

# Direct Response And Planned Giving: A Very Civil Marketing Union

by Rob Blizard



How can we measure the not-so-measurable? Such is the question confounding planned giving marketers who must encourage donors to leave contributions in their wills or estate plans. Paradoxically, these decisions are both affected by current marketing, and not likely to produce gifts for years—or even decades!

Grappling with issues like these at this year's Planned Giving Days conference, presented by the National Capital Gift Planning Council, was none other than CDR Fundraising Group President/CEO and DMAW past president Geoff Peters. Peters discussed the topic "Direct Response and Planned Giving – Partners in Fundraising."

Direct response and planned giving may not fit together as neatly as direct response and, say, smaller-dollar annual giving efforts, but Peters says direct response is an extremely effective method for encouraging bequests and other estate gifts. These comprise 8 percent of annual charitable giving and are often referred to as "ultimate gifts."

One of the best ways to encourage those future gifts, which are often quite

large, is to employ what Peters called the "reminder." Using a call to action and careful messaging, the reminder encourages a phone call or email to the planned giving office or a visit to the planned giving portion of a charity's website. The goal here is to encourage the seeking of information in hopes of future action, such as making the charity a beneficiary in a will or of a retirement asset, like an IRA or 401K. Messaging and tone, Peters said, must shift from the emotion and urgency of direct mail to a calmer, longer-view concentration on continuity.

Often piggybacking on pieces already being produced, the reminder can be a buck slip tucked into a receipt letter or an ad in a charity's newsletter. Bequest marketing, though not always measurable in terms of cause and effect, can be highly profitable since such synergistic, inexpensive methods can result in super-sized estate gifts.

When attempting to piggyback, planned giving marketers should, Peters urged, do their best to break down silos by discouraging their membership and direct mail counterparts in the same organizations from refusing to integrate planned giving messages and check-off boxes into the huge communications programs for which they are responsible. The lifetime value of a donor needs to be considered. If necessary, planned giving marketers may have to pony up transfer payments from their own budgets to cover the cost of the suppression effect generated by the inclusion of a planned giving direct response mechanism in an annual giving package.

Key to a successful marketing campaign is identifying older donors who have demonstrated the greatest affinity for the charity. Affinity is defined by length of time on the file, number of gifts since first gift, and higher than average number of gifts per year. Wealth and gift amounts are not criteria—a critical distinction from what might be described as major gift marketing.

Whereas some planned giving marketers may measure their marketing success by tracking such figures as bequest notifications or new legacy society members resulting from campaigns, such numbers, Peters suggested, are not terribly meaningful. Why not? Because approximately 80 percent of bequest donors do not tell charities about their planned gifts before they die.

There are other types of planned gifts, however, for which direct response marketing can be measured similarly to direct mail: charitable gift annuities, irrevocable life insurance policy donations, and gifts of non-cash assets. A small subset of the overall planned giving pie, these gifts can often be entered on the books in the same accounting period.

The key to direct marketing with gift annuities is using investment-based messaging, rather than a legacy-focused theme. It must, Peters explained, be a "benefit sale." Financial information needs to be made easy to understand with a goal of generating leads and closing the sale after personal interaction with the inquiring donor. One has to be careful, for example, about using age overlay data to generate sample annuity scenarios included with the direct response package—a practice that could turn off some donors if the ages in those illustrations are too high or too accurate.

At the conference, Peters answered many questions from planned giving marketers about conveying a message of safety and soundness. Many donors are asking questions about the health of charities' annuity reserves following the pummeling many investors took from recent stock market volatility. In this case, the news is good, Peters said, because charities have a much purer image than Wall Street banks or companies such as AIG. The secret is to remind donors of the charity's overriding mission to improve society.

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