

Blended Gifts: Strategies to Increase Your Fundraising Success |

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Marianne Blackwell

Please find a list below of additional resources from the “*Blended Gifts: Strategies to Increase Your Fundraising Success*” webcast. If you wish to print only certain resources, you may click their respective links to jump directly to them in the packet.

Pre-Webcast Resources

1. [Planning Matrix](#) – Pages 2-4
2. [Strategic Questions Education](#) – Pages 5-12
3. [Strategic Questions Public Education](#) – Pages 13-18
4. [Case study: Blended gift example from University of Colorado](#) – Pages 19-20
5. [Case Study #1](#) – Pages 20-21
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BLENDED GIFTS: STRATEGIES TO INCREASE YOUR FUNDRAISING SUCCESS

March 14, 2017 | Marianne Blackwell

Resource: Planning Matrix

	Basic Features	Control Features	Term	Administrative Considerations	Income Tax Benefits	Deduction Limits	Estate/Gifts Tax Benefits or Other Considerations	Costs	Other Benefits/Considerations
Outright gifts	Unrestricted gift of cash, real estate or other marketable assets from donor to charity	Donor Relinquishes control of property when the gift is completed.	n/a	Donor needs a receipt in hand from the charitable deduction of \$250 or more. A cancelled check without a receipt is insufficient.	1. Income tax deduction generally allowed for market value of non-cash assets held for more than one year or cost basis of property if held for one year or less 2. Avoid taxes on assets' future appreciation and income.	CASH: 50% of AGI if public charity, 30% of AGI if private foundation. STOCK: 30% of AGI if public charity, 20% of AGI if private foundation. 5-year carryover of unused deductions.	Estate and gift tax deductions for gifts to charity.	Minimal.	Gifts of appreciated property avoid capital gain taxes at the donor level. If giving away property that has declined in value, it may be more beneficial to first sell the property, recognize a capital gain loss and then give cash.
Charitable Gift Annuity (CGA)	Contact between charity and donor whereby charity pays an annuity to the donor for life in exchange for a gift of cash or other assets. Arrangement is part gift and part purchase of the annuity.	Donor relinquishes control of the property at the time of gift to the charity.	Life/lives of the individual(s). The annuity payment may begin immediately or at some point in the future (deferred gift annuity)	Administrative burden is on the charity, not the donor.	Donor received an income tax deduction for the gift portion of the arrangement.	50% deduction limit for the gift portion of a CGA funded with cash. 30% deduction limit for the gift portion of the CGA funded with long-term appreciated securities.	Avoid potential estate taxes by removing asset and future appreciation from gross estate.	Generally, there is no direct cost associated with establishing a CGA.	The foundation is required to distribute a certain minimum amount each year, generally 5%, to public charities. The foundation's annual tax filing (FP-990) is a matter of public record, disclosing assets, contributions and grants. Private foundation rules must be considered.

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Charitable Remainder Trust (CRT)	Creation of irrevocable trust whereby the donor receives a fixed or variable amount (min. 5%) during the term of the trust, with the remainder payable to qualified charity(ies) at termination.	Donor designates charitable beneficiary(ies) at creation of trust and may reserve right to change charitable beneficiary(ies) during the trust term or through his or her will.	Trust may be for a term of years (max 20 yrs.), or for the lifecycles of individuals (donor and/or others).	Trustee must prepare and file income tax returns, calculate the annual payout and track different categories of income. Should not earn Unrelated Business Taxable Income (UBTI).	Grantor receives income tax charitable deduction equal to present value of remainder interest.	50% deduction limit for a CRT funded with cash. 30% deduction limit for CRT funded with long-term appreciated securities. 5-year carryover of unused deductions.	Avoid potential estate taxes by removing asset and future appreciation from the taxable estate. Potential gift tax exposure for naming additional income beneficiaries.	Costs are commensurate with an irrevocable trust, i.e. drafting, trustee's fees, and tax return preparation.	More effective in a higher interest rate environment – enhancing payments to donor. Ability to convert non- or low-income producing property. The trust is private and is not subject to any private filing requirements. In order to qualify as a CRT, the present value of the remainder interest must be at least 10% of the current gift amount and the annual payout amount may not exceed 50%
Retained Life Estate	Donor makes a gift of a residence or farm to a charitable organization and retains the right to occupy the property for life with the property passing to the charity at the end of the term or at the death of the last person who retained an interest in the property.	Donors and/or other beneficiaries continue to enjoy the property during their lived or for a term of years.	Term of years, life or lives.	Donor agrees to maintain and insure the property as if still the owner.	Donor receives an income tax deduction for the present value of the remainder interest in the property which will pass to the charitable organization.	30% of donor's AGI when the remainder organization is a public charity. 20% of the donor's AGI when the remainder organization is a private foundation. 5-year carryover of unused deductions.	Avoid potential estate taxes by removing asset and future appreciation from gross estate.	Minimal, other than the cost to maintain the property during the donor's life.	Efficient way to remove an often burdensome asset from one's estate at death. Affords donor the ability to satisfy charitable desires without loss of their home.
Charitable Lead Trust	Creation of irrevocable trust whereby charity(ies) receives a fixed or variable amount during the term of the trust, with the remainder passing outright or in trust to donor's heirs at termination (non-Grantor type trust).	Donor generally relinquishes control with the identification of the charitable beneficiaries.	Trust may be for a term of years, or for the life/lives of individuals.	Trustee must prepare and file income tax returns and calculate the annual payment.	Generally, the grantor receives no income tax deduction. However, income from the assets transferred to the trust is removed from grantors gross income – an effective annual deduction for each year of the trust.	None for non-grantor charitable lead trust.	Charitable income interest provides gift tax deduction which permits grantor to gift property at greatly reduced estate/gift tax cost. Charitable Lead Annuity Trusts may be structured to pass assets to beneficiaries free of gift tax (Zero-out CLAT).	Costs are commensurate with an irrevocable trust, i.e. drafting, trustee's fee and tax return preparation.	Low interest rate environment is optimal for leveraging estate and gift tax benefits. The trust is private and is not subject to any public filing requirements.

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ASKING STRATEGIC QUESTIONS[®] For Education

People remember more of what they say, than what you say. People believe what they say, more than what we say. People enjoy conversations in which they speak the most. Therefore, it is our responsibility to elicit the case for support from our potential donors! We want them to tell US whatever we want them to REMEMBER.

Following is a list of sample questions to help you do just that. You can weave them into a variety of purposeful conversations or use in an interview. Structured for positive responses and for gaining specific information that will help you in your leadership and major gift work, each question has a different purpose. Together, they will help you probe for information, advance the relationship, answer all the "Rights," and receive a joyful "yes," to your request for increased engagement with your institution and/or a significant gift to one of your priorities.

About Your Institution -- New Information, Attitude and Values and Some Impact Questions

1. How did you come to choose (name)? (How did your child, grandchild come to choose (name)?)
2. What were some of your best experiences as a student here? What is your child (grandchild) enjoying the most?
3. I see that you are class of (blank). Do you know (blank; blank should be a good donor and volunteer)?
4. When were you last back to campus? What brought you? What were your impressions?
5. In what positive ways has the (name) influenced your life? (Influencing your child's life?)
6. Which faculty members or administrators made an impact on your life? (Is making an impact on your child's life?)
7. With whom are you still in touch?
8. How do you feel about (name) today? What do you know about us?
9. Why do you support (name)? Why have you supported (name) in the past?
10. I noticed you haven't supported (name) in a number of years, what changed for you?
11. How well do you know (latest innovative programs)? What are your impressions?
12. What do you believe are the perceptions of (name) in the community? Region? Nationally?
13. What are your perceptions of our effectiveness in graduating students with strong values, ready, willing, and able to work effectively (attend the best high schools, attend the best colleges)?
14. What are your impressions of our vision for the future?
15. Do you believe we have a strong case for philanthropic investment? If so why? If not, why not?
16. What inspired your recent gift to us?
17. What made your recent gift possible?
18. How do you feel about the gifts you make to (name)?
19. Do you believe your gifts to us are making a difference? If so how?
20. To what degree do you feel we use your investments wisely?
21. Whom do you know on our Governing Board? Alumni Board? Board of (name)?

22. What is your impression of our Boards?
23. What is your sense of Board's reputation within in the community (among our alumni, parents)?
24. What are your impressions of our publications?
25. What have you read from us that you have enjoyed? (Found helpful? Found Informative?)
26. Have you attended any of our events? Which ones? How did that come about? What was your impression?
27. Do you have any particular concerns you would like me to share with our (Head) (President), Board?
28. Do you feel you know our (Head) President and trust his/her leadership

Additional Planned Giving Questions for Current Donors

1. We so appreciate you including us in your estate plans. What aspects of our program inspired that decision?
2. As you think about the future of the (people we serve, our planet, the arts, our children, education in America) what are some of your worries; what are your hopes? What role do you see our organization (institution) playing in addressing those concerns (aspiration)?

Your Network -- New Information Questions

1. Who among your classmates (fellow parents, grandparents) are you still in touch?
2. How connected do you feel to your classmates (fellow parents)?
3. To what degree do you use social networking to connect with classmates and friends?
4. How else do you stay connected?
5. Which social networking sites do you find the most useful, enjoyable?
6. How might the institution use social networking to connect with (young alumni) (alumni) (parents and grandparents)?
7. How else might we connect with our (young alumni, alumni of your era, alumni, parents)?
8. What is the best way to connect with you?

Mission, Vision, Work and/or Project and/or Campaign Priority -- Attitude, Values, and Impact Questions

1. What are your impressions of (our vision for the future) (our strategic plan) (our bold ideas) (our aspirations for our students) (our case for investing in the annual fund)?
2. In what ways do you find our case for philanthropic investment strong and compelling? How would you make it more compelling?
3. As you consider our alumni (parents) (grandparents) (friends), how might we position our (vision) (case for support) (plan) (ideas) so they would see the importance of their roles as stakeholders?
4. To what extent do you believe (the need for girls to learn math and science) (the need for affordable, private education) (the need for every student to understand global environmental issues) are serious problems for our (community, state, region, country, or world)?
5. In what ways do these (did these) issues affect you, your family, your neighbors, your beliefs, your values?
6. What impact do you believe achieving our vision (delivering on our goals) will have on the university (school) (college) (community, nation)?
7. So, what you'd like to see is (girls having access to math and science in a supportive environment) (schools with the ability to provide opportunities for all deserving students) (our school providing

innovative education about the global economy) (your annual gift helping our dean... or helping our students...)?

8. As you (read, heard) our vision for the future (case for supporting the annual fund), in what ways do you see our school effectively addressing these issues (achieving these goals)?
9. Are there other ways our school could help solve this problem?
10. In what ways might you help us address these issues?
11. What do you believe our (staff) (faculty) (Board) (closest friends) (alumni) (parents) should do to help make this vision (these ideas) (this plan) a reality?
12. Are there any questions about our vision, mission, work, priorities that we've not answered?

Additional Planned Giving Questions

1. Many of our donors, especially those who have been with us over the years, would like their children and grandchildren to be part of our philanthropic family. To what extent is that important to you?
2. How do you involve your children (grandchildren) in your philanthropic interests?
3. How might we help you engage your children (grandchildren) in our mission, vision, and work?
4. Are there others with whom we should meet, perhaps a financial planner or other members of your family who help you with your charitable giving? Who might they be? How might we do that?

Personal and Lifestyle -- New Information and Values Questions

1. (These questions should come from observations around the home or office, prior knowledge, etc.) What are the ages, names of your children? Grandchildren? Where do they live?
2. Do you get to see your grandchildren often?
3. You must have your hands full with little ones, how do you juggle career and parenting?
4. Have you had a chance to take some time off this year? If so, where did you go? If not, what would you like to do?
5. Do you enjoy entertaining in your home? Do you entertain for business? Do you ever entertain for philanthropic groups? Tell me about that.
6. How's business? How is this economy affecting you? Your business?
7. How does the economy (your business situation) effect your philanthropic decisions?
8. Many people of means believe they should ensure their heirs' future; others believe children should make their own way, where do you stand on this issue?

Additional Planned Giving Questions

1. May I ask, what roles do your children (grandchildren) (financial planner) (lawyer) play in your philanthropic decision making?
2. What issues do you weigh (did you weigh) when you are making decisions about your estate plans?

World View, Philanthropy and Giving Interests -- New Information, Attitude, Values, and Impact Questions

1. What do you hope to accomplish with your philanthropy? Is that true for your spouse as well? What are her/his philanthropic goals?
2. What role does passion for a cause, project, or outcome play in your philanthropic decision-making?

3. How do you uncover that passion? How have organizations and institutions you care most about succeeded in tapping into your passion?
4. If money were not a consideration, what would you like to accomplish with your philanthropic investments?
5. What other organizations do you currently support? Volunteer for? Serve on the board of? What does your spouse support?
6. To what degree do you include your children in your philanthropic decision making?
7. How have you taught philanthropy to your children (grandchildren)?
8. Which are your top three and why? Is that true for your spouse as well? Which are his/her top three?
9. Where does (name) fit on your (your family's) list (if not among the top three)?
10. What are your expectations of the organizations in which you invest? Is that true for your spouse (your children)?
11. As you think about the enterprise of education in this country, what do you think is its greatest contribution? To what degree do you believe that contribution is essential? Do you see our institution contributing in those ways? Does your spouse feel similarly?
12. What values underpin your philanthropic decision-making? To what degree do you share values with our institution?
13. When you give, do you give both annually and to capital projects? To what degree is that true for your spouse?
14. As you think back on all the philanthropic investments you and your family have made over the years, which gave you the most joy? (Which were most aligned with your values) (Which were most aligned with your personal passions)?
15. What capital gifts have you given that have given you pleasure? Made an impact?
 - How did it come about? What was the impact? What made it so pleasurable? Are you still involved with them?
16. As you think about your philanthropy, are you most interested in saving and changing a life, improving the community, or having a wider societal or global impact? Can you say more about that?
17. Have you ever made a gift using a planned giving vehicle like a trust or annuity? (Has your spouse)?
 - How did that come about? Is that something that interests you? Do you feel knowledgeable about such vehicles? Would you like to know more?
18. Under what circumstances would you be willing to make a stretch, capital gift to a charity? To (name)? (What role would your spouse, your children, a financial advisor) play in that decision?
19. Among our fund raising priorities, which do you find the most compelling? Why? Least compelling? Why?
20. What factors go into your philanthropic decisions?
21. In our household my spouse and I make all of our giving decisions together, how does it work in your household?
22. Is (name) part of your estate plans?
23. What role does the (Head, President, Chancellor) play in your philanthropic decision-making? (What roles does the board play?)
24. How are decisions made at your family foundation? Who is involved? What is the process?
25. Under what circumstances do you make exceptions to your (giving guidelines, average amount)?

26. I noticed (organization) received an extraordinary gift from your foundation, what made their request so compelling?
27. If that (some objection to getting involved or giving voiced prior to solicitation) was not an issue, in which of our priorities would you be interested? What would you most want to accomplish?

Versions of some questions which are especially helpful to planned giving professionals

1. You've been so supportive of us over the years, have you thought about including us in your estate plans? Can you tell me about that? Was anyone else involved in the decision? Who?
2. To what extent do your current interests dovetail with those your spouse had when she was alive? How important is that for you?
3. May I ask, what other organizations are included in your estate plans? How did you decide who and how much? Where do we fit among them?
4. Who else knows about your wishes to (fill in what he or she has said is important and why your organization is in the will)? How do they (he, she) feel about that? How supportive are they? We'd love to meet them. How might we arrange that?
5. I hope you enjoyed the (fill in the personalized stewardship you provided). Did you have a chance to share it with (other decision makers, other members of the family you know are important or will be)? What did they think?

Feelings about Planned Giving Versus or In Addition to Outright Giving – Values, Attitude, Some New Information

1. Some people believe it is important to leave respected and beloved charities in their will. What are your feelings?
2. How does your family feel about that?
3. Thank you for your inquiry about bequests (annuities), what inspired your query? Why now? Why us?
4. As you think about all your financial and philanthropic aspirations for yourself, your family members, and the causes you care most about, which are the most important for you?
5. What are some of your challenges or worries?
6. Do you have a trusted advisor to help you think through your goals and challenges? When you feel it might be helpful, we would welcome an introduction so that we are all helping you achieve your personal goals.
7. Are others involved? Who? How might we engage them in our mission, vision, and work?
8. I was reading an article about Warren Buffett. He was talking about the importance, for him, to give while he is alive and can enjoy his gifts. Clearly, he also believes in leaving money in his will. What is your take? Is that true for (other decision makers mentioned)
9. Have you ever made an estate or deferred gift to a charity? How did that come about? How is it working out?
10. Under what circumstances might you consider including our organization in your estate plans? How could we move that forward?

Engagement -- New Information, Attitude, Values, Impact, and Commitment Questions

1. How do you like being involved with the organizations you support? What is most satisfying about that?

2. How can we get you more involved with (name)?
3. Would you be interested in helping us identify and engage others?
4. Would you be willing to review a class list? School list? Area list? Parent list?
5. When was the last time you visited the campus? What was your impression? Would you be interested in visiting?
6. What one piece of advice would you give us as we plan our future?
7. What one piece of advice would you give our students as they consider their futures?
8. We would love you to (insert involvement request here), is that something you would find of interest?
9. It is important to us that our donors and volunteers have satisfying experiences as they help us achieve our vision. How can we best help you, help us?
10. We would love for your foundation board members to make a site visit, how can we make that happen?
11. Under what circumstances do members of the foundation board participate in (activity) of organizations with whom you have relationships?

More Attitude and Values Questions

1. How and why have you settled on your life's work?
2. What are the guiding principles that have helped you achieve in your business life? (Personal life?) (Philanthropic life?) (Volunteer life?) How is that the same or different for your spouse? Members of your family?
3. What's the best business decision you've ever made? How so?
4. What's the best philanthropic decision you've ever made? What was the impact of that decision?
5. What values do you think people who work in an institution like ours should possess? To what degree do you believe our faculty and staff share those values? To what degree do you share those values?
6. To what extent does our mission (vision, work) dovetail with your beliefs? How so?
7. If you could pass along a lesson to (your children) (grandchildren), (the people you help with your philanthropy) (our students) what would that be?
8. What do you expect from the charitable organizations in which you are involved? How well are those expectations met? Which organizations do this well? Tell me about that. Does your spouse feel the same?
9. How has our school helped shape your values (had an impact on the values of your children, grandchildren)?
10. To what extent do you believe our mission impacts the values of our students? Should affect the values of our students? Why?
11. How have other organizations demonstrated to you the impact of your philanthropic investments?
12. How do you like organizations to demonstrate their appreciation for gifts you have made?
13. If I could demonstrate to you the true impact of your philanthropy, would you prefer: something named for you or someone you love or admire; meeting some of the people you have helped; hearing from some of the people you have helped; receiving a report on how your money has been spent; all of the above.

Additional planned giving questions

1. We're listening to and sharing the philanthropic life stories of our most loyal donors, people just like you. I'd love to hear about your philanthropic journey. How did you learn to be generous? What have been your best experiences? How important is it to you to continue that legacy? Can you say more about that?
2. If we could help you continue that legacy, would you be interested in learning more?

Testing the "Rights," for Readiness and Commitment

1. I remember you saying providing scholarships and financial aid for worthy students (technology, opportunities for studying abroad) is important to you, is that right?
2. As you think about making a real difference for the students and faculty of (name), what projects (priorities, programs, giving opportunities, or naming opportunities) have the greatest appeal?
3. We would like to come and speak with you, over the next few weeks (days, months), about making an investment in (name). Who should be a part of that conversation?
4. As you think about the (name) ambitious goals for the future, which of our priorities do you think should be the most important (will have the most important impact)? How would you rank the others?
5. As you know (the leadership annual fund program name) is a critical piece of (name) commitment to its present students, is that something with which you agree?
6. What do you need from us in order to consider putting us in your estate plans?
7. What has been your experience with (name) that led you to consider putting us in your estate plans?
8. Is there anything else we need to cover?
9. May I suggest a next step of...?

Overcoming Objections or Soft Answers

1. (Objection: "That's a lot of money.") It sounds like you're wondering why we need that amount in order to get the impact we've discussed. Am I correct? The reason is...
2. (Objection: "We're over committed.") It sounds like you would like to invest in our school but right now you can't see how you might do that. Am I right about that? Would it be helpful if I explained some of the ways others have managed this problem? They...
3. (Objection: "We don't believe in giving to operating. It's just a black hole.") Perhaps you'd like to know specifically how your gift would be used. Would that address your concern? Here's how unrestricted gifts make a powerful and specific impact on our students (on our faculty) (on our ability to achieve our vision)...
4. (Soft answer: "Let me think about it and I'll get back to you.") I can certainly understand that. May I ask what factors will you consider as you weigh our request?
5. (After objection is stated) "So, you're concerned about (restate) is that correct? If that were not an issue, what would you like to accomplish with a gift to our school?"
6. (After objection is stated) "So, you're concerned about (restate) is that correct? I remember the last time we met you said that it was very important to you that (what the gift would accomplish), has that changed for you?"

Follow-up Questions

1. How so?
2. Can you clarify that?
3. Can you give me an example of what you mean?
4. Do you have any questions about what I just said?
5. What specific results are you looking for?
6. Can you say more about that?
7. Did I understand you correctly, when you said...?
8. Did I answer your question?
9. How did that come about?
10. What did that mean to you and your family?
11. How do you feel about that?
12. How strongly do you feel about that?
13. What do you think about that?
14. What is most important to you?
15. Are we in agreement?
16. Are you ready to move forward?

If you would like to learn more about Asking Strategic Questions and Listening for Intent, or any aspect of major gift work, fund development, management or institutional advancement, contact us at 914 428 7777 or send an email to mail@theosbornegroup.com

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ASKING STRATEGIC QUESTIONS® **For Public Education**

People remember more of what they say, than what you say. People believe what they say, more than what we say. People enjoy conversations in which they speak the most. Therefore, it is our responsibility to elicit the case for support from our potential donors! We want them to tell US whatever we want them to REMEMBER.

Following is a list of sample questions to help you do just that. You can weave them into a variety of purposeful conversations or use in an interview. Structured for positive responses and for gaining specific information that will help you in your leadership and major gift work, each question has a different purpose. Together, they will help you probe for information, advance the relationship, answer all the "Rights," and receive a joyful "yes," to your request for increased engagement with your institution and/or a significant gift to one of your priorities.

About Your Institution – New Information, Attitude and Values and Some Impact Questions

1. How did you come to choose (name)? (How did your child, grandchild come to choose (name)?)
2. What do you believe is the role of public education in our society? How important is that to you?
3. What were some of your best experiences as a student here? What is your child (grandchild) enjoying the most?
4. What impact did your education have on (your career choice) (the person you are today)?
5. I see that you are class of (blank). Do you know (blank; blank should be a good donor and volunteer)?
6. When were you last back to campus? What brought you? What were your impressions?
7. In what positive ways has the (name) influenced your life? (Influencing your child's life?)
8. Which faculty members or administrators made an impact on your life? (Is making an impact on your child's life?)
9. With whom are you still in touch?
10. How do you feel about (name) today? What do you know about our current initiatives (expansion) (new programs) (campus life today)?
11. Why do you support (name)? Why have you supported (name) in the past?
12. I noticed you haven't supported (name) in a number of years, what changed for you?
13. How well do you know (latest innovative programs)? What are your impressions?
14. What do you believe are the perceptions of (name) in the community? Region? Nationally?
15. What are your perceptions of our effectiveness in graduating students with strong values, ready, willing, and able to work effectively (attend the best high schools, attend the best colleges)?
16. What are your impressions of our vision for the future?
17. With government cutbacks taking a steady toll, many public institutions are trying to expand private philanthropy. What are your thoughts (feelings) about that?
18. Do you believe we have a strong case for philanthropic investment? If so why? If not, why not?
19. What inspired your recent gift to us?
20. What made your recent gift possible?
21. How do you feel about the philanthropic investments you make to (name)?
22. Do you believe your investments in us are making a difference? If so how?
23. To what degree do you feel we use your investments wisely?
24. Whom do you know on our Foundation Board? (Governing Board) (Alumni Board) (Dean's Council)?
25. What is your impression of our (fill in which board)?

26. What is your sense of Board's reputation within in the community (among our alumni, parents)?
27. What are your impressions of our publications?
28. What have you read from us that you have enjoyed? (Found helpful? Found Informative?)
29. Have you attended any of our events? Which ones? How did that come about? What was your impression?
30. We were delighted you could make your last reunion. What was your impression?
31. Do you have any particular concerns you would like me to share with our (President), (Chancellor) (Board leadership)?
32. Do you feel you know our President and trust his/her leadership? How so?

Additional Planned Giving Questions for Current Donors

1. We so appreciate you including us in your estate plans. What aspects of our program inspired that decision?
2. As you think about the future of the (people we serve, our planet, the arts, our children, education in America) what are some of your worries; what are your hopes? What role do you see our organization (institution) playing in addressing those concerns (aspiration)?

His or Her Network -- New Information Questions

1. Who among your classmates (fellow parents, grandparents) are you still in touch?
2. How connected do you feel to your classmates (fellow parents)?
3. To what degree do you use social networking to connect with classmates and friends?
4. How else do you stay connected?
5. What relationships do you have with (the state senate) (the state assembly) (our US senators) (our go US representatives)?
6. How might we better tap into your networks and connections?
7. Which social networking sites do you find the most useful, enjoyable?
8. How might the institution use social networking to connect with (young alumni) (alumni) (parents and grandparents)?
9. How else might we connect with our (young alumni, alumni of your era, alumni, parents)?
10. What is the best way to connect with you?

Additional Planned Giving Questions

1. Many of our donors, especially those who have been with us over the years, would like their children and grandchildren to be part of our philanthropic family. To what extent is that important to you?
2. How do you involve your children (grandchildren) in your philanthropic interests?
3. How might we help you engage your children (grandchildren) in our mission, vision, and work?
4. Are there others with whom we should meet, perhaps a financial planner or other members of your family who help you with your charitable giving? Who might they be? How might we do that?

Mission, Vision, Work and/or Project and/or Campaign Priority – Attitude, Values, and Impact Questions

1. What are your impressions of (our vision for the future) (our strategic plan) (our bold ideas) (our aspirations for our students, faculty)?
2. In what ways do you find our case for philanthropic investment strong and compelling? How would you make it more compelling?
3. As you consider our alumni (parents) (grandparents) (friends), how might we position our (vision) (plan) (ideas) so they would see the importance of their roles as stakeholders?
4. To what extent do you believe (i.e. the need for girls to learn math and science) (the need for affordable, public education) (the need for every young person to understand global environmental issues) are serious problems for our (community, state, region, country, or world)?
5. In what ways do these (did these) issues affect you, your family, your neighbors, your beliefs, your values?

6. What impact do you believe achieving our vision will have on the university (school) (college) (community, nation)?
7. So, what you'd like to see is (i.e. girls having access to math and science in a supportive environment) (schools with the ability to provide opportunities for all deserving students) (our school providing innovative education about the global economy)?
8. As you (read, heard) our vision for the future, in what ways do you see our school effectively addressing these issues?
9. Are there other ways our school could help solve this problem?
10. In what ways might you help us address these issues?
11. What do you believe our (staff) (faculty) (Board) (closest friends) (alumni) (parents) should do to help make this vision (these ideas) (this plan) a reality?
12. Are there any questions about our vision, mission, work, priorities that we've not answered?

Personal and Lifestyle – New Information and Values Questions

1. (These questions should come from observations around the home or office, prior knowledge, etc.) What are the ages, names of your children? Grandchildren? Where do they live?
2. Do you get to see your grandchildren often?
3. You must have your hands full with little ones, how do you juggle career and parenting?
4. Have you had a chance to take some time off this year? If so, where did you go? If not, what would you like to do?
5. Do you enjoy entertaining in your home? Do you entertain for business? Do you ever entertain for philanthropic groups? Tell me about that.
6. How's business? How is this economy affecting you? Your business?
7. How does the economy (your business situation) effect your philanthropic decisions?
8. Many people of means believe they should ensure their heirs' future; others believe children should make their own way, where do you stand on this issue?

Additional Planned Giving Questions

1. May I ask, what roles do your children (grandchildren) (financial planner) (lawyer) play in your philanthropic decision making?
2. What issues do you weigh (did you weigh) when you are making decisions about your estate plans?

World View, Philanthropy and Giving Interests – New Information, Attitude, Values, and Impact Questions

1. What do you hope to accomplish with your philanthropy? Is that true for your spouse as well? What are her/his philanthropic goals?
2. What role does passion for a cause, project, or outcome play in your philanthropic decision-making?
3. How do you uncover that passion? How have organizations and institutions you care most about succeeded in tapping into your passion?
4. If money were not a consideration, what would you like to accomplish with your philanthropic investments? What impact do you believe that investment could have on (our community, our nation, our world)?
5. If you could design the perfect project that would encapsulate and further your philanthropic goals, what would that be?
6. What impact do you believe would be achieved if your project were successful?
7. What other organizations do you currently support? Volunteer for? Serve on the board of? What does your spouse support?
8. To what degree do you include your children in your philanthropic decision making?
9. How have you taught philanthropy to your children (grandchildren)?
10. Which are your top three and why? Is that true for your spouse as well? Which are his/her top three?

11. Where does (name) fit on your (your family's) list (if not among the top three)?
12. What are your expectations of the organizations in which you invest? Is that true for your spouse (your children)?
13. As you think about the enterprise of public education in this country, what do you think is its greatest contribution? To what degree do you believe that contribution is essential? Do you see our institution contributing in those ways? Does your spouse feel similarly?
14. What values underpin your philanthropic decision-making? To what degree do you share values with our institution?
15. When you give, do you give both annually and to capital projects? To what degree is that true for your spouse?
16. As you think back on all the philanthropic investments you and your family have made over the years, which gave you the most joy? (Which were most aligned with your values) (Which were most aligned with your personal passions)?
17. What capital gifts have you given that have given you pleasure? Made an impact?
 - How did it come about? What was the impact? What made it so pleasurable? Are you still involved with them?
18. As you think about your philanthropy, are you most interested in saving and changing a life, improving the community, or having a wider societal or global impact? Can you say more about that?
19. Have you ever made a gift using a planned giving vehicle like a trust or annuity? (Has your spouse)?
 - How did that come about? Is that something that interests you? Do you feel knowledgeable about such vehicles? Would you like to know more?
20. Under what circumstances would you be willing to make a stretch, capital gift to a charity? To (name)? (What role would your spouse, your children, a financial advisor) play in that decision?
21. Among our fund raising priorities, which do you find the most compelling? Why? Least compelling? Why?
22. What factors go into your philanthropic decisions?
23. In our household my spouse and I make all of our giving decisions together, how does it work in your household?
24. Is (name) part of your estate plans?
25. What role does the (President, Chancellor) play in your philanthropic decision-making? (What roles does the board play?) (Faculty play?)
26. How are decisions made at your family foundation? Who is involved? What is the process?
27. Under what circumstances do you make exceptions to your (giving guidelines, average amount)?
28. I noticed (organization) received an extraordinary gift from your foundation, what made their request so compelling?
29. If that (some objection to getting involved or giving voiced prior to solicitation) was not an issue, in which of our priorities would you be interested? What would you most want to accomplish?
30. I hope we have demonstrated to you the impact your investments have had. What stands out for you?

Engagement – New Information, Attitude, Values, Impact, and Commitment Questions

1. How do you like being involved with the organizations you support? What is most satisfying about that?
2. How can we get you more involved with (name)?
3. Would you be interested in helping us identify and engage others?
4. Would you be willing to review a class list? School list? Area list? Parent list?
5. When was the last time you visited the campus? What was your impression? Would you be interested in visiting?
6. What one piece of advice would you give us as we plan our future?
7. What one piece of advice would you give our students as they consider their futures?
8. We would love you to (insert involvement request here), is that something you would find of interest?

9. It is important to us that our donors and volunteers have satisfying experiences as they help us achieve our vision. How can we best help you, help us?
10. We would love for your foundation board members to make a site visit, how can we make that happen?
11. Under what circumstances do members of the foundation board participate in (activity) of organizations with whom you have relationships?
12. We so appreciate (past involvement or advice). How do you feel about the experience?
13. To what degree have we maximized your expertise (connections)? How might we do better?
14. I hope we've demonstrated to you the impact your involvement has had. To what degree is that true? What stands out for you?

More Attitude and Values Questions

1. How and why have you settled on your life's work?
2. What are the guiding principles that have helped you achieve in your business life? (Personal life?) (Philanthropic life?) (Volunteer life?) How is that the same or different for your spouse? Members of your family?
3. What's the best business decision you've ever made? How so?
4. What's the best philanthropic decision you've ever made? What was the impact of that decision?
5. What values do you think people who work in an institution like ours should possess? To what degree do you believe our faculty and staff share those values? To what degree do you share those values?
6. To what extent does our mission (vision, work) dovetail with your beliefs? How so?
7. If you could pass along a lesson to (your children) (grandchildren), (the people you help with your philanthropy) (our students) what would that be?
8. What do you expect from the charitable organizations in which you are involved? Is that different for higher education? If so, how so? How well are those expectations met? Which organizations do this well? Tell me about that. Does your spouse feel the same? How well are we meeting your expectations?
9. How has our school helped shape your values (had an impact on the values of your children, grandchildren)?
10. To what extent do you believe our mission impacts the values of our students? Should affect the values of our students? Why?
11. How have other organizations and institutions demonstrated to you the impact of your philanthropic investments?
12. How do you like organizations and institutions to demonstrate their appreciation for gifts you have made?
13. If we could demonstrate to you the true impact of your philanthropy, would you prefer: something named for you or someone you love or admire; meeting some of the people you have helped; hearing from some of the people you have helped; receiving a report on how you money has been spent; all of the above.

Testing the "Rights," for Readiness and Commitment

1. I remember you saying providing scholarships and financial aid for worthy students (technology, opportunities for studying abroad) is important to you, is that right?
2. As you think about making a real difference for the students and faculty of (name), what projects (priorities, programs, giving opportunities, or naming opportunities) have the greatest appeal?
3. We would like to come and speak with you, over the next few weeks (days, months), about making an investment in (name). Who should be a part of that conversation?
4. As you think about the (name) ambitious goals for the future, which of our priorities do you think should be the most important (will have the most important impact)? How would you rank the others?
5. As you know (the leadership annual fund program name) is a critical piece of (name) commitment to present students, is that something with which you agree?
6. What do you need from us in order to consider putting us in your estate plans?
7. What has been your experience with (name) that led you to consider putting us in your estate plans?

8. Is there anything else we need to cover?
9. May I suggest a next step of...?

Overcoming Objections or Soft Answers

1. (Objection: "That's a lot of money.") It sounds like you're wondering why we need that amount in order to get the impact we've discussed. Am I correct? The reason is....
2. (Objection: "We're over committed.") It sounds like you would like to invest in our school but right now you can't see how you might do that. Am I right about that? Would it be helpful if I explained some of the ways others have managed this problem? They...
3. (Objection: "We don't believe in giving to operating. It's just a black hole.") Perhaps you'd like to know specifically how your gift would be used. Would that address your concern? Here's how unrestricted gifts make a powerful and specific impact on our students (on our faculty) (on our ability to achieve our vision)...
4. (Soft answer: "Let me think about it and I'll get back to you.") I can certainly understand that. May I ask what factors will you consider as you weigh our request?
5. (After objection is stated) "So, you're concerned about (restate) is that correct? If that were not an issue, what would you like to accomplish with a gift to our school?"
6. (After objection is stated) "So, you're concerned about (restate) is that correct? I remember the last time we met you said that it was very important to you that (what the gift would accomplish), has that changed for you?"

Follow-up Questions

1. How so?
2. Can you clarify that?
3. Can you give me an example of what you mean?
4. Do you have any questions about what I just said?
5. What specific results are you looking for?
6. Can you say more about that?
7. Did I understand you correctly, when you said...?
8. Did I answer your question?
9. How did that come about?
10. What did that mean to you and your family?
11. How do you feel about that?
12. How strongly do you feel about that?
13. What do you think about that?
14. What is most important to you?
15. Are we in agreement?
16. Are you ready to move forward?

If you would like to learn more about Asking Strategic Questions and Listening for Intent, or any aspect of major gift work, fund development, management or institutional advancement, contact us at 914 428 7777 or send email to mail@theosbornegroup.com

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GIFT PLANNING AND LEADERSHIP GIVING

GPLG Case Studies:

Current Blended Gifts ~ ~

Facts:

Your donor, Stephen, has been a wonderful and loyal contributor to the University of Colorado. Since graduation, he has given to the annual fund almost every year and his Loyalty Rating is off the charts! You know that Stephen is a good candidate for a stepped-up annual and/or major gift and you also know that loyalty is a good indicator of a planned gift. How do you approach Stephen with a blended gift strategy, maximizing his giving and providing him with greater options to give?

Information known about Stephen	64 Years Old Planning to retire in the next 3 years Married, 3 Children, all are college graduates Home valued at \$750K, with no mortgage Longtime Annual Fund Donor Largest gift is \$5K to last Comprehensive Campaign Attends numerous campus events Sits on College of Business Dean’s Advisory Board Is considering his First Major Gift Needs retirement income Spouse Supports Other Charities
What other facts would you like to know?	How will he fund his retirement? What are his family’s income needs post-retirement? What are his wife’s assets and financial plans? What assets does he hold? <ul style="list-style-type: none"> • Real estate • Securities • Life Insurance • Business Interests • Retirement Accounts What areas – and at what impact – would he like to support? Is he interested in tax mitigation? Is he concerned about estate taxes?
Gift options	<ul style="list-style-type: none"> ✓ Propose a CRT to augment his retirement income ✓ Fund a current endowment and supplement it with a Bequest or retirement fund gift ✓ DCGA

Discussion:

Current Giving = Annual Gift, Major Gift, Pledge and/or Lead Trust

Deferred Giving = Bequest, Retirement/IRA Designation, CRT, and /or CGA

A **blended gift** is one that has both current and deferred components.

Benefits of blended gifts:

- Increase the impact of a donor's giving
- Preserve wealth for our donors and their family
- Donors can enjoy greater tax savings
- Donors can see the results of their giving today

How blended gifts work:

1. A planned gift can be added to a donor's annual gifts of cash or property this year to increase the impact of their giving, provide greater tax savings, preserve wealth for them and their family and further our mission.
2. Some ideas to consider include a charitable bequest, charitable gift annuity, retirement fund gift, life estate, beneficiary deed, POD accounts, and/or charitable remainder unitrust.
3. If a donor already has included a bequest in their will or created another planned gift, they could begin to see the impact of giving today by making outright gifts of cash or property. Donors can avoid capital gains taxes by making a gift of real estate, stock or other appreciated investments.

Where to Start?:

It Starts With Careful Listening!

A deeper understanding of our donors is crucial

Our Assumption: Stephen is philanthropic and wants to continue to support our university in a substantial and meaningful way. We can help explain giving options that will assist him in making this happen.

Learning about our donors assets, their income and retirement plans and needs, their decisions with regard to their family and heirs, their tax and other financial concerns, their philanthropic desires ~~~ all of this information is necessary so that we can provide the best options for them.

Overall Caveat ~ We ALWAYS recommend that any donor obtain independent legal and financial advice, apart from our gift planning recommendations. These are suggestible options for the donor, but should always be reviewed by independent advisors.

CASE STUDIES – BLENDED GIFTS

#1

LuAnn~

Issues:

- **Age 82, alumna and legacy graduate, small amount annual fund donor for 30+ years**
- **Single, no kids**
- **Would like to honor father**
- **She's indicated an interest in planned giving**
- **But reluctant and has concerns about:**
 - **outliving her retirement funds;**
 - **low yield returns on her investments**
 - **Not enough income**
- **Owns 2 homes, rents one; hates the maintenance issues**
- **"Millionaire Next Door"**
- **Would appreciate more income**

Solutions:

- **Gift of \$50K appreciated stock to create an endowed scholarship**
- **Naming of room, established with the \$50K stock gift and a \$350K planned gift of retirement assets**
- **Gift of \$350K appreciated stock to fund a 7.2% charitable gift annuity; \$25,200/yr income**
- **Later, maybe a bargain/sale of one of her homes, with her gain to fund another CGA**
- **Result: increase income, "re-position" low yield dividends/assets into higher yield CGA, avoid capital gains taxes on sale of 2nd home, honor father's legacy and support alma mater**

The Story:

Here's LuAnn – she's an 82 year old loyal donor: She's an extremely loyal donor to your college and has donated approximately \$20 for each the past 30 plus years. Whenever there is an appeal, LuAnn always sends in a small check. No one has ever visited with her, but you've sent thank you notes whenever she's given. Recently, she returned a planned giving marketing postcard that said she was interested to learn more about a bequest and she welcomed a meeting with a development officer.

SO, before your team had this great Blended Gift Training, the "simple" fundraiser request would have been to take the visit and ask LuAnn to include the University in her estate plans and sign a simple bequest intention form.

But now, you are thinking broader and want to learn more about LuAnn and see if she is a good blended gift candidate.

Over the course of several months of getting to know her, LuAnn begins to show an interest to make a significant impact on her alma mater through a donation. Her father also attended your university and she would like to honor him. At the same time, she also voiced several personal concerns about the cost of health care, her low returns she's getting on her investments and general worries about the economy. Through conversations, we learn that LuAnn was single all her life, she had a long successful work career, and that she never had children.

We also learned that she was very frugal and that she spent little money, she lived in the home her parent's built in a historic downtown neighborhood. Throughout her life, she was extremely disciplined and invested much of her disposable income into her retirement portfolio and her investment grew. As it turned out, she was one of those "millionaires next door". Her quiet wealth included two homes, a large retirement account, and a significant stock portfolio. Although LuAnn wanted to give, she also made several "but" or "reluctance" statements including:

- Low return from her stock portfolio and the need to watch her investments
- Rising cost of maintenance expenses and high taxes for her homes
- Large healthcare bills that seemed to get larger as she aged
- Concern for how much money she would have in her estate at the end, and thus how much she could donate

So, how do you assess all of this information and what ideas could you propose to solve some of LuAnn's concerns?

Based on her interests as well as her concerns, you propose the following blended gift that totals more than \$800,000. You set this giving strategy out in a comprehensive proposal, with several choices for LuAnn to consider.

The first gift that you ask LuAnn to make is a cash gift to establish a \$50,000 scholarship, and also a \$300,000 gift of appreciated stock to name a room to honor her and her father in a new campus building. Lu Ann agrees to do this and she receives a nice charitable donation for these gifts which she is able to use to reduce her tax obligations. As part of your proposal, you ask, and she agrees, to leave a portion of her retirement account totaling \$350,000 to enhance the size of her scholarship endowment when she is gone. As another part of your blended gift ask, you also suggest that she donate more appreciated stocks to create a charitable gift annuity that would pay her 7.2% for her lifetime. For the CGA, you provide her with several PGCalc illustrations (or it could be Crescendo projections, depending on your software program) to show her how a gift annuity will work and she agrees to gift another \$350,000 to receive a yearly payout of \$25,200, more than she was receiving from her stock investments and their dividends.

Finally, you suggest to LuAnn that she could sell one of her homes to the university at a discounted cost, in a Bargain/Sale transaction ~ As such, she would be gifting a portion to the university as a gift which could either go into her existing endowment or be used for another favorite program of hers. With the Sale Portion of the Bargain Sale, your university would use those proceeds to fund another charitable gift annuity, providing LuAnn with more income to help alleviate her concerns that she might not be able to afford health care in the future.

The Final Result to Your University ~ well over \$1,500,000 in gifts from LuAnn (considering the real estate gift). She's able to re-purpose low-dividend securities into a higher payout Charitable Gift Annuities, providing much-welcomed extra income to her. She's also able to use one of her homes to fund another Charitable Gift Annuity, and get rid of the hassle of maintaining that home. She is enjoying her scholarship recipients and knows that in the future, more students will benefit from her generosity.

Definitely a WIN-WIN for both the university and for LuAnn and a much richer solution than just obtaining a simple bequest intention form. And a very successful blended gift.

CASE STUDIES – BLENDED GIFTS

#2

Leonardo ~

Issues:

- 65 years old, widowed with 2 adult, successful children
- Wanting to retire, but not sure if he can afford to do so
- \$90K/year is budget; wants to preserve that
- Has little cash to give away
- Assets are mostly held in rental real estate, and a savings account
- Tired of managing his rental properties
- Wants to leave something for his children

Solutions:

- 10% Charitable Remainder Unitrust funded with his rental properties
- Creates retirement income of \$100K per year
- \$50K pending endowed scholarship to support the swim team payable in 5 years
 - Conveniently using the additional \$10/year the CRT allowed!
- Remaining property to children
- Result: increase income, avoid capital gains taxes, get out of rental business, support alma mater

The Story:

He's 65 years old, in great shape ~ you know, he was a former swimmer for your university Men's Swim team back in the day. He loves to attend your swim meets and is a great mentor for the young team members who are just starting out in their NCAA career. Sadly, Leonardo lost his beloved wife a few years ago to cancer. They had met at your university and fallen in love under the big oak trees in the quad. He's blessed with 2 children who have graduated from college and are experiencing success in their chosen careers. Leonardo wants to leave them something in his estate plans, but not too much ~ he's funded their college costs and set them up by buying them each a car and giving them a really nice down payment for their homes; it's up to them to make their lives successful now, Leonardo tells you. Leonardo has worked hard all of his life and really wants to retire and build boats as a serious hobby. He'd like to establish a small scholarship to continue to support his favorite swim team, make a decent income through his investments and retire to the small beach he owns. How can you help him?

As you get to know this donor, you learn that Leonardo owns several pieces of rental property he and his wife bought years ago and he's depreciated those houses down to almost nothing. The rental payments are his prime source of income and provide him with about \$90K a year. He knows that if he sold them to fund his retirement, he would pay serious capital gains taxes and he wonders if he could re-invest the proceeds to earn that much in retirement. But he's tired of managing them and dealing with tenants. He wants out of the real estate management business, but he can't do without the income since he won't be able to access his retirement accounts for several years and Social Security won't pay for a beach house and boat building. He wonders if you have any thoughts.

After much thought, you propose the following blended gift plan for Leonardo:

You suggest that he set up a Charitable Remainder Unitrust and fund it with all of his rental properties. Based on your PGCalc calculations (or Crescendo) you know he can qualify that CRT as a charitable vehicle with the IRS with a 10% payout which will get him \$100,000 in annual income if his properties sell for \$1M; Leonardo knows they will sell quickly and thinks they'll go for even more. These properties will be sold within the Remainder Unitrust, so Leonardo does not get hit at one time with huge capital gains taxes when his rental units are sold; those will be spread out for him to pay over the life of the CRT. When the proceeds from those sales are reinvested, there will be life time income from the CRT for Leonardo to pay for his beachfront house, and his hobbies. He's really happy that he won't have to manage these properties anymore and that he can use them to fund his retirement through this charitable trust.

You also suggest that Leonardo establish a scholarship endowment, but that he do so in a structured payout of \$10,000 over 5 years. He feels comfortable doing that, not spending a large chunk of his savings ~ he also knows that he can live off less than \$100k a year and can easily fund his pledge payment for the next few years. He's also glad that the remainder of the CRT will go into his endowed scholarship fund to support more student athletes in the future.

Leonardo can now leave his beach property and any other assets to his kids, knowing that they will appreciate in value during his lifetime and provide them with a nice inheritance.

Another WINNING solution for a blended gift donor.

CASE STUDIES – BLENDED GIFTS

#3

Albert ~

Issues:

- **Age 70, graduated from your law school; private practice**
- **Successful businessman; \$2M stock portfolio w/highly appreciated stocks**
- **Hard to find an interest on campus that he will support; doesn't want to give cash**
- **He might have estate tax issues if he doesn't plan**
- **Worried about income and capital gains taxes**
- **Primary goal is to support his disabled son**
- **Owns \$3M mountain vacation home that children do not want**

Solutions:

- **Use his Breckenridge property to fund a 5% CRT for his life and the life of his son**
 - **Provides \$150K/yr to him, then at death to his son**
- **Reduces his charitable estate to possibly zero out estate tax concerns**
- **Gift low-basis part of his stock portfolio today; avoids capital gains taxes**
 - **Additional income from CRT provides comfort level to do this**
 - **Establishes a \$250K Pre-Law Scholarship Endowment**
- **Charitable deductions to offset income from CRT and law practice**
- **Result: reduce estate taxes, increase income, support alma mater and provide for son**

The Story:

Your alumnus, Albert is a successful lawyer in your city. He is 70, divorced and runs a small private law firm. Albert enjoys playing the stock market and considers himself an active day trader. His personal stock portfolio is worth about \$2.0M, full of securities he has purchased over the last 20 years; he tells you his investment strategy is to hold them for the long haul. He loves the dividends he receives off of the portfolio; they supplement his income from his law practice, which, by the way, he intends to run until he can no longer work. He lives in a beautiful downtown condo (FMV = \$1M). Before his knees began to ache, Albert loved to ski and he has a vacation home in Breckenridge, Colorado (FMV = \$3M) he bought 30 years ago when prices were relatively low. Albert's kids no longer want to spend their winters in the cold, so no one uses this beautiful home.

Altogether, considering debt and other assets, Albert's current net worth is approximately \$6.5M. He has 2 children from a previous marriage who are college graduates and successful in their own careers, 4 grandchildren he dearly loves, and a son from his first marriage who has Multiple Sclerosis and has never been able to work.

Albert comes to your events, but several gift officers over the years have presented him with proposals for a cash gift and he's turned them down politely. No one seems to have come up with a strategy to engage Albert or suggested an area that interests him. You finally get a chance to sit down with him, promising that you won't ask him for money, but would he consider learning more about some different giving strategies, like trusts or annuities? He tells you that he doesn't have much in available cash and what he has, he needs to preserve, so he says he can't give right now. You tell him you understand, and appreciate his forthrightness.

Over the next few months, you develop a good relationship with Albert and learn more about Albert's concerns with his wealth (for example, he really doesn't want his children to pay estate taxes and he doesn't want to sell the Breckenridge property because the capital gains taxes he figures could be almost \$600,000). He's most worried about his oldest son and how to create a plan to support him when Albert is gone. Albert wants to be charitable, but doesn't know how to give or what to give.

With this additional information you've learned about Albert, what kind of blended gift strategy could you suggest for him?

Albert certainly has enough wealth to be worried about paying estate taxes. If Albert were to die this year, his estate would owe over \$400K in federal estate taxes. When you share this information with him, he's now more than ready to start planning and is open to learning more from you. Here's a possible blended gift proposal for you to offer:

Since Albert's first concern is the welfare of his oldest son and his next planning interests involve taxes, you suggest he could use his Breckenridge property to fund a 5% charitable unitrust with income to him and then at his death, the income would be paid to his oldest child for his life. This arrangement would provide \$150,000 a year in income to Albert and would give him the security to know that his son would be well taken care of once Albert is gone. By placing the property into a CRT, Albert forgoes the huge initial capital gains taxes should he sell the property outright. Those could be over half a million dollars considering Albert's low basis in this property. Albert won't escape paying these capital gains taxes, but they'll be paid out over his and his son's lifetime.

By transferring the ski property to a charitable trust, Albert has cut his net worth in half and no longer needs to worry about estate taxes. And Albert loves the charitable deduction he'll get from transferring this asset into the CRT.

You also propose to Albert that he use \$250,000 of his stock holdings to establish a Pre-Law scholarship endowment at your school. Since Albert will be increasing his income by creating the 5% remainder unitrust, he knows he can afford to gift away some of his stock portfolio, and plans to gift to you his lowest basis shares and those with the lowest dividend payments. By doing this, he'll avoid any capital gains taxes were he to sell these shares outright. And he'll get another charitable deduction which he can use up this tax year and over the next 5 tax years. When his son passes, the remainder of the CRT will go to supplement this endowment.

Albert is very pleased that he could make such a large gift to support his alma mater, increase his income AND create a life income stream for his son when Albert is no longer here to provide support to his son. And he's equally happy that he has plenty of other resources to leave to his other children and grandchildren. This is a great blended gift solution for your school and for Albert and his family.

In any of these case studies, there are many more options you could suggest. For example with Albert, there are several other ideas to reduce his taxable estate and meet his goals such as:

- Place assets into a revocable trust
- Set up a special needs trust for his son
- Provide annual gifts of \$14K/each to family/friends, tax-free
- Make unlimited annual gifts to charities, also tax-free, during his lifetime AND OR
- Transfer some of his assets into a Charitable Lead Trust, possibly enabling a tax-advantageous transfer to his children AFTER letting your school have the trust revenue for a period of years

CASE STUDIES – BLENDED GIFTS

#4

Stephen ~

Issues:

- **Age 64, Married to Marge, with successful, adult children**
- **Very involved donor; sits on advisory boards**
- **Considering his first Major Gift, largest gift to date is \$5K**
- **Wants to retire soon and needs more income**
- **Interested in life-income gifts**

Solutions:

- **Propose a CRT to augment his retirement income**
- **Fund a current endowment and supplement it with a bequest or retirement fund gift**
- **Flexible Deferred Charitable Gift Annuity, date of payout start to be chosen by donor**
-

The Story:

Your donor, Stephen, has been a wonderful and loyal contributor to your university. Since graduation, he has given to the annual fund almost every year and his Loyalty Rating is off the charts! You know that Stephen is a good candidate for a stepped-up annual and/or major gift and you also know that loyalty is a good indicator of a planned gift. How do you approach Stephen with a blended gift strategy, maximizing his giving and providing him with greater options to give?

In your visits with Stephen, you've learned the following:

- He's 64 Years Old
- Planning to retire in the next 3 years
- He's Married to lovely Marge, and they have 3 Children, who are all college graduates
- His home is valued at \$750K, with no mortgage
- He's a longtime Annual Fund Donor
- Largest gift is \$5K to last Comprehensive Campaign, not quite a major gift by your rules, but still considerable
- Attends numerous campus events
- Stephen sits on the College of Business Dean's Advisory Board
- He's considering making his First Major Gift; he is well aware of the needs of the College of Business from the Dean
- Stephen tells you that he would like to learn about split interest gifts, those that will pay him and his wife for their lifetimes

Since he is willing to share his information with you, what other facts would be good to know about Stephen?

- How will he fund his retirement? Does he have other assets like retirement accounts or commercial annuities and when do those begin to pay out to him? Does he want to access Social Security when he turns 65?

- What are his family's income needs post-retirement? What amount of income would Stephen and his wife need should he retire soon?
- What are his wife's assets and financial plans? Does Marge have any assets that could work to fund a charitable remainder unitrust or gift annuity or other gift plan?
- What assets does he hold? Does he have:
 - Real estate?
 - Securities?
 - Life Insurance?
 - Business Interests?
 - Other Retirement Accounts?
- What areas – and at what impact – would he like to support at your university? The college of business, perhaps, but would he enjoy creating an endowment or spendable account?
- Is he interested in tax mitigation? Does Stephen need a charitable deduction? Does he have low basis assets that would create large capital gains taxes if he were to sell them?
- Is he concerned about estate taxes? Stephen knows that he and his wife have over \$10M to bequeath to family, but you should find out if he has net worth greater than \$10M and should he look at some estate reduction methods?

All of these areas of inquiry are important for you and your team as you consider a gift proposal to offer to Stephen. Without this detail, you don't know the size of your ask, what gifts types to suggest to him and how complex a plan his assets can handle.

So, what do you offer to Stephen?