

Planned Giving tomorrow™



Volume 1, Number 1, Fall 2007

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Are You a Binge Marketer?

Katherine Fritz

"Oops... business is slow, I better send out a mailing."

Sound familiar? It's the classic cry of the binge marketer. If you find yourself in the middle of a quiet spell, thinking that a few actions, a couple of phone calls and a mailing here and there will get things moving again, you need to rethink your strategy.

Reactive or Proactive?

The most successful planned giving programs (and all fundraising programs for that matter) maintain a consistent marketing approach. Those who try "a little bit of this, a little bit of that" are essentially creating a *reactive* campaign that's disorganized and difficult to maintain. Result? Sure, you'll close some gifts, but you're jeopardizing the

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How Close is Too Close?

Jerry Rohrbach CFRE ChFC

We all know that connecting and building relationships with donors and prospects is a crucial part of our job. Over time some people will share with us just about everything, including private and intimate information about family, health, and of course, their finances. We get to know some people very, very well, especially if we have been working with them for a number of years. *In fact, there may be times when you may feel that you are closer to one or more of your donors than their own family members.* Others may have outlived their family, and you become like a surrogate son or daughter. This is when we have to be on guard, because this can lead us to circumstances *when we are just too close.*

What's a Planned Giving Officer To Do?

It's a conundrum for us on occasion. At least it has been in my experience. You want to be close to your donors. Many become good and genuine friends. You may even spend social time with some outside the context of work. I had one colleague tell me she had become very close and personal with an elderly woman. The woman had a deceased son and two grandchildren who lived far away and never visited with her. Her husband passed away years ago. My lady colleague

(let's call her Jill) told me that she had become like a daughter. "We go shopping together. Occasionally, I take her out to the movies. I have helped her with her gardening and house decorating. She spends Christmas day with my family." This woman had named Jill's organization for a \$1 million in her will and she was a generous donor of several six figure gift annuities. It is only natural that Jill would want to be as close to this woman as she could – she's such a sweet old lady too! But is Jill just a little too close to this woman? Per-

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NEWS FLASH

Planned Giving Placed on the Back Burner, Again

Planned giving is being placed on the back-burner because of tight budgets, smaller staffs and not enough time.



Bull. There's an underlying reason that none of us wants to acknowledge.

Four years ago we asked fundraisers whether they believed

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Convincing Your Boss and Your Board

John Foster

What fundraiser has not faced a boss who (a) doesn't understand how planned gifts work, (b) doesn't want to learn, and (c) thinks that planned gifts are an "easy out" for donors who should have made an outright gift?

Sorry. That boss is *not* going to smack his forehead one day and exclaim spontaneously, "*Where have unitrusts been all my life?*"

Steady salesmanship on your part will be required to get access to prospects and a sufficient budget for marketing and prospecting. Here are some techniques to try:

Partner with your colleagues.

Share your expertise in joint solicitations. Word of how your planned gift option salvaged a solicitation or increased a donor's commitment will get to the boss.

Page 2...



A SURVEY YOU CAN'T RESIST:

(Page 4)

What percent of your peers
dislike beer?

Are they happy with what
they earn?

How many plan for the
next day?

What's their ethics when
personal gain is involved?

Would they unplug life-
support to collect a bequest?

(We're kidding, okay?)

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The views expressed in this publication do not necessarily represent the opinions of the publisher or contributors.

Planned Giving Tomorrow™ is devoted to the art and science of marketing planned gifts. That's our specialty.

Feedback:

We'd like each issue to be better than the one before. For feedback please visit:

PlannedGiving.com/feedback

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See announcement, Page 3.

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Factoids

Did you know:

Most planned gift donors give small annual gifts year after year rather than one or two major donations?

35% of CRTs are by those 55 and younger?

15% of all planned gifts are by those 45 and younger?

The typical PG target is 200 times a donor's largest annual fund gift?

How Close is Too Close? *Continued from front page.*

haps not, unless the donor wants to do certain things for Jill, or she asks Jill to help her with some legal or financial matters that may be inappropriate.

Donor's Interest or Organization's Interest?

We should always look out for the best interests of our donors, but we must keep in mind that our *primary purpose* is to represent the mission and interests of our organization. Shouldn't this encourage us to keep a certain arm's length from our donors and their personal lives? Getting too close *can* lead to awkward or questionable circumstances...

That Cash is for Me!

I heard of a situation where a donor left a seven figure gift to a charity and when the planned giving officer received a copy of

the will, he learned that he was also named for a bequest of \$25,000. What is this man to do? Should he refuse the gift? Or, perhaps he can accept the gift and donate it to his organization. Even then he would still gain income tax-deduction benefits that may likely be inappropriate. The other option is to take the money and keep it – but that may put his job in jeopardy especially if his organization has a policy about employees accepting gifts as it relates to work. What if this gift were \$500,000 or *even more*? *Take it and run?*

Generous?

Or Cheap Old Geezer...

I'll share three different circumstances that developed from close relationships that I had with donors. In the first case, a

single elderly gentleman asked me to fill out and file his tax return. He was too cheap to hire a CPA. He had made substantial major and planned gifts to my organization. What was I to do? I felt I had the capability to help him, but I am not a qualified professional tax advisor. In a similar situation, another donor asked me to write him a detailed letter explaining the tax impact of his cash and gift annuity donations (funded with appreciated stock), but he also wanted me to calculate what tax deduction he could claim in that year, and then how much he could roll over into the following tax year. I felt I could do this for him because I would simply be utilizing the tax code rules that are clearly stated. So I drafted the letter and ran it by legal counsel. They gave me an

Convincing Your Boss and Your Board *Continued from front page.*

Suggest gift strategies in staff meetings. Without making a pest of yourself, offer planned gift solutions in discussions about soliciting major donors.

Remind people that planned gifts are not as deferred as people think. The average time from inception to maturity for a planned gift is 7-10 years – only a few years longer than most campaign pledge periods.

Know where to get the facts. If the boss wants to know the top income tax rate, or how much capital gains tax a prospect is facing, it helps if you're his go-to person.

Consider reporting "Costs per Dollars Raised." Planned gifts can be sizeable. Calculate the ratio of your budget to your gift totals, and, if it's favorable, include it in your annual report.

Don't be shy about your successes. Let the boss know early on about a big bequest or a commitment from a previously reluctant donor because a planned gift

option was suggested. It's good news that he can report to his superiors, and, of course, it makes you look good.

Conventional Marketing Wisdom says that you have to get the endorsement and active participation of your organization's board before you start full-scale marketing. *We don't think so.*

Most board members don't care that you are about to launch a planned giving program. Most of them are solicited and stewarded for their gifts by the head of your organization or the chief fundraising officer, so your soliciting them for a bequest may be blocked politically.

Yes, in small organizations where the board members are well known and influential, their endorsement of your program can give it a boost. A presentation to them, followed by a Q and A, can be a productive use of your time and give you valuable practice describing planned gifts. But don't ignore your broader base of prospects for long. 🍁



DEAD WRONG MARKETING: THE 13 SINS.

by Viken Mikaelian at the
National Conference on Planned Giving
Saturday, October 13, 2007

Wondering why your old, tried-and-true planned giving marketing has been generating less and less response?

Wondering why your planned giving newsletters and brochures are not getting read?

Are your colleagues commiserating that they too are seeing most

Next column...

URGENT NOTICE

Your Planned Giving Program Could be Promoting Death!

Read our notorious editorial at:

plannedgiving.com/4655

emphatic, “No! It’s too close to providing professional advice, and you are not in a role where you can provide tax counsel.”

Me? Power of Attorney? No Way!

Another elderly gentleman whom I know has no children, never married. We had developed a pretty close friendship. When he came to the point when he knew he needed help with his financial affairs he asked me to serve as his Power of Attorney. His will provides for a seven-figure gift for my charity and several other smaller gifts for other charities, but nothing for his sister or his niece, his only living relatives. What do I do? Do I put my neck out there and take on this liability and responsibility? This is not illegal to do,

but you could argue that it may be unethical. I may just be too close to this donor’s personal matters than I should be.

The Dead Can’t Sue...

Give legal advice? Well... I had a donor whom I had developed a close relationship with who had given me a copy of his will in which he made a bequest of \$250,000 to my charity and another \$250,000 to another. At one point, he became angry with the other charity and decided he would like to give the whole \$500,000 to us. Again, here is an older gentleman who did not like lawyers and did not want to pay an attorney to draw up a codicil. He asked, “Jerry, would you draft the codicil for me and I’ll sign it?” Again, I felt I had the capacity to draft the codicil for him.

But, dare I do it? I am not a licensed attorney and even if I was, should I do it for him? Who am I representing at this point, the donor or the organization?

Perhaps the dead can’t sue, but what if other family heirs learned of this and then sued my organization because they claimed I exercised undue influence?

These are some of the dilemmas we sometimes face as we get involved in the lives of donors. What would you do in these circumstances? *Perhaps you have a situation you could share and tell us how you resolved it.* 🍁

Email us today:
editor@plannedgiving.com

Jerry has been in development for 27 years, including 17 years as the former Director of Planned Giving at Temple University, Philadelphia, PA.

of their marketing fail?

Feel that you’re working twice as hard and getting half the results?

You are not alone.

Chances are you’re suffering from the 13 Sins and you need our *Salvation*. So attend our presentation at the National Conference! Haven’t signed up yet? Contact: 317-269-6274 / www.NCPG.org

ETHICS CORNER

What’s Wrong With Some Bourbon? Bill J. Harrison CFRE



Right or wrong?
Good or evil?
Proper or improper?
Just do the right thing!

Sounds easy, doesn’t it? But what happens when you run into an “ethical” quandary?

Good Ole’ Granddad

Your organization helps teenagers with substance abuse. One of your board members announces he’s received a large inheritance from his grandfather and is going to donate \$50,000 in his grandfa-

ther’s name. The local paper discovers granddad made his money from the sale and distribution of alcohol. Your policies and procedures state that all alcohol-related gifts are unacceptable.

With any fundraising ethical dilemma, you need to answer seven questions:

1. Have you accurately defined the problem?
2. How did this situation occur in the first place?
3. What is your intention in making this decision?

4. Whom could your decision injure?
5. Can you discuss the problem with the affected parties before you make a decision?
6. Are you confident your decision will be valid in the future?
7. Can you confidently discuss your decision with your boss, family or even the media?

See how this situation was handled.
Visit: PlannedGiving.Com/6724

Bill is a nationally recognized fundraiser, an award-winning author, respected teacher and dynamic speaker. More about Bill at: www.iteachfundraising.com

RUMINATIONS

Ask For More and Ask More Often

We hear it all too frequently: “I don’t want to mail to my prospects too often because I may annoy them.”

If you are that sensitive, perhaps you should not ask for donations at all.

Take successful charities like St. Jude Children’s Research Hospital or the Red Cross – like every successful charity, they mail often.

Consider this story:

“I sometimes eat breakfast at a neighborhood mom-and-pop coffee shop near my home. There on the counter next to the cash register sit three different receptacles for donations of coins – one for Kiwanis, one for some organization for the blind, one for disabled veterans. One morning, as I dropped my change into one of the receptacles, it registered with me that I always plunked my change into the same one. Why? I stood there for a few minutes pondering my own behavior.

Then it hit me!

The reason I always put my change into the disabled veterans jar was:

- Not because I had preference for that charity over the others

Next column...

- Not because of any reasoned decision to support it instead of the others
- Not because of the graphic design or appearance of the containers
- Not because of any sales copy on the containers
- Not because of their arrangement on the counter
- Not for any logical or admirable reason

The reason, and only reason, I put all my change into only one of these charity jars, each and every time, is **because the hole in the top of my favored jar is bigger than the holes in the lids on the other two jars.**

Lesson learned? Make a bigger, easier, and more obvious ask.

— John Foster

Factoids

Did you know:

If you are a non-profit, you are already in the planned giving business?

No. 1 reason people give is because they are asked or presented the opportunity to give?

A city-dweller is inundated with over 3500 messages a day?

February-May and September are the best months to mail?

SURVEY: SURVEY: SURVEY Who Are We? And That Includes You ...

We're embarking on a survey... with questions that have never been asked before... a survey to discover *Who We Are*.

We don't just want to know how many bequests you close, what your operating budget is, or how many people work in your shop. We want to know your personal likes, dislikes, ethics and opinions; whether you prefer beer or wine; if you vote Red State or Blue State; and just how far you're willing to go to close a gift.

Relax. The survey is *completely confidential*. Even *we* won't know who the respondents are. *Looking at some of the responses we've received so far, we're glad we don't.* Visit: plannedgiving.com/survey.

Who are We?

What's Wrong With This Picture?



I was calling on a prospect when he proudly showed me a postcard his vendor had designed to announce his newly delivered planned giving website. The postcard looked something like this (left).

What's wrong with this card?

First, I couldn't figure out whether this was an ad for CompUSA or Circuit City selling LCD monitors.

Second, the rest of the card mentioned almost nothing about creative ways to support the prospect's institution. All that held my attention was the monitor, overused in so much direct mail.

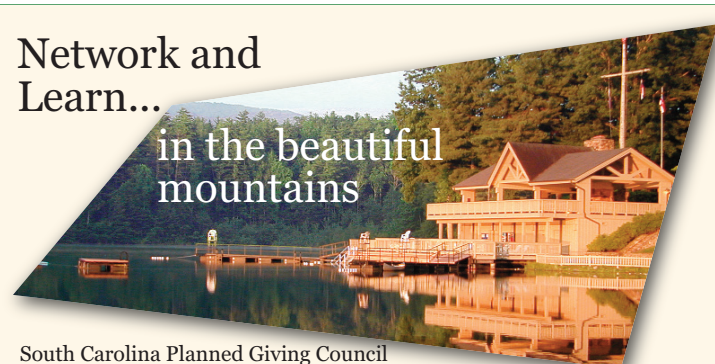
Third, the design was so pedestrian anyone could have put it together in Microsoft Word.

Don't let *your* marketing communications look this bad. VirtualGiving can show you what marketing expertise combined with award-winning design skills can deliver. — Joe Tumolo @ 800-490-7090

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Planned giving nerds or marketing geeks?



How this newsletter got started, and why...

My partner Viken and I decided to take a break from the office and set up a work station at our local Starbucks in Valley Forge. Some of our best ideas have brewed over coffee, or sharing our company Jeep over a day-long trip. (Viken hates to fly unless he has to.)

"How about we put out a newsletter?" Viken asked.

I rolled my eyes and thought, "Not *another* harebrained idea from a partner who I swear suffers from Adult ADD. The last thing we need is another pale imitation of *Planned Giving Today* or the *Journal of Gift Planning*."

"I know what you're thinking," Viken said. "But do you know that there's not one source of organized, credible, simply-simple information *just* on practical planned giving *marketing* tips?"

Okay, he had a point. From my 20+ years of experience, I'd say that for each person who asks a question about the Generation Skipping Tax, there are 347 others who ask for the best time to drop a mailing ... how to "humanize" their planned giving website... how to choose the most-qualified prospects... why their planned giving newsletters aren't working anymore... whether they should use "spam" to promote planned gifts, etc., etc. & etc.

So here it is. *You're holding the first marketing newsletter with a planned giving twist.* Or is it the other way around?

Enjoy. — John S. Foster

PS: Please, we want your feedback. Visit:

PlannedGiving.com/feedback



Be careful about reading health books. You may die of a misprint. Mark Twain

Next Issue:

Why Most Planned Giving Marketing Fails

Do you ever wonder why *traditional* planned giving marketing techniques are producing little or no response? Because we're still using the *same old tools* that were around when planned giving got started.

This is why in our "new economy" many of us find ourselves working twice as hard, often with only half the results.

Our next issue will show why most traditional planned giving direct mail, such as planned giving newsletters and brochures, simply does not get read. Even *e-marketing* has issues (see page 6).

But it will also show you the tools you can use to succeed.

ADVERTISEMENT



Feel like you're going down the wrong path?

Stuck with a cookie-cutter, pedestrian planned giving website like everyone else?

Then it's time to discover why we're *the smart fundraiser's choice*. We deliver customized gift-planning sites that "speak" *your* mission and *your* vision, *not canned products* a vendor thinks are best for you.

800-490-7090

Ask for our free report: *Planned Giving Marketing Secrets Revealed*. Sent at no cost, no obligation.

 **virtualgiving.com**

Are You a Binge Marketer? Continued from front cover

inherent goal of maintaining a steady stream of planned gift closings, thus missing out on the long-term benefits of a smooth, strategic and stable planned giving program.

"Binge marketing" describes a behavior we see often, particularly in the small to medium size shop. Even some larger non-profits are guilty of it. Effective planned giving marketing is not an activity to do in fits and starts when you have time – it should be ongoing. Think of marketing as an engine – it needs to be ticking over steadily at all times. A quiet spell now frequently indicates a lack of marketing a year ago. It's amazing how often we hear, "I wish we had pursued bequests a few years ago. Our endowment would be much larger."

Binge Marketing is Like the American Diet.

Binge, then diet? In marketing, that leads to downturns and

quiet spells. Regular planned giving (or fundraising in general, for that matter) marketing may not make you immune to an occasional lull – there are other explanations for a quiet spell or two – but it will certainly increase your flow of business opportunities today and in the future.

Sure, there will be occasions where a particular marketing activity needs to take center stage. Perhaps you'll want to launch a special direct marketing campaign to spotlight a particular planned gift opportunity, or use a series of advertisements to target a particular part of your audience – but these are tactical actions, not a strategy.

It's Not Rocket Science.

Let's be really clear about this: basic marketing really is simple and anyone can do it (yes, that includes you). But good marketing takes time, and it takes time to work. Frenetic actions done

defensively usually come across that way, making you look like an organization in panic. What's worse is that a lack of composure can easily reveal itself to your prospect in more ways than one. *Most people get tired of donating to organizations in perpetual crisis*, and your appeal will simply not be attractive, effective, or even heard.

Unless there's a hurricane on the horizon...

So unless you're a disaster relief agency and there's a hurricane on the horizon, work on developing a steady marketing effort. If you devise a program of consistent marketing actions and stick with it and cultivate it, you will reap a strong, regular and growing harvest of planned gifts.

Next time you find yourself confronting a lull and contemplating a binge, try instead to translate

your actions into a regular program of activity. Or, if you already have a regular program, consider how you might get the engine ticking over a little faster.

Your goal should be to have a worry-free marketing campaign that is on a proactive track and not a reactive one. Set schedules, create and organize your mailings, develop and update your website, etc.



**Planned Giving Placed
on the Back Burner, Again**

Continued from front cover

planned giving's "where the money's at."

A whopping 74% in the survey answered yes. On the next question, "Where do you spend your time?" a large number (82%) answered "raising cash gifts."

So if they know the answer, why do they place planned giving on the back burner?

Because most attend to the urgent, not the important.

An analogy can be made here between a toothache and visits to the dentist. If we never attend to the important (visiting the dentist) one day we'll have to attend to the urgent (a root canal).

Same goes for retirement planning. If you never proactively build your retirement (endowment) you'll have to reactively work after you're 70 (like raising annual gifts).

If fundraisers never attend to the *important* task of building a pipeline of planned gifts to provide a stream of long-term support, they will, *year after year, waste time* on the *urgent* task of picking up every \$100 gift they can find to meet their quotas.

And, year after year, they're missing the fact that those consistent \$100 givers make the perfect planned giving prospects.

Considering the average bequest is over \$68,000 I will stop right here and just say... ***it's a no brainer.***

— Viken Mikaelian

Using e-Marketing or "Spam" to Promote Planned Giving?

a must-read article



Whoa! Before you press that send key for your next email blast, stop and think. You can easily alienate your prospects here.

Ready for a quick quiz? Consider the cost of non-responders:

A fundraiser sends an email blast to a list of 10,000 prospects at a total cost of \$1000 (a print version could easily cost \$5,000). Assuming a 2% response rate (200 people) and a \$100 gift per response, she raises \$20,000 (200 x \$100). That's a 20-times ROI (return on investment).

If you said, "Congratulations!" then you're probably operating under the old rules of email marketing, which is what most people do, and that's why most fail.

Now listen carefully to why: Non-response is not free.

Prospects create value for you in two ways:

- (1) Contributing today;
- (2) Resolving to contribute in the future.

When the fundraiser sent the email campaign above, she also sent it to the 9,800 prospects who had no interest in the "offer." What if the email was perceived as spam by a number of high-value and high-potential prospects and as an intrusion to the inbox (consciously or unconsciously)?

If even a *fraction* of these annoyed non-responders decide to contribute less in the future, the loss in prospect value and profits far outweighs the short-term benefits you received from the promotion.

Worse yet, some non-profits, at the advice of vendors or consultants who do not research as meticulously as we do, send such emails on a weekly basis, and see only declining returns.

Clear, relevant and timely emails not only help boost short-term

returns today, but they also enhance the lifetime giving potential of current and future prospects and donors. So you should focus not on ROI, but rather ROP – *Return On Prospect*. This perspective (or should we say paradigm) provides you with a more balanced picture of your email campaigns.

ROP measures the prospect value that's created or destroyed, which allows for a more accurate gauge of the long-term effect of mass email campaigns.



Viken Mikaelian is the President of VirtualGiving, Inc., helping over 400 non-profits market planned giving in print

and on the Web. He can be reached at vdm@virtualgiving.com.

“Quotable Quotes” Any fool can criticize and complain, and most fools do.
Benjamin Franklin



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