How to Talk with Donors about Planned Gifts
Establish A Successful Planned Giving Program by Building Relationships

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Your Presenter

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- Law degree, Drake University School of Law
- 20 years as a development officer, including
  - National Director of Planned Gifts, $10 million annual revenue
  - Lead manager, $20 Million Capital Campaign
  - Internal fundraising consultant to 60+ national and chapter offices
  - Over $215 million raised during career
- 8 years as adjunct faculty, Regis University
  - Masters in Nonprofit Management Program
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Our Agenda

- Be Your Best Teacher and Student
- Focus on Your Best Prospects
- Start by Marketing Simple Gifts
- Make Your Own Planned Gift Commitment
- Reach Out; Get Out
- Listen More Than You Speak
- Asking for Planned Gifts
- When You Need Professional Assistance
Be Your Best Teacher and Student

You Are Your Own Example

- Watch your own reaction to gift cultivation and solicitation.
- Determine why you reacted the way you did.
- What did you like about the action?
- What didn’t you like?
- What was your motivation for your final decision?
- How can you use this lesson when talking to donors?
Be Your Best Teacher and Student

Note the Statements that Are True for You:

- Friend, family member, or colleague ask
- In honor or memory of a person or pet
- Clothes, personal items, furniture, appliances
- Urgent need in my community or the world
- Routine gifts to church, school, public radio, etc.
- Gifts to keep an organization around for future generations
- Largest gift possible is through my estate plan
Be Your Best Teacher and Student

Noted one or more statements as true?

- You’ve made a gift without regard to tax consequences!
- 65% of Americans cannot take federal tax deduction
  - Only people who itemize get the deduction
- Most people are just like you 😊
- Tax consequences are not the first or even the second reason people make gifts
Focus on Your best Prospects

- **Segment**
  - Constituent Modeling
  - Organization or Industry Specific

- **Target Market**
  - By gift type

- **Don’t Blanket Market**
  - Dilutes your message
  - Confuses your audience
Start by Marketing Simple Gifts

Bequests

- Bequests constitute almost 90% of all planned gifts made
  - More than 80% of these are unknown at present
- Easy to understand
- Easy to talk about
- Provide simple language examples
Start by Marketing Simple Gifts

- Somewhere between 40%-50% of adults in the U.S. report having a will
  - Two studies report that around 7%-8% of those people have made a charitable bequest
  - Another study reported 42% (focused on the wealthy)
- 67% of people who have made a charitable bequest also report making annual gifts to the same organization
- People who make planned gifts or say that they would consider making a planned gift also give 2 times more current gifts than those who don’t
Start by Marketing Simple Gifts

Charitable Gift Annuities

- 5%-6% of all planned gifts
  - Next most common planned gift vehicle
- Range from $5,000 to over $1,000,000
  - Large gift annuities are rare, but they happen!
  - Be careful with large gift annuities if you don’t know what you’re doing
- Best annuity prospect
  - Existing annuitants
  - They know the organization
  - They know you
  - They are comfortable with the process and your stewardship
85% of respondents to a national survey said that they found out about charitable gift annuities through one of several informational channels initiated by the organization including:

- written materials,
- a visit with a representative, and
- financial seminars
Start by Marketing Simple Gifts

- Other Gift Vehicles
  - Including charitable trusts
- Highly technical gifts very difficult to market
- Remember, many financial and legal professionals are unable to explain the difference between giving instruments
- Keep it simple
  - You can have a very effective planned giving program by just focusing on bequests and eventually gift annuities
Make Your Planned Gift Commitment

- When you make your own legacy gift you become:
  - An expert on the topic
  - An advocate for the gift vehicle, not a solicitor
  - A like-minded friend to others who also make and consider planned gifts
  - A living example
  - A resource
Make Your Planned Gift Commitment

- Planned gifts that you can make with little or no cost
  - Bequest or codicil – when making or updating your will, add your charitable gifts
  - Beneficiary designation for
    - Life insurance – dollar amount or percentage
    - Pay on death – bank accounts for instance
Reach Out – Get Out!

- Think of this as dating!
- You make the first move
- Ask for a personal visit
- Create “natural” opportunities to contact
  - Recent gift
  - Event attendance
  - Loyalty benchmarks
  - Reply cards to PG marketing
Reach Out – Get Out!

- “I’m calling to thank you…”
- “We’re reaching out….”
- “Your opinion – your thought – your input…”
- “We met at the …….”
- “The President suggested I call you…”
- “Would you be available to meet with me for lunch next week?”
“I’m new to the organization . . . hope to meet as many loyal donors as is possible in the next few weeks. . . The president has suggested that you would be a very important person for me to meet. . . I’m hopeful that you might have 30 minutes in the next two weeks to meet me for breakfast, lunch, or another convenient time.”
Reach Out – Get Out!

- Be prepared to overcome the most common objections
  - Can’t give you a gift right now

“I am not coming to ask you for a gift. I would like to introduce myself and learn about your association with us and update you... I don’t feel it would be proper to ask you for anything at this visit.

I can assure you that I will keep my promise and not ask for nor accept any gift at this time.”
Reach Out – Get Out!

- Be prepared to overcome the most common objections
  - Can’t meet with you now

“I understand that you’re busy and I appreciate your honesty . . . We’re taking time to talk to as many people as possible . . . Would you be able to schedule lunch or a quick meeting at the end of the month?”
Reach Out – Get Out!

- First date
  - Usually informal
  - Meet at a neutral setting like a restaurant or a café
    - Unless you have a great facility!

- Objective
  - Learn why the prospect is involved
  - Explore his/her interest in programmatic areas
  - Explore his/her interest in the community
Listen More Then You Speak

- Use a series of open-ended questions
  - What first brought your attention to our organization?
  - What have been your past experiences with our organization?
  - Are you receiving any of our publications? Did you see the last issue? What article or story was most interesting or most hopeful to you?
  - What do you think we do best?
  - Is there any area of the organization where you could see yourself becoming more involved?
Listen More Then You Speak

- Take the opportunity to set a second meeting
  - Most people like to tell you what they think
  - Most people want to get further involved
  - Most people want to know more and feel like an “insider”

- Create events and seize opportunities to allow your prospects the chance to get together again

- Have a calendar of things/events to offer
  - Keep it small and personal
  - You are looking for a second meeting not a short “meet and greet”
Second Meetings

- Be creative and appropriate
  - Back at the café (not so creative, but it’s comfortable)
  - Tour
  - Meet with an expert
  - See something in action

- If others are involved, meet alone before you part
  - Go to the cafeteria
  - Sit in the atrium
  - Walk in the garden and find a nice place to sit
Asking For Planned Gifts

Prepare for the ask; be confident and review your steps

- Targeted likely prospects with information about specific gift types
- Your prospect has responded favorably to the information
- You know mission components most interest him or her
- You have told the story of your own planned gift
- You have shared information about the levels of funding that are needed to support his or her areas of interest
- Where appropriate, involved leadership and key players
Asking For Planned Gifts

- “As you plan for future gifts, would you consider making a legacy gift to us?”

- “In addition to your ongoing gift mission support, would you join me as a Legacy Society member?”
Getting Professional Assistance

- Usually sample bequest language or simple instructions are all that is needed
- Include a disclaimer that information is educational; should consult advisor of their own choosing
- Most gifts are bequests in a will or trust
  - Most planned gifts are gifts of cash
- Gift annuities are contractual and standard
  - Most gift annuities are funded with cash
  - Others are funded with stock
Getting Professional Assistance

- Look to your Board for expertise
  - Development committee
- Join your local planned giving roundtable
- Ask for referrals of local advisors
- Find a mentor
- Read articles and books on planned giving vehicles
Summary

- Focus Your Efforts
- Marketing Simple Gifts
- Make Your Own Planned Gift Commitment
- Get Out and Date!
- Open-ended Questions
- Ask for the Commitment
References

- Starting a Planned Giving Program
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    - [http://www.blackbaud.com/resources/white-papers.aspx](http://www.blackbaud.com/resources/white-papers.aspx)
  - Written resources: National Committee on Planned Giving
    - [www.ncpg.org](http://www.ncpg.org)
  - Courses: The Fundraising School at The Center on Philanthropy at Indiana University
    - [http://www.philanthropy.iupui.edu/TheFundRaisingSchool/CourseDescriptions/plannedgiving.aspx](http://www.philanthropy.iupui.edu/TheFundRaisingSchool/CourseDescriptions/plannedgiving.aspx)
Questions & Resources

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