UNLEASH THE GAME-CHANGING POWER OF PLANNED GIVING AT YOUR NONPROFIT

A How-to Guide for Small- to Mid-sized Charities That Want to Make a Bigger Impact With Their Fundraising

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PLANNED GIVING ACCELERATOR™

Most financially successful nonprofits aren't funded exclusively through annual giving programs or foundation and government grants.

Instead, they rely on a secret weapon: Planned Giving.

These savvy nonprofits have learned that they can achieve long-term, diversified financial strength through planned gifts — primarily bequests left in the wills of generous donors who believe strongly in their work.

And here's the good news: yours can, too.

If you manage a small or mid-sized nonprofit, just one planned gift can fundamentally change your financial trajectory. Even better, if you devote sufficient time and energy to building and marketing a Planned Giving program, you can begin to accrue multiple gifts that can help support your work for decades to come.

That's because bequest gifts don't come in two- and three-digit amounts.

The average charitable bequest is around $36,000 — and can run much higher.

I've worked with nonprofits that have received commitments — and gifts — in the millions. But 5- and 6-figure bequests are quite common.

That can be a real game changer for your nonprofit.

Unfortunately, many organizations shy away from creating Planned Giving programs (I hate that!), partly because they typically don't yield results for years, if not decades.

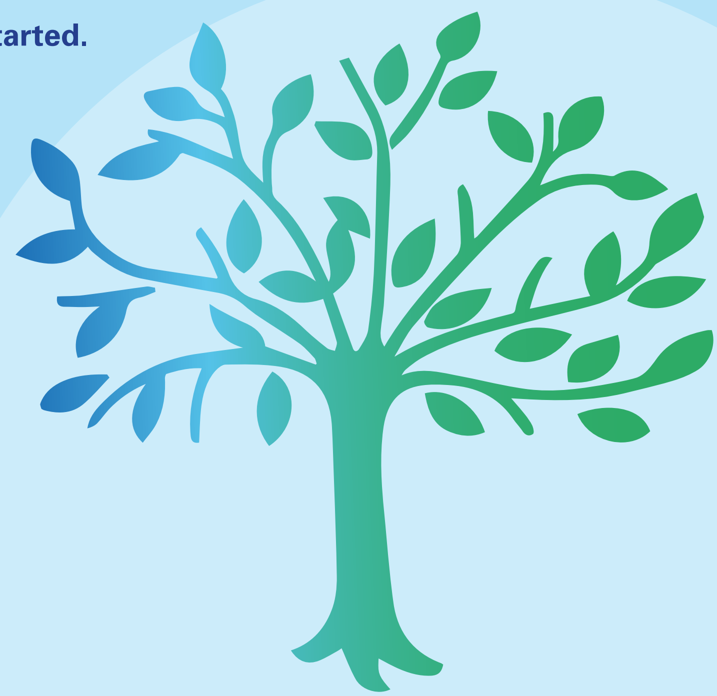
But if you're looking to build a strong, financially sustainable nonprofit, now is the time to create your Planned Giving program.

With this guide, you'll have all the tools to get started.

It's not difficult to build a successful Planned Giving program. And it doesn't require a major investment.

But to do it well, you need to develop a plan — and you need to practice discipline.

I'll walk you through what it takes to create your plan using tactics I've used successfully for decades. The rest is up to you.



ARE YOU READY?

While Planned Giving should be part of the fundraising toolbox for most nonprofits, not every organization is ready.

To determine your readiness, consider these two questions:

1. Is your nonprofit at least five years old?
Before you can ask your supporters to make a planned gift, they need confidence that your nonprofit will outlive them. This is difficult to achieve if you're relatively new. Once your organization proves it has staying power, you're in prime position to start attracting planned gifts.

2. Do you have consistent donors who are 55 and up?
Most donors don't think about planned gifts before they reach their mid-50s, so you need to have a decent number of donors who are 55+ before you launch.

Meet the Ideal Planned Giving Prospect

Your ideal Planned Giving prospects are typically age 55 and older. That's the age at which people get serious about including charities in their wills.

To be sure, many of us create our wills long before our mid-50's, but those earlier wills aren't likely to include charities. It's later in life when we start thinking about our will as a vehicle for giving back to the organizations that have meant the most to us.

Your ideal prospects are also consistent supporters of your organization.

Many times through the years I've looked at the giving histories of donors who have told our clients they're included in wills, and I'll see they've made annual gifts as small as $5 and $10 gifts for decades, often many per year. Loyal donors like that are always thinking about your organization — always planning for you — and they're the best prospects for a planned gift by will.

Finally, these donors should have given consistently without a quid pro quo. Exclude those who are solely golf outing donors, gala attendees, theater night patrons and the like. You want the donors who consistently give purely out of a love for your work. And they're giving from their own pockets, not their employers' (matching gifts excepted).

These needn't be major donors. For bequest marketing, consistency is much more important than gift size. If you're an organization just 10 years old with people who have made a gift of any size in seven or eight of those years, they're ideal prospects for a gift by will.

I've seen the commentary that folks in their 20s, 30s and 40s express interest in planned gifts. However, I'm not convinced that those gifts — if the interest converts — will remain in those wills for 60, 70 or 80 years. Donors' charitable priorities evolve. So I recommend that you focus your program (at least while you're starting up), on the donors most likely to keep your bequest in their will. Of course, you'll need a few other conditions in place to help — namely leadership and a board that supports your Planned Giving efforts. You will also need the discipline and commitment to stick with your Planned Giving strategy over time.

TAKEAWAY #1: Planned Giving is not only for your major donors. Small lifetime donors often make 5-, 6- and 7-figure planned gifts.

But I've found that any nonprofit with a consistent and mature donor base — and a bit of a track record — has the necessary ingredients to build a successful Planned Giving program.

Now, let's talk about how you can turn those ingredients into a winning recipe.

WHERE TO START

Many nonprofits hold Planned Giving at arm's length because of its perceived complexity. I hate that, too!

Sure, there are a number of different Planned Giving vehicles, some of which appear to require an advanced law degree to decipher. But you're not at that stage.

Starting your Planned Giving program isn't difficult and doesn't require expertise.

I strongly advise you to start simply. Rather than trying to market hard-to-understand methods like charitable lead unitrusts (you don't want to know!), encourage your donors to make a simple bequest.

TAKEAWAY #2: You can have a very respectable Planned Giving program by solely promoting gifts by will. You needn't go further.

In other words, you want to encourage them to leave some money to your organization in their will.

Here's why:

- Everybody needs a will.
- People understand them.
- There is no lifetime cost.

There's a reason why bequests are the most popular planned gift, by far. Even the largest Planned Giving programs in the U.S. at major universities and hospitals are at least 75% bequests.

Bequests don't require a ton of expertise to complete — or a lot of explanation.

Your donors simply include provisions in their wills to give some portion of their estates to your organization — and they don't even need to tell you that they've done it. Though you should encourage them to, so you can thank them.

That's it. That's all you're asking them to do.

A Sample Bequest

The wording for a bequest in a donor's will is often quite straightforward.

Here's a sample:

I hereby give, devise and bequeath to <your legal name>, or its successors in interest, with offices at <your address>, federal tax ID <your tax ID>, the sum of $X (amount written out), exclusive of my lifetime donations, if any, to be used for <your legal name>'s most urgent priorities as determined by its board of trustees in their sole discretion.

Going Beyond Bequests—If You Choose To

If you want to get a bit more sophisticated with your Planned Giving offerings, you do have a number of other accessible options you can promote with relative ease because they do not require in-house expertise. (I'm one of the few attorneys who will tell you that you don't need an attorney.)

But when you're starting out, it's not wise to get too fancy — other than to be aware of the fact that there is one common type that you might get questions about: **Beneficiary Designations.**

Your charity can receive a gift from any financial asset that has a death beneficiary feature.

The most common example is life insurance. If a policyholder (your donor), names a nonprofit as a beneficiary, the nonprofit will get its share of the policy's proceeds (i.e. death benefit), when the person dies.

You can also attach beneficiary designation gifts to:

- 401(k) and 403(b) retirement plans
- Individual Retirement Accounts – including Roth, traditional, SEP, and SIMPLE
- commercial annuities
- checking and savings accounts
- brokerage accounts

As noted above, I wouldn't devote too much time to marketing this option — at least a first. But it's nice to have this knowledge in your back pocket, in case you ever need it.

MARKETING YOUR PLANNED GIVING PROGRAM

Most of your donors won't think to include your organization in their wills unless you ask them.

So ask.

And be multichannel about it.

This means that you want to use a variety of mediums — your website, direct mail, email, social media, and multimedia — to market your program.

It starts with your website, where you should have a page that explains how donors will further your long-term work and how easy it is for them to make a legacy gift. Include information about Planned Giving in your other communications channels — including your print and digital publications, email appeals, annual report, and events.

Website Do's and Don'ts

Here are some best practices for the Planned Giving page on your website:

- Include a web-appropriate paragraph or two that speaks to the value and impact of a long-term gift to your organization.
- Feature a pull quote from a bequest donor — or from your CEO or executive director if your program is new.
- Provide an example of a bequest
- Encourage folks to share the sample bequest with their attorney
- Provide information about who to contact for more information. Very few people will call, but it's helpful to provide an email address and phone number where people can reach out to start a conversation and ask questions.

And here's one important thing to avoid: Planned Giving calculators.

If you want to make Planned Giving accessible and show how easy it can be, avoid creating tools that make it more complicated than it needs to be at this stage.

Supplement your website with direct mail appeals that focus on Planned Giving. I write a lot of direct mail for clients. It's a valuable channel.

If your budget permits too many direct mail letters, you can bolster that effort by including some targeted email appeals about Planned Giving.

In every case, your goal is to start a long-term conversation, so make your marketing materials warm, factual, sincere, and straightforward.

These are long-term asks that likely won't pay off for years. So it's important to be consistent and reinforce the message regularly with the idea that some of your donors will keep you in mind when the time is right.

You want them to take your appeal to their lawyer's office the next time they need to change their will. That's a home run!

SMART MARKETING TACTIC: BEQUEST CHALLENGES

One marketing tactic that works well across all channels is to create a Bequest Challenge campaign.

To start, find a donor who is willing to pledge to match each new bequest with a gift of $250 or $500. To help protect the donor's interest, you should agree on a cap (the donor, for instance, might offer to make the match up to $10,000 or $15,000).

You agree together how gifts will be defined and calculated — and how often your donor will pay on their pledge. The donor might, for instance, agree to make the matching gift once per quarter or once per year.

Once you have the commitment and structure in place, begin marketing the challenge heavily — through an appeal that announces the challenge, through your social media channels, and on your website. Also explain it in conversations with individual donors.

Who Are Your Marketing Targets?

At this stage in the process, I recommend focusing all of your marketing efforts on cultivating individual donors who are already in your database.

That means you should avoid wasting time and resources cultivating professionals such as estate-planning attorneys and CPAs.

Many boards will recommend you focus your attention on these gatekeepers — and they might even recommend setting up a committee of professionals.

Don't.

These professionals are rarely asked by their clients where to give. Most donors who make a planned gift already know which charities they want to support.

In the rare instance they are asked —"Where should I give?"— why would advisors put your organization ahead of the others that have cultivated them?

EMBEDDING PLANNED GIVING INTO YOUR ORGANIZATION

There are a number of other easy ways you can embed Planned Giving into your nonprofit's communications and fundraising efforts.

Here's a quick look at how you can easily introduce or reinforce Planned Giving in all of your nonprofit's communications with donors:

- **Speeches** —Your executive director or director of development can weave three to four sentences about Planned Giving into their remarks at donor gatherings, awards dinners, and other events. These talking points don't have to take up much time — I recommend about one minute of remarks — but they can help plant the seed in the minds of those in the audience.

- **Event Programs** — It's not difficult to develop a short, boilerplate advertisement or announcement that you can include in all of your event programs. In addition to some short text about your Planned Giving program, include your nonprofit's legal name, address, and tax ID number. You'll be surprised how many people will save the program — or even tear out the announcement.

- **Annual Reports** — Whether print or digital, your annual report is the perfect place to list all your Planned Giving donors and to encourage readers to consider their own planned gifts. Before listing anyone's name, be sure you have their permission to name them publicly.

- **Annual Giving Direct Appeals** —You don't have to limit your Planned Giving marketing to standalone appeals. You can develop a 1/3-page postcard or insert that includes a reminder about how to make a planned gift. Remember to include your nonprofit's legal name, address, and tax ID number for easy reference.

- **Email signatures and business cards** — Some nonprofits include a short line about Planned Giving and a link to more information in their email signature lines or on business cards.

- **Donor meetings** — When meeting with appropriate donors one-on-one, be prepared to talk about Planned Giving as an option. This shouldn't be a hard sell. But you can open the door to the conversation by being sensitive, actively listening, and showing that you care about their desires and needs.

STEWARDSHIP: HOW TO RECOGNIZE AND VALUE YOUR DONORS

Stewardship is a critical element of any successful development program. And it's especially important for Planned Giving.

When a donor makes an annual gift, most nonprofits have a simple goal: they want to properly thank the donor so they will make future gifts.

But when a donor chooses to make a planned gift, your stewardship playbook should be much different.

That's because a Planned Giving donor is making their ultimate gift to your organization — choosing to give some or all of their estate to support your nonprofit when they die.

This is a highly personal — and likely very emotional — decision. So it's not enough to simply send a thank you letter and follow up with more solicitations.

Plus, a gift by will is revocable. Donors can change their mind any time. While it hardly ever happens, it sometimes does. So let your gratitude show.

Your stewardship should be suitably personal — and ongoing.

Here's advice on how to create a Planned Giving stewardship program that will both properly acknowledge your donors and show the rest of your supporters just how much your organization values and honors those who choose to make legacy gifts.

Don't ask for proof – Before we explore how to acknowledge the donor, it's important to discuss what to do — or, more importantly, what not to do — when a donor informs you that they're making a planned gift to your nonprofit. I recommend you refrain from asking the donor to provide proof of the gift.

The late fundraising expert Robert Sharpe, Sr., likened a nonprofit learning that it is receiving a planned gift to telling your grandchild they are in your will, and the darling's first reaction is, "Can I have a copy of it?" True, your nonprofit is not a relative. But from your donor's perspective, it's more like a grandchild. It's distasteful to ask for documentation.

Plus, you gain nothing by keeping a copy of the will, or the bequest paragraph. The gift remains eminently revocable. And there is a downside to asking for proof: you risk alienating your donor. Don't ask.

The exception is documentation required for a bequest challenge.

Look, if your VP, CEO or board insists on documentation (why is your board involved at this level of granularity?), go ahead and politely ask for it.

If your donor *offers* documentation, do not refuse it. Accept it graciously and assure them it will be kept in a secure place. Then treat it as you would a donor's Social Security number or credit card data.

Send a heartfelt thank you note — For a personal gift, I like to send handwritten notes on organization stationery. It needn't be long. Brief and sincere are preferred, with a welcome to your planned gift recognition society (more about that below). If possible, have the chief executive and/or your board chair sign the note. Better yet, send your handwritten note and follow with a formal letter from senior leadership.

Inaugurate your recognition society — If your nonprofit is building a Planned Giving program, it's important to create a recognition society that specifically honors your bequest donors (and other donors if you've gone beyond bequests, but recall Takeaway #2).

Ideally, name your recognition society for someone or something iconic and unique to your nonprofit. Avoid the ubiquitous and generic "legacy circle" or "heritage fund" and instead find something specific to your organization. If Miles Isosceles was a co-founder or first executive of your nonprofit, and people recognize his name, call it the Isosceles Circle. Maybe you have an iconic building or architectural feature that's associated with your nonprofit. In such a case, you might call it The Belltower Society. How about the 1962 Circle, for the year you were founded?

Members of your recognition society should receive special designation on your website, in your annual report, and in other publications. This both honors their gift and helps brand the idea that legacy donors are highly valued. Be sure to get consent before using your donors' names.

Annual honoring — While calling out your Planned Giving donors in your marketing materials and reports is important, so, too, is making sure you take time to thank them in person at least once a year.

Some of my clients host an annual lunch or reception for their recognition society members. If resources are limited, you can host it before a larger event you're already planning: cocktails before a dinner, for instance. Or you might offer members preferred seating at a performance you've already bought tickets for.

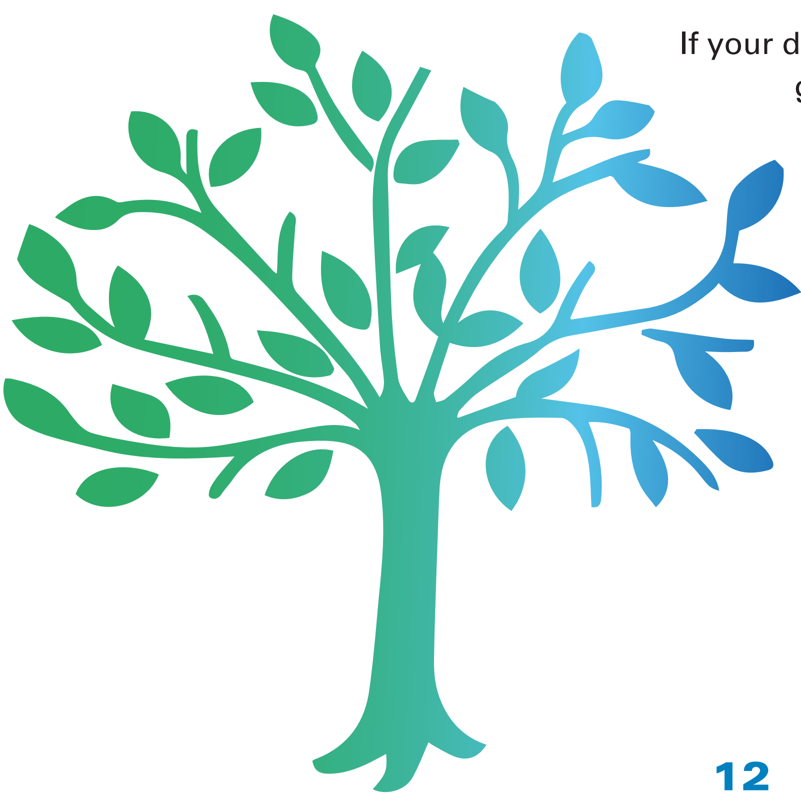
Your chief executive should attend the group's gatherings, so the gratitude comes from the top. The members have put you in their wills, for gosh sake, alongside their spouses, children and grandchildren.

Consider age-appropriate outings. You can host them or ask members to pay, with your office doing the legwork and planning.

When I was director of Planned Giving at a university in New York City, we hosted a day trip to The Culinary Institute of America for our Planned Giving donors. Our donors loved it! They paid for roundtrip bus transportation and lunch, and the school picked up the tab for the walking tour.

If your donors are too dispersed for face-to-face gratitude, make a call to say thanks. It's a great way to get to know your Planned Giving donors.

You can also make an annual birthday call to say hello, check in, and say thanks.



YOU CAN DO THIS!

Planned Giving can become a secret weapon for any nonprofit that is looking to diversify its fundraising revenue and become more fiscally stable.

You don't need to be big — and you don't have to carve out a huge budget to promote it.

You just need to do some legwork up front — and be consistent in your messaging.

If you can do that — and I know you can — you have what it takes to start and build a successful Planned Giving program.

You can do this!

Want to learn more about how you can start a Planned Giving campaign at your nonprofit for a modest investment?

My Planned Giving Accelerator offers hands-on training for nonprofits that want to launch successful Planned Giving campaigns.

PLANNED GIVING ACCELERATOR™

Learn more at
PlannedGivingAccelerator.com

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