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Planned Giving Myths, Facts, Stats, Ruminations, and More.

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SOCIETY GROWS GREAT
WHEN WE PLANT TREES IN
WHOSE SHADE WE KNOW
WE SHALL NEVER SIT.

GREEK PROVERB



Myths & Facts



Cash is king.

MYTH

FACT

Only 5% of this nation's wealth is in cash.
The other 95% is in assets like
stocks and property.



Planned gifts aren't worth all the effort they require.

MYTH

FACT

The typical completed planned gift is **200 times the size** of a donor's largest annual fund gift.



Planned gifts take too long.

MYTH

FACT

The average time from inception to maturity for a planned gift is **7-10 years**. That's only a few years longer than most campaign pledge periods.



But we need cash now!

MYTH

FACT

Studies show that those who include a charity in their estate plans (the definition of planned giving!) also increase their outright giving by about 75%—and it stays up.



We don't have very many planned gift prospects.

MYTH

FACT

Your planned giving prospect pool is probably much larger than your capital pool—it may be up to 5 times larger!



**We are not ready for
planned giving. We'll get to it
someday, though.**

MYTH

FACT

“Someday” is a code word for never.
If you wait for perfect circumstances you will
never start. You are ready to begin today.



I need to be an expert on gift plans and tax laws before I start asking for planned gifts.

MYTH

FACT

Planned giving is a people business. If you love people and know how to talk to them, you can ask for planned gifts. Get attorneys and advisors involved only when it's time to work out the details.



I'm not a lawyer, CPA, or CFP. I won't understand planned gifts.

MYTH

FACT

It's not rocket science; many of the best planned giving officers aren't qualified in those areas either—at least on paper. If you care about donors and your organization, you can lead a planned giving program. The donors' lawyers & financial advisors do the rest.



Planned gifts compete with major gifts.

MYTH

FACT

Most planned giving prospects are not prospects for major gifts. Major donors are truly wealthy, the “millionaire” types. Planned giving donors, generally, are not. Major giving and planned giving are two separate donor prospect categories.*

*A blended gift (i.e., a planned gift structured into an outright gift) can often dramatically increase a major donor’s total gift.



Planned gifts distract from capital campaigns.

MYTH

FACT

Capital campaigns typically focus on 5% or less of the donor base. Planned gifts reach the “hidden constituency” (your most loyal donors). Planned gifts provide up to 30% or more of comprehensive campaign totals.



We can't do planned giving. Our donor base is not rich!

MYTH

FACT

One of the best-selling points of a planned gift is that it does not affect the donor's cash flow. That makes it accessible to people of all income levels. It's "philanthropy for the rest of us."^{**}

****Your best prospects are your most loyal donors, not necessarily your wealthiest.**

The highest predictor for a planned giving prospect is institutional loyalty.



Planned giving donors are old.

MYTH

FACT

43% of bequests are created by individuals younger than 55, and 15% of all planned gifts are by those younger than 45.



A bequest isn't worth pursuing. People change their wills all the time.

MYTH

FACT

While 69% of donors change their wills,
only 25% change a gift in their wills.



Planned giving prospects are older, which means they're not online.

MYTH

FACT

The number of seniors using the internet has skyrocketed. They're tech savvy, own smartphones and tablets, and are looking for your planned giving website.



All planned gifts are deferred gifts.

MYTH

FACT

Gifts of stock, annuities, real estate, charitable lead trusts, and IRA gifts such as qualified charitable distributions can be immediately put to work.

Other gifts, like bequests, can be realized in less than five years.



Planned gifts market themselves.

MYTH

FACT

Most people aren't even aware that planned giving is an option! Add in the fact that more than 68 percent of Americans lack an estate plan, and it's easy to see the need for a robust planned giving marketing program.



My donors don't want to make planned gifts, because the future is uncertain.

MYTH

FACT

Almost all planned gifts are easily changeable or revocable. That gives donors the flexibility to adjust or even eliminate a planned gift should their needs change.



Estate planning is only about protecting family and assets. People don't think about philanthropy.

MYTH

FACT

While protecting loved ones is the primary goal, an estate plan is also a reflection of a donor's personal values. Including planned gifts to causes that a donor supports is a powerful way to shape their legacy.



We've tried planned giving. It doesn't work for us.

MYTH

FACT

When planned giving programs fail, it's usually because of poor marketing. Donors cannot give if they're unaware of your program. Consistent, strategic marketing is the only way to raise more and bigger planned gifts.



Asking for legacy gifts is like asking for someone else's inheritance.

MYTH

FACT

Charitable planned gifts generally make up just a fraction of an entire estate. You are not asking supporters to neglect their loved ones—you are asking them to consider shaping their own legacy while also protecting their families.



A will is the only way to make a planned gift

MYTH

FACT

Legacy gifts can also be made through beneficiary designations of bank, investment, and retirement accounts, as well as through life insurance.



Our organization is too young for planned giving.

MYTH

FACT

It doesn't matter if your nonprofit is a century old, or just starting out: Your loyal donors want to support you, and a planned gift is often the easiest way to do that with no impact on their day-to-day cash flow.



There's no reason to target people without heirs, or single people. They don't need estate plans, and don't care about their legacy.

MYTH

FACT

The truth is often just the opposite:
Donors without heirs are keen to establish their legacy in some other manner—often through their support of a beloved cause such as your mission.



We don't need to market planned gifts to consistent annual donors who give only a few dollars. They don't want to give more, or lack the means to give.

MYTH

FACT

Your consistent annual donors are your most loyal supporters—no matter how small the gifts. They'll jump at the opportunity to make a larger impact on your mission through a gift that costs them nothing during their lifetime.



My donor's children will object if the donor makes a planned gift.

MYTH

FACT

Many donors discuss their estate plans with their families first. Philanthropy is often a family affair; look for ways to involve the entire family in a donor's gift.





Statistics



**A typical planned gift is
200 to 300 times the size of a
donor's largest annual gift.**



**Foundations facilitated
21% of nonprofit gifts in 2022—
about \$105.21 billion!**



Americans gave
\$499.33 billion to charity
in 2022.



Most donors do not give for tax benefits—they give because they believe in your mission.



**Including bequests,
ordinary citizens gave 73%
of all charitable gifts in 2022.**



**More than 68 percent of
Americans lack a valid will!**



**Bequests make up
over 90% of all planned gifts.**



**The average U.S. donor is 64,
and makes two donations a year.**



**More than half of all people
don't know where to find
their parents' estate planning
documents.**



**98% of nonprofits do not
have a simple “ways of giving”
brochure for donors.**



**Planned giving leads
to an increase of about
75% in annual giving!**



**Planned gifts increase about
5% every year—even during a
recession.**



**Only 37% of people 30 and older
know what “planned giving”
means—educate your donors!**





Ruminations



**Planned gifts offer a way to
diversify your revenue sources.**



Planned giving allows anyone,
no matter their income level,
to become a philanthropist.



**Donors can use planned giving
to create their own legacy.**



**Planned giving has the highest
ROI of all fundraising methods.**



**Most nonprofits lack even a basic
planned giving program.**



**Nonprofits with even a basic
planned giving program fared
better during the pandemic than
those with no program at all.**



**Planned gifts can be structured
to provide tax benefits
to donors and their heirs.**



Once a donor names
a charity in their will,
they almost never remove it.



Actual donor stories work much better than fictional stories.



Fundraisers who just
dabble in planned giving earn
50% to 100% more than
those who do not.



**Individuals and couples
without children are more likely
to make a planned gift.**



Planned giving is a hallmark of legitimate, prestigious organizations that are serious about long-term goals. Donors want to ensure their money goes to a successful nonprofit.



Studies show single women and widowed older women are among the most generous donors and best planned giving prospects. Some fundraisers even say that if she's a pet owner, she will be even more likely to give.



The only thing a donor takes
with them when they leave
this Earth is their legacy—and
when they leave a gift to your
nonprofit, it's like having that
legacy hand-delivered.



Donors give to causes, not to institutions. Use language that emphasizes what your donors can do to advance your cause—not what your organization does for its mission.



**Planned giving has a long history:
One of the earliest planned gifts occurred
when King David bequeathed assets to his
son, Solomon, to build what became known
as the First Temple. In America, some of the
earliest known planned gifts are credited to
four Mayflower pilgrims who left gifts to their
churches through their written wills.**



**Planned giving provides a
lifeboat for times when the
economic waters get rough and
philanthropy goes down.**



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