Tapping the Potential of Planned Giving – Starting Now!

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FINANCIAL PLANNING MINISTRY
Planned Giving

• A decision today for a gift tomorrow
• Ministry first
  • Serving the giver
• Fundraising second
  • Focus on simple bequest
    • Wills and Living Trust / vast majority of planned giving
      • Living Trust is superior
Presuppositions...
Spiritual

“Fundraising is first and foremost a form of ministry.”
Nouwen
2,350 Stewardship Verses in the Bible
Planned Giving vs **WEALTH**: not cash Flow

_Tell them to use their money to do good. They should be rich in good works and generous to those in need, always being ready to share with others._

1 Timothy 6:18
Purpose of Wealth

• Tithes and Offerings
• Test of Faith
• Provide for our Families
• Hospitality
• Kingdom Expansion
“The bottom line is that the role of your development director is to reach the financial goals.”

Williams
HARD WORK
“At the heart of fundraising is the art of relationship building.”
Tempel et al.
TO SERVE

Matthew 20:28
Mark 10:45
Philanthropy ...
Charities should get serious about seeking planned gifts, given that a huge transfer of wealth is projected over the next decade.

By 2027, an estimated $9 trillion will be passed from estates, say analysis by Locus Impacting Investing and the Center for Rural Entrepreneurship.
78% of Millennials (ages 18-36) do not have a will. 
64% of Generation X (ages 37 to 52) do not have a will, 
50% of respondents in the 53 to 71-year-old age group (40 percent) do not have a will.
It is at this point we can be generous in ways only dreamed of when we were limited to our 10% pocket.

Prior
IRS Data

average estate gift is 2.74 times the donor’s lifetime giving
FPM - College

2019-2022
Estate Gifts / 15
$820,562
Lifetime giving
$171,699

5.53 X
4:1

For every $4 raised expect to spend $1
<table>
<thead>
<tr>
<th>Institution</th>
<th>Ratio</th>
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<tbody>
<tr>
<td>Boise Bible College</td>
<td>17 to 1</td>
</tr>
<tr>
<td>Central Christian College of the Bible</td>
<td>16 to 1</td>
</tr>
<tr>
<td>Concordia University Irvine</td>
<td>61 to 1</td>
</tr>
<tr>
<td>Johnson University – FL</td>
<td>5 to 1</td>
</tr>
<tr>
<td>Johnson University – TN</td>
<td>12 to 1</td>
</tr>
<tr>
<td>Manhattan Christian College</td>
<td>13 to 1</td>
</tr>
<tr>
<td>Mid-Atlantic Christian University</td>
<td>13 to 1</td>
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FPM’s shared cost model results in high ROI: FPM is a ministry, non-profit co-op
Planned gifts increase annual gifts
Where do estate gifts come from?

36% Alumni
26% Volunteers
14% Board
11% Staff
95% of all planned gifts are in simple wills and trusts (estate gifts)
What’s that sound?
Could it be Opportunity knocking?
Organizational tactics ...
Tell Them

“Key to attracting bequests is public awareness that you will accept them.”

Williams
Project Stability

“Donors must be comfortable with the stability & permanence of the org.”

Tempel et al.
Know Them

“Fundraising is about relationships built on mutual interests and concerns.”

Tempel et al.
<table>
<thead>
<tr>
<th>Board Buy-In</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Families</strong> – 259</td>
<td></td>
</tr>
<tr>
<td><strong>Expectancies</strong> - $9,456,447</td>
<td></td>
</tr>
<tr>
<td><strong>Average Gift</strong> $36,519</td>
<td></td>
</tr>
<tr>
<td><strong>Average Birth Year</strong>: 1955</td>
<td></td>
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</tbody>
</table>
Current Consistent Donors (CCD)

• “The $20 a month donor, or the donor who has given faithfully for 15 years, is much more likely to leave a bequest.” Johnson

• “What is your potential? How many $25 a year donors can give $100,000? Solid research verifies that donor loyalty is one of the most reliable predictors of legacy gifts.” Johnson

What is your potential pipeline?
• 100 CCD X $30,000
  • $3,000,000

• 500 CCD X $30,000
  • $15,000,000

• 1,000 X $30,000
  • $30,000,000
Love the Donor

Do not use the donor

Model personal generosity
EDUCATE

“Planned giving seminars are an excellent way to educate, create awareness, and facilitate gifts.”

Tempel et al.
FOCUS ON WHAT WORKS

“Planned giving is a necessary component.”

Tempel et al.
95%

... of all planned gifts are in simple wills and trusts (estate gifts)
• Federal Estate Tax Threshold
  $12.92 Million ($25.84)

• Simplicity

• Core Documents
  everyone needs

• Revocable
  most need their assets
Cart before the Horse
Wills and Revocable Living Trust – First/Priority
95% Simple Bequest/Revocable 5% Irrevocable

Irrevocable Life Insurance Trust (ILIT), Intentionally Defective Grantor Trust (ICGT), Retirement Trust, Qualified Personal Residence Trust (QPRT), Qualified Domestic Trust (QDOT), Beneficiary Defective Inter-Vivos Trust (BDIT), Charitable Remainder Trust (CRT), Charitable Lead Trust (CLT), Charitable Gift Annuities (CGA), Charitable Remainder Unitrust (CRUT), Pool Income Trust (PIT), Retain Life Estate, By-pass Trust, Qualified Terminable Interest Property (QTIP) or (QDOT), Generation-Skipping Trust, Fixed Annuity (GRAT), Variable Annuity (GRUT, Trust Income (GRIT) Right to live in Trust Property (QPRT), etc.
95% of all planned gifts are in simple *wills* & revocable *living trusts* (estate gifts)
Are you ASKING?

- 60% + have no plan
- 8-9% have a charity named in estate plan
- Less than half is faith based
- 30 to 40% will do so if they are asked!
Family and Faith
Revocable Living Trust Avoids Probate

Your donor has two choices: Will or Living Trust

- Less Expensive
- Quicker distribution of assets to family & ministries
- Preserves Privacy
- Control / assets are not frozen
Benefits of a Living Trust

- Avoid the high costs and delays of probate.

- A Living Trust ensures that your family stays in control of your money.

- A Living Trust is private. Without one, much of your estate records could be made public.
Avoiding Probate

This is a stewardship issue.
The Probate Timeline

This process can typically take anywhere from 9 months to 2 years.

1. **1 - 2 Months**
   - Notice of Probate

2. **1 - 4 Months**
   - Petition to Probate

3. **4 - 6 Months**
   - Notice to Creditors, Debts, and Taxes

4. **1 - 3 Months**
   - Inventory and Appraise Assets

5. **2 - 6 Months**
   - Probate Property Sale

6. **1 - 2 Months**
   - Final Accounting

7. **1 - 3 Months**
   - Distribution and Closing the Estate
Revocable? Do these gifts come in?

95% come in
  • Samers, J.D. – UJA Federation New York

FPM
  • 10% will end up with no gift
  • 90% will grow in value & mitigate the 10% loss
Time is on your side

Wills and Trusts are an opportunity to serve all generations. Plant the seeds now for future gifts. As people mature in Christ and their lives change – a percentage gift in a will or living trust often grows.
Planned Giving allows you to serve those who will follow you

Blessed are those who plant trees under whose shade they will never sit

Ancient Proverb
Current Funds Needed

Win-win (tax advantage)

• Appreciated Assets (stocks, etc.)
• Required Minimum Distributions (IRA)

• Annual Funds
• Capital Campaigns
• Trends
  o DAF
  o Shift to on-line
  o Crypto currencies

Financial Planning Ministry

• Non-profit Co-Op
• 40 years
• 150 Partners
• 43,000 families
• 500 educational events per year
• $2.3 Billions in documented expectancies
Complete Estate Plan: Our gift to you

• ABHE / FPM
  • Value added

• Process
  • Attend a webinar
  • Complete Confidential Estate Planning Guide
  • Teleconference Appointment
  • Complete Estate Plan
    • 45-60 days

• Typical Plan includes
  • Instruction Booklet
  • The Living Trust
  • Certificate of Trust
  • Pour-over Last Will and Testaments for each
  • Healthcare Directives for each
  • Durable Financial Power of Attorney for each (if applicable)
  • Deeds (if applicable)
Planned Giving

Blessed are those who plant trees under whose shade they will never sit

Ancient Proverb


James, R. (2013). *Inside the mind of the bequest donor: A visual presentation of the neuroscience and psychology of effective planned giving communication*. Las Vegas, NV.


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• I welcome
  • Feedback
  • Shared Research
  • Collegiality
• Together may we inspire and facilitate biblical stewardship and generosity
• My Focus: Planned Giving / Wills and Revocable Living Trust
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