



# PhilanthroCorp

America's Planned Giving Solution

## The Case for Planned Giving

*By pursuing a strategic planned giving program, charities can capitalize on the opportunity presented by America's current wealth transfer.*

### Opportunity:

The United States is presently in the midst of the largest wealth transfer in history. Recently, researchers at Boston College conservatively estimated that \$41 trillion will transfer through settled estates during the 55-year period from 1998 to 2052. Charities that are proactive and invest in a planned giving program will benefit from this phenomenon, and the financial rewards are dramatic. If administered properly, a coordinated planned giving effort will endow or expand the charity's mission in a relatively short period.

### Need:

When committed supporters of any charity are guided through the estate planning process from a stewardship perspective, giving comes naturally. Donors merely extend the same stewardship principles to their estate that they exercise during lifetime. PhilanthroCorp's historical averages illustrate this well. Moreover, a comparison of PhilanthroCorp's results versus national averages cited in the Boston College study illustrates the importance of a coordinated planned giving effort.

Percent of Estate Gifted to Charity	Overall U.S. Averages	PhilanthroCorp Averages*
Estates < \$1 million	3.0%	26.5%
Estates of \$1-\$10 million	8.5%	29.0%

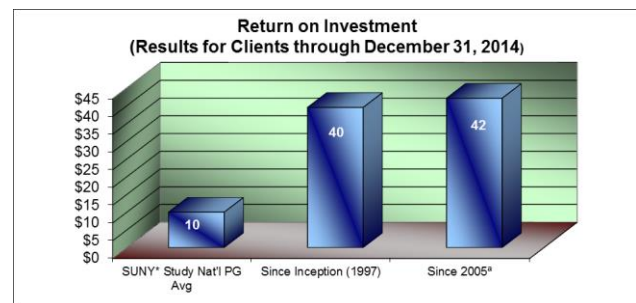
Boston College Study: "Millionaires in the Millennium", by Havens & Schervish

\*PhilanthroCorp Averages from 2003 – 2009 results

### Results:

The financial rewards associated with investing in planned giving are extremely impressive. State University of New York studies indicate that it costs only 8 to 10 cents to secure one dollar of planned gift through a typical planned giving program. PhilanthroCorp's outsourced planned giving model reduces this to a cost of merely 2.4 cents (average PhilanthroCorp results since inception in 1997).

Simply stated, investments in a well-defined planned giving program will produce benefits at a staggering rate. Historically, every dollar invested in PhilanthroCorp's services produced slightly more than \$40 of planned gifts (current value). In other words, a million dollars strategically placed in our planned giving services, would be expected to multiply to \$40 million in deferred bequests. This \$40 million is valued as the current value of the deferred gift; future values at maturity would, of course, be much more.



**Problem:**

No matter how well a planned giving program is implemented, the program will involve an investment of today's dollars for future benefits. By targeting planned giving towards older, committed supporters with long giving histories, the payback period of the investment can be shortened and ultimate returns enhanced. However, all planned giving efforts will involve a cash drain during the initial investment period until the desired payback period begins.

Most charities either cannot afford such initial investments in planned giving, or existing leadership lacks the long-term perspective to make current expenditures to secure benefits that may not occur during their tenure. As a result, planned giving is neglected and fundraising is focused on individuals' liquid assets, which constitute a small portion of their net worth. Consequently, the opportunity to capitalize on the wealth transfer and permanently endow or dramatically expand the charity's work is often forfeited.

**Solution:**

The most important step in launching a successful planned giving program is making the commitment to start. The scope of the initial effort in planned giving is not nearly as important as the commitment to maintain this investment over time. If a small amount of a charity's budget can be allocated for planned giving each year, enormous benefits can be obtained. Further, if discipline is instilled in these efforts to measure results, and if planned giving communications include current gift of asset possibilities, encouragement from these efforts will be frequent. Building upon successes and, in time, allocating more resources to broaden the scope of planned giving becomes quite natural.