

The Future of the Gift Planner: How the Job is Changing

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The Planned Giving landscape is changing rapidly. How will practitioners have to change to be successful as the profession evolves?

The Challenge

In the last issue of the Pulse, numerous industry leaders speculated on the trends of the Planned Giving industry over the next decade. Debra Ashton spoke about increasing government oversight and the need for successful charities to expand their Planned Giving programs. Judith Nichols stressed the increasing need to market more proactively and smarter as well as the rising challenge of ethical issues. Frank Minton mentioned the heightened competition for gifts and the ever-changing landscape of tax regulations in Canada and the U.S., in particular, the potential repeal or modification of estate tax. I wrote about the internal forces "pulling" the profession to produce more and be more accountable and the external forces "pushing" Gift Planning to consider third party providers and to observe the "commoditization" of planned giving products – marketing of planned giving vehicles through new distribution channels. What effect will these trends have on the job of the Gift Planner (GP)?

The Job

The job of the accomplished Gift Planner has always been one of the most challenging in fundraising. This challenge results from an unusual juxtaposition of intricate skill sets.

The GP must be proficient in the following:

- Understanding of the technical side of our business and keeping abreast of the ongoing evolution of tax and regulatory rules and interpretations.
- Managing a complex business with sophisticated policies and procedures and ongoing administration of long-term gift arrangements and relationships.
- Marketing effectively, sometimes complex and always emotional, messages to a wide variety of potential donors.
- Relating personally in a highly ethical manner, one-on-one with affiliated professionals and individuals who are frequently elderly.

All of the above must be done in a very professional manner and imbued with a real and heart-felt feeling for the mission of the organization. Quite a list - and all encompassed in one individual! Not only are these skill sets diverse but they also put side-by-side, unusual attributes – technical skill with the ability to have deep human interrelationship; sophisticated administration with creative marketing. However, what will happen

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if the stakes get raised as our industry leaders forecast?

The Evolution of the Gift Planner

The experts see the Gift Planning industry as changing or needing to change dramatically in the next decade. How will the job of the Gift Planner need to change to lead this process to fully benefit the charitable sector?

Technical Skills

The job of the GP will become more and more specialized in the future. On the technical side of our business there is underway increasing pressure to regulate donor interaction. Similar to other industries, e.g. insurance and securities, Gift Planning has the real potential for abuse of individuals by practitioners, perhaps, even more so under the guise of "charitable" causes. These other industries are heavily regulated and without doubt, some form of required regulation will develop for the Gift Planning profession. If we are strategic we will initiate this process ourselves in the form of "self-regulation" through our professional associations, NCPG and CAGP. NCPG is already researching the issue.

Self-regulation will be welcome by authorities as it is in these comparative industries because the authorities do not really understand our business and certainly do not want to incur any costs in regulation. Accreditation, licensing and maintaining credentials will dramatically change our business. The process will force specialization. It will also open the door to third party, accredited professionals who can represent the charity in gift

negotiations. Large shops will have their own "licensed" practitioner.

In a similar vein, "commoditization" of Planned Giving vehicles will continue to expand. Commoditization occurs when consumer acceptance reaches a certain point and multiple distribution channels develop. The for-profit distribution of CRT's in the U.S. is a recent example of this phenomenon. Gift annuities in Canada are being distributed now by a third party provider and as Debra Ashton said in the last issue, more insurance "schemes" are being created all the time. The Gift Planner has an important role in this kind of business. The GP must manage the process by communicating the mission of the organization and watching out for the interests of the donor and the charity itself. The successful Planned Giving program will integrate this commoditization into its ongoing business.

Management and Administration

As the Planned Giving business expands, more pressure will mount to effectively manage and administer the business. This pressure will be in the form of increasing need for accountability, and perhaps even formal reporting at an increased level. Third party providers are developing to meet this need, complementing the important role that Community Foundations play. Large shops will continue to develop their own and smaller ones will be forced to out-source in order to maintain quality in this area. Increasingly, the GP will be less and less concerned with the management and administration of gifts. This skill set is probably the one least required by the successful GP in the future and is better left to others.

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Marketing

Marketing is undoubtedly the area of the job that is most poorly evolved. As with other forms of fundraising, Planned Giving marketing will increasingly be out-sourced to specialized third party providers. Such marketing is also evolving to include the initial “ask” with outstanding success. Third party marketers are equipped to move the gift process further down the line for organizations in an effective way. Ultimate follow-up, ideally, is still to be done by the GP – the area of most unique skill. As Judith Nichols said, marketing effectively will be one of the greatest challenges for the GP of the future. Sophisticated approaches will be necessary to meaningfully speak to “boomers”, “busters” and minority audiences. Either the GP considerably develops enhanced skills in this area, or hires experts to help in what will be a highly competitive environment.

Human Interaction

The one-to-one relationship involved in successful Gift Planning is the area that will need to develop most in the future. Making the mission come alive for interested supporters, brokering the best type of gift for the donor and the organization and responding to the deep human need to make a difference

in the world, are all skills that a GP must have and will need even more in the upcoming years. Individuals in our society are hungry for this involvement and the successful GP will need to get better and better at it. One can outsource all other areas of this ever-increasing business, but not this one.

Our experts in the last issue, mentioned the impending repeal or change in U.S. estate tax as a potentially major factor affecting Gift Planning in the future. If these changes occur, the skill of the GP in relating meaningfully to supporters and affiliates will be the deciding factor in making a program a success. True philanthropy has always been the most important ingredient in the Planned Gift process and the ability of the GP to enhance and influence true philanthropy will be paramount in the future. This is what we will have to excel at!

The Planned Giving landscape is changing rapidly. The Gift Planner will have to change along with it in order to lead the process and fully capitalize on the overwhelming opportunity that we have. The successful program will seamlessly integrate outside resources with the most important skill sets of its Gift Planner. Challenging times lay ahead. Are you prepared?

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Ken Ramsay, one of the most experienced planned giving professionals in North America, joined Legacy Leaders in 1996 as President and CEO. Prior to Legacy, Ken spent seven years as the Special Gifts Officer of the United Church of Canada, responsible for the Planned Giving and Direct Mail programs. That program doubled in size to average \$20 million in planned gifts annually. Ken was long-time Chair of the Canadian Association on Charitable Gifts (formerly the Canadian Association on Charitable Gift Annuities). He was the founding Chair of the Canadian Association of Gift Planners and has lectured and taught extensively on Gift Planning in Canada and the United States. An original faculty member, Ken co-founded with Frank Minton, the course on Planned Giving at the Banff School for Management and has taught many of the planned giving professionals in Canada today. He has chaired the North American Conference on Christian Philanthropy, created the first Planned Giving Track for the Association of Fundraising Professionals Congress and acted as Dean of the Pre-Congress/Executive Development Track. Ken has spoken frequently at AFP, NCPG, AHP, and CAGP events throughout North America.