

planned giving tomorrow

THE **MISTAKES** ISSUE. UNLESS YOU TAKE ACTION, THIS IS YOUR LAST ISSUE! (SEE PAGE 12.)

Talking With Wealthy Prospects

Yes, they think differently.

Viken Mikaelian



In our most recent survey, we asked you who work in the nonprofit world to agree or disagree with these statements: *Fundraisers are generally intimidated by wealthy* people. Our profession needs help learning to converse comfortably about money.*

Almost 60 percent of you agreed — which backs up what many of us already know: If there's one huge blind spot in the fundraising world, it's in how we deal with the wealthy.

(See the survey results on pages 6–7)

Before I go any further, let's put this on the table: Everyone has a fantasy about meeting that rich donor and landing that mega gift.

Welcome to reality. Average folks, with average means, make the best planned giving prospects. If you make wealthy donors your only target, you may as well try to reach your fundraising goals by purchasing lottery tickets. (For an amusing article, read *I Want to Meet a Rich Guy!* at planned.gifts/richguy.)

However, that *doesn't* mean wealthy donors shouldn't be part of your strategy. The problem is, most fundraisers have trouble approaching wealthy people, because they don't think like them. In fact, some indicated in our survey they do not even like the wealthy! If you don't think like the wealthy (or if you dislike them), how do you expect to properly communicate with them? Here are a few tips to help.

1 Meet face-to-face.

Successful fundraisers know that meeting with someone is much more effective than sending emails or making phone calls. Is it easy? Not at all. Wealthy people often have even busier schedules than you do. Sometimes asking a friend of the prospect to set up a meeting is helpful. Other times, it's up to you to be

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Development Mistakes Board Members Make

Two common, but avoidable, pitfalls.

Judy Sjostedt



New staff and volunteer board or committee members can be incredible assets to our development efforts. But ... without appropriate and regular training, they often respond in ways that are counter to the organization's major and planned gift goals.

Newbies have more experiences with fundraising than seeking planned or major gifts, and they typically default to the course of action that is most familiar. Simple and avoidable mistakes can occur, such as:

1 Delivering the message in an inappropriate manner

Put five people who have never cultivated

major or planned gifts together on a development committee to brainstorm, and the first recommendation that emerges is often to "Send a mailing!" Am I anti-mailing? Not at all. But this approach often results from a lack of training or discomfort with the true task at hand. Using a mailing, we can postpone the real work of personalized contact and direct interaction with our supporters who are "nearest and dearest."

Sending a letter is less threatening and feels efficient, but consider this: When was the last time you received a mass-mailed solicitation from an organization with which you were unfamiliar and ran to your attorney to add that group to your will?

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Let's (Not) Talk About The Weather

Making the first 10 minutes count.

Karen Davis Kilgore



Consider this scenario, where the culprit is that universal distractor: the weather.

See if these six lessons I learned (still learning!) can help increase your productivity in 2018.

You are going to visit a new person who has requested information about planned giving. When you call for the appointment, Mr. Green sounds eager for a visit, although he doesn't provide any clues to help you prepare. Mr. Green is not in your files, but his address is a good one—a prestige high-rise apartment in a nearby city.

You prepare a variety of gift plans to help assess his motivation and needs. However, as you drive to his home, a light rain turns into a deluge. And here is where the mistake begins.

You greet one another, he whisks you out of the rain, and you proceed to say something stupid and time-wasting like, "Can you believe all of the rain we have had this month? Is it ever going to stop?"

Rain and related weather topics can whittle away the precious time you have to make a new friend, gather information, and begin presenting concepts. Weather discussions can lead to comfortable chitchat, but rarely do they help you segue into the most important conversation.

So what do you do instead, especially when the person is not someone you know well and speaking of the weather eases your nervousness? Instead of burning up the clock commiserating about thunderstorms or heat waves, get right to business.

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Ask the Expert

Got a question itching for an answer? Email success@plannedgiving.com and we'll get one of our planned giving marketing experts on the job!

Major gift fundraisers, take notice!

This is money received today—not in the future.

Q We are looking at some RMD info related to Jane's IRA account, and we are assuming that the school satisfies the QCD requirement, but just want to check.

A Highly focused people (usually the successful ones) often miss the easy stuff in their focus on the bottom line: raising money now.

The question above came to me via email from a top capital campaign consultant. He really knows his stuff. And yet, he had to ask me what RMD and QCD meant!

Do you know?

RMD is Required Minimum Distribution. That is an amount you are required (as an individual over age 70.5) to withdraw from your IRA and other qualified retirement accounts annually.

Why is this so important?

The IRA charitable rollover provision (which is, by the way, PERMANENT now if you hadn't heard!) allows donors age 70.5 and older to give up to \$100,000 to your charity directly from their IRAs. It doesn't

work for other retirement accounts—yet. It just so happens that the law allows donors to direct their RMDs (which would be fully taxable to them) to your charity without any taxes.

This assumes your charity is QCD eligible. You know that one, right? QCD means Qualified Charitable Distributions. If you are a regular charity – not a Donor Advised Fund or a Supporting Organization—you are more than likely QCD eligible.

In a nutshell, using the charitable rollover provision gives donors an opportunity to support a cause they care about and avoid taxes on their RMD!

Donors in this age range get this. You should, too, as these can be easy \$100,000 gifts. Even if your donor has already taken their RMDs (which you can't un-take), using an IRA to make a gift to charity is still a great idea. Talk it up with your donors! ●



Jonathan Gudema, Esq. stumbled into planned giving as a law school student in 1992 while hunting for a summer job. During his years as a consultant for fundraisers he saw a void in the nonprofit world of planned giving specialists and expertise. So in 2011 he founded Planned Giving Advisors and launched The Planned Giving Blog, which has over 1,000 subscribers. jonathan@plannedgivingadvisors.com

Have Your Say

Comments, stories, complaints, compliments...



Productivity issue (Winter 2018)

Love the feel, paper content, enhanced stories and if I may say, this may be one of your best if not the best since I have been reading (2008).

*Gary L. Bukowski
Erie, PA*

Mistakes issue (Spring 2018)

What a worthwhile topic! Just imagine if every professional conference hosted a "mistakes" track to remind us that we often gain wisdom through the plans that didn't progress exactly as we had envisioned.

*Karen Davis Kilgore
Kerrville, TX*

Development Mistakes Board Members Make

Continued from page 1

The most effective strategies incorporate person-to-person tailored contacts.

2 Leading with assumptions

Whether it's a staff member or a volunteer cultivating donors, it's always prudent to learn about potential prospects before engaging them in conversation. However, it's equally important to understand that any advance information gleaned is simply context for discussion. We must still listen closely and actively to be successful.

Years ago, a widowed public educator visited with staff to discuss creating an endowed fund. Since this person appeared of modest wealth, given knowledge of her past profession, staff opened conversation by sharing ways to build a fund over time. This approach turned out to be inappropriate as the donor immediately began her charitable fund with a six-figure cash gift, which was later backed up with a substantial planned gift.

On another occasion, a married couple arrived to discuss their charitable objectives. Since both were retired from public service, staff initiated conversation anticipating that they would want to further the goals of their former public service profession—only to

discover that nothing was further from the truth! This couple said they had devoted their entire lifetimes to their professions, and that gift had been enough. They had very different philanthropic goals in mind for their community and made gift commitments that bore no connection to their former occupations.

In both cases, preliminary assumptions led to inaccurate conclusions. Fortunately, staff listened well and adapted as needed, enabling these donors to feel comfortable making their gifts.

3 The solution: willingness to learn

Make willingness to learn a prerequisite for those within your organization who make donor contacts. Training, training, training—and more training! — in the art of seeking major and planned gifts that emphasizes the importance of active listening will increase success in securing gifts for both staff and volunteers. ●

Judy Sjostedt, MPA, has served as Executive Director of the Parkersburg Area Community Foundation & Regional Affiliates since 1999. She is a national instructor and regular conference presenter in the field of community foundations. judys@pacfjwv.com

An Experiment To Build Endowments

It's working!

Tamar Wolf



It's no secret we are undergoing a large transfer of wealth. Academic institutions have capitalized on this for years by building their endowments, but many other non-profits have not. In 2012, philanthropist Harold Grinspoon decided it was time to change that within the Jewish community.

The idea was simple:

Offer hands-on training sessions, marketing assistance and coaching for Jewish agencies, day schools and synagogues on how to secure legacy gifts to build their endowments. And offer monetary incentives for organizations that meet their goals.

It worked!

The idea grew, partnerships formed, and programs launched in cities across the country. And it worked! As of December 30, 2017, the Harold Grinspoon Foundation reported:

- 52 partner communities, representing 465 Jewish organizations across the U.S.
- More than 17,627 legacy commitments secured
- Total estimated value is \$672 million in future gifts
- Of the \$672 million, \$59 million already has been placed in organizational endowments

In my city: Chicago

As the manager for the Create a Jewish Legacy program in Chicago, I've had the privilege to see the successes and challenges up close. We have two cohorts, comprised of 25 organizations. Collectively, the participating organizations have secured more than 1,100 legacy commitments in less than four years, worth an estimated \$30.1 million in future gifts for their endowments.

As my team and I watch these organiza-

tions work to change their development approach, we try to learn from both the failures and the wins. We are constantly refining the program. (Our third cohort, which starts later this year, should be getting our best training so far!) Here are a few things I've learned along the way...

8 characteristics of successful organizations

1. Have large legacy committees, with at least four lay leaders and a development professional (the larger the team, the better).
2. Have a dedicated lay leader who is a financial planner or estate planning attorney.
3. Market legacy giving on their websites, at events, and within their institutions (everywhere).
4. Have executive board support (this is key!).
5. Conduct donor-centric conversations.
6. Practice an integrated ask (i.e., in one meeting, ask for both an annual gift and a legacy gift).
7. Establish an effective stewardship plan and implement it.
8. Are open-minded and patient.

A big missed opportunity

When an organization is already asking a donor for an annual gift, it's generally a missed opportunity not to ask for a legacy gift at the same time. From the donor's perspective, it makes sense to talk about it all at once.

Sophisticated organizations have a database that outlines when and how often they reach out to a donor. By tracking communication and touch points with a donor, the organization can strategize how to develop that relationship to encourage giving. (This is essentially a moves management plan.) The organization then shares

that information with their development committees. This helps avoid donor fatigue. Everyone is collaborating.

Personal touches

Successful organizations steward and cultivate relationships with current legacy donors and prospective ones. They send personalized thank you cards immediately after a gift is made, hold recognition events, wish donors happy birthday, meet with legacy donors and share updates on recent projects, and mail impact reports on how they used the income from the endowment. The list goes on. Long-time donors who are stewarded and valued are more likely to leave a legacy gift. They are charitably inclined and their years of giving demonstrate that they care about sustaining the organization.

Creating a culture of giving

Perhaps the most profound result from this initiative is the culture of legacy giving that is being established. I recently spoke with a development professional at a synagogue, and she explained that the Create a Jewish Legacy program has changed the synagogue's culture. It took four years to get there, but with determination, patience and board support, their legacy giving campaign is flourishing.

Create a Jewish Legacy is giving donors the opportunity to support valued organizations in a way they might never have thought possible, thereby ensuring a strong and vibrant Jewish community here in Chicago for many years to come. It's a great privilege for me to be part of it. ●

Tamar Wolf is Program Manager for Create a Jewish Legacy, part of the Legacies and Endowments Department at the Jewish Federation of Metropolitan Chicago. Tamar is also a graduate of Northwestern University Pritzker School of Law. TamarWolf@juf.org

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How To Talk To Wealthy People

Continued from page 1

persistent. But your best results are going to come from a face-to-face meeting—almost every single time.

2 Listen more than you speak.

Once you get the opportunity to speak with your prospect, learn to be quiet. I tell fundraisers all the time that they need to listen more than they speak. In a recent interview with *Inside Philanthropy*, fundraising legend Jerold Panas said the same thing: When talking with wealthy donors, you talk only 25 percent of the time, letting the potential donor fill in the other 75 percent. That way, you learn about what excites and interests them. It's your job to take that information and connect the dots with your charitable cause.

Let's be honest: people like to talk about themselves. And many wealthy folks, like some of us, have large egos. They want to be heard! (Who doesn't?) If you try to dominate the conversation, you're going to turn what should be an opportunity into a battle of wills — and you're going to lose. *Trust me on this.*

3 Ask the right questions.

When you do speak, use your time effectively. Think of yourself as a journalist. You want to “interview” the potential donor (without being obnoxious) and find out what makes them tick. By the same token, the potential donor wants to know you are genuinely interested.

Do a little homework on your prospect to figure out some good questions. This will allow you to say things like, “I read in that *New York Times* article that you played football in college. Is there a memory that really stands out about that time?” Your prospect will be pleased you've done some research. (Again, feed the ego!) Based on their response, you should be able to figure out if a donation to an athletic program might be a match.

If you make wealthy donors your only target, you may as well try to reach your fundraising goals by purchasing lottery tickets.

4 Think outside the box.

You can talk to a wealthy prospect about what your charity needs until you're blue in the face, and still get just a small gift (or none at all) in return. Tailor a program to your prospect, however, and your chances of getting a great gift improve greatly, because your prospect wants to be part of something that will excite them. For instance, the prospect from tip #3 tells you a story about how excited he was to get his first football uniform. You connect the dots

with what your university needs and suggest a planned gift that would help fund a football uniform program and more.

5 Don't forget to ask — and oversimplify the ask.

In the interview I mentioned earlier, Panas tells a story about a minister who never made the ask. This man assumed his prospect, a wealthy congregant, would include the church in her estate. The minister found out the hard way that she hadn't. Instead, she included her husband's alma mater. Why? Because *they* asked. Don't ever assume you're getting (or not getting) a gift. Always ask for one.

And when you ask, keep it simple. My mantra for the past year or so has been: Don't just simplify—*over* simplify. Now is not the time to wow your prospect with your knowledge of CRUTS and CRATS. (The only time for that is never.)

One more thing. If you're one of the few who doesn't like wealthy people, get with it. They are people too. Like them. If you do, you're more likely to succeed! ●

* We're defining wealthy as anyone making \$500,000 or more (according to the IRS, the top 1% of taxpayers have an AGI of “only” \$465,626). Attend our webinar on *Money, Money, Money*.

Viken Mikaelian has been helping the planned giving community overcome blind spots with simple solutions since 1998. viken@plannedgiving.com

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Donor Frustration

This is how *NOT* to treat your donors.

Gary L. Bukowski



I have devoted my life to working with donors. I strive to make the donor experience the best possible for donors and their families. So it's disheartening to hear about donor insensitivity. Is it just me, or is it on the rise?

There are many articles, books, white papers, and videos about the importance of good donor relations. Not as much is written about insensitive donor relations.

Over the last few months I've come upon individuals who have reached out to their nonprofits to get information and have really got the run around and quite frankly treated badly. Certainly not in a donor-centric way.

Just return the phone call!

One case that really struck a chord with me recently was a woman (I'll call her Susan) who was checking on the status of a family scholarship, which had been created by her mother in memory of her father. When I spoke to Susan, she indicated that she had left two messages with the AVP in the development office. Her calls were never returned.

Susan finally got through to someone in the donor relations office. They didn't know anything about the scholarship, the person said, but they would get back to her shortly with more information about the status of the scholarship.

A month later: still no response.

Susan called the CEO's office to speak to him and try to get some answers to her

question. The secretary told her that the CEO was out of town and that she should call the Development office. When Susan explained she had already been down that route and hadn't received any information, the secretary was curt and said the CEO would be busy upon his return.

Donor relations at its worst

Susan was frustrated and hurt. All she wanted is to know the status of her family's scholarship and who the recent recipients were.

Not much of an ask in my book.

We can do better.

This is completely inconsiderate behavior by the organization and totally contrary to the compassionate, donor-centered standards that so many of us strive for daily in our profession.

Those of us who have the privilege of working with donors to fulfill their philanthropic dreams have a responsibility to them. With so much turnover in our industry, it often happens that relationships fall by the wayside. We MUST find ways to remember our history, remember the donors who funded our mission way back when, and put relationships above all. ●

Gary Bukowski is the AVP at Sarah A. Reed Children's Center and is a licensed fundraising consultant. He has 45+ years of fundraising experience in the higher education and human services arena and 20 years of local, state and federal government experience. GBukowski@SarahReed.org

Let's (Not) Talk About The Weather

Continued from page 1

You might say...

"It is so nice to meet you! I have a most interesting job, meeting new people who are exploring ways to improve our community. I just completed a charitable plan with a family who lives a few miles from here. The donors are now enjoying 7% guaranteed income for life! I can't wait to tell you how it works."

Or you might say...

"Thank you for inviting me here, Mr. Green. I am pleased to have the opportunity to learn more about your interest in planned giving. I have a wonderful job helping people consider ways to assist not only (your organization), but also all of the charities that are important to them."

These introductions will help guide the

conversation in that critically important introductory time, the first 10 minutes. You will have used courtesy and focus to demonstrate that you respect your new prospect's time and are prepared to start an exciting exploratory journey—one that may last for years.

If your prospect is the one who starts with the weather woes, you can put an end to that superfluous distractor immediately. All you have to say is, "Well, it's not too rainy to have a great conversation today!" And, then, dive in. ●

Karen Davis Kilgore is Senior Planned Giving Officer at Schreiner University in Kerrville, TX, and a consultant to Texas Presbyterian Foundation of Dallas, TX. Her passion and privilege is helping thoughtful families consider their legacies. KKilgore@schreiner.edu

Want To Know What Your Peers Are Up To?

In the last issue (Productivity: Winter 2018) we gave you a New Year's Quiz. We asked you two questions:

- 1 What is one thing you need to do *more of* in 2018 to improve as a fundraiser?
- 2 What is one thing you need to do *less of* in 2018 to improve as a fundraiser?

Here's a sample of the responses we got...

What you're doing *more of* in 2018

"Set more appointments & make more calls."

"Commit to the ask. Just ask straight out and not hem haw."

"I need to do more reaching out to donors in order to gain their stories. Hands-down."

"I need to do more personal visits—always!"

"Spend more time to develop a tidbit of news from our school that is not shared in our newsletter & write a note to donors."

"Donor contacts, many I don't have phone numbers for."

"Send at least three mailers in 2018 promoting our gift planning."

"Call donors!"

What you're doing *less of* in 2018

"Spend less time on activities that don't build relationships with current or potential donors."

"Doubt myself. I know the work we do is good and people support us."

"I need to spend less time at my computer, looking at every email as soon as it pops up. What a time-waster."

"Don't get caught up in administrative tasks such as writing for our newsletter. It's important but keeps me behind my desk too much."

"Avoid taking the next seminar on calculators, CRUTs and CRATs. These are self-imposed distractions."

"Searching for phone numbers or obituary info on donors I haven't heard from. Do more proactive things instead."

"Procrastinate about planned gifts."

"Chase the next new prospect."

What about you?

It's not late to take the quiz. Email your answers to the two questions above at success@plannedgiving.com and we'll send you a free copy of the **2018 Planned Giving Pocket Guide**.

The people have spoken!

Asking a bunch of fundraisers for their opinions is like telling the chef to chop veggies for ratatouille. Things get dicey!

We've been running a survey about some hot topics in the planned giving world—and we're loving all the strong opinions.

Your viewpoints are valuable because they come from hard-earned experience. Even where two people strongly disagree, there is something to be learned. And that's the whole point of Planned Giving Tomorrow: We're here to learn from each other... and even when we walk away in disagreement, we walk away better equipped to do our jobs, serve our donors, and excel in our careers.

The nonprofit sector has a lot to learn from how for-profit businesses operate.

32%
DISAGREE

68%
AGREE

“ Each of the sectors has its own culture. Cross pollination is helpful and wise to an extent. Worshipping and emulating the for-profit world is ruining many a good charity these days. If I were king of the forest, I would ban all “management-speak” and I’d burn business books. After a year or so, they could be re-loaded on the Kindles, but like a child with video games, they could only be used sparingly, or a spanking would be in order. ”

“ I completely agree. The nation wide health, education and science non profits have developed for many years a business plan that modes a for profit business. Donors are expecting that the non profits they support are run successfully with each dollar raised used for designated purposes, and run efficiently and effectively. Smaller non profits are starting to develop business plans and run their organization as a business. ”

96%
AGREE

4%
DISAGREE

Blended gifts are the future of fundraising. More than ever, today's fundraisers need to be comfortable talking about major gifts and planned giving.

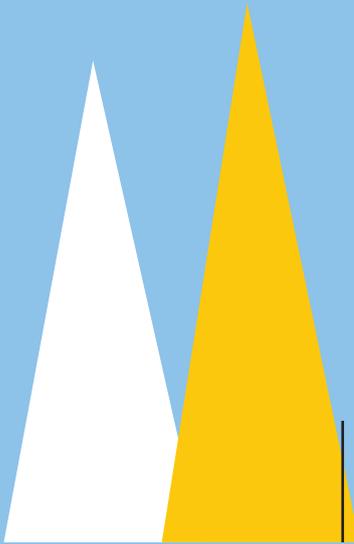
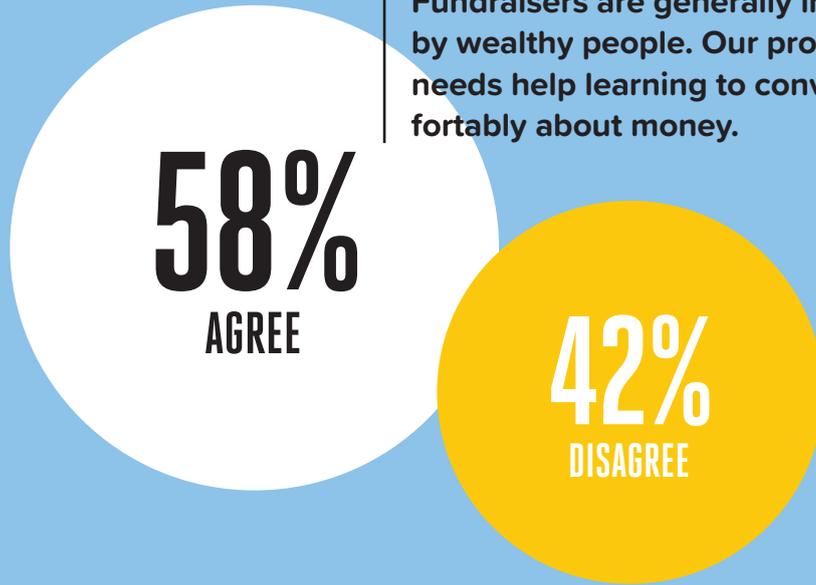
“ Donors are savvier today. They often have advisors who have a say in the gift. We need to be not only open to those type of gifts, but we also need to make an effort to understand which of the donor's goals this type of gift helps to achieve. ”

“ It's not even a blend. All are planned. ”

“ Fundraisers in my experience, come from hard working but blue collar backgrounds. Donors in the top 5% have a confidence and laid-back arrogance that sets them apart, socially. ”

“ If you’ve been in the profession for more than 10 years, generally, you’ve rubbed shoulders with wealthy individuals and have become more comfortable with spending time with these generous, curious people. ”

Fundraisers are generally intimidated by wealthy people. Our profession needs help learning to converse comfortably about money.



Most fundraisers have a blind spot with politics when it comes to raising money.



More fundraisers need to be educated about wealth, how the wealthy think, and about money in general.

“ The wealthy are conservative. Generally speaking, fundraisers are more liberal. Stay away from politics. ”

“ We want to think politics doesn’t matter in the face of fundraising and yet politics is about people. How do we avoid it? ”

You “get” it.

As a reader of *Planned Giving Tomorrow*, you understand that fundraising has changed—and is changing. The days of relying on golf tournaments and galas are numbered. “Siloed” giving is out; blended gifts are in. You know it’s no longer acceptable to “plan” to pursue planned gifts someday in the future. The future is now. **Tomorrow is here.** Those who are not marketing planned gifts are falling behind fast.

Our goal with *Planned Giving Tomorrow* is to help you keep up. This is the only magazine that focuses on *marketing* planned gifts.

And we always want to hear from you—not just when we run a survey. Tell us about your challenges. Brag about your successes. Confess your failures. Ask questions. Email us anytime at success@plannedgiving.com.

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See page 12.

“I’m Sorry!”

How to make it right when you mess up.

Rebecca Price Janney



My all-time favorite apology is from Anne of Green Gables whose title character is an orphan gone to live with Marilla and Matthew Cuthbert. Enter their outspoken neighbor, Rachel Lynde, who can’t resist commenting on Anne’s homely appearance. Unknowingly, she pushes Anne’s hottest button—“Lawful heart, did anyone ever see such ... hair as red as carrots!”

Anne explodes. “How would you like to be told that you are fat and clumsy?”

A shocked Marilla tells Anne unless she apologizes, she’ll have to return to the orphanage. Matthew, wanting Anne to stay, begs her to apologize. Anne gets down on her knees and folds her hands. “Oh, Mrs. Lynde, I am so extremely sorry. . . I could never express all my sorrow, no, not if I used up a whole dictionary. You must just imagine it. I behaved terribly to you. . . I am a dreadfully wicked and ungrateful girl, and I deserve to be punished and cast out by respectable people for ever. It was very wicked of me to fly into a temper because you told me the truth. . . What I said to you was true, too, but I shouldn’t have said it. . .”

Hopefully most of us have developed a more nuanced and less wordy way of expressing ourselves than Anne-with-an-E.

What should you do when...

One of your donors takes offense because, in a summary of her calendar year gifts, you mentioned her “gifts in kind were not assigned any value”? She believes you meant they were of no importance, but you most certainly did not.

Or what about when your new admin inadvertently addresses an envelope to a long-term donor, misspelling his name and including his deceased wife’s name?

Well...you apologize, of course.

In his book, *On Apology*, former Dean of the University of Massachusetts Medical School Aaron Lazare says that apologizing is one of the most profound interactions two human beings can have with one another. According to him, apologies have the power to heal humiliations, free us from guilt, remove the desire for vengeance, and restore broken relationships. Getting the apology right, Lazare says, depends on timing. It’s important not to be too hasty, or to wait too long.

Here are a few guidelines for making constructive apologies:

- **Take responsibility.** If your admin made the mistake on the envelope, but the donor is upset with you, their point of contact, guess who needs to apologize? You got it. That would be you. Don’t throw your subordinates under the bus.
- **Be specific about what went wrong.** None of those lame apologies like we tend to hear from public figures these days. “I’m sorry if what I did offended you” doesn’t cut it.
- **Make restitution.** If you can fix the mistake, fix it. If it’s too late for that, at least assure the person you will do your best to make certain the offense never happens again. Hopefully this gives the offended person a chance to trust you again.

What about you?

Have you ever made or received an excellent apology? Or a terrible one? Tell us about it. Email success@plannedgiving.com. ●

Rebecca Price Janney, Ph.D., is an author, speaker, and historian with more than 20 years’ experience in the nonprofit world. She lives in suburban Philadelphia with her husband, teenage son, and a Cavalier King Charles Spaniel.



Let’s See Some I.D.

8 mistakes to avoid in prospect identification.

Sarah Tedesco



Prospect identification is a crucial step when raising major funds, but many nonprofits make serious mistakes during capital campaigns, planned giving drives, or other fundraising projects. Check out these 8 prospecting mistakes and how to avoid them.

1 Don’t forget to target your research.

A hospital’s prospect development team would never approach senior physicians, grateful patients, and corporate partners the same ways, right? Segment your prospects when building a new prospect list for your campaign, and target each segment with its own unique messaging.

2 Don’t forget important resources.

When building a prospect list, remember all the different resources at your disposal. Use more than just a single database. Consider a prospect generator search tool. You can search for donor lists of other organizations, quickly finding proven prospects that would be interested in your work.

3 Don’t neglect key metrics.

There are many ways to identify strong prospective donors, many of which are metrics that you might not initially consider. Take political contribution history, for example. These donors are committed to supporting causes they’re passionate about, making this metric an excellent indicator of giving potential.

4 Don’t miss out on earlier opportunities.

Every fundraising event represents an opportunity to refine your prospect strategy. Crowdfunding and peer-to-peer fundraising campaigns target a different level of donor, but they’re useful in revealing key connections for later major campaigns.

5 Don’t ignore existing networks.

Your board, staff, and volunteer base are valuable assets to your prospect network! This doesn’t mean asking them to contribute to your capital campaign, but rather asking them to spread the word. Your next major prospect is probably a colleague of a board member.

6 Don’t wait too long for guidance.

If you are considering hiring a prospect development consultant, do your research and make some decisions before getting started. You’ll save time and resources in the long run.

technical corner

Here's a helpful guide: alysterling.com/hiring-fund-raising-consultants.

7 Don't misplace your growth priorities.

Avoid the temptation to spend all your time and resources pursuing new prospects rather than actively growing your existing base of support. Your existing donors already appreciate you, so make sure they feel appreciated. Longtime supporters can become prospects more willing to hear and understand your exact needs.

8 Don't forget to set concrete goals.

The most important early step in any fundraising campaign is understanding your goals. This is much more than simply what you want to accomplish. Use a feasibility study to identify your campaign's budgetary restraints and exact success threshold. This will be crucial when building a prospect list. ●

Sarah Tedesco is the Executive Vice President of DonorSearch, a prospect research and wealth screening company. www.donorsearch.net

\$100K Quiz

Are you prepared to help your donors with the boring stuff?

Camilyn K. Leone, Esq.

Mary has an insurance policy worth \$100K and a retirement plan worth \$100K. She wants to leave \$100K to her favorite charity and \$100K to her daughter. Which asset should she leave to whom?

- A She should leave the retirement plan to her daughter and the insurance policy to charity.
- B She should leave the insurance policy to her daughter and the retirement plan to charity.
- C It doesn't matter. It's all going to come out as a wash.

Flip to page 11 for the right answer.



Camilyn K. Leone, Esq. specializes in philanthropy and the law. She is a consulting VP at Grenzenbach Glier and Associates. She has served as a planned giving director at universities, hospitals and museums, and as an adjunct law professor at the University of Virginia. camilyn@plannedgiving.com

The PIF: An Elegant Solution For Common Fundraising Mistakes

Greg Pierce, MBA, MHA

The Total Return Pooled Income Fund (PIF) can offer an ideal solution to a few common mistakes fundraisers make. First, let's look at the mistakes:

MISTAKE 1: Assuming you understand a charitable device based on an old definition and practices. For example, Pooled Income Funds are a 1960s concept where multiple donors receive interest and dividends, but suffer low investment returns.

MISTAKE 2: Failure to notice that current circumstances (e.g., low interest rates) can have unusual benefits when interpreted by creative foundations.

MISTAKE 3: Failure to consider advisors' motivations, comfort zone and self interests. My wise attorney admitted recently that any charitable opportunity can go down several paths. It is easy for an advisor to steer the discussion down the more familiar path and avoid anything new or out-of-the-box.

A POSSIBLE SOLUTION:

Perceptive attorneys and foundation executives realized that the current environment of extremely low interest rates created a unique opportunity for the Total Return Pooled Income Fund.

The law stipulates that new PIFs use a discount rate based on the prior year's average rate minus 1. The rate for 2018 is 1.4%, yielding extremely high charitable deductions, and qualifying younger donors.

The law defines a PIF as a mechanism where one or more donors can pool their gifts. What if the foundation's software could accommodate a new PIF for every new individual and their spouse? A couple, ages 75 and 78, would receive a charitable deduction of 40% of the gift for a CRUT, but 85% for a PIF—a huge difference!

A Total Return PIF is structured to capture long term capital gains for the donor, in addition to interest and dividends, yielding higher returns than just interest and dividends.

A knowledgeable foundation will do PIF trustee and tax reporting but delegate the investment management role to the donor's financial advisor. They would also accept conditions specified by the charitable organizations (i.e. only one generation of donor or a minimum gift amount).

Imagine a million dollar donor avoiding capital gains taxes, putting the million to work with their financial advisor, receiving an 85% charitable deduction, and moving \$850,000 from a highly taxed IRA into a tax-free ROTH for their family legacy. A Total Return PIF can do all of it! ●



Greg Pierce leads development at a faith-based retirement community. Analytical and tax averse, he enjoys discovering charitable solutions for donors tax problems. gpierce@mennonitehome.org

The 24/7 Marketing Tool

Is a planned giving website worth the money?

Steve Perry



A colleague from another nonprofit once told me he was leaning away from spending money on a new planned giving website. He wasn't the first development

person I've heard struggle with this decision. They have their reasons:

- Limited budget
- Consultants who advise allocating funds elsewhere
- The never-ending priority for current cash
- Trustees/directors who want to see metrics that websites can't deliver

However, for an organization trying to build its endowment, a planned giving website is not a marketing plan add-on. It's the hub. A planned giving website is a *must*.

A website gives you instant credibility.

Ten years ago I left residential real estate and went to planned giving at Furman University. In the corporate world, every respectable institution had a good, current website. I couldn't fathom tackling my task of building Furman's endowment with planned gifts without a website.

- A website gives you instant credibility.
- It makes you look like you know what you're doing.
- It gives sales people (or, in my situation, fundraisers) a place to direct "customers" to useful information.
- It's a safe place for shy, privacy-seeking donors to poke around and get their questions answered without having to deal with a face-to-face conversation.

In my first year on the job, I looked around at other top college's planned giving websites and quickly saw that many of the ones I liked were using a vendor called VirtualGiving.Com.

During my research I found VirtualGiving sites to be the most user-friendly and donor-centric. They also blended seamlessly into the university's main website. [VirtualGiving.Com is now PlannedGiving.Com, Ed.]

From then on, I put our website address on every item that I sent out from our office. Everyone who donated to Furman received an insert in the envelope with their gift receipt that includes a short, folksy, testimonial-style planned giving message and an invitation to visit our website, with its URL.

For an organization trying to build its endowment, a planned giving website is not a marketing plan add-on. It's the hub.

It's all about the timing.

One of the major challenges I faced as a planned giving officer was this: often the board and/or the Director/VP wanted metrics. How many people made a planned gift last year because of the website? Answer: "No idea."

There's no way we'll ever know that metric. Planned giving is much more nebulous. You rarely can put your finger on the exact reason someone finally decides to put a charity in his or her will. That's why multiple touches over the years with different varieties of planned gift messaging was my strategy of choice. It planted a planned gift seed in their minds. If I've done my job right, when the time is right for that person to go to their lawyer to get their financial and personal affairs in order, a potential planned gift will be an option they will entertain. It's a timing issue.

Our donors are online.

By all means, we should attempt to have face-to-face conversations with our prospects, as that is the primary source of our best planned gifts. However, there are many donors who, for various reasons, won't ever talk to us. It's for them that we must have a website. A website extends our reach to out-of-state and faraway alumni who we may never personally visit. It gives our "silent donors" (the ones who choose not to tell us about a gift) a place to go for information. Our target audience *is* online. Before I left Furman, we were targeting our 10th reunion to 25th reunion alums (people in their 30s & 40s) for planned giving messaging. This is an audience that uses websites for most of their shopping information. *Data from the Pew Research Foundation even shows that 67% of seniors (65+) use the internet. Among higher income seniors, it's 87%. [Read Seniors and Technology, planned.gifts/seniors, ~ Ed.]*

I'm a firm believer in the adage that you simply "don't know what you don't know." A planned giving website can provide donors with the information they need to make inquiries about philanthropic options which they previously knew little about. It's a conversation starter—maybe with you, maybe with their attorney—that might not occur without some basic background knowledge.

You'll never know the exact dollar amount that a planned giving website is responsible for bringing in. But you'll also never know how many planned gifts you didn't receive because you didn't have a website to pique your donors' curiosity. ●

Steve Perry is a "recovering attorney" who spent 15 years in residential vacation home sales on Cape Cod, MA, before going into planned giving. He recently retired as Director of Planned Giving at Furman University.



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When You Ask For Too Little

Never underestimate your donors.

Dennis Bartholomew



We were at the start of a capital campaign and I had set up a meeting with one of our major donors with the intent of recruiting them for a high profile chair and a lead gift. I thought I had done sufficient research and I truly believed I was prepared to ask Mr. & Mrs. Jones (names changed for privacy) to become our campaign chairs and make a lead gift of \$100,000.

I gave my spiel, laid out the plan, and asked if they would chair and consider a lead gift. Mr. & Mrs. Jones sat silently for what seemed like a lifetime. Finally, Mr. Jones leaned forward and said they already knew about our project and would be honored to chair. Then he went on to tell me that, as they'd known about the project for some time, they had already discussed their investment and had decided to donate \$500,000.

It was an extraordinarily uncomfortable moment for me.

Another time I scheduled a visit with a woman I'll call Mrs. Smith. For years she had

been sending a \$5 donation every single month. When I finally met her, I saw that she lived in a modest home, and I estimated her age to be around 90. I judged her to be someone living on a tight fixed income and never considered bringing up the idea of a legacy gift. I simply told her how much we valued her support and thanked her for thinking of us every month. But when Mrs. Smith passed away, I learned that her estate was valued at over one million dollars. She had no heirs.

We all make mistakes. It's what we do with them that counts. These two mistakes of mine (which come from an embarrassingly long list!) taught me a valuable lesson: never underestimate the interest, involvement, or capability of your donors. ●

Dennis Bartholomew is a nonprofit executive, former corporate CEO, author and public speaker. He champions vital causes and has a history of connecting philanthropists to nonprofit missions that address their concerns. dbartholomew@tcchinc.org

Quiz Answer
(from page 9)

The correct answer is B. Mary should leave the insurance policy to her daughter and the retirement plan to charity.

Here's why: There is no income tax on the insurance policy so the daughter gets the entire \$100K. Since the charity doesn't pay income tax, it gets the entire \$100K from the retirement plan.

On the flip side, if Mary's daughter gets the retirement plan and takes it in a lump sum, she has to pay income tax. Let's say she is in the 25% bracket. She only gets \$75,000. Yikes!

Thinking about IRD (income in Respect of Decedent) is boring for most people—donors and many charitable gift planners. But don't let it fall off your radar. Help your donors remember to consider that nasty IRD when they plan their legacies so everybody is happy. ●

Design 101

A crash course in graphic design for nonprofits.

Brigid Cabry Nelson



Many small nonprofits don't have the budget for a professional designer. Next time you find yourself having to D.I.Y. a social media post, annual appeal or donor newsletter, keep this checklist handy.

1 Think first, design second.

Get into the head of your audience to try to understand what is most compelling for them. Then, thoughtfully use words and images that can best tell that story.

2 When in doubt, reduce the word count.

Keep your copy brief, to the point and highly actionable.

3 Never underestimate the power of a CTA (call to action).

Make it very easy for people to understand how to help you with your mission. For more in-depth pieces, don't worry about repeating the CTA a couple of times.

4 Invest in stock photography.

Nonprofits are notorious for using images grabbed from the web, which almost always

results in low-quality, low-resolution files that you don't have permission to use. You wouldn't go into an important meeting with a stain on your shirt. So don't post to social media or send out a mailer without high-quality imagery that reflects your organization's personality. Shutterstock and iStock (we use both) are two popular ones. Some people have success with free images available on Pixabay and Unsplash.

5 Use video on your social media posts.

Viewers retain 95% of a message when they watch it in a video compared to 10% when reading it in text. Second best is audio. Get free gift plan audio files at planned.gifts/audio.

6 Learn to use a graphic design tool like Canva.

You can easily plug text and images into ready-made layouts or generate your own layouts. More advanced? Use Adobe InDesign.

7 Use positive, upbeat images and messages that inspire.

It is human nature for people to take action when they feel they can make a change.

8 Establish your own branding.

Branding guidelines are an invaluable tool for any size organization. This can be simple—just a one-page guide for which fonts and colors to use. Choose a family of 3-5 colors and two fonts that should be used on all marketing materials, whenever possible. System fonts are your best bet since those are universal. System fonts are the typefaces that are installed on all computers straight out of the box. A couple of examples include Helvetica and Times New Roman.

9 If you have a few bucks in your marketing budget, call PlannedGiving.com.

I helped create some planned giving marketing materials that look professional and won't break the bank. If you need something more custom, we can help with that, too. ●

Brigid Cabry Nelson designs this newsletter and other products for PlannedGiving.com. Through her design firm, LetterShop-NYC, Brigid focuses on using design in strategic ways that address the unique needs of each client. brigid@plannedgiving.com

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