

# Think small steps...

- o When your org has established a strong foundation for development activities, take a gradual approach to adding gift planning...
- o Phase One: the Bequest and Beneficiary Designation Program
- o Phase Two: the Life Income Gifts Program
- o Phase Three: the Charitable Gift and Estate Planning phase

# Phase One: Bequest & Beneficiary Designation

- o Basic – but results can be rewarding
- o Effective educational efforts and marketing and public relations programs essential
- o Sometimes outright gifts of appreciated securities and real estate are included
- o For some charitable organizations, this phase may be prudent, affordable and sufficient

## Phase Two: Life Income Gifts

- o Charitable Gift Annuity (CGA)
  - o Immediate or deferred CGA
- o CGA rates tumbled in volatile economy; rising
- o Target candidate: a donor with...
  - o Charitable intent
  - o Needs or wants guaranteed lifetime income from gifted asset
  - o Wants better payout than CD's or other investments

# Phase Three: Charitable Gift and Estate Planning

- o Split-Interest Trusts allow a donor to split trust property into two separate interests
  - o An income stream payable over a period of time
  - o A remainder interest payable at the end of that period
- o Charitable Remainder Trust (CRT)
  - o The charity is the beneficiary of the remainder interest
- o Charitable Lead Trust (CLT)
  - o The charity is the beneficiary of the income (lead) interest

# Steps to Begin

- o Get backing of governing board and executive staff, including approved budget
- o Review PPP's Model Standards of Practice for the Charitable Gift Planner (or CASE, e.g.)
- o Begin a self-education program
- o Attend a basic seminar
- o Adopt gift planning program policies: gift acceptance, ethical statement, policy on types of gifts that will be sponsored by the org and who is authorized to negotiate & accept gifts

# Guess who's interested?

- o Data from March 2007 Campbell & Company Bequest Giving Study at the Center on Philanthropy at Indiana University
- o Individuals aged 40-60 and those with at least a bachelor's degree most likely to name or consider naming a charity in their will
- o Combination of having desire to do good and desire to fill other's expectations is motivating
- o Income was found to have no impact

# Study's insight: whom to approach

- o Conclusions: to increase the number of wills that include charities...
  - o Cultivate younger donors (40-60)
  - o Focus on individuals who are educated and motivated by a desire to do good and a desire to meet other's expectations
  - o 1 in 3 would consider a charitable bequest
  - o You can help turn that consideration into action

# Gift Planning Propensity Factors: Who do you market your program to?

- o Age (40-60 peak)
- o Relationships: current donor gift frequency
  - o Each of 3 years = 25% more likely
  - o Each of 10 years plus = 40-50% more likely
  - o Monthly donors = 50% more likely
- o Relationships: Volunteerism
  - o Donor/member volunteers = 17% more likely
  - o Board members, current = 75% more likely
  - o Board members, past
- o Special events: attendees 2/3 less likely than \$25 donor

# Focus on Bequests

- o Remember: 89% of planned gifts are bequests
- o How to start a Bequest Society?
  - o One mailing or a few phone calls can do it
  - o Simple: post card or letter to all Board members, volunteers, donors
  - o Advanced: planned giving newsletter, Web site, face to face meetings
- o The power of Ten Little Words:
  - o *Have you considered xyz Charity in your will and trusts?*
  - o On every newsletter, publication, letterhead

# Often it's now...and later

- o Strong annual giving program essential to create effective gift planning program...

*~Establishing TRUST~*

- o Effective gift planning program may strengthen annual & capital giving
- o 75% of bequest donors and 2/3 CRT donors have also made a cash gift; many have established multiple planned gifts (*PPP*)

# Planned Giving Resources

- o Partnership for Philanthropic Planning  
[pppnet.org](http://pppnet.org)
- o WPGC [wisconsinplannedgiving.org](http://wisconsinplannedgiving.org)
- o Stelter and Company
- o Pentera
- o Sharpe and Company
- o PG Calc
- o Crescendo
- o R&R Newkirk



Thank you!

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