

aging services
of maine and new hampshire

*Find the Sunken Treasure in
Your Annual Fund*

Davenport & Barr, Inc.
PARTNERS IN PHILANTHROPY

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DB

Philanthropy -
A process, not an event!

Thank, Recognize and Steward the Gift

Ask for the Gifts

Build Relationships
(Involve, Interest and Inform)

Identify

"Some people give time, some money, some their skills and connections, some literally give their life's blood - but everyone has something to give."
Barbara Bush

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Individuals account for approximately 90% of all philanthropic giving

Awareness


Involvement

Ownership

"I was fortunate to get a scholarship when I went to Lehigh University and Princeton . . . Somebody was kind enough to spend their money to educate people that they would never get to know."
Lee Iacocca

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Reasonable Cost Guidelines for Solicitation Activities



Solicitation Activity	Cost Guideline
Direct Mail (acquisition)	\$1.25 to \$1.50 per \$1.00 raised
Direct Mail (renewal)	\$0.20 to \$0.25 per \$1.00 raised
Special Events	\$0.50 to \$1.00 per \$1.00 raised (gross revenue & direct costs only)
Donor Clubs & Societies	\$0.20 to \$0.30 per \$1.00 raised
Volunteer-led Personal Solicitation	\$0.10 to \$0.20 per \$1.00 raised
Corporations	\$0.20 to \$1.00 per \$1.00 raised
Foundations	\$0.20 to \$1.00 per \$1.00 raised
Capital Campaigns	\$0.10 to \$0.20 per \$1.00 raised
Planned Giving	\$0.20 to \$0.30 per \$1.00 raised


Source: James M. Greenfield, Fundraising Cost Effectiveness: NY John Wiley & Sons, 2001

The Annual Fund: A Building Block for Fund Raising


In 2009, more than \$303 billion was given to charitable causes in the U.S.

Efforts designed to:

- Raise funds for programs and services
- Encourage introductory giving
- Reach larger groups of individuals
- Be transactional, yet personal
- Be efficient and cost effective
- **Promote Donor Loyalty!**




What is Donor Loyalty?



Donor loyalty is measured by consistent patterns of giving to direct mail and membership appeals

LOYAL DONORS are the best prospects for making major and planned gifts




The Annual Fund: A Building Block for Fund Raising

Without an annual campaign, an organization often finds itself involved in **crisis fund raising**, which is never easy or fun.

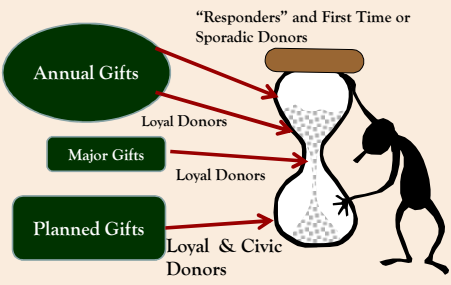
A successful **fund raising effort** has as its cornerstone an **annual giving program** this is carefully thought out, planned, and implemented - raising money in an orderly and timely manner.

- Provides an effective device to involve, inform, and bond a people to the organization
- Serves to establish a base of donors
- Supplies a steady flow of income
- Can demonstrate accountability to the organizational mission
- **Creates Donor Loyalty!**

In 2009, more than 45% of contributions went to religious and educational organizations




The Importance of Annual Gifts



Annual Gifts: "Responders" and First Time or Sporadic Donors

Major Gifts: Loyal Donors

Planned Gifts: Loyal & Civic Donors




Keys to Develop Donor Loyalty



- Personalization
- Persistence




Personalization




why?

- Allows you to build a stronger relationship with your donors
- Enables you to customize gift ask based on donor's past giving history
- Typically generates a 50%-100% increase in response rate




Personalization




how?

- Closed-faced outer envelope with live stamp and address in nice font
- Personalized letter with appropriate name and salutation
- Personalized reply slip with name, address and suggested gift amounts based on past giving history




Personalization




how?

- Multiple letter versions with references to:
 1. Relationship to organization
 2. Donor status (active, lapsed, non-donor)
 3. Amount of last gift




Persistence




why?

- More than half of potential donors will not respond the first time asked
- To be in front of the donor when he/she is ready to contribute
- Prevent donors from lapsing
- Enable donors to make multiple gifts throughout the year




Persistence



how?

- Mail at least 4 times a year
- Praise donors who have already given
- Use different themes to distinguish one appeal from another
- Reinforce need for ongoing support



Why is Loyalty Important?



<p>Major Gifts</p> <p>Are larger than the usual range of gifts that arrive in the mail.</p> <ul style="list-style-type: none">➤ Cultivated and solicited on a face-to-face basis;➤ Amounts that will significantly help in attaining fundraising goals and,➤ Require a plan/strategy	<p>Planned Gifts</p> <p>Require advice and/or professional assistance.</p> <ul style="list-style-type: none">➤ Often involved the integration of a person's:<ul style="list-style-type: none">Personal GoalsFinancial GoalsEstate Planning GoalsCharitable Dreams
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Strong Relationships = Major Gifts



Why is Loyalty Important?
Major Gifts



A major gift is any gift so large that its size is of a different magnitude from the organization's usual range of gifts.

- > Generally asked for on a face-to-face basis
- > Involve amounts that will significantly help in attaining fundraising goals for specific projects
- > Potential to have a significant impact on the organization.
- > Require a plan/strategy
- > Rely on connections and strong relationships to be successful

Very few donors start out as Major Gift donors - most have a giving history prior to making a major gift.



Why is Loyalty Important?
Planned Gifts



Require advice and/or professional assistance and often involve the integration of a person's:

- > Personal Goals
- > Financial Goals
- > Estate Planning Goals
- > Charitable Dreams

A large majority of PG donors give less than \$500 per year.

Wealth Screening and demographic criteria are not indicators of someone's propensity to make a PG.

While age is a factor in PG, donor loyalty has a higher predictive value.

The only criteria that has proven itself as an accurate marker is DONOR LOYALTY

With the exception of the Civic Donor - most PG donors have given consistently over many years before establishing a planned gift.



Getting Started Now
... with Planned Giving



Because . . .

- > Annual giving is down
- > The need for capital campaigns/major gifts is always present
- > Other charities are reaching out to your prospects
- > Planned giving offers the best solution for long term sustainability of your organization!

If you have an annual giving program with loyal donors - there's no excuse to wait!



Getting Started *Now!*

Be **PROACTIVE**


In promoting what is most common: bequests and charitable gift annuities

Be **REACTIVE**

In response to other types of planned gifts: such as charitable remainder trusts, lead trusts and real estate



Make planned giving part of your development efforts, regardless of your organization's size, mission, age, budget, in-house expertise, or prior giving history.





Why Endowment?

- > Creates an ongoing source of income
- > Enhances stability and prestige
- > Relieves pressure on the annual fund.
- > Allows for program expansion
- > Offers flexibility for management
- > Builds a pipeline of future gifts
- > Encourages outright gifts

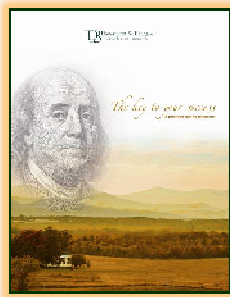
- > Protects against ever-increasing annual fund goals
- > Offers options to donors
- > Devotes resources toward it
- > Attracts donors that would never be major gift donors
- > Focuses on the donor's objectives

McDonald heiress Joan *Kroc's* staggering \$1.5 billion *gift* to The Salvation Army serves as a potent reminder that *planned* giving can be big money.






Build Endowment Now (BENT™)



BUT, WE NEED THE \$ NOW!

- > Not all planned gifts are deferred – some provide current cash (securities, real estate, life insurance, lead trusts)
- > The real reason cash is in such short supply in many institutions is that they have little or no endowment!
- > Planned gifts can “mature” in as little as 7 - 10 years – just a few years longer than most campaign pledge periods
- > Many PG donors continue giving to the annual fund and make additional PG gifts as well




BEN™

The average age for establishing a charitable bequest is **fifty-eight**.

BEN™ provides charitable organizations the comprehensive tools needed to build philanthropic resources through planned gifts -- without adding staff or excessive cost


BEN™ sends an important message to your donors...that you plan to be around for a long time.



The BEN™ Donor Portrait

- Is a practical and cost-effective analytical tool that identifies prospects and opportunities to transform annual donors into planned gift donors.
- Provides a valuable snapshot of your current donor file, with a focus on the giving characteristics that have the greatest influence on annual giving performance and long-term financial security.

What's more The BEN™ Donor Portrait identifies, by name, those most likely to make planned gift so that you know exactly who to approach!




The BEN™ Donor Portrait

Features of Donor Portrait include:

- **The Loyalty Profile**, which identifies donors with consistent, long-term giving histories - proven to be the best prospects for planned gifts.
- **The Performance Profile**, a report of annual giving trends that are vital for generating on-going support and building long-term loyalty.
- **The Donorbase Profile**, a segmented look at the complexion of the donor file as it relates to their value and potential.

BEN™ Donor Portrait contains a wealth of information packaged into a simple 3-page report containing easy-to-read charts and graphs. It also includes with a one-page executive summary highlighting key points.


Cost: \$1,800



BEN™
Program Development

BEN™ will effectively position your organization to be the recipient of planned gifts along with a roadmap to guide the advancement of your planned giving program. By partnering with BEN™, your organization will benefit from:


- 12-24 month work plan of activities focused entirely on planned giving
- Realistic budgeting tailored to your organization's unique needs and resources
- Planned giving policies and procedures, including sample letters and templates
- Suggested board votes and processes for ratification of your program

 Cost: \$1,800 - \$5,400

BEN™
Professional Support Elements

BEN™ is at your disposal as you move through the many stages of a successful, comprehensive planned giving program, providing any services you may need:

- Establishment of a specific planned gift prospect contact program
- Creating and populating a Legacy Society and other recognition tactics
- Drafting of articles, letters and other donor-related communications
- Website review, and recommendations for addressing planned giving
- Preparation of donor gift illustrations, calculations and proposals
- Assistance in charitable gift annuity state registrations and compliance
- Representing your organization as planned giving specialists in donor calls and visits


 Cost: \$100 per hour


Final Comments

Giving is voluntary!

Loyal donors are the best prospects for major and planned gifts

The best measure of loyalty is consistent Patterns of giving





 Davenport & Barr, Inc.
PARTNERS IN PHILANTHROPY



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 **THANK YOU!**
