

## **Planned Giving: A Recipe for Success**

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One of the most significant Epochs in our recent past has arrived. And charities better examine it seriously.

Organizations without an active planned gift program (or one that is less active than it should be) will miss countless opportunities. The largest wealth transfer in our nation's history is unfolding.

Charitable estate and gift planning is increasingly important as charities search for alternative sources of support within their overall fund raising strategy. Only 7% of the wealth of Americans is in cash— 93% of wealth is in other assets and property.

Especially during these challenging economic times, fundraisers need to have a comprehensive donor centered approach to securing major support. If you don't, the parade will pass you by.

Planned giving is a process which involves helping donors express their charitable intent. They will use it. It is the most appropriate strategy consistent with their desires, lifestyle, and financial needs.

Planned giving provides structure to the gifting process. It suggests the most appropriate methods to help donors maximize personal and financial benefits.

Planned giving is a service to make donors aware of the opportunities for charitable support. It focuses on donor assets not income. Some planned gifts will be current gifts of cash or other assets. These gifts will generate an immediate charitable income tax deduction.

Other gifts will be for future support such as a bequest from a will, trust, life insurance, or retirement plan. Future gifts may take the form of split-interest life income arrangements where donors receive lifetime payments from a gift annuity or charitable trust. Oftentimes it is a combination of both current and future gifts that will allow donors to complete their ultimate gift.

In marketing planned gifts, begin with the basics. Educate your board and establish solid policies. Explain how donors may structure a bequest in their will, revocable living trust, life insurance policy, or retirement plan. Many revocable beneficiary designations do not cost donors anything to complete.

If you haven't already done so, create a Legacy Society to encourage and recognize donor commitments.

As you build the program add the more complicated life income arrangements. Charitable gift annuities are popular as they provide donors with a stable life income often greater than other investment alternatives. Charitable remainder trusts are personally tailored to fit the financial and estate planning needs of donors.

Expand your program into an “Agents of Wealth” effort by involving area professional as your partners and advocates in the charitable estate planning process.

In marketing planned gifts, you must be consistent and persistent to be effective. Your message must be presented to loyal probable donor when they are weighing priorities about their lifestyle, financial circumstances, and charitable objectives.

The real question is not if you should have a planned gift program. It is how to effectively implement one. One necessary requirement is to determine if your leaders are willing to commit the necessary resources.

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