A Simple Approach to Donor Engagement through Planned Giving

Presented at:
2019 Nonprofit Leadership and Learning Conference

Steve Grouookie, CAP®, CFRE
The American College of Financial Services
Key Messages

1. Understand donor values and motivation
2. You don’t have to be an expert to provide donors expert service
3. Planned giving donors thrive and inspire when in community
4. Practice what you preach
Charitable Bequest
Beneficiary Designation
Charitable Remainder Trust
Retained Life Estate

Don’t be Overwhelmed by Planned Giving

Donor Advised Fund
Charitable Gift Annuity
Charitable Lead Trust
Life Insurance
Retained Life Estate
Charitable Remainder Trust
What are Planned Gifts?

• **Donor perspective**: Giving vehicles that offer:
  • options in the context of family, financial, and personal priorities;
  • flexibility, tax benefits, and the possibility of income, and;
  • a way to pass on the value of philanthropy and leave a legacy.

• **Organization perspective**: Philanthropic investments that provide:
  • a sustainable source of long-term philanthropic revenue, and
  • a way to engage donors in the life of the institution today.
The Planned Giving Landscape

• 95% of American household wealth is held in non-cash assets

• 75 million Baby Boomers, the oldest of which are turning 70 ½

• 90% of planned gifts are bequests or beneficiary designations

• Planned giving can count for 30% or more of comprehensive campaigns
Planned Giving Behavior

What characteristics might your planned giving donors and prospects exhibit?

• Consistent givers – especially at higher levels
• Actively engaged (e.g. volunteers)
• Trust in charity
• Higher net worth
• All else = childless most likely to engage in charitable estate giving

• Charitable giving is a social act
• Charity acts as a surrogate family
Values-Based Approach

• Requires us to replace windows with mirrors

• People do not give money to organizations because organizations have needs; they give because organizations meet needs

• Requires us to prepare, listen with empathy, and respond with grace

• It’s okay if donors’ values are self-serving

• Nurture donors’ values to renew and grow their investment
Diagnose before Prescribing

Questions to engage and inspire philanthropy

• What area (designation) of our work excites or inspires you, and that you want to support through your philanthropy?

• What type of impact do you want to have on that designation?

• When do you want the impact to occur?

• What assets do you have to make your philanthropic investment?
Charitable Bequests

A provision in a will or living trust that directs a fixed amount, percentage, or remainder amount (Residuum) from a donor’s estate to charity. Donors rely on an attorney or other counsel to draft and change their will or living trust.

Legal Name. __________________________________________

Incorporated in. ___________________________________
Beneficiary Designations

The act of naming a charity as a beneficiary (usually a percentage or a fixed amount) of a retirement account, life insurance policy, or payable on death/transfer on death accounts. Beneficiary designations pass outside of probate, and do not require legal counsel to initiate or change.

Tax ID Number. _________________________________
Discovery and Making the Bequest Ask

• “I know philanthropy is a top family priority. I’m curious to know if you’ve included our organization or any other charities in your estate plan?”

• “Thank you again for being a member of our Loyalty Society. We are blessed to have your support for the past 20 years. Many Loyalty Society members have included our organization in their estate plans because they want to see their giving continue after their lifetime or forever. Have you ever thought about doing this?”

• “You’ve said that you want to make an endowment level gift, but the price tag is out of reach. Did you know you can make a gift through your estate to endow a fund? It’s easy to do by naming our organization as a beneficiary of your retirement account. You maintain control of the asset, which passes to our organization after your lifetime.”
Acknowledging and Documenting

• How should we respond when a donor self-discloses or we uncover their estate gift intention?

• "Thank you for informing me that you’ve included our organization in your estate plans. I want to welcome you to the Legacy Society."

• Get the details! Bequest Intention Form
Benefits of Gifting Through an IRA

• Non-itemizers

• Required to take distribution, but don’t need the funds or want to lower AGI

• Would like to make a larger donation than if donating cash/stock

• "Since you don’t itemize your taxes any gift you make to our organization or other charities is made strictly out of the goodness of your heart, with no tax benefits to you. You may want to consider making a direct gift from your IRA, which will satisfy your RMD and potentially reduce your AGI—returning at least some benefits to you for giving."

• Synergy between IRA contributions and Beneficiary Designations
Giving Through an IRA… It’s an Easy Process!

• **Step 1:** Contact your plan administrator to request a direct transfer from your eligible IRA account to The American College.

• **Step 2:** Request the check be made payable to The American College and mailed to: The American College, Attn: Anne Marie Gallagher, 630 Allendale Road, Suite 400, King of Prussia, PA 19406.

• **Step 3:** The College will send you an acknowledgement letter confirming receipt of your qualified charitable distribution.

• **Eligible Accounts:** Up to $100,000 annually from traditional IRA, inherited IRA, inactive SEP and SIMPLE IRA plans.
Donor Advised Funds

• Fastest-growing charitable giving vehicle

• “Thank you for sharing with me that you use a donor-advised fund. I would love to hear about your experience with your DAF.”

• What prompted/inspired you to setup a DAF?
• What were your original goals with the DAF? Have those goals changed?
• What charities do you typically support through the DAF?
• How has your experience been so far?
• How long do you intend for the DAF to last? Are your children/grandchildren involved?
• Would you consider a special gift to our organization using these funds?
Blended Gifts

- Gift arrangement with both current cash and a planned gift(s)
- Allow donors to see their legacy in action
- Provide current philanthropic support
- Require us to learn more about donors and engage in deeper relationship building
- Require cooperation, collaboration, and breaking down silos
- Should be the standard
A Community of Donors

• How would you describe your legacy society?

• How much time do you invest in your legacy society?

• Do your benefactors know the legacy society exists?

• How do you promote your legacy society?
Thank you.
For more information, please contact

Steve Gourke, CAP®, CFRE
Senior Vice President
Advancement and Alumni Relations
stephen.gourke@theamericancollege.edu
215-913-1389