CHESTER COUNTY community FOUNDATION

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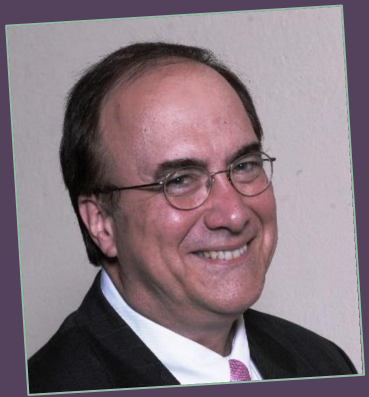
## Securing Your Nonprofit's Future with Major & Planned Gifts: The Role of Attorneys in Opening Doors

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# The Planned Giving Conundrum

**US - Wealth by generation (US$ trillion)**

| Generation | Born | Wealth | % |
|---|---|---|---|
| Silent | Before 1946 | 19.6 | 15.1% |
| Boomers | 1946-1964 | 67.6 | 52.2% |
| Gen X | 1965-1980 | 35.8 | 27.6% |
| Millennials | 1981-1996 | 6.5 | 5.0% |
| | | 129.5 | 100% |

Source: US Federal Reserve Board

The youngest boomers will be 77 in twenty years, so it is reasonable to assume that 80% of the wealth held by boomers and the silent generation, approximately US$70 trillion before taxes, will be donated to charity or transferred to younger generations by 2041.

This US$70 trillion transfer could occur in less than two decades because wealthy individuals are distributing before they die whereas previously this was normally done through wills.

## We know that…

- the U.S. is in the midst of a $70 trillion transfer of inter-generational wealth (now thru 2041)
- much of this wealth can be transferred to charitable organizations
- large nonprofits, such as hospitals, universities and churches, have well-developed planned giving track records
- planned giving involves low-key, low-budget, ongoing cultivation of donor relationships that result in huge gifts
- donors make arrangements for planned giving in their estate plans, to be gifted beyond their lifetime
- the average planned gift in PA is $650,000

## Yet…

- few mid-sized nonprofits have effective planned giving programs

# Why Do Some Nonprofits "Never Get Around to" Planned Giving?

- **Planned giving terminology can be mysterious**
  *lots of long words, legal terms, acronyms, lingo*
  *ie: bequest, donation under will, beneficiary designations (IRAs, DAFs, insurance)*

- **Planned giving can be complex and requires professional advisors**
  *estate planning attorney, tax accountant, wealth/investment advisor, philanthropy advisor*

- **Gift planning is incredibly personal** —requires a client/donor to weigh and prioritize their core values, providing for family & friends, community involvement, tax issues, legacy

- **Planned gifts tend to 'come to fruition' after people die**

- **Planned gifts have a long lead time—3-20 years average—and the nonprofit usually doesn't know for sure until the donor passes**


# Timing: Opening Doors to Major & Planned Gifts

Some of the greatest opportunities

to make charitable gifts arise when people make major business, personal & financial decisions … with their attorney.

# The Role of Attorneys in Opening Doors to Major & Planned Gifts

**Q#1: Describe the "typical types" of clients you see. What makes them decide it's time to focus on estate planning?**

**Q#2: Before we talk about charity in estate planning: overall, what else does estate planning encompass?**

**Q#3: How often does charity enter into your estate planning discussions with clients?**

- **If your client does not bring up the topic of charity gift planning, do you? How?**
- **What is the range of reactions from clients regarding including philanthropy & charities in their estate plans?**
- **What are your clients' strongest motivators for including charity in the mix?**
- **To what degree do your clients make charity decisions based on tax considerations?**
- **What is done in your estate planning to ensure donor intent is understood and carried out?**

**Q#4: What ethical concerns arise? Explain loyalty to client interest, conflict of interest & due diligence:**

- **How do you interact with client family members? With the prospective charities?**
- **How do prospective heirs tend to react to including charities in estate plans?**
- **Can you/do you recommend specific charities to clients?**
- **What is your reaction when a client asks you about a specific charity?**

**Q#5: Final words of advice: What can charities do to be better positioned to be the beneficiary of planned gifts?**

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