



**WHEN YOU CAN'T TAKE
YOUR DONOR TO LUNCH**

PG CALC WEBINAR

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Introduction

A key element of any planned giving outreach effort is building a relationship with donors through face-to-face contact. We take a donor to lunch or coffee, get to know them better, and move the connection forward towards a planned or estate gift. Or we invite donors to an in-person legacy society program, honor new members to the society, and create a meaningful personal experience to ensure that we are a part of our donors' estate plans. Through a variety of face-to-face experiences, we have traditionally strived to develop a personal, meaningful connection with our donors and prospects so that they in turn will have a deep bond with our organization and its mission.

Amidst the health concerns of Covid-19 and its specific risk to much of the community we serve, such in-person visits and programs are certainly more challenging, if not unethical or impossible. Time spent in-person is fraught with complications and concerns and may continue to be for years to come. What happens to our planned giving efforts when we cannot meet with our donors and prospects face-to-face?

The stewardship, cultivation and solicitation processes do not go away, though they may require different methods. The pandemic has forced us to restructure and redefine how we interact with our estate and planned giving donors, and it has not been all bad news. Donors still have assets and philanthropic intent. By assessing how we engage the different cohorts of planned giving donors and prospects, we can adapt and perhaps even expand our efforts to create meaningful experiences that keep our donors connected to our mission while meeting our objectives – in some ways even better than before.

I. In-Person Visits in The Big Picture

In-person meetings and face-to-face legacy programs were never ends in themselves. Rather, such meetings and programming played a role in a planned giving strategy. The visits provided opportunities for cultivating and soliciting new estate and planned giving donors, just as such meetings might work for major gift donors. And, given that there can be a very long stretch between the time the donor considers putting you in his or her estate plans to the time the gift is realized by your charity, these visits and related outreach also provided the ongoing stewardship required to ensure your organization stayed in your donors' plans.

But, even before the pandemic, the value of in-person visits probably depended on some kind of cost-benefit analysis. To different extents, planned giving offices even before the pandemic had limited budgets for travel and programs. Personal attention was not necessary or even feasible

for every prospect, and how you spent funds and time depended on the potential donor and their likelihood of a gift. For example, while it may have been worth flying to a town to meet one to two leaders or legacy donors, would you have done so for a modest annual donor or unknown prospect? Certainly, research may have refined your prospect list, but the point is that you always evaluated costs of in-person meetings against benefits.

The pandemic has obviously increased the cost variable in the cost-benefit analysis. And now the costs go beyond the financial. Prospects, donors, and staff alike have genuine health concerns to consider. Donor age arguably exacerbates these concerns, though the recent Delta variant seems to be more democratic in its impact. Although perhaps to a different degree than one year ago, we are all still contending with restrictions -- and certainly fears -- involving large group gatherings, particularly if they are held inside as most donor programs used to be. Travel is also more anxiety-producing. Finally, general anxiety about the future, both health, environmental, and economic, may complicate our donors' interest in attending any charity event in the near and long term. The calculus has changed for everyone.

II. From Old Normal to New Normal

If not out of the question entirely, for most of our donors and prospects, in-person visits and programs are severely limited. How do we reach our donors and prospects without such personalized opportunities? The answer depends on the type of donor or prospect you are trying to reach.

Different people make estate and planned gifts for different reasons. The unifying factor tends to be an ability to make a meaningful gift from assets, rather than income. Income donors – those still working and perhaps supporting families – tend to be targets for annual and perhaps modest major gifts that are fairly easy to make (by transferring stock or writing a check) and generate an income tax deduction. Asset donors – those who have accumulate assets over their lifetime, inherited assets, or have a wealth event like a stock buy-out -- have the opportunity to commit to meaningful legacy gifts that are more complex to establish, while offering more tax benefits and consequences.

Our focus in planned giving therefore is on donors and prospects who have the capacity to make gifts of assets. I find it helpful to differentiate amongst five targeted cohorts, which I refer to as 5Ls: Leadership, Legacy, Loyalty, Larger Community, and Liaisons to Estates. How we adapt our outreach and efforts – pre-pandemic and today – depends on the unique characteristics of each respective cohort. (See Appendix A for a summary of the analysis).

A. Leadership Donors

Characteristics. Your first and best prospects for planned gifts are your organization's leaders. While this category may vary somewhat amongst each organization, it would typically include your board members and perhaps leaders of standing committees. These donors have the most vested interest in your organization; indeed, board members have a fiduciary duty to support your mission.

Accordingly, those amongst your leadership who have assets to donate or are nearing or past retirement age can and *should* make planned gifts to your organization. Their gift will show leadership buy-in and inspire others, both at the leadership level and beyond. Because of this motivating role, leaders are the ideal candidates for a blended gift – current support coupled with an estate component – that can be publicly recognized immediately.

Pre-Pandemic Outreach. Prior to the pandemic, peer-to-peer inspiration and solicitation was a primary method for leaders to encourage each other to make meaningful legacy gifts. Specifically, leaders who had already made such gifts would, at the request of development staff, give testimonials at board meetings or during one-on-one meetings with other leadership prospects. The hope was to have one leader motivate and inspire others to follow in their path.

Now. While perhaps the face-to-face asks have been reduced or diminished, virtual board meetings or even individual Zoom or phone calls may be similarly effective in motivating leadership to make estate and planned gifts. Board members are likely sensitive to and keenly aware of the general challenges and communication difficulties the pandemic has wrought. Your leadership may be more generous with their gifts than before, and more forgiving over the absence of genuine facetime. Now may be your golden opportunity to ask a leader for that meaningful blended gift, legacy gift, or current gift of assets.

Moreover, this may be the opening to have your leadership get *more* involved in your planned giving efforts generally. Why not ask a board member, who may have more time at home than before, to provide a virtual testimonial for a webinar, call and thank a new member of your legacy society, or speak about planned giving at a conference call to one of the other cohorts? This engagement will serve to engender more leadership buy-in too, critical to sustaining and growing your program.

B. Legacy Donors

Characteristics. These donors have already informed you that your organization is included in their estate plans. While their gift has been documented to some degree, the work with them is not finished. Legacy donors need consistent and ongoing attention. While, on the one hand you

have achieved success with these donors, absent a signed gift agreement with you, such donors can change their estate plans up until their passing. We have all seen situations where the donor changes his or her will at the last minute favoring a niece or nephew (whether wittingly or not). It is important to steward these donors so that you can be assured you remain in their estates plans over their hopefully long and healthy lives. What's more, if you steward them well, you will likely see an increase in their estate commitment over time.

Pre-Pandemic Outreach. In-person meetings to steward legacy donors served an important purpose before the pandemic. Not only could such a visit cement a revocable estate commitment, but it could also lead to a larger estate commitment from a legacy donor as they develop a close relationship to your organization over time. Additionally, in-person legacy luncheons and similar programs helped make donors feel part of a larger community of supporters, further securing their revocable estate commitment.

But even before the pandemic, not all legacy donors wanted to have in-person contact or to attend luncheons. Indeed, a significant portion have always opted to be left alone. We stewarded these private donors as best we could remotely, whether via phone calls, mail or even email.

Now. In the current environment, essentially all of our legacy donors must now be treated like these private donors. The task and opportunity for us is to make remote cultivation and stewardship, and even solicitation, as personal as an in-person visit. How do we achieve that?

The big modification may be transitioning techniques that previously have been used on a case-by-case basis to becoming the primary strategy of engagement. Dedicated planned giving (or other relevant) staff should increase contact with legacy donors, checking-in on them and maintaining continuity. Donors are at home and answering the phone now, certainly more than before. Handwritten notes, which have always been useful in correspondence, take on heightened value. Follow-up and consistent outreach have never been more important.

More challenging, we must find new ways to make donors feel a part of a warm community of legacy supporters without in-person programming. Virtual programming can be somewhat effective in providing outreach to our legacy donor base around the country. Dial-in, conference calls work well with technically challenged donors too. To some degree, virtual programming can include testimonials and planned giving tips just as if the program was an in-person event, mindful that the attention span for a webinar or conference call is much shorter than for an in-person luncheon. Indeed, in my experience, both conference calls and webinars lose their effectiveness after about thirty minutes. Personal follow-up with attendees, by phone if possible, can extend the experience following the program.

I admit that virtual programming -- whether via Zoom, conference call, or otherwise -- may not replace the dynamism and warmth of an in-person event. That said, what you lose in personal contact, you may gain in depth and scope of outreach. Having a donor tape a testimonial about why they named your organization in his or her plans secures their commitment in ways a live statement cannot; the recorded testimonial can be saved, shared with family, and become part of the donor's personal history. Moreover, some donors may indeed be *more* comfortable speaking on a conference call or taped webinar, which can be edited, rather than in front of a live group. Finally, with virtual programming you may be able to reach a wider range of legacy donors, including those who may not have been comfortable, or lived too far away, to attend an in-person event in the past.

C. Loyalty Donors

Characteristics: Probably your best prospects outside of leadership are older donors with modest, annual giving, whom I refer to as “loyalty donors.” Loyalty donors are typically beyond retirement age and at a stage of life where they are contemplating their estate plans. The hope is that through regular outreach your organization will become part of these plans, whether they tell you or not.

Not surprisingly, the criteria each individual organization uses to define this cohort varies. For my organization, taking into account our definition of a major gift prospect, this category includes donors over age 70 who have made three gifts within the last ten years, with total giving under \$100,000.

The value of this cohort is reflected in national trends. CCS Fundraising, Snapshot of Today's Philanthropic Landscape, (10th Edition 2021), describes (citing Giving USA Foundation): “Donors tended to make their largest deferred gifts to nonprofits they had been supporting for 20 or more years with less than \$25,000 in lifetime giving.”



Source: Giving USA Foundation, Giving USA: The Annual Report on Philanthropy for the Year 2020 (2021).

As this trend suggests, in my organization, most of our responses to direct mail come from this cohort, as do a large portion of our settled estates.

Pre-Pandemic Outreach. As loyalty donors represent modest donors, only a portion of whom would eventually leave you an estate gift, it was not cost-effective or even feasible to try to meet most of them in-person prior to the pandemic. Instead, outreach to these loyalty donors has involved special mailings, gifts, and invitations throughout the year. Importantly, when we received a response from a loyalty donor to a mailing or invitation, we took the opportunity to treat such donor with more attention and stewardship, almost as if they were a legacy donor already.

Now. In many cases, the communications to this wide range of older donors may not seem that different now than pre-pandemic. As with legacy donors, contact with loyalty donors will likely remain remote. Remote does not, however, mean diminished. Rather, as pandemic anxiety has forced all of us, including older prospects, to focus more than ever on our estate plans, this may be an opportunity for expansion.

If your organization was not focused on this cohort prior to the pandemic, the current situation may be the time to do so. Increasing your connections to older, annual donors through personalized mailings, modest gifts, and personal touches could yield more legacy donors than ever before. For this reason, you may also want to extend to this group invitations to virtual programs, mindful that, as with legacy donors, you now can reach a wider audience of individuals than before, including those with physical limitations.

Finally, when a loyalty donor tells you they have made an estate commitment, find creative, meaningful ways to make these new legacy donors feel special and welcome. Where you might have sent a thank you letter in the past, call – perhaps or have a member of your leadership call – and personally thank such donor. Why not send a modest thank-you gift too? A little more fanfare to an anxious donor at home will be a welcome proxy for the warmth of an in-person meeting.

D. Larger Community

Characteristics. This category represents the broadest spectrum of possible supporters: unknown non-donors. While loyalty donors offer the most likely prospects for planned gifts, attention to a larger community of prospects may help you attract someone who has been touched by your organization but has never made a gift before. You may also want to connect with those in your database who have made the occasional gift, but not enough to be treated as a

loyalty donor. Indeed, we occasionally receive a significant bequest from someone who only received a planned giving mailing but never responded nor made a gift while alive.

Pre-Pandemic Outreach. Outreach to this cohort is always a bit of fishing expedition, using direct mail, advertisements, and perhaps just general promotions by your organization. Certainly, absent prospect research that identifies a particular individual as a likely prospect, in-person meetings to unknown prospects are never going to be the most efficient way to cultivate and solicit gifts, planned or otherwise. To connect with this cohort prior to the pandemic, it was generally more efficient to include a shout-out about planned giving in general organizational mailings (a question on a response card perhaps) or to send planned giving mailings or email blasts to all donors in a database over a certain age.

Now. Perhaps ironically, the new normal makes it *easier* than before to offer personalized, if not in-person, outreach to this large community of not-yet-donors. While you may not have invited the pool of non-donors to in-person legacy events in the past, why not invite them to the virtual counterpart of such programming? This effort should not even meaningfully increase costs if the invitation is by email or included in another piece of direct mail.

And when a previously unknown prospect responds to a mailing or invitation, pay attention. You can now treat them as if they are a loyalty donor or otherwise increase cultivation and stewardship. In this way, even just a few responses will make the minimal additional effort worthwhile.

E. Liaisons to Estates

Characteristics. Outreach to professional advisors has always been a component of planned giving efforts. This group includes attorneys and other advisors to estates and high-net-worth clients. Members of this cohort may recommend your organization to a client or, from time to time, have discretion over estate funds per the terms of the estate document.

Pre-Pandemic Outreach. Through meetings and experiences, the hope has been that such advisors will learn about your organization and subsequently recommend it to a client planning his or her estate or dealing with an income or other tax event. While some organizations have more success than others with this effort, deciding whom to meet and how often was always a cost-benefit analysis. The opportunities an advisor has to recommend a charity to a client are often few and far between. For this reason, my outreach to this cohort was typically fostered via phone and email during the course of administering an estate, and rarely in-person. Other organizations, often those servicing donor advised funds, admittedly spend more time with this cohort, holding in-person legal seminars and the like.

Now. The opportunities to foster personalized connections with this cohort may have actually increased since the pandemic began. Few advisors have the time or mindset to go to lunch these days, especially with many, if not most working, from home. Setting up a Zoom meeting or phone call with an advisor seems to be more welcome now that it is less of a time commitment. For the most part, advisors also seem less rushed and more open than ever before.

And, in a flip, instead of the advisor being asked to recommend our charity, I am now being asked to recommend advisors. The pandemic has encouraged donors to put more thought into their estate plans and donors want names of advisors in various jurisdictions with different specialties. Why would an advisor *not* want to have an introductory Zoom call with you when it represents an opportunity to present their name (along with several others on a list) to a donor or prospect? And the meetings have multiple benefits for your organization too: you have the opportunity to get on the radar of an advisor, satisfy a donor's request for information, and hopefully advance that donor's estate gift.

III. Adaptation and Buy-In

The importance of finding new ways to personalize outreach to planned giving donors cannot be understated. Planned and estate gifts offer a way for donors to have an impact without increasing their anxieties over health, the economy, and the stock market. Indeed, charitable gift annuities and charitable remainder trusts, by offering a steady source of income, provide a hedge against economic anxiety. Other planned giving strategies can be helpful too.

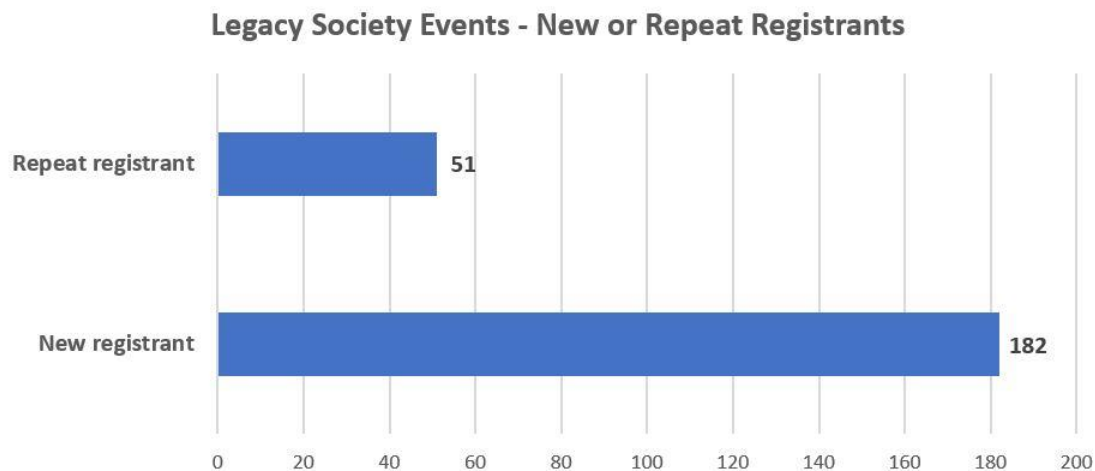
That said, internal changes may be needed to adapt your planned giving outreach to this new normal. While change is never easy, here are some suggestions to support your case for adapting and expending outreach.

A. Define and Track Short-Term, Manageable Goals

You may already track your progress towards long-term goals of increased estate and planned gifts to your organization, but what about tracking some modest and achievable short-term goals too? To support your outreach efforts, you may want to set and meet short-term goals related to attendance at virtual programming, responses to mailings, or even testimonials from legacy donors. Figuring out a way to track your progress towards these goals will demonstrate transparency, clarity of purpose, and help you show success both to yourself and your management.

With excel, you can make comparison charts to show change and growth in key areas since the pandemic began. For example, the chart below compares new attendees to repeat attendees to

virtual programs since the pandemic began. At a minimum, it enables me to demonstrate that, through virtual programming, we are reaching new individuals, supporting a powerful argument for continuing if not expanding such programming.



B. Technology is Your Friend

In some ways technology, whether the traditional phone call or the newest virtual innovations, will have to stand in for the in-person visit. Now is the time to get over technology fears or biases. It is also the time to make sure you or someone on your staff understands the technological aspects of your programming.

Consider assigning a dedicated staff member (perhaps from Generation Z) to patiently help donors connect with your virtual programs and troubleshoot. This effort will increase attendance to these programs and offer another opportunity to foster a deeper connection with loyalty donors, legacy donors, and members of the larger community who make up the program attendees.

C. Rethink Your Budget

Some of these changes could have a budgetary impact. If you have not recently performed an age screening of your database, spending the money to do so now would help identify loyalty donors and appropriate potential prospects in the larger community. You may want to increase your print marketing to various cohorts too. Finally, you may need to invest in new virtual programming.

Some of the additional expenses may be offset by savings, however. Travel expenses will certainly be reduced for a while. And a few virtual programs will be less expensive to run than

numerous in-person meetings and programs. Budget line items may just need to be shifted elsewhere.

D. A New Paradigm?

Finally, maybe it is time we disrupted how we do business! Even before the current pandemic, we knew our traditional donor pool of mature donors was aging and, sadly, passing away. We knew we would be facing a new crop of older baby boomers, who approach planned giving differently.

This opportunity to rethink our business practices may be exactly what we planned giving professionals need to continue and succeed. The younger pool of planned giving prospects and donors wants more gift restrictions, uses private foundations and donor advised funds in their planning, and may not necessarily need to leave portions of their estate to charity to avoid estate tax. Our traditional in-person meetings and face-to-face programs may also not be enough for this younger, busy and active new generation of planned givers.

IV. Conclusion

While we are faced with many changes and challenges these days, our efforts to connect meaningfully with planned giving donors and prospects can still continue and even thrive. Donors have assets and want to leave legacies. We just need to find new ways to build and maintain relationships amongst various key cohorts, even without taking donors to lunch.

APPENDIX A

Summary of Suggestions

In many ways, the Pandemic forced us to confront old habits and take stock. While nothing will replace the intimacy of an in-person meeting or gathering, other options as discussed in more detail above may be helpful if not more effective at reaching your particular audience and advancing your goals. Here is a summary of some suggestions:

Leadership

- Peer inspiration through virtual testimonials
- Leaders will appreciate the need for support without an in-person meeting
- Engages leaders engenders critical buy-in for increased or modified budgeting

Legacy

- Dedicated staff provide personalized attention through phone calls and handwritten notes
- Virtual programming and conference calls aim to create warm community
- Donor testimonials can be recorded, cementing commitment and providing inspiration
- You can reach new donors who may have not wanted to attend in the past

Loyalty

- Opportunity to scale up outreach to this particular group
- Dedicated staff and virtual programming as with legacy donors
- Add extra fanfare when donors join legacy society – gifts, personal calls, etc.

Larger Community

- Include invitations to virtual programming through emails or by adding invitations to standard mailings.
- Treat those who attend as if they are loyalty donors, regardless of giving.

Liaisons to Estates

- Phone calls and Zoom meetings more welcome now that many work from home
- Advisors get to promote themselves to you and you have the opportunity to get on their radar, answer a donor's request for information, and hopefully advance that donor's estate gift to your organization.