

Reach, Recognize & Retain

Your Best DONORS

2019

Major & Planned Gifts
Communications Study

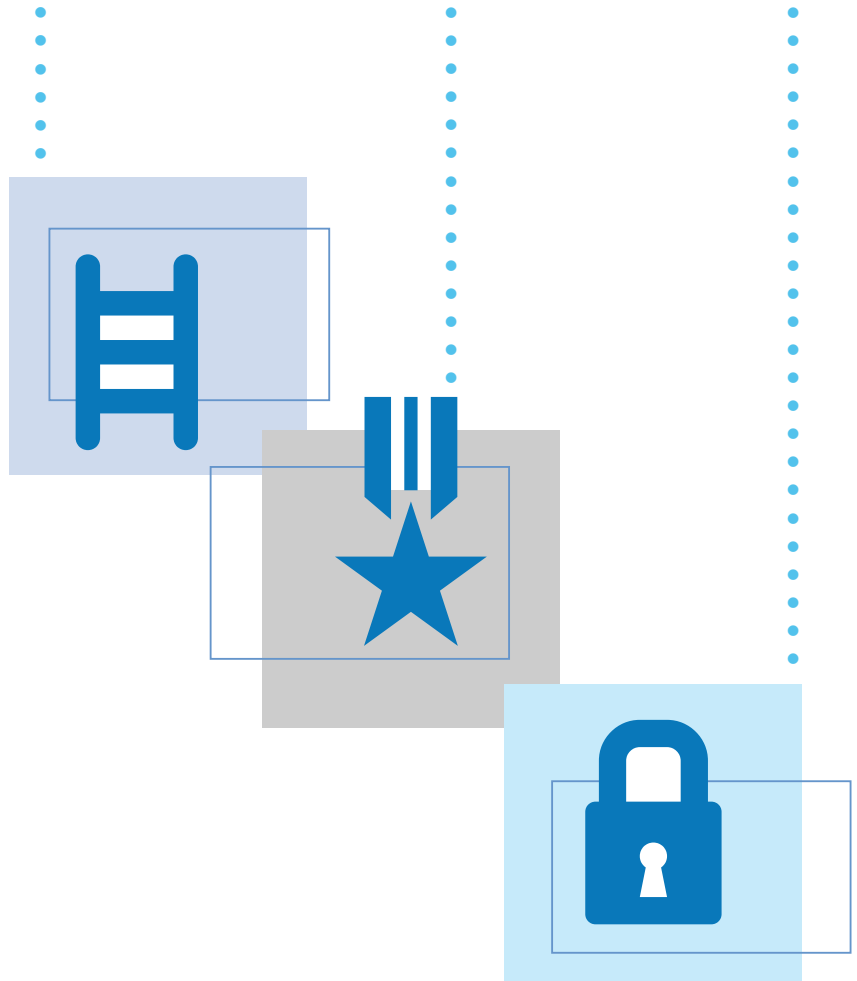


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Crescendo

Integrated Marketing for Planned Gifts

Reach, Recognize & Ret



Crescendo
Integrated Marketing for Planned Gifts

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REACH, RECOGNIZE & RETAIN YOUR BEST DONORS | Fall 2019
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➤ Your Best DONORS

Do you know who your best donor prospects are for major, planned and blended gifts? What types of gifts will appeal to your supporters and help them reach their goals? How can you assist each donor in committing to support your organization? What are the most effective ways to reach and retain these donors for life?

This study offers insights into the top planned and blended gifts, information about the demographics commonly shared by prime donors, as well as trends in marketing performance utilizing data from Crescendo's cloud software and GiftLegacy marketing system. Crescendo's 2019 study also includes best practices and examples of effective charity communications for reaching and closing gifts with top donor prospects.

We hope this study will help you understand who your best donors are and how they give so that you can better engage them to support your cause. The goal of this study is to give you new ideas and help you develop best practices in your own marketing so you can close more major and planned gifts including charitable bequests and beneficiary designation gifts, charitable gift annuities, IRA rollover gifts, charitable remainder trusts and blended gifts.

We encourage you to experiment with the strategies suggested in this study as you determine the most effective way to reach your unique donor base. We love hearing your success stories. Please let us know how these insights help your charity take its fundraising to the next level.



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Methodology

Crescendo Interactive is the leading provider of planned giving services to nonprofits with over 5,000 clients nationwide. The conclusions in this study are based on Crescendo's proprietary software donor data records and aggregated data from GiftLegacy marketing clients.

This is the first of its kind study analyzing the giving patterns and profiles of planned giving donors based on planned giving software donor data records. We analyzed hundreds of thousands of current Crescendo software data records as of July 1, 2019 to determine the results for the donor profiles and giving data released in this study.

The study notes where data was based on donor proposals completed and voluntarily reported gifts closed. The study includes web and email data from the past year (June 31, 2018-July 1, 2019). Where page views are used, the data accounts for unique visitors.

The data provided is based on aggregation of Crescendo's total data without regard to the results of particular clients. Where clients are named and donor stories are mentioned, the charities have authorized Crescendo to include their information in the study. ///



Insight 1

Reach Your **DONORS** Based on Gift Interest

What types of gifts are your donors asking about? What are the top illustrations gift planners are providing to donors? What are donors looking at online? What types of gifts are charities closing?

If you are trying to reach your best donors and close more gifts, focus on the gifts in this section. These are the most popular planned and blended gifts based on Crescendo's proprietary software and web data. Also included are strategies to help you close these gifts with your donors.

..... a. Top Gifts by Donor Proposal

Charitable bequests, which for purposes of this study includes beneficiary designation gifts, continue to be the most popular planned gifts completed by donors. While estimates vary, if we extrapolate data from the most recent Giving USA and ACGA studies, bequests fall somewhere in the range of 85 to 93% of all planned gifts completed.

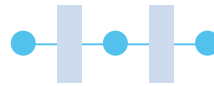
Because most estates are not subject to the estate tax and because bequests are often simple arrangements included in a will, trust or made by beneficiary designation (IRA, life insurance plan or other account), they don't always require a software illustration. For more complex planned gifts, such as life income gifts, a gift planner will typically provide an illustration that explains the tax and income benefits to the donor in easy to understand terms.

While marketing lists and data records are the property of each Crescendo client, we are able to use aggregate and deidentified donor data (meaning what we looked at does not include any identifiable donor information) saved in the Crescendo cloud software to gain insight into the types of gifts donors are interested in and that gift planners are presenting. Here are the top five donor




proposals created and printed for donors from the Crescendo software as of July 1, 2019. The ratio compares the listed gift to charitable gift annuity.

Donor Proposal	CGA Ratio
1. Charitable Gift Annuity (Immediate Payment)	
2. Charitable Remainder Unitrust (Standard Payout)	1:4
3. Deferred and Flexible Gift Annuity	1:5
4. Testamentary Unitrust/Gift Annuity	1:6
5. Charitable Remainder Annuity Trust	1:8

In terms of the top gifts by donor proposal, it should be noted that the number of immediate payment charitable gift annuity (CGA) proposals completed using the Crescendo software is actually four times that of standard charitable remainder unitrust (CRUT) proposals.



There are possible reasons for this donor preference:

Security 	Simplicity 	Lower Gift Amount 
Donors value the security of a CGA, knowing the charity stands behind the promised payments.	Donors recognize the simplicity of a CGA. There is no need to establish and maintain a separate legal entity as is required with a CRT.	Donors appreciate the flexibility of a CGA. Donors can take advantage of the lower minimum funding amount as compared to a CRT.

How attractive are deferred and flexible CGAs? The number of deferred and flexible CGA proposals completed is 21% of the total number of immediate CGA proposals completed. It should be noted, however, that each of the last five American Council on Gift Annuities (ACGA) surveys have shown a growing interest in deferred and flexible payment annuities based on voluntary charity reporting.

On average, fundraisers complete one CRUT donor proposal for every four CGA donor proposals. The positive news with respect to CRUTs is that they have made a comeback over the past decade. The prime demographic for a CGA donor is someone typically in their mid-to-late 70s. As noted above, the minimum funding amount is lower for a CGA (typically \$10,000 to \$25,000 for most charities) as compared to a CRUT (with a \$100,000 starting point). This makes gift annuities more accessible to a broader subset of the

population, as many donors may lack the ability to make the larger gift.

Testamentary life income plans, such as a CRT or CGA funded at the time of the donor's death, offer the donor a way to provide income for one or more loved ones after the donor passes away. Fundraisers are generating a relatively low number of these proposals, as well as charitable remainder annuity trust (CRAT) proposals. When we add together the number of standard CRUT and CRAT proposals generated, CRAT proposals represent 12.8% of the CRT total. This data tracks well with anecdotal evidence from fundraisers that CRATs are not typically offered to donors unless the donor has expressed a strong desire for a fixed income gift. The profile for a CRAT donor is typically a super senior because the annual fixed trust payments create the possibility that the trust could eventually be depleted.



Crescendo Donor Proposals
From left: Archdiocese of Los Angeles, Calvert Marine Museum & Michigan Technological University

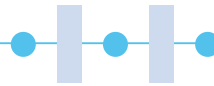
Gift of Cash
Prepared For: Talvante Dutil

Cash Gift \$25,000	Charity \$25,000	Gift Benefits Gift Value \$25,000 Tax Savings \$6,000
	Tax Savings \$6,000	

1. Cash gift to charity. Income tax charitable deduction of \$25,000.

2. Benefits for both the donor and the charity. Income tax savings of \$6,000.

3. Donor has satisfaction of fulfilling charitable purpose and enjoys immediate tax benefits.



..... b. Top Gifts Closed

C rescendo's cloud software allows a fundraiser to identify which gifts have been closed (or completed by the donor). When we look at the most utilized gift programs, the closed gifts closely mirror the proposals completed.

In a show of consistency, the number of CGAs closed is still four times the number of CRUTs closed. It is interesting to note the presence of NIMCRUT and FLIP unitrusts on the list of closed gifts, although these gifts only represent 15.2% of the total number of unitrusts reported as closed. These unitrusts permit the deferred or delayed payment of income based on the trust type, funding asset and investments. Charitable life estates are another newcomer to this list, and there are almost as many of those gifts marked closed as NIMCRUTS and FLIP unitrusts.

In summary, most of the planned gifts reported as closed are immediate payment charitable gift annuities and standard unitrusts, with gift annuities representing the bulk of the gifts closed using planned gifts software.

Top Gifts Closed	
1. Current Gift Annuity	86.7% of All CGA Gifts
2. Standard Unitrust	63.9% of All CRUT Gifts
3. Deferred Charitable Gift Annuity	9.1% of All CGA Gift
4. Retirement Unitrust/ NIMCRUT/FLIP	15.2% of All CRUT Gifts
5. Charitable Life Estate	

..... c. Top Blended Gifts & Top Blended Gifts Closed



C rescendo's software includes blended gift programs, allowing fundraisers to prepare proposals to show a donor the benefits of a blended gift by combining a current gift (or gifts) with a planned gift to increase the impact of the donor's giving.

Top Five Most Used Blended Gift Proposals (As a Percentage of All Blended Gifts Proposals)	
1. Gift and Bequest	22.2%
2. Gift and Gift Annuity	15.5%
3. Gift and Unitrust	13.3%
4. Gift and Deferred Gift Annuity	8.9%
5. IRA Gifts and Bequest	8.9%

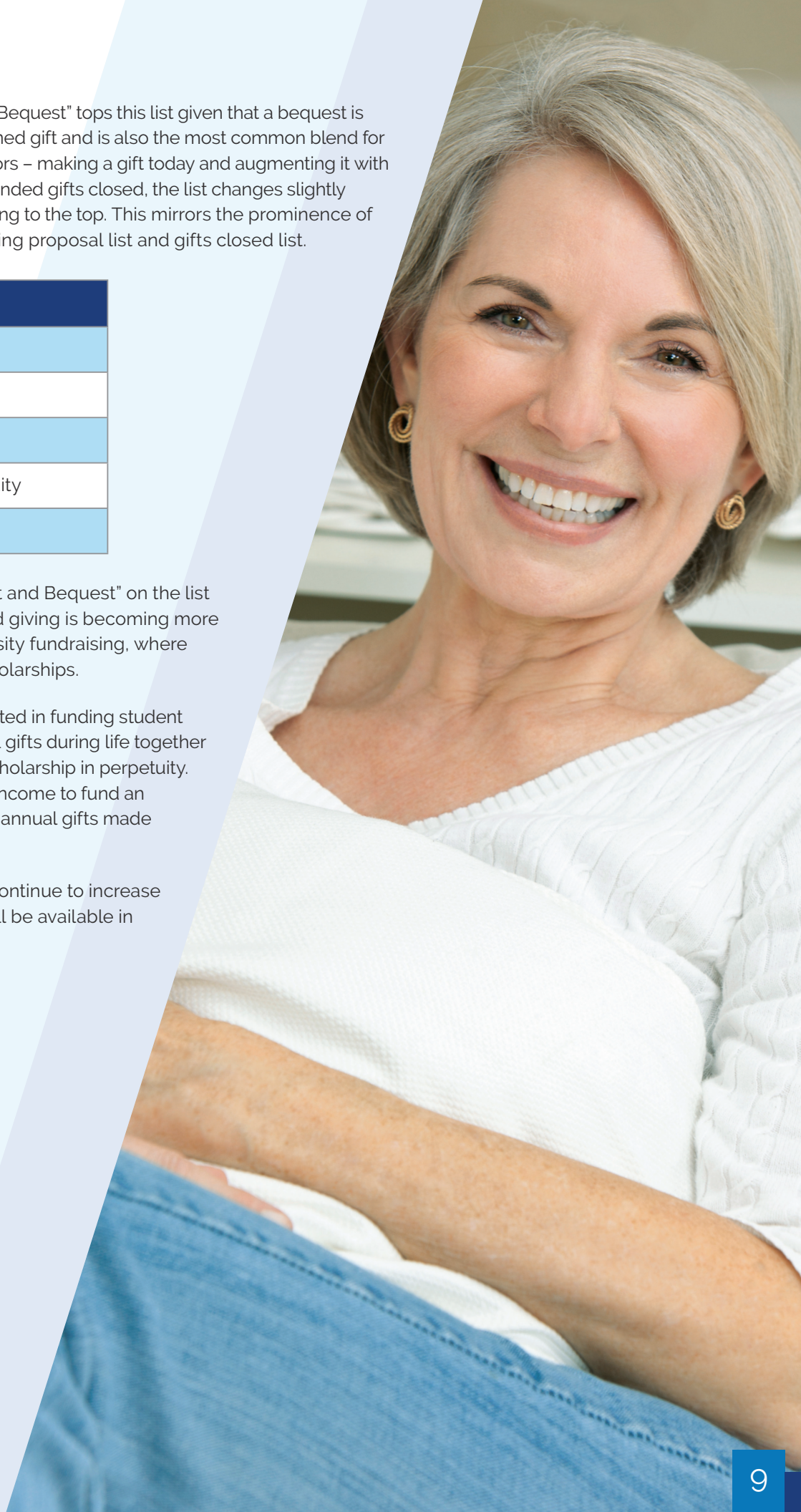
It is not surprising that "Gift and Bequest" tops this list given that a bequest is the most common type of planned gift and is also the most common blend for fundraisers to discuss with donors – making a gift today and augmenting it with a future bequest. In terms of blended gifts closed, the list changes slightly with "Gift and Gift Annuity" moving to the top. This mirrors the prominence of CGAs at top of the planned giving proposal list and gifts closed list.

Top Blended Gifts Closed
1. Gift and Gift Annuity
2. Gift and Bequest
3. Gift and Unitrust
4. Gift and Deferred Gift Annuity
5. Endowed Gift and Bequest

The presence of "Endowed Gift and Bequest" on the list is notable. This type of blended giving is becoming more common, particularly in university fundraising, where endowments fund student scholarships.

A typical ask for a donor interested in funding student scholarships is to ask for annual gifts during life together with a bequest to endow the scholarship in perpetuity. The endowment will generate income to fund an annual distribution equal to the annual gifts made during the donor's life.

We expect blended giving to continue to increase in popularity and more data will be available in this area in the future.



d. Top Gifts Viewed Online

To understand better the types of gifts your donors are looking at, and presumably interested in, it is useful to compare the activity of fundraisers (in preparing proposals and reporting closed gifts) with the information donors are looking at online, including when using an online calculator to produce gift illustrations.

Web data is useful because it illustrates the popularity of bequests and beneficiary designation gifts among donors, which is information that cannot be fully captured by looking solely at software data. The first chart on this page shows aggregated data from Crescendo's GiftLegacy websites related to the most popular planned gift web pages overall (in order of popularity).

This is interesting data, because even though bequests are prominent, charitable gift annuities top this list. Not only are more fundraisers generating proposals for and closing CGAs, but more donors are looking online at CGA information than for any other planned gift. It's notable that donors are interested in looking at a charity's website for bequest language, and also IRA rollover gifts are near the top of this list.

Crescendo's GiftLegacy planned giving websites include information on the very popular "How to Give" pages. These pages provide a basic overview of each planned gift option and include links to an online calculator (allowing a donor to run a gift illustration) and also to generate a downloadable brochure.

It is noteworthy that interest in online information about IRA charitable rollover gifts (in addition to CGAs) exceeds that of charitable bequests and beneficiary designation gifts. The prominence of the IRA rollover, coupled with charity reports, suggests this gift is growing in popularity. This presents a great opportunity for fundraisers – you should actively market IRA charitable rollover giving to your donors. Because IRA rollover gifts result in current cash for charities, these gifts can be promoted not only as a planned gift but also as an annual fund gift. The performance of beneficiary designation gift content is in line with other charitable giving

data. Texas Tech University Professor Russell James III, who is one of the most prolific researchers in philanthropic trends and data, has concluded in his American Charitable Bequest Demographics studies that gifts are increasingly being made by way of beneficiary designation.

Crescendo's GiftLegacy planned giving websites also include "What to Give" pages with information on the types of assets that can be used to fund major and planned gifts. The "Gifts of Stocks and Bonds" page tops the list of page views among all "What to Give" pages, even surpassing the performance of the "Gifts of Cash" page.

The fact that donors are looking at information on how to use non-cash assets to make a charitable gift supports recent research by Russell James III, and ACGA noting growth in non-cash charitable giving. Data from the 2017 ACGA study shows charities with a growing CGA program are accepting more non-cash gifts than cash gifts to fund CGAs.

Top Planned Gift Web Pages

1. How You Can Give – Charitable Gift Annuity
2. Learn About Wills and Bequests
3. Bequest Language
4. IRA Charitable Rollover
5. Charitable Gift Annuity Calculator

Top "How to Give" Web Pages

1. Charitable Gift Annuity
2. IRA Charitable Rollover
3. Charitable Bequest
4. Beneficiary Designation Gifts
5. Charitable Remainder Unitrust

.....e. Top Online Gift Illustrations

The GiftLegacy online calculator allows a website visitor, often a donor, to enter donor data and information about a contemplated gift. The calculator then produces a presentation that shows the benefits of the gift.

A donor using the CGA calculator can see the CGA payout based on beneficiary age(s) and funding amount along with the charitable deduction amount and possible tax-free portion of each payment.

CGA (with an immediate payment) tops the list of most frequently used calculators. It is notable that two fixed income arrangements hold the top two spots (CGA and CRAT). The presence of CRTs following CGA illustrations is consistent with the donor proposal and gifts closed data we have already reviewed.

Top Five Online Gift Illustrations
1. Immediate Charitable Gift Annuity
2. Charitable Remainder Annuity Trust
3. Charitable Remainder Unitrust
4. Deferred Gift Annuity
5. Part Gift and Part Sale

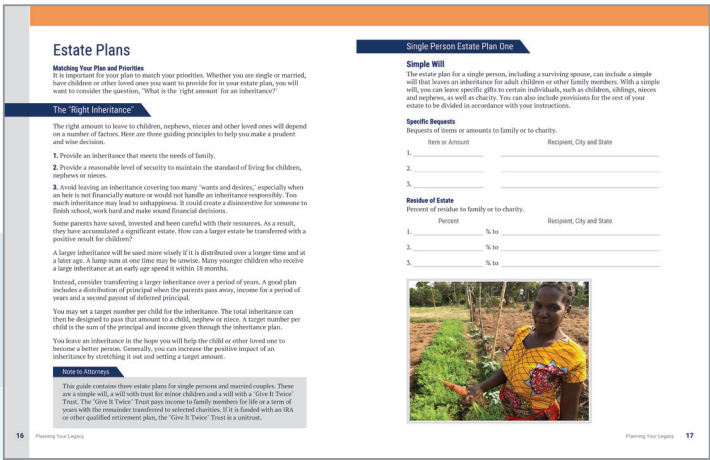
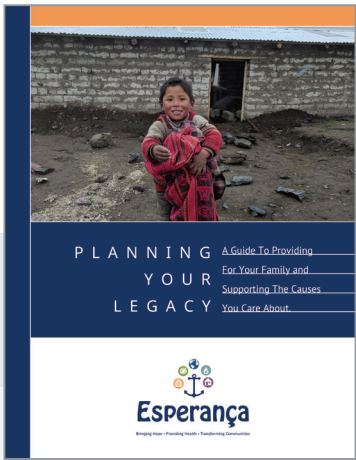
.....f. Top Literature Downloads

In the list to the right, the top three downloaded items from planned giving websites all relate to bequest giving or estate planning. At the top of this list is the "Wills Guide" that charities regularly promote to donors to assist with estate planning.

The presence of the CGA brochure is likewise not surprising. Many attorneys, CPAs and financial advisors offer services related to estate and tax planning including bequests and trusts. CGAs are uniquely different. Charities remain the single greatest source of information about CGAs.

Top Five Literature Downloads
1. A Guide to Planning Your Will and Trust
2. Wills Brochure – The Future Is What You Make of It
3. Wills Brochure – Will Your Will Be Known?
4. General Brochure – Expressions of Philanthropy
5. CGA Brochure – Need Security?

With the Baby Boom generation moving into retirement, interest in CGAs is expected to grow. Organizations that focus their marketing on bequests (including beneficiary designation gifts), gift annuities and gifts of non-cash assets will experience growth in their fundraising.



Esperança
Estate Planning
Guide (Cover &
Interior Pages)

Insight 2

Recognize Your **DONORS** Based on Demographics

Who are your donors? What do they look like? If they are interested in life income plans, are they looking for income for themselves or for others? What are the average ages for the top gift plans? What is your donor's capacity to give? How does donor location impact giving?

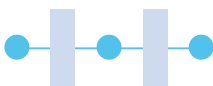
If you are trying to reach your best donors and close more gifts, focus on the donor profiles in this section. These are the most common characteristics of planned and major gift donors based on data from Crescendo's software and GiftLegacy marketing service.

Significant research is available about donor demographics and the factors that generate donor interest to give and give again. Researchers like Russell James III and others have pointed to surviving spouses, single people, and couples without children as the kind of donor that would be highly receptive to making a planned gift. Augmenting this body of research, specific factors pulled from software donor data records and online activity reveal who your donors are and how they give.

..... a. Top Gifts by Age

At what ages are planned gifts completed and when should you begin marketing the top gifts to your donors? Crescendo software data offers answers to the average donor age for the most common planned gifts. Given the large data set in the Crescendo software, it's not surprising that the average age for an immediate payment CGA matches the data from the last two ACGA surveys (age 79 in ACGA's 2017 and 2013

Average Ages for Planned Gifts		
Gift Type	Age (One Life)	Age (Two Lives)
Immediate Charitable Gift Annuity	79	78 and 75
Deferred Charitable Gift Annuity	61	63 and 61
Standard Charitable Remainder Unitrust	73	73 and 71
NIMCRUT and FLIP Unitrusts	64	63 and 62
Charitable Remainder Annuity Trust	77	80 and 80
Charitable Life Estate	76	78 and 75



surveys). The profile for deferred payment CGAs is a business owner or highly compensated executive who wishes to make a gift this year but who is not yet ready to retire. To market to this profile, charities typically promote the current charitable income tax deduction (which is even more attractive given recent tax law changes limiting donors' other deductions) with the chance to establish deferred payments. Given the deferred nature of the CGA, the average donor age is typically significantly lower than that of a donor for an immediate payment CGA.

What is somewhat surprising is the average ages for CRUT donors is older than many experienced gift planners might expect. Popular wisdom recommends

that charities begin marketing CRUTs to donors ages 65 and above. But, as we can see from the data, these gifts are occurring with donors at a slightly higher age, closer to age 70. The decrease in number of CRUTs in recent years may be the cause of the higher average age – fewer donors are making these gifts and when they do, the donor is closer to or in retirement.

The age range for NIMCRUT and FLIP unitrusts are similar to deferred CGAs, which makes sense given these donors share similar goals. The marketing for deferred CRUTs typically mirrors that for deferred CGAs while talking about the larger payout that is typical for a CRT.

b. Top Gifts by Amount

How do you determine a donor's capacity to give? Average gift size is one tool to help you make the right ask without exceeding a donor's comfort level. Below are the gift averages for the top planned gifts (for purposes of analysis, anomalous records such as those missing information or containing irregular information were removed from the data set):

Average Amounts for Planned Gifts		
Gift Type	Mean (Average)	Median (Midpoint)
Immediate Charitable Gift Annuity	\$70,185	\$25,000
Deferred Charitable Gift Annuity	\$60,596	\$22,870
Standard Charitable Remainder Unitrust	\$861,283	\$400,000
NIMCRUT and FLIP Unitrusts	\$632,819	\$300,000
Charitable Remainder Annuity Trust	\$427,606	\$200,000
Charitable Life Estate	\$885,661	\$500,000

The average gift size for immediate payment CGAs is slightly higher than ACGA reported in its 2017 survey (\$64,592). ACGA does not report average gift size for deferred CGAs. However, the Crescendo average is within the expected range for these gifts. While the minimum CRT funding amount is typically close to \$100,000, the average gift size for both

standard CRUTs and the NIMCRUT/FLIP options are substantially higher (with the later having an average close to 75% of the former which is not unexpected given deferral). The gift amount for charitable life estates varies significantly depending on property location and home value.



..... c. Top Gifts by Number of Lives

Life income charitable gifts (CRTs and CGAs) are typically made to benefit one or two lives. Gift plans that provide payments or income to one person are most often funded by a donor for themselves or to benefit a loved one. In these cases, the donor is typically single and, if the donor is establishing a one life gift for another person, the beneficiary is often a surviving spouse. Typically, a gift plan based on two lives is funded by a married couple to provide the donors with joint income and income to the survivor.

Aggregate software data reveals that among CGAs with an immediate payment, 61% are based on one life and in 95% of the records the donor is an annuitant. By contrast, most deferred and flexible CGAs (60%) are established for two lives. According to ACGA's Survey of Charitable Gift Annuities, 70% of all CGAs (immediate and deferred annuities) are issued for one life. The Crescendo software data shows a lower percentage – 58% of all CGAs (immediate and deferred) are one life agreements.

It is not surprising that CRUTs relying on the standard payout are for two lives (again, typically created to benefit a married couple). Two life CRUTs outnumber the one life alternative by a ratio of 2.5 to 1, with the payout made jointly to spouses and then to the survivor. NIMCRUTs and FLIP-CRUTs are also funded primarily for two lives.

Top Gifts by Number of Lives	
1. Immediate Payment Gift Annuity	95% Donor Is Annuitant
2. Deferred/Flexible Annuity	52% Donor Is Annuitant
3. Standard Charitable Remainder Unitrust	81% Donor Is Beneficiary
4. NIMCRUT/FLIP Unitrust	93% Donor Is Beneficiary

..... d. Top Gifts by Donor Location

Geography can play a significant role in affecting donor interest in planned gifts. Website data reveals donors located in the Mountain time zone are looking at planned giving information more than in any other region of the country. The types of gifts that interest donors can also be affected by donor location. Here is a list of donor interest in planned gifts based on website page views and site visitor location (from most to least interest):

Top Charitable Gift by Region				
Northeast	Southeast	Central	Mountain	West
CGA	CGA	CGA	IRA Rollover	CGA
IRA Rollover	IRA Rollover	IRA Rollover	CGA	IRA Rollover
Bequest	Bequest	Bequest	Bequest	Bequest
DAF	Beneficiary Designation	DAF	Beneficiary Designation	Beneficiary Designation
Beneficiary Designation	CRUT	CRUT	CRUT	CRUT

A clear takeaway from this information is that planned giving websites remain the leading source of CGA information. Furthermore, the fact that CGAs and IRA rollover gifts are age-specific (donors are at least in their early 70s) should dispel myths such as seniors are not on the internet and the only effective way to market to seniors is through print. The greatest difference in gift interest is found in the bottom two

positions. Given the significant presence of financial service companies in the Northeast and Central regions of the country offering DAF Funds, it is not a surprise that donor page views related to DAFs are strong there. Given recent research showing significant growth in beneficiary designation giving, it is also not surprising that this form of giving ranked in the top five for donors in four out of five regions.



Insight 3

Retain Your **DONORS** Based on Gift Receptivity

With a better sense of who your best donors are and what their interests are, our next insight contains some ideas to help you reach and retain these donors to further your cause.

..... a. Charitable Bequests (and Beneficiary Designations)

According to Giving USA's 2019 data, bequest giving totaled nearly \$39.71 billion last year. The largest generational cohort among donors was the Baby Boom generation, who are now at or near retirement. This presents enormous opportunity to charities — the greatest in decades — to secure bequest commitments from loyal annual gift donors and other supporters.

Here are some ideas to help you market and secure bequests for your organization.

- The top demographic you should be reaching with your bequest gifts marketing is individuals who are faithful, annual givers. Regular giving shows a deep commitment to your cause which means it should be easy to approach these donors to ask them to continue their generosity with a bequest gift.
- The best strategies for securing bequests involve creating donor opportunities. Make it easy for donors to make a bequest commitment by:
 1. Providing a downloadable wills and estate planning guide on your website, by email or in person to donors
 2. Offering online wills planning tools on your website where donors can make and acknowledge bequests
 3. Conducting donor surveys where donors are asked to acknowledge bequests
 4. Recognizing donors (before their peers) who have made bequests at annual events and in publications
 5. Featuring compelling online donor stories about bequest gifts that cause other donors to want to give

- Email is an easy low cost and effective way to promote bequests to your donors. Using compelling subject lines will make all of the difference in whether donors open your emails.

a.1 Bequest Marketing Through Email

The top email subject line for bequests in the last year came from an email sent by the **Humane Society of Tampa Bay** (Fig. 1).

The subject line was simple and engaging — “Want to get more involved?” This email had a 39.2% open rate and 2.4% click-through rate (CTR).

The mobile version of the email showed a secondary subject line (or short description) — “A charitable bequest is an excellent way for you to

leave a legacy and help further our mission.” (Fig. 2) — and the email included an appealing image of a dog and a person. The email explained how bequest giving would allow the recipient to further the Humane Society’s mission.

Other high-performing subject lines from the past year included the word “legacy”:

- **PARC** – “Your Legacy, Our Future.” (38.9% open rate) – The secondary subject line read “A Gift in Your Will: Getting Started”, and the remainder of the email described bequest benefits.
- **Furman University** – “What Will Your Legacy Be?” (35.2% open rate) – The secondary subject line read “Everyone Leaves a Legacy. What Will Yours Be?” The email encouraged Paladin donors to create a legacy through their will.
- **Coe College** – “What Legacy Will You Leave?” (25.8% open rate) – The email discussed the ease and mechanics of making a bequest by will or beneficiary designation.

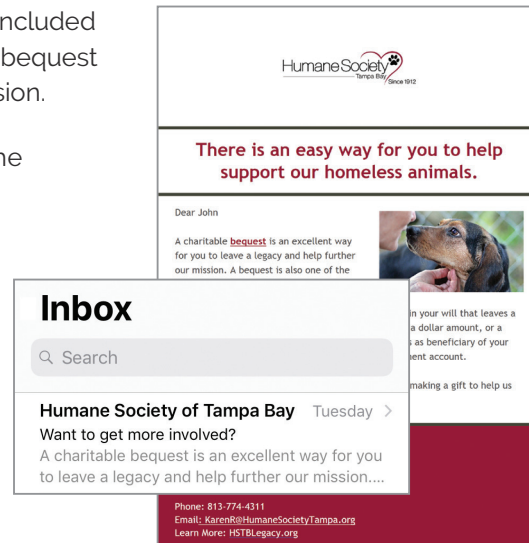


Fig. 1 & 2

a.2 Web-Based Bequest Marketing

It’s also important to feature bequests in a prominent place on your planned giving website. Here are a few ideas:

- **CARE’s** planned giving website (Fig. 2) includes a banner with the language “Your Act of Generosity, Our Longevity” and features a link to more information “About Bequests” with a free estate planning guide button.
- **UCLA** includes a “Bequest Challenge” section on its planned giving home page that highlights how far along the university is in reaching its bequest goal. (It read 85% at the time of publication.)
- **The Humane Society of Utah** features its “Pet Legacy Program” on the home page and highlights the ways leaving a gift by will or trust to the Humane Society with a “Learn More” button that includes the image of a kitten.



Fig. 2

a.3 Bequest Marketing Through Use of Social Media

Many organizations have used social media effectively in recent years to promote bequests and make contact with donors. Here are a few ideas that might help you create effective posts for your organization:

- **Occidental College** has a Facebook page (Fig. 3) dedicated to its legacy society, the Ben Culley Society, featuring regularly updated images of donors and donor stories.
- **Pasadena Humane Society and SPCA** posted about how it's hard to think about what will happen to our "furry animals" when we are gone and promoted a free estate planning seminar with a donor video testimonial.
- **The San Diego Foundation** featured a donor story about a couple who has created a legacy fund to support causes in that region.



Fig. 3

Test these ideas to see how your donors respond. There has never been a better opportunity for securing charitable bequests for your organization, so you also want to make these gifts a major focus of your print donor communications.



a.4 Bequest Marketing Through Print Materials

Here are some effective ways to message bequest giving through use of literature downloads. (These pieces have been downloaded from Crescendo's GiftLegacy literature library, customized by the charity and mailed to their donors.)

- **Your Gifts Make a Difference** (Fig. 4) – This postcard talks about how a donor's bequest would be used to support the charity's cause.
- **Giving Retirement Assets** (Fig. 5) – This single page brief explains how retirement assets are a good gift to leave to the charity and how easily gifts of retirement can be made through beneficiary designation.
- **Protect Your Loved Ones and Create Your Legacy** – This brochure discusses how bequests can support loved ones and a charitable cause, helping donors achieve their personal and philanthropic goals.
- **Gifts Anyone Can Afford** – This brochure presents the idea that anyone can make a bequest through a will or beneficiary designation.



Fig. 4



Fig. 5

.....b. Charitable Gift Annuities

The prime demographic for immediate payment CGAs, according to ACGA, is a donor in his or her late 70s. The best marketing message for CGAs focuses on the guarantee of fixed, lifetime payments as well as the security that CGAs offer (gift annuities are backed by all of the charity's assets). Added donor benefits include tax free income, capital gains tax avoidance and a charitable income tax deduction.

b.1 Gift Annuity Marketing Through Email

Gift annuity marketing emails with compelling subject lines (that result in high open rates) are an

effective way for charities to reach new donors and retain existing ones. Donors who like CGAs often fund more than one.

Michigan Tech University sent an email (Fig. 6) with the subject line "Guaranteed Income for Life" that had an amazing 46.2% open rate. The email had a secondary subject line that read "Giving to our organization has benefits" and focused on the benefits of income tax savings, capital gains tax avoidance and possible tax-free payments. It concluded with contact information and an offer for a free illustration with the donor's gift annuity payment and tax benefits.

Other high-performing gift annuity email subject lines this year included:

High Performing Gift Annuity Email Subject Lines		
Organization	Email Subject Line	Open Rate
University of Arkansas, Fayetteville	Support Our Mission, Receive Cash Back	36.3%
Furman University	Is a Charitable Gift Annuity Right for You?	33.0%
Indiana State University	Use Your Low Yield Bonds or CDs for Good	16.9%



Fig. 6

b.2 Web-Based Gift Annuity Marketing

Because the data in this study shows significant donor interest in charitable gift annuities, you should feature CGAs (along with bequests) prominently on the home page of your planned giving website. Here are examples of how charities have highlighted gift annuities and included ways for donors to learn more about the benefits of these gifts.

- **Chapman University's** planned giving home page features gift annuities in its banner and includes

sample gift annuity rates based on donor ages on a secondary web page.

- **Buyamba** highlights charitable gift annuities prominently at the top of its planned giving home page, below the banner (Fig. 7). Readers can click to view more information about gift annuities.
- **YMCA of San Francisco** includes a CGA widget on the front page with the image of a donor and a short summary of what a charitable gift annuity is along with a button to learn more.



Fig. 7

b.3 Gift Annuity Marketing Through Use of Social Media

Social media is also an effective way to promote CGAs and encourage donors to contact you for a personalized illustration. One easy way to do this is by asking your donors questions that prompt responses. Popular questions to ask about gift annuities on Facebook include:

- Are you tired of your income fluctuating with the market?
- Are you looking for security now or for the future?
- Would you like to learn more about gift annuities?
- We can provide you with a secure source of fixed payments for life. Want to learn more?
- Would you like to learn how you can receive fixed payments for life?

b.4 Gift Annuity Marketing Through Print Materials

Seniors still respond well to print marketing. One of the best strategies to market CGAs is through a print letter, postcard or newsletter and then following up with an email to reinforce the marketing message.

The **University of Arkansas, Fayetteville** mailed a four-page newsletter (Fig. 8) featuring charitable gift annuities in March of 2019 with an insert. They followed the mailing with a CGA email that saw a very positive 36% open rate. Within a week of the mailing, the university received a \$100,000 charitable gift annuity commitment from an 86-year-old alumnus who had never given to the university.

The goal of each of these marketing strategies is to reach and identify senior donors interested in secure, fixed payments who would like to make a gift to support your cause. Remember, a CGA is ultimately a gift and not an investment, although the donor will receive tax and payment benefits.

Following a successful marketing response, once a donor states his or her interest in a gift annuity, a gift planner will typically schedule a visit to sit down with the donor and understand his or her goals, explain the gift benefits and secure the donor's commitment. With key demographics heading in the right direction, we are predicting that charitable gift annuities are going to make a big comeback in the years ahead. Make sure your organization is poised to capture these gifts and benefit from what remains after all payments are made.

UNIVERSITY OF ARKANSAS

Personal PLANNING Newsletter

IN THIS ISSUE:

- Get the Most from New Tax Rates
- New Investments Bring New Opportunities
- The Legacy You Deserve

New Investments

Bring New Opportunities

Whether you love charitable gift annuities or have never heard about them, we have important news to share. Recently, we increased the payout rates for charitable gift annuities, which are sometimes referred to as CGAs. This means higher payments to annuitants. It has been years since charitable gift annuities looked so good.

A gift annuity is a simple contract between you and the U of A Foundation. When you fund a CGA with us, we agree to send you fixed payments for life. No matter what the economy does, the payments we promise will not change. Once all payments have been made, we are allowed to keep the remaining portion of your gift. In this way, you can benefit while also supporting our work.

Payment rates are designed to provide a nice payment while also helping to ensure that your gift will be available to support the long-term health of our mission. This is the first time rates have changed since 2012. They are based on your age at funding, and for some ages the payment rates have increased by half a percentage point. Here are a few examples of the new rates. It is only a sample, and there are rates for every age.

Age	Old Rate	New Rate
65	4.7%	5.1%
70	5.1%	5.6%
75	5.8%	6.2%
80	6.8%	7.3%
90	9.0%	9.5%

Last year gift annuity rates increased for most donors. This is the first time rates have changed since 2012.

You also receive other benefits such as an income tax deduction this year, and all remaining funds support students and faculty at the U of A. There are capital gains advantages if you fund one with appreciated assets, such as stock (by transferring, never selling it). Use our online calculator or call or email us and we can tell you what your exact rate and tax benefits will be. Be sure to lock in your rate now and start receiving these great payments.

Want to share the benefits?
Ask about a gift annuity that pays you and another person for as long as either lives.

Fig. 8

..... c. IRA Charitable Rollover

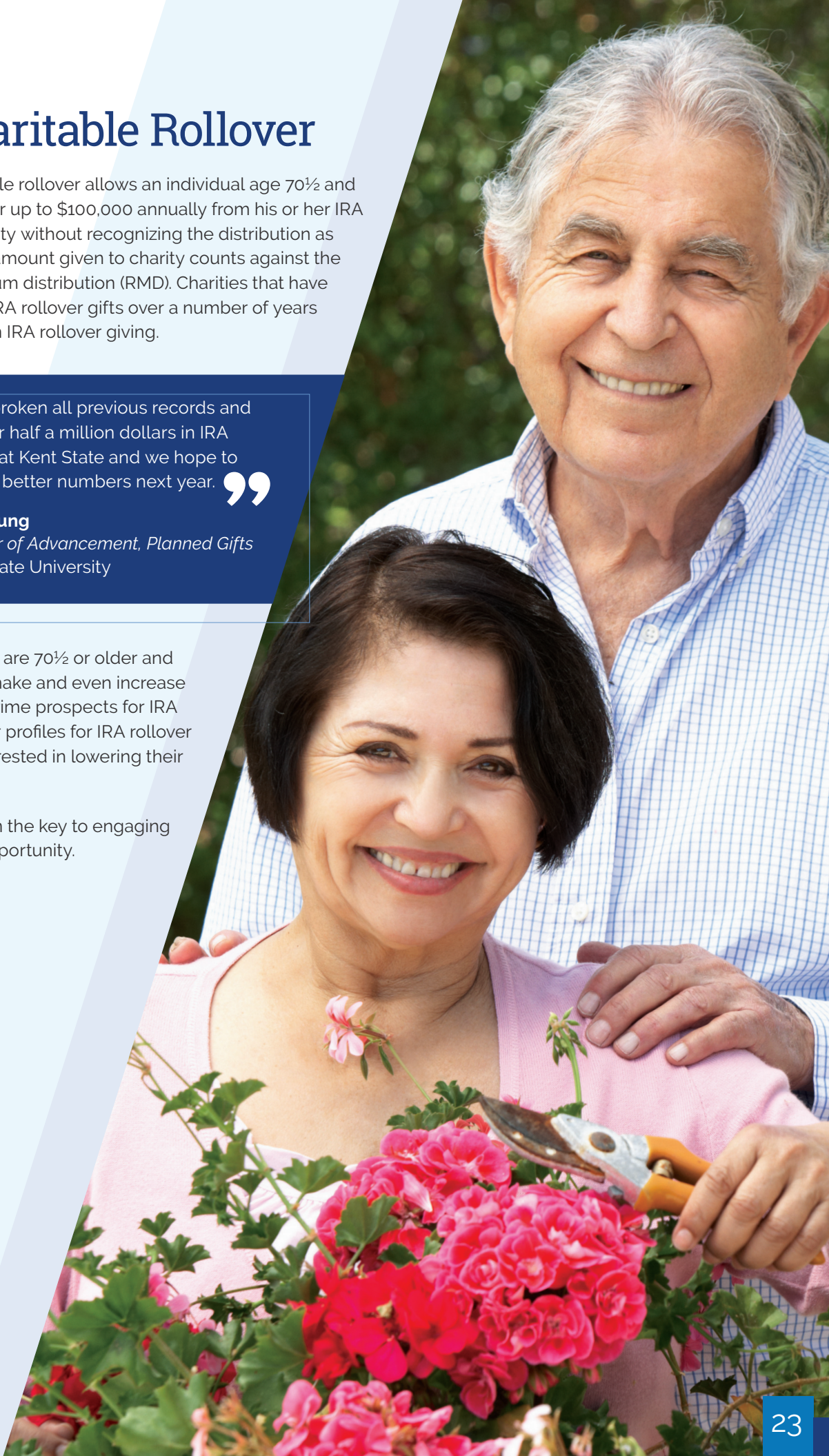
The IRA charitable rollover allows an individual age 70½ and older to transfer up to \$100,000 annually from his or her IRA directly to charity without recognizing the distribution as income — the amount given to charity counts against the donor's required minimum distribution (RMD). Charities that have consistently marketed IRA rollover gifts over a number of years have seen real growth in IRA rollover giving.

“We have broken all previous records and raised over half a million dollars in IRA RMD gifts at Kent State and we hope to have even better numbers next year.”

Jeff Young
Director of Advancement, Planned Gifts
Kent State University

Annual fund donors who are 70½ or older and are looking for ways to make and even increase their annual giving are prime prospects for IRA rollover marketing. Other profiles for IRA rollover gifts include donors interested in lowering their income and taxes.

Good messaging is again the key to engaging donors about this gift opportunity.



The **University of St. Thomas** has used a multichannel marketing approach, promoting the IRA rollover through newsletter articles, a letter to existing IRA donors, a buck slip in its annual fund fall solicitation, a postcard mailing (Fig. 9) and an eblast.

In fiscal year 2016, they received 21 IRA rollover gifts totaling \$173,647. In fiscal year 2017, they received 46 IRA rollover gifts totaling \$394,056. In fiscal year 2018, they received 82 IRA rollover gifts totaling \$727,804.

At the time of publication of this study, the university had already received over 100 IRA rollover gifts for the current fiscal year and was on pace to exceed its 2018 totals.



Fig. 9

c.1 IRA Rollover Marketing Through Emails

Emails are also a quick cost-effective way to reach donors and promote IRA rollover giving. The top performing IRA rollover gift subject lines for this past year included:

High Performing Gift Annuity Emails		
Organization	Email Subject Line	Open Rate
Ducks Unlimited	Make a Charitable Gift with Minimal Effort	34.6%
Marshall B. Ketchum University	Reduce Your Taxes with an IRA Gift	31.8%
Furman University (Fig. 10)	Roll Over Your IRA for the Furman Advantage	24.2%
UNC Greensboro	Plan Your IRA Distributions Early	22.2%

Try testing variations of these subject lines to see how they perform with your donors.

Check out Crescendo's 2016 and 2017 marketing studies to learn how to employ principles of A/B testing to increase performance of your IRA rollover and other planned gifts marketing emails.

To download these studies, please visit crescendointeractive.com/marketing/whitepapers.html

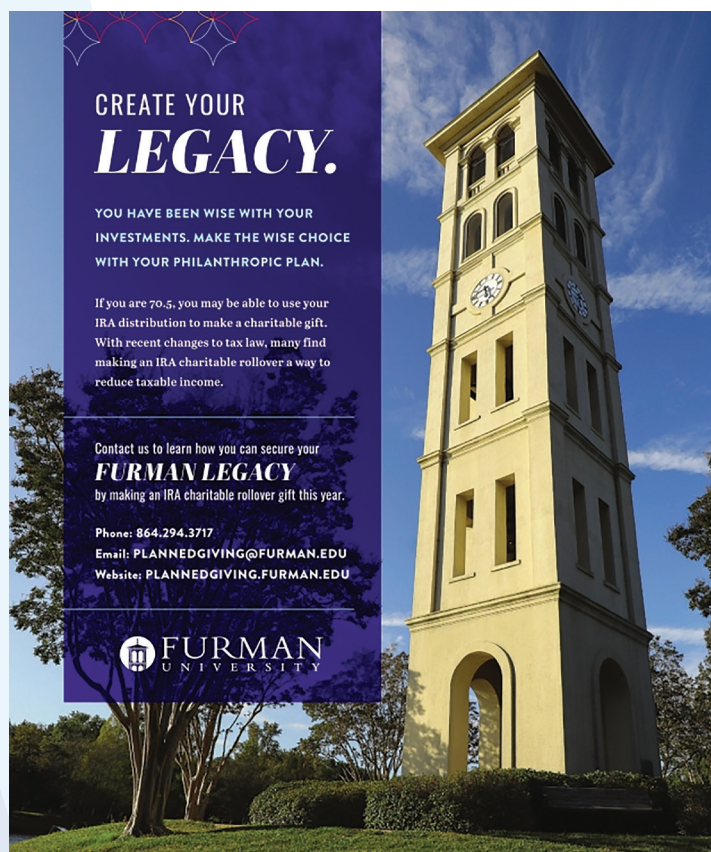
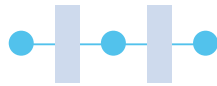


Fig. 10



c.2 Web-Based IRA Rollover Marketing

There are a number of ways to include IRA rollover marketing information on your planned giving website. Here are a few successful approaches:

- **Sanford Burnham Prebys Medical Discovery Institute** highlights the IRA rollover with a home page widget (Fig. 11). The widget links to an article about the benefits of an IRA rollover gift.

- **The Boston Foundation** includes a web page with a video from the director talking about the benefits of making an IRA rollover gift to support the foundation.

The good news about promoting IRA charitable rollover giving is that with consistent marketing your gift results will grow over time. Again, demographics are in your favor — more Baby Boomers are reaching age 70 ½ every day.

SBP Sanford Burnham Prebys
MEDICAL DISCOVERY INSTITUTE

PLANNED GIVING

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Fig. 11

c.3 IRA Rollover Marketing Through Print Materials

Marketing sent by mail is an excellent way to encourage senior donors to make IRA rollover gifts. IRA rollover end-of-year marketing should begin no later than September, which gives donors time to make a gift of their IRA funds instead of taking a distribution before December 31. With some custodians it can take as much as six to eight weeks for the funds to reach the charity once a transfer gift has been initiated.

The top performing IRA rollover marketing print pieces this year included one-pagers/briefs, brochures, postcards and inserts. The top print pieces downloaded, customized and mailed by charities using the GiftLegacy system all included the words "lower your taxes" or "reduce your taxes" in the heading or as a major theme in the body of the piece. One of the best ways to encourage repeat and increased IRA rollover gifts is to send an annual letter to IRA rollover donors encouraging them to give again.



Crescendo's IRA Rollover Marketing Materials (Print & Digital)

A popular marketing postcard sent by the **U.S. Coast Guard Foundation** (Fig. 12) highlights a number of messages that work well for IRA rollover marketing. The piece included the following language:

- Rollover your IRA for good
- Pay no income tax on your gift
- Help support your favorite causes
- Build your charitable legacy
- Use your IRA in the way you want you want

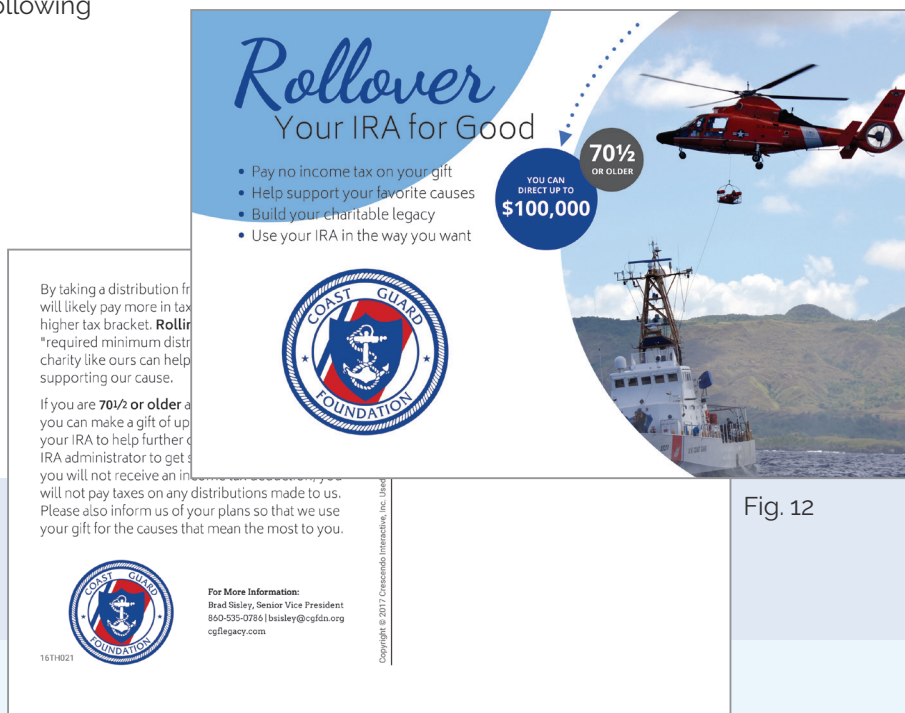


Fig. 12

.....d. Charitable Remainder Unitrusts

CRUT marketing depends on targeting the right audience. Not everyone is able to give \$100,000 or more. It's important to use analytics to qualify donors (based on the demographic factors already discussed) to direct your outreach to the appropriate group. Life income is attractive to donors for different reasons. Some donors are looking for income for themselves while others are looking for a way to provide for family. Successful marketing recognizes these different goals.

d.1 CRUT Marketing Through Email

In using email to market CRUTs, your list should be segmented based on capacity to give. Here are some effective email subject lines used in the past year to market charitable remainder unitrusts:

Indiana State University sent an email with the subject line – "How to Plan for Your Family's Future." (Fig. 13) The email had a 18.1% open rate. The secondary subject line read "Do you have assurance that your family will be well cared for after you are gone?" The email promoted a testamentary CRUT as a solution for donors concerned about providing for family and ultimately to support the work of the university.

UNC Chapel Hill sent an email with the subject line "A Way to Give and Receive" promoting CRUTs as part of its Campaign for Carolina. The email had a 17.2% open rate and discussed how donors could support their favorite Chapel Hill cause with the remainder after the lifetime payments had been made.

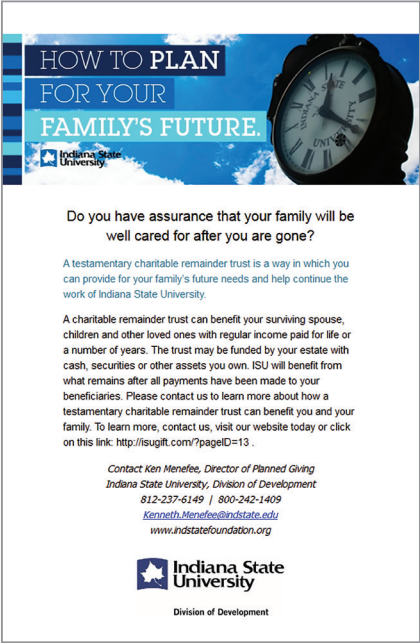


Fig. 13



d.2 Web-Based CRUT Marketing

Website widgets work well to promote gift opportunities. Some charities use these seasonally while others use them in conjunction with an ongoing campaign.

If you are trying to expose your donors to CRUT benefits, one idea is to add a widget like **William Jessup University**. The widget (Fig. 14) simply introduces a site visitor to the concept of a CRUT and allows the reader to click for more details about the gift's benefits.

d.3 CRUT Marketing Through Print Materials

Compared to other planned gifts, CRUTs are more difficult to understand and unfamiliar to many donors. It comes as no surprise that the top marketing piece used by Crescendo clients to market CRUTs is called "What Is a Charitable Remainder Trust?", a four-page guide that explains how a CRUT works and the benefits it offers.

Another print approach to market CRUTs is use of a short feature in a planned giving newsletter (where bequests and other gifts that appeal to a broader audience are included). **East Stroudsburg University Foundation** included an article in its newsletter on providing inheritance to heirs through charitable remainder unitrust income (Fig. 15). The article featured a picture of three generations (grandmother, mother and son) and included a chart illustrating the benefits of a charitable remainder unitrust.

While fewer CRUTs are being established than in the past, if you can reach the right demographic you can successfully close these gifts with significant remainder value to your organization.

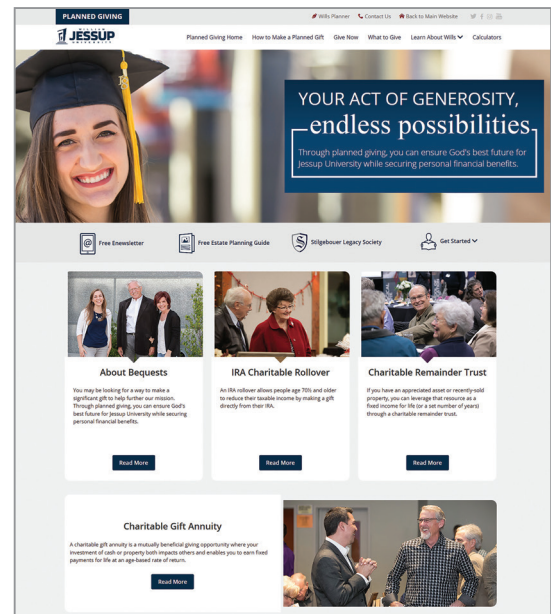


Fig. 14



Fig. 15



.....e. Blended Gifts



While the marketing of blended gifts is new, there are many ideas that work well for reaching your donors to make major and planned gifts to your organization.

Part of the difficulty with marketing “blended gifts” is that donors are not familiar with the terminology. “Blended gifts” is a phrase coined by fundraisers. For donors, their giving is more fluid. Most donors want to make one type of gift (major or planned gift) and then make a second gift because they come to understand the added benefits of giving more or differently.

For that reason, most of your marketing should focus on helping donors recognize the benefits of making a combined gift to better achieve their goals and support your cause.

Here are some buzz words to think about using in your blended gifts marketing:

- Give More
- Make Your Giving Go Further
- See the Results of Your Giving Today (for planned gift donors)
- Endow Your Gift
- Continue Your Support or Pattern of Giving after You Are Gone (for annual fund donors)

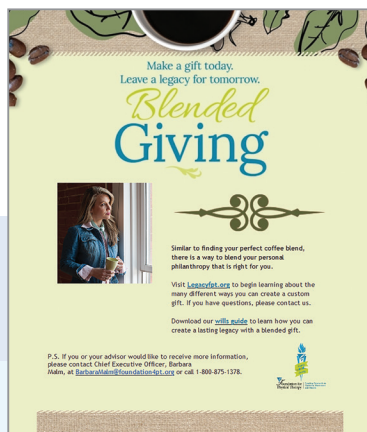


Fig. 16

e.1 Blended Gifts Marketing Through Email

Emails can also be used effectively to promote blended giving concepts. **The Foundation for Physical Therapy** sent an email with the subject line “Leave a Legacy with Your Own Blended Gift.” (Fig. 16) The short description following the subject line, which is prominent in mobile devices, explained the concept of blended giving succinctly — “Make a gift today. Leave a legacy for tomorrow.”

The email had a 16.4% open rate and 12.7% click-through rate. The email encouraged donors to find the right blend for their personal philanthropy and included a link to a web page where donors could learn more about how to customize their giving.

e.2 Web-Based Blended Gifts Marketing

Online donor stories are another way to explain and promote the benefits of blended giving. **Henry Mayo Newhall Hospital Foundation** featured a donor story about a couple who were "grateful patients" and made a major gift combined with a bequest because they "wish[ed] their gift to continue in perpetuity."

An example of a social media post featuring blended gifts, **Wycliffe Bible Translators'** language focused on partnering with the charity "now and after your lifetime." (Fig. 17)

Testing your own marketing messages will help you determine the best way to appeal to your donors and promote both current and planned giving. As donor familiarity with blended giving grows, charities will continue to find new ways to effectively market these gifts.



Fig. 17

e.3 Blended Gifts Marketing Through Print Materials

One of the best ways to explain blending giving is with an analogy or play-on-words. Using a postcard (Fig. 18), **Elon University** used the concept of creating the perfect blend of coffee to highlight how donors can blend their giving to their satisfaction.

Create Your Legacy
Please check off your preferences, fill in your information, and mail this card back to us. Thank you for your generous support to further the mission of Elon University.

☐ Please send me more information on blended gifts.
☐ I have already included Elon in my estate plans and not previously informed you.
☐ Please send me your FREE estate planning guide.

The best way to contact me is by:
☐ Email ☐ Mail ☐ Phone

Name _____
Street _____
City _____
State/Zip _____
Phone _____
Email _____

(All inquiries are treated with complete confidentiality.)

This information is not intended as tax, legal, or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

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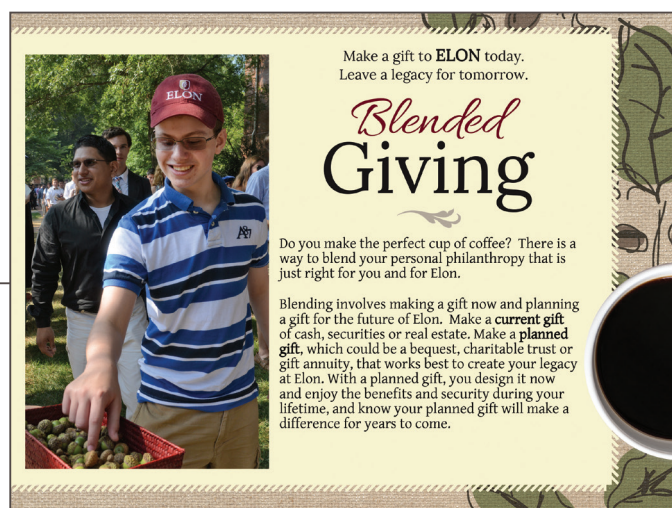
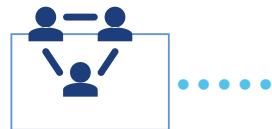


Fig. 18

Conclusion

This study has looked at how to reach planned giving donors based on gift interest, how to recognize donors based on demographics, and how to retain donors based on gift receptivity using effective marketing strategies. Here are some of the key findings of this study:

- **Donors are increasingly and surprisingly more interested in charitable gift annuities.**
The most surprising finding of this study was the high level of donor interest in charitable gift annuities. Gift annuities ranked the highest in donor proposals created, gifts closed and unique visits to planned giving web pages. Crescendo anticipates growth in CGA interest as Boomers reach retirement.
- **Charitable bequests are still the top performing planned gift, and beneficiary designation gifts are growing in popularity.** Giving USA and other studies show that the lion's share of planned giving dollars still comes from charitable bequests. However, consistent with Russell James' studies, our data shows growing interest in beneficiary designation gifts.
- **Non-cash giving is overtaking cash giving and is a key to fundraising growth.** Consistent with other studies, our data supports the conclusion that there is increased interest in gifts made with non-cash assets, both as outright gifts and to fund life income gifts. ACGA's most recent study showed that expanding gift annuity programs are accepting increasingly more gifts of non-cash assets.
- **Donor advised funds will continue to grow in popularity.** The breakdown of gifts by regions showed interest in DAFs on the rise in several parts of the country. This tracks with the high level of donor satisfaction with the flexibility and streamlined gift management offered by these funds and their overall growth in the philanthropic sector.



- **Consistent marketing is the key to increasing IRA rollover giving.** Our data shows growing interest in IRA charitable rollover gifts. Charities that market IRA rollover gifts consistently and effectively over a number of years see increased numbers of rollover gifts and higher dollar amounts given each year.

Honing your marketing strategy and targeting the right message to the right donors is essential to success in reaching and retaining donors. We hope the insights in this study will help you better understand your donors and their interests while aiding you in evaluating and improving your own marketing efforts.

Please contact Crescendo for help with creating a results-driven major and planned gifts marketing strategy for reaching and retaining your best donors.



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Email Marketing



Print



Analytics



Increase Your **Donor** **Revenue**

with Crescendo's proven solutions for
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Identify your top donors, build donor relationships and close more gifts with Crescendo's suite of services. For a **free demo**, call 800-858-9154 or visit crescendointeractive.com.

“ We have worked with Crescendo Interactive for over 17 years. Major, blended and planned gifts have steadily increased. In the last three years, Michigan Tech raised \$129 million! Crescendo Interactive is a great partner in building our giving program. ”

Crescendo

Integrated Marketing for Planned Gifts

Karla Aho
Director for Gift Planning
Michigan Tech University