



Keeping the Bequest Stream Flowing



Date: February 26, 2015

Time: 1:00 – 2:30 Eastern Time

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Agenda

- Bequest giving behavior
 - Charitable bequest trends
 - Factors highly correlated to bequest giving
- Filling the bequest pipeline
 - Marketing
 - Messaging
 - Training
- Obstacles to bequest donor identification
- Making bequests easy and urgent



Bequest Giving Behavior

- Dr. Russell James, *American Charitable Bequest Demographics (1992-2012)*
- Encouragegenerosity.com
- Three factors influence the charitable bequest:
 - Trust in the charity
 - The presence or absence of heirs
 - Wealth: the greater the net worth, the more likely a person is to leave a charitable bequest



Bequest Giving Behavior

- Charitable estate giving is rare
- HRS study reports 5.7% of population with charitable estate plans
- Among the philanthropic*, 9.4% have charitable estate plans
 - * Defined as those 50 and over who make charitable gifts of \$500 a year to charity



Bequest Giving Behavior

- Creating or changing a will tied to life events
 - Leaving a Charitable Legacy, Routley (2011)
- Birth of child, milestone age, retirement
- No one reported being motivated by charity literature or contact
- Charity not the primary driver of estate making



Factors Highly Correlated to Bequest Giving

- A long giving history correlates with likelihood of a planned gift
 - Identification, Death and Bequest Giving, Sargeant, Sheng (2008).
- Annual gifts at higher than average amounts correlates with estate giving
 - (James 2008)
- Estate gift prospects may engage in other ways



Factors Highly Correlated to Bequest Giving

- Presence or absence of heirs
- Charitable giving is a social act
- Charity acts as surrogate family
- Other factors being equal, childless most likely to engage in charitable estate giving
- Are you capturing childlessness in your database?



Factors Highly Correlated to Bequest Giving

- Strong correlation between education and charitable bequests
 - The growth of charitable estate planning among Americans nearing retirement, James, Lauderdale, and Robb 2009
- Likelihood of charitable bequest increases as education increases
- Can be a challenge to capture education data



Factors Highly Correlated to Bequest Giving

- Life events trigger will making
- Children, grandchildren
- Retirement
- Milestone age (60, 70, 80?)
- Medical diagnosis
- Move to retirement community



Filling the Bequest Pipeline: Awareness Marketing

- Why should donor support you?
- Integrate legacy giving message in all channels
- Segment? Yes Silo? No
- Make it easy for prospects to raise their hands
 - Bequest language
 - Contact information
 - Easy to find



Filling the Bequest Pipeline: Awareness Marketing

- Integrate bequest messaging everywhere
 - General newsletter
 - Receipt inserts (Do you wish you could do more?)
 - Messaging from leadership
- Segment those most likely for twice (minimum!) annual touches
 - Direct mail
 - Email campaigns
 - Legacy events



Filling the Bequest Pipeline: Content Marketing

- How is your charity making a difference?
- Not about self-promotion
- Information useful and relevant to donors
- How is philanthropy making a difference?
- Testimonials and bequest stories
- Call attention to longevity



Filling the Bequest Pipeline: Social Norming

- Giving is a social act
- Perception (correctly as it happens) is that estate giving is rare
- “Many of our supporters like you...”
- Consider the target demographic
- Use “family” words not “formal” words



Filling the Bequest Pipeline: Making the Case

- Demonstrate adherence to donor intent
- Showcase “but for” gifts that would not have happened without bequest
- Statistics and big numbers don’t motivate, tell a story
- Photos and stories of real people
 - Beneficiaries of charity work
 - Supporters of charity work



Filling the Bequest Pipeline: Bequest Language

- Name, tax identification number, and address
- Everyone should have immediate access to this data
- Distribute bequest language widely as possible
- Must be easy to find
- “Does your client have an area of interest?”



Filling the Bequest Pipeline: Staff Training

- “Remember us in your will.” Done!
- Organization wide message that estate giving is welcome and encouraged
- Listen for:
 - “I’d like to thank you for what you’ve done.”
 - “I wish there was more that I can do.”
- Look for triggers to refer to development team



Filling the Bequest Pipeline: Flexibility-Irrevocability

- Key feature of estate gifts
- Contingencies can insure heirs and charity both provided for
- Flexibility discourages many from revealing intentions
- Honor donor's privacy
- Want to be sure we can carry out your wishes



Filling the Bequest Pipeline: Self-identification

- Majority of bequests will remain unknown
- Privacy
- Irrevocability
- Marks them as a major gift prospect
- Embarrassing
- Flexibility



Filling the Bequest Pipeline: Self-identification

- Insuring donor's wishes is a genuine concern
- Bequest may be impractical, unneeded, illegal, or against policy
- Get the name right
 - National org with local chapters
 - Legal name different from public name
 - Confusion over name
- Use tax identification number



Motivating the planned giving prospect

- Inertia is the enemy
- Natural to avoid hard conversations
 - Death
 - Family
 - Money
- Focus on donor passion, emotional connection
- Let the donor tell their story



Making the Planned Gift *Easy*

- Beneficiary designations
 - IRAs
 - Insurance policies
 - Commercial annuities
 - Financial accounts
- IRD assets favorable for gifts to charity
- Assist in completion of forms as appropriate



Making the Planned Gift *Easy*

- Provide “referrals” to planning professionals
 - Give three
- Ethics of who pays for documents
- Conflict of interest
- Undue influence
- Charity as executor
- Err on the side of disclosure and transparency



Make the Planned Gift Urgent: Legacy Challenge

- For each expectancy identified, a challenge donor will:
 - Provide outright gift for each new expectancy, or
 - Increase his expectancy to match new expectancies, or
 - Be a foundation with similar mission that will match
- Campaign is time limited
- Criteria to qualify



Make the Planned Gift Urgent: Legacy Challenge

- What counts?
 - Revocable? Irrevocable?
 - Minimum commitment?
 - Documentation?
- Terms of the match must be clear
- Err on the side of inclusion



Make the Planned Gift Urgent: Endowing the Annual Gift

- How will we replace your generous support?
- \$1,000 annual gift endowed with \$20,000 in endowment with 5% spend
- Memorial in perpetuity
- Consider virtual endowment
 - Create endowed fund for less than minimum
 - Annual gifts to create spending rate
 - Fully funded from bequest



Make the Planned Gift Urgent: Legacy Gift Campaign

- Capital campaign?
- Endowment campaign?
- Perpetual campaign?
- Pressure for now money
- When do you get around to planned giving?



Make the Planned Gift Urgent: Legacy Gift Campaign

- Campaign built around securing bequests
- Follow traditional campaigning model
- Case for support
- Quiet phase - engage leadership and key donors
- Public phase



Make the Planned Gift Urgent: Legacy Gift Campaign

- Campaign Goal?
 - Signed pledge or letter of intent
 - Dollar goals if appropriate
- Establish time frame of campaign
 - Long enough to permit action
 - Short enough to create urgency
- Engage volunteers and senior leadership
 - Let me tell why I made my legacy commitment



Conclusion

- Bequests deserve time and resources
- Continuously market bequests, educate, and solicit
- Target prospects most likely to give a bequest
- Make the bequest decision easy, compelling, and urgent



Questions and Answers





Still Have a Question?

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