

INSIDE THE MIND

OF THE

PLANNED GIVING DONOR



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Greg WARNER

President

We are especially pleased to present the results of Dr. Russell James' exciting research on the mind of the planned giving donor.

Combining new fMRI neuroimaging results from his lab at Texas Tech University with experimental psychology, psychological theory, and survey research, Dr. James has uncovered the conscious and subconscious processes engaged by bequest decision-making.

Although many fundraisers think that legacy giving is just like any other form of fundraising, these new studies using fMRI (functional magnetic resonance imaging) show just how differently the brain reacts to legacy decisions.

This white paper will give you a very brief synopsis of Dr. James' findings. Enjoy!

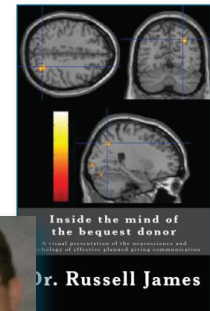
Greg Warner
CEO
MarketSmart

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Available on Amazon.com

Inside the mind of the bequest donor: A visual presentation of the neuroscience and psychology of effective planned giving communication.

by Dr. Russell James III
(Author)
Paperback
April 27, 2013

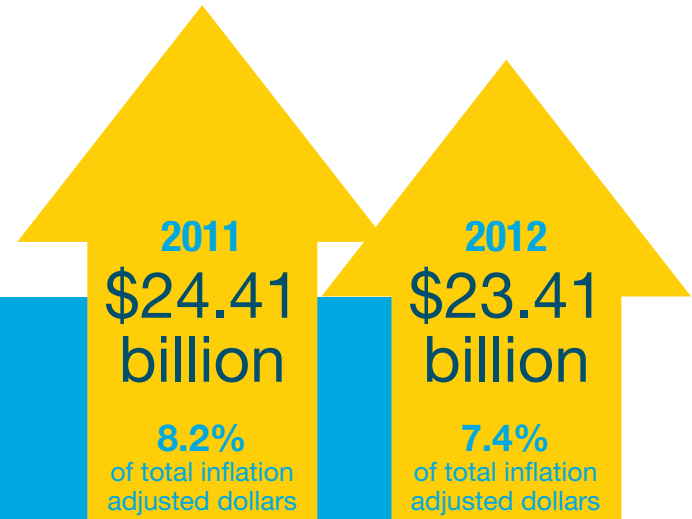


BEFORE WE GET TO THE RESEARCH...

WHY DO WE CARE?

BEQUESTS 8%
tend to account for about
OF TOTAL CHARITABLE CONTRIBUTIONS
from American individuals, corporations and foundations.

Yet nonprofits tend to **SPEND MUCH LESS THAN 8%** of their fundraising budgets promoting them.



If your organization has not already promoted bequests to everyone who cares about your mission, you are really missing out. You should target non-donors as well as hi-value prospects. Also, build awareness for legacy gifts among your staff, board members, volunteers and any other constituents that share your mission.



Giving USA™
A public service initiative
of The Giving Institute

WHY DO WE CARE?

LEGACY GIFT MARKETING DELIVERS AN EXCELLENT RETURN ON INVESTMENT

but requires tremendous **PATIENCE**

25¢

or less

While AFP says that it costs 25 cents to raise \$1 of planned gifts, we have found that it really only costs **about one penny** to raise a buck.



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1991-2011

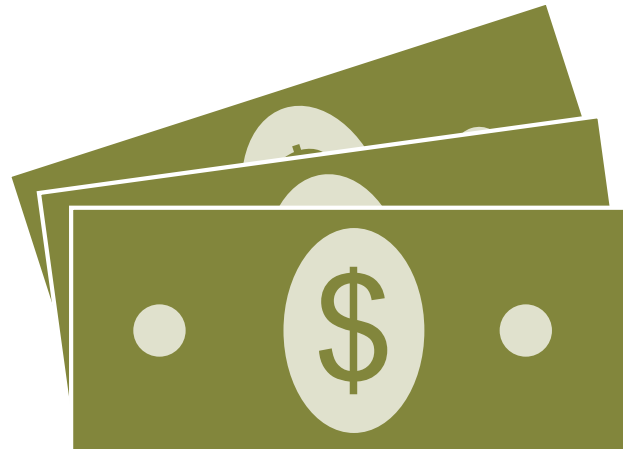
IN THE PAST 20 YEARS
CHARITABLE BEQUESTS

MORE THAN DOUBLED

in **REAL DOLLARS**

Giving USA 2011

2X



RESEARCH SUGGESTS FUTURE GROWTH IN **LEGACY GIVING**

THANKS TO:

- ✓ AGING
- ✓ POPULATION GROWTH
- ✓ MORE EDUCATED POPULACE
- ✓ INCREASE IN CHILDLESSNESS

[James, Lauderdale, Robb - 2009]

TREMENDOUS POTENTIAL EXISTS FOR NONPROFITS IF THEY CAN CLOSE THE “LEGACY GIVING GAP”

The gap between people’s willingness to give money now and their willingness to leave a bequest

70%-80% AMERICANS DONATE
[Giving USA 2011]



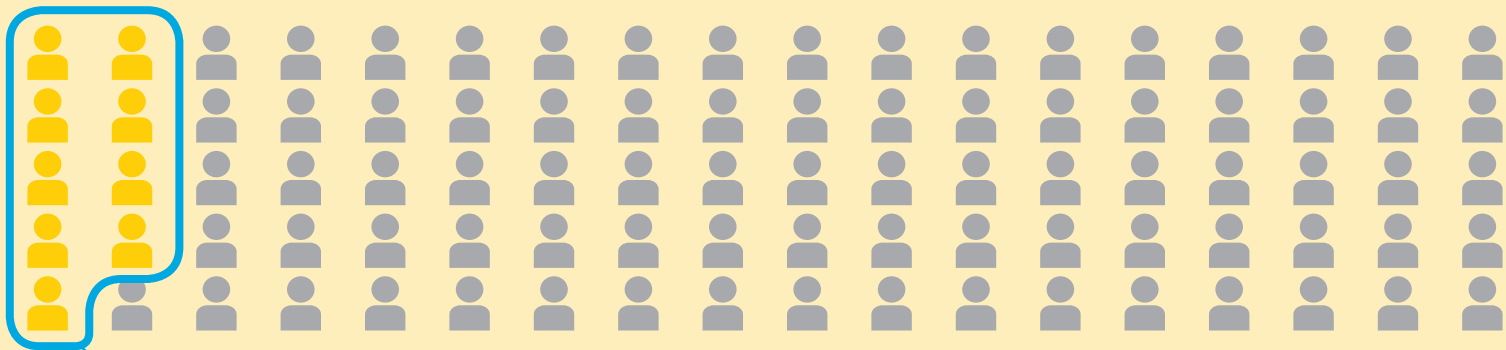
5%

But only about

HAVE A CHARITABLE ESTATE PLAN

[James 2009]

ONLY 9.4% OF DONORS OVER 50 HAVE CHARITABLE ESTATE PLANS



9.4%

Is your
ORGANIZATION INCLUDED?

4 REASONS WHY LEGACY GIFT MARKETING IS SO CHALLENGING

1

Difficult to measure effectiveness because response rates are so low

2

Very **long consideration timeline** among donors (as long as 40 years)

3

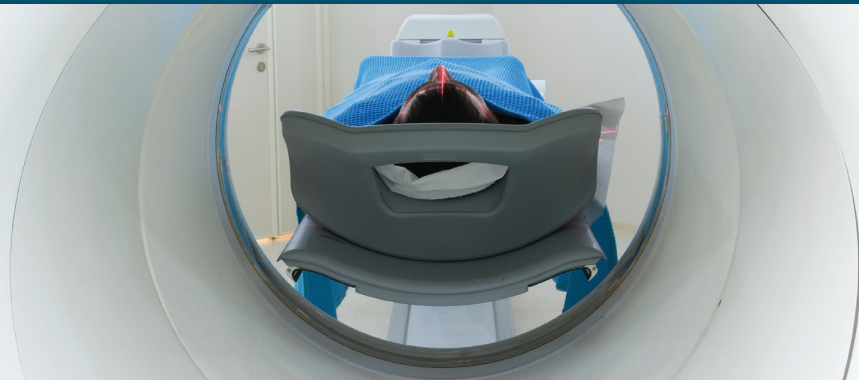
Donor decision-making process is **difficult to track**

4

Activating **cognitive processes** that inspire donor engagement requires sophisticated marketing techniques

RESEARCH CAN HELP!

RECENT EXPERIMENTS USING **MRI TECHNOLOGY** PROVIDES NEW INSIGHTS FOR MARKETERS



EXPERIMENTS FOUND WHICH PARTS OF THE BRAIN ARE ACTIVATED WHEN DONORS ARE ASKED QUESTIONS ABOUT THE FOLLOWING:

GENERAL DONATION

Decision Making



VOLUNTEER

Decision Making



BEQUEST

Decision Making



RESEARCH REVEALED

FINDINGS: BEQUEST GIVING IS JUST DIFFERENT (REQUIRING A SPECIAL SET OF MESSAGES)

TWO PARTS of the **BRAIN** are activated when considering a charitable bequest

LINGUAL GYRUS

Part of the visual system and also contributes to dreaming

PRECUNEUS

Helps with visual imagery, memories, and looking at oneself from a 3rd person perspective



RESEARCH REVEALED

BUT WHEN LEGACY GIFT PROMOTIONS ARE RECEIVED BY PROSPECTS,

THEIR OWN MORTALITY IS RECOGNIZED

2 THINGS HAPPEN

ALIGNMENT & ACTIVATION

People think about the alignment of their lives and your organization's mission



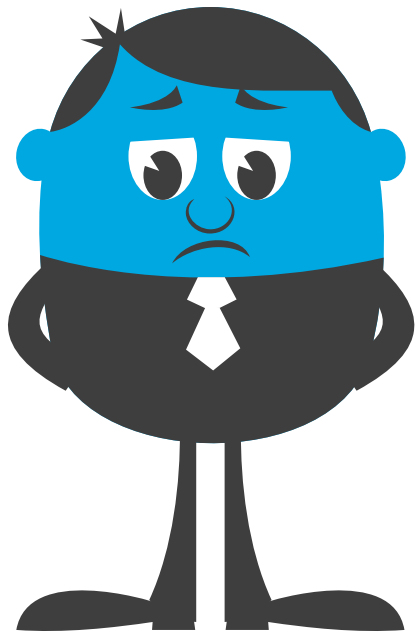
AVOIDANCE

People don't like to think about their own mortality so, rationally, they push those thoughts out of their consciousness

RESEARCH REVEALED

WHAT DOES

AVOIDANCE LOOK LIKE ?



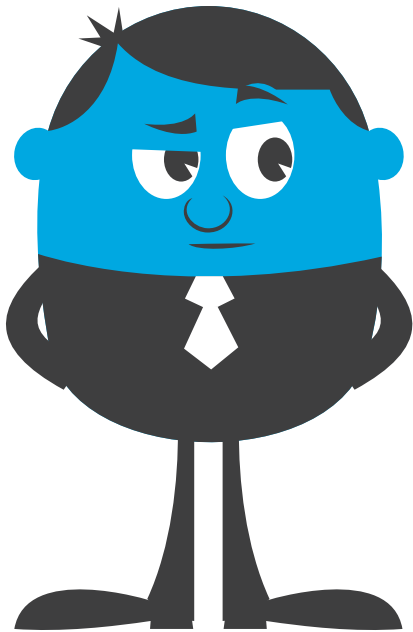
I don't want
to think
about that.

Maybe
later.

Not right
now.

RESEARCH REVEALED

WHAT CAUSES PEOPLE TO BREAK THROUGH THE **AVOIDANCE DEFENSE?**



1

LIFE CIRCUMSTANCE CHANGES

- ✓ Getting older
- ✓ Going on a cruise
- ✓ New member of the family born
- ✓ Loss of a friend or family member
- ✓ Sickness or disease diagnosed
- ✓ Etc.

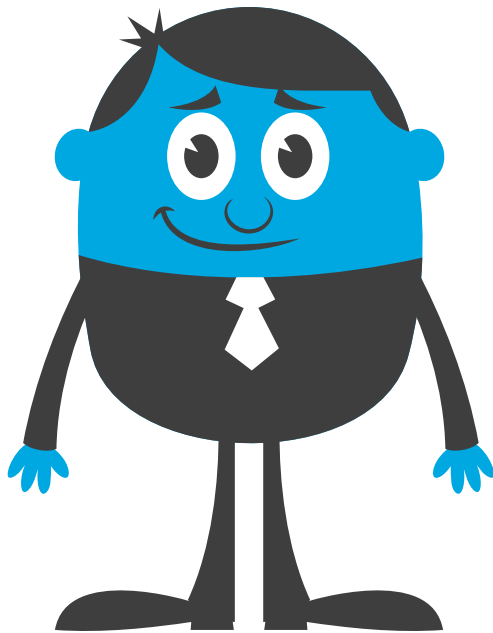
2

A PERSON'S FEELINGS ABOUT THEIR OWN AUTOBIOGRAPHICAL HEROISM GETS IGNITED

RESEARCH REVEALED

WHAT DOES

AUTOBIOGRAPHICAL HEROISM LOOK LIKE?



What's my
autobiography?

How do I
want to be
remembered?

How does
your mission
align with
mine?

RESEARCH REVEALED

HOW DO WE APPLY THIS RESEARCH FOR

IMPROVING LEGACY GIFT MARKETING?

COMMUNICATIONS

must inspire donors to **THINK** about their:



SYMBOLIC IMMORTALITY

The donor's desire to have part of one's self continue to live after death



AUTOBIOGRAPHICAL HEROISM

The donor's desire to be perceived favorably after death



VISUALIZED AUTOBIOGRAPHY

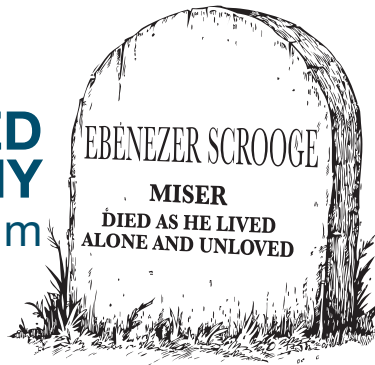
The donor must see their life from a third person perspective

AIM TO CREATE THE “SCROOGE EFFECT”



Even worse than simple
AVOIDANCE

**VISUALIZED
AUTOBIOGRAPHY**
is forced upon him



INCREASED DESIRE FOR
**SYMBOLIC IMMORTALITY
& HEROIC AUTOBIOGRAPHY**

**BECOMES MORE
CHARITABLE**



2

GOING FORWARD:

IDEAS TO IMPROVE YOUR LEGACY GIFT MAKING

1

PROVIDE THE PROPER MESSAGES

- ✓ Remind donors that they can memorialize living or deceased friends or family members

2

MIX MESSAGES

- ✓ Mix donor stories with the proper messages about tribute opportunities
- ✓ Mix proper tribute opportunity messages with mission-related messages
- ✓ And try mixing tribute opportunities with other messages, such as thank yous, event invitations and newsletters

CONSIDER USING A SURVEY

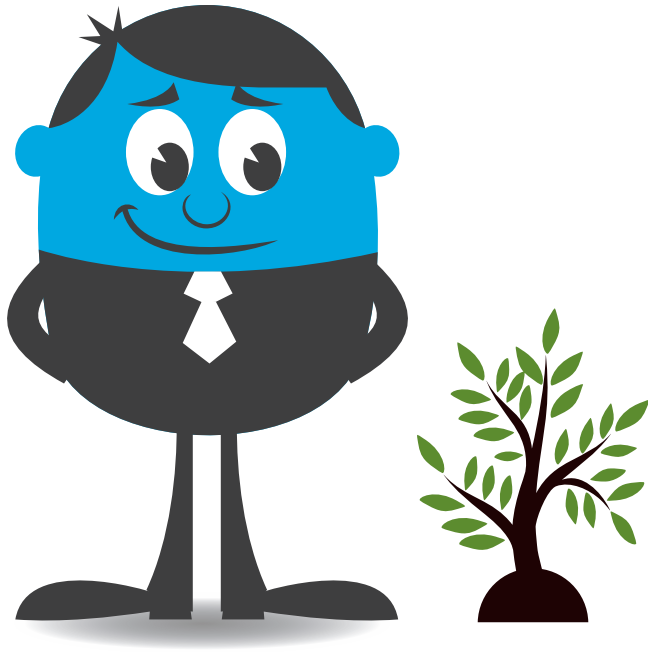
Trigger the parts of the brain that will accept death-related messages

SAMPLE QUESTIONS:

- ✓ Tell us about your life story and how it relates to our organization.
- ✓ How are your friends and family associated with your story?
- ✓ What parts of our mission do you care about most?



PROVIDE OPPORTUNITIES FOR PERMANENCE



- DONOR WALLS
- NAMING RIGHTS
- ENDOWMENTS
- PLAQUES
- TREE PLANTINGS
- BENCHES IN GARDENS
- ETC.

MarketSmart's TACTICAL MARKETING RECOMMENDATIONS

5 STEPS TO CLOSE THE “LEGACY GAP”

- 1 BUILD AWARENESS
- 2 GENERATE LEADS AND UNEARTH DISCLOSURES
- 3 INFORM, EDUCATE AND INSPIRE
- 4 CULTIVATE THE RELATIONSHIP
- 5 ASK FOR THE LEGACY GIFT



MarketSmart's TACTICAL MARKETING RECOMMENDATIONS

Step 1

BUILD AWARENESS

Put these words everywhere you possibly can:

Please consider leaving **{your organization}** in your will and estate plans.

on emails; business cards; letterhead; mailers; reply forms; booklets; magazines; articles; photos; banners; invitations; research reports; website pages, etc.



MarketSmart's TACTICAL MARKETING RECOMMENDATIONS

Step 2

GENERATE LEADS AND UNEARTH DISCLOSURES

- Remind donors of their mortality while rousing them to overcome their avoidance of the subject
- Create deadlines
- Offer opportunities for lasting gifts such as endowments, named buildings, scholarship funds, etc
















MarketSmart's TACTICAL MARKETING RECOMMENDATIONS



INFORM, EDUCATE AND INSPIRE

Send:

-  Bulletins
- 
-  Newsletters
- 
-  Videos
- 
-  Emails
- 
-  Invite to Webinars
- 
-  Education Messages
- 
-  Link up with Financial Planner



MarketSmart's TACTICAL MARKETING RECOMMENDATIONS

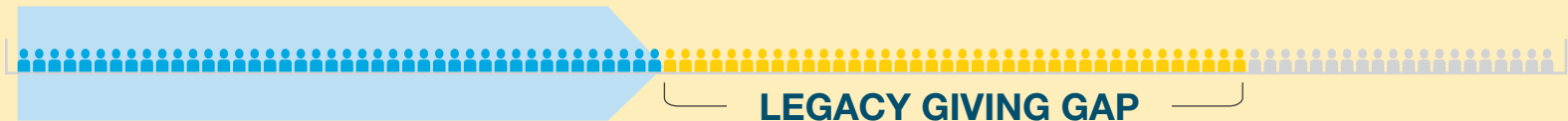
Step 4

CULTIVATE THE RELATIONSHIP

Uncover the autobiographical connections between your donors and your charity.

Encourage your donors to tell you about their life narratives.

- Use **marketing automation** email tools
- **Invite** to events
- Connect on **social media**
- Update donors on **organization's progress**
- **Ask for feedback** with surveys, requests for donor stories



MarketSmart's TACTICAL MARKETING RECOMMENDATIONS

Step 5

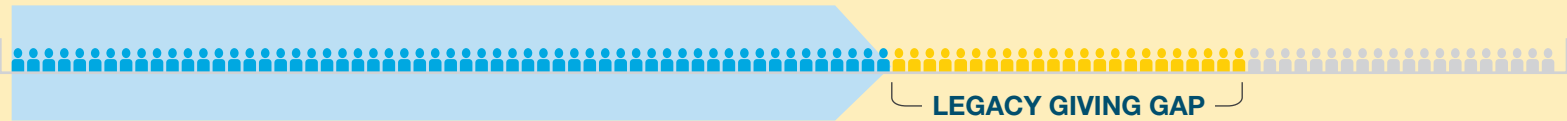
ASK FOR THE GIFT

Pop the question

Ask face-to-face

Checkboxes on replies

Etc.



ABOUT MARKETSMART

[MarketSmart](#) is a revolutionary marketing software and services firm that helps fundraisers **raise more money more efficiently and be the best they can be.**

Customers include hundreds of large and mid-sized nonprofits around the world including the Smithsonian, Food for the Poor, City of Hope Cancer Research Center, The Navy-Marine Corps Relief Society, Human Rights Campaign, The San Francisco Opera, Ocean Conservancy, The United States Holocaust Museum, many colleges and universities along with other leading organizations in every sector.

MarketSmart's unique suite of solutions **help fundraisers zero-in on the donors most likely and ready to make mid-level, major or legacy gifts.** These game-changing Internet tracking technologies score each prospect's level of engagement online in order to help fundraisers prioritize who should be contacted most urgently. Additionally, our other products include:

- The [Fundraising Report Card](#) which helps nonprofits visualize their metrics while providing valuable benchmarks by sector (free for organizations with 5,000 or fewer donors);
- And the [DAFwidget](#) (BETA) which helps nonprofits generate more revenue from donor advised funds at no cost (free for all nonprofits).

Organizations implementing MarketSmart's systems and strategies have been able to revamp their approaches to mid-level, major gift and legacy gift marketing to **raise millions of dollars.**