The Hidden Potential of Gift Planning Prospects

CANADA CONFERENCE
OCTOBER 17-19, 2018

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SESSION TIME: 9:15am - 10:15am

Finding the elusive Planned Giving donor

This Presentation will help you to….

- Identify characteristics of a planned giving donor
- Find information to help prioritize your prospects
- Turn profiles into plans

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What we will cover

1. Overview of a Gift Planning prospect
2. What to look for / How to find it: Internal Sources
3. What to look for / How to find it: External Sources
4. Operational considerations

1. Overview of a Gift Planning prospect

There is a difference between major gift and planned gift prospects

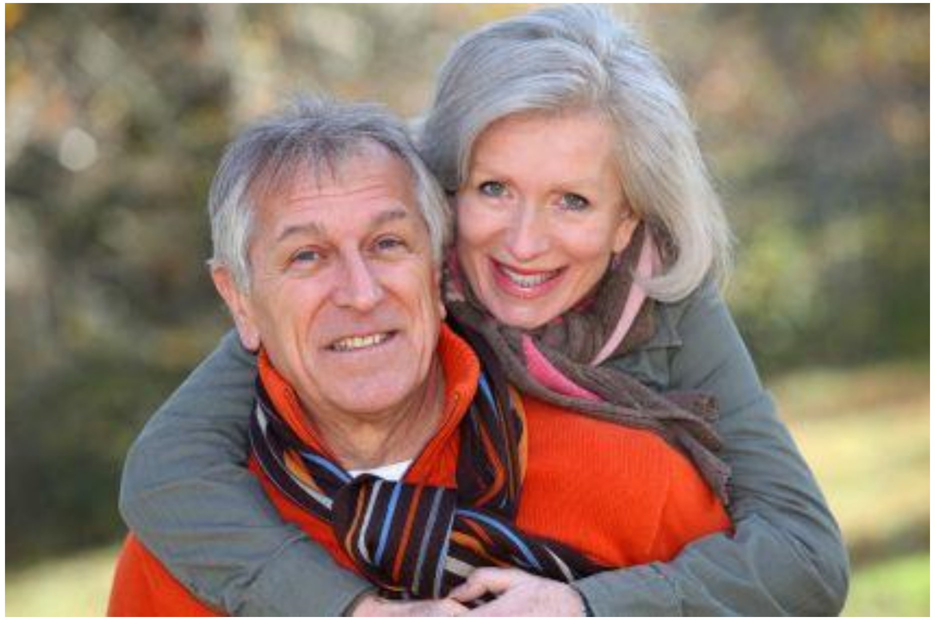
- Planned Giving has been called “A major gift program for the middle class”
- In a major gift environment like U of T, identifying planned giving donors requires a different set of analytics
- The U of T Gift Planning Office and Advancement Research have been creating new models to help front-line fundraisers move beyond a list of names on a spreadsheet to identifying qualified GP prospects

1. Overview of a Gift Planning prospect

- They ‘fly under the radar’ and are not the conspicuous consumers who covet large houses and flashy cars or take expensive vacations
- They spend their lifetimes accumulating capital and can easily be the ‘millionaire next door’
- They are values-driven and very loyal, sustaining other long-term relationships with work, charity, family, friends, organizations

1. Overview of a Gift Planning prospect

- The ‘typical’ planned giving donor is someone who lives below their means, is a hard worker and prodigious saver
- They tend to be averse to making large gifts during their lifetime and will show up as someone who has been giving modestly over a long period of time, and usually not as Leadership or Major Gift donors
- They regard the institutions they support as agents of change in society, so we should talk to them about how our work will create a better world and not about our needs



2. What to look for: internal sources

- Loyal/ repeat donor, usually over decades and usually at a modest level of $50-$100 per year
- Age typically between 45 and 75 years old
- Gender- Women generally make up 2/3 of planned giving donors across institutions
- Have no children or grandchildren
- Use the honorific ‘Miss’ and are over 50 years old
- Staff (i.e. long-term employees), or the surviving spouse of one

Date	Amount	Balance	Transaction	Application	Revenue
12/12/2017	$100.00		Payment	Donation	Gift
12/4/2017	$50.00		Payment	Donation	Gift
11/30/2016	$50.00		Payment	Donation	Gift
11/30/2016	$50.00		Payment	Donation	Gift
12/4/2015	$50.00		Payment	Donation	Gift
12/4/2015	$50.00		Payment	Donation	Gift
12/31/2014	$50.00		Payment	Donation	Gift
12/31/2014	$50.00		Payment	Donation	Gift
11/28/2013	$25.00		Payment	Donation	Gift
11/28/2013	$25.00		Payment	Donation	Gift
12/31/2012	$30.00		Payment	Pledge	Gift
12/31/2012	$30.00		Payment	Pledge	Gift
12/12/2011	$30.00		Payment	Pledge	Gift
12/12/2011	$30.00		Payment	Pledge	Gift
4/20/2011	$20.00		Payment	Donation	Gift
4/20/2011	$20.00		Payment	Donation	Gift
4/20/2011	$20.00		Payment	Donation	Gift
12/4/2009	$30.00		Payment	Pledge	Gift
12/4/2009	$30.00		Payment	Pledge	Gift
12/9/2008	$25.00		Payment	Donation	Gift
12/9/2008	$25.00		Payment	Donation	Gift
12/31/2007	$25.00		Payment	Pledge	Gift
12/31/2007	$25.00		Payment	Pledge	Gift
12/5/2006	$25.00		Payment	Pledge	Gift
12/5/2006	$25.00		Payment	Pledge	Gift

2. What to look for: internal sources

- Regular attendee at events
- Have a history of volunteer engagement, such as volunteers in governance, sales, fundraising
- Have an existing endowed fund

2. What to look for: internal sources

<u>Specific to a university environment:</u>

- Involved in activities as a student (sports, student government, clubs, etc.)
- Lived in residence during their student years
- Have more than one degree from the university
- Received financial support as a student

2. What to look for: internal sources

- GEOGRAPHY - Not necessarily the wealthiest neighbourhoods, but more likely in an area that began as a middle-class enclave, such as the 'inner suburbs' or an established older neighbourhood where they have since lived for many years, i.e. highly appreciated property


30

2. How to find it: internal sources (analytics)

- In 2014, Advancement Research began collaborating with Gift Planning and Analytics
- Reiterative process – models are refined every two to three years with new data
- Challenging to build models due to complexity of donors and gifts
- The most powerful variable in UofT's model is giving history
- Prospecting your database without an analytics staff member
    - Outsource
    - Pattern recognition

2. How to find it: internal sources (records)

- Older prospects = paper records
- Digitization projects
  - Residency records at the federated colleges
- Consider information you can start coding now
  - Recently began coding co-curricular student activities

2. How to find it: internal sources (personal interview)

- How has your life unfolded since you left university? (Family, career, clubs, politics, hobbies, travel, place of worship, volunteerism….)
- Who are the people you had the most fun with during your time at university?
- Who are the people at U of T helped you to achieve your full potential? (A professor, teaching assistant, don, fellow student, sports coach, chaplain, staff member ….)
- What's the one thing about U of T that you hope never changes?
- What's the one thing you would like to see U of T change immediately?
- What is the single most important piece of advice that you would give to a current student?
- If you could visit anywhere at U of T, where would that be?

3. What to look for: external sources

Some good indicators of a GP prospect from external sources are

- Length of employment at a particular company
- Length of time in the same house
- Long-term membership of a place of worship and/or a civic organization, a particular political party, a club member, or even a publication subscriber
- Long-term donor to other organizations

3. What to look for: external sources

- Owner of a small business or family foundation
- Also, any Canadian turning age 71 must convert their Registered Retirement Savings Plans (RRSP's) into retirement income funds (RRIF's), life annuities or a lump-sum payment before the end of that calendar year, which is an ideal opportunity for us to encourage them to name the university as a beneficiary of their RRIF

3. What to look for: external sources

There are common times when people write or re-write their estate plans (who gets what)

- Change in marital status- married, divorced, death of spouse or remarried (in some provinces, marriage nullifies existing wills so new ones need to be written)
- Change in family status- having children, children 'leaving the nest', arrival of grandchildren, or the death of close relatives later in life

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3. What to look for: external sources

- <u>Change in financial status-</u> gained a substantial sum, usually gained through the sale of property, such as their house, or through an inheritance

- <u>Change in health status-</u> have suffered a significant health issue which has reminded them of their mortality

- <u>Change in job status-</u> which usually means retirement, although they may have stopped working for other reasons

3. How to find it: external sources

- Usual suspects: media scans; social media (mostly Facebook for this segment); donation databases
- Internet 1.0: newsletters, emails, etc.
  - Look for membership to organizations or even informal social activities
- Archival material: old newspaper articles, back copies, OOP
  - Likely to be very low ROI
- Obituaries
- Professional registries: nurses, teachers, etc.
- Your own discovery visits (always record call reports in your database!)

3. How to find it: external sources

Common challenges

- Very common names!
- Lack of digital footprint
- Less prominent publicly than MG prospects
- GP prospects tend to “fly under the radar”

3. How to find it: external sources

- Learning about our prospects is a shared responsibility
- Help frontline fundraisers help you
- Another opportunity to boost collaboration

Let’s take a look at a GP prospect profile!

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4. Operational considerations

Turning profiles into plans

a) Institutional buy-in - if you build it, will they come?

b) Information management

c) Prospect management

d) Understanding the roadblocks to estate planning - what's holding the donor back?

e) Keeping the conversation moving- addressing the donors' misgivings and misconceptions

f) Suggested resources to help fundraisers manage their GP portfolio

4a. Operational considerations: institutional buy-in

- Your organization must have a culture of planned giving
- A planned giving program should be in place with a schedule, resources, and administrative support
- Your fundraisers should be interested in/ knowledgeable about planned giving
- Your fundraisers must appreciate the value of analytics and research
- Your fundraisers must demonstrate that they use your research
- Managers should be organizing the flow of research requests

4b. Operational considerations: information management

- The database is your most important fundraising tool!
- Data entry compliance will always be an ongoing project
- Joint effort with prospect management

4c. Operational considerations: prospect management

- GP prospect management can mirror MG prospect management business practices
- Keep the portfolio balanced and moving
- Tracking models and regular reviews
- Metrics can increase program support

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4d. Operational considerations: understanding roadblocks

It all begins with having a legal will, but it estimated that only 50% of Canadian adults have one. Why?

- Don't need one/ I can write my own
- Don't know where to start
- Don't have a lawyer (notary in Quebec)
- Too expensive
- Don't want to think about it

4e. Operational considerations: keep the conversation moving

- It's a long process, sometimes 5+ years
- Once someone has made a decision to make a planned gift, they usually want it done quickly
- What the fundraiser can do:
  - Provide the information they need <u>promptly</u> (designations, GP brochures, Estate Planning Workbook, bequest wording)
  - Keep track of dates and check in periodically
  - Document the steps
  - Wait patiently until they make a decision…

4f. Operational considerations: suggested resources

- GP Resource Kit
- GP Prospect Research Template
- GP website
- GP ads in publications
- GP newsletter
- GP options in all mailings/forms
- Estate Planning Workbook


"That's all Folks!"

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