



# THE QUEST FOR BEQUESTS

Encouraging these lucrative gifts can be a challenge, but with the economy in a downturn and traditional giving reduced, it can be well worth the effort

BY ROB BLIZARD

**B**enjamin Franklin got it almost right. There is one thing as certain as death and taxes: People are typically reluctant to talk about either.

It's one of our culture's ongoing taboos. Many of us are taught from a young age not to ask how much something costs or how much a friend makes. And our euphemisms for dying, as tactful as "pass away" and as crude as "kick the bucket," could fill a book.

We get more squeamish still talking about the points in life where money and death intersect. The subject is bound to raise discomfort.

For nonprofits, that discomfort presents a fundraising hurdle, one that's increasingly important to surmount. Over the past few years, charities across the country have seen their direct mail programs come face-to-face with what economics wonks call "the law of diminishing returns." More mail results in greater costs, and the balance between dollars spent on direct mail and the dollars those mailings bring in has tilted in a worrisome direction. With postage and printing costs on the rise, what fundraising method might step in to save the day—and support the causes nonprofits are working on?

Enter the once back-burner revenue stream of planned gifts. Like Jan Brady growing up for years in the shadow of much-adored sister Marcia, planned giving has gradually come into the limelight.

And according to Jeff Lydenberg, vice president of nonprofit consulting firm PG Calc, most charities' largest source of planned giving dollars is bequests. People's maximum ability to give to charity occurs, somewhat ironically, when they die.

In its annual publication on charitable fundraising, philanthropy research institution Giving USA reported that bequests represented 8 percent of the almost \$23 billion donated to charities in 2006. With those numbers and the changes in the fundraising scene in mind, every nonprofit should be working to encourage bequest gifts.

Like other charities, animal shelters have stumbled into the planned giving arena, and development directors have to think about how to pursue these gifts ef-

fectively and tactfully—that is, to pursue them without coming across like the Bette Davis character in *The Little Foxes*, telling her wealthy, sickly husband, "I hope you die soon! I will be waiting for you to die!"

Not only do bequests overlap with some basic human fears, they're also a type of fundraising for which return on investment is not so easily determined, and for which the time before a return could be decades. But for shelters with a long-term vision for the future, marketing bequests is an essential component of development.

### **Reach out and Cultivate Someone**

While talking about death and money may be a turn-off for some, many have thought long and hard about leaving a legacy. Many elderly people are comfortable talking about their estate plans with advisers they know and trust, and will welcome open discussions of their giving options.

To develop this trust, shelter representatives should let donors know that they can speak with development staff in complete confidentiality. Employees must be discreet and keep any notes private and sequestered, since donors will often reveal sensitive, highly personal information.

Development directors can pave the way for a successful bequest program by investing time and kindness into developing personal relationships. "Personal visits, phone calls, notes, events, and other soft touches are all tactics that should be judiciously used to move donors along a continuum toward an ultimate gift," says Jim Tedford, a longtime shelter director and now president of Alpha Dog Strategies, which provides consulting services to many animal organizations.

When developing these outreach plans, shelter representatives should handle their prospects as gingerly as possible, Tedford advises. After all, there are many animal organizations to which donors can leave bequests. Personal relationships cultivated over time can be strong factors in donors' decisions about where to leave their dollars.

"Planned giving requires personalized cultivation strategies. Each potential planned gift donor has a unique situation and objectives," Tedford says; working

with these donors requires good listening skills. A wise development director will learn to detect clues about which programs especially interest donors—for example, a donor's offhand remark about his naughty dog might make for an excellent opener to pitch funding of the shelter's behavior program. Fundraisers should also be alert for clues about what constraints or obligations might be shaping a donor's estate planning.

Development directors may reach out to several prospects at once through a special luncheon, but one-on-one contact will be necessary for in-depth discussions and information sharing. Fundraisers might decide on a regular quota of prospects to visit, telephone, or write every month. They may also wish to send a quarterly or annual package of shelter success stories from press releases, shelter websites, and local newspapers.

### **Yoo-hoo, Where Are You?**

So where are all these wealthy folks with money to give and a burning desire to leave an animal-friendly legacy?

Often, the best planned giving prospects have been donating to your shelter for many years, though perhaps at modest levels. These folks may not have given major gifts; they may not perceive themselves as wealthy enough to do so.

"Review your database for donors who have made regular contributions over a long period of time," Lydenberg suggests. A lengthy record of giving even small gifts represents a strong commitment to the shelter and its programs—and fertile territory for planned gift cultivation.

PG Calc defines the "classic planned giving donor" as older, typically beyond age 70. Like most seniors, these folks are concerned about outliving their assets, and worried about whether their retirement income is going to be sufficient. They are likely "asset rich" but may feel "cash poor." Giving large while alive may seem impossible to them, but they may end up showing great generosity through a gift in their will.

Determining donors' life stages can help organizations target their funding outreach plans. "Segmenting one's [donor] database with age information, which can be purchased from marketing data firms that service nonprofits, is a great starting point for identifying planned giving prospects for mailings and other marketing," says Nathan Stelter, field consultant for the Stelter Co., a fundraising consulting firm that works with many humane organizations.

The donor base of many animal shelters leans heavily female, and the pool of a shelter's bequest marketing prospects will likely comprise an even greater percentage of women. While both spouses may be involved when a married couple develops estate plans, women

typically live longer and often end up making final decisions on a couple's bequests.

Donors with no obvious heirs represent excellent prospects. Development directors may wish to skim the database for the title "Miss," which may identify older women who have never married and who thus may have fewer financial obligations to family (unmarried male donors are potential bequest marketing targets as well, but are harder to identify by title). Communication and PR staff can make their development directors' work easier by ensuring that the shelter's newsletters, brochures, and website reflect the prominent role of women at this life stage.

Shelter development directors should also keep an eye out for life changes affecting top prospects and donors. Such passages can alter a person's estate planning priorities and may drive changes to a document that the person might otherwise have left untouched. For example, a donor's spouse may pass away; a donor may remarry in her golden years; an adult child may marry and become more financially secure, or get divorced and become less so; a business may be sold; a home may go on the market when a donor moves into a retirement community.

Finally, while the affluent older woman may seem the portrait of a planned gift donor, charities should not restrict their marketing to those who fit that profile. People in their 30s and 40s engage in estate planning; couples often develop their first estate plans after the birth of their first child. And once in an estate plan, a charity is likely to remain a beneficiary.

### **Getting the Word Out**

Like any other marketing, promotions aimed at potential donors have to be well-targeted and audience-appropriate. "People give from the heart, especially to animal organizations," says Viken Mikaelian, president of Virtual Giving, a company that develops planned giving marketing tools for charities. "Take advantage of the donors' desires to help future generations of animals. Be concise with your planned giving message to make sure it delivers with impact."

Mikaelian envisions a marketing campaign that might have the right kind of appeal. "We would suggest a series of targeted postcards, each with a beautiful picture of a cat, dog, or rabbit," he says. "A donor photo should appear, too. Have the donor photo be a close-up headshot so that the emotion can be felt by the reader, and include a brief testimonial. Make sure the cards have compelling headlines like, 'We are supporting the animals even though we're saving for retirement!' or 'You don't have to be wealthy to make a significant gift!' This makes the reader turn it over to see what planned giving is all about."

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# Honoring Their Legacies

Forming a legacy society is one way to honor those donors who've made commitments and encourage those who are more private (or still on the fence) to let the organization know of their intentions.

Such a group can be named after a key person or animal in the shelter's history—such as the organization's founder, suggests Nathan Stelter, field consultant for the Stelter Co. "For the first 12 months, [you can] offer a period for charter membership to inspire donors to self-identify," he says.

Such donor stewardship is a critical part of the marketing investment in obtaining bequest donations. "Anyone willing to self-identify about their planned bequest is probably game for recognition and activity with the shelter," says Jim Tedford, president of Alpha Dog Strategies.

Under the aegis of the society, planned giving donors can be stewarded in ways similar to those donors who give outright, current gifts. For example, they can be added to lists for the newsletter, event invitations, and holiday cards.

Tedford suggests a special luncheon or in-depth shelter tours for legacy donors. A small thank-you gift from the shelter, such as a specially produced picture frame or plaque with the shelter's name and logo, or an elegant certificate with the donor's name inscribed in calligraphy, might be a nice gift for new members. Delivering these items in person—and with a smile—will show donors the shelter's appreciation and gratitude.

Once the recognition society is given an identity, a shelter can list donors' names under the society's heading with a note of thanks in the newsletter, on the website, and in the annual report. The text could include a line or two about providing for the shelter's future in a significant way through a bequest gift. (Names should only appear with the express permission of the donor, as

many donors consider their charitable giving and their estate plans exceedingly private matters. The shelter may wish to give people a box to check on its bequest notification form to determine which donors are willing to have their names published.)

If the organization has an annual dinner or other celebration, then these donors might be recognized publicly at that event. Planned giving donors may be given specific pins or ribbons to wear to spark conversation with other attendees about planned gifts.

A shelter may also want to let its staff and board members know that they can easily join the recognition society by making the shelter even a 1 percent revocable beneficiary of their IRA, life insurance, or other retirement plan. This is simply a matter of filling out a short form, which can be changed easily and often, compared to the lengthy process of working with an attorney to develop a will. If key staff and board members are recognized publicly as bequest society members, imagine the inspirational effect on donors who have not already remembered the shelter for an estate gift—and the sense of validation such recognition will inspire in donors who have already done so.

In deciding who should be included in a legacy society's membership, be generous. If a donor has mentioned in conversation or an e-mail that he has included the shelter in his estate plan, but has never returned the bequest form, go ahead and count him as a member of the organization's legacy society. As Stelter argues, "Why not take your donor's word for it? Some nonprofits will not count a donor as a legacy donor without written documentation. But why give your donor another excuse not to tell you about their plans to help the organization?"

Look for other ways to reach out to society members when possible. Other touch-points may



**Many shelters receive thousands of dollars in revenue annually from donors they don't know. Building better relationships with these generous people will not only help cultivate future bequests, but allow for a proper "thank you."**

include personal calls to legacy society donors when an annual gift of, say, \$100 or more comes in from a planned gift donor or an e-blast to a special list of planned giving donors when breaking news or a success story occurs.

"The best thing about a legacy society for animal shelters on tight budgets," Stelter laughs, "is that it costs very little money!"—music to any development director's ears.

**Planned giving prospects don't have to be millionaires. The best candidates have often been giving to your shelter for years, albeit in small amounts. The regularity of their donations shows strong commitment.**



In developing bequest marketing materials, Mikaelian urges shelters to follow what he calls “the 50-40-10 rule.” “Fifty percent of the challenge is the quality of the mailing list, 40 percent is the message, and only 10 percent is the look and feel of the piece. After all, you are not designing to get a [design] award.”

If your shelter’s internal marketing production capabilities are limited, Tedford advises buying the marketing materials elsewhere. “Consider purchasing and customizing collateral materials on planned giving opportunities,” he says. A handful of companies offer pre-written and pre-designed planned giving brochures, booklets, postcards, and other materials that a shelter can easily individualize by adding its own logo, text, and pictures (a list of some of these appears on p. 43).

Stelter suggests that marketing materials should focus on personal stories of donors who have made the decision to include the shelter in estate plans and stories of deceased donors whose bequests have had tangible, visible effects—for example, a \$100,000 bequest that helped the shelter purchase a new mobile adoption vehicle and has helped scores of animals find new homes.

Deliver your message often. “Repetition of a message is critical if you really want donors to hear it, so incorporate planned giving articles in every issue of your newsletter,” says Tedford. And don’t forget the up-and-coming baby boomers who are well-acquainted

with the Internet; use your website and electronic marketing to its best advantage, he says.

Shelters should also develop a short informational piece about bequests that can be included with the thank-you letters sent for smaller gifts. Attorney-approved bequest language can be included in the piece—unless a development director chooses to withhold the specifics in order to give donors a reason to call him so he can start developing a more personal relationship.

Prevailing wisdom deems it unwise to include mentions of planned giving in direct mail appeals; asking donors to do too much may depress giving rates and amounts. However, it may be smart to do an annual test by including a check-off box on a direct mail piece that lets donors request planned giving information or tell the shelter that they have already remembered the organization in their estate plans.

Shelters with larger budgets may wish to develop a special publication devoted to the benefits of planned gifts, Tedford says. But financial and estate planning information must be woven into material on program successes, event information, and donor profiles.

“Stay away from verbose, traditional planned giving newsletters,” Mikaelian cautions. “They rarely get read. Only mail such a piece perhaps once a year and make it donor-centric with useful articles. Do not just fill the newsletter with long planned-giving prose.”

Local estate planners can be good partners in marketing a shelter’s bequest program. Shelters should ensure that estate planners in the area have the organization’s planned giving literature at hand; the information should include bequest language as well as the URL for the webpage with the shelter’s bequest information. Consider a catchy, easy-to-remember URL that can appear easily in lots of places, including business cards and letterhead. Remember: One advantage to placing bequest language on your organization’s website is that donors and their estate planners can copy and paste the language when developing their own documents.

If you cultivate good relationships with local estate planners, one of them might be willing to lead a seminar on estate planning for the shelter; the organization can invite its best donors and serve food and drink. The estate planner can benefit from this kind of generosity, gaining greater visibility and potential new clients, while the shelter provides planned giving information to donors, identifies potential prospects, and burnishes its image as an organization able to handle more complex gifts and to serve as an informed resource for donors with estate planning questions.

But this is not the time for the hard sell. “Trusted advisers such as estate planners and trust attorneys can

hold planned giving seminars for prospects, but these should be low-pressure sessions designed to educate and inform. This is not a sales event,” Tedford cautions.

### Surprise, Surprise

Imagine receiving a check for several thousand dollars in the mail—from someone you’ve never heard of. It happens to charities on a regular basis.

“One thing I hear all the time from shelter directors is that they receive thousands of dollars annually in bequest revenue, and most often it comes from donors they did not know,” Tedford says.

Such quiet acts of generosity are the lifeblood of many organizations, but development directors must try to get a sense of who these kind folks are—while they’re still around to be thanked.

One of the tried-and-true methods of encouraging bequests (and keeping abreast of intended future gifts) is by creating a bequest notification form. These forms, which are legally nonbinding, provide a way for donors to reveal their estate planning intentions. The form can be as complex as the organization wishes, but asking for less information will make it less intimidating and intrusive to those donors concerned about saying too much about a subject normally cloaked in privacy.

A bequest notification form can be sent to donors who’ve mentioned their intent to remember the shelter in their estate plans, and it can also be made available online. Waiting for donors to *return* the forms, of

course, may make a development director feel a little like Susan Lucci waiting for her daytime Emmy. Some donors can be reluctant to complete these forms; after all, if a relative tells you she’s including you in her will, you don’t hand her a pre-developed form that asks for clarification and specification of her intentions, including an estimated dollar amount!

Donors should never be pushed to complete notification forms. Even a donor who loves the organization and is very close to some of its representatives may be hesitant to reveal the details of her estate plans—though a shelter’s ways of recognizing major donors can help ease such reluctance. (See sidebar on p. 41 for one common and effective way of recognizing and honoring bequests.)

### Taking the First Steps

Shelter directors who have not yet developed a cohesive marketing program for planned gifts may wonder how they can start down the Yellow Brick Road to the proverbial Emerald City of bequests.

Stelter suggests that organizations interested in starting or revamping a bequest program confirm their board’s commitment to planned giving and set realistic goals and timelines. “On average, it takes five to seven years to start yielding results,” he says. “Organizational leaders cannot gauge success on the number of responses to initial planned giving marketing efforts, because planned giving is often a very private matter for donors. Instead, concentrate on marketing and personal contact; on average, it takes seven to nine ‘touches’ before a message is received.”

Keep the future in mind—not only the future of your organization, but the needs of future fundraisers! Donor management software (Raiser’s Edge, for example) will allow development managers to plot unique strategies and leave behind all necessary notes for future staffers. Board members who interact with donors but don’t have access to the donation database should be encouraged to e-mail or call in their notes for staff to enter into donors’ records; this information should not be lost.

“Have patience. Planned giving marketing is necessary—and worth it,” says Mikaelian. “Bequests can be large gifts that can transform a shelter so that more and more animals can be helped. Every effort should be made to reel in these donations.” **AS**

*Rob Blizard serves as the director of gift planning at George Washington’s Mount Vernon Estate in Virginia. His 20 years of experience includes fundraising and marketing positions at The Humane Society of the United States, Marriott, and MCI.*

## Resources

Pentera ([pentera.com](http://pentera.com)), Sharpe Group ([sharpenet.com](http://sharpenet.com)), Stelter ([stelter.com](http://stelter.com)), and Virtual Giving ([virtualgiving.com](http://virtualgiving.com)) are among the companies offering pre-developed print and electronic materials for marketing bequests and other planned gifts.

For additional material about bequest programs and other planned gifts, as well as ethical guidelines on working with donors, contact the National Committee on Planned Giving ([ncpg.org](http://ncpg.org)) or the Association of Fundraising Professionals ([afpnet.org](http://afpnet.org)).

For a sample bequest notification form, visit The Humane Society of the United States’ online website at [humanesociety.org/bequests](http://humanesociety.org/bequests). The website of almost any major charity or university will likely demonstrate a range of methods for prospecting planned gifts.