

FRIEND RAISING: BUILDING SUPPORT THAT LASTS

NAD Planned Giving and Trust Services
Conference

August 7, 2019





45 Hospitals

15 Skilled Nursing Facilities

36 Urgent Care Locations

80,000 Employees

8,200 Licensed beds

9 States

5,000,000 Patients Annually





- ▶ AdventHealth Orlando has been recognized as the No. 1 hospital in Florida and the top in Orlando by U.S. News & World Report, which released its 2019-20 Best Hospitals ratings today.
- ▶

The Whole Story

U.S. News & World Report names AdventHealth Orlando No. 1 hospital in Florida

SEVEN OF ADVENTHEALTH'S SPECIALTY PROGRAMS — INCLUDING DIABETES; GASTROENTEROLOGY, GYNECOLOGY; UROLOGY AND NEUROSURGERY — RANKED AMONG THE NATION'S BEST, AND THE HOSPITAL WAS RANKED NO. 1 IN ORLANDO FOR THE 19TH CONSECUTIVE YEAR.

The goal of this presentation is to explore best practices in development and to consider some case studies of how these best practices have been applied to secure significant gifts and create great long-lasting relationships for our organization.

PRESENTATION GOAL

- ▶ Pennsylvania Conference – introduced to Crescendo Software – Determined to learn about CRT's
- ▶ Central California Conference – Learned to appreciate the word Irrevocable
- ▶ Southern Union Conference – Realized how much I did not know
- ▶ Florida Hospital Foundation – Learning how valuable a long term relationship is relative to philanthropy

BRIEF BACKGROUND

- ▶ You are over worked and under staffed
- ▶ Administrators do not always recognize the value of Planned Giving
- ▶ Planned Gift Maturity take an average of 16 years
- ▶ Being a Fiduciary takes a lot of time and energy
- ▶ Some wills and revocable living trusts run out of money
- ▶ Pastors and administrators are more interested in Tithe and Offerings and may see planned giving as a threat
- ▶ You may not be included in the Visioning for your organization
- ▶ You do not get a lot of opportunities to do strategic gift planning
- ▶ Your constituency knows little about what you offer as a benefit
- ▶ You may not use a moves management program

WHAT I THINK I KNOW

- ▶ Local Community Hospital
- ▶ Great Reputation
- ▶ Many Vision Opportunities to Gift to
- ▶ Strong Business Relationships
- ▶ Professional Advisory Network
- ▶ Great Support Team
- ▶ Administrative Support – Culture of Philanthropy
- ▶ Vision
- ▶ Experience
- ▶ Trust
- ▶ Core Process – Moves Management

WHY WHAT I DO WORKS FOR ME



- ▶ Matthew 6:19-21 The Amplified Bible
- ▶ Do not store up for yourselves (material) treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where neither moth nor rust destroys, and where thieves do not break in and steal; **for where your treasure is, there your heart** (your wishes, your desires; that on which your life centers) **will be also.**

FUNDRAISING VS MINISTRY

- ▶ CGA Annuitant – Successful business
- ▶ Very unhappy and angry with the world
- ▶ Interest in helping student nurses
- ▶ Lover of dogs – not people
- ▶ No religious background
- ▶ 13 year experience
- ▶ Now writing the Bible for Dummies – Richard's Version
- ▶ New CGA each year

STORY OF MY FRIEND RICHARD

- ▶ Tax benefits
- ▶ Believe in the mission
- ▶ Personal satisfaction
- ▶ Gift can make a difference
- ▶ Same causes year after year

GIVING MOTIVATION

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Motivation:

- ▶ Believe in the mission 54%
- ▶ Gift can make a difference 42%
- ▶ Same causes year after year 34%
- ▶ Personal satisfaction 32%
- ▶ Tax benefits 17% - always motivated – 51% Sometimes motivated their giving
- ▶ <https://www.privatebank.bankofamerica.com/articles/2018-us-trust-study-of-high-net-worth-philanthropy.html>

2018 U.S. TRUST STUDY OF HIGH NET WORTH PHILANTHROPY

Challenges:

- ▶ Identifying what I care about and deciding what to donate to 45%
- ▶ Understanding how much I can afford to give 37%
- ▶ Allocating more time to volunteer/engage with organizations 30%
- ▶ Monitoring giving for intended impact 30%
- ▶ Structuring tax-efficient charitable gifts 16%
- ▶ Managing giving with someone else (spouse, family) 13%
- ▶ Finding an advisor who understands personal goals and priorities 4%

2018 U.S. TRUST STUDY OF HIGH NET WORTH PHILANTHROPY

- ▶ **Donor Base** Grateful Patients/Community Leaders/Professional Advisors
- ▶ **Mission** Extending the Healing Ministry of Christ
- ▶ **Vision** Improve healthcare in our community/Destination Hospital
- ▶ **Beneficiaries** Campuses and institutes
- ▶ **Case for Support** Developed with Administrators of Beneficiaries (Elevator Speech)

STRATEGY

▶ Extending the Healing Ministry of Christ

IT IS ALL ABOUT OUR MISSION

- ▶ Children's Hospital – Walt Disney Pavilion – Bone Marrow Transplant
- ▶ Cardio Vascular Institute – Nation's Heart Hospital
- ▶ Cancer Institute – Currently seeking NCI designation
- ▶ Translational Institute for Metabolism and Diabetes – Research around Type I Diabetes (juvenile diabetes)
- ▶ Genomics Institute – WholeMe Program
- ▶ AdventHealth University - Scholarships

ADVENTHEALTH CENTRAL FLORIDA

- ▶ **Identify** - Get acquainted, Disclose intent, Explore areas of interest
Investigate capacity, propensity & immediacy
- ▶ **Engage** - Determine interest in case, Qualify potential giving level
Enlist prospect in process
- ▶ **Cultivate** - Educate the prospect, Engender commitment, Confirm
potential giving level, Create multiple Maven relationships
- ▶ **Solicit** - Successful close, Long-term relationship
- ▶ **Steward** – Report on project, Recognition, Involve

CORE PROCESS

Planned Giving

- ▶ Annual Goal \$4.5M
- ▶ 160-240 Face To Face Visits
- ▶ 2-24 Solicitations (\$10K and up)
- ▶ 4-8 Planned Giving Seminars
- ▶ 32-48 Identify Visits

ACCOUNTABILITIES

- ▶ The Mission Statement concentrates on the present; it defines the customer(s), critical processes and it informs you about the desired level of performance.
- ▶ The Vision Statement focuses on the future; it is a source of inspiration and motivation.

MISSION/VISION



▶ Tony & Sonja

VISION – NEW PATIENT TOWER

A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom right towards the top right, set against a blue gradient background.



NICHOLSON PAVILION

- ▶ Winter Park Patient Pavilion - \$5.5M
- ▶ Time Line January 2016 – October 2016
- ▶ Identified Interest and recognition
- ▶ Donor identifies capacity – Estate asset mix and intent for heirs
- ▶ Suggested Charitable Lead Trust
 - ▶ Advisor does not agree – based on his clients' investment strategy
 - ▶ Financial Advisor suggested 50% property and 50% estate
- ▶ Final Gift Makeup:
 - ▶ \$800K Cash over 10 years
 - ▶ \$1.2 Sunshine Property
 - ▶ \$3.5M Estate Irrevocable

NICHOLSON PAVILION BLENDED GIFT

▶ Wayne Densch Center

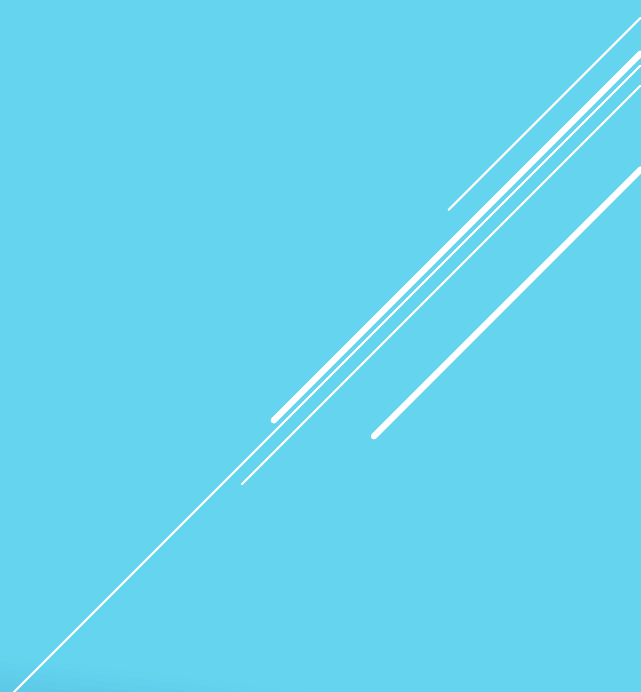
VISION – HOMES FOR THE HOMELESS

A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom right towards the top right, set against a light blue background.





WAYNE DENSCH CENTER



BLENDED GIFTS – A NEW LOOK AT STEWARDSHIP

Creating a deeper relationship

Multiple Choice:

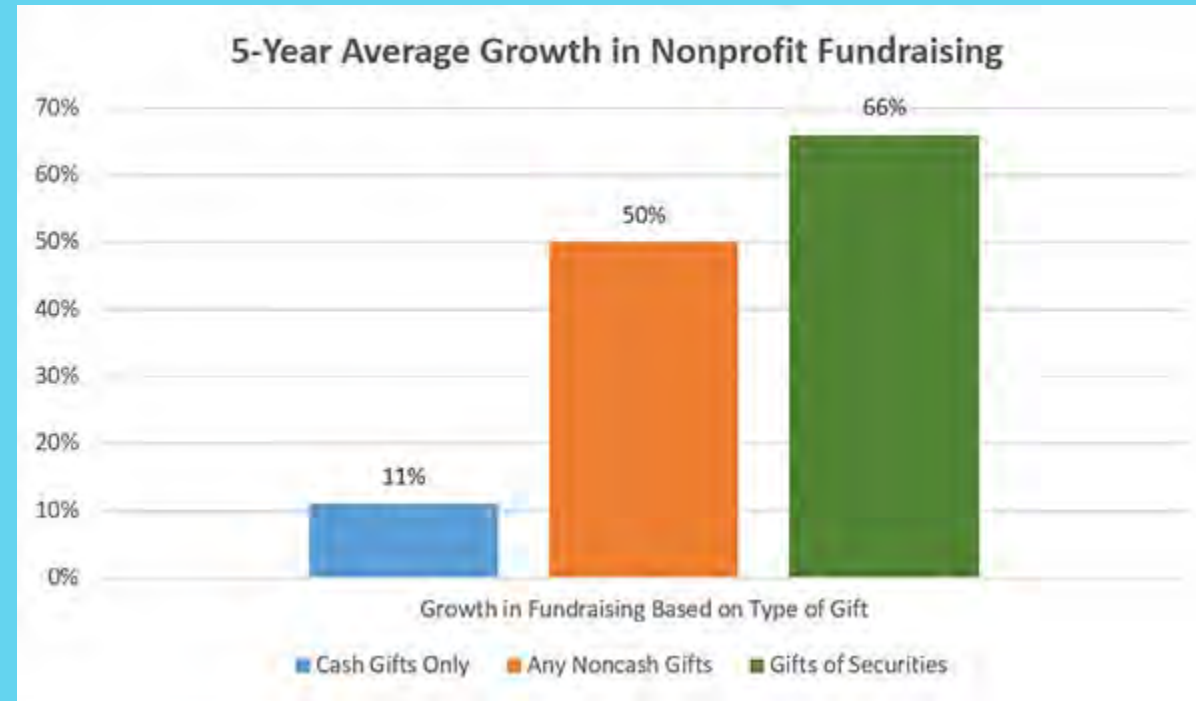
- ▶ According to the planned giving industry the 5-year average growth in non-profit fundraising based on type of gift is:
 - ▶ A) cash gifts 66%, any non-cash gifts 11%, gift of securities 50%
 - ▶ B) cash gifts 50%, any non-cash gifts 66%. gifts of securities 11%
 - ▶ C) cash gifts 11%, any non-cash gifts 50%, gifts of securities 66%

FIVE YEAR AVERAGE GROWTH IN NON-PROFIT FUNDRAISING

- ▶ “Cash is King” – Cash is Not King in Fundraising

Source: Russell James, "Cash Is Not King for Fundraising: Gifts of Noncash Assets Predict Contributions"

- ▶ It is well known in the planned giving industry that programs which effectively solicit noncash assets - especially stocks - tend to do better than planned giving programs that rely on cash gifts. That's because most wealth is held in noncash assets.



ADJUSTING TO CHANGE

- ▶ Baby Boom Cohort – 1946-1964
- ▶ Now age 55-73
- ▶ Most significant charitable gifts are planned and implemented around age 55 and older,

BABY BOOMER BOOM!

- ▶ Baby Boomers married later
- ▶ Facing unprecedented periods of retirement
 - ▶ 32% of Americans 65-69 are still employed
 - ▶ 19% of 70-74 year-olds are still working
- ▶ In many cases responsible for economic well being of aging parents
 - ▶ And in some cases middle aged children and grandchildren
- ▶ **More inclined to make larger charitable gifts differently from previous generations**

BOOMERS

- ▶ Have we done our research
- ▶ Have we gone through an IDENTIFY process
- ▶ Have we ENGAGED our donor to the mission
- ▶ Have we CULTIVATED the relationship to a point of TRUST
- ▶ Do we have PERMISSION from the donor to SOLICIT

DO WE HAVE A RELATIONSHIP?

- ▶ Family – Children, Grandchildren, Special Needs, Other Heirs
- ▶ Charity – Who are they currently supporting
- ▶ Advisors – Attorney, CPA, Financial Advisor
- ▶ Assets – What makes up the Taxable Estate
 - ▶ How are Assets Owned
 - ▶ Where are Assets Located
- ▶ Goals – Lifetime and End-of-Life
- ▶ Legacy Intent - Recognition

ARE WE ASKING THE RIGHT QUESTIONS?

- ▶ IRA Charitable Roll Over – RMD
- ▶ Charitable Gift Annuity
- ▶ Donor Advised Fund
- ▶ Gift of Stock
- ▶ Revocable Investment Account – WAF and It Is Written

EASY TO ASK FOR GIFTS

Grateful Patient

- ▶ Joe and Karen
 - ▶ Joe and Karen both age 72
 - ▶ Current Adjusted Gross Income is over \$150K –
 - ▶ Own \$2M in their retirement accounts
 - ▶ Desire to make a significant gift at second to die
 - ▶ Not interested in changing lifestyle
 - ▶ Chose not to have children

CASE STUDY

- ▶ Decided to make an annual gift from their RMD
- ▶ Made AdventHealth Cancer Institute beneficiary of retirement accounts

STRUCTURED BLENDED GIFT

- ▶ Kidney and Heart Transplant
- ▶ In New York – Mount Sinai
- ▶ Referred to AdventHealth Orlando
- ▶ One year recovering
- ▶ \$10M Gift for Transplant

GRATEFUL PATIENT



- ▶ TrueSense Marketing 10/26/2017
- ▶ <https://www.truesense.com/blog/13-fundraising-trends-fundraising-best-practices-2018>

THE TOP 13 FUNDRAISING BEST PRACTICES AND NEW TRENDS IN 2018

- ▶ As email open rates decline and email service providers (ESPs) update their algorithms that impact your message's ability to hit the inbox, look at engaging your donors with email less as a direct response strategy and more as a long-term relationship building and content strategy. If you were the donor and engaging with your nonprofit, what would make you want to consistently open your emails? Hint: It's not by asking for money in every email.
— Jeremy Haselwood, Senior Director of Digital Strategy

E-MAIL

- ▶ You know who doesn't care about the giving pyramid? The donor. "If I make this additional gift before year end, I move up the pyramid!" is not the way donors think.
— Jay Finney, Vice President

GIVING PYRAMID

- ▶ Figure out where you want to be in terms of measurable development objectives five years from now (i.e., 2023), and let those Key Performance Indicators (KPIs) drive the objectives for 2018.
— Jeff Nickel, Senior Vice President Client Development

MEASURABLE DEVELOPMENT OBJECTIVES

- ▶ The fundraisers having the most success today are those who can — in the midst of many loud voices — focus on the quiet truth that donors want to experience the joy of giving. The shorter the emotional distance from the donor's hand to the hand in need, the greater the joy. Use all the means you have available to make the impact feel that close!
— Marcy Auman, Senior Vice President

JOY OF GIVING

- ▶ Video is clearly the future of content marketing, accounting for 69% of all consumer internet traffic this year alone with impressive growth predicted over the next few years. According to Cisco, by 2019 video content will be responsible for 85% of ALL U.S. internet traffic. To put that in perspective, “monthly internet traffic in North America will generate 11 billion DVDs’ worth of traffic.” Video marketing is a way to create content that is personal with a human touch, simple to digest with a true impact on the audience, and easy to promote across multiple digital channels.
— Natasha Cygnarowicz, Vice President of Digital Operations

VIDEO

- ▶ Set aside time to interview program staff to learn more about your organization's programs. A deeper knowledge of your charity's impact can align your donor communication with the direct impact of their giving. For example, some services might be seasonal, and fundraising appeals can be scheduled to align with the actual needs on the ground. You can also compare your program notes against campaign reports and donor survey results to identify the best alignment with different audiences and fundraising methods. Your time learning about and supporting your programs will also bring a greater authenticity and passion to your interactions with donors.
— Paul Hebblethwaite, Senior Director

VISION

- ▶ Resolve to call a donor every day of the week, just to say “thank you” for their support.
— Jeff Nickel, Senior Vice President Client Development

SAY THANK YOU

- ▶ Make messaging to your donors conversational and authentic. Write how you speak. Which is sometimes in short or one-word sentences. Like this one. See?
— Jennifer Miller, Creative Director

MESSAGING

- ▶ There is always an ongoing need to look at an organization's data-hygiene rules. A nonprofit should be reviewing their data business rules at least once a year, preferably twice a year or more. They should look at their rules for No Mail, Deceased, and Inactive donors, comparing counts for each of these groups every six months. If these numbers increase significantly from the previous six months, was there an error in a large number of donors being flagged inadvertently? The database is the brain of direct marketing. Your direct marketing program will most oftentimes be successful if your data is clean and current, and your segmentation is accurate.
— Kerri O'Neill, Senior Director

DATA MANAGEMENT

- ▶ Motion and video has been a powerful asset for several years in nonprofit online content. Fundraisers should be more aggressively testing the role it plays in their “pushed” digital appeals, as they continue to strengthen the impact of storytelling in their campaigns.
— John Thompson, Chief Creative Officer

STORYTELLING

- ▶ In everything you do, put on your “donor hat.” Are you looking at things from your perspective as a professional fundraiser/marketer? Or as someone who gives to your organization? Remember — they’re two different people!
— Claire Waiksnoris, Business Development Executive

THINK LIKE A DONOR

- ▶ Look at your internal audiences to identify potential direct mail and telephone fundraising donor-conversion test opportunities. People who already know about and have a positive experience with your organization are prime candidates to convert into donors. We find success in mailing and/or phoning audiences such as past patients, pet adopters, and event participants. Sometimes we can successfully accomplish this through regular mailing or phone calls. At other times, additional modeling is required. In all cases, though, once we figure out a strategy that works, the warm prospect pipeline of new donors is a valuable one.
— Jamie Veltri, Vice President of Acquisition and Media

KNOW YOUR PROSPECTS

- ▶ Identify one outrageous goal that can only be achieved when all the stars align correctly. Tell two of your colleagues about it, and enlist their support to help you achieve it!
— Jeff Nickel, Senior Vice President Client Development

DREAM