MESSAGE FROM THE MASTERS
Our Best Donor Stories that Made a Difference
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Story Number 1

A Major Gift for a Minor Donor

My father, a retired minister, never earned a great deal of money, but he was a devoted alumnus of his undergraduate college and an energetic and visible leader of his class over the years. As a member of the planning committee for his 50th reunion, he looked forward to seeing old friends, telling stories of their younger days, and catching up on the sagas of their lives in the intervening years. But his anticipation and his excitement of seeing his college friends and planning for their reunion was tinged by a sense of unease. After returning from one of the committee meetings, he gave voice to that concern: "I am really looking forward to the reunion, and getting together with the other members of the planning committee is fun and rewarding, but at some basic level I don't feel that I belong at that table. I can go from my normal $100 gift to $500 but I feel I should do more. I don't have a lot of money and I can't give up what few resources I have saved for retirement." My ever-present planned giving hat sprang unbidden to my head and I asked whether he had ever heard of a Charitable Gift Annuity. CGAs were instruments new to him, but he liked the idea. Give a gift, get increased income for life and a tax deduction now! Seemed made for him. He raised the possibility with the college, which enthusiastically embraced it. So, using $15,000 of appreciated stock my mother had inherited, he established a CGA. The financial and tax benefits were great, and for the remainder of his life, including his final years when I had taken over managing his affairs, those quarterly checks came with regularity. But even more important for him was the emotional impact of that gift. That $15,000 gift was hardly the biggest or most transformational gift the college had ever received, but for my father it might as well have been $15,000,000, representing as it did a gift so far in excess of what he thought he could do. After completing the paperwork, he exclaimed "*Now* I belong at the table!" And, like so many Charitable Gift Annuity donors, his current giving increased too, in spite of his earlier uncertainty. Partly, the CGA provided more current income and partly his connection with the college increased. Whatever the combination of motives, his annual gift went from $100 to $1000 every year for the rest of his life.

Planned gifts, especially gifts like CGAs, are not the purview of the mega-wealthy. But for my father, and thousands of other loyal but middle class donors, planned gifts can turn them from consistent minor donors into philanthropists. And the benefits to the charities and to their own sense of the legacy they can leave are priceless. PS: as a footnote, when my father died and I called the college to tell them not to send any more checks, they said: "We are sorry to hear of his death but the good news is that his annuity is now worth $23,000 and, if you and your siblings would like name a fund in his memory and were willing to increase the total to $30,000, we could put his name on the fund forever." You can guess the response! And we now have a named family fund to which my sister and I (who both attended the same college) contribute regularly. Every year we receive a notice from the college and a letter from the student who received the scholarship. So the connection my father established many years ago continues to thrive into a new generation, and the gift he was able to give through the CGA continues to grow as well.

Story Number 2

Charity Partnership for a Single Donor

Ada was a successful scientist with a distinguished career who had given regular but relatively small annual gifts to her alma mater over the years. Never married, she had invested wisely, lived comfortably but not ostentatiously and had a circle of good friends in the city where she had settled. But, like so many people in circumstances like hers, Ada had been reluctant to draw attention to herself from the college development office. She was regularly asked for donations from charitable organizations and did not think of herself as a major donor. Besides, she knew that, no matter how successful her career had been and how comfortable she felt herself to be, she had no one else on whom she could rely in her retirement years, whenever that time might come. As a result, she politely rebuffed attempts by the development staff to visit her, and her annual giving, consistent though it had been, was not large enough to place her on a list of major prospects. In the meantime, a new opportunity to connect with potential donors like Ada came to my attention. One of our faculty members, with whom I had worked on a series of major grant proposals, offered to visit alumnae while she was going to conferences or giving papers. She had done this on several occasions already and found those visits to be both engaging and pleasurable. But she also knew enough about the work of the development office that she understood that she could secure a visit when I or my development colleagues might not. And Ada was a perfect candidate for such a visit. The visit had no ulterior motive; there was no development agenda. It was simply a thank you visit for Ada's years of consistent giving and a touch from the college. Whether anything further might come of it, we did not know, but the opportunity to use a faculty volunteer enables us to make the visit with no risk from either the college or Ada herself. And, as it turned out, the faculty entree was perfect. Ada loved her; she wanted to hear all about what was happening at the college. And she wondered how she could help the students of today. In the course of that first conversation, Ada mentioned that she would like to help today's students but was reluctant to raise the issue of starting a scholarship fund because she was concerned about her own financial future and she did not want to be pressured by some high-powered college development officer. My faculty colleague perceptively opened the door to helping Ada accomplish her long-range goal while allaying her concern about undue pressure. As a result, a few months later I met Ada, together with the same faculty member with whom Ada had bonded in the earlier visit, and we began a series of conversations about ways she could move to her philanthropic goals while still maintaining her control over her financial future. The result of those initial conversations was Ada's decision to establish a $50,000 Charitable Remainder Trust, with the eventual proceeds to go to a scholarship in her name. Ada loved the CRT idea since it enabled her to use appreciated stock to make the gift, provide a benefit to future students, secure some current tax benefits, and maintain her own future financial stability all at once. But the CRT was hardly the end of the story. Within a year, Ada raised the question of whether she could start to see the impact of her gift immediately, and, after a close analysis of her total asset base, she made another gift, this time an outright $50,000 scholarship gift to begin the fund right away. By this time, she also began to look even more closely at her long-term legacy. With no children of her own, she had begun to think of the college as the primary focus of her long-term philanthropy, and I was able to work with her attorney to create an estate plan that eventually brought her entire estate to the college. Ada's story and my experience of building a long-term friendship with her, often over a lovely dinner and engaging conversation, taught me two important lessons. First, the importance of long-term consistent giving stood out in stark terms as an important way of identifying potential planned gift prospects. Many researchers and observers of donor behaviors have pointed out this connection over the years, but Ada brought the abstract message to me in graphic and personal ways. The second lesson was that relationships need to be built slowly, and that trust is essential to the ultimate outcome. While, of course, I knew that lesson at the abstract level, again the association with Ada made the message concrete. Without trust, the relationship would never have begun and without patience, the connection would never have blossomed into the long-term philanthropic plan that was so meaningful to Ada and to the college over time.

Story Number 3

Personalized Plans Make the Difference

Early on in my relationship with a non-profit educational institution in the south, I helped to draft a new set of Gift Acceptance Policies. The institution had labored under a set of previous policies which essentially limited their acceptable gifts to cash and publicly traded securities, but they felt they were cutting themselves out of a set of potential gifts that transcended those giving options. Working with a carefully selected group of dedicated trustees who poured over each word in the several drafts we put together, we revised the Policies and finally brought them to the entire board for approval. This task was a prelude to the start of a major campaign, and the members of the board knew they would be the first in line to be asked for a campaign commitment. The incoming chair of the board, who had participated in the Gift Acceptance Policy project, had personally committed to a gift of at least $1M, believing, with good reason, that he should set the standard for the rest of the board. Like many private entrepreneurs, he held most of his net worth in partnerships and real estate, and his bank account did not have an extra $1M to give outright. But he was intrigued by the discussion the Gift Acceptance Committee had had about other non-cash gift options and asked whether we could sit down to discuss what he might be able to do. A few weeks later, I found myself in his office with only one piece of paper on his desk: his net worth statement. He slid it across the desk and said "What can we do with these things?" That began a year-long discussion, ultimately involving his family and his personal financial advisors, that resulted in an ultimate gift of $2.5M, a gift that far exceeded his own goals and expectations and raised the bar for other trustees.

Furthermore, as other trustees took notice of his commitment and asked him how he had put his plans together, other members of the board requested similar discussions about their own asset base and how they might parley assets other than cash into gift commitments beyond what their bank accounts, large as some of them were, might allow. As the years went by, new board members, as well as alumni board leaders, committed parents, faculty and staff, and influential friends also engaged in similar discussions. All of these gift commitments were current gifts, focused on the capital needs of the very successful campaign; non-cash gifts were the key to campaign's accomplishments. The example of a key volunteer was also critical to this process. Although his gift commitment, significant though it was in itself, was not the largest commitment to the campaign, it stimulated other, even larger commitments to double in size by the time these "planned gift" conversations took place. And, even more important for the long-term financial health of the institution, when the campaign concluded and the confetti had been swept up, the board was ready to move on to the next stage of the planned giving program and focus on legacy gifts. As the members of the governing board, and the staff as well, saw the impact of developing plans that reflected the life-long relationship between the institution and its donors rather than simply the transaction of writing a check, legacy gifts were a logical and natural follow-on to the outright gifts that had made so much difference to the campaign itself. One can never underestimate the power of personal example, the advocacy of a key volunteer, and the creative power of gift planning, both in the short run and, over the long term as well.