Investing in Your Future:
Practical Strategies for Growing Your Planned Giving Program

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About Our Presenter

• President of ML Innovations, Inc.
• AFP Certified Master Trainer
• Winner of the AFP/Skystone Partners Prize for Research
• Author of “Donor-Centered Planned Gift Marketing” and “Michael Rosen Says…” fundraising blog
What is “Planned Giving”? Only 37% of people over 30 have a familiarity with the term “planned giving.”
Donor-Centered Definition of Planned Giving

“Planned Giving involves any gift that requires planning.”

–Michael J. Rosen, Donor-Centered Planned Gift Marketing
Should we be optimistic about planned giving?
Should we be optimistic about planned giving?

Dear Optimist, Pessimist, and Realist,

While you guys were busy arguing about the glass of water, I drank it!

Sincerely,
The Opportunistic
8 reasons to be a planned giving opportunist

• Economic growth = More money available for giving
• Reduction in taxes = Increase disposable income
• Aging population = Increase post-life gifts
8 reasons to be a planned giving opportunist

• Increase of wages = Increase disposable income
• More jobs = More people who can give
8 reasons to be a planned giving opportunist

• Strong stock market = Increase in appreciated securities

• Real estate value growth = Increase in appreciated property

• Robust consumer confidence = Increased spending
Why you should invest more in planned giving

Not all planned gifts are deferred
  • Appreciated securities
  • Appreciated personal property (e.g., real estate)
  • Charitable Gift Annuities

Even deferred gifts are not long deferred
Why you should invest more in planned giving

Annual charitable giving goes up when donors include a charity in an estate plan

Source: Russell James, JD, PhD, CAP
Why you should invest more in planned giving

Financial assets held by families

1% - 3%
Cash: Checking, savings, money market deposit accounts, and similar

97% - 99%
Other financial assets (stocks, bonds, retirement accounts, life insurance, mutual funds)

Source: U.S. Census 2017
Important note

“Planned gifts are the major gifts of the middle class.”

—Michael J. Rosen, Donor-Centered Planned Gift Marketing
Tip 1: Put in the Extra Effort

Nonprofits receiving only cash gifts:
- 2,548 nonprofits raising $1MM+ in 2010 reported only cash gifts in 2010 & 2015 on e-file IRS-990

11% growth

Nonprofits receiving any noncash gifts:
- 4,236 nonprofits raising $1MM+ in 2010 reported noncash gifts in 2010 & 2015 on e-file IRS-990

50% growth

Nonprofits receiving securities non-cash gifts:
- 2,548 nonprofits raising $1MM+ in 2010 reported securities gifts in 2010 & 2015 on e-file IRS-990

66% growth

Source: 5-Year Average Growth (2010-15), Russell James, JD, PhD, CFP
Tip 1: Put in the Extra Effort

Shifting to gifts of noncash assets drives total fundraising growth in **every** nonprofit sector, at **every** fundraising size, in **every** time period (same year and 3 or 5 years later).
Tip 2: Stop Asking for Bequests

• “Bequest Gift” = 18% responded, “I might be/am definitely interested.”

• “Gift in Your Will” = 28%

Source: Russell James, JD, PhD, CFP
**Tip 3: Use the Right Words for More Stock Gifts**

<table>
<thead>
<tr>
<th>Mentioning tax deductions increases charitable interest</th>
<th>Interested now</th>
<th>Will never be interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid capital gains tax by making a gift of stocks or bonds to a charity</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Make a gift of stocks or bonds to charity</td>
<td>14%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Random assignment

1,006 respondents groups X/Y

Tip 4: Use the Right Message for More CGAs

“You make a gift and receive a tax deduction and yearly income for life. Any unused gift amount will go to the charity at the end of your life.”

“Sara made a gift and received a tax deduction and yearly income for life. Any unused gift amount will go to the charity at the end of her life.”

Source: Russell James, JD, PhD, CFP
Tip 4: Use the Right Message for More CGAs

Ask to those 55+: Please rate your interest in pursuing the described charitable giving arrangement.

– Message 1 (You) =
– Message 2 (Sara) =
Tip 4: Use the Right Message for More CGAs

Ask to those 55+: Please rate your interest in pursuing the described charitable giving arrangement.

– Message 1 (You) = 23.2% interested now
– Message 2 (Sara) = 38.6% interested now
Tip 5: Make DAF Giving Easy

More donors are bundling charitable multi-year gifts into a single year to qualify for a tax deduction. They do this by establishing a Donor-Advised Fund.

Use a free DAF widget to make giving easy. (DAFWidget.com)
Thank You!

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