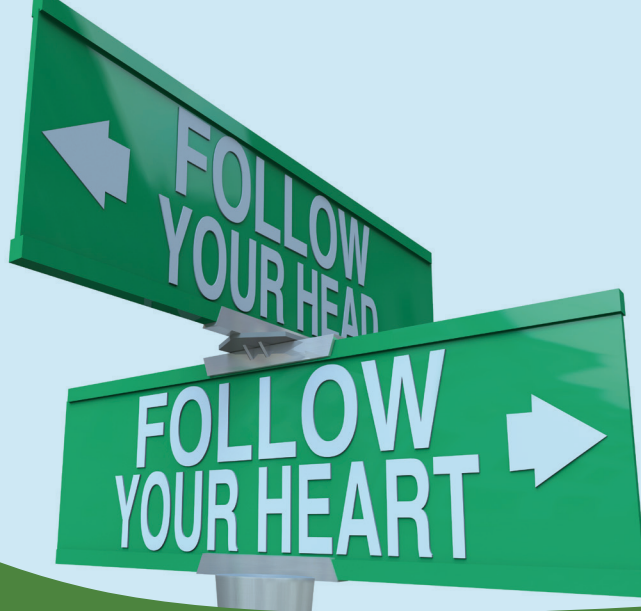




Summer 2012

Practical Planned Giving Marketing Ideas for All Fundraisers

Planned Giving tomorrow



Comfort Zone Treadmill

Are You Sure You're Ready to Excel?

by Dennis Haber, Esq.

If you continue to do things in the same manner you have always done them, your results are not going to change. Continuing to do things the same old way basically puts you on a treadmill where continuous, ineffective effort and lackluster results flow in an endless loop.

It is time to re-examine your belief system. This article offers some ideas guaranteed to get you off that treadmill, to put money in your organization's pocket, and help you become the consummate professional you want to be.

CONTINUED ON PAGE 10



"Inoffensive" is the Wrong Star to Wish On

If You're Not Getting Complaints...
You're Not Communicating.

by
Tom Ahern

It had arrived: an email from a new client. And I trembled.

The subject line: "Responses to the appeal letter." Lily was reporting in. Lily is the manager of annual fund and membership. She is gung-ho star material, ready to scale walls and shoot threads from her wrists, totally dedicated to her organization's success.

I'd written an appeal for her agency. She had taken a big risk on it. And we all had our fingers so tightly crossed that our nails were turning blue.

I closed my eyes ... wrapped my arms around a really deep breath ... clicked the email "open" ... and I read....

CONTINUED ON PAGE 11



by
Viken Mikaelian

Who's the Boss?

Think hard on this one.

A large corporation recently surveyed its employees and asked where their paycheck comes from. About 80% answered accounting, 10% answered the bank.

I asked my team at VirtualGiving.Com. I am happy to report that everyone answered "our clients."

There is only one boss. Whether you shine shoes or run a multi-million dollar biz, the boss remains the same. It's the client.

The client pays my salary, and decides whether my business is going to succeed or fail. The minute *my business* starts treating her badly or taking her for granted, she'll put it *out of business*. She buys my clothes, my car, and everything I own.

This is why my signature line reads: *If our service needs help, please tell us. If our service is worthy, please tell others.*

I prefer to have clients and friends, and not customers. Customers just buy things. A client implies a close relationship. **Same goes in fundraising.**

That's why I say "Treat your prospects like donors, and your donors like friends."

I want to thank each and every one of you for reading *Planned Giving Tomorrow*, as well as being a friend of VirtualGiving.Com. Thank you for your business.

Reasons for Lapsed Donors

- Inadequate Recognition.
- Inadequate involvement and information.
- Inadequate stewardship.
- Poor handling of complaint.
- Organizational changes.
- New leaders, programs, or policies.
- A similar organization is more attractive.
- Move to a different community.
- Life circumstances — aging, financial situation, death.

From *The Philanthropic Planning Companion*, Brian Sagrestano/Robert Wahlers, Page 220. Get it at: PlannedGiving.Com/brian22



Strange but True

1. If you're not asking your prospects for planned gifts, someone else is.
2. Eventually that "someone else" will steal your cash gifts, too, because *planned gifts are gifts from the heart*.
3. Cash-starved times are best times for planned giving.
4. Those who even dabble in planned giving eventually earn 50% to 100% more than those who don't!
5. A typical planned gift is 200 to 300 times the size of a donor's largest annual gift.
6. Planned gifts do not affect prospects' cash flow.
7. Prospects are eager to make a planned gift, but simply don't know how.
8. Prospects making gifts through their wills typically double the amount of their annual support.
9. *Anyone* can make such a gift.
10. *Promoting planned gifts is easy.*



Ask Brian

Got a question itching for an answer? Ask Brian M. Sagrestano, JD, CFRE at plannedgiving.com/brian. While he can't promise to answer all questions, you should also check online at plannedgiving.com/answers for replies that don't fit here. Bashful? You can ask to remain anonymous!

Do you have data on the average age (or age range) of a donor when he makes his first planned gift commitment (bequest intention, CGA, trust, etc.)?

The most common form of a planned gift is a bequest, and it is also typically the first gift that planned giving donors make.

It is generally recognized that individuals write their first wills in their early 40s. At this time they have children — so they write a will to ensure that someone will be there to care for their children should something go wrong. The Center on Philanthropy at

Indiana University conducted a 2007 survey on bequest giving and found that "people with a charity named in their will tended to be between 40 and 50 years of age." They also found that those most likely to consider a charitable bequest commitment were between the ages of 40 and 60 (www.plannedgiving.com/brian21).

In our recently published book, *The Philanthropic Planning Companion* (PlannedGiving.Com/brian22), Robert Wahlers and I note that different generational cohorts behave differently. The research we reviewed, including the

information from the study noted above, indicated that charities need to establish relationships with donors earlier than they think. In fact, once a donor reaches age 60, if the donor does not have a good connection with the charity, it is unlikely the donor *will even consider* a planned gift.

But for those donors who feel closely connected, particularly those who are in the Depression, World War II and Post-War generational cohorts, there is no better time than today to ask them for a planned gift.

Brian

Surprised Again?

Giving USA 2011 was just released and not surprisingly, 3 of the top 10 charitable gifts were from bequests, **again**. Bequest were 1, 2 and 9 on the list. Even more interesting, the largest bequest, from the Estate of Margaret A. Cargill, was \$6 billion. Yes, that's **billion**. Her gift alone is more than all of the rest of the Philanthropy 50 combined. The other two bequests in the top ten were \$500 million and \$125 million. The largest non-bequest was \$372.6 million by Paul Allen. *Still think setting up a planned giving program isn't worth your time?*

Well, it's a lot easier than you think with **Planned Giving in a Box**. Just visit PlannedGiving.Com — *everything you need is just simply there*. Or see page 9.

Don't Leave Earth Without Them

[Share this with your donors.]

It was a worst-case scenario: the house was trashed, and so was the estate.

The gentleman who had lived there had been in a physical and mental decline for some time, and when his next of kin tried to put the pieces of the estate together after his passing, there were three floors of junk to dig through, and none of the documents they really needed was there.

You can help your prospects avoid that.

Leave it to *The Wall Street Journal*, and reporter Saabira Chaudhuri, to come up with a comprehensive list of all the documents required to establish an estate and memorialize end-of-life instructions.

The WSJ story refers to them as *The 25 Documents You Need Before You Die*, which sums it up pretty well.

They also call it a "death dossier." *We don't recommend that.*

As fundraising professionals it's our duty to ensure that our prospects have their estate-related ducks in a row ahead of time. And helping prospects accomplish that is a great opportunity to step up and shine as a trusted advisor.

The whole WSJ article is worth reading for the practical advice it gives on the hows and whys of organizing this information, but we've called out the document list itself for easy reference. *Download it now for your donors. It's free.*

PlannedGiving.Com/25docs 



“Don’t Use My Name” (Be thankful you have my gift...)

by Joe Tumolo

The best way to promote planned gifts is to make it personal for the prospect: cultivate donor identification, engage their emotions, and illustrate positive giving outcomes.

And the simplest way to accomplish all that is with donor testimonials, right?

Unfortunately, getting planned giving donors to provide testimonials is not always that easy. Here are some ideas of what can you do when donors just don’t want to participate:

1. Look at your planned giving donor list and select the folks who are most engaged with your organization.
2. Give priority to those you (or someone in your office) have an established relationship with.
3. Call them to do a survey.
As always, start by thanking them for their loyalty and commitment. Tell them you would like their feedback: How are we doing? What can we do better to serve you as a donor?
4. Provided the survey goes well, ask them for their help. People, especially

loyal donors who love your organization, like to help other people. You can say something like “I need your help. What you do for us is so meaningful, helpful and appreciated. We are finding that our donors are motivated and inspired by people like yourself and when they see what wonderful donors like you have done they are much more likely to do the same. Can I use some of the comments you shared with me today to inspire others to give?”

5. If the donor hems and haws, let them know you can focus on why they made the gift, not how. (Focusing on the *why*, not the *what* or the *how*, is a great approach for all your planned giving marketing!)
6. If they agree, fantastic. Now, ask them to supply a photo. When getting photos ask donors particularly for a photo of them doing something they enjoy. Your other donors want to see pictures and read stories of interesting people doing interesting things. An example might be

a photo of your donor doing something they are *passionate* about, such as playing an instrument, gardening, creating artwork, etc.

7. If the donor just does not want to participate, thank them and remember it’s a numbers game. Move on to your next possibility!

Whether in donor stories or photographs, be sure also to feature people who benefit from the *outcomes* of gifts, such as students in endowed scholarship, grateful patients or clients, etc. Put a human face on the positive results of giving to promote maximum engagement with the prospect.

Does it sound like a lot of work? Don’t worry — it really isn’t. Set yourself a goal to call one or two grateful donors a week to ask them for a testimonial. Even if you don’t get a testimonial, at least you thanked them and asked them for their feedback.

And we can never do too much of that, can we?

Free download:
Testimonial Worksheet.
PlannedGiving.Com/worksheet



Joe can be reached at Joe@VirtualGiving.com for all of your planned giving marketing needs.

Cocktail Party Test

Fundraisers can make “civilians” a little nervous when they’re around. What comments do you get when you tell folks what you do? “Ugh, I could never ask strangers for money!” “Well, I hope you didn’t bring your begging bowl with you tonight – this is a *friendly* party.”

You have to love what you do, and let that love show, to be

effective as a fundraiser – and be welcome at neighborhood picnics. The organization you work for brings good into the world every day, and you are an integral part of that transformation. You’ve got the right to be sincerely proud of being a fundraiser; to be enthusiastic and, okay, even a little corny about it.

The Test

To see what image you’re projecting,

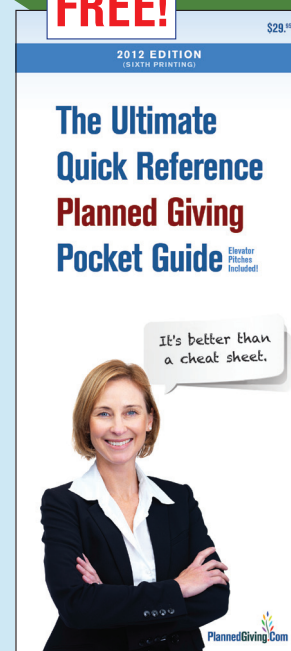
try an experiment at the next function you attend. With half a dozen people gathered around, introduce yourself and in *10 words or less* tell them what you do. Now – does the group immediately race to the bar? Or do they gather a little closer as someone asks:

“Really? Tell me more.”

Share Your Thoughts!
Success@PlannedGiving.Com

FREE!

*



* Free to the first 10 people who email us at Success@PlannedGiving.Com

Who You Are vs. What You Do

The further up the income pyramid you go, the more you will be paid for “who you are” rather than “what you do.” Since “who you are” raises the power of influence, we will be including personal development articles on an ongoing basis.

Fun Tip for Donor Relations



“Just wanted to share this tip. A client of ours took numerous pictures of their alumni

having a great time at their legacy luncheon. We suggested creating a slide show on their planned giving website. They emailed all the alumni who attended, reminding them how great a time they had. *They also emailed those who couldn’t make it to let them know what they missed!*”

Victoria Hrebien, Customer Support
victoria@virtualgiving.com

Marketing tip

The number one reason people donate to charity?

Because you ask them to give.
Four other reasons:

- Compassion for those in need
- Personal belief in the cause
- Personal involvement in the cause
- Desire to give back to their community.

And here's another powerful fact: Most donors would give more if they were simply asked for more.

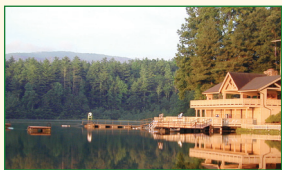
This helpful hint courtesy of

52/52

52 weeks of planned giving tips,
52 seconds each.

Subscribe. It's Free.

PlannedGiving.Com/52on52



Network and Learn in the Beautiful Mountains

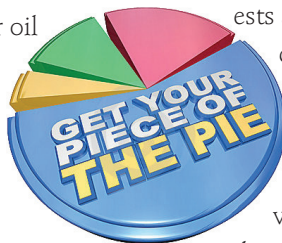
South Carolina Planned Giving Council
May 1-2, 2013
843-574-6196
www.scpgc.com/kanuga

Underground Revenue? Don't Overlook Gifts of Mineral Interests!

by Betsy Suppes

Fracking is a fundraiser's best friend.

Why? Because, regardless of opinion on the rights and wrongs of drilling for oil or digging for coal, there is significant, endowment-build-ing value in mineral interests.



And if you don't grab it, some other nonprofit will.

Colleges and universities have had mineral interests in their endowment portfolios for years. The University of Texas has one of the largest endowments in the United States, and its portfolio includes mineral interests such as oil and gas. Still, this concept may be new to advancement offices in states which (unlike Texas) have traditionally had little oil and gas production.

The definition of "mineral interests" varies from state to state. For example, in Pennsylvania, mineral interests include all minerals, oil, gas

and coal. In some states, mineral interests may refer to non-hydrocarbon minerals. In other states, oil and gas interests are separated from coal or ore.

A search of college and university advancement websites reveals that most schools ask for traditional gifts such as life insurance, stocks, or bequests. Some advancement websites may suggest non-traditional gifts, e.g. real estate or works of art, to be considered, but very few schools actually promote gifts of mineral interests.

Starting the conversation can be as simple as adding a line like "Gifts of gas, oil and mineral rights may be accepted," to your advancement website.

Once an alumnus has made the decision to make a gift of mineral interests, the school advancement office then needs to determine the value of that gift. Oil, gas and mineral interests generate an income stream in two ways:

- A land bonus which is paid prior to drilling a well, and
- Royalty payments that are paid if a successful oil or gas well is drilled.

Generally, oil, gas and mineral interests should generate at least \$3,000 a year in income. If the land has not been drilled, and no one has leased the land, the school needs to have the land appraised in respect to the potential income that could be generated.

The advancement office should contact a qualified appraiser who can advise the advancement office. This appraisal represents a crucial step towards getting the most out of any potential gifts of mineral interests. With the recommendations from the appraiser, the college can then monetize this gift.



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

Attributes of a Great Thank You Letter

1. The letter is a real letter and not a pre-printed card.
2. It is personally addressed.
3. It has a personal salutation (no "dear donor" or "dear friend").
4. It is personally signed.
5. It is personally signed by someone from the highest ranks of the organization.
6. It makes specific reference

to the intended use of the funds.

7. It indicates approximately when the donor will receive an update on the program being funded.
8. It includes the name and phone number of a staff person whom the donor can contact at any time, or an invitation to contact the writer directly.
9. It does not ask for another gift.
10. It does not ask the donor to do anything (like complete

an enclosed survey, for example).

11. It acknowledges the donor's past giving, where applicable.
12. It contains no spelling or grammatical errors.
13. It has an overall "can do" positive tone as opposed to a hand-wringing one.
14. It communicates the excitement, gratitude, and inner warmth of the writer.
15. It grabs the reader's attention in the opening sentence.

16. It speaks directly to the donor.

17. It does not continue to "sell."

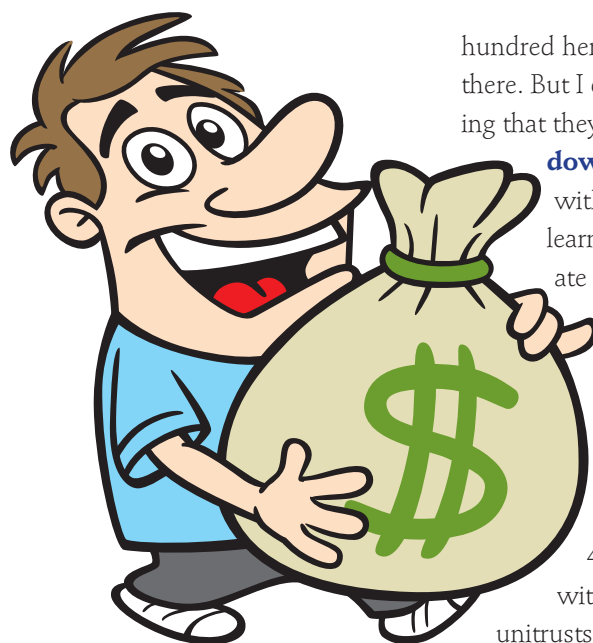
18. It is concise — no more than two short paragraphs.
19. It is received by the donor promptly.
20. Plus, in some circumstances, the letter is handwritten.

A great thank you will help the charity retain its donors, both new and loyal.

From *The Philanthropic Planning Companion*, Brian Sagrestano/Robert Wahlers, Page 219.
PlannedGiving.Com/brian22

There Is Money Out There by Viken Mikaelian

And More Than You Think



hundred here, a few hundred there. But I can't help noticing that they're both **slowing down**. They struggle with new things, like learning how to operate a cordless phone.

Are these people your prospects?

Would you send them a generic 4-page newsletter with details on how unitrusts work? *Do you really expect to get results that way?*

Are you really talking to them?

It's an old situation: research shows that vehicle based communications – like your CRUT newsletter – is not working. To reach this couple, your communications must be **donor-centric**.

My good friend's mother died recently at 88. He's been picking up her mail every day and is amazed by the number of solicitation letters she still gets. Anything from "Give us \$10!" to letters about foreign children – or suffering animals – with a nickel Scotch-taped in the right hand corner.

A nickel. That's the **scarcity mindset in action**.

But did you hear about the doggy hotel? \$175 per night. No humans allowed. Your pooch can enjoy a poolside room with a view (\$50 extra), an evening backrub (\$25 extra), and even a bedtime story (\$20 extra). This is not even in California.

There is money out there.

Yes, and people are spending. Regardless of the economy, people will always have the money to spend on sex, cigarettes, liquor and things they want. *Including* charitable donations.

People are spending discriminately. Today they may spend less on healthcare, yet pay \$2500 for fancy tattoos.

Are these people your prospects?

Fundraisers who want people to **choose their nonprofit** over the luxury doggy hotel are going to have to do some realistic re-thinking.

Fundraising is changing.

Permanently. Just look at how everything in the world is changing.

Change doesn't stop just because you ignore it. Just look at the way the internet is impacting the traditional newspaper industry. Many papers are closing. Same with gambling in Vegas. It's suffering from online competition, too. People that make and sell mobile homes are having a tough time ... foreclosures are just as cheap. And now you can visit a healthcare clinic right inside Walmart or Walgreens. Walmart-Care, anyone?

We in fundraising have to change, or we'll be gone, too.

As fundraisers, we're selling an intangible. If you can't help your prospect see, hear, taste and feel your vision, your mission, and your passion — you're not getting a dime.

And she has to feel it for real. It has to hit the heart. Are you using *rage, passion, anger, ego, pity, shame, and guilt* to get your message across? Are you making your prospect cry? Do you make him or her feel inspired? Joyous?

If not, you're being worse than "vanilla." *You're being tuned out.*

Money is a deficiency need.

Like air. We don't notice it until it's running out. Then we panic.

My heart breaks for the many non-profits that do so much good, but simply do not know how to reach out to those who want to help them. They are like the chef who opens a restaurant, serves great food, but can't market to bring in the guests. Or the great musician who does not realize he needs a good rep to market himself. Or the artist who keeps on painting great vistas but is always broke since she refuses to balance her books, market herself, and sell.

Do you recognize this situation? Is it yours?

Get donor-centric. Be donor-focused. Get with the new paradigm. Otherwise, your non-profit's in trouble. And so are you.

If you are interested in these issues and would like to discuss them further, please contact me at:

Success@PlannedGiving.Com

Did you know "planned giving" out-Googles "gift planning" by 100 to 1? Still using "gift planning"? Read: PlannedGiving.Com/pgvspp

I like to spend time with my Dad and hear his wisdom. He's a young 84 and recently told me that he wanted to cut back on making major charitable contributions.

"You know son, I'm getting up there, but we have good, long-lived genes and *I may need this money when I'm 100.*" And chances are he *will* live to be 100 (I hope I take after him).

"Dad, you're sitting on appreciated stock. *Why don't you donate it, avoid gains tax, get a tax deduction, and receive guaranteed income for life?*"

He asked, "Is that legal?"

Now, my dad's no dummy. He's a retired surgeon and professor, and has multiple degrees and a fellowship from JHU. So let me ask you: *Is this your prospect?* Someone who's been receiving your **planned giving junk mail** for 45 years and *still* does not know what a simple Gift Annuity is?

Another example: an elderly couple I am close to. Good friends. Grateful that they are still alive. They give to charity on a regular basis, a few

Today, raising money is an uphill slog. You've got to invest valuable institutional dollars carefully so you get the biggest bang for your marketing buck. But building and executing a solid marketing campaign is **not** rocket science.

To find out more, Planned Giving Tomorrow spoke with Viken Mikaelian and Joe Tumolo about the "whys" and "hows" of bulletproof marketing in today's economy.

Prepare yourself for some valuable concepts – and some won't even cost you a dime.



Multi-channel marketing is the way you get the most marketing traction.

Joe Tumolo, PlannedGivingMarketing.Com

PLANNED GIVING TOMORROW: Fundraisers want to know if there really is a new miracle marketing scheme out there.

VIKEN MIKAELIAN: No. Marketing is just common sense. But since there is bad information out there, even the most seasoned fundraiser is in a quandary. So we're having to explain this like it's something new. *It's not.*

JOE TUMOLO: Too often, those who want to impress others will dress up ideas by hanging fancy labels on them. Like "multi-channel marketing." So your typical fundraiser says, "Whoa, it sounds like these guys are talking quantum physics!"

VIKEN: What we're really talking about is using a *range of different tools to communicate a simple message to your prospects.* We've been advocating multi-channel marketing since day one. *The concept is nothing new.*

PGT: What is the marketing "need" or "problem" that this approach addresses?

VIKEN: Raising more money. Fundraisers are trying to do more with less resources and are multitasking. It's no surprise that their marketing ends up as patchwork. *They don't have time for the big picture.*

JOE: You see them doing an e-blast here, a newsletter there. Scrambling to throw something new up on their website. It's *patchwork marketing*, and it ties in with the bad habit of *binge marketing*, a reactive approach in which you do your marketing when you happen to think of it, or when revenue's disappearing.

VIKEN: The key word Joe used is "reactive." One needs to be proactive. *Multi-channel marketing is proactive and powerful.*

PGT: Can you give us examples of this proactive approach in action?

VIKEN: Okay. First, the way to develop an effective marketing plan is to *determine whether your current marketing is working, and*

{ How to Close More

A timely interview with Viken



if not, why. You want to look at your organization's needs and capabilities. What are you trying to say? Who are you trying to say it to? How are you saying it? Which tools work? Which don't? For example, recent studies show that vehicle-based direct mail – like brochures and newsletters that focus on gift features, rather than adopting a donor-centric, benefits-based approach – *are going right into trash.*

JOE: This analysis is critical. Fundraisers must ask questions, get answers, and formulate a plan with an eye on the future. It's the most-often neglected element. *Also key is identifying your best prospects.* Analyze your donor base. Identify those who have been making steady donations – *regardless of dollar amount.* They will be the ones who will make the most transformative gifts.

VIKEN: Look at your existing internal resources, such as all the publications your organization sends out. A

client recently told me that her organization mails out *118,000 newsletters a month.* I suggested she insert a column on planned gifts in each issue. And why not push the envelope with a humorous piece like *Don't Worry. You Don't Need a Will. The Government Will Take Care of It for You.* It's available on PlannedGiving.Com.

JOE: How about making your audience cry? A friend of ours shows a DVD to prospects that grabs them emotionally and makes them cry. Then out comes the checkbook.

VIKEN: My wife falls for this kind of emotion-based "sweet trap" laid by nonprofits all the time. In fact, I am in the business and I fall for it, too.

PGT: Why the recent "hot" buzz about multi-channel marketing?

Free and Larger Gifts

by Viken Mikaelian and Joe Tumolo.



VIKEN: First, there is *nothing new* about it. We've been advocating and providing multi-channel marketing for 12 years now. I'll let Joe explain.

JOE: Multi-channel marketing is the way you get the most marketing traction by making best use of your *outreach tools*. This includes print marketing, your planned giving website and other e-marketing, as well as direct mail, etc. What's important is *leveraging the synergies* among them, making sure they work together. Using just one marketing medium at a time gets poor results.

VIKEN: Remember also that you should be selling your mission in the most compelling way on your website, in your marketing publications, display ads, postcards, you name it – *simultaneously*. You create a unified impression on

your prospect, whether they're online, reading their mail, browsing through a magazine. The bottom line is if your messaging isn't integrated across different channels, it's simply getting lost in the thousands of other marketing messages your prospects face every day, *including those from the non-profit next door*.

JOE: When you ask "Am I doing enough?" remember you should do your marketing *simultaneously, not sequentially*.

VIKEN: Multi-vector marketing has to be done at the same time, steady-state. That is, if you do a display ad this month, and a solicitation letter next month, it won't be as effective as *running both at the same time*, consistently. Clients have asked me to send out one single postcard and I refuse to do it because it doesn't work.

PGT: Why aren't more non-profits taking advantage of these concepts?

JOE: Challenging times make

it tough for NPO's to see the big picture and get proactive. "We don't have enough hours and staff to do this integrated multi-vector marketing thing!" *Chances are they are right.*

VIKEN: It's critical to know when to ask for help, *because a failed project doesn't become a success just because you did it all by yourself!* So you owe it to yourself, your organization, and the people you serve, to implement the most effective, proactive marketing plan possible. Sometimes that means outsourcing. And, of course, that means calling the best – *that's us*.

JOE: That's where we can help. We're a team of experts that specializes in proactive, results-getting techniques. That's all we do. And the

and development to production and fulfillment. We're your trusted partner, your designated driver to get your integrated multi-channel marketing vehicle on the road and to guide your nonprofit into a secure future.

JOE: Those who have had enough of aimless, patchwork marketing should call us. What we're talking about could turn things around for them.

PGT: Viken, do you have a final helpful hint or two?

VIKEN: Yes! Remember that one also has many free internal resources to take advantage of. For instance, if your non-profit has locations with foot traffic – as museums and retirement homes do – put up an easel with a sign promoting gift annuities. If you have an in-house video system, as most retirement communities do, produce a simple informational clip on bequests. *I've seen this work.* If you are a children's hospital, get your planned giving message out



Is your current marketing working? If not, why not?

Viken Mikaelian, CEO
PlannedGiving.Com

thousands of nonprofits we've helped succeed prove how well we do it.

VIKEN: We provide ready-to-go solicitation letters; beautiful brochures for direct mail or leave behinds; websites that talk to your prospects; e-marketing that captures the donor rather than capturing what CRUTs and CRATs are about; donor identification tools that save you money by focusing on your best prospects; and a lot more. In short, we offer the whole thing *from planning*

via a tear jerking story in a local paper.

JOE: People want to give. In this economy, they just don't know how. *It's your job to tell them. And we can help.*

VIKEN: *Wait! I have more ideas!*

PGT: But we don't have more space.

PlannedGiving.Com
800-490-7090

“The ever-increasing wave of unrestricted gifts to charities is coming to an end. You need to allow your donors, be they annual, major, principal or planned, to restrict the use of their gifts to an area of your mission which is important to them.

If you don't, they will find a charity that will.

Brian Sagrestano

Learning to Love Competition

Playing Catch-Up is No Way to Start By Jason Ketter

As nonprofits share best practices and reveal their most coveted success stories, you don't often hear the word “competition.”

Wake up.

Competition is here and it is only going to get more intense.

According to the Independent Sector it's estimated that there are more than 1.9 million tax-exempt organizations in the US, a number that has doubled in the last 30 years. All these nonprofits need – and are aggressively seeking – *money*. Money from donors. Money for the services they deliver. Money for robust endowments. For excellence.

For survival.

Let's all agree that the non-profit world for philanthropic dollars is competitive — very competitive. But don't take my word for it. Just ask some of your donors: *ask how many calls, letters, brochures, tweets, or event invitations they receive in a week from your competition.*

And what is one question your good, strategic competition is asking your donors and potential donors? It's “Have you made a provision in your estate plans for our organization?” And, yes, *they are asking the people you assume have made a provision in their estate plan for your organization.*

But you can't be certain about that, because *you* aren't asking.

Don't believe me? Find out for yourself. Ask your donors what marketing materials they

are receiving from *your competition* asking them that estate question. Or ask them if they recently heard a radio spot promoting legacy creation at a competing organization. *[For a neat idea on keeping up with your competition, see sidebar below.*]*

Winner or loser? It's your choice.

Yes, donors may remember multiple organizations in their estate plans, but unless those provisions are irrevocable, they can always be changed. Forget the nicety-nice kumbaya relationship between donor and organization. What I'm talking about is that between organization and organization. Too much is at stake for the individual organization to ignore it.

Your organization's long-term stability and even survival may hinge on securing those larger future gifts that come in the form of bequests, gift annuities, or trusts – planned giving.

Does anyone really believe that the \$1 billion fundraising campaign University X or Hospital Y just concluded consist entirely of realized gifts? Anything up to 30% or more of that billion comes via future estate gifts.

Although not every donor has the financial ability to make that leadership or major gift during their lifetime, everyone can stipulate leaving a percentage of their estate to your organization in their will.

So, why aren't you marketing and promoting planned giving? Why aren't you asking

the question during your personal visits with donors?

If you are simply afraid of receiving a “No,” clearly you shouldn't be in fundraising at all and I recommend you find a new profession pronto. When you do receive a “No,” it gives you an opportunity to ask “Why not?” and further explain the benefits and opportunities of planned giving.

Better yet, maybe you will receive a “Yes!” This gives you an opportunity to say “Thank you!” and begin enhancing your stewardship of the donor.

Finally, I will leave you with this thought: don't delay asking your prospects about planned gifts. Because you don't want your competition to ask them first.



Jason is the Executive Director of Kutztown University Foundation and can be reached at: ketter@give2ku.org

*A Smooth, Sneaky Move

Here's how to discover your competition's moves management, i.e., what they are up to after they get a prospect.

It's simple.

Just make a small donation to their charity! Give them your name (or some name that won't ring alarm bells at the competition!) and log subject matter and scheduling of their mailings.

Maybe you'll learn something. And more knowledge is always an advantage.

Writer's Block?

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The Importance of Establishing a Legacy Society

By Gary L. Bukowski, CFRE

Nonprofits already know challenging times mean budget cuts and reduced funding for programs and services. But they may not be aware that one of the most effective – yet possibly most-often overlooked – ways to harness the power of private philanthropy is by establishing a legacy society.

Take for example the Dr. Gertrude A. Barber Legacy Society, founded in August 2007 by our nonprofit, the Barber National Institute. Headquartered in Western Pennsylvania, the Institute provides education, support and resources to people with developmental disabilities, and their families, to help them become self reliant, valued members of their community. By recognizing and celebrating our generous contributors, The Barber Legacy Society highlights positive giving outcomes and inspires future giving.

Consider the legacy left by Barber Foundation friend and supporter, Adeline Rose Krohn. Her family shares a particularly close relationship with the Barber Institute because Mrs. Krohn's son, Roy Stevenson, has been receiving care there since the early 1960s. About 10 years ago, when Roy suffered a cerebral hemorrhage, his recovery – which surpassed doctor's expectations – resulted from the Barber Institute's skilled and caring response.

His family remains profoundly grateful.

"My mom and I have had such peace over the years knowing how much the staff cares for and loves Roy," said Roy's sister, Donna Watt. "We really love all the staff and nurses. It's not just a job to them; they really love what they do."

This is the kind of compelling emotional bond between nonprofit and donor that

motivates transformational giving and, indeed, Adeline Krohn did make a planned gift to the Barber Foundation. In recognition of her gift, she was inducted into the Barber Legacy Society in 2011. Inspired by her mother's generosity, Roy's sister Donna and her husband made their own gift to the Foundation.

There is no limit to how far such philanthropic inspiration can spread. And the Barber Legacy Society helps make it happen. Now boasting a membership of 28 generous contributors, the Barber Legacy Society has helped develop \$5.3 million in gifts from its membership to the Barber Foundation as of June 30, 2011. And it continues to raise awareness of the importance and power of planned giving within its local community and beyond.



Gary is Vice President for Advancement at the Barber National Institute in Erie, Pennsylvania.
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Recent Discovery



"Two-thirds of surveyed charities report contributions held steady or improved in 2010.

Nonprofits that invested in fundraising staff or resources were more likely to see increases."

[Hmm... did we need a survey to tell us this?]

Stats, Tidbits, and Words of Wisdom

- Charitable giving was up 4.2% for full year 2011 vs. full year 2010 and online giving was up 13% for full year 2011 vs. full year 2010.
- Giving Thrives on People Power... the majority of gifts continues to come from individuals, who gave \$217.79 billion (73% of total gifts).
- Without nonprofits, this nation could not survive.
- 15 minutes of laughter equals the benefit of 2 hours sleep. And one good belly laugh burns off 3 1/2 calories.
- Donkeys kill more people than plane crashes.

Overheard in Israel ...

A visitor to Israel attended a concert at the Moscovitz Auditorium. He was quite impressed with the architecture and acoustics. He inquired of the tour guide, "Is this magnificent auditorium named after Chaim Moscovitz, the famous Talmudic scholar?"

"No," replied the guide. "It is named after Sam Moscovitz, the writer."

"Never heard of him. What did he write?"

"A check," replied the guide.

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As 2011 came to an end, you promised yourself that 2012 would be better. It would be a year of accomplishment; a year of achievement both for you and your organization. However, as you now review 2012 to date, are you finding your results mirror those of 2011?

Let's start with some brutal facts:

- ❑ Encouraging economic news may put a smile on the faces of fundraising professionals, but it belies what is actually occurring in our marketplace.
- ❑ The *Chronicle of Philanthropy's* most recent "Philanthropy 400" survey shows the economic rollercoaster has caused donative intent to languish at a time when organizational expenditures are outpacing revenues.
- ❑ This survey shows that 71% of the respondents will not see an increase in giving.
- ❑ Imbedded in this number is at least a 3% decrease that 64 respondents expect to realize.
- ❑ Out of the 400 organizations surveyed, just 92 expect an increase in giving.

When one factors in the 11% decline from the 2009 survey, it's clear the industry has a sore that just won't heal.

How do you break yourself free of this bad-news spiral?

Try a Thought Experiment

Our behavior patterns are dictated by our beliefs, which can be either empowering or limiting. An example of such a limiting belief might be, "Gifts of real estate are too complicated and time-consuming for me to pursue." If you continue to follow limiting beliefs, you

will be narrowing your own range of opportunities, blocking your own pathways to success, and closing the door on results for yourself and your organization.

Imagine for a moment that you are looking back in time and evaluating how you went about your business. You see your "victories," your "errors" and the times you wish you had a "do over."

1. During good times, things seemed to work effortlessly; goals were reached; new benchmarks were created; your clients and organizations were thrilled.
2. You marveled at your successes and gave yourself that perfunctory pat on the back.
3. When the economy turned, and your goals went wanting, your clients and organization demanded results.
4. Remember what you said? "What, don't you know it's the economy? Don't you know our donors are afraid to commit? Look at all the uncertainty in the marketplace."
5. Never once did you think about looking; about vetting; about questioning *how* you performed your business. The fundamental attribution error compelled you to find cover and make excuses.

You see, when things go right we take all the credit. When things go wrong, it is never our fault.

Lemmings Are Unsuccessful

I suppose that there is a kind of security in succumbing to peer pressure and doing things the same way as other fundraisers.

But it's the kind of togetherness a herd of lemmings feels as they plunge over a cliff together.

Planned giving professionals generally limit their fundraising efforts to seeking cash, stock or other liquid assets. This is because they share the belief that those asset classes, because of their respective liquidity features, yield the quickest result.

This begs the question: Is quick always better?

Asking this kind of question is what a proactive approach to fundraising is all about. If we don't ask them, we're abandoning the search for a different – and better – way. And that's why so many fundraisers suffer from what I call "real estate blindness."

Real Results with Real Estate

Many purposely ignore this asset class because it does not yield quick results and could

be a minefield for the uninitiated. Open your eyes! Real estate donations can represent over a hundred billion-dollar opportunity for you.

Consider the Triple Win Real Estate Triangulation Model:

1. Your organization will have an increase in fundraising revenue;
2. The donors' capital gains tax can be eliminated;
3. The ultimate purchaser can obtain off market property at a below market price point.

Reverse your *real estate blindness* by embracing this asset class. It will provide you with another arrow in your quiver to fight declining fundraising performance, and help you step up to a healthier and wealthier professional life.

Dennis Haber is a real estate broker and General Counsel to the Rubicon Property in NYC, as well as being a frequently-published author. He can be contacted at dennis@rubiconnyc.com.

Philanthropy is Where He Lives

Bruce L. Blumer shares this story with us:

A donor wanted to visit with me about his estate, so we set up a time to meet at his farm.

I drove up to a nice two-story home and knocked on the door. A lady answered, and when I asked for the donor, she said he lived next door — in a trailer.

A dilapidated trailer house, to be more specific. The screen in the door was torn out so his dogs could run in and out. "Simple" hardly describes the interior.

In the course of my visit, the donor told me the farmhouse was occupied by his hired man his family.

Why does the donor live in the trailer? He explained, "This is all I need."

A man of considerable wealth, living simply so he can give. Quite a lesson.

Bruce L. Blumer, EdD, CFRE, is executive director of the Dakotas United Methodist Foundation. bblumer@dakotasumf.org

"The appeal has had a huge impact!"

My breathing began again. Well, OK then. "Huge impact." I can cling to that. I guess I'm not a totally incompetent nincompoop.

But her next statement raised an issue. "We are starting to get in responses to the appeal — some very positive ... and some very angry."

ordinary fences with electric fences. Expect reactions.

Strong direct mail will touch nerves. And not every nerve you touch will enjoy the experience.

Are complaints a problem? Not really. **Unpleasant, maybe.** But, handled properly, I think they're pretty much the definition of *an opportunity to have a great conversation with a*

**In direct mail,
all responses, even complaints,
are good. ***

But let me set some context. I work under something called The Verbatim Rule. I ask my new direct mail clients to agree that they will send out what I write for them exactly as I write it, without fiddling. Verbatim. Not a word changed, unless I made a factual error.

The Verbatim Rule exists for one reason: *to sanctify the intensity of professionally crafted direct mail.*

Direct mail is not a medium that rewards meekness. Clients who want to tone it down, who judge it "too sales-y," who second-guess the mechanics ("...a P.S. is so undignified...") will undermine a full and healthy response.

The Verbatim Rule is good for me (less cursing under my breath). And it's good for the client (more income).

But there is a footnote to the Verbatim Rule.

Expect complaints

Replacing inoffensive direct mail with real direct mail, filled with black arts and emotional triggers, is like replacing

supporter. First, though, be sure to read Jeff Brooks' note below on who the "complainers" typically are.

In direct mail, ALL response is indicative of something worth knowing. Complaints are as good as praise in that regard.

Negative response means your appeal went far enough emotionally. Complaints mean your appeal was upsetting enough to get noticed. It's a weird measure, I know. But it's accurate to the penny.

Lily was okay with a few complaints, because we'd discussed that phenomenon in advance. Still, she was concerned. What she really wanted to know was this:

"How many angry responses is too many?"

There's no industry measure I'm aware of that answers the question. Certainly, none is mentioned in "bibles" like Mal Warwick's *How to Raise Successful Fundraising Letters* or Alan Sharpe's *Mail Superiority.*



Are you talking to me?

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Jeff Brooks (www.futurefundraisingnow.com; www.true-sense.com) knows a heck of a lot more about this stuff than I do, so I asked his opinion. Here's Jeff Brooks on "complaint metrics":

"I've never heard of a standard metric for complaints. Twenty-five per 10,000 does strike me as unusually high." [That was the number I'd suggested]. "But even then, I'd hesitate to worry; *that number is statistically equal to zero.* And most complainers turn out to be lapsed and/or low-dollar donors. The paranoid fantasy of some orgs — that our fundraising will cause everybody to up and leave — wouldn't be measured by complaints, but by a serious drop in retention. The only fundraising tactic I've seen do anything like that is rebranding. Strong fundraising, never. It increases response *and* retention."

Tom Ahern writes fundraising materials for some of America's leading nonprofits. His specialties include audits, donor newsletters, direct mail, and case statements.

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*I Can Vouch for Tom's Opinion.

Complaints paralyze fundraisers. ~ Viken

I recall a few years back producing a major gifts brochure for a large health system in Pennsylvania.

The VP decided to do the 20,000 piece mailing in-house. The brochure was accompanied by a cover letter that *they* produced, with each letter and matching #10 envelope addressed to a *Dear Mr. and Mrs.* Problem? All 20,000 recipients were *medical school grads, so it should have said "Dear Dr."*

Oops. Chaos!

Well, not really. After I calmed down Mr. VP-Gone-Mad, he received 6 *unpleasant complaining letters* next week, each one loaded with a mighty check (\$1000 to \$6000).

The entire mailing had a 27% response rate. To this day I do not know why. But please, don't try duplicating this error deliberately!

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There Is Money Out There

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**Hot Wine in
Summertime**



You see me here holding a bottle of hot (literally)

Pennsylvania Jalapeno Wine, made with jalapenos, not grapes, purchased in Skippack, PA. (Google "Skippack, PA". Real cute town where I live with my wife, Olga.)

Although I am a Scotch aficionado, I plan to switch to wines for a bit. Cheap wines. *My IQ with expensive wines is a bit low.*

Okay, I realize this article may not belong in *Planned Giving Tomorrow*. But this is *my* magazine and I'll include what I want in it! Kidding aside, I believe that basically all media is "social

media." Communication is the root of all interaction. And some of our "planned giving media" get a little too serious for their own good.

If you do not get some "fun" into your messaging, you'll lose audience *fast*. This goes for your donor communications, too. "Blah" is not an option. So put a little *personality* out there! In *all* your communications. Have you ever sent out a "birthday-and-a-half" card? Ever had "Fifi" the poodle on your lap on your "Contact Us" page? Ever showcase a donor doing something silly at a Legacy Luncheon? (Get her permission first).

Be careful... if you follow this advice you may get compliments and phone calls from prospects that may just waste your *whole* afternoon.

You're still reading this, right? I would love to hear your opinion. Email me now:

Success@PlannedGiving.Com



Most make their living by complicating planned giving.

We make ours by keeping it simple. Guess which one works better for your prospect and your job?

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URGENT NOTICE

Your Planned Giving Program Could be Promoting Death! Read Viken's notorious editorial at:

PlannedGiving.com/4655