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Growing gifts in Wills with Behavioural Economics

Wednesday 1st August 12pm

Karen Armstrong

more strategic

fia
Fundraising Institute Australia

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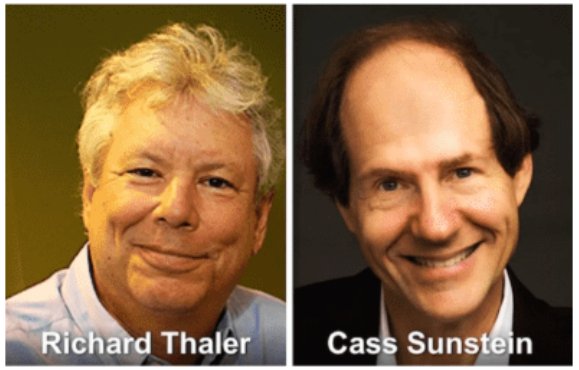
Evolution of Behavioural Economics

Economic rationality --> Bounded rationality
Testing behaviours with different conditions
Author "Thinking fast and slow"

Daniel Kahneman

Mental Accounting
People thinking of value in relative rather than absolute terms
Author of "Misbehaving" and coined choice architecture



Richard Thaler & Cass Sunstein

Applying behavioural economics and testing
Author "Predictably Irrational"

Dan Ariely

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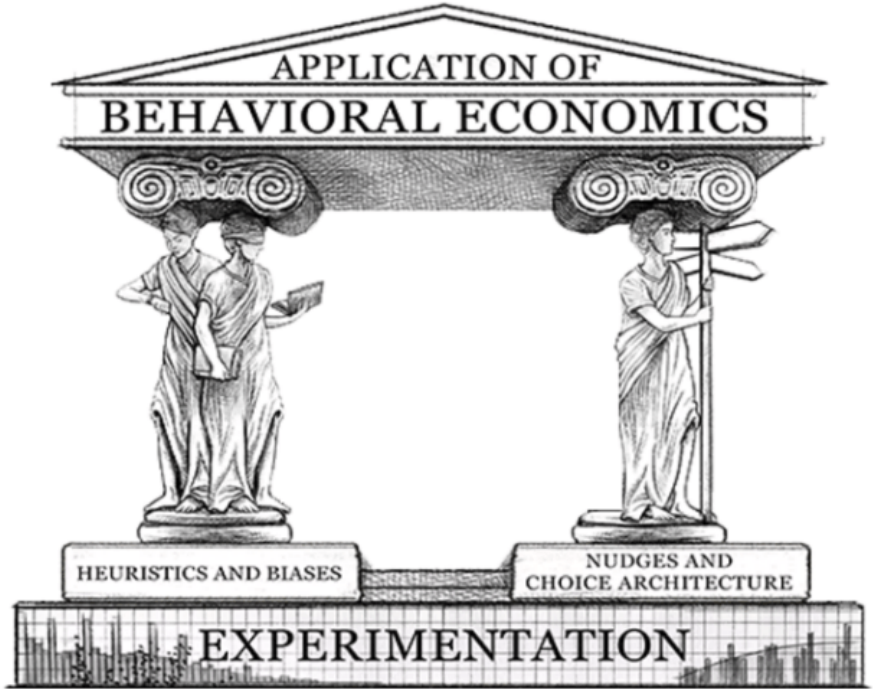
Behavioural versus Attitudinal research

"What they say

Attitudinal research

"What they do

Behavioural research



Source: BEWorks

Heuristics are mental short cuts designed to speed up problem solving.
"*rule of thumb*" or "*educated guess*"

Behavioural economics is understanding the predictable biases.

Nudges are influencing people in the choice architecture process towards personally and socially desirable behaviours.

Behavioural Economists are only interested in measuring behaviour

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Partners

THE BEHAVIOURAL INSIGHTS TEAM

https://www.behavioural insights.co.uk/

Coined the term : Behavioural Insights

Created Test + Build

BETA

http://behaviouraleconomics.pmc.gov.au/

Example

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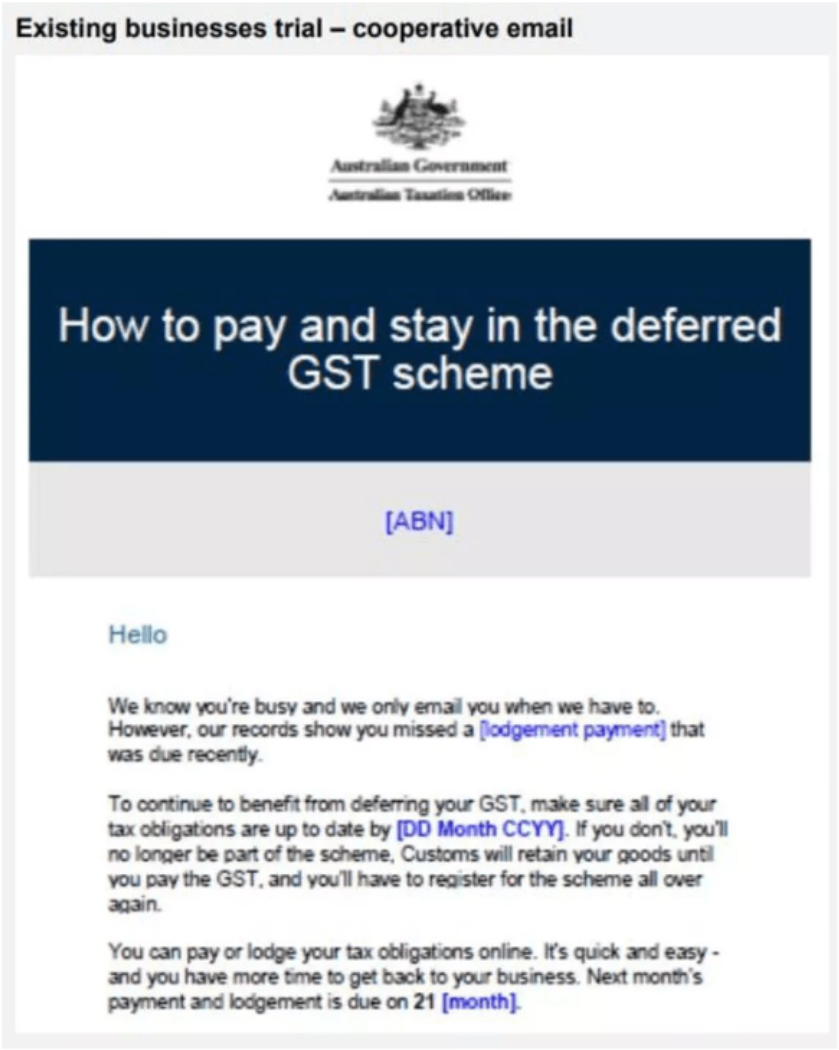
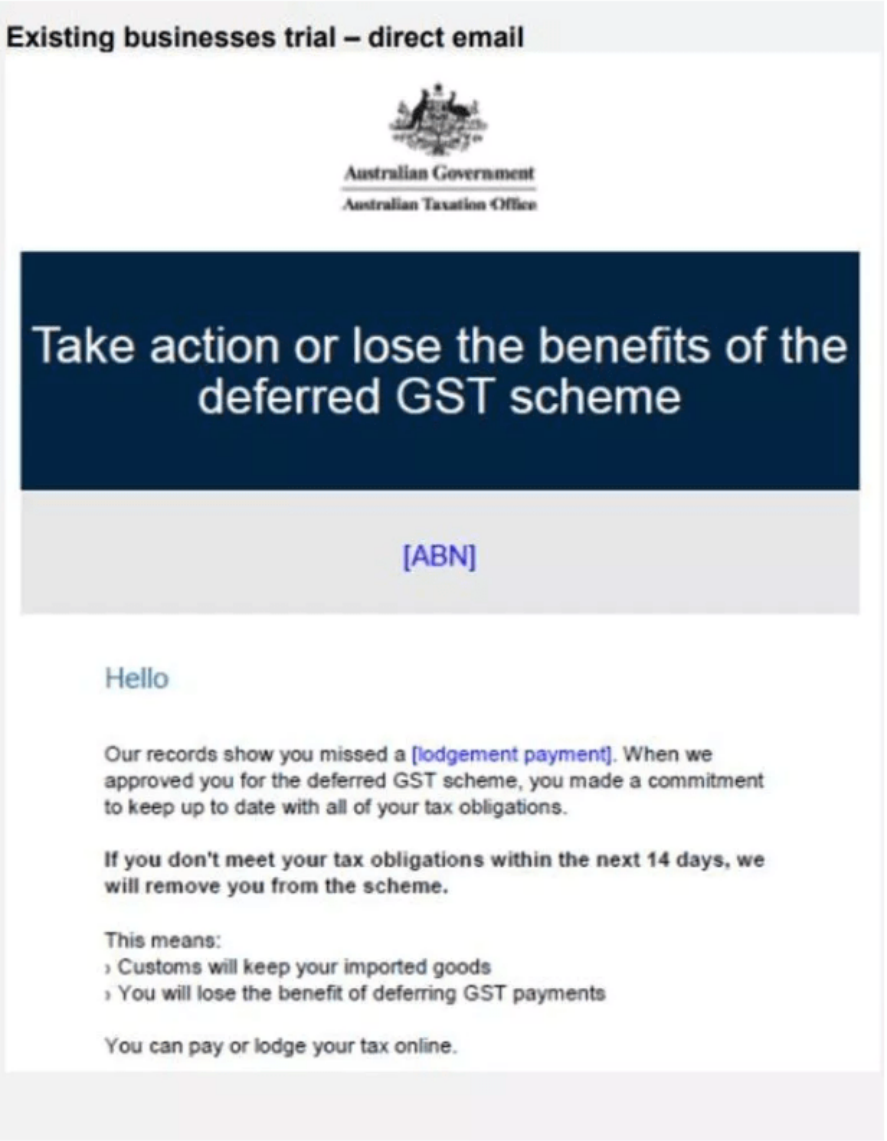
Existing businesses trial – cooperative email



Softer 10%

Existing businesses trial – direct email



Direct 13%

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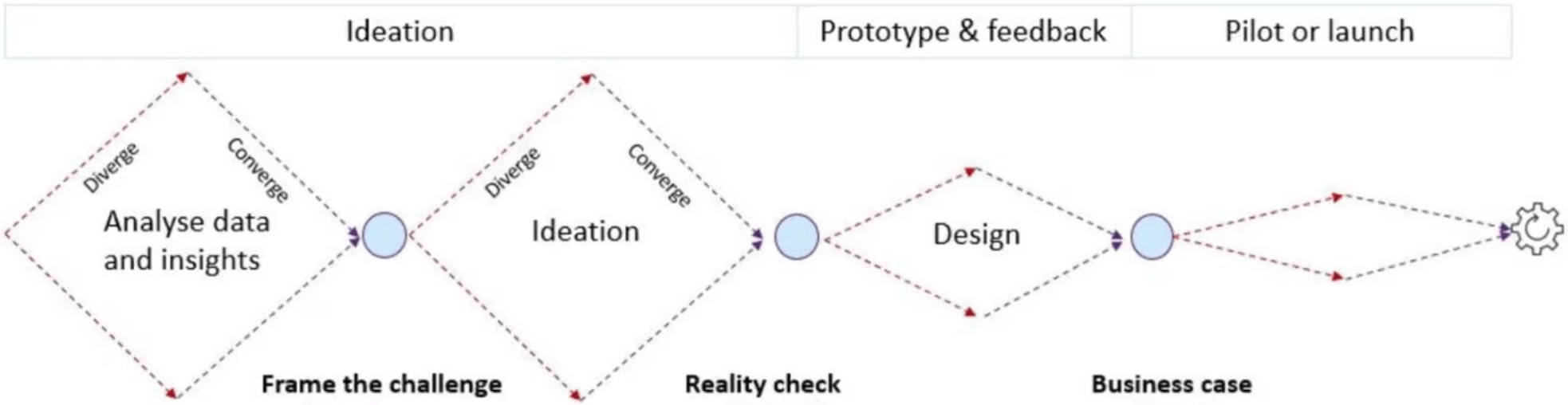
Process



Frame the challenge
- Impact
- Challenge/Opportunity
- Audience
- Constraints

Reality check
- Desirable
- Feasible
- Viable

Proposition

Business case
- Market
- Audience
- Proposition
- Journeys
- Financials

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Challenge

How do we increase the number of people leaving a residual gift to charity in their Will?

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Opportunities: Design and testing

THE BEHAVIOURAL INSIGHTS TEAM

BETA

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2 RCTs
Mailing insert A5 and telemarketing script

RCT - Lawyers & Charities
September onwards they will be designing RCTs and seeking engagement with the sector

Individual charity testing
BE advice to amend collateral and support analytics

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RCTs with BIT UK on Test + Build :

1. Insert : Guide to Include a Gift in your Will
2. Telemarketing Script

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RCT 1 : Guide to Include a Gift in your Will

A4 folded to A5

Behaviour Change
Increase the number of response to a Gifts in Wills Direct Mail Pack

Target Audience
People over 65 yrs who have been identified as warm prospects. Higher % female.

Timing
RCTs can run September, October, November

Purpose
Valuable, informative and trusted source information that's valued as a free gift.

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RCT 2 : Telemarketing Script

Behaviour Change
Increase the number of response to a Gifts in Wills Telemarketing call

Target Audience
People over 65 yrs who have been identified as warm prospects. Higher % female.

Timing
RCTs can run October - February

Purpose
Script amendment to increase consideration

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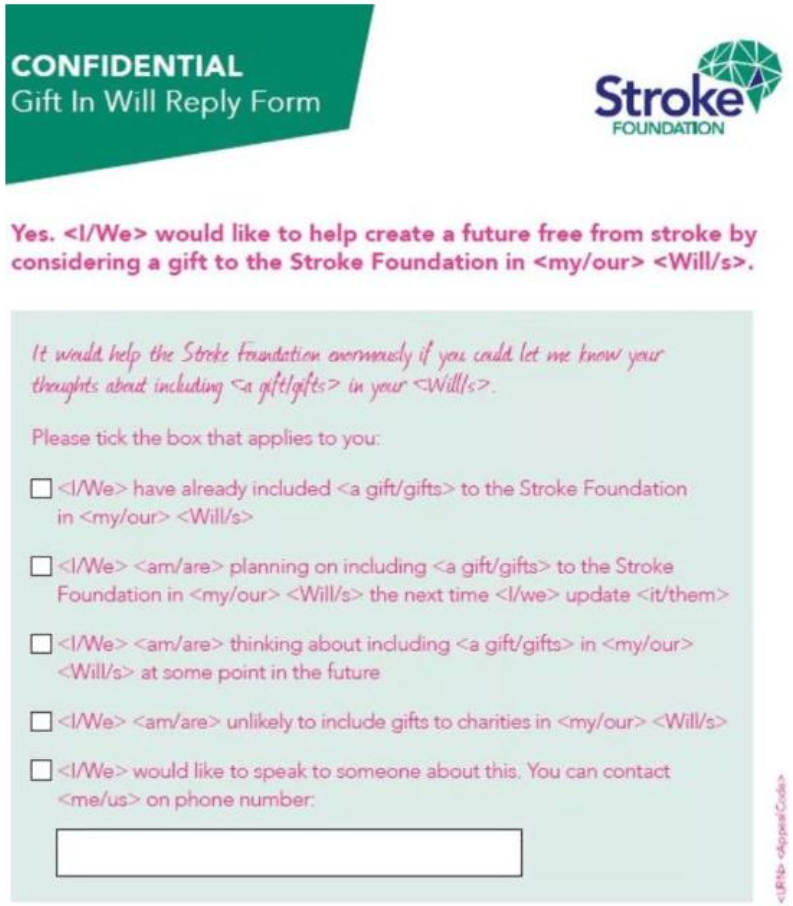
Individual Charity Testing -



CONFIDENTIAL
Gift In Will Reply Form

Stroke FOUNDATION

Yes. <I/We> would like to help create a future free from stroke by considering a gift to the Stroke Foundation in <my/our> <Will/s>.

It would help the Stroke Foundation enormously if you could let me know your thoughts about including <a gift/gifts> in your <Will/s>.

Please tick the box that applies to you:

- ☐ <I/We> have already included <a gift/gifts> to the Stroke Foundation in <my/our> <Will/s>
- ☐ <I/We> <am/are> planning on including <a gift/gifts> to the Stroke Foundation in <my/our> <Will/s> the next time <I/we> update <it/them>
- ☐ <I/We> <am/are> thinking about including <a gift/gifts> in <my/our> <Will/s> at some point in the future
- ☐ <I/We> <am/are> unlikely to include gifts to charities in <my/our> <Will/s>
- ☐ <I/We> would like to speak to someone about this. You can contact <me/us> on phone number:

<URN> <AppealCode>

Control: Standard Response Mechanism

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Gift In Will Reply Form

Stroke FOUNDATION

Yes. <I/We> would like to help create a future free from stroke.

Please tick any box that applies to you:

- ☐ <I/We> believe that anyone can include a gift in their Will
- ☐ <I/We> believe that Gifts in Wills play an important role in society
- ☐ <I/We> trust the Stroke Foundation to use gifts wisely

It would help the Stroke Foundation enormously if you could let me know your thoughts about including <a gift/gifts> in your <Will/s>.

Please tick any box that applies to you:

- ☐ <I/We> have already included <a gift/gifts> to the Stroke Foundation in <my/our> <Will/s>
- ☐ <I/We> <am/are> planning on including <a gift/gifts> to the Stroke Foundation in <my/our> <Will/s> the next time <I/we> update <it/them>
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Behavioural Economics Test

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Opportunities to explore _

1. Increase number of gifts in Wills : Reduce the action-goal gap to help people fulfill their good intentions.

a. Goal effect – GIW pledge to increase the number of confirmed GIW by 40,000 or 10% per charity etc

b. Reward Substitution – Supporter receives a gift from a corporate partner as thanks for updating Will or Charity receives a donation

c. Planning fallacy / pre-commitment – Mechanism to advise charities and engage in a journey.
i.e Checklist steps to complete Will with scheduled reminders

2. Increase the number of residual gifts in Wills : Who delivers message and how it is framed

Money Illusion:
a. Loss framing - Depleted Future Value in monetary terms compared to Increased Future value
in impact terms, expressed numerically or graphically, based on the past or the future

b. Gain framing – Give away what you don't have yet – the value of growth of your property

c. Neutral framing - % will always have the impact you hoped

d. Future framing - Just 2% of your future wealth could support charity

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Opportunities to explore _

1. Can we change the default?
2. Can we introduce a required choice or prompted choice?
3. Can we reduce the number of options that are presented at once?
4. Can we provide decision aids?
5. Is framing a choice as a loss or a gain helpful?
6. Can we provide new information?
7. Can we provide personalised information?
8. Can we reframe the same information to make it easier to comprehend ?
9. Can we provide checklists?
10. Can we help people set goals?
11. Can we help people make plans or implement intentions?
12. Can we provide implementation prompts?
13. Can we provide deadlines?
14. Can we provide reminders?
15. Can we intervene when people are most likely to make their choice?
16. Can we provide social accountability?

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Want to be involved?

Email me: karen@morestrategic.com.au

As a guideline the following parameters have been set for participating in the RCT:

- Multi-charity, work collaboratively, share results
- Measure behaviour change - increased response rate
- Isolate variables for A/B test
- Scaleable for the sector
- Measure change in behaviour in a timely fashion - within 2-3 months
- Marketing communications and volume - Approx volume 3,000
- Data supply – capable of supplying data pre and post the test
- Include a Charity member