Building Modern Legacy Giving Programs

The Elements, Activities, and Impact

PLANNED GIVING COUNCIL OF GREATER PHILADELPHIA

OCTOBER 2023

FUNDRAISING

PRESENTERS

CHRISTOPHER POLITO

Senior Vice President

M. ANGEL FLORES, CSPG

Senior Vice President
Lead, Gift Planning

ABOUT CCS

Celebrating 76 years of transformational partnerships with nonprofits.

Leading experts in campaign and development strategy for 76 years

Experienced across nonprofit sectors and locations

Full-time professional staff plans, implements, and manages fundraising projects.

OUR LOCAL EXPERIENCE

Archdiocese of Philadelphia	BARNES THE BARNES FOUNDATION	Bryn Mawr Presbyterian Church	Children's Hospital of Philadelphia
Shipley 1894	FAIRMOUNT PARK CONSERVANCY	THE FRANKLIN INSTITUTE	THE fund FOR THE SCHOOL DISTRICT OF PHILADELPHIA
theMann. a non-profit performing arts center	Main Line Health® Well ahead.®	NATIONAL CONSTITUTION CENTER	NEMOURS CHILDREN'S HEALTH
PCOM®	PROJECT HOME HOUSING OPPORTUNITIES MEDICAL EDUCATION	PHILADELPHIA ZOO	VILLANOVA UNIVERSITY

OUR NATIONAL & GLOBAL EXPERIENCE

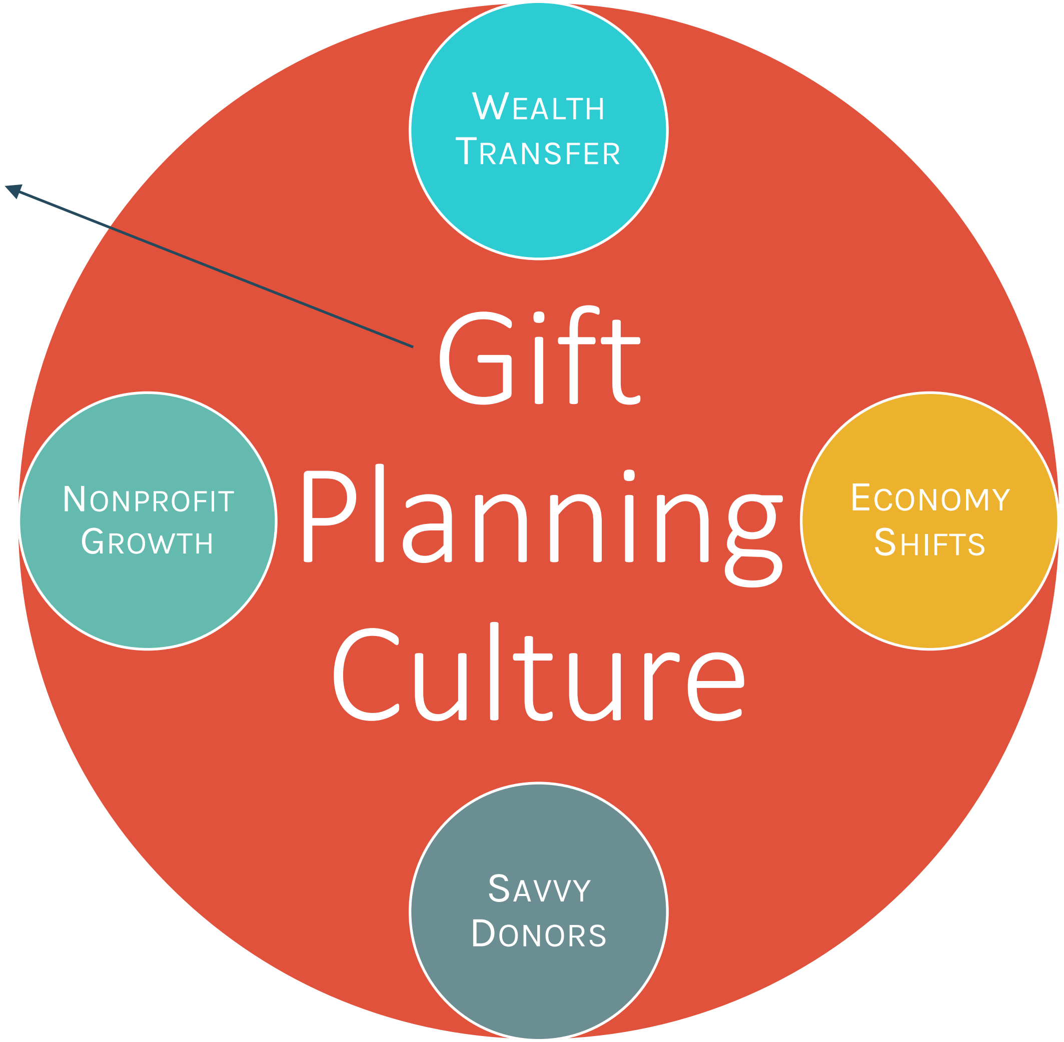
United Way	NYP	DIOCESE of TULSA and Eastern Oklahoma TOGETHER, OUR FAITH GOES FURTHER.	FEEDING AMERICA
Columbia Business School	EPISCOPAL CHURCH IN CONNECTICUT PARTICIPATING IN GOD'S MISSION	NATIONAL MUSEUM of AFRICAN AMERICAN HISTORY & CULTURE	UCSF Health
THE SALVATION ARMY	ADL FIGHTING HATE FOR GOOD	The Nature Conservancy	The Frederick Gunn School
1635 BOSTON LATIN SCHOOL	UCD DUBLIN University College Dublin	THE MET	The Global Fund To Fight AIDS, Tuberculosis and Malaria

REPORT CONTENTS

The Philanthropic Landscape

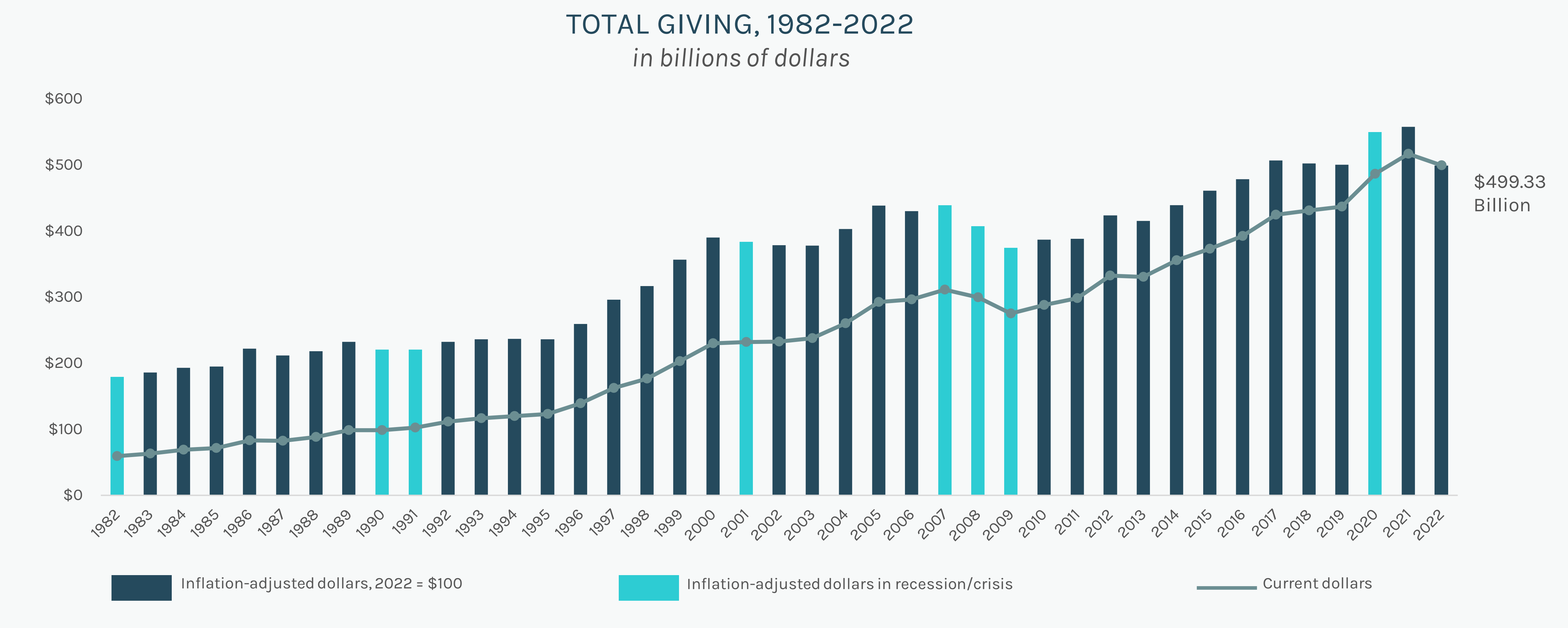
RISE OF GIFT PLANNING CULTURE

An institutional commitment to donor-***first*** fundraising with an expanded focus on noncash assets.



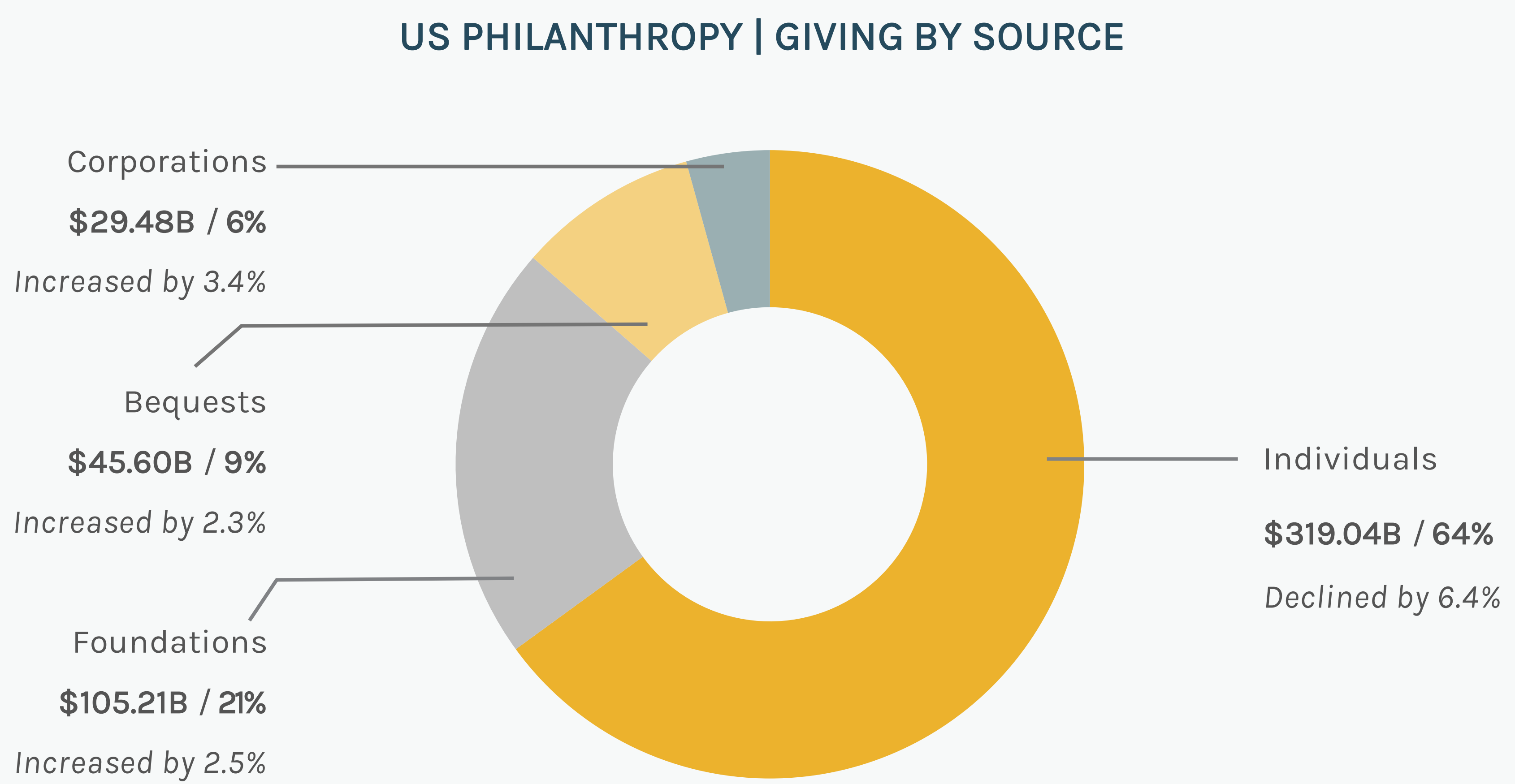
What Percentage of Wealth in the U.S. is Held in Assets Other Than Cash?

THE PHILANTHROPIC LANDSCAPE



Giving USA Foundation, Giving USA: The Annual Report on Philanthropy for the Year 2022 (2023).

INDIVIDUALS CONTRIBUTE MAJORITY



BEQUEST GIVING GROWTH MIRRORS LANDSCAPE TRENDS

$45.60 Billion

Amount given by bequest in 2022

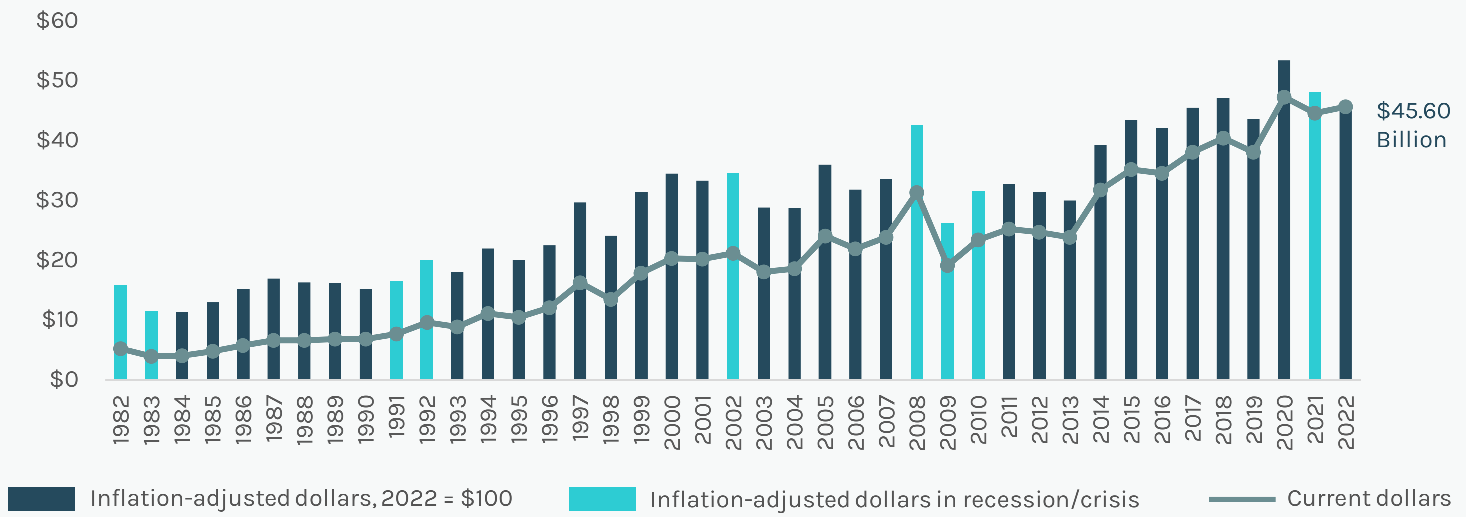
+2.3%

Increase in bequest giving from 2021 to 2022

9%

Percent of all charitable giving by bequest [1]

GIVING BY BEQUEST, 1981-2022

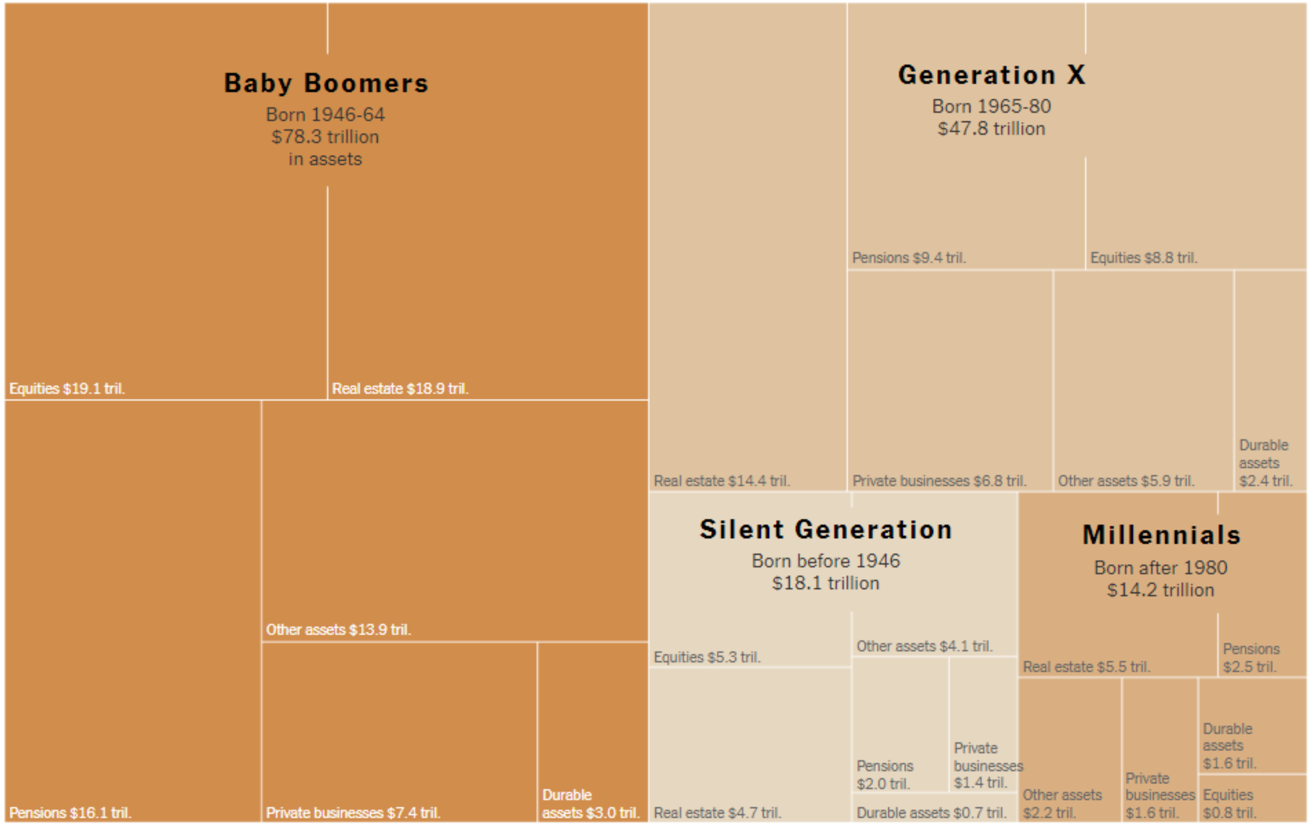


LESS THAN 0.3% OF DONORS, ON AVERAGE, ARE ENGAGED IN LEGACY GIVING.
LEGACY GIFTS ARE 252X LARGER THAN THE AVERAGE ANNUAL GIFT.
THERE IS A 75% INCREASE IN ANNUAL GIVING AFTER COMMITTING TO A LEGACY GIFT.

Giving USA Foundation, *Giving USA: The Annual Report on Philanthropy for the Year 2022* (2023); CCS Fundraising, *The State of Planned Giving* (2023).

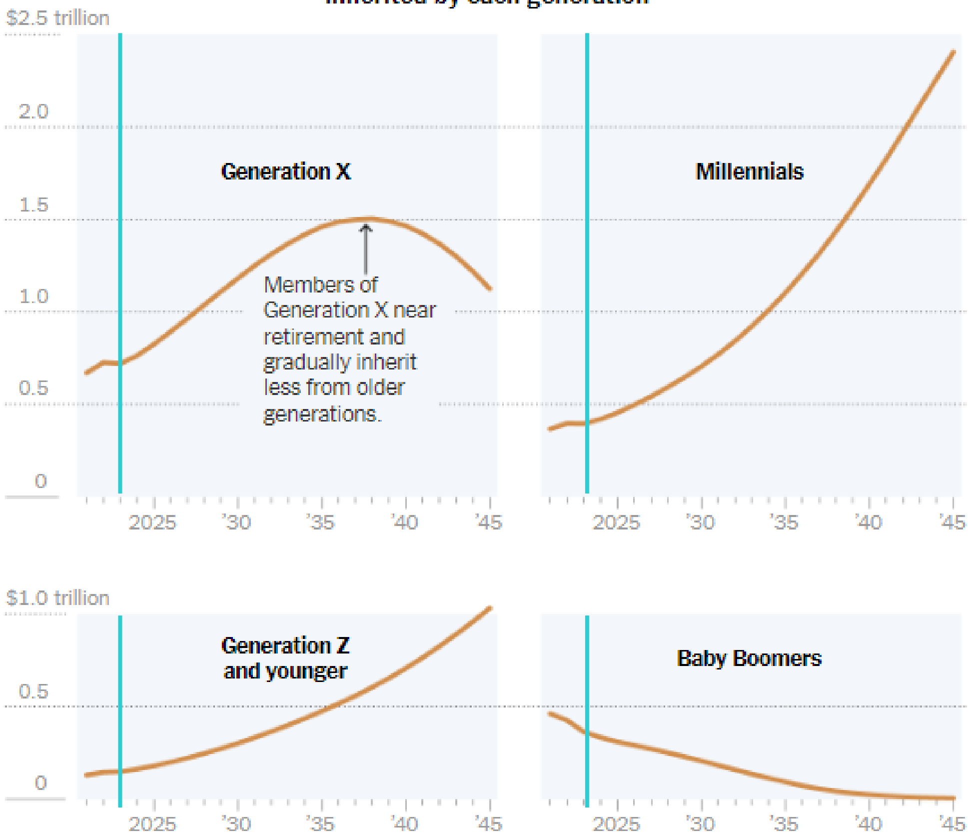
THE GREAT WEALTH TRANSFER IS SHIFTING GENERATIONAL GIVING

Baby Boomers Hold Half of the Nation's $140 Trillion in Wealth



Notes: As of the fourth quarter of 2022. The total amount accounts for liabilities, but the individual asset categories do not account for liabilities and do not add up to the $140 trillion total. The total assets when not accounting for liabilities is $158 trillion. Pensions include the present value of future benefits as well as the value of annuities sold by life insurance companies. • Source: Federal Reserve

Annual wealth projected to be inherited by each generation

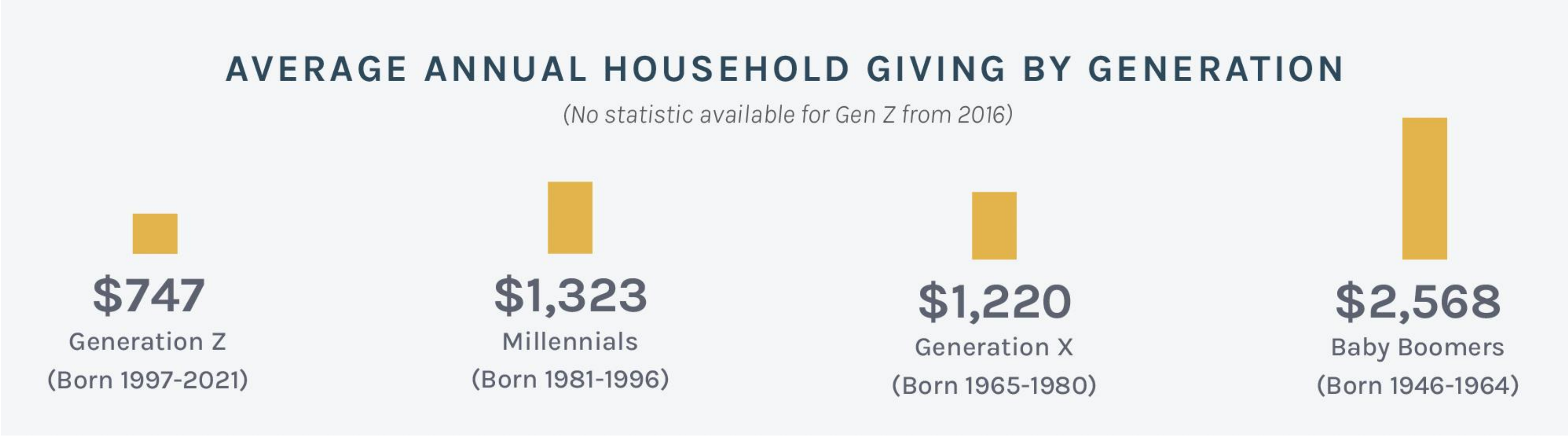


Source: Cerulli Associates

What Three Words Do You
Use to Describe:

Millennials?
Gen Z?

WHAT WE KNOW ABOUT “NEXT GEN” DONORS



Giving USA Foundation, *Giving by Generation* (2023)

The Greater Philadelphia Philanthropic Landscape

GREATER PHILADELPHIA
PHILANTHROPIC MARKET

#11
Ranked in Philanthropy Nationwide

6.2 million
Metro Population

$4.97B
Individual Giving

37K
Nonprofit Organizations

714K
Individuals Employed by Nonprofits

$90 billion
Total Nonprofit Revenue

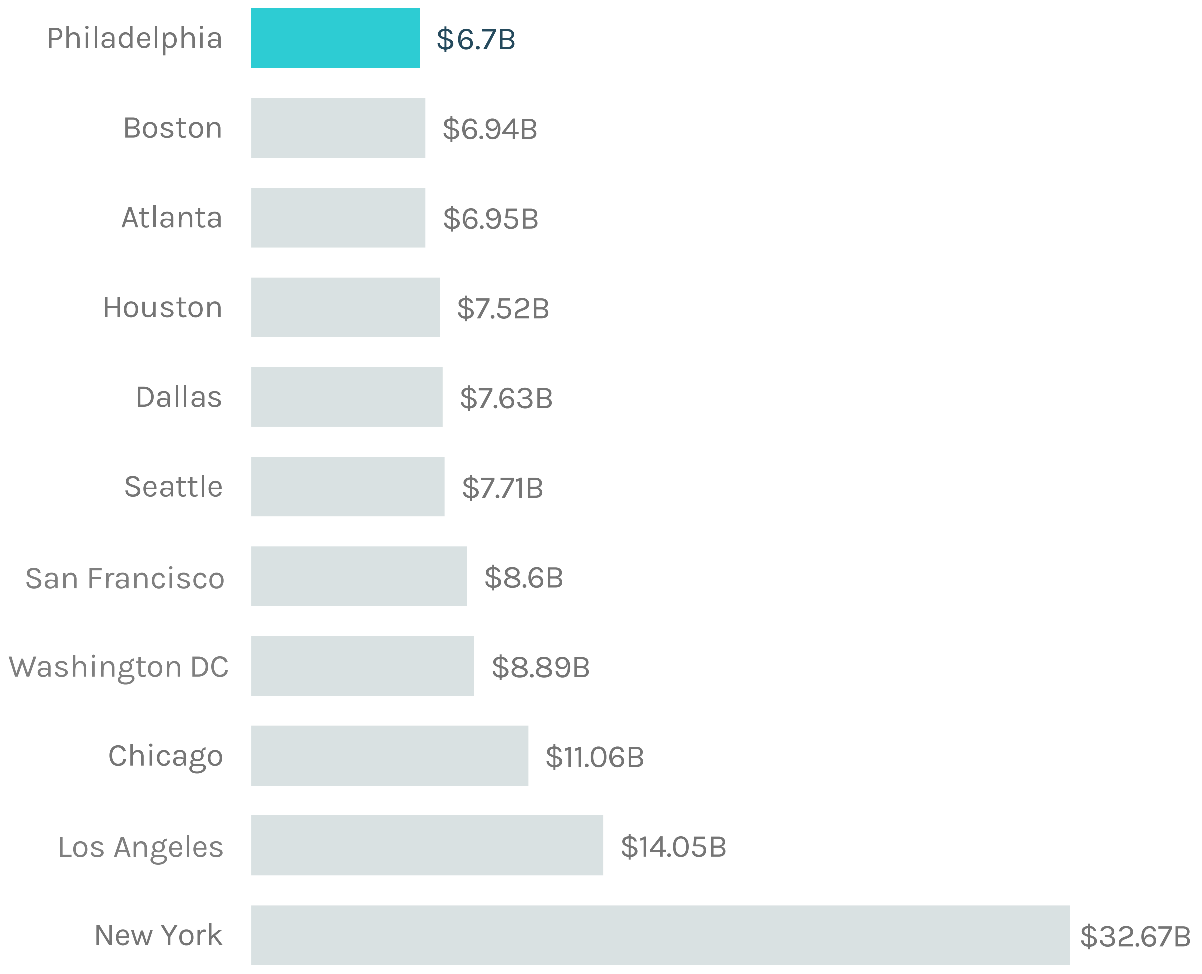
$227 billion
Total Nonprofit Assets

Sources: CauseIQ; Room40 Group Map of Opportunity.

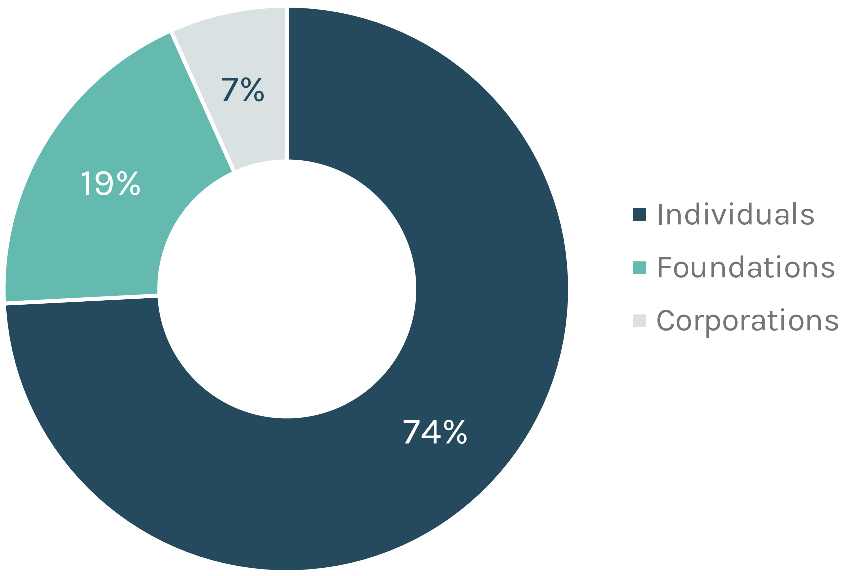
GREATER PHILADELPHIA

PHILANTHROPIC MARKET

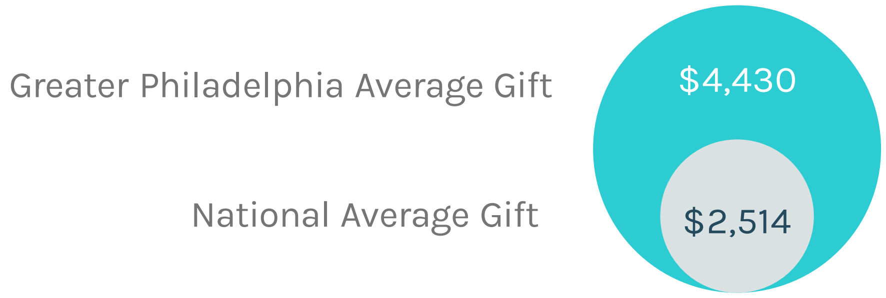
TOP PHILANTHROPIC MARKETS BY METRO REGION



PHILANTHROPY IN GREATER PHILADELPHIA



INDIVIDUAL GIVING

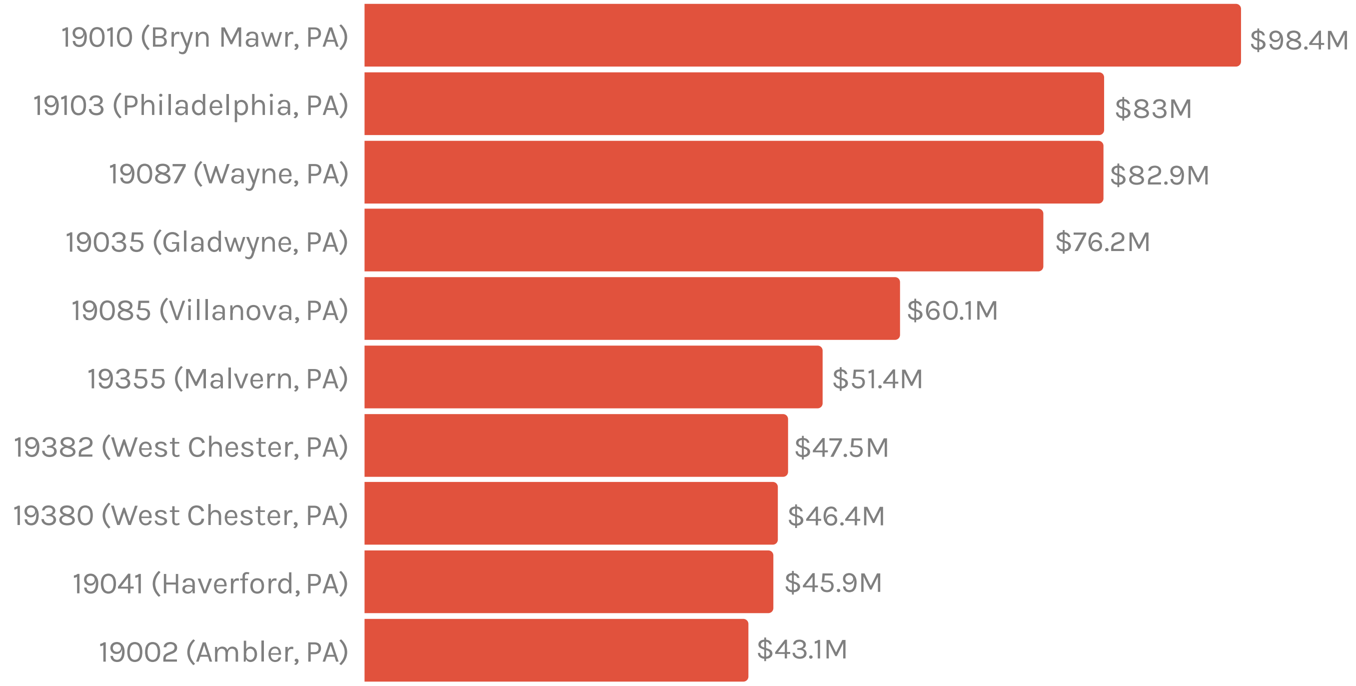


Sources: Forbes 400; Chronicle of Philanthropy - Big Charitable Gifts
Sources: Chronicle of Philanthropy, How America Gives; Room40 Group Map of Opportunity.

GREATER PHILADELPHIA
INDIVIDUAL GIVING

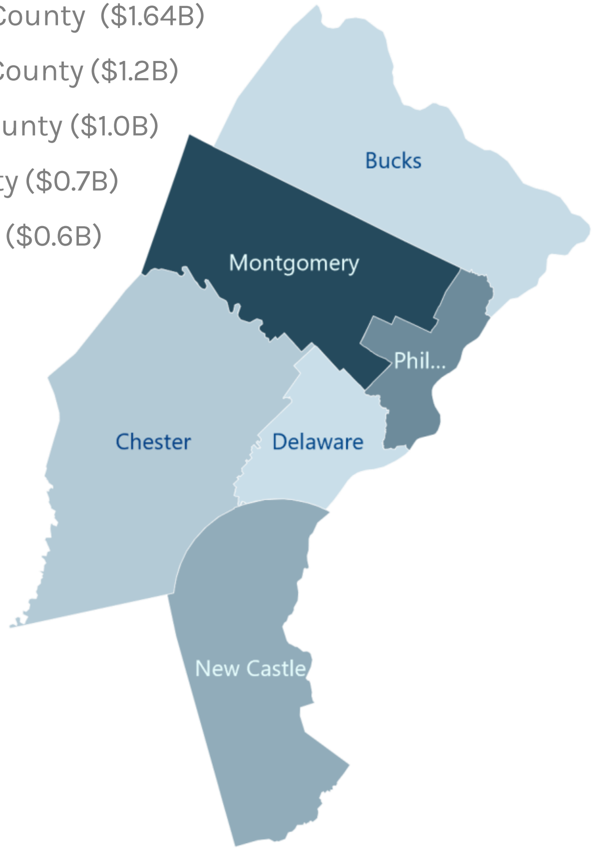
Much of individual philanthropy in the Philadelphia area is concentrated in the Main Line suburbs to the northwest of the city.

INDIVIDUAL GIVING BY ZIP CODE



INDIVIDUAL GIVING BY COUNTY

Montgomery County ($1.64B)
Philadelphia County ($1.2B)
New Castle County ($1.0B)
Chester County ($0.7B)
Bucks County ($0.6B)



Source: Room40 Group: Map of Opportunity

GREATER PHILADELPHIA

INDIVIDUAL GIVING

The Greater Philadelphia area is home to 7 of the Forbes 400 Richest Americans.

Jeffrey Yass	#23	Net Worth: $30.0 billion	Delaware County
Michael Rubin	#62	Net Worth: $10.2 billion	Montgomery County
Victoria Mars	#69	Net Worth: $9.3 billion	Delaware County
Arthur Dantchik	#104	Net Worth: $7.5 billion	Montgomery County
Jeffrey Lurie	#241	Net Worth: $4.4 billion	Montgomery County
Mary Alice Dorrance Malone	#285	Net Worth: $3.9 billion	Chester County
John Middleton	#327	Net Worth: $3.4 billion	Montgomery County

TRANSFORMATIONAL GIVING IN PHILADELPHIA

Gifts, pledges, and bequests to Philadelphia-area recipients in 2022

**Indicates a Pennsylvania Donor*

$125,000,000 Gift to University of Pennsylvania from Leonard Lauder

$55,000,000 Gift to University of Pennsylvania from Jon Gray & Mindy Gray

$50,000,000 Bequest to Lenfest Institute of Journalism from H.F. Lenfest *

$50,000,000 Bequest to Museum of American Revolution from H.F. Lenfest *

$50,000,000 Gift to University of Pennsylvania's Raymond & Ruth Perlman School of Medicine from Stewart & Judy Colton

$30,000,000 Gift to Elmwood Park Zoo from an Anonymous Donor

$25,000,000 Gift to University of Pennsylvania's Raymond & Ruth Perlman School of Medicine from Michael Armellino

$20,000,000 Gift to Benefits Data Trust from MacKenzie Scott

$20,000,000 Gift to Villanova University from Victor Maggitti Jr. *

$18,000,000 Gift to University of Pennsylvania from Scott Shliefer and Elena Shleifer

Sources: Forbes 400; Chronicle of Philanthropy - Big Charitable Gifts

The Potential in Legacy Giving

PLANNED GIVING FOR EVERY AGE + LIFE STAGE

	Millennial + GenZ 20s + 30s	Millennials + GenX 40s	GenX + Boomers 50s	Boomers 60s+
Donor Focus	Career Development + Wealth Creation	Mid-career + Planning for Future	Pre-retirement + Retirement	Pre-retirement + Retirement
				Income Needs
		Lower Taxes	Lower Taxes	Lower Taxes
	Developing Philanthropic Vision & Mindset			Executing Philanthropic Vision for Others
Planned Gift Vehicles	Life Insurance- Cost Effective Solutions	Estate Planning- Bequests and Retirement Plans	Estate Planning- Bequests and Retirement Plans	Cash Gifts to Endowment
				Revocable Gifts including Retirement Plans incl IRAs
				Charitable Gift Annuities

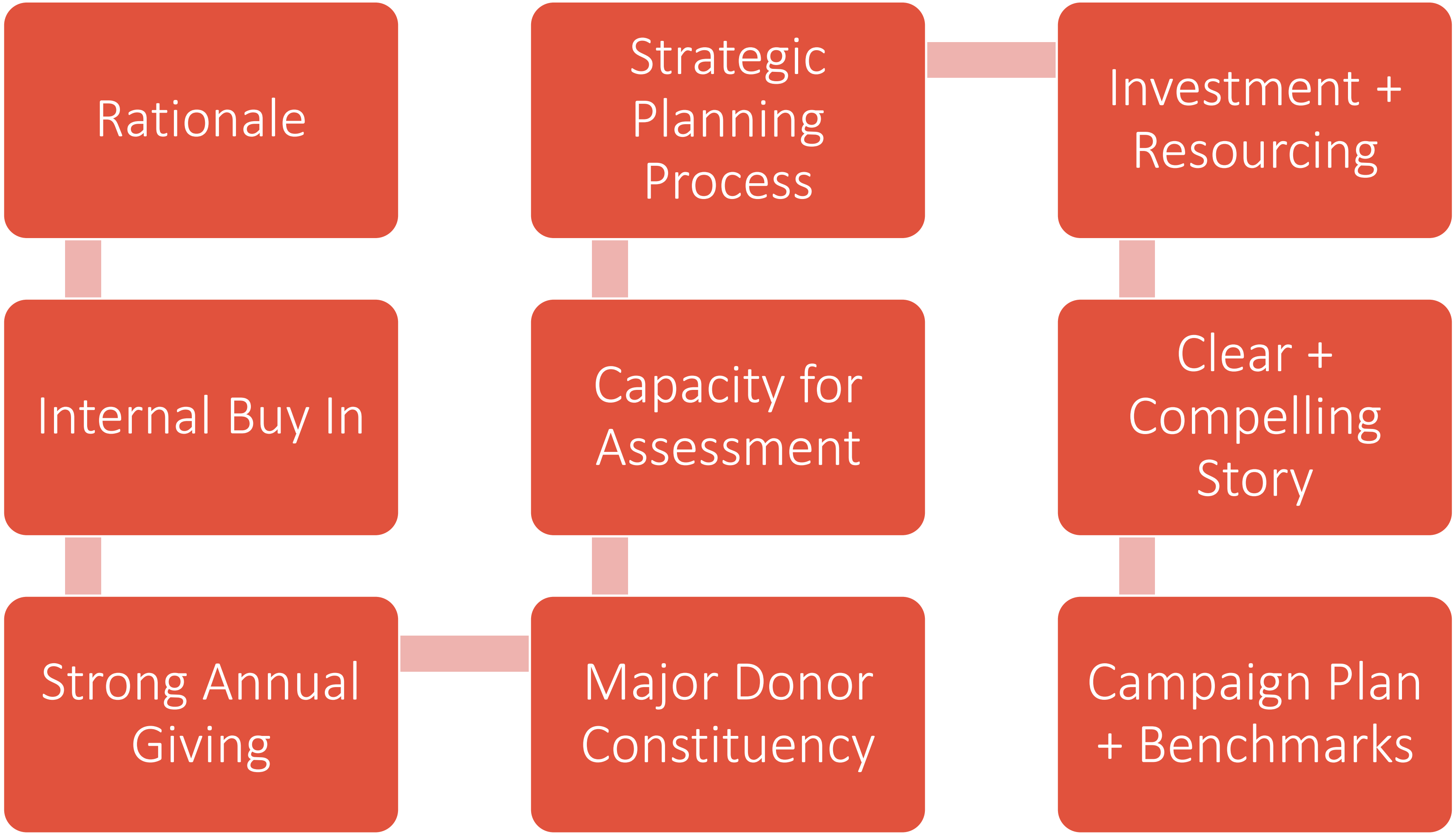
Asset Types

- Cash
- Appreciated securities
- Charitable trust
- Life insurance
- Property (real estate; royalty interest; cryptocurrency)

41% of donors first learned about the benefits of a planned gift from their charity, positioning nonprofits to help donors build, protect, and pass on intergenerational wealth.

Giving USA *Leaving a Legacy* (2019)

ORGANIZATIONAL PREPAREDNESS



TOOLS

Assessment

- Giving culture
- Data, systems, infrastructure
- Donor interest, inclination, giving potential
- Campaign focus, messaging, financial goal
- Leadership support

Evaluation

- How strong is the giving culture?
- What gaps in our data and collection need to be addressed?
- Are our needs resonating with our donors?
- Is the financial goal sufficient to achieve our programmatic / growth goals?
- Do we have engaged leadership willing to participate and give?

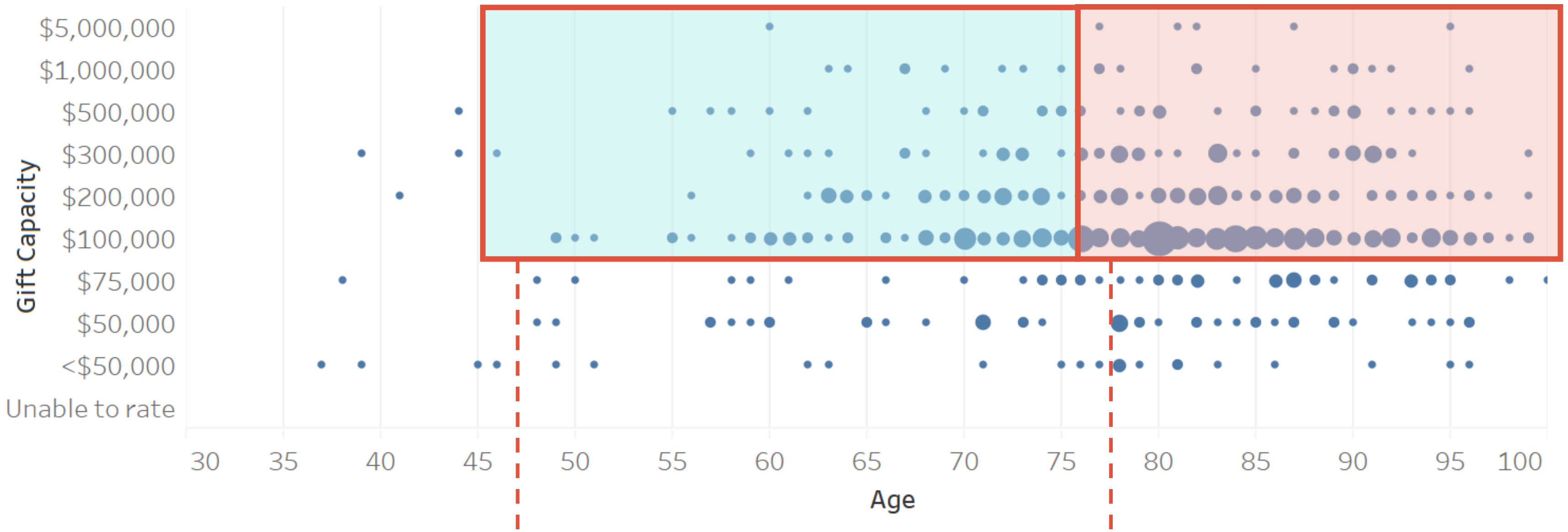
Planning

- Case for Support
- Cohort of Donors
- Volunteer Leaders
- Strategic Plan with Benchmarks
  - Budget
  - Gift Acceptance Policies
  - Marketing + Communications Plan
  - Donor Engagement + Recognition Plan
  - Professional Development + Support

CASE STUDY: LEGACY DONOR MODEL

Age Distribution by Capacity

CCS further analyzed the 697 households by looking at age and gift capacity. 428 households have a gift capacity of $100K+ and are age 45 or older.



- Of the 428 households, 124 households are age 45-74* and have a capacity of $100K+.
  - 67 of these households are unassigned

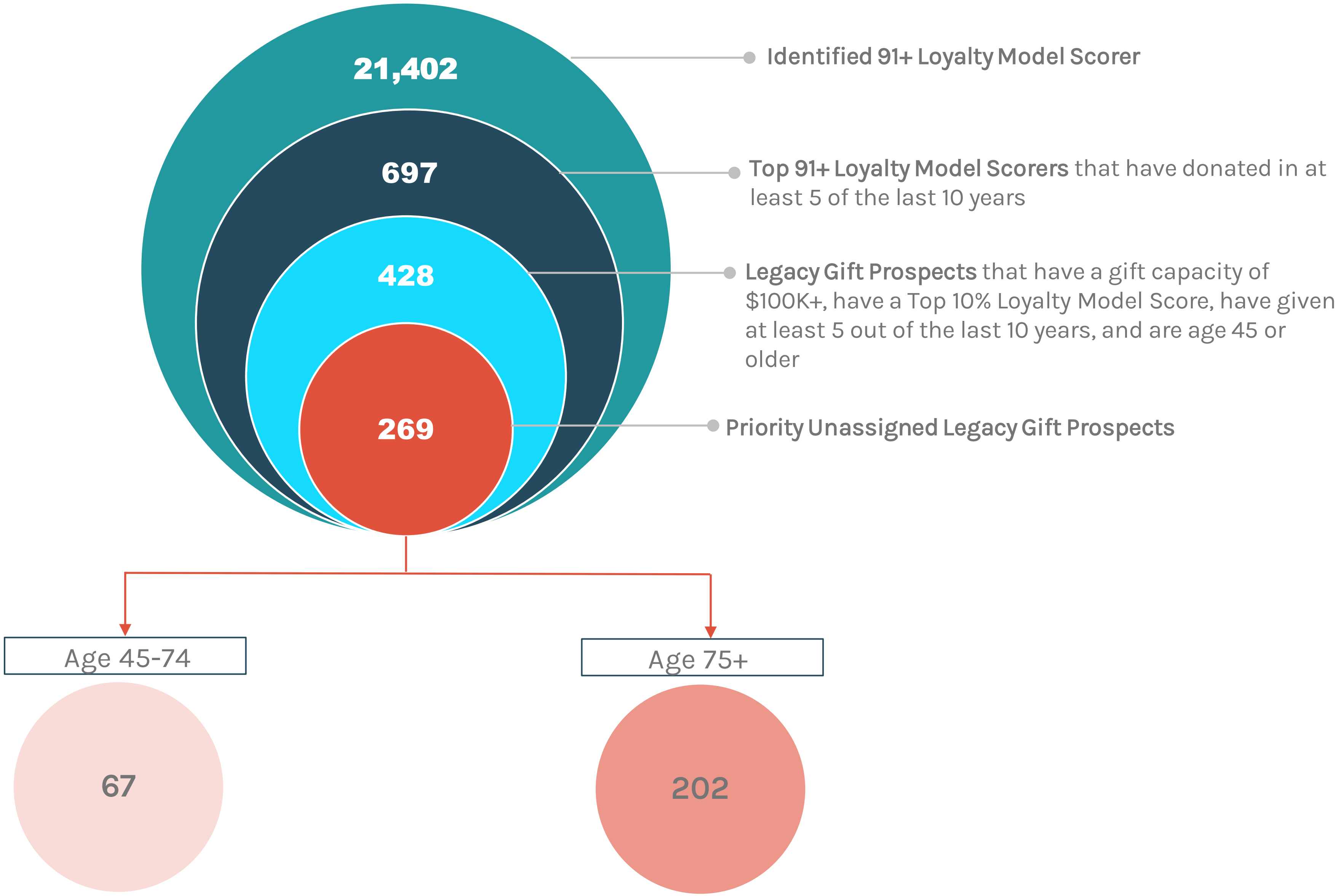
- Of the 428 households, 304 households are age 75+ and have a capacity of $100K+.
  - 202 of these households are unassigned

269 Total Unassigned Households

Age distribution based on Giving USA Special Report "Leaving a Legacy – A New Look at Today's Planned Giving Donors" (2019)

CASE STUDY: LEGACY DONOR MODEL

Prioritizing Legacy Gift Prospects



Case Studies

CASE STUDY 1: REFRESHING LEGACY GIVING ACROSS A DIOCESE

Current Program, Model Parishes, Pastor + Staff Training

Education + Awareness Communication Calendar

Financial Planning Workshops for Community

Critical Resources for Donors

PROFESSIONAL ADVISORS DO NOT INCREASE LEGACY GIFT REVENUE

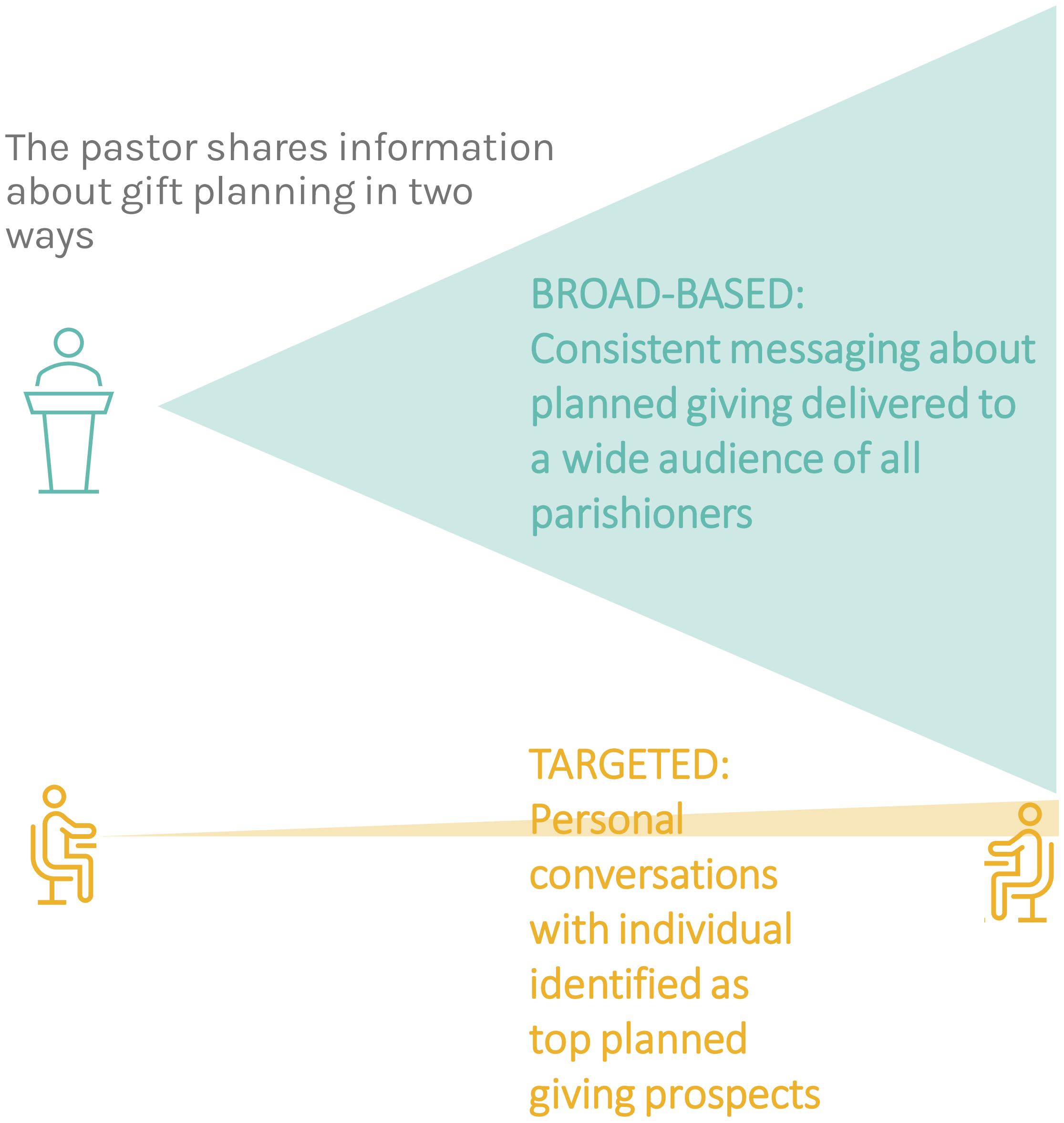
One-third of nonprofits enlist professional advisors for guidance. One idea to increase legacy gift revenue is to leverage advisors' expertise to encourage estate planning: nearly half of donors first learned about legacy giving from a nonprofit, yet only one-third of U.S. adults have a will.

CASE STUDY 1: FOCUS ON EDUCATION + AWARENESS

Challenge: Overcome existing education and information barriers around financial planning as it relates to philanthropy

Goals:

1. Commit to monthly educational and marketing themes on a 12-month cycle
2. Incorporate the themes into weekly and monthly planned giving messages via third-party vendor
3. Utilize weekly pulpit announcements from pastors to amplify the monthly themes and related activities
4. Use eblasts and announcements about planned giving and financial planning workshops to drive traffic to the Legacy Planning website
5. Highlight diocese accepts gifts from securities and retirement assets



CASE STUDY 2: SHIFTING TO A PROACTIVE PLANNED GIVING STRATEGY

- Desire to pursue planned gifts proactively
- Leadership and staff comfortable with planned giving basics
- Identified more than 500 potential donors
- Peer organizations invest in print and digital marketing

AVERAGE LEGACY GIFT IS SIGNIFICANTLY MORE THAN AVERAGE ANNUAL GIFT

Legacy gifts are 252x larger than the average annual gift.

Donors often increase annual giving by 75% on average after committing to a legacy gift; nonprofits that do not ask for legacy gifts lose out on significant immediate annual fundraising revenue.

CASE STUDY 2: AN INTEGRATED COMMUNICATIONS PLAN

Goals:

1. Increase opportunities to opt-in
2. Tee-up planned giving concepts
3. Leverage event collateral
4. Prioritize the pipeline through an e-survey
5. Educate and motivate through stand-alone pieces

COMMUNICATION TYPE	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Discovery E-surveys; Other opt-in methods with broader communications						E-survey						
Cultivation (Education) E-blast, postcard, story or update within another publication												
Stewardship Letter, newsletter, personal outreach (outside of managed donors / prospects)												
Solicitation Soft ask for mid/low level capacity prospects; letter, e-mail												
Reactive On-demand response for self-identified prospects												
Website Can be used for all above purposes												

Discovery can occur year-round by integrating opportunities for donors to request planned giving information into other marketing materials.

While solicitations for assigned donors occur year-round, direct mail solicitations targeted toward unassigned donors are typically timed around year-end and tax season.

DISCUSSION

FUNDRAISING