# Job Fusion or Confusion: Marrying Major and Planned Gifts

BY CHARLES B. GORDY II, J.D., AND MARGARET M. HOLMAN

Orly/Veer

Almost every development office today works to secure large outright gifts while taking into consideration many of their donors' changed economic circumstances. This is a challenge for all fundraisers, but particularly those who are either—or both—major- or planned-gift officers

In recent years, merging major and planned gifts has become a frequent topic of discussion at nonprofit organizations as they respond to internal budget pressures and attempt to deliver unified and consistent messages to their constituencies. In a survey conducted by the Partnership for Philanthropic Planning (**www.pppnet.org**) in conjunction with the 2011 PPP Conference in San Antonio, 42 percent of the 167 respondents described themselves as directors of planned giving, almost 13 percent said they were gift-planning officers and more than 8 percent said they were major- and planned-gift officers. While 8 percent seems to be a small number, it appears to reflect a growing trend of combining the two areas and having a more integrated approach to fundraising and donor relations.

Indeed, there has been a gradual shift from highly technical deferred-gift specialists to planned-gift officers to gift-planning departments to philanthropic officers. No one knows where this will end, but there are thoughts about how to achieve a more integrated approach.

## Bridging the Cultural Divide

It is critical to break down the silos between major-gift programs and planned-gift programs and promote teamwork so you "don't leave money on the table." You undoubtedly know of an instance when a donor was not able to make an outright gift from current disposable income and was never offered the opportunity to make a significant planned gift from underperforming assets. What about the planned-gift donor who could have not only made the planned gift but could have made an outright gift as well—but was never asked?

There is a cultural divide that must be bridged. As illustrated in Figure 1, major-gift officers and planned-gift officers look through different eyeglasses, as it were.

Perhaps part of the cultural divide also comes from the focus of planned-gift officers versus major-gift officers. Major-gift officers have a clear understanding of who makes the gift and why he or she makes the gift; planned-gift officers focus on how and when the gift should be made along with what assets should be used for the gift. When the team is encouraged to look at the totality of how a donor makes a gift, some of those silos should weaken and eventually dissolve.

Patricia M. Moline, CFRE, CFP, vice president for development at the Oklahoma State University Foundation (**www.osugiving.com**) in Stillwater, Okla., once said, "[Donors] are not planned-giving prospects; they're not major-gift prospects. They are prospects. Period. It's not so much anymore about how they give; it's that they give

For more information, visit www.afpnet.org. Search: Planned Giving in the smartest way possible and in a way that meets the donor's intentions."

All gifts over a certain level are major (pick your number based on your organization). The question is whether the gift is outright or deferred, not whether it is major or planned. The answer is determined by the donor, not by how you are organized and define yourself.

## Three Existing Models

There appear to be three models currently in use that combine major and planned gifts in varying degrees.

1. **There is no dedicated planned-giving expert in-house, and planned-giving responsibility is shared among the major-gift officers or resides with the development director or another staff member who has planned-giving experience.**

This is typically a smaller shop without the budget for a planned-giving officer and program. Planned-giving expertise, when needed, is obtained from an outside consultant, and it is important to have this person available and responsive when questions arise. Planned-giving consultants typically handle the marketing design and messaging for the program. Some may even handle the production of materials and newsletters; others may just handle the design while the organization handles the production. The planned-giving consultant also may be available for donor meetings and staff training. Not unlike many business services today, this is an outsourcing solution. It can be cost-effective in terms of an organization's budget, but ready access and quick (and thoughtful) responses may not be as easy to obtain. Also, the inclusion of planned-giving information in the organization's message and mission may be reduced or discontinued.

2. **There is a planned-giving person within the major-gift department who has primary responsibility for planned-giving proposals; collaborates with major-gift officers and their prospects when planned-giving questions and proposals arise; and markets the program, including direct mail/e-mail, newsletters, staff and donor presentations, Web pages and other advertising.**

This model recognizes the importance of major gifts and planned giving operating as a team and puts the gift first and the method second in working with a donor and closing gifts. If fundraising activity is sufficient and the donor base is large enough, with appropriate planned-giving characteristics (wealth, age and inclination), it may require two or more people, including administrative support, to function effectively. To be truly successful, credit for closing gifts must be shared, which will result in the most collaborative relationship between major and planned gifts and possibly the least segmented approach to fundraising.

The planned-giving officer may have his or her own prospect portfolio to manage, and, if possible, it should consist primarily of planned-giving prospects and goals. If not, planned giving may take a back seat even with your planned-giving person. It also is important in this model that the planned-giving and major-gift officers' metrics do not diminish the importance of planned giving. Otherwise, the organization's donors and long-term financial success will suffer. If the organization's size, donor base and budget can justify this model, it may be the most effective one in terms of serving donor and organizational needs and aspirations.

3. **There is a planned-giving office, independent of major gifts, that functions like an in-house consultant to the major-gift and other fundraising staff. It is usually found only at large organizations with mature development programs, significant budgets and a donor-prospect base that can support it.**

This model usually raises the most planned-giving dollars because of its singular focus and activity and the ability to produce regular and comprehensive marketing products. Staff training becomes an important aspect of the planned-giving person's activity, as the major-gift officers can become the primary planned-giving lead generators. Trust, credit-sharing and effective metrics are critical for this model to succeed. If major-gift officers do not see the benefit of working with the planned-giving office, it will not happen.

How does the planned-giving person work with donors when a proposal is in the works? In some models, the planned-giving person assumes temporary and primary prospect responsibility during the proposal and closing process, and once the gift is concluded, successfully or otherwise, responsibility for the prospect reverts to the major-gift officer.

This model has the advantage of delivering the planned-giving information most directly to the donor and prospect and avoids putting the major-gift officer in the position of having to say, "I'll get back to you on that," too often. Again, credit-sharing will make this work. In other models, the major-gift officer maintains primary responsibility during the entire process and delivers the planned-giving information. This maintains the primary relationship between the donor-prospect and the major-gift officer, but it may make planned-giving discussions somewhat attenuated. Either method can be effective with appropriate incentives and teamwork.

All of that said, what are the concrete steps toward eventually dissolving the silos?

## Steps to Success

**1. Begin by building a team.**
Include the appropriate members of your board who understand the value of having a "generalist" staff—one that can help donors make a variety of gifts. Do not forget your executive staff;

| What Major-Gifts Officers Think | What Planned-Gift Officers Think |
|---|---|
| Looking for outright gifts | Looking for future money |
| Focused on gifts from income | Focused on gifts from assets |
| Donor base has high net worth | Donor base includes those with modest or limited incomes |
| Longevity as a donor is not vitally important | Longevity as a donor is central to prospect segment |
| Planned gifts are confusing and technical | Love to talk about the technical aspects of gifts |
| Work under goal deadlines and urgency for gifts | More focused on problem solving than closing gifts by a certain date |
| Spends a good deal of their time with middle-age donors | Spends a good deal of their time with older donors |

here is where it is really important to set expectations and reward collaborative activities and gifts. Establish the right person to be the designated internal expert or resource for planned-gift questions. If you have someone on staff, by all means use his or her expertise. If you do not have someone on staff, seek outside assistance. Be sure to provide your team with planned-giving training and/or develop a simple manual that includes descriptions and diagrams of various planned gifts, as well as real-life donor scenarios from your organization that show the power of blended gifts or life-income gifts, along with bequests.

**2. Maintain a strong planned-giving program.**

If you embark on the merging of major and planned gifts, you must maintain a strong planned-giving program to ensure the success of raising current dollars and the long-term financial health of your organization. An effective planned-giving program will increase your current gifts by enabling donors to give more and by creating conversations with donors that result in outright gifts. Focusing too much on outright dollars will result in a decrease in future gifts. Your fundraising program may not see a difference for a few years, but five or 10 years in the future, the dollars your organization brings in (actual spendable dollars, not new gifts or pledges) most likely will decrease.

**3. Collaborate.**

When Sylvette diMartino was working in the office of gift planning at Northeastern University (**www.northeastern.edu**) in Boston, she said, "As charitable-giving experts, the gift-planning team works in collaboration with our schools, centers and central development to enhance donor relationships by helping donors pick the right asset, at the right time, structured in the right way, to maximize the benefits of the donors' gifts to both the donors and the university. This donor-centered, service-based approach, balancing the needs of the university with the donor's goals, is designed to build lasting, long-term relationships and lead to ultimate gifts. Subsequently, many of our large gifts have an outright, as well as a deferred, component." DiMartino, now president of Integrated Gift Planning LLC in New York City, is right about the power of collaboration.

**4. Know how to use blended gifts.**

In these economic times, learning how to use a blended gift may be the answer to both your short-term and long-term funding needs. A gift described in the Feb. 7, 2011, issue of *The Chronicle of Philanthropy* concerns Scott Lumpkin's recent encounter with a donor who had pledged $1 million but felt unable to make the gift because of the economy. Lumpkin, vice chancellor, university advancement, at the University of Denver, said that "instead of losing the gift, the university persuaded the donor to create a bequest leaving $500,000 to the institution in his will and pay the remaining $500,000 over five years." This certainly speaks to the ability to combine major- and planned-gift expertise to help the donor make the kind (and size) of gift he really wants to make.

**5. Share recognition of closing gifts.**

Another concrete step is shared recognition of closing gifts. If you view all planned gifts as major gifts and vice versa (there is planning on the part of the donor to make a major gift), then you begin to understand how shared recognition works. Regular communications and trust must be developed between the major- and planned-gift programs. One of the benefits of this shared recognition is that a donor is treated as a whole person, not just as an annual-fund donor who moves to become a major-gift donor who then moves into the planned-gift constituency. Another benefit is that the board begins to understand the importance of a donor's giving patterns throughout life and the importance of long-term relationships with donors.

**6. Reward interaction between the silos.** If the challenge in your organization is not to motivate the staff, the problem may be accountability and consequences: Are you rewarded for the "bottom line" in each silo or for interaction between the silos? Some answers include the following.

- Create a pay scale, bonus-incentive plan that rewards cross-silo teamwork.
- Add a performance evaluation that rewards cross-silo teamwork.
- Cross-train the entire team about both major and planned gifts on a regular basis.
- Share success stories on a regular basis.
- Stress that everyone's goal should be the maximum gift. This may or may not be cash now.

**The good news** is that major- and planned-gift officers have a lot in common—sharing the desire to involve donors in the joy of giving and making the largest gift they can.

## The Integrated Approach

The good news is that major- and planned-gift officers have a lot in common—sharing the desire to involve donors in the joy of giving and making the largest gift they can. Donor-focused fundraising is important, and during these tough economic times they have to work as a team to succeed.

What can you do as a planned-giving officer? Alexandra Brovey, senior director, gift planning at the North Shore-Long Island Jewish Health System Foundation (**www.northshorelij.com**) in Great Neck, N.Y., offers these recommendations.

- Go on donor visits as a gift-planning team—planned-gift officers should go on visits with major-gift officers and vice versa.
- Get out of the office and see more prospects.
- Be there in good times and bad with your donors.
- Market, market, market.
- Perfect the triple ask: annual fund, major gifts and planned gifts.
- Forecast and report likely cash flow over five to 10 years from planned gifts.
- Find the people who had plenty of money in 2004 (and who invested wisely) and get to know them.
- Network.
- Make yourself indispensable to your organization's success.
- Join your local planned-gift group.

Major-gift and planned-giving staff can work effectively together to serve the needs of donors and organizations. If your model is to have hybrid officers who focus on both major and planned gifts, make sure you have a structure and crediting system in place that rewards closing planned gifts, that they are not de-emphasized because of the need for current dollars and that you have ready access to planned-giving expertise in marketing and structuring planned gifts. If the size of your organization and make-up of your donor base support dedicated planned-giving and major-gift staff, create a system that requires teamwork and collaboration and breaks down the silos that have existed for many years. You will be more successful and your donors better served with an integrated approach.

**Note:** This article was inspired by a presentation on the merger of major and planned gifts that was given by Charles Gordy and Margaret Holman at the National Conference on Philanthropic Planning, Oct. 4–6, 2011, in San Antonio, the Partnership for Philanthropic Planning's annual conference for development officers, gift planners, allied professionals and those interested in the topic of philanthropy and planned giving.

*Charles B. Gordy II, J.D., is director of planned giving at Harvard Law School in Cambridge, Mass., and Margaret M. Holman is president of Holman Consulting in New York City.*

### Additional Sources

The Bankers Trust Private Banking *report Wealth with Responsibility Study/2000*
**www.bc.edu/content/dam/files/research_sites/cwp/pdf/wwr.pdf**

Dr. Jonathan H. Spinner, president, Real Fundraising, Farmington, Conn.
**www.real-fundraising.com**

"Partnering the Planned and Major Gift Functions: Will this Marriage Work?" by Cynthia Wilson Krause and Scott R. Lumpkin, NCPG Conference 2003

"Planned Gifts—Just Another Way to Secure a Major Gift!" by Colleen R. Lukoff, NCPG Conference 2006

*The Journal of Gift Planning,* Partnership for Philanthropic Planning
**www.pppnet.org**