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# *“Ch, Ch, Changes... Turn and Face the Strain”* Megatrends Affecting Planned Giving

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Cynthia W. Krause  
Principal  
Wilson & Krause  
Dallas, TX

Jeffrey W. Comfort  
Sr. Dir. Of Gift Planning & Principal Gifts  
Georgetown University  
Washington, D.C.

***“Ch, Ch, Changes...Turn and Face the Strain”***  
**Megatrends Affecting Planned Giving**

**Megatrend:**

**“A large over-arching direction that shapes our lives for a decade or more.”**

As gift planners, our work is being shaped by the confluence of existing and emerging mega trends which are dramatically affecting the way we work, our alliances, and the donors, prospects and charities we serve. Our ability to understand these trends and adjust our thinking and acting will spell the difference between success and failure in the future. This presentation will explore the impact of four megatrends on the charitable gift planning industry. It will also offer insights from dozens of seasoned gift planners regarding where we've been, where we are and how we must successfully adapt to these megatrends to enjoy success – now and in the future - in our gift-planning programs.

Interviews were conducted with individuals representing charitable organizations and the legal and financial services areas. Both were provided a separate extensive questionnaire which they used to facilitate discussions with one of the presenters or filled out and returned. Copies of both questionnaires are found at the end of this presentation.

Once the data was collected and combined, trends emerged which have been identified and articulated below. The trends were then analyzed and finally categorized, revealing critical tectonic shifts and a thoughtful look at the future of gift planning and the gift planning industry. While this was by no means a statistically valid study, the breadth of gift planning experience represented by the individuals interviewed makes the resulting conclusions drawn from their comments relevant to the successful current and future practice of gift planning, and risky and if not reckless to set aside.

## **I. The Self-Directed Consumer**

The last 1,000 years have produced an incredible number and variety of scientific and technological breakthroughs and some have proved to be turning points in the way civilization proceeded forward. In 1440, German inventor Johannes Gutenberg invented a printing press process that, with refinements and increased mechanization, remained the principal means of printing until the late 20th century.

In 1456, Gutenberg printed his first Bible. If you go to the Gutenberg Museum in Mainz, Germany you'll see some of these early bibles, the distribution of which shook the foundations of the Church. For the first time in history, intellectual life was no longer the exclusive domain of church and court, and literacy became a necessity of urban existence. The printing press stoked intellectual fires at the end of the Middle Ages, helping usher in an era of enlightenment. Without inexpensive printing to make books available to a large portion of society, the Renaissance might never have happened. What civilization gained from Gutenberg's invention is incalculable.

Equally profound has been the birth of the Internet, which has produced as massive a change in our society as the printing press produced in the 1400s because it has spawned the democratization of information on every topic imaginable. It has enabled the least knowledgeable of us with access to a computer to become experts in any area of our choosing – at the click of a button and in the privacy of our own homes. No longer having to rely on specialists in different fields or massive textbooks for information, we now have dramatically increased our control over what, how and when we learn. The rate of change the Internet is producing is exponentially faster than in the 1400s and is dramatically affecting our civilization in ways we are just now beginning to understand.

### **A. Emergence of the self-directed consumer**

The way we make decisions in every area of our lives has radically changed because of the Internet. Each one of us – and therefore our prospects and donors - are fully empowered to self-inform and self-direct our actions. Understanding the evolution and characteristics of the new self-directed consumer is critical to our professional success.

### **B. The flattening impact of the web**

What does this mean?

1. Flat world or "The playing field is being leveled."
2. The emergence and convergence of 10 events and forces
3. This is not a test. Paul Romer: "A crisis is a terrible thing to waste."

### **C. The ubiquitous nature of gift planning information**

Gift planning information is "everywhere"

1. Google: gift planning
2. Google gift planning calculator

### **D. Impact of the Internet and other factors on traditional gift planning marketing strategies**

One of the primary and most frequently-raised concerns of PG programs is the increasing failure of traditional marketing to produce results

1. All charities surveyed reported declining response rates over the past decade in results to traditional marketing: hard-copy newsletter, targeted direct mail, seminars, etc.

2. Most frequently cited reasons for the decline were: 1) increased competition and, 2) the internet
3. Several charities surveyed reported decreasing or ceasing their periodic newsletter citing cost/benefit concerns.
4. Survey response themes included:
  - “More competition. More charities marketing. Older donors are getting mailings every week on gift annuities.”
  - “Our response rates are really low to print mailing (probably because there’s so much stuff out there and a lot of it is so similar).”
  - “In early 90s – PGOs in charities were keepers of the knowledge gate. Today, lots of learning is happening in places other than charities. Advisors are doing much more and the internet is a huge teaching tool.”
  - “People are self directing more than ever. People just go to the web and explore and educate themselves. Then they need a reality check and are not sure how the information fits together so they call. Our interactions up front are more complex and technical right away.”
  - “A frightening number of prospects arrive on our shores already pretty knowledgeable. They say they looked it up themselves (usually means they went to someone’s web site, not always ours).”
  - “Marketing changes: increased use of the web, decreased direct mail response rates, increased use of targeted marketing efforts, continued increase of overall volume of PG marketing messages. We’ve changed by eliminating our long-standing text-focused PG newsletter and shifted to more of an awareness, postcard-driven strategy that is more targeted and less driven by an age-based approach.”
  - “The internet has changed the dynamics of how we do our work. Many years into using the internet our donors now have their own interpretation of internet marketing and that is still changing. I also think donors are more sophisticated and not as easily ‘called to respond.’ I have redesigned our marketing.”
  - “We’re doing a lot more electronic communication all across the development department though we’re still struggling with how to do it well. We’re using print mailing much less. We’re using the electronic mailings for *all groups*, like we used to do in most of our marketing years ago – broad-based mailing. We’re using more email messages to drive donors to our website and when we send one of these, we see increased

traffic. More use of our gift calculator and more requests for brochures we're advertising."

- "We are examining sending the newsletter electronically to about 25% of our newsletter list of 30,000 (alums over 50)."
- "More than anything, since 2000 the internet has shaped how we think about promoting planned gifts."

## **E. Reaching the self-directed consumer**

1. "Can you hear me?"

What are the declining response rates to print marketing telling us?

2. The Tai Chi approach... it's about your mission

- NCPG donor surveys demonstrate that donors make planned gifts primarily to support the charity's mission and that financial and tax benefits are secondary. The distinguishing difference or motivational point for each and every charity remains its mission.
- Using mission to capture prospects' interests and direct their interests toward self-actualized philanthropy

## **F. Best practices**

Strategies used by experts in our field to reach donors effectively through the clutter and clamor

1. All but two charities surveyed reported that they have changed or are working on changing their marketing plans to address the changing market environment and declining responses to traditional marketing.
2. No clear panacea emerged from the survey, but most productive activities included one or more of the following:
  - Electronic marketing
  - Enhanced segmentation and customization of personalized targeted mailing
  - Enhanced focus on mission
3. E-blasts

## II. For Profits: The New Gift Planning Drivers?

### A. The For-Profit Industry and Gift Planning: From the “Dark Side” to “Our Side”.

1. A brief history
2. Perspectives from nonprofit respondents
  - 1980s and early 90s
    - “In the early days, PGOs mainly went to advisors who knew the stuff, like NCPG’s early leaders. Then PGOs and charities were the ones bringing up these ideas to prospects and donors and were also teaching the professional advisors who didn’t know this area.”
    - “Donors weren’t generally going to their advisors first because donors didn’t even know about these gifts until we brought them up. Then we brought it to the professional advisor’s attention for the most part because they didn’t spend much time in the area and weren’t generally talking about it to their clients. In early 90s, most charitable gift conversations didn’t generally happen between advisor and client. They happened when PGOs were the impetus for the two getting together to talk about a planned gift.”
    - “Used to be that we catered to them (professional advisors) extensively. We did our own version of the ‘Harvard Manual’, made them come to a seminar to get it, focused on giving them CE credits.”
    - “In the late 80s and early 90s, PGOs wanted to cultivate good relationships with a few core professional advisors who were their resources. Some PGOs at larger shops were on the cutting edge and were looking to train the for-profits and were holding seminars. Many liked the idea that we were the experts and our goals were to get the advisors to come to us whenever they needed technical help or had questions they couldn’t answer with their donors. Being seen as a technical resource hopefully meant more advisors would send clients our way.”
  - 1995 – 2005
    - “The relationships seem to be improving this past decade as these advisors become more knowledgeable about planned gifts.”

- “A lot more financial advisors have gotten into PG field in the last decade because they’ve seen the potential for their clients and their businesses and also saw assets leaving their portfolios. They looked at how they could play a role in the charitable community that’s profitable for them.”
- In the 90s, there were always those jokes about those of us on the “dark side”. As many nonprofit folks migrated to consulting, many were accused of “abandoning ship” and heading to the “dark side”. As the years have passed, this has loosened up. There’s still some wariness on the part of some nonprofits, but I see relationships relaxing.”
- “One change we’ve been seeing in recent years is that we’re being contacted by many more advisors that want to provide services to us and we’re seeing more new players. They are offering us things like : charity-owned life insurance, offering to manage our portfolio of life insurance, reinsurance of GAs and overall management of our GAs and charitable trusts.”
- “There seemed to be more ‘selling’ of ideas by the professionals in the 90s.”
- “The information about the huge wealth transfer sent the financial services industry into overdrive - particularly this past decade – as they added charitable components to their services. They have become much more savvy and knowledgeable about the technical aspects of gift planning and have surpassed most gift planners in their knowledge. It’s great to have them educating our donors.”
- “The decade of the 90s and early 2000 has mainly brought a huge increase of all the ‘for profit’ disciplines who understand gift planning. It used to be a few high-level attorneys and some CPAs, with the insurance industry. Now we see lots of attorneys, CPAs, financial planners, insurance agents and, of course, the entire financial services industry – including all private banks. This can only help our donors in my opinion.”
- “In smaller communities and cities you still see advisors who don’t know as much about planned giving and we’ve had success bringing in experts to conduct seminars for CE training. However, we don’t offer these seminars in larger cities or in certain areas of the country where the knowledge base is higher (northeast and west coast). There’s a saturation of information in those areas and no need for us to waste our marketing budget there.”

- Today
  - “Donors bypass charitable planners and go to financial services people and/or their advisors to ask them for help with gifts.”
  - “We continue the work we’ve always done with advisors, but now with the addition of a philanthropic planning expertise at our organization, we’ve expanded our work with advisors to include teamwork with a host of donors’ advisors (CPA, estate attorneys, wealth advisors, etc.) on their donors’ overall philanthropic planning.”
  - “Today a lot more gift processes are starting with those folks (advisors) though there’s lots of variety regarding how well it’s being done.”
  - “Today: Nonprofit community is hoping desperately that the financial advisors our prospects/donors use and depend on ‘get it’ and see the part charities can bring to the table.”
  - “Now I see them as compatriots who are all working for the same goals: help donors make planned gifts to their favorite organizations. I sense that PG officers and professionals are working more closely together toward a common goal.”
  - “Today, we’re just hoping for a seat at the table. The financial services industry, and particularly the wealth advisors, are driving much of the gift planning that’s happening today. Especially for those donors of high and ultra-high wealth, these planners know everything about their clients and it is part of their holistic planning to discuss the charitable component of a plan.”
  - “Today we’re approaching wealth advisors in very different ways out of necessity. We aren’t doing near as much education – they know all about this stuff already - but we’re working more at helping these advisors understand who we are, what we bring to the table, and why we should be part of the team when they’re talking to their clients about gift planning. I take the tact that I’m speaking on behalf of the whole charitable community when I talk to them because these guys must make the involvement of charity part of their protocol or our organization won’t be brought in either.”

**B. “In their own words”: the for-profit community weighs in**

1. “Many nonprofit gift planners don’t realize that charitable planning has been part of the wealth planning industry for eight to ten years now. It has become quite sophisticated and every private bank has a program.”

2. “The financial world has evolved hugely in the past six or seven years in how client relationships are managed. We use a team approach with our internal professionals and external managers. However, it’s true that most of us don’t actively involve the nonprofit professionals, even when a client is naming that charity in some gift arrangement.”
3. “More and more professional advisors have become experts in executing and implementing charitable gift plans. More and more charitable gift plans are being put together without the charity’s involvement.”
4. “Very few of our clients have discussed their charitable intentions with charitable orgs. – maybe 10%.”
  - “We don’t ask the question so unless a client tells us, we don’t even keep records on it. If I had to guess I’d say 5%, maybe 10%”
  - “5% - 10%”
  - “Many of our clients tell us they do not want the charity involved, for several reasons: they may change their mind about which charity to include, they don’t trust the charity’s ability to manage assets so don’t see the need to involve them in the financial side; they don’t trust the charity to work in their best interests.”
5. “I’ve established more gift arrangement with my clients in my current work than I did in the entire 20 years I was a nonprofit gift planner.”
6. “Our clients aren’t saying ‘I want to bring my PGO to the table’. Maybe charity needs to come to the table describing the fit – how they assist the team in things like: how much does the gift cost, how do we structure it to work for both donor and charity, can the charity do what the donor wants, can the charity suggest ways the gift can be stronger , etc.”
7. “The charitable community doesn’t know how to work with us! Nonprofit organizations need to better understand the trusted relationship clients/donors have with their advisors and how to better navigate within those relationships.”
8. “There are still so many attorneys and CPAs out there who don’t understand the benefit of the gift vehicles. Keep working with them!”
9. “The greatest benefits we bring to the gift planning community and their donors are: education, advice, the ability to help donors see how their philanthropy is integrated into their entire financial and wealth planning strategy because we have the ability to see their entire portfolios.”

10. “As an attorney, I’m noticing it’s the financial services industry that’s doing more education. Now a much greater percentage of my clients have knowledge of charitable planning vehicles and options so I don’t have to spend my time – and their money – doing a general education of this area. It makes my job easier.”
11. “I think charities would do better with their wealthier prospects and donors (over 1M in assets exclusive of their homes) if they’d do informal profiling of these people. Find out who their financial advisors are. Find out if they have a wealth strategist or team working with them instead of just knowing who their attorneys and CPAs are. If they have more wealth, I promise they’re spending a lot more time with these advisors than their attorneys and these folks know a lot more about their financial situations.”
12. “The nonprofit community needs to see that they should be more open to working with financial institutions who they deal with instead of just taking our checks. Now more of us are sponsoring events and making our own philanthropic gifts corporately. The most amazing thing I see is how often the nonprofits take our money and refuse to build relationships with us. We once made a gift to a charity in excess of \$1M. We didn’t even receive a thank you note or any mention of the gift in their newsletter, etc. And I thought they were supposed to be so great at donor stewardship!

### **C. Where are the donors?**

1. They are spending more time with their advisors
  - Comments from interviewees:
    - “Today, most CRTs are being drafted by us (professional advisors) without the involvement of charity because donors increasingly want to reserve the right to change the remainder beneficiaries. Therefore, they don’t want to notify their current charitable recipients.”
    - “It’s amazing how many charitable trusts we learn about from financial service firms and attorneys today without having had a conversation with the donor that precipitated the gift.”
    - “My clients aren’t saying, ‘I want to bring my planned giving officer to the table’. Maybe charities need to come to the table describing what they bring to the process.”
    - “In my experience, including anecdotal evidence from my colleagues and my friends at charitable organizations, most banks are initiating these gifts and not the charities. I’d say less than 20% are coming from charities today. And that’s probably on the high side.”

- “I just read an article that quoted a statistic that 80% of all charitable trusts and family foundations established in this country are done at the advice of donors’ financial advisors. The statistic was from a reputable source and I’ll try to find it for you.”
- “Our clients are currently learning about the plans and techniques of gift planning through our wealth strategists and better educated bankers. We rarely hear clients today telling us they learned about a gift vehicle from their charity and want to discuss it. This is a big change from what I saw 15 years ago where the gift planning community was sending their donors to us.”
- “I have noticed donors migrating away from irrevocably naming a specific charity to benefit from their plans if that is not a requirement of the plan. My sense is more CRTs are being established outside of charities where the remaindermen may be changed at will by the donors during their lifetime.”

2. They aren’t as trusting of nonprofits as they once were

- The Independent Sector commissioned a survey conducted by Princeton University looking at donor confidence in charitable organizations between 2002 and 2004.

Question posed: How much confidence do you have in charitable organizations? Donors could choose from four categories: a great deal, fair amount, not too much, none

- 13-18% “a great deal”
- 45-50% “fair amount”
- 25-27% “not too much”
- 7-11% “none”
- Comments from interviewees
  - “Today donors question us a lot more – whether they’ll like future administrations or our strategic direction, etc. Today there are donors who are quite vocal when they don’t like what we’re doing, our leadership or where we’re going. Even those who love us a lot still like the flexibility of waiting to irrevocably designate us. And I’m seeing this with charities all over.”
  - “The only one that has fallen out is irrevocable gifts due to loyalty. I believe these types of gifts are waning thanks to multiple charitable scandals....”

- “The minute charity doesn’t have its act together, my client says: ‘I’m really not comfortable with this. What are my other options to make my gift without going through them (the charity)?’”
3. Bringing everyone to the table: reality or fantasy?
  4. Best practices

### **III. Geopolitics and America’s New Vulnerabilities**

America as we knew it changed on Sept. 11 and there’s a feeling of vulnerability among Americans of all ages, unmatched by anything since The Great Depression. The impact of this reality on gift planning has been profound. Peak behind the curtain. Did irrevocability ever rule? Are revocable arrangements poised to be ever more important in the future. Charities across the country are balancing their needs while working with their donors and advisors to meet their needs to plan in the midst of an uncertain tomorrow.

#### **A. Reported in 2004**

The findings set out below were taken from an earlier survey of gift planners and planned giving consultants across the country, presented at NCPG’s National Planned Giving Conference in Dallas, Texas in 2004, in a presentation entitled: *Paradigm Shifts in Planned Giving*.

1. Charities with historically active CRT programs saw significant decreases in the number of CRT closures from earlier years
2. All the charitable representatives and consultants whose charities marketed CRTs stated they had experienced much fewer CRT closures and much less interest in CRTs between 2000 and 2004.
3. The most common planned gifts being closed in 2003 were bequest expectancies and this was the same as in 2000
4. A significant change in the mood of Americans since 9/11
5. Greater emphasis on the short-term, since at any moment, lives might be turned upside down in a catastrophic event
  - Greater propensity to hold onto assets; therefore, an increasing unwillingness to tie up assets irrevocably
  - Difficult for many to think of charity when markets are fluctuating, wars are raging, and terrorist alerts abound

- At the same time, more donors are becoming engaged in giving back and are wanting to find meaning through giving

## **B. 2006 Updates from Interviewees of 2004 Paradigm Shifts Presentation**

1. In 2006, all but one charity surveyed noted continuing declines in donors' interest and willingness to consider irrevocable versus revocable gift commitments.
2. For irrevocable gifts, the exception was the charitable gift annuity
3. Interviewees' comments on factors influencing the decline in irrevocable gift commitments included:
  - "The uncertainty of the economy, the world, etc"
  - "Donors are afraid they'll live too long and their advisors are counseling them to preserve their flexibility".
  - "Something is definitely on their minds and the world has changed but don't know what it means exactly. Fear of terrorism is hard to cope with. The easy-come-easy-go result from markets from 90's to now has affected people's ability to let go."
  - "Here's another area where I think there's been a much larger impact than we realize; the fact is a secure and confident emotional state makes it a lot more likely that someone will part with a large sum of money but today it's like Dylan said: 'Nobody can get no sleep, There's someone on ev'ryone's toes'".
  - "People are concerned about terrorists, oil crises and market swings so in general they have pulled back wondering if they will have enough to support themselves"
  - "Uncertainty causes inaction. I think this is a normal response. People decide if they aren't sure what they will need for themselves in the future, they probably shouldn't give away large sums right now. I think people also have their eye on what Congress will do ultimately with the estate tax."
  - "Boomers particularly watched their retirement funds get slashed by 25% - 50% so there's great fear that there won't be enough left to live on for a lifetime. Therefore, who can retire at 65 anymore when you're still paying off college loans when you're 60+ and who wants to even think about

irrevocably giving up assets that might be necessary to live on down the line?”

- “The whole concept of WHAT we are afraid of has changed.”

The influencing factors above include: 1) the economy, including the world economy, 2) geopolitics, wars and terrorism and, 3) longer life spans and familial and health concerns. These factors all have one result on donors in common: uncertainty. Few things, if anything, put major gift commitments on hold like uncertainty.

Gift planning offers the ultimate flexibility to mitigate and help donors handle uncertainty through revocable, even contingent gift commitments. For this, and other development reasons, revocable gift recognition may be increasingly important.

#### **IV. The Convergence of Concentrating Wealth and Values-Based Planning**

##### **A. Empirical data surrounding the wealth phenomenon and the widening gap between the haves and the have-nots suggest a continuing, if not accelerating concentration of wealth**

1. Personal wealth is becoming more concentrated in the United States

	share of wealth (1997)	share of wealth (1989)	share of stocks, mutual funds, & retirement accounts (1998)
<b>top 1% of population</b>	<b>40.1%</b>	<b>35.7%</b>	<b>42.1%</b>
<b>next 9% of population</b>	<b>33.3%</b>	<b>33.3%</b>	<b>36.6%</b>
<b>Remaining 90%</b>	<b>26.6%</b>	<b>31.0%</b>	<b>21.3%</b>

(Federal Reserve and Edward Wolff, “Recent Trends in Wealth Ownership,” 2000)

2. The richest 1% of American’s control more wealth than the combined wealth of the bottom 90%
3. Between 1976 and 1998, the share of the nation’s private wealth held by the top 1% nearly doubled from 22% to about 40%.
4. In 2000, just the top 1% of income earners totaled 17% of the gross income for the United States, a level not seen since the 1920’s.
5. Surveyed charitable representatives offered these perspectives:
  - “I see the impact of the concentration of wealth in the fact that a very small number of donors generally account for 90%+ of total gifts raised in campaigns here and elsewhere.”

- “Last year we received 22,000 contributions. Eighty percent of our total dollars came from 82 contributions, and the 15 contributions of \$1M or more accounted for 55% of the total; all social debate aside, we’ve simply got to focus our efforts on fewer but larger gifts; as we do *that*, we’ve got to get over the idea that we can afford to cater to every generous person (at least in an equal manner).”
- “Yes the wealthy are getting wealthier and the importance of principal gifts is huge and growing. Those prospects are the people who have been the winners in this latest economy.”
- “Gift planners will spend an ever increasing amount of time with super wealthy, who may or may not be charitably motivated. Of course, the risk will be ignoring the legions of smaller donors who collectively could contribute significant sums to charity.”
- “This is a difficult one to answer. One would hope that over time, the distance would be diminishing but more and more government dollars are spent on social reforms, but I’m getting political. There will always be a need for nonprofits simply because of the way our society is structured. The gap is widening and I think it will take the government at the national level to effect change to narrow the gap. The estate tax question is one that would help to narrow the gap if it is allowed to remain in place.”
- “I think the smaller donors who traditionally have arranged CGAs won't do that, nor will they be so willing to give some of their estates to charity instead of to their children. Many larger donors will have fun giving their money away and enjoying the perks of being huge donors.”
- “There is a widening gap. May result in more pronounced two-tier structure in PG like the private banking versus retail banking.”

## **B. Continued prominence of Values-Based Estate Planning**

### **C. The Schervish perspective: Will this mean more charitable gifts? Yes, no, maybe. Is this the dawn of the Golden Age of Philanthropy?**

1. The top 2% of estates are worth over \$782,000
2. The next 3% are worth \$326,000 to \$782,000
3. The next 5% are worth \$244,600 to \$326,000
4. The next 40% are worth \$52,200 to \$244,000
5. The next 20% are worth \$2,600 to \$52,000

## D. Principal Gifts

1. What is a “principal gift”?
  2. Who is taking the lead?
  3. What can they tell us?
- Surveyed charities’ responses varied widely on questions related to principal gifts, particularly with the definition. The majority of those surveyed did have a principal gifts program, though most were brand new, or nearly so.
  - It’s important to remember that most of the charities interviewed have large, sophisticated gift planning programs and also have sophisticated major gift programs. Many have national pools of donors and prospects too. On the issue of principal gifts, comments from interviewees will be skewed and do not represent the prevailing reality of most programs around the country. However, because of the impact to society of seven, eight and higher figure gifts which occur more frequently at institutions represented in our survey, the trend in this area is important to see and understand.
    - “Yes, we have a principal gifts program and we define principal gifts at \$1 million+, although the principal gifts team focuses on six figure gifts and higher. The program was initiated in 2005.”
    - “For us principal gifts are the 30 top rated individuals and the top 10 rated corps/foundations, so the dollar value changes depending upon who is in the pool; the individuals tend to be ‘grateful patients’ or related parties; years ago this was simply the president’s private prospect list, now we meet every three weeks to review, cull, and make sure we’re on track, gift planning is a co-convenor (along with the VP Dev) of that meeting.”
    - “Yes, we have a brand new principal gifts program. Definition is \$1M and up. They decided a few years that we’re missing the boat if we don’t start a focused program on relationships with principal gift prospects.”
    - “We have no structured principal gifts program right now but that may change soon because new leadership is coming in. We’re focusing on larger gifts as we head into a campaign and our PGOs and most sophisticated MGOs are asking donors: ‘What’s the best overall gift plan for you?’ Without calling it that, we really are doing principal gift planning. We’re doing it better now because we make a concerted effort to include outright gifts when we (PGOs ) are talking to donors and we are helping close these. Our MG colleagues are more often

looking to make PG a part of the picture too. We all get to count the gift and MGOs are even talking us up around the Deans, telling them how we helped close outright gifts.”

- “We have a principal gifts program. Principal gifts are defined as gifts of \$10M or more. The program is a couple of years old, but has had turnover in the leadership position, so is actually just now getting organized and developed.”
- “Yes, for 10 years. \$1M and up.”
- “Though every charity could say they do principal gifts if they work with donors on holistic planning, integrating major and planned gifts based on donors’ needs, the truth is, a true principal gifts program will only be found among the ‘have’ charities – particularly the larger ones.”

**E. Mega Gifts Perspective: Positioning your charity for the \$500 million, \$5 million or \$500,000 mega gift. Best practices and strategies to receive the largest gifts – no matter how big or small your program or your organization.**

**F. Conclusion**

Ch-ch-ch-ch-changes  
(turn and face the strain)  
Ch-ch-changes  
Just gonna have to be a different man  
Time may change me  
But I can’t trace time

Cynthia W. Krause  
Principal  
Wilson & Krause  
Dallas, TX  
214/ 823-8729

[cynthia@wilsonkrause.com](mailto:cynthia@wilsonkrause.com)

Jeffrey W. Comfort  
Sr. Dir. Of Gift Planning & Principal Gifts  
Georgetown University  
Washington, D.C.  
202/ 687-3697  
[comfortj@georgetown.edu](mailto:comfortj@georgetown.edu)

## Addendum

### **QUESTIONS FOR NONPROFIT INTERVIEWEES**

#### **MARKETING**

1. Have you seen changes in the world of planned gift marketing in the past 5 – 7 years? If so, what are the changes you have observed? Have you redesigned your marketing program to address these changes and if so, in what ways?
2. What were your most successful marketing initiatives in the 1990s? What are they today? If different, elaborate.
3. How are your donors/prospects/clients currently learning about the plans or techniques of gift planning? Is this the same as it was in the 90s?
4. How has the internet impacted your gift planning program since 2000?

#### **WEALTH AND FINANCIAL SERVICES INDUSTRIES AND TRADITIONAL PROFESSIONAL ADVISORS**

5. How did you work with professional advisors and those in the financial services industry in the 90s? How do you work with them today?
6. How did you view the involvement of individuals in the financial services industry/wealth advisors/ traditional professional advisors (attorneys, CPAs, etc.) in your work in gift planning in the 90s? How do you view their involvement today?
7. Within the “for profit” community, who were the key professional advisor groups in the 90s? Are they the same today? If not, who are the key ones today and why?
8. Do you receive more gifts and/or leads from these groups today than you did 10 years ago? Why or why not?
9. Do you work with this group of professionals more, less, or the same as you did 10 years ago and why?
10. Do you think this group, or segments of this group, are becoming the new gift planning drivers?
11. Is there currently a need for technicians who understand all aspects of gift vehicles in the typical gift planning office?

- Will there continue to be a need for them in the typical gift planning office in five years?
12. What are the greatest benefits the professional advisors and those in the wealth planning/ financial services industry bring to your organization today?
  13. What are the greatest challenges they bring?

### **DONORS AND ISSUES THAT AFFECT THEM**

14. Are your donors and prospects more or less willing to consider irrevocable gifts to charities today than they were in the 90s? What about revocable gifts?
15. What factors currently have the greatest effect on your donors' and prospects' willingness to establish irrevocable arrangements with your organization? Are these factors the same as they were 10 years ago? What about revocable arrangements?
16. Does the current state of the global economy and global affairs cause you to say or do anything differently when working with donors and prospects today than you did in the 1990s?
17. Is a successful planned giving program and the planned giving industry as important to charities today as it was in the 90s?
18. Are there new gift strategies your donors and prospects are using that are challenging / usurping the popularity of the traditional gift planning vehicles?
19. Will planned giving be more or less relevant in the next few years? Why?

### **CONVERGENCE OF CONCENTRATING WEALTH AND VALUES-BASED PLANNING**

20. Data supports the perspective that there is a widening gap between the "haves" and the "have nots" in the lives of Americans. Do you see evidence of this widening gap in the donors and prospects you work with? If this trend continues, what impact may it have on the development or evolution of your gift planning program over the next decade?
21. Does your development office have a principal gifts program? If so, how does your organization define these gifts? How long have you had this program/person? If you do not have an individual or program that focuses on principal gifts, do you see the need for one in the future?
22. How does your principal gifts program relate to your planned giving program?

23. How are principal gifts like the recent ones made this year (i.e., Warren Buffet) affecting the planned giving industry?
24. If a “mega trend” is a large, overarching, existing and emerging trend that shapes our lives for a decade or more, do you see any mega trends occurring in the field of charitable gift planning? If so, what would they be in your opinion?

## **QUESTIONS FOR INTERVIEWEES Legal and Financial Services Industries**

### **MARKETING**

- Have you seen changes in the way your industry markets charitable gift planning in the past 10 years? If so, what are the changes?
- How are your clients currently learning about the plans or techniques of gift planning?
- How has the internet impacted your program in the past five years? Do you see evidence that you use the internet with your clients in a way that is different from non-profits?
- Do clients with different asset levels receive different services from you? Assuming this is so, how is the charitable component presented to those at different levels?
- Who is raising the charitable discussions when you work with your clients?
- What % of your clients suggest bringing charity to the table or at least involve their charitable representative in the work you are doing in the charitable area?
- What % of the time do clients come to you with ideas about planning they've learned from charities?

### **THE WEALTH PLANNING AND FINANCIAL SERVICES INDUSTRIES AND TRADITIONAL PROFESSIONAL ADVISORS**

- How do you think the charitable community viewed the involvement of allied professionals in gift planning in 1990?
  - How has this changed (if any) in the past 15 years?
  - How do you think the charitable community views your involvement today?

- Do you think some segments of those in the financial services/ wealth planning industry (including traditional professional advisors like attorneys, CPAs and financial planners) are becoming the new gift planning drivers? Why or why not?
- What are the greatest benefits the professional advisors and wealth planning/ financial services industry bring:
  - to donors?
  - to charitable organizations?
- What are the greatest challenges you present to the non-profit community?
- Do you think non-profits understand how to work with you? What do you think they need to understand that they don't?
- Do you think it would be helpful for your clients to have charity at the table with you and the client if you are working with a client on a charitable gift or a charitable strategy for their estate? Why or why not?

#### **CLIENTS AND ISSUES THAT AFFECT THEM**

- Are your clients more or less willing to consider irrevocable gifts today than they were in 2000?
- Do you see the national trend toward or away from irrevocable gifts and why?
- What trends are you seeing in the use of "traditional" planned giving vehicles (CRT, GA, CLT, etc)? What do you expect to see in the next 5 - 10 years?
- In gifts you are involved with (or those in your area are involved in), what % are irrevocable and what % revocable? Has this been relatively stable since 2000 or have there been differences? If so, what have they been?
- Are there new gift strategies on the horizon that will challenge/usurp the popularity of the traditional gift planning vehicles we use now? (i.e., donor advised funds, etc.)
- Does your organization offer:
  - A donor advised fund for clients?
  - Gift annuities?

## **CONVERGENCE OF CONCENTRATING WEALTH AND VALUES-BASED PLANNING**

- Data supports the perspective that there is a widening gap between the “haves” and the “have nots” in the lives of Americans. Are you seeing any evidence of this with your clients? What does it mean for you?
- Do you see any megatrends occurring in the field of charitable gift planning and, if so, what are they?