

The Case for Planned Giving

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Surprisingly, many charitable organizations do not seek planned gifts from their supporters. Perhaps they view planned giving as a highly-technical option that is beyond their ability. Or they may feel that planned giving has little relevance for them, since their donors are not wealthy. Nothing could be further from the truth. These common misconceptions are preventing many charities from using the one tool that can bring in huge revenues over time.

Planned gifts, which average about \$50,000, can have a truly transformational effect on a charity that has been struggling from month to month, barely meeting the budget. Over time, planned giving can build an endowment for your organization, providing a growing and dependable stream of revenue, year after year. Planned giving ensures the long-range financial health of your organization.

Any organization that raises funds should be asking for planned gifts. The vast majority of planned gifts are not complex or technical at all. They are quite simple. You ask your supporters to leave your charity some of their assets, after they no longer need them. Notice that we have not even mentioned anything about reducing taxes or guaranteeing lifetime income. We just ask for a gift at the end of life.

If this is all you ever do, you will still have a highly successful planned giving program. You certainly can enter the technical areas of planned giving, once you are ready, but that is not necessary in the beginning. The core business of planned giving is the simple and straightforward request for a gift at the end of life. Any charity can do that. Every charity should.

Planned gifts are not just for the wealthy. In fact, the beauty of planned giving is that it enables your average, middle class supporter to become a major gift donor. Many of your loyal donors, especially retirees, live on modest fixed incomes. They worry about running out of money and the cost of huge medical bills. So they make small donations while they are alive, carefully protecting their savings. Yet these same donors are often willing and able to leave large 5- and 6-figure estate gifts in their estate plans.

These donors usually give through a *bequest* in a will, or a *beneficiary designation* on an IRA or a life insurance policy. These gifts are easy to understand, and they are easy for your donors to arrange. They are revocable, so your donor does not have to worry about tying up assets that may be needed later in life.

If you are not asking for these gifts, you are missing out on most of the economic value of your donors. Why work hard to acquire new donors and renew them every year, only to miss out on the largest gift they can give your organization? It is an unpleasant wake-up call when you learn that one of your most loyal donors left her entire estate to some other charity. Why weren't you included in her plans? It is because you did not ask!

For more tips on successful planned gift development, visit our website: www.pgcoach.com

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