



Why Should I Focus on Blended Gifts?

Andy Ragone
Crescendo Interactive

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What People Want... the mind of a donor

- Doing something good for others
- Family in good condition
- Contribution that matters
- Something bigger than me
- Feeling good about gift
- Feeling appreciated for gift
- Investing time and feeling satisfied for the effort
- Rising to the challenge of a BHAG
- Speaking into the improvement process
- Connecting a cause with an existing interest

What do you see?

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What People Want... a donor's concerns

- Do I have enough \$ to last?
- Will my gift make a difference?
- Will my gift come at the expense of my family's needs?
- Have I forgotten you exist?
- Income needed from IRA this year? How much?
- Fear my accountant at the end of the year?
- Do I feel valued or used?
- Do I really believe in your cause?
- Do I believe you've got what it takes?

What do you

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DonorNext-Steps

When...

- Updated with organization's activity
- Connecting organization's vision with year-to-year progress
- Correlating gift with cause and life change of others
- Feeling valued and appreciated for their efforts
- Wanting to get more involved—Increased engagement creates ownership (i.e. volunteerism and advocacy)
- Seeing others enthusiastically give (tipping point comes into view)

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Donors Like Blended Gifts But... Do they know what they are?

Give Something Now

Have an immediate impact, even if donors have already included your organization in their estates.

Give Something Later

If your organization's "ask" is more than the donors can give now – they can maximize commitment while minimizing financial worries.

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Annual Giving & Planned Giving

\$4,210

Average Annual Gift Size –
8 Years **Prior** to making bequest
commitment

\$7,381
2/3 of Bequest Donors Make Annual Gifts

Average Annual Gift
Size – 8 Years **After**
making a bequest
commitment

**Did you know... After making a
bequest commitment, Charitable
estate donors grow their estates
50%-100% faster than non-donors**

* Russell James, JD, PhD, CFP, Charitable Bequest Decision-Making

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Bequests - Lifetime Giving x 3

37 Donors to Simpson University

- Lifetime Gifts \$837,000

+



- Bequests \$2,200,000*

Bequest Commitments – 2.6 Times More Giving!

* Rick Zeeb, Gift Planner

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Boomer Wealth 2028

Property Rich... Income Poor?

Real Estate



Cash and Equivalent

\$54,000,000,000,000+*

Equities



Retirement Plans

* Deloitte Center For Financial Services 2016

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Graduation Day

It's going to go somewhere!

2010 – 2027 QUIET GENERATION	2028 – 2054 BABY BOOMERS
2,600/day*	8,500/day*

* Age 82–90. Russell James 2009

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Blended Gifts Donors



A stack of five 3D boxes representing different gift options. From top to bottom: a white box with a blue circle and red 'S' logo on top, labeled 'GIFT' and 'IRA ROLLOVER'; a blue box labeled 'AND'; a light blue box labeled 'BEQUEST'; and a grey box labeled 'TESTAMENTARY UNITRUST'.

Blended Gift Donor Demographic Look For Demonstrated Loyalty

- Emotional connection with organization
- Gifts for 10, 15, 20 years or more
- Modest gifts, but consistent
- No credit card debt
- Homeowners
- One gift often leads to another... ending in the ultimate gift a giver can give

Only 2% of charitable bequests are revoked!

Kathryn Swank, Target Analytics



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Blended Gift Clues

- 🔍 “I would like to give, but I am concerned that I will **outlive my money.**”
- 🔍 “I want to keep funds available to help my **grandchildren with college.**”
- 🔍 “I **don't want to have to sell** any of my assets.”
- 🔍 “I want to contribute to the campaign but I need **enough funds for retirement.**”

Give Well Give Wise

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Blended Gift Clues

Your Goal?



Present the gift(s) that best matches your **donor's capacity** and **goals**



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Gift and Bequest


Joe Smith – Age 83

GOALS:

- Wants to Make Major Gift and Help with Campaign
- Retirement Security
- Favorite Niece/Nephew
- Bequest to Charity

What are my options?



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Gift and Bequest

Prepared for John Smith - Age 83

Plan Today

Gift
\$100,000

⋮

Charity
\$100,000

Deduction may save \$35,000 of income tax. Bypass gain may save \$11,280 capital gains tax.

Provide for Tomorrow

Estate

⋮

Bequests to
Family

Charity
\$500,000

Estate bequests to family and charity.

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Endowed Gift and Bequest

Mary Wilson— Age 76

GOALS:

- Retired Physician
- Fund Two Endowed Scholarships
- Annual Gift Now to Start Endowment
- IRA Bequest to Complete Funding



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Major Gift and Bequest Endowment

Prepared for Mary Wilson - Age 76

Plan Today

Annual Gifts

Year	Gift
1	\$20,000
2	\$20,000
3	\$20,000
4	\$20,000
5	\$20,000

Gifts charitable goal each year. Income tax deduction

Provide for Tomorrow

Estate IRA
\$400,000

Endowment
\$400,000

⋮

Annual Payout
of \$20,000

Bequest from estate to endowment. Charitable estate tax deduction.

Endowment fund pays 5% or \$20,000 each year for charitable purpose.

Gift and Gift Annuity

Bill & Cindy Green— Ages 81/79

GOALS:

- Loyal Donors
- Asked for Major Gift
- Desire Retirement Income
- Charitable Gift Annuity
- Own Apple Stock
- Gift Part Now



Gift and Gift Annuity

Plan Today

Gift
\$40,000

Charity
\$40,000

Gift today may save \$13,200 income tax and \$3,760 capital gains tax.

Provide for Tomorrow

Gift
\$200,000

5.7% Gift Annuity
\$200,000

Payments for 2 Lives

Gift annuity of \$11,400 for two lives. Income tax deduction of \$83,304.

Prepared for
Bill & Cindy Green
Ages 81/79

Charity
\$200,000
(Approximate value)

After two lives, approximate gift value to charity.

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Gift and Unitrust

Sam & Clara Jackson—Ages 75/73

GOALS:

- Own Developed Land
- Two Offers ~ \$860,000
- No Contract
- Support Medical Center
- Current Gift Proposal
- Sell Tax-Free
- Retirement Income



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Gift and Unitrust

Prepared for Sam & Clara Jackson—Ages 75/73

Plan Today

Gift
\$60,000

⋮

Charity
\$60,000

Gift today may save \$23,760 income tax and \$7,140 capital gains tax.

Provide for Tomorrow

Gift
\$800,000

⋮

5% Unitrust
\$800,000

⋮

Charity
\$876,999

Payments for 2 Lives

Unitrust income of \$40,000.
Projected total payouts in 23.2 years of \$970,065.

After two lives, approximate gift value to charity.

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Gift and Deferred Annuity

Al & Susan Lee—Ages 63/62

GOALS:

- Apple Stock Doubled
- Susan Supports Homeless
- Desire Current Gift
- Retire in 12 Years
- May Need Added Retirement Income

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Gift and Deferred Annuity

Plan Today

Gift \$40,000

Charity \$40,000

Gift today may save \$13,200 income tax and \$3,760 capital gains tax.

Provide for Tomorrow

Gift \$300,000

7.3% Gift Annuity \$300,000
Payments start Dec. 31, 2028

Payments for 2 Lives

Gift annuity of \$21,900.
Income tax deduction of \$99,930.

Charity \$300,000
Approximate value

After two lives, approximate gift value to charity.

Prepared for Al & Susan Lee
Ages 63/62

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IRA Rollover

- Direct Transfer
- Age 70 ½
- No Tax Deduction
- Not Taxable

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How to Give From an IRA

- 1 Contact IRA Custodian
- 2 Sign Application to Give Amount or % to Charity
- 3 IRA Custodian Makes Transfer
- 4 If Specific Purpose, Contact Charity

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Annual Fund Solution

- **Multichannel Marketing**
 - Hold Your Base
 - “Give toward mission and direction”
- **New Annual Fund**
 - Age 70½ IRA Owners
 - Campaign for 3-to-5 years
 - IRA Rollover Marketing Plan



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State University Annual Fund

Annual Fund
\$2.47M

New Annual
Fund \$500,000

ANNUAL FUND

**INCREASED
ANNUAL GIVING**
20% in 2017
25% in 2018


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IRA Rollover and Bequest

Harry Hopkins— Age 71

GOALS:

- Age 71 – IRA RMD
- Pension, Social Security, Investments
- Participate in Campaign
- IRA Charitable Rollovers
- Build Up Fund
- Estate IRA to Fund Cancer Program



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IRA Rollover and Bequest

Plan Today

IRA Rollover Gifts

Year	IRA Rollover
1	\$15,000
2	\$16,000
3	\$17,000
4	\$18,000
5	\$19,000

IRA rollover gifts may fulfill required minimum distributions (RMDs).

Provide for Tomorrow

Estate IRA \$400,000

⋮

Charity \$400,000

Designated Beneficiary of IRA is Charity. IRA Gift will bypass probate.

Prepared for
Harry Hopkins--
Age 71

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IRA Rollover and Unitrust

Helen White – Age 71

GOALS:

- Retired RN
- IRA RMD ~ \$20K
- Give Half to Medical Center
- Non-itemizer Deduction
- IRA to Unitrust for Nephew and Niece



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IRA Rollover and Testamentary Unitrust

Plan Today

IRA Rollover Gifts

Year	IRA Rollover
1	\$10,000
2	\$11,000
3	\$12,000
4	\$13,000
5	\$14,000

Lifetime Rollover gifts. May fulfill Required Minimum Distributions (RMDs).

Provide for Tomorrow

Estate IRA
\$500,000

⋮

5% Unitrust
\$500,000

⋮

Charity
\$596,647

Payments ⋮ 20 Years

Unitrust income of \$25,000. Projected total payouts in 20 years to niece and nephew of \$544,488.

Prepared for Helen White
Age 71

After 20 years, approximate gift to charity.

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Gift Annuity and Bequest

John & Sally Smith—Ages 83/82

GOALS:


- Low Return on CDs
- Increased Income
- Good Liquidity
- Two Life Gift Annuity
- Tax Savings/
Tax-free Payout
- Bequest to Charity

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Gift Annuity and Bequest

Prepared for John & Sally Smith
Ages 83/82

Plan Today	Provide for Tomorrow
Gift \$200,000	Estate \$400,000
6.2% Gift Annuity \$200,000	Charity \$400,000
Payments for 2 Lives	Bequest to charity from estate assets.
Gift annuity of \$12,400 for two lives. Income tax deduction of \$88,250.	
	Charity \$200,000 Approximate value
	After two lives, approximate gift value to charity.

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