

3 Secrets to Acquiring Nonprofit Legacy Gifts



One of my favorite questions to ask of donors is this:

What legacy would you like to leave the world?

Almost always, it prompts an interesting, engaged conversation. Even if folks have never really thought of this before, they tend to enjoy thinking about it.

Note, this is quite different from asking: *Where would you like your money to go after you die?*

No one likes to contemplate their own mortality. Plus, often folks will tell you they'll be lucky to have anything left at the end of their lives! I've even had fairly high income folks answer this way – and this is not a conversation you want to have. You're not, after all, their financial planner.

And this, in a nutshell, is the problem I have with the ubiquitous use of the term "[planned giving](#)."

Donors (especially well off ones) have their own financial guides. You're their *philanthropic* guide. As such, it's your job – and privilege – to talk with donors about things that bring them joy, not worry.

And what could be more joyful than leaving a legacy that perpetuates your values?

Here are 3 Ways to Acquire Legacy Donors

1. Talk, talk, talk about leaving a legacy

Don't expect folks to leave you a legacy out of the blue.

Too often, when I've asked current annual donors (even major ones) why they haven't made a provision in their estate plans to leave a legacy, I'll hear: "*Oh, I didn't know your organization accepted these types of gifts.*"

Your donors likely give to more than one organization. If others are talking to them about legacy giving, and you aren't, what do you think is the likely outcome?

Making people aware that you value legacy gifts is the first step to getting them.

Everywhere you can, talk about the benefits of leaving a legacy. I don't mean the benefits to your organization. I mean the benefits to your donor.

Put it on your website, your annual appeal remit piece, your blog, your e-news, your annual report, your carrier envelopes, your e-signature. Everywhere! Just something simple, like:

- *Want to protect our forests? Consider a gift in your will.*
- *Want to cure cancer? Where there's a will, there's a way.*
- *Consider leaving a legacy... so your cherished values live on.*

Focus on the psychological and emotional benefits, rather than the financial ones. (Sure, there may be income, gift and estate tax benefits, but that's usually not the primary motivator for legacy gifts – so get to them later).

I like to talk with donors about paying it forward.

This makes people feel so good [it can be socially contagious!](#) (A coffee shop in Manitoba reported that one customer paid for his coffee and the person's behind him at a drive-thru window. The next person did the same. This continued in an unbroken chain of 226 customers – a three-hour sequence of spontaneous generosity. And it's not the only such example).

You can begin by asking your donor about a time someone did an unexpected good deed for them, and how it made them feel. Research shows that receiving help increases the likelihood someone will want to help others, even strangers.

You'll acquire many more legacy gifts this way than you will by talking about gift vehicles.

An added benefit to talking about legacies instead of "planned" or "deferred" gifts is that it's easy. You don't need to understand all the ins and outs of irrevocable charitable gift annuities, charitable remainder annuity trusts and unitrusts, charitable lead trusts, or life estates. I'm not suggesting you avoid these topics; just saying you can offer a robust legacy giving program without becoming an expert on life income gifts.

2. Prospect, prospect, prospect broadly

It's a mistake to think that only rich people can make legacy gifts.

Early in my fundraising career I had the privilege of talking with the then director of development of the YMCA in San Francisco. He told me something I never forgot: *For every 50 bequests we receive, we generate an average of \$1 million.* That was 30 years ago, so I'd imagine the average is higher now. The point is simply that bequests, large and small, add up. One person might leave you \$2,500; another \$50,000, and so forth.

It's your job to let folks know they don't have to be Bill Gates to leave a bequest.

So don't only talk to major donors about legacy giving. Talk to anyone, and everyone, with a "heart connection" to your work. **Talk with:**

- **Donors who make frequent donations.**
- **Loyal volunteers.**

- **Consistent mid-level donors.**
- **Grateful users of services.**
- **Former board and staff.**

3. Focus, focus, focus on donor-friendly giving vehicles and stewardship

Don't make it seem complicated.

I often tell folks to keep their annual appeal [writing at a 6th-grade level or below](#). The same holds true when you write and talk about legacy giving. It's not about 'talking down' to people. It's about making things easy for folks to understand. If you fail to do that, you'll lose many [prospective legacy donors](#) along the way.

You'll also put off building a legacy building program until you can hire an "expert."

You don't need an expert to promote the most common types of legacy gifts:

- Bequests in a will or trust
- Beneficiary designations in a retirement fund [e.g., IRA, 401(k), 403(b)]
- Beneficiary designation in a life insurance policy
- Outright gift of life insurance cash value [e.g., policy that's no longer needed]

Bequests require your donor to visit an attorney, but you can help them out by providing sample language for their will or codicil. Understand also that [less folks are using wills and trusts](#), so the other types of gifts are increasingly popular and well worth promoting. A bonus is they generally require just a simple form folks can secure from their financial institution or insurance company – at no cost.

Make it easy to find information on your website so folks who are inspired to perpetuate their values can easily follow through.

Let folks know that if they *do* make a legacy gift, you'd like to know now so you can enroll them in your Legacy Society. You don't need to ask for proof. After all, these are revocable gifts. But you do want to know so you can steward these donors and build strong relationships with them. Give your 'society' a name. Send regular updates that show other donor's matured legacy gifts in action. Offer occasional seminars on topics of interest, both mission-related and financial/philanthropic planning related. Hold an annual appreciation event. Invite your supporters to tours, volunteer activities, house parties and open houses.

Plan to be donor-friendly over the lifetime of your legacy donor's engagement with you.

The friendlier you are, the longer that engagement will be. And the more likely you'll still be the beneficiary of their legacy at the time of their death. In fact, one [study by Dr. Russell James](#) found people who have had charity consistently in their estate plan for the long-term (say, 10+ years before death) leave, on average, **4 times the amount** left by those who first added a charitable component within two years of death.

Spread the Word about Your Case for Legacy Giving

Of course you must reassure folks you're in this for the long haul. Talk about your long-term priorities and what it will take to assure your mission continues into the future. **This sets the stage for making your legacy ask.**

Legacy gifts can make a huge difference in the long-term health of your nonprofit. Don't ignore them because they seem too complicated, or because you think they're only for rich donors. They're for *anyone* who shares the values your organization enacts, and who wants to see them continue into the future.

- **The best place to begin is with your board.** Meet with them one-to-one or in small groups. Ask them directly whether they've made a provision for your organization in their estate plans. If not, ask them *why not?* And *what would it take to get them to do so?*
- **Then talk with your current major annual donors.** Same process. Same questions.
- **Then send a letter and/or email to other folks on your prospect list** (see #2, above). Or pick up the phone. Or try a survey to engage their attention, and ask if they'd like to learn more.

Just like any other kind of philanthropy, the biggest reasons folks don't make legacy gifts is because (1) they aren't persuaded they're necessary and (2) they aren't asked. [Research from several studies reveals:](#)

- Donors who received a letter directly asking them for a bequest were 17 times more likely to give a bequest than donors who were not asked.
- Donors who were asked and thanked gave twice as much as those who were not thanked.
- Donors who were cultivated (notes, letters, visits, etc.) after the thank-you gave 3 to 4 times as much.
- Donors surveyed by The Partnership for Philanthropic Planning found 70% of donors who made planned gifts did so because they were asked.

So... make sure you make your case and call for your desired action!

P.S. While you're spreading the word... an interesting axiom often quoted in the world of 'planned giving' is that legacy donors outlive their life expectancies. Could it be legacy donors are more grateful? More optimistic? More future-oriented and careful? Certainly there's research showing that [gratitude](#) and [optimism](#) contribute significantly to health and well-being. So... couldn't hurt to mention this!

Claire Axelrad, J.D., CFRE, is Principal of the social benefit consulting firm, Clairification. Named Outstanding Fundraising Professional of the Year by AFP, Claire teaches the CFRE course that certifies professional fundraisers, is a presenter for 4GOOD Nonprofit Webinars, a regular contributor on nonprofit social media to Maximize Social Business and was named "Best Fundraising Blog of 2013" by FundRaising Success Magazine.