

# Give & Take

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## The Importance of Timing of Gift Planning Communications

by Robert F. Sharpe, Jr.

Thoughtful planning maximizes the impact of gift planning communications.

Does it matter what time of the year communications on bequests and other planned gifts are sent? Should there be systematic periodic communication or is once in a while enough?

These and other questions related to timing are important and deserve close attention. As bequests are often the largest source of planned gift income, it may be helpful to focus special attention on this gift opportunity. Many of the same principles will apply to other gifts as well.

### Reviewing the annual calendar

What time of year is best for mailings on bequests and other gift planning topics?

While there is no right or wrong answer to this question, experience teaches that certain times may be better than others, if only as a result of the process of elimination.

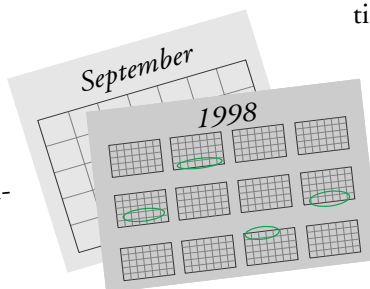
**January:** Many programs will avoid mailings in early January. While it is a new year, information pertaining to estate planning may not be well received on the heels of holiday celebrations. This is also the time when many persons have just received a great deal of year-end fundraising mail and may need a bit of time to “rest.” Many have discovered, however, that the latter part of the month can be a good time to communicate on the subject of bequests. Depending on the part of country and climate, people may be

spending more time indoors and have extra time to read during this time of the year. Keep in mind, however, that older persons who live in colder climates may be wintering in warmer places.

**February through May:** The late winter and early spring are very popular times for communications on bequests and other planned gifts. As winter ends and new life appears in the spring, many believe that older persons may be more comfortable with estate planning issues. Early spring is also a time that can be especially suited to fund-raising efforts built around a theme of memorializing friends and loved ones. Remember, too, that late spring is a popular time for reviewing one’s estate plan prior to summer travel.

**June and July:** Some programs try to avoid sending planned gift communications during mid-summer, especially on subjects that appeal to relatively younger people who may be traveling more this time of year and are less receptive to gift planning communications. While older donors may not be traveling in the summer, they may have

out of town visitors, spend more time outdoors gardening, and may be generally busier than at other times of the year. Some organizations will take a contrarian view and mail during summer precisely because many others do not. The hope is to get noticed by virtue of less competition in the mailbox.



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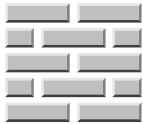
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News and notes  
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### Give & Take

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### Bill Gates leads '97 charitable giving list

Charitable giving is "in" this year as Bill Gates, CEO of Microsoft, joins others who have discovered the benefits of giving.

Gates' gift of \$200 million will provide computers for over half of the 17,000 public libraries in North America. Someday, his donations could have the same economic significance as those from turn-of-the-century philanthropist Andrew Carnegie.

Pledging to give away most of his money before he dies, Gates has said he wants to concentrate his charitable giving in three areas: education, family planning, and access to technology.

Source: *USA Today*  
June 25, 1997

### High demand for estate attorneys predicted

Households that earn \$200,000 or more in annual realized income account for about 1% of U.S. households and pay 25% of the tax on personal income.

The affluent will have to use every available legal option to avoid increasing taxes on wealth. Services from attorneys who specialize in gift and estate tax will be in high demand. In addition to planning estates, attorneys will also act as executors or co-executors and administrators of estates.

California, Florida, New York, Illinois, Texas, and Pennsylvania have the highest number of estates valued at \$1 million or more.

Source: *The Millionaire Next Door*  
by J. Thomas Stanley, Ph.D. and William D. Danko, Ph.D.

### Spending at 65-plus

Because spending is often determined by income, the money spent by older households with higher incomes is increasing. Householders aged 65 to 74 spend more per capita than those aged 25 to 34 on most major types of goods and services, such as food, housing, transportation, and health care.


Today's older Americans are reportedly willing to spend more on themselves than were their parents and grandparents.

Source: *American Demographics*  
July 1997

### Program executives taking more active role in fund development

As competition for charitable gift dollars increases, more organizations and institutions are emphasizing the importance of the role of executives outside the development department in the fund-raising process.

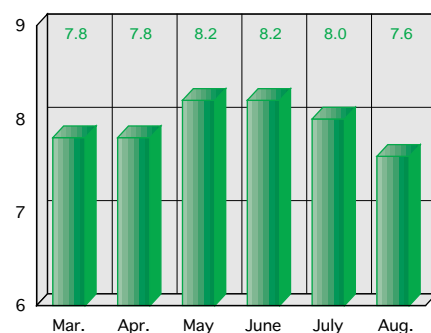
In the field of higher education, for example, more institutions are encouraging deans to participate more actively in the cultivation and solicitation of those considering especially larger gift commitments.

As academic leaders, deans can help in the process of communicating the long-term vision of educational institutions. Forward looking development executives who are beginning to work more actively with academic deans are finding such partnerships to be fruitful, especially in public universities where state governments have cut support over the years and there is a greater reliance on multiyear campaigns and other private funding sources. 

Source: *The Chronicle of Higher Education*  
July 18, 1997

Program executives may find additional training to be helpful. Our one-day seminar, "Planned Giving When That's Not All You Do," explains the valuable basics for fund raisers with varied responsibilities.

### Discount Rates



*The trend in adjusted federal midterm rates (AFMRs), which are used in calculating the benefits of split-interest gifts.*

## Dedicated Alumnus Gives Much More Than Expected—Without Being Asked!

Though Arthur Richardson (a pseudonym is used to protect this donor's identity) had a history of giving to his alma mater, gift planning officers at Cornell University were quite surprised by the magnitude of Mr. Richardson's most recent gift.

Ms. Gwen Scott, also a graduate of Cornell and now a gift planning officer for its development department, shares the story of this donor's generosity.

**The donor:** The 77-year-old graduate of Cornell University has consistently attended class reunions since 1976. Cornell is a family tradition for the Richardsons—two of his four children, as well as his father, brother, and a niece, are all Cornellians. Mr. Richardson has served as his class Secretary since 1991 and occasionally attends Cornell events held in his region of the country.

**The gift:** a \$1 million charitable remainder annuity trust, funded with highly appreciated securities.

**Donor's history of giving:** Since 1956, Mr. Richardson has given a total of \$41,000. He is a pooled income fund donor and additions to that fund make up most of his lifetime gifts. The largest outright gift was \$1,300. His gifts usually coincided with his class reunion campaigns.

**The gift's background:** Due to his declining health, Mr. Richardson's wife initiated the gift on his behalf. They wanted to complete the gift during his lifetime. After calling the university, Mrs. Richardson was referred to Gwen Scott. The Richardsons and their attorney worked with Ms. Scott, arranging the one-life trust, with Mr. Richardson as income beneficiary.

The couple appreciated the ability to remove this asset from their estate as well as the opportunity for Mr. Richardson to be recognized during his lifetime.

**Lessons learned:** Ms. Scott attributed this gift in part to the natural life cycle of this couple. They are in the process of completing comprehensive financial and estate plans, which include gifts to his alma mater and hers.

"This was not a donor from which a gift of this magnitude was ever expected, and therefore never asked for," said Ms. Scott. Mr. Richardson did, however, receive periodic communications on charitable gift planning topics as a recipient of the university's gift planning newsletter.

Explaining her feelings about gifts like Mr. Richardson's, Ms. Scott reminds gift planning officers to remember that "seeds sprout best when you're not watching . . . never stop planting them . . . you never know where flowers will blossom." *GT*

Never underestimate a donor's generosity or ability to give.



*Gwen Scott, gift planning officer for Cornell University.*

caption here

## Timing . . . *Continued from page 1*

**August:** For planned gift communications, early August is similar to June and July. Late August, however, can be a better time. As summer winds down in northern climates and other regions experience the “dog days” of August, communications on various gift planning tools may be well received.

**September and October:** The early fall can be an excellent time for communications on the subject of bequests and other subjects that involve a consideration of mortality. As leaves begin to turn and cooler temperatures return, this time of change can also be a season of anticipation and planning. As the fall is traditionally a time for storing up for the winter, this may be one of the better times to talk about gift annuities, charitable trusts, and other plans that involve making preparations for future economic well-being while making charitable gifts.

**November and December:** Traditionally, these months are very busy for many fund-raising programs. As there is more focus on current gifts at year-end for many programs, we find that some will prefer not to focus attention on bequests and deferred gifts at this time of the year. An exception might be made for early November just before the heaviest emphasis on year-end gifts. For those programs in which different persons are responsible for current and deferred gift communications, it can be particularly important to coordinate efforts at this time of the year.

The last two weeks of December are not usually good times to talk about estate planning. For many, this is the height of holiday season and not a time that people wish to reflect upon their mortality!

This brings us full circle, back to January where we began. As we can see, an argument can be made that there are pros and cons to planned gift communications at just about any point in the year.

If you are charged with planning a periodic program featuring quarterly com-

munications, by process of elimination you might decide that February and May are two of the best months. To round out an annual schedule you might add late August and early November to arrive at a quarterly schedule that would minimize the risk of communicating at the least opportune times.

### Does “one time fit all?”

But why not just pick one time a year and expose the whole constituency and “get it over with?” There are a number of reasons why this might not be wise.

First, there are different types of people within your constituency who need different messages. In the area of bequests, for example, some need to learn more about the importance of making a will in the first place. Others, who may be more sophisticated in their planning, need to be reminded of the importance of keeping their wills up to date. Still others have up-to-date plans but need more motivation to include charitable dispositions they may not have previously considered for any number of reasons. And some need practical guidelines about the basic steps to take in choosing and contacting an attorney and guidelines for starting to make their plans.

Second, there are events occurring in people’s lives on a regular basis. As marriages, births, marital separations, and deaths occur over time, different people will be receptive to estate and gift planning information at different times. All evidence indicates that people make or review estate plans according to their own schedules, based on events in their own lives. Therefore, a lower-key but very consistent message is preferable to a big splash once a year.

Third, with limited staff time, it may be wise to “spread out” communications. This gives maximum time to use available resources to follow up with those who are interested while taking care of existing donors and other important duties.



*Robert F. Sharpe, Jr., is president of the Sharpe company. He advises a number of the nation’s leading nonprofits in the design and implementation of their gift planning initiatives.*

## Can We Talk? A Basic Guide to Interviewing

by Frank A. Logan

For some gift planners, meetings with donors and prospective donors can sometimes be a daunting experience, one that generates nervousness, trepidation, and even outright fear. However, with proper preparation and forethought, the interviewing process can be a pleasant experience for both parties, and the gift planner can come away with a great deal of useful information that may eventually lead to a significant gift.

**Preparation.** First, determine why the person you will interview is qualified as a prospect. Then try to compile as much practical information about the person as you can, from your own files, from other files in your organization, from volunteers, and from easily accessible public sources. But don't go overboard. At a bare minimum, you should know the following about your donor or prospective donor:

- Approximate age and family status.
- Educational/occupational background.
- Giving history at your organization.
- Recent contacts and relationships.

**Making the appointment.** This procedure will vary, depending upon the size and scope of your organization (large vs. small, national vs. local/regional, etc.) A phone call asking for an appointment is standard procedure, perhaps preceded by a letter. And if it is to be part of a major trip to Florida, for example, have a particular day and time in mind. If necessary, repeat your name and title so that the prospect will know who you are. Follow these general guidelines:

- Avoid early morning and early afternoon appointments.
- Mention that you will be "in their neighborhood" and would like to stop by for a visit, etc.
- State that the reason for the visit is to bring the prospect information regarding current developments at your organization.

Unless you know the prospect very well

and/or the prospect lives close by, always send a confirming letter once the appointment has been made.

**The interview.** Prospects for planned gifts tend to be older people, 65 years of age and up. Some are friendly, many are lonely, a few can be intimidating. In short, they are all different, and each interview will be different.

Be punctual, even if you have to drive around the block to kill time. Save luncheon interviews (and dinners) for the more important meetings—yes, there are and should be such priorities. And don't overstay your visit; one hour can be ample.

With older prospects use your common sense. Be sensitive to seating and lighting arrangements; speak clearly and slowly, if necessary; be very careful with using first names too quickly; do not take notes during the interview; and remember to LISTEN.

For first interviews the main goal is to get acquainted, not to walk away with a gift commitment or even a request for a proposal (though such miracles can happen). A second goal is to collect information and, with an acknowledgment to Robert F. Sharpe, Sr., and the National Planned Giving Institute, the "4 Ps approach" is a very effective method of conducting a first (or second) interview by focusing primarily on:

- People. The important people in the prospect's life, their names, approximate ages, and relationships.
- Property. What does the person own? Securities, real estate, life insurance, retirement plans, or collections? But don't press too hard.
- Plans. Estate plans already in place are important. Who is the person caring for in those plans (children, other relatives, employees)?
- Planners. The names of the person's attorney, accountant, gift planner, other advisors.

To this list can be added a fifth "P"—Philanthropy. It is always helpful to try to

Armed with proper preparation, you can leave interviews with a sense of accomplishment.



*Frank A. Logan served as a planned giving officer for Dartmouth College for 20 years until his early retirement in 1993. He is now a senior consultant with Robert F. Sharpe and Company, assisting clients with marketing strategies and in-house staff training, and is on the faculty of the Sharpe company's one day seminar, "Planned Giving When That's Not All You Do." He is based in Hanover, New Hampshire.*

## Last Chance for Advanced Gift Planning Seminar in '97

### Other Seminar

#### Dates & Locations

*Major Gift Planning I:*

Sept. 8-9 Phoenix

Nov. 17-18 Tampa

Dec. 8-9 Wash. DC

*Planned Giving When That's Not All You Do:*

Coming soon to:

Albany, NY

Winston-Salem, NC

For seminar information call  
1-800-238-3253, ext. 360.

*Major Gift Planning II — Options and Opportunities* offers those who are already well-versed in planned giving a chance to explore issues in more depth.

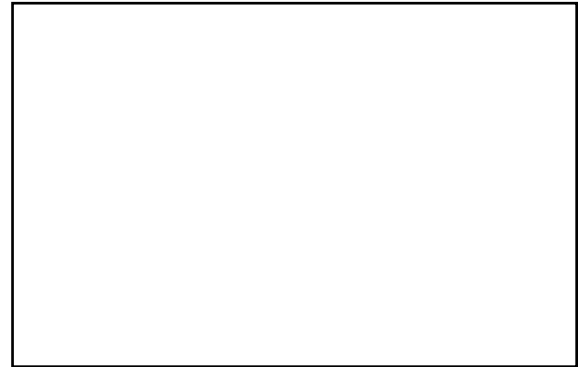
This seminar focuses on various planning tools that help donors meet multiple goals while making significant charitable gifts. The format follows donors' life-cycles and emphasizes the importance of introducing the best ideas to the right people at appropriate times in their lives.

Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., offer guidance and experience to help fundraisers face today's challenges.

October 20-21, 1997 in Pasadena, California will be the last presentation of this seminar in 1997.

Contact the Sharpe company for details and registration information. Or visit

our web site ([www.rfSCO.com](http://www.rfSCO.com)) for complete seminar information, including detailed agenda, faculty biographies, and comments from prior attendees. 



*While in Pasadena, visit the Wrigley Mansion, once owned by chewing gum manufacturer, William Wrigley, Jr. It now serves as headquarters for the Tournament of Roses Association. The lovely formal gardens are open to the public.*


## Phoenix Seminar to Cover Basic Gift Planning Topics

As the stock market continues to rise and tax legislation is pending, gift planners need to be prepared with current information to best serve their donors. The seminar *Major Gift Planning—Options and Opportunities* offers invaluable insights on a variety of topics.

Explore methods to help donors identify the best ways to give and secure both short-term and long-term funding for your organization. Learn how to work successfully with donors' professional advisors.

Vice presidents for development, directors of planned giving, directors of major gifts, board members and others on your development team will all benefit.


Enrollment is limited to allow for maximum interaction between presenters and participants.

To register or receive more information, please call 1-800-238-3253, ext. 360 or visit our web site. 

## Timing . . . *Continued from page 4*

### Importance of continuity

Given a choice, therefore, between exposing an entire constituency of 20,000 persons once per year or reaching a group of 5,000 older, long-term donors quarterly, many experienced professionals will choose the latter course of action. Budgetary considerations are very similar, but periodic programs have proven to be very effective over the years for many who are actively involved in gift planning efforts.

As stated at the outset, there is no right or wrong way to approach the subject of timing but we trust the thoughts shared here will be useful as a starting point in your planning process. 

The timing of planned gift communications is one of the topics covered in session 11 of the popular seminar "Major Gift Planning - Options & Opportunities."

## Footnotes for Gift Planners

### Reap the benefits of Legacy series

The recently revised and redesigned “Legacy” brochure series includes five titles that contain up-to-date discussions of trusts, wills, and other legal arrangements that are of interest to today’s donors.

Regular communications with your constituency is essential. As donors respond to your mailings, they’ll receive the follow-up booklet, *Your Legacy . . . Planning for a Better Tomorrow*, which outlines the estate planning process and addresses concerns that donors have about meeting both personal and philanthropic goals.

### Can We Talk . . . *Continued from page 5*

identify those charitable organizations in which the donor has a strong interest, including your own.

**Summary and follow-up.** The information you gleaned from the interview needs to be recorded, the sooner the better. Handwritten summary notes compiled in the front seat of your car immediately following the interview are best. If time permits, dictating complete information for later transcription is even better. Whatever procedure is followed, a complete and confidential summary of the interview needs to be put in writing and shared with those staff associates or research files as may be appropriate in your organization.


In addition, a thank-you letter should be sent promptly following the interview, perhaps along with an accompanying memento or gift. The letter should be separate from a subsequent proposal letter, if one is warranted.

Getting to know donors and prospective donors can be one of the most rewarding aspects of a gift planner’s professional life. There is little that is more satisfying than initiating and nurturing a relationship through a series of one-on-one


Request samples of the full-color Legacy series by calling 1-800-238-3253 or e-mail to [info@rfSCO.com](mailto:info@rfSCO.com).

### Don’t miss out at year end

As people consider holiday gifts for family and friends, they are usually responsive to appeals from charitable interests. Year-end bonuses and periodic financial reviews and tax incentives are other reasons to address donors of all ages and giving histories.

You can preview our year-end brochures in full color on our web site or call 1-800-238-3253 to request samples. 

News and ideas about Robert F. Sharpe and Company services and publications. For more information, join us on the web at [www.rfSCO.com](http://www.rfSCO.com).

interviews that eventually culminates in a significant planned gift, a gift that not only meets the personal needs of the donor but also brings new financial strength to your organization or institution. 

## Tell Them Again . . . and Again

The following first appeared in *Give & Take*, June 1979:

### Don’t let circumstances keep you from reaching your donors.

Any number of reasons could keep a donor from reading your first brochure.

Maybe a pile of bills took priority, so a brochure on will-writing went unnoticed. (“First things first. I’ll worry about a will later.” Heard that one before?)

Or, preoccupied with business plans or a family concern, the donor may have read the brochure without being receptive to its message.

The second, third, or fourth time you mail, circumstances may have changed. The bills are paid, and “later” is here today.

*Remember:* The reason a person had for not responding the first time may no longer exist several months later!

A series of bequest mailings reaches the people that care about your organization. Wise estate planning messages bear repeating and donors that eventually respond to your efforts will make your planned giving program worthwhile. 