


NORTHWEST PLANNED GIVING ROUNDTABLE

The 7 Biggest Bequest Marketing Mistakes and How to Avoid Them

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newkirk

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Before we begin.....

1. What is the goal of your bequest marketing activity?
2. What is the goal of your planned giving program?
3. Do the goals of your marketing efforts support the goal of the planned giving program?

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Mistake #1 Keeping Planned Giving a Secret




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TRUE OR FALSE

Most people who make planned gifts are wealthy.






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FALSE

X The very wealthy tend to give more through outright lifetime gifts and less in deferred gifts at death.



✓ People who are concerned about personal and family needs tend to make the largest gifts at death.

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How to avoid the mistake:

- Make sure all donors/constituents know planned gifts are welcome
- Take advantage of every opportunity to communicate
 - Why planned gifts are important
 - How to make planned gifts
 - Who can make planned gifts
 - Who to contact to discuss planned gifts

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Communication Opportunities

In addition to specific planned gift marketing materials

- Donor stories and PG “ads” in general publications
 - Newsletters
 - Programs
- Checkboxes on remittance envelopes
- Website
- Taglines



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**Mistake #2
Marketing to the Wrong
Audience**



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Where do most realized planned gifts come from?

1. Mostly related to someone’s death
2. From people who have a long-time association with the organization

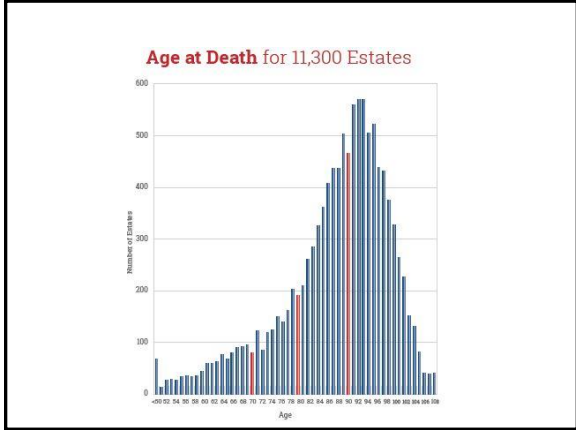


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How long do bequest donors live?




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Life Expectancy

Age	Single	Joint
35	48	55
40	44	50
45	39	45
50	34	40
55	30	36
60	25	31
65	21	26
70	17	22
75	13	18
80	10	14
85	8	11
90	6	8
95	4	6
100	3	4



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At What Age Do People Make Wills?

- ✓ People make wills at different ages.
- ✓ Most people make several wills during their lifetimes.
 - Bequests are often made by the second spouse to die.
 - Most people make their final (operative) wills within 5 years of their death.
- ✓ Only the last will counts!



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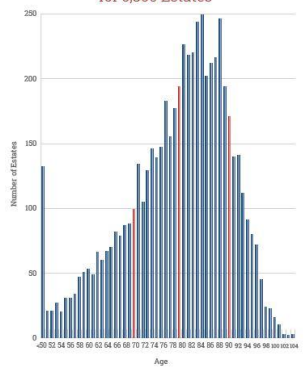
- ✓ On average, 50% of wills with charitable bequests are completed within 4 years of death.
- ✓ 80% of bequest donors are over age 75 when they execute a will that includes a bequest.*

(*Russell James, Ph.D. *Inside the mind of the bequest donor: A visual presentation of the neuroscience and psychology of effective planned giving communication*, 2013)



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Age at Time of Will Leaving Bequest for 5,800 Estates



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✓The longer the life expectancy the longer you have to wait for the gift.

✓A lot can happen in 40 years!






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How to avoid the mistake:

Focus on marketing planned gifts to people whose bequests are most likely to be realized in the relatively short term (less than 40 years!).

- Thoughtful selection of your mailing lists will:
 - Save money on printing and postage.
 - Allow you to spend more time with the most serious prospects.

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Mistake #3
Marketing the Wrong Gifts





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What Form are Most Planned Gifts?

Most planned gifts are bequests and designation of beneficiary gifts.


- Why?



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Common Concerns (fears)

- Running out of money
- Health care costs
- Family obligations




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Wills & Living Trusts

The traditional way to make legacy gifts

- ✓ Donor retains access to all assets
- ✓ Flexible – beneficiary and amount may be changed
- ✓ Incorporated into overall estate plan
- ✓ Donor needs these documents for other reasons – gift from plans already in place



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Beneficiary Designation Gifts

- ✓ Retirement plans
- ✓ Life insurance policies
 - Annuity policies
- ✓ Pay on death (POD) accounts
 - Bank accounts
 - Brokerage accounts
- Not transferred via will or trust
 - Donor must request "designation of beneficiary" form from the plan administrator or insurance company

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Why Are Gifts From Retirement Plans So Important?

- **Nearly 50% of households** with a household head aged 65 or older have one or more retirement savings accounts.
- Retirement savings account for **36 percent of all household financial assets**
 - Total U.S. retirement assets were **\$26.1 trillion** as of March 31, 2017*
 - **Assets in IRAs totaled \$8.2 trillion**

*Investment Company Institute (ICI)

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MAKE-UP OF HOUSEHOLD WEALTH IN THE U.S.

1984

2011

■ Other assets includes equity held in all other assets, including rental property, motor vehicles, and businesses.

Gottschalk, Alfred, Marina Vornovitskiy, and Adam Smith. Household Wealth in the U.S.: 2000 to 2011. U.S. Census Bureau, 1 Mar. 2014. Web. 7 May 2015. <http://www.census.gov/people/wealth/files/Wealth_Highlights_2011_Revised_2-3-14.pdf>

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How to avoid the mistake:

Focus on the bequest program

- Don't get sidetracked by bells and whistles.

Communicate about:

- Wills
- Trusts
- Retirement plans and other designation of beneficiary gifts



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Mistake #4
Marketing Materials Mismatch



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What Do You Want to Communicate?


- Why bequests are important to your organization
 - Why your organization needs and and is worthy of bequests
 - [Remember: Tax and financial benefits are the same everywhere!]
- How to make bequests
- You can do it too
 - Stories about other PG donors



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What is the Underlying Message?


- Topics related to:
 - Mortality
 - Finances
 - Values
- Encouraging action that may require cost and inconvenience



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Who are You Trying to Reach?

- An older audience



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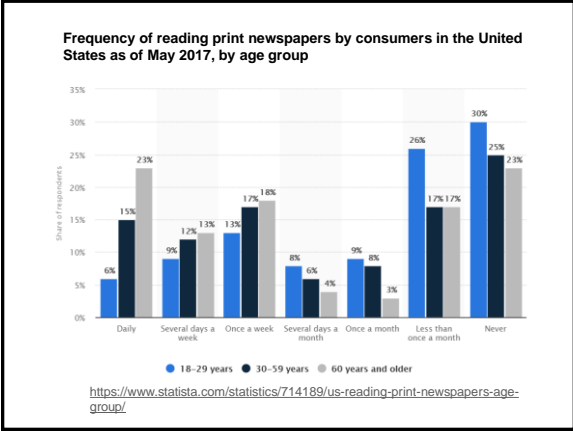
AMERICAN BANKER September 21 2016

... **the digital strategy doesn't work well for reaching older customers.**

- Most community banks don't have the email addresses for half of their clients, and **the percentage is even higher for those 65 and older.**
- According to the Pew Research Center, **four in 10 U.S. adults over the age of 65 don't use the internet at all.**
- In April 2015, [we decided to go back to] printed newsletters. The decision ... was driven by disappointing results of an email campaign.
- Now that we have returned to paper, a cursory review suggests the strategy is working to keep us in touch with our customers.
- **To reach seniors, banks should consider returning to direct mail marketing.**

<https://www.americanbanker.com/opinion/email-marketing-is-still-a-dead-end-with-seniors>

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How to avoid the mistake

Print should be your primary way of communicating about bequests

- You are more likely to reach your primary audience
- Readers will have an opportunity to study the material when they are ready

Use electronic and social media as a supplement... (not a substitute for) traditional mail.




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Don't Shoot Yourself In the Foot!

Make sure that your audience will be able to read what you send them!



- Use a font type and size that will be readily legible to older eyes
- be careful about using reverse type and light-colored ink and placing text on top of screens.
- ALL materials should be legible, not just information about planned giving.



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How to avoid the mistake
Tips for your website

- Make the information easy to find
- Eliminate obstacles to contact
 - Don't deter people by requiring too much information
- Provide the name of the person to contact
 Not: "Please reply to development office"
- Update your site regularly
 - Staff changes!

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Mistake #5
Focusing on the Wrong Message




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5a. Emphasizing Tax Benefits

- Fewer people are itemizing income tax deductions
- Hardly anyone is subject to estate tax





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Why Do People Give?

The 2016 U.S.® Trust Study of High Net Worth Philanthropy found that in wealthy households,


Donors' primary stated motivations for giving were not related to taxes.



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Why Do People Give to Your Organization?


- They care about the mission
- They have a connection



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5b. Leading with the Legacy Society

- Membership is an unlikely incentive for making a planned gift
- Legacy Societies are tools that helps you
 - Steward donors efficiently
 - Keep track of your donors (record-keeping)
 - Encourage donors to share their plans




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How to avoid the mistake:

Focus on

- The reasons to make a bequest to your organization
- How to make a bequest
- How a bequest can help donors "make the gift they wish they could."

➤ Save the legacy society for other purposes



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Mistake #6
Neglecting Stewardship



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Consequences of Neglecting Stewardship

1. Expectancy Failure

➤ Bequests are revocable

- There may be staff changes before the gift matures
- Donors' life situations may change
- Surviving spouse may have different interests

Keep the Gifts You Get

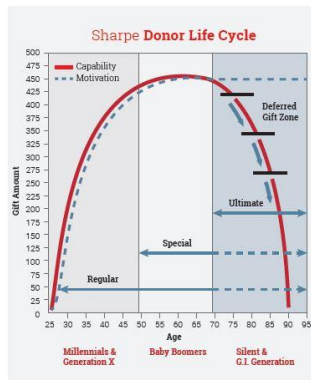


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Consequences of Neglecting Stewardship

- 2. Leaving money on the table
 - Bequest often come from unexpected places
 - Planned giving allows people to “make the gift they wish they could.”

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How to avoid the mistake

- ✓ Maintain relationships
 - Pick up the phone
 - Send a note
 - Get out of the office!
 - Issue an invitation
 - Invite even "small" long-time donors to something
- ✓ Keep good records
- ✓ Retain older long-time lapsed donors on the mailing list
- ✓ Use your Legacy Society

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Mistake #7
Using the Wrong Measures of Success

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Traditional Recommendations for Measuring PG Success

- Activities completed
 - Visits and calls to prospects (amount of tea and cookies consumed)
 - Directed outreach (mailings, emails)
 - Other outreach activities
- Number of Legacy Society members
- Number of gifts completed






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The Problems with Traditional Benchmarks

They measure quantity, not quality


- How can you tell if the outreach activities are successful?
 - Differentiate quality of leads from volume.
 - 80-year-olds or 45-year-olds?
- When should you expect to see money coming in the door?
- Are you realizing bequests from legacy society members?
 - How old are legacy society members
 - Compare membership in legacy society with bequests realized

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How to avoid the mistake

1. Focus on your goal: realizing income for your organization via matured gifts
 - x Not a large legacy society.
 - x Not a huge stack of mailing responses
2. Stewardship of existing donors
3. Gift administration
 - Are you being notified of bequests?
 - Are bequests being collected?




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Final Thoughts

1. Keep your program goal in the forefront of all marketing activities.
2. Be sure your marketing activities are “elder-friendly.”
3. Steward your donors (and surviving spouses).
4. You never know who your next bequest will be from.

- Bonus 1: You will automatically use staff time more efficiently.
- Bonus 2: You might save enough money to do an extra mailing or event — or even to attend a professional development program.



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QUESTIONS?

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