

National Park Foundation – *Planned Giving and Public Lands*



**NATIONAL PARK
FOUNDATION**

Mission



The National Park Foundation, chartered by Congress, strengthens the enduring connection between the American people and their National Parks by raising private funds, making strategic grants, creating innovative partnerships and increasing public awareness.



Aristotle

- To give away money is an easy matter and in any man's power. But to decide to whom to give it, and how large and when, and for what purpose and how is neither in every man's power nor an easy matter.*

Definition of Planned Giving



- Gift planning is the activity, a planned gift is the result
- Any gift which is carefully considered in light of estate and financial plans

Planned Giving – What is it?



Simply defined, a planned gift is any gift that requires the help, support, or counsel of a representative of the organization receiving the gift.

- Planned Gifts Include:
 - Bequests
 - Beneficiary designations
 - Gifts of stocks
 - Gifts of real estate
 - Split-interest gifts – e.x. charitable gift annuity where the donor receives an income stream and the charity receives the remaining principal at the end of the donor's life.
 - Donor-advised funds

Planned Giving – The Charitable Marketplace



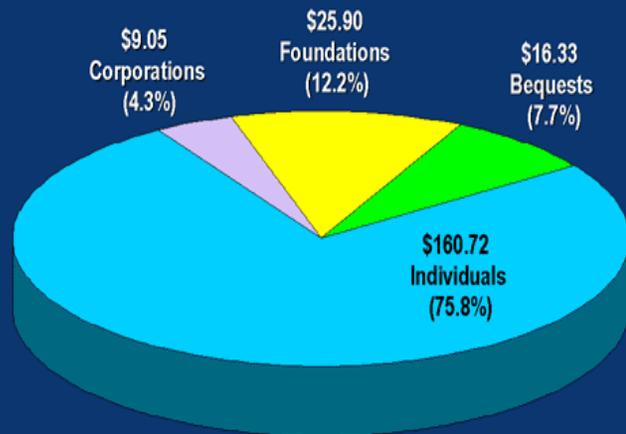
- Giving by individuals in 2002 is estimated to have increased 0.7 percent, to \$183.73 billion from a revised estimate for 2001 of \$182.47 billion. Adjusted for inflation, this is a decrease of 0.9 percent. Giving by individuals represents 76.3 percent of all giving estimated for 2002.
- Giving through bequests in 2002 is estimated to have increased 2 percent to \$18.1 billion from a revised estimate of \$17.74 billion. Adjusted for inflation, this is growth of 0.4 percent. Gifts through bequests represent 7.5 percent of the 2002 total estimated giving.
- Total charitable giving reached an estimated \$240.92 billion for 2002, an historic level, lifted by growth in giving from corporations and estates, according to Giving USA, a report released today by the AAFRC Trust for Philanthropy. The study, which is researched and written at the Center on Philanthropy at Indiana University, found growth of 1 percent in giving in current dollars over a revised estimate of \$238.46 billion for 2001. Adjusted for inflation, giving in 2002 dropped slightly, by one-half of one percent.

Planned Giving – The Charitable Marketplace



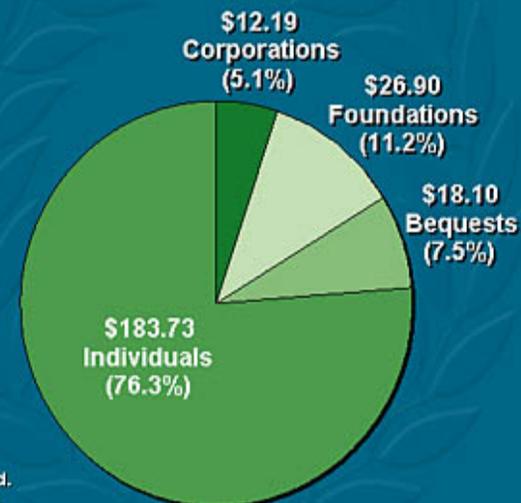
Giving USA - Contributions

2001 CONTRIBUTIONS: \$212.00 BILLION
BY SOURCE OF CONTRIBUTIONS



Source: AAFRC Trust for Philanthropy/Giving USA 2002

2002 CONTRIBUTIONS: \$240.92 BILLION
BY SOURCE OF CONTRIBUTIONS



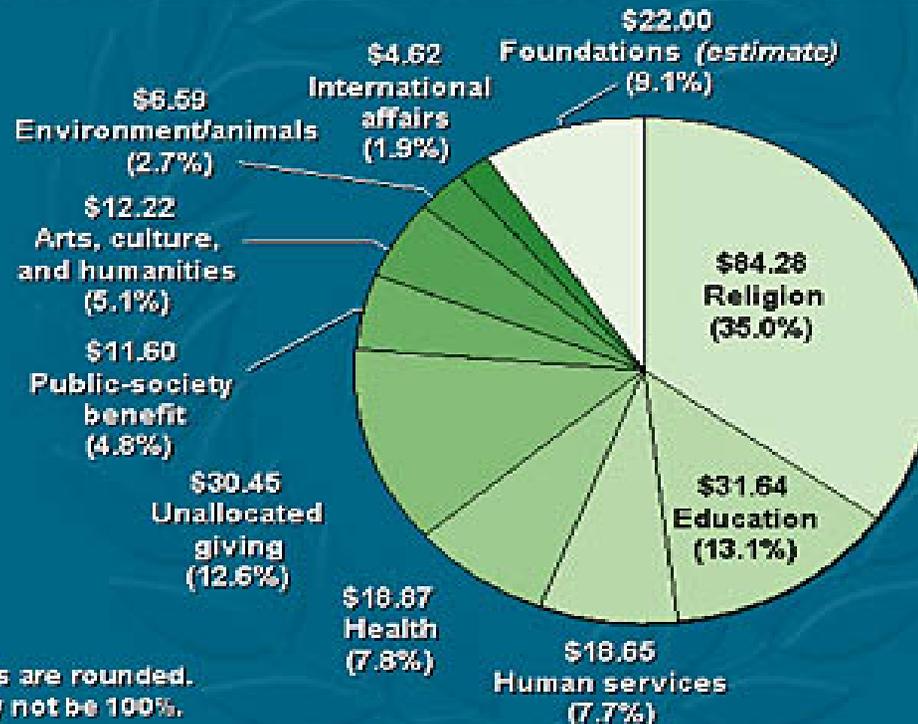
All figures are rounded.
Total may not be 100%.

Source: AAFRC Trust for Philanthropy/Giving USA 2003

Planned Giving – Division of Charitable Gifts



2002 CONTRIBUTIONS: \$240.92 BILLION BY TYPE OF RECIPIENT ORGANIZATION



All figures are rounded.
Total may not be 100%.

Source: AAFRC Trust for Philanthropy/Giving USA 2003

Planned Giving – Statistics



Planned Giving in the United States - 2000

- This study confirmed what we have all known for a long time, charitable bequests are the most popular of all planned gifts
- Of the 1,579 gifts studied, bequests accounted for 782, charitable gift annuities numbered 370, and there were 427 charitable remainder trusts.
- Only 43% of households surveyed stated that they had a will.
- Other points of interest:
 - Planned giving donors are spread across all income levels
 - The majority of bequest donors are women
 - Charitable trusts are more likely to be completed by men
 - Planned giving donors are likely to be older and less likely to have children at home
 - The vast majority also support their favorite causes with cash gifts

Planned Giving – Donor Motivations



Motivations –

- Leave a legacy – live beyond through charitable works
- Express appreciation for something, like Parks, which has been important during life
- Memorialize

“We are grateful to be able to leave our estate to the National Parks; we can think of no finer legacy than to help preserve the nation that gives us life, liberty, and so much happiness.”

- James and Leonore Hogg

Planned Giving – Donor Considerations



Common Donor Fears

- Catastrophic loss or emergency
- Disability
- Dying ‘to soon’
- Living ‘to long’ (after money runs out)

Note: these concerns drive giving and can help charity shape approach. For example, one of the most beneficial forms of bequest is the residual bequest, where charity gets the residue and remainder after all costs and other bequests have been settled...this can often be a considerable amount.

Planned Giving – Motivations



- “In giving, particularly planned gifts, emotion is the river on which logic flows.” – Robert Sharpe
- Planned giving combines the emotions with logic covering what, when, and how people give
- Planned gifts are not commodities and should not be marketed that way



Planned Giving - Gift Types



Planned giving can sometimes be complicated by:

- Confusing tax laws
- Terms such as FLIP NIMCRUTs

But it can be simple if you focus on just a few powerful vehicles

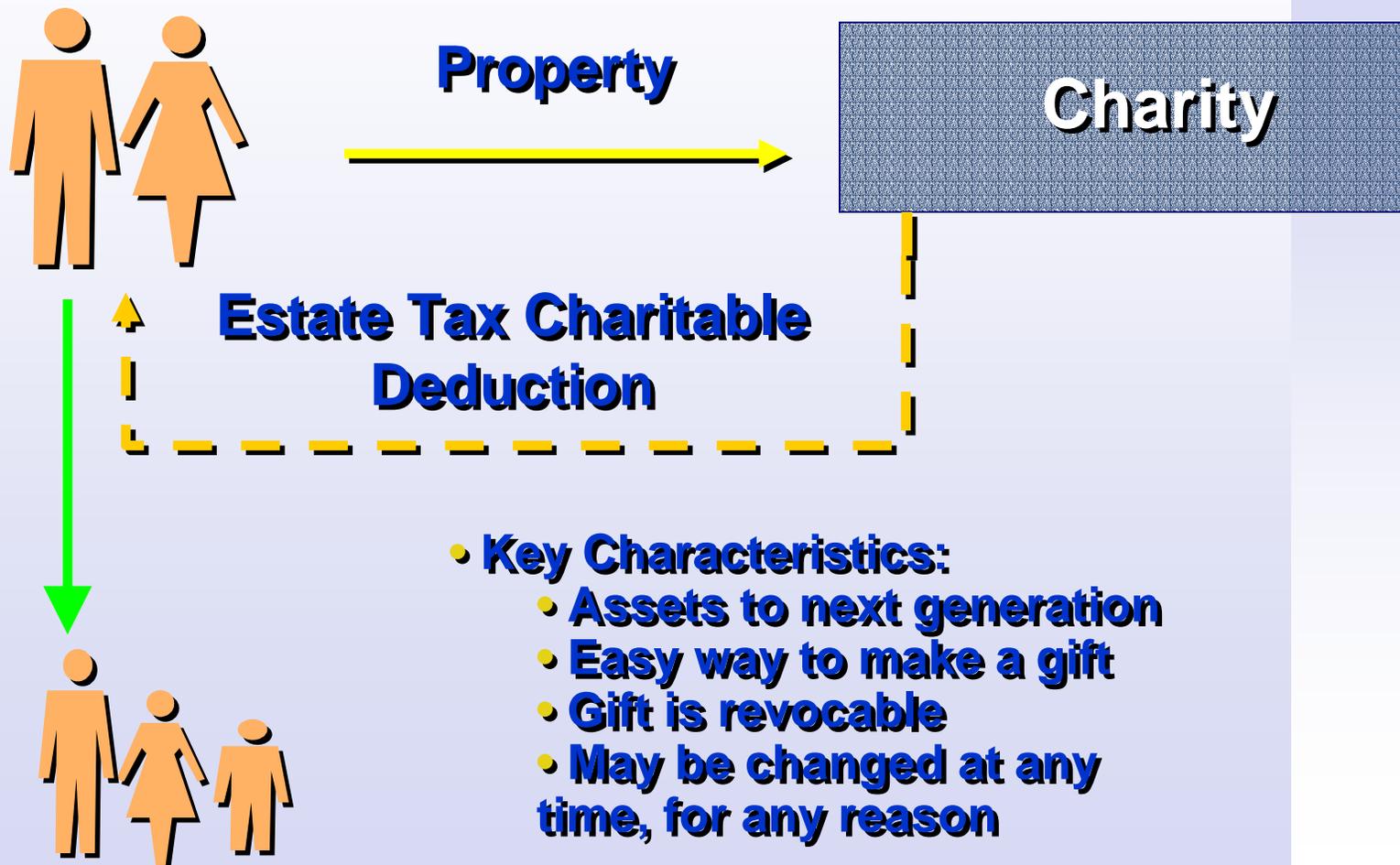
- Lifetime gifts of cash, securities, and real estate
- Bequests
- Charitable Gift Annuities

Planned Giving – Tax Considerations

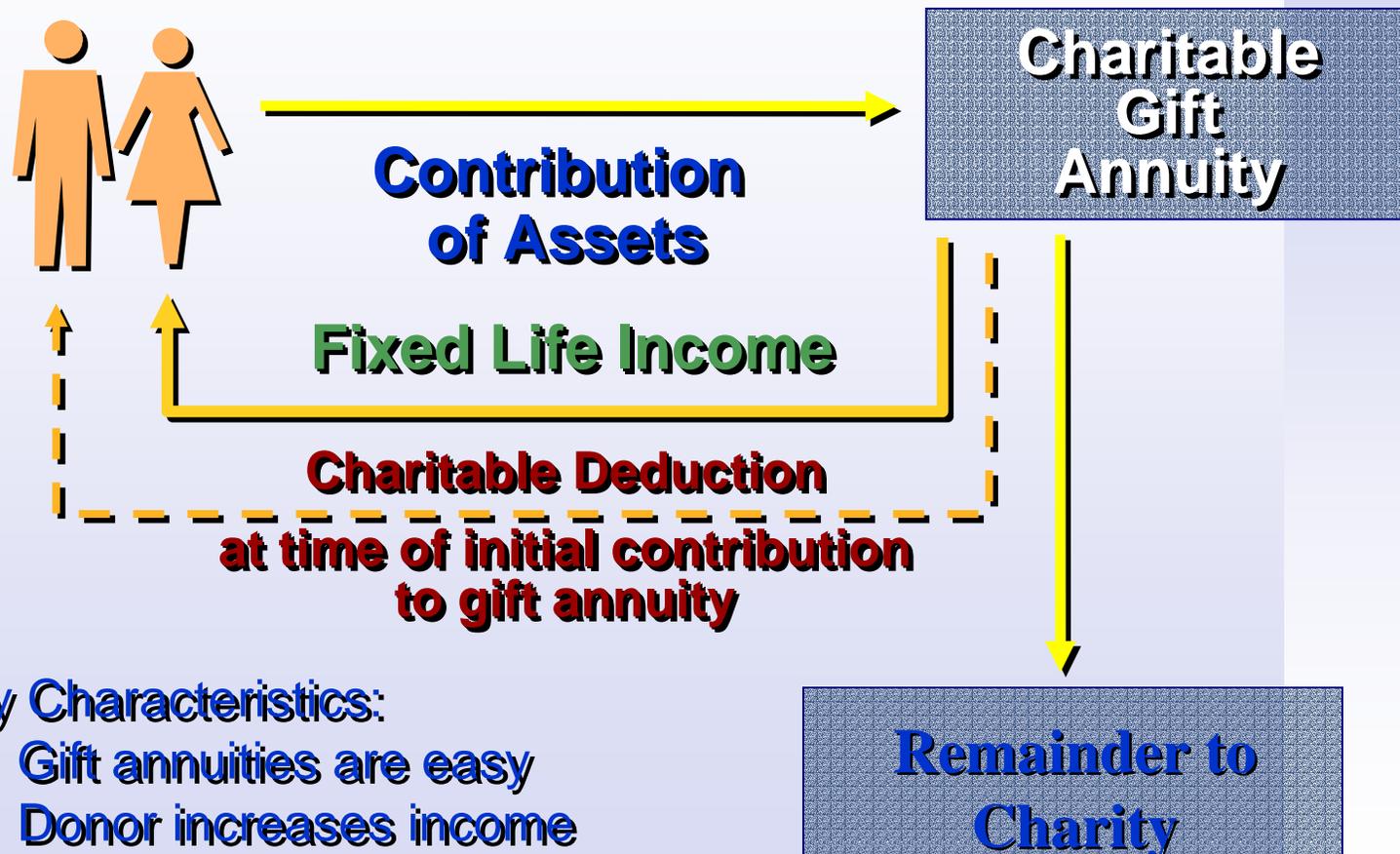


- Income tax – lowest federal rate is 10%, highest is 35%
- Estate tax – in 2003, highest marginal rate on estates in excess of \$1,000,000 is 49%
- Long term capital gains taxed at 15%

Planned Gifts – Charitable Bequest

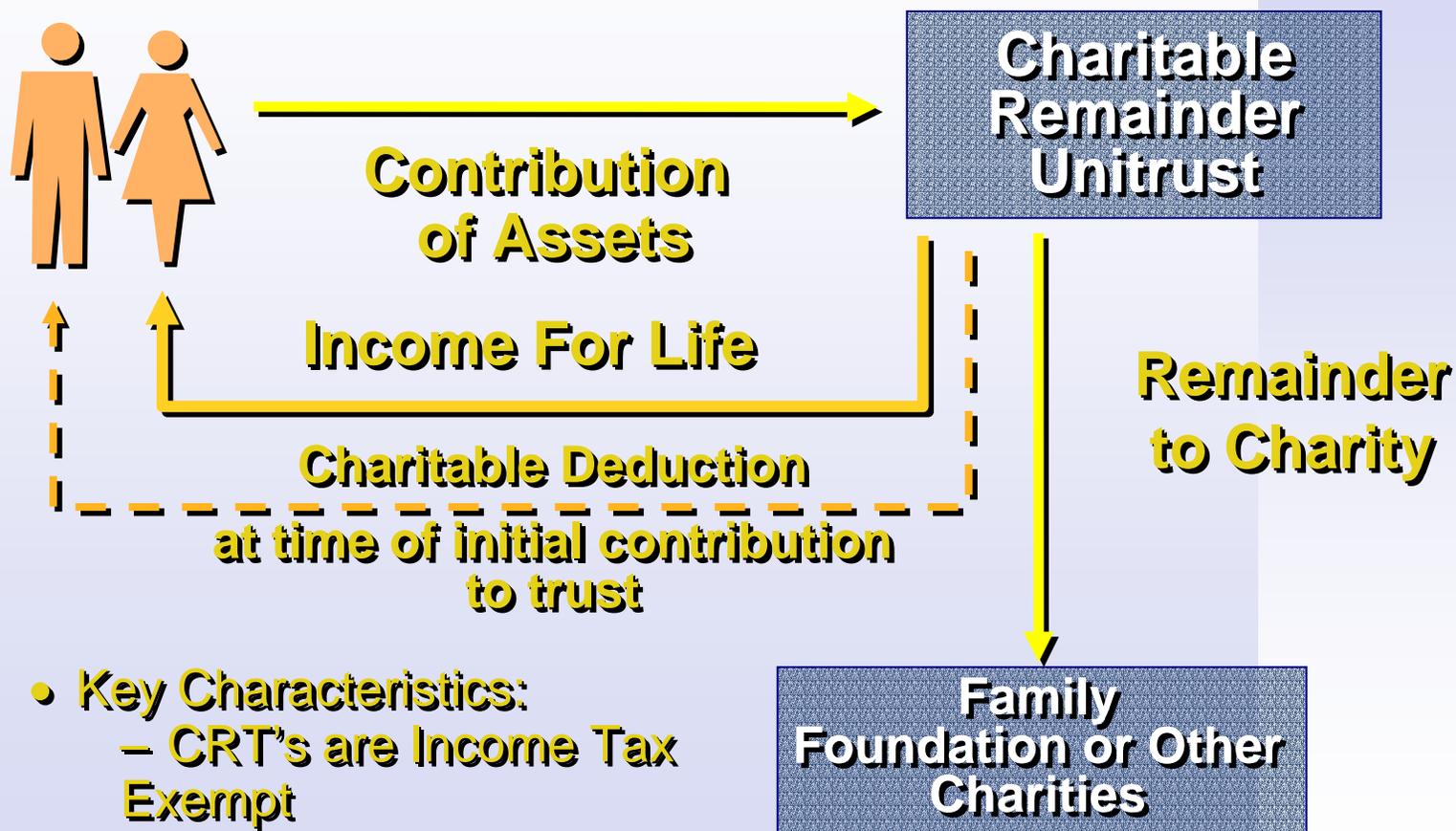


Planned Giving Charitable Gift Annuity



- Key Characteristics:
 - Gift annuities are easy
 - Donor increases income
 - Easy for charity to manage

Planned Giving – Charitable Remainder Trust



- **Key Characteristics:**
 - CRT's are Income Tax Exempt
 - CRT's do not pay capital gains tax on sale of assets

Planned Giving – Marketing

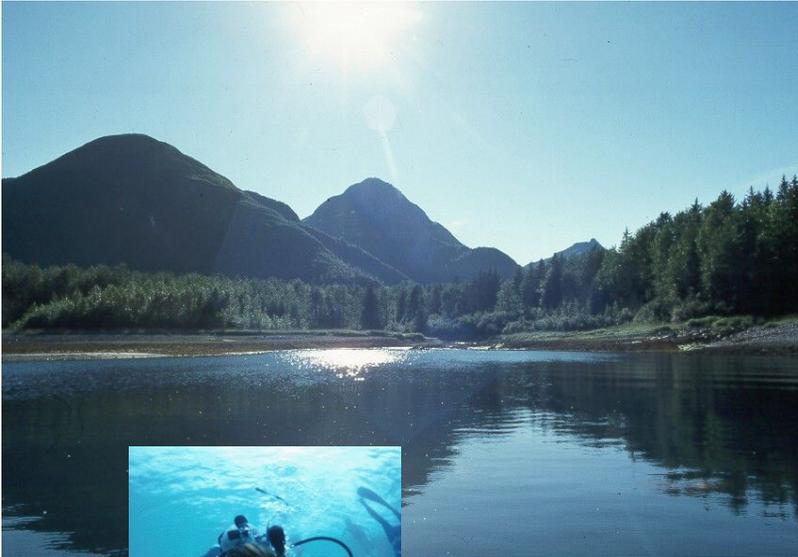


- **Drawing Principle – you market how your cause helps people**
- **Make your case and make giving to your charity easy**
- **Give donors mechanisms to self-identify**
- **Help donors and their advisers make gifts**
- **Market wills initially. It is the door to all other gifts.**
- **Develop “Legacy” club, special recognition**

Planned Giving – General Tips



- You do not “close” gifts, you “open” gifts
- Wills and living trust designations are revocable, must steward donor over time
- Cultivate and thank
- Public lands present many opportunities to maintain donor interest
- Many donors hesitant to tell you you are in their will
- Rule of thumb – for every will you know about, you may be in ten others
- Planned gifts often lead to current gifts, and the other way round
- Be careful in asking for “proof” of gifts given sensitivity of this decision for many



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