Successful Strategies for Planned Giving Programs

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The Goal:

To take a closer look at planned giving; as well as successful fundraising programs and the prospect research needed to do it.

- A Look at 2014-2015 compared to 2012-2013 & Giving Trends – The Giving Institute
- Defining Planned Giving & Understanding Your Nonprofit
- Donor Motivation and How to Ask
- Planned Giving Officer Wish List
- The Realities & Necessary Data Points
- Conclusions
Famous Philanthropists & What they Say

"If you don’t know what your passion is, realize that one reason for your existence on earth is to find it."

Oprah Winfrey
Media Mogul and Philanthropist

"Someone is sitting in the shade today because someone planted a tree a long time ago."
- Warren Buffett

"You want to be the pebble in the pond that creates the ripple for change."

Tim Cook
Apple CEO
1. Has giving by bequest gone up or down during the years 2012-2013 vs 2014-2015?
2. What percentage did it increase or decrease?
   A. 5.5%  B. 7.1%  C. 15.5%  D. 85%
3. What percentage do bequests compromise of all giving in 2014-2015?
   A. 3.5%  B. 8%  C. 32.5%  D. 85%
4. What 5 year period did giving by bequest see its largest period of growth?
An Increase in Giving

Individuals contribute the largest amount to charitable giving.

The single largest contributor to the increase in total charitable giving in 2014 was an increase of $13.88 billion in giving by individuals—58 percent of the total change between 2013 and 2014.
The Estates & Bequests

Giving by bequest are up by 15.5% by $28.13 billion

Estimated bequest giving from estates $1 million and above amounted to $22.12 billion.

Estimated bequest giving from estates with assets below $1 million amounted to $6.01 billion.
Recent History

Giving by bequest declined 1.3 percent in current dollars between 2012 and 2013.
The History of Giving by Bequest

- Remained relatively consistent over the last 40 Years.

- Giving by bequest saw its largest period of growth between the 5 year periods beginning in 1990 and 1995, at 39.1 percent.

- Giving by bequest realized its only significant decline between the 5 year periods beginning in 2005 and 2010, at -5.2 percent.
Giving Institute: Overview of 2014-2015

Contributions by recipient category (by percentage of the total)

- Religion: 32%
- Education: 15%
- Human services: 12%
- Gifts to foundations: 12%
- Health: 8%
- Public-society benefit: 7%
- Arts, culture, and humanities: 5%
- Environment/animals: 3%
- Gifts to individuals: 2%
- International affairs: 1%
- Other: 4%

All but three recipient categories of giving are estimated to be at their highest level ever (in current and inflation-adjusted dollars).

Key facts about giving to particular recipient types in 2014

- The estimated amount contributed to religion in 2014 reached its highest value ever.
- Giving to education was strengthened in 2014 by the contributions of several very large gifts, many in support of higher education capital campaigns and medical research initiatives.
- While modest in growth in 2014 at 3.6 percent, current-dollar giving to the human services subsector has not seen a decline since the year 2002.
- Rising 9.2 percent in 2014, estimated giving to arts, culture, and humanities saw the highest increase in giving among all subsectors. Giving to environmental and animal organizations followed, with 7.0 percent growth.

Refer to pages 51–63 in the annual report for overviews of 2014 giving by recipient type, as well as the chapters on giving to specific recipient types in the annual report.
What Exactly is Planned Giving?

Supporting non-profits and charities that enables philanthropic individuals or donors to make larger gifts than they could make from their income.

While some planned gifts provide a life-long income to the donor, others use estate and tax planning techniques to provide for charity and other heirs in ways that maximize the gift and/or minimize its impact on the donor's estate.
LEGACY GIFTS FOR THE FUTURE
CHARITABLE REMAINDER UNITRUST

Jim and Diane Watson

FRED HUTCH
CURES START HERE™
Realities of Planned Gifts

- The Nonprofit Culture
- Asking Feels Weird and Uncomfortable
- Mysterious: 40% of Realized Planned Gifts are Unknown

Honor the legacy with hope and education.
Types of Planned Giving?

- Bequests and Estate Gifts
- Life Income Gifts
  - Charitable Gift Annuities
  - Charitable Remainder Unitrusts
  - Charitable Remainder Annuity Trusts
- Charitable Lead Trusts
- Donor Advised Funds
Realities of Planned Gifts

Security

• Protect donor assets
• Receive Fixed Annual Income
• Children and Family will have deductions in taxes
• Diversify Portfolio

Taxes

• Federal and State Deductions

Legacy

• Lasting gift to organization a donor loves
• Restricted vs. Un- Restricted
The Planned Gift Officer Wish List...
Realistically, what can you do?

- Wealth screening entire database
- Wealth screening regularly – recent givers
- Publication review – newspaper reviews
- Identify Planned Gift Prospects- DonorSearch Method
  - Consistency and loyalty
  - Propensity to be Philanthropic
  - Capacity based on Wealth
- Consistent Marketing
Leaving a legacy...

“I need to make out a will. I want to leave my money to charity, my organs to science, and my cellulite to the donut shop.”
Data Points

• Wealth
• Consistent Giving
• Type of donations
• Loyalty
• Desire to make an impact
• Age
• Source
  • Self –Identified or by Planned Gift Officer
  • Identified by doctors, nurses, event attendees
Summary:

- Giving by Bequest Remains Consistent
- Essential Internal Understanding of Planned Giving
- Consistent Marketing for Planned Giving Programs
- Not to be intimidated by Planned Giving
- Careful Tracking of Donor History
- Use Screening & Publications to Identify Planned Giving Prospects

So we turn it back to you, and ask that you think about what can you do?
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