

Chester County COMMUNITY FOUNDATION



INFORMATION FOR ATTORNEYS AND FINANCIAL PLANNERS

PLANNED GIVING SURGES

With gift planning surging in recent years and expected to produce a growing share of charitable giving, the tools and techniques that clients favor continue to evolve, reflecting the ups and downs of the economy and an increasingly discerning marketplace.

Historically representing 15-22% of overall charitable giving, which for 40 years has grown at an annual pace of roughly 2-3%, planned giving has exploded in recent years, says H. King McGlaughon Jr., professor of philanthropic studies at The American College in Bryn Mawr.

Donor-advised funds, for example, grew to \$17.2 billion in 2003 from \$2.5 billion in 1995, he says. "There's a consistent long-term trend towards more and more planned gifts, and that seems to withstand the vagaries of the stock market and economy," he says.

What has changed in the past five years are the strategies that charities and donors are using to create planned gifts. Charitable gift annuities and charitable lead trusts are enjoying greater emphasis in a market that has seen lower interest rates and only modest growth in stock values, he says.

Charitable gift annuities are more popular with donors, because they offer a fixed-income option that is more secure than stock in the current economic cycle, while charitable lead trusts are more popular because their tax-planning benefits rise when interest rates fall.

Donors also are making more non-cash gifts such as real estate and closely-held stock that have appreciated at a time when publicly-held stocks have lost value. Beth Harper Briglia, CPA, Vice President of the Chester County Community Foundation, says the economic turnaround has helped appreciate the value of companies and made closely-held and restricted stock more popular among donors as assets for planned gifts.

"People are feeling more comfortable and looking for capital opportunities, like selling, going public and moving assets within a privately-held company," she says. "When the economy is good, it's good for everybody. The upswing in the economy also has generated more gifts of appreciated securities."

*Let your legacy
make a difference in
Chester County*

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Many professional advisors in Chester County find that the Community Foundation is especially beneficial for clients who:

- Care deeply about their community
- Give to more than one charitable cause
- Want some advice on how to make the most effective grants
- Are interested in creating a personal or family legacy in Chester County
- Are considering creating a private foundation, but are concerned about the cost and administrative complexity
- Would like to stay personally involved in the use of their gift dollars
- Want to receive the maximum tax benefit for their charitable contributions under federal law
- Place priority on sound financial management of their contributions.

By establishing a fund with the Community Foundation, individuals receive:

- Permanence
- Commemoration
- Stewardship
- Grantmaking Expertise

There are many ways to become part of the Community Foundation and make a lasting contribution:

- Establish and name an individual fund, a family fund, a scholarship fund, or a memorial fund, with a gift of \$10,000 or more
- Establish a fund to benefit a specific nonprofit charity, with a gift of \$10,000 or more
- Support Chester County's greatest needs and opportunities by contributing any amount to the Fund for Chester County
- Focus a contribution to a Field of Interest Fund (arts, health/human services, education, environment)
- Make a planned gift, through bequest, a charitable trust, or a charitable gift annuity, to support a thriving, healthy Chester County community for years to come.

The Community Foundation accepts a wide variety of gifts including:

- Cash
- Publicly traded securities
- Closely-held and pre-IPO stock
- IRAs or life insurance with the Community Foundation as beneficiary
- Remainder of a Charitable Remainder Trust
- Remainder of a Pooled Income Fund
- Lead gift of a Charitable Lead Trust
- Real estate.

For more information, contact Karen Simmons, President/CEO at (610) 696-8845 or Beth Harper Briglia, Vice President of Donor Services and Grantmaking at (610) 696-8045. All meetings are confidential and informational in nature.

