It's about relationships.

Spring 2014
CIRCULATION 14,600

planned giving tomorrow

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

Know Thy Prospect

Really know them

Viken Mikaelian

It finally hit me.

I've talked about it for years. But I didn't really get it until now. This time I really got it because I could feel it.

We've all entered a conference room, a building, a library, a sports arena—some place that displays a bronze plaque at the entrance with a donor's name on it. We've passed those plaques dozens of times. We all see them, somewhat acknowledge them, but we don't think about why the plaques are there.

Of course they're there to honor what was likely the gift of a lifetime. But we don't ask why the donor made the gift that endowed the building. We don't think about that individual's motivation. We don't experience the donor's soul.

It's not complicated. And it doesn't have a thing to do with the charitable tax deduction.

For us, it's just a bronze plaque. Usually with dust on it.

But a recent conversation with my 85-year-old dad created a paradigm shift for me.

My father was a surgeon and professor at Thomas Jefferson University Hospital who had been retired for 15 years now. He was discussing his estate, life, politics, and giving me advice on life. (Why not listen to someone who's actually been there and

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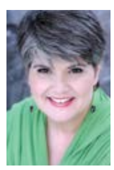
Your 1st Quarter Check-up

Make *this* year your *best* year

Lisa M. Dietlin



Ah, springtime. Snow is melting, birds are singing, and the fitness centers are emptying as reality collides with lofty New Year's resolutions. So here we are, a quarter into 2014. How are you doing with your fundraising goals for the year? Read on for a quick check-up and kick in the rear end to get you on track to make this year your best year. Here are five questions to ask yourself:

Am I listening?

Donations come in many forms. Listen to what your prospective donor is telling you and make a plan that's responsive to it.

Am I behind in my correspondence?

If so, get caught up! Acknowledgement and thank you letters only mean something if they're sent in a timely manner. Why turn a "thank you" message into a "sorry I'm late" message? And don't always default to email; send good old-fashioned letters with handwritten addresses and a personal salutation next to your signature.

Am I sending lazy emails?

Use your signature block on your outgoing email messages to communicate something to recipients of your emails (original, forwarded and reply messages)

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Good News: The IRS Joined Your Marketing Team

Three ways to maximize the Form 990 as a marketing tool

Andrew J. Gray, CPA

The general public has more access to the public disclosure copy of the Form 990 than ever before. For this reason, non-profit executives, fundraisers, board members, and other stakeholders should view the Form 990 differently than ever before.

If you think the Form 990 is just some document accountants put numbers on and send to the IRS, think again. The Form 990 is a living and breathing document that matters very much. Here's how to use it:

1: Know your audience.

The vast public disclosure of the Form 990 means that non-profits have a bigger audience. This is good news for you! In fact, entire organizations have dedicated their existence to analyzing non-profits for the public's benefit. Charity Navigator, for example, rates organizations on their financial metrics, accountability, and transparency. Where do you think they get that information? You guessed it. The Form 990. Many donors and advisors will check the ratings of a non-profit

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Ask Brian

Got a question itching for an answer? Ask Brian M. Sagrestano, JD, CFRE, at plannedgiving.com/brian. Bashful? You can ask to remain anonymous.
Check online at plannedgiving.com/answers for replies that don't fit here and a lot more.

Q What's the current status of the IRA Charitable Rollover and what should I be telling my prospects?

A In this uncertain situation, I have been counseling fundraisers to explain to their prospects how the IRA Charitable Rollover works, but also share that we simply don't know if this method of giving will be available in 2014, while we wait for Washington, D.C., to take action.

We'll keep you updated as information becomes available about the IRA Charitable Rollover. Keep checking in at **www.PlannedGiving.com/rollover**.

Q If we don't want to lose these gifts waiting for the government to take action, is there a way we can accept them now?

A Remember, the IRA Charitable Rollover was not a great tax saver for most donors. Unless your donor:

- is subject to the alternative minimum tax (which is less likely now that the minimum threshold has been increased and indexed for inflation); or
- hits the ceiling for income tax charitable deductions (30% for stock and 50% for cash); or
- is subject to income tax deduction phase outs; or
- does not itemize income tax deductions,

then there is very little difference from a tax perspective between making a direct transfer from an IRA to your charity using the IRA Charitable Rollover and simply taking a distribution from the IRA and then making a contribution to your charity of an equal amount and deducting the gift.

In fact, for many donors, they are better off taking the distribution, making a gift of other appreciated stock that they already own, and then using the distribution proceeds to buy back the same or other stock. The income tax benefits are the same, and they avoid capital gains tax on up to 23.8% of the gain.

Brian

Have Your Say

Letters, stories, comments, complaints … we want to hear it all.

Can't judge a donor by her clothing

Years ago, I worked for a well-known organization and we were hosting a large, lavish event for major donors. There was a disheveled lady dressed in baggy clothes with messy hair standing oddly in the corner. Nobody from the team recognized her and we figured she wandered into the fancy hotel off the street. As a security guard was about to escort the woman out, a coworker recognized the individual as a high level supporter. We were moments away from insulting one of our closest supporters!

- Robin in Nebraska

The millionaire next door

I work for a not-for-profit that helps people who are blind or visually impaired, and we operate low-vision eye clinics as one of our many programs/services. We had a donor who went to our clinic and fought over every penny and didn't want to pay what she owed for our services. I tried my best to humor her and be as generous as possible with her. She made it seem like she had absolutely no money! Apparently, she was happy with us and our care, however. I was both shocked and delighted to learn that she left us a planned gift of over $1 million when she died a few years later. No wonder she had so much money! She certainly pinched pennies while she was alive...

- Jenn in Albuquerque

A word of thanks

Just wanted to thank you all for *Planned Giving Tomorrow* and *PG Update*. I like your concise approach and your use of humor. Your articles and tidbits always encourage and inform me. I really appreciate your expertise. Your publications remind me to stay on task and focus on what's important—*relationships!* It's so easy to hide, but you remind me to get out there and meet with donors face-to-face!

-Nancy in Pennsylvania

Better Marketing Tool

Keeping it simple

Let's admit it: planned giving is not *Entertainment Weekly.*

But many vendors and their nonprofit clients make planned giving morose, obtuse and downright dull.

It doesn't have to be that way.

Crank up your volume and watch this video: *PlannedGiving.com/video.*

We have videos covering 15 gift plans—everything from Bequests to Charitable Lead Trusts. They're engaging, easy to understand, and they integrate perfectly with *any* planned giving website!

Call us at 800-490-7090 for more info.

Good News

Continued from page 1

before deciding whether to make a gift. Therefore, in addition to having an accurately prepared tax return, non-profits should utilize *every part* of Form 990 to include information relevant to its audience.

That audience may include charity regulators, the press, foundations, researchers, watchdog groups, boards of directors, audit committees, Congress, and constituents. Consider the audience(s) that may be viewing and analyzing your organization's Form 990 and devise a plan to communicate a compelling message.

2. Maximize every possible space.

Treat the first two pages of the Form 990 like a brochure highlighting the organization. In addition to the basic info, include the mission statement, important financial data, and a strong narrative statement about the programs and services.

The Statement of Program Service Accomplishments on Page 2 is a *hot spot that should be used to tout the organization's mission and its unique story*. Include specific information, such as number of clients served and events held. Another way to use this section is to explain financial measurements that, standing alone, do not fully describe the success of the programs.

3. File an accurate tax return.

The IRS publicly stated: "it is painfully obvious that people who prepare the Form 990 do not refer to the instructions." With this in mind, it's essential to have a competent professional who understands the complexities of the Form 990. Furthermore, the IRS is using the Form 990 as its chief compliance tool to enforce tax laws and to select organizations for audits. How an organization completes the form may draw undue attention to the organization from the IRS.

Potential donors deserve the full picture of an organization's financial and programmatic health. Everyone is best served when organizations provide a complete and accurate return. ●

Andrew Gray, CPA, leads the not-for-profit and charitable planning industry tax practice for Daszkal Bolton LLP, a regional accounting and advisory firm. He is a member of the AICPA and the Florida Institute of Certified Public Accountants and is a CPA certified in Ohio. Contact: agray@dbllp.com.

technical corner

A Prearranged Real Estate Sale Dilemma — and the Solution

THE OFFER

A donor approached a fundraising staff member at The George Washington University with an offer to donate her rental condominium. She was very excited because the unit was under contract to sell for $550,000 with a closing scheduled 10 days later. A university policy requires fundraisers, when dealing with potential real estate donations, to work with a member of the planned giving department.

THE PROBLEM

Under the circumstances, the donor would be subject to a huge capital gains tax (the basis in the property was $50,000) — not a happy message to carry to the donor. She didn't understand why the university would not accept the gift and give her full gift credit. The initial gift of the condo was to be the first of two gifts toward an ultimate gift of a $1,000,000 endowed scholarship. She wanted to add the equity in the second condo to the pool for the endowed fund. Any difference between the equities in the real estate gifts and the $1,000,000 would be made up for by a provision in her will. Losing credit for the first transaction was not an option if the university wanted to save this wonderful donation.

THE SOLUTION

The team of accountants and attorneys involved in the original purchase agreement came up with a solution. The donor and purchaser agreed to amend the purchase agreement to allow the seller to add a provision for an IRS Section 1031 exchange.

The purchase of the condo was completed as planned. The net proceeds from the closing were placed into an escrow account controlled by a facilitating agent. The university has on staff a nationally known specialist in exchanges. With his expertise, a replacement property was located and purchased within his guidance of the Starker provisions as dictated by the IRS.

Once the replacement property closed, the donor leased the property for a short period of time and decided to move forward with a "Donation Agreement" that had a "Bargain Sale" component. The Bargain Sale first went to reimburse the donor for costs related to the first property transfer into the exchange pool.

The university advanced funds for repairs to the replacement property. The "Bargain Sale" agreement provides for these costs to be reimbursed to the University, the donor to get her money, and the gift to be booked at very nearly the face value of the original property value when it was first offered as a gift.

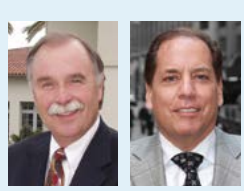
A buyer was located for the replacement property and closing took place. Funds were distributed to each party as the donation agreement spelled out.

THE OUTCOME

1. Happy donor
2. Happy university
3. Happy purchasers for both properties

NOTES FOR NEXT TIME

To use this technique, the property offered as the donation must meet the IRS criteria as "like-kind" property. The Starker provision (*Starker v. United States*) requires that a donor and his/her agent must comply with this or use the simultaneous closing technique.



Case study courtesy of:
Chase V. Magnuson (left), CCIM,
George Washington University, Office of Planned Giving
Dennis Haber (right), Haber Consulting Group

Social Media:

God's marketing gift to the planned giving industry or a time-sucking excuse to avoid real work?

Viken Mikaelian

Should we invest in social media for our planned giving efforts?
Probably not.

What? Are you kidding?
No.

Here's the thing. Only a handful of non-profits succeed in marketing with social media because they can't afford the time and effort needed to do it right.

What do you mean by doing it right?
Successful social networking requires:

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

That's a lot of work.
Exactly. Even the miraculous Internet will not give you something for nothing. (That's why Viagra spammers are dying). Ask yourself: can you spend 3 to 4 hours a day updating your social media outlets? Is it worth it? If not, focus on other tasks that are already working for you today.

So you're saying just ignore social media?
I'm not opposed to social media. I am opposed to following the herd. And I'm opposed to hopping from this year's hype and hoopla to the next. Social media isn't bad, but it often distracts you from venues that are already getting you results. *So ignore peer pressure* and do it only if you have the commitment and resources to do it right. *Focus on what you do best and what's working for you.*

But I see many nonprofits on Facebook.
That's good. And many are not. If your organization has social media outlets, great! Use them to promote your fundraising efforts instead of wasting time creating your own outlets.

Can we outsource our social media efforts?
"Social media experts" are a dime a dozen, so proceed with caution. The best part about social media is when you give your audience the "inside scoop" on your organization. They feel like part of the club. It's hard to achieve an intimate, personal tone with an outsider posting on your behalf. In most cases the best way to update your pages is by you.

In 2012, 98% of nonprofits didn't raise a dime on facebook. The other 2% raised between $1 and $1,000.

Are there exceptions to the rule?
Of course. First ask whether or not you have time for social media. If you're already doing a bang-up job at direct mail, visiting prospects and dining with donors, and still have time and resources left over, then by all means, go to town on Twitter.

Second, make sure you have the budget. We have a client that's a breast cancer foundation with over a million Facebook followers. This organization is well positioned to use social media. Why? First, breast cancer not only affects the woman, it affects her husband, children and friends. Second, women are generally more sociable than men (online and in real life). Third, this organization has a full-time person who works just on social media. He does not make donor calls or answer phones. He does not write thank-you cards, attend donor analysis meetings, or deal with the board. He doesn't have to handle irate donors or learn Blackbaud Analytics. He is in front of a computer, working on social media full time. Oh, and I neglected to mention he has an assistant who works 42 hours a week on (you guessed it) social media.

So who's raising money from social media?
The people promoting it. The "social media experts" who want a handsome hourly rate to update your Facebook and tweet for you. Even organizations like the breast cancer foundation I just mentioned aren't counting on social media to rake in the big bucks. It's a component of bigger strategy, icing on the cake perhaps. Consider this: in 2012, 98% of nonprofits didn't raise a dime on Facebook, *which is the second most trafficked site on the web in the U.S.* About 2% of nonprofits raised between $1 and $1,000 (2012 Nonprofit Social Network Benchmark Report)...

Planned giving moves 25 times slower than cash giving—so do the math.

So should I use social media at all?
Social media can help your organization build relationships with your current base of donors. But please treat it like what it is—just another marketing vector, *not a silver bullet.* Tag along with your organization's existing social media outlets, and let the marketing department take the ball and run with it. Set aside 10 minutes a week to check in with them and make sure planned giving is being represented well on social media.

Should we place social media widgets on planned giving websites?
Sure, do it. It's easy, it's free, and we've been doing it for years for our clients.

Your 1st Quarter Check-up

Continued from page 1

about your work and the advantages of planned giving. You might add, "Have you considered leaving a gift to your organization in your estate plan or will?"

Do I have business cards with me—right now?

Your cards do no good sitting in a desk drawer. If you don't have them with you, you are missing opportunities to connect. Many times after someone leaves the organization, I find a nearly-full box of business cards in their office. If they never gave out cards, no wonder they're history!

Do I talk to strangers?

Forget what you learned as a child. I'm telling you to talk to strangers as much as possible. Tell people what you do! You never know who might be sitting beside you on a plane or standing in front of you in line at the coffee shop…maybe your next donor. There's only one way to find out. Talk to them!

Alright, the check-up's over. Now let's talk about how to turn your plans into action. Here are my top three tips:

Do the hard things first.

A lot of us simply start at the top of our to-do list, or we pick the easiest things to do first. Before you start working, number your list from most important to least. (Often the most important tasks also happen to be the most difficult.) Do them first! Don't put off the tough phone calls, emails or meetings. *Do them.* You never know what good results can happen until you actually do that tough thing.

Call 3 prospective donors every day.

If you call three people a day, that's 15 people a week, 60 a month—more than 700 a year! That's "working your plan." You will be setting meetings, scheduling phone calls, following up on information that was sent—and every call moves you closer to a gift. As you develop this habit, make sure at least one of the three calls is to a newly identified prospective donor.

Conduct 8-12 meetings per month with prospective and current donors.

People sometimes tell me this seems like too many. Here's the deal: if you cannot have a coffee or lunch meeting 2-3 times a week with prospective and current donors, then something is wrong. I have worked for organizations that set a goal of 16-24 monthly meetings if the position has no other responsibilities. So get out there and meet with people! It's the best way to cultivate relationships. It also happens to be the best way to do research. You will be amazed at what you learn.

YOUR MISSION IN SIX WORDS

I once read that a person should be able to describe what they do in six words or less. I pondered that as I thought back to the hours I'd spent at retreats to hammer out mission and vision statements. It seemed everyone wanted his or her area, program, or favorite word thrown in the mix. Seldom was there a focus or consensus during these exercises, and often when the "perfect statement" had finally been crafted, no one could repeat it mere moments after we left the meeting room.

So I thought, how I would describe my business and the work I do if I only had six words? Here's what I would say: *"We help people do philanthropy better."* My guess is that this relatively generic six-word descriptor could be used for most of us working in the philanthropic sector.

With that in mind, here are my top five tips for doing philanthropy better:

1. **Do you claim to be a fabulous multi-tasker? Stop it.** Be single focused when interacting with others who want to change their world through philanthropy.
2. **Pay attention.** Put down your smartphone and turn off the computer. Someone needs your attention and help to change the world.
3. **Be Don Quixote dreaming the Impossible Dream.** My favorite quote is "What would you attempt to do if you knew you could not fail?" Think about it.
4. **Tell stories.** People don't remember facts and figures, but they do remember stories. Inspire people by telling true stories about how others did philanthropy better.
5. **Be bold.** Philanthropy has been around as long as one person was willing and able to help others. You are part of a long tradition of individuals bold enough to make a difference. ●

Lisa M. Dietlin is president and CEO of the Chicago-based Lisa M. Dietlin and Associates, Inc., and author of **The Power of Three: How to Achieve Your Goals by Simply Doing Three Things A Day**. *www.lmdietlin.com*

Tax incentives matter.

State policies that promote giving can make a significant difference. At least 13 states now offer special tax benefits to charity donors. In Arizona, charities are reaping more than $100 million annually from a series of tax credits adopted in recent years.

Philanthropy.com

Howdy, Stranger!

Reaching out to professional advisors

Michael Mattson

As the Executive Director of Syracuse University's Office of Gift Planning, Michael Mattson has been actively involving professional advisors in the philanthropic process. We asked him to tell us how his team does it.

If we have a donor who is interested in really doing something with a life income gift, we try to involve advisors from the start. We've learned the hard way that if you involve them at the end, it's not received very well.

Build your network

When we began the formation of a professional advisors network for Syracuse University (SU), I followed the template that I had seen work previously when I was with Texas Christian University. We now have about 30 inaugural members in our network at SU—attorneys, accounts investment people, insurance and real estate people—professional advisors we actually know personally, or who have been referred to us. Sometimes they're even SU alumni. We know how these people work. We can trust them. We know they're ethical. *And we know they're fundraising friendly.*

Our goal is to keep expanding this group with advisors from all across U.S. So as we travel around, we ask for referrals for professional advisors in those areas. To stay ahead of the game we build a regional list of people to refer to donors and prospects. A fairly large group with a wide geographic spread enables us to have an advisor on the spot wherever one of our donors happens to be.

We also encourage the advisors in our group to network with each other. When I was at TCU we had two attorneys in our advisors network who worked within two blocks of each other yet didn't know each other. We got them together and they formed a firm friendship that's lasted more than a decade.

New skills, new knowledge, new prospects

Professional advisors who don't know much about charitable planning may feel unsure about trusting a development officer to help them up the learning curve. We try to bring them all together so the ones with the planned giving knowledge can share it with their colleagues who don't. This collegiality helps develop a stronger philanthropic skill set across the advisor network while cultivating closer connections among its members.

I play golf with a couple of these advisors. They didn't know what a CGA was; they didn't know it's regulated on state and federal levels; they didn't know we're required to maintain reserve accounts. So I explained things to them, and they eventually passed that info on to their clients. As a result, we've been reaching more prospects and closing more planned gifts.

> Here's how to set a proposed goal for an endowment fund: Take your annual budget, divide it by 2, then divide that figure by .05. That figure will be the optimum size for an endowment fund *(if it's managed appropriately)* to sustain your non-profit.
>
> ***— overheard from a financial advisor***

Know Thy Prospect

Continued from page 1

done it?) He unexpectedly stopped speaking, gazed into the air looking at nothing, squinted his eyes. You could tell he was in deep thought, as if looking into the future.

"You know," he said, and paused again. "I would like my name to be on a plaque next to the entrance of a surgical room. Forever. I want people to remember me."

Intense. In that moment, I felt what he was feeling. It hit my heart, and a lump came to my throat. My loving 85-year-old dad knew he was soon to face the grim reaper (heck, he was an MD!), was reconciled to it, and was thinking beyond his own life—to the kind of immortality enabled by a planned gift.

Diran O. Mikaelian, MD

"I want people to remember me."

It's not complicated. And it doesn't have a thing to do with the charitable tax deduction.

It's challenging to think like an 85-year-old when you're 35. Even if you're 65, it's difficult to think like an 85-year-old. (Not that I would know anything about that.)

But that's something fundraisers *must* do. We need to *learn* to do it. *Planned giving is a people business. If you like people, you will raise more money than you've ever imagined.*

So I ask again: Do you really know thy prospect?

My dad died just a few weeks ago. I know his legacy will continue.

 The number of clients turning to professional wealth advisors for information about philanthropic giving has increased by 100% since 2006.

Air Conditioning and Planned Giving

A Hot Marketing Concept

Viken Mikaelian

So there we were, cruising down I-95 in Fort Lauderdale racing to our next appointment. My colleague, Keith London, who represents PlannedGiving.com in the Sunshine State, pointed out two striking billboards. I begged him to keep his eyes on the road.

Two regional air conditioning/heating companies (um, do people in Southeast Florida actually need heating?) had a billboard battle raging.

The first billboard: "Your wife is hot. Better get your A/C fixed."

The attack: "Your wife is not hot because you called us to replace your A/C."

The battle sparked controversy—and controversy is something we fundraisers do not like, right? (That's why so much of our marketing remains extremely vanilla.)

Anyway, which of the two companies won the marketing war?

Both.

They both received news coverage, media coverage, criticism and more.

They both likely upset a couple of folks and lost a few clients, but they both gained one-hundred-fold in return, including tons of free publicity.

The public's attention was diverted away from the other 500-some air conditioning competitors in the area and towards the two that took a risk.

By the way, the billboard battle set off a trademark infringement lawsuit that finally settled out of court. (Now we can all breathe again. Phew!) We're still not sure whether the lawsuit was an intentional part of the guerilla marketing scheme.

Think outside the box

How about you? Are you still dishing out the same-old single-scoop vanilla in a beige bowl? When was the last time you thought outside the box? Pushed the envelope? Created controversy? Stirred things up?

Remember what Tom Ahern says: if you send out a mailing to 10,000 and don't get at least 100 complaints, your message is not being heard. Complaints are good!

Med school blunder

The Director of Development at a medical school asked us to write, design and print 20,000 beautiful "Ways of Giving" brochures. The school elected to do the complete mailing services themselves, in-house, and the entire mailing went out with a bold mistake. Instead of addressing the letters to "Dr. and Mrs." (remember, the school's grads are all doctors), the mailing said "Dear Mr. and Mrs."

Whoops. You can imagine the panic in the Development Department. The DOD was planning to follow up with a letter of apology (bad move) when the results started coming in. The first responses included a few funny letters, some sarcastic ones, and a couple of ugly (and thus uncomfortable to the DOD) ones.

But all of them included $4,000, $5,000, and even $8,000 checks.

Not only did the DOD keep his job, but the mailing had an abnormally high response rate.*

The moral: Playing it safe works against us in the long run.

Many of us are far more sensitive than our audience. We put our fearful focus on the 0.5% that are "loud squeakers" who upset easily, instead of feeling comfortable with the 99.5% who don't. And remember, even that 0.5% forget fast.

Did you hear about the fundraiser who sent out a letter mentioning an "enclosed brochure," and left out the brochure on purpose to get recipients to call?

Or how about the fundraiser that sends prospects "birthday-and-a-half" cards ("Congratulations on being 57 and a half years old")?

When my politically correct alma mater, University of Pennsylvania, is bold enough to create endowed urinals with plaques above them (the most intensively-read plaques on the planet)—and gets away with it—you should have no problems cracking open your own creativity box.**

> We put our fearful focus on the 0.5% that are "loud squeakers" who upset easily instead of feeling comfortable with the 99.5% who don't.

What will capture your prospects' hearts and heads?

Remember: edgy marketing does not hurt a non-profit (only mismanagement does). Talk to your board and boss about better and more creative marketing. And show them this article.

Visit *www.PlannedGiving.com/idea-center* for inspiring, creative examples.

* *Please don't try to duplicate the med school's mistake!*

** *UPenn really does have endowed urinals. See the full story in the Spring 2013 issue of* Planned Giving Tomorrow. *Back issues are available as a free download from www.PlannedGiving.com/pgt.*

Top 10 Reasons Churches Need a Legacy Giving Ministry

Chris McLeod, JD

The Greatest Generation is disappearing. Younger donors give differently or not at all. Annual operating costs of churches are increasing due to health care expenses and physical campuses are suffering from deferred maintenance.

A legacy giving ministry can build a pipeline of major gifts that will grow a church's endowment and provide long-term stability.

1 **Legacy giving manages risk.** The most generous members in a congregation are often the oldest. What would happen if the three most generous members were to die in the same year?

2 **Legacy giving conversations can be transformational for the church.** The desire to make a difference is almost universal. Your members are already making legacy gifts to World Vision, the Salvation Army and their alma maters because they've been asked.

3 **Legacy giving can unlock the generosity of your congregation.** Research shows that donors with documented bequests give twice as much annually as donors who haven't.

4 **Increase Return on Investment.** Members who have attended a church for 15+ years clearly have an "investment" in the church. A legacy gift is often the largest gift a member makes in his/her lifetime since such gifts usually are made from assets, not income.

5 **Many families want to celebrate their family history with the church.** The opportunity to create a named endowment for outreach, education, pastoral sabbaticals, facilities or music excellence is timeless way for families to document their history with the church.

6 **Legacy giving is a healing ministry.** Many church members feel burdened by decisions about the distribution of their assets at their death. They may be inspired and relieved to have an opportunity to express their values by making a significant bequest to the church.

7 **Imagine a blue sky scenario.** What could your church do differently if you learned that one of your long time members left the church an unrestricted $5 million bequest? It happens.

8 **Legacy giving is a lot less complicated than you think.** ***It's all about relationships.*** You do not need to master the technical aspects of planned giving to launch a legacy giving initiative.

9 **Talking about the importance of a will is a ministry to families.** More than 55% of individuals do not have a will. The church can host legacy conversations that help members make these important decisions and avoid the hardships and heartbreak of probate.

10 **Legacy giving is the most inclusive strategy for giving.** Many older members hold the majority of their wealth in liquid assets like land, small businesses or collectibles. And many single, divorced or widowed women demonstrate their devotion to their "church family" by means of a significant bequest.

According to a donor survey conducted by the Partnership in Philanthropic Planning, 70% of donors who make a legacy gift do so because they are asked.

Make it your ministry to ask.

Chris McLeod, JD, is President of Giving Matters, Inc. and a ministry strategist wtih Horizons Stewardship. Contact her at chris@givingmattersinc.com.

The Story of Bob

1935
Bob was baptized in your church.

1944-1953
Bob was a choirboy in your church

1957
Bob was married in your church

1960-1982
Bob brought his children to your church

← Bob and his family gave **every Sunday** to your church. →

2014

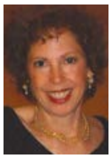
Bob left $1 million in his will to his school. Why?

Because your church never asked.

Remember Me

Gayle S. Union, CFRE

I may be here for a short while, gone tomorrow into oblivion or until the days come to take me away. But in whatever part you play, be remembered as part of a legacy … of sharing dreams and changing humanity for the better. It's that legacy that never dies.
— Thomas Scott



What does it mean when bequest donors make a gift because they want to "leave a legacy"? Do they want their name on a plaque or a building? Or do they just want their family members to know, after they are gone, that your organization's mission mattered to them, and that their bequest was **their** supreme gift to support it?

What do your donors want? This is no small question — especially if years from now your organization ends up in a fight with a donor's family over why mom's and dad's names are no longer on the building they thought they "bought" in perpetuity!

It's your duty as a fundraiser to get to know your donors and find out why they are making bequests. It's crucial to meaningful donor stewardship and to *keeping the peace.*

It's your duty as a fundraiser to get to know your donors and find out *why* they are making bequests.

Cravers or shunners?

When it comes to recognition, donors fall broadly in two groups:

1. **The Publicity Cravers:** "Put my name in *big* letters ... I want everyone to know I gave a gift large enough to name this building in honor of *me*."
2. **The Publicity Shunners:** "I don't need or want recognition. I made this gift on principle, to support a mission that is important to me."

Identify these among your donors, so you can manage expectations of donors and your organization — and so you can execute the appropriate gift agreement.

Rules of engagement

A signed gift agreement makes the terms of the gift crystal clear. In addition to specifying such items as the terms for payment, the agreement should address if, how, and for what period of time the donor will be recognized.

If your organization doesn't have rules regarding donor recognition and naming opportunities, get started now on creating them. The sooner you ensure transparency about a gift, the less chance you'll have problems down the road.

Policy starters

Here are some sample rules about naming opportunities and donor recognition you might consider using:

- Naming opportunities aren't permanent. They expire after a period of years (but can be renewed with an additional gift).
- Naming opportunities are not available for revocable gifts during donor's lifetime, but are available upon receipt of a bequest that provides the balance of funds required for naming.
- Named endowment funds require a minimum lifetime gift and may require a bequest to activate the fund.

- Programmatic naming opportunities expire if the program ceases to exist.

So get to know your donor. Communicate your recognition policies. Explain that they are meant to clarify expectations for recognition and avoid confusion and conflict.

This is how you make legacies happen. ●

Gayle S. Union, CFRE, is the Manager of Planned Giving for the Marine Corps Heritage Foundation, the fundraisng arm for the National Museum of the Marine Corps. She is also the Senior Consultant for Legacy Programs with Advantage Plus. union@marineheritage.org.

He Doesn't Have a Leg to Stand On

Jack Miller, CFRE

Let me tell you about this one prospect I met when I worked at an organization that preserves historic buildings. We were introduced by a mutual friend. At first the prospect wanted no part of me. He said he only gave to people, not buildings.

By nature, I'm not one to agree solely for the sake of politeness, so he and I had several intense discussions during our first several meetings.

Finally, during one of those discussions, I told him he "didn't have a leg to stand on." As soon as the words were out of my mouth, our mutual friend got a horrified look on his face and tried to get me to shut up.

I thought that "live to be 100" stuff was just BS you development people use to close a gift!

Then my antagonist lifted up his pant, showed me his prosthetic limb, and told me that was the first thing I had said since we met upon which we could agree! Turns out he lost his left leg as a soldier during WWII.

Our mutual friend has since passed away, but the prospect went on to create 20 gift annuities over the past 14 years (to scholarships, not buildings) and become one of my best friends. Now he's mad at me because I told him that people who set up gift annuities always live to be 100. Today, he's 97 and has been ready to die for some time.

He affectionately tells me, "I thought that 'live to be 100' stuff was just BS you development people use to close a gift!"

Jack Miller, CFRE, is Vice President for Development at the Baptist Homes Foundation and Founder of Miller Consulting, both in Pittsburgh, PA.

What About The Other 99.5%?

With planned giving marketing, you're on the donor's timeline

Joe Tumolo

It's a relaxing Saturday afternoon. The kids are all away and you finally have some quiet time. You decide to take a nap. You are just about to drift off into la-la land when, *bing bong!* The doorbell rings. You get yourself together, and find your way to the door. Maybe it's your neighbor bringing you a cake, or Publisher's Clearing House arriving with your check. No, it's the cable company. The one you don't use, trying to get you to switch to their service. You are annoyed. You were not expecting them and they ruined your nap.

Now imagine that same cable company sends you a postcard, or a letter detailing the benefits of switching to their service. There is a special offer for three free months of service, and you are intrigued, but too busy to act on it. Months go by and that cable company keeps dropping you messages, educating you, and offering incentives. Finally, one day, you're ready to take action and you call. This time, when the cable rep rings your doorbell, you're excited to see her. You welcome her into your house. You sign up!

You see where I'm going with this. How do our donors feel when we approach them with solicitations they are not expecting and aren't ready to think about? We can't expect a quick yes when we've barged in and caught them unprepared.

We all want that ROI

It's so much easier to spend money when we can show a return on our investment. It makes sense and it's something to strive for, but in planned giving marketing, it's not always that simple. We all know that most decisions around planned gifts aren't made quickly. So why do we expect donors to drop everything, call their attorneys, and put us in their estate plans just because we sent them a postcard?

It's on their timeline

Annual fund giving is on the charity's timeline. We send a letter or make a phone call, and most donors who respond will do so within your timeline. But planned giving is on the donor's timeline, driven primarily by their life circumstances. Because most donors are not thinking about planning their estates, a significant part of a planned giving marketing campaign is to first get donors to think about their estate plans. Only then can we move to the next steps of asking them to include the charity in their plans.

We need to encourage donors to take the next step, which is most likely a baby step. Gently lead them along this path. Your marketing program cultivates relationships with your prospects. Your messaging should be all about the donor and how you can help them accomplish their goals while helping your charity at the same time.

Don't try to force feed donors; motivate donors to ask for more information.

Just because only a handful of people respond, does not mean the program is not working.

A delayed response is a response

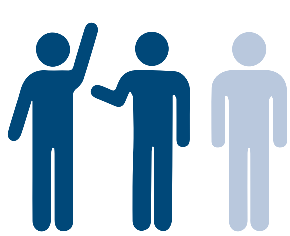
With planned giving marketing, we are often so focused on immediate responses, which are less than 0.5%. But it's not just about the immediate responses. Most of the results from your planned giving marketing won't be known for years to come. That's hard to sell to the higher-ups who want to see hard data, but it is the reality.

We have to realize that some of the donors among that remaining 99.5% are responding to our marketing, but we don't know about it yet. I call these delayed responses.

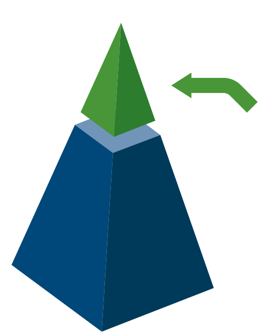
One type of a delayed response is when your marketing piece gets the donor to move past "I never thought about it" to… actually thinking about it! A simple survey question is a great way to do that:

If you completed a will in the next 3 months, what is the likelihood that you might leave a bequest to our organization?

- ❏ None
- ❏ I don't know
- ❏ Maybe
- ❏ Strong possibility

2 out of  3

U.S. residents aged 40 and over already have wills.



7%

of Americans aged 40 and over have named nonprofits in their wills.

People spend 80,000 hours building their wealth but less than 4 hours deciding where they are going to leave their money.

I remember an old sales technique my first sales coach taught me. When the prospect says "I haven't thought about it" or "I would have to think about it," you respond with "Now that you are thinking about it…" It's the same thing we're doing

Owning your own message will help you stand out from the crowd.

with the marketing. If a donor responds with a "maybe" or indicates they're considering your request, it creates an intention in their mind where they may be more likely to act on it. That's part of our job as marketers, to get the donor to take the next step, even if that next step is to think about it.

Okay, now what?

Hold the donor's hand. Get them to start thinking about their estate plans. Bring them along the path. Don't rush them. Remember: you're working on their timeline.

Use multiple channels to send your message to donors. Use direct mail, emails, landing pages, surveys, phone calls, media. Everything you send to your donors should include an incentive to respond. Offer them free estate planning related products such as white papers, will planning guides, and more.

Discover what your donors care about and send them that information. Just like your one-on-one interactions with your donors, your marketing plan should give your donors the opportunity to tell you what they care about and what information they want to receive.

Outsource your marketing to a trusted planned giving vendor who will take the time to set goals with you and develop a strategy that fits your needs. Go see donors. When you cannot get to certain donors one-on-one, let the marketing start relationships with them.

And lastly, don't measure your success just by the number of people who respond to a particular marketing piece; remember the other 99.5%.

Joe Tumolo is a partner with Brian Sagrestano at Planned Giving Essentials. He speaks, coaches and trains fundraisers on how to raise more and larger gifts with a simple approach. Contact him at joe@plannedgivingessentials.com.

A Gold Strike

Making the Mineral Interest Ask

By Betsy Suppes

When I was a graduate student working in the Office of Annual Giving at Tulane University, I learned a lot about college development and how many Gulf Coast institutions had oil and gas interests given to them by alumni.

Fast forward 25 years. Now I am an independent petroleum geologist living outside of Pittsburgh, and I've been assigned to help a college development office that has received a gift of mineral interests. It got me thinking: now that hydrocarbons are being extracted economically from the Marcellus and Utica Shale in the Appalachian Basin, Pennsylvania is once again an oil and gas state. That meant that colleges and universities in the Appalachian Basin could start to make "the ask" for mineral interests as part of their endowment. Intrigued, I contacted several development offices. One of them put me in contact with Viken Mikaelian, who asked me to write an article for this magazine about mineral interests and the importance of putting them on the giving pages of an institution's website. The article was published in the Summer 2012 edition of *Planned Giving Tomorrow*.

I think it was the very day that the magazine arrived in office that I received a call from a charitable gift planner who had a benefactor that wanted to gift gold royalties. The institution needed advice on having the gift evaluated for tax purposes and to determine its value. While gold is not my specialty, I am a member of a consulting team of geologists and engineers, one of whom has expertise in gold evaluations. I made the referral. The evaluation was completed in short time. *The value of the gift was five million dollars.*

The article focused on oil and gas, but the gift planner understood that *minerals are minerals*. Oil, gas, coal, precious metals, ores, and industrial minerals—they can all be given as gifts of mineral interests. Why wait? Start making "the ask" for mineral interests today!

Betsy Suppes is a qualified appraiser and a petroleum geologist; bsuppes@forgedalegeo.com.

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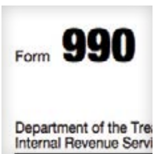

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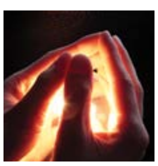

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You've Got Mail (from Google)

Karen Martin

My husband and I run a small business. A very small business. So I was a little surprised to find out that we're on Google's mailing list. I mean, I'd understand if they sent me an email, or maybe a personalized video pop-up on YouTube. But no… they sent me a good old-fashioned letter.

Actually, they've sent me several. Our business has been open for two years now, and we've received a number of direct mail pieces from Google that included vouchers for $50 or $100 towards Google AdWords.

So here's how I see it: if Google, a company that earned $50 billion in 2012, a company that gets 173 million unique visitors to its site in a single month, a company that dominates the market of Internet searches, thinks that direct mail is worthwhile—then it's worthwhile.

Several recent studies and surveys indicate that people greatly prefer direct mail to email and that postal promotions result in a much higher response rate. There are plenty of reasons for this. One simple reason is that inboxes are flooded and people don't read emails. As Viken Mikaelian likes to say, "If the mailbox in front of my house was as large as my email inbox, it would be the size of a tractor trailer."

For more on this topic, including tips on how to create a successful direct mail piece, check out PlannedGiving.com/google.

Karen Martin manages the marketing for her husband's chiropractic office in Philadelphia, and she is our new associate editor for Planned Giving Tomorrow*. Contact her at Karen@PlannedGiving.com.*