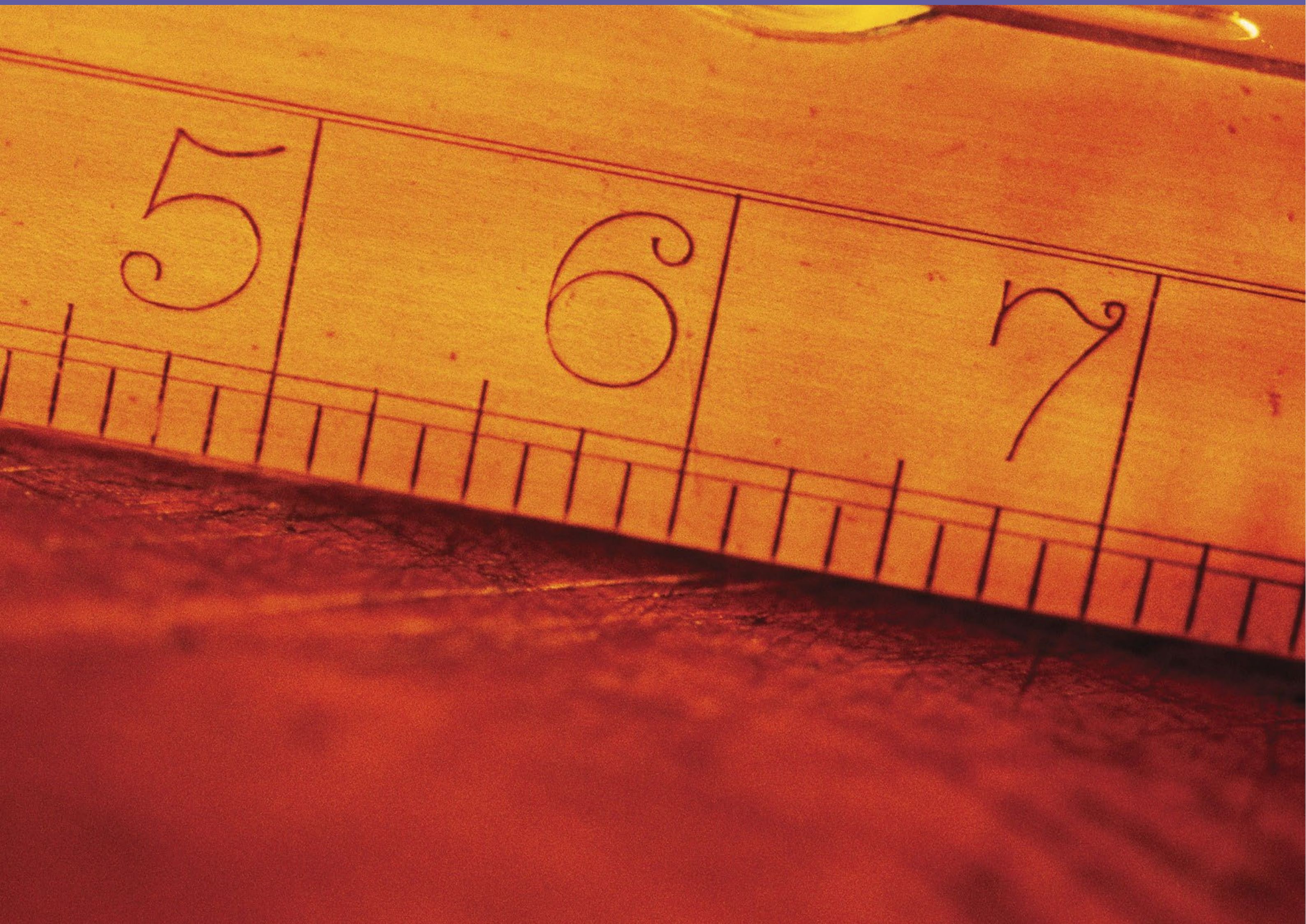
Legacy Foresight
Part of Legacy Futures

Legacy Marketing Benchmarks 2023

Project Proposal

27 June 2023

Public



Contents

Introduction

This benchmarking project is designed to help charities better understand the world of legacy marketing, benchmark their performance across a range of marketing metrics and to provide them with data to build a robust business case for legacy investment.

This proposal updates and refines the 2021 benchmarking project, analysing data for the period ending March 2023. It also details how we propose to add an additional element looking at internal engagement with legacy marketing, a factor we know to be a key driver of success.

Following the pandemic, most of us were hoping for a return to 'normality', but the most recent year has proved to be another chaotic one. The war in Ukraine contributed to increasing energy prices which have caused inflation and interest rates to grow dramatically in the UK. As a result. we are now in the midst of a cost of living crisis which is affecting individuals and organisations alike. Charities are under pressure to meet the increasing costs of service provision, while trying to fundraise from supporters who are feeling the financial squeeze.

Legacy income has remained a robust income stream throughout this, once again highlighting its resilience in difficult times. While the next few years may be muted in terms of legacy income growth, as a result of falling house prices, we are still expecting legacy income to grow significantly over the next two decades. This future growth is driven by a large degree by the very large baby boomer cohort coming to the end of their lives.

Given the expected growth in the legacy market, there has never been a better time to invest in legacy marketing, but the pressure on charities' finances makes securing budget for investment harder than ever. A lack of consistency, both within individual charities and in the sector more widely, makes it difficult to evidence a causal link between what is spent on legacy marketing, and the legacy income received as a result. Not to mention the time lag that exists between the investment and receiving a gift. And charities are required to compete with other forms of fundraising that are able to provide faster returns and more measurable ROIs.

The good news is that, even with these barriers, we have seen legacy marketing investment increase – over the time we have been running this project (since 2016), the proportion of fundraising spend allocated to legacies has increased, although it is still very small.

Project Outline

There are five key objectives of this work:

- To benchmark current legacy fundraising activities
- To compare and contrast the ways charities are investing and at what scale
- To understand how effective charities are in generating a ‘response’ – i.e. pledgers and prospects gained – and the cost of that response
- To *indicate* how much income is generated as a result of marketing activity and over what period
- To see how these metrics are changing over time (where possible)

To achieve this, we ask the charities in the consortium to provide a detailed set of benchmarks across a range of marketing-related benchmarks. These metrics cover investment and resource levels, detailed legacy marketing activities, ‘responses’ generated (as measured by pledgers and prospects generated), and other key stewardship-linked metrics such as conversion rates.

This will be the fifth time we have conducted this benchmarking and we are aiming to keep as many metrics the same as possible so that we are able to compare across the years (for like-for-like groups of charities). For many of the metrics we also now collect data over a 5-year period so we will be able to track how these metrics have changed over time for all charities.

A key question surrounding legacy marketing is measuring a return on investment and, as we have done in previous times, we aim to quantify the amount of legacy income generated for the average charity in the consortium, as a direct result of an increase in legacy marketing activity and understand how this varies by channel used.

However, it is important to stress that this project is not looking to <u>prove</u> a causal link between marketing activities and legacy income growth. There are simply too many variables to be able to do this accurately.

As in previous projects, we hope to have a good mix of charities by broad sector and by size. Depending on the make-up of the final consortium, we may also explore other ways of cutting the data; for example focusing on faith-based charities or membership organisations.

This year, we are adding an additional element to the benchmarking and plan to look at internal engagement within charities. Last cycle, we identified and conducted case studies with charities that had invested in legacy marketing and seen an impact. These case studies highlighted several factors that all successful charities had in common and one of these was strong internal engagement, often alongside a ‘legacy investment champion’. Therefore, we plan to benchmark internal engagement across our consortium to understand how it differs by charities and to try to identify any linkages between engagement and other legacy marketing metrics.

Project participation

This project is open to any charity with legacy income over £2m[1] *and* some legacy marketing spend in both 2021/22 and 2022/23, who would like to get involved, irrespective of whether they were involved in previous Legacy Marketing Benchmarks projects. Rather than adding to the data we collated previously, the project will collect a fresh set of data from all participants and analyse historic trends where possible.

To make our analysis robust we need a group of charities representing at least 20% of the legacy market – i.e. with combined annual legacy income of £800m+

We appreciate that not all charities will be able to supply all the information listed in this proposal. However, to ensure meaningful analysis and in fairness to other consortium members, we would ask that you are able to supply *most* of the data requested, and that you make your best efforts to provide your data by the stated deadline. Please do check with us if you have any concerns about this.

As always, we will provide detailed briefing notes and definitions at the start of the project and will be available for guidance by email as the project progresses.

1 As measured by Charity Commission data for average of 3 years 2019/20-2021/22

Benchmarking details

As in 2016, 2017, 2019 and 2021 we have defined four areas to benchmark:

1. Capacity: the size and structure of charities' legacy teams and budgets
2. Activity: the types of legacy marketing activity charities are investing in, the cost, volume and outcome of each
3. Legacy Marketing Response: the volume of people that have told you their legacy intentions
4. Legator Data: the proportion and value of legacies received by legators' past relationship

5. Capacity

First, we will ask for data on your total legacy fundraising spend and staffing in the context of overall fundraising budgets and teams. We will also ask for an estimated breakdown of your team's time across the four broad activity areas of awareness raising, acquisition, will writing schemes and stewardship.

What you can expect to learn:

- Size of legacy teams in relation to level of legacy marketing activities and legacy income
- Levels of legacy marketing spend in relation to total fundraising spend
- Levels of legacy marketing spend in relation to levels of legacy income
- The focus of your team's efforts compared to the other charities in the consortium, and how this compares to the focus of marketing spend

6. Activity

This section will investigate the different types of legacy marketing activities undertaken by charities, looking at the amounts invested, the volume of activity, and where possible the response rates generated.

As before, we will break activity down into four broad areas:

- **Awareness-raising activities** – the ongoing activity to raise awareness of legacy giving amongst your supporters and the wider public, which does not necessarily result in a direct response to you.
- **Acquisition** – marketing activity where the primary objective is to generate some interest in legacy giving, whether consideration or action. For example, direct mail, telephone, digital, events.
- **Will writing** – details on what schemes you participate in (covering free will schemes and online will products) and how successful they have been (numbers of wills written, numbers of bequests generated, types of bequest, average values of bequests where known etc.)
- **Stewardship** – how charities nurture relationships with supporters over time with the intention of securing their legacy gift.

For each broad area, we will ask whether or not you carry out specific types of activity (based on a list agreed by the project sounding board), and how much money was spent on each activity in both the year to March 2022 and the year to March 2023. For the most recent financial year only, we will ask the number of people 'reached', and (where relevant) the number of new pledgers and prospects achieved.

What you can expect to learn:

- How charities are investing in legacy marketing by activity type, comparing results by charity size and sector
- Volumes of people reached through those activities, relative to the size of the charity
- Typical response rates for certain activities e.g. legacy mailings, stewardship events
- Average volume of legacy pledgers and prospects recruited by activity, relative to the size of the charity
- How response rates vary by size of charity
- Usage and relative success of will-writing schemes

7. Legacy Marketing Response

This will provide a simple benchmark of the volume of people that inform charities of their intention to leave a legacy. We break respondents down into two groups:

- **Legacy pledgers** – people who tell you they have made a will and included a gift to your charity
- **Legacy prospects** – people who tell you they are interested in, considering or intending to leave you a gift in their will

We will ask for a number of elements here:

- The total number of pledgers and prospects currently on your database
- The number of new pledgers and prospects reported in each of the last two financial years 2021/22-2022/23
- The proportion of deceased pledgers and prospects (dying over the last three years 2020/21-2022/23) who have actually gone on to leave you a bequest (i.e. pledger and prospect 'conversion rates')

What you can expect to learn:

- How the volume of your legacy supporters generated compares to your marketing spend over the same time period
- Whether the volume of legacy supporters generated by your charity is comparable with others, distinguished by:
  - Charity sector (if sample allows)
  - Size of charity by legacy and voluntary income

- Recent legacy marketing budgets
- How your pledger and prospect conversion rates compare to the other charities in the consortium

8. Legator Data

In this section we will be looking at your legacy database to identify your recent legators' previous relationship to you, where known. As before, we will benchmark the type, volume and value of gifts from:

- Known pledgers
- Known prospects
- Other known supporters
- Unknown legators

What you can expect to learn:

- What proportion of your legacies come from different types of legator (prospects / pledgers / other known supporters / unknown) and how you compare
- How the value and mix (residual vs. pecuniary) of legacies differ across these different types of legators and how you compare

Volume and length of data required

We are aiming to strike the balance between collecting enough information to provide insightful results, yet keeping it as simple and easy for you to supply the data as possible. Using an Excel data template, we will ask you to provide:

For the last five years 2018/19-2022/23:

- The income data reported in your annual report and accounts
- Your overall fundraising budget and legacy marketing budget (both excluding staff costs)
- Numbers of legacy staff (FTE) – split marketing/stewardship/admin/management; total fundraising staff (FTE)

For the last two years, 2021/22 and 2022/23:

- Marketing activities broken down by activity type
- New legacy pledgers and prospects gained

For the last three years combined, 2020/21-2022/23:

- Total database size
- ata

When the project kicks off in September 2023, we will be asking for data up to end March 2023, in order to capture all responses to activities taking place in that year. This will also make it easier to provide financial and legator data, which can be hard to quantify immediately after the year end.

All data will be anonymised and aggregated to ensure confidentiality. Case by case data on individual donors or legators is not required. Since no personal data is required, there are no GDPR issues on this project.

Internal engagement

This year, we plan to focus on internal engagement as an additional area of study. To do this, we will add an additional element to the benchmarking exercise, which will ask a number of questions to try to understand the reality and the perception of internal engagement and attitudes towards legacy marketing at your organisation. We will include the following elements:

- Reality of internal engagement
  - Where does the legacy marketing team fit within the organisation
  - Which teams are involved in legacy marketing campaigns informally and formally
  - Which senior members of the organisation are involved in legacy marketing informally and formally
  - Would you consider there to be a ‘legacy champion’ in your organisation
  - What do you do to try and create a culture of legacy fundraising e.g. sharing stories internally, appointing champions, holding engagement weeks, training etc.

- Perceptions of internal engagement
  - Legacy marketing and stewardship investment
    - Views on current budget and resource
    - Ease of getting additional budget and resource
    - Future plans for additional budget and resource
  - Continuity of investment for legacy marketing and stewardship
  - Understanding of the dynamics of legacy marketing and the KPIs to track
  - Barriers to securing investment

We will then review these metrics in the context of the wider benchmarks to see if there are any relationships between these engagement metrics and other legacy marketing metrics.

In addition to the benchmarking exercise, we will work with our colleagues at Legacy Voice to integrate their insight and experience in this area and draw on best practice examples.

Project outputs

All project members will receive a detailed PowerPoint report of the findings together with a set of Excel tables showing how you benchmark for each area compared to the rest of the group. If the sample allows, we will also analyse results by charity size and by broad sector (e.g. health / animal / other).

All results will be anonymised – you will see your own performance relative to totals and averages for the group.

> Unlike the Legacy Monitor, no individual charity results will be shared with the consortium.

We will present the results to the group as whole in February/March 2024. We hope for this event to be in-person but will confirm nearer the time.

Project management

As in 2021, we plan to recruit a sounding board of 3-4 people to provide feedback and suggestions on the work as it develops, assure the quality of outputs on behalf of the consortium, and agree on the final dissemination of findings. The sounding board will meet 'virtually' twice: to agree the data specification (early September 2023) and to discuss the initial findings and potential data sharing opportunities (January/February 2024).

If you would like to be part of the sounding board, please let us know when you confirm your participation in the project.

On joining the project all charities will be asked to sign a project contract, specifying roles, data collection methods, deliverables, timings and payment arrangements as well as issues around confidentiality and dissemination of findings.

Costs and timings

The deadline for signing up to the project is Friday 28th July 2023.

The cost per charity is £3,000+VAT. Invoices will be issued on 11th September 2023 and payment terms are 30 days. Alternative invoice dates may be agreed with Legacy Foresight.

Other key dates are as follows:

August 2023 Recruit sounding board, issue contracts, collect purchase order numbers	**Monday 11th September 2023** Project kick off/issue invoices	**Monday 25th September 2023** Circulate data template
Friday 4th November 2023 Data back to Legacy Foresight	**January/February 2024** Results produced	**February/March 2024** In person consortium presentation

To express your interest or for more information, contact:

Caroline Waters c.waters@legacyforesight.co.uk

Legacy Futures

Legacy Futures is a specialist group of gifts in wills and in-memory giving consultancies, helping over 200 charities worldwide to harness the transformative power of legacy giving.

Legacyfutures.com | @talkinglegacies

Legacy Foresight

Legacy Foresight are legacy and in memory insight specialists. Best known for their market forecasts and research projects, often working with consortiums of charities who join forces to gain greater insight into specific areas of the Legacy and In-Memory markets.

legacyforesight.co.uk

Legacy Voice

Legacy Voice is a consultancy that helps charities improve their legacy marketing strategies and develop effective communications. Legacy Voice works with charities large and small, UK and international; turning research and insight into deliverable solutions.

legacyvoice.co.uk

Legacy Link

Legacy Link works with over 100 charities each month, supporting them through the whole estate administration process. With a bank of over 30 expert consultants Legacy Link helps to maximise the gifts left to a charity, adding value each step of the way.

legacy-link.co.uk