Planned Giving for Membership Organizations

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There I was, all outfitted up in what looked like (and could well have been) a space suit, complete with helmet and goggles, about to enter a wind tunnel to simulate the effects of skydiving. No one who knows me (and note, please, that we are not revealing which of us is "I" here), would ever imagine I could be suited up to jump out of a plane. Yet, because of the passion of the members of a non-profit membership organization with which we were working, there I was, ready to see what their enthusiasm was all about.

Membership organizations exude, almost by definition, enthusiasm. Joined together by bonds of profession or sport or special interest, members share a common passion that is the envy of many other non-profits. Membership organizations are voluntary and often the act of joining is in itself an expression of that enthusiasm. Many membership organization members view their association with the group as life-changing or think of the profession the group represents as central to their sense of self and identify.

Yes, membership organizations are different from other non-profits—especially when it comes to the passion of their members. Those people who join membership organizations do so as adults, choosing to belong, because the organization supports what they have come to believe makes life more meaningful and/or enjoyable.

Yet, despite the infectious enthusiasm of members, many membership organizations have devoted little time, attention, or resources to fundraising, and especially to the more creative elements of fundraising that fall under the planned giving umbrella.

First, we should note that planned giving is beneficial for membership organizations for the same reasons it is essential to every other non-profit: it can be the means by which donors can consider *all* their assets as they contemplate their gifts. Rather than thinking about philanthropy as something to be done once all other financial issues are decided, donors can consider philanthropy at the same time as they decide other financial issues. In fact, they may find that they can address those non-philanthropic concerns even as they make philanthropic commitments—through charitable, trusts, gifts of real estate or privately held business interest, or designations from retirement plan assets or life insurance.

And, since many charities do not make a concerted effort to bring philanthropic discussions into the center of their donors' financial tables, a membership organization that does will have an automatic head start in the minds of their donors. In fact, because membership organizations are often not the primary focus of donors' philanthropic interests, they have a special incentive to be the most articulate of those interests about creative use of non-cash assets or deferred gifts

How Membership Organizations Differ from other Non-Profits

Until recently some membership organizations have lacked a non-profit foundation to allow members to funnel tax-savings gifts because these organizations have viewed their primary mission as advocating for the organization in the halls of government or becoming the caretakers of the profession. Without a "sister" foundation devoted to scholarships, to safety education, to building professional training for the future and other such activities that would fall under a 501© (3) classification, gifts to the organization are not, as a result, tax deductible. Only in recent years have many membership organizations begun to see the benefit of creating a foundation.

For membership organizations that have created a non-profit foundation, tension can arise between the ©(3) non-profit and the ©(4) advocacy organization. Sometimes the two organizations can seem to work at cross-purposes, each asking members for their limited dollars.

In part because these relatively new foundations are still growing and defining their position relative to the parent organization, they may also have small or non-existent staff or a staff without expertise in accepting gifts other than immediate cash. Many of their organizational websites focus on advocacy, and navigating, even to a "Donate Now" button, is often complicated for potential donors. Even though many of the staff of these foundations are dedicated, smart, and resilient, they have so many tasks that developing a meaningful planned giving program seems too far down the priority list to capture their attention.

In addition, some members, especially of professional organizations, view their relationship with the membership organization as purely a business one—quid pro quo: "I pay dues and get stated benefits," so the organization is not a natural focus of philanthropy, even if the member is heavily involved. On a number of occasions, we have asked focus groups why devoted and passionate members of an organization have not made major or planned gifts, only to find that the very members we were speaking with had never considered making a gift, thinking that their membership alone was sufficient. Yet, when we have followed up in these conversations and asked what the organization could do to attract major current and deferred gifts, their response is simply "Let us know—tell us the benefits of giving a gift . . . and *ask* us for a gift." A simple "ask" can be the key.

Finally, membership organizations do not usually address those obvious fundraising events that an immediate "crisis"—a flood, hurricane, disaster, an epidemic—can stimulate. A membership organization's impact is longer term. Given that "urgency" rarely matters for membership organizations, these organizations need to concentrate on long-term benefits, often to a future generation, which suggests that appeals to a legacy gift might be the most important to make. Stimulating a gift is a function of long-term cultivation, deliberate relation-building, and thoughtful planning—all attributes of a well-developed planned giving program.

How to Increase Planned Gifts for Membership Organizations

Despite the differences of a membership organization and other non-profits, we have yet to meet a membership organization that did not want to increase its total giving and, especially, its ability to attract planned gifts—both non-cash gifts and legacy gifts. For them, we would suggest the following to increase gifts:

- Remember that for members, giving is not a "natural" event; sometimes members need to be reminded that dues are not enough to help the organization thrive; asking specifically for a gift is a first step;
- Because members have consciously joined the group, they have many reasons to want others to benefit as they have. Thus, asking for legacy gifts is particularly important;
- Unlike hospitals, who will always have grateful patients or colleges, which will always have students, membership organizations need a new generation of members in order to exist; thus, asking for gifts that benefit a younger generation is a powerful marketing message;
- Many members will have other philanthropic interests; thus, membership organizations need to emphasize tax benefits of major and planned gifts even more than other non-profits do;
- Even though all non-profits prefer cash now for immediate expenses, membership organizations have a particular appeal as they look to build endowment for long-term benefits. Planned gifts feed directly into that endowment effort. Thus, focusing with boards on creating a set of targeted and specifically crafted Gift Acceptance Policies and careful endowment investment and stewardship policies often can both set the stage for a strategic effort to create and augment endowment and legacy giving;
- As a number of research programs have demonstrated, placing a non-profit in one's estate and legacy plans often results in increased giving during one's lifetime as well. A long-term "investment" in the future of the organization and the cause it represents stimulates short-term "investment" as well;
- Finally, because most membership organizations have board members comprised of advocates of their field, sport, or profession (and not extremely wealthy alumni who have a bevy of tax advisors helping them), board training is particularly useful in developing advocates for increased major and planned gifts. Many board members become major donors themselves when they hear about the benefits of charitable trusts, or giving a percentage of retirement plan assets.

Yes, the passion of a membership group can be tapped to increase giving among its members. That passion can even cause one of us, the one who is terrified of heights, to leap into the tunnel of wind, arms spread and feet off the ground, ready to fall . . . or to soar.

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