

## Talking About Planned Giving



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## Your Upcoming Webinars



**Thursday, February 19**

11 am Central

**Drafting Simple, Effective Annual  
Fundraising Plans**

**Thursday, March 19**

11 am Central

**Easy, Effective Steps to Recruiting  
Amazing Board Members**



## 4<sup>TH</sup> Friday Coaching



**10 am Central**

**January 23**

**February 27**

**March 27**

**April 24**

**May 22**





# Talking About Planned Giving

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## Talking To Your Donors About Planned Giving

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- ▶ How can I talk to my donors about planned giving? I don't understand the concepts all that well, and I'm concerned about being rude or intrusive. How do I even bring up the subject?

- ▶ Mary Ellis Peterson, Founder
- ▶ Next Level Giving, Inc.

## Talking About Planned Giving

- ▶ Thank you so much for your gift. Have you put us in your will yet? Can I have a copy? Who gets the rest? Is your estate large enough? Do you have toxic assets we might not want?



## Talking About Planned Giving

- ▶ Are you sick?
- ▶ Would you like a gift certificate for sky diving?



## What You Will Learn

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- ▶ Insight into your donors' thinking
- ▶ Ways to start the planned giving conversation
- ▶ Clues to listen for
- ▶ Basic planned giving tools and talking points

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## Talking About Planned Giving

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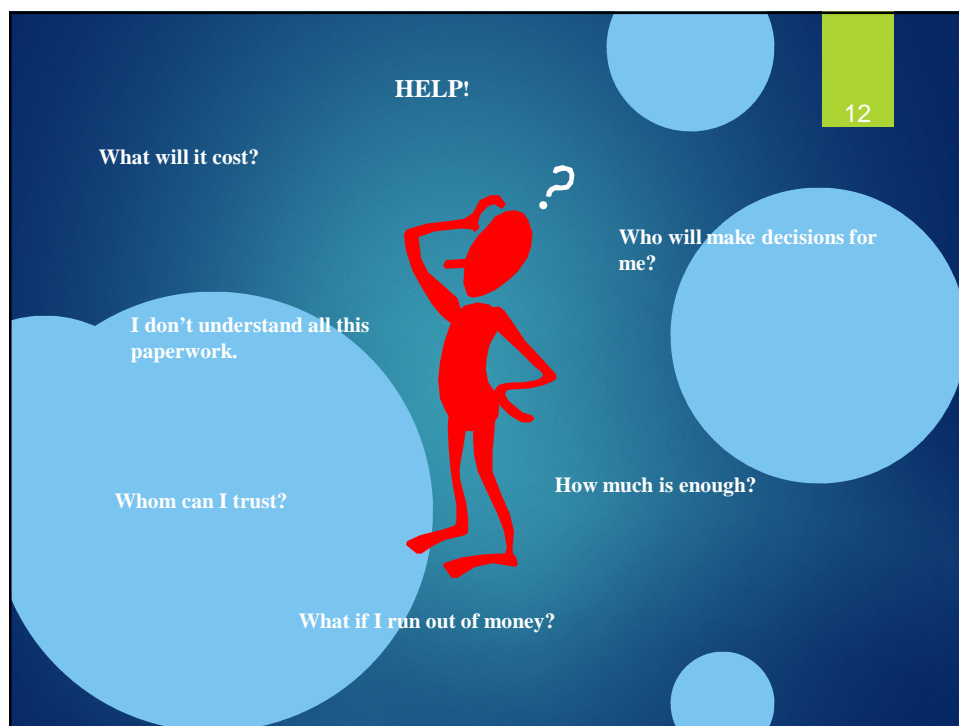
- ▶ Subtlety is good. It's really more about listening than talking anyway
- ▶ You aren't trying to "get" something – you're offering donors an opportunity to do good things for themselves as well as charity along with a chance to see dreams become reality

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## From the Donor's View

- ▶ What do your donors think when you talk to them about planned giving?
- ▶ You say, "would you ever consider a gift to our organization in your will?"



## Poll Questions

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## Put Yourself in Their Shoes

- ▶ You probably give to lots of charities. How will you decide which ones are important enough to go into your estate plan?
- ▶ How many people will you need to involve to make decisions – spouse or partner? Children? Professional advisors?

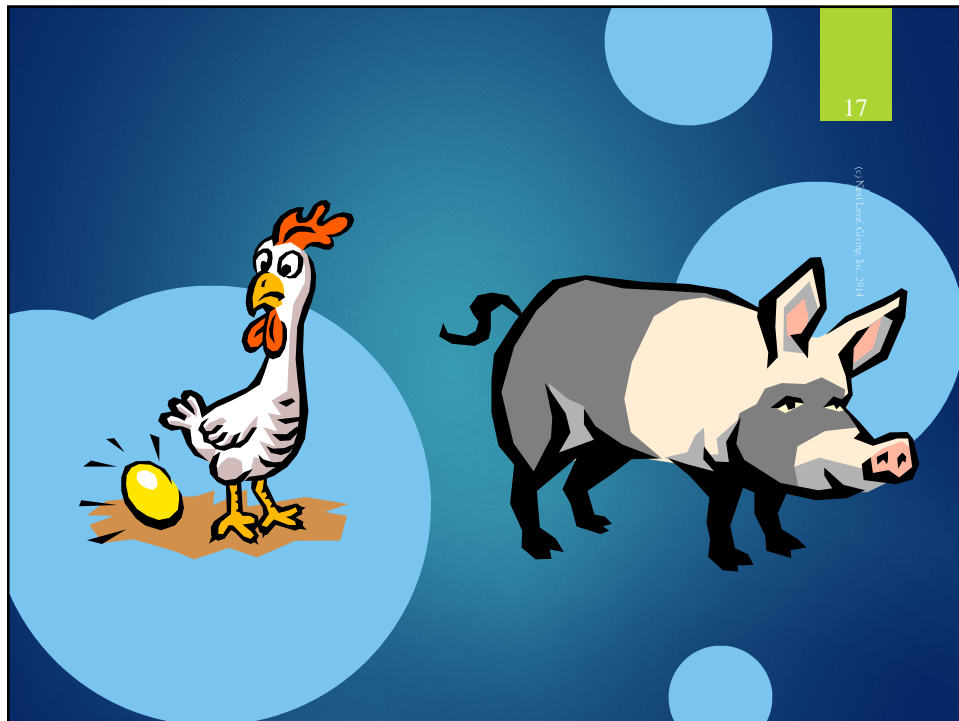
## Baby Steps

- ▶ What would trigger you to actually do your plan – Marriage? Divorce? Birth? Death? Retirement? Sale of a business?
- ▶ What will it cost?

## Baby Steps

- ▶ How much work would you go to just to respond to a charity's request?
- ▶ Always encourage them to check first with their professional advisors





## The Three Taboos

- ▶ Talking about death
- ▶ Talking about money
- ▶ Paying an attorney or appraiser a lot of money so you can give something away

## Key Information to Gather

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- ▶ How old are your donors?
- ▶ How long have they been married/together?
- ▶ Do they have children/grandchildren?
- ▶ Is there a disabled person in their family?
- ▶ Qualifying for capacity is different – Millionaire next door

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## Clues to Listen For

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- ▶ What is your donor's greatest dream and how do you fit into it?
- ▶ How can you improve your donor's life through a charitable gift?
- ▶ Can you solve a problem for them?
- ▶ What about their "but"s?

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## Talking About Planned Giving

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- ▶ What makes us special to you/your family?
- ▶ Why have you given to us in the past?
- ▶ Where does giving to charity in general fit in your life?
- ▶ What other charities do you support?
- ▶ Have you ever explored the idea of a planned gift?

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## You Really Only Need To Know the Basics

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- ▶ I know there's a way to solve that problem – may I introduce you to our planned giving officer? She may have an answer.
- ▶ Have you talked to your professional advisor about that problem? I wonder if he has thought about a charitable remainder trust for you?

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## How Can You Start the Conversation?

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- ▶ If you were absolutely sure you couldn't fail, what would you most like to accomplish?



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## How Can You Start the Conversation?

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- ▶ If you had \$1 million to give away, what would you do with it?



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## Poll questions

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- ▶ Do you know the names of all of your grandparents?
- ▶ Do you know the names of all of your great-grandparents?

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## How Can You Start the Conversation?

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- ▶ What would you most like your great-grandchildren to know about your life or to accomplish with your legacy?

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## More Conversation Starters

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- ▶ Who helped you when you were first starting out?
- ▶ What was the first giving experience you had that really made a difference in your life?

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## Major Gift Ask

When a donor says no or not now.

"You might want to think about putting us in your will. You can enjoy the full use of your money, but still make a gift that will really help us in the future."

"No" often means "not now."

## Donor Histories



What a legacy you have created  
over the last 50 years!

## Conversation Starters

Tell a Story. "Did you read about  
Shirley's gift in our latest newsletter?  
She set up a gift in her will and now  
look at what is happening because  
of it. Would you ever think of doing  
that?"

## Conversation Starters

Walk by your wall of honor, or show the listing in your annual report.  
“Next year, your name could be listed here, too!”



## Conversation Starters

“We recently got a wonderful bequest from Julio. I wish we’d been able to thank him while he was living. I wish he could have seen what we’re doing and met the scholarship recipient while he was alive. If you have made such a gift, or are considering it, I hope you’ll let us know.”

## I Need to Take Care of my Family First

Consider giving a percentage of residue (what's left over after everything else has been taken care of) or even a contingent gift (if everyone else dies first).

Once a will includes a charity, that charity is seldom removed, but can be moved up to a larger or less contingent gift.

It's ok to be last in line.

## Conversation Starters

2.5% ?



## More Conversation Starters

35

- ▶ Have you thought about what would happen to us when you are gone and we lose your annual gifts?.

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## Basics of Planned Giving # 1

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The basic tools:

- ▶ I can't give to you now because ..... But I could give later:

- ▶ **Bequests/Beneficiary Designations**

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## Bequests

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- ▶ 60 – 80% of all planned gifts are bequests
- ▶ The average bequest nation-wide is \$35,000
- ▶ Other studies show the average bequest can be 200 times a donor's annual gifts – or more

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## What an Opportunity!

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- ▶ Only 10% of households have wills
- ▶ 7% of households have never heard of charitable bequests!

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## Watch Your Language

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- ▶ A 2014 survey found that 23 percent of respondents were “interested now” in “making a gift to charity in my **will**.” By contrast, only 12 percent were “interested now” in “making a **bequest** gift to charity.”
- ▶ [Russell James, JD, PhD, CFP](#), a leading philanthropy researcher based at Texas Tech University.

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## Cues and Clues

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- ▶ I wish I could give, but I worry I will run out of money like my mother did.

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## Cues and Clues

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- ▶ I wish I could give, but I worry I will run out of money like my mother did.
- ▶ Did you know you could give assets other than cash and retain an income stream for life?
- ▶ Did you know you could include a gift in your will so you don't deprive yourself of assets during your lifetime?

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## Cues and Clues

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- ▶ I don't mind paying taxes, but I think I pay more than my share.

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## Cues and Clues

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- ▶ I don't mind paying taxes, but I think I pay more than my share.
- ▶ Charitable contributions are tax deductible.
- ▶ Would you like to hear about some possible ways to gain a tax deduction now for a gift later?

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## Can Your Donors Give Without a Will?

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- Name you as a beneficiary of retirement assets or IRA.
- Name you as a beneficiary of life insurance, or give the policy outright
- Make a bank or securities account payable on death "POD" or transferable on death "TOD".



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## Clues to Talk About IRAs

- ▶ Complaining about having to take a required distribution and pay taxes on it
- ▶ I can't give now, almost everything I have is tied up in retirement assets



## IRA Gifts

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- ▶ IRA assets are currently > \$5 trillion. Other qualified retirement assets are well over that
- ▶ IRA Rollover – Age 70-1/2, up to \$100,000 in 2008 -13. Briefly reinstated for 2014. Strong support for making it permanent in 2015.

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## IRA Magic

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- ▶ IRA to children:
  - ▶ \$100,000
  - ▶ (42,000 income tax)
  - ▶ \$58,000 net to children
  - ▶ Also potential estate or generation-skipping or gift tax!
- ▶ IRA to Charity:
  - ▶ \$100,000
  - ▶ No income tax
  - ▶ \$100,000 net to charity.

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## Basics of Planned Giving #2

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- ▶ I'd give it to you now, but I need the income:
- ▶ Split Interest Gifts:
  - ▶ **Charitable Gift Annuity**
  - ▶ **Charitable Remainder Trust**
  - ▶ **Retained life estate gift**

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## Life Income Gifts



## Clues for a Split Income Gift

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- ▶ Tired of an asset that takes a lot of management (rental property, etc.)
- ▶ I can't sell – I'd get killed by capital gains tax
- ▶ I need to diversify
- ▶ My CDs are paying almost nothing
- ▶ I'd like to give, but I'm afraid I'll outlive my assets

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## Cues and Clues

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- ▶ I need more income in my retirement.

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## Cues and Clues

53

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- ▶ I need more income in my retirement.
- ▶ Did you know there are gift options that would provide you with an income stream in your retirement?

## Cues and Clues

54

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- ▶ I just got a wonderful bonus so I need a tax deduction. But I don't need more income now; I'll need it later when I retire.



## Cues and Clues

55

- ▶ I just got a wonderful bonus so I need a tax deduction. But I don't need more income now; I'll need it later when I retire.
- ▶ Did you know you could make a gift that will pay you an income later and give you a deduction today?
- ▶ (Deferred gift annuity)

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## Cues and Clues

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- ▶ I don't trust the stock market; I prefer "safe" investments like CDs that provide me with a fixed income but they're not paying much.

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## Cues and Clues

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- ▶ I don't trust the stock market; I prefer "safe" investments like CDs that provide me with a fixed income but they're not paying much.
- ▶ Can I tell you about a gift option that would provide you with a fixed income you can't outlive, part of which is tax-free?
- ▶ (Charitable Gift Annuities)

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## Cues and Clues

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- ▶ I should do something about this large block of stock that I own.

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## Cues and Clues

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- ▶ I should do something about this large block of stock that I own.
- ▶ Did you know you could donate stock instead of cash to make your annual gift?
- ▶ Did you know you could turn that stock into a diversified income stream? (CRT)

## Cues and Clues

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- ▶ I don't have cash to give. My investments are mostly in real estate.
- ▶ I don't have the energy to take care of my cabin and none of my children want to inherit or use it.

## Cues and Clues

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- ▶ I don't have cash to give. My investments are mostly in real estate.
- ▶ I don't have the energy to take care of my cabin and none of my children want to inherit or use it.
- ▶ Did you know we sometimes accept gifts of real estate?

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## Charitable Gift Annuity – Talking Points

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- ▶ It's simple
- ▶ Annuity rate is based on age – up to 9%
- ▶ Security - Annuity is backed by unrestricted assets of the charity (They can't outlive it)
- ▶ Payments can be deferred until needed

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## Talking Points for Charitable Remainder Unitrust

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- Flexibility
- Participation in market growth
- Deferral/avoidance of capital gain tax
- Tax leverage

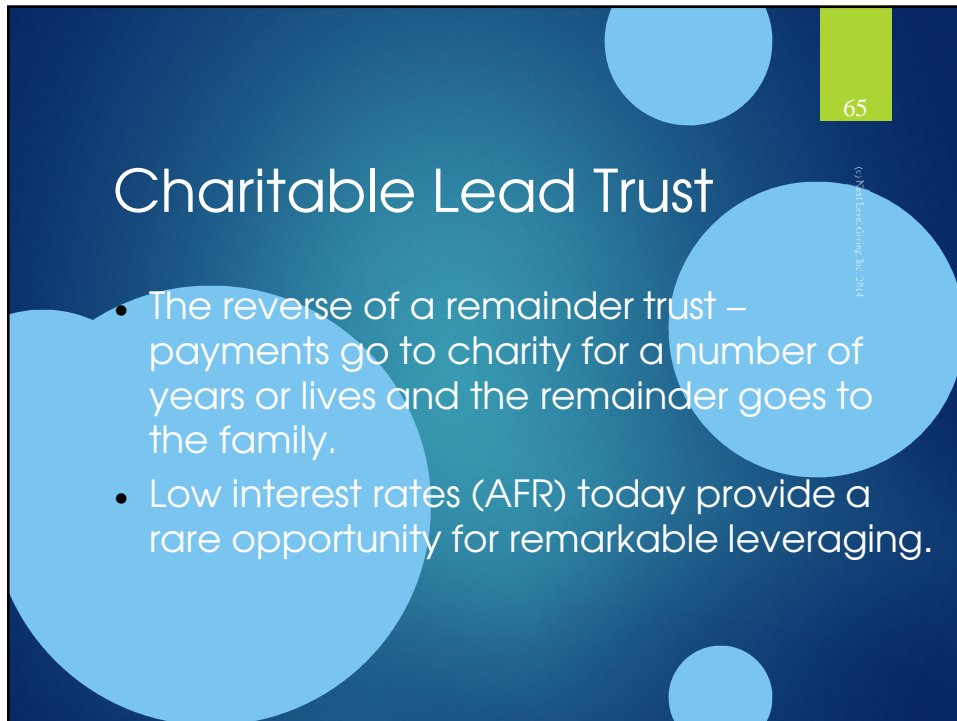
## Clues for a Lead Trust

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- ▶ Worried about estate tax ("death tax")
- ▶ Very high net worth
- ▶ Business succession planning
- ▶ Want to get assets to children but concerned about gift tax

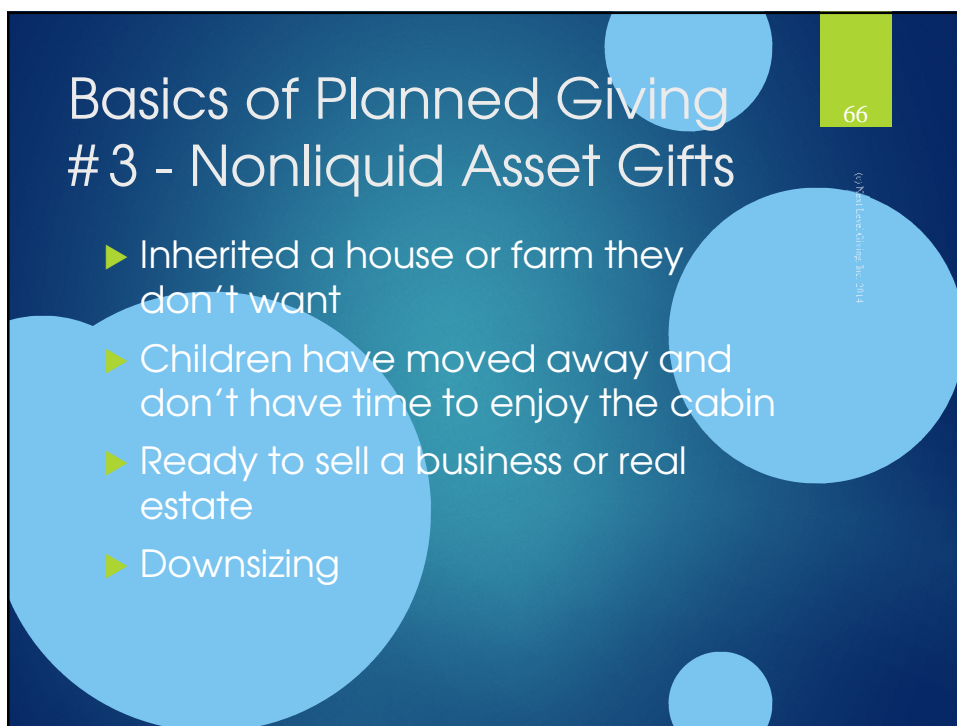


A presentation slide with a dark blue background and several light blue circles of varying sizes. In the top right corner, there is a small green rectangle containing the number 65. The title 'Charitable Lead Trust' is written in white. Below the title, there is a bulleted list in white text. A small vertical text '© Mallory Giving, Inc. 2014' is visible on the right side.

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## Charitable Lead Trust

- The reverse of a remainder trust – payments go to charity for a number of years or lives and the remainder goes to the family.
- Low interest rates (AFR) today provide a rare opportunity for remarkable leveraging.

A presentation slide with a dark blue background and several light blue circles of varying sizes. In the top right corner, there is a small green rectangle containing the number 66. The title 'Basics of Planned Giving #3 - Nonliquid Asset Gifts' is written in white. Below the title, there is a list of four items, each preceded by a green arrowhead, in white text. A small vertical text '© Mallory Giving, Inc. 2014' is visible on the right side.

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## Basics of Planned Giving #3 - Nonliquid Asset Gifts

- ▶ Inherited a house or farm they don't want
- ▶ Children have moved away and don't have time to enjoy the cabin
- ▶ Ready to sell a business or real estate
- ▶ Downsizing

## Spotting Opportunities

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- ▶ Retiring (ESOP stock offers remarkable leveraging)
- ▶ Corporate buyouts and takeovers or inversions
- ▶ Family changes (birth, death, divorce, graduation)
- ▶ Stock options

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## Be Patient but Persistent

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- ▶ The time line is different working with planned gifts and conversations can go on for many years before a gift is finalized and even longer before it matures. If you don't get an answer now, be sure to ask permission to continue the conversation the next time you get together.

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## Stewarding Planned Gift Donors

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- ▶ Say thank you frequently and continue stewardship – most of these gifts can go away.

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## Stewarding Planned Gift Donors

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- ▶ Remember – once you have a planned gift commitment, there is no reason you can't consider escalating it.
- ▶ You can ask for an increased amount, that additional assets to be included, or even that if circumstances permit, the gift can begin during the donor's lifetime.

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## Talking About Planned Giving

- ▶ Don't be afraid to bring up planned giving, and don't be discouraged if you don't get immediate answers. Repetition is important – people do their planning for their own reasons, not yours. But do ask. You can be sure that other charities are asking your donors. It would be a shame for you to hear “we didn't know you take bequests.”

## Thanks Are in Order

- ▶ “How old are you and did you know you could ... initiating planned gift discussions and getting answers to key questions.” Brovey, Roenigk, MPGC Annual Conference, 10/2008
- ▶ Gabrielle Dudley, in the November 2010 issue of Planned Giving Today, “Talking About Bequests.”
- ▶ Pam Davidson, Greg Lassonde, Roger Ellison, and many, many others

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## *Keys to PLANNED GIVING SUCCESS*

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To succeed with planned giving, you need -- consistency, regularity, prompt follow up, personal cultivation and thanks. Even a small program consistently applied wins every time.

Or, as Wayne Gretsky says --  
You'll miss every shot  
you don't take.

Questions?



## Mary Ellis Peterson



- ▶ Founder of Next Level Giving, Inc., - affordable planned giving consulting for nonprofits.
- ▶ 45 years' experience in tax law, planned giving, estate planning, probate administration, business succession planning, and illiquid assets.
- ▶ Are you ready to start a planned giving program? Schedule a free meeting to see whether you're ready to move to the next level.

You Need Planned Gifts. Next Level Giving Can Help You Get Them. Are you ready to begin? Call me for a free introductory meeting.

- ▶ Next Level Giving, Inc.
- ▶ Mary Ellis Peterson, Founder
- ▶ Nextlevelgiving.net
- ▶ [maryellis@nextlevelgiving.net](mailto:maryellis@nextlevelgiving.net)
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# Talking About Planned Giving



***Thank you!***

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