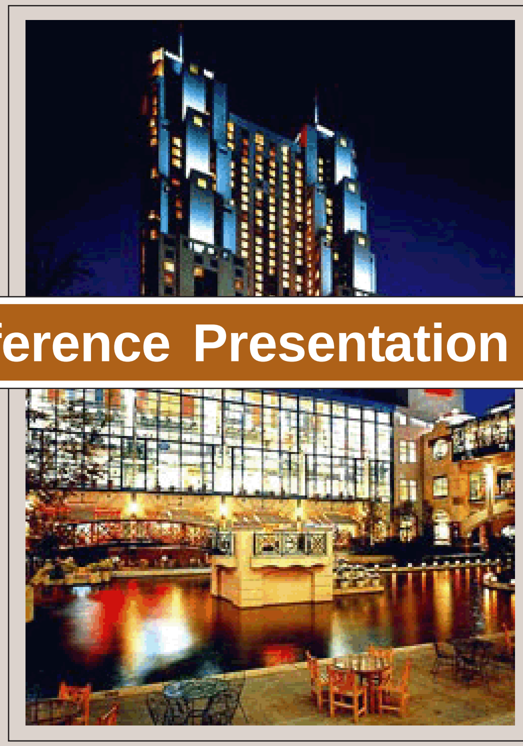
National Conference on Philanthropic Planning

October 4-6, 2011 • San Antonio, Texas



Conference Presentation Paper

Introduction

In the last several years, charities of all sizes have been forced to reduce their budgets. In 2008 and 2009, many budgets were reduced during the year, and again closer to the end of the year. Donor events, prospect visits and mailings all had to be cut. Staff was also cut—we heard repeatedly of organizations that furloughed employees. Others eliminated positions through attrition, layoffs or hiring freezes. In the end, those of us who were fortunate to still be working were being asked to do more with less.

Every organization was affected in some way, although the impact was very dependent on your organization's funding source and structure. If your organization funded development activities through your endowment and endowment performance fell, the highest priority was addressing the immediate needs of those whose purposes you serve. The same held true for organizations which depend on government funding at the local, state or federal level or on annual reciepts which declined in most sectors. The organization's immediate need for income over long term resources made most planned giving shops particularly vulnerable.

In this new normal, we have all been challenged to find new ways to be "efficient". Efficiency in this context can be defined as the wise use of time and resources. Even in the largest of organizations, those who focus exclusively on closing planned gifts – the gift planning team—may be few in number. Our research shows that in most organizations major gifts officers outnumber gift planning officers by 8 to 1. The number is generally higher in educational organizations where the ratio is more like 10 to 1. There is only so much one, two or even three people can do. The gift planning staff in larger organizations presumably is larger and has more resources available, but the office duties are often broader and include such additional tasks as handling stock transfers and drafting gift agreements.

The budgets of most development offices revolve around three basic cost centers: staff and benefits; marketing; and travel and/or events. While all of the areas overlap, in 2008 and 2009 staffing was the area most directly impacted. With the elimination of staff and activity came a natural dimunition in the other expenses, but at what cost? Planned gifts offer a long term benefit to the institutions, and while established programs are likely still recording realized bequests from donors who made their plans years ago, we have not likely seen the full impact of eliminating planned giving or gift planning operations during the most recent downturn. Programs have been reworked or positions unfilled in the past, and as one would expect, those programs have suffered a later interruption in the realization of estate gifts, charitable gift annuities and other planned gifts.

Regardless of the size of your organization, your fundraising goal—within or outside of a campaign—almost universally requires you to do more than your time and resources allow. This paper will explore some solutions to handling the workload in cost-effective ways.

Some Suggested Best Practices

We know in these times that we will be doing more with less. Having said that and for those who run very small shops, staff have always been expected to take on a huge number of jobs. Regardless of the size of your program, the goal is to get more gifts in less time from the most donors with the least possible money expended. What we are experiencing now is compounded by the struggling economy. It seems that no sector is unscathed. We are raising more with less from people who have—or at least feel that they have—less.

Still, some gift planning programs are and continue to be successful. We spoke to our colleauges across the country in institutions of all types and sizes to learn what was working. The most optimistic view this segment of time as an opportunity. No matter how busy you are, they suggest that you take this opportunity to reflect and to assess your program. Common themes include the following:

- *Take inventory*. It is important to look at each and every aspect of the gift process. What do we do well? Where could we improve? How have we done things in the past, and what might we change? Ask yourself and others: What is this office/team's purpose? Does what we spend our time doing each day help to accomplish that purpose? Is what we are asked to do that does not serve our mission being duplicated

- *Prioritize tasks*. In offices with relatively large numbers of staff members, several employees may be responsible for a specific aspect of gift planning: marketing, life income gifts, stock gifts, estate administration, the legacy society, the estate planning committee, trainings, etc. In offices with a smaller number of staff, one or two people may be responsible for all of this—and more if their job duties include helping general fundraising staff with projects such as planning events and administrative tasks. Everything can't be top priority. Can responsibilities be reassigned to eliminate duplicating efforts or to exploit talents?

- *Constantly pursue excellence*. The most successful programs never stand still. The staff always seeks to build upon their knowledge, to reach out to an expanded audience with more and better ideas, and to get more and better responses to marketing pieces. Successful offices steadily follow what has worked in the past, but still manage to improve upon even well-received marketing pieces to keep the ideas fresh and to keep the inquiries coming.

- *Focus on the donor*. Most of us have by now heard about—and attempt to practice—some form of "donor-centered fundraising". This is really common sense to any true fundraiser: a focus at every stage of the process on the donor's wants, meeting the donor's needs, thanking the donor, and providing the donor with feedback about the use of the funds. A successful fundraiser will be able to fulfill the organization's needs while also pleasing and showing appreciation to the donor.

- *Benchmark against successful programs*. While you may set your own goals based on the size and type of your organization and your particular constituents, while your gift acceptance policies may be particular to your charitable organization and finance office, and while you know what motivates your donors and your prospects' interests and likes better than anyone else, at some point you will be called upon to look outward, perhaps to other similar-sized or type organizations, as one way to judge your program's success. Particularly in down economies, when almost every aspect of the gift planning program could be challenged, looking to others may provide alternative—and possibly better—ways of managing your program. (After all, we are all "guilty" of occasionally borrowing or recycling good ideas which our colleagues around the country employ!) And even in times of lean budgets, experts and consultants are available who can provide feasibility studies—about everything ranging from establishing the size of a campaign, to the number and size of potential gifts likely from a particular constituent group, to the micro-level moves in soliciting your trustees and other insiders. The upside of an independent audit is that you have solid numbers backed by statistics that can substantiate hiring more staff or enabling you to set more accurate goals and projections. The obvious downside is the cost, and possibly some negative feelings by insiders who feel they know their constituents the best.

- *Delegate appropriately*. Enlist the aid of others in getting your message out. Don't turn away help. No matter the size of your program, volunteers can be invaluable. Advisors offer knowledge and expertise that enhance the professionalism of the staff. A peer can encourage a donation by setting an example.

Changing the Office Culture

Change is hard for any organization and people feel better about change when they are invited to be a part of it. An assessment of your program is a wonderful time to engage everyone. Real change will only come with buy-in from the top to the bottom of an organization. However, it is important to look beyond your staff and those you report to. Look to the people you serve. Talk to members of your legacy societies and the colleagues you work with in other parts of the organization. What are they feeling good about? Where do they see improvement or cost savings? A big part of fundraising is involvement. A study such as this is your chance to involve others in determining where your organization is now and exploring where it will be going in the future.

Once you better understand how things currently work in your office and you start to look for ways to improve, don't stop at your own four walls. Go outside of your "silo" and think about the organization as a whole and how collaboration might improve the process.

Is there a meeting being held by someone else or are you chairing a meeting where all the necessary parties have a seat at the table? If you want to be included, don't simply demand to be heard. Begin by demonstrating the value that you add. Introduce major gifts officers to your prospects to encourage annual support for the same or a similar purpose. Share information on gift planning ideas with major gifts officers. Pass along articles and materials that you believe will provide them with a greater understanding of gift planning. Offer to train staff not just on how the various gift plans work but also on how to gather information that will be helpful and how to introduce the subject of a planned gift. Help them to understand what they should be listening for that might suggest gift planning possibilities that will enhance the size and possibly scope of the gift. Provide them with written materials to share with prospective planned giving prospects that introduce you and your expertise.

When you have been asked to provide assistance, make certain that you continue to copy your colleagues. No one enjoys being kept in the dark. Follow the Golden Rule: *Do unto others as you would have them do unto you.* If you aren't a team player, you aren't going to make the team. One key constituency for any gift planning staff to cultivate is the major gifts team. Once these colleague buy in to the fact that "gift planning" is not the ultimate use of the donated monies, but simply a way to get the gift, and once you prove responsible in sharing information and providing added value, your job will be that much easier in that you won't have to waste precious time convincing a colleague that you can assist with their donors. That time can now be more efficiently spent strategizing and actually visiting with donors and closing gifts. A win-win situation for everyone!

Eliminate duplication and look for resident experts. If your daily duties include tasks which you feel might be done better by other people at your organization, meet with those people. Acknowledge that they do it (whatever "it" is) better than anyone else. You may not be able to shift the responsibility to them and your events or publications may continue to be your ultimate responsibility but what can you learn from the experts who surround you that will make it easier for you? Even if you are a one person operation, you have likely attended events run by other organizations that have impressed you in some way. Someone was responsible for planning those events. When you attend what you believe to be a great event, find out who was responsible for the details, contact them to acknowledge their great work, and ask if they would be willing to let you buy them lunch and pick their brain. The ideas are likely not government secrets and they can be so helpful in steering you in the right direction.

Using Matrices to Measure Success

There is real truth in the old adage that *you get what you measure*. We all need to be accountable and the larger the staff, the greater the need for metrics to assess performance, but it is wise to avoid a single measure to evaluate performance. Visits cannot be measured by number alone. Volume does not tell the entire story. It is important to balance quantity with quality.

If you use a goal setting plan or a performance planner, how many of the donors that are visited were included on that plan? What is the purpose of each visit—assessment, cultivation, solicitation or stewardship? Set some guidelines based on averages and provide guidance.

Too much measurement is as deadly as no measurement at all. Some of us have worked in offices where the staff spends more time reporting on their activities than on actually raising money. Let the information that you can easily track dictate your measurements to some extent. Look to the dollars raised, the number of visits, the purpose of those visits, and collaboration with colleagues to judge a staff member's performance and the success of the office as a whole. This is a team effort and team totals are important, particularly when you take advantage of the strengths of the individual team members. Some people are gifted writers while others have a natural capacity to engage donors – not just in general conversation, but to the goal of a successful solicitation. Make certain, however, that everyone is playing a supporting role. A successful team can't continue to rely on one or two key players. When there is more to do than can be accomplished easily, everyone has to contribute in some way to the success or those that carry the load will eventually resent the staff not bearing their fair share. As coaches share with their players: *A team is only as strong as its weakest link.*

We are all judged by some standard of performance and if we manage staff, we will be expected to judge others. When setting new performance expectations, we often look to the standards that other organizations have set. Before you wholesale adopt a measure, it is essential to understand that organization and its constituency and exactly how that other organization is meeting its standards and if, in fact, the standards are being met. Just because an organization sets a performance metric and it's working well for them, it may not be what makes the most sense at your organization.

In order to achieve their fundraising goals, gift planning staff will be expected to visit with donors and prospects. In fact, many organizations around the country use a number of visits as one measurement of productivity and ultimately success in reaching goals. The number can range from 10-18 each month for a front-line fundraiser, depending on other duties, and perhaps less for those with managerial responsibilities. While this may be a useful measurement toward your goals, it is likely more useful for newer employees, those who work for organizations with extensive travel budgets, and those who have a large number of prospects (such as a large university with nation-wide alumni, or a national environmental or social service organization). Travel is becoming increasingly expensive but those personal touches are all-important. But there is a need to be strategic, as money can be wasted if trips are not planned in advance and potential donors are not prioritized.

Regardless of the size of your organization, many gifts can be closed today that 1-2 decades ago were unforeseeable without a personal visit (or two or three). Today, gift planning officers can and do close 5-, 6- and 7-figure gifts solely through email and mail, particularly when the donor chooses to work through his or her advisor. The visits (if at all) usually come after all paperwork had been signed and the gift closed, simply as a form of stewardship and personal thanks—as well as cultivation for a possible subsequent gift!

But consider the true purpose of the post-gift visit—is it to promote additional commitments? If so, is the gift planning officer the best person to make the visit? Could someone who is responsible for programming or your legacy society or who handles the ultimate use of the gifted monies be more effective? Would it be better to invite the person to visit the organization to meet people who will be changed by their philanthropy, if the donor is able to travel and would welcome this generally positive stewardship step?

> One *example* might involve an advisor whose client is a prospective donor with a particular area of interest—say, Alzheimer's Disease research. Your organization might already have received gifts in the past in smaller amounts, but the donor may be willing to consider stepping-up his or her support. You may have been contacted by the advisor (perhaps the advisor is a member of your estate planning committee or was on your planned giving newsletter mailing list and saw your name, or proactively went on your website and found your contact information) with a request for information. It may or may not be part of your role to provide this information yourself, depending on the size of your organization and whether you have colleagues you can work with. Assume you contacted your colleague responsible for research projects to assist you in putting together some information. Perhaps you jointly called the advisor to thank him or her for contacting you, inquired about the potential size of the gift and why that is the area of the donor's interest, and asked at some point to meet the prospective donor. A positive step forward might be to invite the advisor and the donor to tour the lab where the research is underway, and/or speak directly with the doctor responsible for the research. You may or may not be needed at these meetings (undoubtedly you would like to be present, if only to learn more when the next gift situation presents itself) but you can coordinate the steps. All members of this "team" should keep each other apprised of the status. A plan should be in place indicating who is responsible for which steps, and a tentative timeline of steps should be created and followed.

How do you decide who should be seen and when a personal visit makes good sense? Any time you can visit someone in person to acknowledge their generosity or to encourage them to support your cause, it is a good thing. But time and money are not limitless and you must establish priorities. You must determine the best use of your time and—if you are a manager—each gift planning staff member's time.

One decision managers face, for example, is how much—if any—of staff's time will be allocated to the proactive search for planned gift prospects, and how much will be devoted to being reactive to donor inquiries. Those who maintain a *proactive approach* must devote some of their time and energy to data mining, looking for the best possible prospects. They will likely spend some time making cold calls. They identify and then assess a larger number of prospects with a goal of identifying a few promising donors.

> One *example* of this in health care institutions and hospitals is the so-called "grateful patient program", which typically involves fundraising staff visiting with patients while in the hospital or in treatment, usually after some data mining demonstrates a higher level of assets or income, translating into the ability to make a gift. Other organizations may look to past giving to the institutions, high job titles, and other indices of connection and wealth.

A reduced budget and less manpower have forced many offices to adopt a *reactive approach*. They are relying on leads generated by others including major gifts officers and office publications. They are not making assessment calls. The most successful programs have combined this approach with increased training. The goal is not to make other staff members gift planning experts, but rather to help your colleagues know what questions to ask and what clues to listen for as they make those initial contacts with prospects.

Whether you take a proactive or reactive approach to the process of gift planning, the real key is to provide thorough, accurate and timely information to your prospects. The most successful gift planning offices find a balance of the proactive and the reactive, in a mix particularly unique to the organization and its constituents.

> One *example* of this mix is using your own information shared by donors in your marketing materials in an effort to gain inquiries. So if several gift planning donors cite as a reason for making a gift an appreciation for the good care received directly or by a family member, those in health care institutions might create a profile (a testimonial) to use in marketing materials which will hopefully invoke those same positive feelings in recipients of the materials. At a college or university you might profile and use quotes from an alumnus who made a gift in honor of a 25th or 50th reunion year, and place these materials in the packets sent to others who are also celebrating the reunion as inspiration and encouragement to consider doing the same. If the recipients of these testimonials are moved to action and return a response card or call you for more information, you have successfully used the mix to generate a qualified lead. When you visit with that prospect in follow-up, you can maximize your travel budget by reaching out to suspects in that same geographic area.

A final note about measuring success: there are both objective and subjective ways of measuring the success of a gift planning program, particularly in your first couple of years in a gift planning office. Improving efficiencies from one year to the next—for example, receiving less (time-consuming) responses to marketing pieces but ending the year with an increased amount of gifts—is one measure. Another measure is activity in the form of being invited to speak for the boards and committees where the organization's top decision-makers (and perhaps donors) invite you to share some gift planning techniques.

A third and quite fulfilling but qualitative measure of success—which seems to occur around year three at an organization—is when prospects, donors and your colleagues begin to call you, rather than you having to reach out to them. Although at first glance this would appear to be reactive, it is actually a result of your cumulative and proactive work and efforts, and a sign that your function has been established and has become a critical part of the larger fundraising team.

What Really Matters—the Visit or the Relationship?

Clearly with the need to focus on the closure of new gifts, there will be years when stewardship visits will not occur. However, a visit is not the only way to steward an existing donor. Set aside time on a regular basis to reach out to those that you will not have time to see in person. The call "agenda" is simple: address what you would normally discuss in person. Apologize that your budget will not allow you to visit in person this year. Let them know that you

will miss seeing them. Learn what is new in their lives and describe what has been happening at the organization. Place the call when you believe that you are most likely to find the donor at home or in the office.
While you will generally speak with just one party, don't ignore the other half of a couple. When you finish the call, write a short note to the couple acknowledging how good it was to catch up with the person with whom you spoke and how much you would have enjoyed speaking to the other. Note something of importance from the call that lets them know you were present in the conversation. Include your card in case they want to speak with you before you next get the chance to see them. And above all else when on the phone and later in your note, thank them for their continued support!

In the interim until your budget enables a visit, or your donor travels to your area (perhaps for a reunion or some type of service or celebration) or you make a subsequent phone call, send birthday and/or holiday cards, or—if you have the donor's email address—an email, simply to keep the lines of communication open. And trust your intuition—if a particular donor comes to mind one day as you are transitioning from one project to another, pick up the phone and call the donor or send an email and mention you were thinking about the donor. Remember to acknowledge the milestone events in their lives—anniversaries, the 10th gift, or fulfillment of a pledge.

People give to people, and so relationships (improved through visits when possible) are key to maintaining revocable bequest commitments as well as obtaining new gifts. Many times when gift planning staff is called in, a relationship already exists between one of your colleagues and a potential gift planning donor. What should you do? In gift planning offices both large and small, a key role of a gift planning staff member is usually one of liaison to other staff. It is essential to determine precisely what your role as liaison will be. You are not there to replace the major gifts officer but to broaden the donor's connection to your organization.

At some organizations the liaison accompanies the staff member on all visits, including visiting ill or infirm donors, and prospects both new and quasi-engaged. In other organizations the gift planning officer is only called in when the topic of a planned gift arises—usually at the donor's urging (and in some cases from having received a gift planning marketing piece). Personal introductions are helpful but a letter of introduction indicating the clear purpose for the gift planner's involvement may be even better. The gift planner's expertise can be described and the meeting will have a clear objective. Nothing is more frustrating than sending two staff members to visit with a donor only to learn that they sensed that now was not the time for the discussion.

It is never good form to surprise someone with an uninvited guest, so when you propose a meeting, it is wise to send a letter (or email) of introduction referencing the history of your conversations to date, proposing a meeting, establishing the gift planner as an expert, and setting the agenda.

The following is a *sample letter* you can adapt for your colleagues to use in this situation:

> Dear Mrs. Jones,
>
> When we last met, you mentioned that you would soon be updating your estate plan and that you wish to include a provision for [XYZ charity]. Thank you, again, for thinking of us. We have spent most of our time discussing how you would like this generous future gift to be used. My colleague, Sally Smartpants, will be in your area next month on [XYZ charity] business. Sally is a senior staff member whose focus is to assist those who, like yourself, want to include a bequest in their wills. I have worked with Sally in the past with other donors, and she has been very helpful.
>
> I have taken the liberty of sharing your name and phone number and intention to include a gift in your will with Sally, and she will be contacting you. She would be a great resource to you and to your advisor(s) in designing specific language to help you achieve your goal, as well as to answer related questions about bequests, our honorary legacy society, and the steps necessary to finalize your gift. I would be pleased to make myself available by telephone if the two of you are able to meet, in case any questions arise about the use of the proceeds.
>
> Thanks again for your generous intentions. Since I am not available to travel to meet with you at this time, I feel confident that you will enjoy Sally's company and find her to be both warm and

> knowledgeable. I look forward to continuing to work with you as part of a team to help you to achieve your charitable goals at [XYZ charity].

Your colleagues can provide this same referral through a phone call or email. The object here is to establish your purpose in this relationship. When you have assisted the donor by answering an immediate question or when the gift is closed, it is just as important to close that chapter of your relationship and reestablish the major gifts officer's role, but to also acknowledge that you are always available to them should they have additional questions. And, if a part of your responsibilites will not be the ongoing administration of the gift on behalf of your institution, let them know who does handle that and what they might expect in terms of performance. This will likely be foreign to them and their comfort level will increase if they know they have someone to call when things aren't going as they might expect.

You Don't Have to Do it Alone! Tapping Volunteer Resources

Presumably, others who care about your organization, both paid and unpaid, can assist you. However, some will need your guidance to truly be of help (rather than increase your workload). If you can tap their expertise, not only will the volunteers feel fulfilled, but you will do more with less.

A one-person gift planning office might, for example, tap members of an estate planning committee or a planned giving advisory board to host meetings and make presentations to key groups of prospects, including current donors, prospective gift annuitants, and volunteers. Their willingness to serve (and in the authors' opinion many estate planning committee members in particular join so they can share their expertise and will "un-join" if they don't feel needed) saves staff time and preserves budget dollars for other functions that cannot be delegated.

Gift planning staff can also reach out to deans, doctors and other leaders at the organization to become "ambassadors" for the cause. Some organizations are fortunate to tap famous persons to promote their missions.

> One *example* of an innovative way to recognize some ambassadors while hopefully also moving some well-qualified prospects along is to forego the usual "estate planning seminar" with its attendant expense and usual poor turnout, and instead to hold a recognition and educational event for, say, hospital volunteers. They are recognized as important ambassadors for the hospital, while reminded how other ambassadors were able to achieve dreams and support the same good cause through a variety of gift methods.

Once a key dean, doctor, trustee or volunteer makes a planned gift, ask the donor if he or she can be profiled so that you can share the story on your website and in your written materials. Not only can this be done in a flattering way to the donor, and provide the donor with an opportunity to share the publication with his or her family and friends (this itself is great stewardship!), but the profile can also be strategically shared with the person's contemporaries. The best results come when the donor's colleagues ask the donor—rather than you—for some details, enabling the donor to explain what inspired the donor to make a gift, how the donor funded the gift, and the time and steps involved in the donor's own simple language. Volunteers appear more open to hearing this message from fellow volunteers than from a paid fundraiser, no matter how talented and personable the fundraiser is.

Smaller shops in particular can tap the expertise of the companies and vendors they work with. These would include your contacts at a software provider, companies that handle your marketing and web products, and your gift planning administrator (examples include PG Calc, Pentera, Kaspick and PNC Bank). These organizations often have legal and senior staff, many of whom were once fundraisers, who can answer your questions, provide content and samples for your letters and newsletters, profile your donors, and offer webinars and other training alternatives, saving you both time and money.

What Are the Most Successful Organizations Doing?

We all want to be successful, and maintaining our jobs may require we meet annual goals. Here are some suggestions from those in successful gift planning programs:

- *Successful gift planning programs set goals and have strategic plans*. These plans usually involve an overall plan for the current year, perhaps even a multi-year period. The next level of strategizing could be to devise a marketing plan, a strategy for your legacy society (anticipated growth, steps to take, events to plan), and a strategy that involves achieving goals set, perhaps by each type of planned gift. Finally, strategies can be created, likely with your major gifts colleagues, for individual donors. A good plan begins with identifying your market. The rule of thumb is that 80 percent of the gifts will come from 20 percent of your donors. So, who are your 20 percent? What do they have in common? Don't forget to factor in past marketing efforts or internal policies that may influence the results.

- *Successful gift planning programs have a communications plan*. One idea for improved communications is to start with a subject calendar. Build your marketing, travel and staffing around the message. No one wants to face their own mortality at the holidays. On the other hand, people are anxious to review and finalize their estate plans when they approach vacation travel. Most charitable organizations experience an upsurge in activity in November and December as people make their final decisions on gifts that will affect their taxes. And for charitable gift annuities, March and October are also very busy. Did you know that more certificates of deposit are funded in those months than at any other time of the year? Gift annuity donors love the security of fixed income just as those who invest in certificates of deposits do. To reduce costs, successful gift planning offices segment the audience for each subject, while at the same time convey the message that the particular option is simply one of several ways that one might consider supporting the organization. They use predictive modeling to reduce the size of the mailing without reducing the response rate. Additionally, organizations report the increased use of electronic communications—not just to prospects and donors but also to internal staff. Information is power and getting information to staff electronically is a critical first step to elevating the performance of the whole team. Everyone on the team becomes an insider. They are better informed and therefore better able to provide accurate and timely information to the donor constituency. Of course, with this communication method comes an expectation of quick turnaround responses and responses at all hours of the day (and night).

- *Successful gift planning programs use volunteers wisely*. Once you have an idea of the messages you wish to focus on, consider engaging a volunteer to help write or review the copy. An attorney, financial consultant, former staff member, even an intern may be knowledgeable enough to begin drafting something you can edit. Have them review what you have used in the past and offer an alternative way of explaining the concept. Consider adapting the message for multiple uses: the email blast, ad copy, a quarterly letter, a newsletter, even a list of frequently asked questions to share with major gifts officers or volunteers. Don't hesitate to ask your bosses, staff assistants, prospects you meet for lunch, members of your estate planning/planned giving advisory committees, and consultants to review letters, website articles and other written materials.

- *Successful gift planning programs constantly self-evaluate.* Be your own best (or worst!) critic—include yourself on your mailing list. Pay attention to how you feel when you return home from a long day and get a piece of mail from your organization (your mailing!). How do you feel about the way it is addressed? Does it look appealing? Would you rush to open it or throw it on "the pile"? Do you open your mail over the garbage can as marketing experts tell us many do—and would your mailing survive the cut? When your newsletters arrive—the ones you are proud of and took many hours to put together—take one and sit across your desk in the "guest" chair, and read it as a *recipient*. How do you feel and what do you pay attention to? Are there enough pictures and white space? No matter how much time you spend editing before it is mailed, sometimes these important factors are not as evident when you prepare an issue as they are when you read it knowing that you have just mailed this to 1,000, 10,000 or 35,000 others!

- *Successful gift planning programs are focused*. Gift planning staff know to put most of their efforts into the so-called "bread and butter" of gift planning: bequests. Bequests continue to be the largest and most common planned gift. Many organizations benefitted during the recent economic downturn from bequests that had "ripened" from efforts of prior gift planning officers. In fact, those bequests were a wonderful way to support the need for the gift planning staff. Celebrate each bequest as it is received, as this is when everyone will clearly be able to see the benefits of the gift planning office and staff.

- *Successful gift planning programs spend precious dollars wisely*. If you have any money to spend on a printed piece, we recommend creating a piece describing how to include your organization in a donor's will. That same information should be offered in a number of forms with the format that is returned dependent on who is asking the question and why.

  An *attorney* looking for information to finalize the donor's will needs to know how to properly identify your organization. He or she is seeking the legal name of the organization and perhaps your contact information. Attorneys are most concerned with accurate and timely information, so consider developing a one page sheet that can easily be faxed or emailed. (Save the color print, it is hard to fax and doesn't print well on the printer's that most offices use.) While you may want to mention your legacy society and encourage the attorney to identify the client so that the client may be appropriately recognized, the real objective is to get the bequest in the will. If your institution allows designated gifts, you might provide the attorney with information on how the gift might be used. If you are in a campaign you might mention the possibility of recognition or inspiring others by allowing their commitment to count in the campaign. After sending the immediate material requested, you can follow up with a letter thanking the attorney for the inquiry, and enclosing additional materials that the attorney can share with the client.

  A *long-time donor* to your organization who wishes to include a bequest in his/her will already supports your organization's mission and is familiar with at least some aspects of your organization. This person needs information that they can provide to their advisor. A letter to this donor in response to a request for information might include your glossy brochure that goes beyond the nuts and bolts of how to identify the charity in the will. The brochure will include pictures that remind them of the organization and the purpose it serves. They deserve to be thanked in your cover letter for their past support and for considering a bequest to your organization. Your goal might be to identify the specific interest they have in your organization and the area to be benefitted or the story behind the donation (perhaps for future use in a profile for your newsletter or website). This donor might appreciate learning about membership in and benefits of a legacy society. This donor may be open to ideas about other ways to make a gift, including life income gifts.

  A *prospect* who has not made a gift or who only made a few gifts and/or small gifts but who is considering a bequest may appreciate information about the organization's mission and key areas of support. This prospect may need the specific language and more prompting, may or may not have an attorney (or may ask you for a referral), and may require more time and effort to close the gift. These are the gifts that front-line fundraisers tend to be most proud of, because you have walked with a person from prospect-to-donor status and stature.

  Of course, you always let the person making the request – the advisor, donor or prospect – dictate the time line for receiving the information ("I need this language by 3:00 today when I meet with my attorney.") and the method ("Can you just send me the language by email?").

- *Successful gift planning programs have learned to save money when it does not compromise the delivery of the message*. To save dollars many gift planning offices have abandoned the traditional newsletter or have limited the newsletter's publication to one or two times a year. Others have reduced the number of recipients. Some organizations have discovered cost-effective means to communicate the same information. They have featured stories of planned gifts in their general publications. This is particularly effective for mature programs where the focus can be on realized gifts and the impact that someone has made on your charity. Many organizations have gone paperless. Information sharing, registration for conferences and programs and news is all shared on-line and/or via email. Each organization needs to determine whether this is feasible with its gift planning prospects, keeping in mind that the audience in any one organization can vary widely—from the 40 year old targeted for the simple bequest or deferred gift annuity—to the 80 year old we want to encourage to consider a charitable remainder trust or a charitable gift annuity. For those who are considering an e-newsletter, the benefits include much lower costs as well as the ability to track what particular stories your readers are focusing on and where they go from your e-newsletter. Do you have a crtitical mass of email addresses or a means to begin to collect that data? Are you adjusting your communications style to reflect the format? There are things to consider including the time of year and even the time of day that the email will post.

- *Successful gift planning programs do not share budget woes with donors*. This doesn't mean that the donor should not be made to understand that money is tight and that hard choices have to be made. Planned gifts provide long term support. It is the rare donor who is willing to take a chance on an organization that has not proven that it will be there for the long haul. Resist the urge to paint a picture of an organization that may soon cease to exist. Also note that in our experience, many planned giving donors are by nature thrifty, and will tell you how much money you are wasting in sending them a printed newsletter, taking them to lunch, and even sending an occasional token gift!

- *Successful gift planning officers are not afraid to be creative and innovative but they don't discount the tried and true*. Those we surveyed indicated a re-focus back to the basic building blocks of "fundraising 101": focus on donor contact, emphasize bequests, include gift planning messages in annual mailings and charitable publications, create targeted ads, use newsletters and e-newsletters, increase selectivity and scrutinize expenses. Respondents also contracted with gift planning vendors when the return appeared to outweigh the costs, and increased staff trainings to leverage at least some level of gift planning expertise and to expand the outreach. When asked for innovative ideas, survey respondents' suggestions included: adding a personal column (and picture) to newsletters—with the purpose of strengthening the relationship with donors in the absence of more frequent personal visits; using e-blasts to send key messages to select groups of constituents at a relatively cheap cost; making simple and short board presentations (one respondent called this a "Planned Giving Minute"); using PURLs (personal URLs which can be tracked); posting and making use of LinkedIn and other social media; and contracting with a company which calls the organization's most loyal donors in an attempt to gain new bequest expectancies.

- *Successful gift planning officers know what types of planned gifts are closing at any given time*. Before the real estate bubble burst, many donors were being asked to consider funding their planned gifts with appreciated real estate and at that time, anyone proposing such a gift had to have an understanding of the institution's policy on accepting a gift of real estate outright or in trust, and if it was accepted, what information should be gathered in due diligence. To avoid setting unrealistic expectations, they also needed to understand what types of gifts could be funded with real estate. Last year, many saw an increase in life income gifts funded with cash. To take advantage of this opportunity, a sophisticated program would hone the skills of the major gifts officers in helping to identify these types of opportunities and the technical skills of those in gift planning who will close the gifts relative to this possibility. Bequests are always popular. It is therefore critical that every major gifts officer understand the basics of estate planning and carry specific information on how to make a bequest to your institution in their briefcase just as they should carry a blank pledge form.

- *Sophisticated gift planning programs understand that it is less expensive to maintain a donor than to engage a new one*. Provide good stewardship. Contact the donor six months after the life income gift is established to see how things are going. Is the donor experiencing any difficulties? Is he or she receiving their checks or direct deposits on a timely basis? Be certain that the donor has been thanked and that there is a stewardship plan in place to continue long term cultivation and stewardship.

- *Sophisticated gift planning programs leverage internal and external partnerships*. Some actually sign contracts with their major gifts colleague outlining the responsibilities that each party will have in the donor relationship. They provide meaningful opportunities for volunteers to serve the organization and avoid establishing committees that serve no purpose.

- *Sophisticated gift planning programs use a balanced scorecard to evaluate the performance of the program and the staff members*. From a program perspective the scorecard should measure: the financial value the planned giving program adds to the institution in terms of current and future gifts; donor satisfaction; and how the gift planning staff is contributing to the realization of general fundraising objectives including the number of quality visits, and the identification and assessment of new prospects. It should also evaluate ways in which the program continues to improve. Is the program generating new types of gifts or encouraging donors to fund gifts with new asset classes? The same approach can be applied to measuring the performance of individual gift planning officers with the goal of measuring not just the quantity of work produced but the quality.

So Are Gift Planning Offices More Efficient?

It seems that everyone has had to tighten their belts and truly do more with less, but has this belt tightening forced us to be more efficient?

Some survey respondents reported more efficiency—less staff was somehow getting the same amount of work accomplished, and with the lean job market, staff remained in positions longer, creating a more experienced slate of gift planning officers. Creating and then focusing on clear goals and following strategic plans also made some offices more efficient. Having less time to create letters and other marketing pieces from scratch may mean recycling a prior letter.

> For *example*, your organization may market your charitable gift annuity program in the fall and spring each year, recognizing that these are key times that prospects might be receptive to the message. You could certainly take the time to re-write a letter from scratch each season. An alternative is to start with the charitable gift annuity letter you created and mailed last fall, but this year include an inspiring donor quote, a new example using donors of different ages or a deferred gift in lieu of a current one, change the ages on the chart you imbed in the letter, and/or perhaps add an eye-catching “PS” at the bottom with a timely message.

Some survey respondents reported less efficiency. Change is difficult for most people and the uncertainty of the current economy has destroyed morale, causing a decline in productivity. With the elimination of personnel, employees are being asked to serve in roles and to perform duties that they feel ill-equipped to handle. How many front-line fundraisers now function without a secretary or an assistant to manage all of the administrative tasks that eat up valuable time? How many gift planning staff have to fax their own documents and prepare their own envelopes to send gift illustrations in the mail? How many of us plan events without event staff? Many of these tasks could be performed at a much lower cost by someone else, and the time we spend on these tasks takes us away from the key tasks of a front-line fundraiser: forming relationships with prospects and turning them into donors. Less available time means less time for personal visits. And who can say where that phone call you didn’t have time to make would have lead?

Gift planning offices that seem to have maintained a sense of purpose and direction attribute much of that feeling to open communications among staff, for example where layoffs were strategic and not across the board, or where salary freezes were prefaced with an open dialogue about what the employees’ sacrifice would mean to the overall operation in terms of jobs saved or a greater fulfillment of the charity’s mission. And while recognition and reward may be different, recognition of effort remains crititical. It takes only moments and costs nothing, but a manager’s recognition of efforts and a well-timed comment (“Good job!”) can make staff feel needed and provide strong incentive to continue to be a productive member of the team and the larger organization.

In Summary

Regardless of what the future holds, your gift planning office can follow some of the foregoing suggested best practices to become more efficient, and embrace the opportunity to leverage others' time and talents to create the best team possible, all of which will lead to more success over time.

Big Hat – No Cattle: How to Effectively Structure a Planned Giving Team

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[Attached Exhibits A, B and C]

Exhibit A

Profile of Arthur X
(date)

Arthur X is a husband (of over 50 years), father of four and grandfather of nine, a Navy veteran and an entrepreneurial businessman. He spent his career working in the textile industry, and currently is President of XXXXXXXXXXX, where he consults in areas of corporate planning, mergers and acquisitions, patents, investments, licenses and leases.

Arthur is loyal to two charitable organizations: XXX University—where he serves as an Adjunct Professor, earned his BS degree and an honorary Doctorate of Laws, was named a Distinguished Alumni in 2002, and is an honorary Director of the XXX University Foundation, and North Shore-LIJ—where he is an Honorary Trustee, Past Trustee and Member of Executive Committee, and Founding Chairman of the Board of Directors of the Feinstein Institute for Medical Research.

Arthur decided to benefit his two favorite charities by designating each one as a 50% beneficiary of a sizeable life insurance policy. “Life insurance has always been a good gift option,” he shared, alluding to the leveraging effect of paying a smaller amount in premiums than the higher amount eventually received in death benefits. “When I have money to give, I support North Shore-LIJ and XXX, and I do so because I have been involved for many years.”

Arthur knew Irving Wharton (one of the namesakes of the Payson Wharton Legacy Society) and worked together with him and others to build the health system into the large and successfully functioning charitable organization that North Shore-LIJ is today.

This profile can be used as drafted:

____________________________________ ____________________

Arthur xxxxxx Date

Exhibit B

The Pennsylvania State University
Office of Gift Planning
University Park, PA 16802
Tax payer ID: 24-6000376

Making a Bequest to Penn State

Thank you for considering a bequest to Penn State. To ensure that your goals are met, it is very important that a bequest be correctly stated in your will. At your request, Penn State's Office of Gift Planning will provide you with the correct language to help you make your bequest. We offer this confidential service to you at no cost and without obligation. If the gift is to be for the unrestricted use of the University, the following language may be used:

"I give The Pennsylvania State University, University Park, PA 16802, [the sum of $_______] or [_____ percent of the residue] to be used by that institution for its general purposes."

If you wish to specify how the University is to use your bequest, we would be happy to assist you in preparing a Statement of Intent to outline your wishes. A Statement of Intent is simply an agreement between you and the University outlining how Penn State will use monies if and when they are received. Our benefactors have found this an attractive alternative to including the specifics related to the use of the bequest in their estate planning documents. A Statement of Intent can be easily modified if your interests change, without the need to redraft your will or prepare a codicil. If you elect to use a Statement of Intent, the following language may be of help to your advisor:

"I give The Pennsylvania State University, University Park, PA 16802, [the sum of $_______] or [_____ percent of the residue]to be used by that institution according to a Statement of Intent previously agreed to by the University and me as the same may be amended from time to time."

It is advisable to share your plans with the University, especially if you would like to designate how Penn State is to use your bequest. The information will remain confidential, and you can be certain that Penn State both understands and will honor your wishes. Further, the University always appreciates the opportunity to acknowledge the generosity of its benefactors.

While we understand that your estate intentions are revocable, by naming Penn State as a beneficiary of one's estate, you qualify for membership in our George W. Atherton Society. This recognition society was initiated in 1993 and honors those who have made a planned gift to the University. George Atherton was the University's seventh President. His remarkable vision charted the course that led to the continued growth and distinction that Penn State holds today. As a member of the Society, you join others who embrace Dr. Atherton's standards of excellence, leadership, and generosity.

Patricia L. Roenigk, Esq.

Director, Individual Gift Planning

The Pennsylvania State University

214 103 Building

University Park, PA 16802-7001

Phone: (814) 863-6729

Toll Free: 1-888-800-9170

Fax: (814) 863-6731

Email: plr4@psu.edu

Exhibit C

The Pennsylvania State University
Office of Gift Planning
University Park, PA 16802
Tax payer ID: 24-6000376

Naming Penn State as the Owner and/or Beneficiary of an Insurance Policy

Thank you for considering naming Penn State as the owner and/or the beneficiary of an insurance policy. Most insurance companies have standard forms for naming Penn State as the owner or beneficiary. If you would like, we can assist you in obtaining and completing those forms. You will need the University's full name, address and Taxpayer ID number to prepare the form. They are outlined above.

There are a number of ways to structure a life insurance gift. The University will accept transfers of ownership of existing life insurance policies. If premiums remain to be paid, the donor must agree in writing to give sufficient funds annually on a timely basis to the University in order for it to pay the premiums, or the donor must agree to pay the premiums directly. We will make an application for insurance with the donor where the University will be the sole owner and beneficiary, but the University will not undertake to secure insurance on the life of a donor nor otherwise at the request of a donor, nor will it accept ownership of policies that are subject to a loan or in connection with a "split dollar" or similar arrangement where the proceeds are to be divided between charitable and non-charitable interests.

If you name the University as the owner of an existing insurance policy, you are making an irrevocable gift to the University of that policy. The University reserves the right to cash in a policy or take other actions available to the owner of a policy at any time. You will be entitled to claim an income tax deduction for the fair market value of that policy. If the income tax deduction that you hope to claim for the policy is greater than $5,000, that value must be established by a qualified appraiser who will be required to sign a summary appraisal to be filed with your income tax return.

If you prefer to name the University as the beneficiary but retain the ownership of the policy, you will not be entitled to claim a charitable income tax deduction, as you as the owner will have the right to change the beneficiary at any time.

To ensure that your goals are met, it is very important that the University be correctly identified on the beneficiary or change of ownership form and that the University understands exactly how you want the insurance proceeds to be used if and when they are received. Many donors leave the decision on use to the University and if that is your preference, please be assured that we will utilize your gift wisely. Others do wish to be more restrictive.

If you wish to specify how the University is to use your insurance proceeds, we would be happy to assist you in preparing a Statement of Intent to outline your wishes. A Statement of Intent is simply an agreement between you and the University outlining how Penn State will use monies if and when they are received. Rarely does the beneficiary form provide sufficient space for an individual to disclose their full intentions. Our benefactors have therefore found the Statement of Intent to be very helpful. A Statement of Intent can be easily modified if your interests change, without the need to redraft your beneficiary form. If you elect to use a Statement of Intent, it would be helpful to reference the Statement in your beneficiary designation.

If space permits: "The Pennsylvania State University, University Park, PA 16802, to be used according to a Statement of Intent previously agreed to by the University and me as the same may be amended from time to time". Or alternatively: : "The Pennsylvania State University, University Park, PA 16802, to be used according to my Statement of Intent."

It is advisable to share your plans with the University, especially if you would like to designate how Penn State is to use your insurance gift. The information will remain confidential, and you can be certain that Penn State both understands and will honor your wishes. Further, the University always appreciates the opportunity to acknowledge the generosity of its benefactors.

While we understand that your intentions may be revocable, by naming Penn State as a beneficiary of an insurance policy, you qualify for membership in our George W. Atherton Society. This recognition society was initiated in 1993 and honors those who have made a planned gift to the University. George Atherton was the University's seventh President. His remarkable vision charted the course that led to the continued growth and distinction that Penn State holds today. As a member of the Society, you join others who embrace Dr. Atherton's standards of excellence, leadership, and generosity. If your gift is irrevocable, you may be entitled to other University recognition in addition to the Atherton Society.

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