Are You Ready to Launch a Bequest Program?

David Valinsky and Melanie Boyd © 2007.
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We know what you're thinking.

You want to know if your organization, which isn't a brand name, can raise money through bequests.

Here's the answer, and we think you'll be pleased with it.

You can, and it'll be easier than you think, provided you can answer "Yes" to the following:

- Is your organization a 501(c)(3) nonprofit tax-exempt organization? Donors will often ask to make sure and won't give to you if you aren't.
- Is your organization mission driven? Do all of your programs and services meet the mission, and is that mission known in the community?
- Are you established in the community? How long has your organization been in existence? Donors want assurance that the organizations they support will still be there tomorrow.
- Do you have a recognized track record of success? In other words, are you not only succeeding in meeting your mission but also sharing the good news? If not, you may want to focus your efforts here first.
- Do you have the necessary staff and volunteer support? Initially, the responsibility for your bequest program may be tacked on to the duties of an existing staff member. But as your program grows, a new staff person may be required.
- Do you have an existing donor base? Have you conducted an annual appeal? Was it successful? Donors rarely make their first gift to an organization in the form of a bequest; typically, they will have already supported your organization in other ways first.
- Do you communicate with your donors on a regular basis? How often do you thank and recognize your current donors? When is the last time you visited a donor at her home or invited her to take a private tour of your organization?
- Is your organizational leadership well respected? If you've just made a big change in leadership or their ability has been questioned, it's probably better to focus on public relations first.
- Is your organization perceived as stable? Change is inevitable. But if you've just come under "new management" or were the recent focus of a nasty public relations snafu, now isn't the time to launch a bequest program.
Now's the Time

Often, when we first meet with the staff and volunteer leadership of an organization to discuss planned giving, we start by sharing some big numbers:

$260.30 billion
$199.07 billion
$ 17.44 billion

$260.30 billion: That's the amount U.S. donors gave in 2005. Of that, $199.07 billion came from living individuals (not foundations, not corporations). Most important for our purposes here, $17.44 billion was given through bequests, representing 7 percent of total estimated giving.

And the sum is likely to grow, as we're in the middle of a transfer of wealth unlike any we've experienced before.

The Greatest Generation

Not long ago, A. Charles Schultz published an article entitled Four Golden Years. The title refers to the years between 2004 and 2007, when members of "The Greatest Generation" are in their 80s and 90s, many with sizable assets to bequeath. He describes three personal characteristics of this proud population.

They're optimistic. Having survived the Great Depression, they know they can surmount just about any obstacle.

They're civic-minded. Having helped to rebuild economies and nations in the wake of World War II as well as shape labor unions and enact legislation for the common good, they take their role as citizens seriously. They also understand the key role of philanthropy.

They're careful accumulators. The Great Depression saw an unprecedented 25 percent unemployment rate, teaching a difficult lesson of the importance of saving and investing.

Owing largely to this last characteristic, many of these "Depression babies" won't make large gifts during their lifetime. The majority of their six- and seven-figure gifts will come through planned gifts, including bequests.

This unprecedented transfer of wealth will affect charitable organizations now and for years to come. Together these two groups, the Greatest Generation and their Baby
Boomer children, will pass on some $14 trillion by 2052. A sizable portion of it will go to charitable organizations (hopefully one of them will be yours).

**The Real Reasons Donors Make Bequests**

We've led off many a meeting and workshop with the following question: "What do you think are the top five reasons donors give to charitable organizations?"

Invariably, "tax purposes" is mentioned, often cited as key. But in reality the motivations for philanthropy run much deeper, and IRS concerns may not even figure in the top 10.

From our conversations with donors, here are the most common reasons they give to philanthropic causes.

1. *They believe in the mission.*
   This is the number one reason why people give, and we find it holds true for bequest giving as well. Donors are inspired by the mission of the organization and its commitment to changing or saving lives in the community.

2. *They've seen the mission realized firsthand.*
   One way donors can confirm the value of their giving is through firsthand experience. Maybe they've worked for your organization as volunteers. Perhaps they serve on the board and recently attended a meeting where a social worker talked about the difference your food bank is making in one family's life. Or it could be they attended a special event where an alumnus spoke eloquently about the education he received at your university.

3. *They know you'll use their gift wisely.*
   Donors want their gifts stewarded and carefully spent. (It's pretty much the same with tax dollars. We get angry, for instance, at the Pentagon's squandering $600 for a simple hammer.) Organizations that are mindful of their disbursements and regularly report to donors on how their gift has changed the lives of others set the stage for bequest giving.

4. *Your organization has directly impacted their life or the life of a loved one.*
   "You have cancer." Those were the first three words of a brochure we wrote for a cancer center campaign. This simple phrase forged an immediate connection between the prospective donor and the cancer center's mission. Who among us haven't heard these words in connection with a family member, friend, or co-worker? Few of us know just how many lives are touched by the organizations we serve. But those to whom we've really mattered won't soon forget us.

5. *They feel like they know you.*
   At heart, successful fundraising is about building relationships. About staying in touch with donors, whether by phone, personal visit, e-mail, or birthday card. That's why, despite your pressing meeting with the invitation designer or that grant report due next week, making the time to reach out to your donors must always be the first order of business.
6. **It feels good to give.**
   As good as it feels to receive a special gift, those of us who are philanthropic also know how good it feels to give. Jerold Panas, author of *Mega Gifts* and other classic books on fundraising, talks about "enlightened-givers"—generous women and men who love to give. "For enlightened-givers, there's a sense that they're only trustees of the money they've earned or inherited. They find it wonderful fun to give money to help those in need. They find making a gift to be a rollicking experience."

7. **They hold the staff and volunteer leadership in high regard.**
   For donors, the face of your organization is often the person whose name is at the top of the organizational chart or a staff or board member who has had direct contact with them. How this individual is perceived—most notably, his or her unquestioned integrity—is often what dictates whether a donor will give a consequential gift.

8. **They appreciate and benefit from your organization's products and services.**
   An enjoyable night at the theatre. A challenging Pilates class. A particularly moving Mass during the holidays. The attentiveness of a healthcare professional during a serious illness. Any of these may be incentive enough for an individual to take the next step and make a gift.

9. **It allows them to honor or memorialize a loved one.**
   What we find in many situations is that people want to leave a lasting memorial to their loved one, especially when that loved one had a connection to your organization. A memorial gift provides a way to keep their memory—and spirit—alive.

10. **It serves the need to be accepted and to belong.**
    While recognition isn't important to everyone, many of us want to be part of a special group. Families and friends meet this need for many. But so do charitable organizations. That in part explains why just over 50 percent of all 2005 contributions went to two types of organizations—education and religion—both of which forge strong feelings of belonging.

**Closing Thought**

John Kennedy loved to tell the story of the great French marshal Lyautey, who once asked his gardener to plant a tree. The gardener objected that the tree was slow growing and wouldn't mature for 100 years. The marshal replied, "In that case, there is no time to lose, plant it this afternoon."

Good advice with bequests. Best to get started now.