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# CGP CONFERENCE 2021



NATIONAL ASSOCIATION of  
**Charitable Gift Planners**

# **Metrics Made Manageable: Making Planned Giving Data Work For You**

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## **I. INTRODUCTION: STATEMENT OF THE PROBLEM**

As the world relies more and more on data and metrics, you and your planned giving department will need to as well. But you do not need a degree in math or statistics to meet these requirements. Rather, you can use existing, available data to develop realistic metrics without excessively burdening yourself or your staff to support your planned giving efforts and show demonstrable results.

### **A. The Planned Giving Metrics Challenge**

More than any other type of charitable gift, the timing, amount, and certainty of most planned gifts depend on inherently unreliable variables. We cannot predict when a donor will die, nor would we want to. On the contrary, we want our donors to live long and fruitful lives. As such, unless a donor signs a bookable estate commitment, we may not realize a planned gift for 10, 15, or even 20 years.

Nor can we predict the value of a donor's estate upon death. As we have seen over even the most recent years, markets are unpredictable. Even when markets in general are doing well, a particular donor's assets may suffer. We have seen this recently with apartments in New York City, where certain sectors of the real estate market have decreased in value and remain difficult to sell, even when the stock market is thriving. Indeed, even planned gifts donated when a donor is alive – say, illiquid assets like real estate – are fraught with valuations and unknown liabilities that are by definition unpredictable.

Finally, absent the fairly rare, signed gift agreement, we cannot even be sure we are in the donor's last testamentary device until after the donor's death. We have all seen situations where, after being stewarded by a charity for years, the donor changes his or her will at the last minute favoring a niece or nephew (whether wittingly or not).

## **B. How, then, do we demonstrate our successes?**

CGP's National Guidelines for Reporting and Counting Charitable Gifts, <https://charitablegiftplanners.org/sites/default/files/Counting%20Guidelines%20Executive%20Summary%20.pdf>, offers an excellent and highly respected way to report and count planned gifts in a campaign. These standards are well-documented, easy to understand, and very helpful, dividing your campaign into three relevant, trackable categories: outright; irrevocable deferred; and revocable. I certainly encourage these standards for tracking gifts and, to the extent these standards are accepted and adopted by your organization, these standards can provide the basis for helpful metrics.

But what if your stakeholders or management team want different or complementary information? For example, for my CEO, the most relevant number for me to provide is the amount of expected estate gifts received in a given year. Because any estate pledges and gift annuity valuations are already included as major gifts in our organization's tracking, he needs to know what estate gifts we expect to receive in any given year so he can project campaign totals. This is partly reflected in Category A of the national reporting standards but is essentially a sub-category that I track separately. Additionally, what if your audience – e.g., your CFO or board – have additional bottom lines or expectations? You may need to provide metrics to support specific activities in your budgets like mailings, events, and visits, and those metrics might be separate and apart from CGP's guidelines.

In a sense, the national standards offer broad categories for planned giving departments across the country generally; it may fall to you individually to adapt or complement them within your own organization for areas outside or even within these categories. With practical use of your available data, you can create a compelling case that appeals to your relevant audience.

## **II. KEY DEFINITIONS**

It is easy to inject jargon into this data/metrics conversation, something I am trying to avoid. Rather my goal is to show this is an attainable process for everyone, regardless of math acumen or a grasp of data analytics. That said, some basic definitions, thanks to Google, are helpful. (Definitions from google.com).

**Data** are “facts and statistics collected together for reference or analysis.”

**Metrics** and “measures of quantitative assessment commonly used for assessing, comparing, and tracking performance or production,” and are usually based on data collected. I use metrics (or results) as a way to show comparisons between two data sets or change from one defined period to the next.

### III. USING METRICS TO DEMONSTRATE EFFECTIVENESS

Below are three examples, from relatively simple to more complex, to illustrate how data can be used to show the effectiveness of planned giving efforts.

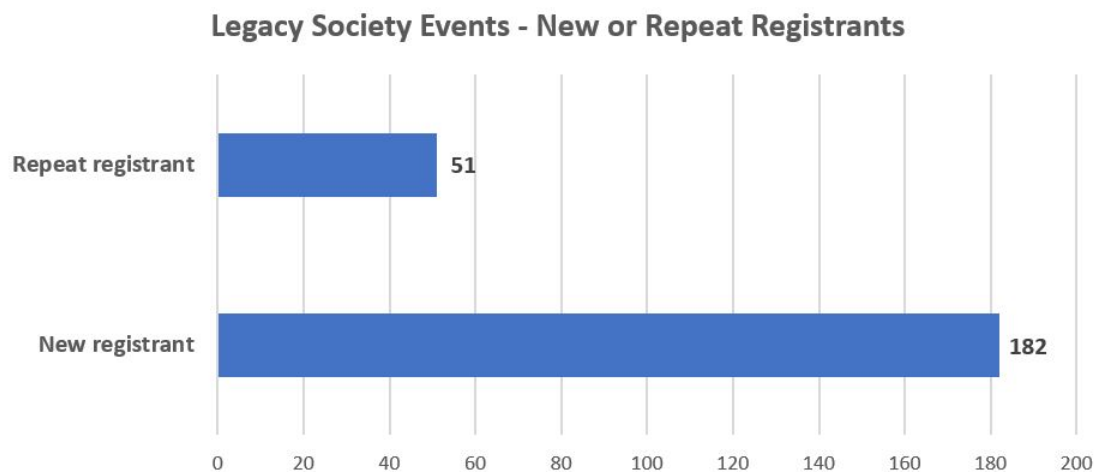
#### A. Legacy Society Events Effectiveness

**Audience/Bottom line:** Your CEO asks whether your legacy society events are worth the time and effort involved in planning and attending.

**Data:** You have been tracking both RSVPs and attendance to your legacy society events.

**Metrics.** In the short run, you can draw comparisons between events over the course of one year. You can also look at the number of new attendees compared to repeat attendees, as reflected in the chart below.

**Demonstrated Results/Story:** What can we learn from this metric? As the chart below reflects, we are attracting new individuals to our events during the year. We are connecting with a broad range of people and not the same crowd. That's good news as it means we are increasing our outreach and have the opportunity to connect with new donors. We will need to compare year to year, and perhaps using additional data, to learn if we are maintaining the level of contact with repeat attendees from year to year. If we are not, the metrics reveal a weakness that we may need to address.



*Chart #1: comparing Legacy Society event attendance, new vs repeat registrants.*

## **B. Direct Mail ROI**

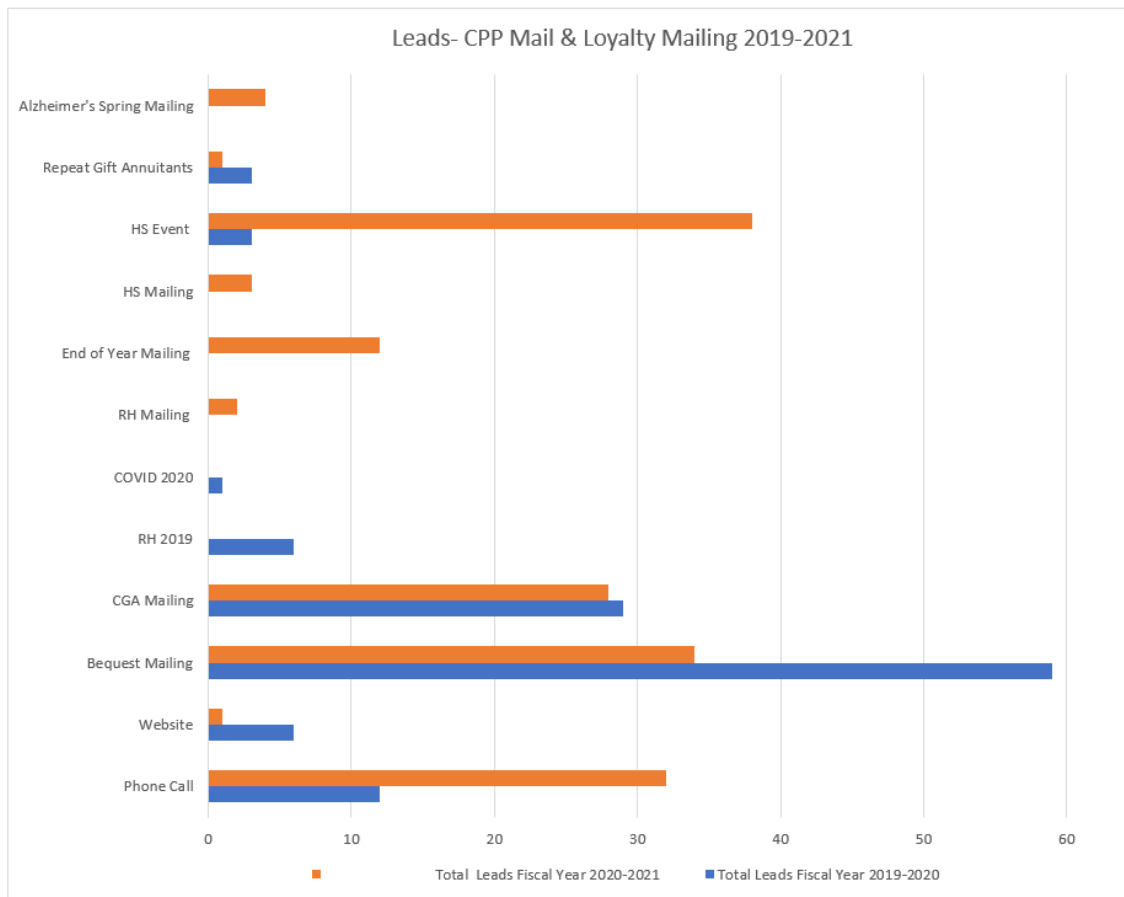
**Audience/Bottom line:** Your CFO would like to understand the Return on Investment (ROI) from direct mail.

**Data.** Responses to mailings tracked by number and type of responses.

**Metrics.** We have a variety of ways to compare the data. We can compare responses to different types of mailings in one year, or over several years. Alternative comparison might include comparing mailings where envelopes are provided to mailings with self-mailers, mailings to donors that come with or without gifts, or even mailings with event invitations vs mailings without.

**Demonstrated Results.** How do we use the metrics to demonstrate that direct mail is effective? Using something like the chart below we can demonstrate that our total number of leads year to year actually rose from 2021 and 2022. More specifically, we can see that some direct mail pieces performed better than others. We can compare a year pre-Covid to a Covid year and explain that, while responses by mail declined a bit during a Covid year, phone call responses rose.

Indeed, using these very metrics we have been honing our techniques to improve responses to our mailings. For example, year after year, our holiday card, which always contained a reply mechanism, received little or no responses compared to other mailings. Each year we made slight changes to the mailing to increase responses. First, we added a gift. Then we upgraded the gift to a calendar. Responses were flat. This year we added a new response mechanism that invited donors to share their specific interests in our mission. Even though the content of the response mechanism – including an opportunity to identify that they have a bequest intention with us – was the same as in previous years, our new language, which married donor interests with soliciting feedback, engendered significantly more leads. What started as an experiment provided justification for the added expense of a particular mailing.



**Chart #2: comparing substantive responses to various methods of outreach year to year. This chart is easily prepared via Excel and relies on data we collected following each outreach effort.**

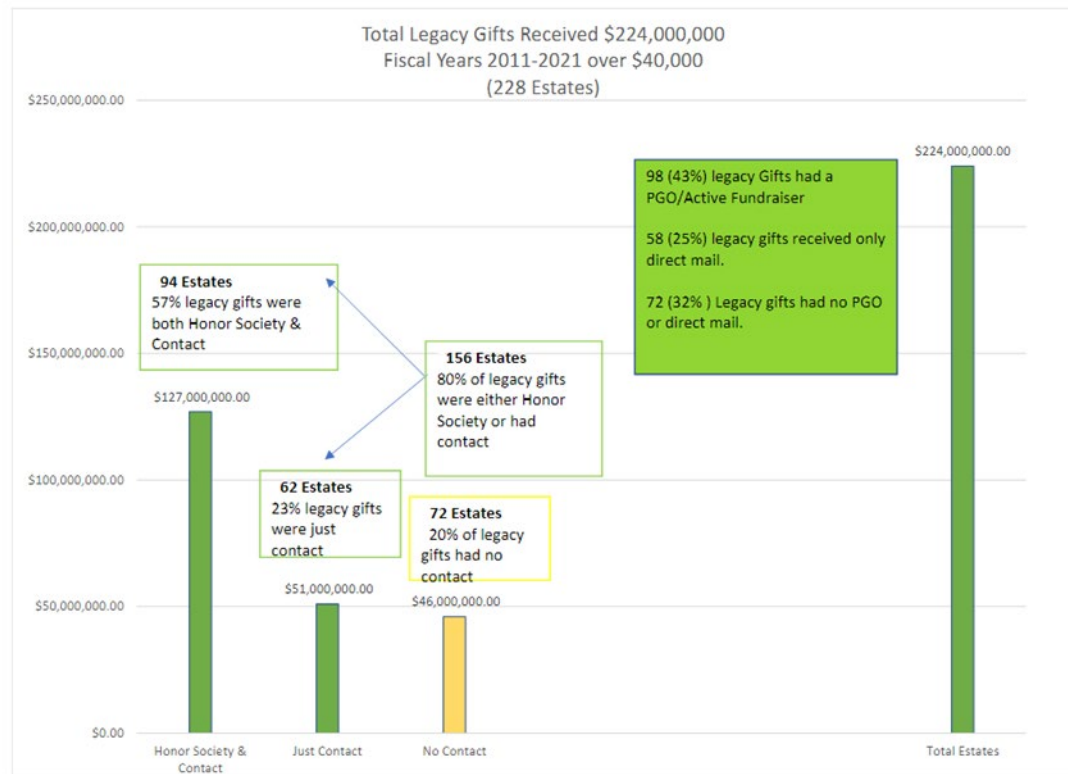
### **C. To what extent do Planned Giving Outreach efforts impact estates in probate?**

**Audience/Bottom Line:** Senior Management wants to know to what extent planned giving efforts are effective in relation to your organization's total campaign numbers.

**Data:** I have a variety of data sets that I can use to try to answer this question. Knowing my audience's bottom line, comparisons showing the national standards alone would only answer their questions partially. Without much additional effort, however, I can rely on our list of active estates, on which we have delineated who is a member of our legacy society, who is a loyal donor (older annual donor), and who received some form of contact from our organization.

**Metrics:** With the delineated data, I can compare estates in settlement along the separate categories. I can compare the total number of estates within each category or, as in the chart below, the total value within each category. For example, I can compare the total value of estates from donors who have had no

contact with us to donors who had some contact to donor who told us when alive that we were in their estate plans.



**Chart #3: Delineating our inventory of estates in settlement looking at the value of the estates. In this case, 80% of the estate money raised came from donors with whom we had a connection while they were alive.**

**Demonstrated Results:** Is our planned giving program effective? The chart shows that 80% of the funds received from the last ten years of estates in settlement came from donors who received outreach – direct mail plus some form of fundraiser contact – while alive. I use this overwhelmingly positive result to support the case that continued outreach to legacy donors and prospects makes good economic sense and likely has an ROI. CGP national standards can support this story too, showing that we meet or exceed trends as reflected by other institutions.

Beyond that, I would buttress my chart with external information. For example, I could show that my metrics comport with the national trend that loyalty donors make the best planned giving prospects. As summarized in CCS Fundraising, Snapshot of Today’s Philanthropic Landscape, (10<sup>th</sup> Edition 2021), “Donors tended to make their largest deferred gifts to nonprofits they had been supporting for 20 or more

years with less than \$25,000 in lifetime giving.” This additional context can help my management feel confident that our data and the metrics can be predictive (not just explanatory).



Source: Giving USA Foundation, Giving USA: The Annual Report on Philanthropy for the Year 2020 (2021).

#### IV. **CONCLUSION: THE VALUE OF METRICS AS AN END IN ITSELF**

Are metrics worth the effort? Acquiring and tracking the data you need for meaningful metrics takes time and diligence. You need to enter data into your CRM or the appropriate spreadsheets consistently and continuously. You need to be creative in conveying the metrics and what they represent to internal stakeholders. And sometimes the metrics force you to take a hard look in the mirror and change something that is not working.

But using metrics has results beyond simply showing ROI to senior management or improving techniques for planning giving outreach. Indeed, the mere fact that you are tracking data and using metrics shows transparency and accountability. No matter what, senior management will be impressed that you are undertaking an ongoing exercise to track and learn what works and what does not. Beyond anecdote, you are able to make your points and show your results with objective, demonstrable data. More than numbers and charts, your ongoing use of metrics, whether national standards or beyond, may in fact become your most persuasive case for support.



## V. FIVE STEPS TO MANAGEABLE METRICS

Using available resources, you can craft a message to support the goal you are trying to advance, whether it is increased funding, staffing, or general support for your planned giving department. This involves several steps, including: defining your audience and determining what they want to see and what they value; finding the available data to develop metrics that show change over time, show results, and otherwise support your case; and ultimately making a case for support. These five steps may be helpful in developing and using compelling metrics.

1. **Define the Relevant Audience.** Is it your supervisor, senior management, CEO, CFO, or Board? It may be a combination. The goal is to make sure you are connecting with those in your organization who matter, e.g., those who approve and must support your planned giving staffing, budget, and activities. In short, you want to get buy-in from the “powers that be.”
2. **Identify that Audience’s Question and Bottom Line.** What does that audience want to see? It is not enough to show large numbers, you need show numbers that are relevant to your audience’s specific interests and objectives. For example, your CFO may not care how many repeat event attendees come to a program (your CEO might care about this though), but she likely cares about the average value of estates you expect to close in any given year. While you may want to use CGP’s national standards for your campaign, recognize that your audience may have complementary measures in mind for specific activities within your department.
3. **What Raw Data Do You Have at Your Disposal?** This is where the work starts – identifying, collecting, and tracking the relevant data. You know your data better than anyone else, so select the data that best supports your story. Examples might include event attendance, responses to mailings, number of legacy donors from year to year, or organization-specific metrics such as membership. Your staff will thank you if you work within the framework of measurements that are already tracked in your organization or are easy to implement. You may also want to track along the categories within CGPs national reporting guidelines.
4. **Develop Simple Metrics that Can be Used to Compare or Show Change Over Time.** Look for ways to measure and show change over time, whether on an annual basis, from mailing to mailing, or on an intermediate timeframe like program to program. Excel enables you to easily prepare charts and graphs once the data is entered.

5. **Demonstrate Results - Show Where and How You are Effective.** Using a combination of analysis and creativity, you need then to explain how your metrics shows the effectiveness of your efforts. If the numbers are stable or increasing, you can make the case that your programs are working, and the investment is worth it. If the numbers are declining, industry trends (declining population of donors for example) and external factors (Covid decreased attendance to events) may provide context so that you can make the case that it is nevertheless worth continuing the program. And, if your metrics happen to show a program is not doing so well, at least they provide you with objective data on where and how to adapt and improve.

## **Resources**

<https://charitablegiftplanners.org/sites/default/files/Counting%20Guidelines%20Executive%20Summary>

CCS Fundraising, Snapshot of Today's Philanthropic Landscape,  
<https://ccsfundraising.com/philanthropiclandscape> (10<sup>th</sup> Edition) (cited with permission.).

Giving USA Foundation, Giving USA: The Annual Report on Philanthropy for the Year 2020 (2021).