Don't simplify. Over-simplify.

Spring 2017
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SPECIAL **LEADERSHIP ISSUE** FOR FUNDRAISERS.

Go ahead, be average.

Or is that not good enough for you?

Viken Mikaelian

Do you wish to be better than average in your career and in your life? If you do, then you need to behave in a better-than-average fashion.

The way you conduct yourself on a daily basis is directly related to the life you end up with. It is so easy to get sucked into a less productive and less fulfilling life (i.e., average). It's easy to give in to the noises around you and thus be distracted endlessly from the current task at hand. It takes purposeful effort to be better.

Step up to a better you.

Everyday, life happens. There will always be unending phone calls, texts and emails. You can enslave yourself to the rings and beeps and buzzes. Or you can choose to step away and step up to a better you. Devote time away from distraction to produce and improve. A study at the University of California found that the average worker is interrupted up to 20 times per hour. This includes self-interruptions like moving from one task to another before the first task is completed or letting your phone buzz you out of concentration.

You're probably thinking about all the people around you who have given in to this lifestyle and are doing just fine. Except, they are not fine. Or if they are now, they won't be for long because a life absent of thought and built on reaction will lead to discontent. Sooner or later, they will lose what they have and be replaced with someone more ambitious or more efficient.

A life of accomplishment and satisfaction takes insightful thought and deliberate action.

Continued on page 10

Women Are Philanthropy's Transformational Change Agents

Want to do philanthropy better? Engage women.

Lisa M. Dietlin

Women are changing the face of philanthropy. Young, old, married, single, divorced, widowed—it doesn't matter. Women are shaking things up. The smartest, forward-thinking organizations are recruiting women to lead the way.

First, let's get some context.

Three reasons female donors are often overlooked:

1. Men are still the leaders of corporate America. Only about 4% of the Fortune 500 CEOs are female. A lot of nonprofits look first to the corporate world.
2. Women tend to get lost because they change their names. So if you're heading up an alumni group, for example, it can be challenging to find a woman with her new name. Sometimes it's just easier to find the man.
3. Men still make more money than women. So if a fundraiser is creating his or her prospect list based primarily on income, that list will be dominated by Roberts and Franks and Richards.

Now, let's talk about why the smartest nonprofits are finding ways to engage women.

Women control the purse strings.

In the philanthropy world we typically default to men to make our pitches for big gifts like a scholarship endowment or a building fund. It makes sense, in a way. Men earn more money. But consider this: Who controls the purse strings in most households? Studies show that women control or direct upwards of 70% of the financial purchasing power in this country.

Continued on page 4

Millennial Leadership

It's here. What are you doing to do about it?

Adam Morgan

Millennial leadership is becoming more than a buzzword or topic for esoteric study. As the leading edge of this generation enters their mid-thirties, many are rising to leadership positions throughout the business, government and nonprofit sectors. As these leaders rise, there exists a great opportunity for nonprofits to engage this generation in a meaningful and long-lasting way.

Good fundraisers know that the key to cementing a long-term donor is through engagement, relationship building and a donor-centered development philosophy. As millennials enter their 30s and 40s, these are the years when they will be cementing their philanthropic passions and looking for organizations to become involved with as donors, volunteers and

Continued on page 4

Ask Brian

Got a question itching for an answer? Ask Brian M. Sagrestano at PlannedGiving.com/brian. Check online at PlannedGiving.com/answers for replies that don't fit here and a lot more.

Q I'm getting some resistance from my board to starting a planned giving program. They don't think we need it. I read your column all the time and know that we do. How do I convince them?

A Convincing your board and senior leadership to start a planned giving program can be a tall order. Fortunately, planned giving will eventually pay for itself many times over. I have found that one of the best ways to convince your leadership to start a planned giving program is to introduce the idea over time. For example, at your next board meeting, say this: "At some point in the future, we are going to come to you to talk about starting a planned giving program." Then at the following meeting, say this: "You know, I read recently that the typical completed planned gift is 200 times the size of a donor's largest annual fund gift. I'd like to talk with you at some point about starting a planned giving program here." Each time the board meets thereafter, similar comments. By the third or fourth mention, someone on the board is likely to say to you, "We've been talking about this planned giving thing forever, when are we going to get started?" This will allow you to put a plan in front of them to build your program.

Here are a few resources that may help you:

www.areyoureadyforplannedgiving.com
Measure your organization's readiness

"Get Your Board on Board"
This presentation covers "15 Myths Most Nonprofits Fall For" and shoots down the myths with facts that will convince even the crustiest board member to give planned giving a chance.

Planned Giving in a Box
Everything you need to get your planned giving program started, all in one user-friendly kit.

Order at www.plannedgiving.net/toolkits

A Leadership Lesson From An Orek Vacuum Cleaner

Russ was the best boss I ever had.

Karen Martin

When Russ took over as the new executive director, we were all curious to see how he would do in our estrogen-dominant office. The four full-time staff, including me, were women. Nine out of ten of our volunteers were women. The outgoing executive director was a woman. Our nonprofit's clientele were women.

Russ, on the other hand, was a man.

I expected Russ to come in and make major changes. Implement systems. Bring in donors with fat wallets. Schmooze with the mayor. Instead, he spent the first week sitting around. He'd come into my office, pull up a chair and chitchat. He asked a lot questions—not only about the organization, but about me personally. Our old building had thin walls, so I knew he was doing the same in other people's offices.

It was 50% annoying and 50% endearing. I appreciated how Russ genuinely seemed to care. I liked feeling as if my opinions were valuable. But I wanted him to do something.

Then, week two, Russ finally did something.

"I'll be right back!" he called as he strode by my open office door.

Moments later I watched out my window as his car backed down the driveway past. *Maybe he's going to meet with a big donor*, I thought.

An hour later Russ was back. He had not gone to meet with a donor. He'd gone to Orek to buy a new vacuum cleaner for the office.

Now I was 100% annoyed. A vacuum cleaner? *Really?* Surely there were more valuable things he could be doing with his time.

Eventually, Russ did all those big things I'd expected of him—the systems, the big donors, the networking. But The Vacuum Cleaner Incident stands out in my memory more than anything else. It was the first in a long line of things Russ did to endear himself to the staff and volunteers.

It was a powerful lesson for me, young and overly ambitious as I was. ***Russ listened.*** And when the volunteers—the faithful volunteers who were the heart and soul of that place—told him how frustrating it was trying to vacuum with the clunker machine that had long ago lost its suction, he heard them. And he did something about it.

It seemed like such a small thing. But we used that vacuum every day. It kept the place clean and welcoming for our clients. Most importantly, it made the volunteers feel heard and valued.

I still consider Russ the best boss I've ever had. I hope I listen and value the people I lead half as well as he did. ●

Russ ('H'), me ('K') and our team sent this Christmas card to our nonprofit's donors in 2010.

Karen Martin helps individuals, businesses and nonprofits write their stories. Contact: karen@plannedgiving.com

Put Their Name On It

Our campaign *permanently* connected thousands of people to our cause.

Stuart Sullivan

I have never seen a campaign like this. I have been involved in pretty much every area of philanthropy there is. Corporate giving, major giving, annual giving, direct marketing, special events—you name it, I've done it. But nothing in 30 years was quite like the campaign I helped run for the Children's Hospital of Philadelphia a few years ago.

As you know, a building campaign typically brings in 20 or 30 donors. If it's a really big one, maybe 100 or more donors. A handful of leading donors kicks things off with leadership gifts. It's a reasonable approach. After all, you don't want to invade your annual donors to support a building campaign. But at the Children's Hospital of Philadelphia (commonly called CHOP), we had the luxury of not having to raise a significant amount of unrestricted funds relative to the overall budget of the hospital, so we could strongly encourage people to move their giving to a specific purpose.

We decided to structure the building campaign as an opportunity not only to raise the needed funds, but also to draw in people who had never given before. We wanted to change the culture of philanthropy.

It started off pretty typical.

We personally solicited 20 executive leaders for a total of $1.3 million. Then we solicited everyone on the board of trustees (except for a few people who were already in a significant pledge). The combination of these steps raised about $20 million. Through conversations with our naming family over a couple years, they made a commitment of $50 million. (That was twice the dollar amount of any other commitment the hospital had received up to that point.) We were off to a great start!

Here's where things got interesting…

We formed a committee to launch a campaign to solicit physicians and staff of the hospital. The committee was led not by the development department, but by physicians, nurses and other various staff at all levels on the organizational chart. The campaign raised a couple million dollars, but more importantly, it got 1,300 staff to make a gift. (This compared to only a few hundred who had been giving annually.) Next—and this is my favorite part—we launched a creative, multifaceted public campaign.

Go ahead, put your name on it!

Our naming opportunities were not just for the elite top donors. Far from it! We started naming opportunities at just $500, which you could pay over five years. So we would tell employees that "For $3.84 a pay period, you can have your name inscribed on the glass railing in the lobby." We also "sold" 1,300 pavers. For only $1,000, the donor could have the paver inscribed with basically anything they wanted. And, that they could name a room for as little as $10,000. The wide range of naming opportunities gave thousands of people a chance to participate.

The biggest success of all here is that thousands of people now have a permanent attachment to the hospital. Some of those people may never give again, or they will drop back down to the normal level of giving. But now they have their name in a building. They can come back and see it. When they're older and thinking, "Where are the places that are important to me?" they'll remember they have their name in this beautiful building at The Children's Hospital of Philadelphia.

I will never have a study to prove this, but I am confident those people are far more likely to stay committed long-term and far more likely to make a planned gift someday.

Seize the once-in-a-generation moment!

Of course not every organization has the capacity to run a campaign that large. I am no longer with CHOP, and I expect to run campaigns for organizations of all sizes in the future both big and small. But the take-away still applies.

There are these rare moments in the life of an institution where you can take advantage of a project to change the culture of philanthropy and infuse a new sense of energy and enthusiasm. It doesn't have to be a building. It can be anything—a new program, research, a change in leadership.

The exciting challenge for those of us in development is: *How do we take advantage of these once-a-generation moments?* ●

Stuart Sullivan is an independent fundraising executive. He provides counsel on campaigns, strategic planning, various forms of giving, and management of programs and staff. He also provides interim staffing for vacancies at a senior level. Contact: spsullivan611@gmail.com

The Law Can Get Complicated… But Planned Giving Marketing Isn't Law.

Camilyn K. Leone, JD
Legal Advisor
PlannedGiving.com

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Millennial Leadership

Continued from page 1

advocates. So how does a nonprofit go about forging these relationships for the long term?

Engage younger generations where they are, not where you want them to be.

Social media, email and text messaging are all viable forms of communication for the under 35 crowd. This generation thinks nothing of exchanging important information via these methods, and if you are trying to engage this group but aren't at least partially communicating in these ways, then you are missing an opportunity.

Think "Engagement," not "Financial Commitment."

Millennials, for the most part, aren't ready to enter your major gifts or planned giving pipeline. Most don't have the income to support those types of gifts, and most have their estate plans focused on providing for their young families should something happen (if they have an estate plan at all). Instead of pushing for more and bigger gifts, engage them. Volunteer opportunities, social media ambassadors, networking events, events that provide an experience for the participants—these are all ways that this generation is engaging with nonprofits. Engage them now and provide a value to them giving you their time, and they will stay engaged and involved for the long term.

Get millennials onto your board.

Do this. Make this a top priority for 2017. Nonprofit boards are aging and are having a hard time finding replacement members. If your board has a financial giving component or expectation to being a board member then create "junior member" positions that match millennials up with older board members who can show them the ropes and act as a mentor for them. Don't require a large financial commitment for these junior member positions.

Boards and nonprofit leadership are constantly asking the question of how they can get through to the millennial generation. Involve them. With 2 or 3 on your board they can guide you on how to engage their peers and you will be better positioned to engage them. There are plenty of local young professional networking groups with bright, caring and motivated millennials who are looking for these opportunities. They want to challenge themselves, they want to give back and they want to be involved. They may also want the experience and the resume and professional boost of being a part of a nonprofit board. And that is okay. We're asking something from them; we shouldn't be afraid of giving back to them in return.

Millennial leadership is coming, if not already here. Let's make this the year we stop *talking* about reaching the millennial generation and start actually *doing* it! ●

Adam Morgan is a Donor Relations Director for The Salvation Army in Eastern Pennsylvania and Delaware. He enjoys building donor relationships and thinking of creative ways to engage and connect donors with the organizations that they support.

Contact: adam.morgan@use.salvationarmy.org

Women Are Philanthropy's Transformational Change Agents

Continued from page 1

Women are risk-takers.

It may be the way we're wired or it may be how we've been conditioned by traditional roles in our environment. Either way, women are creative and resourceful. If there's not enough money in the grocery budget, we'll figure out a way to make a meal from whatever's in the pantry. Three kids have appointments in three different places all in the same afternoon? No sweat. We'll figure it out. Women are always thinking about how to coordinate things, and we're generally fine with not having a perfect plan. This makes women—especially women entrepreneurs (more on this in a moment)—more likely to provide dollars for new initiatives and riskier asks.

Women live longer.

In the industrialized world, women live 5 to 10 years longer than men. As baby boomers age and pass on, nonprofits that are developing programs to engage women in the life of their organization will be better off in the future.

Women are an untapped resource.

Everyone's going to the male-led corporations, and meanwhile, all these women are sitting on all this money, and no one is asking them for it. Female entrepreneurs, in particular, are an incredible, overlooked resource. A woman entrepreneur is going to be the quickest decision-maker you could hope to find!

Next time you need to make an ask for something your traditional prospects would consider "risky," try pitching it to a female entrepreneur. And please—email me to tell me how it goes. ●

Lisa M. Dietlin is an internationally recognized expert on philanthropy, charitable giving, and transformational change. She is a coveted keynote speaker, media personality, philanthropic consultant. She is the founder of The Institute of Transformational Philanthropy and the author of six books. Contact: lisa@lmdietlin.com

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The Planned Giving Creative Solution Awards

These fundraisers are meeting challenges head-on.

Gail Rodgers

I made 800 phone calls during my first few weeks on staff at PlannedGiving.com. My objective was to understand the biggest planned giving marketing challenges fundraisers face. Along the way, I talked with some folks who have found creative ways to overcome their challenges.

So without further ado, I'd like to present the 2017 Planned Giving Creative Solutions Awards!

The "Making Most of Time and Opportunity" Award goes to...

Bonnie Faulker, Executive Director at the Wilson Memorial Hospital Foundation, Sidney, Ohio

The number one challenge voiced about planned giving marketing was overwhelmingly, the lack of time. Not for Bonnie.

"You just make the time," she says.

With her staff of three, Bonnie manages to schedule a donor lunch or dinner every day. She also organizes and presents estate planning seminars twice a year in a collaborative effort with four other charitable organizations in their small community. Bonnie finds opportunities for planned giving everywhere she goes.

She has even received gift commitments while talking to people at Kroger and Walmart!

The "Discovering Gifts" Award goes to...

Kathleen Butera, Director of Development at the Pittsburgh Opera

Kathleen came up with a brilliant strategy to discover estate gifts, using the resources she had at hand: a company of world-class singers.

The Pittsburgh Opera planned a recital to honor the members of their planned giving recognition group. Kathleen notified the members by mail and asked them to RSVP to her by phone. The calls gave Kathleen a chance to speak with the members personally and find out the status of their plans. In addition to uncovering estate gifts and getting updates on gifts people had planned, two people contacted Kathleen to tell her they were putting the opera in their will. Kathleen is planning another recital for the spring.

The "Discussing Death" Award goes to...

David Barclay, Director of Development for Historic Deerfield Inc., Massachusetts

David found a way to overcome the challenge of talking with donors about the uncomfortable subject of their own death.

"Even though conversations about planned giving can sometimes be uncomfortable, you are giving a person the opportunity to do something exceptional," he told me. "I start with the assumption that every person would like to leave a positive legacy, consistent with their outlook on life."

> Bonnie has even received gift commitments while talking to people at Walmart.

David focuses on cultivating a long-term relationship with the donor and realizes that a "no" today can mean a "yes" tomorrow. This dissipates the fear of broaching the death topic with donors.

The "Getting the Donors Attention" Award goes to...

Bruce McCoy, former Development Director at Southwestern Baptist Seminary, Fort Worth, Texas

Several people mentioned the challenge of finding ways to be creative in planned giving marketing and personalizing the messages. Bruce partnered with a fellow musician and songwriter to give concerts with beautifully written original songs. These concerts encourage the audience to think of their future legacy by including planned gifts to both their home church and the seminary. He even has a magnificent brochure and CD to help promote these concerts. It doesn't get much more original and creative than that!

The "Don't Take No For An Answer" Award goes to...

Michael Weisbrod, Gift Planning Officer for the Roman Catholic Foundation of Eastern Missouri

Many fundraisers lamented that their superiors are either clueless about planned giving or have the idea that planned gifts negatively impact immediate donations. Michael faced this challenge head-on by making it his job to educate and inform the people who make policy and financial decisions for the organization.

"A donor who has created a planned gift now has a vested interest," Michael tells the people who set his budget. "That donor is more, not less, inclined to donate on an immediate basis, as well."

Congratulations to the winners!

One thing these creative fundraisers all have in common is an extremely positive attitude. That's got to be a big part of why they dream up creative solutions to their marketing challenges. Their enthusiasm was infectious, and I was inspired talking to them.

I'm sure their donors are, too.

Gail Rodgers is Account Executive at PlannedGiving.com. She's a musician, singer and actor, and brings a welcome splash of creativity to our sales team. Gail has sung solo concerts in Carnegie Hall and Lincoln Center and performed opera roles in New York, Boston and London. Contact: gail@plannedgiving.com

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Servant Leadership

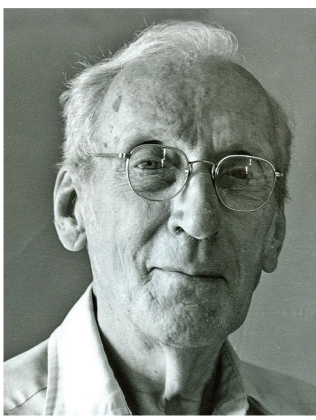
A model for the planned giving development professional

Cliff Evans OFS, MA

There's a tiny book written in the 70s that forever changed how I view my role as a leader. And I wasn't the only one! This book sent ripples throughout academia and corporate America that are still being felt. Now it's time for the nonprofit sector to heed the lessons.

Servants take the lead!

The Servant as Leader, by Robert K. Greenleaf, the twentieth century visionary thinker and long-time AT&T executive, was the result of Greenleaf's three decades of experiments and studies on organizational leadership. Countless contemporary leadership authors such as Stephen Covey, Ken Blanchard and Margaret Wheatley have explored servant-leadership and continue to apply its simple yet rich approach. In recent years, "servant-led" corporations have outpaced the success of some of the top Fortune 500 corporations. Southwest Airlines, Starbucks and The Container Store, are a few examples.



The servant-leader is servant first. It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first.

— Robert K. Greenleaf

What is servant-leadership?

In his book, Greenleaf describes two kinds of leaders.

The "leader first" person is driven to promote her/his own vision and needs first by influencing others to conform.

The "servant first" person shares power, puts others' needs first and helps people develop and perform as highly as possible. How do you know if a company is servant-led?

Greenleaf suggests a test: "Do those served grow as persons; do they *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?"

Servant sounds like pushover...

This use of the term "servant" was problematic at first even for Greenleaf. It has historical and social connotations that run counter to the concept of leadership. But the servant-leader is no doormat. He or she has vision and the ability create a plan and execute it. A key difference, according to Greenleaf, is that "a true natural servant automatically responds to any problem by listening first." So the leader who wants to develop his or her servant-leader qualities should take on the "arduous discipline of learning to listen."

Planned giving officers have a tall order to fulfill.

It falls to us to unify top leadership, the benefactors who support us, and constituents who benefit. I suggest the best type of person to accomplish this task is the servant-leader.

Another book that has helped me immensely is *Seven Pillars of Servant Leadership*, by James W. Sipe and Don M. Frick. Among these seven pillars, the first three—"Person of Character," "Puts People First" and "Skilled Communicator"—hold the key for the gift planning development professional. Sipe and Frick describe persons of character as those who maintain integrity, demonstrate humility and serve a higher purpose.

Recently I took a planned giving course produced by Lilly School of Philanthropy. The course distilled one key component that perfectly reflects the servant-leader attitude:

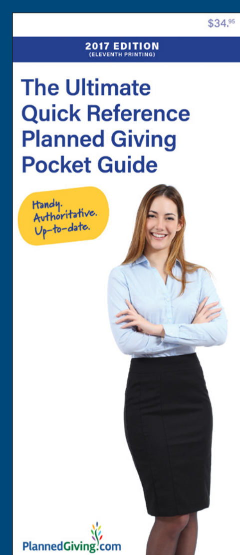
"As gift planners, we must address the donor's philanthropic and financial objectives. Never lose sight of the significance of your organization's mission to the donor."

Called to serve.

As planned giving development professionals, we're all called to serve. We serve the mission and values of our organization. We serve the people and causes our organization helps. We serve the interests and needs of the benefactors we're charged to assist in the process of planning their best and most meaningful gift. Embracing servant-leadership as a model for our practice points us in the right direction for those we serve and for ourselves.

Cliff Evans is the first Planned Giving Officer of the Catholic Foundation in over ten years. Since June of 2015, he has worked with diocesan and board leadership using marketing resources from PlannedGiving.com creating a new program to promote the stewardship of planned giving within the Catholic Church of North Florida. He is a Secular Franciscan and holds and MA in Religious Studies from Gonzaga University.

Contact: CEvans@dosafl.com



Slip this handy booklet into your pocket before your next round of prospect calls. It's not another ways-of-giving brochure — it's a "why's of giving" that helps you better understand the upside and downside of different giving options for both you and your prospects.

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Butt Out!

The art of leadership involves letting go.

Dennis Bartholomew

When I was first hired as the executive director of a nonprofit, I signed myself up to work every job in the agency for at least one day. I even drove the truck that picked up donations for our thrift store. I liked it! From then on, if the driver called off and I was available, I would drive the truck. I thought donors loved seeing the director show up at their door to pick up the donation and thank them personally.

I was wrong.

At that agency we had a psychologist on staff who directed our program for individuals with special needs. She was quite a bit younger than me, and I was her boss. But she had a strong personality—strong enough to walk into my office one day, shut the door, and tell me in no uncertain terms that I was stepping in where I had no business being. She would never tell me how to be the executive director, but neither should I try to do the job she had been trained and hired to do.

I'm an educated person. And as such, one thing I know for sure is: *I do not know everything.* So I listened to her. Our discussion was civil, but she was abundantly clear. And even before she finished talking, I knew she was right. I was invading everyone's space! I was micro-managing every job, function and aspect of the agency from truck driver to program director. I'm so glad she was brave enough to confront the boss.

I stepped back instead of butting in.

It wasn't easy, but I made an effort to let my staff do their jobs. I kept quiet and didn't make my point the point. I let people do things in ways I would not have done them. And here's the shocker! The world continued to spin. The sun rose and set and nothing—not one thing—blew up.

In fact, morale improved and the team started to gel. My team came to count on me for support and vice versa. I made it a point to let them know that I appreciated the job they were doing. We met regularly for updates and reports, and they knew my door was always open.

That was 20 years ago, and learning that valuable lesson has made all the difference in my career. I've grown to view my role as a leader not as the one who makes every decision.

For me, being a leader is about building the right team, creating unity through trust, and letting my team know that we are in it together, and that I am on the team with them. ●

Dennis Bartholomew is a nonprofit executive, former corporate CEO, author and public speaker. He champions vital causes and has a history of connecting philanthropists to nonprofit missions that address their concerns.

Contact: dbartholomew@tcchinc.org

Do's and Don'ts of Soliciting Charitable Donations

Words of wisdom from the *Wall Street Journal* and the Bible.

Bernie I. Bostwick, CAP®, ChFC®

Several years ago, the *Wall Street Journal* ran an intriguing article by Veronica Dagher entitled "Ask Nicely, Please." In the article, Dagher observes, "For some charities, the difference between success and failure may not have much to do with how they spend their money. It may, instead, have to do with how they ask for money."

The Right Way: People Give to People

In the Bible, Philippians 2:4 instructs each of us to, "Look not only to his own interests, but also to the interests of others."

People value people. Sure, numbers, buildings, and endowments are all nice, but the interest comes from changing lives.

The Wrong Way: Making a Confusing Pitch

Be sure, above all things, to offer clarity about your organization's mission. The last thing you want to do is share so much about events (golf tournament, phone-a-thon, concert, meeting, annual banquet, etc.) that your donor loses sight of your mission! If a potential donor leaves with nothing else, make sure they leave with a concise and clear picture of what you do.

The Right Way: Show Me the Leadership

Proverbs 11:14 teaches, "Where there is no guidance, a people fall, but in an abundance of counselors there is safety." A professional consultant that Dagher interviewed for the article reminds us that "Fiscal integrity is a key characteristic of strong nonprofit leadership. Prospective donors need to know that the charity's CEO will ensure the responsible stewardship of donations made to support the mission... In addition, in order to attract new donors, a charity must demonstrate that the organization's leadership is stable. Consistent leadership helps build donor loyalty."

The Wrong Way: Insulting the Donor

Even those who have never touched a Bible know about the Golden Rule Jesus laid out for us in Luke 6:31: "Do to others as you would have them do to you." In

> Where there is no guidance, a people fall, but in an abundance of counselors there is safety.
>
> — Proverbs 11:14

her article, Dagher interviews experts who caution us that "Saying to a donor 'Your dad always funded us' can be insulting, because it assumes something about them before even getting to know them."

Additionally, "Charities can also insult a prospect by asking for an inappropriate amount. Asking for too little is almost an insult, but by asking for too much, the donor could be taken aback and not want to give further." ●

As a CAP® (Chartered Advisor in Philanthropy®), Bernie Bostwick serves nonprofits by consulting with individuals regarding how to use their resources wisely in ways that benefit their families and the charities they love.

Contact: BBostwick@ambassadoradvisors.com

Conceding defeat even when your donor doesn't have a leg to stand on.

And he changed the world without ever leaving his cave.

Jack Miller

Russ was 86, nearly blind and the best friend of Harry, one of my donors in Carlisle, PA. On my first visit, Harry wanted to introduce us, since Russ, too, was from Pittsburgh.

We walked down the hall of the retirement community, Harry with his walker and me excited about meeting someone I anticipated would share my love for our hometown. I was also hopeful Russ would share Harry's enthusiasm for the mission of the architectural preservation organization I represented.

When Russ opened his apartment door, I reached to shake his hand and introduce myself. Russ ignored both my hand and introduction.

"Before we go any further, I just want you to know that I don't give to buildings. When and if I give, I give to people."

Things were off to a great start!

"You don't have a leg to stand on!"

Later, sitting in Russ's apartment, I learned that he didn't share the enthusiasm Harry and I felt for our hometown. He hated the hills and cobblestones. I said they give the city character. He said they hindered navigation. We bantered, and I told him, "You and your argument don't have a leg to stand on!"

Harry's face turned crimson. There was a deafening silence. *What had I said?*

Then Russ lifted up his left pant leg to show me a state-of-the-art titanium prosthesis.

Now, my face was turning crimson as I tried to apologize. But instead of being angry, Russ surprised me by grinning. "Now that's the first thing you and I can agree on!" he said.

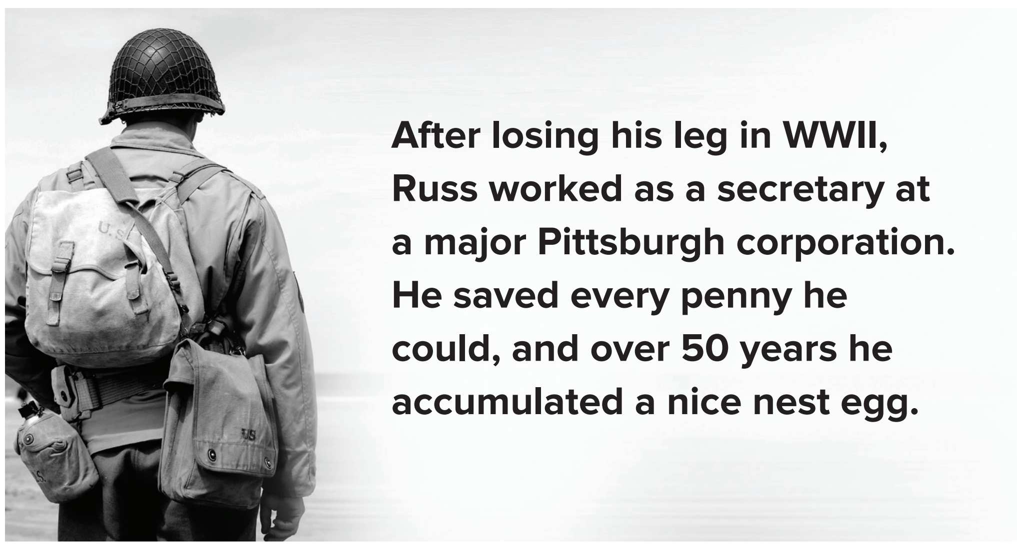
Over the next four years Harry and I visited Russ each time I came to Carlisle. Russ was a hermit. He never left his apartment. After losing his leg in WWII, he worked as a secretary at a major Pittsburgh corporation. He saved every penny he could, and over 50 years he accumulated a nice nest egg. The fact that he had no immediate family and suspected everyone of trying to "get into my pocket" contributed to his negativism.

After a while, Russ asked me to help him make a $100K mutual fund gift. I was excited… until I learned it was for a Pittsburgh organization that served visually impaired children. (A worthy organization, just not the one I worked for!) Russ was so pleased with the impact of his first gift that he asked me to help him make another one a few months later. This time his gift would benefit a Pittsburgh organization that served hearing-impaired children.

It says a lot about my boss at the time who allowed me to help a donor arrange major planned gifts for *other* nonprofits. But he did. And I did. And Russ's attitude about life started to change.

"It sounds too good to be true."

Then one day, Harry told Russ that he had set up a charitable gift annuity with my nonprofit. Naturally that made Russ suspicious.



"Harry told me what you did and it sounds too good to be true," he said. "How can somebody give something to charity then get paid every month for life for doing it? That sounds like a Ponzi scheme."

I explained how a CGA works and waited for the cynical comeback. Instead Russ said, "So… if I set one of those up, could you direct the gift part to those scholarships you do?"

Despite Russ's initial lack of enthusiasm for my organization's mission, I'd been sending him our newsletters, so he knew that our organization did more than save historical buildings; we also offered scholarships to African American students to study history and architecture.

"Of course!" I said.

So, four years after my "no leg to stand on" *faux pas*, Russ gave our organization $30,000 to set up a gift annuity whose eventual charitable proceeds will be directed to a scholarship. But that's not the end of the story. Later, after seeing how it worked, Russ was so excited he set up another CGA—this one for $100,000!

Not only did Russ set up 10 more gift annuities with a cumulative value of $500,000, he directed nearly all of his assets to charities that serve people. That's why I call Russ the hermit who changed the world without ever leaving his cave. He impacted so many people and places in Pittsburgh and Pennsylvania. This man, whose first words to me were "I don't give to buildings," now has his name on recognition plaques on buildings across Pennsylvania. More importantly, Russ's giving has provided him with a sense of happiness and contentment.

Happy 101st birthday, Russ!

That's what I love about this line of work. Once you help someone experience the joy of giving, you play a small role in helping him or her change the world for the better and learn that the deepest happiness comes from giving, not getting. If you don't believe me, just ask Russ, who will celebrate his 101st birthday in May.

Jack Miller is Director of Development and Public Policy for the Roman Catholic Diocese of Pittsburgh, principal of Miller Consulting, past president of the Pittsburgh Planned Giving Council, Western PA's 2001 AFP Outstanding Fundraising Executive and an ordained deacon in the Roman Catholic Diocese of Pittsburgh.

Contact: jack@jackoutsidethebox.net.

technical corner

Retained Life Estate Gifts Q&A

Chase V. Magnuson

A College V.P. of Advancement asked for my feedback on how to issue gift credit for various types of Retained Life Estate. He asks excellent questions, and we are publishing this Q&A in case our conversation is helpful to others. I'd like to make one disclaimer at the outset: My answers all presuppose philanthropic intent by the donor.

Q **For outright gifts, the gift credit is given at the time the college receives the property for the appraised value, less any mortgage indebtedness and the costs associated with the sale. Is it appropriate for us to deduct the cost of the sale when we issue gift credit?**

A This approach does not benefit the donor. I suggest not deducting the sales costs for the donor's tax purposes. The college's accounting department can only count the actual amount to the school, but for the donor's tax purposes, count the full value.

Q **For undivided interest in real property, the donor contributes to the university a percentage interest in a piece of real property. The donor receives gift credit for that percentage of the appraised value of the property, less a prorated share of any mortgage on the property. There seems to be a risk here to the university if there is a mortgage on the property. Isn't it better if the property has no mortgage, and then an undivided interest is given to us (and we would see cash when it sold)?**

A I highly advise against debt-encumbered arrangements like this. The charity may become responsible for the encumbrance if the donor doesn't hold up his/her end. Free and clear property with no debt is an acceptable for fractional interest arrangement.

Q **In a situation where the donor is retaining right of residence, we issue gift credit for the appraised value of the property, less any mortgage indebtedness and less the value of the retained right to occupy the residence. Donors are responsible for taxes, insurance, repairs, and general upkeep. Does this sound right?**

A Don't take debt on Retained Life Estates. RLEs work well with free and clear property (subject to value of house, age of the donor and history of donor's previous charitable giving). In that case, the donor gets a deduction for the amount between the appraised value and his life interest. For example, a couple who are 75 years old and have a home valued at $500K, maybe half of that $500K is considered a benefit to the husband and wife, so they get a $250K deduction.

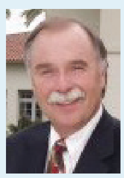
Q **In a Charitable Bargain Sale, the gift credit is the difference between the purchase price and the appraised value of the property, less any mortgage indebtedness. Again, is the existence of a mortgage an issue for us?**

A Debt at the right level is okay with Bargain Sales, but be aware of unrelated business income tax (UBIT).

Q **Instead of a lump-sum payment from a bargain sale, the donor can secure a life-income stream through a charitable remainder trust. In this case we'd issue gift credit based on the sale of the property, discounted for the life expectancy of the donor and the actual payout rate. I don't want to accept property that then sits in a trust we administer and earns no income. I'd rather the donor put the home into the trust and name us as the remainder beneficiary. I don't think the college should administer a trust that has an illiquid asset unless we did a net income flip trust. Your thoughts?**

A I agree. Doing it the way you suggest avoids several different risks to the college:

1. No cash with which to make payments.
2. A sales price considerably less than what donor is expecting to fund the purpose of the trust.
3. Property management issues for the charity.



Chase V. Magnuson is one of the top real estate gifting professionals in the nation. He is the founder of the consulting firm Real Estate for Charities, co-author of The Secret Power Behind Real Estate Donations *and the CFO for Reality Gift Fund. Chase has been involved in more than 200 real estate gift transactions encompassing over $1 billion in cumulative value. Contact: chase@realtygiftfund.org*

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Dear President Trump

3 ways our new administration can support charity in America.

Camilyn K. Leone, Esq.

Dear President Trump,

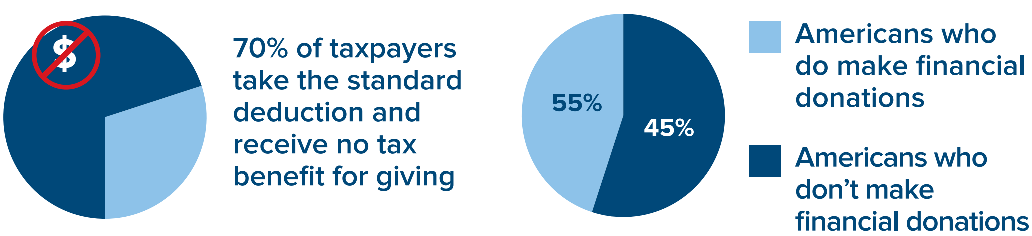
Congratulations on your election. In the nonprofit sector, there is a lot of speculation about what will happen to tax laws related to the income and estate tax. I prefer not to speculate, but to advocate for charitable tax laws that will benefit more Americans. Here are a three ideas:

1. **Support the IRA Legacy Act.** The bill increases the limits for a qualified charitable distribution from $100,000 to $400,000 for split interest gifts such as charitable gift annuities and charitable trusts. Many donors benefit from these gift plans. Let's unlock the philanthropic potential of many generous donors for whom that greatest tax benefits of giving will come from their IRA accounts. Also, think of what can happen when donors as young as 65 can take advantage of this law? The nonprofit sector is one of the greatest assets of our civil society. Citizens can do more good with this law.

2. **Introduce a charitable tax credit.** It's great that you would like to lower taxes and increase the standard deduction. I'm optimistic. What's good for people is good for charity. I know that this is true because almost 70% of taxpayers take the standard deduction and receive no tax benefit for giving. Most people give because they want to make their communities better places to live. But, what if *everyone* got some benefit from charitable giving even if they take the standard deduction? We need to do something because fewer people are making up a larger percentage of total giving. Rather than leave the vast majority of citizens out the picture, let's give everyone a tax benefit for supporting charity.

3. **Eliminate the Federal Estate Tax.** Millions of people include charity in their estate plans every year and receive no federal tax benefit for their generosity. You may repeal estate tax but there will probably still be a limitation on the stepped up basis. For the super rich, paying estate tax or capital gains tax is often a trade off. Around 90 percent of wealth is non-cash assets. Americans like the idea that small businesses are exempt from an estate tax and a capital gains tax when the owner/founder want to pass the family business on to children. It's consistent with the American Dream. Keep some kind of exemption for passing stepped-up basis assets in excess of $10,000,000 to 501(c)(3) public charities at death. This will promote charitable gift planning and discourage dynastic concentrations of wealth.

A tax credit for charitable giving would encourage non-donors to start making charitable donations and help track donations from people who take the standard deduction.



*Herzog, Patricia Snell and Price, Heather E. American Generosity: who gives and why. Oxford University Press, 2016.

Again, congratulations on your election. You are leading a nation in which the nonprofit sector plays a vital role in creating and maintaining our democracy. ●

Camilyn K. Leone, Esq., is an attorney who specializes in non-profit law. She is a legal consultant for PlannedGiving.com 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 a flock of Navajo-Churro sheep.

Contact: camilyn@plannedgiving.com

Go ahead, be average.

Continued from page 1

It seems obvious. Behave in a particular way for a particular result. Yet, there is an endless supply of people with complaints that belie this sound reasoning. And it's in all areas of life. There are those who wonder why they are often be sick and or overweight. Could it be because they dismiss the importance of proper food choices and exercise? How about those who can't move up in their career? Could it be because they are often late or unreliable? Or maybe they are misplaced and would thrive better somewhere else? Maybe they are just unlikable. All these things matter. ***And we have control over them.***

> I'm not trying to master the downward dog. I'm trying to get ahead.

I recall being out to lunch with a potential employee. He was working with me on a number of client projects that were a rush, and I wanted to hurry through lunch because we needed to get a move on. But he asked me to slow down because he had to still finish his iced tea. Slow down? Sorry, no. Finish your tea and I'll go find someone else who can keep up.

Maybe that sounds harsh. Maybe you're thinking about your yoga instructor's recommendation to "just breathe." But I'm not trying to master *Downward Facing Dog*. I'm trying to get ahead.

Think bigger, act better.

The bottom line is, if you want better things to happen for you and you want to be a better person, you have to actually take the steps that move you in that direction. Starting now. If you don't improve yourself, your life won't improve. If you want that better-than-average life, you need to make the effort to be the better-than-average person. So stop accepting the norm and rise above. Do the un-required and un-expected.

Think bigger. Act better. ●

Helping nonprofits secure planned gifts is Viken's professional mission and a personal passion.

Contact: viken@plannedgiving.com

Great Leaders Build Great Teams

Building a great team starts with selection.

Bill Sanford

I am reminded of an Olympic story from 40 years ago. The 1976 United States men's basketball team was on a mission to win gold. After winning the first seven Olympic championships awarded, a controversial finish in 1972 left the U.S. with silver medals (which the players refused to accept), a bitter taste in their mouths, and considerable pressure to win in 1976.

The coach of the 1976 team was Dean Smith, head coach of the University of North Carolina men's basketball team. He selected a roster of twelve players including four from UNC and a total of seven from the Atlantic Coast Conference, where Smith's UNC team played. Coach Smith was sharply criticized heading into the games. Had he and the selection committee chosen the best players in the country?

Coach Smith later wrote, "I didn't want the twelve best players." He wanted a team of players who would "play unselfishly, hard, and intelligently"—hard, smart, and together. That, he believed, was the best way to ensure the team would win. And win, they did—by more than 20 points in the final.

What skills do you look for in your team members? Do you make hiring decisions based more on technical skills or on the ability to communicate and work effectively with others? What about their ability to commit to the team and give their best? And how do you assess that?

Unfortunately, most leaders have little formal training in selection. Hiring, promoting, reconfiguring jobs, and succession planning are often haphazard at best. How can you go about making world-class selections for you team?

Dean Smith's 1976 gold medal olympic team. (Photo from www.usab.com)

1. **Make selection a top priority.** You can't build a great company, or a great team, without great people who are a match for the work and the organization. Great selections don't happen by accident—and poor selections are extremely costly in tangible and intangible ways.
2. **Have a process.** Great selections don't happen by accident. Boost your odds by using a first-class process for defining the skills needed, identifying qualified candidates, and assessing their skills in a way that builds commitment in the new hires and on the team.
3. **Focus on the skills that make the most difference.** Technical skills are important, but are often the easiest to train. The ability to relate to and work well with others is essential, especially in a dental office where people's roles are highly interdependent and where almost everyone has contact with patients.
4. **Train your people.** People commit to what they help create—and that includes committing to help their new teammates. The best, most effective selection processes involve line managers and team members, not just the "big boss" or HR. Ensure that everyone on your team can contribute to great hiring decisions.

Great leaders train and coach their teams. Poor selections create a greater need for training also make coaching much more difficult. As Dr. Gerald Bell, founder and CEO of Bell Leadership Institute, says, "If you don't hire smart, you have to manage tough."

So, what's your next step in building a world-class team? ●

Bill Sanford, MS, is a leadership trainer and speaker at Bell Leadership Institute in Chapel Hill, NC. He has worked with clients in the nonprofit sector and a wide range of for-profit industries. Bill delivers Leadership Mastery Series™ seminars, leads Master Classes for senior executives and implements selection systems.

Contact: bill.sanford@bellleadership.com

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PlannedGiving.com

Executive Editor
Viken Mikaelian

Associate Editor
Karen Martin

Editorial Assistants
Gail Rodgers, Brian Sagrestano

Design
Brigid Cabry Nelson

Publisher
PlannedGiving.com, LLC
1288 Valley Forge Road, #82
Phoenixville, PA 19460
800-490-7090
610-672-9684 *fax*

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Deferring the Deferred

Viken Mikaelian

We all know planned gifts are deferred; that is, they happen sometime "later." Fact is, the deferral is at our end and it's our fault.

Here's an example: A local school asked us to help them promote their planned giving program. They had a solid alumni base, and all they had to do was market their program and educate their constituency. *Simple.* Their entire leadership team was enthusiastic. Our $12,000 proposal was approved, setting the school up for millions.

Then came the deferral: "We really want to do this, but we're a little busy right now."

They set a launch date for 10 months later. Alright, no problem. Ten months later we got the program rolling, right? Nope. Right around that time, the VP resigned. Then a new VP was hired and needed time to "settle in." Another year went by. Then they needed another year to make a decision. After that year, they needed to meet with the board for "approval." After the "approval" they decided on a new vendor selection process, which in itself required meetings too.

It's been seven years. No program. No gifts.

Think about how many planned gifts they missed in those seven years.

Lesson learned: the more we defer planned gifts (because they are, in fact, "planned"), the more deferred the gifts will be. And while we busy ourselves "settling in" and getting yet another round of approvals while keeping busy with calculator seminars and how lead trusts work, someone else—*someone more proactive*—is getting the gifts. Deferral is as much our fault as it is the grim reaper's.

The few who choose to be proactive and delay gratification—they're the ones who see the money rolling in. And their careers are booming. ●

Viken Mikaelian has been helping proactive fundraisers get planned gifts since 1998. Contact: viken@plannedgiving.com