ASSET-BASED PHILANTHROPY

Imagine walking down a street in the town or city in which you live. As you walk, do you see any businesses? Do you see any real estate? Do you see people who own them? Do you see associations of business owners? Do you see offices of financial professionals?

What do you see in your community? There is not one inch that is devoid of real estate. Nor one inch of a city without businesses on it or near it. Maybe parks or vacant lots (still real estate).

Someone owns all of this. They have lives, families, situations, needs, wants. Do you know anything about any of them?

For years now, I have been proposing a shift of focus from searching for a needle in a haystack—looking for a philanthropist to deliver a gift of some sort to an organization—to creating a philanthropist by understanding assets. Someone owns every asset you can see every day of your life. If you only search for a philanthropist to give you a gift, you are missing many gift opportunities from owners of assets.

I also sometimes call it "Opportunity Gift Planning"

In a recent PG Calc U Letter, I noticed that Professor Russell James of Texas Tech University agrees with me (although he probably does not know it). He has conducted research on the impact of non-cash gifts (sounds like other than annual and major gifts to me) on a charity's overall fundraising performance. His research shows that nonprofits that raised only cash gifts over $1 million between 2010 and 2015 had an average growth in gifts during that 5 years of 11%.

Nonprofits that reported any non-cash gifts during the same period reported an average increase of 50%, almost 5 times as much.

Asset-based planning will result in far greater returns, and there are many ways to accomplish such gifts, whether outright, planned (structured, but not deferred), or deferred. I do however, take issue with the term "deferred" gifts, which are not deferred from the donor's perspective. They are only deferred from the nonprofit's point of view. In other words, they are deferred *receipts*, not deferred gifts. The donor irrevocably committed them and gave them away.

With adequate education, every Opportunity Gift Planner can show a donor-prospect how an otherwise "deferred receipt" gift can also provide current benefits of income or principal. It is the ultimate in "blended gifts", being blended into one transaction, not two that are actually only side-by-side gifts, not truly blended.

You may ask what you need to learn to develop this type of asset-based philanthropy. It is actually only a two-part process:

First, you need to learn about different assets and business entity structures. This is sorely lacking in all of the education that teaches gift vehicles.

Second, you need to do a good marketing plan for your fundraising office that identifies your "ideal customer avatar" or profile for each of several types of assets and business entities prevalent in your community and develop several hypothetical "Opportunity Plans" for these assets and entities.

Then you go to market. See the memo on the Miracle Marketing Plan. It works, whether for online or offline marketing.

Go ahead. Increase your gifts by 50%. Your management might sit up and take notice.

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