It's about relationships.

January 2015
CIRCULATION 14,400

planned giving tomorrow

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

The School Of Life

I'm finally getting a passing grade.

Viken Mikaelian

Natalie was in her 50s and from South Philly. She worked hard as a printing coordinator at a local print shop. I'll never forget the day in January of 1986 when I made her break down in tears.

I was scrambling to meet a deadline of an order for Penn Planned Giving (my alma), and she royally screwed up the job. I was irate. I dug into her. I mean, I really decimated her. She began crying miserably, and I didn't feel a bit of remorse.

But the next morning I woke up and it hit me like a left hook from Joe Frazier. I felt so terrible that I can't describe it. Even today I can hear her crying. There was only one thing I could do. I drove to her shop to apologize. At first her face flickered when she saw me. I asked for a hug and forgiveness. She hugged me tightly, and we remained friends for many years after that. When her boss passed away, she moved on, and we lost touch.

Sometimes when people ask what school I graduated from, I respond by saying, "I'm still in school… the School of Life."

The incident with Natalie taught me a lesson about how fragile humans can be, and how a simple few words can diminish or uplift. I swore to never tear down anyone again, and I determined to test myself whenever the opportunity arose.

A test came about a year later. It was a cold rainy day in January at King of Prussia Mall. A young girl backed out of her parking spot and "*crunch*." She rammed into the side of my brand new Volvo!

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Marketing Is Not An Expense

It's an investment.

Lauren D'Ambrosio

Many nonprofits cut their marketing budgets when money gets tight. Worse yet, quite a few also lay off fundraisers.

Bad move.

Why do they do it? Because some bean counter probably looked at marketing and "sales" (a.k.a. fundraising) as an expense. But marketing is not an expense. Marketing is an investment. And if you want more and larger gifts, you have to market them. If you don't, someone else will. It happens all the time. A person passes away and leaves behind a $1 million bequest. But instead of the money going to the school that taught and nurtured three of their children, it goes to the "other" non profit. Why? Because the other non-profit asked (and marketed), and the school didn't.

Expensive marketing? No such thing.

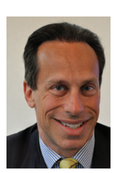
There's no such thing as expensive marketing. You make an investment (maybe it's $100 on lunch with a donor, or maybe it's $10,000 on a multichannel marketing campaign), and you wait for the return

Continued on page 3

Dear New York Times

Fundraising is not fun.

Brian Saber



Contrary to what Arthur C. Brooks of *The New York Times* declared in his March 29 Op-Ed "Why Fund-Raising is Fun," fundraising generally *isn't* fun, and he does a huge disservice to the field saying it is.

Fundraising can be incredibly rewarding, no doubt. As a frontline fundraiser my whole life, I have gotten huge satisfaction bringing important dollars to organizations that are doing incredibly important and impactful work. And it's been wonderful to watch some people grow as donors over the years.

Fundraising can be fascinating. Getting to know people so well and understanding what makes them tick and what makes them give—or not!—is very interesting to me. I think we learn more about human nature when people talk about their money and how to spend it than when we talk about sex or anything else.

But fun? Fundraising for most of us doesn't involve glamorous, high net worth donors.

It doesn't involve traveling to exotic parts of the world, learning from world-class scientists. It doesn't involve being highly compensated. It doesn't involve having all the necessary tools at our fingertips.

For most of us, fundraising is very, very hard work that is barely acknowledged.

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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 Donors always make annual gifts before they make a major financial commitment to a nonprofit, correct?

A No. It used to be that donors were more likely to make annual gifts for a few years before they'd consider a major commitment. But these days, it is less common to see the traditional pipeline for a major gift start with annual gifts. There are a number of factors contributing to the shift: uncertainty in the economy, more frequent career changes, an aging population, and a pool of prospective donors who are raising their children at the same time they're caring for their own parents. Your best course of action is to build a meaningful relationship with your prospects and treat them as individuals with unique interests and abilities to support your organization. When the prospect is ready to consider a commitment, you can partner with the prospect and his/her advisors to craft a gift plan that meets the donor's personal planning objectives while also supporting your mission. Gift options such as bequests, bank or investment accounts, real estate or personal property, stock, and gift annuities will fling open the doors to more possibilities for supporting your organization. So find out what their needs and priorities are. Then, help them identify the ways they can give now and in the future. You might be surprised. Their first gift may be a major gift!

Q (Viken asks...) But Brian, we always promote the idea that loyal prospects are your best planned giving prospects. Doesn't your response negate that?

A Not at all. It makes perfect sense to *market* planned gifts to your loyal, consistent donors, as that's where you'll find your most likely prospects. But when you're working with a donor one-on-one, you must treat that person as an individual and try to understand his or her needs. If you make assumptions about your donors based on their annual giving record (or lack thereof), you risk missing out on major gifts.

Brian

Have Your Say

Comments, stories, complaints...

How many ways can you not say "dead"?

Liked your simple, common sense message in your last issue regarding an easy alternative to bequests. However, we try never to use the words "death" or "dead." Can I refer to PODs and TODs as PUPs (Pay upon Passing) and TUPs (Transfer upon Perishing)? As a related aside, I recently had to place my mother in a nursing home. The nursing home said, "Good news. We have a bed available, as one of our female patients transitioned out last week." I discovered later that the patient "transitioned out" to a nearby cemetery.

— Steve Perry
Furman University, Greenville, SC

[Steve, how about using *metamorphosed*? Viken]

Keep it fresh.

I just read your excellent article, "Who's Your Tom Bond?" [Summer '14]. Truly enjoyed it and appreciate the fresh perspective on messaging and how we communicate with our donors. Kudos!

— Baton Rouge, LA

Marketing Is An Investment

Continued from page 1

(maybe it's a $2,500 check, or maybe it's a $250,000 Charitable Gift Annuity). Your ROI in both scenarios is the same.

Good investment, bad investment.

Like all investments, there's good marketing and there's bad marketing. (And there's risky marketing that could go either way, but I'll leave that topic to my colleague Viken.) If you're paying a marketing person who spends hours a day trolling Twitter, or a fundraiser who hasn't had a donor meeting in months, by all means let them go. Bad investment! But don't stop there. Put your good money to use toward a better investment, like a planned giving website, 10 dinners with prospects, or a mailing to show constituents how to convert a lousy interest rate CD into a CGA that benefits them and you. (See Jean Marie's column on right.)

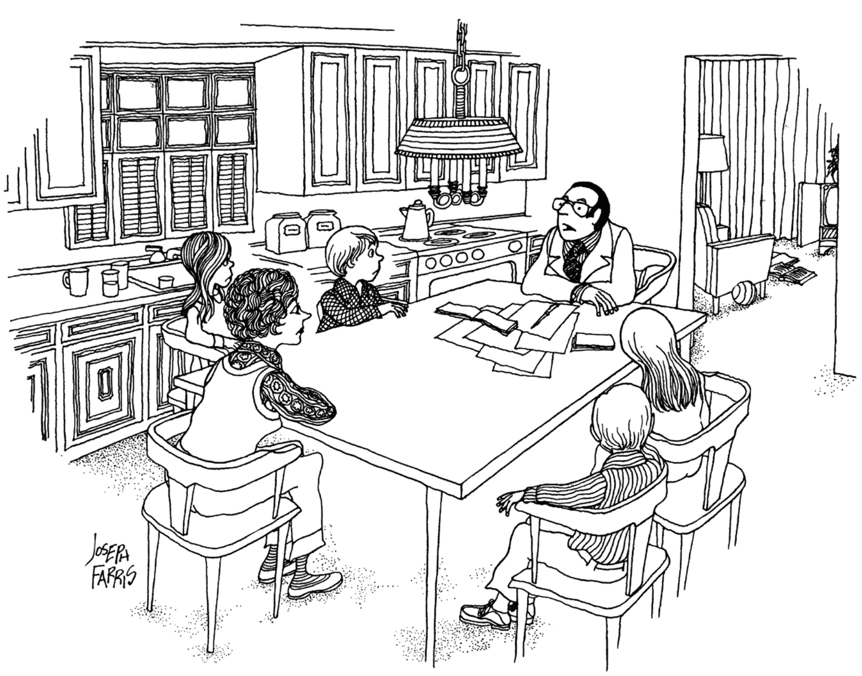
Stop spending. Start investing.

Speaking of CGAs, the example at the beginning of this article is a true story. I recently helped a private school in the Northeast launch a simple multichannel marketing campaign. All we did was tell people who care about the school about the opportunity to make a planned gift, and someone snagged the opportunity. The school invested $10K in that marketing campaign. Their return was a $250,000 CGA. Plus, they educated 3,000 people on the "benefits of giving wisely"—a big step in the right direction for more and larger gifts down the road. This is not unusual. Not at all. You see, when you look at marketing as an investment, you don't mind putting out money because you know you're going to get it back and then some. (Again, read the column on the right.)

What to do about the bean counter?

Perhaps you're reading this with a pit in your stomach. You're of the Marketing-as-Investment mindset, and you just know you could land more and larger gifts if you had the freedom to invest in marketing. But the head of your development team is a bottom line watcher, bean counter, comptroller type whose funniest joke is 1+1=3. What to do? Well, you could begin by showing the cartoon below from *The New Yorker*. If that doesn't work, call me. I'll send you a few case studies of my clients who have invested in marketing planned gifts and seen good results. I'll give you hard facts, numbers, timelines, R.O.I. — all the stuff the bean counters love. Seriously, call me. 484-680-7807. They can't argue with these results. I look forward to helping you invest! ●

Lauren led sales and marketing groups at General Electric for 20 years. A strategic account manager at PlannedGiving.com, Lauren helps non-profits develop tactical and sustainable planned giving marketing programs to raise more and larger gifts. Lauren@PlannedGiving.com



"I've called the family together to announce that, because of inflation, I'm going to have to let two of you go.

Hot CGA Tip!

Raise your hand if you want a higher interest rate.

Jean Marie Martin

Many elderly pass away with their CDs left unused in the bank. (Just ask my boss Viken about his dad who passed away last year.) Some CDs even go unclaimed by their heirs. It surprises me, but it shouldn't. It says a lot about how much people value this one "investment."

This is a strategic opportunity to tell your constituents about the benefits of a Charitable Gift Annuity. Instead of that lousy 0.9% interest rate they're always complaining about, they can set up a CGA with your organization and improve their cash flow. Everyone wins. (Well, except for the bank.)

Here's some language you can use to introduce the idea to your prospects: "Michael, I remember you expressed disappointment about the low interest you are receiving on your CDs. You're not the only one who's unhappy. Many don't even cash in their CDs during their lifetime. But did you know you can 'convert' your CDs into a Charitable Gift Annuity and continue supporting our mission for generations to come? Your annuity rates are based on your age and will likely be quite higher than what you are receiving now. Let me prepare a report for you that shows what your rate and payments will be. You can review it with your advisor and see if it makes sense for you." ●

Jean Marie is a customer relationship specialist at PlannedGiving.Com. For 15-plus years prior to joining our team, she worked in development jobs at several non-profits. That insider knowledge comes in handy as she works with our non-profit clients to market their planned giving programs. JeanMarie@PlannedGiving.com

Want help promoting CD-to-CGA idea to your donors? We have catchy postcards on the subject, just waiting to be customized and mailed. It couldn't be any easier for you.

800-490-7070
Success@PlannedGiving.com

Dear NY Times

Continued from page 1

And most of that work is spent helping our organizations make our June 30 or December 31 fiscal year budget. We've got programs that need to continue running, and that will only happen if we make our numbers. We have the pressure of keeping our organizations going. If we don't bring in the money, people get fired and no one gets the programs and services they need.

For most of us, fundraising isn't some spiritual calling. We came to the non-profit world to make a difference. We found out we could be effective as fundraisers, and we agreed to do what is often the hardest, most thankless work in an organization. That doesn't make us martyrs, but it does make us people who were willing to put aside certain levels of fulfillment in order to help the world be a better place.

That doesn't mean we don't feel fundraising can't be rewarding or fascinating or whatever. But it simply isn't fun. And saying it should be or could be is dismissive and denigrating to me and my countless peers in the field who get out there to fundraise every day.

The reality of the non-profit world is there are tons of little-known organizations doing amazing work on a shoestring that need to raise annual fund dollars every day of the week to keep the organizations going. There are tons of organizations putting on special events, sending out letters, asking for in-kind contributions, writing proposals.

So instead of telling us it should be fun and making us feel bad if we feel we missed the party, how about acknowledging the hard work we do? That will resonate a lot more with me and my countless peers in the field. ●

Brian Saber is President of Asking Matters, an online membership-based company that teaches staff and volunteers how to ask for money and motivates them to get out and ask. He teamed up with Viken Mikaelian for a popular webinar, "Scared to make the ASK?" The recording is available at no charge at PlannedGiving.guru. brian@askingmatters.com

A fundraiser stood at the
heavenly gate.
His face was scarred and old.
He stood before the man of fate
For admission to the fold.
"What have you done,"
St. Peter said,
"To earn admission here?"
"I've been a community
college fundraiser
For many and many a year."
With that the pearly gate
swung open wide.
St. Peter rang the bell.
"Come in and choose your harp,"
he said.
"You've had your share of hell."

— JEROLD PANAS

Some of us learn from other people's mistakes and the rest of us have to be other people. Zig Ziglar

Philanthropic Sales

We have a lot to learn from sales done well.

Sasha Dichter

What's the difference, if any, between fundraising and sales?

It feels like fundraising has to be different, because of the underlying motivation behind philanthropic giving and the relationship-building that goes into great fundraising. Surely fundraising is much more than the worn-out, transactional image of a smarmy sales guy pulling a fast one, the big fake smile as you walk into a car dealership, the manufacturer's coupon that you can't really redeem, and the spam cluttering your inbox. Right?

But what about when you crack open your new iPhone box and every last detail of the packaging is just perfect? Or when you arrive at your vacation hotel and the concierge does something special to make you feel welcome? When the Zappos customer service rep upgrades you to free overnight shipping? When L.L.Bean takes returns on 15-year-old shoes? When a realtor finds you the house of your dreams, for less than you were willing to pay?

That's selling, too.

The other day I was cleaning out my inbox, frustrated with all the junk mail I still receive, when I opened an email from Dollar Rental Car. I was planning to hit the "junk" button, but the email had an offer for specials on midsize car rentals. I had reserved a rental car an hour before, and by clicking on the link in the email, I saved $150. It didn't feel like I had been "sold" anything.

The point is, when you *sell something in the right way*, you are helping someone get more value from something (a product, an experience, a donation) than what she is paying. You are solving a problem for her. *You're meeting a need.*

I don't think that fundraising should be transactional—a one-time sale, all about the money. But I'm not ready to go to the other extreme and say that "selling" is a dirty word. The nonprofit sector is, in most cases, in the Dark Ages when it comes to how we sell the incredible value we have on offer; in everything from strategy to storytelling to the integration of technology, there is a whole world of people in other sectors who do incredible, value-creating, partnership-enhancing selling that we, by and large, ignore. If we throw out the notion that we have something to learn from them, we close ourselves off to a generation's worth of learning and experience.

It is true that philanthropic giving, especially large gifts, are by definition deeply personal, and that the job of the best fundraiser is to be present, to listen, to understand, to sit at the same side of the table as the philanthropist. Our job is to help her understand her goals and use her philanthropy to achieve them. And it's true that that process of discovery has many characteristics that are absent from sales of almost any other product. But I think we'll serve ourselves better by putting a finer point on what makes philanthropic fundraising ("philanthropic sales"?) different from other sales, and what makes it the same. Because I for one believe that there are great salespeople—whether they call themselves salesmen or marketing directors or CEOs or slam poets—from whom I have a lot to learn. ●

> If we throw out the notion that we have something to learn from them, we close ourselves off to a generation's worth of learning and experience.

Sasha Dichter is the Chief Innovation Officer at Acumen, which is creating a world beyond poverty by investing in social enterprises, emerging leaders, and breakthrough ideas. He blogs and speaks about generosity, philanthropy, and social change. This article was adapted with permission from a blog post Sasha wrote in October 2010. sashadichter.wordpress.com

Next Generation Of Wealth

How the young, ultra-wealthy think about charitable giving.

Who: 87 ultra-high-net-worth individuals under the age of 40.

What: Their views, challenges, and needs on investments, philanthropy, and family values.

- Over 80% of the study participants are experienced stock and bond investors.
- Over half of the study participants consider themselves stewards charged with sustaining the family wealth for future generations; many view it in the context of a responsibility to support and promote causes that speak to their family values.
- Those under 30 years old and those from families that have had experience with affluence tend to be more altruistic than their older or newer-to-affluence cohorts.
- In general, they are most comfortable with gifts whose impact can be measured and supported by data.
- They lean toward smaller organizations, where they often find an opportunity to be hands on and make a distinct impact.
- 60% believe it is highly important to support charitable initiatives.
- There is a clear and strong interest in impact/venture philanthropy.
- 30% contribute to the philanthropic process but have no decision-making authority.
- 78% are interested in serving on a non-profit board.
- 25% sit on their family's grant-making committee. ●

__Thanks to__ The Morgan Stanley Private Wealth Management and Campden Wealth for their 2014 report, "Next Generation Wealth: Defining a New Direction."

The B-Word

It's time to drop 'bequest'.

Viken Mikaelian

Oh, bequest. Such a powerful giving tool, such a useless term. Please, my fellow fundraisers, for the love of all that's good and beautiful in the world, stop using the term "bequest" in your marketing. People do not know what it means. *Heck, a lot of fundraisers don't know how to spell it.* My personal, non-scientific research shows that a strong minority of fundraisers (14%) can't even spell the word bequeeth.* I bet that's as high as 50% in the general population.

> A few "thank yous" led to a 9.7 million dollar gift.

For over 12 years now, I've been advocating to treat this most popular planned gift… well, more popularly. And yet, nonprofits and vendors still push that term. To those doing it, I have a message: Your goal is not to teach people new vocabulary; it's to raise money.

Use words that are familiar to the average person (i.e. your donors), such as: "a gift from your will or estate." That is what we've been using for our clients for 12 years now. Check out this video:

plannedgiving.com/drop-bequest

What about the W-word?

Surprisingly, a strong minority of Americans do not even know what a will is. A client of mine took time to explain a will to a donor who made regular annual gifts of $1,000. Two years and a few thank you notes later, my client met with the donor in person. The donor showed up for the meeting in baggy clothes, and my client thought all was lost. Far from it. The donor gave a $9.7 million bequest … er, that is, a $9.7 million gift through her newly written document stating how she would like her estate distributed.

Ditch the jargon.

Face-to-face meetings and phone conversations with your donors will make you aware of the insider language you're using. So pick up the phone. Go have lunch with a donor. Listen to the words they use and the questions they ask, and meet them where they are. They'll feel much more comfortable sharing their assets with you if you're speaking their language.

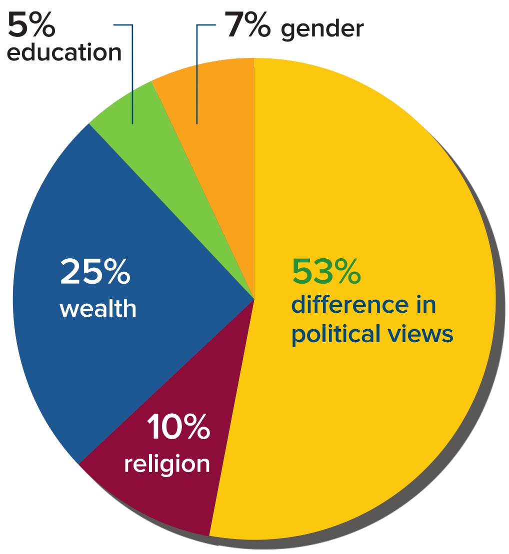
In case you fell for this, it's spelled: bequeath.

Attend our bequests webinar at PlannedGiving.guru

Let The People Speak

Results from our latest survey.

What's the blind spot you resonate with the most?



2013 compared to 2012

4.2% giving by individuals up*
5.7% foundation giving up*
8.7% bequest giving up*

*Giving USA 2014

The Nun With The Nicotine Habit

Pun intended.

A nun asked her superior if she could smoke while praying.

"Absolutely not!" huffed the superior.

The next day, the nun asked if she could pray while smoking.

"My child," responded the superior with an approving smile. "That would be most admirable."

Packaging is everything.

The School Of Life

Continued from page 1

She jumped out of her car, crying and carrying on. "I can't believe I ran into a brand new Volvo!" Tears galore...

"It's raining," I said, and I invited her into my bruised car. "Please stop crying," I pleaded, keeping my voice gentle and forcing myself to smile. "This is why we have insurance."

I'm still surprised she agreed to get in a stranger's car, actually. I guess in those days things were different. But I'd passed my own test. I figured I'd upped my empathy from a D- to at least a C+.

Six months later I got a reward for my "good" behavior. My next-door neighbor knocked on my door. "I can't believe you were so nice to my baby sister after she rammed your car at the mall."

Wow. Talk about sweet relief.

Watch your words and to whom.

I'm much better now than I was in my younger days, but I'm still learning. Thankfully, somewhere along the way I figured out how to learn from other people's blunders so I don't have to make all the painful mistakes myself. An acquaintance of mine hosting an upscale fundraising event was about to have security throw out a bag lady who had wandered in. Thankfully, before she took action, she was alerted that this "bag lady" was a million dollar donor. Another fundraiser I know met with a donor who showed up in frumpy clothes, giving the impression she'd be lucky to have 100 dollars to her name. Imagine his shock when he received the $9.7 million!

The expression "Never judge a book by its cover" has stuck around for a reason. It's so true. I know you're with me in the School of Life. You're perched on a wobbly wooden chair sipping Folgers in Bob and Norma's kitchen, trying to plan your polite escape. Just then Bob says, "Hey Norma, whatever happened to that GE stock we bought in '42?" Or you're bent out of shape at the slow driver in front of you and about to blast your horn when you consider it could be your boss. Worse, the CEO. Worst, a major donor.

So as we get comfy in our New Year, let's be careful how we treat others. An old proverb goes, *"The tongue has the power of life and death."* Nations have been led to greatness with passionate words. Millions have been deeply hurt because of injurious words.

With the power of communication we can help ourselves and others. This knowledge with a heart set on doing good is a first step in the world of giving.

Let's keep learning, keep forgiving (ourselves and others), and keep advancing through the School of Life.

I'm shooting for straight A's by 92.

Your New Job Title: Philanthropy Coach

Want an abundance mentality? First create an abundance reality.

Dan Rice

Donors typically support ten charities a year, with most of their giving focused on about four.

Now I've never had the good fortune to work for somebody's "favorite" charity. I really couldn't afford to have that scarcity mentality, where a fundraiser thinks that the entire donor's giving just has to go to their organization. I was abundancy mentality all the way, baby.

There is plenty for every organization the donor wants to give to. Why? Throughout my planned giving career I have worked for organizations that had 9 to 10 figure budgets. But remarkably, all of them had three other things in common as well:

1. Each raised most of their funds by receiving many tiny gifts, on a monthly basis, from many donors.
2. All of them didn't start up a principal and major gifts department until they had been in existence for 20 years or longer.
3. They all started these departments when they began receiving more and more "lumpy" gifts from maverick donors, who were ignoring the tiny asks and were offering assets other than cash.

Donor-centric fundraisers are trained to have an abundance mentality. They foster relationships that empower donors to discover and give in ways that are aligned with the donor's natural and learned passions. Specifically to those organizations that carry out their work with recognized best practices. Once we are acting more like the donor's philanthropy coach, we have locked down on our abundance mentality. Mission accomplished. Now go reward yourself and get an ice cream cone, coach!

> Abundance reality occurs when we are helping donors create newfound discretionary income.

Here's the thing. Maybe the abundance mentality is just another a gooey sentiment. After all, an abundance mentality won't change the fact that most millionaires have only about 7% of their wealth in cash. But creating an abundance reality is what makes our abundance mentality even possible. Abundance reality occurs when we are helping donors create newfound discretionary income, mostly through the monetization of illiquid assets and the resulting tax savings—especially when the charitable deductions that came from a lumpy gift of assets didn't require any cash to create the charitable tax savings. I love PlannedGiving.Com's Cash vs. Stock gift calculator (stockorcash.com). I use it to compare any long-term appreciated asset with cash. It's a simple yet powerful tool to help create abundance reality for your donors.

What's cool about being the Abundance Reality Fundraiser is that sometimes, a very nice chunk of this new discretionary income will be given to your organization. So, even though you may not work for the donor's favorite organization, you can still be their favorite fundraiser—their abundance reality fundraiser. ●

Dan Rice serves as the President, CEO, and Chairman of the Board for the National Community Foundation, which provides resources to charitable organizations, foundations, individual donors and their professional advisors. drice@nationalcommunityfoundation.org

Don't Be An Irresponsible Loser

New IRS Ruling: Charities must actively pursue bequests.

Tom Ahern

Could the Feds be any clearer, folks?

"If your nonprofit does not aggressively promote charitable bequests, then your nonprofit is by definition an irresponsible loser."

Exhibit A comes from *The Wall Street Journal*, September 25, 2014, where an article noted: "Harvard relies on the endowment's earnings for more than one-third of the university's operating budget."

Well, that's interesting. Harvard meets one-third of its annual nut from endowment income. Smart. So, OK, if it's that lucrative for annual, where does endowment come from, a sly boss might ask you?

Your answer: "From charitable bequests, by and large." Rock forward a bit on your toes when you say it.

And yet bosses and boards say No! to bequest marketing, when asked. They want more proof of the program's worth. Chests inflate. Actual testimony: "Show me the data!" "Stick to your knitting. That's a different pond." "We don't have time for dead donors. We need living donors now!"

Dear Fundraiser:

That was your first mistake. You asked for approval. (Why seek approval from anyone? Fundraising tactics are exclusively your domain, no one else's. It's your head on the chopping block, after all. Not theirs. Who cares about their dumb opinions? You're the one who's supposed to really ***know*** the vast body of fundraising knowledge. There is a body. And you should know it, or you're not a professional at all. "I don't have time to read," you object.

Prepare to be worthless, then. Of course, have your fantasies. Your Svengali-strength powers of persuasion could do the trick. For the rest of us... To succeed wildly well, fundraisers must exercise ***absolute*** control over all donor communications—word and image and offer. Any other approach is

Continued on page 10

Why Jews Give

Two Hebrew phrases help explain why Jewish giving is so high.

Jim Friedman

Two women pass a beggar on the street. Both women have the exact same income and expenses. The first weeps at the suffering of the beggar and gives him $5 out of the goodness of her heart. The second notices but rushes past. Later in the day, however, she feels compelled because of her religious beliefs and returns to give the beggar $100. Who is the better person?

Why are Jews so generous?

Many people who are not familiar with the Jewish community are often surprised at the large annual gifts that Jewish Federations and other Jewish non-profit organizations receive year in and year out. Are Jews more generous than other people? Have Jewish organizations cooked up some kind of secret fundraising sauce? I have been privileged to work with the Jewish Federation of Cincinnati for twelve years and identify as a Reform Jew. I hope the following observations will shed some light on the nature of Jewish philanthropy.

What does it mean to be Jewish? Well, that's like saying, "Describe an orchid," or asking, "What does wine taste like?" There is immense variety among Jews, and trying to make generalizations can be misleading. Nevertheless, the following comments that describe more traditional types of Jewish giving are the basis for Jewish giving and are the motivations even for many who are not as religious in their day-to-day practice of Judaism. These age-old traditions and beliefs permeate today and help explain why Jewish giving is disproportionately high.

The Jewish "obligation."

Tzedakah is a Hebrew word that often gets mistranslated as 'charity.' But it's much more like a righteous obligation than a charitable gift. Most of us pay our taxes every year more because it's the right thing to do as a U.S. citizen. It's not considered discretionary. We might complain a little, but we do it. *Tzedakah* is like that. Give away 10 percent or more to help the Jewish people and you are doing your duty. It's not something you think about, and it doesn't even matter if you feel like doing it. Just do it! The concept may sound harsh to those on the outside. But it's all part of the Jewish endeavor to act in concert with God, lead a good life, act justly, and care for those in need.

Repair the world.

A very old man is planting a fruit tree. A passer-by wonders why he would bother to plant a tree that won't bear fruit until decades after he is dead. The old man responds, "As my father planted before me, so do I plant for my children."

This story from the Talmud models *Tikun Olam*, a Hebrew phrase that means loosely, "repair the world." The traditional Jewish belief is that we have an obligation to leave this world better than we found it. What we give is not so much for our own enjoyment, but to sustain and improve the world for the current as well as the next generation. It is really not a choice, but rather a requirement, to make our entire community a better place for everyone.

> Give away 10 percent or more and you are doing your duty.

This is different from faith-based giving. This is peoplehood giving. Jewish history is rooted in persecution through the ages, and time and again Jews have found themselves unwelcome in the countries where they've lived. So there is an element of, "If we don't take care of each other, who will?"

Now, back to the story in the beginning. Who is the better person: the one who gave $5 out of emotional impulse or the one who gave $100 out of obligation? If you chose the first person, here's a follow up question: Would your answer be different if you were the beggar? ●

Jim Friedman is Director of Planned Giving and Endowments for the Jewish Federation of Cincinnati. Jim's family has been in Cincinnati for five generations and takes great pride in the prominent role Jews have played in the Cincinnati community. jfriedman@jfedcin.org.

Habanero Peppers, Tequila & Charitable Gift Annuities

Why a few complaints about a recent webinar made me oh-so-happy.

Viken Mikaelian

Four people complained about the title of a recent webinar we held, and I couldn't be happier. And why would I be happy you ask?

As Tom Ahern says: "If you send out 10,000 newsletters and do not receive 100 complaints, that means you're not being heard." You're being ignored.

When people complain, it means you're being heard. I'd **much** rather get four complaints than hear the crickets chirp and wonder if 14,200 of my emails were ignored, went into junk folder or trashed.

I advise clients that if 10 out of 10 board members approve a marketing concept, go back to the drawing board. It's boring, too safe—no one will pay attention. If 8 approve and 2 don't, go with it. It's just right enough to garner attention.

Always remember: in fundraising, marketing and sales, you always need a strong stomach. There will be emotional highs and lows. Just deal with it.

I practice what I preach.

There is far too much vanilla in the planned giving world, and I refuse to be part of it. I'd much rather be that eccentric Tequila infused with habanero flavor guy (which I excogitated over the holidays, by the way) that most will like and a few will question — but all will notice.

So maybe you're wondering, what was the "offensive" webinar title? Here it is: **All annuitants are women and they lie about their age.**

Now before you get huffy with me, I have a few things to explain about this.

First, it was Scott Janney's fault, not mine. Scott is an exceptionally bright executive who also serves as a consultant at PlannedGiving.com. Scott came up with that title seven years ago and published numerous papers. So, while I do love the creative line, I can't claim credit for it. *But I am getting the flack for it.*

It was Scott Janney's fault, not mine.

Second, *there is objective truth in that line that anyone marketing CGAs should take note of.* The American Council on Gift Annuities (ACGA) bases its CGA payment calculations on the assumption that every annuitant is female, which provides the first coating of protection for charities. (Think about it: women live longer than men.) And, whether or not they realize it, all annuitants claim to be two years younger than their actual age because the ACGA assumes a two-year set back in ages when calculating annuity rates. They do this not because they really think annuitants are lying about their age, *but because this gives the charity an additional layer of protection.*

Thirdly, since you're reading this you know that we're known for our "outside the box" approach to marketing planned gifts. We avoid the vanilla like the plague. We do not, however, wish to offend. I have nothing but the utmost respect for women in fundraising. In fact, I think women often do a better job than men in this people-focused, relationship-based field. So to the handful of 4 or 5 out of 14,200 who were "offended" (male and female), *my apologies.*

The webinar was a success with over 300 registrants. Missed it? There's a recording online and we have other good ones coming up: visit **PlannedGiving.guru.**

Our webinars are highly focused, practical, and often edgy.

And *informative guaranteed.* ●

Irresponsible Loser

Continued from page 8

an indefensible joke and bad management. Allowing untrained people approval over fundraising materials is akin to allowing monkeys loose in a missile launch room where bananas hide the buttons.

The new IRS rule...

The new rule from the Feds, formulated in response to complaints from senior NGO industry executives, stipulates, "If you do not market charitable bequests to your best prospects, i.e., your most faithful donors, then you are a hopeless chump agency that needs new management as fast as possible. Until you get this fixed, we're revoking your 501(c)(3) status and you cannot legally pretend to the world that you are competently managed."

Don't miss the bequest webinar! 1/29/15 @ PlannedGiving.guru.

There are only two known reasons why a charity would not actively engage in bequest marketing aimed at its most devoted donors: (1) ignorance; (2) suicidal tendencies. Fear. Management desperation. They might qualify, too.

Fear? Really? Don't waste your time. There's no downside. It costs you exactly one letter a year to effectively market charitable bequests. That's the entire cost. One letter a year; you're done. Fundraising for the future as well as right now.

Back to Harvard.

"Harvard relies on the endowment's earnings for more than one-third of the university's operating budget." What does that actually mean? It means that your organization, if it were in Harvard's shoes, would only have to fundraise two-thirds (66%) of its annual philanthropically-underwritten operating budget, rather than 100%. A third is already guaranteed, from past gifts via bequests. What a relief!

Imagine...You can think straight for a change. You can think strategically about growth instead of frantically, endlessly grubbing to more or less fill the annual pot.

Here's the thing.

I speak to thousands of fundraisers. I routinely ask, "Who expects to be out of business in 50 years?" No one raises a hand. And yet... nearly none of them, I'd wager, has an effective bequest program in place. Spell "delusional" for me. ●

Tom Ahern is an authority on donor communications. He's authored four books and delivers dozens of workshops every year. He is frequently facetious. (Exhibit A: The fake IRS quote at the beginning of this article.) aherncomm.com

14 Resolutions for '15

So simple. No excuse to ignore.

Viken Mikaelian

1. **Talk behind someone's back.** Spread positive gossip about a colleague who did a good job, and watch productivity grow.
2. **Stay focused on what works.** There will always be another shiny object like Twitter to sap your time and energy.
3. **Keep quiet.** Take coffee break in nature.
4. **Be proactive, not reactive.** What planned giving's about. Good for your organization *and* career. *Requires thought.*
5. **Change your office.** Change three simple things to improve productivity.
6. **Audit intake habits.** Ditch unnecessary calories (sugar/cream in your coffee?) and lose a few pounds. Feel better, *guaranteed.*
7. **Outsource your copywriting and marketing.** Your time's too valuable.
8. **Impress your boss and peers.** Be a go-to person. It doesn't take much to specialize in one or two areas. *Like CGAs.*
9. **Just do it.** Anything that can be done in less than two minutes—do it now.
10. **Take chances.** Ruffle a few feathers this year. Be heard. Don't be risk-averse.
11. **Be late to work.** But, if you're 20 minutes late, stay 40 minutes late. And sometimes, be way too early. Leave after your boss. *You'll fast-track your career.*
12. **Get it together.** Keep your to-do lists in one booklet and not on pieces of paper.
13. **Read, read, read.** Choose self improvement books over TV or the daily paper.
14. **Say thank you.** A card, phone call, email, visit, newspaper column of interest, appropriate joke, appropriate complaint about life, box of baklava, something nice on their Facebook wall. Whatever. Anything. Thank. Your. Donors.

technical corner

Want To Pay Less Estate Tax On IRAs?

Camilyn Leone, Esq.

A reader of *Planned Giving Tomorrow* sent me this worthy question about transferring 401(k), 403(b), and traditional IRAs: **Why can donors take an estate tax deduction when making the charity a beneficiary of their retirement plan? What happens when I leave my IRA to my spouse?**

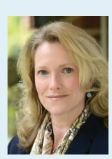
1 IRAs and the Unlimited Charitable Estate Tax Deduction

Section 26 US Code 2055 allows the deduction of the full fair-market value of any asset transferred to qualified charities to be deducted from the decedent's gross estate, thereby reducing the estate and lowering estate taxes. This includes IRAs. If the IRA is left to a trust, then the IRS will look at the trust to make sure that the charity is a "designated beneficiary" of the trust and calculate the estate tax deduction. So, if the IRA is left to a trust with a charitable beneficiary and a non-charitable beneficiary, the IRS can differentiate among the classes of beneficiaries to determine which sections of the code apply to the trust in order to determine the estate tax liability.

2 Spouses and IRAs

Section 26 US Code Section 2056 allows a marital deduction for transfers to the surviving spouse. Thus, an IRA left to a spouse will be deducted from the estate thereby lowering the gross estate and any subsequent estate taxes. If the spouse decides to rollover the inherited IRA assets to her own IRA account, it will be re-amortized based on the surviving spouse's life expectancy to determine mandatory distributions after age 70½.

In closing, you can rest assured that leaving an IRA to charity is a fabulous way to support charity and relatively simple. The prospective donor should ask the IRA plan administrator for a beneficiary designation form also called a "Transfer on Death" or TOD form. Of course, I would advise all donors to consult their own financial and estate planning counsel. A good advisor will take a look at these sections of the IRS code and create a plan for the donor and his or her spouse that meets the couple's financial and philanthropic goals. ●



Camilyn K. Leone, Esq., is an attorney who specializes in non-profit law and teaches the Nonprofit Law Clinic at the University of Virginia School of Law. She lives in Albemarle County, Virginia with her husband, two children, and flock of Navajo-Churro Sheep.

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— Our Corporate Culture —

"Planned giving is a people business. If you love people, you will raise more money than you have ever imagined."

This quote is the guiding star of PlannedGiving.Com, and has been ever since our inception. It makes us who and what we are—as a brand, as a company, and as a provider of planned giving marketing solutions.

This philosophy is so deeply ingrained in our firm that it permeates our attitude, products, and services.

The result? Planned giving marketing solutions that are donor-centric. *Naturally.*

Wishing you a happy and successful 2015.