

## NONPROFIT TIP SHEET

# Inflation's Impact on Giving

By Eddie Thompson, Founder and CEO

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Today's increasing inflation could dramatically affect charitable giving to your organization. In this [complimentary 1-hour webinar](#), Eddie Thompson, Jerry Linzy, Russell James and Susan Doliner describe how inflation impacts nonprofits and their donors offering practical suggestions for nonprofit leadership to prepare for and thrive during this inflationary period.  
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### *Donors' feelings of financial security drive giving!*

#### **Inflation's Impact on Donors** with Eddie Thompson

- Poor & middle-class struggle to make ends meet, making giving less likely. They will only give to organizations they feel close to.
- Wealthy often become wealthier and will have opportunities to give non-cash assets. They may even give larger amounts, knowing the need is even greater.

#### Donors will ask 4 questions before making a gift:

1. Do I have enough to live on now and for the rest of my life?
2. Which charities are my friends?
3. Which charities are really making a difference?
4. Which organizational missions align with my values?

#### Donors will be more open to making non-cash gifts like:

- Charitable IRA rollover
- Gifts of appreciated assets
- Bequests

#### Who will be open to give during inflation?

1. Those who have enough to live on for the rest of their lives.
2. People with little or no debt
3. Those looking to cash out of an appreciated asset
4. Sophisticated individuals who are looking for unique tax or gift strategies

#### What should you do?

1. Create a strategy to deal with inflation today!
2. Stay in contact with all of your donors.
3. Keep filling your donor pipeline.
4. Maintain or increase your focus on gift planning.



## **Inflation's Impact on Capital Campaigns** *with Jerry Linzy*

- There is no perfect moment to raise money, even when all possible factors are in your favor – with or without inflation.
- The plain fact is in good times and bad, Americans give to worthy causes – mission! But, when times are difficult, they seem to respond with even greater dedication, generosity and a genuine sense of sacrifice.
- But, remember, if you are not properly prepared, your fundraising program is almost certainly doomed to fail – in good times and bad.

### **Key takeaways:**

- Clarify mission
- Plan and prepare more carefully, including a feasibility study
- State your case for support and express a sense of urgency
- Accept only first-choice leaders; they will take their responsibilities more seriously
- There are fewer competing campaigns to interfere
- The fact that you are having a campaign in face of challenging times underscores the importance of your cause – and the urgency

## **Inflation's Impact on Gift Planning** *with Russell James*

- Inflation generates the potential for more capital gain and opportunities for strategic gifts of assets, including complex instruments.
- Donors understand inflation and respond to associated requests to increase nominal amounts in regular giving over time. This is a great opportunity to shift from a specific dollar amount gift to an estate percentage gift (which tend to be much larger and grow, especially among the wealthy).
- Inflation worries can decrease interest in fixed payment strategies like CGAs and CRATs and increase interest in CRUTs.

## **Inflation's Impact on Annual & Major Giving** *with Susan Doliner*

- Annual Giving may suffer the most as smaller donors may reduce the number of charities they support or stick with giving to multiple charities but give even less as personal basic daily costs of living increase.
- Charities need to increase gift amounts from donors, especially their top donors.
- Inflation typically increases the value of assets for wealthy individuals and foundations, so overall giving will continue to increase.
- Complex planned giving options will serve donors well as inflation rises.

## **Opportunity awaits...don't go it alone!**

Planned giving took off in the 1970s and 1980s in part due to the inflationary conditions of that time. Higher education, and even healthcare, saw enormous growth during the 1980s. What if you, too, had an endowment that was growing during this period? Don't feel like you have to do it all on your own, either! Thompson & Associates' values-based estate planning process helps your donors answer the number one question that frees them to give generously...do I have enough to live on for the rest of my life? We would be honored to partner alongside you and your organization to further your mission!

**Reach out today!**

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### About Thompson & Associates

Thompson & Associates partners with nonprofits to provide estate planning services to their supporters. Our planning process helps you move from "hoping" planned gifts materialize to active gift creation by putting your supporters' needs first. We give your supporters an opportunity to work closely with an independent advisor to clarify their values to develop a plan that reduces uncertainty, freeing them to make a lasting impact on their family, community and the world.

