



Why Focus on Bequests? The Facts Tell the Story

The mystery is why more nonprofits aren't tapping in to this tremendous source of funds.

Here's a shocking fact: Dead people give more than corporations. Since Giving USA began tracking the sources of charitable gifts in 1975, bequests (also called planned giving and legacy giving) have provided more funding to nonprofits than corporate giving in every year except one (1984). Moreover, while the total dollar amount of corporate and estate giving used to be roughly equal, the value of bequests began to pull steadily ahead in the 1990s and over the last decade has continually outpaced corporate donations by about 60%.

Here are the numbers from the most reliable source in the U.S. Use these facts to provide incentive as to how to spend your organization's time and money on fundraising:

From Giving USA: Charitable Giving by Source:

Of the \$373.25 Billion Dollars Donated:

Bequests.....	9%
Corporations.....	5%
Individuals.....	71%
Foundations.....	6%

A simple question: How much time are you spending on soliciting bequests and how much on seeking corporate donations?

According to the software company Blackbaud:

Once a planned giving program is established, nonprofits can expect a cost of 3¢ to 15¢ per \$1 raised. This cost-to-donation ratio is important, not only to the organization, but also to the donors who want their gifts to make a difference in the world instead of being spent on additional fundraising efforts. Historically, planned gifts have increased nearly 5% every year even in recessions, while other sources of revenue decline in times of economic struggle.

People continue to want to give, no matter what the economy. During a recession, many people want to give more than ever as they see others having a rough time.

Think about your own personal resources. Do you have the most money in:

- cash? • real estate?
- other investments such as stocks and bonds?
- insurance policies?

Most of us have the least amount in cash. In fact, only 10% of the wealth in the United States is in cash. When you receive a cash gift, even if it's quite large, it won't be as much as you could get in a planned gift.

“Dead people give more than corporations.”

How much should you expect? The average charitable bequest in the U.S. is \$35,000-\$70,000. However, this isn't one-size-fits-all, which is why research and strategy are so important. The major factor in the size of most gifts is the value of real estate. The value of a mid-century 1,800 square foot house in Hannibal, Missouri, is far different from the same structure in Malibu.

Rule of thumb: A planned giving target gift amount is 200 times a donor's largest annual gift. If a donor has given you a gift of \$1,000, you can expect a bequest of \$200,000 (plannedgiving.com).

Just think about it. The average planned gift is 200 times greater than an annual gift. I don't know about you, but I find that stunning.

Why don't board and staff ask for planned gifts? The answer is simple: They have no training in how to do it. Talking about someone's death can be a challenging conversation. If you don't have a planned giving program, perhaps it's time to start. If your board and staff aren't trained in how to ask for a gift, it may be time to schedule some training. **S**

What not to do!

IF YOU EVER WANT TO SEE MR. CUDDLES AGAIN, YOU NEED TO INCLUDE OUR CHARITY IN YOUR ESTATE PLANNING.



THERE HAS TO BE A BETTER WAY OF MARKETING YOUR PLANNED GIVING

Carol Weisman is founder and president of Board Builders (boardbuilders.com) as well as an internationally known speaker, author, trainer, and consultant. See her Learning Institute program (Board Governance) online at NonprofitWorld.org/LearningInstitute. If you need help training your board members in planned giving, give Carol a shout at carol@boardbuilders.com, 314-863-4422.

More on Training Your Board to Ask for Planned Gifts

Learn more with these *Nonprofit World* articles at NonprofitWorld.org:

How to Market Planned Giving to Donors
(Vol. 22, No. 6)

Take Your Training into Your Hands (Vol. 29, No. 6)

Planned Giving Tips for Every Organization
(Vol. 23, No. 6)

How to Obtain More Bequests (Vol. 23, No. 2)

