


# Blended Gifts: Strategies to Increase your Fundraising Success



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## BLENDED GIFTS: STRATEGIES TO INCREASE YOUR FUNDRAISING SUCCESS


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## LEARNING OUTCOME


### After participating...


...you will be able to integrate planned giving into more of your major gift work.




**AGENDA**

- ✓ The giving potential of blended gifts
- ✓ Identifying when a blended ask is the best ask
- ✓ Case studies
- ✓ Goal setting for success

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 **POLL**

Does your school have a separate  
planned giving department or are  
you integrated?

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## THE GIVING POTENTIAL OF BLENDED GIFTS



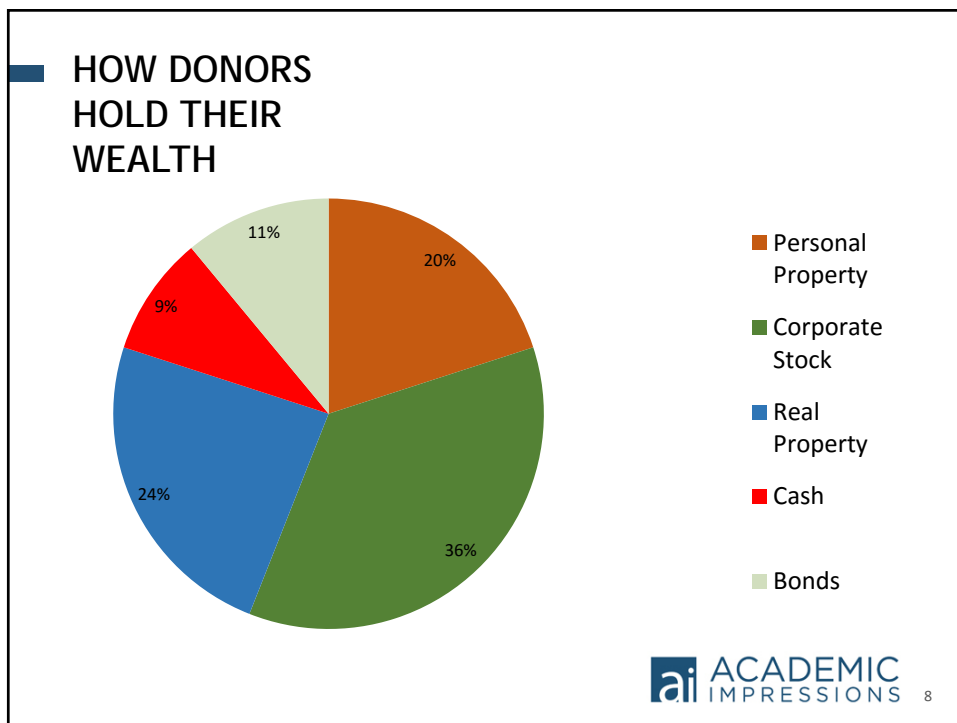
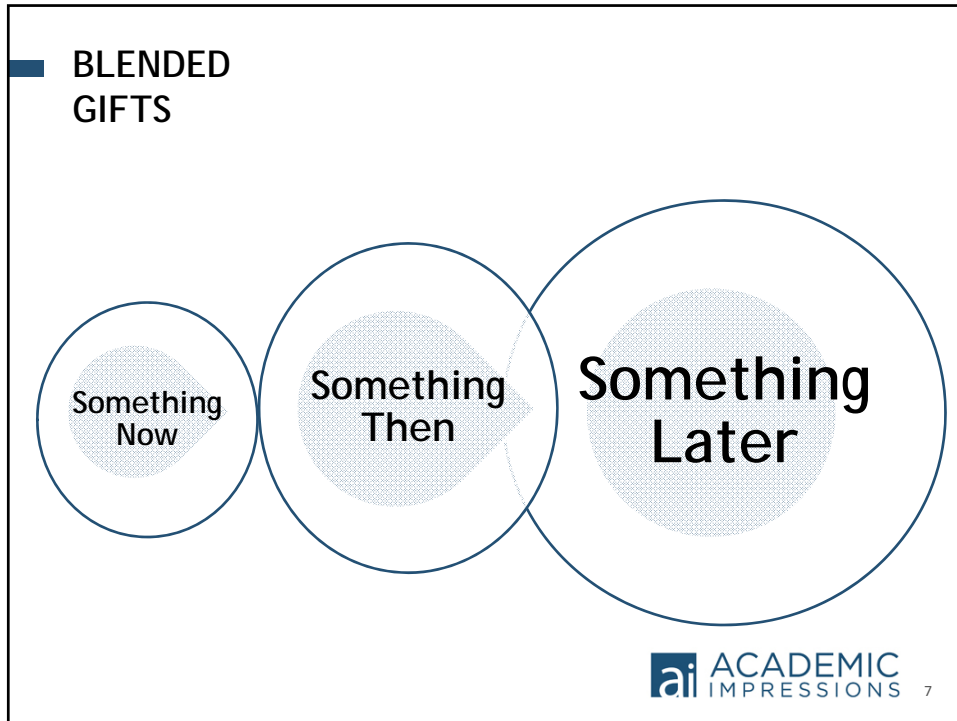
### ■ BLENDED GIFTS: IN A NUTSHELL...



- A blended gift is one that has both current and deferred components
- Its about helping donors maximize their philanthropy, in great part due to more involvement by gift officers
- When donors maximize their philanthropy, charities receive bigger benefits



# Blended Gifts: Strategies to Increase your Fundraising Success



■ **ASSET BASED  
WEALTH:  
WHAT MAKES UP A  
BLENDED GIFT?**



- Almost all annual fund gifts are made from the donor's current income
- Most major gifts are made from the donor's current income and easily accessible (liquid) assets

■ **ASSET BASED  
WEALTH:  
WHAT MAKES UP A  
BLENDED GIFT?**

**BUT ...**

Most planned gifts are made from the donor's assets and their wealth

- Sometimes now (outright gift of real estate, business, CLT)
- Most often through a revocable or irrevocable future commitment

**ELEMENTS OF A  
SUCCESSFUL  
BLENDED GIFT  
PROGRAM**

- Almost all planned gifts are major/principal gifts because of their size.
- MGOs should be familiar with PGs
- Major gifts often involve collaboration and team work.
- Successful major/planned gifts are dependent on two fundamental elements:
  - Trust
  - Communication



**BLENDED GIFTS:  
ELEMENTS OF SUCCESS  
- INTERNAL CREDIT**

- A word about planned gift credit
  - Nobody makes a gift to the planned giving program
  - All prospects “belong” to the major gift recipient units
  - Major gifts unit gets ALL public credit for closed planned gifts - And that’s OK!
  - Planned Gift team = Supportive Role



## ■ BLENDED GIFTS: ELEMENTS OF SUCCESS - A TEAM APPROACH



- Collaborative planned and major gifts programs and officers
  - Crediting policies that provide for shared credit
    - Shared credit for visits
    - Shared credit for proposals or solicitations
    - Shared credit for closed gifts
  - Prospect management that supports a team approach



## ■ OVERCOMING INTERNAL OBJECTIONS

- Fostering an environment of collaboration between MGO and PGO is a purposeful and concerted effort
- Build trust by meeting regularly to review prospects
- It does not happen overnight
- The results, over time, can be exponential



## OVERCOMING INTERNAL OBJECTIONS

### MGO/PGO: SOME IDEAS FOR BETTER INTEGRATION

- Training on both sides
- Stop the Silos! Meet often!
- Planning sessions
- Again with the credit thing!

Closing a gift rarely a one-person  
accomplishment; leverage resources




## WHEN TO INVOLVE GIFT PLANNING

- The sooner the better
- When you hear “I’d like to do more but...”
- Significant or complex assets involved
- Life events
- How do you keep your colleagues informed?





**?** QUESTIONS



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IDENTIFYING WHEN A BLENDED ASK IS THE BEST ASK

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## A NEW APPROACH



- A Blended Gift practice necessitates learning more about your donor
- Being more donor-centric
- Don't start with YOUR plan/objection; let the donor drive the gift strategy
- Requires fulfilling the donor's needs, not necessarily those of the institution
- Often it's about providing solutions to help donors



## WHY SOME DONORS LIKE BLENDED GIFTS

- Only some can make the entire gift outright with no strings attached (Capacity Donors)
- Some want lifetime access to principal & income (Bequests)
- Some will donate principal if they receive the income (CGAs & CRTS)
- Some will donate the income or principal if their heirs ultimately benefit (CLT, Asset Replacement Life Ins. )

Source: Robert Sharpe & Co.



## HOW TO START



- Corny, but true!
- How do you relate to your donor?
- Are you focused on your goals, or theirs?
- Takes patience and care
- Ask questions
- LISTEN!



## BLENDED GIFT CANDIDATES



- Deep philanthropic affinity
- Giving history is very important
  - Frequency
  - Longevity
  - Size (or rated PG capacity, if available)
- Demographics can help



## ■ BLENDED GIFT CANDIDATES

- Deep philanthropic affinity
  - Volunteer service
  - Attends reunions/regional events
  - Stays in touch with classmates
  - Participates on advisory/fundraising committees
  - Board of Regents, Campaign VIPs
  - Prior donors



## ■ CLUES TO LISTEN FOR



- Worried about their investments
  - Not earning enough, i.e. CDs, Savings Accounts, poor stock dividends
- Owning a family business/farm without a succession plan
- Ownership of rental properties and tired of managing them
- Assets all over the place, need to consolidate or diversify
- Want to help university, but need assets to live



## MORE CLUES

- Getting ready to sell assets/business and or liquidate for ease of management
- Donor has low basis (what they bought their assets for, cost) in their properties and would incur capital gains taxes when they sell
- Have a great portion of their wealth in retirement accounts or in real estate
- Live in a state with burdensome probate laws
- Do not want to leave their home to their heirs



## LISTEN TO YOUR DONOR & OFFER SOLUTIONS

- A good gift is satisfactory to the donor and institution
- A great gift is a WIN:WIN and can benefit a donor in many ways (charitable satisfaction, tax benefits, income enhancement, etc.)
- Requires a different perspective ~ What is best for the donor, not what will help me meet my production goals



■ KNOW WHEN TO MAKE THE BLENDED ASK...

- MGO and PGO collaborate to make dual ask
  - *Wouldn't you enjoy seeing your gift at work now (\$150,000/year commitment)?*



? QUESTIONS

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Putting it into Action

## CASE STUDIES



### ■ CASE STUDY #1: THE LOYAL DONOR

#### Meet LuAnn

- Age 82, alumna and legacy graduate, small amount annual fund donor for 30+ years
- She's indicated an interest in planned giving
- But reluctant and has concerns
- What to propose to LuAnn?



## THE SOLUTION FOR LUANN

- Gift of \$50K appreciated stock to create an endowed scholarship
- Naming of room, established with a \$50K stock gift and a \$350K planned gift of retirement assets
- Gift of \$350K appreciated stock to fund a 7.2% charitable gift annuity
- Later, maybe a bargain/sale of one of her homes, with her gain to fund another CGA



## CASE STUDY #2: THE DONOR WORRIED ABOUT RETIREMENT



### Meet Leonardo

- 65 years old, widowed with 2 adult children
- Wanting to retire, but not sure if he can afford to do so
- Assets are mostly held in real estate, and a savings account
- Wants to leave something for his children





## THE SOLUTION FOR LEONARDO

- 10% Charitable Remainder Unitrust funded with his rental properties
- Retirement income of \$100K per year
- \$50K pending endowed scholarship to support the swim team payable in 5 years
- Remaining property to children



## CASE STUDY #3: THE RELUCTANT PHILANTHROPIST/DONOR



### Meet Albert

- Age 70
- Successful businessman
- Hard to find an interest he will support
- He might have estate tax issues if he doesn't plan
- Worried about taxes and supporting his disabled son



## THE SOLUTION FOR ALBERT

- Use his Breckenridge property to fund a 5% CRT for his life and the life of his son
- Reduce his charitable estate
- Gift part of his stock portfolio today
- Charitable deductions



## CASE STUDY #4: STEPHEN, THE PERFECT BLENDED GIFT DONOR



### Meet Stephen

- Age 64, Married to Marge, with adult children
- Very involved donor
- Considering his first Major Gift
- Wants to retire soon and needs more income



■ SOLUTION  
IDEAS FOR  
STEPHEN

- Some proposal ideas to offer:
  - Propose a CRT to augment his retirement income
  - Fund a current endowment and supplement it with a bequest or retirement fund gift
  - Flexible Deferred Charitable Gift Annuity

❓ QUESTIONS



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## GOAL SETTING FOR SUCCESS



### SUGGESTIONS FOR SUCCESS

- Joint pipeline meetings
- Structure planned giving with an eye towards integration



## ■ SUGGESTIONS FOR SUCCESS

- Rethink metrics for PGOs and MGOs
- Encourage collaboration on ALL proposals for donors over a certain age
- Train around the negotiation of blended gifts

## ■ MORE SUGGESTIONS FOR SUCCESS

### Tracking blended gift data

- Counting blended gifts in your fundraising totals could include:
  - New Legacy Society donors
  - Joint visit
  - Joint proposals
  - Joint marketing materials/publications
  - Allow shared credit for received gifts
  - Incentive Program



RESOURCE

## Planned Giving Matrix

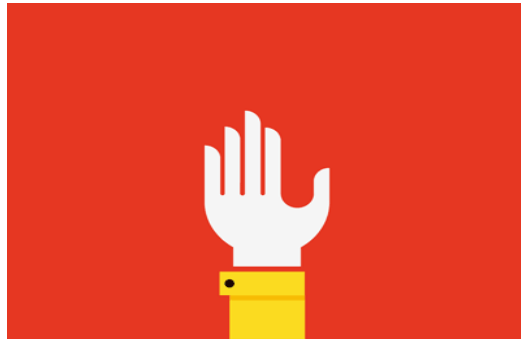


RESOURCE

## The Osborne Group Strategic Questions



## QUESTIONS



## TAKEAWAYS

- A Blended Gift practice necessitates learning more about your donor.
- Having a blended gift approach in your MGO practice can increase the size of the gift by a factor of ten or more.



## TAKEAWAYS

- To begin, review your portfolio for prospects using loyalty, high asset wealth, age, existing endowments and start with just 5-7 prospects. Learn as you go.
- Collaborate with your team members.



## TAKEAWAYS

- Understanding planned gift vehicles is a necessary part of blended gift fundraising
- Look for ways that major, principal and planned giving groups can work together
- But don't make it so hard! Set reasonable and obtainable goals
- Knowing which gift types make the most sense for your donor makes it easier to better serve them and your institution





## QUESTIONS



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## RESOURCE

I'm always happy to help!

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