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Financial Planning Ministry

How Estate Planning Gifts Keep Christian Universities in Business

by Clay Perkins on 10/21/2020 in 2020, Fall, Fundraising

What ministry work in your university remains undone due to lack of financial bandwidth?

If you can think of a lot of undone ministry work, then you know that although university administrators serve a heavenly purpose, each of us face an earthly reality—cash flow is “king,” even for non-profit faith-based colleges and universities.

Positive cash flow can be elusive, especially in faith-based schools. Long-term positive cash flow can be more elusive. With deliberate effort, intentionality, and “casting the net” wider, we can develop better future financial health.

One proven, yet simple method to achieve long-term financial security for your university is developing an effective estate-planning component. Despite decades of success, both donors and academic leaders often ignore it.

An estate-planning ministry addresses the human reality that one out of every one person will die. Therefore, we each leave an estate, whether we plan for it or not. (If we fail to plan it, be sure the government already has their plan for it.)

There are seven numbers to know about estate planning. These numbers tell the story of the benefits of being intentional in estate planning, and the losses from failing to do so. I will use these numbers to address four questions:

1. How much money is available to give?
2. Why would a Christian donate assets through estate planning?
3. What character trait do estate planning ministry leaders need?
4. What is the return on investment for operating an estate planning ministry?

1. How Much Money Is Available to Give?

\$30 trillion. That’s with four commas . . .

\$30,000,000,000,000 will transfer from one generation to the next over the next several decades.^[i] Think about it, much of this wealth is in the hands of believers. If we only asked them, many Christians would be willing to pass on a part of their assets to faith-based charities they love.

Historically, the top two charity categories receiving gifts are faith-based organizations and higher education. Faith-based higher education is indeed in the sweet spot for bequests as the preferred Christ-centered non-profit. Our present time is commonly called the “Golden Age of Planned Giving,” with \$9 trillion likely being transferred in the next decade alone. How can faith-based academic leaders afford to ignore this number?

2. Why Would Christians Donate Their Assets through Estate Planning?

2,300 Scriptures—



One proven, yet simple method to achieve long-term financial security for your university is developing an effective estate-planning component. Despite decades of success, both donors and academic leaders often ignore it.

Stewardship is one of the most talked about issues in the Bible—2,300 times (though counts vary). Some of my favorites are below:

- *“A good person leaves an inheritance for their children’s children”* (Proverbs 13:22);
- *“Be sure you know the conditions of your flocks, give careful attention to your herds”* (Proverbs 27:23);
- *“No man should appear before the Lord empty handed. Each of you must bring a gift in proportion to the way the Lord your God has blessed you”* (Deuteronomy 16:16b–17); and,
- *“But since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in love we have kindled in you—see that you also excel in the grace of giving”* (2 Corinthians 2:7b).

Why be bashful talking about stewardship, especially as leaders of faith-based higher education institutions? If we do not, then we are not telling the full story.

64%—

Most Americans do not have any kind of estate plan.^[ii] Studies show **that 64% of Americans, for whatever reason, have no will or trust.**

They have also not taken care of guardianship issues for any children. They have no advance health care directives. If tragedy occurs, they are not ready. If they die of natural causes, they are not ready.

Are we missing a great ministry opportunity to help families prepare for critical life events? We owe it to our constituents to address this need for planning even if they choose not to leave a gift to the institution we serve.

100%—

We all desire that our donors give to the schools we serve. This is a good thing, since your educational ministry is paramount in the Kingdom of God. Your members give from their cash flow, whether that cash flow comes from salary, profits, or investments. However, often donors manage much greater total assets than are reflected in their cyclical giving.

Consider that their estate is the one and only time **your members can give out of 100% of all they have, not just their cash flow.** “It is at this point that we can be generous in ways only dreamed of when we were limited to our 10% pocket,” writes Michael Prior, president of Financial Planning Ministry.^[iii]

3. What Is the Highest Character Trait Estate Planning Ministry Leaders Need?

20:28—

Estate planning is about serving people. And like Jesus, academic leaders are to focus on serving others (**Matthew 20:28; Mark 10:45**).

The focus here is not fundraising.

Those who start an estate-planning ministry with the focus of raising money for current projects will likely flame out. Rather, estate planning is a long-term, savvy strategic choice for educational leaders. Those who will succeed understand that this unique ministry is about serving others first and, in time, they will build long-term financial success for their ministry and the leaders who will follow them.**2.74—**

Donors often leave estate gifts at a higher rate than their lifetime “cash flow” giving. **IRS data shows the rate is 2.74 times a donor’s lifetime of giving. [iv]**

Think about that. You can help people pass on their values and not just their valuables.

Donors can help the ministries they love in ways they never thought possible. I am the graduate of a faith-based college. Certainly, these are challenging times for these colleges in the midst of the current global pandemic. I personally owe a debt of gratitude to my alma mater. So my wife and I are establishing a scholarship to be funded out of our estate plan. Would you be willing to help your alumni and donors make a difference?

4. What Is the Return on Investment in Operating an Estate Planning Ministry?

4:1—

If by now you are thinking, my college needs to offer estate-planning opportunities to our supporters—good. Simply stated, it works. But know the cost. **For every dollar spent in your school’s estate planning ministry you can expect to raise four.** [v]

So when you talk with the various organizations offering estate planning services, make sure you know the minimum expectations for your ROI—for every four dollars raised, expect to spend one dollar.

Convinced?

Nonfaith-based nonprofits have been building long-term financial stability through estate planning for years. Public and private universities for decades have typically received a third of their annual funding through bequests. Is it not time for us, as Christian educational leaders, to do the same? And if we do, we will fund our long-term financial needs with a proven strategic choice.

In fact, research clearly tells us that planned gifts are a “life boat” for critical economic crisis. [iv]

Having served in the Office of the President at a private faith-based university, I know firsthand how, more than once, our year was saved financially by an unexpected estate gift. If we work on continually filling the pipeline with planned gifts, future leaders will survive those moments of financial exigency.

Be intentional. Develop a ministry in planned giving. Ask your ministry donors to remember your Christ-centered college in their estate planning. You will, first, serve your members, since most of them have no plan established. Second, you will build financial strength for faith-based higher education for years to come.

Note: Adapted from original published article—Perkins, D.C. (2019, February) *How to Fund your Ministry for the Long Term: 7 Numbers that Explain the Benefits of Estate Planning*. *Christian Standard*, Volume CLIV (Number 2) pp.44

[i] “Preparing Millennials for a \$30 Trillion Wealth Transfer,” WSJ (video), 2016, and “Preparing Millennials for a \$30 Trillion Wealth Transfer,” (article) WSJ, 2016

[ii] Jeff Reeves, “Plan ahead: 64% of Americans don’t have a will,” USA Today, 2015.

[iii] Michael Prior, “So, What Exactly is Planned Giving?” Church Executive Magazine, 2017

[iv] “Amazing Planned Giving Statistic: IRS Data Shows Charitable Bequest Donors Triple Their Giving At Death,” Planned Giving Advisors, 2012. David Joulfaian, “Charitable Giving in Life and at Death,” 2006.

[v] <http://nfpconsulting.com/pages/ROI.html>

[vi] “A COVID-19 Call to Arms for Gift Planners,” Perspectives, 2020.



About Clay Perkins

D. Clay Perkins, Ph.D. is the Executive Vice President of Financial Planning Ministry (FPM). Previously he was the third President of Mid-Atlantic Christian University, NC, and Senior Associate at First Christian Church Ministry, Kernersville, NC. FPM exists to fund ministry by educating families and facilitating generosity through planned giving. Currently serving over 34,000 families with over \$1.6 billion dollars in gift expectancies to Christian churches, her ministries, and charities. Clay is passionate about inspiring and facilitating biblical stewardship and generosity especially for Christ centered colleges and universities.