Planned Giving tomorrow™

Practical Planned Giving Marketing Ideas for All Fundraisers Summer 2010

New Survey Shows:

40% would rather see their charity lose a $1 million gift.

More survey results ...

Who makes over $100K/year?

How many prospects do they visit?

Approximate age of a donor who makes a bequest?

Do you feel you are underpaid?

Is having a CFRE important?

What's your favorite drink at the end of the day?

See our survey results at: PlannedGiving.Com/surveyresults

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Double Your Salary in the Next Five Years

Viken Mikaelian

Last year I attended a conference with over 600 attendees. Snooping around the breakout sessions I noticed one called *How to Strengthen Your Endowment With Four Simple Planned Gifts*. There were 12 attendees. Next door, 165 fundraisers were eagerly packing themselves like sardines into a room with a breakout session titled *How to Hold Fundraising Parties ...*

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Negotiation 101: How Both Sides Win

Anne Melvin

Why is it that we so often look at a gift negotiation as a cat-and-mouse game — as a struggle between what "we" want and what "they" want?

Perhaps we forget the simple fact that — if you've picked the right prospect — he and you both want the same thing: Prosperity

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How to Market a Gift Annuity to Someone Who Doesn't Want One *Scott Janney*

Many of your donors already know that a Gift Annuity provides beneficial income for life while making an important gift to your organization. But how many know that they can share the lifetime income with a friend or relative?

1) **A Gift for Your Parent:** Many donors help care for elderly relatives. A Gift Annuity that helps these donors provide for their parents while making a gift to their favorite charity can be satisfying on many

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Marketing Planned Gifts to Financial Advisors? I Don't Think So. Here's Why. *Jeff Comfort*

Some have suggested that it's a good idea to target professional wealth advisors with planned giving marketing. This article explains why I disagree. Plus, I can suggest a better target and specific messaging to go with it.

In early 2008, my colleague, Cynthia Krause, and I undertook extensive research analyzing estate planning in the non-profit and for-profit sectors over the last 25 years. In particular, we sought information to guide best practices in collaboration between them. Data was collected by sending interview questionnaires to planned

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Viken Mikaelian
Executive Editor

Forget Facebooking. Unless.

Few non-profits succeed with Facebook. Why? *Because they neglect the time and effort needed to do it right.* Successful social networking requires:

- Circular 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

This is work. Even the miraculous Internet will not give you something for nothing (*that's why Viagra spammers are dying*). And this is why you must approach Facebook marketing with a results-based mindset. *If you can't or won't measure ROI, it's not going to work.*

Now, I am not opposed to social media — *so hold all hate mail.* But don't Facebook due to peer pressure. Because a little bit of this and a little bit of that and hopping from this year's hype and hoopla to the next will distract you from venues that are already getting you results.

Quoting Sam Caldwell, "All the followers in the world will jump on the social networking site bandwagon with little or no evaluation and waste all kinds of dollars and time. The leaders will evaluate it and execute it if they feel it serves their interests. Or, they will move on to what gets results. *The real question is, are you a leader or a follower?"*

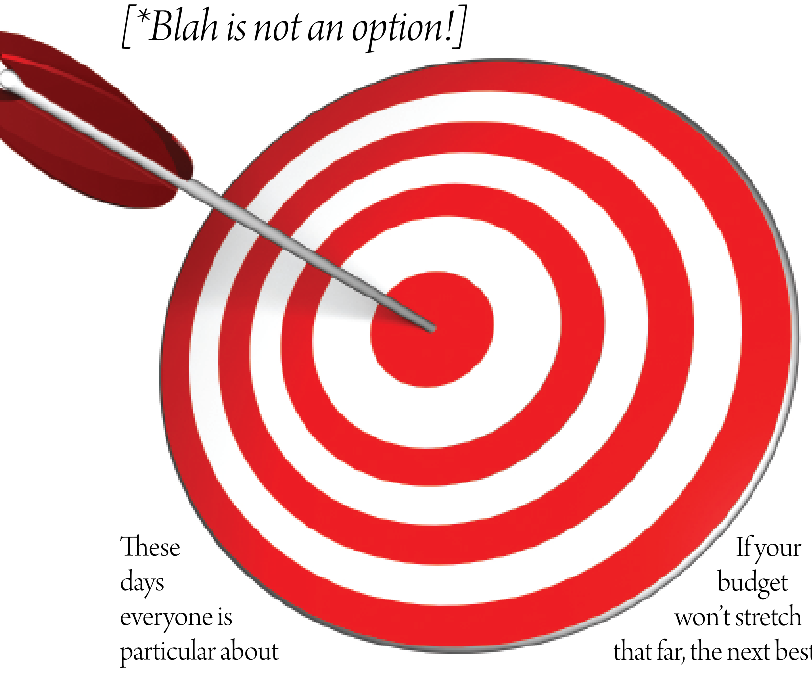
Social media is like any other marketing vector. It's serious work requiring real effort. *So ignore peer pressure and do it if you have commitment and resources to do it right.**

**See how Kelly Rowell at Martin Memorial does it right in our last issue.*

Planned Giving Newsletters That Work*

Viken Mikaelian (recently published in *Philanthropy Journal*)

*[*Blah is not an option!]*



These days everyone is particular about where to give, how to give, whether to give, or how much to give. Even those with deep pockets have short arms. In this market, fundraisers have to work smarter and make the most of the marketing tools they have.

One of the best of these tools is the planned giving newsletter. Really. But not your grandfather's planned giving newsletter.

I recently heard a newsletter vendor recommend improving planned giving newsletters by using the "right" font, type size, paper, number of pictures, etc. This print-oriented mentality misses the forest for the trees. And it is headed for extinction along with the traditional "place-my-logo-and-name-here" canned-content dinosaur newsletter that worked in the '60s.

First Things First

If you want your planned giving newsletter to succeed, the first thing you must focus on is **your mailing list**, *not* the newsletter. The quality of your list will produce 50% of your results. *Give list quality 50% of your attention.*

Have your list professionally analyzed to extract your *loyal donors* (plannedgiving.com/pgfinder).

If your budget won't stretch that far, the next best thing is to identify donors who have given at least 8-12 times in the last 15 years, *regardless of amount.* This list will be manageably smaller than your overall list, thus enabling you to target your prospects more *effectively, consistently, and economically*. Loyal donors make the best planned giving prospects.

Instant Relevance

Next comes **your message**. Give that 40% of your attention. Forget blather about the features and technical aspects of planned gifts. Your prospect is not dying (excuse the pun) to read details on how to part with her wealth after her death.

Focus on the *benefits* of planned gifts and include news *your reader can use*, because that kind of content lets the readers know *"what's in it for them."* Engage and interest them by addressing their concerns.

And lose the technical jargon. Believe it or not, *9 out of 10 Americans do not know the meaning of "bequest" or "bestow."* So keep it simple, and you'll keep your readers.

Remember to use humor to help get your point across. Your readers will appreciate a funny column now and then. Humor communicates.

Finally, the **look and feel** — the graphic design of the newsletter — rates at only 10% importance, *so don't bother trying to win a design award.* Spending too much time at this end of the equation means you've got your priorities backwards.

His Response Rate Went Up

A few years back, my colleague Brian Sagrestano killed most of a 40,000 newsletter mailing being sent out by his organization, University of Pennsylvania.

He pared his mailing list down to the 3,900 most loyal donors. Then he developed a useful, fun-to-read newsletter.

It included columns such as what is necessary to prepare one's will, how to protect important documents while traveling, and other information anyone could appreciate and benefit from. Finally, he included focused, benefits-based planned giving articles such as *How to Establish an Endowed Scholarship With a Gift That Costs Nothing During Your Lifetime.*

The result? Even after eliminating more than 90% of his mailing list, Brian saw his response rate actually *increase.*

"This was not a huge leap of faith for [Penn marketing guru] Colleen Elisii and me," Brian explains. "The costs for the newsletter were exceptionally high and the yield was incredibly low. Changing the focus to a donor-centered approach inspired loyal donors to want to help. They were much more interested in what we were saying."

Smart Content Builds Readership

These tactics are *nothing new*. It's just that businesses do it better than non-profits because most non-profits *do not think like a business.*

> Today there's zero tolerance for the blah.

For example: next time you receive a newsletter from Aetna or Blue Cross, notice the balanced content: advice for diabetics, articles on dealing with the flu and keeping your weight down — and *then* some material promoting the company's services.

If the entire publication was an "ad," it would lose readership. Instead, Blue Cross and Aetna grow their readership with engaging content. Same goes for your newsletter. Include interesting stuff from your interesting organization, not just planned giving boilerplate and donor stories.

Easy is Not Good Enough

The old-style planned giving newsletter was simple to produce. You sent your picture and a cover letter to a vendor, who dropped in your name and logo, added canned content, and mailed off your "exciting" newsletter.

> Today, those newsletters don't get read.

To do your newsletter right takes time, and outsourcing it can become cost-prohibitive because the vendor has to learn more about your organization, your mission, your vision. That costs money.

And regardless of effort and cost, do you think a vendor could really replicate your *passion*?

So, if your budget allows, work with a good vendor you can trust. Or develop your newsletter with your own team, in-house. Because building these competencies will really pay you back over time.

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Starting a New Gift Planning Program?

Begin With the Essentials.

Brian M. Sagrestano, JD, CFRE

When a charity comes to me for advice on starting a new gift planning program or revitalizing a fledgling effort, they always ask about marketing charitable gift annuities.

I always recommend they focus on the essentials before heading down the gift annuity road. More than 85% of gift planning revenue comes from bequests and beneficiary designations. By starting with these essential gift planning tools, a charity reaps a tremendous benefit for a much smaller investment.

Mission, Endowment, and Leadership

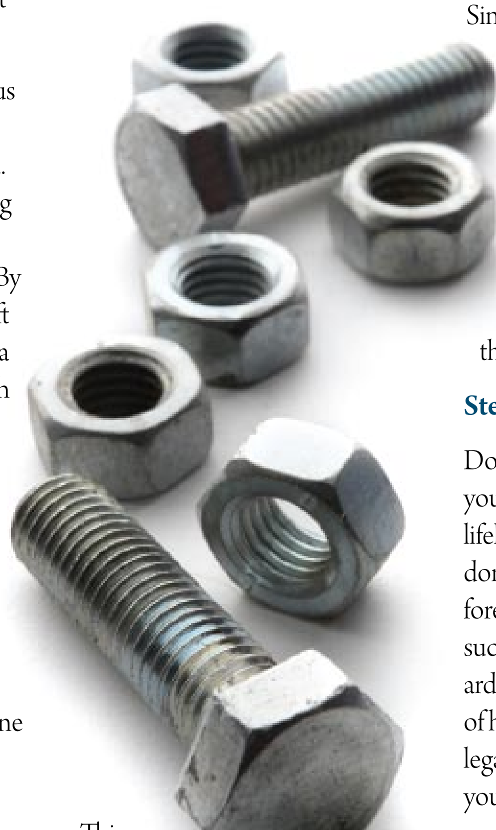
Donors use gift planning to support your long-term mission. So before starting a donor-centered gift planning program, you need to determine if your organization is ready to pursue a program focused on legacy gifts.

- Is your mission one that has both short and long-term goals?
- Is your Board committed to the sustainability of your organization?
- Do you have a strategic plan?
- Are you willing to build and sustain relationships with your donors for their lifetimes?

If you can't answer "yes" to these questions, I would suggest performing some strategic planning, because if your mission is not clear, or does not need endowment to support it, you may not be ready to start a program.

Making the Case

It's important that your Board and volunteer leadership be on the same page about gift planning enhancing both your mission and your ability to build endowments. An internal *gift planning case for support* is a simple, effective way to get them there.



This short document articulates why gift planning is important to your donors and achieving your mission. It should also explain why your organization needs to pursue gift planning at this moment and for the long-term. Share the case to get the word out to your leadership.

A free sample case can be downloaded at:
PlannedGiving.Com/brian

Infrastructure

Most charities only address their gift planning policies, procedures, and guidelines when contemplating a new fundraising campaign. To ensure that your donors feel confident that you can accept and manage their gift, however, you should update and maintain your policies on a regular basis.

A free sample policy can be downloaded at:
PlannedGiving.Com/brian

Since most arrangements result in endowments that the donor will not live to see put to use, you should develop a consistent set of endowment fund agreements that articulate the donor's goals and objectives as well as your commitment to utilize the gift as the donor intends.

Stewardship

Donors also need to feel that you appreciate them. Building lifelong relationships with your donors and their families is therefore crucial to your program's success. Consider starting a stewardship society that shares stories of how completed and matured legacy gifts make a difference for your charity every day.

Prospects

Once an organization is prepared to start accepting legacy gifts, it must identify, qualify, and approach the best gift planning prospects. Larger programs may want to utilize an electronic screening tool such as PG*Finder* (plannedgiving.com/pgfinder).

Remember, gift size and donor age are far less important than *consistency of giving*. Smaller organizations with limited budgets can find their best prospects among donors with consistent giving histories, e.g. loyal donors who have contributed 10+ years in a row.

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Marketing to Financial Advisors? *From page 1*

giving officers, trust officers, and financial planners associated with sophisticated estate planning programs.

The results support conclusions about how best to deploy your marketing resources. *Actual quotes* from the study illustrate some of the following points.

The Good Old Days

About 25 years ago, planned giving officers and a few professional advisors ruled the planned giving roost. PGOs "owned" the information and shared it with professional advisors, donors, and prospects.

Professional advisors who came to the PGOs for information enabled non-profits to spread the word about charitable gifts to other advisors and donors:

> *"We [charities] were the experts ... Being seen as a technical resource hopefully meant more advisors would send clients our way."*

But the Havens/Schervish study radically changed this dynamic.

$41 Trillion is a Lot of Money

The updated 1999 study predicted that by 2052 America's "Greatest Generation" would transfer at least $41 trillion to its successors.

> *"The information about the huge wealth transfer sent the financial services industry into overdrive ..."*

By 2005, forward-looking for-profits began adding philanthropic wealth advisors to the teams working with their clients. Ambitious professional advisors also began boning up on planned giving to make *themselves* the experts.

> *"[Professional advisors] have become much more savvy and knowledgeable about the technical aspects of gift planning ... "*

Squeezing Out the Nonprofits

The for-profit community gradually established dominance:

- More clients discussed charitable gifts with their wealth strategists instead of the charity.
- More charitable trusts expertise began to reside with the for-profit planners.
- *Fewer advisors — if any — brought the charity to the table with their clients.*

Unfortunately, for-profits and non-profits seem unable to work together in this competitive landscape. A more collaborative approach would certainly benefit donors (and charities). But do both sides of this issue really want to work together? One fundraiser remarks:

> *"What I'm seeing ... is that advisors aren't that interested in working with us [charities] anymore. They don't see us as having much to bring to the table."*

"Nonprofits are Clueless"

Professional advisors have largely succeeded in evicting non-profits from most of the gift-planning conversations. *From their point of view, why play it any other way? What value does the non-profit bring to the process, anyway?*

This is why you're fighting an uphill battle trying to sell them on giving non-profits a seat at the table. Will they listen? In their own words ...

> *"[Non-profits] don't bring anything to the table."*
>
> *"Non-profits are clueless."*

Remember these comments when you ponder marketing to them. They are a tough audience.

There Are Other Options

Of course there are other ways to get back in the game. One way is to market your charity's mission to the donors themselves, and inform prospective donors of the critical value you do bring to the table: *Gift Agreements.*

You probably can't compete with most financial institutions' advisors on technical issues, and certainly not on information about the donor's overall financial and estate plans. But starting with the premise that donors make planned gifts to support a particular charity or program, *you are the expert* in the gift planning process to ensure their interests will be met.

You can win a seat at the table.

You can win a seat at the table by showing the donor that making the charity part of the gift planning process is *critical to the fulfillment of their own wishes.*

A Unique Advantage

Imagine a donor wants to endow a faculty Chair at their alma mater through a bequest by will. The gift itself may not be completed for another 20 years. Who knows what changes may happen meanwhile? But the university's development office can work with the donor's advisors to structure the gift, and specifically the *gift agreement*, to contemplate contingencies so that two decades hence the donor's wish will be fulfilled exactly as intended.

It's something the for-profit advisors can't match.

Only the charity can provide such guidance. It's something the for-profit advisors can't match. In fact, my experience is that most for-profit advisors have little or no experience with incorporating gift agreements into the plan – yet they wholeheartedly

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endorse the concept when it is introduced! So non-profit marketing should encourage loyal donors to *ask their wealth-planning professional to include the non-profit in the gift-planning process.*

Don't throw time and money away in a futile effort to cajole professional advisors to include you in the technical and legal aspects of the estate planning process with their clients.

Target the donor, sell the mission, and remind them that the best way to guarantee future fulfillment is for them to ask their advisor to invite you to a seat at the table for any gift planning discussions.

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Negotiation 101 *from page 1*

and growth for the charity. Prospect and fundraiser are both pulling in the same direction. You're just getting there in different ways.

Think about negotiation that way, and the whole shebang looks different. Chances are it will feel a lot smoother, too. Whether you're looking for annual, major, or planned gifts, you can get to closure faster and with fewer obstacles by following two elementary principles:

1. Focus on the parties' interests, not positions.
2. Generate a variety of options before settling on agreement.

Understanding Donors' Authentic Motivation

A charity's interest is usually fairly straightforward: getting the gift.

A donor's interests are often harder to identify. For example, he may say he's not going to make a gift because he's concerned about the competence of the organization's CEO. This is the donor's *position*. In fact, however, he's hurt because the CEO didn't adequately acknowledge his last gift. This is the donor's *interest.*

Another donor may say she's more interested in supporting several local causes, not your national cause (again, her *position*) while actually she's worried about being a small fish in a big pond, and not getting adequate recognition (her real *interest*).

This is where a little sleuthing and a lot of listening can pay big dividends. Be inquisitive. Get a feel for what is important to the donor. Ask his opinions about other charities. What he says indicates what he values, and what you should and shouldn't do.

The most powerful interests that underlie human behavior are basic human needs: security, economic well-being, a sense of belonging, recognition, and control over one's life. In a gift negotiation, whether it's an ask or a written proposal, many of these interests come strongly into play:

- Some donors want recognition for their generous gift. To downplay that element is to miss tapping into a significant motivator.
- Others donors want security. You can satisfy that with something like an annuity, in which the donor gets the greatest amount of security for releasing her capital.
- Still others value a sense of belonging. Show how they can belong by making a gift and becoming part of your robust, widespread supporter community.

Parse the Agreement with Multiple Options

Successful negotiation means not getting "married" to the first solution you think of. Becoming over-invested in only one option is a quick way to make any negotiation adversarial.

Instead, practice generating and writing down all possible outcomes to an ask. Don't be critical. Be creative. Be outlandish. Don't stop until you've exhausted all the options. *Because these are your roadmap to the negotiation.* Sometimes looking at even the absurd options can help you home in on what the donor is really thinking and feeling.

Imagine, for example, a major gift to fund a new research center. The donor could:

1. Not make any gift whatsoever.
2. Fund $1 million outright now.
3. Fund $500,000 now and in four years, another $500,000.
4. Fund $3 million to jumpstart the research center and be able to hire several nationally known experts drawn by the promise of adequate funding.
5. Establish an Annuity Trust at 5% with the interest funding the operating costs for 20 years or until the donor's death, and then a bequest at death to establish an endowment fund going forward.

Helping the Donor Decide

Now, if you sense hesitance on the donor's part, you could talk to her about #1, the no-gift option. Does the donor really want to see the work halted? How much does she have emotionally invested in seeing it go forward versus lying fallow? You paint the picture for the donor of what happens if the money isn't there. Coax her to revisit her core values and the passions that led her to support the charity in the first place, and to acknowledge the importance of these values. This sort of induced "self-persuasion" can help bolster the donor's allegiance to the cause.

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Or try the reverse: Explore option #5. This grand vision could ignite a passion that you and the donor hadn't explored before when she was thinking smaller. Talking about options openly establishes a spirit of helpful solution-generation between fundraiser and donor, and brings agreement that much closer.

When done well, dynamic negotiation satisfies both sides' interests. Forget the cat-and-mouse paradigm and replace it with a collaborative mindset based on win-win thinking. Change the inputs you're operating with, and you may change the outputs you're getting. *And close a lot more gifts with a lot less pain.*

Anne T. Melvin
Deputy Director of Gift Planning, Harvard University, Faculty of Arts and Sciences.

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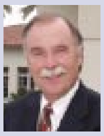
Fundraisers in the Hot Seat

Who's Afraid of Real Estate?

James Pierson

A lively conversation with Chase Magnuson, Real Estate Specialist, George Washington University, Office of Planned Giving



Chase Magnuson says teamwork banishes the bugaboos.

Chase has emerged as an authority on how charities can grow their endowment through the exciting opportunities available in real estate. We caught up with him recently for a little Q&A.

You've become a go-to guy for insights into gifts of real estate for nonprofits. How did you develop this specialty?

The first major component is my background in commercial and investment brokerage. I spent five years as a professional staff advisor for Prudential Real Estate affiliates in California, where I managed a portfolio of 8,000 real estate brokers in western states. I was basically Prudential's in-house consultant for their agents.

I also managed 284 of Prudential's Units. My emphasis here was organizing them so that they could take advantage of each other's resources and services rather than having to outsource them.

Where does the charity element come in?

In that capacity with Prudential, I began looking into opportunities involving real estate and nonprofits. *What I found was the nonprofit world was a gigantic sleeping giant!*

It was clear that donations of real estate could be very important for charities. But it was also clear that charities were scared of them.

Why were they "scared"?

That's what I asked the nonprofits. The answer that came back was basically, "We're risk-averse. We don't have procedures in place to deal with gifts of real estate. Plus, we've either had bad experiences ourselves, or have heard of other charities that have had bad experiences with real estate in the past. So we stay clear of such donations."

Here were great opportunities with gifts of real estate on one hand, and fear and trepidation on the part of nonprofits on the other. I wanted to solve that disconnect. And I have spent the past 15 years working on the problem.

What was your strategy to bring them together?

The challenge was to build a bridge between the two communities. To accomplish this, I served as a consultant on real estate for a number of national charities including AARP, United Way America, the California State University system, and the Muscular Dystrophy Foundation. And I worked directly with donors, as well.

All interested parties require a consultant who understands their needs. I look at it this way: Imagine you're in a room with people who need to talk to each other, but each person speaks a different language. I see myself as a translator who interprets their comments to help guide the real estate gift through the process to a successful conclusion.

Big nonprofits have systems in place to accept gifts of real estate. But what about a small nonprofit with little or no real estate savvy? Let's assume a valuable gift of real estate just walked in the door. What should they do?

If a nonprofit doesn't have the systems in place, they can partner with a charitable entity that does. This more experienced "accommodating" charity takes the burden off the small nonprofit and enables them to accept the gift.

As a qualified 501(c)(3) organization, the accommodating charity can provide the donor a charitable gift deduction. And your small organization receives revenues derived from the donation in the form of grants, or you might just split the proceeds with the lead charity on a prearranged percentage basis.

Can you give us an example?

Let's say a donor offers you a land lease and you don't know where to start. Instead of rejecting the donation, you approach a more savvy accommodating charity who already has systems in place required to handle the donation to everyone's satisfaction. Typically, under your agreement with the lead charity, your nonprofit might receive 65% of revenues generated from rent and/or sale of the lease – from a donation that you were *prepared to walk away from* in the first place!

How do donors react to this kind of arrangement?

It's as appealing to donors as it is to the nonprofits. Many donors want to give to two or three charities anyway. They're already open to the multiple-recipient or "shared" aspect. So it's not a problem.

It is actually an old idea. The new wrinkle I have added is putting the accommodating charity out in front to facilitate the whole process for the smaller nonprofit, so that everyone benefits. It's in this area that I have carved out my "niche within a niche."

This approach helps out smaller charities by cultivating mutually-beneficial relationships within the nonprofit community.

That's true. And it does more. The small nonprofit that works with an accommodating charity is also building its skill set, learning by example. The lead charity actually plays a mentoring role. They show the novices how it's done. So in addition to capturing the benefits of a real estate gift, the smaller nonprofits are climbing the learning curve so they can handle real estate themselves in the future. And they pass that knowledge on in turn.

I like to think it's a win-win situation all around.

How can our readers find out more?

Contact me through PlannedGiving.Com/answers.

Guerilla Marketing Ideas

Imagine a public radio station cooperating with a music store in a "Public Radio Means Music" combined sale/membership drive. Or a pet store and an animal shelter that join forces to help fund a spay/neuter program while attracting new customers to the store.

Studies show that when a business partners with — and really benefits — a non-profit organization, consumers who believe in that organization and its cause are *much more likely* to respond to or patronize the business.

This fact should be a wake-up call both for businesses and for non-profits.

Today's contrary economy poses serious challenges for charities. Current donation levels are lagging, and *impending tax increases, combined with likely reductions in tax benefits for charitable support, don't improve the outlook.* According to PlannedGiving.Com's 2010 survey, 67% of our peers are concerned about this.

So *smart* non-profits are looking to grab every advantage.

This is where partnering with for-profit businesses offers increasingly attractive benefits. For the charity, such promotions result in more donations, free advertising, and new first-time donors. For the *for-profit*, the partnership promises additional business.

You can even partner with other ***non***profits! Read Chase Magnuson's interview on the previous page.

Such opportunities for robust mutual benefit couldn't come at a better time.

"Planned Giving" versus "Gift Planning": What's in a Name? *Viken Mikaelian*

This has been a topic of discussion in our industry since the late '70s. The argument centers on which term, "planned giving" or "gift planning," will give you the edge when communicating with your prospects.

A few categorically recommend using the term "gift planning" over "planned giving," but we don't really see the advantage of either over the other. Instead, it seems to represent a distinction without a significant difference. Although, you do not close a gift plan, you close a planned gift!

We look at the issue differently. Language allows you to tailor your messaging to your specific audience. So why not reserve the technical terms, such as "gift planning" and "planned giving," for people that already understand them — industry insiders?

Massage the Message

In marketing materials addressed specifically to prospects, on the other hand, we advise using more donor-friendly, self-explanatory terms, such as "Creative Ways to Give," "Gifts That Cost Nothing During Your Lifetime," "Giving Wisely," and "Giving Through Non-Cash Assets."

These are not only easier for your prospect to "get," they also enable you to massage the message with loaded words like *creative, lifetime,* and *wisely*. There's a lot of room for smart marketing there.

I was surprised to see through Google that "planned giving" out searched "gift planning" only by 7 to 1. I thought it would be more like 100 to 1. But I then realized searches were for toy stores, Day Timer, Target, etc. In fact I asked my neighbor if he knew what gift planning meant, and his response was:

"I think ★macy's does that!"

So we say save the telegraphic terms of art like "gift planning" and "planned giving" for discussions with your colleagues. You're not trying to close gifts with *them!* When you leverage donor-friendly language in communicating with your prospects, the targeted language itself is accomplishing more for you. *And if you use the language online, it's more search-engine friendly.*

That's another real advantage.

Celebrating a Bequest With Respect and Care

Aviva Shiff Boedecker

You've just heard that a loyal alum/donor/patron has died. She was a member of your Legacy Society, and she said that she would make a bequest to your organization.

You and your colleagues have come to know this donor and may have developed some fondness for her, so naturally your first reaction is *surprise and sorrow* at losing a friend.

But you're also curious: Was your organization really in her will? For how much? Can you count her bequest in this year's totals?

This makes you feel guilty.

This makes you feel guilty. After all, your friend isn't yet in her grave and here you are thinking about your year-end totals! Even to contemplate profiting from the death of another makes us *uncomfortable.*

Sure enough, some not-so-sensitive colleagues ask you if you're happy that the donor died because now you get the bequest and your program will look good. Your annoyance, however, is exacerbated by the fact that you *are* looking forward to seeing your totals go up this year.

You find yourself questioning whether your feelings of affection and friendship towards your donor/friend were genuine. Are you really the *mercenary ghoul* that your colleagues tease you about being?

Well, here are ten ways you can prove to yourself and to others that you are not.

1. Find out the date of the funeral or memorial service. Attend the service and encourage key colleagues to go with you. This will give those of you who knew her a sense of "closure" and an opportunity to express your sorrow at her passing. Your presence will also demonstrate that your organization really cares about its donors as people, and not just for their money.

Tell members of the family how much you enjoyed knowing her.

2. At the service, be sure to tell members of the deceased's family how much you enjoyed knowing her, and possibly of her interest in and service to your organization. You don't have to be elaborate. Sign the guest book including your affiliation.

3. Write condolence letters to the deceased's surviving spouse, children, and/or companion. If you're not sure who to write to, you can find out from the donor's attorney. The letter does not have to be long. Just let the recipient know how you knew the deceased and say something about her importance to you, your organization, and the community.

4. See that other key members of your organization write condolence letters, too. If necessary, ghostwrite them.

5. If you know that you get the residue or a percentage of the estate, or the entire estate, you may need to be proactive about securing the property and reviewing valuations, disposition of assets, and the way the accounting is handled. It may be wise to hire counsel to help in this.

6. If the decedent had any life income plans with your organization, provide any necessary information quickly and accurately. Be sure to be gracious to the attorney for the estate and to the executor or trustee. The last thing you want to do is alienate anyone who may be able to influence future charitable bequests.

7. Make sure the decedent's name is dropped from all your organization's mailing lists, including e-mail and telemarketing. There are few things more annoying or upsetting to a surviving family than to get mail addressed to the deceased.

8. Keep the surviving spouse/significant other on your mailing and invitation lists, unless they ask to be removed. They may be as interested in your organization as the deceased was.

9. Consider listing the deceased in an "In Memoriam" section of the honor roll of donors or in the annual report.

Write a story about the donor.

10. Write a story about the donor and her bequest in your publications and website. This can be a nice tribute, a way to cultivate your relationship with her family, and an effective means of communicating the importance of bequests to prospects. Prepared with the family's permission, a press release can confer similar benefits.

Ensuring that you acknowledge bequests properly and maintain good relations with the deceased's family and advisors will help you promote your organization and its programs.

It will also help you work through your own sadness at the loss of a friend.

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A similar version of this article was previously published in *Planned Giving Today*.

Get the Bequest Toolkit. See page 3.

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> "People may have your charity in their will without realizing that the will controls none of their assets. Joint titles and transfer on death designations can create this problem. It takes a good planned giving officer — *and a good relationship* — to correct the error."
>
> Russell James III, JD, PhD, *Professor of Charitable Planning, Texas Tech University*

Planned Giving: Simple Stuff or Just for Harvard Lawyers?

Matthew Wilson

How do *you* view planned giving? Is it simple, or complicated?

One of the biggest misunderstandings I see in the non-profit world is the mistaken belief that planned giving is complex and mysterious.

A development officer is asked to take on the new responsibility of initiating and developing a planned giving program. Let's assume this development officer's background is in annual giving and major gift work. What is the first thing she usually does once she puts on the "planned giving director" hat? She begins *looking for a seminar* to attend on charitable lead trusts, charitable remainder trusts, gifts of complex assets, etc. All this can seem overwhelming — because it is.

It doesn't have to be that way

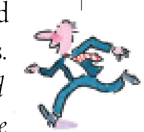
Whether you are the Chattanooga Symphony, a Community Kitchen, or Harvard, 85% of all planned gifts are simple bequests. Too often, planned giving folks — especially new ones — get caught up in the details of complex gift forms and end up "majoring in minors."

Now imagine our up-and-coming planned giving director focusing instead on meeting face-to-face with existing donors who have supported her organization for many years, and asking them, "Have you ever considered including us in your will or estate plan?"

Not a complicated approach

Over time she will enjoy tremendous success securing plenty of planned gifts.

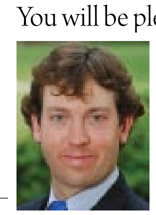
Of course, there is a place for charitable remainder trusts, lead trusts, and the like. But the vast majority of the planned gifts for your organization will come from simple bequests. That is why I recommend creating a brief document with suggested will language that you can supply to donors and their attorneys when you ask about estate plans. *[Editor's note: include appreciated "stuff," IRAs, and life insurance, too; these are easy to give and to receive.]*



There is a whole industry built around making planned giving more complicated than it really is. Seminar promoters want to sell you on attending their expensive programs, but *don't worry about that stuff.* Just go see your loyal donors, tell them your story, and ask them to include your organization in their will.

There is a whole industry built around making planned giving more complicated than it really is.

You will be pleasantly surprised and do a lot of good in the process.



Matthew is the Director of Major Gifts & Planned Giving, University of Tennessee, Chattanooga.

Should You Develop People Skills or Technical Skills?

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

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

People skills are by far the most valuable to your success. You can always hire a professional to assist you with technical details when it comes to planned giving. If you are gifted with both skill sets (which is rare), may The Force be with you!

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

Double Your Salary...
from page 1

Fantastic! Congratulations to the fundraising parties speaker. He was one of the best in the nation and I hear he delivered an excellent presentation to a *like-minded, homogenous group of mainstream fundraisers.*

What's Wrong With This Picture?

Mark Twain said, *"Whenever you find yourself on the side of the majority, it's time to pause and reflect."*

How much would you bet that over their lifetime, those 12 individuals in the planned giving session *will raise more money than the other 165 combined?*

Yes, just as 95% of this nation's wealth belongs to the top 5% of the population, the top 5% of fundraisers raise 95% of the gifts. And many of the larger gifts are planned gifts. *So guess who gets paid more and provides a service more lasting and valuable for their organization's future?*

Please do not misunderstand me. There is nothing wrong with attending a seminar on throwing parties to raise money. *But look at the troubling ratio of attendees.* It is clear to see who is going to be more proactive and raise more for their organizations while establishing a stable career — with peace of mind, too.

Raising money through events is a *high-overhead, intensive undertaking.* Even in annual giving, if you balance what you take in versus what you spent, you will see the bottom line proves *you actually raised a lot less than you thought.* This balancing is called "zeroing out expenses" and businesses do it daily. Many non-profits don't.

You Should be Thinking Like a Business

I am *not* advocating refraining from throwing parties and events. What I am asking you to do is examine the mindset of our community. Because these numbers — twelve attendees versus 165 — indicate why many fundraisers will always struggle financially.

If I just annoyed you, that's good. Because you can use that annoyance to motivate yourself to take a few simple, proactive steps in educating yourself about planned gifts.

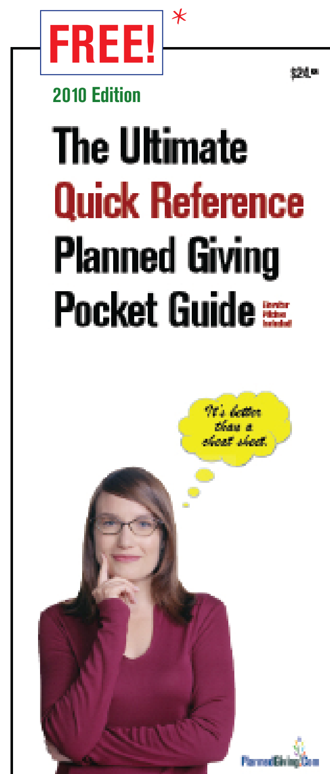
Simple? Yes. Do-able? Yes. Will you do it? Probably not.

And if you *don't* do it, your focus on current gifts and instant gratification will keep you in dead-end jobs that come *with a paycheck to match.* Sure, it's okay to start off this way early in your career, but the danger lies in getting stuck there forever. And that's not good if you want to enrich your non-profit and grow your career and move on with your life *at the same time.*

That is Your Goal, Isn't It?

Now, you may simply *love* working in the events department. That's okay and we need people like you. (You may not even care for a larger salary which is also fine — then this article is not for you.) Events are important because they feed into annual giving, which in turn feeds into planned giving. But …

- If you are complaining that there isn't enough money out there,
- If you do not understand why your non-profit is struggling,
- If you do not like the fact that your career hasn't changed much over the last ten years ...



... Then wake up and look at one of the major reasons: You are **reactive** in your business ... *focusing largely on* ***current*** *gifts.*

Why?

Surfing the Adrenaline Rush

Legacy society luncheons, newsletter deadlines, a screaming donor (who, by the way, only gave $50 and that was two years ago), parties, receptions — oh, and don't forget your basement that just flooded — it's a high-intensity way of life.

Have you ever noticed how you get twice as many emails back as you ever write yourself? The more you focus on special events, the more details *magically* arise making even more demands on your attention. It's like focusing on the exception ... it then becomes the rule.

Being married to such events-based fundraising is a form of adrenaline addiction. Extreme adrenaline junkies include bungee jumpers, race car drivers, gamblers, and, I think, occasionally VPs of Advancement. The chaos that's involved gives us a rush and easily makes us forget what's important.

So take the first step out of this cycle. Stop and evaluate your situation and face reality for yourself and your organization. Ask yourself:

Are we so focused on today's problems that we put off planning for tomorrow's opportunities?

Focus Instead on the Important

Compulsive attention to insignificant minutiae means you won't see the forest for the trees. So here's a free view of the forest: *5% of our peers will always be doing very well and the other 95% will not — because the top 5% focus on planned gifts, while the majority 95% do not.*

So focus on a *few, simple, planned gifts* that offer return on investment far exceeding countless hours you put into other areas.

That's the kind of big-picture strategy that will enable you to join that top 5%. Enrich your organization. Build your career. And — incidentally — double your salary in five years. *Our 2010 survey confirms this.*

* With any purchase of $79.95 or more at PlannedGiving.Com. Valid until August 30, 2010.

How to Market a Gift Annuity ... *from page 1*

levels. Naturally, the payout rate for a parent is much higher than the rate would be for the child. This Gift Annuity can also help maintain the parent's self-esteem, because the child is not making direct payments to the parent. The child can say, "I made this gift to my college. The college makes payments on the gift, so I chose to have the college's payments sent to you."

2) **A Gift for Your Wife:** There are a few good reasons why a couple that is considering a two-life annuity may be better served by a gift annuity for the wife (or the husband). Obviously, a single-life annuity makes higher payments than a two-life annuity because the rate is based on the life expectancy of only one individual. You might ask if one member of a couple has a pension that will diminish or disappear if the other member lives longer. If Social Security benefits are based on the income of one person, what does that mean for the survivor?

Couples who are facing this dilemma may be very well served by an annuity that pays only during the life of the person with the smaller pension or Social Security benefit. In older couples, this is most often the woman. By the way, the woman usually has a longer actual life expectancy, except when you follow ACGA rates. That's because payment rates for Gift Annuities are sex-blind. However, it's not our job to discuss the odds. It's much more helpful to point out how a single-life Gift Annuity can meet planning and charitable objectives. Besides, how often do you get a chance to make the husband look good in front of his wife?

Dad, did you know that a one time gift of $1000 could endow my allowance?
More eye-catching cartoons you can use to raise funds at
www.LanceAndrew.com

3) **A Gift for Your Child or Grandchild:** A College Tuition Charitable Gift Annuity can be funded by parents or grandparents to help pay for college tuition. This is a two-step hybrid. The donor first funds a Deferred Gift Annuity for a young beneficiary. The agreement allows the guardian of the child to choose to make payments for four or five years at a later date. These payments will be much higher than lifetime income payments so it's a good source of tuition payments.

There are a few drawbacks. This Gift Annuity may trigger a gift tax for some donors. There could be capital gain implications if funded with appreciated property. And there is currently an excise tax on annuity payments to young annuitants. It is also impossible to calculate the exact payments to the child, since they will be based on a rate that will not be known until the guardian makes the choice to accelerate the payments.

4) **Not Just for Relatives: How About One for a Friend?** Other people either fund an annuity for a friend, or include a friend as the second annuitant on a two-life annuity. This is especially popular with donors who want to support their friends. They are happy to accept a lower payout rate in exchange for the knowledge that a friend may benefit in addition to their favorite charity.

Help your donors and your charity by listening for planning needs that can be met through planned gifts. We all need to concentrate on the real benefits the gifts provide and present those benefits in understandable and appealing ways.

Each of these options can honor and benefit another person while accomplishing an important charitable mission. Can you think of others?

Hear Scott's presentation on *Options, Choices and Flexible Payments: The Gift Annuities Your Donors Want* at the 2010 National Conference on Philanthropic Planning.

Dr. Scott Janney, CFRE, RFC
President, PlannedGiving.Com

Scott can be reached at: Scott@PlannedGiving.Com

Tip: **Use an elevator pitch that hyperlinks to a particular gift plan as your email signature.**

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Newsletters... *from page 2*

Finally...

When it comes to mailings of any kind, remember:

- **Frequency**. As many touches per year as you can. Planning on just one? *Don't even bother.*
- **Consistency and Constancy**. Materials should arrive as expected on a regular schedule. No interruptions, lapses, or gaps.
- **Diversity**. Use different media. Mix newsletters with postcards and solicitation letters, for example, or place an "advertorial" in your monthly publication.
- **Creativity**. Be entertaining and interesting. Make it fun. But do not compromise your message.
- **Quality**. Include informational, educational, interesting "stuff." Quality isn't easy but it *is* crucial.

It will never be *Entertainment Weekly*

Planned giving just isn't sexy. It doesn't have the "pulling" power to draw prospects by itself, so it's your job to "push" the message through. And given that 72% of Americans still prefer to receive information via US Mail, *donor centric* newsletters represent a powerful marketing strategy to get the job done.

Starting a New Program ... *from page 3*

Communications and Marketing

Donors give because they believe in your long-term mission. So market your story, not your gift vehicles. That way you inspire donors to use bequests and beneficiary designations on retirement plans and life insurance policies to enhance your organization's impact and create meaningful legacies.

- Make sample bequest and beneficiary language readily available.
- Insert gift planning messages into your existing publications.
- Consider a gift planning website from a vendor like VirtualGiving.Com.

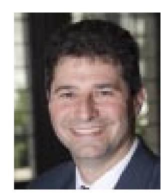
You may find that many donors have already included your charity in their plans – *but never told you.*

Next column

Map to Success

Once you start, the next step is follow-through, ensuring that your program lasts. Develop a plan to sustain your gift planning program well into the future. Set both short and long-term goals. Track your progress.

Donor-centered gift planning provides an opportunity to fund your charity for today and tomorrow. Starting a program is simple, *provided you start with the essentials.*



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For more information, visit: giftplanningdevelopment.com