



# Overcoming Common Stumbling Blocks to Planned Gifts



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# Introduction

- Yes, no, maybe
- Not all “Yes’s” are created equally





# Agenda

- General donor caution and inertia
- Specific donor objections
- Planned gifts that meet donor goals
- Concluding thoughts



# I: General Donor Caution and Inertia

- Assessing the nature and appropriateness of caution
- Tips on talking with cautious donors
- Overcoming estate planning inertia
- Philanthropy as a social act



# Embrace Caution!

- Recognize it
- Learn about it
- Analyze it
- Respond to it





## A. Reasons for Caution

- The economy
- Insufficient/inaccurate information
- The donor's disposition
- Emotion





# The Economy

- Big picture, now and in the future
- Donor's personal situation, now and in the future
- Focus on personal situation
- Strive for objectivity (reality vs. perception)
- Recognize limitations



# Bad Information

- Lack of information
- Incorrect information
- Ensure information is understood







# Innate Caution

- Literally hard-wired
- A function of background?
- Accept as a given



# The Role of Emotion

- Engenders gifts
- Clouds thinking





## B. Speaking with Cautious Donors

- Desire for privacy
- Comfort with detail



# Objectives

- Break ice, launch constructive discussion
- Demonstrate empathy
- Diffuse anxiety
- Gather useful information, make headway in analysis



# Things to Say

- Suggest an initial idea
- Use third person
- Empathize, acknowledge what's reasonable
- Encourage involvement by others
- Keep process moving
- Reassurance



## C. Overcoming Estate Planning Inertia

**Be the  
Richard  
Simmons  
of estate  
planning!!!**





## C. Overcoming Estate Planning Inertia

- The estate planning process – it's not easy!
- Experience it for yourself
- Motivation on the Internet: “Get Your S\*\*T Together” (<http://getyourshittogether.org/>)
- Estate planning seminar. “Five Wishes” (<http://www.agingwithdignity.org/five-wishes.php>)



## D. Philanthropy as a Social Act

- People are influenced by the actions of others
- How you say it makes a difference
- UK Study, reported by Dr. Russell James Professor, Texas Tech University

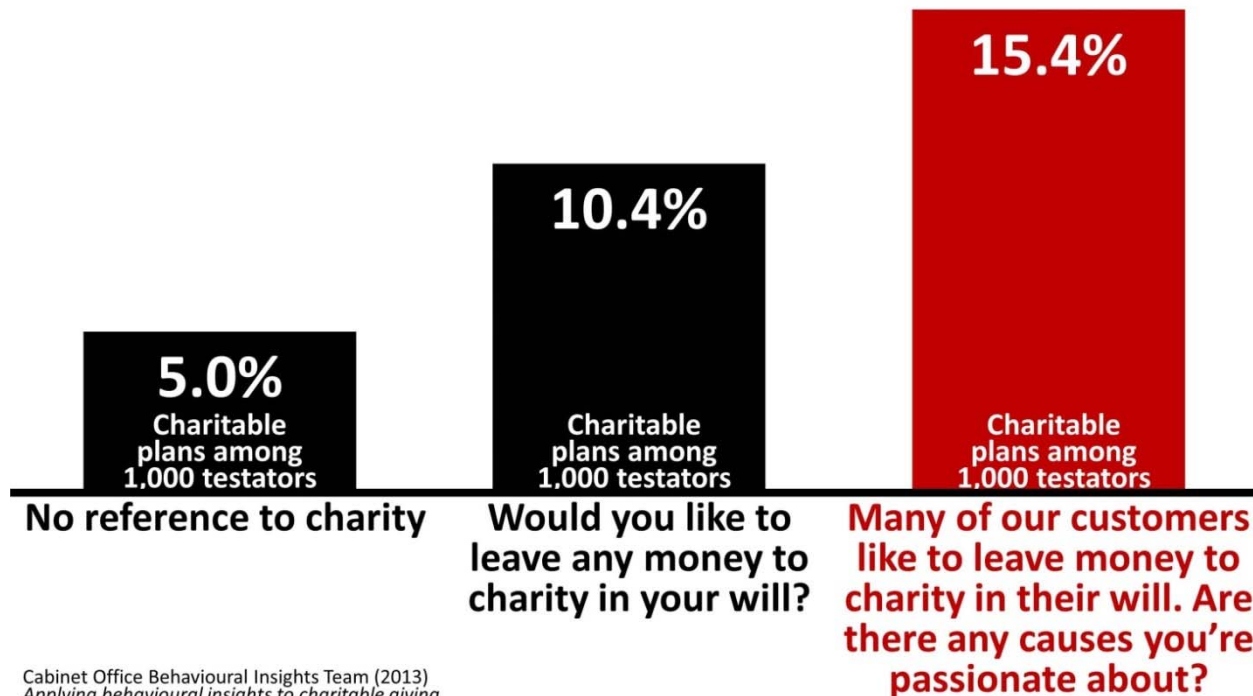
**3,000 testators innocently doing their estate planning: did they make charitable gift provisions???** **The answer is...**





# Charitable Bequests are Influenced by a Simple Social Example

**Charitable bequests are influenced by a simple social example**



Cabinet Office Behavioural Insights Team (2013)  
Applying behavioural insights to charitable giving



# Bequest Amounts Also Influenced by Social Example

The social example also increased the average amount of bequest gifts





# Philanthropy as a Social Act

## Takeaways:

- Present giving as the norm
- Use **family** words, not **formal** words
- Suggest notion of a tribute gift

For more: PG Calc Webinar – August 2014  
**“Communicating Effectively About Planned Gifts: What 5,000+ Test Subjects Tell Us”**



## II. Specific Objections

- Estate gifts are only for the wealthy
- I don't have an attorney [other advisor]
- My estate is under the taxable amount
- I'm worried about my future needs
- What about my children/grandchildren?



# Estate Gifts are Only for the Wealthy

**Reinforce that gifts of all sizes are important!**

- Talk about more than just the “big” gift(s)
- Utilize a range
- No minimum gift size for Legacy Society





# I Don't Have an Attorney/Advisor

Take away potential barriers

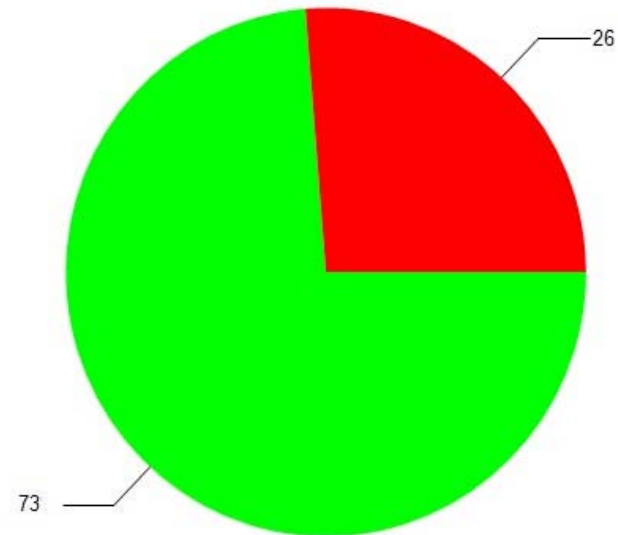
- Sample bequest language
- Referrals at the ready
- Is the objection really related to “need”?



# My Estate is Under the Taxable Amount

**Tax savings don't create the gift, but can help make them happen**

- Children realize the tax savings
- “Back Up” gift annuity
- IRA as the gift funding asset
- Acceleration of gift
- Don't forget state estate taxes





# I'm Worried About My Future Needs

## Good Old Bequests

- Keeps assets under donor's control
- Can be changed
- Easy to understand and arrange
- Flexible
- Unlimited estate tax charitable deduction







# Beneficiary Designations – Better Than Bequests?

## Same benefits as bequest gifts, plus

- Easier to arrange
- Easier for charity to receive
- Doesn't require attorney assistance (but good to consult)
- Can be the most tax-efficient end of life gift



# What About My Children/Grandchildren?

- Sometimes gift to charity not appropriate
- Contingent gift
- Counteracting the automatic
  - How much is enough
  - Broader view of well-being
  - Gift won't be missed
  - Charity as the child
- LI - wealth replacement





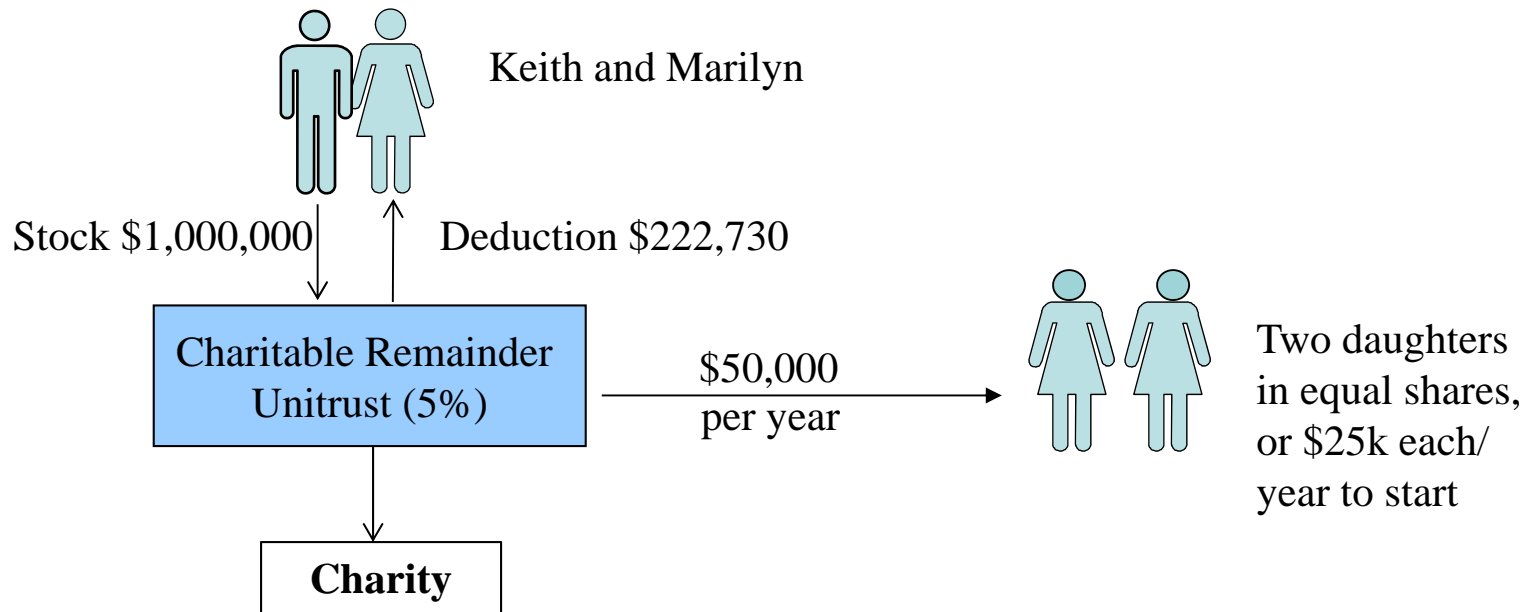
## IV. Using Planned Gifts to Meet Donors' Personal and Financial Goals

Some examples:

- Children as poor money managers
- Assisting elderly parents
- Supplementing retirement income and assisting children



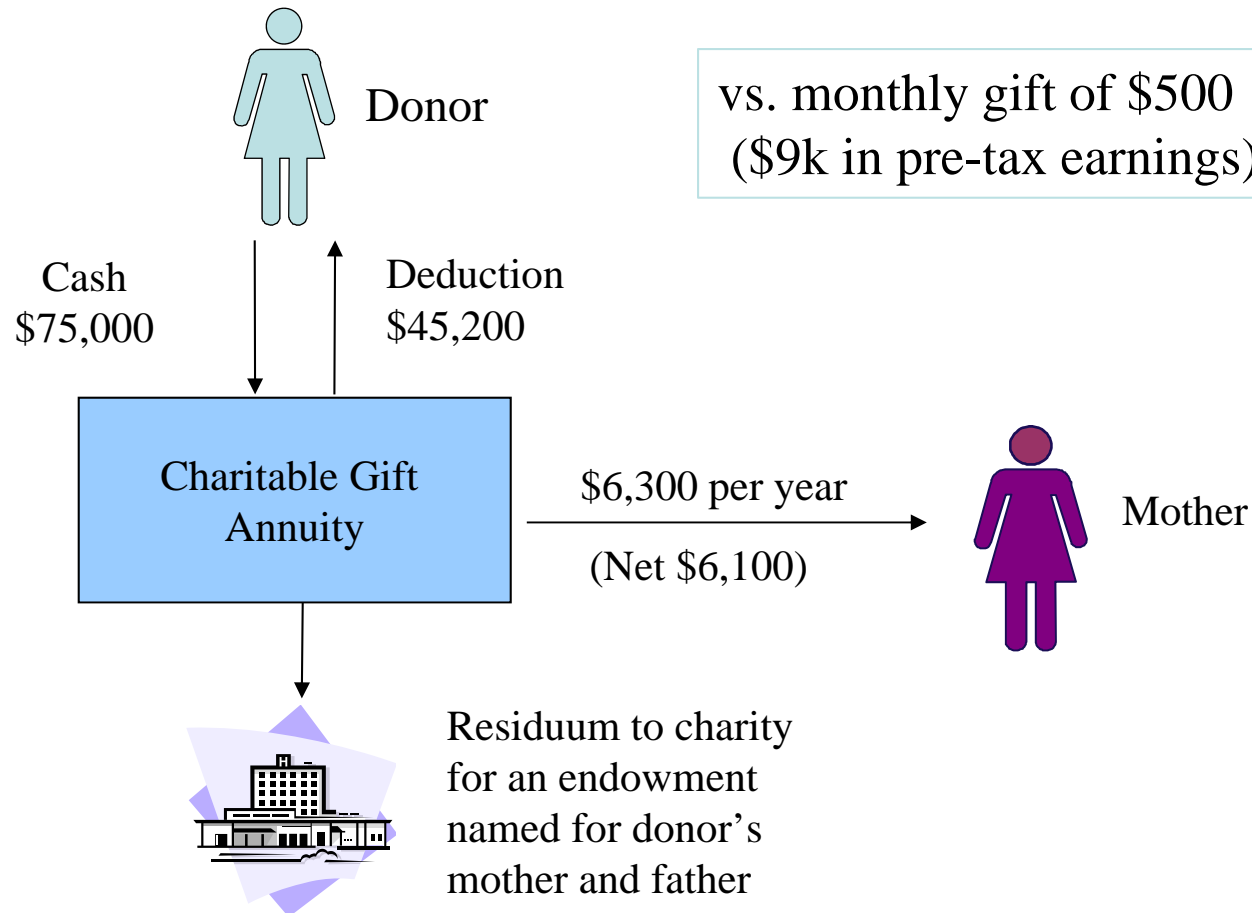
# Children as Poor Money Managers



Child with special needs: CRUT could make payments to a special needs trust (SNT)

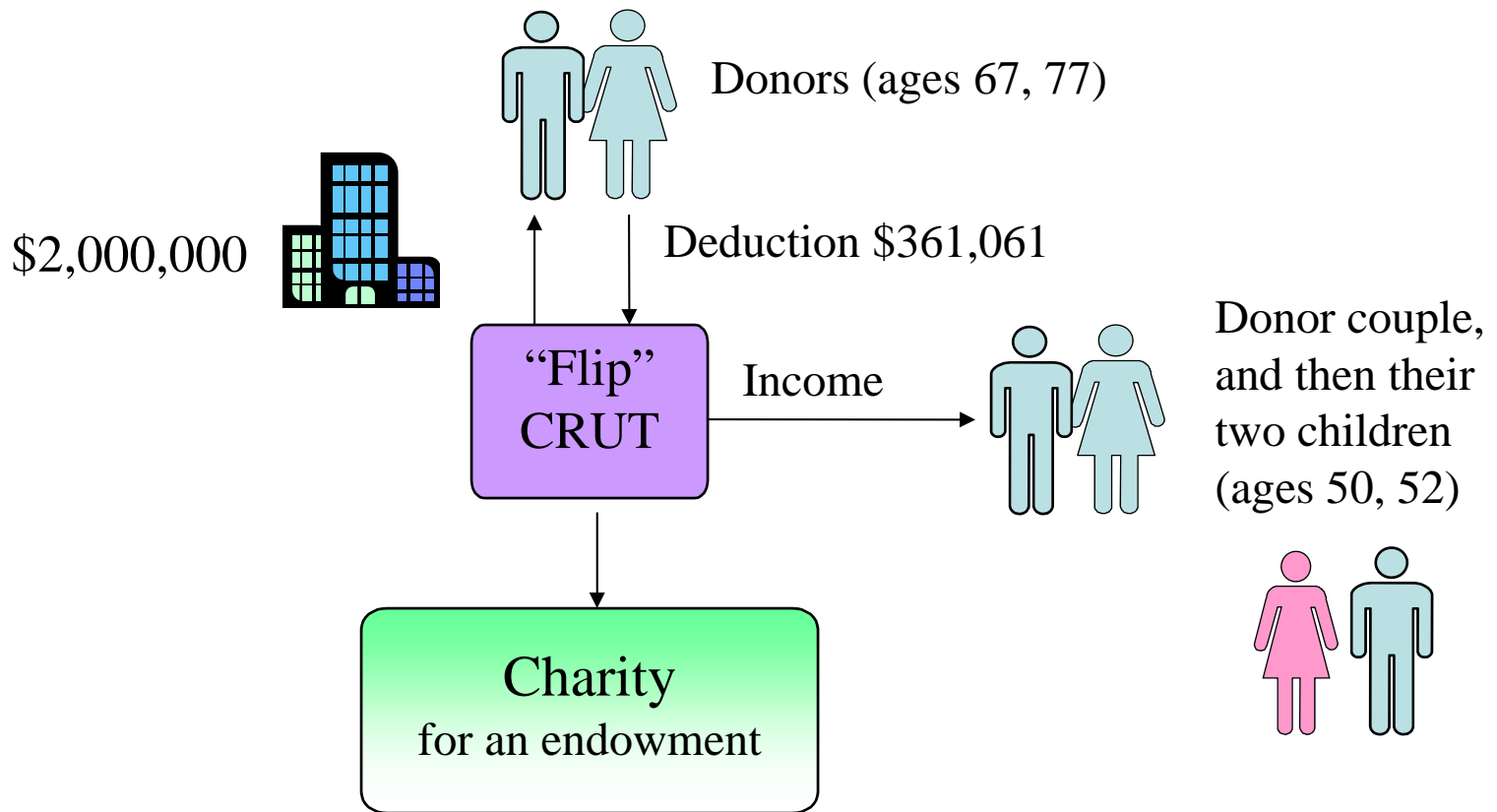


# Assisting Elderly Parents





# Supplemental Retirement Income + Assist Children





## V. Importance of Advisors

- Ethical obligation
- Limits to gift planner's role
- Peace of mind
- Cautious advisors



## VI. Closing Thoughts

- Think positively
- Try to discern the real cause of the hesitation
- Think about ways to address the cause(s)
- Donors need time - be prepared to postpone cultivation

**You'll have secured a gift or  
you'll have planted a seed!**





# Questions and Answers





# Questions?

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