

Older Donor Strategy: A Manageable Approach to Planned Giving

By Rebekah Burch Basinger

For a decade or more, fundraisers have been talking about the astounding intergenerational transfer of wealth underway in the United States and Canada. During this same time, we've been regaled by stories of multi-million dollar estate gifts and unexpected bequests falling into the laps of nonprofit organizations from coast-to-coast. We know we need to make planned giving a priority, but in two- and three-person offices (and this describes the majority of development programs in faith-based organizations) planned giving almost always takes a back seat to current needs. Once again, it seems the rich are getting richer, and the rest . . . well, it's more of the same for most ministry organizations.

This article comes with good news for fundraisers who feel they're among the left behind. By carefully identifying individuals within your database whom you think will be most likely to consider a planned gift and then developing a plan to reach those individuals, even the shortest-staffed development office can look forward to some pretty amazing success stories. I call this approach an older donor strategy for planned giving. Right up front, I need to admit that the idea isn't original to me. A planned giving consultant pointed me toward the approach when I was vice president for advancement at a church-related college, and I've since come across older donor programs in several other organizations. With that disclaimer out of the way, let me explain how an older donor strategy works.

Deciding the Who and the What

The decision about who to include as an older donor depends upon the level of resources – human, time and money– that can be devoted to the effort. For example, if an organization is just getting started with planned giving and the development

team is few in number, the target group should be rather narrowly defined, limited perhaps to persons aged 75 and up. In the case of more mature programs, the definition of “older” might be expanded to include everyone over the age of 55. There's no one right answer to the question about who should be included in an older donor program. It's an institution specific issue.

Along with the “who” of the program, availability of resources also determines the “what” of your older donor strategy. For example, a quarterly planned giving newsletter is great, but a carefully worded p.s. on appeal letters can also work to get prospects' attention. Or if you don't have time or the expertise needed to prepare a planned giving brochure, it's possible to beg, borrow or buy copy. Do a quick search of websites, picking out planned giving pages that appeal to you and then contact your colleague for permission to adapt his or her good work to your situation. In addition, there are companies that provide excellent print and on-line material that can be purchased and then personalized to your organization. (See for example, Stelter Company at stelter.com and The Sharpe Group at rfSCO.com)

PLANNED GIVING PROSPECTS: *A Profile*

- Are older and less likely to have children
- Often are female
- Often are single or widowed
- Tend to have higher income levels than the general population
- Have appreciated property holdings
- Have a longtime connection with the organization
- Are likely to include more than one charity in their gift plans

Further, it's not necessary to develop a full menu of planned giving options before launching an older donor program. In the US, 70 to 80 percent of planned gift dollars come in the form of bequests. In Canada, bequests represent 95 percent of planned gifts. Simply by encouraging older friends of the organization to include the school in their wills, you can look forward to a steady stream of generous gifts down the road. Over time, small things done well and with consistency can add up to big results.

Organizing an Older Donor Program

1. A crucial first step is to prepare the development office for the older donor program. This includes organizing the database to support the agreed upon strategies, beginning with a method for coding the target audience. This may seem an obvious thing, but I have been surprised by how few of the donor databases I've had opportunity to review include the ages of the individuals. The goal here is to make it as easy as possible to develop mailing and call lists and to track and follow-up on prospect contacts. Devilish details such as these are essential to the success of an older donor program.

2. Preparing the office also includes assigning responsibility for the older donor program to a specific person. Although the older donor approach should be understood and supported by the entire development team (fundraising staff, president, board members and other volunteers), the buck must stop at a specific desk. It's especially important that a knowledgeable staff person be available to respond to questions and provide additional information after a mailing goes out inviting responses from the target group. A "here today, gone tomorrow" approach to planned giving is frustrating to donors. And it's a guaranteed roadmap to failure for the program.

3. If the organization is new to planned giving, it will be necessary to develop policies and procedures for receiving, spending and/or investing gifts. The board should be involved in this process, and it's essential to bring the finance office into the discussion. This is another point at which colleagues in other nonprofits can be helpful by sharing examples of policy statements and guidelines for investing and reporting on the status of planned gifts.

4. Map out a communication plan that's specific to the older donor program, and don't forget to take advantage of the organization's website. Now that seniors have become the fastest growing Internet user group, a planned giving website is an important and cost-effective way to reach your target audience. While it's likely you'll want to develop print and on-line resources especially for the older donor program, it's important to look at existing materials and messages through the eyes of this particular cohort group. A lot can be accomplished with some relatively minor editing of general purpose pieces. It's also possible to piggy-back planned giving information and stories with other communication from the organization.

5. Enlist other partners in identifying older donor prospects. Begin by introducing the board to the older donor approach to the board and inviting their comments and participation. From what I've seen, a high percentage of board members are edging into older donor territory. The older donor strategy also is a natural for 40-year and up reunion classes. And it's a good idea to talk with denominational foundation/stewardship staff, if that fits your situation, about your planned giving focus. The more people who are aware of your plans, the better will be your results.

6. Familiarize yourself with the basics of planned giving. It's not necessary that you become a full-fledged planned giving expert, but you need to know enough about planned giving to be able to recognize a good prospect when you see one. You should also be able to point individuals to the technical assistance they might need in shaping their gift plans. Educating yourself to the basics of planned giving can include reading a good book on

the topic or subscribing to a newsletter such as *Planned Giving Today*, attending workshops, talking with experienced planned giving officers, and taking advantage of on-line resources. (One of personal favorites is *Major Gifts Review*, an on-line newsletter available at charitychannel.com.)

8. Put faith in the program. For persons of faith, a gift to a favorite ministry is about much more than helping the organization meet a financial goal – it's about faithfulness to God's call to generosity and joyful stewardship. It's essential, then, that development staff lead with the mission of the school rather than with an emphasis on the methods for making a gift. I was reminded of this truth again as I interviewed donors as part of a development audit for a seminary client. The persons with whom I spoke were quick to link their giving with their faith. In describing their motivations for giving, they spoke of hopes and aspirations for the school and for the church that are bigger and more far-reaching than this year's annual fund goal. In the words of one donor, "We're not talking about fund raising, we're talking about stewardship of a precious purpose." This is the essence of a faith-based organization's case for support.

9. Get started ASAP. If you wait for the perfect time to get started, it will never happen. Success will come as you make it a priority to implement the older donor strategy. Just do it.

Despite recent downturns in the economy, estimates about the much touted generational transfer of wealth have remained steady. It's not too late to involve your organization in a planned giving program, and an older donor strategy can be the way to go.