

Planned Gifts: Considerations for Development Programs

Rochelle Makela-Goodman
AVP, Gift Planning



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What are Planned Gifts?

- Bequests - Will / Trust
- Beneficiary Designations
- Retirement Funds
- Insurance Policies
- Bank / Brokerage Account
- Gifts that Pay Donor an Income
- Real Estate
- Business Interests & Prvt. Stock
- Tangible Property (Art, etc.)
- *Use tax and financial planning methods to achieve personal & philanthropic goals in a cost-efficient manner*

Growth Potential

- Often 20–50% Fundraising Totals
- Non-Cash Assets
- Appeal to all wealth levels / Builds Loyalty
- Resilience
- Demographics / Wealth Transfer

Bigger Gifts

SECTOR	AVERAGE SIZE OF A LEGACY GIFT	LEGACY TO ANNUAL GIFT AVERAGE
Arts, Culture, and Humanities	\$ 241,288	293:1
Association	\$ 9,650	46:1
Higher Education	\$ 252,546	114:1
Primary and Secondary Education	\$ 458,547	138:1
Environmental and Animal Welfare	\$ 77,527	1084:1
Health	\$ 213,170	96:1
Religious	\$ 50,776	166:1
Science and Technology*	\$ 618,784	54:1
Social and Human Services	\$ 51,242	114:1
Overall	\$ 122,540	252:1

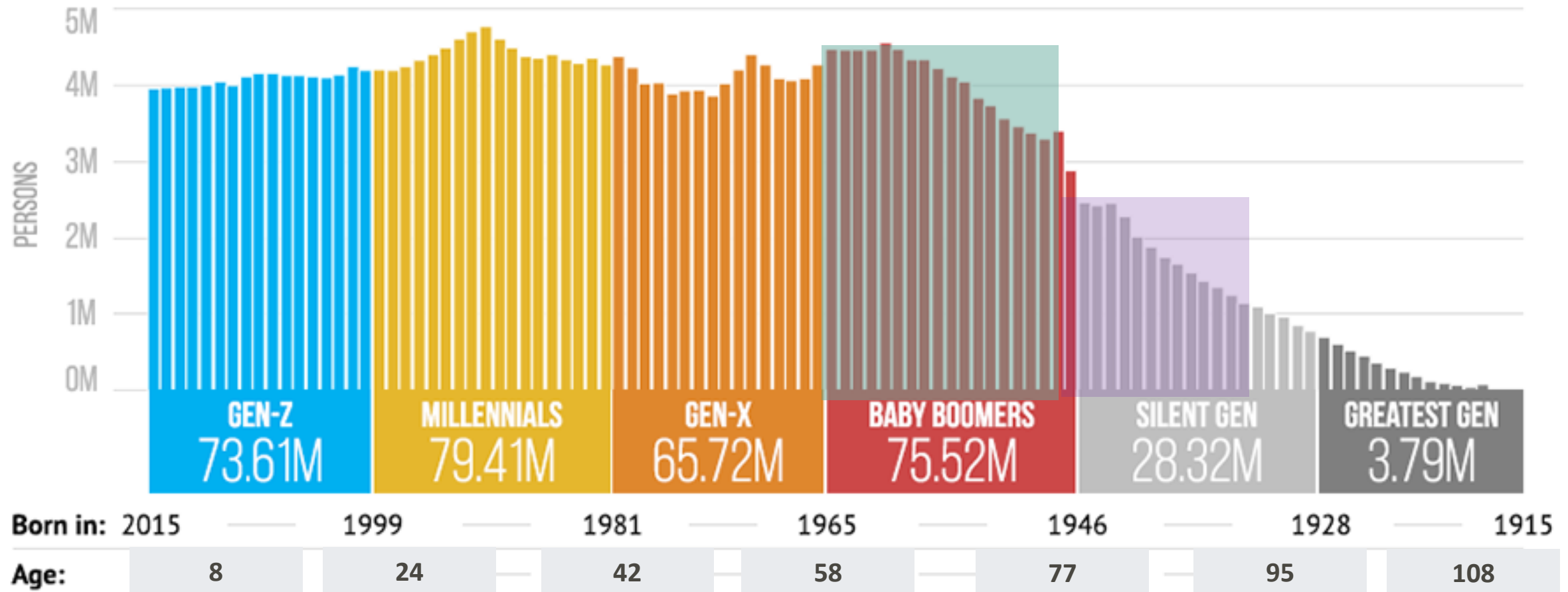
Source: CCS Fundraising



Aging Boomers & Wealth Transfer

US Population by Age & Generation

US Census, December 2015



Bequests (Wills & Trusts)

- ❖ Predicted more by loyalty than giving level
- ❖ ≤ 1 child
- ❖ Widows & single women give more
- ❖ Pet owners give more
- ❖ Age 45-65 most prolific online will users (first bequest)
- ❖ Ave. age at final Will/Trust is 81
- ❖ Age 85+ make largest bequests

Bequests (Wills & Trusts)

- ❖ Can be set up for a specific amount, a percentage of the estate, or for the remainder of the estate
- ❖ Cost nothing now
- ❖ Flexible (donor can change)
- ❖ May reduce gift and estate taxes

Legal name: Oregon Health & Science University Foundation

Address: 2020 SW 4th Ave., Suite 900, Portland, OR 97201

Federal tax ID number: 23-7083114

Sample Language

For an unrestricted gift that allows Oregon Health & Science University to use the funds based on the most pressing needs, use the following language:

"I give to Oregon Health & Science University Foundation, a nonprofit organization, 900, Portland, OR 97201, or its successor thereto, _____ [write name of property] for its unrestricted charitable use and purpose."

To designate your provision for a particular purpose:

"I give to Oregon Health & Science University Foundation, a nonprofit organization, 900, Portland, OR 97201, or its successor thereto, _____ [write name of property]. This gift should be used for (state purpose) if and so long as _____"

Beneficiary Designations

- Retirement funds
- Life Insurance, commercial annuities with death benefits
- Brokerage, savings, checking or other accounts
- Commercial Annuities
- Donor Advised Funds
- Pay-on-Death; Transfer-on-Death

QCDs from IRAs

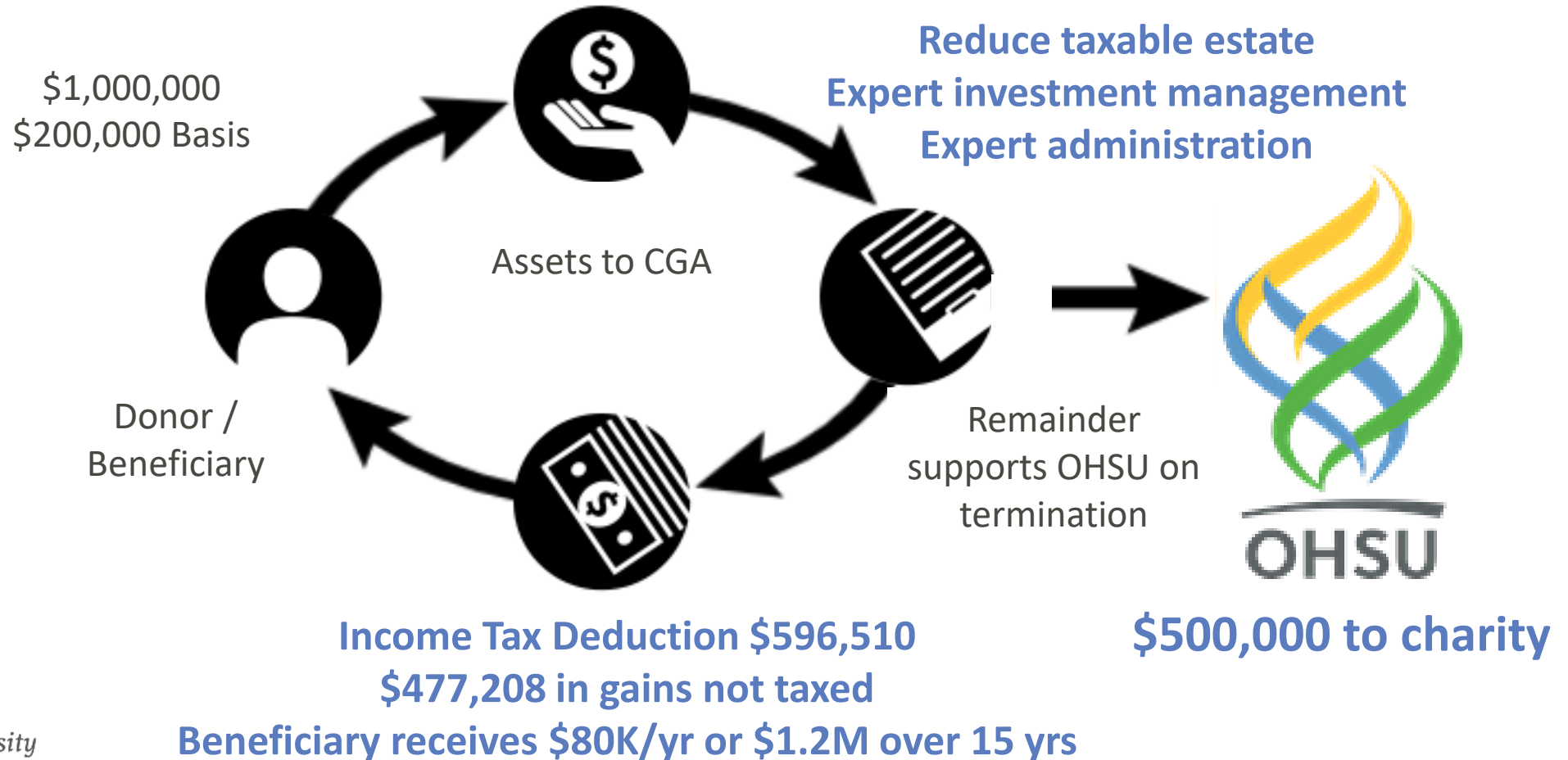
- ❖ Donate up to \$105,000 per indiv / \$210,000 if filing jointly (2024)
- ❖ Tax Free - *better than deduction!*
- ❖ May lower tax bracket - *add'l tax savings*
- ❖ Counts toward required minimum distributions (RMD)
- ❖ Must be 70 ½ or older
- ❖ Must follow transfer rules of IRS & IRA administrator
- ❖ Rules at: <https://www.irs.gov/newsroom/qualified-charitable-distributions-allow-eligible-ira-owners-up-to-100000-in-tax-free-gifts-to-charity>

CGAs & CRTs

- ❖ Convert assets (or cash) into income for life (or a term)
- ❖ Immediate income tax charitable deduction
- ❖ Avoidance of capital gains on LT appreciated assets
- ❖ Reduce taxable estate
- ❖ Diversify retirement income & generate tax savings now
- ❖ Can now be funded with a QCD from an IRA
- ❖ Higher payment rates for CGAs effective 1/1/24!

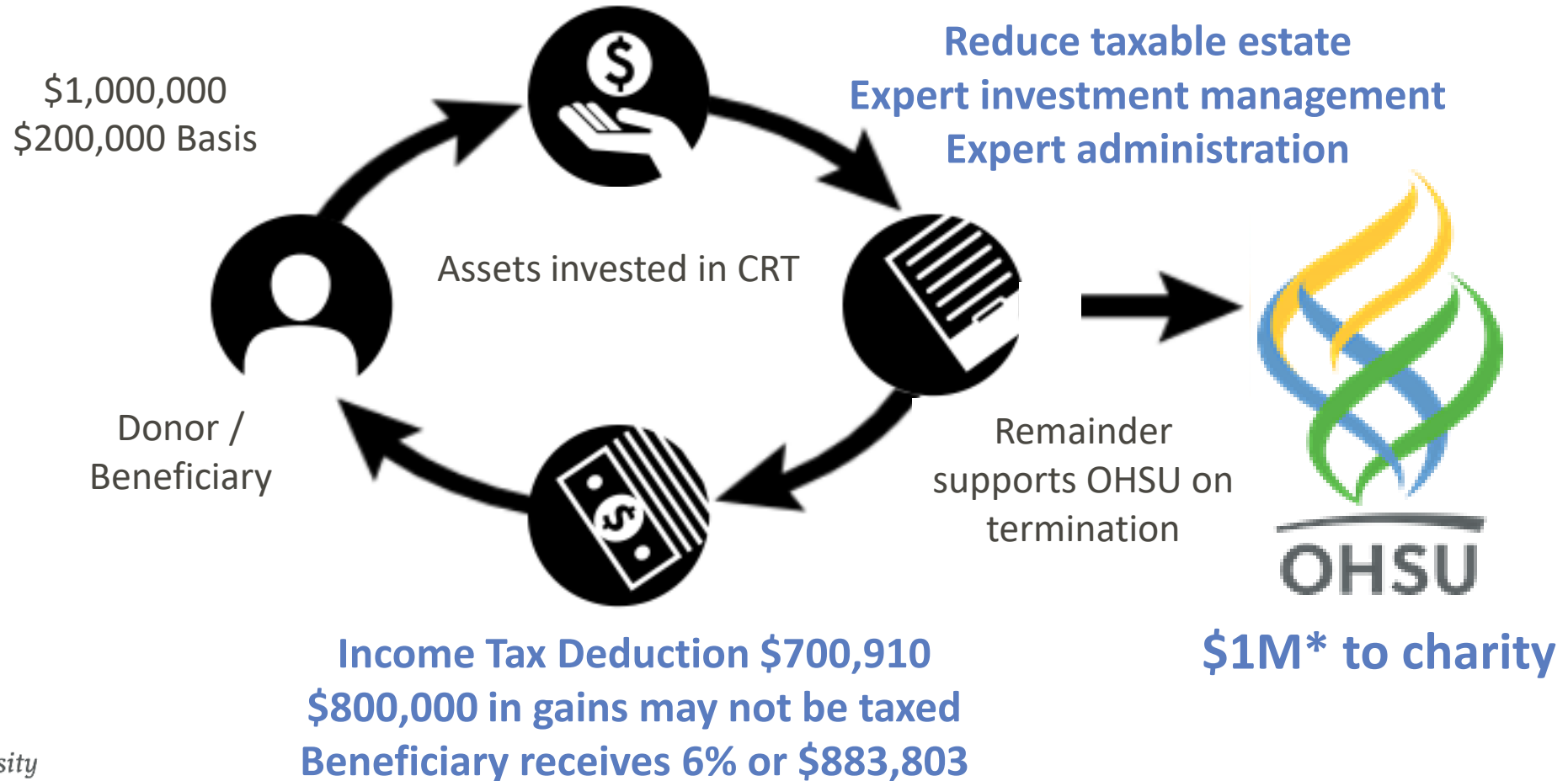
How It Works – Gift Annuity

*Appreciation of 6% annually; AFR 5.8%;
one life age 85; 15 horizon (to age 100)*



How It Works - CRUT

*Appreciation of 6% annually; AFR 5.8%;
one life age 85; 15 horizon (to age 100)*



Non-Cash Asset Gifts



Retained Life Estate - \$400,000



Commercial Real Estate - \$3,500,000



Private Stock - \$2,000,000



Business Interest - \$3,200,000



Portland
Blend

Blending



Lifetime Gifts

Annual gifts	Many
Creates endowed fund with stock:	\$100,000
Establishes a gift annuity for retirement:	\$100,000
QCDs from IRA over 5 years:	\$500,000

Estate Gifts

Beneficiary designation from IRA:	\$500,000
Bequest:	\$250,000

Total: \$1,450,000

Legacy Giving Societies

THANK YOU

Legacy Societies

- Thank You calls & letters
- Feature in stories / newsletters / website
- Thank You Events (luncheons, lectures, meet leaders...)
- Inclusion on legacy giving honor roll

Legacy Society



LEGACY
SOCIETY



Welcome Sam Jackson Legacy Guild

Providing the information below about your bequest or estate gift to OHSU enables the OHSU Foundation to plan and administer your gifts in accordance with your wishes. It is useful for the Office of Gift Planning to receive a copy of the relevant section(s) of your will or trust. Your information will be kept strictly confidential.

INFORMATION ABOUT YOUR PLANNED GIFT:

I/We have named OHSU in my/our estate plan as follows:

- Will/Living Trust for**
 - Specified amount / A percentage *Estimated value:* _____
- Retirement Plan for**
 - Specified amount / A percentage *Estimated value:* _____
- Charitable Remainder Trust** *Estimated value:* _____
- Donor Advised Fund** *Estimated value:* _____
- Life Insurance Policy** *Estimated value:* _____
- Other. Describe: _____

My/Our gift is:

- Unrestricted
 - Designated specifically for: _____
 - Not yet designated; please contact me to discuss options
- Estimated total value of gift:* _____, as of _____
(date)

INFORMATION ON HOW YOUR GIFT SHOULD BE ACKNOWLEDGED:

- Please include my spouse as a member of the Sam Jackson Legacy Guild
Spouse name: _____



Partners

Gift Planning Marketing

Stelter, Pentera,

Crescendo, PG Calc,

Sharpe Group,

PlannedGiving.com

Will-Making Services

FreeWill, Giving Docs

Life Income, Complex Assets

Charitable Solutions, PG Calc,

TIAA Kaspick, US Bank, BNYM,
BofA...

What is important to your donor?

Impact

Family / Caring
for Others

Immortality

Control, Timing,
Asset Protection

Legacy



Altruism

Income
Taxes

Estate Taxes

Philanthropic
Impact





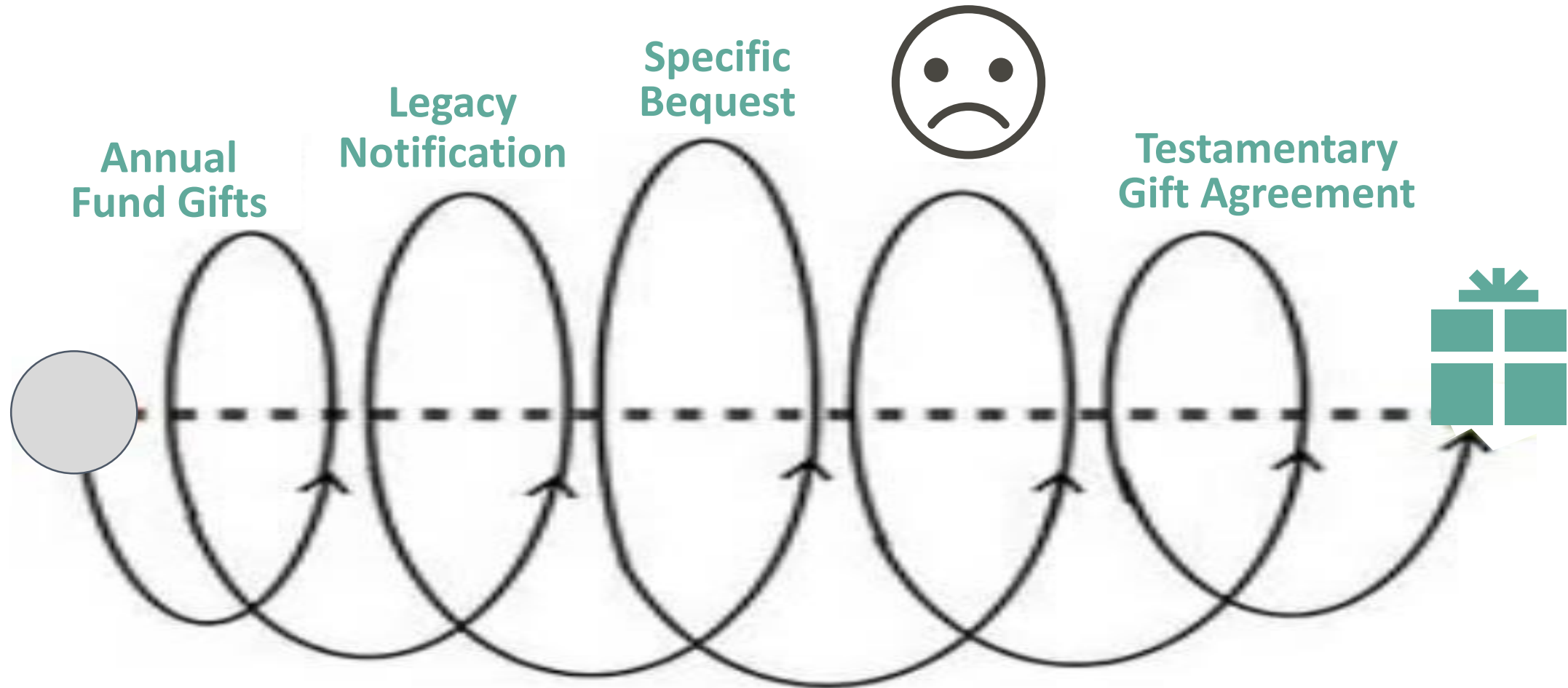
I WANT IT

LATER

NOW



Evolution of a Planned Gift



Thank you!

plannedgiving.ohsufoundation.org



Oregon Health
& Science University
FOUNDATION

WHAT INDUSTRY RESEARCH TELLS US

Source: CCS Fundraising

PLANNED GIVING DONORS GIVE THROUGH VARIOUS MEANS, ALL OF WHICH ARE INCREASING IN POPULARITY



Increased use of bequests through wills and trusts, which allow donors to make charitable gifts as part of their overall estate planning.



Increased use of charitable gift annuities, which provide donors with fixed payments for life in exchange for a charitable gift.



Increased use of charitable remainder trusts, which allow donors to make a gift while also receiving income from the trust during their lifetime.



Growth of charitable lead trusts, which provide income to charities for a set period, after which the remaining assets return to the donor or their designated beneficiaries.



Increased popularity of donor-advised funds (DAFs), which allow donors to make charitable contributions, receive an immediate tax deduction, and later recommend grants to charities.

PLANNED GIVING THEMES

Source: CCS Fundraising



Overall Trend: Planned giving is rising in popularity. Bequests, gifts through a will or trust, accounted for 9% of total charitable giving in the U.S. in 2022.¹ This 2.3% increase in current dollars over 2021 highlights bequests as a steady revenue source for nonprofits seeking and securing these gifts.¹



Demographic Trends: Older individuals are more likely to plan gifts. However, younger donors are becoming interested in charitable giving. Millennials, in their prime estate plan creation years, are being influenced by inflation pressure, economic uncertainty, and a desire for multigenerational wealth.



Types of Planned Gifts: There are many planned gift types, including bequests from wills and trusts, charitable gift annuities, and charitable trusts. Nonprofits must know the various options and provide information to donors wanting to make a planned gift.



Impact of Economic Factors: Economic conditions impact planned giving. During economic uncertainty, donors may be less inclined to make financial commitments that affect their cash and disposable income, so legacy gifts and major gifts of assets become more attractive. On the other hand, a strong economy can increase charitable giving overall, including planned gifts, so nonprofits should be prepared with all possible giving options for their donors.



Technology's Role: Technology is significant to the growth of planned giving. Many donors now prefer to give online, and digital tools and artificial intelligence (AI) can help reach potential donors and provide information about planned giving options. However, traditional fundraising methods, such as direct mail and individual outreach, are still important and effective, and should not be ignored.

EXECUTIVE SUMMARY

Source: CCS Fundraising



LEGACY GIFTS COMPRISED MORE THAN 16% OF OVERALL FUNDRAISING AND 11% OF CAMPAIGNS

The fundraising impact of legacy giving is significant, yet only .12% of annual and .2% of campaign donors engaged in legacy giving. Annual donors are typically the best legacy giving prospects, but only three subsectors* engaged more than .2% of their annual donors for legacy giving.¹



THE AVERAGE LEGACY GIFT IS SIGNIFICANTLY MORE THAN THE AVERAGE ANNUAL GIFT

Legacy gifts are 252x larger than the average annual gift.² Donors often increase annual giving by 75% on average after committing to a legacy gift; nonprofits that do not ask for legacy gifts lose out on significant immediate annual fundraising revenue.³



UNKNOWN LEGACY GIFTS ARE LIKELY OF CONSIDERABLE VALUE

Nonprofits received more funding from known and documented legacy gifts (\$82 million) than unknown legacy gifts (\$55.2 million). A much more modest amount (\$6.1 million) came from expected but not formally documented legacy gifts.¹



NO CLEAR RELATIONSHIP EXISTS BETWEEN LEGACY GIFT REVENUE AND ENDOWMENT SIZE

Though endowment and legacy giving are often linked in theory and practice, and rightly so, there is no clear tie between legacy gift revenue and endowment size. The ratio of endowment size to legacy gifts is just under 20:1 across all subsectors.²



LEGACY SOCIETIES ARE UNDERUTILIZED AS A POWERFUL DONOR ACQUISITION AND RETENTION TOOL

Reimagining legacy societies may spur the giving that nonprofits need to see consistent and sustainable revenue growth. One-third of donors desire membership in a giving society, yet only 10% receive that recognition.⁴

EXECUTIVE SUMMARY

Source: CCS Fundraising



DEDICATED STAFFING POSITIVELY IMPACTS LEGACY GIFT REVENUE

Nonprofits that employ at least one person focused on planned giving experienced a 293% increase in legacy gift revenue over nonprofits with part-time staff. Nonprofits with more than two full-time staff secured nearly double the legacy gifts as nonprofits with only one.¹



PROFESSIONAL ADVISORS DO NOT INCREASE LEGACY GIFT REVENUE

One-third of nonprofits enlist professional advisors for guidance.¹ One idea to increase legacy gift revenue is to leverage advisors' expertise to encourage estate planning: nearly half of donors first learned about legacy giving from a nonprofit,⁴ yet only one-third of U.S. adults have a will.⁵



A MAJORITY OF NONPROFITS HAVE OUTDATED GIFT ACCEPTANCE POLICIES

Most nonprofits have not updated their gift acceptance policies in the last five years or are unsure when their policies were last revised. By comparison, more than one-third of nonprofits have updated their policies since 2020, including guidance for legacy gifts and other planned gifts.¹



COUNTING LEGACY GIFTS AND OTHER REVOCABLE DEFERRED GIFTS IS ESSENTIAL

Nearly one-half of nonprofits count revocable deferred gifts.¹ From an increased revenue standpoint, legacy gift donors are more likely to increase their annual giving and make a major gift following their legacy gift commitment.³



ONLY HALF OF NONPROFITS CONSISTENTLY TRACK DONOR AGES OR BIRTHDATES

During the Great Wealth Transfer, tracking donor ages or birthdates is critical, as these are key data points for donor segmentation and tailored engagement strategies. Most nonprofits use a customer relationship management system (CRM), but only half record this data consistently.¹