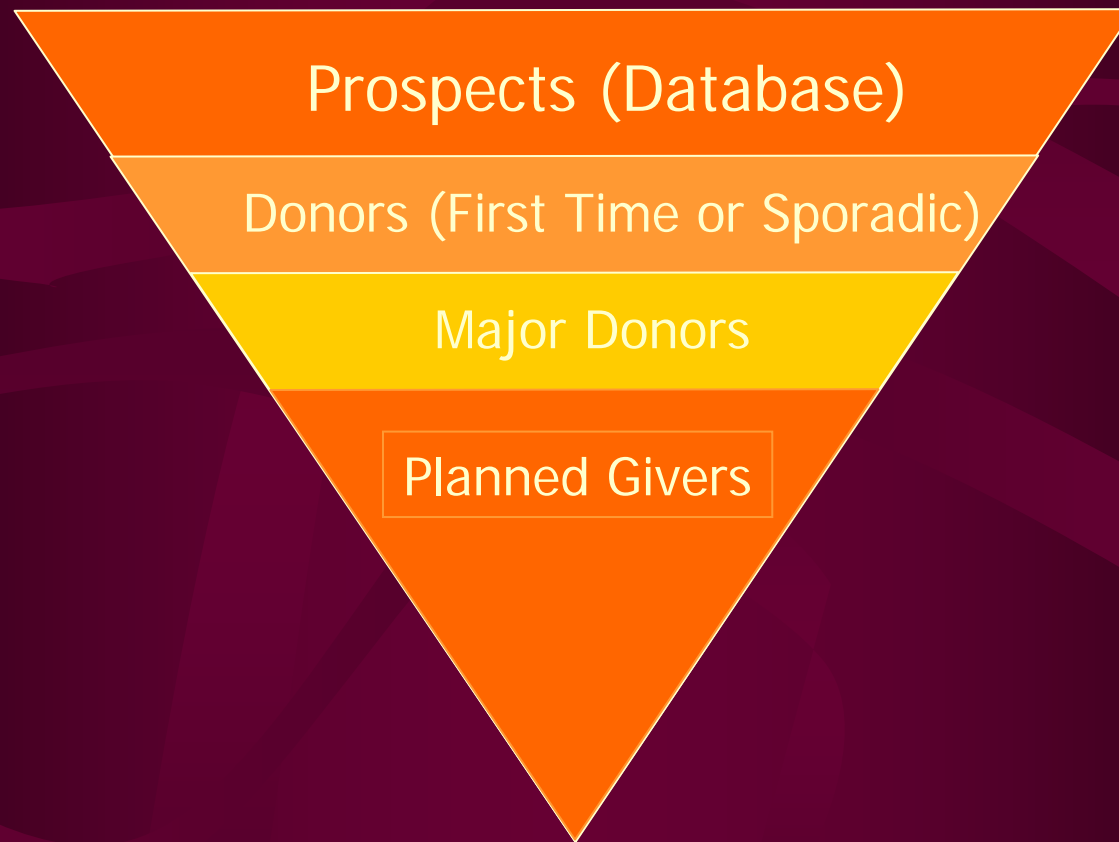


Planned Giving Success: Is it Found In the Annual Fund?

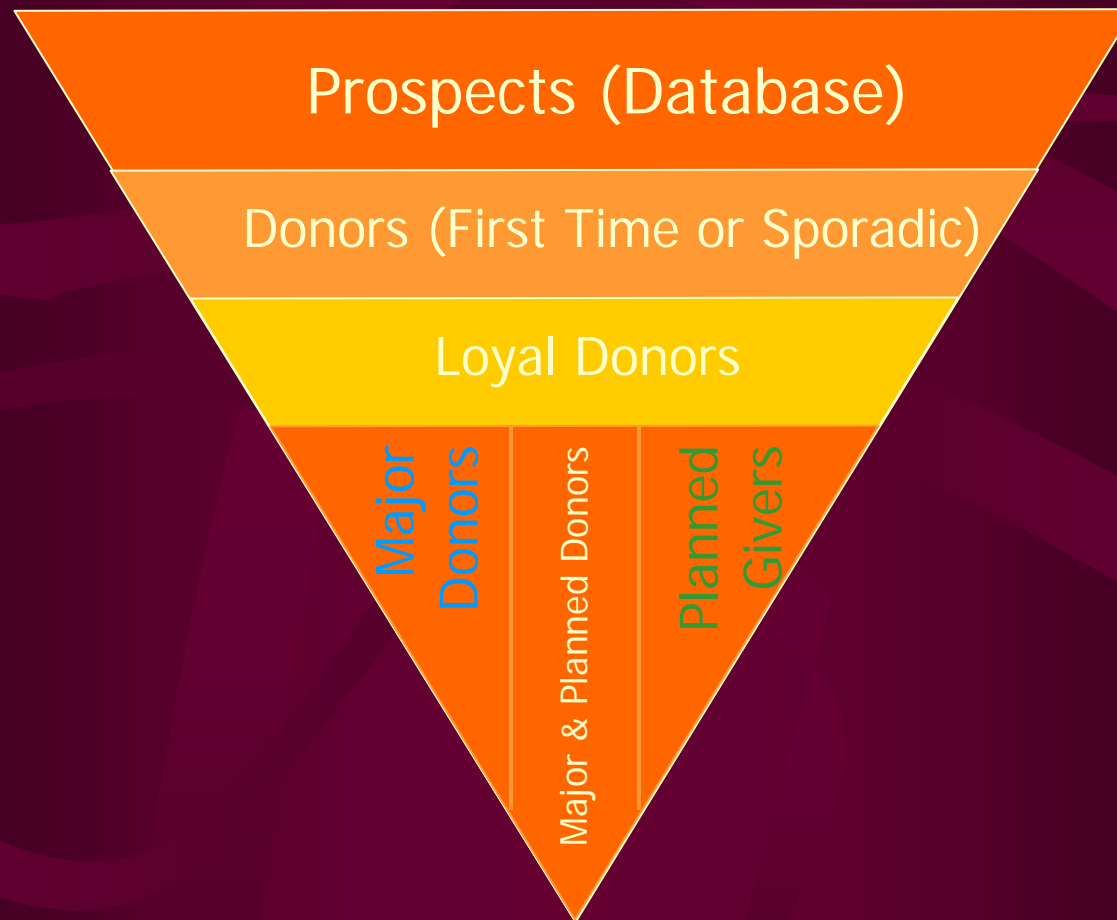
Bring Meaning to the Concept of
Donor-Centered Fundraising



Old View of Donor Development



True View of Donor Development



Ultimate Giving

- Every individual has an “ultimate gift”
- Ultimate gifts may be *any* level, *any* type
- One method to determine ultimate giving is simple segmentation analysis
- Best method to determine ultimate giving levels and types: *predictive modeling*
- Find ultimate giving profiles, develop appropriate marketing strategies

Annual Giving

It is the cornerstone of most
successful major and planned giving
programs



Annual Giving – A Working Definition

- Solicitation efforts designed to:
 - Promote introductory giving
 - Promote loyal giving
 - Reach larger groups of individuals
 - Be efficient and cost effective
 - Minimize the intrusion on the donor's life

The Relationships Between Donor Types

- Is annual giving the basis of:
 - Major giving success?
 - Capital campaign success?
 - Planned giving success?
- If yes, are there exceptions?
- Do we underestimate the value of the \$20 annual donor?
 - Do we over-solicit these individuals?

While We Are on the Subject of Over-Solicitation...

- Let's take control of our own giving patterns
- Let's bring those ideas to our organizations
- Let's put some meaning into the oft-used, oft-ignored concept of donor-centered fundraising

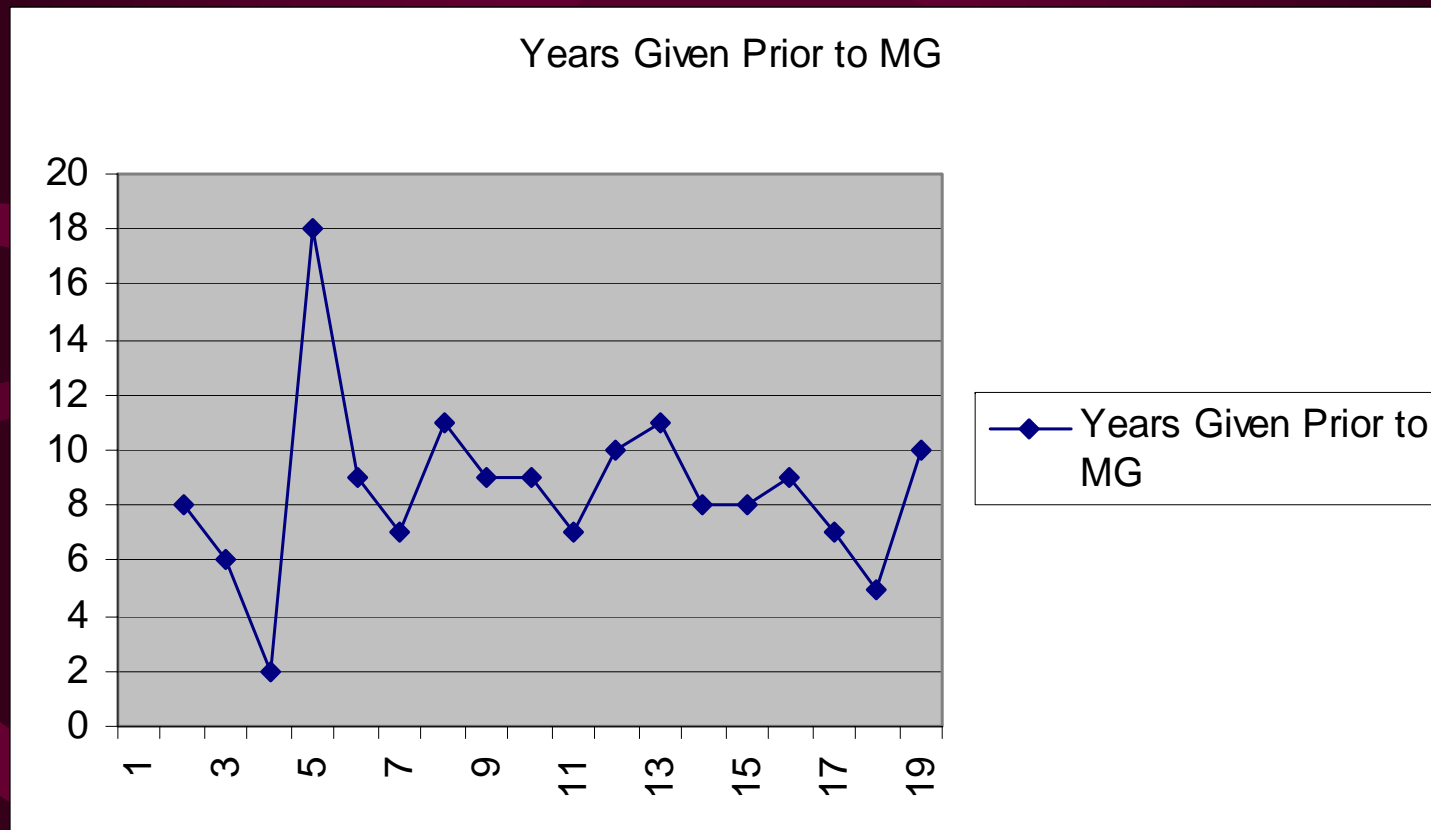
Whetting Your Appetite

- Study the relationship between giving longevity and ultimate giving
- Alternatively, the relationship between giving levels and ultimate major giving behavior

Satisfy the Craving for Knowledge

- Create a file of major donors using number of years giving (prior to first major gift)
 - 20 donors, range from 2 to 18 years
- Plot data using Excel
- Study AND interpret the trends

Major Giving Analysis



What Did We Learn?

- And what do we do with this information?
- Assume the following:
 - A major gift equals \$5,000+
 - For 60% of the file of major donors, their last gift before \$5,000+ was \$2,000
 - For 70% of those individuals, their last gift before \$2,000 was \$500

What Did We Learn?

- Conclusion: A significant number of major donors exhibit “trigger point” behavior
- You are “growing your own” major donors
- When donors activate these trigger points, they appear on your major donor radar screen
- This is *proactive* data mining

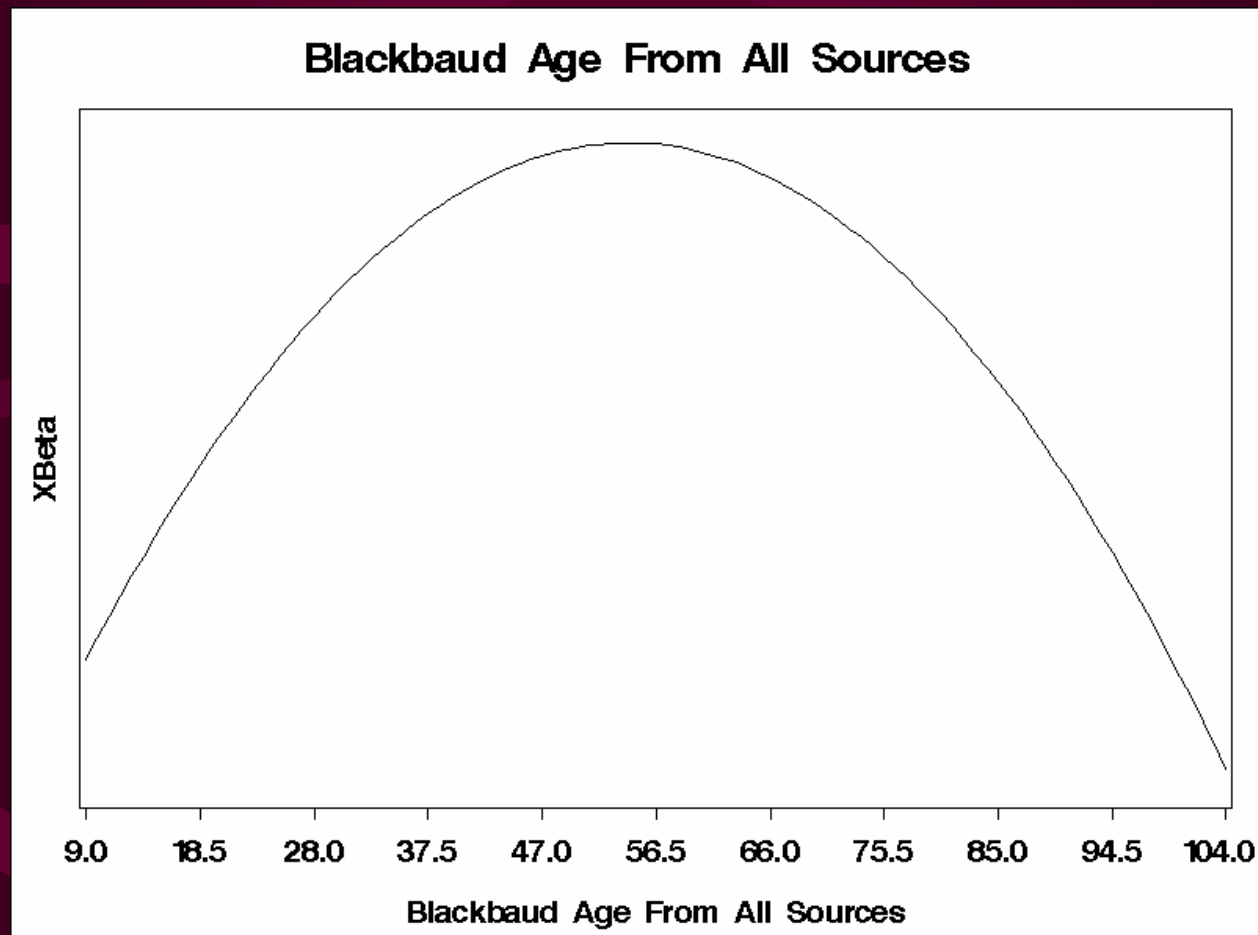
What Did We Learn?

- Alternative Findings
 - For example, major donors make an average of 9 annual gifts prior to reaching major donor status (also check mode or median)
 - Establish a threshold, such as 6 annual gifts, to identify potential MG prospects
 - Also study planned giving behavior and its correlation with loyal annual giving

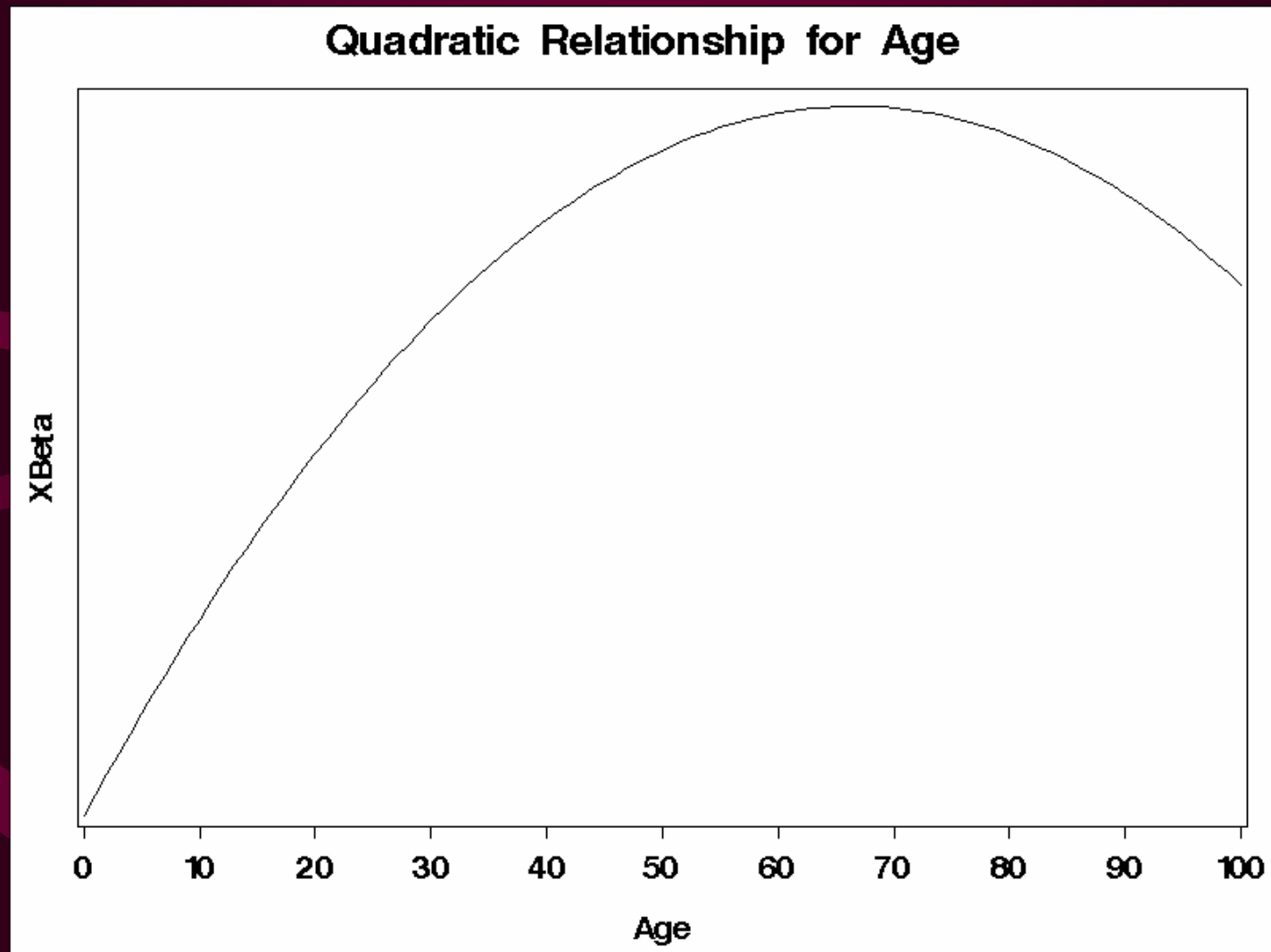
Beginning Level

- Time-of-Year Giving
 - Create a pool of all donors over the past 10 years
 - Create a subset of donors giving in at least 6 of the 10 years
 - Plot the months/quarters of their gifts
 - Identify the habitual donors
- Why is This Important?
 - Ultimate giving
 - Cost savings

Beginning Level – Age Analysis



Age and Planned Giving



Strategic Donor Development

Moves Management



Becoming an Annual Donor

- Solicitation/Acquisition
- Special Events participation
- Membership

Becoming a Planned Gift Donor

- Progression from annual donor
 - Highly likely
- First time gift
 - Highly unlikely
- Progression from major donor
 - Far less likely

Global Moves Management

Strategically developed, global and personalized activities designed to cultivate and strengthen relationships, based on:

- Understanding there are many paths taken by donors
- Donor profiles are complex, and there are multiple profiles per organization
- The goal is to take each donor to their ultimate gift
- Through understanding the likely paths of donor behavior, we may create programs that assist them in their journey

Understanding Planned Giving Behavior

Will I Know a Planned Giving Prospect When I See Her?

Overview – Planned Giving

- Formerly called “deferred giving”, it covers all charitable giving that requires more “planning”
- “Planning” applies to the intricacies of the gift mechanism, versus thoughtful planning. Presumably, most gifts are thoughtfully planned
- Is a different name needed?

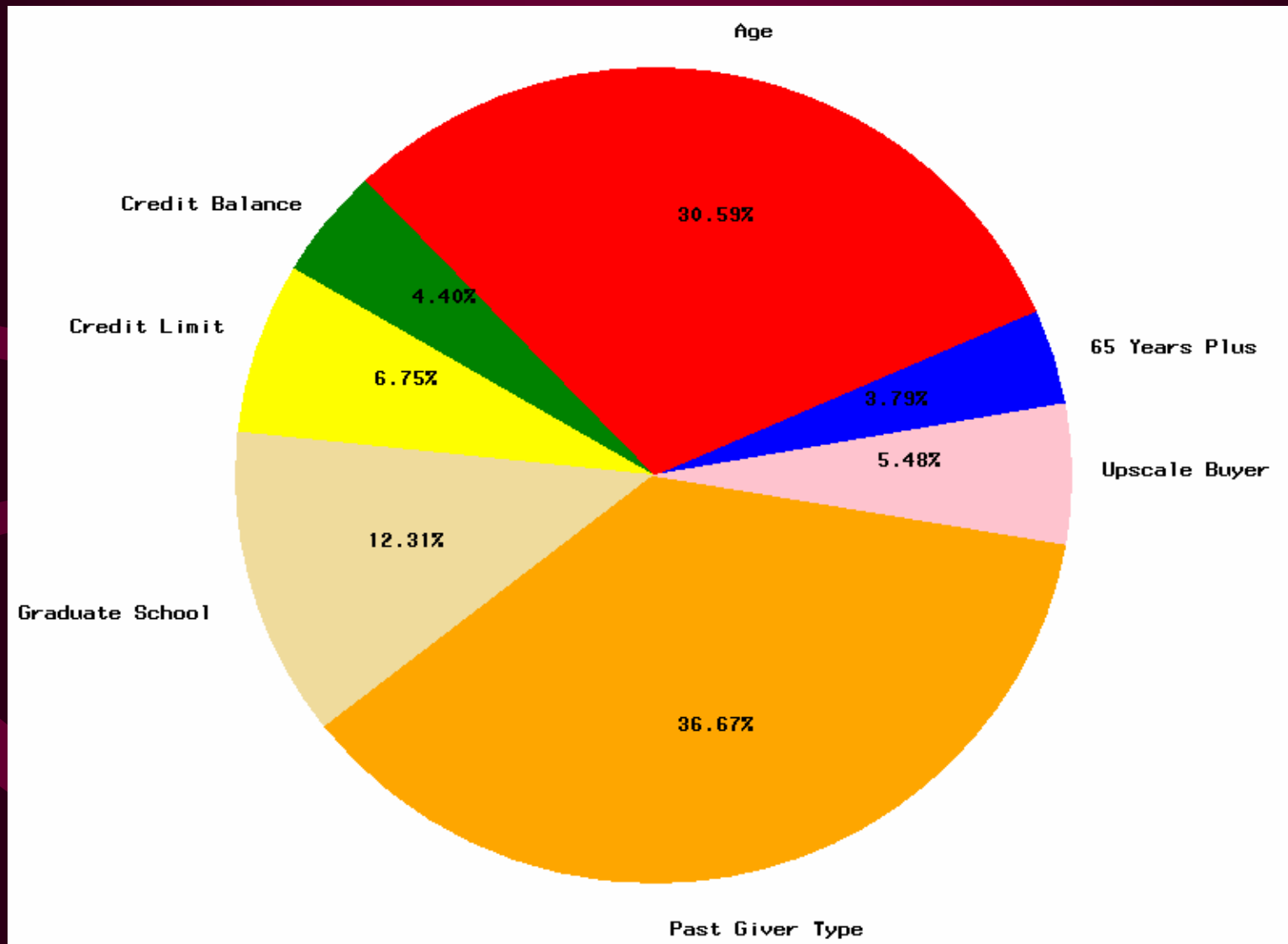
Benefits of Planned Giving

- Make significant donations to charity
- Provide a future income stream
- Pass assets to family at reduced costs
- Create income tax savings
- Avoid capital gains taxes

Planned Giving Facts

- Extremely passive solicitation methods
- More than 80% of bequest intentions are unknown to recipient organizations
- Appeals are broad based and require request for more information
- Expectations are unreasonably low
 - Current vs. future money

Planned Giving Propensity



Planned Giving by Gift Type

- Each “type” has different traits
 - Annuities
 - Charitable remainder trusts
 - Bequests
- Mass Marketing – one to one
 - Opportunity to target planned giving prospects

Variables and Planned Gift Types?

- Age?
- Wealth?
- Credit Usage?
- Past Giving Behavior?
- Type of Organization?
- Relationship to Organization?
- Marital Status?

Planned Giving Marketing

Think One at a Time



Overview:

Targeted Marketing is Best

- Breaking the mold
 - “ But we have always done it this way!”
- Mass Marketing – one to one
 - Opportunity to target planned giving prospects
 - “Right message, right person, right time”

Annual Reports and Newsletters

- Recognition of donor loyalty
- Donor stories and testimonials important
 - Do not forget that smaller gifts are important
- Do not try to accomplish too much with each publication
 - Coherent simplicity
- Consider different versions by audience type
 - Targeted issues will boost interest and response

Direct Mail

- Remember importance of annual giving
 - Multiple opportunities to spread the word
- Set sights on higher response rate
 - 1% unreasonably low
- Direct mail is passive by nature
 - Plan follow-up for highly-rated prospects
- Information vs. solicitation
 - Asking is not the sole purpose

Telemarketing

- Personal, relationship building calls
- Use as a follow-up to direct mail
- Thank you calls as cultivation tools

Internet and Email

- Use website to share information
- Provide calculation tools
- Testimonials
- Use email to drive prospects to website, invite to seminars, thank
- The importance of email and younger bequest prospects

Seminars

- Remain a valuable marketing tool
- Focus on a few key items
- Donor participation

Other Marketing Media

- Personal cultivation
 - Time consuming
 - Successful
- Public speaking
- Allied professionals
- It is all about visibility in your community

Integrating Development Functions

- Having a plan for all of your constituents
- Apply direct mail techniques to direct marketing efforts (such as telemarketing)
- Communication among entire staff
- Tracking Results
- Analyzing Results
- Being an Instrument of Change

Contact Information

Cary Colwell

Senior Consultant, Blackbaud Analytics

Cary.Colwell@blackbaud.com

843-312-1920

