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## Harnessing the Power of the Bequest Challenge Match



**Date:** March 31, 2016  
**Time:** 1:00 – 2:30 Eastern Time  
**Presenters:** Mohammad Zaidi  
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 ACLU Foundation  
 Michael Pohlmann  
 Campaign Strategist, Gift Planning  
 Planned Parenthood Federation of America


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## Legacy Challenge Campaigns



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## What is a Legacy Challenge?

- Special program to encourage bequest intentions and other planned gifts
- Match Donor makes an outright cash gift whenever a qualifying bequest intention or other planned gift is made or notified to the charity

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### How Does a Legacy Challenge Work?

- Name charity in your will
- Tell the charity about it
- Charity receives a matching gift today
- Typical matching formula
  - 10% of face value
  - e.g. \$100,000 planned gift = \$10,000 match

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### Harnessing the Power of the Bequest Challenge Match

- Where we started at the ACLU
- What we discovered
- Why we are talking about this today?

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### Why It Works

- Donors like matches
- All donors can participate
- Matching donation often exceeds donor's annual gift by multiples
- Removes "death" from the conversation
- Provides staff with an opportunity to talk about planned giving with donors

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## Why It Works

Only 5.9% of those who made a charitable bequest removed a charitable organization from their will.

Source: Russell James in his report Causes and correlates of charitable giving in estate planning: A cross-sectional and longitudinal examination of older adults, 2007

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## ACLU Results

- New planned gifts increased from \$15 million to \$43 million in first year of challenge
- Ten years out, subsequent iterations of the challenge have continued to increase results, reaching over \$80 million this year
- Marketing dollars became more effective, allowing us to invest more in planned giving
- Measurable ROI: Every \$1 of expense budget generates planned gifts with a face value of \$30

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## ACLU Results

Top 10% of Planned Gift Donors = 70% of Gift Dollars

Gift Amount	Count
\$5 mil - \$10 mil	7
\$3 mil - \$4.9 mil	8
\$1 mil - \$2.9 mil	90
\$500k-\$999k	97
\$100k-\$499k	629
\$1-\$99,999	1,717

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## EDF Results

- \$1 million bequest challenge leveraged \$27 million in current value bequest intentions.
- The value of new planned gifts rose from \$1.5 million to \$8 million the first year and to \$11 million the second year of the Challenge.
- Annual number of planned gifts increased from average of 50 to over 120 during first two years of challenge.
- Average amount of bequest intentions more than doubled from \$25,000 to \$73,000.

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## EDF Results

Top 10% of Planned Gift Donors = 60% of Gift Dollars

Gift Amount	Count
\$5 mil +	1
\$1 mil-\$4.9 mil	3
\$250k-\$999k	16
\$100k-\$249k	33
Exactly \$100k	26
\$1-\$99k	225

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## Organizational Benefits

- Cash today
- Establishes value of planned giving program
- Reinforces the value of revocable bequest intentions
- Easy way for Major Gift officers to initiate planned giving conversations
- Focuses planned giving stewardship and cultivation activities
- Makes planned giving program data-driven

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### Organizational Benefits - Makes the PG program Data-Driven

- What's your pipeline worth?
- How do we measure it?
- How much unrealized potential do we have?
- How do we reach our potential?
- Over what period of time and at what cost?
- When will the cash be received?

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### Organizational Benefits - Makes the PG program Data-Driven

- Bequest expectancies can be measured, reported, used to calculate return on investment
- Calibrate investment in the planned giving program
- Cash flow can be accurately forecasted and used for organizational planning

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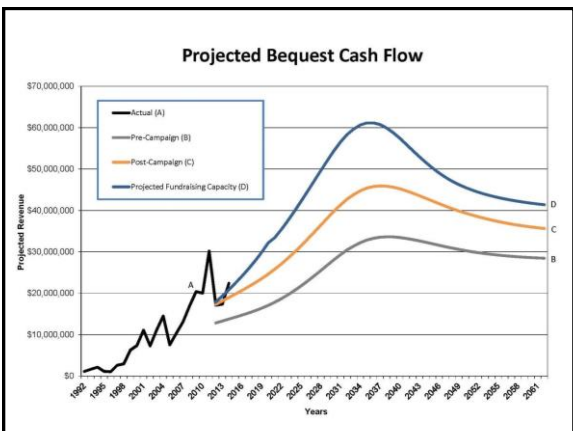
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### Implementing a Bequest Challenge

- Organizational readiness
- Securing a matching funder
- Options for the match formula and terms

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### Organizational Readiness

1. Does my organization have the right prospects?
2. Do we have the resources to reach them with our message?
3. Have we already been promoting and soliciting planned gifts?

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### Securing a Matching Funder

1. Longtime insider committed to the financial health of the organization
2. Understands the value: challenge is a highly leveraged investment
3. Understands that the overwhelming majority of bequest intentions are never revoked
4. Can pledge the amount you will need
5. Willing to lend their name

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### Match Formula and Terms

1. Model formula (10% of face value, with a cap)
2. Match for beneficiary designations
3. Match for undisclosed amounts
4. Increased bequests
5. Requiring copies of wills

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### Planned Parenthood Bequest Challenge

- National organization
  - Well established planned giving program
- 59 independent affiliates
  - Wide range of planned giving activities
  - Multiple legacy societies

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### Planned Parenthood Bequest Challenge

- Collaborative effort – 2.5 years in the planning
- Part of centennial campaign and celebration
- Benchmarked against other legacy challenges
- Bequest data determined match size and funds needed
- Gained support of CEO, CDO, and key affiliates
- CDO and MG identified and solicited donors for matching funds

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### Planned Parenthood Bequest Challenge

- \$10 million challenge matching fund
- 10% estimated current value of bequest intention
- Up to \$25,000 match per household
- No life income gifts
- Existing bequests count

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### ACLU Legacy Challenge

- 20% match on first \$1 million
- 5% match on amounts in excess of \$1 million
- 10% match on first \$1 million for pre-4/1/15 provisions
- \$100 flat match for undisclosed amounts
- Includes beneficiary designations, increases, life income gifts

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### Match Formula and Terms

2.  My bequest is in the specific amount of: \$ \_\_\_\_\_  
 My bequest is stated as a percentage and is worth approximately: \$ \_\_\_\_\_  
(Please provide your best good-faith estimate of the value of your future bequest, based on the approximate current value of your assets.)

I wish to keep the value of my bequest private at this time.  
(Your intended bequest will qualify for a matching gift of \$100.)

3.  My bequest to the ACLU depends upon a contingency, such as the prior death of a spouse, partner or child.  
 My spouse/partner has done the same. The ACLU will receive a gift upon the death of the second-to-die.

4. I added this bequest to my will or trust, or updated my beneficiary designation forms to include a gift to the ACLU  
 Prior to April 1, 2015     After April 1, 2015\*

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### Marketing

- Target audience
- Messages
- Most effective channels
- Examples of marketing collateral

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### Marketing

- Target audience
  - Traditional planned giving prospects
  - Younger prospects with beneficiary designations
  - Depends on who you can afford to reach
- Messages
  - Simple
  - Direct
  - Easy to reply

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### Marketing

- Most effective channels for responses
  - Direct mail
  - Organizational newsletters and magazines
  - “Special Edition” planned giving newsletters
  - Inserts with direct marketing appeals
- Branding opportunities
  - Annual report
  - Web
  - Email signatures

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## Takeaways

- Legacy Challenges are a proven way to secure untapped potential gifts from loyal supporters who would otherwise be "on the fence" about closing a planned gift
- They can be tailored to appeal to your organization's needs, donor base, and target audience
- They can dramatically increase the return-on-investment of planned gift fundraising, and raise current cash as well as future commitments

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## Questions and Answers

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## Still Have a Question?

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