Discovery: How to Learn About a Donor's Assets

Cathy R. Sheffield, CAP®, CSPG, FCEP, CFRE
Vice President, Thompson & Associates
President, ThinkGiving

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Today we will…

- Explore the soft skills needed to truly get to know a donor
- Review how to approach the discovery process
- Cultivate a set of questions to ***really*** learn about the donor and their assets
- Secure opportunities to follow-up/continue the conversation

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People we work with have a…

- Connection
- Interest/Affinity
- Ability to give

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Types of solicitations

- Transactional/habitual
- Stop and think/emotional
- Transformational/strategic

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When donors think about making gifts…

- What is my financial position?
- If I make a gift will I have enough to leave to my heirs?
- Do I want to consider making a gift to charity via my estate?

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Legacy & wealth transfer conversations

- HNW donors are increasingly seeking advice when it comes to transferring their wealth.
- HNW families are having open communication about wealth and values.
- Reframe our "planned giving" conversations to "legacy" and "wealth transfer" conversations.

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Legacy: Conversations About Wealth Transfer. Northern Trust. 2008
US Trust Bank of America/Lilly Family School of Philanthropy. 2008 Study of HNW Donors

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It is all about the questions!

- People love to talk about themselves.
- People crave to be understood and known.
- Demonstrate you are listening.
- Q's about motivation reveals values.
- Help donors come to their own conclusion.
- Q's are almost always better than prospect research.
- "Why" and "What" = happy donors and better gifts.

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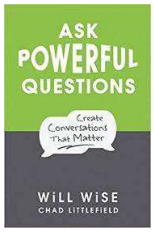
How to approach discovery

- Talk 25%
- Listen 75%
- Find a topic of interest to the donor

Not in your handout!

Replace "small talk" with conversations that matter:

- Clear intention
- Be present
- Be open
- Reflectively listen
- Connect with empathy



Ask Powerful Questions, Wise & Littlefield. 2017

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Discovery soft skills

- Be positive/energetic
- Smile
- Eye contact
- Express empathy and sincere interest
- Offer genuine compliments
- Start small and build to larger topics
- Let the relationship evolve naturally

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What about sensitive Q's

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Ask permission to ask sensitive Q's

Do you mind if I ask you a question?

I'd love to know you better and learn more about you and your interests.

Would you mind telling me about the causes most important to you?

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What Q's are off limits?

- AVOID
  - Yes/No questions.
  - Things you/the organization already knows.
  - Religion, politics, and sex…unless it directly relates to your organization.
  - Q's not related to deepening the relationship and unrelated to your mission.
- If you get stuck…remember **H.E.L.P.**

H obbies

E ntertainment

L iterature

P ets

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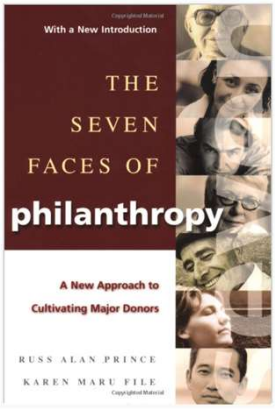
How well do you know why your donors give?

1. Communitarian
2. Devout
3. Investor
4. Socialite
5. Altruist
6. Repayor
7. Dynast



7 Faces of Philanthropy, Russ Alan Prince & Karen Maru File

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Q's to develop deeper relationships

- *What is one thing you want to accomplish in your lifetime?*
- *Tell me about how your childhood. What are some of your first memories?*
- *Who had a deep impact on you personally or professionally?*
- *Would you mind telling me how you became connected to our organization?*
- *Is there a question you wish people would ask you?*
- *What are some of your hopes for our world right now? Do you feel like our mission gives you hope? If so, how?*

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Q's to learn motivation

- *Do you typically give to the same nonprofits each year?*
- *How do you decide which organizations to support?*
- *Do you give anonymously?*
- *What motivates you to continue supporting our organization?*
- *What are you most passionate about? Do we help feed that passion?*
- *How do you think we compare to other organizations with a similar mission?*
- *What was the best gift you have ever received? Best gift you have ever given?*
- *If you were given $1M and HAD to give it away (but not to family or friends)…how would you give away the money?*

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estions come from "Client's Motivations for Estate Planning" by Thomas W. Cullinan

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Q's to define values

- *When you are not working, what do you spend time doing?*
- *What's the most important thing to you?*
- *What has been your life's passion?*
- *How have money and possessions impacted your life?*
- *What is the most important advice you would give to those you love?*
- *Did you receive an inheritance? If so, what did it mean to you?*
- *Do your loved ones know about your charitable interests? Have you shared with them your hope that they, too, are philanthropic with their assets?*
- *Did you know research shows that many heirs are not prepared to handle an inheritance? From our conversations, I know you want to transfer more than assets to your children — you want to transfer your values and beliefs.*
- *Did you know most adults who receive an inheritance save just half, while spending, donating, or losing the rest? Do you feel your heirs are equipped to handle their inheritance?*

1. Philanthropic Planning Companion. Sagrestano & Wahlers. 2012
2. Lost: Are Donors and Their Heirs Ready?, Sheffield, Planned Giving Today, December 2109

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Q's to understand a desired legacy

- *Who or what do you want to impact?*
- *How do you want to instill change?*
- *What will you do/create that will outlive your life?*
- *What will be the results?*
- *What action steps are necessary to make this a reality?*
- *Do your loved ones know about your charitable interests? Have you shared with them your hope that they, too, are philanthropic with their assets?*
- *Did you know research shows that many heirs are not prepared to handle an inheritance? From our conversations, I know you want to transfer more than assets to your children — you want to transfer your values and beliefs.*
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Starting the legacy/wealth transfer conversation

- *Have you involved your kids in the wealth transfer discussion and/or process?*
- *Have you discussed with your children your plans to include charity in your estate plan?*
- *Do you have any advisors you would like for me to meet regarding your philanthropy?*

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Assets to be explored

- Investment portfolios
- Retirement accounts
- Annuities
- Homes (primary & vacation)
- Real estate
- Oil, gas, mineral interests
- Insurance policies
- Business interests
- Intellectual property
- Collections
- Interests in trusts and investment partnerships

What is missing?

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Q's to discover real estate

- *I know you love to travel? Is there a you and your family vacation? Do you have a vacation home in _____?*
- *Your children live out of state. Have you thought about what you will do with commercial real estate you own after you retire? Will your children want to manage it when you can no longer manage it?*
- *Now that the kids are grown, have you considered downsizing/selling your home?*
- *Do you have any properties that you no longer wish to manage or that you might consider selling?*

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Q's to discover qualified plan/IRA assets

- *When some consider making a gift, they don't think about some of the assets in their portfolio that could help.*
- *Since you are single, who have you named to benefit from your IRA (or life insurance) provided by your employer? Did you know you can name us as a partial beneficiary?*
- *Qualified Charitable Distributions….*
  - *Now that you are 70.5 years old, have you considered using your RMD to fund your charitable giving?*

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Q's to discover life insurance

- *Now that your children are grown (or that you are retired), do you have any life insurance policies you no longer need?*
- *Have you ever considered naming a charitable organization as a partial beneficiary of the life insurance provided by your employer? Did you know you can name us as a beneficiary?*

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Q's to discover tangible personal property

- *You have built a wonderful collection of _____. Do your children share your interest?*
- *What a collection of art! Have you thought about what you would like to do with your art when you no longer wish to display it (or when you pass away)?*

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Q's to discover appreciated stock

- *Did you know that if you make a gift of appreciated stock instead of cash, you avoid the capital gain you would recognize on the sale?*
- *Will the upcoming merger of Bank A with Bank B have any tax implications for your stock holdings?*

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Q's to discover business interests, LLCs & partnerships

- *Since your children do not live here and have careers not related to your business, what do you plan to do with your company when you retire?*
- *You have shared with me that you are going to pass the business to your children. Did you know there are some ways you can do so that will actually save you money on the transaction by being charitable?*
- *How is your business structured? Is it difficult to get profits out due to tax concerns? Did you know there might be some charitable solutions to help you solve those problems?*

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Putting it all together

- How do you continue the legacy conversation?
- Keep front and foremost the donor's "what" and "why" in order to get to the "how".
- Always have a reason to follow-up.

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How to secure the follow up meeting?

- Have a next step plan prior to visit (clear action items)
  - Advice visits
  - Introductions to other internal or external stakeholders
- Focus on staying connected
- Don't sound like a salesperson
- Leave them wanting more
  - Schedule next meeting (or timeframe for follow up) before you leave the current
  - You can't push the donor to make a decision – but you can extract something that the client and you can look forward to
  - Don't push – the donor owes you nothing

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What's next?

- Ask how you can help them proceed
- Ask what is the best way to follow up
- Offer to…
  - Send information on ways they can use their assets
  - Meet with one of their advisors
  - Introduce them to advisors if they don't have one
- Be persistent – not annoying
  - Be polite and humble
  - Persistent doesn't mean every day.
  - Ask directly if you should stop reaching out
  - Stand out in a good way
  - Change it up

Remember: If someone does ask you to stop following up, stop.
Until you hear stop, it's your responsibility to keep trying

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Cathy R. Sheffield, CAP®, CSPG, FCEP, CFRE

Thompson & Associates, Vice President
Cathy@ceplan.com

ThinkGiving, President,
Cathy@thinkgiving.com

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