

Cues & Clues:

What Donors Are Telling You & How to Respond

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Prospective donors tell you everything...

...if you only listen...

...and then reply.



Donors and Prospects Often Tell You...

- Their personal concerns
- What they perceive as their impediments to giving

Development's Role is to...

- Listen to the concerns
- Attempt to move the process along with a gift conversation that addresses the perceived impediments



A planned gift can meet, and even exceed, expectations most times.

But, details and timing are essential, as is motivation.

Giving Impediments

Let's look at a few of the most common...

Our mission: To ask would they consider a planned gift, if we could show them how.



Thompson
Associates
Charitable Estate Planning

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Shared Sentiment

- Concern of income
 - How to grow it
 - Provide income for spouse
 - CD rates are so low
- Your response
 - "There are charitable gift plans that pay income to people, both a simple plan and a more complex one.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options?"

Thompson
Associates
Charitable Estate Planning

2 Shared Sentiment

- Farm or rental property
 - No longer wants to manage it
 - Wants to work less
 - Needs income
 - Concerned about having to pay capital gains taxes, meaning less to invest
- Your response
 - "There are charitable gift plans that pay income to donors, both a simple and a more complex option. Those should be funded with the appreciated asset itself, for maximum tax advantage.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options?"



3 Shared Sentiment

- Vacation home
 - Can foresee a time when they will no longer be able to drive to an out-of-state vacation home
 - Children don't want it
 - Or, don't have children
- Your response
 - "There are charitable plans funded with such appreciated assets that pay income to you or others, or a gift can be made of certain property now, subject to your living there for your lives or a term of years, often with great tax breaks.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options?"



4 Shared Sentiment

- Supporting elders
 - They are supporting an older generation, therefore cannot make a gift now
 - Must wait until that obligation has ended, at some future undetermined time
- Your response
 - "There is a charitable plan called charitable gift annuities that's been around since 1831, paying often higher than market rates for life to older people. You could fund one for that older generation, providing income to them and very attractive tax advantages for you.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options, and run numbers for you?"



5 Shared Sentiment

- Children struggles
 - Financial
 - Substance
 - In-laws
 - Concerned about protecting their inheritance
- Your response
 - "There are charitable plans that pay income to younger heirs while protecting a portfolio from creditors and also enjoying market activity so potential for future growth and more income.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options, even run numbers for you?"



6 Shared Sentiment

- Stock prices
 - They've seen a stock price they wish they could cash in on
 - Tenant farmer wants to buy the farm
 - Fear of having to pay capital gains tax has stalled them
- Your response
 - "There are charitable plans that can be funded with appreciated assets that pay income to you or others, or a charitable gift can be made of certain property outright. Those can simplify and diversify your estate.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options?"



7 Shared Sentiment

- Planning is done
 - They do not need to have a gift conversation
 - Their estate is planned and complete
 - Does not need any further review
- Your response
 - "With the huge federal estate tax exemption, more people are using certain assets at the right life stage to convert those from appreciation to income with very attractive income tax breaks.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options, even run numbers for you?"



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Shared Sentiment

- Future property gift
 - An older donor says at some future time you will receive their home, farm or vacation home
- Your response
 - "There is a gift plan that lets you deed that property during your life to our charity. You can live there for life, for your spouse or sibling's too (if relevant), which simplifies your estate and entitles you to a current income tax deduction.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those options, even run numbers for you?"



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Shared Sentiment

- Savings bonds
 - A donor responds to your question about having U.S. savings bonds
 - They've forgotten all about them
 - Matured long ago
- Your response
 - "You could cash those savings bonds in, recognize some income for tax, and make a gift of the proceeds to our charity, or use those proceeds to fund a charitable gift annuity for you and another, even bequeath them to our charity.
 - May I have (name person) contact you about that, even run numbers for you?"



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Shared Sentiment

- IRA assets
 - Concern over the annual required minimum distribution (RMD) payments and their taxation each year
 - SECURE Act eliminates stretch-out of IRAs beyond 10 years
- Your response
 - "If you have an IRA and are 70½ and older, you can direct your plan custodian to pay contributions directly from your IRA to our public charity. Those distributions count as RMD and won't be included in your taxable IRA income that year.
 - I don't know much more about it than that, but may I have a person (name best) contact you to talk through those plan and others?"



11 Shared Sentiment

- Illiquid
 - Majority of their portfolio assets are tied up in retirement plans
 - Would create income with withdrawals during life
- Your response
 - "One of the best ways to support various charities now is by designating a revocable % of what is left of that retirement plan after you and your spouse pass to one or more charities. It's easy to do on the beneficiary designation form, all ages can do it, uses an asset that is taxed to children to inherit. You can also provide income to heirs beyond the ten years mandated by the SECURE Act.
 - May we send you the right language to use?"



Conclusion

- You're already hearing many of these comments from donors and prospects
- Your role is to listen, then respond in a manner to move the process along
- Your goal is to have as many gift conversations as you can, especially about life stage gift ideas which can repeat gifts that better serve a donor's needs and goals



Thank you!

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