



## Why legacy giving?

### For the donor:

Legacy giving is a way for individuals to give charitable donations to one or more nonprofit organizations through estate planning. In addition to tax benefits, gifts left through estate plans allow donors to create a charitable legacy with a lasting impact.

Helping sustain the good work of a favorite charity is itself a compelling reason to consider a legacy gift. Plus, legacy gifts, also called planned gifts, can bring various tax benefits, particularly reduced estate taxes for a donor's heirs, making such gifts a meaningful and practical choice for many donors.

In most cases, a planned gift is made upon someone's death, but not always. Planned giving can take a number of forms, including recurring donations that begin while the donor is alive and continue after they're deceased. And though many of us think of money when we contemplate charitable donations, they can also take the form of material goods, real estate, mutual funds, stocks – anything of value.

### For the nonprofit:

Legacy gifts can be outright, one-time gifts, or they can be set up as endowments. Endowments offer an organization a reliable, predictable source of revenue. Both one-time gifts and endowments can be unrestricted or given for a specific use, and data shows that donors who commit to leaving a gift to a nonprofit in legacy tend to increase their annual giving during their lifetime. (<https://pentera.com/blog/does-making-planned-gift-hurt-annual-fund-gifts-no-and-theres-new-research-help-prove-it>)

Planned gifts are among the largest gifts a nonprofit will receive, often many times the size of a donor's largest annual gift. (<https://www.plannedgiving.com/about-us/importance-of-planned-giving/>)

Legacy giving programs are an important component of any nonprofit organization's fundraising efforts. We now sit on the cusp of the "Great Wealth Transfer" in which Baby Boomers will pass on their estates to their heirs – and to the nonprofits they care about. Nonprofit organizations that don't talk to their donors and volunteers about legacy giving are doing both themselves and those individuals a disservice. Indeed, a legacy giving program has the power to build a pipeline of gifts that can support your organization well into the future.



## What is a legacy gift?

A legacy gift is a donation made by an individual through their will or another formal estate planning designation. Bequests, in which a person's will designates a dollar amount or portion of the total estate to be donated, are by far the most common type of legacy gift.

Legacy gifts are typically prepared by an attorney, sometimes in partnership with other advisors, and reflect the values and desires of the donor.

## How to solicit legacy gifts

- 1. Create a planned giving process:** your relationship with DJCF grants you access to experienced and talented gift planning professionals and advisors. We can share sample language that a donor can use in their estate plans or wills, or even work alongside you in documenting a gift to your organization's endowment. Some donors elect to establish their own endowment, with funds directed to one or more organizations. Whatever the structure, the outcome is the same: nonprofits benefit from the donor's generosity.
- 2. Add legacy gifts to your website:** add a dedicated section about legacy giving to your website's "Donation" page or go a step further by creating a separate landing page specifically about the types of planned gifts, how they work, and their benefits. Here's an example from the Jewish National Fund USA's website: [Planned Giving in a Meaningful Way | Jewish National Fund \(jnflegacy.org\)](https://www.jnflegacy.org)
- 3. Leverage additional materials:** promote legacy giving in your newsletters, emails, and any other fundraising or informational engagement with your donors. Since this form of giving may be new to donors and can be more complex than checkbook or credit-card donations, DJCF is here to help your organization and your donors navigate the process. Like any other form of fundraising, if a donor doesn't see an organizational need, they may not donate. Explain to your donors the impact a legacy gift would have on your organization and the people you help.
- 4. Survey your donors:** The tricky part about legacy gifts is that a donor doesn't necessarily notify you when they create one; your organization could already be in a donor's will! A survey can help you identify these and others who may be interested in supporting your organization in this way. You might consider questions such as:
  - a. What it is about our organization that makes you give to us/volunteer your time with us?



- b. Would you be interested in learning about a way to give to our organization that would cost you nothing now?
- c. Have you already created a bequest or other form of legacy gift for our organization?

If you find that donors have already created legacy gifts, immediately thank them and continue stewarding the relationship to maintain engagement. If someone is interested in learning more, DJCF is ready to join a conversation and talk through the options that may be applicable to their situation.

5. **Start promoting your giving program.** With all the essentials in place, you're ready to begin earnestly promoting legacy gifts. This can look like a standing section of a newsletter or promotional material that highlights this option for your donors. For donors who have already expressed interest, DJCF can host small group or 1:1 conversations about trends in planned giving, and provide donor education on your behalf. Unlike an annual campaign, legacy giving discussions are best when targeted. Though prospects may not be major donors today, they are individuals who have demonstrated commitment to your organization over time – whether that be through regular donations, regular volunteering, or other personal involvement. Asking a one-time donor or volunteer to leave a legacy gift upon their passing isn't an effective use of your time.
6. **Keep track of gifts over time.** Once you begin learning of legacy gifts, keep track of them. This will allow you to:
  - a. Monitor the performance of your strategies and make improvements over time
  - b. Gain insight into the types of donors who chose to give a legacy gift will help you identify future prospects
  - c. Actively steward your relationships with these donors. This may include recognizing donors through a Legacy Society.
  - d. Work with donors during their lifetimes to ensure that their gift is set up in such a way that the organization will be able to make good use of it. This may include incorporating language that allows the gift to be redirected should the purpose for which it's designated no longer be viable.



## **Honoring legacy gifts and growing your program**

At DJCF, we believe that all nonprofit organizations should include legacy giving as a core component of a comprehensive fundraising strategy. Our role is to provide you with the tools and resources to build it.

If a donor includes your organization in their plans, it's crucial to convey your gratitude. Honor their commitment with a dedication, a plaque, and/or a public thank you.

Over the long run, it's important to continue stewarding your relationships with legacy donors. Keep them engaged with organizational updates, special events, and personal messages. This will encourage further giving and ensure that you're kept in the loop if a donor chooses to make changes to their estate plans.

Many nonprofits create legacy societies a way to recognize donors and facilitate stewardship. They can be as casual or formal as you want; just be sure to anchor your outreach and events in gratitude.

## **About DJCF**

Standing at the intersection of donors, professional advisors, and the nonprofit agencies best positioned to make an impact, DJCF is committed to providing thought leadership, innovative solutions, and increasing collaboration across the nonprofit sector.

## **Common gift planning strategies that DJCF fundholders use to support nonprofits:**

**Endowments:** a fund in which the donor specifies that the principal is to be held in perpetuity. The principal is invested so that it continues to grow, and donations to one or more designated nonprofit organizations can be made regularly (usually on an annual basis). An endowment fund can be funded during a person's lifetime, or it can be funded as a testamentary gift/bequest under a will or trust.

### **Benefits of an endowment:**

- Can offer tax advantages in transferring wealth.
- Helps to impact and secure the future.
- Helps to maintain superior operations and facilities of an organization.



- Allows organizations to concentrate on their mission/activities, knowing they have a consistent stream of income from endowments.
- Reduces budgetary reliance on fundraising.

### **Beneficiary designations**

Donors may designate a nonprofit organization as a full or partial beneficiary of a retirement, investment or bank account, or life insurance policy. This can often be accomplished by completing a simple form online.

### **Charitable bequests**

With the help of an advisor, donors can include language in their will or trust specifying a gift to a nonprofit organization. Donors outline how they wish those gifts to be used, and DJCF will honor those intentions.

### **Gifts of non-cash assets**

A wide range of assets are eligible for acceptance through a fund at DJCF. Please request a copy of our gift acceptance policy for more details.

As always, the DJCF team is here to be of assistance.  
Please reach out if you have any questions.