The Hidden Potential of Gift Planning Prospects

Jim Lawson, Associate Director, Gift Planning
Erica Sum, Research Officer
University of Toronto

SESSION DATE: October 19, 2018
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
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
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Canada Conference
October 17-19, 2018
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

Specific to a university environment:

• 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*
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
3. What to look for: external sources

- **Change in financial status** - gained a substantial sum, usually gained through the sale of property, such as their house, or through an inheritance.

- **Change in health status** - have suffered a significant health issue which has reminded them of their mortality.

- **Change in job status** - 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!
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
4d. Operational considerations: understanding roadblocks

It all begins with having a legal will, but it is 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 **promptly** (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!”