

## **New planned giving strategies**

### *Broaden your base to include younger donors*

Traditionally, nonprofits have directed their planned giving campaigns at older members and donors — folks in their 70s, 80s and beyond. Research, however, indicates that those in their 40s, 50s and 60s may also be potential candidates. The group includes baby boomers — not only a populous demographic, but a charitably minded one.

A study by Campbell & Company, a fundraising, communications and executive search consulting firm specializing in nonprofits, and the Indiana University Center on Philanthropy asked more than 2,000 individuals whether they would consider making a charitable bequest in their will. Among respondents 70 years and older, 15% said “yes.” When the same question was posed to people between 40 and 69, the affirmative response rate doubled to 30%. Clearly, there’s a large market that your organization may be ignoring.

### **Shifting the focus**

Planned giving encompasses everything from a simple bequest in a will to more complicated structures, including annuities, trusts, donor advised funds, pooled income and life estates. However different these various giving vehicles, they all require planning and donor effort.

Most charities target their eldest prospects in their planned giving campaigns because this group is more likely to be actively engaged in estate planning, making such appeals timely. And, because of these donors’ advanced age, the organization can expect to see the actual bequest the soonest.

But even if it means waiting longer, consider expanding your appeal. Those who make the financial commitment of a bequest — even when they have many years ahead of them — can be loyal and active participants in your programs, events and fundraising campaigns. They may also encourage friends and family members to get involved and make similar donations.

## **Best practices**

Give your organization the greatest chance of success when soliciting planned gifts by following these best practices:

***Pick appropriate prospects.*** Broaden your solicitations to those 40 and up who already have a history of giving to your organization. Review donation records for donors who have given repeatedly and look for patterns. If, for example, an individual makes a gift every December, send your planned giving solicitation at the end of the year. And pay attention to the appeals donors have responded to. If they've reacted well to testimonial letters from charitable beneficiaries, mirror that approach for planned giving.

***Tailor the appeal.*** Instead of combining planned giving solicitations with other appeals, develop specific planned giving materials, such as letters, brochures and a Web site section, that educate your audience. Use simple language and avoid jargon.

***Close the deal.*** Always personally follow up with donors who indicate interest in planned giving. These arrangements can involve large amounts and be complicated to execute. You want to show that your organization will extend special attention to such donors — including working closely with them and their legal and financial advisors to craft and execute the gift.

## **Broaden your base**

Maintaining the traditional attention you pay to your oldest donors as planned giving prospects may yield acceptable results. Keep in mind, however, that you're probably missing opportunities if you don't consider younger donors as well.