Powerful Planned Giving with a Shoe-String Staff and a Shoe-String Budget

Bryan Clontz, CFP®
Co-Founder and President, Charitable Solutions, LLC
P: (404) 375-5496 E-mail: bryan@charitablesolutionsllc.com Web: www.charitablesolutionsllc.com

I. What is planned giving?

A. Process used to accomplish donor objectives in the most efficient way possible

B. Answers: "What is the best way for me to give?"

Myth 1:	Our donors know this stuff
Fact 1:	Most do not, and even if they do, motivate and facilitate

Myth 2:	Planned giving is too complicated
Fact 2:	You only have to know the questions

Myth 3:	Planned giving should be separated from resource development
Fact 3:	It should be fully integrated into the development process

Myth 4:	Planned giving will "cannibalize" current giving
Fact 4:	Planned giving enhances current giving and opens up new opportunities

II. How can planned giving help our organization and our donors?

A. Current gifts of appreciated property

1. Benefits: "give once…save twice"
2. IRS match

<u>Assets of Major Donor</u> (Gives $25,000+/year)

Real Estate	36%
Stocks	33%
Personal Property	14%
Bonds	12%
Cash	5%

Myth 5:	Only widows are prospects for planned gifts
Fact 5:	Any committed donor or volunteer is a prospect

B. Charitable Gift Annuities

1. Overview
2. Typical Donor
3. CGA Flow Chart

III. What motivates donors?

Mission
Desire to Give Back
Personally Touched by Organization
Religious Duty
Legacy
(Tax Motivation is Very Low)

IV. What can you do today?

Myth 6:	Planned giving will solve all of our problems
Fact 6:	Planned gifts can generate current dollars and "fill the pipeline"

A. Next steps

1. Case
2. Committee
3. Formalize Policies and Procedures
4. Solicit by Asking Question (see below)
5. Develop and Present the Proposals
6. Constant, Slow-Drip Marketing

<u>Sample Questions</u>

a. Many families have an idea of the proportion of their estate they wish to distribute to the following sources: family/children, the IRS and charitable interests. Would you be willing to have a confidential visit with (Name) to make sure your current planning will meet your specific goals?

b. Some charitable gifts cost much more than is necessary. Would you like to visit with someone who can help you make your charitable gift in the most economical way possible?

c. Would you like to visit with someone who can show you how to make a gift and possibly increase your income?

d. If you are considering the sale of an asset that has increased in value, (stocks, bonds, land, mutual funds or a business), some charitable gifts provide a way that you can sell this type of asset without the payment of any tax on the appreciation. Would you be willing to visit with someone who can show you how you can sell appreciated assets, keep the full value for yourself and your family and also benefit our organization?

THE PLANNED GIVING MARKET

The low-growth simulation estimates $41 trillion, the middle-growth simulation estimates $73 trillion, and the high-growth scenario estimates $136 trillion of wealth transfer during the period from 1998 through 2052 (*Millionaires and the Millennium*, John Havens and Paul Schervish).

Low Estimate: *20 years: $12 trillion total transfer; $1.7 trillion in charitable bequests*
55 years: $41 trillion total transfer; $6 trillion in charitable bequests

Middle Estimate: *20 years: $14 trillion total transfer; $2.2 trillion in charitable bequests*
55 years: $73 trillion total transfer; $12 trillion in charitable bequests

High Estimate: *20 years: $18 trillion total transfer; $2.7 trillion in charitable bequests*
55 years: $136 trillion total transfer; $25 trillion in charitable bequests

Year 2006 Charitable Trusts

Trust Type	Percent of Total	Number	Average Size	Average Payout
Annuity Trust	20.0%	22,669	$424,272	10.1%
Lead Trust	4.0%	6,298	$2,664,969	6.96%
Unitrust	74.5%	94,201	$856,609	6.92%

The trust returns showed a total of $125 billion in total assets. Bequests are 85-90 percent of all planned gifts and are not captured in this data (they average $65,000), nor does it include charitable gift annuities, life insurance and retirement plan bequests. Realized bequests to charities exceeded total corporate contributions since 2002.

Leave a Legacy: Top Ten Planned Giving Ideas

1. Prepare a will. Only 35% of those who pass away have a valid will. Without a will, you may lose control over your assets and may not be able to specify a guardian for your children.

2. Leave a specific dollar amount or a percentage of your assets in your will to "Legal Name, a Michigan non-profit corporation." Less than 8% of American households have included a bequest to a charity in an estate plan yet more than 82% make annual charitable gifts.

3. Consider using assets for your charitable gift. These include but aren't limited to: mutual funds, stocks, bonds, CDs and real estate.

4. Name our charity as a full or partial beneficiary of your pension plan or IRA.

5. Purchase a new life insurance policy naming our charity as the owner/beneficiary.

6. Name our charity as the beneficiary of an existing life insurance policy. This idea even extends to employer-provided group term life insurance.

7. Consider your legacy or a legacy for a loved one. What at our charity makes you especially excited? A planned giving approach may help to support, endow or name that area for pennies on the dollar.

8. Encourage other donors to leave gifts to our charity in their wills. Providing testimonials is a great way to encourage new gifts.

9. Consider making the gift to our charity where you can retain a life-time stream of income. The most popular vehicles are charitable remainder trusts and charitable gift annuities.

10. Ask your financial and legal advisor to include charitable giving as a part of their client counseling.