

Stories in Hand

BY MARK BREWER



There is something about planned-gift asks. Perhaps it is the feeling of being unprepared for this type of discussion or the fear of offending a donor or the dread of even remotely hinting at death. Yes, such asks are different. Or are they?

Uncharted Waters

“We don’t make as many planned-gift asks as we should because many of us are worried that the conversation is too far different than another type of ask—that we need to be technically savvy in the different planned-gift vehicles,” says Lawrence C. Henze, managing director of Target Analytics, a division of Blackbaud Inc. (www.blackbaud.com) in Charleston, S.C. “I don’t believe that. When we get lost in the technical details of a planned gift, I think we’re going down the wrong road. Very few people opt for technical gifts.”

Indeed, according to “Asking for Bequests” by Jerold Panas, Linzy & Partners, 70 percent of planned gifts are simple bequests, which is a provision in a will or living trust directing the distribution of assets to another person or charity.

Fundraisers who do not spend a lot of time cultivating planned gifts can get quite uncomfortable about the conversation. “Fundraisers like to be confident, and they fear getting into territory where they don’t know the answers,” says Sherrie Beal, a gift-

planning officer for The Nature Conservancy (www.nature.org).

Then, of course, there is the dreaded D word. “The death concept tends to scare a fundraiser more than it does a donor,” Henze says. “By the time they’re willing to consider a gift of this type, donors have at least partially confronted their own mortality.”

Beal agrees. “Fundraisers should get over the notion that they might offend people when they ask them for a planned gift,” she says.

Nevertheless, it is still a good practice to avoid the D word with donors. According to researcher Russell James III, J.D., Ph.D., CFP®, professor and CH Foundation chair in personal financial planning and director of graduate studies in charitable planning at Texas Tech University in Lubbock, Texas (www.encouragegenerosity.com), “For many people, most of the time the response that they’ll have to discussions of their own mortality is some expression of avoidance. It may be simply to avoid the topic or to say they’re too busy or that it doesn’t apply to them.”

Luckily, there are ways you can avoid the death discussion and still determine whether your donor is a qualified planned-giving prospect.

Stories Open the Door

“One of the best strategies I’ve seen for dealing with this topic is to share stories,” James says. “In particular, share examples of what other people have done to plan for a gift in a will.”

He recommends delivering the planned-gift story in the context of other, more general stories, using the “4S” method (4S stands for three stories and shut up) pioneered by Jeff Comfort, vice president of principal gifts and gift planning at the Oregon State University Foundation (www.osufoundation.org) in Corvallis, Ore.

The first two stories are general interest information about your organization. For example, if James were speaking to a Texas Tech alum, he could lead with an update about the new football coach (story No. 1). Then he could talk about a new building on campus (story No. 2). Then, he could launch into the

planned-gift story. He may say, “Do you know Mary Smith? Mary spent her career helping people with their finances, and she recently signed a new will that includes a gift for a permanent scholarship for our financial planning students” (story No. 3).

Then you shut up and let the donor respond.

“If you have somebody who’s not interested in planning a gift, they’re likely to respond about the new building or football coach. But if you have reached somebody at the point in life where they’re ready to have a conversation about planning a gift, you’ve been able to open it up in a very nonthreatening way,” James explains. “They can choose to pick up that conversation and move forward with it. The 4S method, which you can do with any donor at any time, is the most powerful method we’ve tested in our experiments for shifting people’s attitudes.”

A Donor’s Life Story

The critical aspect of story No. 3 is connecting another living donor’s life story to a gift in a will. “That’s really important, because what we’ve found from the neural imaging research that we’ve done on campus, where we have people make charitable estate-giving decisions, is that when people are making those decisions, they tend to engage in what we might call ‘visualized autobiography’ or ‘life review,’” James explains. “The donor might think, ‘How does this fit into my life story? Is this an appropriate final chapter to my life story?’”

“Even if you’re sharing stories about a completely different cause, just sharing stories about how people have decided to plan a gift in their will that connects with their life story is compelling because it creates a social norm that says, ‘This is what people do. They put things in their will that reflect their own life story.’”

“And if the person still doesn’t pick up on the planned-giving story, the gift officer has had a powerful influence on the decision-making process just by sharing that story.”

However, James cautions, never lead with the death-related story (No. 3), which is why he recommends having other stories first. As a general rule, people are more compelled by examples of others who are more like them. “We’ve found that sharing stories of other living donors who have made the decision to plan a gift in their will is more influential than telling stories about deceased donors,” he says. “It also helps eliminate the avoidance response when you start talking about death or death examples.”

Where There’s a Will, There’s a Way

While there are many ways to describe a gift in a will, some are better than others. “The worst way that you can describe the gift is as a ‘bequest gift,’” James says. “For some reason, whenever we use the term ‘bequest’ more than any other description we use, people’s interest goes down substantially. The most effective description that we’ve tested is very simply ‘a gift in your will.’”

However, although James’ language tests do well with all age groups, he says that older adults (those in their late 50s and beyond) tend to be more resistant to the idea of a gift in a will. Surprised? Many are less likely to be undecided, rather than less likely to be interested, because they have already made their estate plans.

That is where effective planned-giving marketing to older prospects comes in. “They may start out being more resistant to the concept, but they are more responsive to planned-giving marketing done the right way,” James says. “We tested in a large national survey seven brief stories of living donors. If they read the donors’ stories, they ultimately had greater interest in leaving a gift in their will.”

Of course, there are many ways you can use a will or trust to transfer assets, but “if you want to talk about those things, it tests reasonably well as long as you begin with ‘a gift in your will,’” he adds. Terms such as “estate plan” and “legacy gift” are too grand for most donors. “Many think that’s for really wealthy people and not for them,” he says. “But a gift in a will is something that anybody can do.”

Connecting With Donors

If a prospect expresses interest in a planned gift, do your homework to find areas of the person’s life that connect with your organization, advises Vickie M. Wilson, Ph.D., vice president of development at the Community First Foundation (<http://communityfirstfoundation.org>) in Arvada, Colo. Interestingly, men often have a concrete idea of their legacy based on their personal history, while women tend to see relationships as their legacy, she explains. Consequently, homework is essential to finding avenues to shift women’s thinking about how to connect their life story to a planned gift.

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If you cannot make a direct life connection with a donor, perhaps he or she would be interested in honoring a family member with a tribute gift in a will. “We found that just asking that question by itself will bump up interest in making a gift in a will for about one out of four people,” James says. “But it gets more powerful if we go through the process of asking them if they have a family member who would have appreciated or would appreciate their support of this cause. If we ask them about that family member’s connection to the cause and then ask them about making a gift in their will in honor of that family member, that bumps up interest pretty dramatically—by about one-third. That’s because about one-third of people do have a family member who would appreciate a gift to that cause.”

James suggests phrasing the question something like, “Do you have a family member who has benefited from the work of our cause or who would appreciate a gift to our cause?” Using a “cause” is more compelling for many people than an “organization,” James points out. “More recently, we found that if we add into that a reference to the life story, it’s even more powerful. So the phrase ‘making a gift in your will to support a cause that has been important in your life’ has been very successful.”

Long-Term Stewardship

When do you start asking for planned gifts? Your prospects are getting younger all the time. “It’s good to create awareness outside of your typical planned-giving prospect, which is age 55 to 60-plus,” advises Nathan Stelter, vice president of business development at the Stelter Company (www.stelter.com/white_papers) in Des Moines, Iowa. “We know from our research that people are planning gifts earlier, and that’s growing because of access to information through the Internet.”

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That is both good news and bad news for gift-planning officers. “One of the things we’ve noticed in our data is that the age of interest in planned giving is coming down to the late 40s to early 50s,” Henze says,

“but these donors have more opportunity to change their minds without informing the charity.”

Of course, the ultimate goal for a planned gift is not securing the initial commitment but being in the donor’s last will. James says that when planning a gift, you are just starting the process because the will is a revocable document. “People tend to change the charitable component of their estate plan a lot within the last two to five years of life,” he says, “many times in response to life events such as widowhood or a negative health diagnosis.”

That means a lot more time spent on stewarding planned-gift donors. James refers to research done in Australia on probate files that shows that most charity dollars transferred by wills were signed when donors were in their 80s or 90s. “So, you need to stay with those donors all the way through to the end,” he says. “It’s a very long-term relationship if you’re talking about working with younger donors. ‘Count it and forget it’ doesn’t work. The actual will that controls things will be signed much later in life.”

Henze cautions that courting younger planned-giving prospects “puts your institution on notice that you’d better do a really good job with stewardship. You’re going to be recultivating that gift year in and year out. Staying in touch with people keeps them involved with the organization. We see more evidence that people change their minds about their planned gifts later on in life. You make it harder for them to change their minds if you’re still in touch with them and still have a relationship with them.”

Planned gifts are major gifts, so steward planned-gift donors as though you have already received the gift, Wilson advises. For example, if a donor takes out a \$100,000 life insurance policy with your charity as the beneficiary, consider treating that donor like a \$100,000 donor.

Cultivating Blended Gifts

Most development departments do not have a full-time planned-giving officer, and in many smaller organizations, fundraisers seldom differentiate between a major-gift conversation and a planned-giving conversation. Likewise, some donors just want to give and do not distinguish among the types of giving, whether planned, major or annual gifts. Consequently, it is natural that many planned-giving conversations are in the context of a larger discussion about giving in general.

That is a good thing, Stelter says. “Donors don’t look at their philanthropy in planned, annual and major giving buckets like development officers do. They look at the organization(s) that are near and dear to them and look at how they can support them now and in the future. What we’ve seen in the last five years is gift officers’ talking more about blended gifts to address this donor need,” combining a major cash gift, a planned gift and an annual gift commitment.

The 4S approach is a natural way to frame a general gift conversation because it allows prospects to choose the path of the conversation by responding to what really motivates their giving at the time of the conversation.


In addition, some of the best planned-giving prospects are not major-gift prospects. In fact, they may be your monthly donors or annual fund supporters who give anywhere from \$25 to \$100 to your organization every year for years. “Our research has been able to correlate strongly that people who give consistently are among the best planned-gift prospects,” Henze says. “They may love your cause, but they don’t rise to the top of the annual giving pyramid. However, donors of modest means often leave simple bequests that may be quite valuable.”

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Beal has seen this firsthand. “I’m seeing these donors make half-million- to multimillion-dollar commitments through their estates,” she says. “We call them ‘loyals’ for a reason.”

The Planned-Giving Potential

Developing mastery over the planned-gift ask is important because of the gift potential. “One of the things we can tell you is that many organizations have more potential in planned gifts than cash gifts,” Henze says. “We all know that every organization wants current cash, but if your organization attracts donors who are more inclined to a planned gift and you don’t pay attention to planned gifts, you’re leaving a lot of money out there.”

Research indicates that many donors actually like the idea of a planned gift. So, don’t wait. As Beal points out, “There are people waiting for you to have that conversation with them.” 

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Resources and Additional Reading

“Asking for Bequests” by Jerold Panas, Linzy & Partners, www.panaslinzy.com/assets/Asking_for_Bequests.pdf

“Brain Studies and Donor Decision Making: What Do We Know?” by Russell James III, J.D., Ph.D., CFP®, *Advancing Philanthropy*, Winter 2014, pages 44-46

Discovering the Secret Giver
www.stelter.com/white_papers

“Encourage Planned Gifts by Telling a Bequest Story” by Claire Meyerhoff
www.gailperry.com/encourage-planned-gifts-by-telling-a-bequest-story

“Five ‘must dos’ of bequest fundraising” by Fiona McPhee
<http://sofii.org/article/five-must-dos-of-bequest-fundraising>

“How to Talk with Donors about Planned Gifts” by Katherine Swank, J.D.
www.blackbaud.com/files/resources/downloads/WhitePaper_TargetAnalytics_HowToTalkWithDonorsAboutPlannedGifts.pdf

Inside the Mind of the Bequest Donor: A visual presentation of the neuroscience and psychology of effective planned giving communication by Dr. Russell James III (2013), paperback, 324 pages

“Making Planned Giving Work for You” by Lawrence Henze, J.D.
www.blackbaud.com/files/resources/downloads/WhitePaper_MakingPlannedGivingWorkForYou.pdf

“The ‘planned giving’ newsletter: Does anyone really read these things?” by Tom Ahern
www.virtualgiving.com/downloads/whitepapers/death-brochure-tom-ahern.pdf

“Planned giving officers could well be the worst bequest marketers ever” by Tom Ahern
www.aherncomm.com/4899-2

What Makes Them Give?
www.stelter.com/white_papers

Words That Work by Russell James III, J.D., Ph.D., CFP®
www.stelter.com/industry_research