



THE CASE FOR BEQUESTS

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What Is a Bequest?



- **Bequest** *noun* The act of giving property by will.
- Donors and non-profits often refer to bequests as transfers of property via the deceased's estate plan

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Examples of Bequests



Examples of Bequests



- Dispositive Document(s)
 - Will
 - Living trust
 - Beneficiary designation form (retirement assets, insurance, etc.)
 - Charitable remainder trust
 - Transfer on death
 - Joint tenants with rights of survivorship
 - Etc.

Examples of Bequests

- Dispositive Language
 - **Specific:** i.e. "I give my house..."
 - **Pecuniary:** i.e. "I give \$100,000 to..."
 - **Percentage:** i.e. "I give 25% of my brokerage account to..."
 - **Conditional:** i.e. "If my wife predeceases me, then I give 25% of my brokerage account to..."
 - **Executory:** i.e. "I give 25% of my brokerage account to my son, Joe, after he turns 30 years old."
 - **Residuary:** i.e. "I give whatever remains in my estate, after all other bequests, to..."

Impact of Bequests

External

- \$22,100,000,000 in 2013 per Giving USA
- PG Pacific FY 2012 Averages
 - 51 bequests
 - \$9,400,000 total bequest
 - \$183,000 per bequest
- KASPICK & COMPANY | \$1B Endowment Group Averages
 - 138 bequests
 - \$19,900,000 per institution
 - \$196,000 per bequest
- KASPICK & COMPANY | Local & Other Group Averages
 - 51 bequests
 - \$4,915,000 per institution
 - \$114,315 per bequest

Impact of Bequests Campaign for OSU



Type	# of Donors	Amount	% of Campaign	Average Lifetime Gifts	Median Lifetime Gifts
Bequest Intention	116	\$97,467,074	11.0%	\$385,172	\$43,973
Realized Bequest	319	\$87,852,547	9.9%	\$103,066	\$690

Source: Data provided by OSU Foundation as of 12/31/2012

Impact of Bequests Campaign for OSU



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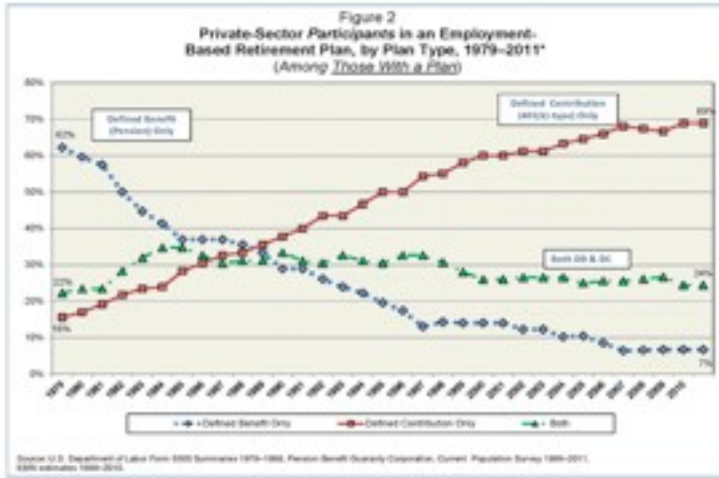
Why Solicit Bequest Intentions?

- Everyone can participate
- Major source of financial support
- Law of reciprocity
- Provides stewardship opportunity
- Provides prospect pool for major/principal gifts
- Valuable high-level cash-flow planning data

Trends

- Defined benefit to defined contribution retirement plans
- Economic volatility/uncertainty
- Demographics
- Ever increasing campaign goals
- Donor control (inter-vivos & testamentary)

Defined Benefit to Defined Contribution Plans



Economic Volatility/Uncertainty



Sources: Thomson Reuters/University of Michigan Surveys of Consumers and Bloomberg.

Demographics



Sources: US Census Bureau.

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Trends Continued



- Ever increasing campaign goals
 - Is every school in a \$1+ billion campaign?
- Donor control (both while alive and after death)
 - Investments, distribution
 - Recognition, revocation

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Impact on Philanthropy

- Emphasis on bequest conversations
- Plateaued (declining?) growth in major gift support
- Start your bequest program now
- Lumpy cash flow from realized bequest
- Opportunity for broader more impactful gift discussions
- Shift from school's "menu of needs" to donor's "passions"

Where Do We Go from Here?

- Marketing emphasis on bequests
- Develop comfort discussing bequests
- Branding of legacy society
- Leverage constituent communications to ask about estate plans (survey, email, donor visits, newsletter, board meetings, etc.)
- Mine your legacy society data for major gift prospects



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