The Chesapeake Chronicle

A Publication of the Chesapeake Planned Giving Council

NOVEMBER 2023

Letter from the President

Aquanetta Betts, JD
President, CPGC

Dear Friends,

This letter is bittersweet in so many ways. I am finishing up my third year as president of the Chesapeake Planned Giving Council (CPGC). With the unwavering support of members, sponsors, board of directors, Association Matters, Inc., and friends, the past three years have been an absolutely thrilling ride.

Upcoming Events

[Online Wills & The Uniform Electronic Wills Act]
November 6 |
12:00 - 1:30 PM |
Loyola Timonium Graduate Center - 2034 Greenspring Dr

[Events]

Let me share some background with you. On January 1, 2021, I was handed the reigns from my predecessor, Richard Letocha. As the immediate past president, Richard has continuously served as a source of knowledge, and support. I am grateful.

The biggest challenge faced by CPGC during my tenure (2021-2023) was navigating the pandemic and what that meant for our regularly scheduled programming. Prior to the pandemic we had our educational programs and networking offerings down to a science – 6 times a year (in-person meetings). It was great. CPGC had to shift from in-person to virtual meetings. What did that mean for programs, networking, and keeping things as they had been? As many of you know – routines were upended and few things look the same today as they did a few years ago.

I am pleased to say that CPGC has remained intact with lots of work ahead. The folks in place to lead CPCG will continue to steer the organization in the right direction as a notable leader in planned giving educational programming and networking opportunities in the Chesapeake region, and beyond.

What's next, I hope to see many of you in Chicago, November 1-3, for the CGP Conference. It is a sold out event – I am looking forward to seeing many of my colleagues and peers.

CPGC has an in-person Lunch and Learn event (and Annual Meeting) on November 6, 2023 - Online Wills & The Uniform Electronic Wills Act, speaker Jade Bristol of Giving Docs will share information. Join us - registration required.

Before I close this letter, I thank all of the board members who served during my tenure. I must acknowledge and thank CPGC's current board for their steady guidance and contributions: Les Goldsborough, John A. Gilpin, Rosemary Calderalo, Angelia Rowe Garner, Zachary Heeter, Daniel Bornstein, and Steven Wantz.

CPGC wishes you and your family a Happy Thanksgiving, and best wishes for the upcoming holidays.

Thank you for your support through the years.

Sincerely,

Aquanetta Betts, J.D.
CPGC President
LinkedIn

CPGC News

Chartered Advisor in Philanthropy® Study Group Update

Our Chartered Advisor in Philanthropy (CAP) Study Group has hit the ground running! In conjunction with our Greater Philadelphia/Delaware partners, we enjoyed an introductory Zoom meeting in September, followed by our first substantive Study Group Zoom meeting on Wednesday, October 18. Two financial advisors who are CAP certificants spoke with the group about “Your Seat at the Table,” part of CAP’s GS839 coursework. We also enjoyed discussion on the topic “Wealth in Families” and the well-known book of the same name by the late Charles Collier. The Study Group will continue to convene monthly through June, 2024.

The attached flyer explains the CAP® program in more detail. Please also visit the following link for additional information, including the pricing: https://www.theamericancollege.edu/designations-degrees/CAP

Richard J. Letocha, J.D., CFP®
Director, Gift Planning
Johns Hopkins Office of Gift Planning
Chesapeake Planned Giving Council, Immediate Past President

CAP Flyer

Learn More

The Perfect Storm for Giving Professionals: Tax Tsunami + Capable and Motivated Donors

By Eric D. Brotman, CFP®, AEP®, CPWA®

Eric D. Brotman, CFP®, AEP®, CPWA®, is Chief Executive Officer of BFG Financial Advisors. He began his financial planning practice in Baltimore in 1994, and founded Brotman Financial Group in 2003, which later became BFG Financial Advisors. He and his team focus on supporting families and individuals by providing comprehensive financial planning and wealth management services.

Eric is presently serving on the Board of Trustees for Bryn Mawr School in Baltimore, Maryland. He previously served two four-year terms on the Board of Trustees for the Maryland State Retirement & Pension System as an appointee of former Governor Larry Hogan, and on the Business Advisory Council for former Comptroller, Peter Franchot.

In addition to BFG Financial Advisors, Eric founded Brotman Consulting Group, LLC, which works with other financial advising firms to amplify their practices and create influence, and Brotman Media Group, LLC, which focuses on creating and distributing educational resources to help spread financial literacy throughout the community.

Non-Profit organizations have been waiting a generation for the perfect opportunity to increase their fundraising efforts, and that time is now.

Here are a few reasons why I believe fundraising should have an amazing decade ahead and how non-profit organizations, private donors, and charitable giving professionals can work together to harness the power at hand.

Realities of Wealth Transfer for an Aging Population

As more and more people live into their 90s and beyond, leaving money to grown children in their 60s and 70s becomes less advantageous and necessary. Heirs in their 70s are already grappling with the reality of required minimum distributions from their own retirement accounts, and the addition of inherited funds subject to the 10-year distribution rule may cause bracket creep, increase Medicare premiums, and compound their own estate values at a time when they have fewer and fewer income tax deductions available to them.

Most wealthy seniors would prefer to leave money to grandchildren or charitable organizations than their own grown children, and the generation skipping transfer tax limits direct gifts to grandchildren already. In addition, these grandchildren are in their 30s and 40s and may be exploring financial aid options to pay for education for their own young children, and an influx of capital from grandma might simply alleviate the aid options available.

Tax Tsunami

Since the proliferation of defined contribution plans, the investing public has been sold a bill of goods that they should maximize tax deductions during their working years in favor of paying taxes on the funds during their lower-income and therefore lower-tax retirement years.

This logic is not only false, its damaging except in the cases where an individual has done a terrible job accumulating wealth and has actually planned for financial failure by not saving enough for retirement. In most cases, the funds have compounded for 30 years and now the income tax which will be applied may actually be a higher percentage on that higher income–the worst possible tax result.

Let’s also not forget that the government is broke–at every level. Years of overspending has caught up with the federal government and the only solutions point to much higher taxes in the future to pay for wild mismanagement of the past.

Distrust of Government’s Use of Funds

I’ve yet to meet the individual who says, “I’d like to leave extra funds to the government because they’ll do such a good job in using the money for the greater good.” Nope. Never.

Seniors would much rather give to charitable organizations who will actually use the funds for their intended purpose, and they have the ability to match the willingness to do so.

They would also like to see some of their funds used for good during their lifetimes, rather than waiting to leave bequests and other posthumous gifts.

Legislative Incentives

Now is the time to make annual Qualified Charitable Distributions from qualified plans and IRAs and to explore planned giving options like donor-advised funds. With interest rates back to a “normal” range, charitable remainder trusts will be back in vogue soon, and charitable gift annuities will continue to improve.

In terms of intra-family transfers, the use of 529 College Savings Plans for grandchildren and great-grandchildren is a fine way to reduce taxable estates and to provide for loved ones in future generations. Used properly, it’s a great way to roll funds downhill without getting bludgeoned by Uncle Sam.

Another option is life insurance. Using whole life insurance for charitable giving and for intra-family wealth transfer can be incredibly powerful and can keep the taxman at bay for several generations.

The lesson:

If you are a professional fundraiser, align yourself with like-minded financial advisors and talk to your existing donors (especially older ones) about ways to make a difference. They care much more about the WHY than they do the HOW of philanthropy.

In my 30+ years in the industry, I find most non-profit organizations do a very poor job of communicating not only planned giving strategies, but also annual giving strategies to their donors. Don’t wait for the CPA to come up with suggestions–you be the evangelist for the donor families, and you can generate enormous goodwill and loyalty.

Trust, human connection, and infrastructure: A guide to building donor and investor relationships

Reprinted from Philanthropy News Digest

Trust, relationships, and funding from investors or donors are based on (gasp) emotions. Humans have emotional attachments to their money and trust is woven into all strategies and decisions. Even people who base their decisions on the numbers, the facts, the balance sheets, and datasets have narratives.

Yet, in this time of artificial intelligence (AI), social media, and so many virtual realities, human connection has been consistently de-prioritized. Given the growing potential for bias, polarization, and isolation, nonprofits increasingly will need to rely on the science and art of trust to diversify revenue streams, retain existing relationships, and grow impact. As your organization looks to appeal to donors and investors, remember that *transactional fundraising is limited, yet relationship fundraising is limitless*.

Put simply, your organization will raise more capital if you value human connection, understand the speed of trust, and build the infrastructure conducive for trust fundraising. Developing these three verticals will enable your teams to develop authentic and long-lasting relationships, seamlessly through a dedicated structure.

Human connection

At its core, human connection is a feeling of belonging and acceptance. It is a place to be seen, accepted, and when possible celebrated for differences in thought, action, talent, and experiences. When people feel like they belong, they engage and care; when donors feel engaged, giving goes up.

Human connection does not depend on shared backgrounds and experiences but instead on the ability to recognize similarities and differences, appreciating and accepting them. It relies on the ability to listen and acknowledge the big attributes and small nuances that make up a human being. It may be a slow build over many interactions, or it may be instantaneous. Time and opportunity for repeated connection determine whether the connection continues, as do the acceptance of humanity in others, authenticity, and non-judgment.

Developing this level of connection with potential and current donors will help fundraisers listen to and understand their donors. Over time, this practice will help maintain trust—and rebuild trust when inevitable mistakes are made.

Speed of trust

Many executives recognize the need to build or rebuild trust in their organizations, but they often want to fast forward the time it takes to build and foster it. They also struggle to understand *how* trust can be built and managed.

Research shows that trust is a 3x performance multiplier, that facilitates progress, innovation, and growth.

How do you develop trust? There are eight factors:

1. Self-confidence and respect. Trust starts with you.

2. Tone and curiosity. When you're meeting with prospective donors, relax the muscles in your face, and check your tone. Bring curiosity and listen.

3. Integrity and intention. Do what you say you'll do and respect boundaries. When someone says "No," respect it.

4. Capability and capacity. You are likely doing three peoples' jobs. Determine what you can commit to following up with and doing well—and stick to it.

5. Prioritize impact and stewardship activities. Listen to and notice the small things about people—how they take their coffee or hate coffee and want sparkling water. Is their cat or their mother sick? Remembering and caring about the small details are huge.

6. What we measure counts. The impact of your work matters. Acknowledge and be accountable to share successes and mistakes.

7. Value privacy and confidential information. Your donors' data and privacy are not your currency to spend.

8. Time. Every trust equation is multiplied by time. Time to make mistakes, be accountable, show your integrity, authentic apologies. Trust is not a one-time activity. The key to unlocking it is to understand that you can't skip the time.

Building infrastructure

Every fundraising program should be centered around stewardship and impact reporting. How will building infrastructure help raise funds?

Infrastructure is necessary to run any business. Nonprofits are businesses—they don't and can't run on "we do good work" unless they have the systems in place to do the work. Staff and systems are necessary to manage donor relationships and money raised and to raise more money. You need systems to process gifts, acknowledge them, share impact stories, visit donors, bring pieces of the mission to your donors, connect them with the community of program participants, ensure that the programs are run well, course correct and more.

Infrastructure planning should start with clear conversations about budget—it takes money to raise money. Depending on your infrastructure and staff capacity, you should expect to pay 10 percent to 25 percent of what you want to raise on infrastructure. Underpaying, under-resourcing, or expecting free work means you'll waste time and money, and you'll inevitably end up paying at least $2 to raise $1.

According to a study by the Association of Fundraising Professionals, donor retention rates for organizations with strong relationships were 43 percent higher than those without. In addition, organizations that invest in donor retention strategies have a 150 percent higher return on investment (ROI) than those that do not. Furthermore, professionals with a high emotional quotient (EQ) and who connect on human level are sure to win.

The "ask" isn't the best metric or driver of your fundraising program. Trust and stewardship are the best drivers. Yes, asking is a significant part of fundraising relationships, hence many people, corporations, and foundations will give a smaller "test gift" to an organization. If you steward the gift properly, prioritize building trust, and understand that donor trust should be tangible and strategic, you will have built a critical asset.

How to Soften the Death Undertones of Planned Giving Marketing

Reprinted from PlannedGiving.com

The unspoken message in the planned giving world is that a death must occur for a gift to be fully realized. This presents a unique challenge.

Here are three ways to alleviate the macabre undertone of death language in your planned giving marketing and get your program on track for success.

Feature a Story from a Living Donor

Storytelling should be the place you start for all of your nonprofit marketing campaigns, including planned giving. Appeals rely on building an emotional connection, so stories are a natural tool to use. For planned giving, instead of telling a story that focuses on the legacy of a former donor who has passed away, feature a current donor who has arranged for a future gift to your organization—and avoid any death reminders.

The story can highlight and celebrate this person, their family, and their life. They can share why they chose to make a planned gift and talk about the emotional and financial benefits they're enjoying from it. They can talk about what they hope the gift will accomplish and what that means to them. These kinds of stories are an emotional gold mine! If told well, to the right audience, they will motivate action, especially if they include the kind of planned giving language (more on that later) that works.

As a bonus, the time you spend interviewing this donor and then celebrating them publicly is a wonderful stewardship act. Hearing and telling someone's story makes them feel special and appreciated and connected to your organization—which is exactly how you want planned giving donors to feel.

"But I Don't Have Any Stories"

What if you are a small shop just getting started on your planned giving strategy and you don't yet have a pool of legacy donors from which to share a story? Find someone who may benefit from the planned gift and share their story instead. All meaningful fundraising campaigns contain a compelling case for support. This is the quantified, real-world reason why you are asking for donations in the first place. Maybe your planned giving campaign will establish a scholarship endowment or help build a new building.

Likewise, a story about someone who has benefitted from your mission can be used to show that legacy gifts can continue to fill similar needs in the future. Use a strong call to action with planned giving language like, "Explore our planned giving program to find ways to shape your legacy and help us continue our mission for future generations."

Add a 'Save the Date'

This strategy is simple but effective. Simply adding an invitation to an in-person event in your email or direct mail brings your message to life. It takes the focus away from someday (i.e., when you die) to now.

Planned giving donors want to be able to picture their legacy. One great way to do this is by committing to social activities for your planned giving donors on a regular basis. These events should provide ways for donors to connect more deeply with the organization and get their questions answered—like a site visit, facility tours, or program exhibitions. You can invite your organization's legal representation so donors can conveniently schedule follow-ups as needed.

Use the Right Planned Giving Language

Getting your planned giving language "right" is not rocket science. In most cases, it's simply a matter of being mindful of the donor by putting yourself in their shoes and avoiding death reminders.

For instance, which would you rather hear?

- “You can make a gift in your will today that won’t take effect until after your death.”
- “You can make a gift in your will today that will have no impact on your day-to-day finances.”

The second version sounds much better, right? You’re not reminding your prospect of their own mortality—and you’re reassuring them that their gift will be painless. The same logic applies to any legacy gift appeal. You don’t say, “You’ll get guaranteed income until you die.” You say, “You’ll receive a guaranteed paycheck for life.”

Donors Don’t Want Death Reminders

The only reaction you’ll get by using death language in your planned giving marketing is avoidance.

Instead, focus on storytelling, creating social activities for donors, and using the right words and phrases in your planned giving language. You’ll be rewarded with a better ROI — and more (and bigger) planned gifts.

---

7 tried-and-true methods to show donors appreciation

Reprinted from Bonterra

Everyone enjoys being appreciated and shown some love.

With the integration of technology into every area of our lives, reaching out to say thank you can be easier than ever before. If you’re using an online donation platform, anyone making a donation online receives an automated receipt. But confirming that a credit card has been processed and informing the donor that their gift was received is just a transactional thank-you.

If a donor sends in a check, transfers funds electronically, or drops off a gift in kind, the first letter they receive acknowledging that gift (and offering the IRS-required tax receipt) is also a transactional thank-you – and is the very least we can do. This sort of acknowledgement, if received within 48 hours, has been shown to increase the likelihood of another gift from that donor by four times.

But a transactional thank-you is never enough. To truly appreciate donors and show them some love, we need to move beyond the transactional thank-you to relational gratitude. Creating a culture of gratitude means that we move beyond what is expected to thanking donors and showing appreciation when – and in ways – they least expect it.

Donor Recognition Messaging Examples & Ideas:

1. Send a video or text message including the donor’s name so they know it was made just for them.

- The more personal our touchpoints with a donor are, the better. By using their name in a communication you immediately draw their attention and make them feel appreciated. While email and snail mail correspondence can be personalized, video messages feel even more personalized. People love it, and videos have 6x the conversion rate of emails!

2. At the beginning of each board meeting, take a few moments to write thank-you notes to the most recent donors.

- Board members can be very busy people (and remember, they're all volunteers!). While many are more than willing to help, finding the time can be tough. Taking a few moments during a meeting to write notes ensures that the notes are written and doesn't require additional time and attention of the members.

3. Each month, invite board members to call every new donor to thank them for their generosity and to listen to what inspired their gift.

- Not every board member has the time or the inclination to pick up the phone to speak to donors, but if you are hoping to encourage board engagement in donor solicitation, begin with stewardship. It is much easier to call to thank someone than to ask for money. And from the donor's perspective, receiving a phone call for a first gift, regardless of the gift size, let's them know their gift is valued.

4. Send a small token of appreciation, perhaps quarterly:

- An herbal tea bag with a handwritten note – "Enjoy a cup of tea on me!"
- A small packet of an herb like mint, thanking them for planting seeds for the future
- A refrigerator magnet or sticker that speaks to your mission and vision

Small tokens of appreciation are inexpensive ways to let someone know you're thinking about them and appreciate what they do for you. These don't need to be announced as "promotions" during an appeal, but these unexpected touches keep the organization in the donor's mind as part of the broader donor cultivation process.

5. If you have their birthdate (or birth month) send a branded "Happy Birthday" card. (If your local oil change vendor and dentist can send them, can't your favorite nonprofit?)

- Who doesn't like to receive a birthday message? It's the one day of the year that is all about us! Anecdotally, donors who receive birthday greetings are often likely to make a gift in that year.

6. Choose a few holidays – like Valentine's Day, St. Patrick's Day, Hanukkah, Christmas, or a national day specific to your mission – to send an additional note of gratitude.

- When sending these greeting cards, remember to not make it a rote exercise by adding a personal note, perhaps sharing why their support is important to your community. How do they share the love? How do they help you find your pot of gold? How does their engagement remind you of what is important: hope, joy, peace?

7. Identify a day that is significant to your mission and use it to celebrate your community. Be sure to include donors, volunteers, staff, and program participants in the celebration.

- In a calendar filled with national appreciation and awareness days, it can be easy to get lost in the noise. Establishing a day that is meaningful to the entire organization is a way to celebrate your community and raise awareness at the same time.

And remember, when you are thanking donors, thank *them* for being generous, for *their* generosity and kindness, instead of for their “generous donations.” The donation isn’t generous or kind, the donor is!

Regardless of the exact method you use to show your appreciation beyond the transactional thank you, remember to share with the donor how their donation is having an impact. Share stories of impact that will let them know that they are making a difference in someone’s life, the community, and the world.

In the end, exactly what you do to thank your donors and show them love is not as critical as the fact that you do something beyond the transactional receipt thank-you. What matters is that you thank them when they don’t expect it and that they understand the impact of their gift.

Getting Over The “Ick” Factor in Planned Giving Conversations

Reprinted from [Veritus Group]

If you are newer to the world of planned giving, or perhaps you’re an MGO or MLO being asked to have planned gift conversations with your donors, you may be experiencing what I call “The Ick Factor.” The first time you learn about some of the strategies used in planned giving, you may feel a little squirmy due to how personal these conversations can be. (I know I did when I first dipped a toe in the planned giving pool.) Have thoughts like these ever crossed your mind?

- It feels weird to prioritize donors because they’re childless or a widow.
- You want me to ask them WHAT about their relationship with their children and the family business?
- Why on earth is a donor going to talk to ME about their tax concerns?

- I don’t want to talk to people about when they’re going to die!

If you’ve had these thoughts, you’re not alone – and you can overcome them. By getting your head and heart right around your role in a planned giving conversation, you don’t have to feel “The Ick Factor.” Instead, you can feel the joy and satisfaction of helping your donor leave a legacy they are passionate about.

If you’ve been following Veritus Group for any length of time, you know we believe that fundraising is not just about the money. And even though planned giving conversations go into deeper and more complex territory around finances, that philosophy still stands true.

The role of any frontline fundraiser – Mid-Level, Major Gifts, or Planned Giving – is to be a bridge between a donor’s passions and interests and the work of your organization. The only differences in planned giving are that the donor is investing in future impact instead of current impact, and you are asking for gifts of assets instead of gifts of cash.

The questions you ask and the details you’re learning during a planned giving conversation are meant to help you learn more about a donor’s vision for their legacy, and their concern for themselves, their family, and the world. Your only motivation for gathering this information is to learn if your organization has something to offer that would meet those passions or concerns.

And remember, you’re going to learn all this information using open-ended questions and the Permission-Based Asking Model, so your donor is always at the center of the conversation. In this way, the donor can steer you away from any topic that they’re not comfortable discussing without that awkward moment. (Check out this blog post for a few examples of permission-based asking in action.)

So let’s put this into context of some of those thoughts you may have had and how we can reframe those:

- A widow with no children may still have a strong passion for leaving a legacy beyond her lifetime, and may not have a family structure that she envisions as part of that legacy. Planned giving allows you to share how she can make continuing your organization's work a part of her lasting impact in this world.

- You wouldn't jump right into asking a donor, "So, are you selling your business or giving it to your kids?" Once you've built a trusting relationship, you can ask a donor to share more of the story of their family business – how it started, how it's grown, and where they see it going. In time, you'll learn more about their vision for the business, as well as their family's involvement (or lack thereof). Once you've identified any pain points in the donor's planning process for the business, you can learn whether your organization may offer solutions through a planned gift. The important thing here is that you aren't trying to manipulate the donor to your end goal. You're listening, hearing, and honoring the donor, and providing solutions that align with their philanthropic goals.

- Not every donor is going to share their tax concerns with you (and that's ok). And as you're building a deeper relationship and learning more about their assets, their business, and their family, you may pick up on indicators that the donors have some tax concerns for the future. It can be as simple as an offhand comment like, "Well our finance guy keeps telling us to spend more…" If you pick up on these indicators, then you can ask permission to ask more about that concern. Then, if appropriate, you can share planned giving information that may be helpful for the donors and their advisors to review.

I'm not saying planned gift conversations will always be easy – especially if you're new in this space. But when you go in with the right goal of learning information that will help you to offer solutions that might meet your donor's concerns or help them fulfill their vision for their legacy, these conversations get a lot less "icky" and a lot more joyful and rewarding for both you and your donor.

Call for Articles!

Do you want to be featured in the next edition? We invite you to share your planned giving expertise and submit an article for the Chesapeake Chronicle!

Here's what we need to consider your article for publication:

- The article must be timely and relevant.
- It must be 750 words or less.
- Include full name, headshot, short bio, and link if applicable (LinkedIn or website).
- Email your article in original format (accessible web link or Word).

Email Your Article

Chesapeake Planned Giving Council [CPGC]
PO Box 1646 | Cockeysville, MD 21030
410-527-0780 | info@chesapeakeplannedgiving.org