

Seniors and Technology, 2017

Follow up on our 2002 article

By Rick Gabe with Viken Mikaelian, CEO, PlannedGiving.com

Much has been written about wealth distribution in the US — and how nonprofits might strategize to acquire this wealth, especially through planned gifts.

In this paper we take a deeper look, based on the burgeoning world of cyberspace as a real, but still challenging way to reach donors.

First, let's digest some eye-popping stats (from *Venture Capital Review*, Nielsen Marketing and the Congressional Budget Office [CBO]):

- As a measure of the great wealth disparity in this country consider: The top 10 percent of the wealthiest people in the US average \$4 million of wealth (wealth calculated by CBO as: a family's assets minus its debt)
- The 50+ age population will control 70% of the US disposable income over the next 20 years.
- Baby boomers (ages 53 to 72) spend the most money across every product category — out of any other generation — but are only targeted by 5-10% of marketers.

Get the picture?

Today to reach seniors — and potentially a majority of donor targets — a blended communication process that includes technology (internet, email, social media and smartphones), must be used.

50% of people- 65+ years-old are social media users...59% of this group is on social media every day.

Play on, Philly! (POP), an after-school music program in Philadelphia uses a blended means of donor reach. Says (POP) Development Director Lisa Beckman, "We personalize and customize our communications with donors, and it includes emails, text messages, phone calls, printed photos and handwritten cards, as some people don't have email. People think direct mail has gone out of use — and that is not the case. Direct Mail is still very lucrative."

POP collects demographic data on their donors as much as possible, and the age groups are limited so they don't have conclusive data as a way to quantify response rate by age. The age range of many of POP's larger donors are 60+. POP will test response rates of donors, but being a small non profit they have a much smaller sample size.

Uh-oh... time to rethink the marketing plan

We will see here that there is great evidence that seniors utilize technology day to day, but there are still questions.

In the 2002 article, *The future of Planned Giving*, published by PlannedGiving.com, the assertion was that nonprofits must ditch the misconception that seniors do not use technology (which in 2002 included only the internet and email) — and alter their marketing plan.

While this 2002 piece made a case for organizations to hop on the technology bandwagon — today's "wealth" of data shows promise for technology as an integral aspect

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of nonprofit marketing, but as Ms. Beckman asserts we shouldn't chuck the tried-and-true methods just yet.

Now you've likely seen the younger, mostly millennial folks walking and looking down at their smartphones, hoping they don't collide with something or someone. Well that's much less likely to happen with most seniors who typically use smart phones and technology in a more practical way.

From a broad perspective, seniors emphasize the informational and educational aspects of technology and use it to research topics such as travel, health, finance and for government information.

Additionally, they seek out others online — and have started discussion groups on topics of mutual interest such as health and wellness and to help insure financial security.

But now a deeper look at seniors and technology use in 2017

- A stunning 82% of Baby Boomers (ages 73 to 53) belong to at least one social network, and 71% of this group uses social media every day (Nielsen marketing)
- 50% of people- 65+ years-old are social media users, which is roughly 11.6 million individuals; 59% of this group is on social media every day (Nielsen Marketing)



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Pew Research Center reports:

- Four-in-ten (42%) adults ages 65 and older now report owning smartphones, up from only 18% in 2013.
- 67% of seniors use the internet – a 55-percentage-point increase in just under two decades. And for the first time, half of older Americans now have broadband at home.

There are definitive variables in technology adoption in the older adult population, based

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on age, income and education. This could also be said for the entire population but especially within the senior group.

Seniors — 65 to 69 — are twice as likely as those over 80 to go online (82% vs. 44%) or have broadband at home (66% vs. 28%), and four times as likely to own smartphones (59% vs. 17%).

Adoption rates also vary greatly by household income. Seniors earning \$75,000+, 87% say they have home broadband; where only 27% have home broadband earning under \$30,000, compared with just 27% of seniors whose annual household income is below \$30,000.

And similarly, college grads adapt technology at a much higher rate than those with lower levels of Education. And thus, the younger, somewhat affluent and educated seniors are fueling the spike in recent growth of technology adoption by the over-65 segment.

So the strategy is... just follow the upward technology trend?

Despite the new-found optimism with seniors and technology the trends are not all moving skyward: Many seniors remain disconnected from technology. One-third of adults ages 65 and older say they never use the internet, and roughly half (49%) say they do not have home broadband services.

And even with the upward trends, the proportion of seniors who say they own smartphones is 42 percentage points lower than those ages 18 to 64.

And where is the reluctance to use technology amongst seniors... and why?

A 2016 Pew Center report found that “digitally ready” Americans — those confident in their online abilities and in finding info — tend to be disproportionately under the age of 65.

Yet older groups make up a larger share of those who are described as “digitally unprepared.” A 2015 Pew Research Center survey found that only 26% of internet users ages 65+ say they feel very confident when using

computers, smartphones or other electronic devices.

Roughly one-third describe themselves as only a little (23%) or not at all (11%) confident in their ability to use electronic devices to do necessary online activities.

Simultaneously with this lack of cyber confidence, Seniors are also more likely than those in other age groups to say they need others to show them how to use new devices.

Three-quarters of Americans over 65 readily admit that once they get a new electronic device they need help to set it up and use it.

And so a bit of a mixed picture for sure. No instant answer that says to Development Directors, ‘woo-hoo’...seniors control the wealth — and they use technology, let’s start texting and liking their Facebook pages, and voila, your planned giving program is off and running.

In the end...

The reality may be that your success will still hinge on the depth and focus of your overall program. And when a planned giving program is conceived, or if it is already in place — there are criteria that must be in place if the relationship with your donor is to be successful.

As the planned gift benefits the nonprofit

*It’s 2017 and direct mail
still isn’t dead.
In fact, it’s thriving*

organization at some future date, donors must have a level of trust that the organization is stable and will sustain in the future. Donors may also want assurances on the the age of the organization and it’s growth.

From a financial standpoint they may want counsel on things such as operation budget, on the organization’s history of managing operating expenses; who will be the steward of their gift? Does the organization have the proper acumen to invest their money — and will that investment be in accordance with the donor’s wishes

However your strategy evolves toward the most effective means to reach donors, technology included, you will still have to develop a relationship with you donor — with the goal of moving them into planned giving.

And the way in which the planned giving strategy is developed, or is escalated if one is in place, will depend on the organization size and objectives in accordance with the strategic plan. Regardless of the demographic target, and though seniors are online in greater numbers, there are challenges as to how non profits will ultimately hit their target.



This topic was first covered by us in 2002.

I hope you found this white paper stimulating and useful.

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