

A UNITY OF PURPOSE

A Practical Approach to Integrating Annual Campaigns and Planned Giving Fund-Raising Efforts

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This practical, hands-on article recommends ways in which the annual campaign can be integrated with planned giving fund-raising efforts. The two efforts can enhance each other.

As proceeds from annual campaigns have plateaued or decreased in recent years, more emphasis has been placed on the importance of planned giving. In the process, fears have been raised about the potential for competition between annual campaign and planned giving programs. In this article, we hope to dispel some of the mystery and apprehension surrounding planning giving and advocate for the integration of these two important fund-raising strategies as a method for developing long-term growth in revenues.

This article is most useful for one- or two-person development offices or for smaller organizations since the information offered is very "hands on." Yet, there are broad applications for every type of organization, large or small. The target audience for the ideas submitted here are organizations that are ready, willing, and able to talk to donors and prospects regarding planned gifts. There are many levels of preparation that need to be undertaken to market planned giving to annual donors.

A thoughtful planned giving program can complement an annual campaign by simply providing you with more information and options about your donors. It can provide you with opportunities for new types of conversations with your donors and create the potential for deepening the relationship by introducing the notion of a comprehensive and integrated financial and

charitable giving program. Just imagine if 10 percent of your organization's annual donors left a bequest to your organization to create an endowment for their annual gift for perpetuity!

Yet, at the same time annual campaigns must be maintained and strengthened. Herein lies the struggle for most development professionals. The annual "ask" allows the organization to stay in contact with the donor and keep a pulse on his or her needs, ideas, and interests. It gives the professional and volunteer fund raiser access to the donor, which is essential to building bridges for the planned giving approach, and it also provides an opportunity to present the annual needs. This ongoing contact creates the environment for a fluid dialogue on current issues.

THE CASE FOR INTEGRATION

According to *Giving USA: The Annual Report on Philanthropy for the Year 1993* (Kaplan, 1994), a record \$8.2 billion in bequest income was received by nonprofit institutions in 1993. Planned gifts accounted for a record 40 percent of individual giving to higher education in that same year (Kaplan, 1994).

Similarly, the Association for Healthcare Philanthropy reported that planned gifts and gifts of non-cash property together represent all of the growth in gift income to America's health care community; these

types of gifts also accounted for 40 percent of funds received last year. According to *Giving USA* (Kaplan, 1994), in the next twenty years, at least \$8 trillion will be transferred from parent's estates to adult children.

Annual campaigns are fertile ground for developing planned giving strategies with donors. These annual donors have supported your organization for a number of years, and it can be argued that they are the ones who care most about your organization. They are established donors with a clear charitable intent. The size of their annual giving is almost irrelevant to their potential for giving a planned gift. And these deferred gifts will help future annual campaigns if the donor endows his or her annual gift.

The next generation of donors can be developed in new ways through planned giving efforts. Grandparents can involve their adult children, and grandchildren in their philanthropy by helping them understand their reasons for giving, family history and values, and the motivations for supporting *your* organization. This living example of philanthropy can provide a wellspring of goodwill for your organization for years to come, especially if you nurture it within your organization.

KEY ISSUES

Marketing

Planned giving donors are motivated by a range of issues: philanthropy, gratitude, an interest in honoring a loved one, using the organization as a family substitute, tax benefits, financial benefits, social standing, and recognition (Rothblatt, 1995).

Use all existing methods of communication available to you—newsletters, bill stuffers, mail campaigns, annual reports, etc.—to communicate the organization's need for planned giving opportunities regularly and consistently. Have every piece of mail that goes out from your development office mention giving through wills and

trusts. Conversely, have every piece of planned giving mail mention your annual campaign effort and the overall mission of your organization.

Get to know people in your organization who might be able to make donor referrals; for example, doctors in a hospital setting, alumni, and key volunteers or staff. Regularly send out informational mailers (with a return mechanism) about wills and estate planning. Such booklets can be purchased from a number of vendors and easily personalized to match your organization's personality or volunteer base. Use bill stuffers, such as those used by credit card companies, to communicate your message. Mobilizing all your resources for the purpose of connecting with your donor is crucial (Berger, 1991).

Create an advisory committee of allied professionals—CPAs, lawyers, financial planners, and insurance and real estate salespeople—to make referrals and to make friends in the community. These professionals regularly deal with people who are actively thinking about their estate plans or tax concerns. Educate them about your organization and how they might help you market your organization and refer prospective donors to you.

Sponsor seminars on estate planning, asset protection, or other related topics. Generate a quarterly newsletter to all potential planned giving prospects publicizing different methods of giving and donor recognition programs. Ask members of your advisory group to speak at your seminars and write articles for your newsletter. This exposure will benefit both your organization and the allied professional.

Eighty percent of planned gifts are made via a bequest in a will or trust. To capture some of these funds for your organization, create a "wills club" (sometimes called a Horizon Society, Heritage Society, or Legacy Club). At the American Jewish Committee (AJC), Horizon Society membership is conferred upon those who provide for AJC through a will, revocable trust, irre-

vocable charitable remainder trust, charitable lead trust, insurance policy, retirement plan, or charitable gift annuity. The society is intended to honor and recognize those whose vision extends beyond today's horizon. At the UJA, the Heritage Society is an opportunity for the donor to be listed in the Book of Life, which is located in the organization's national office.

A wills club is, in many instances, the first point of entry for planned giving donors. A gift can be revocable or irrevocable and can be of any amount. A wills club can allow the donor to "test the water" and perhaps contemplate the benefits of increased or new planned gifts to your organization, assuming that proper care is given him or her by the organization.

A wills club is a very important tool for annual campaigns to use because a donor might create an endowment for his or her annual gift and therefore build the base of support for an organization. It can also offer annual donors the option of making a substantial gift, even if only after their lifetime.

View your donor base both top-down and bottom-up. Your top donors might be interested in some of the tax benefits of planned giving or the notion of an "ultimate gift," a gift to cap off a lifetime of support, which might create an endowment to ensure their level of support for your annual campaign in perpetuity or be designated for special naming opportunities. Your low-level donors might want to consider a bequest in their will to cap off a lifetime of support and achieve a greater overall gift by creating an endowment. Both these types of donors should be the targets of marketing efforts (Tobin, 1985).

Identification

Most of your prospects are already involved in your organization in one way or another and are reachable. Use the annual campaign to find out what motivates your donors and to get them more involved in your organization (Tobin, 1985). Ask your

board members and staff to help identify the best prospects. Most planned giving prospects are not necessarily high-profile, affluent civic leaders. Many are widows or widowers with no remaining family and no one designated to receive their estate. Don't overlook them! Approximately 20 percent of families do not have heirs. Annual donors who have recently received large capital gains are also prime planned giving prospects.

Research is an ongoing and central method of reconnaissance on your donors and their intentions. Consider utilizing a database screening service to help identify potential major givers and planned giving prospects. A database screening service can match your organization's database against a master list that can identify who is a CPA, lawyer, owns a plane or yacht, went to which Ivy League school, sits on the boards of major corporations or foundations, is a major donor to other organizations, and so on. These services are expensive, but may be worth the cost when viewed long term.

Do not rely solely on high-tech methods. Use personal contacts and read the newspapers carefully. Let your annual campaign volunteers and professional colleagues help you gain information and assist you with referrals. Doing so will enhance donor cultivation efforts.

Cultivation

Cultivation takes planning, as does thoughtful philanthropy, and planned giving can demand a long-term cultivation process. The annual campaign may be the only method of regularly communicating with your donors. Find ways to involve your donors in the organization, as participation encourages giving. Donors will use the professional staff who contact them as their main entry into the organization, similar to the account executive model.

Your personal bond with the donor can often make the difference in the size of the gift or whether the individual gives at all. If possible, work with people you like per-

sonally. The chemistry between donor and staff can be profound and meaningful for all concerned. Yet it is also important to connect donors to other donors. On occasion, people who make large amounts of money look for new friendships and involvements when they retire (Berger, 1991). Create opportunities that allow the donor to see your organization as a place to meet this personal need. Peer group giving can also play a key factor in donor response. If donors see their friends taking part in an activity such as joining your wills club, they may feel more comfortable joining themselves.

Those who make bequests to your organization can be cultivated to make irrevocable gifts over time. View the bequest as the beginning of the planned giving relationship, not the end.

Thoughtful attention to the donors' needs can set you apart from other organizations competing for a gift. Be ready to work with donors' professional advisors, such as their CPA or attorney, to craft the gift. This may demand that you participate in ongoing professional education on estate planning issues. It is helpful to integrate charitable giving into the donor's overall estate and financial planning strategy.

It is hard for each staff person to cultivate more than 100 major prospects at a time. Set realistic goals for donor cultivation activities. The goal should be success, so do not take on more than is possible.

Your donor might ask you for advice about other charitable organizations and to be another set of eyes and ears for them, especially if they are creating their estate plans. They might ask you if another organization is worthy of their support. This type of inquiry could also be a test of your character by the donor. Of course, the best policy is honesty.

Solicitation

A clearly defined case for giving to your organization that articulates both its immediate and long-term needs will help the donor give (Olshansky & Feinstein, 1986). In-

volve appropriate people in the ask. Knowing who these people are can make all the difference in the solicitation.

If you regularly contact your prospects, informing them about the needs of the organization, inviting them to events and programs, sending them literature, remembering their birthdays, and in general being responsive to their needs, you have set the stage for the solicitation. Cultivation takes time and patience. Sometimes, the donor will even ask you how they can help!

The solicitation process can involve several key participants. You might ask one volunteer or staff member to get the appointment with the donor, another to ask for the gift, and yet another to close the gift. Size up the capacity, knowledge and interests of your donor, and make appropriate matches with solicitors. Consider the recognition needs of your donor and who can actually do the ongoing follow-up with the donor after the gift has been made. Be honest with yourself regarding the amount of time you are able to commit to the donor. Those you deal with today could refer their friends to you tomorrow—or not refer them to you.

Planned giving options can be useful to donors of all ages, not just seniors. Younger donors may like the positive tax consequences of a deferred gift, especially if they have highly appreciated assets. A donor who makes a planned gift at a young age can be developed through the years. Be a resource for them and give them recognition.

The solicitation process can actually be a problem-solving opportunity for the donor. Common problems facing donors today are dealing with the appreciated stock or real estate they own, being unsure about the future needs, having no heirs to leave their estate to or not wishing to leave their estate to their children, being afraid to ask for advice and sounding foolish, or a lack of knowledge about finances. Each of these problems allows us to provide the donor a solution.

Donors may have many motivations for giving, so use the totality of possibilities when creating the strategy for soliciting your prospect. Donors may want to make a gift to your organization in order to pay back their good fortunes; to leave a lasting memorial to their ego or in memory or honor of someone; to gain access or recognition in your institution or their peer group; or just because it feels good. A general desire to help others is often a major motivational factor. Donors tend to make the biggest gifts to the organizations that make them feel that their gift will solve a problem or further an important organizational goal. Knowing this can help our planned giving efforts greatly.

CONCLUSION

New ideas are critical to the development of an integrated fund-raising plan. Don't be locked into rigid, outdated notions of donor recognition. You might need to redefine your organization's policies to meet the donors' needs. Evaluative measures should be included in the long-range plan of the fund-raising effort to ensure these developments occur (Olshansky & Feinstein, 1986).

As fund-raising professionals, we need to continue our own professional development. Planned giving knowledge is desired by many donors, and we do them and ourselves

a service when we invest in our own professional educations. Schools of Jewish communal service may want to offer special continuing education classes in this (and other) areas.

In our society, philanthropic giving is a way to create community. By supporting Jewish communal institutions, a donor makes a true difference in our society and to the Jewish community.

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