ Tell stories of others who have made bequests. They should be deeply personal and talk about the 'why' of the gift. The 'how' really doesn't matter.
- ❖ Speak to the cause before you speak to your organization. People give to the United Way because they want to help the homeless. Keep the cause front and centre always.
- ❖ Take a short look back (roots, history, founders' story), and a short look at the present. Then describe the needs of the cause and your organization fifteen years from now. Donors want to picture how their money will be used.
- ❖ Never, ever tell donors that they need a will – or give them any kind of financial advice whatsoever. They see you as the experts in your mission. They think it's ridiculous (not to mention insulting) for you to assume the role of financial advisor for which you are unqualified.
- ❖ Do reassure them constantly that you take very good care of the money they trust you with. In other words, talk to them about how you manage the money they've shared with you – and let them manage their own financial affairs.
- ❖ Use big, serif fonts (13 point minimum). Keep layout clean and simple. Photos should show money at work if possible. Those shots of your board members in suits sitting in neat rows accomplish nothing.

THE BOTTOM LINE

While other revenue streams (direct response, major gifts and institutional giving) have taken a real recession-driven blow over the past 18 months, charitable bequests just keep chugging along – and growing.

How much is one hundred billion dollars? Our minds tend to freeze up when we get to too many zeroes. However, this market represents 20 years' worth of annual giving to the charitable sector. And, we believe it has a limited shelf life.

We're far from convinced that boomers will bequest their wealth in the same way that our parents have. The youngest member of the Civic (or WW2) generation is 65 years old today. Based on Stats Can life expectancy tables, 38% of women aged 70 – and a majority of men the same age – will be gone from this earth in ten years. Add to that the fact that the average Canadian makes her last changes to her will four years prior to her death, and you hopefully begin to appreciate the urgency.

For us, bequests from Civics represent our once-in-a career opportunity. Good luck with it!

Polling methodology notes: The polling referred to in this memo was conducted on behalf of FLA Group by Environics Research Group in late March/early April 2010. The sample size of 2,002 is considered to be accurate +/- 2.2%, 19 times out of 20. All interviews were conducted by telephone.

As always, we welcome your feedback, criticisms and compliments! Please forward them to fraser@flagroup.ca.



