

2019

Survey of Charitable Gift Annuity Program

BEST Practices

Report and Comments of the

American Council on Gift Annuities

and

**National Association of
Charitable Gift Planners**



Introduction:

The 2019 Survey of Charitable Gift Annuity Program Best Practices

This report on the 2019 Survey of Charitable Gift Annuity Program Best Practices displays and analyzes the responses from 344 charitable organizations provided from April 1 through July 31, 2019. This important survey was conducted jointly by the American Council on Gift Annuities (ACGA) and the National Association of Charitable Gift Planners (CGP). Results were reported at the ACGA Conference in April 2020 and provided to ACGA and CGP members soon thereafter.

This survey follows the research gathered, analyzed and disseminated as part of ACGA's comprehensive 2017 Survey of Charitable Gift Annuities. The 2017 study identified factors of growing or expanding charitable gift annuity programs. The goal of this study is to expand the inquiry further to identify best practices for growing charitable gift annuity programs that all charities can follow.

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Thank you to members of the Research Committee (the "Committee") for reviewing potential questions, assisting in survey design and promotion, interpreting the data and providing feedback on a survey draft. Special thanks to Professor Russell James, III, for his help with advising the Committee for this report.



Formed in 1927, the American Council on Gift Annuities (ACGA) is the premier resource for charitable gift annuity program success. The ACGA’s mission is to foster the success of charitable gift annuity programs at charities nationwide through the promulgation of suggested maximum gift annuity rates, education, research, monitoring state regulations, advocacy, and other activities that promote good gifts for nonprofits and their donors.



The National Association of Charitable Gift Planners (CGP) is the leading organization setting standards for charitable gift planners. CGP bring members together to learn, connect and advocate, provides education and resources that enrich and advance careers. CGP connects colleagues at all levels through its national network—including those who defined the field. CGP exists to serve the profession and bring to life the art and science of charitable gift planning.

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About

Charitable Gift Annuities

A charitable gift annuity is a contract under which a charity, in return for a gift of cash, marketable securities or other assets, agrees to pay a fixed amount of money to one or two individuals, at regular intervals for their lifetime.

A person who receives the annuity payments is called an “annuitant” or “beneficiary.” The payments are fixed and unchanged for the term of the contract. A portion of each payment is treated as a tax-free return of the donor’s gift and is spread in equal payments over the life expectancy of the annuitant(s).

The contributed property (the gift), given irrevocably, becomes a part of the charity’s assets, and the payments are treated as a general debt obligation of the charity. The annuity is backed by the charity’s entire assets, not just by the property contributed as part of the gift to fund the annuity. Annuity payments continue for the life/lives of the annuitant(s) regardless of the investment returns experienced by the charity in its segregated gift annuity fund.

Charities that offer charitable gift annuities should be aware that many states regulate the issuance of gift annuities. Usually regulation is under a state’s Insurance (or Securities) Laws. Charities may be required to comply with regulations not only in the state in which the charity does business but also in the state of residence of each gift annuity donor.

The American Council on Gift Annuities (ACGA) devotes considerable time and attention to developing suggested gift annuity rates that promote responsible philanthropy. 97% of charities follow these ACGA-suggested rates, according to ACGA’s 2017 Survey of Charitable Gift Annuities.

The growth in a charity’s gift annuity program is impacted by its internal gift annuity program practices and the impact of these practices on fundraising results. This study into gift annuity program best practices should be illuminating to any organization seeking to understand how to develop a growing, sustainable gift annuity program.

Highlights

of the 2019 Survey

There are clear best practices that lead to successful charitable gift annuity (CGA) program development and growth. The secrets of successful or growing programs become evident when looking at the pattern of changes in how charitable organizations market, accept and talk about CGAs over time and the impact of those changes on gift annuity fundraising results. This survey asked respondents to identify the changes to their gift annuity programs and policies in ten key areas over the last five years. Here are a few takeaways from the survey results:

- 1. Marketing Changes.** Marketing changes were a significant item of note among many gift annuity programs. Many respondents indicated an increase in marketing activity as a positive change. Numerous respondents stated that they were less focused on direct mail marketing and more focused on web and email marketing for gift annuities. Respondents noted that donor stories and testimonials are proving particularly effective in marketing. Other respondents pointed to the success of sending annual personalized gift annuity rate letters to annuitants to secure “repeat annuities.”
- 2. Language Changes.** Respondents revealed how the language they use has changed. “We are talking about gift annuities as a hedge against market uncertainty,” one fundraiser stated. With the growth in non-cash giving, one respondent said, “We switched the gift example in our general marketing piece to a stock example, rather than cash.” Another person mentioned a move to use “legacy” language when marketing gift annuities to make them appear more competitive with donor advised funds.
- 3. Demographic Changes.** There was consensus among many fundraisers about efforts to offer gift annuities to younger donors, particularly Baby Boomers. Also, numerous respondents acknowledged their organization’s success in offering deferred and flexible gift annuities to donors at younger ages.
- 4. Policy Changes.** Some respondents indicated that their organization had changed the minimum contribution amount from \$5,000 to \$10,000, \$15,000 or \$20,000. Several mentioned that their organization had increased the minimum age(s) for current and deferred gift annuities and also set maximum contribution limits.

5. Development Team Changes. In terms of changes within the development team, many respondents noted that their organization had begun offering more training of frontline gift officers on gift annuities as a positive change. “More gift officers (not just planned giving staff) are conversant in CGAs,” stated one respondent.

6. Management Changes. Several respondents mentioned recent management changes in their organization, including bringing CGA management in-house rather than outsourcing this responsibility. A number of respondents commented on moving to reinsurance of gift annuities. “We now issue these through a foundation that reinsures and provides a charitable percentage up front,” one person stated.

This report will review these changes to gift annuity programs and policies in detail. Our goal is to uncover the impact of these changes on gift annuity fundraising results and identify best practices all gift annuity programs can follow for success.

Detailed Results of the 2019 Survey

1. Face-to-Face Donor Visits

The most common way to introduce a donor to the idea of a charitable gift annuity is in a face-to-face conversation during a donor visit. When asked how to talk about gift annuities at a donor visit, many fundraisers indicated that they would listen for donor cues that opened the door to a conversation about how CGAs might benefit the donor. For example, if a donor mentions that she owns appreciated securities, or wants secure fixed income during retirement years while still being able to impact the charity, these are “cues” that might prompt a gift annuity conversation.

Whether gift annuities “come up” in a donor conversation depends on the age of the donor, where they are in their “donor life cycle,” and their priorities and interests. One respondent stated, “Most often the discussion comes up with individuals in their seventies and eighties as a conversation around the rate of return on their CDs, money market accounts or stock.”

Frequency of face-to-face visits for gift annuities

0–3 times per year	26.9%
4–10 times per year	28.4%
11–30 times per year	20.4%
30–50 times per year	7.3%
More than 50 times per year	10.2%
We don’t do face-to-face visits for gift annuities	6.9%
Valid Responses	275

The largest percentage of respondents talks with donors about gift annuities in face-to-face visits between 4–10 times per year. When we combine the top two categories, most charities are doing less than 10 gift annuity donor visits annually. More than 10% of charities are meeting with over 50 donors per year and discussing gift annuities. So, there are some organizations that are doing robust face-to-face gift annuity visits, although this is not the norm.

Several organizations responded that the number of face-to-face visits for gift annuities has increased for their organization in the last five years as a result of factors that include increased frontline gift officer training, more staff and donor visits in general, proactive marketing and implementation of new risk-reduction policies including raising minimum gift amounts, setting or lowering maximum gift amounts, raising minimum ages and adopting the practice of reinsuring gift annuities.

It is interesting to note that 6.9% of respondents don't do face-to-face donor visits for gift annuities. This data comports with respondents' suggestions that one change in the last five years is that donors are more likely to do their own online research before speaking with fundraisers. One fundraiser says that she regularly receives requests to send gift annuity donor illustrations and contracts by email and mail. She has closed several gift annuities without ever meeting the donors.

Share of gift annuity dollars starting with face-to-face meeting

0–10%	29.5%
11–30%	12.4%
31–50%	11.3%
51–75%	9.1%
Over 75%	18.9%
I don't know	18.9%
Valid Responses	275

When asked what share of gift annuity dollars started with a face-to-face meeting, the largest percentage (29.5%) of respondents reported that 10% or fewer of their gift annuity dollars started as a result of a donor meeting. While there was some uncertainty in the responses to this question (18.9%), the data suggests that large dollar gift annuities are fewer and farther between than are smaller gifts with a minimum of \$10,000 to \$25,000, which is the average initial funding amount based on ACGA's 2017 survey. The 2017 survey also noted that even if there are only a few high dollar gift annuities, these are increasing in frequency. One respondent noted that he has done more gifts for higher dollar amounts than any time in the past five years.

2. Direct Mail

Use of direct mail for gift annuities

Yes	71.8%
No	28.2%
Valid Responses	273

When asked about direct mail, 71.8% of respondents reported using direct mail pieces that discussed charitable gift annuities. When asked what type of direct mail has been most effective for gift annuities, many organizations responded that postcards and smaller pieces focusing on CGAs have worked well, particularly when followed up with an email reinforcing the marketing message. Other responses included marketing gift annuities in planned giving newsletters (most sent twice per year), annual targeted appeals about CGAs and personal letters sent to existing annuitants to encourage repeat annuities.

"The direct mail campaign is new. We have found that dripping on our members is working. In the first few years we did not have an increase in inquiries. The increase has come in the past few years as the members have received info on CGAs each year with a postcard and follow-up articles in our member magazine."

Several respondents pointed to the use of donor stories and testimonials in planned giving newsletters and organizational publications, such as a magazine. Other respondents emphasized marketing gift annuities with receipt stuffers and reply cards that have a "check box" for more information on gift annuities or gifts that pay lifetime income. One fundraiser stated that check-the-box reply cards have generated as many leads as gift-annuity-specific mail pieces for her organization.

While 73.5% of respondents stated that their direct mail for gift annuities had not changed in the last five years, the 26.5% that had made changes shared answers such as:

- "We now send gift annuity postcards more regularly."
- "We only send gift annuity marketing to donors 70+ now."

- “We’ve gone toward more electronic methods like email and ads in in-house publications.”
- “We now have better branding and messaging.”
- “We are now including CGAs in our campaign.”

Most important gift annuity message in direct mail

Rates	25.8%
Impact on the charity	37.5%
Taxes	3.4%
Other	33.3%
Valid Responses	264

When asked about the most important message used to market charitable gift annuities in direct mail, the top response (37.5%) was impact on the charity. This is not surprising based on numerous studies that suggest donors are more interested in giving where they can see tangible results. Not surprisingly, tax messages ranked at the bottom. Again, this finding is well-supported by other data showing that donors give primarily because they believe in the mission of an organization and wish to support its work, not for the tax benefits.

A number of respondents commented that when ACGA rates go up, sending a direct mail piece with the donor’s new higher rate has proven effective in securing new gift annuities. Respondents who selected “other” specified the following additional messages as most important:

- “The win-win nature of it for them and us as the charity.”
- “All of the above, as you never know what will interest the donor.”
- “A great way to generate an income stream while supporting the charity in the future.”
- “The ability to stabilize their income during retirement while providing a gift to the organization.”
- “That personal and charitable goals can be achieved through strategic philanthropic planning.”

Share of gift annuity dollars started with direct mail

0–10%	29.5 %
11–30%	13.4%
31–50%	10.8%
51–75%	9.7%
Over 75%	10.1%
I don't know	26.5%
Valid Responses	268

A relatively low share of gift annuity dollars start with direct mail with 29.5% of respondents stating that 10% or fewer of their gift annuity dollars come in this way. However, the results are somewhat inconclusive since the next highest category of response (26.5%) was “I don’t know.” 85% of respondents said that there had been no change in this over the last five years.

3. Electronic Mail

Use of email for gift annuities

Yes	64.6%
No	35.4%
Valid Responses	268

When asked whether their organization uses email marketing to promote gift annuities, 64.6% of respondents answered yes. A number of respondents agreed that targeted emails sent to a select audience based on target demographics works well. Fundraisers also mentioned sending gift annuity illustrations tailored to a specific donor by email. The following types of emails have been most effective for marketing gift annuities:

- Emails that focus on reliability and donor benefits associated with gift annuities with secondary emphasis on benefit to charity.
- Emails highlighting ACGA payout rates and examples/case studies of CGAs.
- Emails showcasing donors of the appropriate demographic who receive payments while benefitting their alma mater in meaningful ways.
- Emails showing how CGAs make an impact, then followed up with success stories.
- Emails sent to existing annuitants or based on individual requests.

Most important gift annuity message in email

Rates	23.1%
Impact on the charity	40.6%
Taxes	3.0%
Other	33.3%
Valid Responses	234

When respondents were asked about the most important message organizations are trying to convey in email, impact on charity again topped the list. In the 'Other' category, respondents stated that the following messages were most effective:

- Secure and reliable income for life
- Benefit for donor and impact on the charity
- A way to receive life income/financial security while giving (prudent)
- Donor receives payments plus tax benefits
- A simple and convenient way to give

Share of gift annuity dollars started with email

0–10%	51.2 %
11–30%	14.4%
31–50%	4.0%
51–75%	2.0%
Over 75%	1.2%
I don't know	27.2%
Valid Responses	250

The smallest percentage of gift annuity dollars (0–10%) starts with an email according to the majority of respondents (51.2%). Again, as with the direct mail corollary to this question, there were a high percentage of respondents who answered “I don’t know” (27.2%). The uncertainty in the responses to this question (both for direct mail and email) points to a larger issue—many charities don’t know or were unable to determine which marketing method has proven most effective in their efforts to promote gift annuities or other planned gifts.

Access to better data along with analytics would help charities make data-driven marketing decisions to improve outcomes. Micro-sites with unique URLs work well for tracking responses to print marketing, enabling charities to employ better tracking of email open and click-through rates.

This data can then be combined with each donor’s giving history data to provide a complete picture of the marketing that produces the best results for new and repeat gift annuities. This analysis should be specific to each charity given the unique nature of each organization’s donor base.

Among the respondents who acknowledged changes to their email marketing in the last five years, respondents offered the following responses to describe how their marketing has changed:

- Sending more emails, using better photography and branding.
- Definite increase in emails, because we were sending zero before.
- Just implementing email on a more regular basis.
- More people respond to electronic mail versus direct mail where they need to reply by return mail.
- See an increase in inquiries by email.

It should be noted that there were responses by a few organizations that did not find the use of email effective and decided to discontinue use of email for marketing charitable gift annuities.

4. Website

Use of a website for gift annuities

Yes	90.6%
No	9.4%
Valid Responses	265

When asked whether their organization uses a website to explain gift annuities, 90.6% of respondents answered yes. The majority of responding charities have been using a website to explain and market gift annuities for more than five years. Only 36% of respondents said that use of the web marked a change in their marketing practices in the past five years. For those whose use of the web for gift annuities had changed, responses varied:

- “We recently overhauled our gift planning website, and we strive to make the site simple and engaging.”
- “We are introducing a new website resource for donors and advisors that will have expanded promotion of CGAs.”
- “We have tried to simplify the language and emphasize the benefits to donors and make our calls to action clearer.”
- “We added a short paragraph explaining CGAs on our Legacy Giving link.”
- “We revamped our website about five years ago. We have a web page that explains annuities, provides an example of a donor scenario, features a short video about how CGAs work, offers a downloadable brochure about annuities and provides a link to an annuity calculator.”

Most important gift annuity message on website

Rates	15.4%
Impact on the charity	43.5%
Taxes	4.2%
Other	36.9%
Valid Responses	260

When respondents were asked about the most important message organizations are using to communicate the benefits of gift annuities on their website, impact on the charity received the highest response (43.5%). It is notable that the data shows that impact messages for gift annuities are more important in web-based marketing than for email marketing (40.5%) or direct mail (37.5%). Also, annuity rates messaging is less important for web-based messaging (15.4%) than for email (23.1%), where direct email marketing may be used to announce to a donor a rate change or make them aware of how their specific rate may have changed/improved, promoting a new or repeat annuity.

The messaging for gift annuities on the web is somewhat different than the messaging contained in direct mail or email. The goal of a website is to inform each donor in order to make it easier to understand giving options. Many respondents pointed to content about the mechanics of gift annuities—how they work and why a donor would want one. Others mentioned web content focused specifically on the benefits of funding a gift annuity, including the annual fixed payments, possible tax-free income, and tax savings from a charitable deduction. Similar to how they use direct mail and email, many organizations use donor stories and testimonials to effectively reach the 70-plus age demographic for gift annuities.

Share of gift annuity dollars started with the web

0–10%	48.4 %
11–30%	17.1%
31–50%	1.9%
51–75%	1.6%
Over 75%	1.2%
I don't know	29.8%
Valid Responses	258

Nearly half of all charities who offered a response reported that they closed CGA gifts based on a process that originated on their website. This response is higher than responses for leads coming from print or email, with 17.1% of respondents seeing 11–30% of their CGA gift dollars based on web marketing.

In theory, with sophisticated web analytics now widely available, it should be easy for charities to track results of online activity. However, the number of “I don’t know” responses for gift annuity leads sourced from initial web visits is even higher than it was for direct mail or email. One explanation is that planned gifts are more difficult to track via the web than online giving (where an actual gift is made and the charity typically knows the donor name and amount given). With a planned gift, the seed may be planted based on a web visit. However, the actual gift may require more information sent via email or by mail, provided by way of a follow-up phone conversation, or based on one or more donor visits before the gift is ultimately closed. As a result, it may be difficult to actually source a gift back to an initial web visit.

5. Gifts of Assets

“The topic of funding gift annuities with assets was first introduced to our direct mail and email correspondence within the last five years, on the website that topic has been greatly enhanced during that time and in the face-to-face donor conversations with donors it has become a regular part of the conversation.”

Focus on gift of assets for gift annuities

Yes	61.3%
No	38.7%
Valid Responses	256

When asked whether it is common for the respondent or their organization to focus on gift annuities funded with non-cash assets like appreciated stocks, 61.3% of respondents said yes. Based on the 2017 ACGA study and research by Russell James III, we know that organizations that have an increased focus on non-cash as opposed to cash gifts are experiencing higher fundraising results.

For the organizations that responded that they are focused on non-cash gifts, the survey asked for the percentage breakdown in types of gifts received (for example 70% securities, 10% real estate). Responses varied and included:

- 70% securities, 30% cash and 70% cash, 30% securities
- 90% securities, 10% cash and 10% securities, 90% cash
- 60% securities, 40% cash or real estate
- 80% securities, 20% cash or 20% securities, 80% cash
- 50% securities, 50% cash
- 30% securities, 60% cash, 10% real estate

Among the respondents, 86.4% indicated that their focus on non-cash asset fundraising versus cash-based fundraising for gift annuities had not changed in the last five years. Fundraisers that had seen a change reported an increase in stock gifts (and also real estate) for gift annuities as a result of increased marketing efforts and donors becoming more educated about the benefits of using appreciated assets, like securities, to fund their gift. Several respondents noted that gifts of non-cash assets are more likely to be discussed if the donor has appreciated assets to donate. Other respondents said that they have seen an uptick in interest in donations of appreciated homes for gift annuities.

How gift of non-cash assets for gift annuities are discussed

Face-to-face donor conversations	33.1%
Direct mail	4.2%
Online marketing	0.4%
Telephone	8.5%
All of the above	43.2%
None of the above	10.6%
Valid Responses	236

It is not surprising that respondents would report using multichannel marketing to promote gifts of non-cash assets to fund a gift annuity. It is even less surprising that face-to-face donor conversations, the traditional way planned gifts are accomplished, remain the single most effective way to engage donors about making a non-cash asset CGA gift. This makes sense, because gifts of non-cash assets are more complex than gifts of cash and often require an in-person discussion to explain the mechanics and potential benefits (which differ significantly when one uses non-cash assets to fund a gift annuity) including the potential for tax-free income and capital gains payout through the donor's life expectancy.

Organizations that responded that they focused on gifts of non-cash assets in exchange for a gift annuity also noted a change over the last five years. In making this change, several responses cited the research of Russell James, III, noting that this is now considered a best practice in CGA fundraising. Other charities say that they have become more proactive about mentioning non-cash giving opportunities to donors. Several respondents mentioned a focus on gifts of appreciated securities given current market highs. One respondent explained his strategy of trying to "capture gains in the bull market."

6. Silos

“We have a number of new fundraisers (total of about 8–9 frontline fundraisers at any given time). I currently have 3 comfortable talking about CGAs.”

Share of fundraisers comfortable with discussing gift annuities

0–10%	35%
11–30%	19.7%
31–50%	20.1%
51–75%	11%
Everyone	14.2%
Valid Responses	254

For the majority of respondents, 50% or fewer of the fundraisers at the organization are comfortable discussing gift annuities with donors. The good news is that, unlike in the past, the dedicated planned giving staff is not the only staff members who are now skilled at discussing gift annuities with prospective donors.

Only planned giving staff comfortable with discussing gift annuities

Yes	41.6%
No	58.4%
Valid Responses	255

With more development team members wearing multiple hats, many fundraising teams are educating major gift officers and other frontline fundraisers to present life income gift options such as gift annuities to major gift and annual fund donors who want to see their giving go further with a bequest or lifetime gift of non-cash assets. This change has also been fueled by the growth and interest in blended giving, where a donor can make a gift for impact today while continuing his or her pattern of giving through a future legacy gift.

Among respondents, 58.4% stated that fundraisers at their organization, other than dedicated planned giving staff, are comfortable with discussing gift annuities with donors. This is a big change in development teams, where the planned giving officer or director was previously the only “expert” in this area. Organizations that have seen this change in the last five years attribute it to regular frontline officer trainings often led by gift planners, increased staff hires and greater education of and recognition by CFOs and leadership of the importance of planned gifts.

Training offered to non-planned giving staff on gift annuities

Ongoing in-house training sessions with gift planners	40.9%
Training by outside consultants or for-profit companies	1.6%
Education through webinars, seminars and conferences	12.6%
All of the above	23.6%
None of the above	21.3%
Valid Responses	254

Gift annuity education of major gift officers and other frontline fundraisers occurs by way of webinars, seminars, conferences and other training opportunities. It’s not a surprise that charities that have an in-house gift planner typically ask that individual to regularly train and mentor staff to talk to donors about making planned gifts or “blended gifts” in addition to regular annual gifts and major gifts. Respondents made the following comments about the proficiency of their teams in talking about planned gifts:

- “New planned giving director is training 12 development officers on CGAs. He has set up regular training sessions and accompanies development officers on donor visits to talk about CGAs.”
- “We are actively educating gift officers about gift annuities and encouraging their attendance at local planned giving council meetings.”
- “Major gift staff are comfortable talking about annuities, annual gift fundraisers are not.”
- “With repeated trainings for frontline offers, they are confident in handling at least initial conversations about CGAs.”
- “Gift officers are talking about CGAs more and offering for the planned giving staff to have follow-up conversations.”

7. Credit

Credit given for a \$100,000 gift annuity vs. a \$100,000 cash gift

They are counted the same	61.6%
The gift annuity is counted at present value	18.4%
The gift annuity is discounted to less than present value	6.4%
Gift annuities are not counted in fundraising totals	13.6%
Valid Responses	250

One challenge that organizations face when numerous members of the fundraising team have responsibility for discussing planned gifts with potential donors involves determining how to share credit for gifts closed. Respondents were asked how fundraisers were given credit for raising gift annuity dollars. For example, how would a \$100,000 gift annuity “count” compared with a \$100,000 cash gift. It’s a sign of the change in times that the largest response (61.6%) reported that these gifts were counted the same. In prior years, gift annuities were often counted at a discounted value or not at all until the annuitant passed away. Only 13.6% of respondents said that gift annuities were still not counted.

While 89.5% of responding organizations stated that how they count gift annuities has not changed in the last five years, those that have seen change offered the following responses:

- “Was not previously counted for Major Gift Officers.”
- “CGA gifts did not count toward fundraisers’ goals in the past.”
- “Full credit goes to the staff member, however present value is recorded for accounting purposes.”
- “We used to recognize 30% of the face value but that was raised to 40% in 2018.”
- “Only realized income is counted for gift annuities, although staff is given soft credit/ recognition for closing a gift annuity.”
- “Gift planning dollars aren’t equal to Major Gift dollars raised.”

The changing practice of counting gift annuity dollars and giving non-planned giving officers credit is a positive. The more that charities can educate and provide incentives to fundraisers for raising planned gifts, the more gift annuities and other planned gifts we can expect to see closed.

8. Time Focus

“Recently we’ve been taking a more long-range view of our donors’ and our needs over several business cycles.”

Time period of focus for organization

The next few months	12.4%
The next year	30.4%
The next 2–3 years	33.6%
The next 5–10 years	21.2%
Other	2.4%
Valid Responses	250

Most organizations are looking ahead to the next one to three years when thinking about their gift annuity fundraising plans and goals. This timetable is often dictated by campaigns.

Many respondents stated that they are currently in, or will soon be starting, a campaign. Some commented that they are moving from year-long to longer campaigns. Of those who said they have just completed campaigns, several mentioned that they were in the planning stages for the next campaign. Respondents also noted that they are embarking on expansion projects, including buildings, that require significant capital gifts. It is clear that many organizations are beginning to look to the future in their fundraising rather than engaging solely on a transactional basis or on a quarter-to-quarter basis.

9. Administrative Oversight

“I would love for our business office to understand the value of planned gifts.”

General attitude of organization toward gift annuities

Positive	50.8%
Negative	5.8%
Indifferent	16.9%
Cautious	23.1%
Confused	3.3%
Valid Responses	242

The survey asked respondents to gauge the general attitude of their organization’s chief financial officer and others within the organization toward gift annuities. Just over half of respondents (50.8%) said that the attitude toward gift annuities is positive, although for the next highest category (23.1%), the reported attitude was one of caution.

Among respondents, 85.3% stated that the attitude toward gift annuities has not changed in the last five years. For those who have seen a change in attitudes, respondents stated that they are “battling with misconceptions” or dealing with “indifference” or “confusion” by upper management.

When asked if they could change anything about how gift annuities were accepted, managed or promoted at their organization, respondents stated that they would like to see the following changes:

- “The CFO would welcome them and the business office would manage the accounting.”
- “We would be able to solicit in all 50 states.”
- “It would be great to have a larger budget to promote annuities.”
- “We could add life estates with a CGA to the mix.”
- “The Office of Legacy Planning would have permission to open and close gift annuities without having a senior administrator who does not understand them be the contact.”

10. Open Fundraising

Respondents were asked if there are any other ways that their organization is different from other organizations with respect to the way that fundraising was handled.

Responses to this question varied and included:

- “Our organization has a more personalized approach to fundraising.”
- “We are more fluid in the opportunities we offer to donors. Enable donors to have a more active voice in the process. Less selling and more relationship building to bring about the gift.”
- “Generally, more innovative and creative—certainly in the gift planning arena. We negotiate, consider and try to come to an ‘everyone feels like a winner’ position with complex charitable gifts.”
- “Yes, most of our donors live at the retirement community where our mission is carried out, so we have many more opportunities for face-to-face cultivation.”
- “Not really. I think we are about the same. We like to think we are unique.”

A high percentage of respondents—85.3%—stated that their organization’s approach had not changed over the last five years. For those who said that the way their organization handles fundraising has changed, they pointed to greater capital needs, ability to use social media to reach new donors, better board members, hiring of additional staff and increased focus on education and training.

Spend more or less on marketing campaigns/materials than other charities

More	20.6%
Less	39.3%
About the same	40.1%
Valid Responses	247

The survey also asked respondents whether they thought that they spent more or less time on marketing campaigns and preparing marketing materials than other organizations. Again, most organizations thought that they spent about the same or less on marketing as other charities. Slightly more than four out of five respondents—82.4%—reported no change over the last five years. For organizations that have seen changes, respondents pointed to a greater focus on marketing, hiring of dedicated marketing staff, introduction of e-marketing and expanded marketing in organizational communication publications and reductions in marketing budgets.

11. About Your Organization

Organization's practice following ACGA suggested rates

Always follow ACGA rates	82.7%
Usually follow ACGA rates, but in some instances offer lower rates	8.8%
Usually follow ACGA rates, but cap rates below higher ACGA rates	1.8%
Usually follow ACGA rates, but in some instances offer higher rates	5.3%
Regularly offer rates lower than ACGA rates	0.4%
Regularly offer rates higher than ACGA rates	0.9%
Valid Responses	226

It's interesting to note that 82.7% of respondents reported that their organization always follows ACGA's suggested rates. This information is 15% points below the 97% of organizations that reported usually/always following ACGA suggested rates in ACGA's 2017 study. The percentage of charities reporting that they always follow ACGA rates has remained relatively constant (between 95–97%) in the last six ACGA surveys. The fill-in-the-blank responses suggest that there are a number of charities who have adopted what they view as “risk reduction” policies including capping rates and offering lower rates.

“We had a marketing push for CGAs last year. 45% of our total CGAs were new in 2018.”

Do rate increases impact the growth of charitable gift annuities? The majority of respondents (67.9%) say that they have not seen increased gift annuity activity since the maximum rates recommended by ACGA were last increased in 2018. Those who saw more activity pointed to more inquiries/greater interest since the rate increase. Several respondents said that they had seen larger gifts, especially from older donors. Another respondent said they had seen “just a slight uptick of maybe one or two annuities.” Other charities said that rates didn't seem to be a predominate factor and attributed their success to increased marketing.

Survey Methodology & Data Management

Questions in the 2019 Gift Annuity Survey were developed by the Research Committee with the helpful guidance of Dr. Russell James III.

ACGA and CGP emailed the 2019 CGA Program Best Practices Survey to ACGA and CGP members and contacts. Planned giving vendors and consultants were also instrumental in encouraging their clients to return completed surveys.

It is useful to keep in mind that there is a wide range in the duration, sophistication and size of gift annuity programs. Charities were asked to provide data on “your last fiscal year” for their organization. No attempt has been made to standardize precise reporting dates, which may differ from organization to organization.

A substantial number of surveys included answers to some but not all of the survey questions. The survey methodology took into account valid responses for each question and calculated percentage responses on a per question basis.

ACGA

Charitable Gift Annuities Survey

Thank you for participating in this important survey conducted jointly by the American Council on Gift Annuities (ACGA) and the National Association of Charitable Gift Planners (CGP). This survey follows the research uncovered as part of ACGA's comprehensive 2017 Survey of Charitable Gift Annuities. The 2017 study identified factors of growing or expanding charitable gift annuity programs. With this study we hope to expand our inquiry further to determine best practices for growing gift annuity programs that all charities can follow.

We'd like your input in 12 areas. The survey should take about 20 minutes to complete. You can view a full copy of the survey [here](#) to help you prepare your answers to submit online.

1. What (if anything) has changed over the last 5 years in the way your organization markets, accepts, or talks about CGAs?

Face-to-Face Donor Visits

2. How would you introduce the idea and talk about charitable gift annuities in a face-to-face conversation with a donor?

3. How often does your staff do face-to face visits for gift annuities?

0-3 times per year
4-10 times per year
11-30 times per year
30-50 times per year
More than 50 times per year
We don't do face to face visits for gift annuities

4. Has this changed any over the last 5 years?

No
Yes (please share how it has changed)

5. What share of your gift annuity dollars started with a face-to-face meeting?
- 0-10%
 - 11-30%
 - 31-50%
 - 51-75%
 - over 75%
 - I don't know

6. Has this changed any over the last 5 years?
- No
 - Yes (please share how it has changed)

Direct Mail

7. Do you use any direct mail pieces that talk about gift annuities?
- Yes
 - No

8. What type of direct mail has been most effective for gift annuities?

9. Has this changed any over the last 5 years?
- No
 - Yes (please share how it has changed)

10. What do you think is the most important message you are trying to get across in your direct mail pieces?
- Rates
 - Impact on the charity
 - Taxes
 - Other (please specify)

11. What share of your gift annuity dollars started with a direct mail piece?

- 0-10%
- 11-30%
- 31-50%
- 51-75%
- over 75%
- I don't know

12. Has this changed any over the last 5 years?

- No
- Yes (please share how it has changed)

Electronic Mail

13. Do you use any e-mail pieces that talk about gift annuities?

- No
- Yes (f yes, what type of email has been most effective?)

14. Has this changed any over the last 5 years?

- No
- Yes (please share how it has changed)

15. What do you think is the most important message you are trying to get across in these e-mail pieces?

- Rates
- Impact on the charity
- Taxes
- Other (please specify)

16. What share of your gift annuity dollars started with an e-mail piece?

- 0-10%
- 11-30%
- 31-50%
- 51-75%
- over 75%
- I don't know

17. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

Website

18. Do you have a website that explains gift annuities?

Yes

No

19. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

20. What do you think is the most important message you are trying to get across on the website?

Rates

Impact on the charity

Taxes

Other (please specify)

21. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

22. What share of your gift annuity dollars started with an e-mail piece?

0-10%

11-30%

31-50%

51-75%

over 75%

I don't know

23. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

Gift of Assets

24. Is it common for you to focus on gift annuities in exchange for assets, like appreciated stocks?

No

Yes. What is the percentage makeup of the asset gifts you have received?
(Example: 70% securities, 10% real estate, etc.)

25. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

26. If you focus on gifts of assets, how do you talk about giving assets in exchange for gift annuity payments?

Face-to-face donor conversations

Direct mail

Online marketing

On the telephone

All of the above

None of the above

Silos

27. What share of the fundraisers at the organization are comfortable with talking about gift annuities?

0-10%

11-30%

31-50%

51-75%

Everyone

28. Is only the dedicated planned giving staff comfortable discussing gift annuities?

Yes

No

29. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

30. What kind of training do your non-planned giving officers receive on charitable gift annuities?

Ongoing in-house training sessions with gift planners

Training by outside consultants or for-profit companies

Education through webinars seminars and conferences

All of the above

None of the above

Credit

31. Compared to raising current dollars, how are fundraisers given credit for raising gift annuity dollars. For example, how would a \$100,000 gift annuity "count" compared with a \$100,000 cash gift?

They are counted the same

The gift annuity is counted at present value

The gift annuity value is discounted to less than present value

Gift annuities are not counted in fundraising totals

32. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

Time Focus

33. When it comes to overall fundraising, what is the most important time period that the organization is focused on?

The next few months

The next year

The next 2-3 years

The next 5-10 years

Other

34. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

Administrative Oversight

35. In working with the rest of the organization, like the chief financial officer or others, what is the general attitude toward gift annuities?

Positive
Negative
Cautious
Confused
Indifferent
Other (please specify)

36. Has this changed any over the last 5 years?

No
Yes (please share how it has changed)

37. If you could change anything about how gift annuities were accepted, managed, or promoted at your organization, what would change?

Open-Fundraising

38. Are there any ways in which you think your organization is different than others in the way that it does fundraising in general?

39. Has this changed any over the last 5 years?

No
Yes (please share how it has changed)

40. Do you think you spend more or less time in actual face-to-face meetings with donors than other organizations?

More

Less

About the same

We don't do face-to-face meetings

41. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

42. Do you think you spend more or less on marketing campaigns and materials than other organizations?

Yes

No

43. Has this changed any over the last 5 years?

No

Yes (please share how it has changed)

About Your Organization

44. What was the total number of annuities issued during your most recent fiscal year?

45. What was the total number of annuities issued during the prior fiscal year?

46. What was the total dollar volume received during the most recent fiscal year for gift annuities?

47. What was the total dollar volume received during the prior fiscal year for gift annuities?

48. In your most recent fiscal year, what percentage of the assets used for gift annuity contributions consisted of (use whole numbers, no symbols):
Cash \$
Stocks/bonds/mutual funds:
Real Estate:
Other:
49. In your prior fiscal year, what percentage of the assets used for gift annuity contributions consisted of (use whole numbers, no symbols)::
Cash \$
Stocks/bonds/mutual funds:
Real Estate:
Other:
50. What percentage of gift annuities received in the most recent fiscal year came from donors who had previously contributed a gift annuity to your organization (i.e., repeat CGA gifts) (use whole numbers, no symbols)?
51. Which of the following best describes your organization's practice regarding the maximum gift annuity rates suggested by the American Council on Gift Annuities?
Always follow the Council rates
Usually follow the Council rates, but in some instances offer lower rates
Usually follow the Council rates, but cap rates below the highest Council rates
Usually follow the Council rates, but in some instances offer higher rates
Regularly offer rates lower than the Council rates
Regularly offer rates higher than the Council rates
52. Has your organization seen increased activity since the maximum rates suggested by ACGA increased in 2018?
Yes
No (if No, please explain)

Thank you for taking the time to participate in this survey. Please enter your e-mail address below if you would like a free copy of the ACGA Survey results.
All members of ACGA will receive a free copy.

E-mail: _____
Thank you for your time and responses.



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