


# Legacy Gifts

Planned Giving 101: The Legacy  
a Donor Leaves Behind



Everyone wants to leave a mark on the world (or at least within their own communities). The Boston College's Center on Wealth and Philanthropy found that mark is often charitable donations. Between 2007 and 2061, there will be a Great Wealth Transfer during which an estimated \$59 trillion (yes, with a "t") will be transferred from 93 million estates of which an estimated \$20 trillion will be given as gifts to organizations like yours.


These facts reinforce why it's important for organizations to start thinking now about how they invite their donors to leave personal legacies through planned giving.

It can seem daunting to integrate the complexities of planned giving into your fundraising activities. It can also feel awkward to have a meaningful (and sensitive) conversation with a donor about the end of their lives. But, if the experts at Boston College are right, organizations will be missing out big time if they don't figure out how to encourage and accept gifts from their donors' estates. Here are some things to keep in mind when you want to inspire donors to create a legacy with your organization:

## Planned Gifts Don't Have to Be Complicated

Yes, planned giving can be complicated. Deferred gifts like charitable remainder trusts and charity lead trusts usually involve an attorney, a financial planning specialist, and a fundraiser with specific planned giving experience. That doesn't mean all planned giving has to be complicated. Here are a couple of simple points you can easily incorporate into your fundraising efforts:

**Bequest:** What better way for a donor to support you after they pass away than by naming you as a beneficiary in his or her will?



Establish “Legacy Society” (or whatever you want to call it) and encourage donors to tell you if they name your organization in their wills. Because bequests are revocable it’s not a good idea to include them in campaign or other fundraising totals. But in true donor-centered fundraising, you should celebrate the forward thinking of this very special group of donors!

**Life Insurance:** These enable donors to make a larger financial commitment for a fraction of the cost and name your organization in a paid in full policy (key words being “paid in full”). They can be structured so that you are a beneficiary and will receive payment upon the donor’s death. If the donor wants to make an immediate gift using a life insurance policy, he or she can name the organization as both owner and beneficiary of the policy.

At some point, you may want to add a planned giving specialist to your staff who can manage the more complicated giving vehicles. You can also work with a planned giving consultant who can provide valuable insight on this type of giving.

What do you do with these planned gifts when you do receive them? It depends. I’ve seen many organizations restrict bequests to develop or grow an endowment since you can’t forecast them and in honor of the true spirit of giving in perpetuity. Be sure you communicate this gift designation with your donors. Depending on the size of the potential bequest, that donor may wish to have it used for a different purpose. The point is to keep an open dialogue in understanding the donor’s and your needs.

## Planned Giving Donors Can Be Anybody

There is no one type of planned giving donor. Of course, there are those who tell you they put your organization in their will. One of these individuals may be a great person to name a chair of the "Legacy Society." He or she can set an example and help identify other potential planned giving donors.

Then, you can reach out to your Board and other volunteers to be other founding members of the Legacy Society.

Finally, many organizations assume that their planned giving donors are within their major gift prospect pool. In fact, your best planned giving prospects are often those donors who have been supporting you at lower amounts for a very long time, say over the last eight to 10+ years. They understand what it means to be in it for the long haul. While their giving levels may be lower now, their assets may enable them to make a larger financial commitment in the future.

## Market, Market, Market

Make planned giving promotion an integral part of donor communications activities. Put a simple note at the bottom of your appeal letters, as an insert in your next mailing, and in the signature of your staff's emails that asks people to consider your organization in their estate plans. Develop a Legacy Society page for your website that offers standard language to use in a will that names your organization as a beneficiary and includes a form the donors can send to notify you of their bequest intentions. Include an article in your newsletter that profiles a donor who made a bequest or other type of planned gift to your organization. With this consistent communication, you never know who will surprise



you with a six or seven figure bequest.

While we're all focused on the here and now, remember that focusing on planned gifts is a wonderful opportunity for your organization to plan for its long-term sustainability.

This material, written by Barbara Reilly, CFRE, was originally a post for Network for Good's "The Nonprofit Marketing Blog" on February 1, 2016.