1

ABHE

Questions

Tapping the Potential of Planned Giving Ministry

– An Exponential Leverage

D Clay Perkins, Ph.D.

2

ABHE

FPM is the national leader in planned giving!

3

ABHE

Bayside College

Calvary Christian Academy

Calvary Christian School

Christ Fellowship Academy

Big Valley Christian School Lions – Christ-Centered College Prep

Crean Lutheran High School

Concordia University Irvine

Central Christian College of the Bible
Moberly | Cincinnati | St. Louis | CCCB.edu

Flatirons Academy

4

ABHE

Great Lakes Christian College

Johnson University Tennessee

Manhattan Christian College

Mid-Atlantic Christian University

real life christian academy

Orange Lutheran High School

Russell School of Ministry

The King's University

Valley Christian Schools

5

ABHE

- d **clay** perkins, ph.d.
- Executive Vice President
- clay@fpm.org
- www.fpm.org
- 1-252-202-6509
- **Serving Those Who Serve**

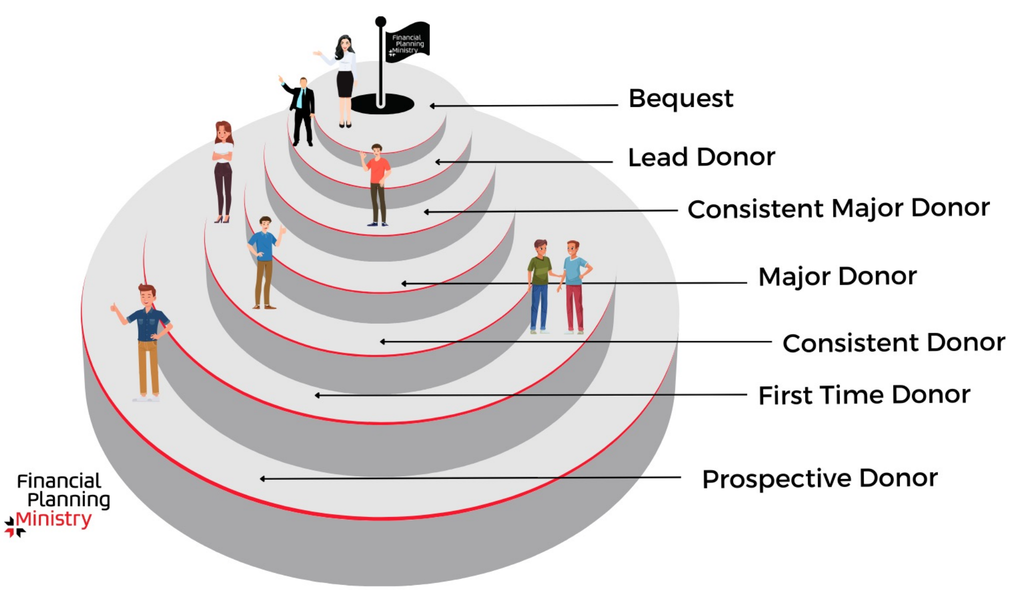
Financial Planning Ministry

6

Planned Giving

- A decision today for a gift tomorrow
- Ministry first
  - Taking care of families in a way that honors God
- Fundraising second
  - Legacy Giving
    Focus on bequests | end-of-life documents
    - Wills and Living Trusts
      - Living Trust is superior

7



8

Questions

- Do you grasp the HUGE potential of planned giving?
- Have you integrated planned giving into your Annual Fund?
  - Bonus? Planned Bequests Affect on Annual Gifts?
- Do you have a verified expectancy list for planned giving?
- Are you asking major donors about legacy planned gifts?

9

Question

Do you Grasp the Huge Potential of Planned Giving?

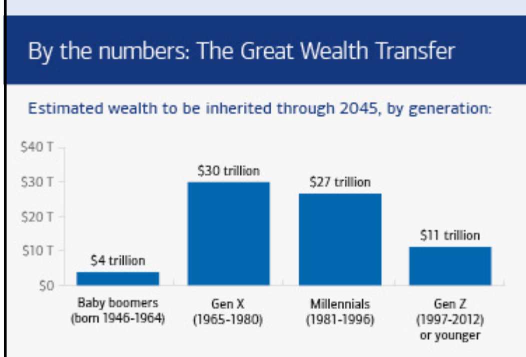
10

DO you Grasp the Huge Potential?

Over the next two decades, Cerulli Associates estimates that baby boomers and the Silent Generation will pass down a combined **$84.4 trillion** in assets to younger generations. Dubbed the "Great Wealth Transfer," this phenomenon is already underway and will impact millions of families.

11

What are the numbers?



The Great Wealth Transfer
Estimated wealth to be inherited through 2045, by generation.
Baby boomers (born 1946-1964) will inherit $4 trillion.
Gen X (1965-1980) will inherit $30 trillion.
Millennials (1981-1996) will inherit $27 trillion.
Gen Z (1997-2012) or younger will inherit $11 trillion.

12

But how much to Charities?

Cerulli projects that wealth transferred through 2045 will total $84.4 trillion—$72.6 trillion in assets will be transferred to heirs, while **$11.9 trillion will be donated to charities**. Greater than $53 trillion will be transferred from households in the Baby Boomer generation, representing 63% of all transfers. Silent Generation households and olders stand to transfer $15.8 trillion, which will primarily take place over the next decade. $35.8 trillion (42%) of the overall total volume of transfers is expected to come from high-net-worth and ultra-high-net-worth households, which together only make up 1.5% of all households.

13

If left alone, do we know what happens?

- No plans 60 % +
- 40 % with Plans
  8-9 % include Charity Bequest
- Charity Bequest
  <4% are faith based
- **If asked 30-40% of Your donors will include Your School**

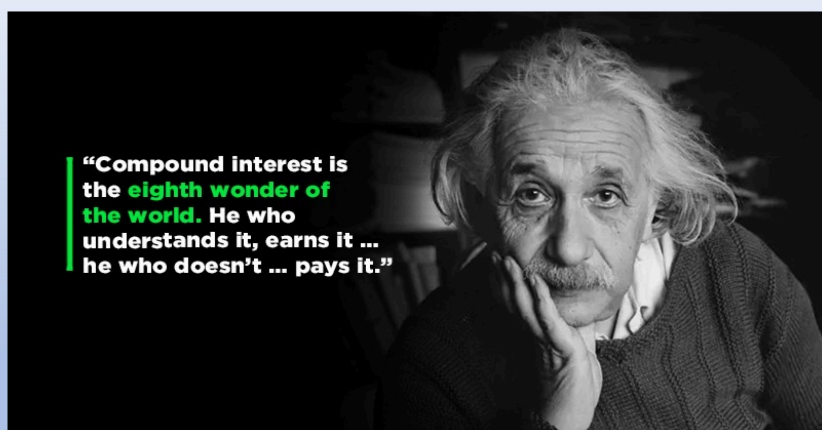
14

AT WHAT AGE DO REALIZED BEQUEST PEAK? 88

- Bequests are not a once and done / Shepherd/Minister
- Most Charities often ignore Seniors, since many are NOT current annual funds donors or volunteers
- Bequests signed early, produce LARGER gifts
- Wealthy people die old
- Wealthy donors die even older

15

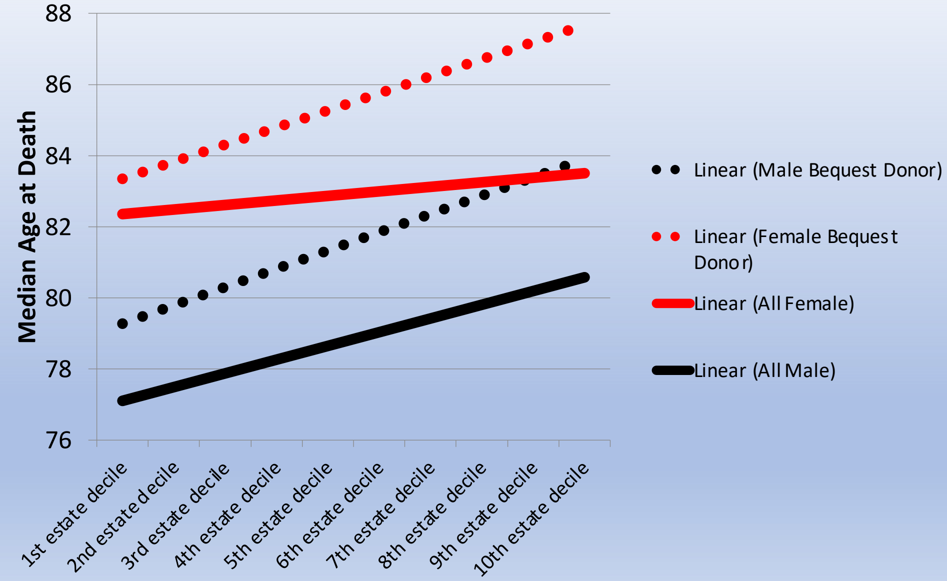
Bequest Signed early, Produce larger Gifts!



16

ABHE

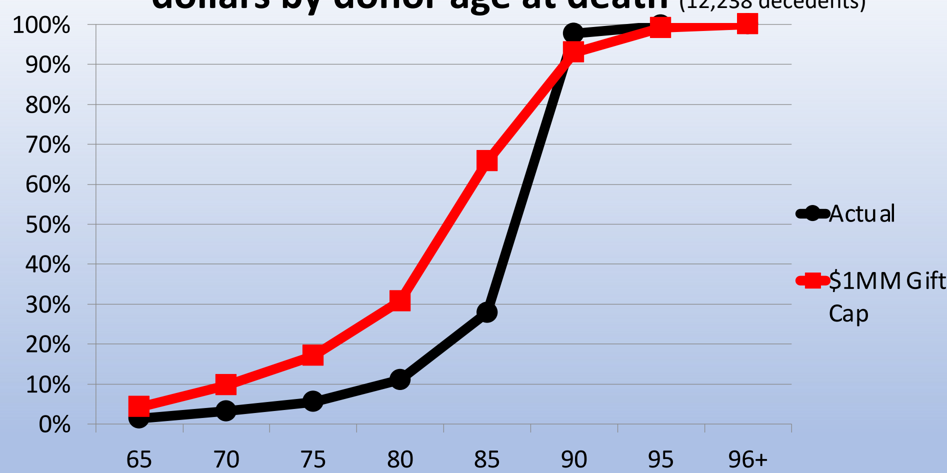
Wealthy people die old. Wealthy bequest donors die even older.



17

ABHE

Cumulative share of charitable bequest dollars by donor age at death (12,238 decedents)



70-90% of charitable bequest dollars come from decedents aged 80+

18

AT WHAT AGE DO REALIZED BEQUEST PEAK? 88

- Bequests are not a once and done / Shepherd/Minister
- Most Charities often ignore Seniors, since many are NOT current annual funds donors
- Bequests signed early, do produce LARGER gifts
- Wealthy people die old
- Wealthy donors die even older

19

Question

Have you integrated planned Giving into your Annual Fund?

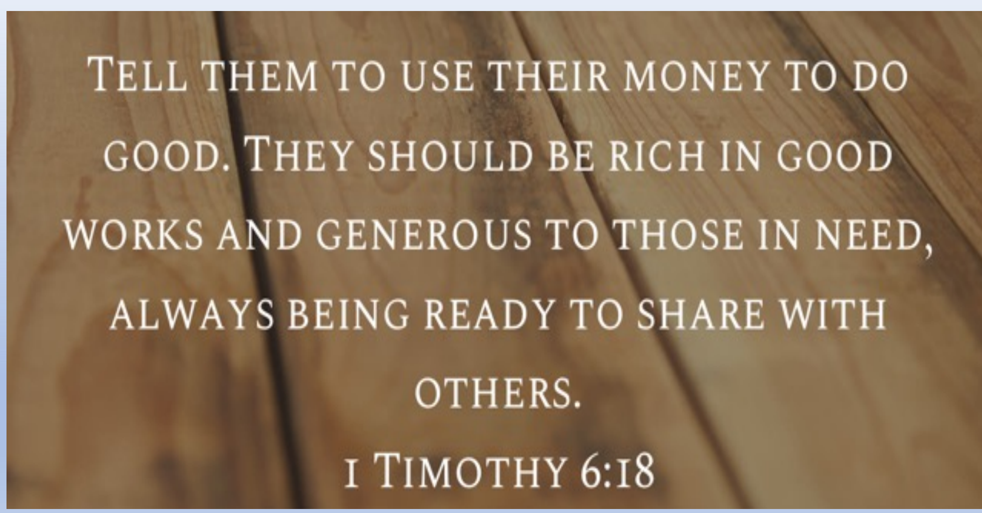
20

What is the difference? Annual Funds and Planned Giving

Annual Funds	Planned Giving/Bequest
Discretionary Income	Wealth
Current Operation	Future Operation
Immediate Need	Long Term Stability
Modest Gifts	Largest Gifts
Larger donations|More Donors (moves management)	Care for Families Create Legacy

21

Annual Funds – Cash Flow
Planned Giving - WEALTH



22

22

Is Planned Giving Complex? YES

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 Annuity (CGA), Charitable Remainder Unitrust (CRUT), Pooled 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.

5% Irrevocable

23

Is Planned Giving Complex? NO

Simple Bequest: Will or Living Trust

95% Irrevocable

24

Bonus? Planned Bequest Affect on Annual Gifts?

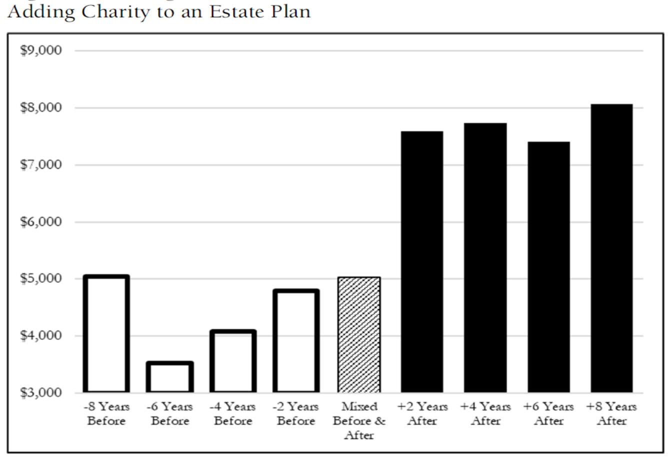
"I don't give now, because I have a planned charitable bequest"

25

Bonus? Planned Bequest Affect on Annual Gifts?

75%

Figure 1. Average Annual Charitable Donations Before and After Adding Charity to an Estate Plan



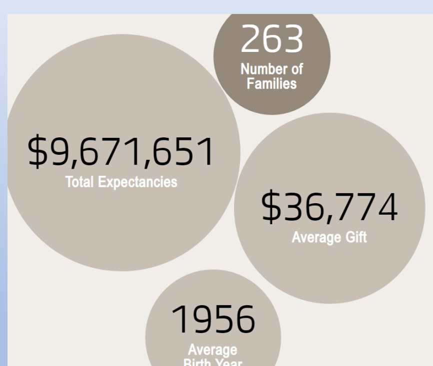
26

Question

Do you have Verified expectancy list for planned Giving?

27

Do you Celebrate your Pipeline? Expectancies?



Reporting to your Executive team and to your governing Board regularly!

28

ABHE

How many should be in your Pipeline?

"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

29

Year(s)	# of Estates	Average Size	Estate Income	Lifetime	Ratio	Known Estates	Unknown Estates	Unknown Ratio
2010-2013	14	$29,519	$413,261	$94,597	4.37			
2014-2018	11	$17,897	$196,862	$203,863	0.97			
2019	4	$17,091	$68,365	$37,274	1.83	0	$68,365	
2020	7	$47,212	$330,483	$39,258	8.42	$177,441	$153,041	
2021	4	$96,175	$384,699	$79,294	4.85	$2,804	$381,895	
2022	10	$42,879	$428,790	$115,699	2.36	$247,261	$181,193	
2023	7	$174,171	$1,219,198	$266,573	4.57	$57,042	$1,162,156	
2024	11	$91,047	$1,001,520	$181,570	5.52	$117,014	$884,506	
Total	**68**	$59,459	**$4,043,178**	**$1,018,127**	**3.79**	$601,563	$2,831,157	**4.7**
		5-year avg	$672,938			**17.52%**	**82.48%**	

30

Do you have a way to update Plans?

Estate Plans are updated every 7-10 Years

31

QUESTION

Are you asking major Donors about legacy planned gifts?

32

Website?

Manhattan Christian College (KS)

https://mccks.edu/about-mcc/partners/estate-planning/

Central Christian College of the Bible (MO)

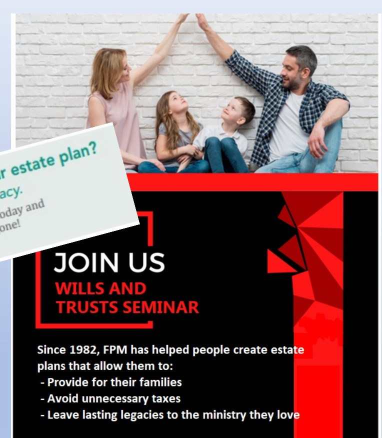
https://cccb.edu/give/estate-planning-webinars

Concordia University Irvine (CA)

https://www.cui.edu/giving/how-to-give/estate-planning

33

Print?



34

How donors Learn about Legacy Gifts?

Source	
Email	9%
Event	11%
Website	13%
Printed Materials	15%
Mailing	40%
Personal Conversation with YOU	49%

35

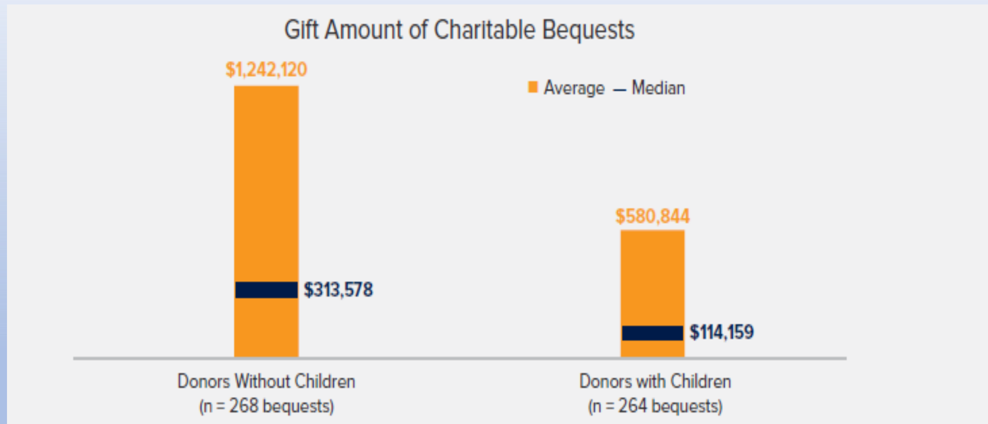
who?

Alumni
Board Members
Faculty
Staff
Donor
Seniors

36

ABHE

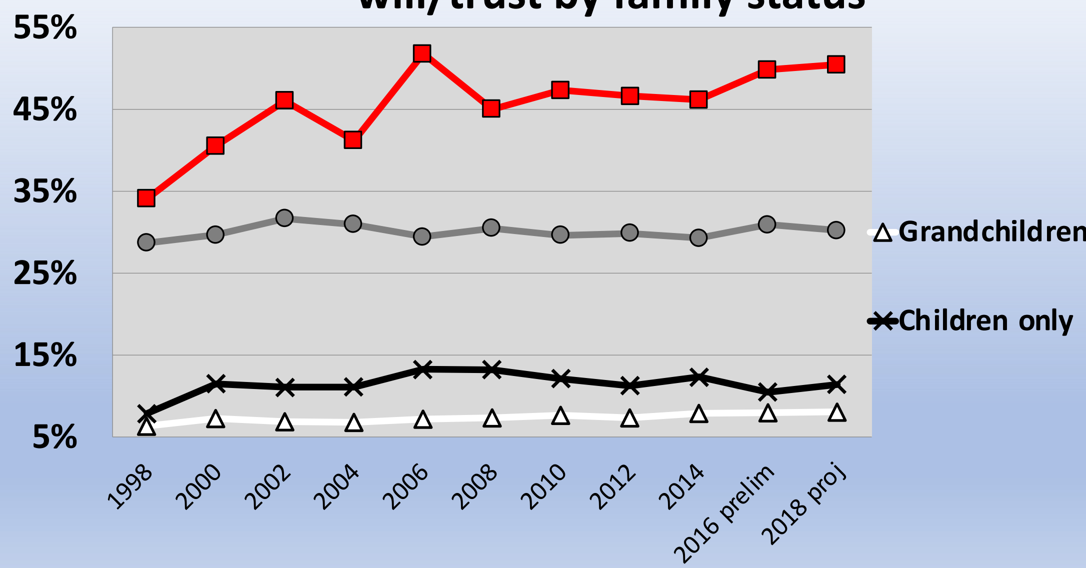
Where do larger gifts come from?



37

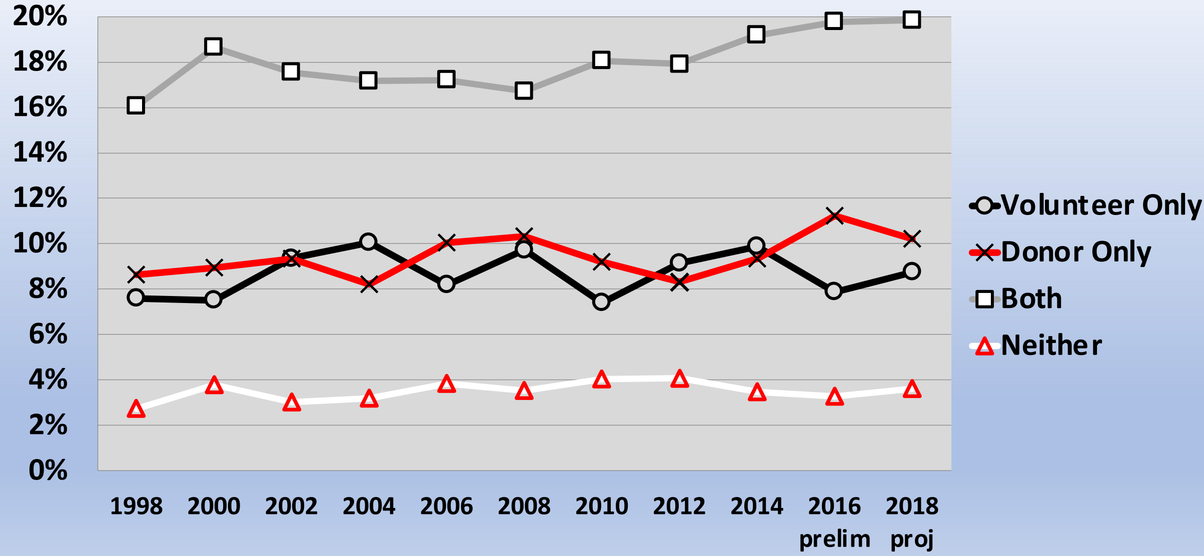
ABHE

Age 55+ charitable recipient among those with will/trust by family status



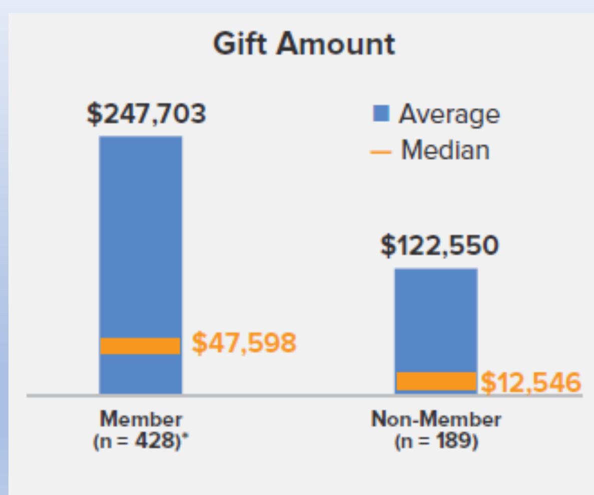
38

Age 55+ charitable beneficiary among those with will/trust by giving/volunteering



39

Should we Have a Legacy Society?

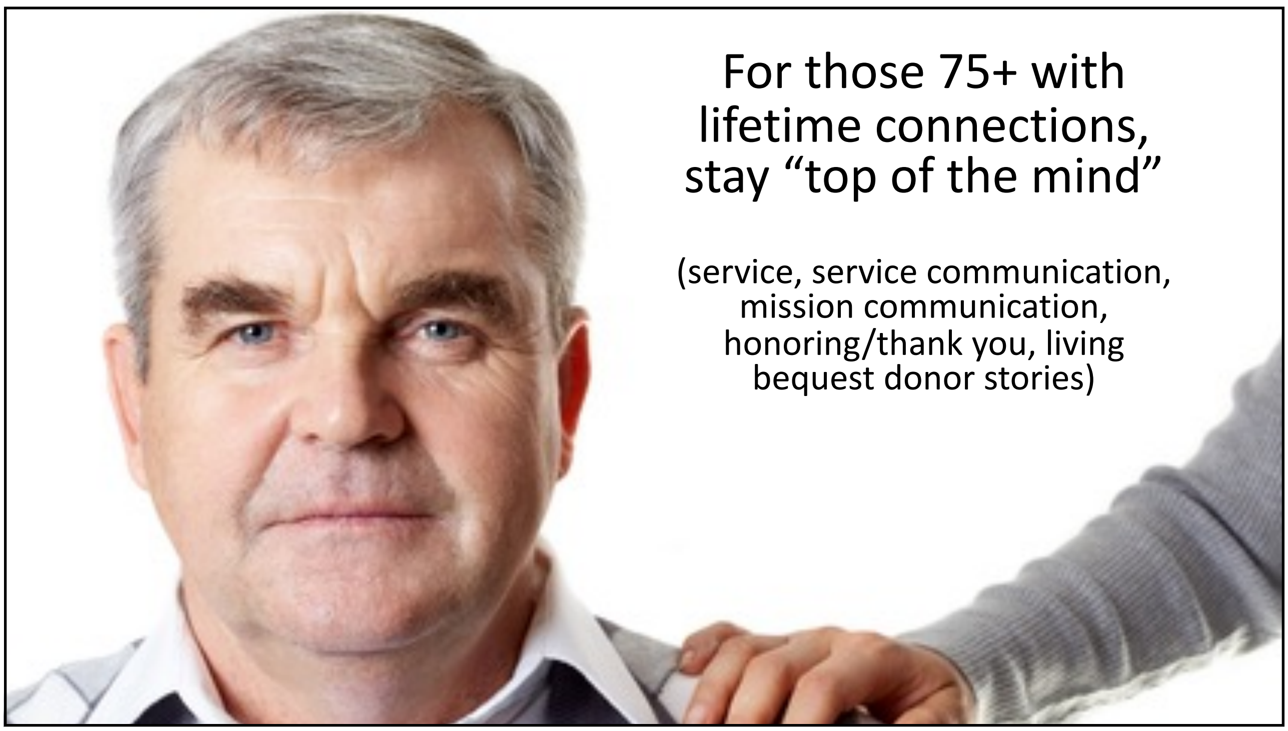


40

When do Plans Fail?

- Death Feels Near
  - Diagnose with major medical
  - Death of Spouse
- Family Structure Change
  - Divorce
  - First Child
  - First Grandchild
  - Death of Spouse

41



For those 75+ with lifetime connections, stay “top of the mind”

(service, service communication, mission communication, honoring/thank you, living bequest donor stories)

42

Planned Giving

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

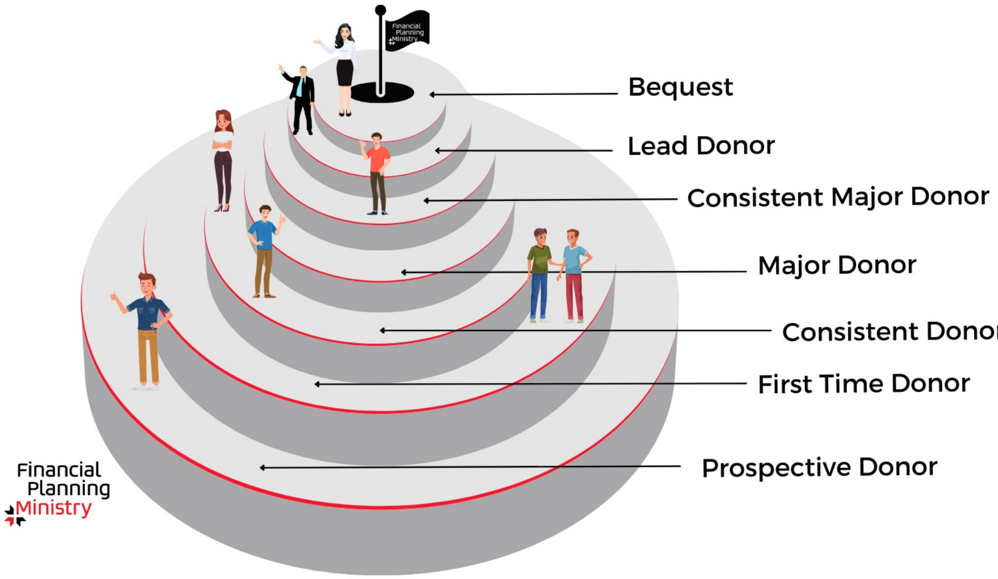
Ancient Proverb

43

Why invest in Planned Giving?

- Larger Gifts
- Long-term sustainability
- Cost-effective
- Competitive Advantage

44



45

- d **clay** perkins, ph.d.
- Executive Vice President
- clay@fpm.org
- www.fpm.org
- 1-252-202-6509

- **Serving Those Who Serve**

Financial Planning Ministry

46

Bonus

47

DO YOU KNOW

- 60%+ of donors have no end-of-life documents
- Average bequest 2.74 times the donor's lifetime giving
- 4.1 ratio is considered good, for every $4 raised expect to spend $1
- 95% of all planned gifts are in simple bequests (wills & trusts)
- End of life is the only time donors can give from 100% of assets
- A planned gift will increase current giving by 50 to 75%

48

ABHE

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

49

ABHE

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.

Financial Planning Ministry

50

Avoiding Probate

Stewardship

PROBATE IN AMERICA

HOW MUCH MONEY IS SPENT IN THE U.S. ON PROBATE EACH YEAR?

$2 BILLION

AMERICANS SPEND ROUGHLY TWO BILLION DOLLARS ANNUALLY ON PROBATE.

WHERE DOES THE MONEY GO?

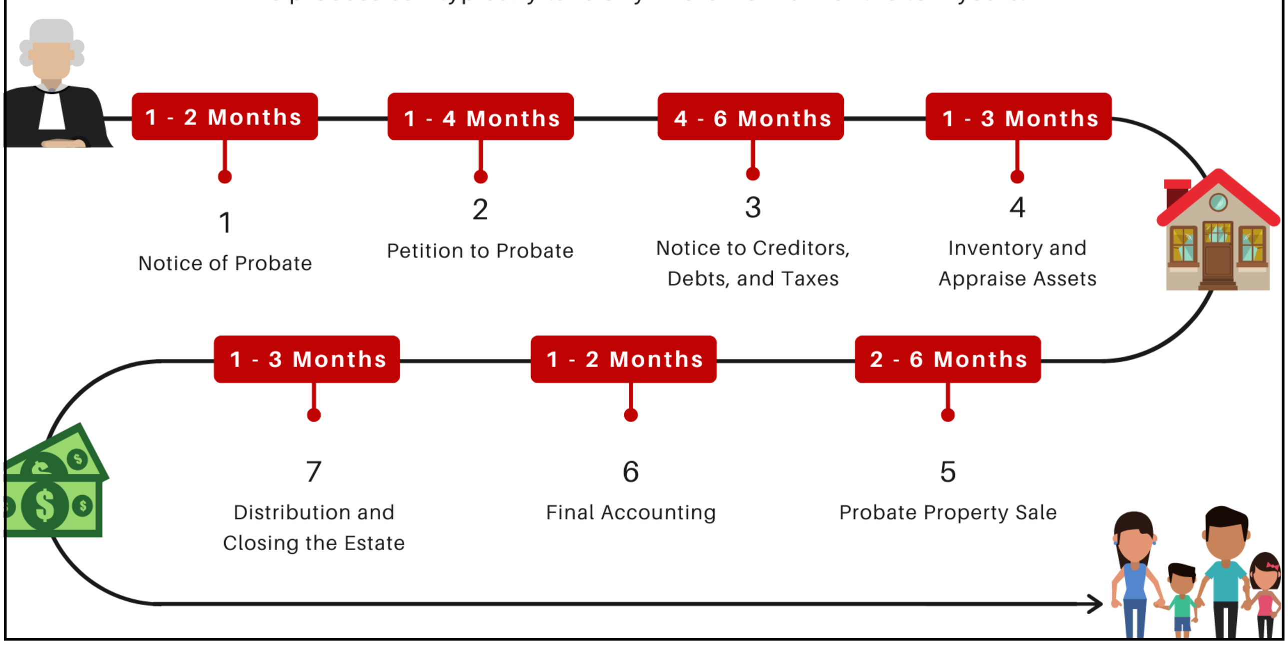
50%

OVER 50% OF PROBATE COSTS GO TO ATTORNEY'S FEES

51

The Probate Timeline

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



52

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

53

2025 ABHE ANNUAL MEETING

54