

# PHILANTHROPY FORECAST

Partners in Philanthropic Planning—Orange County  
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## I. WHY I CAME HERE TODAY

Imagine my surprise...

The problem...

## II. PHILANTHROPY FORECAST—TOP TEN QUESTIONS

*Survey by Lynda Sands and Greg Bodine*

### A. Challenges in two-five-ten years

- Donor uncertainty both for themselves and their heirs and hence their desire to protect assets
- Charities becoming more aggressive in marketing
- Peaceful co-existence breaking down between charities breaking down with jobs being cut back
- More bottom line concerns coming to forefront

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- Meeting campaign challenges
- Creating trust with donors
- Setting 5 year strategic plans

- Needing to retool the message
- Getting the message out effectively
- Meeting the needs of leadership succession

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- Changes/shifts in tax laws
- Disincentives for philanthropy (no tax-based reason to give)
- Uncertainty with estate tax law changes
- Very low interest rates on fixed income securities

A-1. Effect of technology 2-5-10 years out on planned giving

- Need to integrate technology
- "Digital dashboards" will hold us more accountable for producing results
- No change at all
- Boomers replacing non-computer generation bringing more online opportunities
- Websites becoming more important
- Twitter and Facebook not useful to planned giving due to privacy
- People going immediately to the web for resource information on "our charity"
- Donors more savvy/ real time updates
- Advisors needing bequest language go to website
- Social networking and direct access to consumers
- Fundraising going paperless

- Computer literacy expands and grows this approach to donors

## B. Geographic

### National trends

- IRA Rollovers
- Taxes and changes in taxes
- Explosion of nonprofit (NP) consulting firms selling contracts with small NPs putting them on a more equal footing with larger NPs, the larger ones to play catch-up
- More sophisticated marketing
- Tax disincentives for philanthropy
- Social media impact
- More stories on legacy gifts appearing in mainstream media
- Decline of *inter vivos* plans, rise of estate giving

### Regional trends--

- Bankruptcy of state/local governments requiring greater reliance on charities
- Population shift to Southwest--new donors and volunteers
- Dependency on local economy
- Re-emergence of some type of "estate tax"
- Challenges relating to jobs and housing, therefore greater emphasis on current income gifts

## C. Economy

### Global—

- A good natural disaster once in a while helps
- Need a stronger US
- Decline in US economy will create interest in planning tools to preserve after tax, after inflation, risk-adjusted lifetime income
- Smaller world, more travelling, greater opportunity for NPs to build larger base
- China's view of government role in economy, very different from ours, may have increasing influence on our economy, therefore a reduction in charitable tax benefits
- Emerging economies' (comment—BRIC) increasing competition for goods/services straining relations and heightening international tensions, thus increasing donor anxiety

### National—

- Economic uncertainty
- Jobs
- Consumer confidence
- Home prices
- Government insolvency/debt
- The above depress income, reduce confidence in future to make planned gifts
- US losing ground to global economy
- US shrinking in proportion to the rest of the world

### Nonprofit industry—

- Transparency of accounting

- More concentration on social good, less on “art” side of industry
- Becoming more business savvy to survive and thrive
- Growth in health sector
- Struggle to support increasing demand for services
- Privatization of education
- Need for cash far exceeds need for deferred gifts
- De-emphasis on planned giving

D. Management/Board

- Seeing results of planned giving, the board and management have more commitment
- Integration of technology for personalized services to donors
- Loss of planned giving staff, uncertainty
- Targeted marketing and good information sharing
- On board to develop an endowment
- Reluctance to do gift annuities with donors living past life expectancy

E. Personnel/staff in planned giving role

- No change
- Shift to relationship leader
- Major Gift Officer subsumed into Planned Gift Officer
- Consolidation, more collaboration, more depth of relationship
- Merging of major and planned gifts
- Emphasis on cash, possible elimination of planned giving in future

- Blur of definition of major and planned giving
- Major gift officers don't want to do planned giving, but planned giving officer often do major gifts

#### F. Collaborative Professionals

- We trained them, now they want to train us
- Convincing clients they (the professionals) do charitable planning and don't need to work with a charity
- Professionals still focus more on vehicles
- Fidelity changed everything
- Increasing use of tech and web based systems for designing, drafting, and funding of trusts
- Less willingness to include charity and share information
- Many versions of "Fidelity Fund" eliminates incentive to share info
- Becoming less collaborative
- Professionals need to grow their business in order to help charities, and charities need to understand this

#### G. Effect of Tax Law Uncertainty

- Charitable gifts will continue if they warrant donor support
- Everyone is frozen in place
- More people freed from estate tax will find it refreshing (not mandatory) to give and will choose charities differently
- Negative effect, confusing

- From professional advisors' side—huge new opportunities, keeping us very busy

H. Personal—Three biggest challenges

- Economy and taxes
- Advisors afraid to promote charitable planning
- Staff training
- Lack of donor interest
- Decreasing support for planned giving
- Uncertain budgets and job loss fear
- Time challenges resulting from growth in territory and increased demands
- Marketing planned giving to prospects who don't understand
- People believing they have “taken care of everything”
- Prospects don't like to think of their demise
- Getting good referrals from planned giving officers
- Explaining details without overloading the donor

I. Your career—three best things

- Helping people get to a better place financially
- Starving the IRS
- Making a difference in local community
- Working with an organization that represents American strength, freedom and peace

- Using financial background in planned giving
- Having a cause to believe in/loving the purpose of the organization
- Having tools and marketing support
- Relationships with donors and advisors
- The “puzzle” of planned giving
- Shared vision, uniting advisors and family
- Finding creative solutions
- Knowing donor money makes a difference

J. Would you advise a philanthropy career?

- Yes—with the right organization
- Yes—wonderful ways to serve clients
- Yes—in major gifts
- Yes—good gift officers can come from all backgrounds
- Yes—dive in
- Yes—understand psychology first, then the psychology of money, tools, techniques
- Yes—easy to multiply your talents
- Sure—focus on personal strengths

Other thoughts

- If it were easy, everyone would be doing it
- Challenge now is to get fundraisers out from behind the internet and into face-to-face relationships with the ability to ask
- Top leaders don't necessarily understand it takes time to develop major gifts

### III. MY ADVICE

Imagine...

See my doodles, next pages

That's all for now!







