

# Welcome, friends

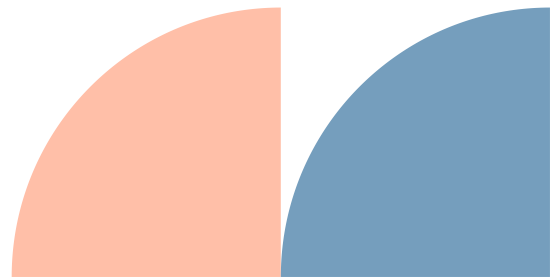
Before we start:

Use “**chat to all panelists & attendees**”  
to introduce yourself, and **1 thing**  
**bringing you joy this week**



WEBINAR

# Looking ahead to 2024: Fundraising predictions & your roadmap to success



## A quick note

- This event is **CFRE-approved for 1.0 credits**
- We've added a question to the survey to certify your participation
- **It's possible that CFRE audits are increasing, so make sure you do this!**



# Agenda

- 01 Intros
- 02 Trends impacting philanthropy in 2024
- 03 Snapshot of the generations
- 04 6 strategies to make the most of 2024

Recording & slides will be sent around later today



# Introductions



## Intros

FreeWill Co-CEOs: Jenny Xia Spradling & Patrick Schmitt



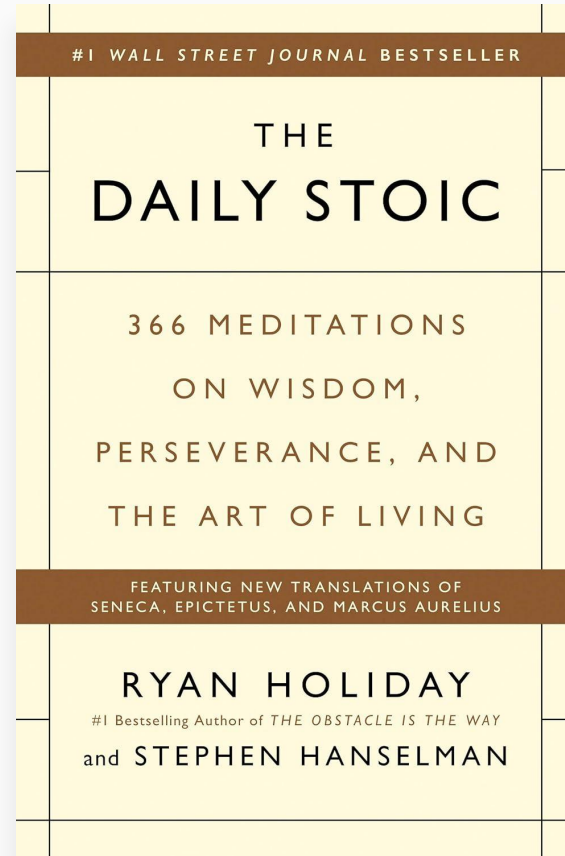
# The FreeWill team

- \$9B+ raised for nonprofits to date
- 1,400+ nonprofit partners
- **Four centuries+** combined fundraising experience and expertise



# A gift

- We're going to send a copy of "The Daily Stoic" by Ryan Holiday and Stephen Hanselman to 20 people as a gift
- Make a note in the survey if you'd like a chance to get a copy, and tell us where to send it





November 14th

## YOU CHOOSE THE OUTCOME

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“He was sent to prison. But the observation ‘he has suffered evil,’ is an addition coming from you.”

—EPICTETUS, *DISCOURSES*, 3.8.5b–6a

**T**his is classic Stoic thinking, as you’ve gathered by now. An event itself is objective. How we describe it—that it was unfair, or it’s a great calamity, or that they did it on purpose—is on us.

Malcolm X (then Malcolm Little) went into prison a criminal, but he left as an educated, religious, and motivated man who would help in the struggle for civil rights. Did he suffer an evil? Or did he choose to make his experience a positive one?

Acceptance isn’t passive. It’s the first step in an active process toward self-improvement.

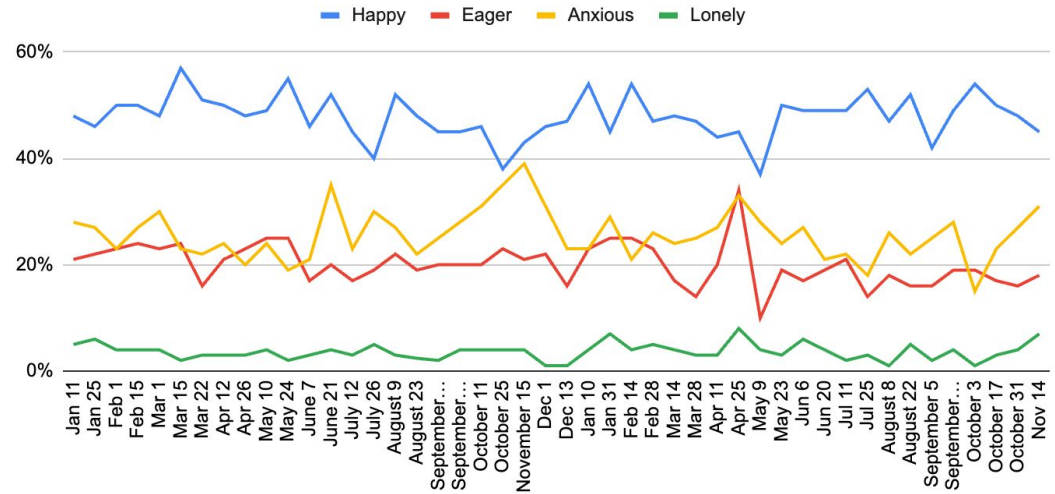


How's your week going?

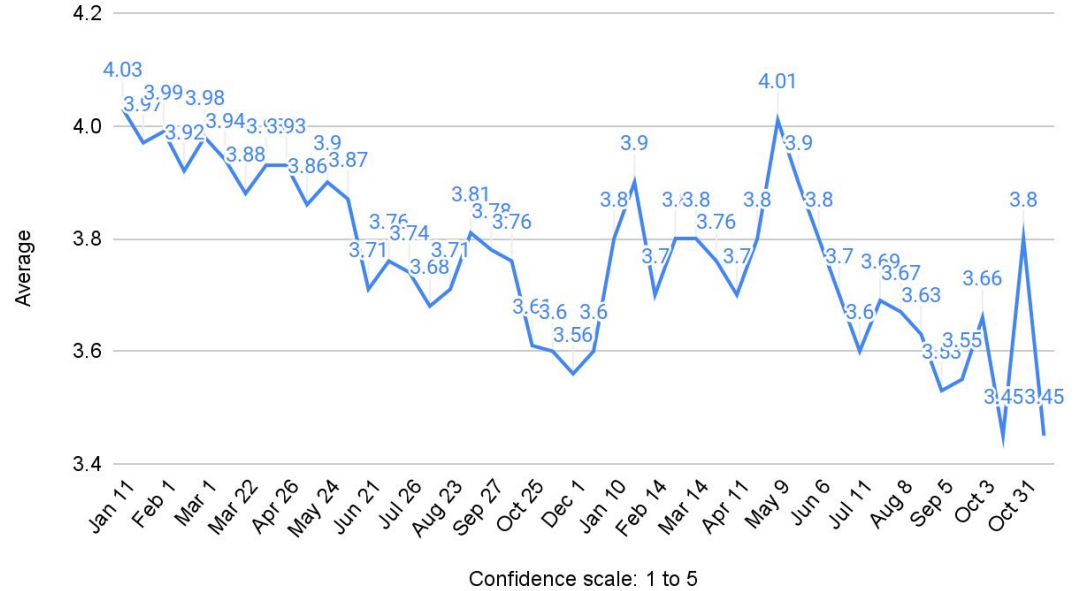


# How are you feeling?

Week over week: How is your mood today?



# How confident are you about hitting your goals this year?





# What trends in philanthropy do you think we'll see in 2024?

- Many of you are expecting bigger gifts in 2024
- You told us you're anticipating an increase in:
  1. DAFs
  2. QCDs
  3. Stocks
  4. Planned gifts!
- You're nervous the election will serve as a distraction for donors
- **Many of you say we'll see more of AI in the fundraising world**



# Trends for 2024



## Trend #1:

# The ongoing demise of cash giving

- Remember that Giving USA's 2023 report showed a **6.4% decrease in individual giving** in 2022
- But we know that Qualified Charitable Distributions and Donor-Advised Funds are growing at a rapid rate
- So we can conclude that cash giving is going down **even faster than 6.4%**
- This is a really big deal





## Trend #1:

# The ongoing demise of cash giving

- So why is this happening?
- By “cash giving” what we really mean is: hard cash, checks, credit cards, PayPal, Venmo, etc.
- But 45% of American adults did not write a single check in 2022, according to Yahoo! News
- Fewer than 15% of Americans say they write “several checks a month”
- Check usage is among sharp decline for all age groups, including older generations
  - The Federal Reserve of Philadelphia has even predicted that paper checks will be obsolete by 2026



## Trend #1:

# The ongoing demise of cash giving

- And credit cards are not functionally set up for large donations
- **The median credit card limit is around \$5,500 for ALL purchases that month**
- AND while December is traditionally the highest giving month, it's also the highest month for consumer spending with the holidays
- So for many people, giving large gifts on credit cards is simply impossible
- **There is not enough conversation in nonprofit fundraising about the death of cash**

Source: [Wallet Hub](#)



## Trend #1:

# The ongoing demise of cash giving

- Cash gifts also suffer from pre-inflation anchor points
- Donors who have been giving \$500 in cash annually for 10 years are not increasing their gifts to compensate for the decreased purchasing power
- So the same cash gifts are worth less every year



## Consider anchor points during a recession

- There are three potential “anchor points” for donors when they think about a gift:
  - “How much does it cost me?”
  - “How much am I saving?”
  - “What impact am I having?”
- Stay away from the first one, and help the donor focus on the second, third, or both
- This is true always, but especially during a recession



## Trend #2:

# DAFs continue to eat the rest of philanthropy

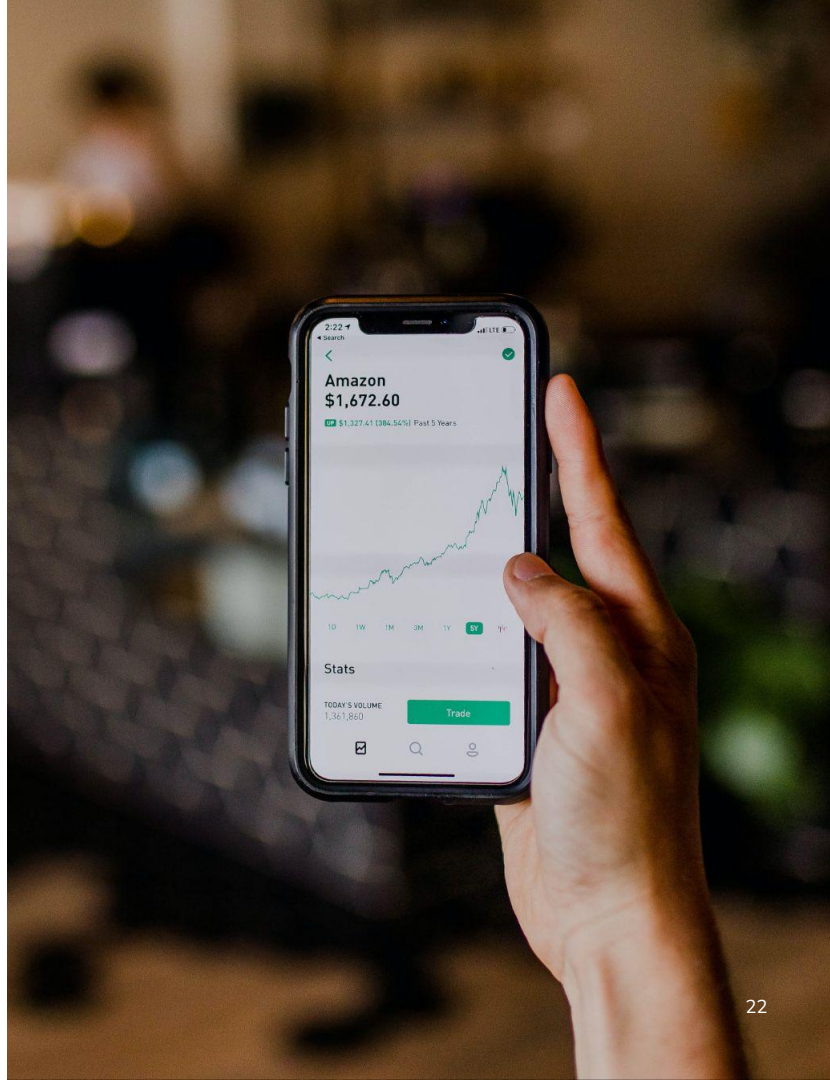
- As of 2021, there's over \$234 billion sitting in Donor-Advised Funds
- DAF payout rates reached an all time high of 27% in 2022
- In the past decade, there's been a **5X increase in total annual grantmaking from DAFs**



## Trend #2:

# DAFs continue to eat the rest of philanthropy

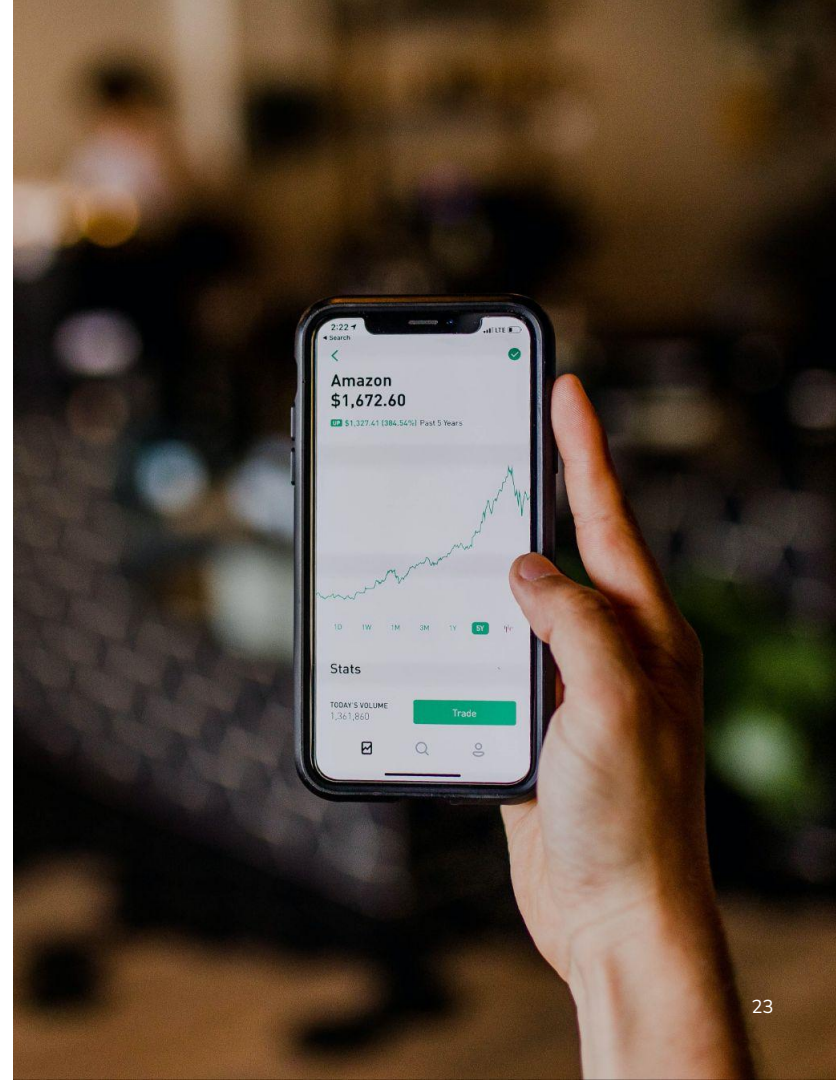
- We saw \$46B in 2021 grants from Donor-Advised Funds
- The average **Compound Average Growth Rate** (CAGR) in DAF grants has been 23.4% over the past 5 years
- If we hold these rates constant, we would expect **\$57B in grants in 2022** and **\$70B in grants in 2023**, and **\$86B in 2024**.



## Trend #2:

# DAFs continue to eat the rest of philanthropy

- This means that in 2024, 1 in every 4 individual giving dollars is going to come from a DAF
- Even a more conservative estimate of 15% compound annual growth rate would mean \$70B granted in 2024
- There's no serious path to fundraising success in 2024 that doesn't have a plan for Donor-Advised Funds

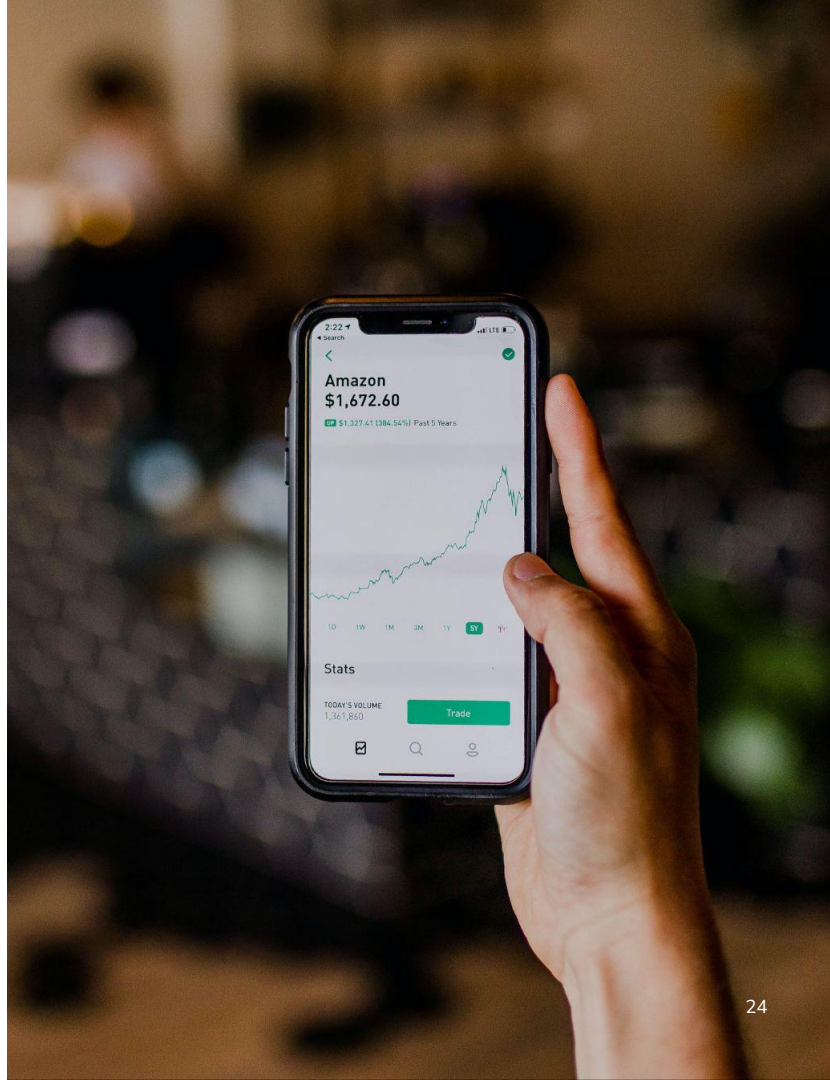


## Trend #2:

# DAFs continue to eat the rest of philanthropy

Why is this happening?

- The number of Donor-Advised Fund accounts is growing rapidly *but* only about 1% of American adults have one, so there is so much more room to grow
- Financial advisors are actively steering their donors to build these
- We know that organizations who take non-cash gifts (and especially appreciated assets) grow much faster
- DAF custodians are the epitome of this -- nearly two-thirds of assets going into DAFs **are not cash.**





## Trend #3:

# Potentially strong year for stock giving

- We expect to see some pretty large stock gifts in 2024 for a few reasons:
- There are some signs of cooling interest rates
  - Lower interest rates are inversely related to higher stock market values
- The S&P 500 is expected to close at +14% in 2023 after falling 18% last year



## Trend #3:

# Potentially strong year for stock giving

- Historical trends show a pattern of recovery with at least two years of gains following a calendar year where the S&P 500 fell more than 18%
- The S&P 500 typically gains in the 4th year of a new president's term
- This all means more highly valued stock, which means bigger stock gifts from donors
- *Reminder: no one can fully predict the stock market and this is not financial advice*



## Trend #3:

# Potentially strong year for stock giving

- A funny thing is happening right now.
- We thought that because DAFs make giving stock so easy, direct stock donations to charities would *decrease*
- But actually, the opposite is happening
- When comparing October 2022 vs. October 2023, donors are giving **more stock gifts**, at a higher value.

Source: FreeWill October 2022 vs. October 2023 Data Analysis



## Trend #3:

# Potentially strong year for stock giving

- In the FreeWill stock tool:
  - **60%+ increase in volume**
  - **700%+ increase in value**
- Specifically, a **1,600%** increase in the value of \$50K+ stock gifts committed through FreeWill

Source: FreeWill October 2022 vs. October 2023 Data Analysis



## Trend #3:

# Potentially strong year for stock giving

- Why is this happening?
- It's possible that Donor-Advised Fund custodians are educating donors on the extreme value of donating appreciated assets compared to giving cash
- **Reminder:** Giving stock usually means a tax-deduction for the full value of the stock *AND* the avoidance of all capital gains taxes
- So when donors are asked to give, they now have stock giving top-of-mind
- This is a really big deal



## Trend #4:

# Crypto is back on the rise

- Crypto just had a boom in October
- Bitcoin reached a 5-month high and is up 238% YTD
- Digital asset experts are predicting that we're experiencing the start of a new Bitcoin bull cycle
- *Reminder: No one can predict the price of crypto and this is not financial advice*

Source: [Yahoo! Finance](#)



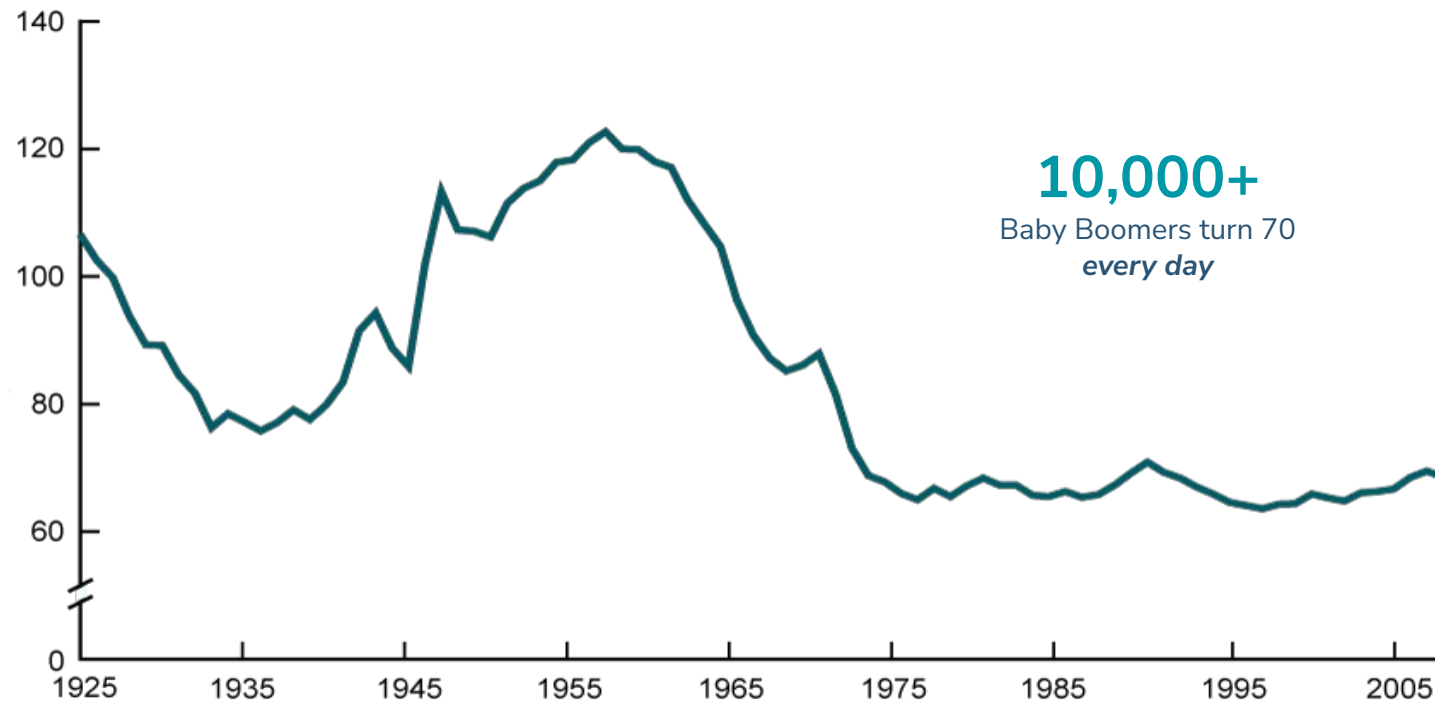
## Trend #5:

# The Great Wealth Transfer is really happening

- **An estimated \$70 trillion will be** passed on from wealthy older generations over the next 20-25 years.
- **Many organizations are seeing their best planned giving year ever in 2023, and this will increase in 2024.**
- Bequests may approach \$60B in 2024 -- the highest year on record by far
- This growth is a combination of strong stock market performance (for larger estates) and increased mortality as Baby Boomers age



Births per 1,000 women  
aged 15-44



**10,000+**


Baby Boomers turn 70  
*every day*





## Trend #5:

# The Great Wealth Transfer is really happening

- Your biggest donors are getting older and reaching retirement age
- They're also thinking about estate planning more than ever before
- Baby Boomers (born 1946 to 1964)
- **In 2024, the youngest Boomers will be 60 and the oldest will be 78**
- **That's 8 years worth of Boomers who are QCD-eligible**
- The 65+ population grew by over 34% (13.8M) during the past decade according to the 2020  Census, to about 52 million

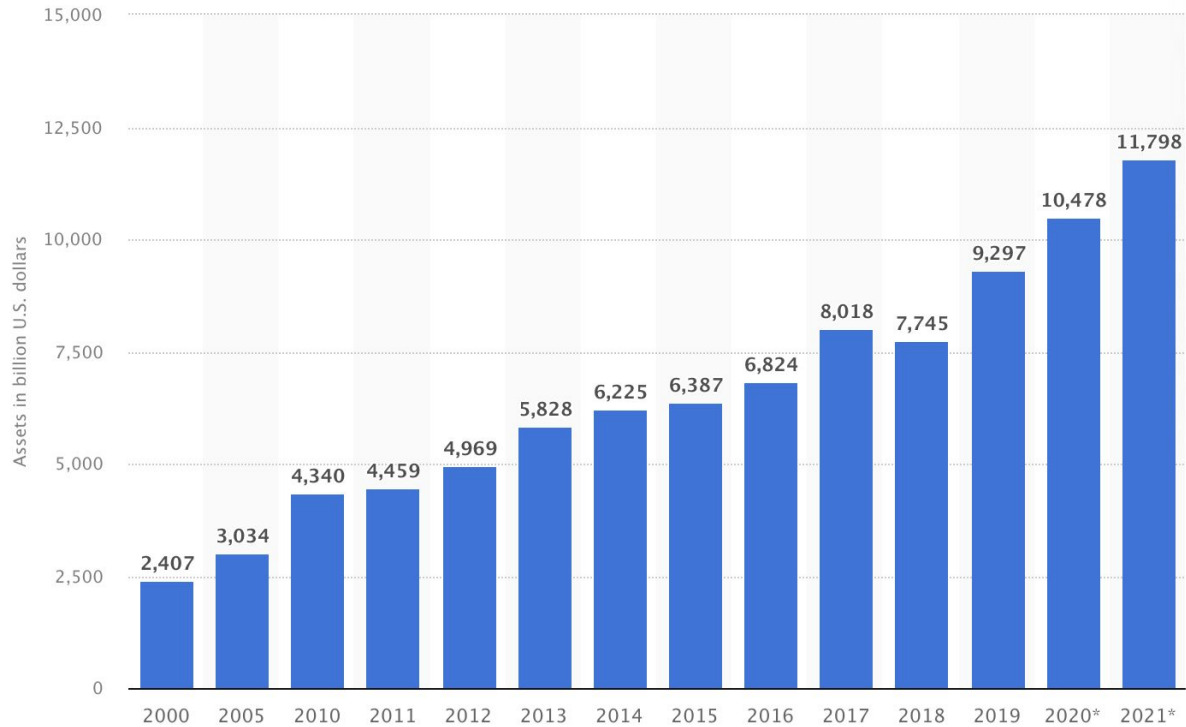


# What are Qualified Charitable Distributions?

- QCDs = Gifts from an IRA
- Commonly referred to as “IRA Charitable Rollover Gifts”
- Money is transferred directly from an IRA account to a 501(c)(3) charity
- Donors must be 70.5 to give a QCD, and can give up to \$100k annually, tax-free
- A big driver behind QCDs are Required Minimum Distributions (RMDs)
  - RMD = money a retiree is required to withdraw from their retirement accounts after age 73 (as of this year)



# There is nearly \$12 trillion in IRAs



## Trend #6:

# Election years have the potential to scramble giving

- The US Presidential Election is **Tuesday, November 5th, 2024**
- Historically, nonprofits “aligned” with the losing party see a sharp increase in giving after an election — especially if the result is a surprise
- Nonprofits “aligned” with the winning party see a slight decrease in giving
- Non-political organizations often see a slight decrease in giving in election years as donors get distracted
- With a (for the moment) non-competitive Democratic primary, liberal donors will be less distracted than conservative donors for the first half of the year



## Trend #6:

# Election years have the potential to scramble giving

- Over 15 billion political texts were sent in 2022 (about 50 messages per phone)
- 12 billion texts from GOP campaigns
- 3 billion texts from Democratic campaigns
- These texts will start during the primary and only increase closer to Election Day
- While giving may not be affected, your comms and ask may require shifting
- This will be much more true in swing states, where donors will be overwhelmed with contact

Source: [NBC News](#)



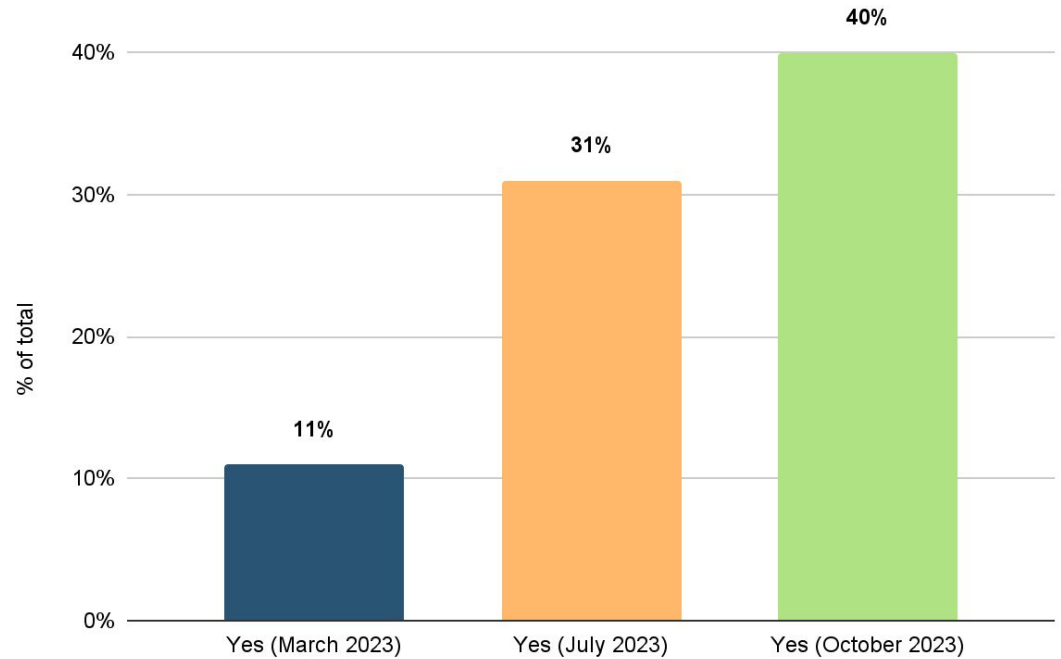
## Trend #7:

# The most successful teams in 2024 will be leveraging AI

- At the start of this year, AI was this new and scary topic and its place in fundraising was unclear
- Now, 40% of fundraisers say they use AI in their work
- **We anticipate that by the end of 2024, 90% of nonprofit fundraisers will be using some form of AI weekly**
- And more than 50% will be using it daily
- AI driven-economic growth + AI-driven improvements in fundraising could make 2024 the strongest fundraising year on record



# Do you already use some form of AI in your work?

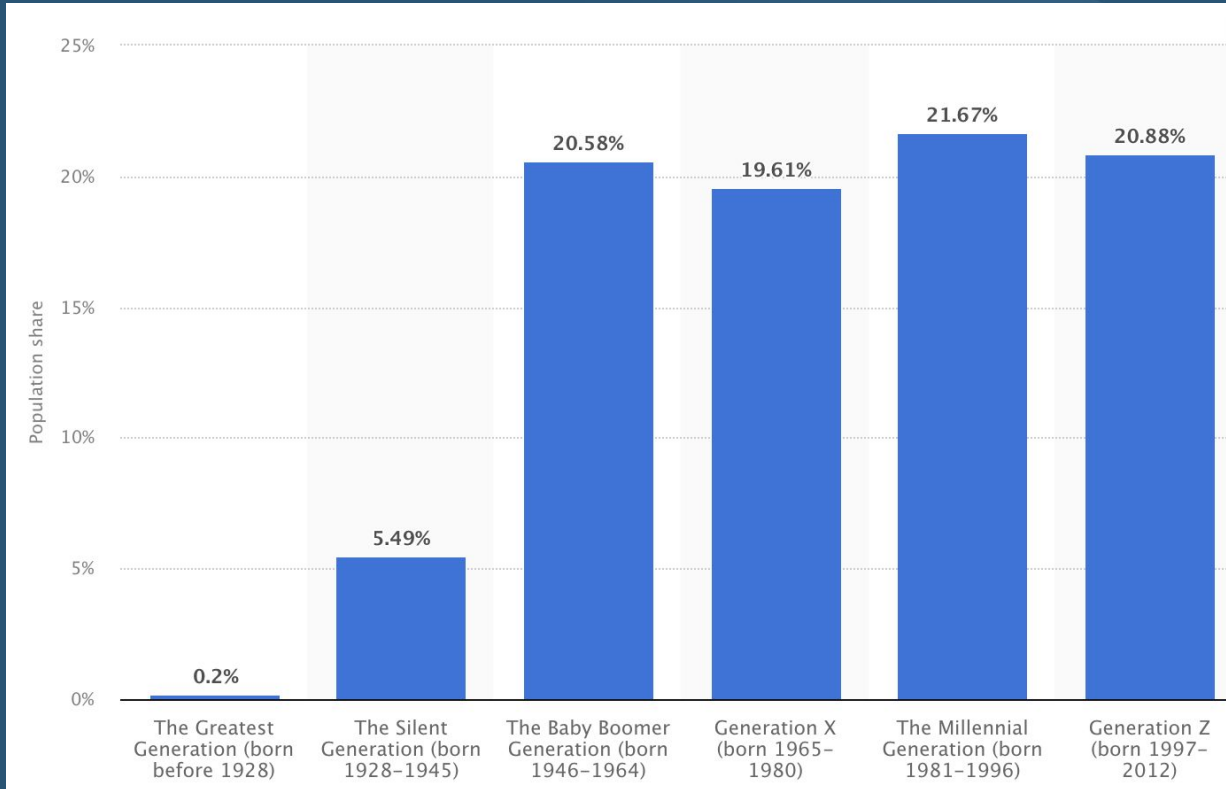


# Snapshot of Baby Boomers, Gen X, Millennials & Gen Z in 2024





# Population distribution in the United States in 2022, by generation



# Baby Boomers

- Born 1946 to 1964 (aged 60 to 78 in 2024)
- There are 68.59M Baby Boomers in the US
- Where are they at in their lives?
  - 10,000+ Baby Boomers turn 70 every day
  - Many are retired or approaching retirement
  - Getting close to average life expectancy (77 years)



# Baby Boomers

- Baby Boomers are still the wealthiest generation in the US, and over 50% of wealth in the US
- Boomers make up 41% of all donations and 55% of all high net worth donors
- But they're getting older — over the next 20-25 years, as much as \$70 trillion will be passed on in the Great Wealth Transfer as Baby Boomers age



# Generation X

- Born 1965 to 1980 (aged 44 to 59 in 2024)
- There are 65M Gen X-ers in the US (about 20% of the population in 2022, less than Boomers or Millennials)
- Gen X-ers have fewer children and lower marriage rates than Boomers
- Where are they at in their lives?
  - In their peak earnings years — older Gen X-ers may be thinking ahead to retirement, but most are still working
  - In the middle of big life transitions: paying off debt, caring for aging parents, and accumulating wealth



# Millennials

- Born 1981 to 1996 (aged 28 to 43 in 2024)
- There are 72.2M Millennials in the US, surpassing Baby Boomers as the largest American generation
- Where are they at in their lives?
  - Moving into a higher income bracket
  - Caring for aging parents
  - Gaining wealth through inheritance
- **Remember:** Millennial wealth is expected to increase 5X by 2030



# Gen Z / “Zoomers”

- Born 1997 to 2012 (aged 12 to 27 in 2024)
- There are 69.6 million Zoomers in the US (21% of the population in 2021)
- 58% of Gen Z are 18+ (about 40M adults)
- The most diverse generation in history & the first digital native generation
- Where are they at in their lives?
  - Graduating college
  - Entering the workforce
  - Incredibly concerned about social issues



# 6 strategies for 2024



## Strategy #1:

# Build your calendar around big election dates

- You can do this a few different ways:
  - Front-load giving asks, especially if you are a more liberal organization
  - Avoid messaging on primary dates in your state (or the states where your biggest donor bases live)
    - **California: March 5 (Super Tuesday)**
    - New York: April 2
    - Texas: March 5
    - Florida: March 19
  - Avoid major events around November 5th (and maybe the 10 days after)





## Strategy #1:

# Avoid competition with parties and campaigns

- Focus on non-competitive giving types (like those we called out earlier), that can't be given to political campaigns
- QCDs and Donor-Advised Funds grants are illegal to give to political campaigns
- Stocks and crypto do not have the same tax benefits when given politically (and thus are quite rare)
- Planned gifts are very rare to political parties
- These will break through the constant fundraising noise of political campaigns (who will message much more than you)



## Strategy #2:

### Prioritize planned giving (if you're not already)

- The Great Wealth Transfer is happening right now
- We asked nonprofits: “Compared to 2022, has your organization seen an increase or decrease in planned gifts so far in 2023?”
  - 32% said increase
  - **Only 12% said decrease (!!)**
- FreeWill partner, Susan G. Komen, recently shared that 2022 marked their biggest year in terms of realized gifts stemming from planned giving



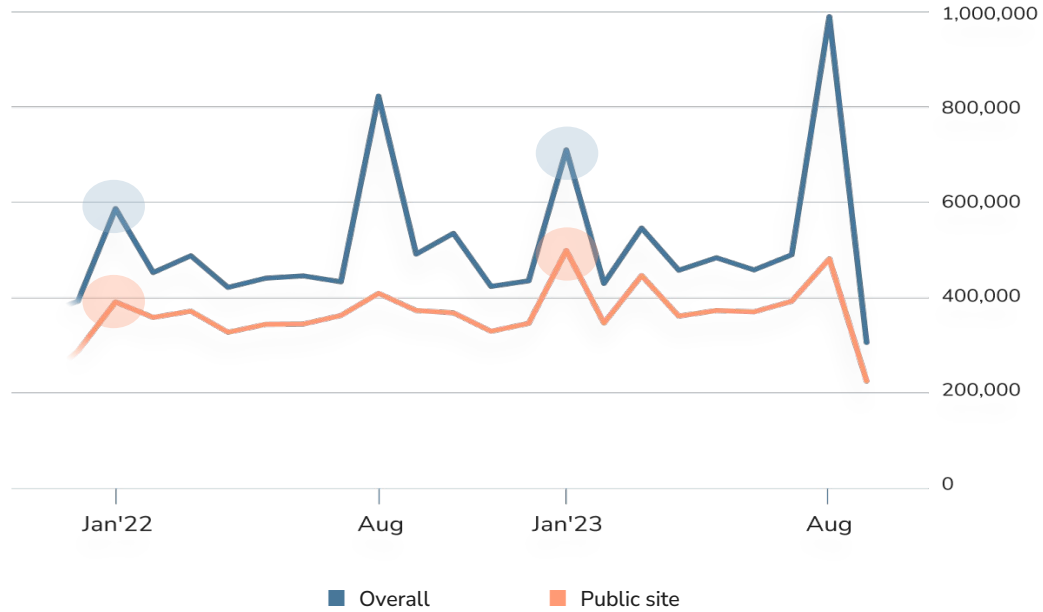
## Strategy #2:

### Prioritize planned giving

- Key dates to add to your calendar right now:
  - **January:** New year's resolution campaign
    - January is the second-highest planned giving month
  - **August:** Make-A-Will month
    - August 2022 saw record participation
    - August is the highest planned giving month
  - **Third week of October:** National Estate Planning Awareness Week (NEPAW)
    - Congressionally declared week
    - Will feel like a non-fundraising ask, weeks before the election



### Traffic by month

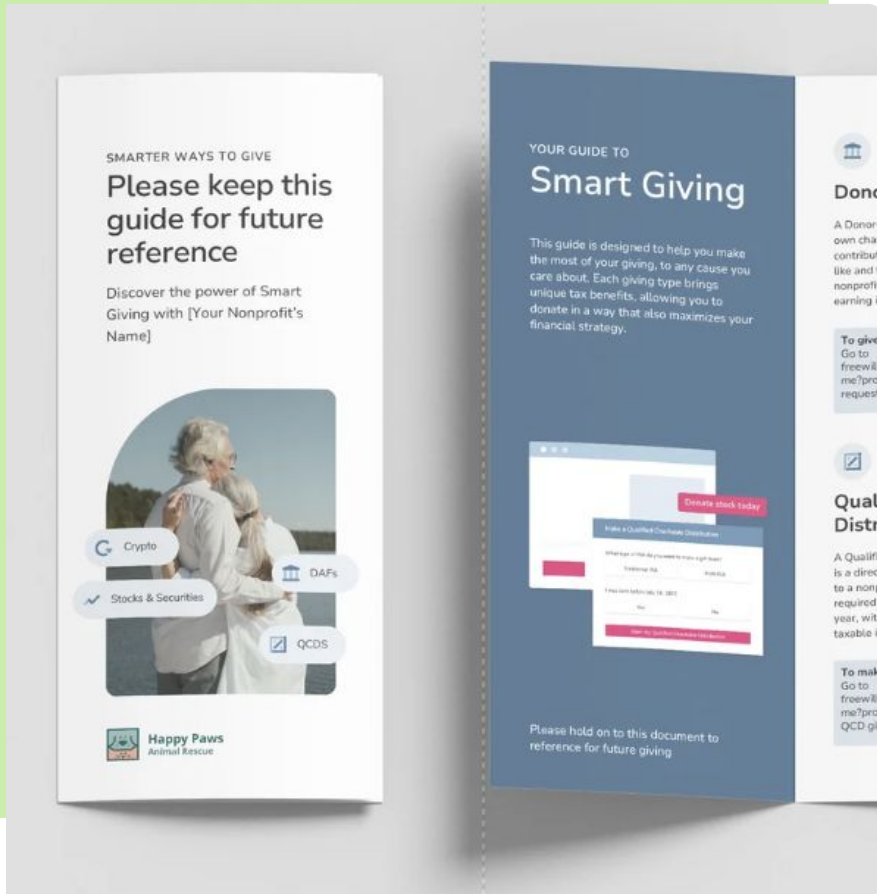


## Strategy #3:

### Be prepared to receive stocks & crypto

- Preparing for these gifts means your org can secure them at their peak market value
- Doing this will maximize the financial impact of these gifts when the stock market is doing well
- We predict that 2024 will be:
  - The largest year on record for stock giving
  - The second largest year on record for crypto giving (after 2021)
- If your gift officers aren't comfortable talking about non-cash gifts like this, either use our AI tool ([willy.freewill.com](https://willy.freewill.com)) to generate talking points for them, or build a "Permanent Giving Guide" that they can give to every donor they meet with





## The “Permanent Giving Guide”

Tax-advantaged giving sometimes takes a level of planning from your donors, so help them by creating a guide that explains the benefits of non-cash giving.

This guide is designed to be held onto by donors for reference every time they give



## Strategy #3:

### Be prepared to receive stocks & crypto

- Accepting these gifts (specifically crypto) also opens the door to new donors who prefer non-traditional forms of giving
  - This will signal to younger donors that they have a home at your organization
  - And remember that Ethereum (most gifted cryptocurrency in the US) is now roughly carbon neutral
- These should be listed on your “Ways to Give” page along with QCDs and Donor-Advised Funds



## Strategy #4:

### All outreach should include an option to give from DAFs

- Every time a donor with a DAF gives in cash, we lose
- Cash gifts will be much smaller from the same donors
- \$100 (avg. cash gift) vs. \$4,407 (avg. DAF grant through Fidelity Charitable)
- We also lose the chance to identify a DAF holder
- DAF holder typically tells us this is a person with both means *and* charitable intent → **your next major donor**





## Strategy #4:

### All outreach should include an option to give from DAFs

- Your nonprofit's donate page should include a link to "Give from my DAF" (just like the option to give from a credit card or PayPal)
- At the very least, it should be listed as a way to give so that your donors are aware of the option
- Keep in mind that DAFs are new to donors too, so they need the reminder to give this way



## Strategy #4:

### All outreach should include an option to give from DAFs

- Capture information on the gift that's coming in
- Tag everyone you find through surveys and conversations, even if they haven't given this way yet (you may have to repurpose a different tag)
- Ask in all of your major donor conversations:
  - *“Many of our supporters give out of a Donor-Advised Fund. Would you like information on how other people are using their DAFs to make a bigger impact?”*



## Strategy #5:

### Inflation requires us to reset “anchor points”

- There are three potential “anchor points” for donors when they think about a gift:
  1. “How much does it cost me?”
  2. “How much am I saving?”
  3. “What impact am I having?”
- Stay away from the first one & help the donor **focus on the second, third, or both**
- This is true always, but especially during a recession



## Strategy #5:

# Inflation requires us to reset “anchor points”

Examples:

- *“Can you give \$10,000 this year to the land trust?”* **(Anchor on cost)**
- *“Did you know that by giving a gift of \$10,000 in appreciated stock, you might be able to save more than \$5,000 in taxes this year?”* **(Anchor on savings)**
- *“With a \$10,000 gift of appreciated stock, you can help us finally open the path through the preserve, this will give thousands of families the chance to experience nature in a new way next year.”* **(Anchor on impact)**



## Strategy #6:

### Your whole team must be experimenting with AI

- We are starting to hear some funders say things like: ***“Soon, I am going to stop giving to organizations who aren’t using AI, because it means they are being much less efficient than they could be.”***
- AI technology is moving so quickly that we need to collectively be constantly learning
- This is like the 2000s era Internet – organizations who aren’t curious will be left behind.



## Strategy #6:

# Your whole team must be experimenting with AI

- Your team can start with tools like Willy ([Willy.freewill.com](https://willy.freewill.com)) which was custom-built for nonprofit fundraisers
- One fundraiser recently told us: “On a scale of one to ten, Willy is a ten thousand.”
- Take an hour (this week) to play with it alongside your team. And share your feedback at [willy@freewill.com](mailto:willy@freewill.com).
- We will be doing a series of trainings in early 2024 on hyper-practical uses for AI in your day-to-day job. Please join us for these!



## Bonus idea:

### Make the most of “Leap Day”

- 2024 is a leap year, with Thursday, February 29th being a “bonus” day
- Can your organization do something special for this?
- Perhaps organize a volunteer day, create a special giving holiday, or even simply encourage supporters to use the day to reflect on why your mission matters
- **Remember:** Psychological research tells us that donors are more generous on “special occasions” and a “Leap Day” is the perfect match for that



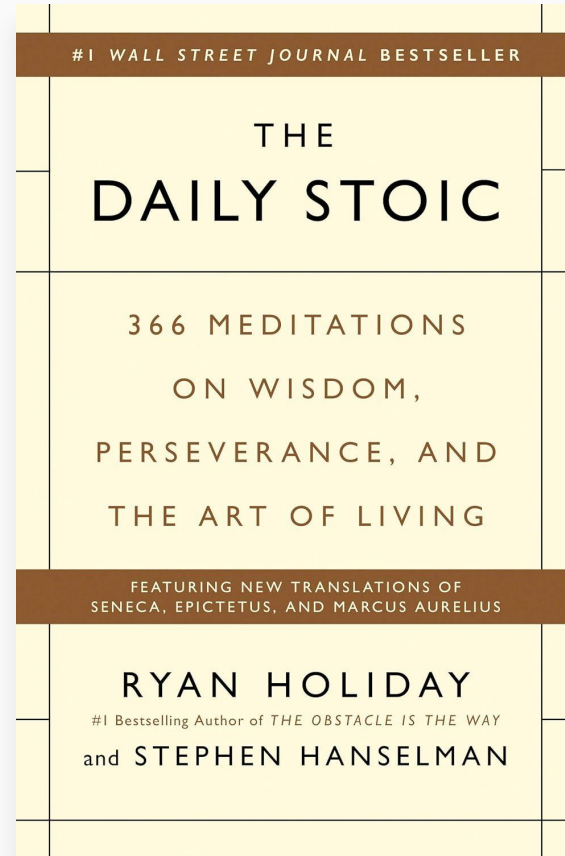
# Resources





# A gift

- We're going to send a copy of "The Daily Stoic" by Ryan Holiday and Stephen Hanselman to 20 people as a gift
- Make a note in the survey if you'd like a chance to get a copy, and tell us where to send it



NEW

### Smart Giving Suite

- ✓ Donor-Advised Funds (DAFs)
- ✓ Stocks & Securities
- ✓ Qualified Charitable Distributions (QCDs)
- ✓ Crypto
- ✓ Portal

### Planned Giving Suite

- ✓ Legacy Gifts
- ✓ Estate Planning Tools
- ✓ Portal
- ✓ Featureships

### Planned Giving Websites

- ✓ Planned Giving Website build
- ✓ 12 hours per year of updates
- ✓ WCAG 2.0 accessibility compliant
- ✓ Mobile friendly
- ✓ Google Analytics integration available

The most comprehensive platform for charitable giving.



**One minute break**

**Q&A is next!**

Please take our short survey  
(link in the chat)



# Next steps

1. Please fill out the survey
2. Next Webinar: **December 5th at 12pm ET: “Crafting a best-in-class Direct Mail plan for 2024 (feat. special guest Josh Alcorn)”**
3. If you have creative ideas to share (or if you need anything at all), just email me at [patrick@freewill.com](mailto:patrick@freewill.com) or connect with me on LinkedIn.

