MAJOR AND PLANNED GIVING

FEEDING YOUR ORGANIZATION’S LONG-TERM IMPACT
That is over $1 billion per day and this past year was the most generous year ever.

The single largest contributor was the increase in individual giving - 67% of the total change. (source Giving USA 2016)

YOUR OPPORTUNITY: 71% of the giving comes from living individuals and another 9% came from bequests.
LET'S START WITH MAJOR GIFTS!

By the numbers:

Major Gift Fundraising

- 58.87% of nonprofits do not have a major gift strategy
- 53.37% of nonprofits say major gifts are absolutely vital
- 67.54% of nonprofits do not have a full-time major gift fundraiser

- 43.74% of nonprofits consider gifts of at least $1,000 as major gifts
- 35.90% of nonprofits consider gifts of at least $10,000 as major gifts

- 75.32% of nonprofits say a lack of investment on their part is why they don't do major gift fundraising
- 88% of total dollars raised comes from 12% of donors

Anatomy of an ideal major gift donor
COST TO RAISE A DOLLAR:
WHERE WOULD YOU RATHER FOCUS YOUR ENERGY?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FUNDRAISING EVENT</td>
<td>0.50</td>
</tr>
<tr>
<td>ANNUAL FUND</td>
<td>0.30</td>
</tr>
<tr>
<td>MAJOR GIFTS</td>
<td>0.10</td>
</tr>
</tbody>
</table>

WHAT CAN YOU START TO DO NOW?
MAJOR AND PLANNED GIVING

WHAT MAJOR GIFTS IS:

▸ It is a strategy where your focus is on the people who have the capacity (and likelihood) to give. It is intentional.

▸ It does require major investment of personal, face time with potential donors.

▸ It is not about $ but the outcomes.

▸ Only a few will get this level of attention.

AND WHAT IT IS NOT:

▸ Going after everyone you might want to ask to help - you don’t have the time or the energy.

▸ It is not falling into the trap of setting a goal of $100,000 and raising $100 from 1000 people.

▸ It is not transactional or a one and done ask!
MAJOR AND PLANNED GIVING

THIS IS A MARATHON AND NOT A SPRINT!
MAJOR AND PLANNED GIVING

LET’S START RUNNING……

FUNDRAISING CYCLE

IDENTIFY

INVOLVE

ASK

THANK
MAJOR AND PLANNED GIVING

FIRST STEP: IDENTIFY THE POTENTIAL MAJOR GIFT DONOR
PROFILE OF AN IDEAL MAJOR GIFT DONOR:

• Already in your donor database;

• Has a deep passion for your mission;

• Has been giving to your organization for five years or more;

• Has the financial capacity for a major gift;

• Is a current or former board member or volunteer

Action Tip: Look at last five year’s of donors, both year over year giving and total giving, take top 10 - 15 donors and start there.
THE RIGHT PROSPECTS (LIA):

- **LINKAGE:**
  - They have given before or they know a board member

- **INTEREST:**
  - Your cause means something to them

- **ABILITY**
  - They can make a gift

**Action Tip:** Look at those who have at least two of the LIA’s. See if they respond to relationship building actions.

Only 1/3 of those identified will be interested in building a relationship with you!
MAJOR AND PLANNED GIVING

OTHER TIPS TO LOOK FOR A POTENTIAL MAJOR DONOR:

▸ A donor whose giving suddenly jumps

▸ Former donors who gave larger gifts in the past

▸ Someone who has been giving consistently at the same level for years

▸ Prominent donors to other similar organizations who are making small gifts to your organization

▸ Former board members who were larger donors
IT TAKES A CASE FOR SUPPORT:

▸ Your potential donor must feel their gift is essential in order to create a valued outcome – something they care about as much as you do.

▸ The best incorporates storytelling:

▸ Share the need (Once upon a time…)

▸ Show how you address need (This bad thing happened and this is what was done to improve the situation…which now brings you to today)

▸ MOST IMPORTANT…SHOW HOW THE DONOR CAN CREATE A HAPPY ENDING (YOU PROVIDE HOPE..)

ACTION TIP: MAKE THIS CASE SPECIFIC AND OUTCOME ORIENTED.
MOVE ON DOWN THE ROAD....CULTIVATION:
What is cultivation?

• Involvement
• Engaging them in your organization’s work
• Conversation
• Education
• Listening and most important…
• FACE TIME!

ACTION TIP: IF THEY ARE A CURRENT DONOR, THEN MAKE A THANK YOU VISIT TO THEM. YOU WILL FIND OUT A LOT!
MAJOR AND PLANNED GIVING

WHAT’S THAT SAYING:

Treat a donor like a person and not a pocketbook, ask for more than just money.
BRINGING CULTIVATION TO LIFE:

▸ CALL YOUR DONORS AND THANK THEM (Discovery Call)

▸ “What inspired your gift or Mrs. Smith, you’ve been a donor all these years. My job is to know our patrons.

▸ Would you be willing to have coffee with me, I would love to understand your story?

▸ ACTION TIP: WHEN YOU VISIT, USE THIS QUESTION THAT WILL GIVE YOU A LOT OF INFORMATION….  

▸ What are your impressions?

Use it after you share an update or take them on a tour!
LISTENING IS KEY!

- Learn as much as you can about this potential donor
- What are their interests;
- Hobbies;
- Business;
- Hot buttons;
- Religion;
- Family

ACTION TIP: FIND SOME WAY IN YOUR DATABASE TO PUT NOTES ON WHAT YOU LEARNED, IT WILL BE CRUCIAL FOR YEARS’ TO COME.
7 WAYS TO CULTIVATE A DONOR:

▸ Send handwritten thank you notes

▸ Arrange a personal meeting with the ED or a program leader where they have interest

▸ Send handwritten notes on all brochures or newsletters

▸ Send them newspaper articles of special interest or where they or business are highlighted

▸ Arrange for them to be featured in one of your publications

▸ Ask them to host a coffee or social in the home

▸ Ask them to serve on an advisory board or committee

What Ideas do you have?
IT IS ALL ABOUT THE RELATIONSHIPS

There is a direct correlation between the number of contacts a donor has from an organization and the amount of the gift.

YOU HAVE TO STAY IN FRONT OF YOUR DONORS!
THE ASK….IT HAS TO HAPPEN

- It has to be in person, not over the phone, but ..... 
- Make your donor aware that you are asking, say things like,

1. We would like to come talk to you about an important project at x organization.

2. If you were to make a larger gift, where would you want to focus?

3. Of all the things we do, what appeals to you most?
PREPARE FOR THE ASK

▸ Who is the right person/s to ask? Who is best for the prospect?

▸ When is the right time? Is a business being sold, did stocks have a gain, is there an illness in the family?

▸ Where is the right location? The place you meet is important. Make it quiet and comfortable.

▸ What is the right amount? Test this amount with the donor before the ask, i.e. we know a project like this would take a $10,000 gift, what are your impressions?

▸ What is the right project? Is there education needed first or can they help design it?
6 HELPFUL TIPS WHEN ASKING

▸ Write out ask and practice before

▸ Use the word “you”

▸ Thank the donor for listening and considering – and for their past support

▸ Remind the donor how important the gift is and the difference it will make

▸ The conversation is the art of listening and the art of shutting up!

A DONOR RARELY SAYS “YES” AT THE MOMENT OF ASKING. FOLLOW UP.
ONCE A GIFT IS MADE....

- Celebrate internally
- Find a special way to thank the donor

What are your best thank you’s?
Watch a video that walks you through the Ask Thank Report Repeat process. You’ll learn how to use this process to raise more money from your “mass” donors, as well as your major donors.

Watch the video here:

http://nonprofitstorytellingconference.com/story-sequence
ONE MORE TIP:

▸ Find a way to be accountable to a donor strategy
▸ Meet monthly with your boss or another volunteer
▸ Review your list and what steps you have taken so far or better yet, your next step
▸ This will keep the wheels turning and a focus on who and how many you are working with and moving forward towards that gift.

Blogs to follow: Veritus Group (www.veritusgroup.com)
Gail Perry’s Fired-Up Fundraising
https://www.gailperry.com/
IF MAJOR GIFTS IS THE MARATHON THEN PLANNED GIVING IS THE IRONMAN!
MAJOR AND PLANNED GIVING

PLANNED GIVING IMPORTANCE

"It takes a noble man to plant a seed for a tree that will someday give shade to people he may never meet." - David E. Trueblood
A recent survey asked a sample of typical middle-class donors, "Would you consider putting a gift for charity in your will?"

More than 90% of those donors enthusiastically said YES!

But then came the second question: "Have you already put a gift for charity in your will?"

The dismal answer: fewer than 10% had done so.
PLANNED GIVING DEFINED:

- Planned giving, sometimes referred to as gift planning, may be defined as a method of supporting non-profits and charities that enables philanthropic individuals or donors to make larger gifts than they could make from their income.

- By definition, a planned gift is any major gift, made in lifetime or at death as part of a donor’s overall financial and/or estate planning.

SOURCE: Plannedgiving.com
MAJOR AND PLANNED GIVING

MAKE IT SIMPLE WHEN STARTING:

ACTION TIP:  START TALKING ABOUT BEQUESTS, HERE’S WHY*:

▸ Wealth is not a factor in whether a donor considers a charitable bequest.

▸ Donors who had included a charitable bequest in their plans made annual gifts more than double in size than their counterparts who had not included charity in their estate plans.

▸ Charitable bequests are the largest gifts your prospects can make, and they continue to grow, even in a down economy.

*Indiana University Center on Philanthropy Donor Study
Know there are other ways a donor can give, even in their lifetime

- Life Insurance Beneficiary – ask your donors to list your organization as the beneficiary, it is that easy.

- The IRA Charitable Rollover - as of December 18, 2015, was passed by Congress and signed into permanent law by the President, allowing taxpayers age 70 ½ or older to transfer up to $100,000 annually from their IRA accounts directly to charity without first having to recognize the distribution as income.

- Stock gift – Donating long-term appreciated securities directly to charity — rather than selling the assets and donating the cash proceeds — is one of the best and easiest ways to give more.
### AN EXAMPLE:

<table>
<thead>
<tr>
<th></th>
<th>Donate Stock: Contribute securities directly to charity</th>
<th>Donate Cash: Sell securities and donate proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current fair market value of securities</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Capital gains and Medicare surtax paid (23.8%)</td>
<td>$0</td>
<td>$7,140</td>
</tr>
<tr>
<td>Charitable Contribution/Charitable Deduction³</td>
<td>$50,000</td>
<td>$42,860</td>
</tr>
<tr>
<td>Value of Charitable Deduction Less Capital Gain Taxes Paid (Assumes donor is in the 39.6% federal income tax bracket)</td>
<td>$19,800</td>
<td>$9,833</td>
</tr>
</tbody>
</table>
MAJOR AND PLANNED GIVING

BEST PLANNED GIVING PROSPECTS:

- Making current gifts to your organization, look at long term history, 3 years, 5 years, 10 years.....the LOYAL donor.

- If you have ability to know their age, that helps....40+ is a great place to start marketing but if talking to a donor, 60+ is a great place to start having a conversation.

- Single or widowed, who is listed as Miss in your database.

- No children.....this is KEY!

- A consistent volunteer, someone passionate about your mission.
<table>
<thead>
<tr>
<th>Method</th>
<th>Planned Giving</th>
<th>Major Gifts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty (15 gifts)</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Loyalty (8-10 gifts)</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Loyalty (1-7 gifts)</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Consistency (Consecutive Years)</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Largest Gift Value</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Donation within last 3 years</td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Other Involvement</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Dependent Children in HH</td>
<td>Low</td>
<td>Unknown</td>
</tr>
<tr>
<td>Philanthropy $100k+ to Other Nonprofits</td>
<td>Unknown (Moderate?)</td>
<td>High</td>
</tr>
<tr>
<td>Philanthropy $5k-100k to Other Nonprofits</td>
<td>Unknown (Moderate?)</td>
<td>High</td>
</tr>
<tr>
<td>Philanthropy $1-5k to Other Nonprofits</td>
<td>Unknown (Moderate?)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Political Giving</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>SEC Insiders</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Foundation Trustees</td>
<td>Unknown (Low?)</td>
<td>High</td>
</tr>
<tr>
<td>Real Estate $2 million+</td>
<td>Unknown (Low?)</td>
<td>High</td>
</tr>
<tr>
<td>Real Estate $1 million - $2 million</td>
<td>Unknown (Low?)</td>
<td>High</td>
</tr>
<tr>
<td>Real Estate $500k - $1 million</td>
<td>Unknown (Low?)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Real Estate $500k or Less</td>
<td>Unknown (Moderate?)</td>
<td>Low</td>
</tr>
<tr>
<td>Not Real Estate Owners</td>
<td>Unknown</td>
<td>Low</td>
</tr>
<tr>
<td>Volunteers for Nonprofits</td>
<td>Unknown</td>
<td>Moderate</td>
</tr>
<tr>
<td>Business Executives</td>
<td>Unknown</td>
<td>Moderate</td>
</tr>
<tr>
<td>Revenues $5 mil+</td>
<td>Unknown</td>
<td>Moderate</td>
</tr>
<tr>
<td>Business Executives</td>
<td>Unknown</td>
<td>Low</td>
</tr>
<tr>
<td>Revenues $1 mil and Less</td>
<td>Unknown</td>
<td>Low</td>
</tr>
</tbody>
</table>
## Effectiveness of Prospect Identification Methodologies

<table>
<thead>
<tr>
<th>Method</th>
<th>Planned Giving</th>
<th>Major Gifts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer Review</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Self Identification</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Analytics—Data Mining</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Analytics—Modeling</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Analytics—Philanthropy</td>
<td>Unknown</td>
<td>High</td>
</tr>
<tr>
<td>Analytics—Wealth</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Age</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Unknown</td>
<td>High</td>
</tr>
</tbody>
</table>
ACTION TIPS FOR MARKETING PLANNED GIFTS:

- Introduce your program to your current donors
- Use existing marketing materials to talk about it as an option
  - I would like more information about putting x charity in my will/trust
    Even better add…
  - No Thanks, I have already included x charity in my will/trust
- List under ways to give on your website
- Better yet, design a page exclusively for planned gift information
- In any writing, it is more important to focus on your mission vs. the technical writing
- Ask the donors to tell their story of why they have made this gift and tell it to others
- Have a donor use their estate gift as a match opportunity
MAJOR AND PLANNED GIVING

STEWARDSHIP IS CRUCIAL….A DONOR’S STORY:

I was virtually forgotten...tucked away in someone’s file. I wasn’t on anyone’s invitation list, never received a call, never even got a simple birthday card...

So when I updated my Trust, I took them out. They probably still don’t realize, but when I pass, they’ll discover what I did, and it will be far too late for anyone to make amends.

ACTION TIP: YOU CAN CREATE A LEGACY SOCIETY AND PROVIDE UPDATES AND RECEPTIONS FOR THESE DONORS BUT LIKE MAJOR GIFTS, IT IS AN INDIVIDUAL RELATIONSHIP, IT MATTERS TO THEM.
PLANNED GIVING RESOURCES:

- http://www.smart-giving.com/plannedgivingblogger/

- https://michaelrosensays.wordpress.com/

- http://www.plannedgiving.com/resources-must-read-white-papers
THANK YOU!

Melissa Steimer, MPA, CFRE
Chief Development Officer
UMOM New Day Centers
msteimer@umom.org