

# RAISING MAJOR AND PLANNED GIFTS DURING TIMES OF CRISES:

LESSONS LEARNED AND BEST PRACTICES FOR TODAY

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VISION  
Philanthropy Group

Thompson &  
Associates<sup>SM</sup>  
Values-Based Estate Planning

# AN ORGANIZATION'S MOSAIC

The best way to describe a successful organization is to see it as a mosaic.

Multiple pieces make up the picture of success in fundraising.



# THE FOUNDATION



A mosaic needs 4 sides of a frame to hold it together.

The frame for a fundraising mosaic has four essential parts to a great foundation:

- Excellent leadership
- Appealing mission
- Dedicated staff
- High visibility among community

# BE POSITIVE, HUMBLE AND PROACTIVE WITH YOUR DONORS

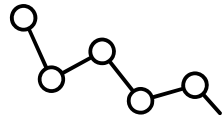
- Strengthen your case for current and future support
- We are in a storm:
  - It will pass over us, because it is moving like all storms
  - It will leave a mess which we will need to clean up
  - We must be better prepared for the next storm
  - We cannot fully prepare without folks helping us financially
  - We will be here for the next generation

# IMPACT ON MAJOR & PLANNED GIFTS

- There will be an impact in the short term, but we are not sure how to define “short term”
- Donors give when they believe they have enough to live on for the rest of their lives
- Today, many are not sure they can answer this important question
- Here are some major challenges:
  - Some donors have been impacted financially by the crisis, while others have not, but almost everyone has had an emotional impact
  - But, we don’t know who can and are open to give right now
  - ***Be very careful not to put the organization ahead of the donor***
  - I would not ask for a gift in my first few communications



# IMPACT ON VERY LARGE GIFTS



## Reduction

The number and size of mega gifts may be reduced.



## Rebound

Historically, it may take a few years to get back to normal.



## Net worth

Not everyone has seen a dip in their net worth.



## Solicitation

Solicit with humility and caution.

# IMPACT ON PLANNED GIFTS

1. Estate planning is more important than ever
2. Historically, the desire to create a planned giving program increases after a financial downturn because donors still want to help
3. Donors who are instrumental accumulators of wealth may still be open to making a commitment
4. Donors are seeing the true value of healthcare and they know that healthcare providers are the key to defeating the virus
5. They want to help as much as they can

# TWO TYPES OF WEALTH ACCUMULATORS



01

Terminal

02

Instrumental



# 3 TYPES OF DONORS & THE IMPACT ON THEIR GIVING



## Habitual

Most likely to give, but to fewer organizations and might be smaller gifts

The question is how do they feel when they open their investment reports

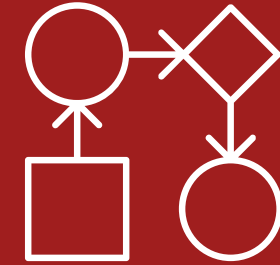
Year-end giving is still a possibility if the market returns to more positive levels



## Emotional

These donors may be in the valley of indecision right now

They must hear from you in emotional language on your current need(s)



## Strategic

These donors make investments rather than gifts

They are driven by facts and numbers

They are looking for a positive impact with a high ROI

# FRAMING YOUR WORK DURING A TIME OF CRISIS: LESSONS LEARNED FROM PAST CRISES

**At a time of overwhelming change and uncertainty, paralysis is your enemy.**

- What must we do immediately?
  - ❑ *Portfolio deep dive – deep analysis*
  - ❑ *Adjust metrics, but maintain measurables*
  - ❑ *“Connection is Protection”*
- What must we do next?
  - ❑ *Build community unique to mission*
- What must we plan for the future?
  - ❑ *What will the new normal look like, and how can we be ready?*



# WHAT ARE THE PRINCIPLES THAT REMAIN CONSTANT? LESSONS LEARNED FROM PAST CRISES

**Guided by what continues to be constant, be ready to innovate:**

- **Leadership**

- Managing how/when/who leadership connects with*

- **Relationship building**

- A time to deepen meaningful relationships

- **Stewardship**

- Lead with stewardship

- **Exquisite messaging**

- Clear, compelling, concise, consistent

# WHAT ARE THE PRINCIPLES THAT REMAIN CONSTANT? LESSONS LEARNED FROM PAST CRISES

**Guided by what continues to be constant, be ready to innovate:**

- **Sensitivity to donors and constituents**
  - “Pre-solicitation conversations”/When not to ask/clarifying, transparent conversations (e.g., major pledges)/the donor comes first
- **Gratitude and hope**
- **Informed by strategic plan, ability to pivot**
- **Team exercise:**
  - Create list distinctive to your organization. Stay focused

# OPPORTUNITIES NOW! LESSONS LEARNED FROM PAST CRISES

## Your focus should include:

- **Donor Advised Funds:** [Surge](#) in DAF giving, Chronicle of Philanthropy article
  - ❑ Identify gifts that have come from DAFs. Reach out
  - ❑ Look to your research! Donors who have given to Community Foundation
  - ❑ Include DAFs in messaging
- **Foundations** have been shown to pivot in past crises. They are doing so more than ever in this time.

❑ [New wave of COVID-19 Grants](#)

# OPPORTUNITIES NOW! LESSONS LEARNED FROM PAST CRISES

## Your focus should include:

- **High net worth:** Different channels of giving by high net worth individuals. Will give more aggressively out of other assets. Don't count them out!
- **Loyal households:** Percentage of households that gave declined in Great Recession. However, households that consistently give, give through crises, Lilly Family School of Philanthropy study. Keep your most loyal donors close. **Boldly listening: What matters most to your donors/constituents?**

# WHAT ARE THE OPPORTUNITIES UNIQUE TO THIS TIME? PURSUE THESE NOW!

## #Silverlinings #Covidkindness

- **Revisit the Psychology of Giving:** The power of social connection: Recommended reading: [Social: Why Our Brains Are Wired to Connect](#), Dr. Matthew D. Lieberman. Informs who and how we connect with at this time. The Happiness Lab podcasts, Dr. Laurie Santos. [Helping others to help yourself](#)
- **Build the Team:** Evaluate. Create goals for team building together, even in a virtual, physical distancing world
- **Create Stronger or New Alliances:** Identify the partnerships and alliances that may be uniquely available during this time. E.g., marketing is creating a ton content. How can it be aligned or repurposed in development?
- **Re-define and Practice your “Signature Language” and “Active Listening” with Team Members:** See Resources, final slide

The one thing you **cannot** control is  
how much each donor can give

The one thing you **can** control are  
your activities



# OTHER THOUGHTS

- Be sure to keep your top performing staff
- Prior to this crisis our economy was strong, and it will rebound
- Your donors will ask themselves before they give:
  - Which charities am I close to?
  - Which charity is really making a difference?
  - Can I give now out of discretionary income?
  - Can I give out of my net worth?
  - Can I give a future gift out of my net worth?

The best return on investment  
is philanthropy!

# WE WILL GET THROUGH THIS!

In the meantime,  
let's learn important lessons...

- The need for deeper relationships and a broader donor base
- When this passes, and it will, commit to making more one-on-one visits to create deeper relationships with more donors
- Sharpen your skills and focus like never before so we are better prepared for the next big surprise
- Build your endowment in preparation for the next big event
- Let's take this challenge head on! This is no time for the weak!

# CARES ACT

Coronavirus Aid, Relief, and Economic Security Act:

What you need to know!

# CARES ACT

## Important Provisions for Donors

### New Deduction Available

- Deduct up to \$300 (\$600 for joint filers) of charitable contributions for taxpayers who do not itemize;
- This deduction will be “above the line”

# CARES ACT

## Important Provisions for Donors

### New Charitable Deduction Limits

- Individual taxpayers can deduct up to 100% of their AGI for cash contributions to public, up from 60%
- Corporations can deduct up to 25% of taxable income, up from 10%
- These new limits do not apply to gifts to private foundations or DAF

# CARES ACT

## Important Provisions for Donors

Required Minimum  
Distributions (RMD)  
Waived in 2020 for  
Most Taxpayers

Suspends the required minimum distribution rules for:

- Distributions required by April 1, 2020 for calendar year 2019; and,
- Defined contribution plans and IRA's for 2020.

# LOAN PROGRAMS

for small business and nonprofits

What you need to know (and why)!

- Could apply to you and/or your donors
- Have conversations with your donors who are small business owners
- While they likely know about these loans, you could help guide them showing your empathy and knowledge!



# PAYCHECK PROTECTION PROGRAM LOANS (PPP)

- Small businesses and nonprofits can apply for up to 2.5x average monthly payroll expenses
  - Sole proprietors and independent contractors can also apply
- Loan amount can potentially be forgiven if used in the 8 weeks after distribution if FTEs are maintained and funds used for the following:
  - Payroll;
  - Business rent or mortgage interest; and/or,
  - Business utilities
- Anything not forgiven would be:
  - Subject to 1% interest rate
  - Payable over 2 years
  - First payment due in 6 months
- The PPP is administered through your bank and available now

# ECONOMIC INJURY DISASTER LOAN (EIDL)

## \$10,000 Emergency Advance

- Applied for through SBA
- Loan advance up to \$10,000
- All small businesses in the US with less than 500 employees are eligible, including:
  - Sole proprietorships, independent contractors, self-employed persons, private non-profit organizations, or 501(c)(19) veterans organizations affected by COVID-19
  - Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries
- For those currently experiencing temporary loss of income due to COVID-19
- Funds are made available following a successful application
- Will not have to be repaid

# ECONOMIC INJURY DISASTER LOAN (EIDL)

## Additional Loan Amount

- Loans up to \$2,000,000
- Fixed simple interest rate of 3.75%
  - 2.75% for nonprofit organizations
- Payable up to 30 years
- First payment not due for 12 months
- Administered through the SBA (apply online)



# RESOURCES

## **SECURE Act:**

[ceplan.com/secure](http://ceplan.com/secure)

## **COVID-19:**

[ceplan.com/covid-19](http://ceplan.com/covid-19)

[visionphilanthropy.com/fundraisinginunparalleledtimes](http://visionphilanthropy.com/fundraisinginunparalleledtimes)

[visionphilanthropy.com/signaturelanguageCOVID-19](http://visionphilanthropy.com/signaturelanguageCOVID-19)