ICEBERG PHILANTHROPY 12 YEARS LATER

FRASER GREEN, CHIEF STRATEGIST & SMARTYPANTS, GOOD WORKS
My first career...
Where were you in 2003?
What We Did

• **WHO**: 1,500 English-speaking Canadians
• **WHAT**: representative online panel
  • Margin of error
• **WHEN**: January 2019
• **WHY**: what does this mean to you, your team, and your donors?
1. Who makes wills?
2. Who gets the money?
3. Who makes charitable bequests?
4. How big is the market?
5. Where does all that money come from?
6. What’s coming next?
7. (If we have time: Calculating your legacy revenue potential)
1. Who Makes Wills?

- 58% Has a will
- 42% Does not have a will
Will-making By Education

- High School Diploma or Less (32%)
- College/University (45%)
- Post-Graduate (47%)
Will-making By Household Income

- < $30k (24%)
- $30k-$50k (39%)
- $50k-$80k (46%)
- $80k-$100k (39%)
- $100k+ (46%)
Will-making By Age

Age 18-29 (11%)
Age 30-44 (29%)
Age 45-59 (41%)
Age 60+ (75%)
Will-making & Direct Mail

Non-DM 35%
DM 51%
DM 10+ 80%
2. Who Gets The Money?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children</td>
<td>72%</td>
</tr>
<tr>
<td>Spouse</td>
<td>73%</td>
</tr>
<tr>
<td>Other Family</td>
<td>30%</td>
</tr>
<tr>
<td>Charity</td>
<td>17%</td>
</tr>
<tr>
<td>Friends</td>
<td>9%</td>
</tr>
<tr>
<td>Church/Place of Worship</td>
<td>8%</td>
</tr>
</tbody>
</table>
3. Who Leaves Gifts In Their Wills?

• Household income $100,000+ twice as likely (25%) to make bequests to charity as households <$30,000 (12%)

• Those with graduate school-level education (34%) are more than three times more likely to leave gifts than those with high school diploma or less (10%).

• (From 2014 SLN Report): Civics 34% of value, Boomers 50%, Gen Xers 16% and Millennials 1%. Civics and Boomers combined are 84%.
How Many People Have Left A Gift In Their Will?

1.2 million (2014)

1.5 million (2019)
Direct Mail And Gifts In Wills

• 7% of non-direct mail donors with wills have left bequests
• 30% of direct mail donors with wills have made bequests
• That’s MORE THAN 4 TIMES as much!
Giveaways!

His 329 volume book bequest helped establish one of the world’s best-known universities. (1638)

His direct mail fundraising helped persuade England to abolish slavery. (1833)
4. How Big Is The Market?

Visualize $216 billion

- To the moon and back 87 times.
- 20 years worth of CRA tax receipts.
5. Hidden in plain sight...
Hiding in Plain Sight

- 35 million Canadians in 14 million households
• 3.9 million mortgage-free homes in Canada
• Average sale price in Canada is $500,000
• Total value of mortgage-free homes is $1.95 trillion
• The value of today’s legacy market ($216 billion) represents 11% of mortgage-free home value

• Not all this money comes from real estate, but a LOT of it does!
6. What’s Coming Next?
Back to the Numbers – likelihood of making a will in the next five years...

- Very Likely (31%)
- Somewhat Likely (28%)
- Not Very Likely (17%)
- Very Unlikely (14%)
- It Depends (11%)
What Does That Mean?

- 7 million Canadians say they're either 'very likely' or 'somewhat likely' to make wills within the next five years.
- If we assume 25% will do it, that means 1.8 million new wills.
- If 17% make bequests, we'll have 306,000 new charitable gift-givers.
In Other Words...

306,000 new legacy donors × 4 gifts per will × $35,000 = $42 billion in upcoming legacy revenue
The Takeaway

• **1.5 million** English-speaking Canadians have left bequests to charities

• **$216 billion** now, with another **$42 billion** coming

• Middle-class heroes
  • age 60+
  • paid-off mortgages
  • **direct mail donors**

• It’s not too late to get started – or to ramp up
There’s Still Time To Get In The Game!

The CHASM

Early Market
- Innovators 2.5%
- Early Adopters 13.5%

Minimum Feature Set

Early Majority 34%

Whole Product Solution

Late Majority 34%

Mainstream Market

Laggards 16%

People Who Want Newest Things

People Who Want Complete Solutions and Convenience
Do any charities here today do direct mail?
In Canada, 1.5M people have made bequests to charities.

- 1.13M people are direct mail donors.
- 350K have not given a gift in the mail

75% of charitable bequests are from direct mail donors.
Using this research to determine your potential
• Start with your number of DM & monthly donors.
• Multiply that number by .51 gives you number of donors with wills.
• Multiply that number by .17 gives you number of bequest donors.
• Multiply that number by 4 gives you total number of bequests.
• Multiply that number by $35,000 gives you total value.
• Multiply that number by .05 (varies) gives you your potential share.
WHAT ARE YOU WAITING FOR?
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