



The Value of a Handraiser

Presented by

Nathan Stelter and Brantley Boyett

About the Presenters:



**Brantley
Boyett:**

Brantley is the Co-founder and President of Giving Docs. He is a former (recovering) attorney, having practiced for over a decade before starting Giving Docs in 2015 in Austin, TX. In 2017 Brantley moved to Durham, North Carolina, when Giving Docs partnered with Dan Ariely's behavioral science lab, the Center for Advanced Hindsight at Duke University, which seeks to use behavioral science to make the world happier, healthier, and wealthier. Brantley received his JD and BFA in Economics at the University of Texas in Austin. He also currently teaches Law and Entrepreneurship at Duke University School of Law.



**Nathan
Stelter :**

Nathan Stelter is the President of The Stelter Company, a leading source for gift planning marketing solutions for the nonprofit community. The Stelter Company, which was founded in 1962, currently partners with more than 1,300 organizations nationally with a staff of over 85 individuals. Nathan is a member of the National Association of Charitable Gift Planners (CGP) Leadership Institute, chair-elect for CGP's national board of directors of the as well as co-chair of the National Standards for Gift Planning Success (NSGPS) task force. Nathan is a two-time graduate of the University of Iowa where he earned a bachelor's degree in marketing and an Executive MBA.



What is a handraiser?

How should an organization value individuals who have indicated an intention to leave a gift, but have not yet done so??

Many organizations are sitting on hundreds or thousands of handraisers, but how does this factor into future revenue?

In this talk we argue that organizations could be devoting more resources to their handraiser pools.

We will also present a proposed framework for determining the value of the handraisers in an organization's pipeline, so that development professionals can better make the case for those resources.

The Rise Of The Handraiser:

Survey marketing and online estate planning tools have greatly increased the number of individuals who have indicated an intention to leave a legacy bequest

Today's Agenda

Our Reality

**The Value of a
Handraiser**

**Identifying,
Cultivating &
Getting Prospects
to Raise their
Hands**

Our Reality

The Reality of Today's Handraisers

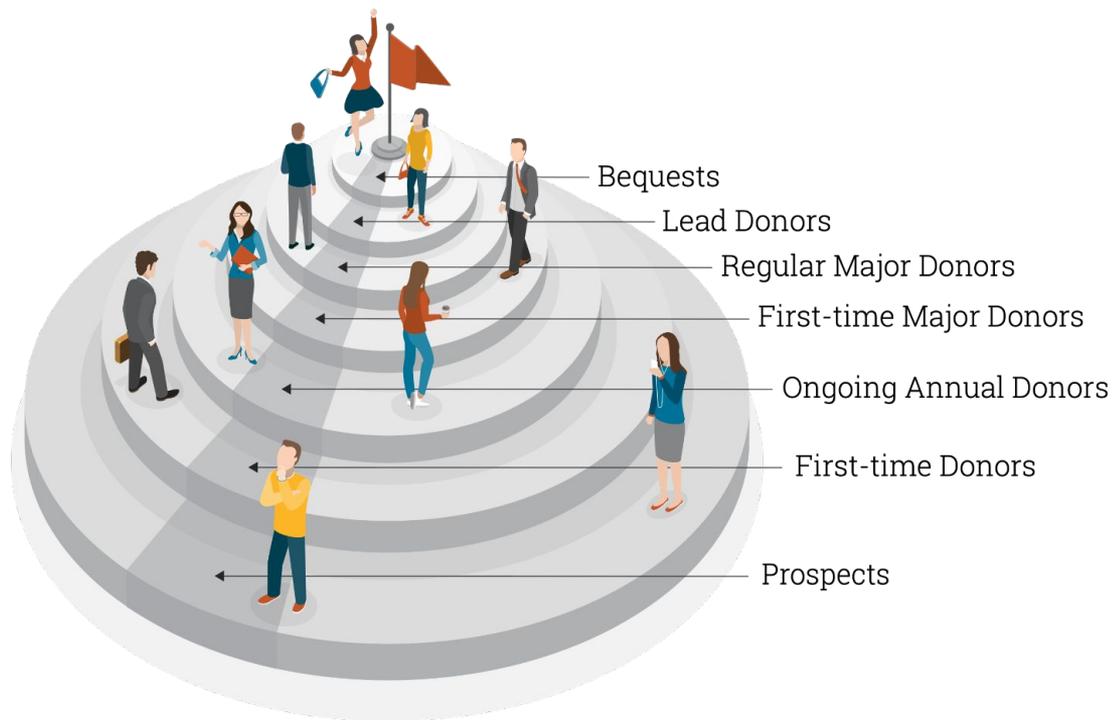
- 7% include charity in their will
- Of that 7% only $\frac{1}{3}$ share their intentions
- Donors 60% of way to decision before EVER talk to us

—

Only $\frac{1}{3}$ of Planned Giving Donors Tell Us

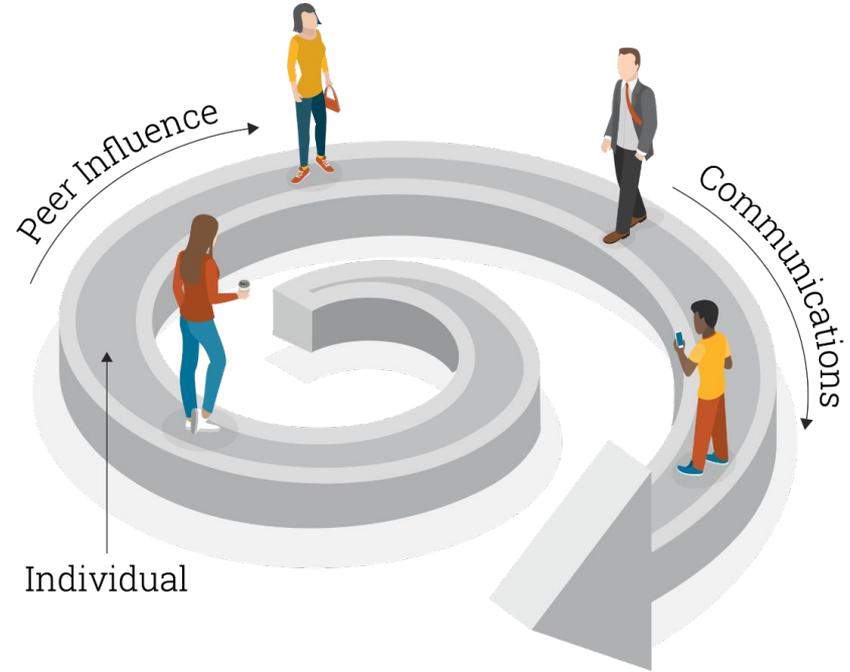


Typical Ladder of Engagement, but...



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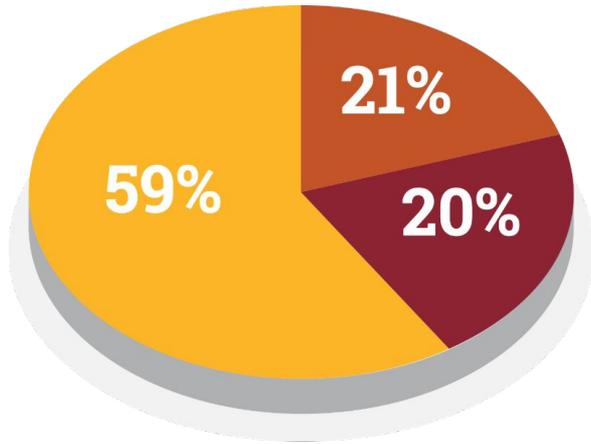
...Handraisers Can Pop Up at Anytime



Individual

← Measurement of Engagement & Ability to Influence Others →

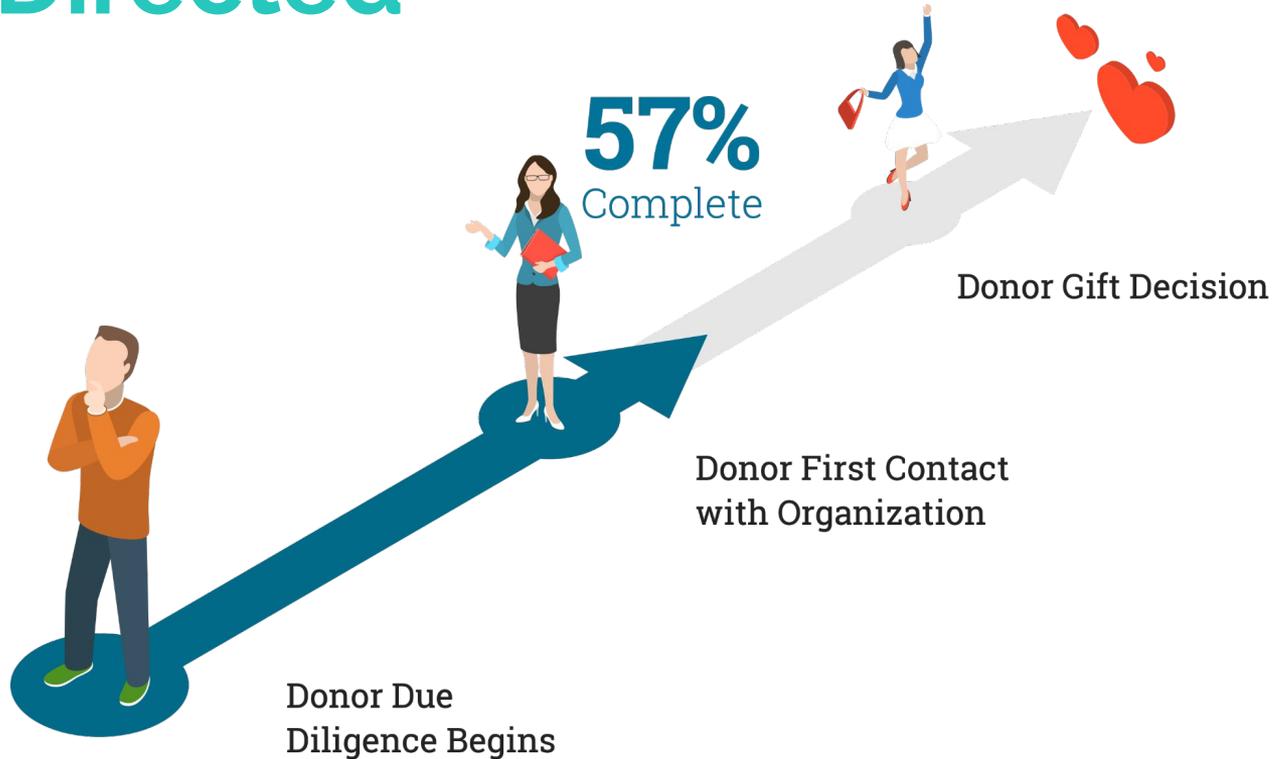
Some May Not Be on Your Radar



41% of your planned giving donors may not be on your radar

- 10+ years of consistent giving
- Less than 5 years of giving
- Never made a gift to the charity

The Self-Directed Donor



The Reality

Ladder of Engagement

Self-Directed World

The Value of Handraiser

Planned Gift Officers are rewarded for closing.

They are less inclined to engage with someone who “just isn’t ready right now”

Some planned gift officers may see less value in handraisers, but forward thinking leadership can incentivize the growth of the handraiser pipeline.

Not all handraisers are created equal.

Surveying has shown that these people remain valid prospects even when they haven't created a for many years years after raising their hand.

But-one size fits all messaging doesn't work.

And a typical PGO interaction might not be a good fit either.

Ideally, and organization would have a handraiser specific outreach person who does not have PGO quotas.



How do organizations currently value handraisers? (they don't)

We interviewed a number of planned giving professionals for this talk, ranging from PGO to ED to consultant. None put a monetary value on handraisers, but most had identified this as an issue they had considered before we spoke.

Development professionals have a pipeline of confirmed gifts.

We call these Gifts Under Management.

They are not yet realized and have real management costs and responsibilities. Donors must receive gratitude and continued stewardship. Many desire a continued relationship with the organization until death. Worst of all, donors change their minds and the gift can disappear (not always due to mismanagement).





A legacy donor who is ignored
may drop the gift from their plan.
The same thing will happen with
handraisers.



Organizations may be improperly incentivizing PGOs to continue these relationships with confirmed donors and handraisers. With a new quota next year, there may little incentive to advance the relationship.



Planned Giving is underfunded in general. So the case must be made to fund handraiser conversion, but organizations are not good at assigning value to this pipeline.

Our solution:

A framework for how to understand
the monetary value of your
handraiser pipeline

-Rooted in scientific and mathematical principles

This is not a one-size-fits-all solution

→ Every organization is different

Different donor affinities, different types of engagement, changing political climates, unforeseen events, are just some of many examples of things that can throw predictions off.

→ Accurately predicting the future is difficult

That's why we use past performance as an indicator of future probability without declaring definitively how things turn out

Assumption #1:

A certain percentage of handraisers will convert to planned gifts each year.

- Some of these will be reported.
- Some of these will be unreported.

We've interviewed a number of organizations about the number of handraisers that convert each year—that number varies greatly, but an acceptable average might be 3%.

(This is a conservative estimate based on the fact that no organization interviewed had visibility into greater than 50% of their gifts at the time they were received)

Assumption #2: Attrition

A certain percentage of handraisers will change their mind about their interest in leaving a gift each year. This is opaque of course, as a handraiser would almost never alert the organization about this change. For the purposes of formula, we will conservatively assume 1% of handraisers change their mind in any given year.



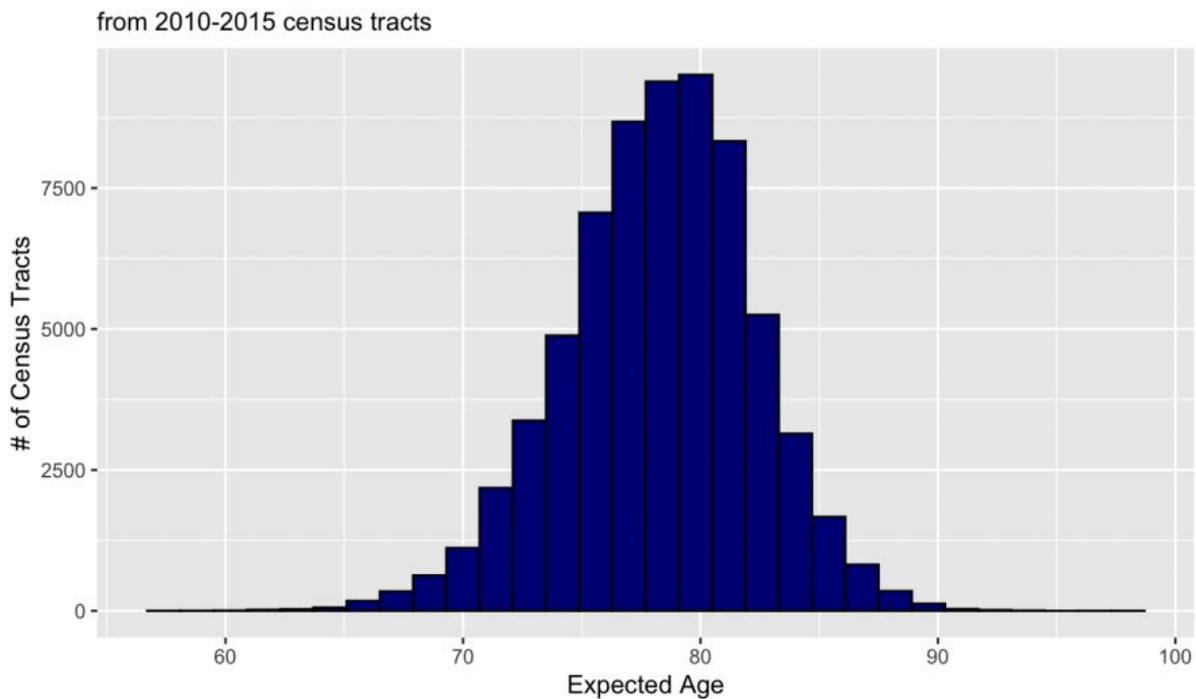
Assumption #3: Average Gift Size

Once again, average gift sizes vary widely from organization to organization. Many cause related charities average 40-50k per gift, while many higher education institutions average closer to 100k, some organizations have a much higher average than this.

For the purposes of this exercise, we will assume that the average gift is 50k, which should be a conservative estimate.



Life Expectancy in the U.S.



Assumption #4: Average time someone will remain a handraiser

- Average life expectancy in the U.S. currently = 79
- Average age a donor first raises their hand = 55 (plug your own number in here–this varies)
- So the average handraiser will be a handraiser (before factoring in attrition) for 24 years if they never create a gift



How we value gifts now

Take the average value of last years realized planned gift.

Apply that number to this years unknown gift commitments.

Put those gifts in the pipeline of gifts under management, with continued stewardship and cultivation of major gifts.

Audience poll

1. How many handraisers do you currently have in your pipeline
 - a. <100
 - b. <1000
 - c. <10000
 - d. >10000
2. What is the average age of handraisers in your pipeline
3. What is the average gift amount your organization receives by bequest
4. What is your average cost to acquire a bequest gift

slido

Participants can vote
at slido.com with
#7937457

slido



How many handraisers do you currently have in your pipeline

① Start presenting to display the poll results on this slide.

slido



What is the average age of handraisers in your pipeline

① Start presenting to display the poll results on this slide.

slido



What is the average gift amount your organization receives by bequest

① Start presenting to display the poll results on this slide.

Based on how we value gifts now, we can create an algebraic equation to determine the value of a handraiser today.

(Years until gifts realize(average)) X annual conversion rate of handraisers/years until gifts realize X annual attrition of handraisers X annual gift average



*Expected Value of Handraiser = P[Gift Committed this Year] * P[Retention over Y Years] * Gift Amount*

- P[Gift Committed this Year] = 0.3 = 3%
- P[Retention over Y Years] = $(1 - \text{Attrition Rate})^Y = (1 - .01)^{23} = 0.7936 = 79.36\%$ chance Handraiser is not lost to attrition before death
 - This statistic calculates the probability that the Handraiser will change their mind about leaving a gift
- Y = Years until gift realization = 23
 - In this example, Y = 23 years.

A Calculator for Valuing Handraisers

www.givingdocs.com/handraiservalue

VALUE OF YOUR HANDRAISERS

A framework for how to understand the monetary value of your fundraiser pipeline - rooted in scientific and mathematical principles.

Handraiser Age [?]

55

Conversion Rate [?]

3 %

Attrition Rate [?]

1 %

Gift Amount [?]

\$100,000

Acquisition Cost [?]

\$100

Life Expectancy Estimate [?]

79

Result

Your fundraisers are **78.57%** likely to stay engaged with your organization over their lifetime.

Handraiser Value

\$2,257*

Considerations with the calculator

- Are we using the right number for number for gift valuation? Should it be PVFB?
- May need another line for post-acquisition costs
- Most organizations just don't have good data for determining the assumptions to input

Takeaway 1: Handraisers have a real value to the organization that is often going unrecognized.

Takeaway 2: How those handraisers are valued will be vary greatly from organization to organization..

Takeaway 3: This valuation should be factored into the overall GUM of the organization, and fundraisers should get credit for this pipeline.

**Identifying, Cultivating &
Getting Prospects to Raise
Their Hands**

Develops
connection to
organization

Identified as a
legacy prospect



Notifies
organization
of legacy gift



Donor Journey....



Legacy Giving Donor Journey



Considering

Introduced to planned giving

Supports mission

Feels connected & appreciated

Reflects on finances & plans

Acting

Considers values & legacy

Decides to make gift

Assembles team

Weighs priorities

Researches options

Arranges gift

Deciding

Notifies nonprofit of legacy gift

Integrates nonprofit w/identity

Discovering

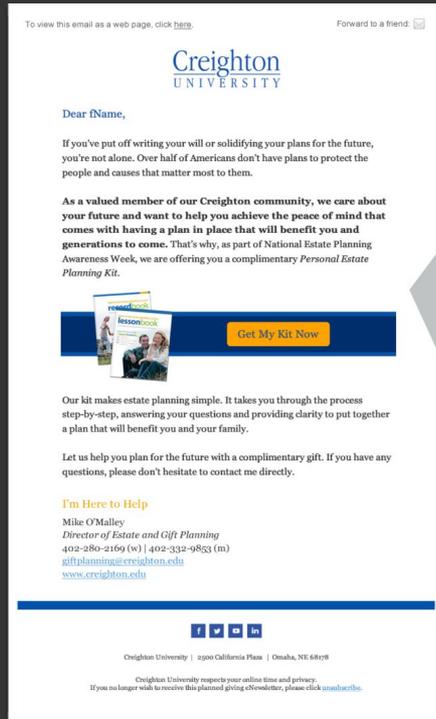
Deepens engagement

Receives thank-yous & impact

Supporting



Prompting Donors to Action



If you've put off writing your will or solidifying your plans for the future, you're not alone. Over half of Americans don't have plans to protect the people and causes that matter most to them.

As a valued member of our Creighton community, we care about your future and want to help you achieve the peace of mind that comes with having a plan in place that will benefit you and generations to come. That's why, as part of National Estate Planning Awareness Week, we are offering you a complimentary *Personal Estate Planning Kit*.



Our kit makes estate planning simple. It takes you through the process step-by-step, answering your questions and providing clarity to put together a plan that will benefit you and your family.



[Giving](#) / [Planned Giving](#) / Thank You for Your Generosity

Thank You for Your Generosity

If you have already made a gift to Presentation College, please let us know. We would like to thank you and welcome you into our legacy society. By letting us know, we can ensure that we fulfill your gift exactly as you intended. Please complete the form below or contact us at (605)229-8585 to let us know.

Information you share will be kept confidential and we respect any desire to remain anonymous.

First Name

Last Name

Email Address

I'm not a robot



Submit

10. Many people like to leave one or more gifts to charity in their will. If you were to sign a will in the next six months, how likely would you be to include a gift to the Minnesota Orchestra?

1. I already have

2. Very likely

3. Likely

4. Undecided

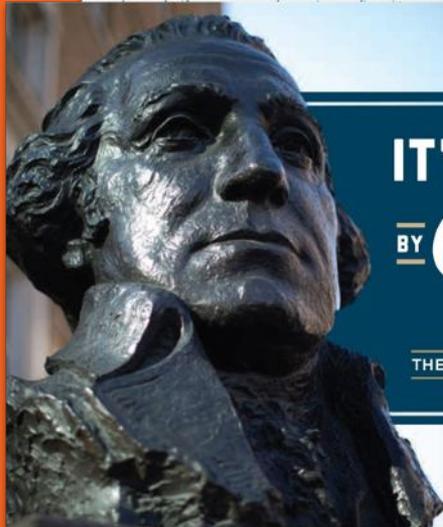
5. Unlikely

6. Very unlikely

THE 2019 GW LEGACY CHALLENGE

Make AN IMPACT TODAY AND TOMORROW

If you've included the George Washington University in your estate plan and haven't told us, we'd love to hear from you! This year, when you notify us of your

IT'S A MATCH, BY George!

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Your Best Giving Year



THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC



JOIN US

100 YEARS IS JUST THE BEGINNING

al, longtime donor and
d a \$500,000 legacy gift
ed this bold idea:

CY
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2018
IT
O
O
ft

From right: Peggy
Light, with fellow
League Councilor
Christa Lyons and
Martha Helms

OUR CENTENNIAL VISION

Save the Redwoods League envisions vibrant redwood forests of the scale and grandeur that once graced the California coast and the Sierra Nevada, protected forever, restored to grow old again, and connected to people through a network of magnificent parks and protected areas that inspire all of us with the beauty and power of nature.

BE ONE OF THE 100

Join Mike Helms, Peggy Light, and other dedicated legacy donors at the dawn of the League's second century. The favor of your reply is requested by **July 16**.

- I am interested in joining other supporters of the redwood forests by becoming a member of the Redwood Legacy Circle.** Please contact me with more details about how I can support the forests' future with a planned gift, and generate \$1,000 today.
- I accept with pleasure.** I have already included Save the Redwoods League in my estate plan, but have not previously informed you. Please contact me so that I can officially be counted among the 100, and generate \$1,000 for the League today!

Name (Please print.)

Address

City, State ZIP

Telephone

Email

We respect your privacy. Information collected here will not be shared outside of our organization.



With

Need Another Reason

When you join the Pierre Monteux Society in a drawing to win two seats to a special concert in the Grand Concourse Room followed by MTT conducting a concert of the 2014-15 season on Saturday, October 11, 2014 at 8:00 PM.

FAST FEEDBACK

Please complete and return today. Thank you!

I have included the Symphony as a beneficiary in my will or other estate plans and am interested in being included in the 70@70 Bequest Campaign.

YES NOT AT THIS TIME

I am interested in learning more about including the San Francisco Symphony as a beneficiary in my estate plans.

I would like to receive a copy of the FREE brochure *Your Personal Guide to Gift Planning*.

I have enclosed \$_____ to support the Symphony today.

THANK YOU
for supporting symphonic music in the Bay Area!

Name—Please print.

Telephone **Email**

Address

City, State ZIP

We respect your privacy! Information collected here will be kept strictly confidential. It will not be sold, rented, loaned or otherwise disclosed, and it will not be used in ways to which you have not consented.

Give Forward to Future Audiences With a Special 70th Birthday Gift to MTT and the Symphony

You can create your lasting impact on the Symphony as a participant in our 70@70 Bequest Campaign. It's a simple and powerful way to perpetuate your special connection to the Symphony and provide treasured musical experiences to future audiences and students.

- **Name the Symphony as a beneficiary** for any amount in a will, trust, IRA, financial account or insurance policy. This costs you nothing in your lifetime, you control your assets and you can modify your gift if your circumstances change.
- **Increase retirement income** by converting appreciated assets or assets with low interest rates into a life income plan. Receive payments for life and tax benefits. What remains in the plan will be directed to future strategic initiatives that bring music to others.

In this milestone season of MTT's 70th birthday, the Pierre Monteux Society aims to add 70 new legacy gifts in recognition of the Symphony and Michael Tilson Thomas' contribution to cultural life in the Bay Area.

This is not intended as legal or tax advice. Please consult your legal and tax advisors. Individual state law may impact your results.



Thank You!

We look forward to creating a partnership with you that continues bringing classical music to the Bay Area.

ON?
P.
re JD
aning
ny.org



SFSYMPHONY.PLANMYGIFT.ORG



Your legacy belongs here

"Adelphi—this institution and this community—has made an indelible mark on me. It is my honor to include Adelphi in my estate plans and to give back to the University that has given so much to me. I hope you will join me as a member of the Ruth S. Harley Society."



—DR. ROBERT A. SCOTT
President of Adelphi University
Member of the Ruth S. Harley Society since 2005

JOIN PRESIDENT SCOTT AND OTHER SUPPORTERS
IN SHAPING THE FUTURE OF ADELPHI

Stand with us to provide quality undergraduate education for years to come. By making a gift, you join a group of supporters who are committed to the future of Adelphi. We call this inspirational group of supporters the Ruth S. Harley Society.

Ruth S. Harley SOCIETY

June 2015

Dear Friend,

Over the course of my last and 15th year as president, I have been giving thought to the legacy I will leave at Adelphi. It is my honor to include Adelphi in my estate plans, and to give back to the University that has given so much to me. Have you thought about the legacy you might leave at Adelphi?

If you had a professor at Adelphi during your career, your legacy belongs here.

If you received a generous scholarship or an Adelphi degree, your legacy belongs here.

If you boldly and proudly represented Adelphi on the sidelines for the Panthers, your legacy belongs here.

If you were a student leader who inspired others in a club or organization that broadened your horizons, your legacy belongs here.

If you found your passion at Adelphi, your legacy belongs here.

When you reflect on your years at Adelphi, the experiences you enjoyed, and the people you met, your legacy belongs here.

Today I ask you to join me as a member of the Ruth S. Harley Society.

Your legacy belongs here.

Sincerely,

Dr. Robert A. Scott
President of Adelphi University
Member of the Ruth S. Harley Society since 2005

Define Your Legacy
ADELPHI UNIVERSITY

One South Avenue | P.O. Box 701 | Garden City, NY 11530-0701
p 516.877.3250 | f 516.877.6890 | adelphi.edu/giving

Ruth S. Harley SOCIETY

YOU ARE CORDIALLY INVITED TO JOIN DR. ROBERT A. SCOTT BY ENROLLING AS A MEMBER OF THE RUTH S. HARLEY SOCIETY FOR PLANNED GIVING. THE FAVOR OF YOUR REPLY IS REQUESTED BEFORE JUNE 29, 2015.

Accepts with pleasure. Please have a University representative contact me about joining the Ruth S. Harley Society for planned giving.

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

EMAIL _____

TELEPHONE _____

I have already included Adelphi University in my estate plans. Please have a University representative contact me to officially enroll in the Ruth S. Harley Society for planned giving.

Declines with regrets.

We respect your privacy! Information collected here will be kept strictly confidential. It will not be sold, rented, loaned or otherwise disclosed, and it will not be used in ways to which you have not consented.

Give Them Options



Give Them Options

MAYO CLINIC UCDAVIS Giving

WAYS TO GIVE AREAS TO SUPPORT IMPACTS OF GIVING

Planned Giving

Home > Planned Giving > Make a Gift Tax-Free With An IRA

Planned Giving

- Popular Gifts
- Income Gifts
- Smart Ways to Give
- More Resources

Giving to Mayo Clinic

Donor Advised Fund

Harness the Power of a Donor Advised Fund to Simplify Private Foundation Complexity

A donor advised fund (DAF) is an irrevocable gift to Mayo Clinic of at least \$100,000 will create a Donor Advised Fund. You advise the distribution of the fund.

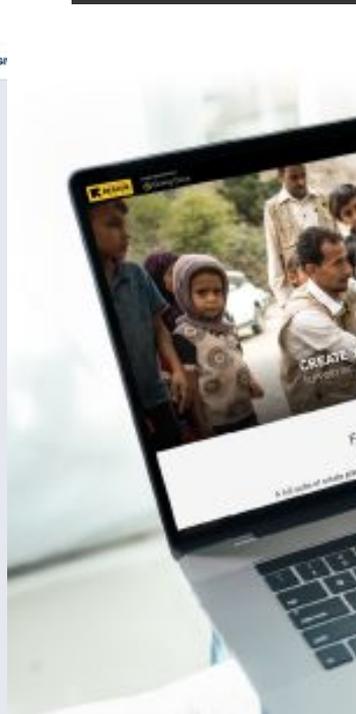
By creating a donor advised fund:

- Make contributions at a time and amount you choose, invested by Mayo Clinic
- Propose when the distribution of Mayo Clinic or other charities
- Receive an income tax deduction for the amount you contribute to the donor advised fund, which reduces your gross taxable income, eliminates capital gains tax on appreciated assets, and eliminates the need to pay gift tax on appreciated assets.

Your major benefits include:

- Convenience and timing:** when you make a gift, you have the flexibility to choose how much to give to Mayo Clinic or other charities
- Simplicity:** Mayo Clinic means we will maintain the fund and send you detailed information
- Expertise:** Mayo Clinic means we will make sure you are maximizing your gift
- Family philanthropy:** you can create a family giving tradition

Frequently Asked Questions



Loyola Blakefield
Jesuit Education Since 1852

CALENDAR NEWS ALUMNI PARENTS STUDENTS

PLANNED GIVING HOME POPULAR WAYS TO GIVE INCOME GIFTS MORE WAYS TO GIVE RESOURCES

GIVING / PLANNED GIVING / GIFT IN WILL OR LIVING TRUST

WILLS AND LIVING TRUSTS

DEEPEN YOUR CONNECTIONS

You want to leave money to Loyola Blakefield in your will. You also want the flexibility to change your will in the event that life circumstances change. You can do both.

In as little as one sentence, you can complete your gift. This type of donation to Loyola Blakefield in your will or living trust helps ensure that we continue our mission for years to come.

MAKE A GIFT

NEXT STEPS

- Contact Adam Trice at 443.841.3606 or atrice@loyolablakefield.org for additional information on bequests or to chat more about the different options for including Loyola Blakefield in your will or estate plan.
- Seek the advice of your financial or legal advisor.
- If you include Loyola Blakefield in your plans, please use our legal name and federal tax ID.

Legal Name: Loyola High School of Baltimore, Inc.
Address: PO Box 6819, Towson, MD 21285-6819
Federal Tax ID Number: 52-0704627

Charitable Bequest
a gift from your will or trust

0:00

**Understand the Donor
Journey**

Be Creative

Provide Options

Recap

**Challenges &
Opportunities**

**Calculating the
Value of a
Handraiser**

**Creative Ways to Get
Donors to Raise
Their Hands**

Thank you!



Giving Docs

+



STELTER