



# Gift Planning Essentials

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# Planned Giving: Myths & Hurdles

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*MYTH: Planned giving is only for older people*

**REALITY:**

Average age at time of first will 44

Average age at time of first bequest 49

Percentage of remainder trust donors under age 55 - 34%

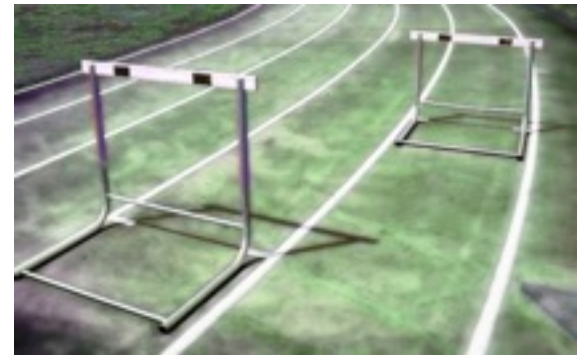
*MYTH: Only wealthy people are planned giving prospects*

**REALITY:**

Bequests are the major gift of the middle class. Many want to give, but need to preserve their wealth during their lifetime.

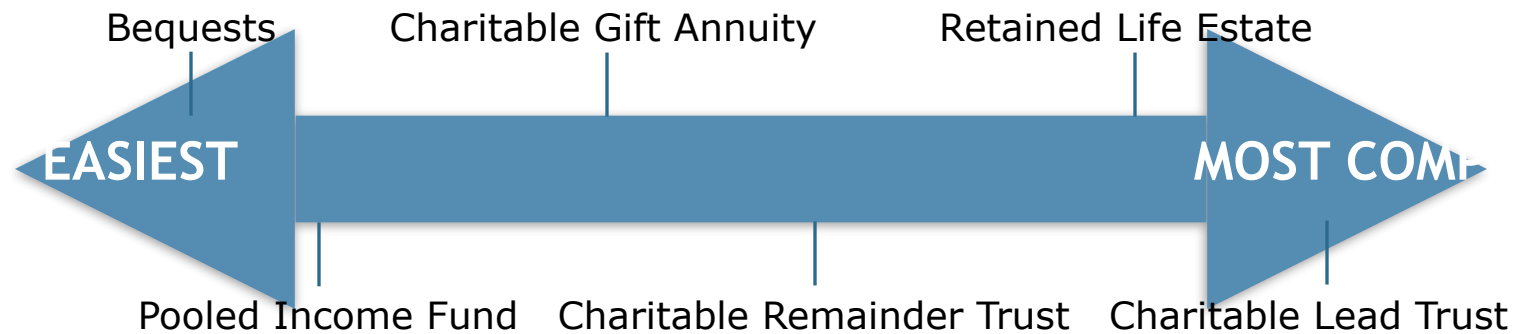
**Hurdles to Giving**

- We'll live too long; die too soon; encounter a catastrophic illness or face a mental or physical disability
- The general instability of financial markets and in the political arena



# Gift Planning Vehicles

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I Want My  
Gift to  
Work  
Today

I Don't  
Have the  
Assets  
Now

I Want My  
Children  
to Benefit  
•Charitab

I Still  
Need the  
Income  
•Charitab

# If you hear this...

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- I am finally meeting with an attorney to review (or begin drafting) my estate plan
- My portfolio is so battered. I don't know how I am ever going to retire. I would love to do something for *name of charity* in the future, but my family and I need an income stream now
- I really do want to do something for *name of charity*; I just can't afford to right now
- I have this asset (vacation home, land, insurance policies, etc.) that has outlived its original purpose
- I have worked so hard to get where I am. My spouse is all set - what I am worried about is my children or grandchildren having enough income in the future
- I have these old savings bonds I've had forever. I have no clue what to do with them
- My family is going to be fine financially. I'm worried about my siblings. They have no retirement income. How can I help *name of charity* and them as well?
- I received options as part of my compensation package and some are maturing shortly
- I am getting ready to sell my business
- I have this collection (art, stamps, cars, etc.) that no one in my family appreciates or wants
- I have X dollars. I am going to need the cash to start a business venture in a few years. Interest rates at the bank are so low. Is there a way to lend *name of charity* the money for five years let's say but then get the money back when I need to start the business?
- I have this IRA account (or 401k from a former employer) I don't know what to do with...

# Bequests - Every Charity's Bread and Butter

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## Here's Why:

- Based on IRS data from 1996 through 1997), charitable bequests of estate tax paying donors/decedents on average were **triple** their during-life giving to charities. - *Planned Giving Advisor*
- By 2030, at least \$6 trillion in wealth transfers are expected to be bequests. - *Virtual Giving*
- In 2013, 98.4% of high net worth households gave to charity. The greatest percentage gave to education (85.2%) and basic needs (80.7%) organizations, followed by 69.6% to the arts, 67% to health related organizations, and 66.7% to religious organizations. - *2014 US Trust Study*
- Nationally about 70- 80% of the planned giving revenue comes from bequests. - *CASE statistics & Giving Matters Philanthropic Counsel*
- While other types of contributions slow in recessions - bequests grow. - *Chronicle of Philanthropy*
- Once a charity is included in a will it is unlikely to be removed. While 69% of donors change their will, only 25% change a gift in their will. - *John Brown*
- Nationally, the statistic is that you will know about 1 in 7 bequests.
- Childlessness is the single strongest demographic predictor of including a charitable bequest in one's estate plan.  
- *Russell James, American Charitable Bequest Demographics*
- 70% of donors who made planned gifts did so **because they were asked**. - *Giving Matters Philanthropic Counsel*

# Bequests - Keep it Simple; Keep it Consistent

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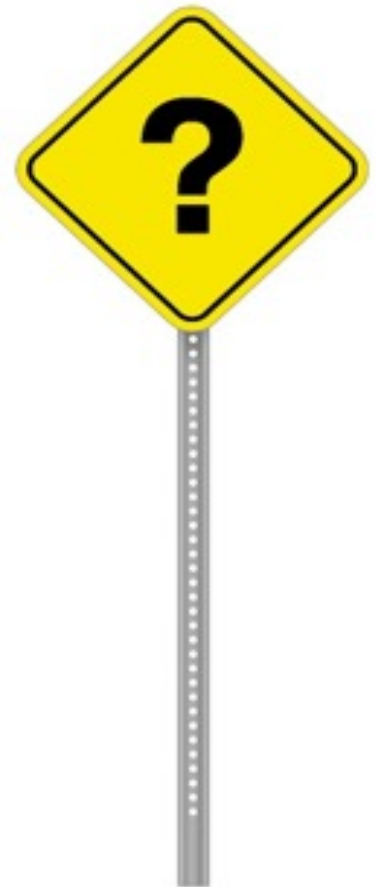




# Questions to think about and answer BEFORE you begin

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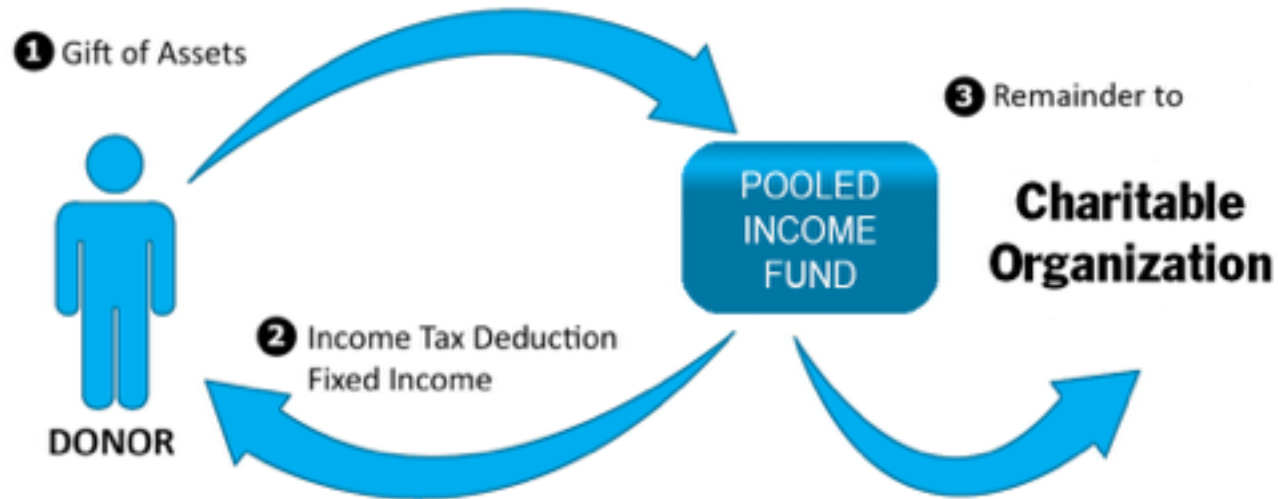
- What will you do with a bequest once you receive it? Have written policies in place
- Endowment over certain threshold?
- Measure your results - know long-term, short-term bequest income, number of new will appointment, new members in bequest society
- Stewardship...
- One page sheet - organization's legal name, EIN
- Suggested bequest language for specific, percentage, residuary, contingency





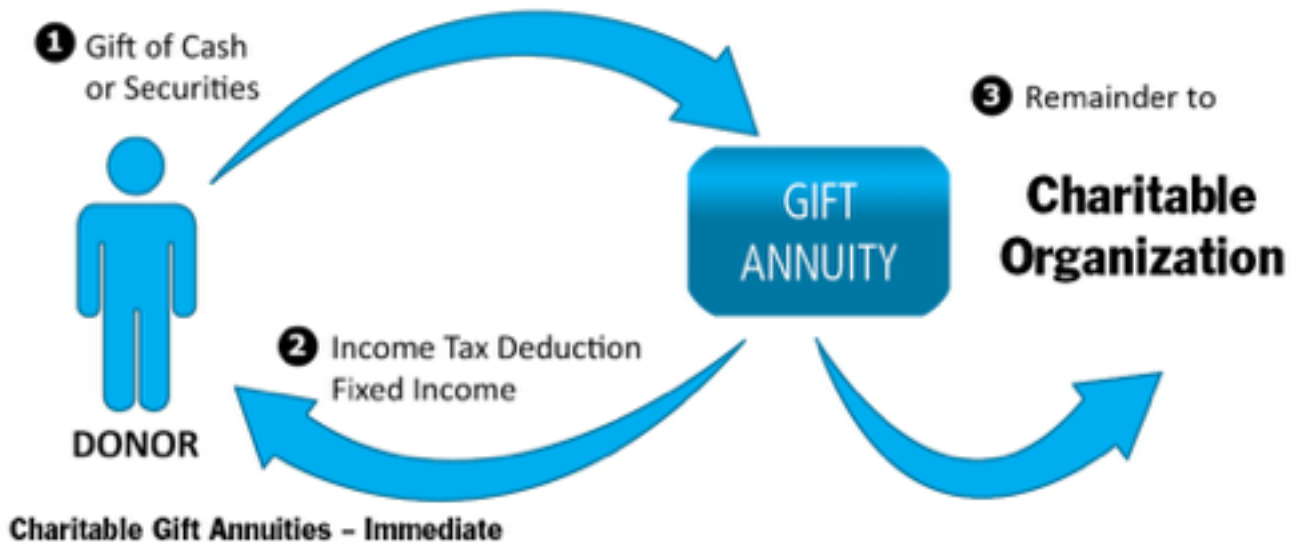
# Pooled Income Fund

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# Charitable Gift Annuity

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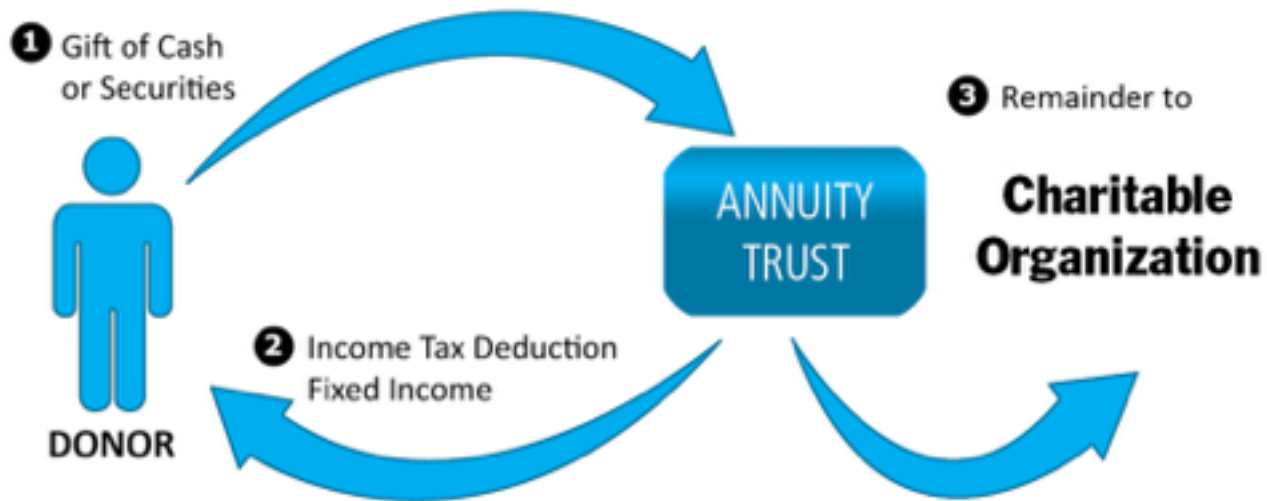
# Charitable Remainder Trust - Unitrust

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# Charitable Remainder Trust - Annuity

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# The Power of Real Estate

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# Retained Life Estate

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# Charitable Lead Trust

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# THANK YOU!