

# The New Campaign Model:

## Why Dialing For Deferred Gifts Is The Key

Presented by:  
Sam Caldwell  
St. Louis Planned Giving Council  
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# Disclaimer

*There are currently a number of providers of planned giving calling programs in the U.S., including RuffaloCODY, Legacy Leaders, Covenant Calls, Harris Connect and The Planned Giving Company. This presentation is for educational purposes only and is not a solicitation of business. The facts cited in this presentation are derived from the presenter's experience with The Planned Giving Company's PGDirect™ Calling Program, which is conducted in partnership with Advantage Consulting, a tele-fundraising firm with headquarters in Fairfield, NJ and outbound call center in Las Vegas, NV. PGDirect™ is in its third year of operation. The presenter is not familiar with the details or results of other programs. You are strongly encouraged to explore other programs before drawing any conclusions.*

# Fact

Deferred gifts typically comprise 30% or more of the total raised in comprehensive campaigns across the U.S.

# Counting and Accounting

- Across the U.S., campaigns are now counting revocable and irrevocable deferred gift commitments in campaign totals using the valuation and counting guidelines developed by PPP and promoted by CASE.
- The key: deferred gift commitment form (email me for a sample).

# The traditional campaign model does not apply.

- The old top-down/inside-out capital campaign model is *not* designed for comprehensive campaigns with an endowment component. It focuses entirely on the 5% of the prospect pool who can make major outright gifts.
- Any effort to raise endowment funds must include **a campaign-wide strategy for soliciting deferred gifts**, including bequests, life-income gifts and other deferred gifts.
- Until recently, there has been no established campaign model for soliciting deferred gifts.

## **A successful deferred giving solicitation model must answer four questions...**

- 1.** How do I accurately identify my deferred giving prospects?
- 2.** How do I rank them for solicitation?
- 3.** How do I solicit them?
- 4.** How much can I expect to raise? (i.e. Is there a gift table I can apply?)

# The Key To Prospect Identification is LOYALTY.

*Loyalty, as demonstrated in loyal patterns of giving*—not age, wealth or other demographic factors—is over 90% predictive in identifying planned giving prospects.

## Some facts you need to know

- On average, 91.3% of PG donors exhibit loyal patterns of giving to the organization they eventually benefit.
- 41% of PG donors give 10+ consecutive years. What about the other 59%? HINT: most of them give loyally, but not consecutively.
- 77% of PG donors make 15+ gifts.
- 65% of PG donors make their bequest decision before they reach age 65.
- Only 6% of PG Donors are wealth-ranked.
- 15%-25% of your total database qualify as “loyals”.

# Why loyalty is determinative

**HIGH LOYALTY HURDLE**—Estate gifts and asset transfers to charities require a level of loyalty that approaches commitment to family.

**SHORT LIST**—The typical planned giving donor has only 1 to 5 charities on his or her short list for an estate gift, although they may make annual gifts to many more.

# The “loyals” are your biggest untapped resource for endowment

- The typical capital gift target is **20X** donor’s largest annual fund gift.
- The typical deferred gift target is **200X-300X** donor’s largest annual fund gift.
- Your planned giving pool is at least **5X LARGER** than your capital pool.

# Deferred gifts are MAJOR gifts

In 2007, the average bequest size among 851 colleges and universities was \$162,282, while the average deferred gift (non-bequest) was \$73,352.\*

\*SOURCE: CASE statistics as reported by Johathan Gudema in *Will the Real Planned Giving Stand Up*, onPhilanthropy.com, July 23, 2008.

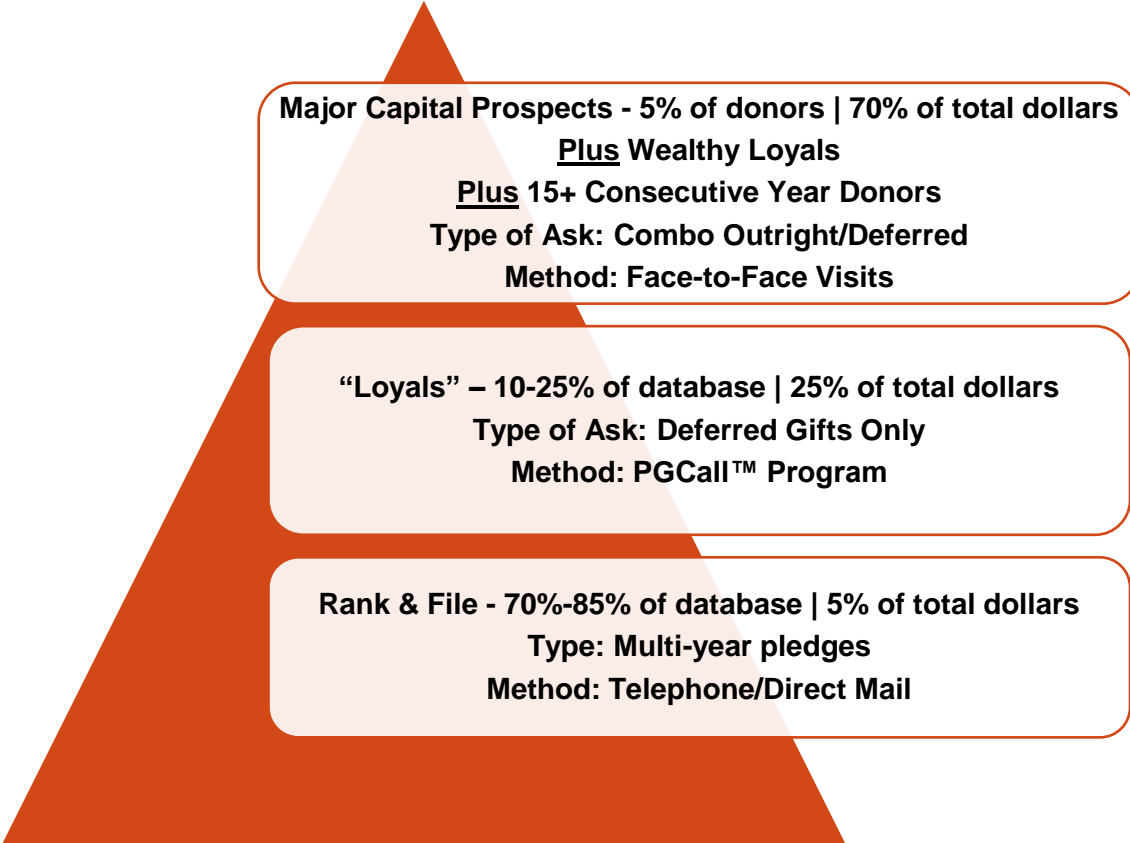
# So, what is the most effective way to solicit your loyals?

- The average response rate for pg direct mail is less than .4%
- The average response rate for pg calling is 15%--that's 37.5 times higher!
- The “loyals” typically comprise 20%-25% of a charity's total constituents. How many is that in YOUR institution?
- Even if you made 100 face-to-face visits a year it would take you TEN years to visit 1,000 loyals.

# PG calling provides...

- A way to accurately identify prospects
- A way to rank them for solicitation
- A way to solicit them successfully
- A reliable gift table for forecasting
- An estimated ROI for budgeting

# The *New!* Comprehensive Campaign Model



**Major Capital Prospects - 5% of donors | 70% of total dollars**  
**Plus Wealthy Loyals**  
**Plus 15+ Consecutive Year Donors**  
**Type of Ask: Combo Outright/Deferred**  
**Method: Face-to-Face Visits**

**“Loyals” – 10-25% of database | 25% of total dollars**  
**Type of Ask: Deferred Gifts Only**  
**Method: PGCall™ Program**

**Rank & File - 70%-85% of database | 5% of total dollars**  
**Type: Multi-year pledges**  
**Method: Telephone/Direct Mail**

# PGFinder™

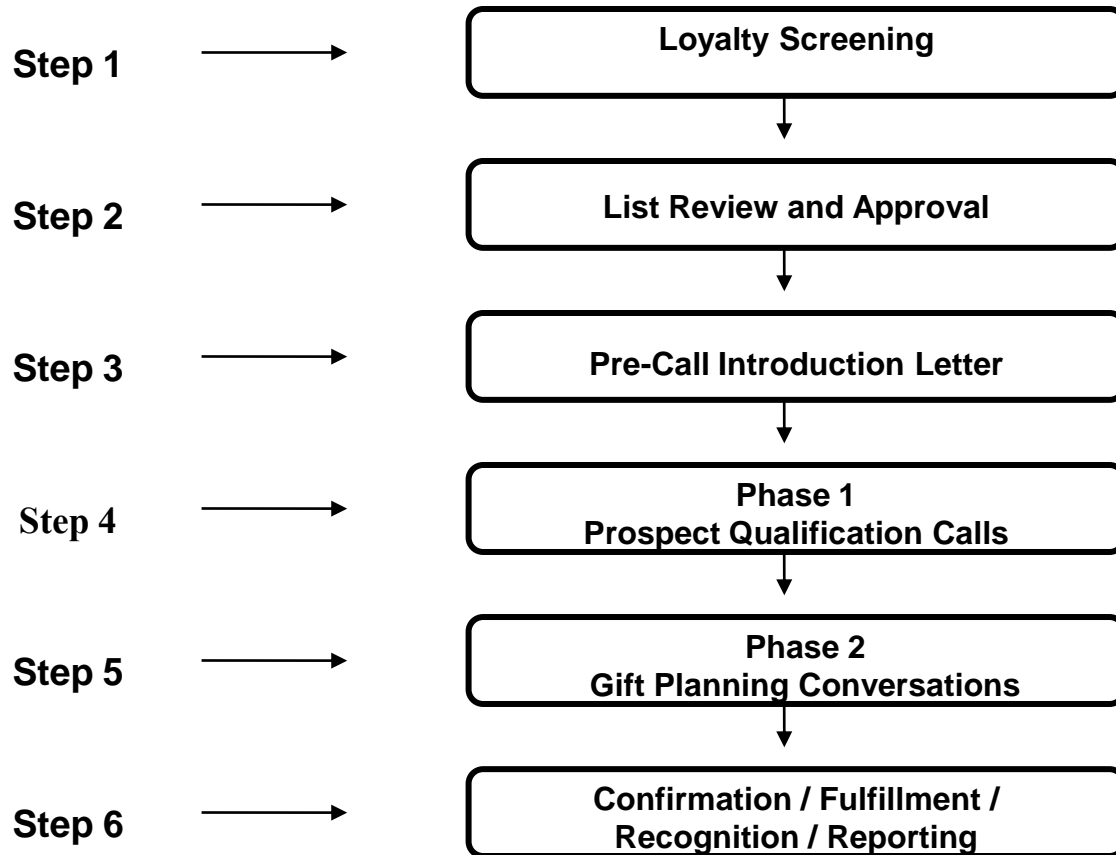
# PGRankings

PG Rank	Loyalty Criteria	Age 81+	Age 70-80	Age 65-69	Age 55-64	Age 45-54	Age <45	Age Unknown	Total
01	Existing PG Donors	96	148	65	172	69	49	36	635
02	True-Blue Loyals	158	334	221	299	403	115	7	1,967
03	Tried and True Loyals	49	128	81	402	369	325	25	1,379
<div style="font-size: 2em; font-weight: bold; color: white; opacity: 0.5;">6,325 PROSPECTS</div>									2,979
									2,995
									7,368
									4,622
									3,107
									5,981
									0

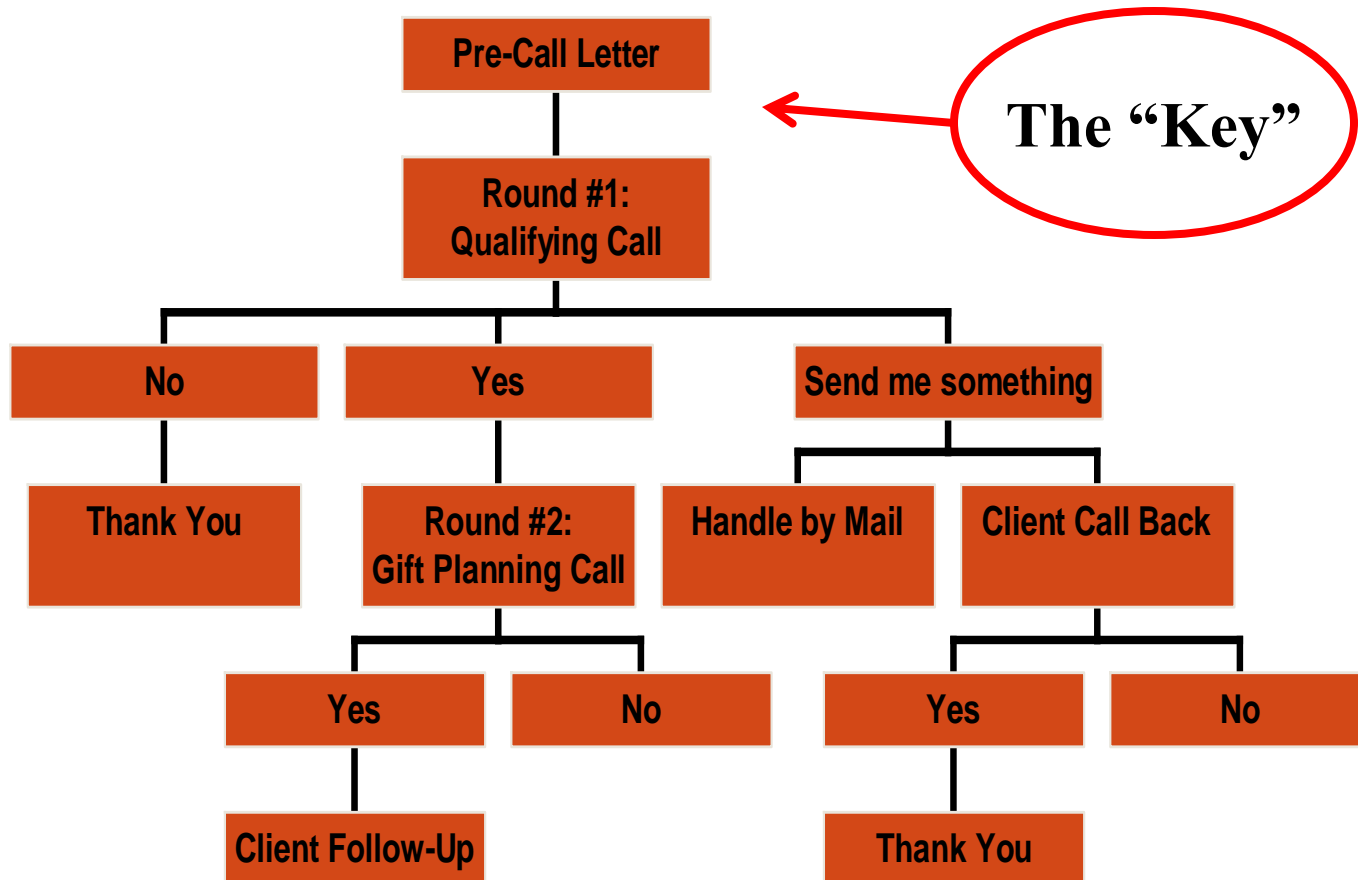
<b>Total PG Prospects</b>	1,424	3,105	2,214	7,573	7,027	7,066	2,624	<b>31,033</b>
<i>% of Total</i>	5%	10%	7%	24%	23%	23%	8%	100%

**Add'l. Selections:** None
 
**Total Mailable Constituents** 129,129  
**% of Donors with PGRanks** 24.0%

# How PG Calling Works



# The Process



# Third party calling? You must be kidding!

- Loyals always take your call.
- No case needs to be made to loyals.
- Callers must be somewhat familiar with institution, but the caller's gift planning expertise is what really counts.
- An "outsider" can close gifts!
  - Seen as a facilitator and expert by donor.

# Why PG Calling Works

- It pin-points the group from which 90% of your deferred gifts will come.
- “Loyals” always take your call.
- Ave. response rate is 37 times that of direct mail (15% vs .4%)!
- You can qualify your whole pipeline in a short time.
- You can verify and quantify gift commitments easily.
- You can resolve gift planning questions or issues that may block self-initiated action.
- You can uncover and count anonymous commitments (2%-4% of the responses will be self-identifications).

# The “Direct Request” Phenomenon

The act of proactively ASKING prospects creates a HUGE bump in conversion (close) rates over indirect solicitation methods.

# Crunching the numbers

5,000 Prospects

x .70 Reach/Decision Rate (12 attempts)

3,500 Prospects reached for decision

x .15 Round 1 Response Rate (“Yes” to Round 2 Gift Planning)

525 Round 2 Gift Planning Prospects

x .20 Round 2 Short-Term Close Rate

105 short-Term Commitments (3-4 month calling period)

Total Gift Potential\*

LOW \$1.58 million @ \$15,000 ave. gift

MED \$3.15 million @ \$30,000 ave. gift

HIGH \$5.25 million @ \$50,000 ave. gift

\*Ave. gift varies by institution.

PLUS 10% Interested But Not Ready

52 Long-Term Prospects (18-24 months)

## Sample Results – Higher Education Institution

- Total prospects in calling program .....4,666
- Agreed to a gift planning conversation.....318
- Gift planning conversations resulting in closed gifts..... 54
- Estimated Gift Potential.....\$2,660,000-  
\$3,280,000
- Pre-existing commitments discovered.....47
- Est. value of pre-existing commitments.....\$752,000-  
\$1,504,000
- Total est. gift commitments.....\$3,412,000-  
\$4,784,000

# How much can I expect to raise?

<b>PGDirect™ Gift Value Expectations</b>									
PROSPECTS CALLED:		5,000		Ave. Gift	\$15,000	Ave. Gift	\$25,000	Ave. Gift	\$50,000
PERFORMANCE:		% who will plan a gift*	# Expected Gifts	LOW Range (\$)		MED Range (\$)		HIGH Range (\$)	
LOW		3.0%	150	\$15,000	\$2,250,000	\$25,000	\$3,750,000	\$50,000	\$7,750,000
MEDIUM		4.0%	200	\$15,000	\$3,000,000	\$25,000	\$5,000,000	\$50,000	\$10,000,000
HIGH		5.0%	250	\$15,000	\$3,750,000	\$25,000	\$6,250,000	\$50,000	\$12,500,000

*\*Includes identifications of previously undisclosed commitments. Excludes deferred gifts from major donors and loyals solicited outside of program.*

**Return on Investment (ROI)**  
**5,000 Prospects**

**\$.03 per dollar raised**

## **Warning: Registration Under State Charitable Solicitation Laws**

This activity qualifies as “solicitation” under the charitable solicitation laws of approximately 42 states. Vendors must be registered and bonded in the “Professional Solicitor” category in ALL states in which they conduct solicitations on behalf of charities. In addition, charities themselves must be registered or declared exempt (e.g., educational and health care institutions) in each state in which they solicit. Violators are subject to heavy fines and penalties.



THE  
PLANNED  
GIVING  
COMPANY

Contact: Sam Caldwell

610-566-0385

[www.plannedgivingcompany.com](http://www.plannedgivingcompany.com)