Mistakes No Planned Giving Officers Should Ever Make

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Carol Kolmerten and Bruce Bigelow

We all like lists, don't we? Well, some of us do. And mistakes are so much more enjoyable to read about than the ever-present (and boring) list of ten things that we should all do (and we can recite them, yes? –"be a better listener," "put our donors first," etc.).

Instead, we like to see things slant, so here, to celebrate a new year, is a list of mistakes that no planned giving officer should ever make.

1. **Sleeping through a scheduled meeting**. It should be obvious to all of us that when we make an appointment with a donor that we should actually meet that donor and not leave him standing, waiting, wondering where we are. Yes, this happened to someone we know very well. The donor (our friend) was meeting a planned giving officer at an airport (for the officer's convenience, by the way) at 6:30 a.m. The donor went to the airport and stood around, glancing at his watch, called the officer's cell phone, which went to a voice mail too full to accept messages (yet another mistake, of course), and finally gave up and went to work. Even worse, he received no message from the planned giving officer herself; rather, after he called her office to make sure she was still alive, her supervisor called back and apologized profusely. The "apology" the donor received several days later from the planned giving officer was simply "I miss-set the hotel's alarm clock. Sorry I missed you." Hmmmmm…

2. **Not getting the details right.** Though probably very few of us have slept through an appointment that we set up, more of us might have been careless about details. How many of us proof every letter, every email, every text that we send a donor? Given that certain fruit phones (aka "Apples") do the "correcting" for us and are often wrong, we must be careful these days. We must always check our words and punctuation before pushing "send."

   Perhaps the detail that means the most to our donors is getting their names correct. Yes, we must take great care with salutations (Dear Ms. or Mrs. or Dr. or . . .?), with new and old last names (assuming a married woman has taken her husband's name is a good way to lose a donor). Particularly important to women and to members of minority groups, names matter. Being "called out of one's name" to members of some groups is a sign of disrespect, not carelessness. And being perceived as disrespecting a donor is a good way to send that donor away for good.

3. **Not listening carefully to the final words a donor sa**ys. We call this "the walk to the car" talk. So often in our lives, we all leave to the every end of a meeting that which we really wanted to say. We remember with clarity all the times donors mentioned in parking lots, just as they got into their cars, something like "oh the trust we set up is doing well, so you should benefit significantly in a few years." Trust? What trust? What we want to say is "can we go back into the restaurant to talk about this trust that we have never heard about before?" Instead we put it into our contact report (which, of course, we dictate the instant we are in the car, or type up as soon as we return to the hotel) and lead with it next time we see the donor.

4. **Not taking along a colleague**. We know that often we need to make visits on our own, but we may also make a serious mistake by not teaming with a colleague for at least some of those visits. Taking a colleague along to talk to a donor is an excellent way to stimulate discussion and to move a donor toward a gift. And not only does a colleague help us raise new subjects and direct the conversation during a meeting with a donor, having a colleague to talk with after the meeting is particularly useful, as we do not necessarily hear or see the same things.

   Only with a colleague can you use the "bathroom maneuver"—a tried and true move that we used over and over again when we were front-line development officers. After a delightful lunch or dinner, one of us would excuse ourselves to "call home." Almost inevitably the conversation changed from group talk to more intimate talk, most often centered on money. We do not know why this works, but going from three people to two changes the dynamic and centers the conversation. But it *only* works if there are three people there to begin with; unless you know the donor very well beforehand, the group talk is a necessary precursor to the intimate talk. Now which person leaves to "make the call" or use the bathroom is an art, not a science.

5. **Spending too much time being a "friend" instead of moving a donor to a gift**. We have always been perplexed by the number of planned giving officers who believe that their role is to be a pal to a donor or a donor and spouse. Yes, spending all of one's time with agreeable people who like to eat good food may be enjoyable, but such activities alone do not seem to lead to a gift. We have known too many who go to visit a donor and spend the day taking her to Walmart and the grocery store. Yet others, do "couples" activities—a planned giving officer and his/her spouse and a donor couple go to a play or to a golf course. To us, these "friend" activities make gift-asking more difficult. Taking a donor to dinner should have a clear purpose—moving clearly to a gift by setting aside a time when the donor knows an ask is coming or, perhaps, thanking a donor for a generous gift. Taking donors to dinner to have a good time with friends, pleasurable as that may be, is a waste of professional time and energy for everyone.

6. **Not keeping up with planned giving opportunities**. One of the most important jobs of the planned gift officer is to spot opportunity when she sees it. All too often planned giving officers remain content to toss off a parting admonition to a prospect: "Don't forget to include us in your will" without staying abreast of new possibilities to produce a greater commitment that is much easier for the donor. For example, as the baby boomers turn the magic age of 70 and as more and more of all of us join the ranks of the "older generation," we (and they) have found that their retirement plans may well be the largest single asset in their portfolio. Giving through a tax-free rollover of their Required Minimum Distribution or putting charity into their long-range arrangements for the retirement plan as a partial beneficiary is both easy (and free) and likely to convey more ultimate dollars than a bequest provision. If planned giving officers neglect a conversation about retirement plans and stay wedded to the focus only on wills, they will leave many donors unaware of the possibilities retirement plans offer.

   Giving from retirement plans is just one of the latest new planned gift ideas. A good planned gift officer does not need to be an expert in tax law who can quote chapter and verse of the Code, but does need to participate in regular training to understand the latest ideas available to our donors. Attending local and national planned giving conferences is an important part of the job.

7. **Operating in isolation**. No one in the planned giving community operates in a vacuum. And most of our best learning—and comfort in the profession—comes from interacting with others doing the same work. Networking is always valuable, no matter what the profession, but perhaps even more so in planned giving. Seeing how others "do it," sharing insights about what works and what doesn't, staying abreast of the latest research—all of these things help us be better planned giving officers. And we are fortunate that we have a strong built-in professional network in which to operate. The Association of Charitable Gift Planners (formerly known as NCPG and PPP) has provided a focus for the profession for nearly thirty years. And the local and regional councils affiliated with CGP are ready-made and convenient places for connecting with colleagues, for participating in programs, and for building our own professional expertise. *Planned Giving Today* offers an instant connection to other planned giving professionals.

Finally, we know of few professions in which those who have paved the way for us are more willing to share their experience and insights. Mentoring the next generation of planned giving officers is one of the most satisfying parts of the work, and those who turn away from mentoring when asked are scarce indeed. We learn best from those doing similar work, and serving on local planned giving council boards, presenting to those very same councils, attending the national and regional meetings, and writing for planned giving journals all enhance the quality of the work we do and the success we bring to that work.

8. **Putting planned giving on the back burner**. The urgent always seems to compete with the important in life, and managing a gift planning program is no exception. We have all been guilty—including your two email-addicted authors—of taking too much time with trivial email messages, or sitting in meetings that take too long to cover information that could be shared electronically far more efficiently. There are times we just have to elevate our planned giving visits to the top of the priority chain, or they will never occur. Part of the joy of gift planning is that it rarely has to be done *today* (except perhaps the last week of the calendar year), but that very fact keeps planned giving tasks from ever becoming urgent, unless we give them the urgency they deserve. We recommend that every day, you do something—first thing—to further your gift planning agenda. Arrange a meeting with a donor, go on a visit (or two), polish the latest gift annuity letter, post a new donor story on your website, read about the latest tax ruling--do something! And make it a habit.

9. **Letting yourself be stifled by arbitrary institutional "rules" that do not put the donor first**. Every philanthropic institution needs clear policies, what kinds of gifts to accept, how to do so with care and thoughtfulness, how to count gifts and how to acknowledge a donor's generosity of spirit and intent. However, policies should, we would argue, provide guidance, and not rigid restrictions, especially when the interests of the donor are in play and when the integrity of the institution is not. So, for example, we caution gift planning officers to adhere to the policies that guard their organizations against real estate gifts with potential toxic waste problems or that are so difficult to liquidate that they risk becoming a financial and logistical burden.

   But we also caution against potentially insulting a donor who has left a substantial (or even a nominal) estate gift by telling her that you cannot "count" a gift because she is not the right age. Just recently someone we know well told a representative of a nonprofit that she had left a substantial beneficiary residuary to the organization from her retirement plan. The response she received was "oh . . . so glad to hear that, but you are not the right age, so your gift will not count toward our campaign, but can you tell us more about your annual fund gift?" We are a bit surprised that she continued to consider leaving a large estate gift to this organization.

   We all have seen the research that tells us that donors who put our organizations in their estate plans are highly unlikely to remove those provisions, so, we would postulate that one of our goals as gift planning officers is to discuss such plans with donors of all ages, "credit" them with an acknowledgement of their plans, and honor them with recognition on an on-going basis. These are the principles behind the CGP Task Force recommendations on counting revocable deferred commitments. Besides, we also know that research tells us that those who have made a future commitment are far more likely to respond positively to our annual fund and current capital appeals.

10. **Ignoring a donor who has made an estate provision**. Earlier in our careers, we encountered a new planned giving officer who raised the question of how best to use his time. He argued that donors who had already informed the organization of their plans were, in his opinion, not worth more of his time. He wanted to thank them and then move on to someone whose plans were still incomplete. He also could not understand why he should "have" to attend the funerals or memorial services of planned gift donors who had died. He argued "their gifts have now 'matured' so my being there will not make a difference."

    He was, of course, wrong both on ethical and on practical grounds. Our business is all about relationships--establishing them, nurturing them, building them, and celebrating them. Nothing is as pleasurable—for the planned giving professional and for the donor—than toasting a donor's generosity. And, from a purely business standpoint, that toast can often result in a new current gift, a recommendation to a friend to "do likewise," or an even bigger estate gift. And attending a memorial service for someone who has made the institution a part of his legacy is both the right thing to do—again to celebrate that spirit of generosity—and the smart thing to do. Families, surviving spouses, classmates and friends notice. Many a family gift has come because the non-profit was present at the memorial.

And a bonus idea for Vice Presidents

Value planned gifts as much as current gifts . . . and encourage planned giving officers to do their job

As Vice Presidents—and we have been in those roles—our job is to enhance the fundraising potential for our institutions across the spectrum, to encourage gifts of all sorts (well, leaving out the cemetery plots and beanie baby collections, perhaps), and to maximize our institutional revenue, both now and in the future. And that future revenue will be largely dependent on the efforts of the gift planning office.

Our advice comes from solid research. Several years ago we undertook a research project as part of a benchmarking study for a client to catalogue the percentage of current revenue to a series of high quality small liberal arts colleges that came from planned gifts, in this case only matured estate gifts and new life income gifts. We looked at twelve years of data from 21 institutions and found the average percentage of current annual revenues from planned gifts for all 21 schools over a dozen years was 26%, from a low of 12% to a high of 42%, with some schools receiving as high as 65% of their annual revenues from planned gifts in some years.

At the recent national conference of Charitable Gift Planners, Joe Bull also cited some statistics about the Return on Investment of planned gifts. Noting a Return on Investment, he found the following:

- $3.43 for every dollar spent on events
- $19.11 for every dollar spent on annual giving programs
- $33.33 for every dollar spent on major gift programs

But planned giving programs brought a return of $56.93 for every dollar spent, far and away the most cost effective component of a complete development office.

And that statistic says it all, doesn't it? Working from the principle that planned giving is anything that takes more planning than writing a check—in other words, including current gifts of non-cash assets as well as deferred gifts of all sorts—encouraging planned giving can and should cover a broad range of activity. And focusing on that activity will reap great rewards.