

Strengthen Alumni Relationships & Increase Giving

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Founder & CEO

www.ceplan.com



About Thompson & Associates

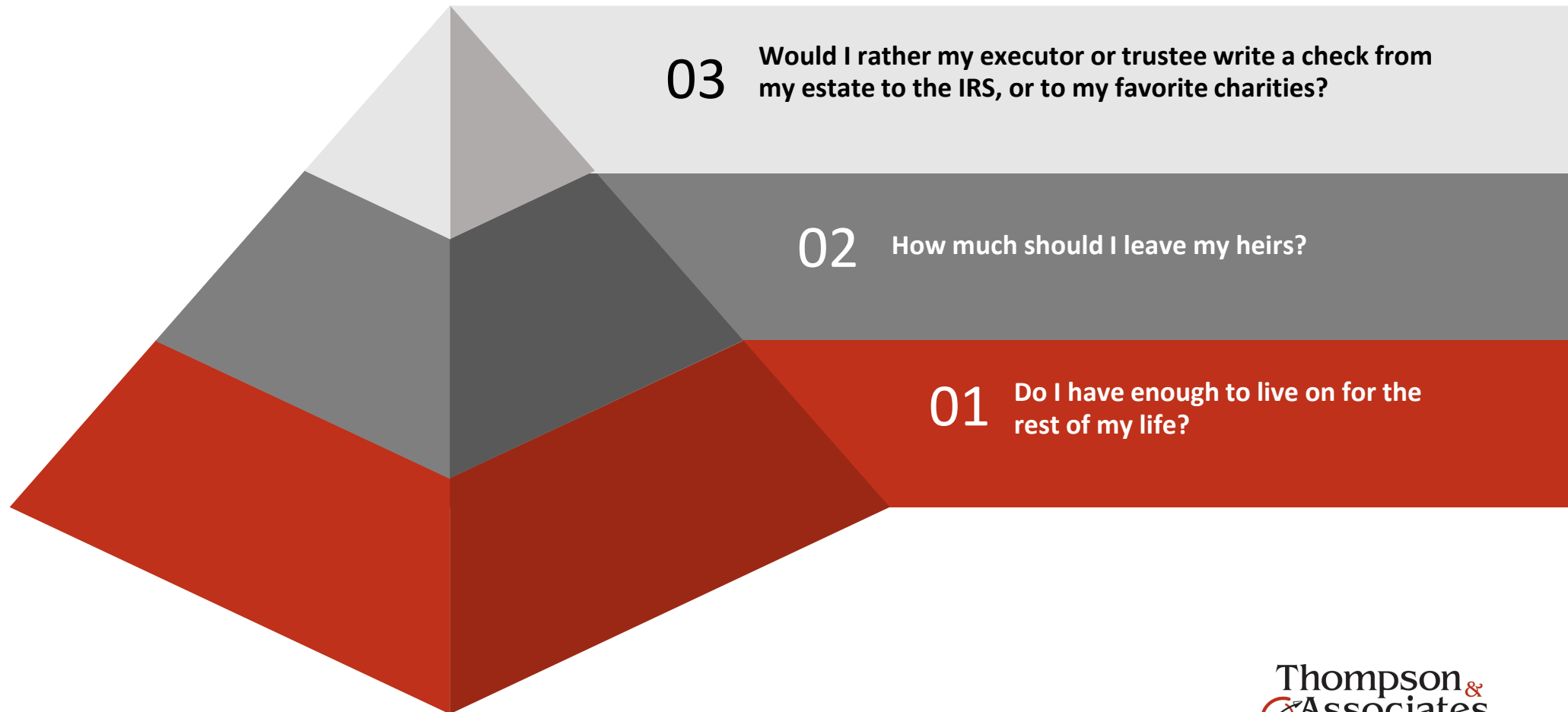
- Founded in 1996 by Eddie Thompson
- Country's premier provider of values-based and charitable estate planning services to nonprofit constituents
- 84 nonprofit clients in 30 states
 - 43% have been clients for more than 6 years
 - 520 years of combined relationships
- 42 team members in 16 states with extensive experience in charitable planning, tax law and nonprofit development
- Our planning services have resulted in over \$2 billion in future planned gifts for various nonprofits since 2016

A photograph showing two women from the waist up, seated at a grey table. They are both wearing white blouses with black polka dots. The woman on the left is holding a pen and looking at a document. The woman on the right is pointing at a document. There are several papers and a spiral notebook on the table. The background is a plain, light-colored wall.

Ideally, estate plans should be...

- Very thoughtfully planned
- Reflect your intentions and values
- Completely understood:
 - Desired outcomes for your family
 - Tax ramifications
- Updated as life, circumstances and goals change

Ideally, estate plans should also address these **three** essential questions...



A person wearing blue jeans and a dark belt is crawling on their hands and knees on a sandy beach. They are facing away from the camera towards the ocean. The water is a clear, light blue-green color, and the sky is overcast with grey clouds. The overall scene suggests a sense of struggle or being overwhelmed.

In reality, estate plans...

- Are avoided like the plague
- Are done hurriedly
- Don't benefit from knowledge of range of options
- Don't reflect one's values
- Don't provide for heirs in the most suitable ways
- Don't allow attorneys to provide high-quality counsel
- Result in taxes (income and/or estate taxes) paid to city or Federal government
- Are often not completed, resulting in intestacy (dying without a will)

Estate Planning

○ Review of assets

- The property owned
- Why is this important?
- Contractual agreements

○ Basic decisions and documents

- Will
- Power of Attorney
- Advance Healthcare Directive
- Trust
- Guardianship
- Beneficiaries

Common Mistakes





Words have power

**From
Russell James'
Research**

The story: Gifts of
assets not income

- Stop selling leadership on “*planned giving*”
- Start selling them on “**major gifts of assets**”
- It’s big. It’s now (and later). It’s not “death talk.”

Planned Giving

or, *Major Gifts of Assets (!)*

- Why Planned Giving?
 - Tax benefits
 - Probate
 - Ensuring support of what you're passionate about
- Vehicles that can be used
 - Bequests
 - IRA Required Minimum Distribution
 - Charitable gift annuities
 - Charitable gift trusts
 - Others

The Gift of Values-based Estate Planning Consultation



To help alumni take charge of their legacy, Foundations offer our estate planning consultation service that is:

- Complimentary
- Confidential
- Sells no products
- Involves no gift solicitation
- Conducted at their own pace
- Provided with no obligation

The Thompson Values-based Planning Process

1 Clarifies donors' values, estate planning objectives and priorities

2 Organizes their net worth statement

3 Educates them on options for reducing taxes

4 Illustrates recommendations vs. current plan

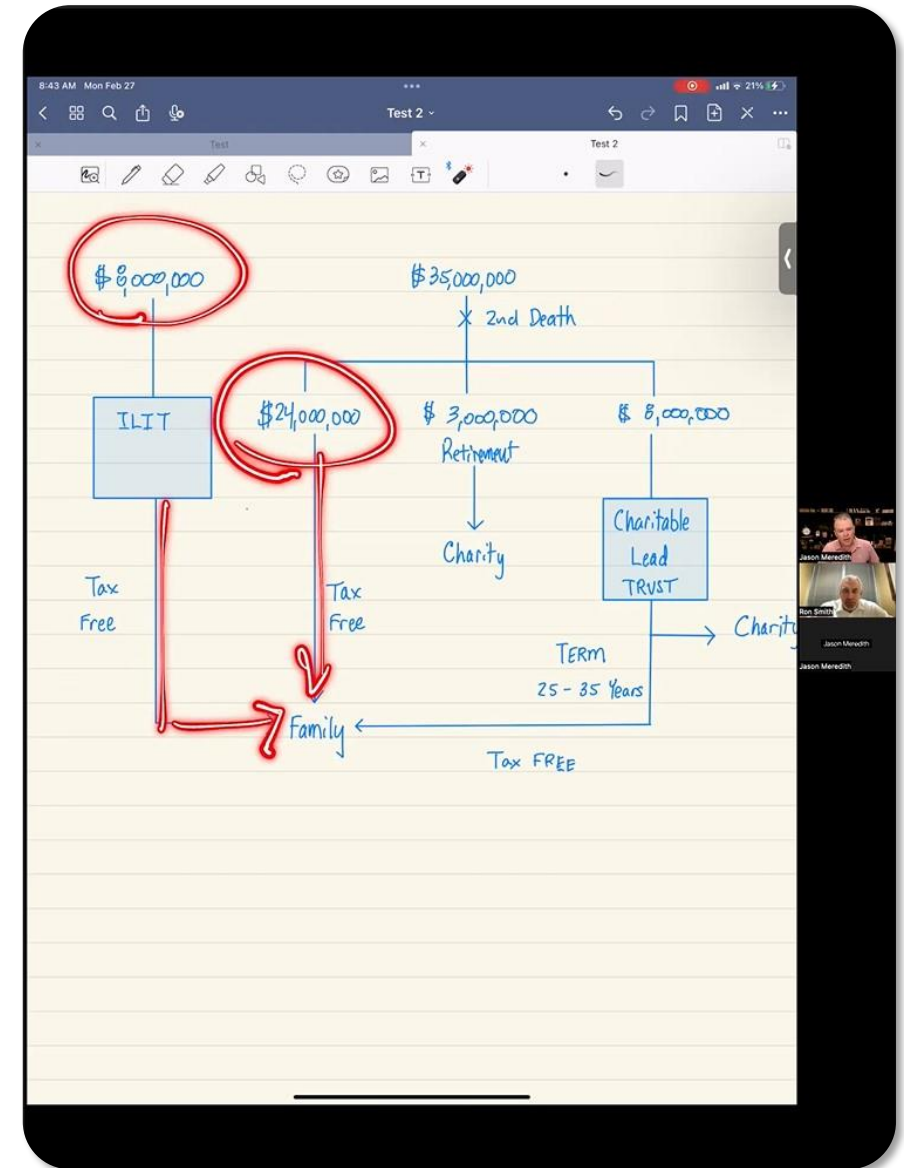
5 Prepares final recommendations and packet for attorney

6 Interfaces with advisors and family as necessary

Process

In-person & Virtual

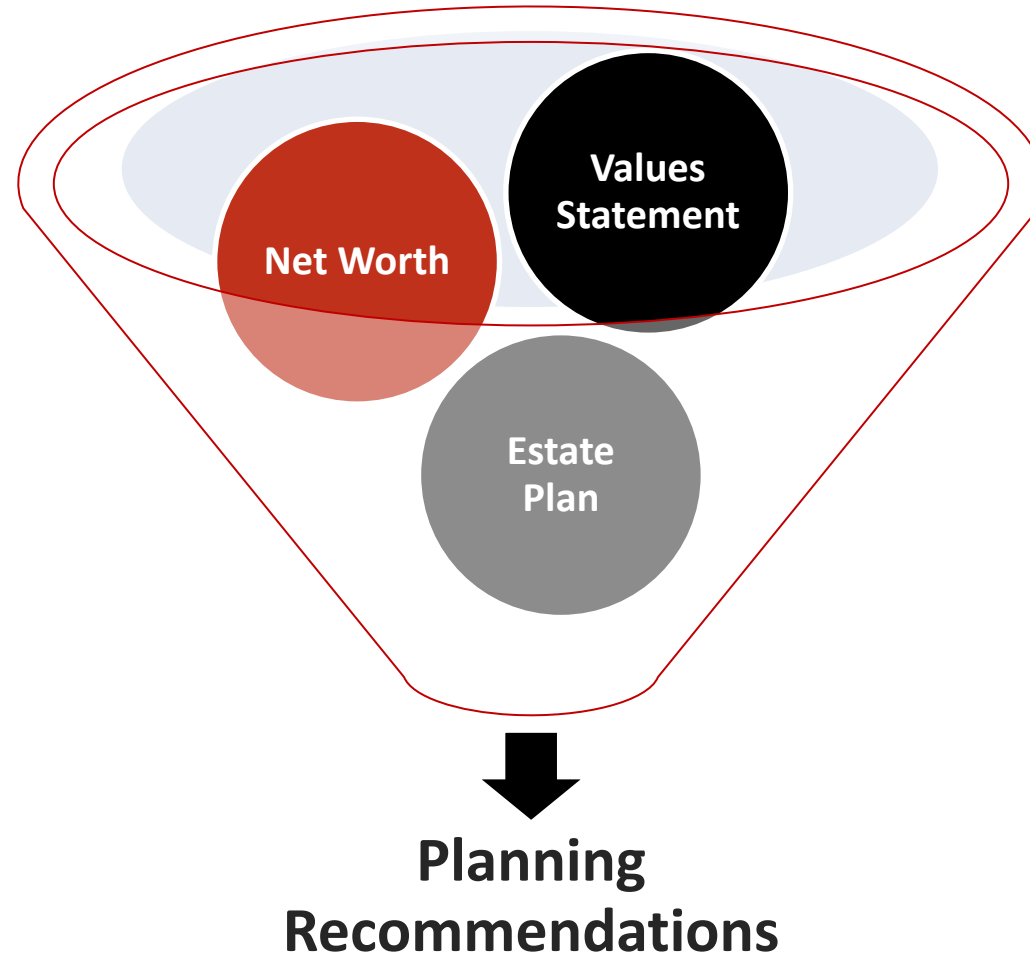
- Traditionally, our process is done in-person
- The associate travels to your campus to provide planning services
 - Allows the opportunity for alumni and friends to be onsite with you monthly
- But, virtual is an option as well, for those that aren't local to campus
 - Working with a university in Texas, at one time we were working with alumni from Las Vegas to Russia



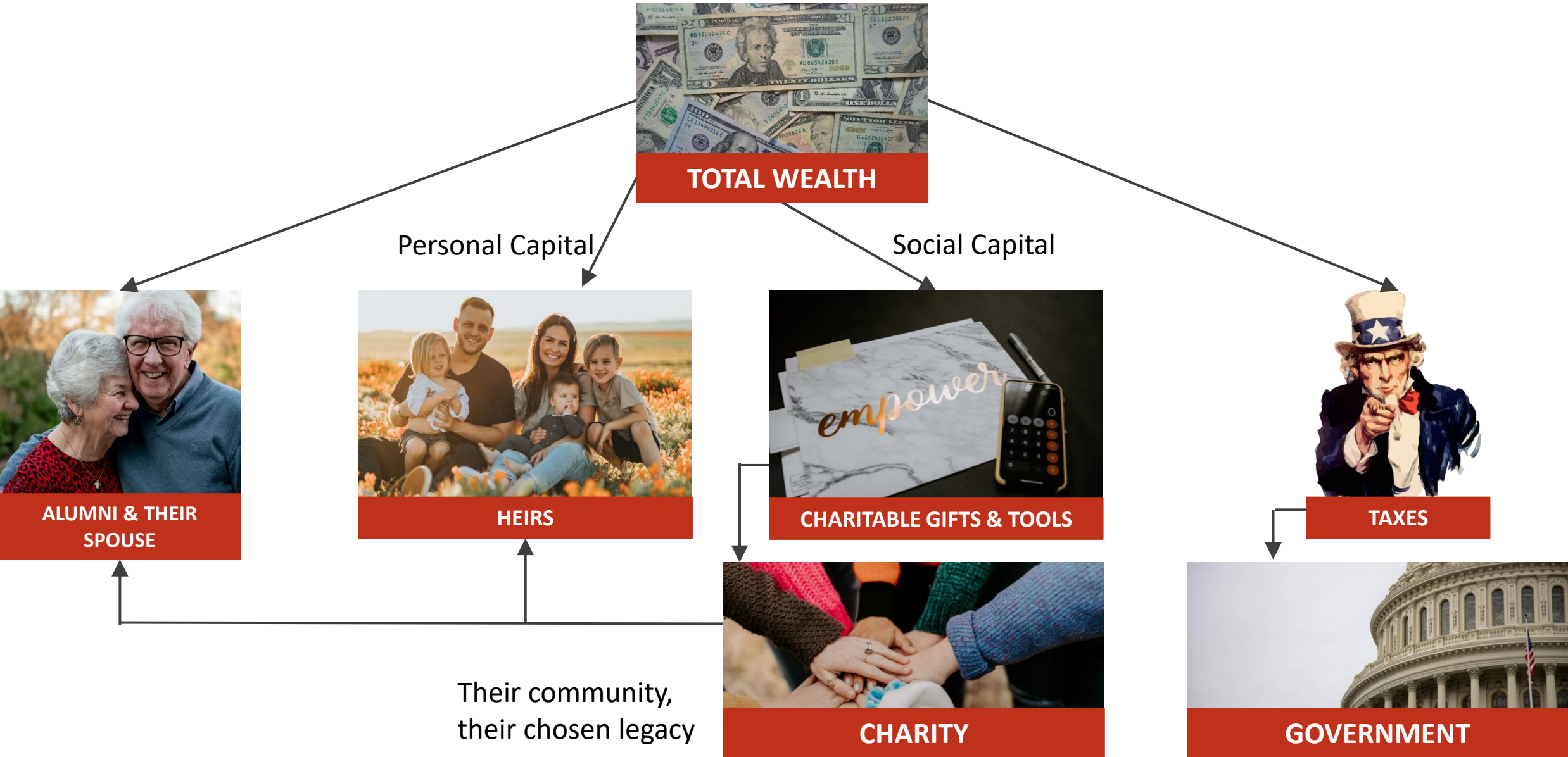
Identify Planning Issues & Explore Options

- Providing for surviving spouse
- Maximizing inheritance for heirs
- Minimizing taxation
 - Estate taxes
 - Income taxes on IRD assets
 - Capital gains taxes
- Blended family plans
- Trust planning
- Asset protection
- Family philanthropy
- Etc.

Recommendations Tailored to Each Donor's Situation & Goals



Our Process: Educate donors on options that redirect taxes to charity



END PRODUCT FOR ALUMNI

We provide detailed recommendations in charts, numbers and words



ESTATE PLANNING RECOMMENDATIONS FOR JOHN AND JANE DONOR

Thank you for allowing us to help you plan your estate. We spent significant time and effort you invested into our values-based process, and hope you found it to be a pleasant, educational and good return on your investment.

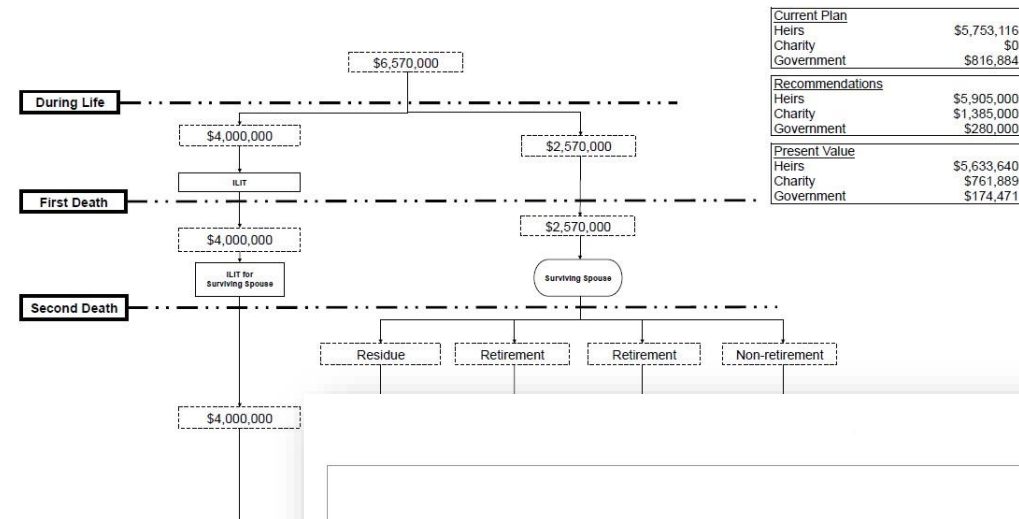
The following recommendations are based on your answers to our Questionnaire, the meetings and conversations you have had with us, and the information you provided to us. We tailor our recommendations to your particular interests and goals using our values-based planning process. We have tried to be thorough in our process with this document to explain our recommendations more fully.

Contents of Our Recommendations

We know that people process information differently. This document contains the following components to aid in your review:

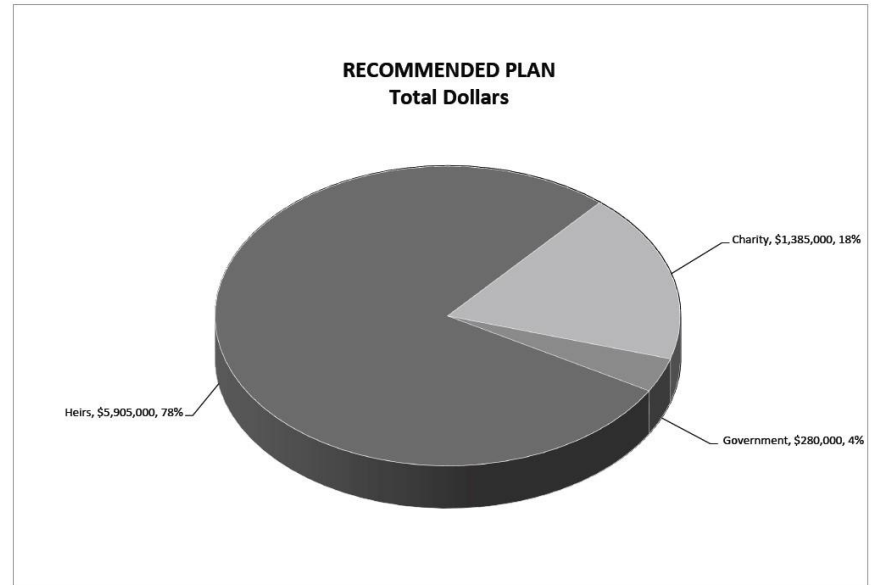
- Executive Summary.** First is a short summary highlighting the key facts, and assumptions used in formulating the recommendations. Professional advisors tend to be most interested in this section.
- Strategies Table.** Next is a table indicating the various strategies and techniques we recommend and the objective or objectives of each.
- Narrative Explanations.** Third is a section that explains each recommended planning technique, matched to the objectives of each.
- Key Definitions.** We use some capitalized words and phrases in our recommendations that have certain meanings, and we define those definitions for your reference.
- A Few Words About Transfer Taxes.** The vast majority of estates do not have gift or estate tax issues. Nonetheless, people still want to understand the potential impact of these taxes. We have attached a brief discussion of these issues that you wish to review that information.
- Comparison Spreadsheet.** The next section is a side-by-side comparison of the possible financial results and taxes from your current plan compared to our recommended plan.
- Estate Plan Diagram.** You will find attached a diagram that provides a rough picture of how your estate plan recommendations will be implemented.
- Pie Charts.** Finally, pie charts have been included to show the allocation of your estate under your current plan and our recommended plan.

John and Jane Donor	Current Plan	Recommended Plan
Current Situation		
Retirement Assets	\$1,385,000	\$1,385,000
Life Insurance	\$4,000,000	\$4,000,000
Other Non-retirement Assets	\$1,185,000	\$1,185,000
Value of Taxable Estate	\$6,570,000	\$6,570,000
During Life		
Irrevocable Life Insurance Trust	\$0	\$4,000,000
At Death of First Spouse		
Surviving Spouse	\$6,570,000	\$2,570,000
Irrevocable Life Insurance Trust	\$0	\$4,000,000
At Death of Second Spouse		
Government		
Income Tax	\$360,884	\$0
Estate Tax	\$456,000	\$0
Total Tax	\$816,884	\$0
Heirs		
Estate of Second Spouse	\$5,753,116	\$1,185,000
Irrevocable Life Insurance Trust	\$0	\$4,000,000
Charity		
Retirement Accounts	\$0	\$385,000
Non-retirement Accounts	\$0	\$0
Total	\$0	\$385,000
*Percentage of Retirement Accounts to Charity		
		28%
Charitable Remainder Unitrust (CRUT)		
Retirement Accounts	\$0	\$1,000,000
Non-retirement Accounts	\$0	\$0
Total	\$0	\$1,000,000
Term of Years	0	20
Unitrust Payout	0	5.00%
Assumed Annual Net Rate of Return	0	5.00%
Total Gross Income	\$0	\$1,000,000
Total Net Income	\$0	\$720,000
Government Receives		
Income Tax	\$0	\$280,000
Upon Termination of CRUT		
Charity Receives	\$0	\$1,000,000
Charitable Deduction	\$0	\$361,412
TOTAL DOLLARS		
Heirs	\$5,753,116	\$5,905,000
Charity	\$0	\$1,385,000
Government	\$816,884	\$280,000
Total	\$6,570,000	\$7,570,000
TOTAL AS A PERCENTAGE		
Heirs	88%	78%
Charity	0%	18%
Government	12%	4%



Current Plan	
Heirs	\$5,753,116
Charity	\$0
Government	\$816,884
Recommendations	
Heirs	\$5,905,000
Charity	\$1,385,000
Government	\$280,000
Present Value	
Heirs	\$5,633,640
Charity	\$761,889
Government	\$174,471

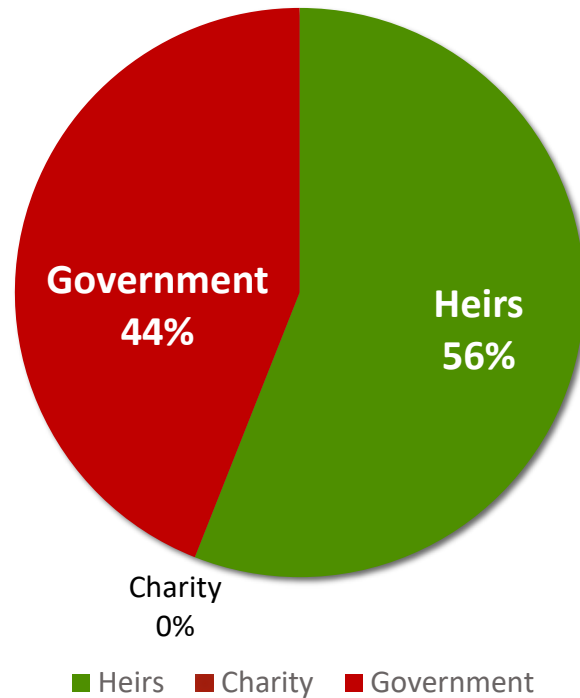
SUMMARY: This was an estate of a married couple who retirement accounts were used at the death more to heirs in terms of total dollars (with a charitable deduction is needed for federal estate savings. If the taxpayer lives in a state with beneficiaries without having to meet the rule).



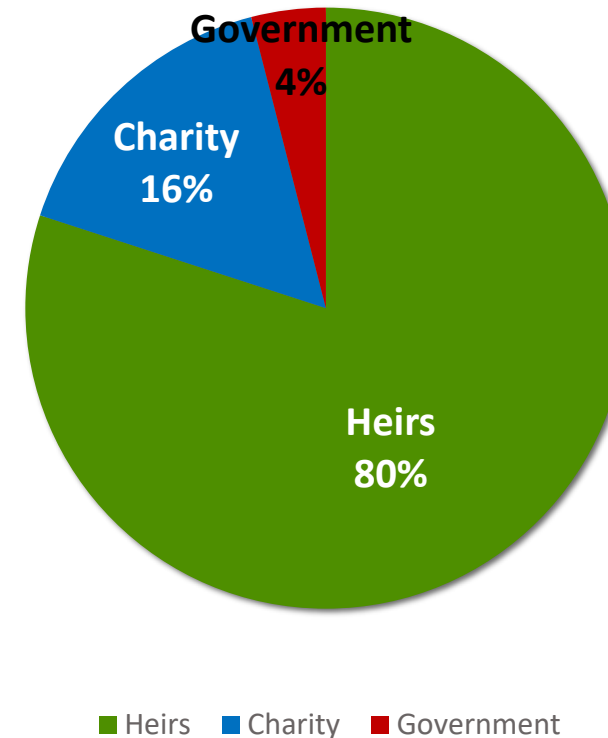
Our Unique Planning Process

Example High Net Worth

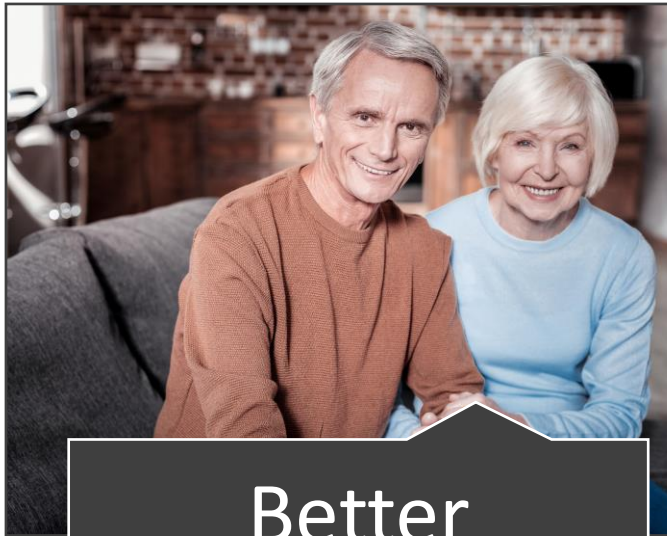
CURRENT PLAN



RECOMMENDED PLAN



What would you gain by offering this service?



Better
Stewardship
of Alumni



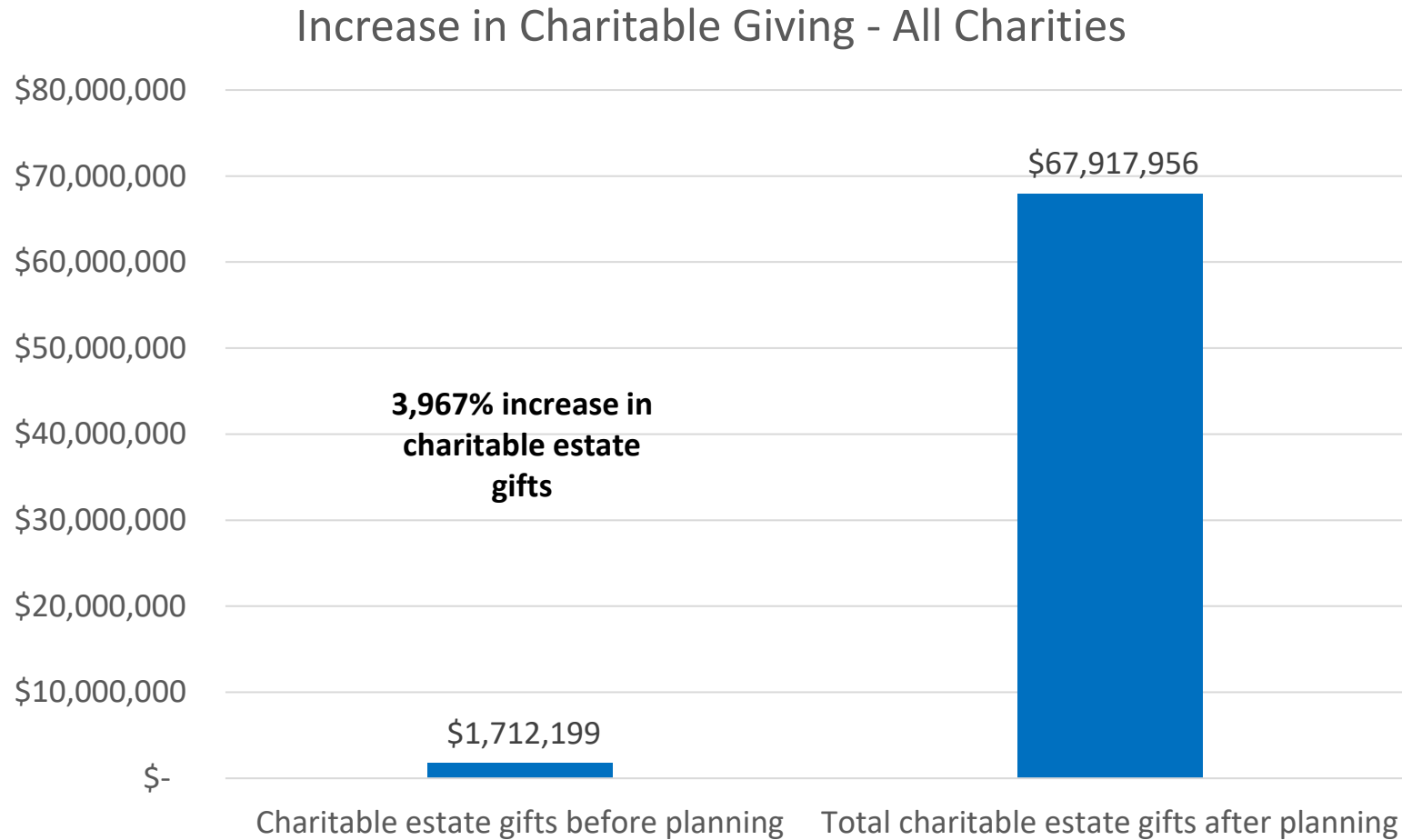
Potential
of Future
Support



Stronger
Community

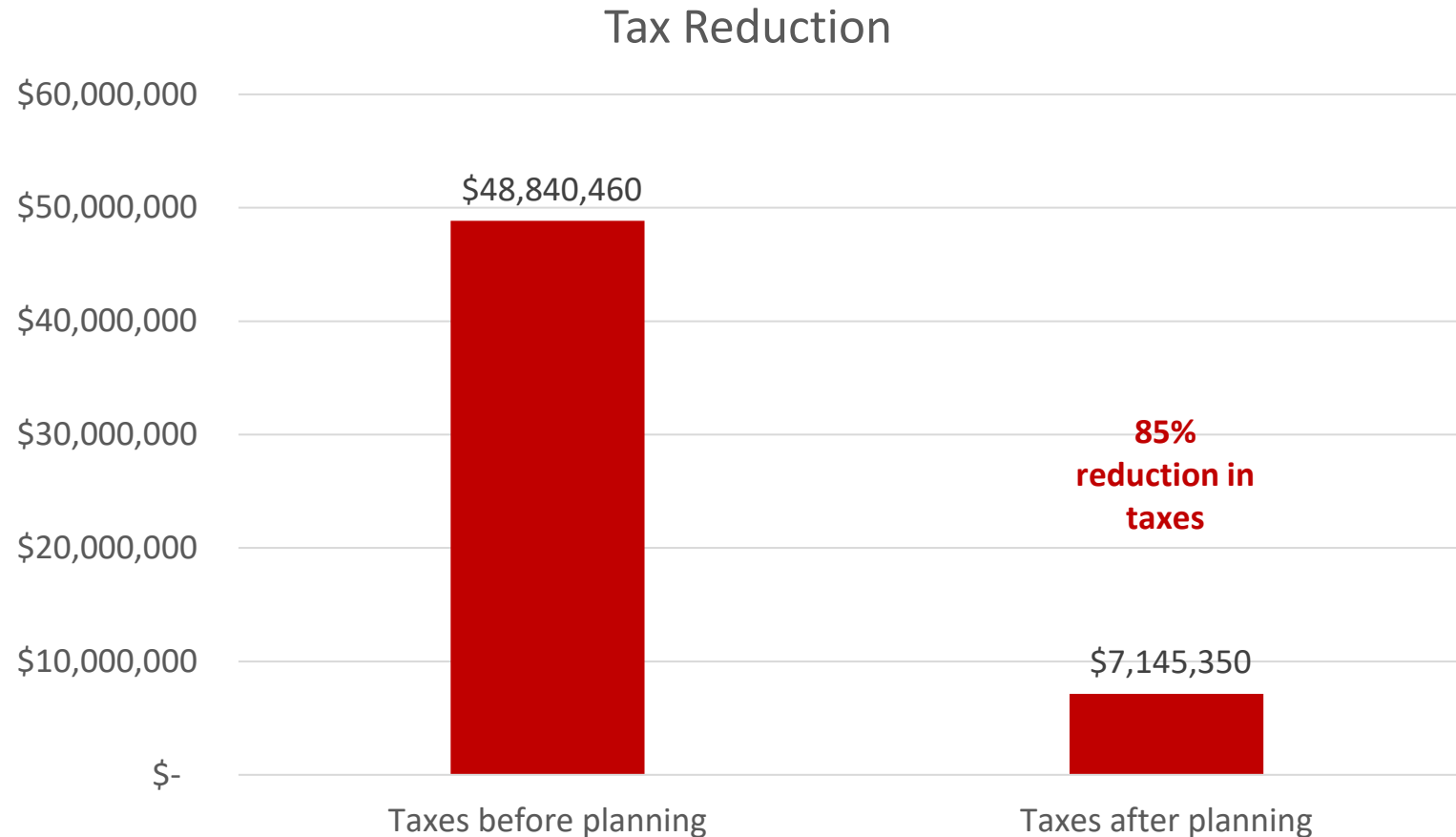
Charitable Conversion (2013-2020)

Sample Results from 1 Thompson & Associates Nonprofit Client



Tax Reduction (2013-2020)

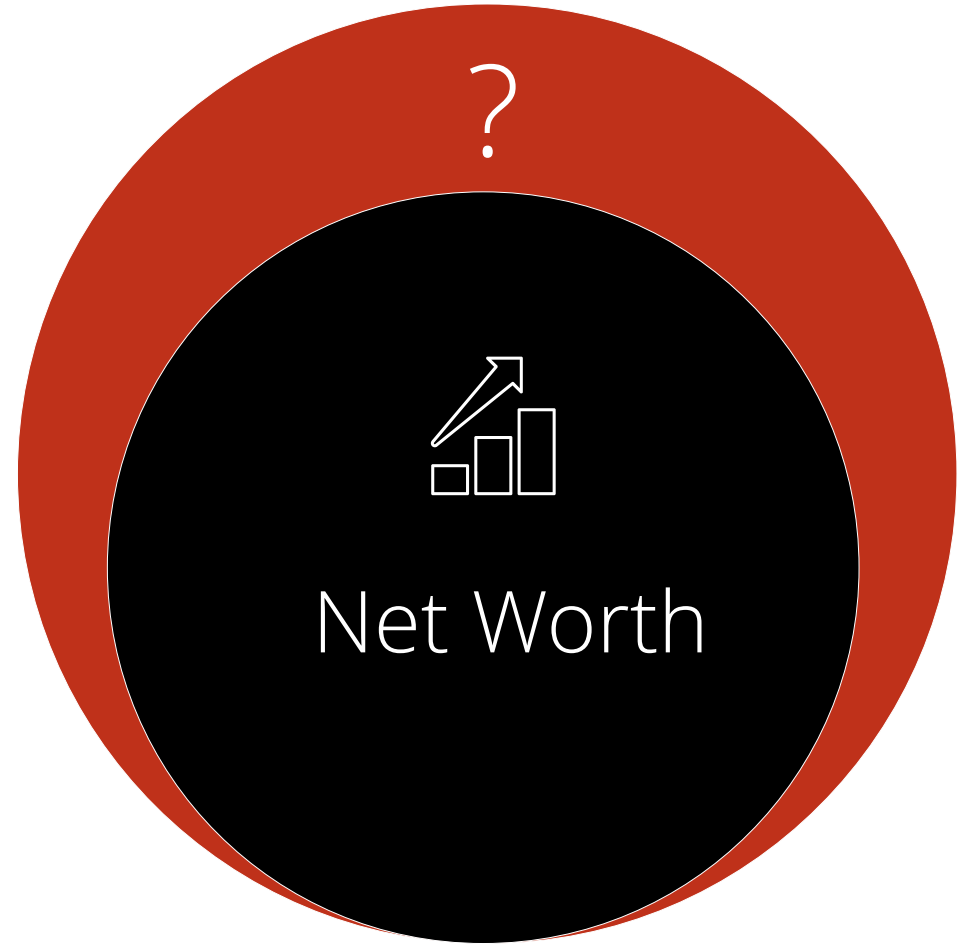
Sample Results from 1 Thompson & Associates Nonprofit Client



WHERE ARE YOU LOOKING FOR MORE SIGNIFICANT GIFTS?

Annual

Planned

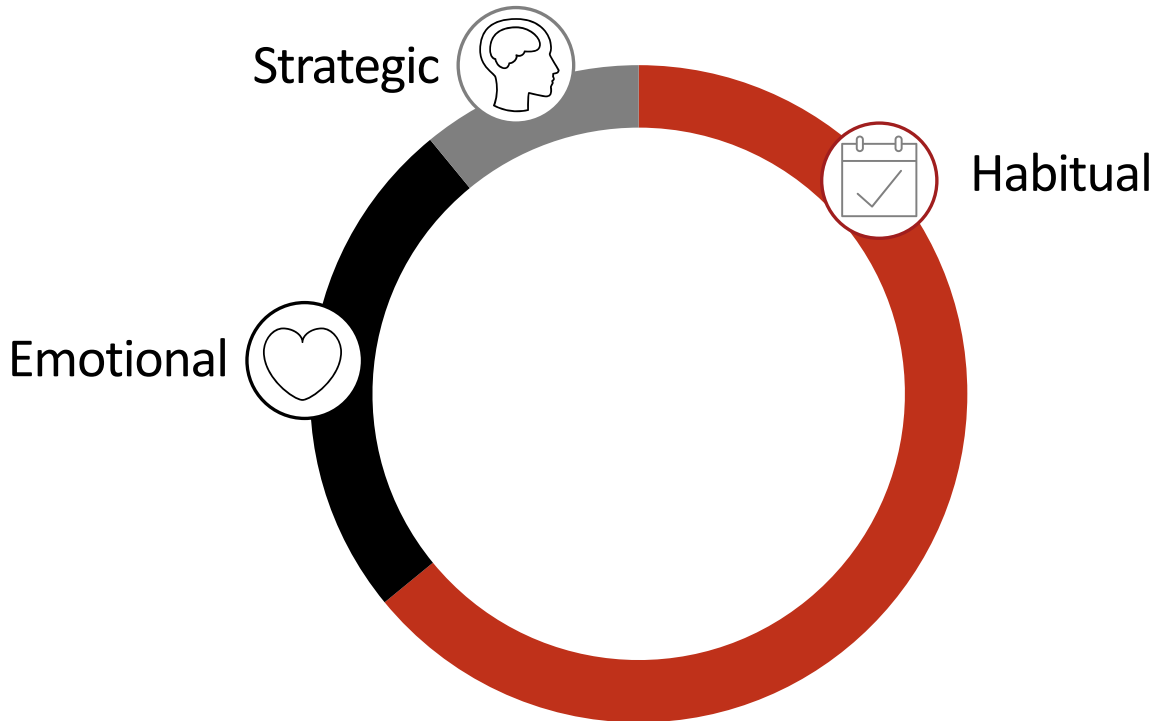


WHERE ARE YOU LOOKING FOR MORE SIGNIFICANT GIFTS?

What if a donor could choose both?



THREE TYPES OF DONORS



70% Give Out of Habit

23% Give Based on Emotion

7% Are Strategic Donors

TYPES OF WEALTH ACCUMULATORS:

Terminal:

- They are self-focused
- They build wealth to have more
- They may give, but they like to be seen when they give
- Tend towards donor societies – name recognition is very important to them

TYPES OF WEALTH ACCUMULATORS:

Instrumental:

- They became wealthy, but it was not likely their goals
- They were focused on building something, and wealth came along
- They may not “feel” wealthy, but rather feel “blessed”
- They might not want recognition – you may need to talk them into being recognized
- They give to help others. They are bridge-builders and tree planters!
- They are AWESOME! They are Philo – Anthropos! Lover of People or philanthropist.

EDUCATE DONORS

On options that redirect taxes to charity



THREE QUESTIONS:

1. Do we have enough to live on for the rest of our lives?
2. When and how much and should we leave our heirs?
3. Would I rather some of my estate go to taxes or charity?

HOW DO WE FIND OUT IF THEY'RE OPEN TO A MORE SIGNIFICANT GIFT?

The best way is through conversations!!!

- There are short cuts, but they aren't very productive
- They look at net worth or ability
- The most indicative information is not someone's ability
- Look for PROPENSITY!
 - I would rather have someone with a propensity to give than someone who has the ability to give!
 - AWESOME if you can find both a propensity and ability to give!!
 - You might find out someone has the ability to give to organizations through research, BUT it takes conversations to know if a donor has the propensity to give a planned gift to YOUR organization

WHY WOULD ONE CONSIDER A MAJOR GIFT OF ASSETS?



Is this the Golden Age of Planned Giving?

- Increases in income, gift and estate taxation make tax-saving planned giving strategies appealing again.
- Planned giving strategies like Charitable Lead Trusts and Charitable Remainder Trusts are compelling once again.
- America is aging. In 2020, those 65 years and older represented 16.9% of the population. In 2030, they will comprise 20.6% of the population. (US Census Bureau 2018)
- The COVID-19 pandemic has motivated Americans to put their estate plans in order. This provides an opportunity for those charitably inclined to make bequests to charity.

Is this the Golden Age of Planned Giving?

- Baby Boomers will be the source of a torrent of planned gifts in the future.
 - They are very generous. They represent 21.19% of the US population, but are the source of 43% of charitable dollars. (Johnson Grossnickle, Understanding Baby Boomer Donors and their Giving Preferences - 2017)
 - 53.2% of American household wealth is held by Baby Boomers, 15% by the Silent Generation, 26.8% by Gen X and 5.1% by Millennials. (Federal Reserve Distribution of Household Wealth)
 - 36% of Baby Boomers do not think it's important to leave a financial inheritance to their children. (2017 US Trust Study)
 - By 2027, \$8.8 trillion will be passed down by Baby Boomers to Gen X and Millennial Americans. If 5% went to charity, that would be \$441B or the equivalent of ten Bill & Melinda Gates Foundation. (2018 Locus Impact Investing and the Center for Rural Entrepreneurship)

Is this the Golden Age of Planned Giving?

- Between 2007 and 2061, \$58 trillion is expected to transfer from older generations with the potential of \$6.3 trillion going to charity. (2014 Paul Schervish and John Havens, Boston College)
- Women currently control close to half the wealth in the US and they are expected to inherit 70% of intergenerational wealth in the next 50 years. They also surpass men in the common attributes associated with increased planned giving – education, living alone, volunteering rate, charitable giving. (Boston College's Center on Wealth and Philanthropy 2009, Pentera, Russell James)
- Increasingly high-net-worth clients look at passing values as a huge priority when looking at wealth cascading through generations. (Bessemer Trust)

We Compliment Community Advisors

We do not provide professional tax, legal or financial advice.

However, we can tap into the wisdom and experience of 42 professionals in our company, including:

- 13 attorneys with deep experience in estate and tax-exempt planning
- 33 certified experts in charitable planning
- 18 professionals with extensive experience in nonprofit development

We Compliment Community Advisors

We interface with donors' advisors (as needed) to help implement the plan

How Advisors Benefit from Our Process

- Clear idea of intentions, motivations and desired outcomes of estate plan.
- Clients' values drive strategies and tactics.
- Drafting options are narrowed down.
- Role of philanthropy is clear and defensible.
- Extra documentation provided helpful in the event of estate litigation.
- The satisfaction of being able to carry out client's true intentions.

In conclusion, at no cost to your alumni and friends:

- We clarify the values and goals that drive their estate plans.
- We equip them with the knowledge necessary to take charge of their estate plan.
- We educate them on the most effective ways to provide for each loved one.
- They go to their attorneys with clear direction about their desired outcomes, saving on legal fees.
- They can save thousands of dollars in taxes.
- They are motivated to complete their estate plans.
- They gain peace of mind, liberating them to live fully.

Questions?

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ceplan.com

**Thompson &
Associates**SM
Values-Based Estate Planning