




How To Jump Start Your PG Program: A Case Study



Date: August 25, 2022
Time: 1:00 – 2:00 Eastern
Presenter: Jeff Lydenberg
 Vice President, Consulting

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Agenda

- Program Structure: Charity Services
- Measuring Performance/Metrics
- Marketing v. Fundraising
- Program Scope
- Legacy Society
- Marketing
- Data/Estate Administration

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Charity Services

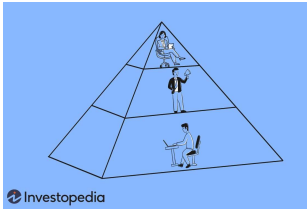
- Charity Services
 - Raises \$50M a year in total philanthropy
 - Averages \$2M a year in realized bequests, CGA terminations, QCDs
 - Staff of three in planned giving
 - Darius, Director of Planned Giving
 - Sara, Assistant Director of Planned Giving
 - Camille, Development Associate (shared)
- Raiser's Edge CRM
- Estate administration and bequest intentions tracked in Excel

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Program Structure**

- Legacy Society
 - 20 members
 - Annual luncheon
 - One personal visit annually
 - Birthday and holiday cards
- Marketing
 - Outside vendor
 - Hosts website
 - Drafts some content
 - Newsletter 2X a year
 - Mostly direct mail



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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Portfolios and Metrics**

- Portfolios
 - 150 to 200 donors/prospects
 - Evenly divided among discovery, cultivation, solicitation, stewardship
- Traditional metrics
 - Visits, calls
 - Action plans for each lead
 - Numbers of new leads
 - Dollars raised

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **How Are They Doing?**

- \$50M total giving, \$2M planned giving
 - Planned giving accounts for 4% of the total
- High performing program?
 - +10% total philanthropy from planned giving
- Timelines are long, not a straight line, cyclical

Fiscal Year	Total Philanthropy	Total bequests Realized	Realized bequests as a percentage of total philanthropy
FY14	\$ 49,638,786	\$ 897,177	1.81%
FY15	\$ 48,481,956	\$ 1,008,763	2.08%
FY16	\$ 57,348,241	\$ 2,993,251	5.22%
FY17	\$ 61,280,762	\$ 1,663,831	2.72%
FY18	\$ 66,366,711	\$ 6,986,683	10.53%
FY19	\$ 76,806,105	\$ 3,711,031	4.83%
FY20	\$ 80,493,123	\$ 4,850,641	6.03%
FY21	\$ 81,000,000	\$ 700,000	0.86%
		Average	4.26%

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Planned Giving *Program* Metrics**


- **Realized revenue**
 - Bequests, beneficiary designations, terminated life income gifts and trusts
 - Irrevocable dollars committed, life income gifts, charitable trusts
- **Legacy Society membership**
 - Establish baseline rate of new members
 - Set stretch goal
- **Marketing**
 - Planned giving included in every charity publication
 - Minimum of four marketing campaigns
 - Drip campaigns including direct mail, email, personal follow up
 - Appealing lead generation tools - Estate planning guide and/or donor survey

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Planned Giving *Program* Metrics**

- **Transparent, up to date, evenly applied policies**
 - Ready to quickly evaluate assets and vehicles
 - Crypto? NFTs?
- **Set goals for complex gift activity**
 - Real estate, business interests, other non-liquid assets
 - Lead trusts, retained life estates, other unique gift vehicles
- **Set goals for life income gifts**
 - Number of gift transactions
 - Dollar goals



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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Planned Giving *Officer* Performance Metrics**

- **Documented dollars secured**
 - Establish baseline from historical attainment
 - New expectancies and irrevocable planned gifts equally weighted
- **Number of proposals presented**
 - Traditional "moves" become a numbers game
 - Measuring solicitations for revocable and irrevocable commitments increase actual gifts
- **Ratio of proposals funded**
 - Could be a measure of success
 - High number of "yes" may mean under soliciting

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Planned Giving Officer Performance Metrics**


- Number of discovery calls on leads
 - Advancing donor discussions top priority
 - Nonetheless, need to refill the pipeline
- Portfolio metrics
 - Initially base **dollar goals** on historic achievement plus a stretch goal
 - 50 **proposals** per year (200 prospects, 50% in solicitation)
 - 4:1 **ratio of proposals** funded
 - 50 **discovery calls** per year (200 prospects, 50% in discovery, 5:1 contact attempts to connect, 250 discovery attempts to reach 50)

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services PG Fundraising Model**

- Rely on their compelling mission
- Charitable constituency matters
 - Hospital-grateful patients
 - University-alumni
 - Religious-congregants
- Industry matters, but not as much as you think
- Charity Services provides social services
 - Supporters are those who approve of their mission



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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services PG Fundraising Model**

- Growing the donor base– lead generation
 - Marketing
 - Response to inbound requests
 - Prospecting among likely donors
 - Referrals from other development units
- Darius cross-trains major and annual fund staff
- Planned giving metrics for non-planned giving fundraisers
- Joint credit for MGOs and PGOs

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Fundraisers Need to Fundraise

- Darius
 - Oversees marketing
 - Estate and life income gift administration
 - State regulation of CGAS
 - Supports MGOs
 - Manages 1.5 employees
- How can he work a 200-donor portfolio?
 - Streamline processes
 - Add staff (HAI)
 - Assign to other staff
 - Outsource

Top 10 Qualities of A Successful Fundraiser

1. Impeccable integrity
2. Good listener
3. Ability to motivate
4. Hard worker
5. Concern for people
6. High expectations
7. Love the work
8. High energy
9. Perseverance
10. Presence



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Marketing v. Fundraising

- Marketing is fundraising by other means
- Not a substitute for portfolio work
- Plan for times of overabundance
 - Stagger mailings/surveys
 - Target most likely audience
 - Engage development associate for qualification calls
 - Hire a vendor to manage fulfillment and/or qualification
- Expensive? Not as expensive as losing qualified leads

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Program Scope: Bequests

- Bequests/beneficiary designations
 - Consistently largest source of revenue from planned giving
 - Under-marketed, under-fundraised, and underappreciated
- Life income, charitable trusts, other planned gifts
 - Irrevocable dollars can seem impressive
 - Time value of money
 - Not received any sooner than other estate gifts
- Emotionally engaged revocable gift donors likely to keep charity in plans
 - *Leaving a Legacy*, Giving USA Special Report, 2019

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Program Scope: Bequests

- Revocable bequests; essentially gifts anyone can do
 - Fundraisers
 - Donors
- Remember us in your long-term plans
- Planning happens around life events
 - Medical diagnosis
 - Family changes
 - Retirement downsizing
- Be top of mind when those events happen

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Program Scope: Complex Gifts

- CGAs, CRTs, CLTs, RLEs, PIFs, etc.
- Time consuming
 - Training
 - Collaboration
 - Administration
 - Tougher to cross train MGOs
- Diverts limited resources
- Transactional
- Typically, far less revenue from these gifts

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Program Scope: Complex Gifts

- Why bother with more complex gifts?
 - Donors expect it
 - Their church, synagogue, university are talking to them about CGAs, CRTs, etc.
 - Would make Charity Services look less sophisticated than other charities
 - Additional revenue
 - If 70% of revenue is bequests, 30% of revenue is CGAs, CRTs, etc.
 - Life income gift donors transactional
 - Not engaged in the same way as bequest donors
 - Overlap between bequest and life income donors modest
 - Additional revenue stream

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services Legacy Society**

- The Legacy Society
 - 20 members
 - Includes revocable bequest intentions and irrevocable gift donors
 - Include endowed fund holders?
- Majority of intentions will remain unknown
 - 30% known, 70% unknown
 - 20 members = 30% known
 - 47 members = 70% unknown
 - Total pipeline = 67 intentions

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services Legacy Society**

- Benefits of Legacy Society membership (to donors)
 - Recognition?
 - Goodies?
 - Free lunch?
 - Assurance that their legacy will be honored
- Benefits of Legacy Society membership (to charity!)
 - Legacy Society gifts more than 2/3 larger than those from non-Legacy Society donors
 - Testimonials
 - Develop profile of target audience
 - Branding



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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services Legacy Society**

- Documentation of intentions
 - Rarely need copies of estate documents
 - Don't really need to know vehicle (IRAs are an exception!)
 - It's okay for you to document intentions for the donor
- How would you like us to use your gift?
- How would you like to be recognized?
- Why did you put a charitable provision in your plans?

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Charity Services Legacy Society

- To lunch or not to lunch?
 - Ask members what they want
 - Compelling, mission-focused event
- Create the case for disclosure
 - Why should I tell you?
 - What are you going to do with my information?
- Testimonials from living donors with intentions
 - Single most important way to steward and influence others
 - Social modeling

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Charity Services Marketing

- Planned giving website
 - Interactive calculators
 - Static content
 - Analytics show little activity
 - Least effective lead generator
- So why a website?!
 - It's planned giving's front door
 - Demonstrates professionalism and leadership
 - Drive traffic to the web
 - Self-serve marketing downloads



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Charity Services Marketing

- Newsletter 2X a year
 - What is your message?
 - Awareness?
 - Organizational updates?
 - Teach about planned giving options?
- Engage donors to consider their financial and estate planning
- Return on investment
 - Darius and Sara's time to produce diverts them from fundraising
 - Is there a reply device
 - How many leads generated

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services Marketing**

- Direct mail
 - Bulk of Charity Services marketing
 - It's not dead yet!
 - Need to use multiple channels
- Surveys, self-mailers, postcards, receipt inserts, estate planning guides
 - Bite size pieces of information
 - Calls to action
 - Create urgency
- Email
 - Cheap
 - Reinforce direct mail messaging
 - Such a thing as too much

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Charity Services Marketing**


- Gift Planning Marketing Metrics
- Three primary metrics to measure marketing success
 - Number of new intentions (Legacy Society members)
 - Number of leads generated
 - Inbound responses to marketing: mail, email, calls
- Ruthlessly disqualify leads
- Focus on lead quality not just numbers

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Data/Estate Administration**

- All the data in one place!
 - Raiser's Edge (or your CRM)
 - Multiple spreadsheets tracking intentions, estates in administration
 - Data in spreadsheets not visible to others
 - Easy for others to make embarrassing mistakes
- Reporting
 - How are we doing?
 - What's in the pipeline?
 - Success begets success



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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Data/Estate Administration**

- Information to gather: *Pre-death behavior*
 - How many individual gifts did the donor make?
 - What was the donor's total lifetime giving?
 - When was the last gift prior to the donor's death?
 - How was the donor connected to Charity Services?
 - Did the donor notify Charity Services of his/her intentions?

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **Data/Estate Administration**

- Information to gather: *Post-death statistics*
 - Total annual realized gifts
 - What percentage of realized gifts were known in advance?
 - Total revenue by category of gift
 - Planned gifts as share of individual fundraising
 - Planned gift dollars per constituent

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PG Calc YOUR PARTNER IN PLANNED GIVING SUCCESS **In Summary**

- Charity Services performing "adequately"
- Institute metrics to motivate
- Fundraisers gotta fundraise!
- Elevate Legacy Society
- Focus on where the money is; balance resources
- Tighten marketing; mix it up; all media channels
- Gather data and efficiently manage estates

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To ask a question, click the Q&A button at the bottom.

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