Focus in this issue:
Self Improvement

Fall 2012

Practical Planned Giving Marketing Ideas for All Fundraisers

Planned Giving tomorrow

Sex

Would *you* do it to get the gift?

by Valerie Ingram

If you're sitting on a bar stool in a big city hotel, stirring your Mojito, you might expect the person next to you to strike up a conversation. If the repartee is entertaining, it wouldn't be at all surprising if the person next to you extended an offer to move the party to a room upstairs. At that point, you have a decision to make. If you are on that bar stool in the first place, this scenario is not unexpected or surprising.

CONTINUED ON PAGE 4

Who Are the Likely Real Estate Donors? A Field Guide for Fundraisers

by Dennis Bidwell

Based on survey results, and years of collective experience of those of us who are practitioners in the real estate gift field, it is possible to describe with some precision the individual or couple who make **substantial gifts of real estate**.

I would venture to say that at least 80% of real estate donors fit the following pattern:

- They are age 65 and older.
- They own multiple pieces of real estate, typically in multiple states. The more geographically dispersed the properties, and the more jurisdictions with which they are dealing (property taxes, income taxes…) the more likely they are to be a real estate

CONTINUED ON PAGE 7

by Viken Mikaelian

Another Great Year

Thanks for making it possible

I love my customers. They are a constant source of inspiration, laughter, and motivation.

They actually are fun.

But this is not a coincidence. I have always positioned our firm to attract those types of people, who I call "friends" – especially ones who continually aspire to reach the next level, as we always do here at PlannedGiving.Com. I thrive on ambitious and successful folks. Even on *nightmare* clients, because they push us to innovate beyond previous limits.

An old-fashioned term for customer is "patron." We still say customers "patronize" a business. It comes from "patron saint," and means protector, benefactor, supporter. A "patron of the arts" is a financial supporter or donor. In ancient Rome, a patron was a protector of a freed slave.

Customers who are patrons of a business (like donors to non profits) feel a sense of responsibility for it, care about its well-being, have emotional connection to it, worry over it, are offended if it is attacked.

A clientele of patrons like ours is a very valuable and reassuring thing. But it doesn't happen by accident, and it cannot be taken for granted. *The same goes for your donors.*

CONTINUED ON PAGE 3

From Giving USA

- Total giving to charitable organizations was $298.42 billion in 2011 (about 2% of GDP). This is an increase of 4% from 2010.
- Giving by bequest was $24.41 billion (up 12.2%), foundations gave $41.67 billion (up 1.8%), and corporations donated $14.55 billion (no change from 2010).
- Giving by individuals (which includes bequests and family foundations) is critically important as it represents nearly 9 out of every 10 dollars donated.
- Donations to foundations were down (6.1%).
- Historically, religious groups have received the largest share of charitable donations.

Gift counting and recognition are hot button issues for charities...

Too often, charities ignore this important area until faced with a donor who wants *far more recognition* than the gift deserves. Without a formal policy, the organization has *no leg to stand on* and usually grants the donor's request, even though it is not in the best interest of the organization. Worse still, other donors see that example and then ask for similar treatment…

From Planned Giving in a Box Module II – *Back Office Operations*

Ask Brian

Got a question itching for an answer? Ask Brian M. Sagrestano, JD, CFRE at plannedgiving.com/brian. While he can't promise to answer all questions, you should also check online at plannedgiving.com/answers for replies that don't fit here. Bashful? You can ask to remain anonymous!

In your opinion, what is the best way to let donors know that there will be a fee on their annuities? When donors establish gift annuities, we work through the University of Texas Foundation and they charge 10% on the proceeds that will come to us after the donor dies. Is there a good way to communicate this on our website? What have you seen?

This is always a very delicate thing to communicate and you are wise to ask. On the one hand, we like to be transparent and share information with our prospects and donors. On the other hand, too much transparency may scare them off. The first question I would ask, do you normally share up front what your asset management and administration fees are for CGAs generally? The reason I ask is that most organizations do not. They do not provide the donors with any information about this because it is a cost of doing business. Your fee is also a cost of doing business and you probably do not have a legal requirement to share it.

Even so, a 10% fee is high, particularly if the donor has restricted the ultimate use of the gift annuity. With that in mind, I would share it, but I would not put it on the website. Instead, I would add it to your Gift Annuity Disclosure Statement. As you know, under the Philanthropy Protection Act of 1995, you must provide each gift annuity donor with a disclosure which includes information about how you invest your gift annuity reserves. I would suggest that you include in the disclosure the information that you do not charge any asset management or administration fees for offering charitable gift annuities during the life of the contract, but at termination, 90% of the residuum is put to the designated use and the remaining 10% covers those fees and is paid to the University of Texas Foundation, which provides such services.

Such an approach is transparent without negatively impacting your efforts. It also is placed exactly where a donor would expect it, in the disclosure covering the details of the financial terms. I suspect that you already use a disclosure from PG Calc or Crescendo, which can be customized to include language like this. Once you draft something based on the language above, it will make sense to pass it by your legal counsel for review, as we cannot provide legal advice.

Brian

Your Planned Giving Website's Address

http://www.tran.rs/Home.go-%orgId=2476 *or* www.YourName.PlannedGiving.Org ?

If you wanted your planned giving website to stand out and easily be found on Google, which website address (URL) would you choose above?

To your prospects and peers, the first cryptic one is just unfriendly code. *It's impossible to remember*. It doesn't include your name.

And it's not Google-friendly.

Believe it or not, it's just the kind of website address that most vendors provide *and expect their clients to succeed with.*

Now look at the second, cleaner one that ends with "plannedgiving.org":

- It's user-friendly and respectful.
- It's easy for your prospects, donors and peers to remember
- It explains itself by featuring your name and your specialty.
- It makes it easier to be found on Google.

Why don't other vendors offer you the same? Because they can't. We're proud to announce that we recently purchased the domain and actually own the rights to PlannedGiving.Org.

Partner with us for all your planned giving marketing needs. We're savvier than the competition.

Did you know "planned giving" out-Googles "gift planning" by 103 to 1? Still using "gift planning"? Read: PlannedGiving.Com/pgvsgp

The Donor Is Begging You "Tell Me Less!"

by Joe Tumolo

A great thing to say to a donor or prospect is, "Tell me more," right? Because we want to know everything about them. But I think donors and prospects want us to tell them less, at least when if comes to marketing planned giving.

We feel so compelled to give donors more information than they really need. It's so easy to do, and we all fall into the trap from time to time. (That's why we have Pascal's famous quote, "If I had more time I would have written a shorter letter.")

It's hard to be concise.

But next time you develop a postcard, brochure, newsletter or website to market your planned giving program, please remember: more content does not necessarily improve your response rates!

Less is more. Less messaging clutter, more gifts.

Many people believe postcards and brochures are printed to inform donors. The fact is they are not just information-givers. They're marketing tools and should be strategically designed as such. Your direct mail piece or brochure should have one goal, and that goal should be defined before you or your vendor jots down even the first line of copy.

Then say what you mean in plainspoken words. And bear in mind that no donor was ever motivated by being buried in factoids.

Of course, this isn't to say you shouldn't give any information; but it does mean you should only tell your donors what they need to know in order to be motivated to take the next step. You just want them to call you or send you an email. Once you are in front of them you can do your magic, uncover their needs and intentions and then tell them all they need to know about making a planned gift.

Key Data Points for an Effective Marketing Piece:

1. How your organization improves lives, solves problems, makes a difference
2. Why the donor should trust your charity above all others
3. How many ways there are to support your nonprofit other than by writing a check
4. Why now is the time for your donor to take action (provide them with an incentive)
5. What they should do next (a call to action)

Anything else is extraneous information, and gets in the way of your message.

Joe can be reached at Joe@VirtualGiving.Com for all of your planned giving marketing needs.

ANOTHER GREAT YEAR ... FRONT COVER

We innovate. Others follow.

I'm extremely proud of the work we are doing, delivering products and services that our nonprofit partners love, and dreaming up new ones that will delight them down the road. We're planning plenty of new and exciting innovations for 2013 – *I am nowhere near retirement yet.*

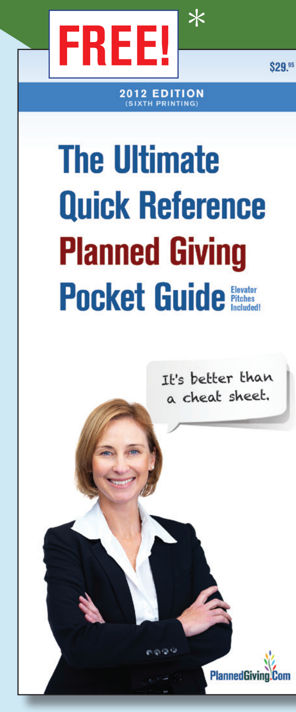
But right now I'd like to thank all of my customers and prospects for making 2012 what it was. Not just for their business (which keeps our lights on), but for the emotional, academic, practical business support they have given us, as always.

It is you, reader, who enables us to do what we do today even better tomorrow.

While 1 percent of Americans have created a Charitable Remainder Trust, 5 percent are willing to consider one. Again, this reveals that there is a fair amount of untapped giving potential.

michaelrosensays.com

Share Your Thoughts!
Success@PlannedGiving.Com



* Free to the first 10 people who email us at Success@PlannedGiving.Com

Network and Learn in the Beautiful Mountains

South Carolina Planned Giving Council
May 1–2, 2013
843-574-6196
www.scpgc.com/kanuga

Let Donor Testimonials Say What You Can't

What's the difference between advertising and public relations? In advertising, you tell your audience how great you are. In public relations, you get someone else to tell them the same thing.

Dr. Scott Janney, CFRE, Executive Director of Planned Giving, Villanova University; Senior Consultant, PlannedGiving.Com

Marketing tip

Nonprofits are Nonspecial

That's right. Being a charity doesn't magically change business, economic, or marketing realities. So begin thinking like a business. Not a nonprofit.

Because the biggest problem among nonprofits is the "non."

Think like a for profit. Focus on these first:

- Advertising
- Marketing
- Sales
- *Personal relationships*

SEX... FROM COVER

But what if it happens when you're at work?

A prospective donor for a major gift asked a fund raiser to visit him. He sent his limousine to pick her up and bring her to his penthouse. Dinner and champagne awaited. As the evening progressed, out came a pair of diamond earrings. The expected outcome was obvious.

Here we pause to consider the options. Seemingly on the table (or in the bedroom) is the potential of a substantial gift for the fund raiser's organization. Let's say that it was a large enough gift to be a "game changer" for the organization, an amount that would allow the nonprofit to take its program to the next level, serving more people, solving more problems, achieving more good. Does any of this matter in the fund raiser's decision making process?

What really happened?

She politely refused and left. The gift never happened.

What would have happened if she did sleep with him? Would the gift have been made? It's an interesting question, but beside the point.

Gifts with ulterior motives usually go sour.

A donor decides to establish a trust and skews the numbers in order to beat the IRS. And you, as the gift officer, know about it. What is your responsibility to your institution?

This time it's not just an ethics question, but one with legal ramifications. *Although sex is not involved, this gift falls into the same category*. Gifts with ulterior motives without the charity's well-being in mind can go wrong in so many ways.

Even when there doesn't seem to be an ulterior motive, fund raisers need clear direction on how to handle potential situations when the lines of appropriate ethical behavior may not be as clear as not having sex with a donor.

Early in her career, Chicago-based nonprofit consultant Lisa M. Dietlin was playing golf with a major donor at a country club. She commented on some pretty roses, so he bought her one. Innocuous enough, right? During a break in the pro shop, she admired what turned out to be quite an expensive sweater. He picked it up and moved towards the cashier. Despite her protestations that she would prefer to buy it herself, he bought it. She felt very uncomfortable and didn't know how to refuse the gift without offending him. She even tried to "forget" the sweater in the golf cart, but he saw it and returned it to her.

It wasn't diamond earrings, or an expectation of sexual favors, it was just a sweater. So what's the big deal? It's that any time it appears that there is a quid pro quo in exchange for a charitable donation, organizations risk running afoul of the IRS and you run the risk of losing your job.

As soon as the golf outing was over, Dietlin immediately called her boss who had her document what happened in writing and put it in the donor file. "The incident caused us to set a policy that gift officers couldn't accept anything that had a value greater than $25," Dietlin said. The policy included meals. She continued, "If the donor chose a really expensive restaurant, the organization was prepared to pay the price of picking up the tab in order to keep the lines of ethics clear."

Today, Dietlin recommends that nonprofits address these types of situations before they arise by including clear guidance in gift acceptance and personnel policies. This is an important tool for gift officers to have to be able to respond professionally to potentially sticky situations. Have a policy in place before the diamond earrings are offered.

> **Whether it's sex or cheating the IRS, it's the same story.**

Valerie Ingram is the Development Director at SITE Santa Fe and also consults with nonprofits on applying best business practices to their organizations.

Error Correction

In our last issue, we discussed attributes of a great thank you letter from *The Philanthropic Companion*. However, the section we were quoting was originally derived from *Donor-Centered Fundraising*, Penelope Burk, 2003, Page 36 and the reference was accidentally omitted. We apologize for the error.

Postal Mail or Email? *by Viken Mikaelian*

Today, paper mail beats most email marketing.

If my postal mailbox in front of my house resembled my inbox in Microsoft Outlook, it would be the size of a house trailer. And don't even ask about the number of items in my trash folder.

I hear it all the time from non-profits: electronic mail delivery is *it*… it is cheaper and faster and the wave of the future. Flood prospects with enough messaging and they will get your point, right? Wrong.

But what I'm seeing with most nonprofits and vendors that cater to them is that *this is not happening*. Their email messaging is simply an electronic version of a pre-printed postcard from the 80's. It lacks targeting and it lacks energy. I pose your recipients to much more customized information with landing pages and specific PURLS ("Personalized URLs"). This creates more opportunities to arouse recipients' interest.

What's the Answer?

Simple: smarter postal mail. And to me this seems like a real opportunity. Even online companies such as Google and McAfee Antivirus are leaning more and more on postal mail.

The point is not to compete with email. We just need to be better at paper mail. The cost of sending a poorly constructed email is much higher than communicating with a customer on paper.

> **Because of the recession postal mail has a significant advantage that email doesn't — an uncluttered mailbox.**

Spray and Pray Marketing

Over the last 60 years it was called "spray and pray." Repeatedly sending identical mass quantities of marketing content was the only way to get satisfactory response. We did it because back then we didn't have the tools to hone content, eliminate unlikely respondents and target the likely respondents better.

But for email marketers today those tools exist. And putting together an email campaign is much easier than putting together a postal mail campaign. Plus, with email you can expose your recipients... recall a large university sending out the same email blast to its entire constituency. Believe me, the women who graduated from the nursing school were not as inspired by the sports pictures as were men in the football program.

As a result of such lackluster efforts, most recipients have become good at filtering email, deleting it or sending it to the spam folder, or placing it in a second- or third-tier folder as a "maybe read" for next week. I myself spend just as much time deleting unwanted email as I do reading the ones I want to read.

- Is your messaging right? Is it to the point? Is it donor centric? Does it have the right feel? Does it use humor? Anger? Pity? Shame? Guilt?
- Is your mailing list the right mailing list? Is it segmented properly so you're mailing to the right audience? Are you targeting your loyals?

This is how you get your paper mail opened.

Here's another hint:

Because of the recession postal mail has a significant advantage that email doesn't — an uncluttered mailbox. Hang out where the competition does not.

Don't try to win a graphic design award…

Just have your **direct mail piece** designed, printed, and mailed. Remember the 50-40-10 Rule: 50% of a mailing's results come from the quality of the mailing list; 40% is based on what you say and how you say it; and 10% from the look and feel (graphic design).

From Planned Giving in a Box Module I – *Marketing and Outreach*

Strange Myths

Myth: We are not ready for planned giving.
FACT: If you are a non-profit, you already are in the planned giving business.

Myth: All planned gifts are deferred.
FACT: Many planned gifts come in sooner than you think.

Myth: All planned giving donors are old.
FACT: Younger donors will determine the future of your organization.

Myth: All planned giving donors are wealthy.
FACT: Donors at all financial levels make planned gifts.

Myth: My prospects are not online.
FACT: Your website is the first place your prospects will go for information.

Myth: The real money is in current cash gifts.
FACT: Only 5% of this nation's wealth is in cash… you do the math.

Myth: Planned gifts compete with major gifts.
FACT: Most planned giving donors are not prospects for large major gifts.

Myth: Planned gifts are a distraction in campaigns.
FACT: They provide 30% or more of comprehensive campaign totals.

Myth: Planned giving is complex, expensive and time-consuming.
FACT: Planned giving can be as simple as you want it to be.

The rabbi tells his congregation, "I have good news and bad news. The good news is, we have enough money to pay for our new building. The bad news is, it's still in your pockets."

Thanks to David Minkoff
www.awordinyoureye.com

Are You a Fat Elephant? *by Viken Mikaelian*

Elephants are quite powerful.

They can weigh as much as 24,000 pounds, and stand as high as thirteen feet. Their trunks are agile enough to pick up a single blade of grass, and strong enough to rip branches off of a tree.

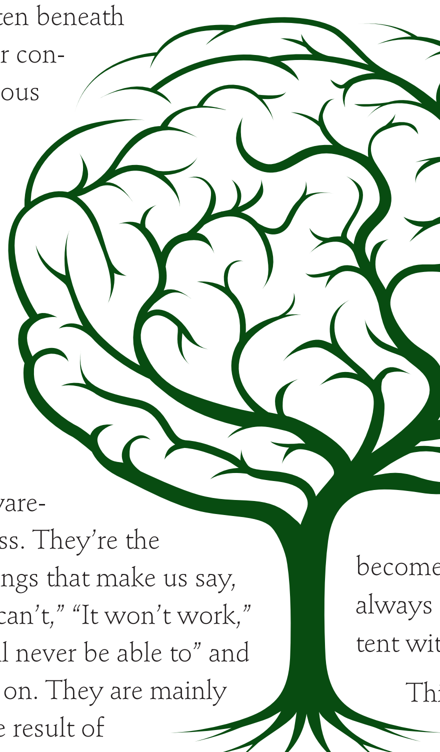
Despite their enormous power, elephants can be tied down with a thin rope in their place. It doesn't make sense.

The story goes: when the elephant was young, it was tied to the pole the same way. Naturally, it tried to escape, but the rope and the pole were far too strong for it. So the elephant eventually gave up.

As it grew older, the elephant still believed it could not escape from the rope, and remained standing in the same place, despite the fact it could then easily tear the pole out of the ground. *That is, the elephant was set in his ways.*

Self-limiting beliefs.

Just like the elephant, we all have self limiting beliefs – and they play like a piece of background music in our minds, often beneath our conscious



awareness. They're the things that make us say, "I can't," "It won't work," "I'll never be able to" and so on. They are mainly the result of the thousands of times during childhood that our parents and teachers used negative reinforcement and criticism in an attempt to control our behavior — and we come to accept these limiting beliefs as reality as we grow up, which in turn has a negative impact on our health, our careers, our relationships and our general happiness in life.

Self-improvement coach and guru Brian Tracy sums up what he calls "The Law of Belief," as follows: "Whatever you believe, with feeling, becomes your reality; you always act in a manner consistent with your beliefs."

This is much like the story of the chained elephant. Why doesn't this giant animal simply tear the stake out of the ground or break the chain? The reason is that the elephant has been chained this way since it was young, when it actually couldn't break free.

And so it is with the human mind and limiting beliefs.

What does this mean? Simply, it means that if you think negatively you'll get negative results, and if you believe you are not capable of achieving a certain result then your mind will prove you right. *The only conclusion that makes sense, then, is this: If you believe you deserve something better, you'd better think something better.*

And that, quite simply, is the essence of how the change process begins — to replace limiting beliefs with empowering beliefs.

Self-limiting beliefs even permeate non-profits and businesses.

Yes, there can be "institutional self-limiting beliefs" — I hear it among non-profits all the time… "But we were never able to raise that kind of money." Yet I see more and more transformational gifts among smaller NPOs. Even take some of our competitors. They think because having been around since the middle of the last century they can claim they know what they are doing today.

But their claim really translates as, "We've been around 50 years and we're set in our ways and you should simply do what we say."

Well, a lot has changed over the past 50 years. Planned giving is not what it used to be. In fact, it's not even what it used to be 5 years ago. Constant innovation and attitude adjustment is a must.

I am proud to be the CEO of VirtualGiving.Com, a young company established just 12 years ago. We're only chained

CONTINUED ON NEXT PAGE

REAL ESTATE ... FROM FRONT COVER

donor. The gift property is only occasionally one's primary residence. It's much more likely to be a vacation home or an investment property.

- Some of their real estate is quite appreciated in value.
- Ownership and management of one or more of their properties is becoming more burdensome to them than it is enjoyable. Opening and closing the property every year, paying increasing property taxes, worrying about future roof replacements – the cumulative effect of this causes many second home owners to decide to dispose of their property, one way or the other.
- They either have no heirs, or their children are otherwise provided for in their estate planning. Typically, if there are children, they have moved away and are no longer using, for example, the family summer home on the shore.
- They have the need for a considerable income tax deduction. Often this is not because their normal adjusted gross income, but because of a pending sale of a family business or other appreciated property, thus triggering considerable capital gains exposure.
- They have charitable motivation.

Other situations that often lead the property owner to consider making a gift of real estate:

- They are wary of marketing the property themselves, and having to face the emotionally-troubling reality that their property is now worth, say, "only" $850,000 as opposed to its value of $1.2 million a few years ago.
- They may want to supplement their retirement income by converting a "non-performing" real estate asset (i.e. an asset generating no income) into income, either through a Charitable Remainder Trust or a Charitable Gift Annuity.
- They may want to resolve, once and for all, a long-simmering debate within the family about the disposition of the property in question.
- They may want to continue using their property for the rest of their lives, then gift it to a non-profit of meaning to them, but they want to generate a tax deduction now for their gift (that is, they want to make a current gift subject to a retained life estate).

Be aware that there are also ways that real estate donors often differ from the profile of a typical planned giving donor:

- They may not have a strong giving record with your institution.
- They may not show up in your organization's wealth screening.

Let me say something more about the motivation of folks who make real estate gifts. Two surveys – one of the membership of the Partnership for Philanthropic Planning, and one of the membership of Planned Giving Group of New England, yielded this clear conclusion about the three principal motivations that drive property owners to gift their properties:

- Support for the mission and good work of the organization.
- A belief that the real estate gift would fit well with their tax-planning (that is, they could use the deductions, and benefit from the avoidance or minimizing of capital gains exposure).
- They are ready to get out from under the ongoing responsibilities and hassles of continued ownership and management of the property.

Significantly, this third motivation – ready to let go of the increasing hassles of owning the property – ranks equal in importance to the other two more traditional donor motivations, charitable intent and tax planning.

It is this motivation for many of today's real estate gifts that suggests a critical kind of messaging that should be communicated by fundraisers interested in promoting real estate gifts. I will have more to say about this in a future article.

With over twenty-five years of real estate and non-profit management experience, Dennis Bidwell is the principal of Bidwell Advisors and a senior consultant to PlannedGiving.Com.

FAT ELEPHANT - FROM PREVIOUS PAGE

to the future, not the past. As Wayne Gretzky says:

"I skate to where the puck is going to be, not where it has been."

I, myself, skate to where the puck is going to be, not where it's been. PlannedGiving.Com is young, entrepreneurial, flexible and innovative. We don't push dinosaur products – like traditional planned giving newsletters, for example – that worked well in the 60's but are worse than useless today (Read Tom Ahern on this topic at PlannedGiving.Com/ahern). And we're web-savvy in ways our competition will never be. No wonder we recently acquired the three top-level industry-standard domains (PlannedGiving.Org, PlannedGiving.Net, PlannedGiving.Com) that our 50-year-old competitor — the fat elephant — just left on the table.

So much for being around for 50 years. *What matters is today – and tomorrow.*

PlannedGiving.Com
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IN THIS ISSUE

Opinions? We want to hear from you.
Success@PlannedGiving.Com

Have Your Say in Planned Giving Tomorrow
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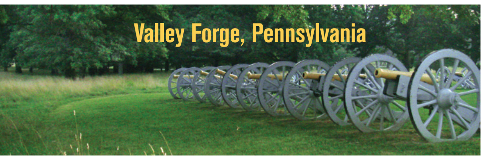

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Forget Social Media

We ran a similar article two years ago… and our opinion has not changed.

Few non-profits succeed with Facebook. Why? Because they neglect the time and effort needed to do it right.

Successful social networking requires:

- Circular promotions from all venues
- Constant day-to-day monitoring
- Publications to your Twitter, Facebook, and LinkedIn sites
- Embracing the online social networking culture
- Cultivating participation
- Creating engagement activities

This is work. Even the miraculous Internet will not give you something for nothing (that's why Viagra spammers are dying). And this is why you must approach Facebook marketing with a results-based mindset. If you can't or won't measure ROI, it's not going to work.

Now, we are not opposed to social media — so hold all hate mail. But don't Facebook due to peer pressure. Because a little bit of this and a little bit of that and hopping from this year's hype and hoopla to the next *will distract you from venues that are already getting you results.*

All the followers in the world will jump on the social networking bandwagon with little or no evaluation and waste all kinds of dollars and time. The leaders will evaluate it and execute it if they feel it serves their interests. Or, they will move on to what gets results. The real question is, are you a leader or a follower?

Another thing to take into account is: *Is your non profit a good fit for social media?* One of our clients has over 600,000 followers. It's a women's breast cancer organization. Breast cancer affects the woman, husband, children and friends. Such an organization is a perfect fit as there are emotions involved. Everyone is affected and everyone cares. *Should I also add that this organization has someone dedicated to social media 48 hours a week?* That is, he does nothing but focus on social media.

Social media is like any other marketing vector. It's serious work and requires *real* effort. So ignore peer pressure and do it if you have commitment and resources *to do it right*.