

# 5 Steps to Your Own Planned Giving Program

Find Out What You Need To Know To  
Start Your Own Successful Planned Giving Campaign

by Lorri M. Greif, CFRE



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## INTRODUCTION TO LORRI GREIF, CFRE



Hi. I'm Lorri M. Greif, CFRE, president of Breakthrough Philanthropy, Inc.

Your success in raising planned gifts is my mission. I'm committed to helping nonprofits that are supported by charitable people, and the development professionals who work with them, to acquire the tools, skills and knowledge necessary for this type of fundraising.

I've spent more than two decades in the nonprofit community and raised hundreds of millions of dollars working both as a seasoned nonprofit fundraising professional and a licensed fundraising consultant - all focused on planned giving and major gifts.

My career is unique because of my experience in "starting from scratch" or re-working numerous successful fundraising campaigns. Because I'm regularly building (or rejuvenating) campaigns on an ongoing basis, I'm also regularly providing ongoing staff and leadership training.

As such, I've compiled these **five basic steps to creating a planned giving program** that are easy to understand and follow and may help you to get started on your own campaign.

While these steps may be clear and simple to follow, this is also hard work. Keep in mind though that the outcome can be transformational for your organization. You will eventually be able to enhance your own fundraising knowledge, secure your nonprofit's future work for many years to come and engage your donors as never before.

Of course, you are always welcome to become a member of the **easyPG**<sup>®</sup> Program for more in depth training and support and as a way to add planned giving to your fundraising skills. Thank you for your interest!

# 5 Steps to Your Own Planned Giving Program

## 1. Learn about who is contributing to your organization.

For obvious reasons, if most of your revenues are coming from the government and/or granting foundations you really don't stand a good chance of waging a successful planned giving campaign. Only people make wills, trusts and other types of estate plans. This is not about institutional giving.

Most planned gifts are made by individual donors with a long-time commitment to your organization and/or its mission. That's not to say there aren't a few "surprise bequests" that may occasionally come in but it's not something you should count on.

Do some research on your donor base. See who is giving to you consistently over a long period of time and then categorize them by certain demographics, usually age, marital status, and location. The gift sizes are not really as important as the consistency.

## 2. Now you have something on which you can gauge your campaign.

There is no shortage of different types of planned gifts your donors can make to your nonprofit (see page 6). And, you can focus primarily on the ones that will appeal most to the demographics of your most loyal and committed donor base.

Build a campaign outline, as you would with any other fundraising effort that will help to bring in these gifts. Be sure to include marketing materials, appropriate solicitors (peers, friends, etc.), timelines, and goals. Try to make the goals relate to activity or number of people who let you know they intend to make a planned gift. It's simply impossible to budget revenues in this case. You may want to consider applying undesignated

planned gifts to endowment since it's quite difficult to plan with this type or cash flow. Also, endowment gifts lend themselves to that "leave a legacy" feeling in so many of us.

### **3. Create a budget that will realistically support your campaign.**

It's true that planned giving can sometimes "piggyback" on another campaign but it is not a program without costs. It requires sufficient funding for designing and printing materials, sending out mailings such as newsletters and solicitation letters, cultivation activities, recognition, travel to donors and a bit of occasional wining and dining. If you're going to offer charitable gift annuities and/or charitable remainder trusts you may need a professional administrator and asset manager. This effort must be thought through so that you have enough funding to support your plan. Because of the nature of these gifts, planned giving campaigns usually take quite a while before revenues begin to arrive.

### **4. Bring your Board of Directors on board.**

Planned giving campaigns require board support and participation. A formalized gift acceptance policy that is signed off on by the board will keep you from risky as well as possibly undesired gifts (such as polluted land, old clothes or furniture, outdated tools, etc.).

You'll need some money to promote your program, so it's something the board will have to "OK" for financial resources. The amount of funding allocated will most likely affect how you implement your campaign.

If board members, who are fiduciary as well as emotional stakeholders, cannot find at least one of the multitudes of available methods to make a planned gift to your organization, how can there be any credibility in the program? Why would someone give your organization a place in their estate plan if the board members won't?

Some organizations do not require board members to make any additional gifts over their stipulated annual “board gift”. This is usually done because board gifts sometimes require large cash outlays. Planned gifts can be assets, and are usually deferred so there isn’t necessarily an extra financial burden for board members.

Fundraising “rule of thumb”, if your board won’t support it, why should anyone else? Presenting planned giving to a board as a group is a good way to introduce it organizationally, but the solicitation process should be done on an individual basis by someone with authority, such as the Board’s Chair or the head of the board’s development committee, etc.

People now know planned giving can be a good thing for a nonprofit but they don’t always know how it might work for them personally. One-to-one meetings often play a role - even more so for special people like board members.

## **5. Pulling It All Together**

- (1) You’ve done some research on your donor database, and segmented it according to giving history and certain demographics;
- (2) You’ve thought through which types of planned gifts would be most suitable to your constituency, based on the information you’ve gathered;
- (3) You’ve created a campaign plan to show your board;
- (4) You’ve gotten the board’s “buy-in” and the funds you need to implement your program;
- (5) **IMPLEMENT!** Start putting your campaign into action - sending out e-blasts and solicitation letters, holding “information receptions”, creating collateral materials, and most importantly, following up and meeting with prospects.

## MOST COMMONLY USED PLANNED GIFTS



70%+ **Bequests from wills & trusts**

11%+ **Charitable gift annuities**

Immediate - Deferred - Flexible

**Charitable remainder trusts**

Annuity trust is a fixed dollar payout &

Unitrust is a fixed percentage payout and is more flexible

**Life insurance**

Outright gift or replacement

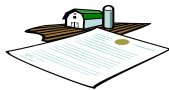
**Beneficiary designation**

Pension plan (beneficial taxation through smart estate planning)

Life insurance

Bank account, brokerage account, CD, etc.

Retained life estate

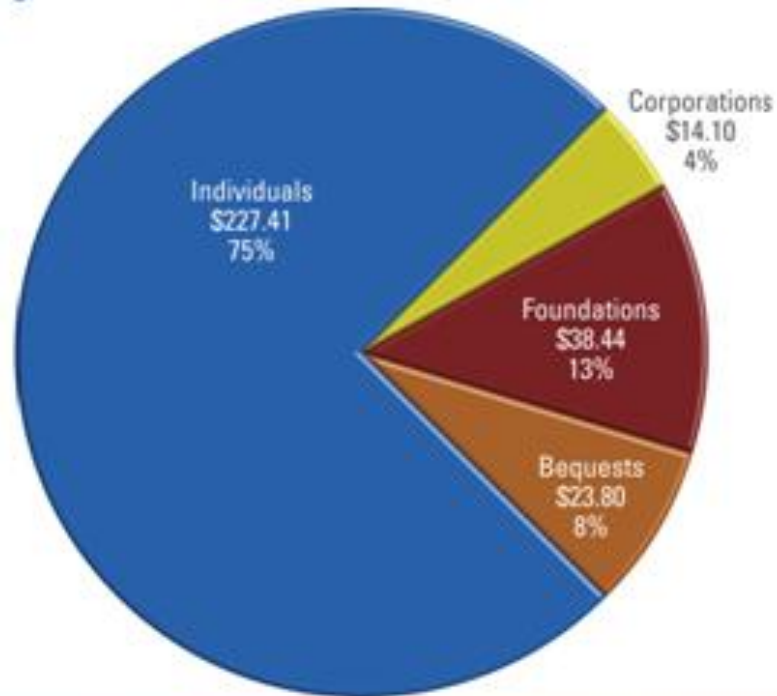


Charitable lead trusts

Gifts of securities, real estate, and other assets can also play a role in making planned gifts.

## 2009 charitable giving Total = \$303.75 billion

(\$ in billions – All figures are rounded)



Source: Giving USA Foundation™ / GIVING USA 2010

In 2009, \$23.8 billion dollars was received by nonprofits in the form of bequests – 8% of all charitable giving.