



Your Best Donors Are Hiding In Plain Sight

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The most successful development programs identify donors who want to give more – and then show them how to do it! All of our organizations have such donors. Finding these donors is often done through qualifying visits and years of cultivation. The process is time consuming, costly, and somewhat inefficient – but often necessary. Many organizations fail to recognize and act on the opportunities for major and planned gifts from donors who can – and want to - give more. Yet, these donors are hiding in plain sight. Why, then, do so many development programs pay so little attention to these donors?

Consider Mary Johnson. Mary sent a reply card found in a planned giving newsletter informing her alma mater that it is in her estate plan. Mary promptly received a gracious thank you letter from a vice president, along with a legacy society pin. A gift officer contacted Mary several months later to offer a visit, but they were unable to coordinate schedules. That was six years ago and Mary has never been contacted again. She continues to receive invitations to the annual legacy society brunch during alumni weekend, a weekend she rarely attends. What does alma mater know about Mary's estate gift? What opportunity has alma mater missed here?

Jack and Joanne Elliott present a different situation and opportunity – this time for their local hospital. The Elliots have been contributing annually to their local hospital for 30 years. Five years ago, they increased their annual fund gift from \$100 to \$250. The increased gift is coming from a donor advised fund. Hospital sends an acknowledgment each year when the gift arrives. Other than periodic newsletters about the challenges of rising health care costs, Jack and Joanne have had no outreach from the hospital development office.

Donors like Mary Johnson and Jack and Joanne Elliott are prime examples of donors who often want to - and can do - more, but who never make it into a gift officer's portfolio of donors. Research and analytics may not have identified them as major donor prospects. They won't receive the visit that might reveal the true depth of their philanthropic intent and capacity. Stewardship by newsletter and event invitation can never replace a visit from a representative of the organization who can explore what further gift opportunities might exist. Some organizations have a policy where donors eligible for membership in certain organization giving societies are automatically added to a gift officer's portfolio. Kudos to those organizations! If that is not your organization's policy, gift opportunities are being lost.

Donors who fit within the following giving categories should be included in a gift officer portfolio for qualification and cultivation. Also consider what other giving societies and modes of giving at your organization might indicate donor loyalty and capacity at a level that warrants personal attention from development staff.

- **Legacy Society members** – How much does your organization know about the estate commitments from members of the legacy society? A donor's estate gift will frequently exceed their total lifetime giving. If the donor is unaware of current institutional priorities, might the estate gift be for a program that existed many years ago, but does not exist today?

- **Donors with donor advised funds** – What outreach has taken place with donors who suggest annual gifts from donor advised funds, however modest these gifts may be? When the donor advised fund terminates (often upon the death of the donor who established the fund), the fund balance in most cases will be distributed to charities designated by the donor. Might your institution benefit?
- **Donors with life insurance policies** – While life insurance policies can be difficult to administer, they also present opportunities for significant gifts. Has a donor named your institution as the beneficiary of a life insurance policy, or made a gift of a policy to your institution? Is the policy paid up? Does the donor intend to continue premium payments, if needed? Might there be cash value that could be obtained by terminating the policy and funding an organization initiative? Does that make sense for the donor – and your institution?
- **Endowment fund donors** – Donors who have established an endowed fund during their lifetime have shown philanthropic commitment to your organization. Have you had a discussion with these donors explaining how they can increase the impact of their fund with an estate commitment?
- **Life income gift donors** – It is a common belief among many planned giving professionals that the best chance of getting a planned gift is from a donor who already has a planned gift. The opportunities here are extensive - especially, for a new life income gift. Also, a review of existing life income gifts and how they might be restructured could meet the goals of both the donor and your organization.

What might a gift officer from Mary's alma mater have learned had a meeting taken place with Mary? Mary is retired, having taught children with severe learning disabilities. Mary's estate gift is for \$25,000 to endow a named fund in honor of her parents, to be used for an annual prize to be awarded to a student who majors in education and who will teach children with severe learning disabilities. Unfortunately, the current minimum to endow a named fund at her alma mater is \$50,000. What's more, her alma mater strongly discourages gifts for prizes. After discussion and negotiation among Mary, her advisor, and her alma mater's gift officer, Mary agrees to make a five-year pledge of \$25,000 to start the endowed fund, while maintaining the estate commitment of \$25,000. Also, Mary is agreeable for the fund to support financial aid for a student who is majoring in education, with a preference for students who desire to teach children with learning disabilities. And while she is not ready at this time, Mary shows serious interest in a charitable gift annuity, the remainder of which would be added to her endowed fund. By including legacy society members in gift officer portfolios to be visited, Mary's alma mater has secured from her a larger and more functional gift.

Let's also assume that a board member from the local hospital took the initiative and met with Jack and Joanne Elliott. The board member learned that several years ago Jack was treated at the hospital after suffering a heart attack. Jack appreciates the care he received. The discussion then moved to the new heart wing that the local hospital will be constructing next year. The board member asked if Jack and Joanne would consider a gift for the new wing, and further suggested that they consider their donor advised fund as the source for the gift. After gift negotiations, Jack and Joanne agreed to make a \$50,000 gift from the donor advised fund. Jack and Joanne disclosed that they have not yet determined which organizations will receive the remainder of the fund upon their passing, but will now put down the local hospital as one of the organizations to be considered. Cultivation is ongoing.

Who are the Mary Johnsons and Jack and Joanne Elliots in your organization? Have you assigned front-line development staff to have discussions with these donors? Some of your donors are telling you they want to do more. Don't ignore them!