It's about relationships.

Fall 2014
CIRCULATION 14,600

planned giving tomorrow

PRACTICAL PLANNED GIVING MARKETING IDEAS FOR **ALL** FUNDRAISERS

Make A Great Income

By using a universal law.

Viken Mikaelian

Gravity is a universal law. Drop 10 marbles, and they all fall to the ground. You can be smart or stupid, tall or short, fat or thin, standing on the Great Wall of China or atop the Eiffel Tower, believe in gravity or not, that's what happens. Every time.

Other laws are universal, but not so obvious.

I've learned that the more you give, the more "luck" you get. Giving includes helping out a needy person, tipping extra now and then, and supporting non-profits doing good work.

In fact, I believe giving away money is a fast path to wealth. It energizes the subconscious with wealth and success consciousness unlike anything else.

So it's OK to be selfish when you give.

At first, this is a difficult idea to accept. It does not make sense. If you have $10 and give $3 away, you have $7 left. So you have decreased your wealth. Wrong. I have tested it, and that is not how it works.

But to make it work, you have to follow certain rules. First, set up a "giving" account. It can be at a bank, or it simply can be on your books. Then commit to a percentage. It does not matter how much—to start, try something between 1% and 10%. Every time you get money, put that percentage into it. No exceptions. Next, it has to come from the heart... but you can fake it till you make it. Try this for three months and see how your life will change.

Continued on page 7

Bequests Are Dead

Well, not quite. But PODs and TODs are gaining new life.

Camilyn K. Leone, JD

Fewer Americans are drafting a will—and that makes getting a bequest tougher. Even for those who have a will, adding a charitable bequest may require an attorney. This can add time, hassle and procrastination where you don't want it.

Keep it simple.

Unfortunately, just as most Americans do not know the term "Bequest," many also do not know what a "Beneficiary Designation" is. That's why we should be promoting two under-utilized, simple ways to secure legacy gifts known as Pay on Death (POD) and Transfer on Death (TOD) directives.

Don't let the bank plan your legacy.

A POD is a simple agreement telling the bank who will inherit a bank account. A TOD is similar but applies to investment accounts. Many donors do not know about these forms, and banks often forget to mention them. Both are simple to create and happen outside probate. And both should be cross-marketed online on your planned giving website and in direct mail.

Continued on page 3

Paid-Up Life Insurance Gone Missing

Don't make the same mistake my family did.

Jean Marie Martin

Upon the sudden death of my mom a while back, my siblings and I were in shock. Only adrenaline got us through the following days of grief.

There was the funeral director to visit, the phone calls, the overwhelming feeling of panic... It was hard enough to breathe let alone, think about funeral plans. My mother was young, divorced and only had her four children, all of whom were educated, raising their own families, and living a busy life. We were not prepared for this physical and financial tragedy. During her lifetime, we never believed we had to check Mom's papers. We thought she had it under control. When the time came, when we had to, we scrambled. We searched her paperwork and could not locate a single shred of paper that resembled an insurance policy of any kind. Alarmed, we sat for days rummaging through pictures, boxes, drawers, looking for any sign of estate papers that could help us. Nada.

We called family members. Nothing. There was only one insurance company that we recollected her speaking about. We called only to find out that she stopped her payments years before. UGGHH!

We were angry.

And mystified. There is no feeling like burying your beloved mother, and having to pay for it with hard earned savings put

Continued on page 4

Ask Brian

Got a question itching for an answer? Ask Brian M. Sagrestano, JD, CFRE, at PlannedGiving.com/brian. Bashful? You can ask to remain anonymous.

Check online at PlannedGiving.com/answers for replies that don't fit here and a lot more.

Q **I have been asked to review our counting policies for planned gifts. Do you have standards you normally recommend or follow?**

A For campaign counting, we generally recommend that organizations adopt the Partnership for Philanthropic Planning standards for counting gifts. These standards, which can be found at **PlannedGiving.com/countingguidelines**, utilize three categories for counting gifts: Category A – Outright Gifts; Category B – Irrevocable Deferred Gifts; and Category C – Revocable Deferred Gifts. Goals are set for each of the three categories, and the categories are never added together. All gifts are counted at face value, regardless of category. This provides maximum transparency for gifts that will come in immediately, gifts that will come in eventually and gifts that may or may not come in at some point in the future.

CASE and AHP have also promulgated counting standards, but because they tend to undervalue planned gifts (because they don't count revocable gifts at all) we don't normally suggest them.

We generally recommend that fundraisers be given credit for planned gifts in all categories at face value. This helps to eliminate the competition between current gifts and planned gifts, and ensures that donors are not pushed into current gifts when planned gifts are the best option. That being said, we strongly encourage organizations to measure fundraiser performance by activity, not dollars. If fundraisers are completing visits, stewarding existing donors, staying in regular contact and otherwise building relationships, the gifts will surely follow. We have metrics we provide to our clients to benchmark fundraiser activity performance and encourage you to set them for your organization.

For a more detailed treatment of counting and activity goals, see Chapters 13 and 14 of *The Philanthropic Planning Companion: The Fundraisers' and Professional Advisors' Guide to Charitable Gift Planning* (Wiley 2012), which I co-authored with Robert Wahlers.

Have Your Say

Comments, stories, complaints.

Thanks!

Your newsletter is very helpful for generating ideas I share with donors and advisors. It's not too much information to take in; very readable and I appreciate that your contributors have a sense of humor.

— *Annmarie, New Mexico*

Politics Shmolitics

The IRS Form 990 article was very informative! I'll share it with my associates. My only disagreement is, "The IRS is using Form 990 as its chief compliance tool." It seems likely that form 990 comes in well behind the chief tool: political affiliation.

— *Anonymous, Pennsylvania*

A Gift Hiding In Your Desk Drawer

You've challenged me to put the donor first with this sublime question, "what's in your desk drawer?" I can't tell you the number of times I have been privileged to sit down with a donor at the kitchen table and start discussing our organization when he or she goes to his desk, opens a drawer and returns with the precious contents. Thanks for the reminders.

— *Shelley, Wisconsin*

Bequests Are Dead

Continued from page 1

Don't let a bank teller, stockbroker, customer service representative or human resource specialist plan your legacy, confound your heirs, or add unnecessary expense to your estate.

Set an example and complete your own POD and TOD forms today and review them annually. And then ask your prospects to do the same. It is as simple as asking your bank, brokerage firm, insurance company, employers or financial advisor for a form. At the bank, you can do it right there on the spot.

Think about who you love, who you want to take care of, or a nonprofit that you want to support after your passing. You'll give peace of mind to yourself, your loved ones as well as a meaningful gift to your heirs and your favorite non-profits.

Simpler than bequests

Remember, many of your prospects want to give, but just don't know how. At PlannedGiving.Com we are keeping things simple and helping donors give more easily and more often. ●

Camilyn teaches the Non-Profit Law Clinic at the University of Virginia Law School and consults with non-profits on a variety of legal and fund raising issues. Camilyn@PlannedGiving.com.

Sign up for 52 weeks of planned giving tips, 52 seconds each. The seconds you invest each week will pay you back for years... PlannedGiving.com/52on52.

Encounter With A Street Bum

As usual, thinking outside the box pays off in new ideas.

Viken Mikaelian

"Let's see what our peers are doing." Sometimes this line of thinking results in making the same mistakes, only better.

Remember: *just because you are following a well-marked trail doesn't mean whoever made it knew where they were going.*

Keep an open mind and get a lot of exposure. Attention-worthy ideas come from unusual sources, and if you're always holed away in your office, you'll get ideas only from your peers. Some of those ideas may be good, but your peers all share your same culture, and you are letting luck come through a very tiny hole. Who's heard this idea-squashing line?: "We've never done it that way before."

Drive to work using different routes. Pick up a magazine you've never read before. Talk to a cab driver, restaurant server, street person. Try sushi if you've never had it. I recall when I was in LA after a series of appointments, when a tall, tough looking "dude" approached me on the street and arrogantly asked for money. "Hey man, I lost my wallet and I need to get home."

"Don't give me baloney, I replied. "I've heard that line before. Listen, I'll give you 20 bucks if you sit down with me and give me your life story." I've always wanted to hear a street person's story.

He *screamed*, "Hey man, I do not have time for you. In that amount of time, I can raise a lot more money across the street."

Well then.

What did I learn? First, there's a socio-economic subculture among every class. He did sit down with me, by the way, and tell me his life story. (And I gave him $25.)

Second thing I observed was that this man was acting like a business. He did not have time to talk with me because he could spend his resources (time) better elsewhere. Everyone take note.

This is why I say as a non-profit, you should act like a business—because it's about raising money.

Step outside the narrow scope of your business and see what others are doing. Interested in a planned giving website? Don't look just at your peers or your competitors; look at one for the local zoo, nature conservancy, a Jewish Federation, hospital, and the Zen House. Donate to a charity and follow their moves management. Have a friend call your office and listen to how your staff answers the phone. Ask your friend to act like an irate donor to see how the call is handled. Share the outcome with your peers. *You won't be popular that day, but you'll all learn something.*

As I've said before, *never, ever tell me "But my prospects are different."* My dad was a surgeon and professor, a "sophisticated" professional all his life, and all he cared about was his tomato garden and watching tacky reruns of the Lucy Show. He gave to "sophisticated" non-profits and to non-profits with the tackiest messaging you can imagine. No, my father was not "different" and neither are your donors.

Think outside the box, take risks, get outside your office walls. And remember: you're a business. Think and act like one. ●

For The Small Shop: Launch A Planned Giving Program

For as little as $94.

Review all the print marketing pieces your organization puts out and ensure that each piece has one very simple planned giving message. ***One.*** This could be a small display ad or a simple **elevator pitch**, such as, "Make a gift that costs nothing during lifetime." Or: "Did you know donating stock can be more beneficial than giving cash?" No need to get a graphic designer at this time to make your ad attractive. You're not going for a graphic design award.

COST: $00.00

Review all of the electronic communications your organization puts out. As mentioned above, ensure each carries one simple message.

COST: $00.00

Review all signature lines of your staff. Right below your names, place another elevator pitch.

Examples at: PlannedGiving.com/pitch

COST: $00.00

Print new business cards with an elevator pitch on the back.

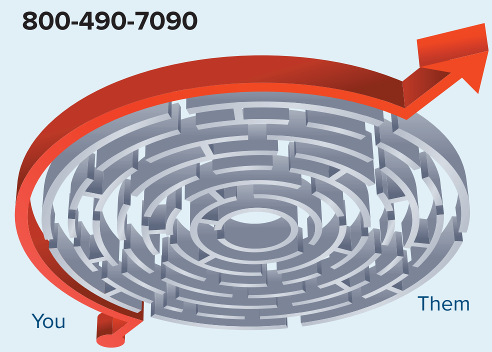
COST: $45.00

Send a mailing to your top 100-200 consistent donors announcing that you are in the planned giving business. Download a simple solicitation letter at PlannedGiving.Com/2letters. Make sure to personalize these.

COST: $49.00 – $98.00 U.S. Postage

Scared to pursue planned gifts? Guess what: if you are a non-profit, you already are in the planned giving business, like it or not. Now it's time to get the word out and it's easy to do with **Planned Giving In A Box**.

800-490-7090



Paid-Up Life Insurance Policy Missing

Continued from page 1

aside for your own kin. The emotions were deep and conflicted... the sadness of your parent passing, shockingly, without notice and then no money to pay for her expenses.

How could she be so inconsiderate?

Needless to say, we all withdrew savings from our accounts to get things moving. We wanted the best for her, of course, and split the funeral costs four ways to give her a proper viewing, burial, beautiful dress, flowers and a headstone fit for a queen.

Back to reality, back to life. There is nothing in the world like getting a telephone call from the funeral director the first day back to work looking for the balance of expenses. It was surreal. I still could not believe what was happening. I recall walking to the Credit Union to deplete my savings to pay Mr. Shea. Trying to keep my integrity, I gently told him I would deliver it in the morning.

Years went by, and I vowed that I would *never* allow this to happen to me. My children would not bear the financial responsibility of my funeral, or any other debt I have. It was my and my spouse's job to prepare for our passing, and get our estate in order. I always assumed, being young, that I was never close to death. I never once considered that I or my husband could pass suddenly.

15 years later...

I receive a call from my brother. Turns out our uncle was the beneficiary of a life insurance policy mom had taken out years ago. She never gave him a copy of the policy. It wasn't until we started helping our uncle with his own care that we discovered the notices he had been receiving. At his age, the importance of these letters wasn't obvious, and they'd been mistaken for ads. We spoke with the insurance company, submitted paperwork, and a check for me and my siblings were sent to my uncle within a month. We decided to use it for his care instead.

Don't let this happen to you. Keep lines of communication with family open, and have your documents in place. This "back drawer" policy caused needless worry and hardship, and gained interest for the Insurance company as it sat "unclaimed."

Lesson learned: *Estate Plan.* ●

Jean Marie is a customer relationship specialist at PlannedGiving.com. You can email her at JeanMarie@PlannedGiving.com

Website HITS

Or, How Idiots Track Success

Most fundraisers aren't tech-savvy. But that's OK since their job is to be *people-savvy*. We're asked about website "hits" often, so here's some advice.

First, relax. Website "hits" almost mean nothing. It does not matter how many hits you're getting (and "hits" is the wrong term; it's visitors you want). What matters is how many visitors you are getting *compared to a relative date.* Why?

Everyone gets visitors, and they could get more (and they should). What's critical is to measure your data relative to a marketing campaign, such as a targeted postcard mailing filtered by a data-miner. The whole point is to measure the success of the campaign based on all your efforts, and your website does just that – because it's a *measuring device* in addition to serving as marketing tool. *It complements and serves everything else that you do.*

Another reason not to count "straight hits" is because many are from search engines indexing your site (also called "crawling") and bear no relation to human visits. So unless you are analyzing your traffic with a professional's guidance and support, properly filtering out the junk data, you're barking up the wrong tree.

If you plan to integrate your print and e-marketing (and you should) read the full article at PlannedGiving.com/hits. ●

Planned Giving Postcards

In a noisy world, they get your message heard.

How?

They're engaging. Postcards raise awareness of your brand and your mission, and motivate prospects to give.

They're concise, streamlined and attractive—a welcome, 10-second read.

They're affordable. Which means you can touch more people more often.

They stand out. People's email inboxes are overflowing, but real mail with excellent content gets your prospects' attention.

PlannedGiving.com 800-490-7090

8 Magic Touches To Put On Your Solicitation Letter

So obvious, yet so easy to forget.

Matt Tumolo

If you could only do three things to communicate with your prospects, what would they be? I hope your answer is something like this:

1. Phone calls and/or face-to-face meetings
2. Planned giving postcards
3. Solicitation letters

Let's talk briefly about number three. Solicitation letters, especially in combination with a postcard campaign, are an extremely effective way to put your planned giving marketing on auto drive. Here are a few things to keep in mind:

1. Include something personal from the letter writer, especially in the opening.
2. Sign it in blue ink so it's obvious it's a real signature.
3. Include a response card if necessary.
4. An enclosed brochure usually reduces response rates. If you want to include a brochure, you need to have a compelling reason to do so.
5. A post-it note on the letter, with personal initials, increases response rates.
6. A live stamp is better than metered stamp. Two live stamps adding up to the proper amount are a plus. (This might not make sense, but it's true.)
7. Make sure the address is laser printed or, even better, handwritten. Ink-jet printing screams "mass-produced!"
8. Your initials, in a handwritten style, on the top left of the envelope add a nice personal touch.

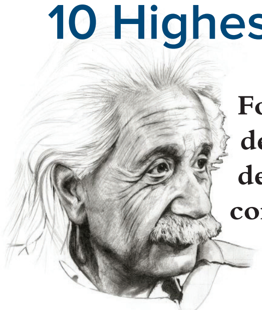
All of the above are easy to do if your mailing list is small and you have volunteers to help sign and address envelopes. But all of the above may not always be possible, as some lists are large and budgets are tight. But do as many as you can, and *watch your response rate soar.*

Too busy to do it yourself? Contact us and we'll make a plan. Our letters are completely customized and we've got the mailing process nailed. The result for you: maximum effectiveness and minimal effort.

Looking for a freebie? Check page 12 for a chance to win a letter makeover. ●

Matt Tumolo is a customer relationship specialist at PlannedGiving.Com. Matt@PlannedGiving.com

10 Highest-Earning Dead Celebrities



For some dearly departed celebrities, death is no obstacle to continuing to get rich.

Forbes list:

1. **Michael Jackson ($160 M)**
   Sony and royalties from other musicians.
2. **Elvis Presley ($55 M)**
   Royalties.
3. **Charles Schulz ($37 M)**
   The creator of Peanuts.
4. **Elizabeth Taylor ($25 M)**
   Her fragrance, White Diamonds, and investments in stock and real estate.
5. **Bob Marley ($18 M)**
   His drink empire, the Marley Beverage company, and line of environmental lifestyle and audio products.
6. **Marilyn Monroe ($15 M)**
   After 50 years, still selling clothes, perfume, spa treatments. Face of Chanel No. 5.
7. **John Lennon ($12 M)**
   The Beatles of course.
8. **Albert Einstein ($10 M)**
   A scientist? Millions last year from Montblanc, scientific tools, tablet computers, and a line of healthy food.
9. **Bettie Page ($10 M)**
   Yes, the 36-23-35 pinup chick… made millions thanks to Bettie Page boutiques.
10. **Theodor Geisel ($9 M)**
    Also known as Dr. Seuss, various movies.

It's amazing how many continue to live in perpetuity. What are your prospects' dreams? How can their name and wealth grow in perpetuity and support your organization's mission?

Businesses do it. Why not you? ●

What's your I.Q.?

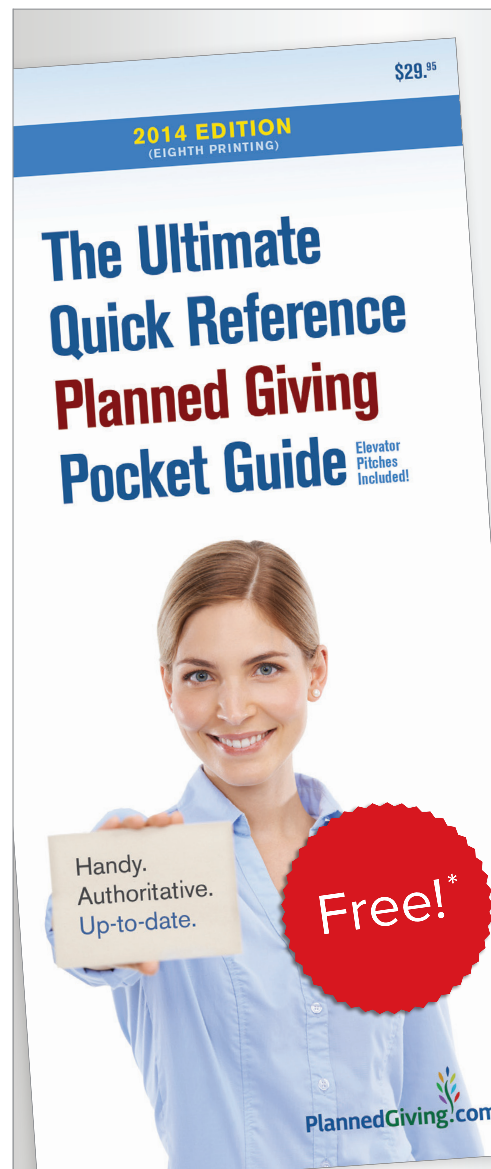
Your planned giving I.Q., that is.

Your hospital receives a $100,000 bequest "for the Tuberculosis Sanitarium." The Sanitarium has been closed for more than 30 years, so you can add the bequest to the hospital's general fund.

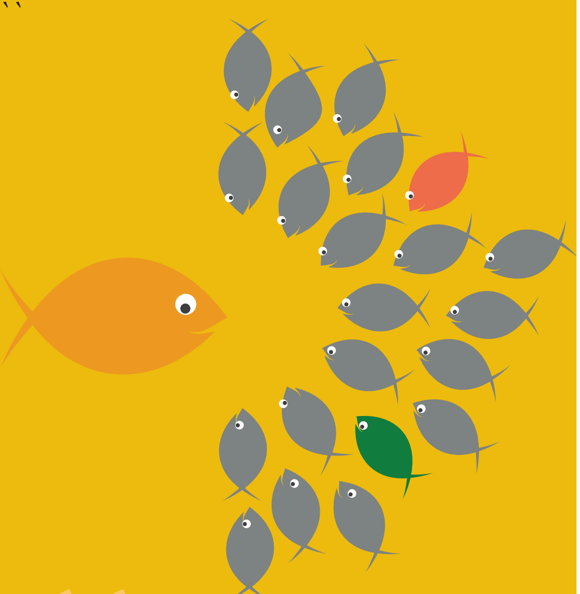
True or False?

Take the entire test:

PGIQ.org



*Write or call to share a planned giving success story, worst nightmare, or heartfelt event—and we'll send you a free copy of our Pocket Guide ($29.95 value). Confidentiality guaranteed. Success@PlannedGiving.com / 800-490-7090.



Should I develop people skills or technical skills to get ahead in my career and life?

Good question. Did you know that most companies base 80% of their hiring decision on technical skills, yet 85% of turnover is due to behavioral incompatibility?

We (both as employees and as employers) get so hung up on fulfilling technical requirements that we frequently forget ***we're dealing with people***, and we fail to identify or analyze the necessary people skills required.

People skills are by far the most valuable to your success.

You can always hire a professional to assist you with technical details when it comes to planned giving. If you have the rare gift of both skills, congrats. May the force be with you.

But always remember: People give to people, not to institutions. So instead of taking the next course on gift annuities, pick up a copy of *How to Win Friends and Influence People* by Dale Carnegie. It's an **$8 investment** that has made millions for many people.

The IRS, Heirs And Charity

With proper planning, your family can wind up with more.

Christopher Jones, CFP, CHfC, CLU

I have a very simple philosophy of estate planning: make sure what people want to happen upon a death and what actually will happen are one and the same.

Traditional estate planning begins with a long list of decisions—decisions that often become clearer as we walk through the process. So I suggest we start by looking at the three directions an estate can go.

1 Uncle Sam

The first one to the table upon the distribution of an estate is and always will be the IRS. Uncle Sam is not only very interested in, but is very committed to, making sure the government's interests are pursued. If a person dies without a will in place, he or she is likely to pay the maximum tax possible because of the way intestacy laws are written. Luckily, with proactive planning that person can take advantage of the many rules that have been created to minimize or even eliminate taxes. *It boils down to this: zero planning equals maximum taxes.*

2 Family

Heirs are the most commonly desired recipient of estate assets. With heirs as the desired recipient, a variety of decisions need to be made, such as: equal distribution, outright distribution, what to do with assets that are difficult to divide, forced sales to accommodate taxes, debt or equalization, protected from creditors or divorce, special needs consideration, etc. While all of these are important questions, they will get answered as a result of the estate planning process and should not hinder the start of the process. ***Trust the process to get to the goal.***

3 Charity

People often get stuck thinking that if they leave money to charity, their family will get less. They also think that they must give away their money to eliminate taxes. Neither is true. As long as it's seen as a competitive situation, many people stop charity considerations before the planning starts. People are surprised to discover that when charitable planning is considered, their heirs often wind up with more. It is truly the law of reciprocity in action.

Trust the estate planning process to uncover the answers that will benefit heirs, lower taxes and bless charities.

So trust the estate planning process to uncover answers that will benefit heirs, lower taxes and bless charities. The possibilities are endless when charity is included in estate planning. ●

Chris is the Managing Director at Center for Wealth Preservation in Syosset, NY.
cjones@financialguide.com

Don't Worry. You Don't Need A Will.

Looking for a brochure that will actually get read? This one uses strong images, out-of-the box content, and an ironic approach to challenge the reader to think about the immense loss that results when someone passes away without a will.

More than 60% of Americans don't have a will in place. That's your audience! This brochure gets their attention and shows why a good estate plan is a must—for themselves, their families, and your organization.

Customizable and affordable—just waiting for you to call.

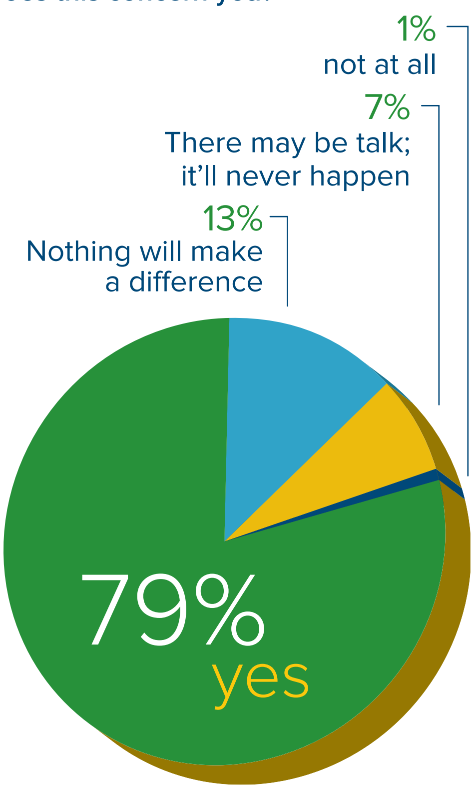
PlannedGiving.com 800-490-7090

So far on my 30-day diet, I lost 18 days. Terry McEntire

Let The People Speak

Results from our latest survey.

There is talk about removing certain tax incentives for charitable donations. Does this concern you?



Let The Numbers Speak*

1.4 million charities
800,000 with less than 100K budget
$325 billion plus donated
5% increase in donations in 2013
84% giving sites not mobile friendly

*Blackbaud Idea Lab

Big Shop Tested.
Small Shop
Approved.

Invest 1 hour a week for 1 year to raise more and larger gifts.

800-490-7090
PLANNEDGIVINGINABOX.COM

Make A Great Income

Continued from page 1

Arthur C. Brooks, president of the American Enterprise Institute, wrote recently in the *New York Times* about how he stumbled across a pattern in his data while writing a book on charitable giving. He found that donors earned more money after making their gifts. In talking with colleagues, he learned that his "discovery" was nothing new. In fact, for some time now, psychologists have found that when people donate their time and resources, they end up receiving benefits in return. Studies out of Harvard and University of British Columbia have proven the same.

Why would this be? Brooks explains: "Charitable giving improves what psychologists call 'self-efficacy,' one's belief that one is capable of handling a situation and bringing about a desired outcome. When people give their time or money to a cause they *believe in*, they become problem solvers. *Problem solvers are happier than bystanders and victims of circumstance.*" (Emphasis mine.)

In the year 2000, the charitable giving community received a treasure trove of data. The Social Capital Community Benchmark Survey, designed by Harvard and sponsored by three dozen community foundations, is the largest-ever survey on the civic engagement of Americans. It includes responses from about 30,000 people in more than 40 communities across the U.S. The survey found that ***giving more doesn't just correlate with higher income; it causes higher income.*** A lot!

In an article for *Upstart Biz Journal*, Brooks gives an example based on the data in the survey: "Imagine two families that are identical in size, age, race, education, religion, and politics. The only difference is that this year the first family gives away $100 more than the second. Based on my analysis of the S.C.C.B.S. survey, the first family will, on average, earn $375 more as a result of its generosity."

Even more fascinating is that this trend isn't just limited to individuals. Brooks explains that the level of generosity from a nation can nudge up its economy. Per person, the G.D.P. in the U.S. has risen by 150% over the past 50 years, and simultaneously donations have risen by 190%.

So, in short: ***giving makes you richer.*** That's good news for us in the planned giving field—and for our donors!

The two articles by Brooks referenced here are well worth the read (and worth passing along to your donors… via social media, or better yet, printed and mailed along with a personal hand-written note to select donors).

PlannedGiving.com/whyitsfun
PlannedGiving.com/givingmakesyourich

NEXT WEBINAR

Scott Janney on Charitable Gift Annuities
October 23, 2014, 2 PM

OTHER TOPICS:

- How to Start a Planned Giving Program
- How to Raise More and Larger Gifts
- Gifts Anyone Can Make
- Gifts of Life Insurance
- Gifts of Real Estate
- The Lead Trust — The Lottery Gift
- Only for the Advanced Shop
- Only for the Beginner
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WEBINARS FOR THE REST OF US.

*No. This is not Viken.

18 Planned Giving Truisms... Revisited

There's no such thing as a "typical" planned giving program, but they all have a few things in common.

Michael Rosen, CFRE

Planned giving programs come in various forms in varied degrees of sophistication. They vary by organization type, donor population, organizational budget, and a host of other factors. A small organization with a limited budget and a modest individual-donor pool may simply promote the idea of naming the charity in a will. By contrast, a large organization with a significant development budget may promote a broad array of planned giving vehicles from bequests to charitable gift annuities to trusts. Despite the differences from one to the next, there are a large number of points of commonality. Here are some:

1. Bequests (whether through a will, life insurance policy, or retirement plan) are generally regarded as the most common form of planned gift. CGAs come in at a far distant second.

2. Almost everyone has the ability to make a planned gift. Planned giving is not just for the wealthy.

3. Bequests are the major gift of the middle class. Many individuals wish they could provide significant current support to the nonprofit organizations they love but are simply not in a financial position to do so. Planned giving gives these individuals the opportunity to make a significant gift without pain.

4. The average age of someone who makes their first charitable bequest commitment is 40-50. This means there is a great deal of time between when the donor includes a charity in his will and when the gift will be realized. That's one reason why sound stewardship and continued relationships are essential.

5. High-income women are more likely than men to use complex gift planning tools. While it is unclear why this is the case, we do know that high-income women are more willing than men to establish a trust, for example.

6. Women are more likely to give a bequest to religious, health, human services, and environmental organizations than men.

7. Those without children are far more likely to make a planned gift. The presence or lack of children is the greatest indicator of whether or not someone will make a charitable bequest commitment.

8. Only 5.3 percent of those over 50 have made a charitable bequest commitment.

9. 33 percent of Americans are willing to consider a charitable bequest. This means that there is a great deal of untapped potential.

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

11. Among those over 30, only 22 percent say they have been asked for a planned gift. This could explain why there's so much untapped potential.

12. Once donors name a charity in their will, they almost never remove it. It's solid stewardship practices that will minimize the defection rate.

13. Only 37 percent of those over 30 are familiar with the term "planned giving." So, while we may use the term internally, we should be careful how we use the term in public. It's usually better to talk specifically with donors about what they want.

14. Real donor stories work much better than fictional, composite stories. Real stories can touch the emotions in ways a composite story simply cannot.

15. For ads and letters to those over 40, a larger font is needed to get them read. If people have to struggle to read or hunt for their reading glasses, the chances that they will indeed read the item are greatly reduced.

16. Donors usually give to things or causes that are important to them, not for the benefits or for tax avoidance. So when talking to prospects about planned giving, focus on their motivations.

17. The best source for information about our prospects is our prospects—their words, body language and even the décor in their homes. People love to talk about themselves, so we need to be good listeners and good observers.

18. Organizations will not usually get the gift unless they ask for it. So ask. ●

Michael J. Rosen, CFRE, is President of ML Innovations, Inc., a fundraising and marketing consulting firm, and is an AFP Certified Master Trainer and Certified Fundraising Executive. This article was adapted from his book, Donor-Centered Planned Gift Marketing. *mlinnovations.com*

The View From Next Door

A financial advisor talks about planned giving.

Interview by Planned Giving Tomorrow *staff*

David M. Brown, CFP®, ChFC®, is co-founder of the Spectrum Planning Group, a wealth management firm based in South Florida. We chatted with him about the relationship (or lack thereof) between financial advisors and those of us in the planned giving field.

Planned Giving Tomorrow (PGT): What's up with the communication gap between planned giving fundraisers and professional financial advisors?

David Brown (DB): That's a question I've been asking myself for quite a while, given the current tax environment. Since 95% of all wealth in the country is available in assets other than cash, planned giving makes a lot of sense for fundraisers, donors and financial advisors. Affluent donors are more likely to make future gifts than they are to make current gifts if the tax benefit can be clearly shown. One of the difficulties is that most financial advisors don't understand these advanced philanthropic planning strategies.

PGT: Why?

DB: Philanthropic planning strategies are not a large part of the general licensing requirements for financial advisors. Charitable giving is a component of the Certified Financial Planning™ pre-education, and some additional designations available through the American College of Financial Services, For the most part the retail advisor has limited exposure to the strategies and has to seek out information on their own.

For the most part the retail advisor has limited exposure to the strategies and has to seek out information on their own.

PGT: Is lack of knowledge all that is preventing financial advisors from recommending philanthropic giving to their clients?

DB: Well, I believe that a lot of advisors fear giving up control of the client and their finances. I also believe that "loss of control" is a myth. When advisors align with the client and show them the benefits of charitable gift planning, in most cases, financial advisors actually maintain the relationship with the client and can actually extend the relationship into future generations.

PGT: How did you get clued in to planned giving?

DB: I love to learn! I've learned through some of the certifications I have earned, but also by actively seeking out additional information. I've learned what the risks are, and what charitable giving can provide to my practice — including strategic relationships and alliances that help me better focus on the needs of my clients. The information is accessible, but there are many facets to the strategies that can deter advisors.

PGT: How do you envision fundraisers and financial advisors working together?

DB: I see the best results coming from a team approach. The team approach works best when each person plays to their strengths and clearly defined role. I think of it as the fundraiser taking the lead by identifying prospective donors' goals and needs, then bringing in a financial advisor, CPA or other professional such as an attorney to supply additional information on the specific benefits available to the donor with authority, detail and clarity.

Donor decisions should not be made without the input of all of the donors' advisors. That is where the fundraiser/advisor team comes in, leveraging individual areas of expertise to help the donor to make fully informed decisions

PGT: How can we achieve that kind of working relationship?

DB: Personally, I try to work with nonprofits to educate them as to what we offer in terms of professional financial advice. My philosophy is: It's all about relationships. Relationships can start anywhere and could be as simple as hosting or attending a networking event with outside professionals. Local chapters of the State Board of Accountancy, State Bar Associations and the Financial Planning Association, all offer networking events." ●

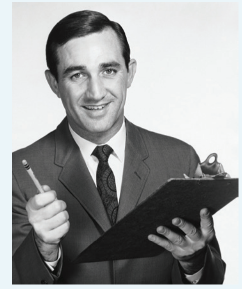
Contact David at dbrown@ksifa.com

David M Brown, CFP®, ChFC® is registered with, supervised by, and offers securities through Kovack Securities, Inc. Member FINRA/SIPC 6451 N. Federal Highway, Suite 1201, Ft. Lauderdale, FL 333058. (954) 782-4771; Advisory Services offered through Kovack Advisors, Inc. The Spectrum Planning Group is not affiliated with Kovack Securities, Inc. / Kovack Advisors, Inc.

Buyer, Beware

Another "new study."

Viken Mikaelian



Check out this shiny object of the month:

Older donors are just as likely to donate online as younger donors.

I'm not saying if this information is right or wrong. (Okay, I am saying: it's wrong.) But let's consider for just a moment how this information was obtained: "We've determined that older donors are just as likely to donate online as younger donors' by means of an **online** survey."

Uh… does anyone else see a problem with this?

Let me see… how about I hang out at a vegan restaurant and conduct a survey to discover what is the best diet?

Seriously.

This could be the definition of survey sampling bias. And it was done by a leading fundraising consulting group. Pfui.

Please, for your own sake, next time you read about the latest magic solution to your fundraising problems, use common sense. ●

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How To Ask People For Money

Four fundraising lessons from a non-fundraiser.

by Karen Martin

Disclaimer: I'm not a fundraiser. I detest asking people for money. I was the Girl Scout who sold two boxes of cookies while my fellow Scouts were handing in multi-page sale sheets. But over the last couple years, my world has been turned upside-down, and along the way I learned a few things about what motivates people to give.

Here's my story: in 2011, my husband David and I moved to Peru for a year. We worked during the week and on Saturdays we volunteered at an orphanage near our house. We'd take the 25-or-so kids to the park and kick around a soccer ball, paint the girls' nails, and play on the rusty metal Slide of Death with the hole punched out of the bottom. The kids wormed their way into our hearts, and we decided to try to adopt four of them. We returned to the States and started the adoption process. Fast-forward 18 months to August 2014. We traveled back to Peru, picked up the kids, finalized the adoption, and came home to Philadelphia as parents of four teenagers, bypassing diapers and terrible two's and going straight to discussing periods, B.O. and boyfriends.

When we started this (extremely expensive) adoption process, neither David nor I intended to ask anyone for financial help. But we ended up getting quite a bit of help, and although I don't think I'll ever be a professional fundraiser, I did learn a few things about what motivates people to give. Here are four:

1 A personal connection.

The people who donated towards our adoption expenses know us, love us and trust us. I'll make a confession here: a family member has a friend who happens to be extremely wealthy, and I was secretly hoping she would write us a big-ol' check. No such luck. But really, why would she? She barely knows us. And in any case, the dozens of smaller checks added up to dozens of encouraging reminders of all the people who love and support us.

Take-away: Get to know the people you're asking money from. If that's not possible, at least give them a chance to get to know you. Say something personal in your solicitation letter and sign it. Send a photo of you and your family. Tell them about that day you took your kid to the office and he announced to your staff that you snore like a lawnmower.

2 Being asked.

Friends hosted fundraising events. People spread the word about our needs. Someone called the local paper in my parents' hometown, and they ran a story about us. A friend organized an online "baby" shower. I'm confident that most of the people who contributed to our adoption never would have done so if they had not been asked. Because how would they have known?

Take away: People will give when asked. So ask!

3 A tangible mission.

Let's be honest: a significant part of why we give is because it makes us feel good. (See Viken's article, p1.) Sure, there's generosity and altruism mixed in there, but we also like to think we are making a difference in the world. It feels good. And when we can see and touch and feel the results, it feels even better. The people who gave to David and me could have donated to a non-profit organization that helps orphans. But instead they donated to us, and now they get the benefit of seeing photos of our kids and meeting them in person and watching our hair turn gray prematurely.

Take-away: Invite your donors to give toward something they can see and feel. Describe a project you're doing, or a project you dream about doing. Then send them an update six months later. Invite them to visit your organization and *meet those who are being helped* by their gifts.

4 Frequent reminders.

Here's my typical fundraising style: ask once, then shut my mouth and cross my fingers. (You can see why I didn't sell a lot of Girl Scout cookies.) But now I know that people are just busy and/or forgetful. One paragraph into a well-written solicitation letter, and the phone rings, the cat pukes on the carpet, and Junior needs a ride to trombone practice. Throughout the adoption process, I kept a blog about, and nearly every time I wrote a blog post, someone would make a donation.

Take-away: Ask and ask often. And sometimes don't ask, but communicate (e.g. send a personal card or a helpful pamphlet on how to write a will). Regular phone calls and postcards in the mail are simple, inexpensive ways to remind your busy donors that you're still here.

Karen Martin is Planned Giving Tomorrow's *associate editor. She used to blog about her family's adoption adventure back when she knew what "free time" looked like. karen@plannedgiving.com.*

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"Edgy" Marketing?

Don't complain if you're not heard.

Viken Mikaelian

Many are hesitant to use "edgy" planned giving marketing communications.

They may think it's edgy; we call it having a "spirited" dialog with your prospects.

The number one excuse? "But my prospects are different." No they are not.

It's too bad that many trade the security of not "offending" *(which in reality they're not)* anyone for the reward of not being heard at all. They give up content with life and emotion in exchange for dry and formal text that puts people to sleep.

I see this all the time. And this hyper, super-exaggerated, over-inflated and magnified sensitivity has to stop.

It's too bad, but it's understandable. Fear is a powerful motivator, and often holds us back from opportunity. This happens in the planned giving world, the business world, and of course our own personal lives, as well.

"But my prospects are different." Sorry, but no they are not.

Bring the dead back to life?

Here's my recommendation: begin with spirited content and tone it down gradually if necessary. The alternative? Begin with deadly boring copy. And then you're stuck trying to bring the dead back to life. And in the planned giving world, we know that does not happen.

Before you make a judgment call on your marketing pieces, don't ask your boss right away. He or she shares the same culture as you do. Instead, ask ten donors and/or get opinions from your board. If everyone agrees that what you're presenting is A-OK, go back to the drawing board. It's too safe (i.e. boring). If 8 say fantastic and 2 say no way, implement it. That's gold! It's just edgy enough to get heard but not over the top.

You can play it vanilla and not be seen, or you can be heard. What will you choose?

technical corner

Can Real Estate Fund A CGA?

Elizabeth Leverage Hilles, J.D.

Yes, real estate ***can*** be used successfully to fund a CGA.

But many charities get antsy when donors want to contribute real estate. Will the charity get stuck holding the real estate indefinitely (we've all heard a donor say "I've been trying to sell this land for five years, but it just won't move so I'm giving it to you!")? Are there environmental, structural, or other liabilities associated with the property? Careful due diligence to ferret out potential issues is a must in every situation where a gift of real estate is contemplated, but a particularly tricky situation arises when a donor wants to use real estate to fund a Charitable Gift Annuity contract. The charity must begin making annuity payments (from its general assets!) immediately even if the property doesn't sell quickly. When it does sell, the sales price could be less than the agreed-upon CGA contract value, which means the charity can quickly get itself underwater on the contract. What to do?

Here are a few things to consider to minimize your charity's risk:

1. An ideal situation is one in which the charity sells the property to a pre-identified buyer immediately following the donor's transfer of the property to the charity – essentially both transactions occur at the "same table." The charity owns the property for only a brief time and avoids liability and financial risk issues.
2. If the charity is confident the property will sell fairly quickly, the charity and donor can create a deferred annuity with a start date at least a year (and ideally more) in the future, which gives the charity time to sell the property before it has to start making payments. The charity should consider offering the donor a reduced gift annuity rate to minimize the underwater problem noted above.
3. For an immediate annuity, the charity should negotiate a reduced gift annuity rate to compensate for the uncertainty about the ultimate sales date and price. This is the riskiest situation and should be reserved for special circumstances.

For donors who want the security of guaranteed annuity payments from a CGA, charities need to be ready to work through the issues involved, but the better (and cleaner) option for the donor and charity is to create a "Flip" Charitable Remainder Unitrust, which is perfectly designed to hold illiquid assets and then convert to a regular unitrust on a defined trigger date – in this case when the real estate is sold.

Elizabeth Leverage Hilles, J.D., is Director of Trusts, Estates, and Gift Planning at the University of Virginia Law School Foundation. She also lectures at the UVA Law School in estate planning and consults for PlannedGiving.com.

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Win A Solicitation Letter Makeover!

Before

Dear Sally,

Your faith based Community Hospital Foundation honors your consistent investment in helping meet the philanthropic needs of St. Petros Medical Center. Your support through the years has sustained programs that provide health care services to the poor, purchase new medical equipment and renovate patient care facilities.

We appreciate your past support and ask you to build on your legacy of giving by considering a planned gift. The most basic type of planned gift is simply naming St. Petros Center in your will. If you don't have a will, then we are happy to make a referral to an advisor to assist you...

After

Dear Sally,

The other day I stopped at a red light in front of one of our assisted living homes. Some of the residents were sitting on the front porch in their wheelchairs enjoying the sunshine. Just as I glanced over, two women tipped back their heads and burst out laughing, and I couldn't help but smile.

The light turned green and I drove on my way, feeling grateful for St. Petros Medical Center, for the healing and compassionate care we are able to provide. And grateful for you! Your generous support through the years has helped provide health care services to the poor...

Your Turn

Do your solicitation letters sound as if they were written by a robot? Send us your letter for a chance to win a free makeover. If you're chosen, we'll turn your letter into a purposeful conversation between you and your donor. We'll provide a one page draft and you can take it from there. To enter, email Success@PlannedGiving.com by 3:00 p.m., October 15, 2014 (That's a Wednesday, by the way.)