

How to Talk with Donors about Planned Gifts

Establish A Successful Planned Giving Program by Building Relationships

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Your Presenter

- **Fundraising Consultant, Target Analytics™, a Blackbaud Company**
- 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
 - Wealth and Philanthropy; Financial Resource Development

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

Start by Marketing Simple Gifts

- 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 are 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?”*

Reach Out – Get Out!



“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

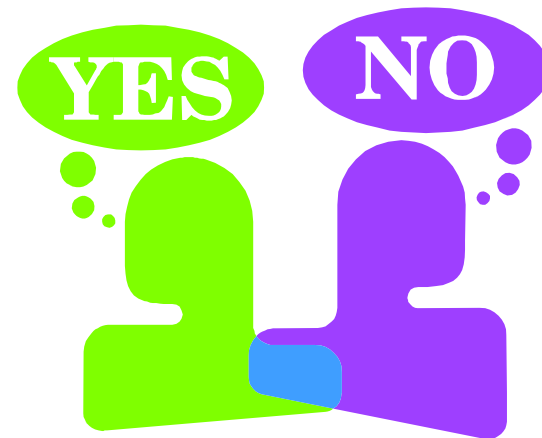
“I am not coming to ask you for a gift. I would like to introduce myself and learn about your association with us and update you... I don't feel it would be proper to ask you for anything at this visit.

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 Than 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 Than 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
 - Blackbaud White Papers: *Are You Ready to Start a Planned Giving Program?*
 - <http://www.blackbaud.com/resources/white-papers.aspx>
 - Written resources: National Committee on Planned Giving
 - www.ncpg.org
 - Courses: The Fundraising School at The Center on Philanthropy at Indiana University
 - <http://www.philanthropy.iupui.edu/TheFundRaisingSchool/CourseDescriptions/plannedgiving.aspx>

Questions & Resources

- Contact me:

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- Additional White Papers:

<http://www.blackbaud.com/resources/white-papers.aspx>

