

FREEWILL PARTNER TRAINING

Planned Giving Basics (101)



Planned Giving Certificate

Our optional certificate program is offered to FreeWill partners at no cost

Complete these requirements to receive a Certificate of Completion and an invitation to add the accomplishment to your LinkedIn profile



- Planned Giving Basics (101)
- Planned Giving Marketing (102)
- Planned Giving Conversations (103)
- Planned Giving Marketing (104)
- Planned Giving Stewardship (105)
- Final online quiz

Eligible for 5.0 CFRE continuing education credits



Agenda

- 01 Why planned giving?
- 02 Most common planned gift types
- 03 Starting a planned giving program
- 04 Communicating the impact of planned gifts
- 05 Resources & next steps



01

Why planned giving?



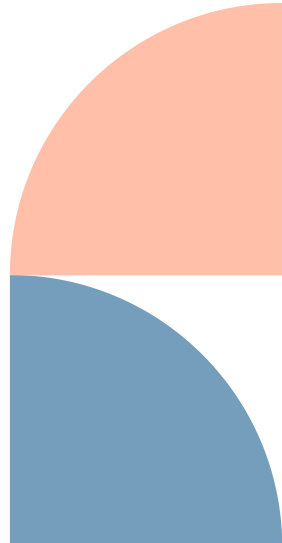
Planned giving basics

What is a planned gift?

- Any gift made as part of a donor's overall financial or estate planning
- A contribution arranged in the present but allocated at a future date
- *Commitments* or *intentions* for gifts that will happen later, usually upon the donor's passing
- Also referred to *estate*, *deferred*, or *legacy* gifts
- Can be funded with cash, equity, or property

Are smart gifts like securities, QCDs, DAF grants, or crypto considered “planned gifts”?

- Depends on your organization



Great wealth transfer

Most important moment for philanthropy in U.S. history

Up to \$70T will be passed from older generations in 45M U.S. households over the next 20-25 years, with an estimated \$10T-\$12T going to charity

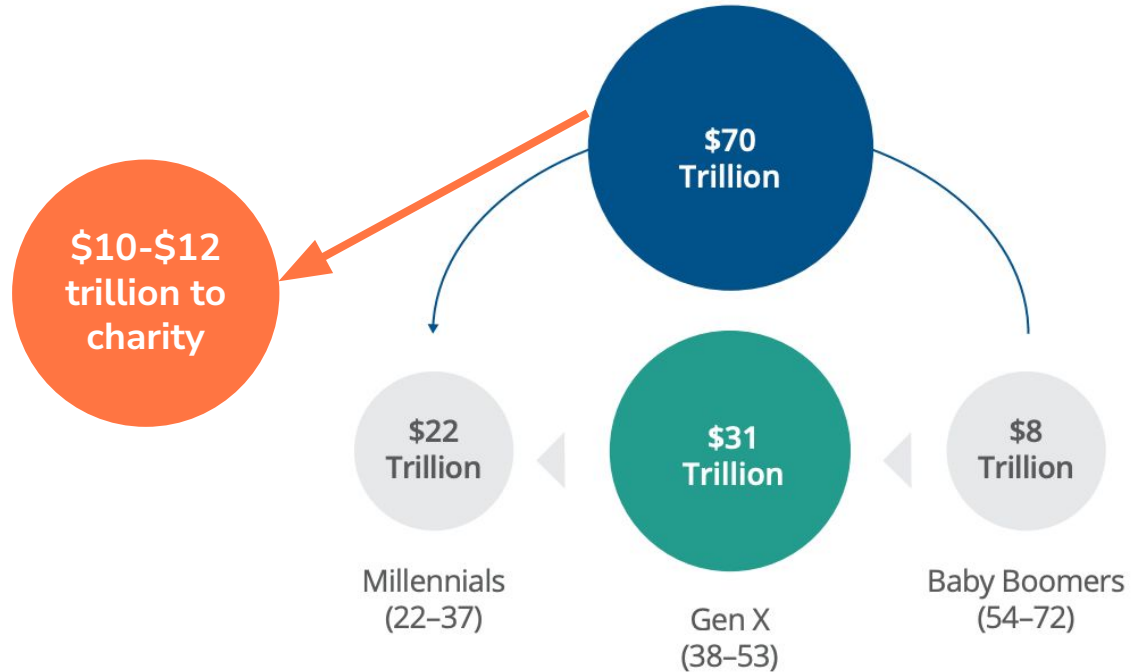
Where that wealth will go is being decided now

Some nonprofits saw their best planned giving year ever in 2023

Wealth Inherited by Generation, 2018-2042E

Sources: Cerulli Associates, Federal Reserve, U.S. Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, Social Security Administration

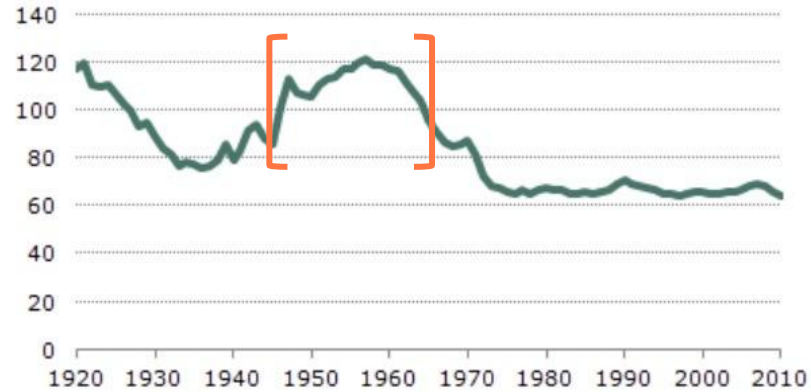
Analyst Note: Ages as of 2018. Figures may not add up to \$70 trillion due to a portion of assets that are estimated to go directly to charities.



The Baby Boomers

Birth Rates, 1920-2010

Births per 1,000 women ages 15-44



Source: Statistics calculated using data obtained from the National Center for Health Statistics and Heuser (1976), available [here](#)

PEW RESEARCH CENTER

Source: [Pew Research Center](#)



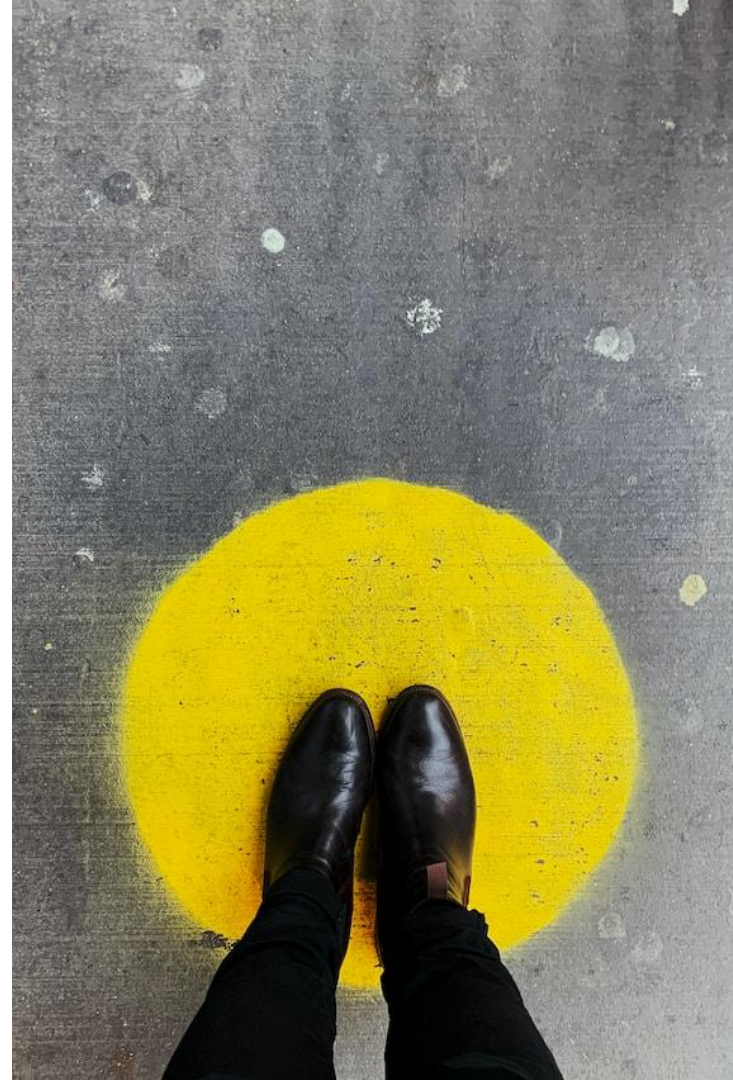
Great wealth transfer: Two massive implications

1. Planned giving has become extraordinarily important

The oldest Baby Boomers turn 78 in 2024 – nonprofits must *act now* to position themselves to solicit and secure more planned gifts in the next 20-25 years

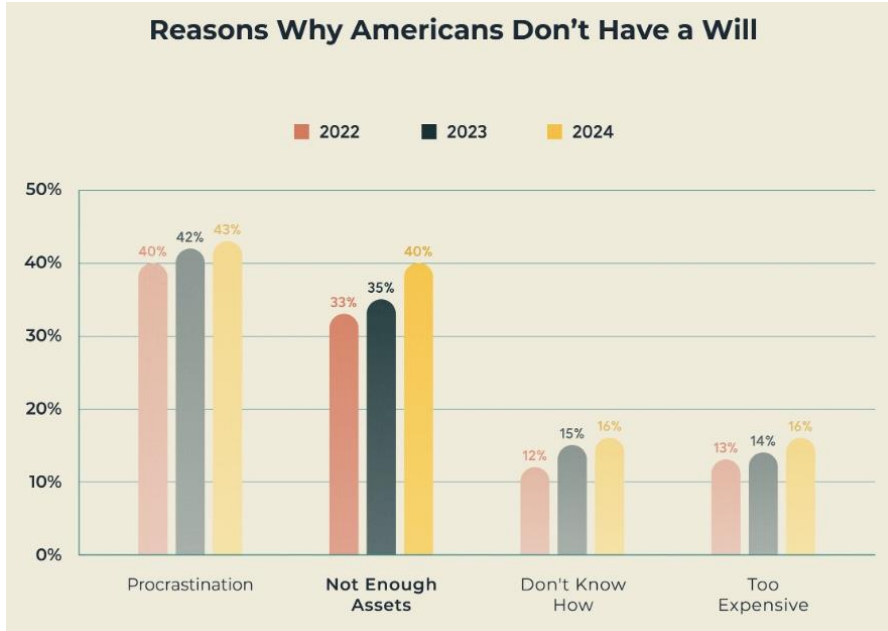
2. Younger donors could become philanthropic powerhouses

- a. Boomers had fewer children than their parents did, so inheritances will be more concentrated *per child*
- b. These generations are native tech users



Closing the legacy gap

- **64%** of Americans think having a will is important
- Only **32%** of Americans have an estate plan



Source: [Caring.com's 2024 Estate Planning & Wills Survey](#)



Closing the legacy gap

81% of Americans donated to charity in 2021

Source: [Gallup](#)

Only 6% of Americans have included charity in their will or estate plan

Source: [SSIR's Philanthropy's Missing Trillions](#)

Narrowing this gap by even by a few percentage points would generate hundreds of billions in additional funding for many important causes



02

Most common planned gift types



Charitable bequest

A charitable gift included in a will or revocable living trust

- Can be a specific gift of real estate or personal property
- If cash, can be a specific amount or a percentage of the estate

Charity can be a primary beneficiary (first in line) or contingent beneficiary

Fairly easy to establish – can be changed at any time

Good for almost anyone, but especially those who:

- Want to make an enduring impact on your mission
- Wish to control their assets during life
- Can't, or don't wish to, make a large gift now
- Have a large estate (\$13.61M+ as of 2024) and want to bypass the estate tax



Beneficiary designation

A plan for assets that pass outside of a will
("non-probate assets")

- Retirement accounts like IRAs, 401(k)s, 403(b)s
- Certain bank and brokerage accounts
- Life insurance policies

One of the easiest gifts to establish (with a beneficiary designation form) – can be changed at any time

Good for those who:

- Want to make an enduring impact on your mission
- Wish to control their assets during life
- Can't, or don't wish to, make a large gift now
- Don't want to change their will
- Want to leave more tax advantageous assets to family



Charitable Gift Annuity

A contract between a donor and a nonprofit

The donor makes a gift to charity using cash, securities, or possibly other assets – and in return:

- They can take a partial income tax deduction for the donation
- They (and/or others they designate) receive guaranteed fixed payments from the charity for the rest of their life

The donor works with the nonprofit to set up the CGA agreement

Many nonprofits work with a financial institution to invest these assets and administer the gifts



Charitable Gift Annuity

Payout rates are based on the donor's age at the time income payments begin – set by the [American Council on Gift Annuities](#)

Payments can begin immediately or be deferred until later

Good for those who:

- Want to make an enduring impact on your mission
- Desire lifetime income (which could be partially tax-free) for themselves or a loved one
- Need an immediate income tax deduction



Pooled Income Fund

A type of charitable trust established and maintained by a nonprofit, which pools contributors' resources for investing purposes, pays regular income distributions to contributors during their lifetime, and distributes remaining assets to the charity upon the donor's passing

Losing popularity as CGAs become more widespread

No special tax treatment for payments to the PIF donor

PIFs accept a more limited list of asset types (generally cash, stocks, mutual funds)

Good for those who:

- Want to make an enduring impact on your mission
- Desire lifetime income
- Need an immediate income tax deduction



Charitable Remainder Trust

An irrevocable trust that generates a potential income stream for the donor or other beneficiaries for a term of years, with the remainder going to charity

Lots of flexibility in setting these up, but it is irrevocable

Can be funded with cash or property

Should work with a trust attorney to establish

Good for those who:

- Want to make an enduring impact on your mission
- Desire lifetime income for themselves or family
- Need an immediate income tax deduction
- Can afford to set up/fund the trust and pay the annual costs



Charitable Remainder Trust

CRUTs vs. CRATs

- *Charitable Remainder Unitrusts (CRUT)* distribute a fixed percentage based on the balance of the trust assets, revalued annually
- *Charitable Remainder Annuity Trusts (CRAT)* distribute a fixed annuity amount each year



Charitable Lead Trust

Essentially the inverse of a Charitable Remainder Trust

An irrevocable trust that provides financial support to one or more charities for a term of years, with the remainder going to family or other beneficiaries

Flexibility when setting it up, but it is irrevocable – and careful planning is required to ensure the trust can make its required payments during the term

Unlike a CRT, a CLT is not tax-exempt – trust income is taxed like the income of any other complex trust



Charitable Lead Trust

Must work with a trust attorney to establish

Require a larger investment up front

Good for those who:

- Want to make an impact on your mission during life
- Wish to pass assets to family later
- Want to potentially reduce gift or estate tax consequences or want an immediate income tax deduction – this depends on how it's set up
- Can afford a significant investment to set up/fund the trust and pay the annual costs



Retained Life Estate

An individual donates their personal residence (house, cabin, or farm) to charity now and gets an immediate income tax deduction, but continues to live there rent-free for the rest of their life or a term of years

The donor works with the nonprofit to set up the gift agreement

Some risk for the charity (maintenance, property insurance/taxes, marketability)

Good for those who:

- Want to make an enduring impact on your mission
- Wish to donate real estate
- Desire an immediate income tax deduction
- Want to continue living at the property for life



03

Starting a planned giving program



Align your team and get started

Get the buy-in of your Board, leadership, gift officers, and communications team around this initiative

Consider updating your [Gift Acceptance Guidelines](#)

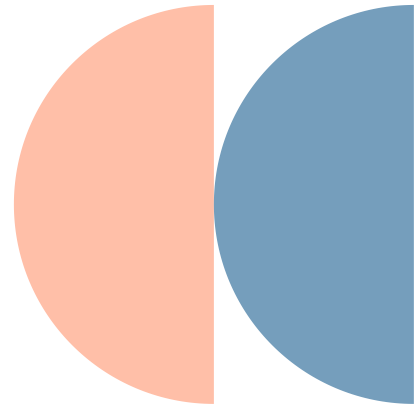
Work proactively with your team to determine:

- how planned gift prospects/donors will be tagged in your CRM
- how gift commitments will be entered and tracked in your CRM

Train your gift officers in preparation for donor conversations

Add planned giving information to your website and interest checkboxes to donation forms/envelopes and donor surveys – and get clear on how your team will follow up on leads

Plan a handful of outreach campaigns throughout the year across different communication channels



Prepare for success

Create a legacy society to recognize and steward planned gift donors

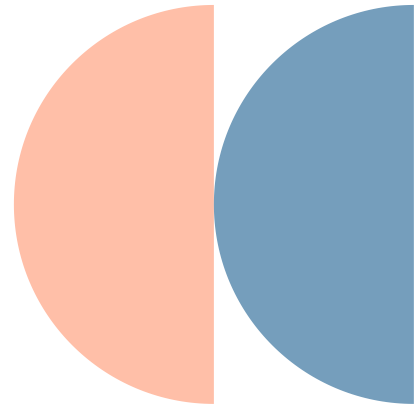
Craft your stewardship plan

- How will you keep planned gift donors close to your mission?
- What communications, invitations, and touch points will you share throughout the year?


Prepare to collect planned giving donor stories as stewardship and for use in your marketing outreach

Align your team on whether planned giving donors will be asked to sign a formal “letter of intent”

- Especially important if there is a naming element
- Otherwise, be thoughtful about the timing of this ask
- More inclusivity is better




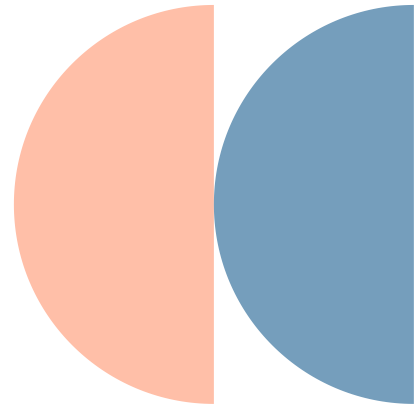
FreeWill helps you get there

 Your **Strategist** is your main point of contact – they'll meet with you on a regular cadence, sharing innovative strategy ideas and making sure you always know your next steps and how to get there


Your **Account Manager** ensures your product mix meets your needs


Your **Content Writer** drafts content to help you get your FreeWill campaigns out the door


 Our **custom strategy** (and copywriting, if applicable) for FreeWill campaigns will inspire and educate your supporters in your voice and style, always taking your existing communications calendar into account

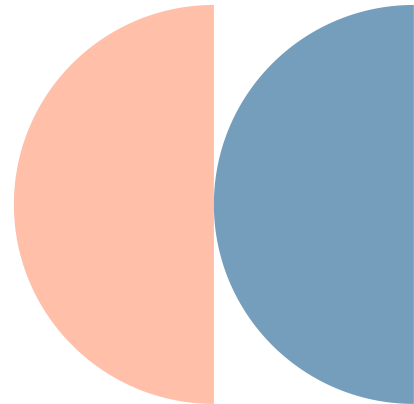


FreeWill helps you get there

 Through access to **live and recorded partner trainings**, designed with you in mind, and our beloved **public webinars**, you and your team can understand industry trends and build confidence around talking to donors about planned and smart giving

 You'll receive **exclusive best practices**, campaign kits, marketing templates, and [resource banks](#) from FreeWill's Partner Success Team, as well as [industry reports](#) from FreeWill

 **Portal is your one-stop shop** for FreeWill-sourced gift and donor data and performance tracking, along with easily downloadable reports, your AI-powered writing assistant William, and much more



04

Communicating the impact of planned gifts



“But we need money now”

Many nonprofits put gift planning on the back burner, favoring real-time cash fundraising over planned gifts

This is short sighted:

- Planned gifts are often the largest and most meaningful donation of a donor’s life – the typical planned gift is 200x the size of a donor's largest annual gift
- Your planned giving prospect pool is likely to be 5x larger than your typical campaign pool
- The average time from planned gift inception to maturity is 7-10 years
- Legacy gifts create a sustainable funding pipeline that helps you plan confidently for the future
- **Donors who make bequest commitments are more likely to [increase their annual giving!](#)**



Demonstrate the value

Report out on the impact of your program regularly: this quantifies the value of the great work you're doing and builds excitement

Share key metrics:

- Number of planned gift prospects identified
- Number of planned gift-related calls, visits, asks
- Number of legacy society donors
- Number of new gift commitments received
- Value of new gift commitments received
- Number of realized planned gifts received
- Value of realized planned gifts received
- How these results are changing over time

Share success stories and meaningful donor stories – they speak *volumes*



05

Resources & next steps



TO EXPLORE:
Resources

- [How to start a planned giving program](#)
- [Defining your planned giving audience](#)
- [Dr. Russell James](#)
 - *Inside the Mind of a Planned Giving Donor*
([recording](#), [slide deck](#))
- [Gift Planning Standards from CGP](#)
(National Association of Charitable Gift Planners)



LOOKING AHEAD:

Next steps

1. Fill out our [post-training survey](#)
2. Consider joining [CGP](#) and/or your local planned giving council – attend webinars, workshops, and even the annual CGP Conference



Thank you!

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