

## **THE SIGNALS OF CHARITABLE PLANNED GIVING**

While Charitable Planned Giving concepts can seem overwhelming and technical, the important thing to know is that you do not need to be a Master Technician - but a Master Listener and Observer. By familiarizing yourself with endowment vehicles and the signals presented in these examples, you can effectively introduce planned giving options and the beneficial role they can play in an individual's estate, financial, retirement and charitable gift planning to the synagogue.

### **SOME WORDS OF ADVICE:**

- You are changing culture. The more you talk about the importance of endowment gifts, the better chance you have to build adequate endowment resources to enrich and provide your synagogue's vision into the future.
- Everybody can make a difference. A simple bequest is the easiest way to make a commitment to the future of your synagogue.
- Leadership leads. The best way to demonstrate your commitment to the future of your synagogue and your recognition of the importance of building a strong endowment is by making a personal commitment to leaving a bequest or by selecting one of the other planned giving options available.
- Use the examples of prospect profiles inside to help you identify the signals that can lead to potential giving options for endowment gifts.

**THE BOTTOM LINE IS THAT THE OPPORTUNITIES ARE OUT THERE.**

**GOOD LUCK!**

## **DAVID DONOR**

David Donor, an active 75-year old retiree, is very proud of his longstanding support of the synagogue. David is concerned about his income because he lives on his Social Security benefits, his IRA income and limited dividend income from his high growth stocks. He has been an active long-time volunteer for the synagogue.

### **SIGNALS FOR PLANNED GIVING**

- Age (past retirement)
- Charitable Minded – Long-standing synagogue supporter
- Concern about his current income
- IRA Account
- High growth stocks with limited dividend income

### **SUGGESTIONS AND RECOMMENDATIONS**

Ask David Donor if he has ever dreamed of the ideal synagogue and does he believe he can help create it?

Acquaint him with an endowment, a gift that will perpetuate his support on a permanent basis. Because he has been a long-time supporter, he may be a perfect candidate for this type of gift. Various funding options are available to establish David's dream, through an endowment fund.

Comment on how great it is that he is so active and explain that he can make a permanent gift to the synagogue. The gift could provide a naming opportunity for himself or a family member at the synagogue.

Mention that he can achieve significant tax advantages by gifting his IRA as a charitable contribution upon his death rather than bequeath it to a non-charitable beneficiary.

Introduce the idea of an income-producing, deferred gift such as a Charitable Remainder Trust. He could effectively use his high-growth stocks to establish this and avoid the capitals gains tax he would face if he sold the stock himself. This endowment vehicle will provide David with an income for the rest of his life (most likely greater than the dividend income of the stocks) and an income tax deduction based on the gift's present value.

Inquire if David has any paid-up life insurance policies for beneficiaries who no longer depend on his support. There are tax advantages to David for donating these policies to the synagogue.

Advise he about a simple bequest which could be donor directed for a specific purpose or an Unrestricted Endowment Fund administered by the synagogue.

## **SOL GREEN**

Sol has been a long-standing member of the synagogue. In addition, it is common knowledge that his family business is very successful. While preparing to meet with Sol, you recall that his father, who was the founder of the family business, passed away six months ago. The obituary mentioned that the father was on the synagogue board and asked the contributions be sent to the synagogue in his memory. You also know that Sol inherited a summer home at the Jersey shore from his father. When you meet, Sol mentions that he would like to sell his business in a few years and retired to Florida.

## **SIGNALS FOR PLANNED GIVING**

- Apparent wealth
- Ownership of a family business
- Intention to sell business
- His father's recent death and loyalty to synagogue
- Inheritance of summer home

## **SUGGESTIONS AND RECOMMENDATIONS**

Suggest that Sol may want to honor his father's memory and loyalty to the synagogue with a meaningful capital gift.

Explain to Sol that he could make a Gift of Life Estate with the family's summer home and receive a significant income tax deduction now, while he maintains the right to live in the residence for the rest of his life. Of course, gifts of other assets such as cash or securities would also provide him an income tax deduction while honoring his father.

Tell Sol that as he considers selling his business he can take advantage of planned giving techniques to avoid capital gains tax on the sale. These techniques can also provide a substantial income stream for him and his wife, and pass assets to his children free of estate tax.

Inquire if Sol has any paid-up life insurance policies for beneficiaries who no longer depend on his support. There are tax advantages to Sol for donating these policies to the synagogue.

Advise him about a simple bequest which could be donor directed for a specific purpose or an Unrestricted Endowment Fund administered by the synagogue.

## **DR. PAULA PROSPECT**

Dr. Prospect is a 50-year old self-employed physician. You know she has stocks because she consistently pays her dues through stock transfers. Through your conversation with her, she indicated that her support is unlikely to increase because she worries about having enough for her upcoming retirement.

## **SIGNALS FOR PLANNED GIVING**

- Age (pre-retirement)
- Self-employed
- Actively engaged in retirement planning

## **SUGGESTIONS AND RECCOMENDATIONS**

Impress upon Dr. Prospect that she has invested in the synagogue over her lifetime, and now may be the time to consider how to protect that investment.

Inform Dr. Prospect that Charitable Planned Giving can actually present various helpful options to her with her estate planning.

Tell her about the Charitable Remainder Trust, a very popular retirement planning option for self-employed people. This gift will allow her to make a deferred gift to the synagogue, receive significant income and estate tax benefits and, at her retirement, when her tax rate should be lower, provide a generous annual income to supplement other retirement income. Since you know she has stocks, you may want to suggest she use

these to establish the Charitable Remainder Trust with the full value of the stock. She would also avoid the capital gains tax she would pay if she sold them herself.

Explore the possibility of gifting an existing life insurance policy that her grown children may no longer need. This type of gift also provides tax benefits.

Mention that a pension plan (doctors often have well-funded plans) can be given to the synagogue at her death to avoid serious tax consequences for her heirs.

Advise her about a simple bequest which could be donor directed for a specific purpose or an Unrestricted Endowment Fund administered by the synagogue.

## **HOPE AND MICHAEL LEADERS**

Hope and Michael, in their mid-30s, are active synagogue volunteers who both hold board positions. True “success stories,” the childhood sweethearts attended Camp Ramah, and were active teenagers in USY. They just had their first child and plan to move from their apartment to their first house in the next year. While they would love to support the synagogue in a significant way, they say they must wait until they are much older.

## **SINGALS FOR PLANNED GIVING**

- Age (thirty-something)
- Charitable Minded – Loyalty to the synagogue
- A new baby
- Interest in doing more
- Leadership roles

## **SUGGESTIONS AND RECOMMENDATIONS**

Explain how the Leaders' ages can actually work toward their advantage by providing a significant gift through a life insurance policy. The premiums would be relatively low and by making the synagogue the owner of the policy, the premium payments are tax-deductible.

Suggest that the Leaders pledge perhaps through a Letter of Intent a permanent gift to be made to the synagogue upon their death. In their leadership roles, they are in a position to encourage others to do the same. Once you have signed your (pledge) commitment form, you may want to share your plans.

Discuss implementing Hope and Michael's pledge through a bequest in their wills. Soon, they will probably make or update their wills because of the birth of their child. This would not only be a reflection of their commitment to the synagogue, but would also show how strongly they feel about *tzedaka*