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Give & Take

News and Ideas for Development Executives of Nonprofit Organizations

Boost Relationships, Funding by Giving Thanks

A well-organized gift acknowledgment program can help form the foundation for relationships that lead to more frequent and larger gifts. This is especially true at a time when Americans may be experiencing renewed philanthropic motivation in the midst of economic uncertainty. With that in mind, let's examine some ways to effectively thank donors for their gifts.

Communicating thanks

There are a variety of ways to express appreciation to donors. Creating a system that includes a multi-level approach to acknowledging donors may be most beneficial.

- **Personal visits.** If possible, thank your donors in person. There is no better way to express your appreciation than meeting face-to-face with your donor. Most donors will be pleased that you took the time to meet with them. But be sure to let donors know on the front end that your wish is to thank them for their gift, not to request additional support.

- **Letters and phone calls.** A thoughtful letter is usually one of the first ways for a donor to be thanked. Donors of smaller amounts may receive a letter from a development staff member that includes a gift receipt for tax purposes.

Larger gifts may prompt a phone call in addition to a letter. A call from a representative of top level management may be suitable in some cases. Perhaps a note from the chairman of the board

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- What are Americans earning and who is itemizing tax deductions? p. 2
- Gift planner in higher education strengthens relationships while thanking donors. p. 3

In Tribute

September 11, 2001

We at Robert F. Sharpe and Company wish to join all Americans in thanking our clients who are among those organizations and institutions that have acted to provide material relief, spiritual sustenance, and many other services that have helped America respond in a time of great need.

America's nonprofit community and those who work to fund it will be called upon in coming months to provide leadership as our nation emerges with a renewed sense of commitment to build a stronger, more vibrant society than ever before.

For specific thoughts on how those involved in the gift planning community may wish to respond as they make their future plans, see www.rfSCO.com/observations or e-mail info@rfSCO.com for a copy of "Observations." G&T



Planning Matters

Examine family income and itemizing statistics.

Recently released information and statistics about American citizens may be of special interest to gift planners this fall season. First, a *U.S. Census Bureau 2000 Supplementary Survey* reports that the average American family earned \$63,410 over the previous 12-month period studied. More families earned over \$100,000 than those earning less than \$15,000. See Figure 1 for a complete look at yearly earnings for American families. Note that in many cases these figures include the earnings of two persons.

According to the latest figures from the Internal Revenue Service, more taxpayers are itemizing their deductions. Perhaps reflecting record levels of home ownership, income tax returns for individuals in 1999 indicate that approximately one in three returns included itemized deductions, such as mortgage interest, taxes, and charitable gifts. See estimated average deductions based on income in Figure 2.

Estimates from the Joint Committee on Taxation reveal that

the top 1% of taxpayers pay almost one quarter—23%—of federal income, payroll, and excise taxes. The top 5% and 10% of taxpayers provide an estimated 41% and 53% of tax income respectively.

What this means for gift planners

In spite of economic uncertainty, family income levels remain strong and the number of persons who itemize deductions for income tax purposes has been increasing in recent years. It would be no surprise that up to 50% of many charities' donors itemize their charitable deductions. This fall is an ideal time to remind donors that charitable gifts made this year may provide welcome savings when their 2001 tax returns are filed.

Make sure donors understand that this not only includes current gifts, but also deferred gifts such as gift annuities, charitable remainder trusts, and pooled income funds. With income tax rates projected to fall in future years, such gifts may never save more in taxes than those completed this year. G&T

Amount earned	Percentage of families
Up to \$14,999	10.4%
\$15,000 - \$34,999	23.3%
\$35,000 - \$49,999	16.8%
\$50,000 - \$74,999	22.0%
\$75,000 - \$99,999	12.3%
\$100,000 - \$149,999	9.7%
\$150,000 and up	5.5%

Figure 1

Give & Take:

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E-mail info@rfsco.com or through our Web site at <http://www.rfsco.com>.

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Editor:
Elizabeth H. Smithers

Assistant Editor:
Bethany Neeland

Income	Gifts	Taxes	Interest
\$15,000-29,999	\$1,619	\$2,200	\$5,866
30,000-49,999	1,774	2,991	6,247
50,000-99,999	2,282	4,918	7,544
100,000-199,999	3,727	9,262	10,806
200,000 plus	19,454	39,592	21,735

Figure 2

Improving Acknowledgment Efforts, Educating Donors in One Step

You have a list of current donors to your institution. You want to thank them appropriately for their gifts and, because their donative intent is clear, you also would like to inform them about other ways of giving, especially planned giving.

How do you achieve both goals at once?

Robert Cummins, director of planned giving at Rollins College in Winter Park, Florida, faced this question last year. He had a list of those who had made current gifts to the College. He wanted to thank these donors for their gifts in an effective way. And, by virtue of their interest in his institution, Mr. Cummins considered these donors to be excellent prospects for bequests and other planned gifts.

Dual-purpose publication

“When someone made a current gift, we would send out a gift receipt with a form letter,” Mr. Cummins said. “Not a lot of stewardship was involved.”

Mr. Cummins decided to begin providing his donors with “Thanks for Giving,” a special brochure produced by Robert F. Sharpe and Company. The brochure copy thanks donors for their current gifts, then suggests ways they may want to consider making gifts in the future through long-range financial plans.

Their “Thanks for Giving” brochure features a personalized response device that allows donors to request more information from the College and/or inform the institution about whether or not it is included in their estate plans. “In a low-key way, the brochure lets people know how they can contact me for further information,” said Mr. Cummins.

How it is working

Mr. Cummins believes adding the brochure to his acknowledgment program is bolstering a key element of his development work—establishing relationships. “I see my job as one of relationship building,” said Mr. Cummins. “I think that relationship must be based on some level of confidence and integrity—especially for planned gifts.

So my being visible and accessible is an integral part of that relationship-building process.”

When a donor contacts him after receiving the brochure, Mr. Cummins responds immediately by phone. “That is the beginning of a new relationship for me,” he said.

Today’s donors, tomorrow’s planned givers

Donors who have made current gifts have expressed an interest in your mission today. They deserve to be thanked appropriately for their gifts. They also deserve to know about alternative ways to make their gifts that they may not have considered before.

As in Mr. Cummins’ case, using a method that allows you to thank and educate your donors simultaneously may help you build a bridge between current and deferred gifts. “Timing becomes critical, because you never know when someone will be ready to make a planned gift,” said Mr. Cummins. “So by acknowledging their annual fund gift of \$150 with ‘Thanks for Giving,’ hopefully the brochure will end up on someone’s kitchen table when the timing is right.”

In recent years many development programs have become more sophisticated in their ability to target market planned giving information, having found it impractical and/or cost prohibitive to send planned giving communications to an entire constituency. “Thanks for Giving” helps discover those persons that may fall outside target marketing initiatives in a low-key, cost effective manner.

Mr. Cummins is still using the brochure and has recommended it to other development professionals as a key aspect of a well-rounded acknowledgment effort. According to Mr. Cummins, in addition to more targeted efforts, providing donors with this type of publication “is a subtle, non-threatening, almost elegant way to acknowledge and educate your donors at the same time.”

Editor’s note: See page 7 and the enclosed samples of “Thanks for Giving.” G&T



Robert Cummins

Boost Relationships...Continued from page 1

Respect requests for privacy when thanking your donors.

may be appropriate as well. In the case of larger commitments, a handwritten note from a staff member with whom the donor has the closest relationship may sometimes have the most meaning for the donor.

While e-mail has become a preferred method of communication for some, be careful when using e-mail to thank donors. Even though the number of people who communicate online is growing, many people—especially older donors—may feel that e-mail is a less formal type of communication. If you decide to use e-mail in your acknowledgment process, consider employing it as a supplement to, not a substitute for, handwritten notes, letters, and phone calls to donors.

- **Recognition societies.** Some choose to offer membership in recognition clubs or societies for donors of various amounts. Creating special societies for those who have made planned gifts such as bequests, life income plans, or other gifts from long-range estate and financial plans can also be an effective way to maintain ongoing relationships with such persons.

Recognition society donors' names can be included in organizational newsletters, annual reports, and other communications. You may also want to give members certificates, plaques, or other tokens of appreciation. Consider sending cards to members on various holidays and other special occasions.

Respect requests for privacy when thanking your donors. Some persons will wish to remain anonymous for religious and other reasons, so make sure you can trust your acknowledgment system to preserve their anonymity. Let donors know through your communications that there is an anonymous category of membership for recognition societies. This is especially true in the case of planned gift recognition. Remember, however, that just because some do not want their names published does not mean they do

not want and need to be thanked. Find less public ways to thank these donors. They will appreciate your regard for their wishes.

- **News about your organization.**

Consider sharing with your donors information about how your organization or institution is making a difference. Sending donors newsletters and other updates, for example, is a good way to say thanks on an ongoing basis while informing them about how their gifts are being used. Donors enjoy reading about projects they have helped make possible and hearing how those who have benefited appreciate their help. It is important to keep donors informed about both the organization and the program or area they have been involved with.

It can be a good idea to feature stories about donors in your publications. Many donors are delighted to be asked and are willing to share their motivation for giving. Focus such articles on how the donors became involved with the organization, why they feel the organization's work is important, and what they hope to accomplish through their gifts during lifetime, by will, trust, etc. While it can be useful to mention the method chosen to complete a gift, don't dwell to a great extent on the amount of the gift, how it was structured, and other technical details that may distract donors from the human dimension of the story.

Featuring special donors in testimonial-style articles not only expresses your organization's gratitude for their gifts but also encourages other donors to follow suit.

- **Special events.** Most donors, other than those who wish to remain anonymous, enjoy recognition. Arrange a variety of donor recognition events, such as banquets, luncheons, and estate planning seminars, for those in special giving societies. What is appropriate in this respect will depend on the nature of the organization and other factors.

For colleges and universities, fall is often a time for homecomings and reunions—ideal

Boost Relationships...Continued from page 4

opportunities for appreciation dinners that also contain estate and gift planning information. Don't overlook the opportunity to thank donors during these events and consider sharing information about how to include gifts as part of their long-range financial planning, especially in light of recent tax law changes.

For those organizations that do not already sponsor regular gatherings of supporters, consider creating events where donors can be brought together and acknowledged. If your donor base is national in scope, consider hosting regional events for donors to help keep them connected to your organization.

Who is the donor?

Last but not least, before you thank donors, be sure you know precisely who they are. This may sound simple, but consider this. Suppose you receive a gift by check signed by Jane Doe. The check is from an account including both Jane and her husband John. Can you assume that the check you received is a gift from Jane and her husband? Should you assume that the gift is from Jane only? In cases like these, you must find out if the gift is from the Does as a couple or from Jane individually in order to properly acknowledge the appropriate donor(s).

A high priority

If donors are not properly acknowledged for their gifts, both current and deferred, there can be serious repercussions. Some donors may stop giving altogether if they are not thanked effectively, especially when compared to other charitable interests that impress them with their gift acknowledgment process. Some may revoke plans to include a charity in a will, trust, or other deferred gift arrangement if their notifications are not quickly and thoughtfully

acknowledged. Many donors may never tell the organization about a problem, but may harbor feelings of resentment because they feel unappreciated and then slowly drift away from the cause.

The consequences of not preparing and executing an effective acknowledgment program can be many. But, for those organizations and institutions that tell their donors "thank you" often and in a variety of ways, the results are positive indeed. By properly acknowledging a donor, you may lay the foundation for more gifts from the donor over his or her lifetime and through long-range plans as well.

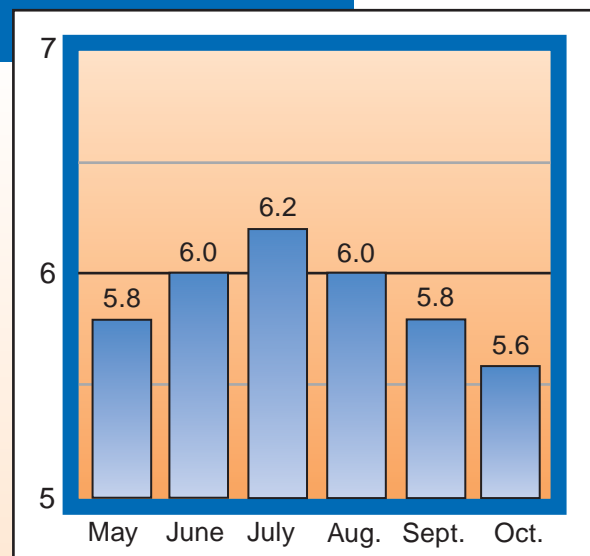
Take steps today to ensure that your acknowledgment program expresses appreciation to donors in a prompt and appropriate way. Then keep them informed of your progress and updated on your continuing needs and ways that various gift planning tools can help them achieve their charitable objectives. [G&T](#)

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Some donors may stop giving if they are not thanked effectively.

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Discount Rates



The trend in applicable federal mid-term rates (AFMR's), which are used in calculating the benefits of split-interest gifts.

Footnotes



Say 'thanks,' plant seeds for planned gifts

How can you thank donors for their current gifts and inform them about other gift opportunities that exist through long-range planning? By using Robert F. Sharpe and Company's **"Thanks for Giving"** brochures.

This brochure is unique for several reasons:

- It tells donors how important their gifts are to your organization and how much they are appreciated
- It reminds donors about other gift plans they may want to consider in the future
- It contains a perforated panel with a personalized response device, which allows donors to request more information from you about plans that may interest them.

"Thanks for Giving" may be included in gift acknowledgment letters and gift receipts to current donors, an excellent group to inform about planned gifts because they have very recently evidenced their interest in your organization. This publication can enhance your overall fund development efforts and supplement other more targeted planned giving efforts by creating a link between current and deferred giving. (See page 1 for more ways to use "Thanks for Giving.")

Samples of "Thanks for Giving" are enclosed with this issue of *Give & Take*. To place your order, call 1-800-238-3253 or fax (901) 761-4268.

Year-end coming soon

The time for communicating your year-end giving message for 2001 is upon us. As you prepare for what may be an unprecedented season for giving this fall, there is still time to provide your donors with complete information about the benefits of charitable giving before the close of this year.

This year the Sharpe company's year-end giving collection contains five brochures. The titles are **"Giving at Year-End"** (in three attractive cover designs), **"Giving Thanks at Year-End,"** and **"Giving Before December 31."**

To view full-color covers and complete text of all year-end giving brochures, see

www.rfSCO.com/yearend. Please call 1-800-238-3253 to place your order, or fax to (901) 761-4268.

Booklets educate, inform donors

When donors have questions about specific gift planning topics, be prepared with answers. Robert F. Sharpe and Company's complete line of booklets can help you provide your donors with accurate, easy to understand information about a variety of planned giving subjects.

The entire collection of Sharpe booklets has been professionally written and designed to help educate donors and their advisors about the most effective ways to make charitable gifts. **All booklets have been updated to reflect recent tax law changes and current economic conditions.**

Whether you use them as follow-up pieces to targeted marketing efforts, or keep them on hand for special donor events or visits, Sharpe booklets serve your needs by serving your donors' needs.

To order booklet titles, please call 1-800-238-3253. **G&T**



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News and ideas about Robert F. Sharpe and Company's services.

Training Update

An Introduction to Planned Giving

For a comprehensive, in-depth training experience, consider attending Sharpe's three-day seminar "An Introduction to Planned Giving."

Presenters Timothy Sharpe, Barlow Mann, and Phillip Adcock combine their experience to guide participants through the basics of charitable gift planning, from detailed explanations of gift planning techniques, to organizing and implementing an effective gift planning program, to communicating benefits of more effective charitable gift planning in the most efficient manner for your constituency.

Empower yourself with a wealth of gift planning knowledge that your donors will appreciate and that will help your organization or institution benefit from the unprecedented intergenerational wealth transfer that is now on the horizon. This seminar is especially helpful for those who are beginning their career in gift planning or have multiple responsibilities and are charged with incorporating gift planning capabilities into other development efforts.

Major Gift Planning I

In two concentrated, information-packed days, presenters Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., address issues of vital importance to those charged with structuring major gifts to their organizations. By

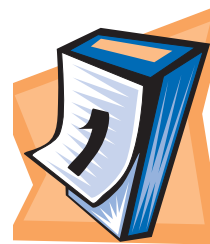
linking their knowledge and over 40 years of combined experience, Sharpe and Tidd lead participants who possess a basic understanding of gift planning tools through a comprehensive training experience designed to help them best utilize their skills in today's environment. Registration is limited to allow for more interaction among participants and instructors.

Major Gift Planning II

Designed with the more experienced gift planner in mind, "Major Gift Planning II" focuses on the skillful use of gift planning tools to help donors meet a variety of personal goals while making significant gifts. A working knowledge of various gift planning vehicles is assumed.

Instructors Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., emphasize the impact of recent tax legislation and investment market conditions and ways to "salvage" gifts that might otherwise not be completed. **G&T**

Multiple registration discounts are available. For more information or to register, please contact the Sharpe company.
Phone 1-800-238-3253, ext. 5360
Fax 901-761-4268
Web site: www.rfSCO.com
E-mail: seminars@rfSCO.com



Seminar Training Dates

An Introduction to Planned Giving

Chicago

October 29-31

Orlando

December 10-12

Major Gift Planning I

Washington, D.C.

November 8-9

Major Gift Planning II

Washington, D.C.

December 10-11

10 Years Ago in Give & Take



In his January 1991 *Give & Take* article " 'Major' 'Planned' 'Special' Gifts...Is Jargon Defining Your Role?", Robert F. Sharpe, Jr., explored the importance of not letting the language of gift planning bog down your efforts. Here is an excerpt:

"The key to organizing the fundraising process is to avoid jargon and approach the process of making charitable gifts from a practical point of view. The fact is that all gifts do not come immediately as checks in the mail, and each organization must be prepared to deal with that reality at some level.

...Ultimately it will be broadly realized that all fundraisers must understand the gift planning process to a greater or lesser degree.

...As we face an aging population and economic uncertainty, *who* gives and *why* will of course continue to be vital, but *what* is given, *when*, and *how* will often mean the difference between success and failure. More and more organizations will come to see the need for gift planning capabilities, regardless of the person's title or position in the organizational chart." **G&T**

What comes after the gift?

Did you know the most successful fund development programs often spend as much time thanking their donors as they do asking them for gifts? Now more than ever it is important to take the time to thank those who have chosen to begin, or continue, their support of your mission.

Sharpe's "Thanks for Giving" brochures

are designed to convey your thanks, while helping build a bridge from current to deferred gifts. Both cover designs offer you the opportunity to fully personalize the readily detachable response device. Custom covers and content are economical in quantities of 10,000 or more. To order, please call 800/238-3253.



Robert F. Sharpe & Company, Inc.

6410 Poplar Avenue • Memphis, TN 38119 • 1-800-238-3253 • Fax: (901) 761-4268 • www.rfSCO.com