



Chester County Community Foundation

Planned Giving Signals: Recognizing Opportunities

October 8, 2010

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Getting to Know You



Getting to hope you like me

- Montgomery County native
- UD '86/WSSW '89
- Jewish Federation of Greater Philadelphia
- Consultant 1999
- Bloom Consulting 2003/Bloom Metz 2009
- Fundraising, Strategic Planning, Marketing, Leadership Development
- Personal

Getting to know you: Your Turn

- ❖ Professional experience
- ❖ Planned giving experience
- ❖ Planned giving comfort level
- ❖ Anything else

Challenges

- Complicated
- Sensitive
- Emotional
- Not “one size fits all”
- Investment
- Time
- Leadership
- Pressure
- Revocable

Learning Objectives

- Describe common terms, including;
 - ❖ Gift Planning - process
 - ❖ Deferred v. Outright Gift - receive in the future
 - ❖ Bequest - transfer of assets through will
 - ❖ Life Income Gift - deferred, provides income
 - ❖ Endowment - permanent source of funds
 - ❖ Restricted v. Unrestricted - limited vs. unlimited

Overall Objectives

- Demystify/better understanding
- Champion the cause
- Underscore its relevance
- Empower you to maximize opportunities
- Focus on greatest potential

Why now? How?

- Changing economics
- Aging out of traditional supporters
- Cross-selling current supporters
- Should not compete with current gifts
- Significant return on investment
- Other NFP's are getting them from your supporters

Basic Terms

- **Planned Giving** - science, body of knowledge
- **Gift Planning** - process
- **Deferred Gift:** - receive in the future
- **Bequest** - transfer of assets through will
- **Life Income Gift** - deferred, provides income
- **Endowment** - permanent source of funds
- **Restricted/Unrestricted** - limited vs. unlimited use

Future Revenue Streams

- Bequests – bequests, bequests
- Qualified Retirement Plan Distributions
- Life Insurance
- Charitable Gift Annuities
- Charitable Remainder Annuity Trusts
- Charitable Remainder Unitrust
- Charitable Lead Trusts
- Life Estate Agreements

Charitable Bequests

- ❖ In 2003 18% of all decedents left a charitable bequest
- ❖ Charitable bequests comprised 28% of their estates
- ❖ Bequests are estimated to grow at a staggering rate over the next 50 years.
- ❖ \$17.2 Billion in '99
- ❖ \$21.6 Billion in '03
- ❖
- ❖ 25% growth in 5 years

Charitable Bequests

- 80% of all planned gifts
- 20% leave charitable bequests
- 30% of assets in estate
- Majority leave more than one
- Easiest to do
- Flexible
- Easiest to change

Sample Bequest Codicil

This is a codicil to my will dated_____.

I give and bequeath the sum of \$_____

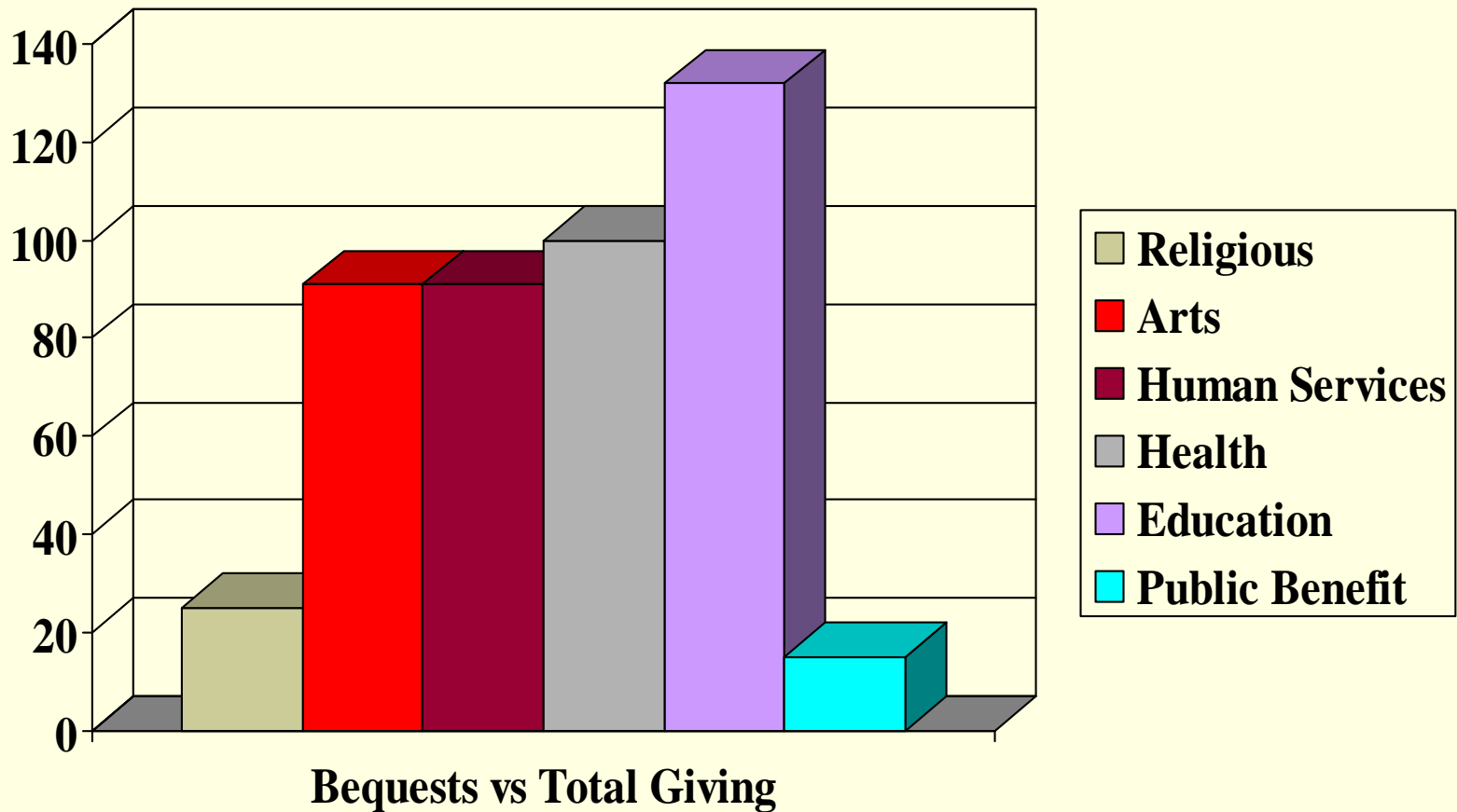
(or) the following described property_____

(or) _____% of my estate to:

(or) the residue of my estate to:

In all other respects I confirm my said will.

Who is Getting their Share of Bequests?



Signals

- Loyal/long-term supporter
- Older
- Childless
- Wealth
- Multiple organizations
- EVERYONE!!!!!!!!!!!!!!

Charitable Gift Annuity

Contract between not-for-profit organization and a donor in which the organization provides the donor, or their designee, an annual payment for their lifetime in return for a lump-sum gift on which the annual payments are determined.

The organization keeps the difference between the lump-sum gift and the total of the annuity payments to the donor. The donor receives an income tax deduction for this value.

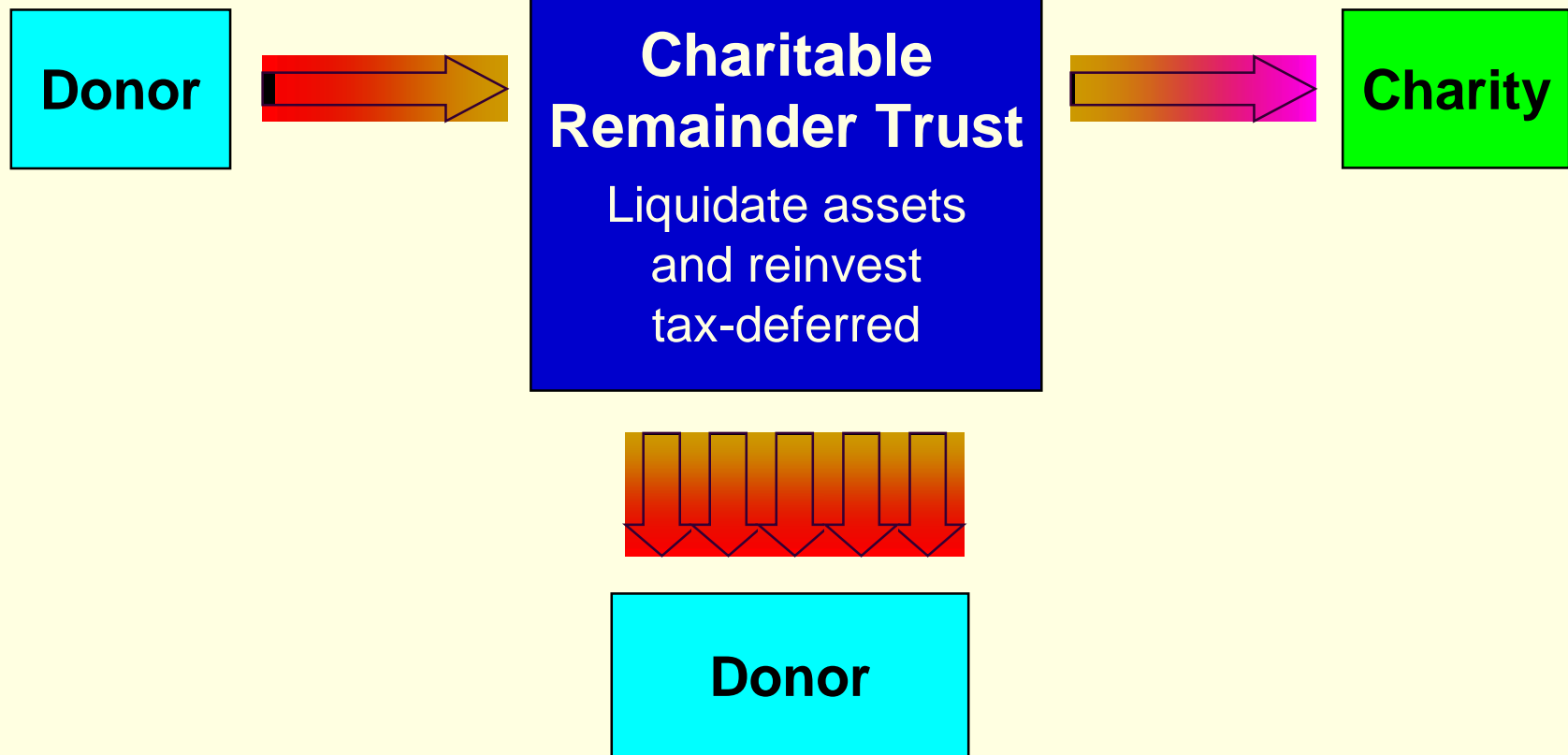
Signals

- Loyal/long-term supporter
- Older
- Wealth
- Multiple organizations
- Concerned about return on investment

Charitable Remainder Trust

- Donor gifts asset
- Charity commits income to donor for life or period of time
- Donor receives immediate income tax deduction
- Charity benefits

Charitable Remainder Trust



Signals

- Loyal/long-term supporter
- Older
- Wealth
- Financially sophisticated
- Concerned about return on investment

Life Estate Agreement

- Donor gifts residence
- Donor lives in residence for remainder of life or period of time
- Donor receives immediate income tax deduction
- Donor maintains property
- Charity uses property

Signals

- Loyal/long-term supporter
- Older
- Wealth
- Financially sophisticated
- Desire to stay in property for life
- Adult children not interested in inheritance

Gifts of Life Insurance

- Donor gifts existing policy
- Donor receives immediate income tax deduction
- Charity benefits

OR

- Donor establishes new policy, owned by charity
- Donor pays premiums to charity
- Donor receives immediate income tax deduction for premium payments
- Charity benefits

Signals

- Loyal/long-term supporter
- Childless
- Older
- Younger
- Wealth
- Anticipated wealth
- Financially sophisticated

About Bloom Metz Consulting

- Seasoned professionals
- Passionate about our work
- Personally involved as volunteers also
- Consider development an “art and science”
- Team management



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