

FREEWILL PARTNER TRAINING

Smart Giving Conversations (103)



Smart Giving Certificate

Our optional certificate program is offered to FreeWill partners at no cost

Complete these requirements to receive a Certificate of Completion and an invitation to add the accomplishment to your LinkedIn profile

- Smart Giving Basics (101)
- Smart Giving Marketing (102)
- Smart Giving Conversations (103)
- Smart Giving Solutions (104)
- Smart Giving Stewardship (105)
- Final online quiz

Eligible for 5.0 CFRE continuing education credits



Agenda

- 01 What the data says about smart giving
- 02 Identifying your best smart gift prospects
- 03 Cues to listen for in conversation
- 04 Introducing smart giving to the donor
- 05 Tips for effective follow up after the visit
- 06 Resources & next steps



01 What the data says



What the data says: Gift officer confidence (DAFs)

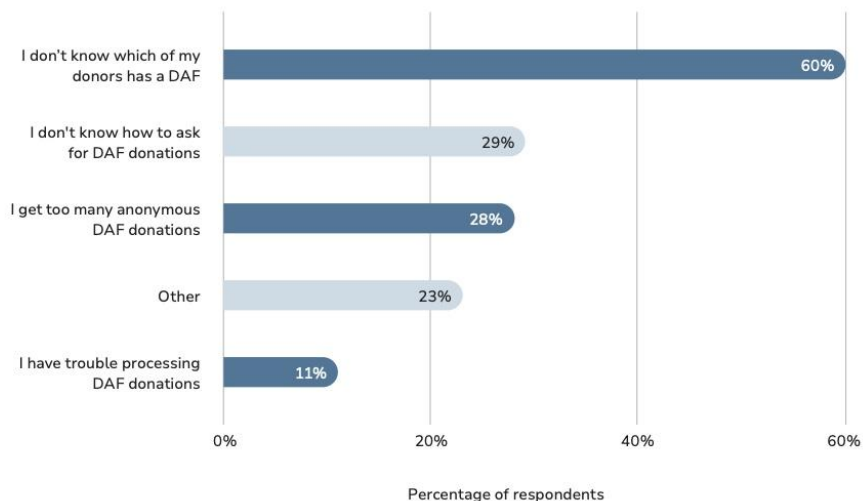
60% of respondents shared that now knowing which of their donors has a DAF is their biggest challenge

This was up from 34% the year before

Many respondents to our DAF Survey also confessed an overall lack of understanding about Donor-Advised Funds

Carving out time to learn more about this giving vehicle can feel like an arduous task

WHAT ARE YOUR BIGGEST CHALLENGES WHEN IT COMES TO DAFs?



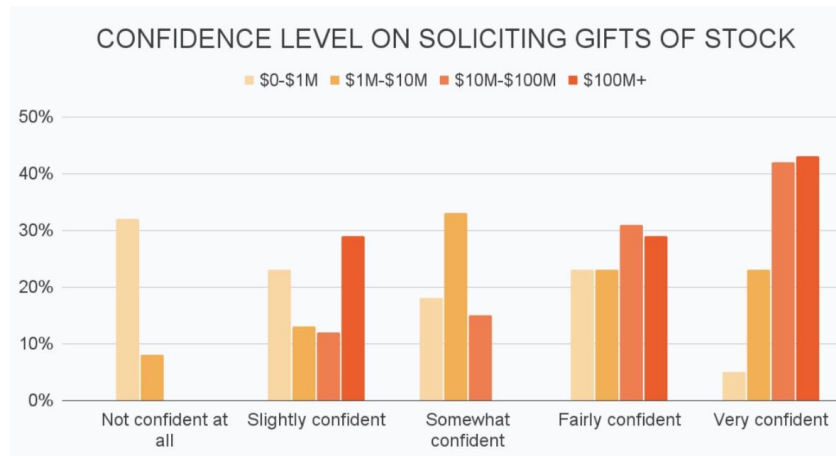
What the data says: Gift officer confidence (stock gifts)

49% of respondents report feeling less than fairly confident in cultivating stock gifts

The smaller the org, the less likely they were to feel confident

A crisis of confidence, lack of training, or under-preparation could derail you and your team

Nonprofits successful with stock giving emphasize the importance of making the ask – actively seeking stock donations from donors has been a pivotal strategy



Ask, multiple times per year, across all channels.

Director of Planned Giving, Human Services nonprofit



Don't be afraid to ask, and be curious.

Development Officer, International Development nonprofit

What the data says: Gift officer confidence (QCDs)

Nonprofit professionals face myriad challenges when it comes to securing more QCDs, including:

- A lack of overall donor awareness
- Poor understanding which donors are eligible
- Reluctance to ask for complex gifts instead of cash
- Not knowing who in the organization is responsible for soliciting these gifts

Those on small fundraising teams feel they lack bandwidth to specialize in complex (and often major) giving methods like QCDs



What the data says:

Importance of promoting smart gifts

60% of survey respondents said they actively promote or solicit DAF grants from donors

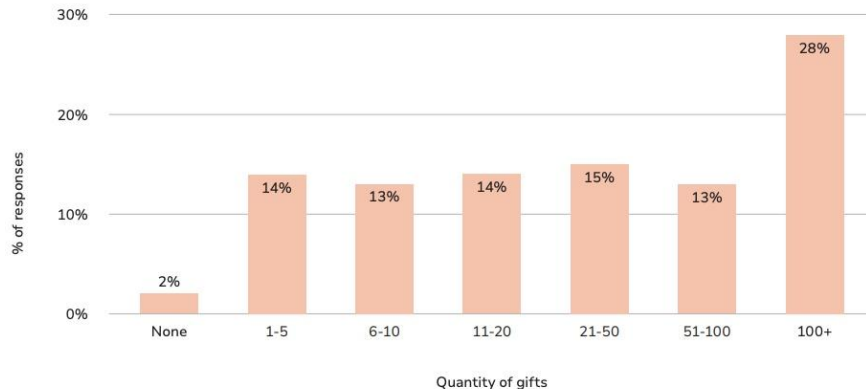
- Up from 46% last year

Of orgs actively promoting or soliciting DAF grants, only 2% reported 0 gifts received

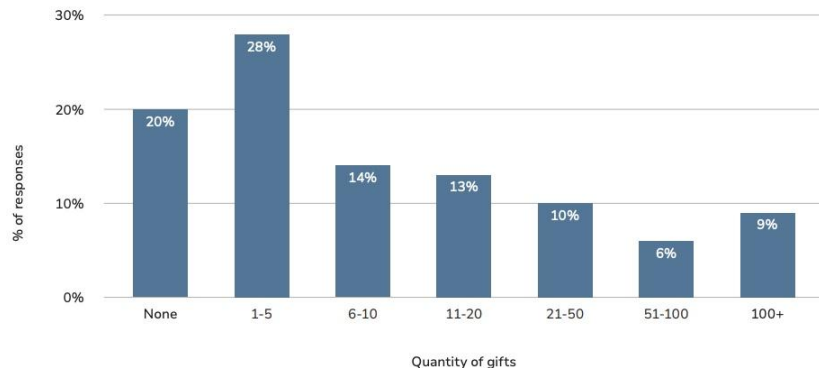
Of orgs not actively promoting or soliciting these gifts, 20% reported 0 gifts received

Note that nearly 50% of orgs not actively promoting DAFs received five or fewer gifts last year

ORGANIZATIONS
ACTIVELY SOLICITING OR
PROMOTING DAF GIFTS



ORGANIZATIONS NOT
ACTIVELY SOLICITING OR
PROMOTING DAF GIFTS



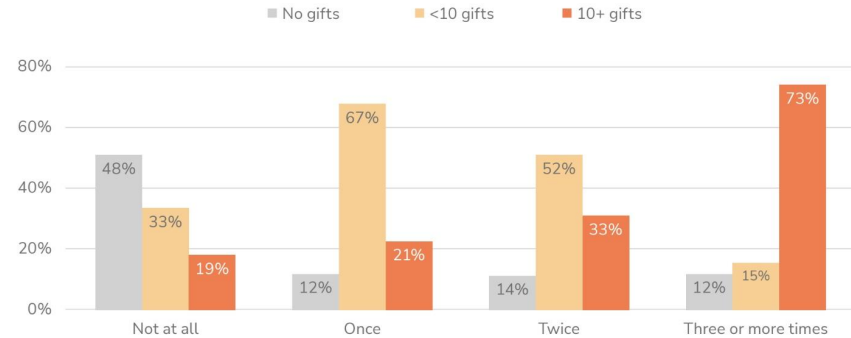
What the data says:

Importance of promoting smart gifts

Nonprofits that marketed QCDs at least three times in 2021 were 3.2x more likely to receive 10+ gifts

If they did any marketing outreach at all, they were 50% more likely to receive even one QCD

PERCENT OF ORGS
RECEIVING QCDs VS
MARKETING FREQUENCY



What the data says: Smart gifts predict fundraising growth

Research shows that nonprofits that solicit & accept non-cash gifts grow their fundraising revenue at a rate of 5x to 6x those that don't

This applies to nonprofits at all levels

Regardless of an org's starting contributions level, those nonprofits consistently raising gifts of noncash assets – and particularly gifts of securities – grew total contributions much faster than did those raising only cash

5-year average growth in total fundraising (2010 to 2015)



5-year average total fundraising growth by initial total fundraising size

	\$100K to <\$500K	\$500K to <\$1MM	\$1MM to <\$2MM	\$2MM to <\$3MM	\$3MM to <\$5MM	\$5MM to <\$10MM	\$10MM+
Nonprofits reporting only cash contributions in 2010 & 2015 on e-IRS 990s	56% [n=9168]	25% [n=2397]	14% [n=1343]	18% [n=478]	0% [n=358]	0% [n=223]	26% [n=146]
Nonprofits reporting any noncash contributions in 2010 & 2015 on e-IRS 990s	137% [n=2278]	71% [n=1373]	60% [n=1215]	58% [n=652]	48% [n=728]	36% [n=679]	35% [n=962]
Nonprofits reporting securities noncash contributions in 2010 & 2015 on e-IRS 990s	400% [n=114]	176% [n=187]	103% [n=340]	94% [n=284]	68% [n=385]	50% [n=427]	43% [n=707]



What the data says: Smart gifts are psychologically different

Around 97%-98% of a donor's wealth is likely held in assets, not cash

Census bureau estimates suggest that only about 2%-3% of household wealth is held in cash and checking accounts

When we ask for cash, we're asking from the "small bucket"

The same gift may seem ridiculously large when compared to other checkbook purchases but quite small when compared with total wealth



What the data says: Smart gifts are cheaper than cash

Donors can enjoy significant tax savings by making a smart gift, even if they don't itemize

- Donors giving appreciated stock or crypto avoid capital gains taxes
- Donors making QCD gifts avoid increasing their taxable income through a distribution
- Donors funding a DAF can batch contributions in one year to make itemizing worthwhile, and then spread gifts to charity out over several years



02

Identifying your best smart giving prospects



Identifying stock prospects

Who owns stock?

The wealthiest 10% of Americans hold 89% of stocks

But 61% of Americans report that they own some stocks, either individual or in a mutual fund/retirement account

It's the highest level of stock ownership since 2008

- 74% of married vs. 48% of unmarried respondents
- 62% of women vs. 59% of men
- 84% of Americans earning \$100K+ and 63% of those making \$40K-\$99,999
- 80% of college graduates



[Gallup](https://www.gallup.com)



Identifying stock prospects

There's a common misconception that only Baby Boomers own stock

But with the rise in stock ownership in recent years, the landscape is shifting:

- 41% of people aged 18-29 (Millennials & Gen Z) own stock
- 67% of those aged 30-49 (Elder Millennials & Gen X) own stock
- 66% of those aged 50-64 (Gen X & younger Boomers) own stock
- 63% of those age 65+ (Boomers & Silent Generation) own stock



[Gallup](#)



Identifying stock prospects

As a result, potential stock donors come in all shapes & sizes

- Own stock or mutual funds that are highly appreciated with long-term gains
- May be Baby Boomers in their 60s-80s, but are just as likely to be anywhere age 30+
- Are likely already donating to your nonprofit
- May be – or be closely connected to – a past Board or executive team member
- May have business affiliations
- Are keen to make an impact while bypassing capital gains tax



[Identifying your prospective stock donors](#)



Identifying QCD prospects

QCD donors are mature and tax-savvy

QCD prospects:

- Are aged 70.5+
- Have a traditional IRA account
- Are split 50/50 between men & women
- Are already donating to your nonprofit, probably for 10+ years
- May be a past Board or executive team member
- Want to make an impact and enjoy tax savings, even if they don't itemize deductions



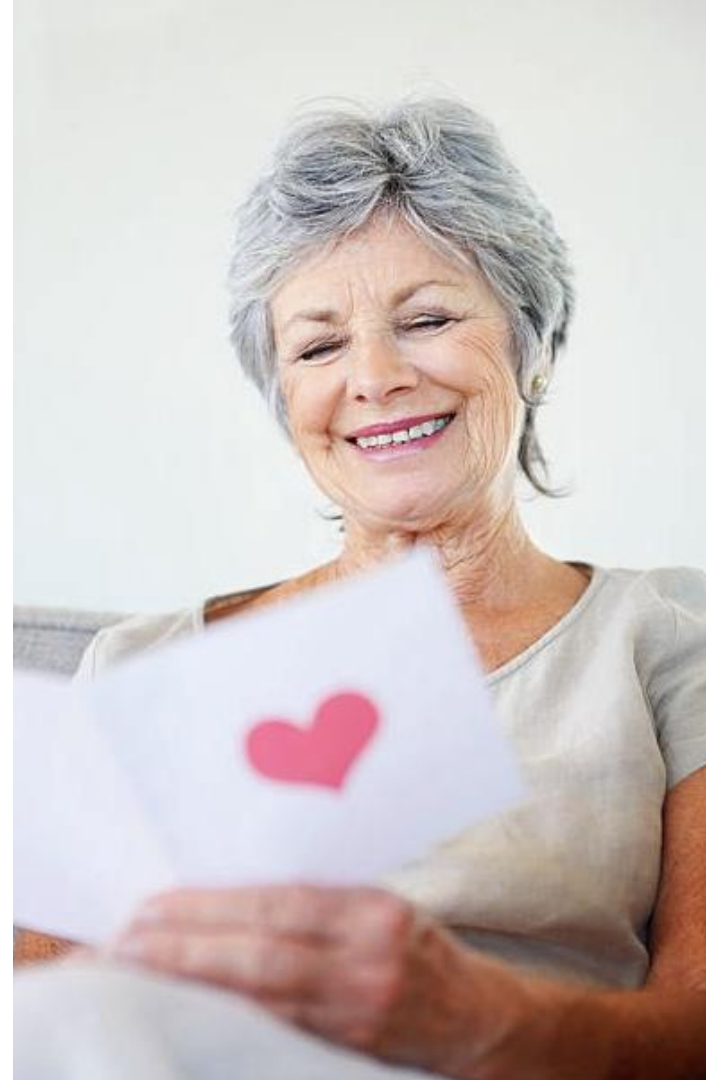
Identifying QCD prospects

Don't have age data on your donors?

- Advocate for using a third-party vendor to screen your nonprofit's donor file for birthdays (at least birth year)
- Use public records or social media
- Ask donors to self-report their birthdate, age, or generational group in donor surveys
- Use historical giving patterns to estimate age
- Use contextual clues, like giving by check or giving in response to direct mail
- Mention age on your website – add an “Are you 70.5 or older?” on your Donate page that links to QCD info
- Invite past QCD donors to give again this year



[Identifying your prospective QCD donors](#)



Identifying DAF prospects

Any savvy philanthropist can have a DAF – but there's no easy way to know who actually does

DAF account holders:

- Are strategic philanthropists who think long-term and use their DAFs to give conveniently, generously & thoughtfully
- Care deeply about giving back – they establish a DAF for the express purpose of supporting charity and want to make an impact today
- View philanthropy as a core value, often involving loved ones in giving decisions



Identifying DAF prospects

Find DAF account holders by:

- Adding DAF content to your mass outreach, like emails, newsletters, and print appeals
- Asking about DAF accounts in donor surveys
- Talking to your volunteers – generally, 79% of DAF donors volunteer Source: [Wealth Engine](#)
- Reviewing DAF grant paperwork carefully for clues
- Becoming a sleuth – scour area nonprofits' annual reports for familiar donors who give through DAFs
- Flagging past DAF donors in your CRM so you can invite them to recommend a grant each year



Identifying DAF prospects

- Start their DAF around age 55
 - Close to or recently retired & thinking about the next stage of life
 - Are their highest-income-earning years and want to give back – may be making larger than average gifts
- Note: 13% of new DAFs established in 2019 were created by Millennials
- Span the spectrum of wealth, with 54% of DAFs having balances under \$25K and just 9% having a balance of \$250K+
- Engaged and involved – high rate of volunteerism
- Are likely to give from their DAF each year
- May like to give anonymously



Identifying crypto prospects

Crypto donors are not your traditional donors

The popularity of crypto is on the rise – 13 percent of investors hold crypto in their portfolios

- And crypto investors are charitably inclined: 33% of them donated \$1K+ to charity in 2020

Compared to other generations, Millennials are much more likely to be actively involved / interested in crypto investing

- Over 1 in 3 Millennial investors own crypto; among the rest, half are likely to consider it in the next year
- Millennials are a very charitably inclined generation – nearly 9 in 10 say charitable giving is an important part of their lives, compared to 74% of the total population



Identifying crypto prospects

Crypto prospects are likely motivated by one of three things:

- Altruism – often committed to a cause area, not to a specific nonprofit
- Tax minimization – namely avoiding capital gains taxes and deducting the full value of the gift
- Commitments in NFTs – e.g. they promised to give a % of the sale to a nonprofit organization



Identifying crypto prospects

Find crypto prospects in creative ways:

- Use your nonprofit's X (Twitter) & niche communication channels like Reddit or Discord to promote crypto giving and appeal to younger donors
- Look to existing donors who work in finance or technology
- Contact artists in your network about NFTs
- Look for NFT projects that align with your mission – e.g., [Happy Campers NFTs](#) gives back to outdoor nonprofits
- Your internal teams – especially younger staff and those in tech/IT – may have more ideas about how to engage and cultivate crypto donors



03

Cues to listen for in conversation



Keep your ears open

What cues, clues, and trigger words/phrases suggest a donor is a smart giving prospect?

- They mention that they own these assets (stock, crypto) or have these accounts (traditional IRAs, DAFs)
- They express concern about income taxes, capital gains tax, or their overall tax burden
- They have a windfall this year, like getting an inheritance, selling a business, etc. and are looking for tax savings or to share the wealth
- They say no to making a cash gift this year, but clearly want to make an impact



Keep your ears open

- *I really love the work of your organization – I just wish I had more money in my budget*
- *I recently had a financial windfall / ...and am hoping to avoid paying lots of taxes / ...and am looking for ways to put some of it to good use*
- *I come from modest means and have always been a saver*
- *Maintaining my lifestyle is very important to me; that's why I invest/save*
- *I believe in having access to money/resources for rainy days*
- *I believe in having different streams of income or I don't like to rely on one source of income. Followed by: That's why I have multiple streams of income / That's why I invest / That's why I have different types of investments / That's why I have different sources of income*
- *My children/grandchildren are grown and don't need my financial support as much as they did in the past. Followed by: So, I have more disposable income / I have more money to do the things I like / I have more money to support the things I love / I have more money to do things that interest me*
- *I'm really pleased with the way my stocks are doing / I'm really pleased with the stock market right now / I'm glad I invested in stocks or set aside money years ago to support my philanthropic interests*
- *Every year, I have to take my RMD and I don't need it*
- *Every year, I have to take my RMD and I end up owing taxes*



We learn the most when we ask

Powerful questions to ask donors

- Why did you first decide to give to us?
- Why do you continue to give?
- What other nonprofits are you involved with and why?
- How do you decide which nonprofits to be a part of?
- What causes are you most passionate about?
- Tell me about your business/industry/work. How did you get into that field? Why do you do the work you do?
- How did you become a generous person?
- When do you make philanthropic decisions?
- Who makes these decisions with you?



[Julie Ordoñez](#)



We learn the most when we ask

Powerful questions to ask donors

- Where does our organization fall on your list of charitable priorities?
- When will you make your gift?
- Do you ever give appreciated stock or other assets to charity?
- What would it take for you to consider giving \$xxx,xxx?
- How has your experience been being a donor?
- What would you like to see more of?
- Do you have any critical feedback to share?
- What is your mission in life? How can I support you in that?



04 Introducing smart giving to the donor



Before the meeting

Map out your discussion & set specific goals

Create an outline of your desired conversation before going in – leave room for open dialogue

Goals should include:

- Making smart gifts come across as accessible, common, and straightforward
- Help the donor understand the advantages of giving assets instead of cash
- Give the donor clear next steps to make a smart gift this year

Prep your talking points, elevator speech, or pitch beforehand, and practice with peers

AI tip: Consider using ChatGPT or William for help with talking points



Before the meeting

Prepare to answer common donor questions

- *Why are smart gifts better than giving cash?*
- *How will this gift make a bigger impact?*
- *What is the process to actually make the gift?*
- *How does a smart gift help me save on taxes?*
- *What are your DTC and account numbers?*
- *What will you do with the stock/crypto once I transfer it?*
- *Will you send me a letter acknowledging my gift?*
- *Can my gift be anonymous?*



Top tips for the conversation

1. *Bring it up.* Mention smart gift options in every giving conversation with donors to avoid missing out on an impactful gift
2. *Keep it simple.* Use human-centered language, shun jargon, and avoid complexity around tax savings
3. *Use social proof.* It's a low pressure, high impact way to drive action
4. *Acknowledge surprise.* This information may be surprising for the donor to learn
5. *"All of your giving".* Most donors give to more than one cause – sharing how to give more effectively "to any nonprofit" creates a stronger relationship and a more open mind



Introducing QCDs

“I’m curious, Rosa... How did you save for retirement? Do you have a traditional IRA account?”

I ask because many of our savviest supporters over age 70 are choosing to give out of their IRA this year — a gift called a Qualified Charitable Distribution — because it can help them save on taxes. Can I tell you a little more about what others are doing here?

Great. The money in your traditional IRA went in pre-tax, so it will be taxed when you take money out, unless you send the funds directly to charity. Those qualified charitable distributions are not added to your taxable income!

And if your children are expecting to inherit your IRA, you should know that they will have to withdraw the funds within 10 years and pay income taxes on the gift.

That’s what makes QCDs such a smart way to give. Donating directly from an IRA can help you avoid increasing your — or your loved one’s — tax burden, and allows you to preserve post-tax money to support your lifestyle or pass on to the next generation.

May I send you more info after our visit today?”

Introducing stock gifts

“Tell me, Michael... do you contribute stock or mutual funds to any of the charities you support?”

I ask because we’re seeing more and more [Org] donors choosing to give securities to support our work. They tell us it’s because they can avoid capital gains tax, make a big impact this year, and hold on to their available cash for other uses.

[Let donor answer the question.]

Interesting – thanks for sharing that. You know, even though the stock market is down a bit from its 2021 peak, many people own stock that has appreciated in value since they initially bought it. Were they to sell those shares, they’d owe tax on the capital gain – but if they donate those shares to [Org], they avoid any tax on the donated shares. And those savings often allow them to give more generously than they thought they could.

May I send you more information about stock giving after our visit today?”

Introducing DAFs

“Rahid, you have been so generous with your support. I’m curious...Do you have a Donor-Advised Fund?”

- *N: Ah, okay. You may wish to explore them as a giving vehicle. DAFs are essentially charitable savings accounts that invest your funds for growth and centralize your giving.*
- *Y: Oh, you do? Wonderful. Tell me, what inspired you to create your DAF? What custodian do you use? Was there a particular reason why you chose that custodian? And what do you hope to accomplish with your DAF?*

You know, the popularity of Donor-Advised Funds has grown dramatically in recent years, and more and more [Org] donors are choosing to support us with a grant from their fund. Would you consider supporting [Org] with a grant this year?

- *N: Okay, thank you for your honesty. Is there anything we can do to change that?*
- *Y: That’s great! Is there a particular program area you would like to support with that gift?*

One more question: Have you identified a DAF successor to carry on your philanthropy after your lifetime, or do you plan to leave the balance to charity? A beneficiary designation on a DAF would be a meaningful statement of support for our ongoing mission.”

Introducing crypto

“Tell me, Grace... do you own any cryptocurrency?”

- *N: Ah, okay. Interesting. I was surprised to learn recently that 13% of all U.S. investors hold crypto in their portfolio. It’s a volatile market, for sure, but interesting to watch – and it’s an emerging form of philanthropy.*
- *Y: Oh, you do! →*

Tell me, what sparked your interest in investing in crypto?

Have you ever considered using crypto to support your philanthropic interests?

- *N: Interesting. May I ask why? Charitable donations of crypto are growing in popularity, with gifts of USD Coin, Ethereum, and Bitcoin leading the way. Could I share more info about this after our visit?*
- *Y: That is great to hear! Given the rise in crypto philanthropy, [Org] now offers an online tool to easily donate crypto in just a couple of minutes. May I send you more information after our visit today?*

During the conversation

Bring up your prospect's interests and any initiatives they might be particularly interested in supporting this year

Emphasize that their smart gift can be used to support that program if they wish

Listen more than you pitch — make sure your attention is on your donor and their needs

If you're making inroads but not quite landing the pitch, try asking:

“What would it take for you to consider a [stock/QCD/DAF/crypto] gift of \$xxx,xxx this year?”

Then remain quiet – let their response reveal their thinking about giving



During the conversation

Many donors use charity rating sites to assess a nonprofit's suitability for a major gift

DAF sponsors in particular often point donors to these sites to evaluate organizations they want to support

Ensure your info is always up-to-date on sites like:

- Charity Navigator*
- Guidestar
- Charity Watch
- Give.org

Then confidently encourage donors to review your info and financials when considering their gift

* [Watch our webinar with Charity Navigator to learn about their revamped rating system!](#)



05

Tips for effective follow up after the call/visit



Immediately after the meeting

Learn something new in every encounter

What did you learn about the prospect that you didn't know before this conversation?

Capture key learnings right away in your contact report, CRM, or donor file

Include any details that can inform your (or a successor's) follow-up and solicitation plan



Crafting effective follow up

Reach out promptly to thank the donor for their time and suggest next steps

Be warm and genuine

Invite their questions any time, and share your contact info

Text messages and emails make it easy to include links to relevant pages of your website or your FreeWill products so donors can make their gift easily

A letter or handwritten note card that arrives a few days later or a phone call/voicemail are also very nice touches



Sample language for a follow up email or letter

Incorporate social proof and “all of your giving” language, and include actionable next steps

...More and more, [Org Name] supporters are choosing to donate stock or mutual fund shares instead of cash. Many are surprised to learn how significant the tax savings can be when they receive an income tax deduction and avoid all capital gains tax on the donated shares.

I pass this along in case it's helpful for any of your charitable giving, so you can make an impact at lower cost to any of the important causes you support.

To make a stock gift this year, please use our [easy online tool](#). We'll know your gift is on its way and can send you a receipt promptly, so you get the tax savings you deserve.

If you'd like to work through your own broker to give stock this year, invite them to use the tool on your behalf, or access our transfer information [here](#)...



Give William or Sophie a try!

Need help drafting a thank you email, letter, or note of your own?

- William is our AI-powered writing assistant, available in Partner Portal
- Built on GPT-4 with the best available writing AI
- Combined with research-backed best practices to deliver best-in-class content in no time
- Great for follow-up emails, letters, texts, or any other fundraising-related content
- Faith partners may wish to utilize his faith-based cousin Sophie (sophie.freewill.com)



Crafting effective follow up

Notes on texting donors

SMS open rates average 98%, making it a great stewardship tool for nonprofits

Nonprofits are 8x more likely to get a response from a text message than from a voicemail or email

Textology.co or Twilio allow you to send & respond to text messages from any computer, phone, or tablet using email

Be clever, engaging, and brief – having a conversation in real time can make a difference!

If the donor doesn't respond, reach out through another channel like email or mail and confirm their communication preferences



Crafting effective follow up

Notes on calling donors

Call to thank them for their time while the visit is fresh in their mind – this is kind and respectful, and hopefully minimizes any feeling on the donor’s part of being “caught off guard” by your call

Time your call wisely – if they’re retired, daytime may be best, but if they work, evenings are likely when you’ll reach them

According to research from [Medium](#), the best time blocks to call are:

- Sundays from 5–7pm
- Mondays from 8–9pm
- Wednesdays from 8–10am
- Thursdays from 7–9pm



Engaging prospects / donors all year

Stay in touch year-round

Smart giving donors and prospects should hear from you once per quarter (4x/year) to ensure they feel connected to your organization and mission

Touchpoints to prioritize include:

- Prompt donation acknowledgments
- Reports on the impact of their support*
- A reminder of the anniversary of their gift
- Annual reports or invites to signature events

*Clearly articulate the impact of the donors' generosity and your gratitude, but don't inundate them with praise in case they don't desire recognition



Securing repeat smart gifts

Smart gift donors tend to give this way each year

Reach out proactively a month before their “gift-aversary” to invite them to give again

Thank the donor for making a difference last year

This is a great time to share impact stories or mission moments

- Photos & video are super effective here, including authentic “non-professional” video content

Ask the donor to consider making a smart gift to your organization again this year

Share convenient links to your FreeWill tools or the link to your Smart Giving landing page



06

Resources & next steps



TO EXPLORE:
Resources

- [FreeWill's industry reports](#)
- [Defining your smart giving audience](#)
- [How to talk to donors about major gifts of stock](#)



LOOKING AHEAD:

Next steps

1. Fill out our [post-training survey](#)
2. Choose 3-5 donors in your portfolio to whom you can mention smart giving options this quarter (Don't wait! Confidence comes with practice!)



Thank you!

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