



The Chesapeake Chronicle

A Publication of the Chesapeake Planned
Giving Council

JANUARY 2024



Letter from the President

Upcoming Events



Daniel Bornstein
President, CPGC

[Lunch And Learn](#)

January 24 |
12:00 - 1:30 PM |
U.S Naval Academy
Alumni Association &
Foundation |
301 King George Street,
Annapolis, MD

**[Life Insurance for
Charitable Planning](#)**

April 10 | 12:00 - 1:00 PM
Zoom

[Events](#)

Dear members and friends of the Chesapeake Planned Giving Council,

2023 was an engaging, invigorating year for our Council, filled with networking and educational opportunities. At several of our events, we saw development professionals who had never before attended one of our events. Many

of them were eager to incorporate legacy giving into their fundraising work. That made me realize that one of our contributions to the philanthropy profession is to expand knowledge about planned giving to fundraisers whose primary focus may be annual or major giving, but who want to encourage their donors to make legacy gifts.

We also facilitated interactions among planned giving officers and the professional advisors—estate planners and financial planners—who work with donors. This is an area we hope to expand on in 2024. We hosted a well-attended panel discussion at Baker Donelson’s downtown Baltimore office, exploring the role of these professional advisors in charitable planning. Similarly, in Annapolis, we held roundtable discussions facilitated by financial advisors and a Community Foundation representative. Planned giving professionals can collaborate with estate planners and financial advisors to better understand how donors make decisions about legacy giving. This synergy can become one of the hallmarks of our Council.

Our first event of 2024 will be at the U.S. Naval Academy in Annapolis. We hope to see you there!

Daniel Bornstein
CPGC President



CPGC News

Chartered Advisor in Philanthropy® Study Group Update

Our CAP® study group continues to provide a welcome discussion and learning forum for candidates for the Chartered Advisor in Philanthropy® certification. In conjunction with nonprofit gift planners and private wealth advisors throughout the mid-Atlantic, we’ve enjoyed our discussion over the past three months of the first of the courses toward completion of this certification, Planning for Impact in Context of Family Wealth. We’ve now moved on to our second course, Charitable Giving Strategies, which will occupy our time and attention for another three months. If you have interest in pursuing CAP® certification, either individually or as part of a later study group, or simply would like to learn more, please reach out to Richard Letocha at rletocha@jhu.edu.

The attached flyer explains the CAP® program in more detail. Please also visit the following link for additional information, including the pricing: <https://www.theamericancollege.edu/designations-degrees/CAP>

Richard J. Letocha, J.D., CFP®
Director, Gift Planning
Johns Hopkins Office of Gift Planning
Chesapeake Planned Giving Council, Past President

[CAP Flyer](#)

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Industry Articles

Life Income Gifts

By: [Chip Giese](#)



Chip is a Planned Giving client product specialist in [PNC Institutional Asset Management](#)®. He serves as the senior planned giving relationship manager in PNC's Planned Giving Services Group. In addition to working with local and national charitable clients, he provides subject matter expertise to markets throughout PNC's national footprint. He is a past board member and current member of the Chesapeake Planned Giving Council, and the Planned Giving Council of Greater Philadelphia.

What are Life Income Gifts and Should You Offer Them?

On a panel presentation in which I participated for the Susquehanna Council of Charitable Gift Planners last month, we dealt with common questions that smaller organizations often wrestle with. What are life income gifts, and *should* we be offering them? The list of questions we fielded was long. However, in the interest of space here within the Chronicle, I selected just a few at which we can look:

What are "life income gifts", and what are the differences between CGAs and CRTs?

Life income gifts enable donors to contribute cash, appreciated securities or other property to charity and create an income interest for themselves or others they designate for the life of the income recipient(s) or a term of years. Upon the death of the final income recipient, the remainder value of the gift passes to the charitable organization. There are different types of life income gifts. Charitable gift annuities pay a fixed sum to one or more annuitants based on their age at the time of gift, and they are contractual obligations issued by a sponsoring charity. Charitable remainder trusts (CRT) are split-interest trusts created between a donor and a trustee and must have a payout rate of at least 5% in order to qualify for available tax deductions. CRTs can pay a fixed or variable amount to the income beneficiary for their lifetime or a term of years not to exceed twenty years.

Should all charitable organizations be offering these as an option for giving?

Whether life-income gifts are offered in addition to foundational and testamentary gifts such as will bequests, IRA beneficiary designations and QCD gifts, will depend on the facts and circumstances of each organization and should be carefully evaluated by leadership based on staffing *and* support. *Whether they are offered* is important, however *how they are offered* is perhaps even more so. Smaller organizations without significant unrestricted levels of funding for instance, may not want to directly issue charitable gift annuities because of the liability they present, however those organizations could seek alternative third-party entities to issue them on their behalf, thus still being able to help their donor. Charitable remainder trusts may present less of a direct financial liability because they are their own tax entity but can create fiduciary liability if the charity is serving as trustee. Even if the charity to whom the donor wishes to make the gift of a charitable remainder trust, will not serve as the trustee, there often are options outside of the charity who can serve, such as individuals, community foundations, or financial service providers.

How does a development professional get started on offering these at their organization?

Secure leadership's understanding of the gifts, not just how they function, but how they fit into the spectrum of legacy giving and the type of donors to whom they appeal. Identify internal and external partners who will help you to market, propose, custody, and manage these gifts. Create simple and concise messaging to market them as available to your constituents. Sustain that messaging in the background while you are performing the other functions of your role.

How can organizations effectively market these options to donors and potential donors?

Organizations should commit to educating internally and externally. Leadership staff, board members, and key volunteers should be educated and encouraged to participate. Other internal prospects may include general staff and volunteers. Internal partners in Annual Giving and Major Giving should be trained to identify the opportunities in which gift planning can present the chance for a donor to increase their giving. Externally, marketing life-income gifts to your constituency via print, electronic communication, web, and social media are all effective ways to reach different donor cohorts within your audience.

What sort of donor is the best fit for opening a CGA or CRT?

Often it is a donor who is seeking to secure an income for themselves and/or someone else. It can also be a donor who has a unique asset they plan to sell. Often, they would also like to benefit more than one charity with their gift.

Do donors and organizations need to work with an attorney to open a CGA or CRT?

Organizations should consult with their professional advisors prior to initiating any new program, particularly those that are subject to legal or regulatory oversight. The planned giving software that is used to create gift proposals for interested donors (PG Calc© or CresPro©) may also contain template agreements, which should be reviewed by the organization's legal counsel prior to use. Charitable remainder trusts will need an attorney to draft the trust document. Charities who are allowed to also serve as trustee, often invest in creating an off-the-shelf trust template, which they can provide an interested donor to then review and modify with their own advisor. This sometimes can be helpful in maintaining a gift's momentum and cultivation.

How can you uncover opportunities for life-income gifts in donor conversations?

Using questions to uncover responses around: a desire for income; providing for others or benefiting a succeeding generation; illiquid assets; or even the need for the sale of a business or partnership.

There are certainly other questions that can arise when considering the incorporation of life-income gifts into your overall development programming, it is my hope that these can be of assistance. We wish you and yours a happy and prosperous 2024.



Generational change in giving and philanthropy

Reprinted From [Candid](#)

In the coming years, trillions of dollars in wealth held by the Baby Boomer generation (born from 1955– 1964) are poised to transfer to their children and grandchildren, millennials (1981 – 1996) and Generation Z (1997 –2012). Today’s younger generations show signs of a radically different approach to giving than that of older philanthropists.

The big question is: How will generational shifts and donors’ evolving values and social interests shape the face of future philanthropy and perceptions of giving?

A historic transfer of wealth on the horizon

By some estimates, the greatest generational wealth transfer in the history of the world is already underway. Through 2045, some [\\$84 trillion dollars](#) will pass mostly from baby boomers to Gen X (born 1965-1980) and millennials. What’s more, an [estimated \\$12 trillion](#) of that will find its way into philanthropy, either through foundations, donor-advised funds, impact investing, or personal direct action.

To understand the scale of this change, consider that in 2020 all U.S. foundations together distributed about [\\$472 billion](#) in grants. Adjust for these figures for inflation, and you are still looking at enough fuel to drive philanthropy for more than a century.

A new wave of generational approaches to philanthropy

A [study by Bank of America in 2022](#) found that people in their forties and older have different views on investment risk and financial preparedness than younger people, impacting their approaches to philanthropy. For example, older individuals are more likely to use donor-advised funds, charitable trusts, and family foundations, whereas younger people are less likely to support charities through these traditional contribution avenues.

But the generational differences don’t end there. Younger generations’ philanthropic engagement extends beyond direct giving to include direct involvement and participation in the work being done. While not a new dynamic, younger generations are explicitly and holistically leveraging their wealth as an expression of their philanthropic values. This

offers a glimpse into the significant role their charitable priorities will play in the future of philanthropy.

For example, [over 90% of millennials and Gen Z](#) not only expect businesses to address societal and environmental causes. They also will pay a premium for products that reflect their philanthropic priorities. This explains why younger people are increasingly investing in industries and businesses that produce public goods and prioritize corporate social responsibility—whether by supporting environmental causes like clean energy or investing in underserved communities.

[*Moving Money and Shifting Power for Social Justice: Voices of Wealthy Next-Gen Donors*](#), is a recently published study of wealthy, predominantly female donors, many who identify as queer or part of the LGBTQ+ community supporting social justice causes. The report found that their philanthropy was an attempt to “reconcile the gap between the world in which wealthy donors operate today and the values they hold for a more equitable future.”

Drivers of this change

Today’s digitally native generations also have myriad new ways to engage philanthropically, from personal fundraising over social media, using crowdsourcing platforms, and amplifying both messaging and fundraising for a broad array of causes they care about.

Raised on the web, [Gen Z](#) and millennials share a comfort level with crowdfunding platforms, such as GoFundMe, Classy, PayPal Giving, Venmo, and Give Directly. They regularly contribute publicly, in near real time, to a collective effort, replacing the staid habits of privately writing end-of-year checks at the kitchen table. Moreover, they are leveraging their social networks to advocate and multiply the impact of their small donations across the social media landscape.

A [recent report](#) found that Gen Z and millennial donors are three times as likely to advocate on an organization’s behalf compared to their parents and grandparents. For the next generation of philanthropists, the act of giving is only one facet of their engagement in causes.

The democratizing effects of an online world allow new philanthropists (regardless of their net worth) to engage meaningfully in supporting causes with their voices, their bodies, and their money. The development of quick moving communities online is helping to create new cultural norms across society that are intersectional, connecting cause-related advocacy, long-term investing, and philanthropy as a broad expression of personal values.

Looking towards the future of philanthropy

Older generations will continue to have an outsized influence on philanthropy and the social sector for quite some time. After all, a 65-year-old billionaire is likely to be leveraging their dollars in 2050. But more established donors are operating in a world that is increasingly dominated by the voices of younger generations. These digital natives possess fluency in and access to a technologically interconnected world—and will soon be in control of trillions of dollars in family wealth. Today, younger donors (large and small)

seem primed to push past preconceived expectations of what philanthropy looks like and how the work of the social sector is funded.

Any fundraiser looking to the future should be thinking about how younger people communicate, what motivates them, and what prompts them to give.

Turning donors from mid-level to major

Reprinted From [Bonterra](#)

We all know it's more efficient to retain an existing donor than to acquire a new one, but how can busy fundraisers upgrade mid-level donors effectively and efficiently? And how can nonprofit organizations leverage technology to support those efforts?

Stewarding existing donors into upgrading their gifts can help your nonprofit tap into the fundraising potential of major gifts. Let's take a closer look at key tips and tools that will boost your results

Tips for upgrading mid-level donors into major donors

Personalized communication and [engagement strategies](#) are critical to helping mid-level donors see the value and potential impact of increasing their donations to your nonprofit. But have no fear—personalized approaches don't always require more time or resources.

Know where and how to focus your efforts with a meaningful and personal touch. Consider the following techniques:

- **Divide your mid-level donors into segments.** For example, you might create [segments](#) based on giving history, personal interests, or engagement level. Create and tailor your messaging to appeal to each group's preferences.
- **Invite mid-level donors to learn your strategy.** Schedule in-person meetings or phone calls to highlight the impact of individual donors' previous contributions and connect them to your organization's larger goals. Mention specific projects or initiatives that align with their interests.
- **Demonstrate the tangible benefits of increased giving.** Show your donors the potential [impact](#) of their contributions. Explain how increased support for your organization can amplify the difference you're able to make in the communities you serve.

As you advance and refine your strategy, continue to explore new ways that donors can deepen their support with more significant gifts and greater impact.

4 tech tools for securing major support

To optimize your results, your nonprofit should leverage technology to assist with personal touch points and engagement journeys. These four tools are essential:

1. CRMs

Your donor data can support your segmentation and personalized outreach, but only if your nonprofit stores and organizes it properly. [Constituent relationship management](#) (CRM) systems allow you to better understand patterns and track donor:

- Interactions
- Preferences
- Giving history

Storing this data in one place ensures that all your staff will have access to all the right information at just the right times. Utilize workflows and automation to send out emails and remind your fundraisers to reach out to better engage with your constituents.

2. Virtual events

While in-person engagements are important, you can also foster community by hosting virtual events. To [strengthen donor relationships](#), structure the event to promote interactions between mid-level donors and:

- Organizational leaders
- Fellow donors
- Stakeholders

Storing the information you gather from these events in your donor profiles also allows you to send follow-up messages to donors that are more focused and effective.

3. Social media

If you haven't already, take your efforts beyond your newsletter by using [social media](#) platforms to:

- Develop online communities
- Engage and showcase donors
- Share success stories
- Provide updates on the impact of donations

For more visibility, encourage donors to proudly repost and share your organization's posts. Not only will you strengthen relationships with your existing followers, but you'll also open the door for engagement with their social circles and widen the reach of your social media activity.

4. Online donation capabilities

Where relevant, offer easy-to-use online donation forms with options for recurring and upgraded giving. This can make it convenient for donors to increase their support and help them see the potential impact of even small increases in their gifts. Include impact stories

and [metrics](#) in your acknowledgment and stewarding messages that show how far donors' dollars will go toward making an impact.

Start stewarding donors today

Balancing personalized communications and efficient technology tools will help your nonprofit connect with mid-level donors and deepen their involvement. Employ these donor stewardship tips today to strengthen your relationships with your existing supporters.

If You Do This One Thing Right, Donors Will Respond to You

Reprinted From [Veritus Group](#)

It's a good question and one that's often asked: "How do I get a donor to respond to me, even those already giving major gifts?"

Well, the answer is simple and profound. I would sum it up in this truth: *a donor will engage with you if what you have to talk about is something the donor values.*

The key words are DONOR and VALUES. It's not what you or the organization values, which is usually what's happening in most donor communication. It's what the donor values.

Process this point for a little while. And do so within the context of your organization's communication and marketing calendar. Take a look at what you're currently sending out. How is the content determined? Who decides what to say and emphasize? And so on.

You'll be surprised to find out that much of what is going out from your organization is [what YOU think, what YOU want to communicate, what is important to YOU](#). Now, that's not all bad or wrong. Because the organization does have its priorities and directions, etc.

To be clear, Jeff and I aren't advocating a completely donor-led organization. No. What we're saying is that, within the context of the organizational plan and budget, you need to find those things that are valued by each of the donors on your caseload, and talk to them about that.

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And when you do that right, the donor will engage.



So, let's say you're doing what I've suggested and the donor isn't engaging. What's wrong? Most likely you aren't on point. It could be any or all of these reasons:

1. You aren't really aligned with what the donor values.
 2. You're adding in material and emphasis that doesn't interest the donor.
 3. You don't have enough information to satisfy the donor and keep her engaged and involved.
 4. You're just giving information and not telling stories and engaging the emotions of the donor.
- Remember, [information tells, emotion sells](#).

Look into all of these, in what you're doing with your non-engaging donor, and correct the ones that aren't quite right. And, if your donor still isn't engaging, it could be that they've lost interest, they're facing personal hardship, or they're going through a life transition. Try to find out by asking. And in the end, remember this: silence and no response is an answer.

One caution: Don't jump immediately to a conclusion that the reason for a donor's non-engagement is external to you and what you're doing. Too many MGOs and PGOs do that. The best use of your time and energy is to focus on what you're doing. Because most every time, in Jeff's and my experience, that's where the problem is.

Call for Articles!

Do you want to be featured in the next edition? We invite you to share your planned giving expertise and submit an article for the [Chesapeake Chronicle](#)!

Here's what we need to consider your article for publication:

- The article must be timely and relevant.
- It must be 900 words or less.
- Include full name, headshot, short bio, and link if applicable (LinkedIn or website).
- [Email your article](#) in original format (accessible web link or Word Doc).

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PO Box 1646 | Cockeysville, MD 21030

410-527-0780 | info@chesapeakeplannedgiving.org