



# Transformational Giving Through Blended Gifts

Southern California Association for Healthcare Development

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# Goals and Objectives

1

Create a common understanding of the blended gift definition

2

Share strategies and stories, benefits and pitfalls, associated with blended gift requests

3

Provide a forum for questions and discussion

## What We Know About HNW Donors...

Desire to create solutions and help solve a problem

Support an average of three to five causes through significant gifts

Increasingly seek and expect measurable results (impact)

Seek both immediate and lasting impact

## What We Know About HNW Donors...

91%+ make  
outright/current gifts  
to charity

80% have appreciated  
assets but only 21%  
have given them to a  
charity

90% have retirement  
plans/insurance but  
only 9% named a  
charity

41% do not know  
these gifts are  
possible

# Who are the Planned Gift Donors?

Half of planned giving donors are between ages 51 and 70 when they make their first planned gift

Likelihood of making a planned gift increases with age


Chances of making a planned gift increase sharply at age 45-50

## Blended Gifts Defined

A blended gift is the combination of outright (current) gift and deferred (planned) gift



# The Importance of Blended Gifts

- Helps you become more strategic, visionary, results-focused, holistic and donor-centric
  - Helps the donor accomplish more through gifts that are often more significant and more transformational
  - Maintains a sensitivity to the donor and lessens solicitation confusion among various initiatives with a bundled ask
  - Provides donor with immediate impact and recognition for long-term commitment
  - Maximizes leadership's time with respect to approaching families for pace-setting support
  - Streamlines fundraising efforts to maximize philanthropic potential
  - Helps the organization in areas of excellence, access, and sustainability
  - Results in significant discovery and deeper and stronger relationships with donors
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# Current (Outright) Gifts vs. Planned (Deferred) Gifts

Current Gifts	Planned Gifts
Current income	Assets
Typically an easier gift decision	Typically requires donor deliberation
Personal or family decision	May involve financial planners
Current gift or a pledge	Likely to be a trust or deferred gift
Gift transfer or payment	May require a legal document

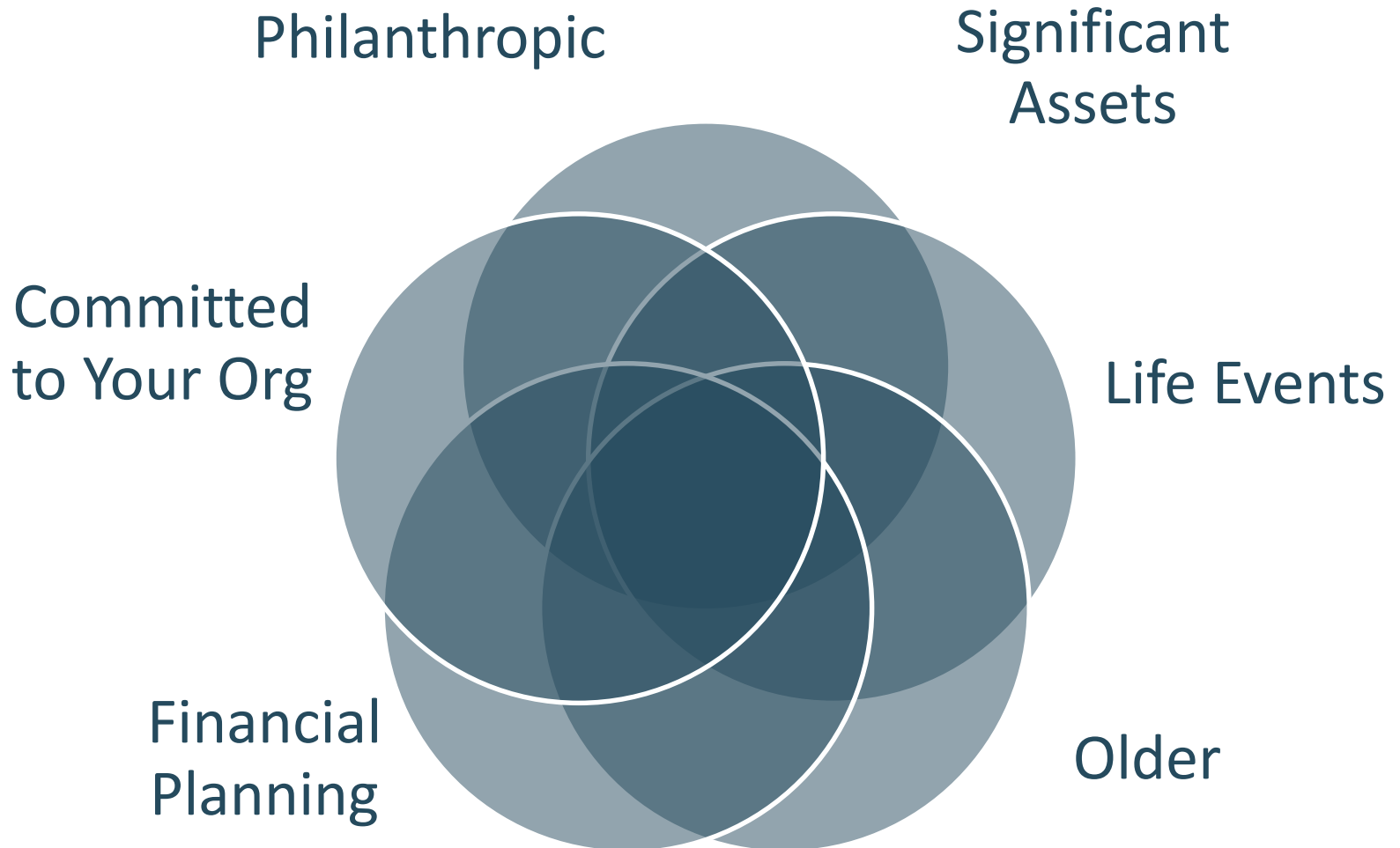


# Most Common Planned Gifts

- Bequest
- Charitable Lead Trust
- Retirement Plans and IRAs
- Life Insurance
- Charitable Gift Annuity
- Charitable Remainder Trust
- Retained Real Estate



# Characteristics of Blended Gift Prospects



# Commonly Expressed Concerns

- “Planned gifts are confusing for donors.”
- “I’m uncomfortable talking about death.”
- “We need outright gifts now...we need money NOW!”
- “Planned giving hurts annual giving. That’s a FACT!”
- “If I ask for a planned campaign gift, they will not make an outright gift because they will think they are off the hook.”



# Keys to Properly Engaging Blended Gift Prospects

Learn about the donor's interests, connections to society, and what they care about

Ask open-ended questions about philanthropy

Don't assume that the High Net Worth donors understand the options for giving

“Our donors are not afraid of having these conversations. We must get beyond our own fears” – Jackie Franey

# Questions to Explore

<b>Philanthropy</b>	<b>Financial Planning and Assets</b>	<b>Family and Estate Planning</b>
What inspires you?	What is your investment philosophy?	How do you define success for your kids?
What are your philanthropic goals?	How has the market treated you?	Do you and your spouse make charitable giving decisions together?
What role do your advisors play?	Do you invest in real estate?	Why have you been so generous to us?
How do you give most of your gifts?	Tell me the story of your business.	Would you consider naming our organization as a beneficiary?
Tell me about a recent meaningful charitable gift.	Do you have an estate plan?	

# Strategic Questions to Consider Before the Ask

Why are you asking this donor for a gift?

When and where will this solicitation take place?

Will you partner or go alone?

What are the roles of the individuals present?

How much will you be asking the donor to consider and for what purpose?

What's the impact of this gift to the organization and mission?

What are the roles of the individuals present?

What type of recognition is being offered?

What's the timeline and steps for following up the ask?

# Scenario 1

Annual Support	\$25,000 x 5 years = \$125,000
Endowment	\$75,000 x 5 years = \$375,000 (The Jones Family Endowment for Pediatric Audiology)
Legacy	Join the Legacy Society with a \$500,000 estate commitment to add to The Jones Family Endowment for Pediatric Audiology
Volunteer Role	Campaign Chair
Total	\$1,000,000 (\$500,000 over next five years and \$500,000 legacy commitment)

## Scenario 2

SUSTAIN

Continue \$10,000 annual support through Sports Night, Reach for a Star, Annual Golf Outing

ADVANCE

Make a special 5-year commitment of \$100,000 to support our building project

ENDOW

Plan a legacy gift to ensure our organization's sustainability, excellence and access to our life-saving programs through a bequest or charitable remainder trust



# Scenario 3

Goal	Establish a scholarship fund for first-generation American citizens
The Gift	<ul style="list-style-type: none"><li>• Changes the beneficiary designation on an IRA worth \$250,000 from daughter to university – Leaves her daughter a portfolio of appreciated securities instead</li><li>• Starting now, annual gifts will mimic the \$250,000 endowment's planned 4.5% payout</li></ul>
Benefits	<ul style="list-style-type: none"><li>• Avoids double taxation of retirement assets</li><li>• Allows her daughter a step-up basis</li><li>• Maintains sufficient liquidity</li><li>• Donor fulfills goal supporting students well into the future but during lifetime as well.</li></ul>

# Scenario 4

Goal	Name the Museum
The Gift	<ul style="list-style-type: none"><li>• \$20 million</li><li>• First \$7 million in stages through outright gifts of cash and appreciated securities plus a structured gift of their vacation home.</li><li>• Remaining \$13 million consisted of two future gifts – a bequest of \$3 million and \$10 million in a charitable remainder trust (which will first pay an income to their daughter for life).</li></ul>
Benefits	<ul style="list-style-type: none"><li>• Current gifts achieve immediate tax deductions and avoid significant capital gains</li><li>• Lowered estate tax bill</li><li>• Achieved special naming of the Museum to bring honor to their family for generations to come</li></ul>



# Comments and Discussion

## Our Mission

Our mission is to help nonprofits elevate theirs, by providing fundraising counsel, development services, and strategic consulting.

## Thank You

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