

Nonprofits Try an Array of New Tactics to Capture Planned Gifts

By Jennifer C. Berkshire

When Nancy Curry recently sent out a fundraising appeal, urging supporters of the public-television station in Tampa, Fla., to make a bequest or other planned gift, she tried a new approach.

In the past, Ms. Curry, vice president for major and planned gifts at WEDU, would have made the station the focus of her appeals. This time, however, the emphasis was squarely on the donor.

“Instead of saying, ‘Here are all the great things the station has been up to,’ I asked donors to think of themselves as visionaries,” says Ms. Curry. “What was their vision for the future of our station as made possible by their gift?”

The new approach, part of an overhaul and expansion of WEDU’s 10-year-old planned-giving operation, has already paid off in a big way. Ms. Curry estimates that the station is nearly three-quarters of the way to meeting its planned-giving goal for the year, even though its fiscal year began October 1.

Best of all, she says, a substantial number of gifts were made by donors who had given only small amounts in the past or who had never given at all.

“There’s a myth that planned gifts only come from major donors, but it simply isn’t true,” says Ms. Curry.

Focus on the Long Term

For charities that pursue planned giving, the payoffs can be substantial. But for all of the headline-grabbing stories about donors leaving huge bequests to benefit favored groups or causes, planned giving occupies a relatively lowly spot in the fundraising world.

A study of 1,200 nonprofits released in April by the Nonprofit Research Collaborative found that only a third of charities made formal efforts to solicit planned gifts or bequests.

Russell James, director of graduate studies in charitable planning at Texas Tech University, who researches planned giving, says that American nonprofits spend far less to promote planned gifts than they do on direct mail, annual funds, or capital campaigns.

The reason is simple, says Mr. James: Most of the people who work for nonprofits now won’t be there by the time a bequest or other planned gift shows up in a charity’s coffers.

And with budgets perennially tight, he adds, charities often choose to trim back efforts to seek gifts for the future in favor of those that will help right away. “It’s a cut that will have little immediate effect on revenue,” he says.

That may be changing, however, as a growing number of charities appear to be getting more serious about seeking planned gifts. Simple demographics account for much of this trend. The oldest of the more than 76

million baby boomers are entering their late 60s. And according to charitable-planning experts, Americans age 55 and older who have completed a will are increasingly likely to include a charity as a beneficiary.

Here's what nonprofits are doing to help them win more planned gifts:

Keeping in mind annuities and other types of planned gifts. Many charities focus on bequests alone. But when LifeCare Alliance, a home-care provider in Columbus, Ohio, approaches donors about making a planned gift, the charity offers what it calls a "pay now, pay later" option in hopes of fostering a continuum of giving, not simply a big gift after the donor's death.

The new approach, says Charles Gehring, the charity's president, developed on the heels of a successful capital drive to raise money for a new building that houses a food pantry and kitchen. A select group of donors to that campaign committed to giving \$5,000 a year over five years and \$75,000 in the form of some kind of planned gift, which may include real estate, stocks, or annuities as well as cash left in a donor's will.

The success of that effort, he says, inspired the charity to rethink the way it talks to donors about prospective gifts, including bequests. "The tendency is to separate planned gifts into another fundraising pile and treat them like they're somehow different from your other fundraising," says Mr. Gehring.

Thinking in terms of multigenerations. When Les Garner, president of the Greater Cedar Rapids Community Foundation, discusses the possibility of a bequest or other planned gift with a supporter these days, he makes a point of inviting the donor's whole family to participate.

"We treat this as a family conversation," says Mr. Garner. "It makes these discussions much easier. We're not talking about when you're going to die but what you are committed to and how we can engage the next generation to ensure that that commitment can continue."

For some donors, that could mean setting up an endowment that they will guide now and their children will run later. "People really like the idea that they're doing something for their community and encouraging the next generation to follow in their footsteps," says Mr. Garner.

Marketing aggressively. In 2010, the Wichita State University Foundation started a two-year planned-giving campaign. While the foundation has sought planned gifts for the past three decades, the new drive represented a serious upgrade. One change: a major emphasis on marketing. The foundation used email appeals, including a donor testimonial on video that was circulated to supporters by email and on the university's website, and advertisements in campus publications and at campus sporting events to appeal to younger potential donors.

"We used the expanded marketing to try to reach beyond the older donors that planned giving is typically associated with," says Michael Lamb, vice president for planned giving at the foundation, which budgeted \$20,000 for the marketing campaign.

About 100 donors have pledged planned gifts, worth an estimated \$7-million. But Mr. Lamb says that the drive's real success lies in finding more prospective donors: "Universities are fortunate to have a natural pool of prospects. What we've been able to do is get a much broader conversation going about why planning is important."

Relying on social media. A growing number of organizations are using Facebook, Twitter, and other social networks to start conversations with donors about making a planned gift, says Kristen Schultz Jaarda, senior vice president for Crescendo Interactive, a company that sells software to help charities manage their planned gifts. In a recent survey of more than 1,000 Crescendo clients, the company found that 89 percent of the groups were using social media to promote planned giving.

Some charities, Ms. Jaarda says, use social networks to offer a free kit or guide to help supporters prepare their wills. “Social media can’t take the place of other kinds of planned-giving conversations, but it can definitely help generate interest,” she says.

Using donors’ stories to inspire others to give. Ms. Curry was inspired to overhaul the planned-giving program at WEDU after attending a conference on the subject organized by the Public Broadcasting Service. The event was headlined by two consultants from Britain, where planned giving, particularly bequests, are especially popular.

“Their perspective was completely different than anything I’d heard before,” says Ms. Curry. One tip that stood out, she says, was the idea of having donors talk about why they were making a planned gift.

Ms. Curry now highlights such testimonials frequently, including in WEDU’s monthly magazine and in ads the station broadcasts. The ads seem to be having the desired effect, says Ms. Curry: “I’ve seen a significant increase in inquiries about leaving money to the station.”

Telling donors’ stories can help spur others to make a bequest, says Steve Spriggs, director of planned giving at Fresno State University: “It’s like a light bulb goes on. People say, ‘Oh, I can do that.’”

These days Mr. Spriggs has a particularly inspiring tale to tell.

John Long, a Fresno State alumnus who earned a fortune in retail, recently left \$5-million to the university. In the years before Mr. Long died, Mr. Spriggs helped him determine what kind of gift he wanted to leave. The result: an academic endowment created in memory of Mr. Long’s mother that includes 20 scholarships for full-time students based on financial need and the students’ potential contributions to society.

“Mr. Long had us in his handwritten will for 40 years,” says Mr. Spriggs. “The money he left us has already gone to work for scholarships. It’s really transformational.”