Don't simplify. Over-simplify.

Summer 2017
CIRCULATION 17,300

planned giving tomorrow

SPECIAL **MONEY & WEALTH ISSUE** FOR FUNDRAISERS

Read Me First

A hidden prize. Serious.

Viken Mikaelian

Shame on us! We let the last issue of *Planned Giving Tomorrow* slip through with a few typos. (Sincere thanks to Leslee in Michigan and Cliff in Florida for calling them to our attention.)

Win $200!

This issue is all about one of our favorite topics: Money! And what better way to kick off an issue about money than by giving money away? Here's the deal: We have deliberately planted five typos in this newsletter. Catch all five and you might win $200. Email us at success@plannedgiving.com with a list of the five (with page, column, and line numbers) no later than the end of this month, September 31. First to respond will win $200. (If you find more than five, we'll send you $400.) Ignore phone numbers and grammar.

Why are we doing this?

If you know me at all, you know how I like to live outside the box. I am a believer in the adage P.T. Barnum usually gets credit for saying: "There's no such thing as bad publicity."

You've probably heard me tell the story about the prestigious medical school that accidentally addressed a mailing to 20,000 alumni using Mr. and Mrs. rather than the Dr. title their students had worked so hard to earn. The Director of Development was just getting ready to send an apology follow-up when the reactions started rolling in. Some took it in good humor; a *very few* were offended. But no matter their tone, the response letters had one thing in common: Money. The mailing had an abnormally high response rate. <u>With checks.</u>

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I Want to Meet a Rich Man

Fundraising lessons from the dating industry.

Karen Martin

I'm happily married (12 years, going on 20!). And thank God. I did not enjoy the dating scene. I have a friend, though, who loves it. She's on the Internet dating sites and goes out with several men every year. She's having a blast. Eventually I know she'll find The One.

She told me once, "I want to marry a rich guy."

(Yeah, who doesn't?)

It got me thinking ... What are the chances my friend actually could meet and marry a rich man?

What's "rich?"

First of all, what are we talking about when we say "rich?" If we use the worldwide average income, anyone making more than $10,000 a year is rich—even my youngest brother whose fresh out of college and working at Applebee's. (*Hey, I should introduce him to my friend.*)

To me, my childhood basketball hero Michael Jordan is "rich," still making $100 million a year as a retiree. But then there's Bill Gates, who is worth $72 *billion.* (For some context on all those zeros, see the box on page 5). They say if Bill Gates drops a $100 bill, it's literally not even worth his time to pause to pick it up. (*Hey, I should walk behind him on the sidewalk.*)

Back to the rich man.

Let's call my friend who wants to meet a rich man, "Jamie." And just so we have a starting point, we'll define "rich" to be the top 1 percent. Now, let's have some fun with the numbers:

1. According to the IRS, the top 1% of taxpayers have an Adjusted Gross Income of $465,626 (TY 2014). So let's use that as our criteria for Jamie's "rich" guy: He needs to make at least $465K a year.

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The Trajectory of Wealth

Helping donors decide what to do with excess dollars.

Todd Fithian

The trajectory of wealth always lands on others, because the decisions we make today, good or bad, will echo for years to come. For much of our nation's history (and most of our clients' lifetimes) people have followed a predetermined path. It's a path set forth by the basic human survival instinct.

First and foremost, wealth holders work hard to earn a living and protect their families. The edges of the path became a set of blinders as they pave the road ahead. The emotions and thought processes that accompany the journey fill many spaces in their conscious minds. During this phase, clients may dream of and plan for financial independence, but they don't take the time or allow themselves the luxury to consider how life will unfold once financial independence is achieved.

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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 often am the butt of jokes such as, 'Oh, Dave is here, better hold onto your wallet!' Needless to say, this makes me feel very uncomfortable about my chosen profession. How should I respond?"

A I feel for Dave. People in his community think that the only time he contacts them is to ask for money. There are several steps Dave can take to fix this perception problem. First, he needs to start building relationships rather than treating his donors like an ATM that dispenses cash. Second, he needs a much more robust cultivation effort so that he is engaged with his donors about their goals and objectives for their lives and philanthropy. Third, he should increase his stewardship outreach so he is in regular contact with his donors. Finally, he should move to blended gift asks that cover multiple years, which would ensure he is only asking for money from any donor once every few years. By taking a real interest in his donors and prospects, Dave will build more meaningful relationships that will lead to more gifts, without members of his community thinking his only goal is to separate them from their money.

Over time, using this approach will end these types of comments. But what to do in the meantime? That depends upon the relationship the gift officer has with the particular individual. While it's tempting to say something sarcastic, that is usually not the right approach. I typically try one of three responses: 1) say something witty to lighten the mood and move things along; 2) say something meaningful about the mission and how important these gifts are to make a difference; or 3) say nothing in the moment but follow up with the individual later to let them know the negative impact such comments have on potential fundraising efforts for this important cause.

Granny's $5 Birthday Surprise

Times have changed. Ask for more!

Joe Churpek

I'm on the 3rd floor of a Michigan Avenue focus group facility with a group of healthcare donors. I've just finished describing the directions of one of my go-to exercises. They're being asked to allocate $100 however they please across the organization. A male baby-boomer, on the younger side of the boom, says something unexpected: "I would be embarrassed to give just $100."

What happened? $100 is a decent gift for a direct mail donor, right? $100 used to really mean something in this business!

Not anymore. Not like it used to, anyway.

I've been following this trend through research ever since that focus group three years ago. In many settings we've validated that younger donors have higher first gift amounts in acquisition. But why?

It's the same reason granny sends $5 bills in birthday cards. Our perception of the value of a dollar is very different by generation. I tested this hypothesis on a survey of 300 donors.

I based my survey on Van Westendorp's Price Sensitivity Meter question: "At what price would you consider the product to be priced so low that you would feel the quality couldn't be very good?" I adapted the question for donors, and the results supported my hypothesis in a way a researcher only dreams about! (See below.)

What's the minimum gift you could make to an organization and actually make a difference?

What does this mean? Well, in today's world it means *your low ask-strings in direct mail have gotten you a lot of low dollar responses from old donors.*

Granny was happy to send you $5. After all you seemed like a nice organization that could use it. Her generation dominated direct mail for the life of the industry. But with ask amounts of $10 or $25 you are giving your young prospects a good laugh. You are asking them to give an amount they feel intuitively will make no impact on your cause. Your ask string might be so low, in fact, you are telling them "please do **not** waste your money with us."

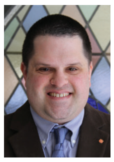
The future means fewer donors and higher values. The $5 donor is dead.

Joe Churpek is a partner with Analytical Ones, a data analytics and research firm for the nonprofit industry. Joe has conducted surveys and focus groups for national brands, state and local governments, private healthcare agencies and charitable organizations. Contact: www.analyticalones.com

Blended Gifts

The future of fundraising is collaboration.

Gail Orser and Andre Gorgenyi



"He is my donor!" says the Major Gift Officer.

"No," counters the Planned Giving person. "He has been on my caseload for three years."

They're both wrong. He is the organization's donor. When planned giving and major gift staff work together, we serve our donors better and raise even more money. But this kind of collaboration does not happen as often as it should.

Challenges of blended gifts:

1. Major Gift and Planned Giving staff need to work together.
2. Understanding all the implications of some planned giving vehicles can be challenging.
3. Blended gifts often take more time. It's worth it, but everyone involved needs patience.
4. A follow-up plan will be needed for the Major Gift and Planned Giving staff to steward the donor.

> High net-worth individuals and baby boomers don't "silo" their giving as was common in the past.

But the opportunities and benefits are compelling enough that we must find ways to overcome these challenges!

Opportunities of blended gifts:

1. A much bigger ask
2. A donor can give a gift they never thought possible
3. The organization can set bigger campaign goals by including cash and planned gifts
4. Possible tax benefits to the donor
5. A donor's cash gift can include an endowment element that will continue support beyond his or her lifetime

Strategies for Blended Gifts

At The Salvation Army Eastern Territory, we have 25 major gift staff and 17 planned giving representatives. Over the past several years we have been working on strategies to get our staff from these two disciplines to work together, to better serve the donor and serve The Salvation Army. Here are some of the strategies we're trying:

1. **Think outside the box**
   We're pushing our fundraisers to think outside their particular area of expertise. We're training ourselves to look for blended gift opportunities. For example, could the donor make an estate gift to endow their current contribution?
2. **Prospect Review Meetings**
   We recommend monthly meetings in each division, where Major Gift and Planned Giving staff get together to discuss donors. Each prepares a prospect review sheet on 2–3 donors they would like to discuss. The Development Director leads a discussion to develop a collaborative strategy for working with each donor. A plan is documented for the next steps and meeting minutes are dispersed.
3. **Training Opportunities**
   Twice a year we bring Major Gift and Planned Giving staff together for training. At these meetings, time is put aside to share success stories of how Major Gift and Planned Giving staff have worked together. Everyone is encouraged to think big and think outside the box.
4. **Collaboration Awards**
   Recently we developed two awards to recognize collaboration—one for individual staff members who collaborate and the other for an entire development department within a division.

Once upon a not-too-long-ago time …

One of our Major Gift Officers (MGO) learned that Michael and Janet, top major gift supporters for many years, had a portfolio heavy on annuities with significant tax consequences. Knowing that Michael loves to leverage his giving to inspire others to give stretch gifts, the MGO decided to brainstorm with the Planned Giving Officer (PGO). Together, they came up with an idea for a creative Ask: a $100,000 outright gift to fund a Bequest/Planned Gift Challenge. For three months, up to $100K would be matched to encourage other donors to make planned gifts. The MGO presented this concept to Michael and Janet, and they loved it! After further discussion, they decided to use an IRA to fully fund it this year.

That conversation led to another conversation with Michael and Janet about their overall philanthropic plans. They had created a family foundation, but never funded it because no one in their family was interested in running it. The MGO told them about philanthropy tools like a Charitable Remainder Unitrust and a Grantor Charitable Lead Trust. Michael and Janet loved these ideas as well. They asked who they could speak with to make it happen. The MGO set up a meeting with the Planned Giving Director.

Overall, the blended approach:

1. Created a PG challenge with MG dollars.
2. Opened up a conversation about giving at a much higher level ($10MM+).
3. Potentially led to a 10–20 year commitment of funding at current levels via a charitable trust and helped the donors accomplish their philanthropic and financial goals.

Blended gifts are the future.

At The Salvation Army, we hope to see stories like this become the norm, not the exception. Because in the future of major gift fundraising, blended gifts will be a *must*. Already, high net-worth individuals and baby boomers are moving their funds around. They don't "silo" their giving as was common in the past.

In order for us to have meaningful conversations with our donors about the kind of transformational gifts they are looking to make, we must become trusted advisors to them. We must **not** approach them from this perspective: *How can you help us meet our programmatic and organization needs?* But from this: *What do you want to accomplish with your philanthropy? How can I help you make that happen?* ●

Gail Orser is the Director of Major Gift Field Operations at The Salvation Army's Eastern Territorial HQ. She supports 25 major gift staff throughout the 11 divisions, which raised over $16 million this year. Andre Gorgenyi is a Director of Major Gifts for The Salvation Army's Massachusetts Divisional HQ, where he has helped build the program to raise $2.5 million annually. Contact: Andre.Gorgenyi@USE.SalvationArmy.org and Gail.Orser@USE.SalvationArmy.org

I Want to Meet a Rich Man

Continued from page 1

2. I couldn't find data on the gender breakdown for the top 1% of taxpayers, so we'll just use the national average (51% female, 49% male). So Jamie's looking at 0.49% of the population as her pool.
3. About 80% of men who earn that much are already married. Jamie is not interested in breaking up families, so that brings her options down to 0.1%.
4. On the online dating forums, many women check "no bald men" in their criteria. Let's say Jamie wants a guy with a full head of hair. Her list of options just got trimmed in half again. (Half of men who are "rich" are also likely to be bald.) Now we're down to 0.05%.
5. Many women prefer tall, "fit" men. But many men—good looking or not, bald or not, rich or not—are short. So let's estimate Jamie cut her options in half again, if not even more. Now we're down to 0.025%.
7. Jamie lives in Austin, population 900,000. That brings her prospects down to 225 "rich" guys, if that.

I know I've way oversimplified and exaggerated this, and there are problems with my logic. But you get my point. Jamie's odds of meeting a rich man to marry are pretty small. Slim to none.

"I want to meet a wealthy donor."

Let's extend Jamie's dating example to fundraising. Let's say Fundraiser Fred wants to meet a wealthy donor.

1. Like Jamie, right out of the gate, Fred is starting with a small minority: the top 1% earning at least $465K a year. Doable, right?
2. But many of these top earners have debt, including school loans, expensive homes and cars, second homes, etc. So they are not as fluid as we think they are.
3. Our recent survey showed that 72% of fundraisers have a blind spot with donors of opposing political beliefs.
4. That same survey showed 25% of fundraisers have a blind spot when it comes to talking to donors of "great wealth."
5. And 6% have a blind spot when it comes to dealing with the opposite sex.

You see where I am going with this, right?

Planned giving: Philanthropy for the rest of us

Meeting a super rich donor and landing that mega donation is great, no doubt about it. But making that the aim is like buying lottery tickets as your retirement plan. You might get an adrenaline rush, but your chances of payoff are slim to none.

Average folks, with average means, make the best planned giving prospects. No blind spots, no fears, no intimidating meetings—just ordinary people. Lots of them! They're not in the top 1 percent. They're not going to fund your entire capital campaign with a stroke of a pen. But they do have some wealth. They have assets. And most importantly—they want to make a difference.

That's what is so great about planned giving ... *It's simply philanthropy for the rest of us.*

Karen Martin is a writer, not a mathematician or statistician, and she hopes readers will understand she was just playing with numbers in this article to make a point. Contact: karen@plannedgiving.com

The Trajectory of Wealth

Continued from page 1

A means to an end

As a result, wealth holders arrive at the point of financial independence longing for clarity and tasting introspection at greater depth than ever before. Where they once approached wealth as an end game, they now begin to grasp that it was simply a means to an end. Where they had anticipated wealth would represent freedom, instead they find it now poses troublesome questions. What will replace the intensity with which they approached their careers or businesses? What will fill their days and stimulate their minds? What will they do with their excess wealth? How much is excess? How can they provide for their children and grandchildren yet protect them from the evils of easy affluence? Should they purchase a third or fourth home, or allocate more to charity? And how will society react to the inherently visible decisions they're about to make?

The *Life Planning Stages* is a tool designed to help wealth holders figure out where they are on their own unique journey and answer these kinds of questions.

Financial Dependence

We all start at birth. This begins the wealth accumulation phase of life. During this phase, we are Financially Dependent. Initially, we are dependent upon our parents or caregivers. As we become young adults, our dependence shifts to ourselves. The focus of this phase is wealth accumulation. For most of us, during the Financial Dependence stage, we must work for money to generate the desired lifestyle and protect our financial security.

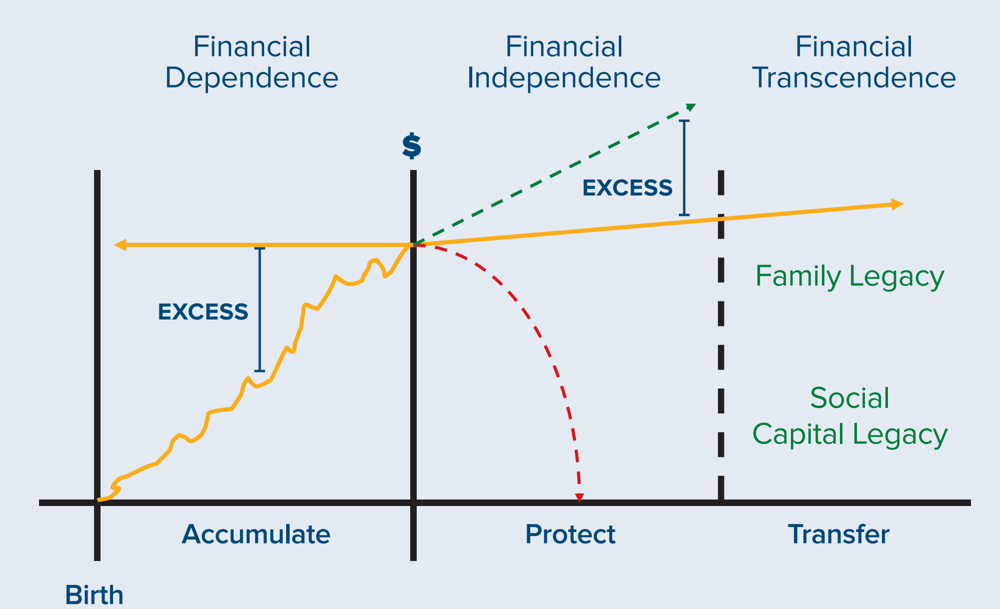
> Wealth holders arrive at the point of financial independence longing for clarity.

Financial Independence

The second line in the chart below illustrates the point where you achieve Financial Independence, when your financial resources are sufficient to support your lifestyle and protect your financial security. At this point, your money starts to work for you and you have the freedom to buy back your time to create the calendar you desire.

Once Financial Independence is achieved, the rules of the game change. With regards to your Financial Independence, the objective becomes defendable growth. Protect the base and limit the risk.

Life Planning Stages



What do all those zeros mean?

A **million** minutes ago was the Summer of 2015.

A **billion** minutes ago was just after the time of Christ.

A **trillion** minutes ago, and we're talking Paleolithic era.

Financial Transcendence

The dotted line marks the boundary between independence and transcendence. This is our final opportunity to creatively and effectively apply our wealth for the benefit of others. It is where our financial resources transcend our selves and are used for the benefit of our heirs and society at large. Family Legacy is where you allocate resources to your heirs. Social Capital Legacy, traditionally thought of as philanthropy, is where you allocate resources to benefit others.

The allocation of excess wealth

Every dollar accumulated above your financial independence goal is essentially unproductive unless used to accomplish a meaningful goal. We refer to these dollars as Excess Wealth and there are four potential uses of it. You can:

1. Improve your lifestyle
2. Keep playing the game
3. Provide security and opportunity for heirs
4. Provide security and opportunity for others

All wealth becomes excess wealth at death, at least relative to our personal needs. Those who are fortunate to accumulate and identify excess wealth during their lifetime have the freedom to deploy those resources under their own direction. ●

Todd Fithian has over two decades of experience in the financial services industry. In 1996 Todd and his late brother Scott formed The Legacy Companies, a professional training and consulting organization. Todd has co-authored two books and numerous articles for publications. Contact: think-legacy.com

On Donor Giving

Capacity vs. Inclination

Adam Morgan

I've been thinking a lot lately about donors and why they give. Do they support our organizations out of an obligation to give back to society? Are they passionate about our cause? Do they trust us? Or do they give because of the benefits they get out of it – tax deductions, name recognition or even awards?

As fundraisers our role is to understand the "why" of the donor and to match it with the "what" of the organization. In the process of trying to match donors with organizational programs and funding priorities we often get caught in the "capacity vs. inclination" struggle. Many large NGOs have loyal donors who have been making modest donations for years but rarely or never get the personal attention that a major gift or planned giving prospect might get. While the latter category of donors can and does give transformational gifts, it is important to remember our loyal donors and allow them the opportunity to do something with their legacy.

A colleague of mine recently observed that we owe it to our donors to give them a chance to do something truly remarkable—for themselves and for the organization. Part of this is understanding what a donor's philanthropic priorities are and what their personal philanthropic mission is. Another part of this is preparing our loyal donors and giving them the means and knowledge to remember you in their estates or other planned giving vehicles.

> We owe it to our donors to give them a chance to do something truly remarkable.

We have all, I'm sure, heard of the "millionaire next door" story and how the unassuming couple with the 20-year-old car and 50-year-old home left, out of the blue, a large gift to their church or to the university where they met. While it's impossible to count on these gifts or to track them, it does remind us to not forget about those whose inclination and connection to our organization is so strong.

I'm reminded of a donor who, when he passed away, left an estate gift of $2.6 million to a local nonprofit that operated throughout his state. It is not just the size of the gift that is remarkable but what is also amazing is how he had a visionary outlook for how he wanted those funds to be used: a portion for capital use, a portion for local use in his community, a portion for sending underserved kids to summer camp, and a portion for providing social services to the underserved. The donor had never given more than a few hundred dollars in a single year, so he'd never gotten the personal attention of development staff. He did, however, take the time to learn about the organization, do his own research, and make what he knew would be a transformational gift.

Capacity is important, but let's not overlook inclination. Let's not ignore the donors who have given for 5, 10, 15+ years. You never know. They might be ready to talk about their legacy. They might even be ready to make a transformational change for your organization. ●

Adam Morgan is a Director of Major Gifts for The Salvation Army in Eastern Pennsylvania and Delaware. He enjoys building donor relationships and thinking of ways to engage and connect donors with the organizations. Contact: adam.morgan@use.salvationarmy.org

The Domino Effect

Emphasize the legacy, not the gift.

Gail Rodgers

I'm writing this story on behalf of a gift planning director who wishes to remain anonymous.

Our story begins with a woman we'll call Ann. Ann's parents attended a liberal arts college and maintained a close connection to the school after graduation. As a child, Ann was dragged along to theatre performances, lectures and sporting events. There was no question she would attend the same college.

Ann's parents were not extraordinarily wealthy, but in 1960 they designated a large portion of their modest estate to the college. With a $40,000 planned gift, they established an endowed scholarship fund in their name. Ann was never extraordinarily wealthy either, but she contributed to the fund when she could, knowing how much it meant to her parents. Over the years it became Ann's passion to honor her parents' legacy. She lived into her 90s and over her lifetime contributed more than $150,000 to grow the scholarship fund.

The dominoes continue to fall ...

The scholarship has been awarded to over 120 students. Philanthropic gifts from those 120 students total more than $500,000.

When Ann was about to celebrate her 70th college reunion, she was honored with a well-deserved lifetime leadership award for years of sharing her time, talent, and treasure with the college, her community, and many other institutions. The scholarship recipients were invited to attend the ceremony or send Ann a personal note about how the scholarship had impacted their lives. One of the recipients (we'll call him James) sent a moving note and a $500 gift. It was the first gift he had ever made to the college since graduating in the 60s. James wrote to Ann that he was so moved by what she had done in honor of her parents that he hoped to do the same someday.

The school's gift planning director sent James a thank you note and urged him to let her know if he ever wanted to chat about his idea. A few months later, she got a phone call. James had decided to bequeath his entire $1M retirement fund to the college to establish a scholarship in honor of his father. The fund is a planned gift in the amount of $1,000,000 and will benefit generations to come. ●

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. Contact: gail@plannedgiving.com

"Being the richest man in the cemetery doesn't matter to me. Going to bed at night saying we've done something wonderful ... that's what matters to me." — Steve Jobs

Mary's Gift

There's always a way to give back.

Linda Scott

The call was urgent. A patient wanted to see me immediately. As the Director of Planned Giving for a large health system in Florida, I'd heard many life stories. But none quite like Mary's.

Mary was a newlywed in her 20s when an auto accident killed her husband and robbed her of the use of her legs. Mary remained an inpatient for months, and then returned to the hospital several times a week for therapies and operations. Her parents had died and she had no living family, so her friends and the hospital staff were her sole support system.

Once her condition had stabilized, Mary started volunteering at the hospital. She would come in her wheelchair and greet everyone with a smile. She chatted with other paralyzed patients, helped them dress and gave them tips on how to remain independent. Most of all, she gave them hope.

Mary's wish.

Over the years as Mary's condition worsened, she became less mobile and had to stop volunteering. For years, as she lay bedridden, she told me she had one persistent wish: to give back to the hospital that had been her only pleasure as an adult. But how? She had no cash, no savings, no income. The only thing she had of any value was the house in Miami she and her husband had purchased when they were first married.

One day, during one of her many stays in the hospital, Mary picked up a planned giving newsletter. A story about a family's life estate gift caught her interest. The article gave Mary an idea. Could she, too, give her home to the hospital and continue living in it as long as she was still alive?

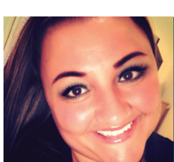
The gift of a lifetime.

Mary must have sensed she did not have much time left. That's when she made the urgent call for me to come see her. Within a week, she had given her home as a life estate gift to her "favorite hospital." The gift was worth around $200,000—far more than Mary had ever dreamed she could give.

Later Mary called to thank me for helping her give back to the hospital that had always been there for her. I insisted it was we at the hospital that should be thanking her, but she waved it off. "Now I can rest in peace," she told me. Mary passed away later that week. I will never forget her.

Where there is a desire to give or a passion for the mission, there is always a way to give back. The ultimate creative and rewarding task for me has been to assist donors in finding that way. ●

Linda M. Scott, MBA, MHA, spent 20 years in philanthropic planning with world-renowned institutions and community nonprofits. Now, semi-retired, she spends her time doing pro bono philanthropic counseling, volunteer gardening and photographing lighthouses and covered bridges. Contact: lindytime@comcast.net



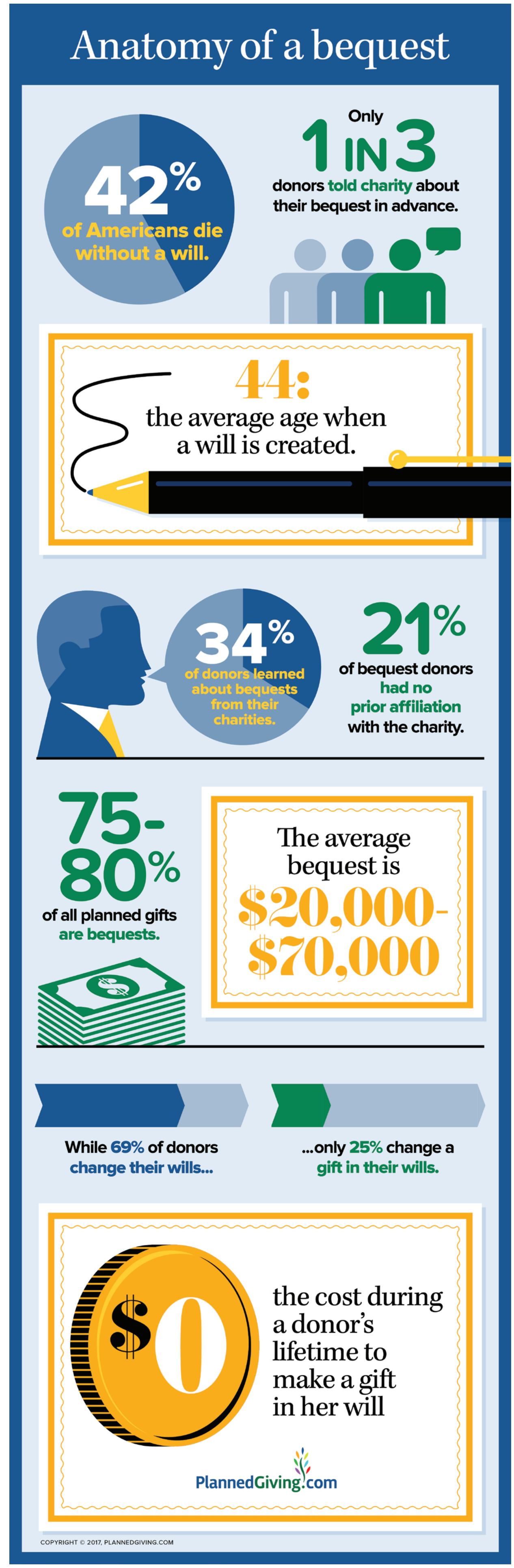
New COO at PlannedGiving.com

I'm Amra Leckerman, the new COO at PlannedGiving.com. We may have interacted over phone or email at some point during the past year in my role as client services manager.

Helping you get the tools you need to fund your mission is by far the most rewarding part of my job. I love hearing from you! It makes my day when you call to tell me about the gifts you're getting from our mailings or after your new planned giving website went live.

You're going to love what's coming your way. We have a great team, we're laser-focused, and we've got big plans for the year ahead. Even now, we're churning out new outreach material on a weekly basis. And we've introduced a vast library of easy-to-access planned giving content (over $100,000 worth).

My goal as COO is to make sure our clients are the most satisfied customers on the planet. So please—tell me what you want. Tell me what you need. We'll find a way to make it happen!



Money vs. Wealth

Money's just money. Wealth is something much better.

Dennis Bartholomew

When I was a little boy, we were very rich—or, at least I thought we were. I had everything! I had time to play; I lived next door to Grandma, Grandpa, Aunt Mary and Uncle John. Our homes took up the entire block. There was always food in the house. Dad had a new car every couple of years. Things could not have been any better!

As I grew up, I realized my family wasn't rich at all. We were middle class, maybe even lower middle class. It took both of my parents working hard to make ends meet. But there was something more that I didn't understand until years later: *We were not rich, but we were wealthy.*

My parents always helped those less fortunate, we had the love of family and friends, and there was warmth and security in our home. Dad and Mom were happy together and stayed married for more than 50 years.

True wealth has nothing to do with what's in your bank account.

My dad showed me as a young child what true wealth looks like. There's one day in particular I will never forget. I was 10 years old, and Dad and I went shopping downtown for Christmas presents. We lived in the northeast and it was one of those blustery winter days with the temperature in the teens and snow blowing sideways. Bundled up against the howling wind, Dad and I walked briskly back to our car with our packages. We turned down a side street and saw a man crouched in the alcove of an empty storefront. He was covered in a threadbare blanket and looked like he must be freezing.

My Dad handed me the packages and said, "Wait here."

> The man had no coat, no hat, no gloves, no money and Dad had another coat at home, a warm place to go, food to eat and people who loved him.

He walked over to the man and talked with him for a little while. Then I watched as he removed his topcoat and gave it to the man. Next he gave him his hat and gloves and some money. I was shocked!

"What are you doing?" I asked when Dad came back to where I was waiting.

He told me that the man had no coat, no hat, no gloves and no money and that he, Dad, had another coat at home, a warm place to go, food to eat and people who loved him.

"We need to help people when we can," he said.

That experience made a lifelong impression on me, and it is probably why I work in the nonprofit sector today. But I have to admit that it took me a while to fully embrace my dad's lesson about true wealth. As an adult, I have been successful. I have owned my own businesses. I've made and lost fortunes. I've traveled a good part of the world. When I started becoming financially successful my first reaction was to acquire. I thought my identity was wrapped up in what I had. I bought things the advertisers convinced me I could not live without or that I needed to prove my success. Then when I had all the "stuff" I could ever want, it hit me: although some of it made me happy, it did not fulfill me. My dad's lesson of so many years prior came back to me as if to say it it was time to evaluate my life. I set out to eliminate most of my stuff.

As I cleared out the stuff, my head cleared. I realized that giving back appealed to me more than accumulating. I embraced the version of wealth my dad had lived: that wealth lives inside us. It shows up in our character. It is who we are and how we live our lives. And money… well, money is just money. ●

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

How The Wealthy Think About Giving

63% of high-net-worth donors derived fulfillment from volunteering, while 42% derived fulfillment from giving.

56% How much more high-net worth donors who volunteered in 2015 gave to charities compared with those who did not volunteer.

67% of donors said identifying the causes they care about and deciding where to donate are their biggest challenges.

91% of American high-net-worth households donated to charity in 2015.

Data from The 2016 U.S. Trust® Study of High Net Worth Philanthropy

technical corner

Managing Gifts of Retirement Plan Assets After the Donor Passes

Camilyn K. Leone, Esq.

Q With more donors using retirement plan assets to make gifts, how do we handle the administration of this gift plan after the donor passes away? Does the plan administrator notify us after our donors pass away or do we have to contact the plan administrator? And what about other types of retirement plans such as Roth IRAs and profit sharing plans?

A Thanks for your question. Retirement plan custodians have no legal obligation to inform beneficiaries—including charitable beneficiaries—that the plan holder has passed away. However, as a matter of customer service, many plan administrators notify charities when account owners make a charitable organization the beneficiary of retirement plans. Nevertheless, estate administrators and surviving beneficiaries still have the burden of tracking this information down and contacting the plan custodian to release the funds.

> Even large, sophisticated charities receive distributions from retirement plans and don't know from whom they received the gift.

So it's a good idea to ask donors to share retirement plan gift information with you. The best way to do this is to have them send the charity a copy of the beneficiary designation form. When the donor passes, someone at the charity can call the estate executor and the plan administrator and find out what the status is. Even large, sophisticated charities receive distributions from retirement plans and don't know from whom they received the gift. Donors like certainty. Encourage them to communicate with the charity so they know that their philanthropic intentions will come to fruition.

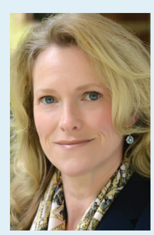
To answer the question about other types of retirement plans, keep in mind that the overarching theme of retirement plans, profit sharing plans, golden parachutes etc. are that they are pre-tax plans. Pre-tax plans provide the greatest tax benefits for charitable individuals. When donors leave these plans to charity, they avoid paying income tax on the transfer and they receive a charitable income tax deduction. If you have a donor who owns a retirement plan a little more exotic than a 401k, 403b or IRA, you need to see the details and make sure that the plan can be transferred to charity, so ask the donor for a copy of the plan.

Here are 3 simple practices to put in place:

1. With all your communications about gifts from retirement plans, include contact information for the person who is responsible for tracking, receiving and administering retirement plan gifts.

2. Ask donors for copies of their pre-tax plans when there are questions about transferring the plan to charity.

2. Most importantly, ask donors for a copy of the beneficiary designation form. ●



Camilyn K. Leone, Esq. specializes in philanthropy and the law. She is a consulting vice president at Grenzenbach Glier and Associates in the Teaching and Coaching practice. Prior to that, she was an adjunct law professor at the University of Virginia Nonprofit Law Clinic where she counseled charities on best practices in fundraising. Camilyn has served as a planned giving director at universities, hospitals and museums. Contact: camilyn_leone@yahoo.com

Read Me First / Hidden Prize

Continued from page 1

Mistakes don't bother me. Complaints make me happy. It means people are paying attention. As Tom Ahern says, "If you send a mailing of 10,000 and do not hear 100 complaints, you are not getting read."

So we goofed and let some typos slip through. So what? Now I'm seizing the opportunity to get you to read this issue more carefully than you might otherwise. (Hint: proofread the ads, too.)

Proactive people live longer.

I have no medical evidence to back up this claim, but I would bet a lot of money that it's true: *Proactive people live longer.* Why? Proactive people attend to the important rather than running around stomping out fires. They eat healthfully without having a doctor tell them to "cut back on sugar." They exercise as part of their normal routine, not just when they're trying to lose weight for a wedding. They plan ahead and prioritize. They save for retirement.

The urgent keeps us in chaos. Proactive people are calm, in control. In addition, proactive fields pay better than reactive fields. That's why those who even dabble in planned giving earn significantly more than those who do not (another tick in the 'likely to live longer' column).

Proactive people earn more.

If you're in planned giving, you need to be proactive. Are you?

Building an endowment is like saving for retirement. Unfortunately many people do not want to put money into something they will get in the future. This is why so many people can't retire: because they were not proactive.

Your endowment is the retirement plan for your organization. Are you proactively building it?

Don't put this off.

Here's one simple example of proactive planned giving. Start educating your prospects about year-end giving now.

"But it's only August!" some people will protest. Well, honestly, you should have started in May.

That's right. If you wait until October, it's too late for most people.

Planned gifts are not a split-second, urgent decision. Your people need slow, gentle, constant reminders. Begin with a series of mailers that cover the gifts that are easy to give and to receive. Remind prospects of the tax benefits of giving. *Network with their advisors.* Then, when tax season arrives and they are considering their charitable gifts for the year, you'll be front and center in their thoughts. You only get that benefit if you've done the work all along. ●

Viken Mikaelian was the first to bring planned giving online back in 1999. His company PlannedGiving.com has helped over 3,000 non-profits since then. Contact: Viken@PlannedGiving.com

Money. Money. Money.

Money makes the world go round.

Viken Mikaelian

Overheard at a reception: "Even though he's rich, he's really a nice guy."

A series of our surveys showed that about 25% of fundraisers have a "blind spot" when they deal with someone of significant wealth (meaning they are uncomfortable and even prejudicial when dealing with rich people). That same group considered anyone making over $250,000 as being considered wealthy.

Maybe it's the media that's brainwashed people into painting the wealthy with one broad, stigmatized stroke. And why $250,000?

As fundraisers, we *have* to put aside our prejudices against wealth—and, as long as we're on the topic, our prejudices against sales and marketing. After all, fundraising is courtship, sales and marketing. If you do not think so, you should not be in the fundraising business.

Many who take on fundraising positions discover how challenging it is, and either quit or slide themselves into bureaucratic work. Meetings, organizing their database, reviewing vendors with the excuse of "we're now going in a new direction," hyper-editing grant writers' papers, focusing on software courses, you name it. *Planned giving is not about calculators, it's about people.* Their job should be cultivating relationships. But they don't. And this is why only 5% of fundraisers succeed and earn 95% of the money. Are you one of them?

Here's an excellent example of a failing attitude: when I make presentations at fundraising councils I usually give out complimentary copies of *The Ultimate Quick Reference Planned Giving Pocket Guide*, (over 4,000 sold, by the way). A comment left on an evaluation form read, "Although I appreciate the free book, it was clearly intended as a marketing ploy."

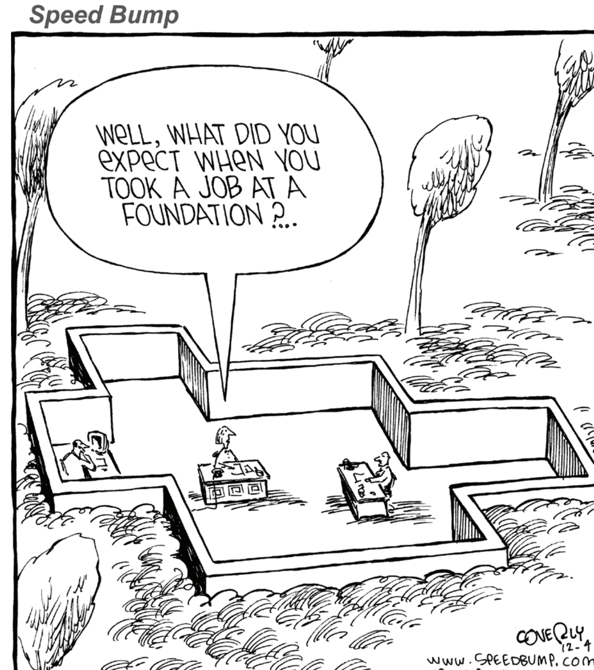
It was! But life is a two-way street: *this valuable booklet benefits him* and handing it out benefits us as well because of good will. I was at the event, speaking for free, with no expenses reimbursed. Since that day, I've changed my policies: I now charge.

He gets paid for what he does and so should I.

From car salesmen to CEOs to priests, everyone markets themselves in this world — and so should we. ●

Webinar on Wealth. Late September.

Speed Bump



Monetize Your Signature Line

The easiest, cheapest, most overlooked way to advertise your planned giving message.

Karen Martin

There are so many places to squeeze in your planned giving marketing message. Here's one you can do now, for free, in 6 minutes, 4 seconds. Seriously, I timed myself.

Ready?

Like you, I'm sure, I get lots of email. I often look first at the bottom because I'm curious to see what people are doing with their signature lines.

"Visit our foundation. Click here."

Um, no thanks.

Three problems with that signature line:

1. It's boring and uninspiring.
2. It's buried way at bottom.
3. No one knows what a foundation is.

Okay, maybe *no one* is an exaggeration. But plenty of people are fuzzy on the concept. (One donor thought it was a place in the basement.)

I do not think it's an exaggeration to say that no one is really that interested in clicking to read about your foundation. The good news is: There are things they want to read about:

- Your mission
- 3 ways you make the world a better place
- Tax-saving strategies
- A true story from someone you've helped
- A true story from another donor
- Estate planning tips

Just to name a few.

It's time to bring the elevator pitch off the elevator.

Maybe you already have your elevator pitch. You know what I'm talking about. That 20-second speech that says something about what you do in a way that makes people at a cocktail hour ask more. Maybe you even have several elavator pitches that you rotate depending on the time of the year, the person you're talking to, or your mood at the moment.

Do the same with your email signature line!

A few simple tips:

1. Make it interesting.
2. Have a few options you rotate through.
3. Put it right *below your name* in italics.
4. Include a hyperlink not just to your home page but to a particular gift plan or a landing page.

Here are a couple samples:

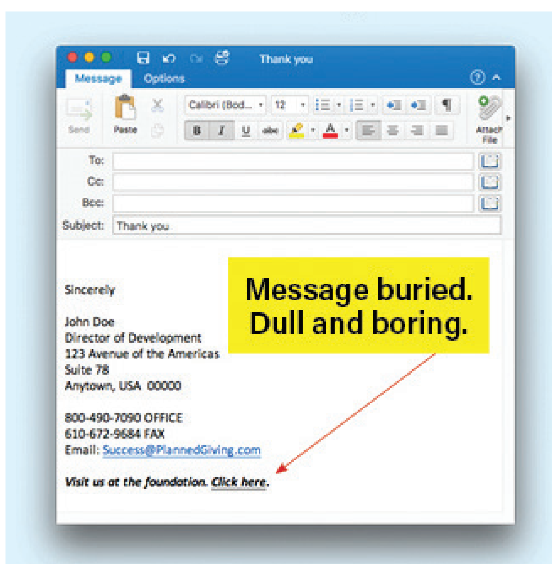
- *Did you know that giving stock can be more beneficial than giving cash?*
- *Your IRA can be taxed up to 70% if you pass it to your heirs.*

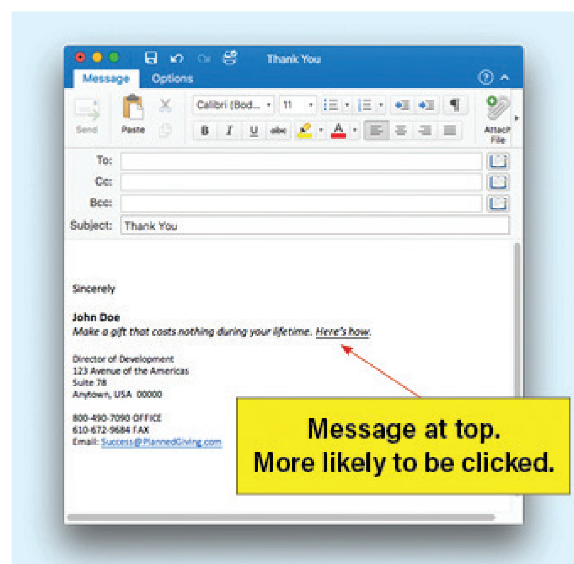
Need more elevator pitches? Get our *2017 Pocket Guide* at PlannedGiving.Net.

Don't forget your audio signature line!

A friend of ours has a voicemail recording that says: "Hi, this is Mike. To leave a message, press pound. Did you know you can make a gift that costs nothing during your lifetime? Yes, it's true. This is how it works …" He records a new message once a month.

Karen Martin is associate editor of Planned Giving Tomorrow *and Director of Communications at PlannedGiving.com. Contact: karen@plannedgiving.com*





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Have Your Say in Planned Giving Tomorrow

We welcome your feedback, comments, reprint requests, corrections and article submissions.
Next issue theme: Productivity
Deadline for submissions: November 1, 2017
Success@PlannedGiving.com
PlannedGiving.com/submit

Humor. Use it.

Make your donors laugh, and you've got their attention.

Life is much better when you're laughing.

Humor is a powerful communications tool. It breaks down barriers. It's non-threatening. It gets your audience's attention. Research shows humor is an essential component of learning.

Be funny, but keep it short. (Like this article.)

And keep it clean. It's very easy to be crass, and you can accidentally cross the line.

A good cartoon or clever billboard are good examples of effective communication with humor. They get our attention, make us chuckle, make a point, and don't need to be crass to do it.

View some solid concepts with humor below. All have been used by your peers. Please do not copy these as they hold third-party copyrights.

GiftPlanning.Org/humor