

Building donor relationships



**FORMS**

**Creating a Planned Giving Prospect List**

**PGB3-0101**

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WEEKS 1-3

Creating a Planned Giving Prospect List

|  |  |
| --- | --- |
| **BACKGROUND** | Estate Gifts as Life Statements |
|  | Some Are More Likely to Give Than Others |
|  | Age and Wealth: Inaccurate Predictors |
|  | The Accurate Predictor: Institutional Loyalty |
|  | Rating Prospects Based on Giving Regularity |
| **PROJECTS** | Create Your Planned Giving Rating System |
|  | Apply Your Rating System to Your Database |
|  | Assign Ratings in the Database and Generate List of Identified Planned Giving Prospects |
| **DOCUMENTS** | **PGB3-0101 – Prospect Rating Template** |

**Time required:** 3 hours

**What it covers:** Creating a ranked planned giving prospect list from your existing database.

**Why:** Everyone who dies with assets is a potential planned giving prospect. In order to be efficient in your efforts, however, you first have to identify who are the most open to the planned giving message, and then rank them.

**How to get it:** [www.PlannedGivinginaBox.Com/PGB3-0101](http://www.plannedgivinginabox.com/PGB3-0101)

BACKGROUND

Since all of our worldly possessions remain behind at death, almost everyone has a choice of creating a plan for disposition of their assets.

For many individuals, **giving back to one’s community** and **supporting charitable organizations** is an important consideration in the construction of an estate plan. In many cases, an estate gift is the most significant philanthropic commitment an individual will make. Often these donors want their gift to fund something that is very important to them, and may wish to memorialize themselves or loved ones in the process.

While almost everyone is a candidate for planned giving, and therefore it is important to promote planned giving widely, certain individuals may be **more open to the planned giving message** than others.

* According to studies by the Planned Giving Company in 2011, 91% of future gifts come from donors who have given loyally to the annual fund of the institution named as a beneficiary of a will or retirement plan. The data indicates that 41% of planned giving donors have contributed ten or more consecutive years and 77% of planned giving donors have made at least 15 gifts to the benefitting charity during their lifetimes.

Note that **age and wealth**, two characteristics often associated with future gifts, are *not accurate predictors* of planned giving interest.

* The 2007 study, *Bequest Donors: Demographics and Motivations of Potential and Actual Donors,* conducted by the Center on Philanthropy at Indiana University, found that less than 10% of individuals over age 60 would even consider adding a new charity to benefit through an estate gift. In fact, the younger the individual, the greater the likelihood that he or she would consider a new charity. Similarly, the study found no correlation between wealth and likelihood for making a future gift.

*Even though donors over 60 are not likely to consider a new charity to include in their plans, it is very likely that such donors will consider a new estate gift if your charity has an existing relationship with them. So don’t go buying lists of octogenarians in your service area in hopes of closing new planned gifts from prospects who are not already engaged in your charity’s mission.*

To create your initial list of prospects most open to a planned giving message, review your database to find donors who have given:

* 15 or more years
* 10 of the last 15 years
* 7 of the last 10 years
* 5 of the last 7 years and
* 3 of the last 5 years

Add to that list, to the extent that they are not already included, those who have made some previous gifts and are:

* Current or former planned giving society members (or have informed you they have set up future gifts for your organization or another organization)
* Individuals who have expressed an interest in planned giving with your organization in the past by returning a reply card or other device
* Current and/or former board members
* Current and/or former staff members
* Long-term volunteers
* Tied to the organization long-term through personal or family associations
* Strong in philosophical or religious belief in helping others or in giving back
* Plus any others who are strongly tied to your mission in a meaningful way

Together, this group represents those who **believe strongly** in your charity and will support it financially. They are the most open to a **planned giving message** and to providing long-term support.

Once your charity compiles such a list, your next step is to **create a rating system** for identified planned giving prospects. This system will of course be unique to your charity and its prospects, but it will likely resemble the following:

|  |  |
| --- | --- |
| **Rating** | **Description** |
| 1 | Known planned gift donors |
| 2 | Prospects who have inquired about planned giving in the past not captured in rating 1 |
| 3 | Donors who have given 15 or more years not captured in ratings 1 and 2 |
| 4 | Donors who have given 10 of the last 15 years not captured in ratings 1-3 |
| 5 | Donors who have given 7 of the last 10 years not captured in ratings 1-4 |
| 6 | Donors who have given 5 of the last 7 years not captured in ratings 1-5 |
| 7 | Donors who have given 3 of the last 5 years not captured in ratings 1-6 |
| 8 | Current or former board members not captured in ratings 1-7 |
| 9 | Long-term volunteers and those tied to the organization long-term through personal or family associations, but not captured in ratings 1-8 |
| 10 | Current or former staff members with at least some giving history, but not captured in ratings 1-9 |
| 11 | Donors and prospects previously rated 1-10 but who fall off the rating system when the ratings are reviewed (typically every other year) because they stop giving. This often happens when their children take charge of their parents’ finances. |
| 12 | Donors who have turned down future gift asks, but really are saying “not now” (qualified prospects) |
| 13 | “Do not solicit for future gifts” (prospects that have been identified and qualified, but it is clear they will never make a future gift) |

If your organization is not comfortable evaluating its own database and creating its own rating system, there are several vendors, including PlannedGivingMarketing.Com, which offer this service.

PROJECTS

**Project 1: Create Your Planned Giving Rating System**

Go ahead and download the Prospect Rating Template document at [www.PlannedGivinginaBox.Com/PGB3-0101](http://www.plannedgivinginabox.com/PGB3-0101).

This document provides a comprehensive rating system for your planned giving prospects. Add additional ratings for your unique situation and delete ratings that don’t apply or for which you do not have sufficient data. Submit your ratings for review by your volunteer committee for constructive input in evaluating the new system.

**Project 2: Apply Your Rating System to Your Database**

With your rating system in hand, you now need to pull the reports required to apply your criteria to your database. Each database is different, but most allow for reports to be created to implement this type of rating system.

**Project 3: Assign Ratings on the Database and Generate a List of Identified Planned Giving Prospects**

Enter a rating based on your new system into your database for each identified planned giving prospect. This will enable you to pull reports based on these ratings. When the ratings are in the database, generate a list of identified planned giving prospects organized by their ratings.

*Most charities will have an identified list of planned giving prospects which is far longer than they could possibly visit one-on-one. Use the tools in Module I –* Marketing and Outreach *to get your planned giving message out to all of your identified prospects, paying particular attention to those you cannot visit personally.*

Document PGB3-0101

Prospect Rating Template

**Before you start entering this into your database, make sure that you have read the background materials to prepare you to use this tool effectively, it’s powerful!**

|  |  |
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