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MARCH 2018

Effective Planned Giving Marketing

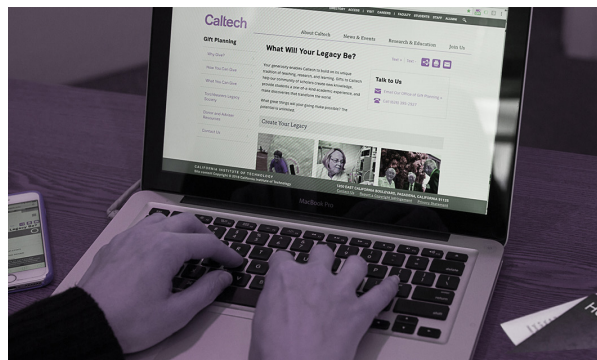
A PG CALC WHITE PAPER

EFFECTIVE PLANNED GIVING MARKETING

Introduction

Planned giving is a win-win for your organization and your donors. Donors can make larger gifts than they might otherwise make to a charity they love, and nonprofits receive more gifts.

This win-win scenario notwithstanding, fundraising departments frequently find it challenging to reach their planned giving potential. By targeting only the core group of planned giving prospects — childless professionals over age 65, organizations risk losing the enormous giving potential locked up in other groups of donors. To create a steady stream of qualified leads that is sustainable over time, fundraisers should reach out to a wider audience.



Fundraisers face two challenges:

- Planned giving audiences are not ready for a planned giving conversation, either because they don't understand planned giving, or don't see themselves as prospects
- Fundraisers don't have the time, tools, resources and specialized skills needed for a strong marketing program that will generate adequate leads

A robust marketing program opens the door to planned giving conversations that you would not otherwise have. Marketing starts the conversation. It enables you to start building a relationship with the prospect, ultimately leading to a gift commitment. Marketing is the most effective tool to raise awareness and build relationships that lead to commitments.

Fundraising leaders are encouraged to seek the resources necessary to plan and implement a strong planned giving marketing program.

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Key Concerns

- Most planned giving prospects are not ready for a conversation
- Fundraisers lack the time and expertise necessary to market planned giving to a wide audience
- Not reaching out to a wider audience can, over time, lead to a vanishing lead pool

Planned Giving Success Can Be Elusive

A planned gift is a part of a donor's legacy. A planned gift donor supports and is emotionally invested in your mission. For lifetime supporters of your organization, a planned gift is the perfect way to maintain that relationship for many years into the future.

While the benefits of planned giving to organizations and donors may be obvious, success in planned giving can be elusive. Long-term commitment to planned giving on the part of the organization is required in order to realize the potential benefits.

Many organizations struggle with their planned giving programs, while other organizations have problems getting started. *Planned giving requires a program of targeted messaging to educate prospects and a dedicated strategy to generate a steady stream of qualified leads.*

Prospects Are Not Ready for a Planned Giving Conversation

The concept of planned giving is a bit more abstract than a cash gift. Therefore, a planned gift commitment can require more donor education than a large cash gift. This can be a frustrating, tedious process if fundraisers rely solely on in-person cultivation, especially when you cast a wider net for prospects. *Fundraisers need to promote the power of their mission to a broad audience.*

In addition to understanding your mission and impact, prospects need to know:

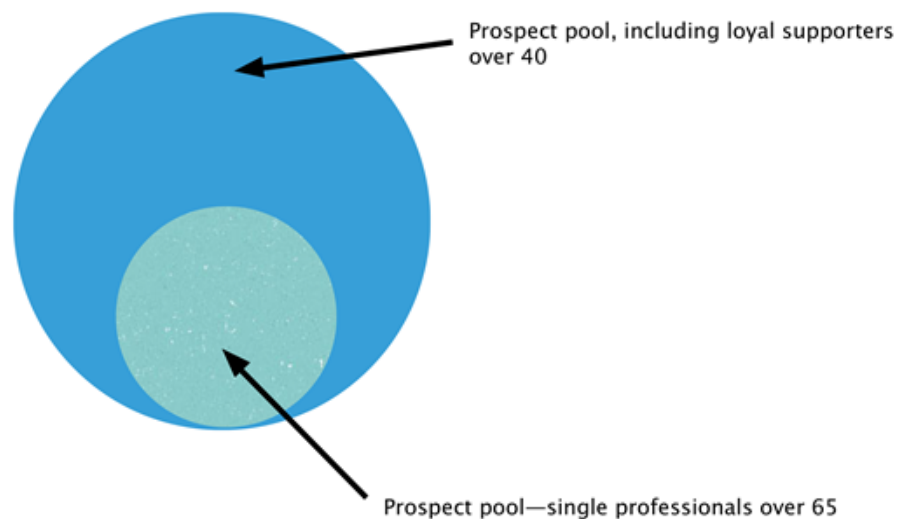
- What a planned gift is
- What benefits accrue from planned giving
- Who is capable of making a planned gift
- How to make a planned gift

Timing is another issue that comes into play when reaching out to prospects. Some potential donors have completed the estate planning process and are not ready to re-open that conversation. Some are expecting to engage in estate planning, but not now. Timing your approach to these prospects is tricky at best.

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The Vanishing Lead Pool

According to research published by Texas Tech University, the ideal cohort of planned giving prospects comprises childless professionals over age 65. This is low-hanging fruit that you can count on.



Fundraisers can improve planned giving performance by casting a wider net for prospects that includes younger donors who have demonstrated loyalty to your organization over time.

By reaching out beyond the most qualified cohort, you give many potential donors a way to express their commitment to your organization through a planned gift. Low-hanging fruit, as tasty as it is, will not fuel long-term success in lead generation. Eventually, your lead pool will dry up.

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Success in planned giving requires reaching out beyond the usual suspects. For example, an excellent source of leads is loyal supporters who love your mission but will never have the capacity for a significant cash gift. This includes consistent annual fund donors, and longtime and engaged volunteers. Reaching out to donors over age 40 will also yield qualified leads.

Casting a wider net is the only way to get a consistent, long-term pool of qualified leads for your planned giving program, and to maximize your organization's planned gift potential.

Consistent Marketing Leads to Consistent Results



The solution to consistently cultivating a larger audience over time lies in marketing. The for-profit world has used marketing for decades to generate a steady stream of qualified leads. Marketing is the lifeblood of most businesses and provides the benefits needed to create a sustainable program. Benefits of marketing include:

- Raising awareness by reaching a targeted audience with a targeted message
- Building a relationship by giving the prospect something of value
- Allowing you to reach a wide audience efficiently
- Providing a way for prospects to self-identify, resulting in qualified leads
- Keeping your organization fresh in the minds of prospects who are interested but not ready
- Building consistency in prospecting efforts, leading to a steady stream of qualified leads
- Producing results that can be measured, so your return on investment in marketing can be quantified

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Benefits of Planned Giving Marketing

- Raises awareness of planned giving and your planned giving program, the first step to engage prospects
- Builds a relationship by keeping in touch on an important topic
- Keeps your organization top of mind
- Allows for feedback: prospects can self-identify as being interested
- Creates a system to generate leads
- Results can be measured so you can calculate your ROI
- Positions your organization as an authority
- Creates its own momentum to, over time, fill the prospect pipeline

Benefits of Planned Giving Marketing

The benefits listed on the left are can all apply to planned giving. Let's look at how these benefits translate to marketing planned giving programs.

Raises Awareness

Marketing prepares prospects for a planned giving conversation. *Through marketing, your prospects can become aware what a planned gift is, understand the benefits of a planned gift, and learn how to make a planned gift.*

In a study that tracked 20,000 Americans over age 50 from 1995 to 2006, Dr. Russell N. James III, Director of Graduate Studies in Charitable Planning at Texas Tech University, found that among those who give \$500 or more per year to a nonprofit, fewer than 9.5 percent had a charitable estate plan. Dr. James says, "For those who think the generational transfer will automatically flood their organizations with resources, it's time to think again. Without putting in the hard work of generating these planned gifts, 90 percent of donor mortality will simply result in lost current giving."

The "hard work" mentioned above includes creating a marketing plan that focuses on proactively educating and stewarding prospects, and encourages participation in your planned giving program. The marketing plan should enable you to reach people at the time that's right for them, and increase the likelihood that your organization will end up in the donor's will, and stay there.

Marketing also helps prospects see themselves as planned giving donors.

This is important because prospects may filter out planned giving messages if they think planned giving is not for them. Many people believe that bequests and other estate gifts are for other people: the super rich with hot and cold running advisors. They may not believe their estates are large enough for a planned gift, especially if they plan to give all their assets to family members. Mal Warick, in his book, "Fundraising's Holy Grail: What Do We Really Know About Legacy Giving?" reports that the average charitable bequest in the United States is \$35,000. That works out to 1 percent of a \$3.5 million estate. How many donors can do that? Quite a few.

Stories about "regular people" who have made a planned gift are powerful in raising awareness and putting the reader in the shoes of the planned gift donor. Through donor stories, prospects can come to see themselves as planned giving donors.

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Less effective is messaging centered on the gift vehicles. The best way to raise awareness of gift vehicles is to include them in the donor story. Make the donor the focus of the story, including a reference to the gift vehicle as a way to raise awareness of planned gifts.

Builds a Relationship that Leads to a Conversation

The process of building awareness and stating benefits also builds relationship. In presenting planned gifts to prospective donors, you are proposing something very emotional and powerful that may have a profound effect on the prospect. *The quality of the gift is directly related to the quality of the relationship.*

Keeps Your Organization Top of Mind

Consistent marketing reinforces awareness of your mission and planned giving program for prospects until the timing is right. A study by Dr. Adrian Sargeant, director of the Center for Sustainable Philanthropy at the University of Plymouth and adjunct professor of philanthropy at the Lilly Family School of Philanthropy at Indiana University, found that participants said the quality of communications they receive from organizations influences their decision to give. Additionally, the study said that because bequests are often motivated by major life changes, such as the birth of a child, or impending retirement, *nonprofits should “drip-feed” messaging on bequests.* This will steadily remind donors about planned giving, and will increase the likelihood donors will remember the organization when they make a will.

Allows for Feedback

A prospect that is inspired by your marketing will have the *opportunity to self-identify* through a response mechanism, like a self-mailer, or a form on a landing page. This is your source of qualified leads.

Produces Leads

A planned giving marketing program that is organized, strategic, and integrated across multiple channels will produce a flow of qualified leads over time. A marketing program enables you to create and deploy consistent messaging over time. *With an organized marketing program, you can build better brand awareness and consistency that will distinguish your organization from other nonprofits.* Inconsistent messaging raises doubt in the minds of readers.

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A functional and effective planned giving marketing program should incorporate both online and traditional marketing tools, including the following:

- Planned giving website
- Email campaigns
- eNewsletters
- Direct mail campaigns
- Brochures

There are many vendors that will provide integrated marketing campaigns for your organization. Your task is to select the vendor that has a proven track record of customer satisfaction, and results. You might also consider using a marketing automation system which will facilitate the implementation of your marketing strategy, although these systems can be pricey.

Can Be Measured

Irrespective of how you choose to implement your marketing strategy, you must track the results and standardize the measurement of your efforts. Only in this way will you be able to evaluate and optimize your program over time. Marketing response is measurable, so you can calculate your return on investment. As you make adjustments to optimize your program, you can measure the effectiveness of the changes.

Positions You as an Authority

Marketing your planned giving program to a wide audience enhances the credibility of your organization, gives donors and prospects a higher level of trust, and positions your organization as an authority in planned giving.

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Downside of Not Marketing

If marketing is the key to developing a sustainable pool of planned giving leads, it's easy to see the downside of not marketing your planned giving program:

- You'll lose planned giving donors and gifts to other nonprofits that are marketing their programs
- You miss out on a reliable stream of funding, that over time, can become a significant percentage of your annual operating revenue

While there may be other risks, the two above should prove compelling.

Does Planned Giving Marketing Work?

According to a survey conducted by NFO Research and published by the National Association of Gift Planners, *34 percent of bequest donors say they first heard about planned giving from a charity's published materials*. Visits from a gift officer accounted for only 11 percent of responses. The balance of recommendations came from legal and financial advisors, family and friends. The survey didn't reveal how family and friends learned about planned giving, but you can draw your own conclusion. Surprisingly, 20 percent of bequest donors had no prior connection with the nonprofit.

So clearly, marketing has a measurable impact on audience awareness, which is the critical first step in converting a prospect into a donor.

Consistent Marketing Creates its Own Momentum

Planned giving marketing, over time, will attract a growing pool of pre-qualified leads. For example, if you receive 15 leads from your marketing program, it's likely that you can secure four commitments. The result is not only more gifts, but a better relationship with all 15 prospects, and 11 qualified leads for the future. Can you visualize a growing pipeline?

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Integrating Marketing into Your Current Work Flow

It's important to continue using your donor database as a source of leads. This source of prospects will fill your pipeline in the short term, while your marketing program gains traction. As your planned giving officer is proactively reaching out to prospects from the database, your marketing program encourages other prospects to raise their hands and demonstrate interest. Also, you must leverage existing marketing initiatives that aren't exclusively focused on planned giving. Outreach programs already in place, such as legacy society initiatives, charity newsletters, ad placements, and fundraising events can be the most cost-effective way to communicate your planned giving message to the largest audience.

Marketing Requires Time and Expertise

Positive intentions notwithstanding, *many organizations find they don't have the time, sophistication, knowledge, or resources to successfully plan, launch and nurture a marketing program.* Marketing takes time.

Many well-meaning planned giving marketing programs fail because they employ strategies and tactics that don't work, leading to frustration and lost time and money. Targeting the wrong audiences, making the ask before the prospect is ready, sending overly technical and confusing messaging, and not having a system for filling and maintaining a robust pipeline are just a few ways fundraisers get lost in the marketing process.



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Surely, the solution is to budget for and identify marketing resources with the appropriate expertise. Whether those resources are found in-house, or are external to the organization, they must be able to answer these questions:

- What's the best strategy?
- What's the right audience?
- What's the right message?
- How do you measure success?
- How do you make adjustments along the way?

If your organization is large enough, you may have access to marketing professionals who can help. In-house marketers are generally fluent in developing content, handling graphic design, and taking care of production details. If you don't have access to these resources within your organization, you'll need to source them externally.



Planned giving marketing is a specialized skill that you typically won't find in-house. So, it's up to fundraising leaders to identify external resources that can provide that marketing capability. For best results, *fundraising leaders should seek resources that have experience developing and implementing a planned giving marketing strategy.*

Success requires experience in strategic planning, tactical planning, results measurement, and program optimization, specifically in the area of planned giving marketing. Familiarity with current trends and research in planned giving is also beneficial. Marketing staff should know:

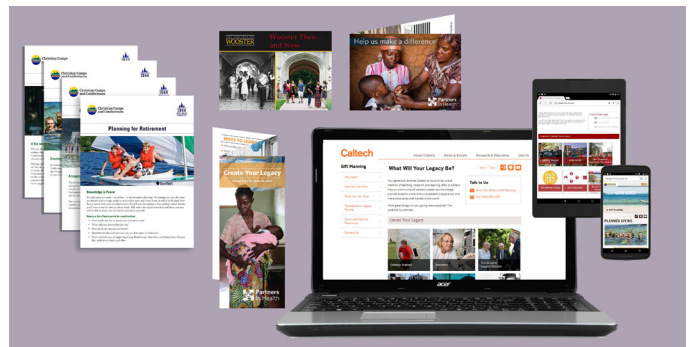
- Whom to target
- What messaging resonates
- Which marketing channels are efficient and effective
- How to harmonize the various media into a seamless program

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No two nonprofits or fundraising offices are the same. *Every organization requires a different mix of marketing resources.* A customized solution provides the best results. In creating a customized solution, avoid the tendency to assemble a marketing program in a piecemeal fashion. Ideally, all aspects of your marketing communication should work together seamlessly. Otherwise, you may risk eroding your organization's credibility with a confusing message.

When seeking outside help for your planned giving marketing program, use these three criteria to help you select the best option:

1. Select a vendor that offers a comprehensive set of planned giving services that covers the whole planned giving spectrum, including marketing support. As your program grows, you may need planned giving services in addition to marketing.
2. Select a vendor whose planned giving marketing offerings are able to be customized to your unique needs. While it's possible to purchase ready-made marketing programs, these one-size-fits-all solutions won't optimize your program. This is crucial because marketing programs need flexibility. As your program is deployed and matures, changes are almost always necessary to improve and optimize the program.
3. Select a vendor that wants to partner with you in your marketing success. Ideally, your planned giving marketing partner provides advice and expertise at the beginning to help you plan and implement your program. And, they will stay with you after implementation to help optimize your program based on results from your marketing campaigns.



In the end, organizations need to generate a strong flow of qualified leads. Leaving this to gift officers with little or no marketing acumen is risky and takes them away from being on the road visiting donors.

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Conclusion

To expand your planned giving program, you must cast a wide net to create a fully populated pipeline of donor leads. Additionally, you must create a marketing engine that systematically places your messaging in front of donors, allowing them to respond when they're ready. Generally speaking, planned giving prospects are not ready for a conversation. Fundraising leaders face the challenge of making planned giving accessible to an audience that is either unfamiliar with planned giving, or that don't see themselves as planned giving prospects.

Planned giving leaders are encouraged to create marketing programs that build awareness of planned giving and invite participation. By not casting a wider net beyond the core audience for planned gifts — childless professionals over age 65 — you risk limited growth due to a lack of leads.

By leveraging the benefits of marketing, planned giving leaders can more effectively generate long-term sources of income.

Because marketing is not a core skill set for fundraisers, planned giving leadership is encouraged to seek external marketing services, so that fundraisers can spend their time on the road, meeting with potential donors.