



Memo to: FLA Clients and Friends
From: Fraser Green
Re: **LEGACY GIVING GROWING – LATEST RESEARCH FINDINGS**
Date: May 25, 2009

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

Despite the recession, Canadians are leaving more money to charities in their wills than last year.

HIGHLIGHTS

- 1.4 million Canadians have left gifts to charities in their wills – and an equal number are considering making legacy gifts. This number is up significantly from last year's survey.
 - These (still living) Canadians have made charitable bequests totaling \$54 billion – an increase of 28% from last year.
 - Direct mail donors are more than twice as likely to make charitable bequests as people who don't give to charity through the mail.
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WHO'S MADE WILLS?

Overall, 57% 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 21% of Canadians under 35 have wills – while the percentage jumps to almost 90% of those over 65 years of age. (We know from earlier research that 92% of direct mail donors have wills.)
- Women (57%) and men (56%) are equally likely to have wills.
- Residents of British Columbia (66%) Ontario (61%) are the most likely to have wills while people in Atlantic Canada (47%) and Quebec (49%) are the least likely.
- Seven in ten high income earners (\$100,000+) have wills as opposed to only three in ten in the lowest income bracket.
- Canadians whose first language is English are most likely (59%) to have wills – as opposed to Francophones (52%) and those who's first language is neither English or French (48%).
- Surprisingly (to us at least), educational attainment did not influence will-making.

WHO GETS THE MONEY?

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

- 61% of respondents have named a spouse
- 68% have named children.
- 30% of respondents have named family members other than spouses or children
- 7% have named friends
- **9% of respondents have included charities (not including church giving) as beneficiaries - up from 7% last year, and**
- 6% 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 (10.2%) are more than twice as likely as those Canadians who do not give to charity through the mail (4.4%).
- Anglophones (11%) are three times more likely to make charitable bequests than Francophones (4%) – and similar ratios apply to the rest of Canada compared to Quebec.
- Those Canadians who have received some post-secondary education are five times as likely to make charitable bequests as those with less than a high school education.
- Members of households with no children (11%) 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.
- 15 million Canadian adults have wills.
- Nine per cent of these adults have made bequests to charity (not including church) – which means that there are 1.36 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 \$54.4 billion to charity in their wills. (This is up from last year's estimate of \$42 billion.)
- 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. (There are also ten things you must not say.) We'd be pleased to help you communicate these messages effectively – just give us a call.

THE BOTTOM LINE

The data doesn't lie.

Legacy gifts in wills are recession-proof. This stands to reason, since most of the asset base of direct mail donors is real estate (as opposed to equities) based. While stock markets in Canada have taken a huge hit since last September, housing prices in most parts of Canada have remained very stable indeed.

Our recommendation is that you consider re-allocating your fundraising investments in the next year somewhat away from major gifts and corporate sponsorships (which have both deeply affected by the economy) and toward marketing bequests from your most loyal donors.

Polling methodology notes: The polling referred to in this memo was conducted on behalf of FLA Group by Environics Research Group the week of December 15, 2008. The sample size of 2,034 is considered to be accurate +/- 2.2%, 19 times out of 20. All interviews were conducted by telephone.

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

