Planned Giving MENTOR™
• The Newsletter for Newcomers to Gift Planning •

Fitting Planned Giving Into the Development Family

BY SALLY WALKER

An active, well-designed planned giving program is essential for your institution to prosper through the 21st century. It helps your organization achieve its hopes and dreams, because it supports and enhances each aspect of your fund-development program.

Nonprofit organizations package, present and fund their needs in any of three ways. Let's look at how planned giving fits within the development family:

Annual Campaign
Your annual campaign is the primary fund-raising method used to broaden support, upgrade giving levels, and provide operating support for ongoing programs. Typically, it uses mailings, phonathons and volunteer contacts to raise relatively small gifts from many individuals. Supporters generally contribute from their annual disposable income.

However, every donor in your file is capable of making a planned gift. Planned giving opens new avenues of support by tapping your supporters' larger, underlying assets. Planned giving staff can promote and secure outright major gifts of appreciated securities, personal property (like art, cars and collectibles) and real estate.

Raised through face-to-face donor visits and proposals, planned gifts may upgrade donors into your $5,000-plus annual donor recognition circle. Educational year-end mailings help spread the word about the tax advantages, build interest and create leads.

Capital Campaign
The capital campaign is an intensive organized fund-raising effort to secure support for "bricks and mortar" needs. It generally runs for several years. The campaign can fund construction, renovation, expansion, land acquisition or equipment, or strengthen an endowment.

Planned giving helps you raise "stretch gifts" that tap both your supporters' annual incomes and assets accumulated over their lifetimes. Stretch gifts help motivated donors qualify for naming opportunities. Outright planned gifts (see above) and some trusts (like lead trusts and short-term remainder trusts) may be received during the campaign period.

Planned gifts received after the campaign can fund a building maintenance endowment fund to cover the increased annual cost of operating and maintaining the new facilities.

Endowment Drive
The endowment drive creates a permanent "rainy-day" reserve fund. Endowment gifts are pooled and conservatively invested. Your organization spends a portion of the total return each year. The steady endowment income stream stabilizes your organization. It can offset annual campaign shortfalls, fund new initiatives and ensure the long-term viability of the organization.

Bequests and other planned gifts are a popular, appealing way to build endowment. Donors appreciate knowing that their legacy will live forever and help future generations. In a disciplined approach, many nonprofit boards automatically place all (or most) of undesignated planned gifts into their endowment.

Planned gift donors are major stakeholders within your organization. Because they are fully vested and tuned in to your needs, their annual giving and volunteer participation also increase. In fact, many planned gift donors later decide to make additional planned gifts.

Think of planned giving as the heavy artillery that will fortify your fund-raising efforts. As more staff understand the potential and incorporate these tools and techniques, your fund raising across the board will dramatically increase!