

# Harvesting Planned Gifts in Uncultivated Parish Fields

by Mark Henry, JD



# Mark Henry, JD

## Background and Qualifications

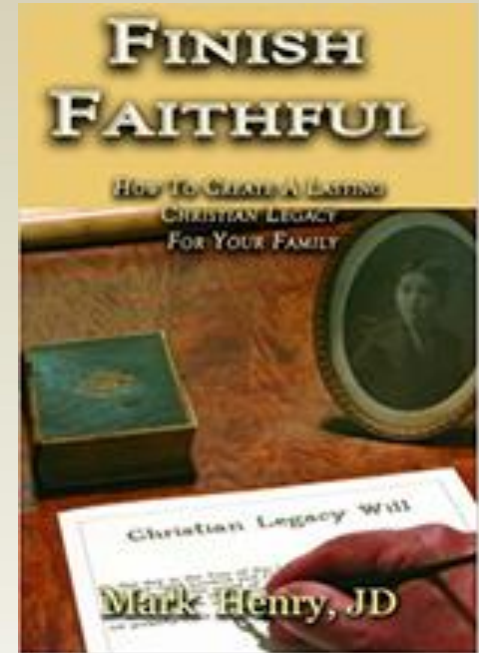


Mark Henry, JD

- President, East Texas Catholic Foundation
- Winner - 2018 ICSC Total Planned Giving Effort Award (Category 1A)
- Established Diocesan Planned Giving Program generating \$13,000,000 planned gifts during 1<sup>st</sup> year of program
- Author, Finish Faithful
- Fellow, St. Philip Institute of Catechesis and Evangelization
- Stewardship Advisory Group, 2001 - 2018

# Evangelizing With Message Of Stewardship Estate Planning

- Tool to Evangelize Seniors & Teach Them Importance of Leaving Lasting Financial Legacy to Support Church
- “How To Guide” on Stewardship Estate Planning and Philanthropy
- *It's Not How You Start – It's How You Finish That Matters*
- Chapter Highlight – The Prodigal Father



# Why Every Catholic Charity Needs A Strong Planned Giving Program...

## The Opportunity:

- Average Size Planned Gift - \$73,352
- Average Size Bequest - **\$162,282**
- So...planned giving development efforts should **concentrate on generating bequests.**
- Bequests involve estate planning, i.e. prep. of Will, Trust, Etc.
- Less involved planned gifts like gifts of IRA, insurance policies, POD/TOD easier to generate, require less legal expertise.



# Generating New Current Gifts Through Planned Giving

## Additional Donor Asset Info

- Estate planning is the cornerstone of planned giving
- Assisting donors with estate planning enables charity to get detailed info on **ALL** of donor's assets
- This increased donor financial info identifies other assets that donors can direct to current gifts



# How Planned Giving Programs Generate More Current Gifts...

## The Opportunity:

- The estate planning asset information identifies assets that are generating low returns or will generate income taxes if sold.
- These assets can be used to fund larger current gifts and/or fund blended gifts like CGA's, Charitable Trusts, etc.
- Donors can receive increased income and tax benefits
- Without this estate planning asset information, the charity would never know the donor's actual capacity to make additional current gifts.



### ESTATE PLANNING ORGANIZER

#### Family information:

xxxxxxxxxxxxxx

xxxxxxxxxxxxxx

#### Estate Distribution Plan:

Responsible heir

inheritance: \$xxxxxx

**Balance to Church: \$xxxxxx**

#### Financial Information:

**Cash \$110,000**

**Appreciated Securities \$275,000**

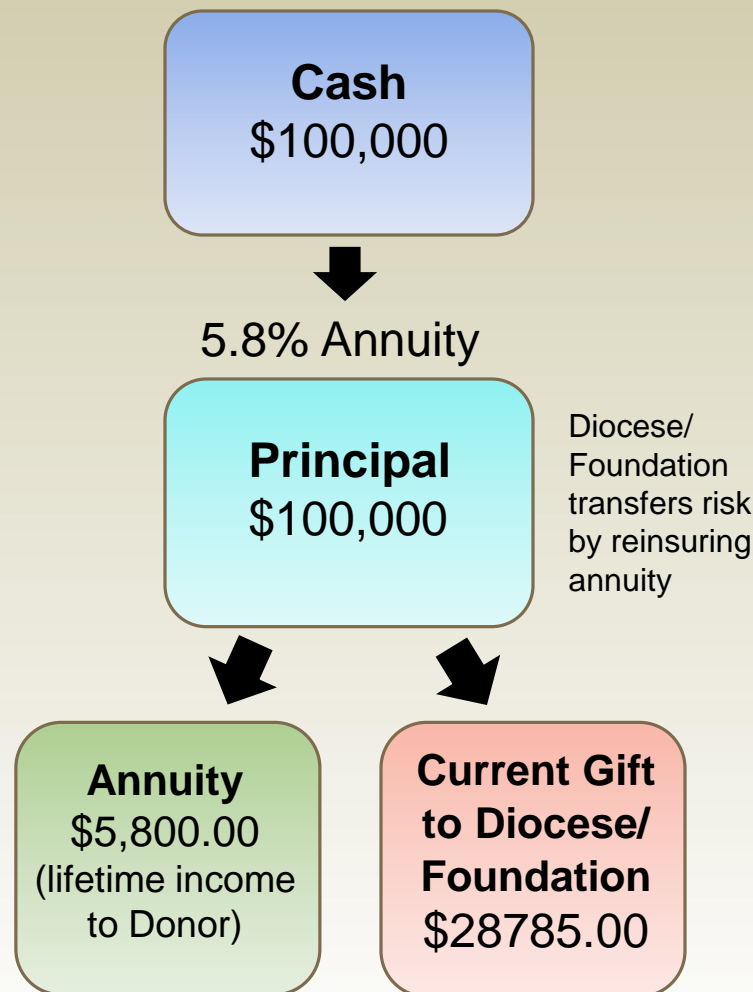
**Real Estate \$625,000**



# Generate Major Current Gifts with Charitable Gift Annuity Program

## Charitable Gift Annuity:

- Diocese or Foundation that sets up own gift annuity program can generate significant current gifts
- By reinsuring gift annuity, you transfer risk of offering gift annuities to third party
- Reinsuring also enables you to generate major current gift from each gift annuity



# Financial Risk As Charity Donors Get Older

## Many Of Your Charity's Best Donors Have Passed Away Or Will Pass Away within 5 Years

### Number of Deaths 2015 - 2017 in selected Dioceses:

		Number of Catholics Passed		
Away				
	<u>Diocese</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1.	Amarillo	291	287	288
2.	Beaumont	773	780	691
3.	Charlotte	1101	1167	1291
4.	Dallas	1473	1510	1537
5.	Fort Worth	1015	1105	1175
6.	St Paul/Minneapolis	4303	4363	4462
7.	Nashville	469	496	515
8.	New Orleans	3349	3114	3330
9.	Phoenix	2954	2685	2979
10.	Tyler	327	362	279



# Funerals vs. Bequests

**I recently polled Priests in our Diocese and asked them:**

- 1. How many funerals they had in their parish**
- 2. How many bequests they received from those deceased parishioners**
- 3. The results were disturbing...**

## **PRIESTS SURVEY**

1. Priest name: \_\_\_\_\_
2. Parish: \_\_\_\_\_
3. Number of funerals you presided over from 2014 – 2017: \_\_\_\_\_
4. Number of bequests or other planned gifts your parish received from deceased parishioners from 2014-2017: \_\_\_\_\_

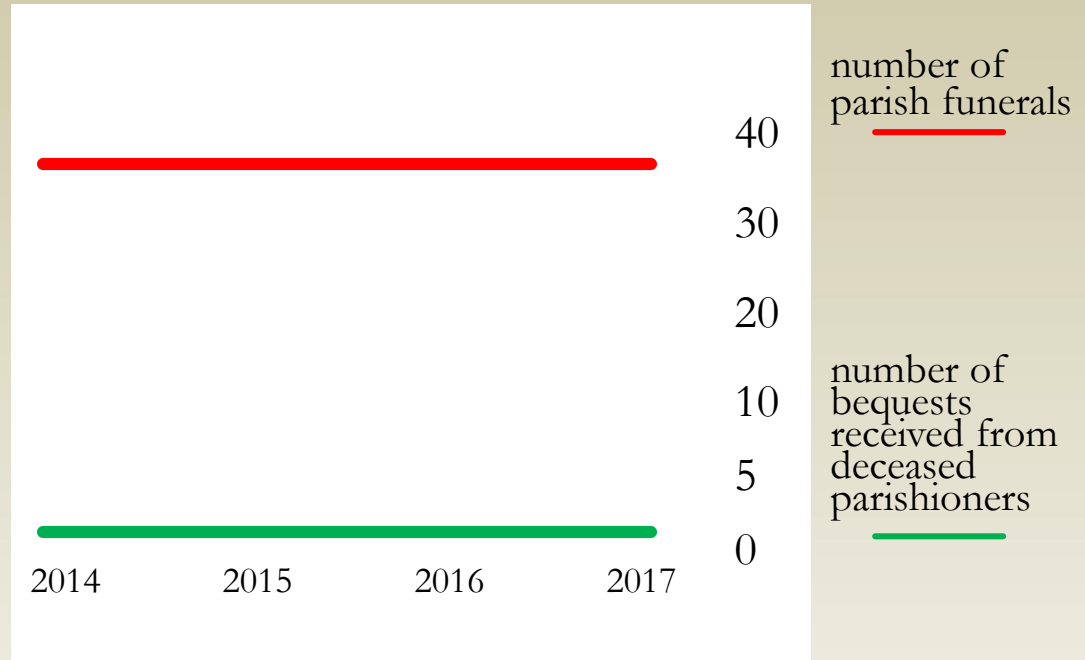
Signed:

*Father Joe Williams*

# Funerals vs. Bequests

## Results of Priest Survey

1. Most Parish Priests said their Parish had received **NO bequests** from deceased parishioners from 2014 - 2017
2. Typically, Priests said they had presided over **30 – 40 parishioner funerals** from 2014 – 2017



Impact on Catholic Charities...

# Financial Impact On Catholic Charities

● **Question:** *What will the financial impact be on your charity when its top 20 senior (Age70+) donors pass away?*

● **Answer No. 1:** *If they have not made a planned gift, your charity will financially suffer as those donor's financial support will end permanently.*

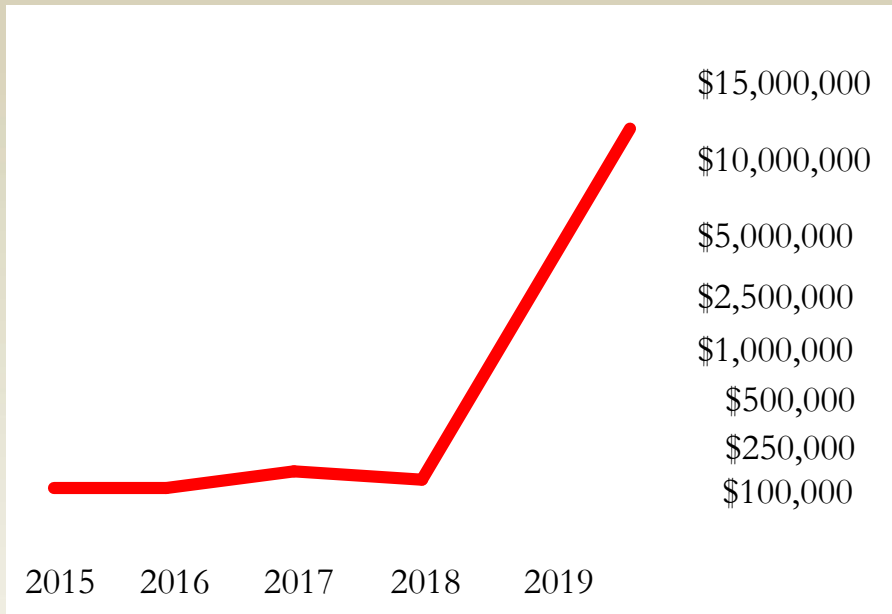
● **Answer No. 2:** *If they have made a planned gift, your Charity will financially benefit as those donors financial support will increase.*

● **Additional benefit: Current gift:** *When a donor names your charity as a beneficiary of an IRA, Annuity or other asset (planned gift), you show them ways to “speed up” the eventual gift and make a current gift.*

● **Result:** *With a planned giving program, your charity's future (**and your job!**) will be protected since you will receive planned gifts from your donors and opportunities to generate more current gifts too.*



# Case Study – Diocese of Tyler



## Diocese of Tyler Planned Giving Program

- Prior to 2018, Planned Gifts were sporadic and infrequent
- Late 2017 – Planned Giving Program designed
- Jan. 2018 – Planned Giving Program launched
- Description of Program:
  1. Emphasizes Catholic estate planning strategies
  2. Planned giving event driven
  3. Avoid mortality triggers in marketing
  4. Story telling
  5. Easy for parishes to host
- From Jan. 2018 – Oct. 2018 **\$13,000,000** planned gifts generated

# Best Practices: *Educating Catholics on “Catholic Estate Planning”*

**A great conversation starter with Catholics is asking them “Do you have a Catholic Estate Plan?”**



**A “Catholic Estate Plan” may include the following:**

- Catholic Medical Directive
- Sacramental Wishes Statement (Pastors Love This!)
- Catholic Legacy Will
- Planned Gift to Catholic Charity

**The overwhelming majority of Catholics do not have a Catholic Estate Plan.**

**Many Catholics who you ask will be open to get further information on a Catholic Estate Plan.**

**Provide them information then follow up with them and encourage them to get their planned giving included estate plan done.**

# Best Practices: *Educating Catholics on “Catholic Estate Planning”*

## The benefits of using Catholic themes when marketing planned giving...



Testimony from recent donor of planned gift to Tyler Parish:

*Dear Mark:*

*We want to thank you for the opportunity to make this bequest. This planned giving program is truly worthwhile and we are glad that we were made aware of it by your presentation. Having people come to the parish to explain the Catholic perspective on wills and trusts was the push start that we needed to actually take the steps to implement this donation.*

*Sincerely,*

*Shawn and Gerry I.*

(reprinted with donor permission)

# Overcoming Parish Resistance To Planned Giving Events

## How To Convert Skeptical Pastors Into Raving Planned Giving Fans



- Ask Pastor The “Funerals vs. Bequests Question”
- Explain That Most Of The Work In Planned Giving Event Will Be Done By Diocese or Foundation, NOT by Parish
- Show Pastor The Results of Prior Successful Planned Giving Events, Using Other Pastor’s Testimonials
- Pastors Like “Sacramental Wishes Statement” Since It Reduces Funeral Drama & Difficulty, Less Headaches for Pastor and Staff

## First Successful Planned Giving Event

### Share The Good News With Other Pastors



- Effectively Conducted Planned Giving Events **WILL** Produce Significant Planned Gifts
- Get Pastor's Commitment To Give Positive Written Testimony About Event So Other Pastors Will Want To Host A Planned Giving Event Too

*“Our Parish was the first in the Diocese to host Mark Henry’s Planned Giving Presentation. The event generated in excess of \$2,000,000 in planned gifts. I highly recommend this program to other Pastors.”*

**Fr. Mike Snider, Holy Spirit Parish, Hawkins, Texas**



# Build Planned Giving Momentum After First Successful Planned Giving Event

## Have Planned Giving Donors Tell A Positive Story About Their Planned Gift



*Dear Mark:*

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# The Psychology of Planned Giving

## Avoid Using Mortality Triggering Language Like Death, Estate, End-of-Life, etc. in Planned Giving Marketing



**Procrastination is the biggest enemy of planned giving.**

- **Close to 50% of Catholics never get to doing their estate planning.**
- **If they don't do an estate plan they end up disinheriting the Church.**
- **Mortality themed language causes Catholics to delay getting their estate planning done.**
- **Replace mortality triggering language with positive, uplifting messaging that “moves” planned giving prospects to the next step.**



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# Planned Giving Presentations

## Do's and Don'ts of Planned Giving Events



- **DON'T** promote Planned Giving Events as strictly estate planning presentations.
- Use “hybrid messaging” which leads with non gifting themes then transitions into charitable estate planning.
- Reduce usage of typical estate planning language and replace with positive messages that stress leaving a legacy, making a lasting impact, honoring your faith, etc.
- Closing of planned giving event is **MOST IMPORTANT!**
- Make it easy for prospects to start their estate plan, difficult to just sit back and do nothing (incentivize moving forward).

# Completing a Planned Gift & Working with Attorneys

## Donor Agrees To Make A Planned Gift, Now What?\*

**Document Their Charitable Intent and Refer Donor to Experienced & Trusted Estate Planning Attorney**

**Written Donor Planned Gift Commitment Forms, Pros and Cons:**

1. Firms up donor's commitment to make planned gift before donor meets with attorney
2. Attorney has ethical duty to independently advise donor/client

**Attorney Client Confidentiality Release** (authorizes attorney to provide charity with proof of planned gift)

1. Needed for charity to get copies of legal documents verifying planned gift

\*subject to state law requirements re: ethics, confidentiality, etc.



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## Donor Agrees To Make A Planned Gift, Now What?\*

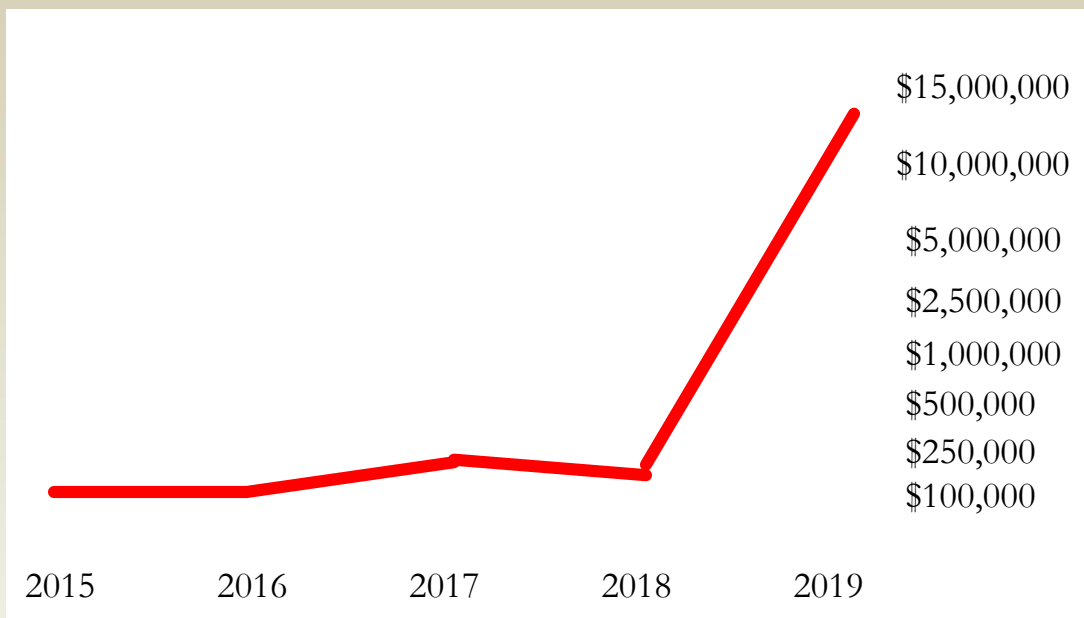
### After Donor Referred To Estate Planning Attorney...

1. Follow up with donor to confirm meeting with attorney
2. After donor-attorney meetings, follow up with attorney to confirm estate plan includes planned gift to charity
3. request copies of estate plan documents, per client written authorization



\*subject to state law requirements re: ethics, confidentiality, etc.

# What Next?



## Tips On How To Jump Start Your Planned Giving Program

- **Contact me within one (1) week of your receipt of these materials.**
- **Contact info: Mark Henry, JD, 903-617-4183 (cel) or [mhenry@dioceseoftyler.org](mailto:mhenry@dioceseoftyler.org)**

**No Obligation, Except...**

# Planned Giving Survey Form

## Fill out Planned Giving Survey Form

- **Confidential, do not need to fill in your organization's name**
- **Data from survey to be used in *"Planned Giving Best Practices"* White Paper**
- **email completed form to me**

### **PLANNED GIVING SURVEY FORM**

1. Describe your organization's planned giving efforts:
2. How do you market planned gifts:
3. Do you use Catholic faith-based marketing materials?
4. Description of planned giving staff or consultants:
5. If you hold planned giving events, who conducts the events?
6. How do you confirm that a donor has made a planned gift?