

Keep Calm and Market Planned Giving

A public university looks at the historic ROI of its
planned giving marketing program

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Presenter

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- Directed the university's planned giving marketing program, supervising two development officers and maintaining a portfolio of major gift prospects.
- Planned giving professional since 1999.
- Lives in Jefferson City, Missouri, with his wife, Rachael. They have three grown children.

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University of Missouri Office of Gift Planning Return on Marketing Efforts Study

Zhengting He & Emma Smoczynski

May 10, 2018

Changing landscape of planned giving

I learned planned giving from guys who calculated gift annuity illustrations with a pencil in their hands and a furrow in their brows.

The merging of planned giving with major gift fundraising has dominated our profession throughout my entire career.

With Tax Reform, the focus of planning shifts predominantly to income and capital gains tax planning. This shift pushes alignment with major gift fundraising even further.

The profession has an identity crises. Our best professional organizations don't know what to call themselves. Metrics and ROI feature heavily in formal and informal conversations as we seek to explain ourselves to stakeholders.

One constant – Planned Giving Marketing

One constant – Planned Giving Marketing

In 1999 I was hired to split my time between planned giving donor work and marketing planned giving.

In 2005 MU hired me to do the same thing and I've been doing it ever since.

OBSERVATION: We are still marketing bequests and CGAs

In 2010, Kateman study showed bequests and gift annuities were featured most in planned gift marketing. That didn't change from a study in 2000. I predict it will be the same in 2020.

OBSERVATION: We are still begging for every dollar for our marketing budgets

Marketing budgets didn't budge during the period of that same study.

OBSERVATION: We are still struggling to explain the value of planned giving to advancement

Overview of MU's Planned Giving program

Planned giving office since at least the 1990s

Staff size from last campaign to 2018 – 5 full time Planned Giving fundraisers.

Since 2018 – 13 full time Major Gift Officers in merger of the Planned Giving Office with the Regional Advancement Office.

- Planned Giving done by Major Gift fundraisers.
- Designated experts and senior staff provide expertise for gift planning.
- GPRA staff assigned as Liaisons for gift planning to schools and colleges.

An overview of PG marketing at MU

Half time for development officer with marketing responsibility.

Average Marketing budget - \$30K

Hired a development specialist for marketing and stewardship – October 2018

@M Newsletter

The POWER of a Bequest



The University of Missouri receives thousands of gifts each year. Most are made during a person's lifetime. But a bequest is a gift that is made after a person's death. It is a powerful way to support the University and to leave a lasting legacy.

Bequests are a simple and effective way to support the University. They are a powerful way to leave a lasting legacy. They are a simple and effective way to support the University.

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Impact of For All We Call Mizzou

With a number of months before the end of the fiscal year, the University is looking for ways to increase its revenue. One way to do this is through bequests. Bequests are a powerful way to support the University and to leave a lasting legacy.

The Family Farm

More than a business — it is an ideal worth preserving. To protect the land and create a lasting legacy, you need to make a gift of your family farm to the University of Missouri. This is a powerful way to support the University and to leave a lasting legacy.

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Save the Date!



The 14th Annual Legacy Society Dinner is a special event that brings together donors and supporters of the University of Missouri. It is a great opportunity to learn more about the benefits of bequests and to meet with other donors.

Mizzou Legacies

A GIFT PLANNING PUBLICATION FROM THE UNIVERSITY OF MISSOURI. This publication provides information about the benefits of bequests and how to make a gift to the University of Missouri.

Bequest funds new scholarships. The new Andrew Fisher Bequest Scholarship is a powerful way to support the University and to leave a lasting legacy.

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@M eNewsletter



Dear Dawn,
This year marks the highest the capital gains tax has been since 1999. That combined with a Medicare contribution tax of up to 3.8% means that you could owe as much as 20.8 percent on any gain. What can you do to minimize your tax liability?

Secondly, the Office of Gift Planning and Endowments is looking for ways to increase its revenue. One way to do this is through bequests. Bequests are a powerful way to support the University and to leave a lasting legacy.

When the State Makes Decisions... When Your...
The Office of Gift Planning and Endowments is looking for ways to increase its revenue. One way to do this is through bequests. Bequests are a powerful way to support the University and to leave a lasting legacy.

@  Direct Mail



Lyle Brizendine is creating his own Mizzou Legacy
Through an MU Deferred Gift Annuity

| | | |
|---|--------------------------------|---|
| Gift Annuity Deferred to ages 65, 66 (from 52 & 53) | |  |
| 10.6% | Annuity Rate | |
| \$100,000 | Gross Principal | |
| \$31,682 | Potential Charitable Deduction | |
| \$10,600 | Annual Payment starting 2018 | |

‘We owe a lot of our good fortune to the University.’

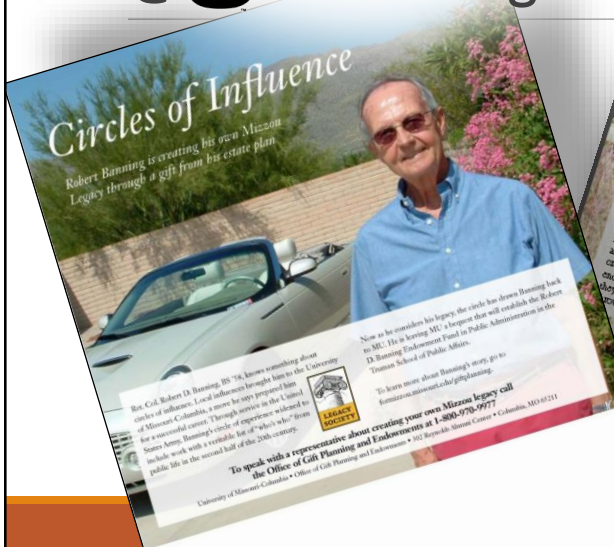
Lyle Brizendine, BS BA '74 has been a leader all his life. So when MU announced it would issue charitable gift annuities, Brizendine was determined to be the first to start an MU deferred charitable gift annuity. The way Brizendine sees it, a deferred gift annuity is a great supplement to a donor's retirement plan. With a deferred gift annuity, the donor receives an immediate tax deduction, the payments are deferred, and the gift is invested to provide a greater payout when payments start in retirement. Eventually, the University will receive a significant gift.

Still in his early 50s and at the peak of his career, Brizendine and his wife, Charlene, BS Ed '73, are too young to retire but they are working on their MU legacy. Their gift will benefit the Leadership Scholarship Fund they began in the MU College of Business.

To learn more about the Brizendines and how a deferred gift annuity works, visit our Web site at formizzou.missouri.edu/giftplanning.

For information about how to establish your own Mizzou deferred charitable gift annuity, call 1-800-970-9977 today!
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@  Advertising



Circles of Influence
Robert Banning is creating his own Mizzou Legacy through a gift from his estate plan

But Col. Robert D. Banning, BS '76, knows something about circles of influence. Local influence brought him to the University of Missouri-Columbia, a more far-sighted gift from a successful career. Through service in the United States Army, Banning's circle of influence widened to include work with a remarkable lot of circles who—over a half-life in the second half of the 20th century.

To speak with a representative about creating your own Mizzou Legacy call the Office of Gift Planning and Endowments at 1-800-970-9977

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Wayne and Jo Behymer make their Mizzou Legacy a wedding anniversary tradition

As children, they met through MU Extension-related 4-H programs in their own state. Reunited at MU, Wayne joined Jo, and the two married, both worked in the insurance business. Jo, BS Ed '62, M Ed '65, EdD '77, employed a similar career on the faculty of Education, and as assistant provost.

Wayne suggested Jo wish scholarships at MU made with the help of family and friends on their 20th wedding anniversary and Jo and Wayne celebrated their 20th wedding anniversary with a gift to MU through the Mizzou Legacy through a request.

For information about how to establish your own Mizzou Legacy, call 800-970-9977 to day! Learn more about the Behymer's story in donor stories at the bottom of our home page on our web site: mendonments.mizzou.edu

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@  Telemarketing



@  Web site



@  Collateral Materials



@  Legacy Society Event



The Research Project

- Research Questions
- Literature Review
- Methodology
- Limitations
- Findings
- Recommendations

Research Questions

- How much does it cost the University of Missouri to **raise \$1** through planned giving marketing efforts?
- How much money goes to the University of Missouri for a **\$1 expense** on planned giving **marketing**?
- How does the marketing return compare to a benchmark of a **peer institution** with a similar advancement structure?
- For which types of gifts, does marketing have a greater **impact**?

Literature Review

- **University of Colorado Foundation (2007):**
- **Blackbaud (2016):**

Methodology

- Population: Donors that made planned gifts from 2000 to 2017 (for question 1) and 2006 to 2017 (for question 2).
- Data Source: MU ADVANCE
- Formulas:

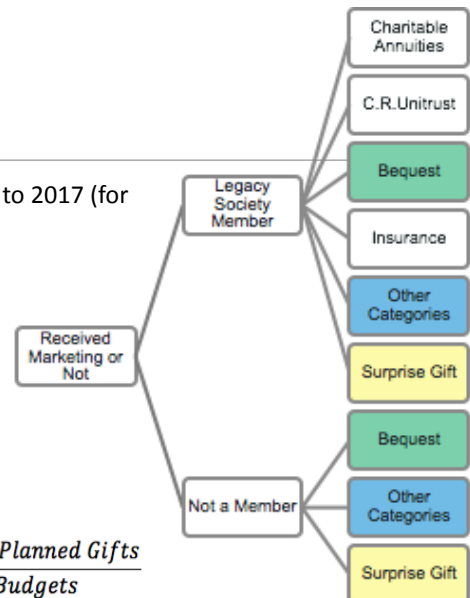
To answer research question 1:

$$CDR_1 = \frac{\text{Marketing Budgets} + 50\% \text{ HR Cost}}{\text{Face Value of All Planned Gifts}}$$

To answer research question 2:

$$CDR_2 = \frac{\text{Marketing Budgets}}{\text{Face Value of All Planned Gifts}}$$

$$\text{Total Gifts/Marketing Cost Ratio} = \frac{1}{CDR_2} = \frac{\text{Face Value of All Planned Gifts}}{\text{Marketing Budgets}}$$



Limitations

- Inconsistent data entry over 17-year period of study.
 - Staff turnover.
 - Inconsistent implementation of data entry policies over time.

- Intentional research limitations for sake of project scope.
 - Two graduate students working one semester.
 - “Planned giving” as a second language.

Finding No. 1

MU experienced a **VERY HIGH RETURN ON INVESTMENT** and efficient use of budget during the period of the study.

| FY2006-2017 | MU |
|--|--------------------|
| Total Gifts | \$427,020,920.77 |
| Marketing Cost (Marketing Budgets + 50% HR Cost) | \$969,890.06 |
| CDR | 0.002271294 |

Finding No. 1

MU experienced a **VERY HIGH RETURN ON INVESTMENT** and efficient use of budget during the period of the study.

| FY2006-2017 | Texas A&M | MU |
|---|------------------------|-------------------------|
| Total Gifts | \$1,136,278,654.41 | \$427,020,920.77 |
| Marketing Budget | \$1,611,778.00 | \$395,838.62 |
| Total Gifts/Marketing Cost Ratio | \$704.98/\$1.00 | \$1078.78/\$1.00 |

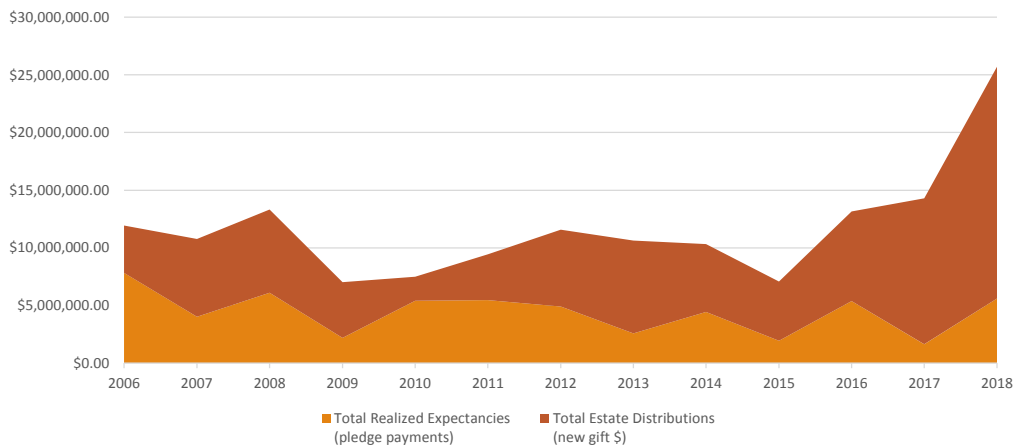
Finding No. 1

MU experienced a **VERY HIGH RETURN ON INVESTMENT** and efficient use of budget during the period of the study.

CDR: **\$.002**

ROI: **\$1,079 to \$1**

Total realized expectancies and estate distributions University of Missouri, 2006 - 2018



Finding No. 2

Marketing has a positive impact on the dollar amount of Planned Gifts at MU

| FY2006-2017 | Total Gift Amount | # Gifts | Average Gift Amount |
|------------------------|-------------------|---------|---------------------|
| Not Received Marketing | \$100,023,722.74 | 1,791 | \$55,847.97 |
| Received Marketing | \$326,997,198.03 | 1,448 | \$225,826.79 |

Finding No. 3

Legacy Society members respond very positively to Planned Giving marketing

| All Planned Gifts Made 2006-2017 | Not Received Marketing | | | Received Marketing | | |
|--|------------------------|---------|------------------|--------------------|---------|------------------|
| | Total Gift Amount | # Gifts | Avg. Gift Amount | Total Gift Amount | # Gifts | Avg. Gift Amount |
| Legacy Society member at time of study | \$28,988,013.96 | 827 | \$35,052.01 | \$301,146,994.20 | 1253 | \$240,340.78 |
| Not a member at time of study | \$71,035,708.78 | 964 | \$73,688.49 | \$25,850,203.83 | 195 | \$132,565.15 |

Finding No. 4

MU Charitable Gift Annuities, Charitable Remainder Unitrusts, and Insurance gifts to MU are strongly tied to and often result from Marketing efforts

| FY 2006-2017 | Not Received Marketing | | | Received Marketing | | |
|--------------|------------------------|---------|------------------|--------------------|------------|------------------|
| | Total Gift Amount | # Gifts | Avg. Gift Amount | Total Gift Amount | # Gifts | Avg. Gift Amount |
| CGAs | \$0.00 | 0 | \$0.00 | \$8,656,447.02 | 190 | \$45,560.25 |
| CRTs | \$1,035,000.00 | 2 | \$517,500.00 | \$2,536,638.39 | 48 | \$52,846.63 |
| Insurance | \$100,000.00 | 3 | \$33,333.33 | \$8,276,151.19 | 44 | \$188,094.35 |

Finding No. 5

Marketing appears to positively affect the number of bequests MU receives

| Bequests Made 2006-2017 | Not Received Marketing | | | Received Marketing | | |
|----------------------------|------------------------|---------|------------------|--------------------|------------|------------------|
| | Total Gift Amount | # Gifts | Avg. Gift Amount | Total Gift Amount | # Gifts | Avg. Gift Amount |
| Legacy Society member | \$9,176,065.05 | 22 | \$417,093.87 | \$264,694,244.96 | 769 | \$344,205.78 |
| Not a member | \$40,087,940.56 | 38 | \$1,054,945.80 | \$13,109,781.64 | 29 | \$452,061.44 |

Finding No. 6

Marketing appears to have a positive effect on the average gift amount of unexpected planned gifts.

| Surprise Gifts Made 2006-2017 | Not Received Marketing | | | Received Marketing | | |
|----------------------------------|------------------------|---------|------------------|--------------------|---------|--------------------|
| | Total Gift Amount | # Gifts | Avg. Gift Amount | Total Gift Amount | # Gifts | Avg. Gift Amount |
| Legacy Society member | \$18,531,776.78 | 797 | \$23,251.92 | \$13,488,934.99 | 196 | \$68,821.10 |
| Not a member | \$27,774,659.06 | 923 | \$30,091.72 | \$12,501,865.90 | 162 | \$77,172.01 |

Research Questions

- How much does it cost the University of Missouri to raise \$1 through planned giving marketing efforts? **CDR: \$.002**
- How much money goes to the University of Missouri for a \$1 expense on planned giving marketing? **ROI: \$1,079 to \$1**
- How does the marketing return compare to a benchmark of a peer institution with a similar advancement structure? **Very favorably.**
- For which types of gifts, does marketing have a greater impact?

All gifts, and specifically the number of CGAs and Bequests, the size of unexpected bequests.

Recommendations

- Invest in marketing planned giving.
- Continue marketing the Legacy Society.
- Systematically track planned giving marketing:
 - Keep a systematic and consistent profile on recipients of marketing.
 - Keep data recording rules/practices consistent, for evaluation & planning.

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Q&A

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Additional Questions

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Webinar Resources

In a few days you will receive an email letting you know that the recording and presentation slides are available to access.

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Thanks for
joining us today!