

Welcome, friends



Before we start:

Use **“chat to all panelists & attendees”** to introduce yourself, and 1 thing bringing you joy this week



WEBINAR 27

3 strategies for success with older donors in 2021



A quick note:



- This event is now **CFRE-approved for 1.0 credits**
- We've added a question to the survey to certify your participation
- **It's possible that CFRE audits are increasing, so make sure you do this!**



Today's agenda

1. Intros
2. How your week is going
3. 5 key insights on older donors
4. 3 strategies for success
5. How to go big on QCDs in 2021
6. Next steps and Q&A

Recording & slides will be sent around later today





Introductions



Intros

Co-CEOs: Jenny Xia Spradling & **Patrick Schmitt**



BainCapital



change.org



A big month for the FreeWill team



GROWING TEAM

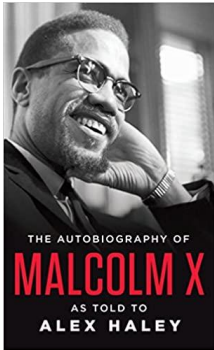
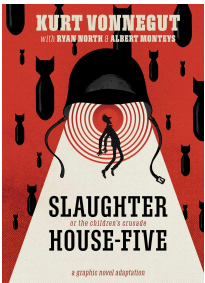
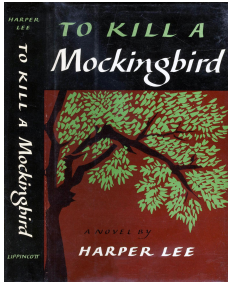
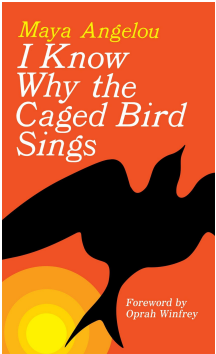
82

BEQUESTS, STOCKS, & QCDs RAISED

\$2.5 billion
(Almost)



A gift: The books that defined older generations



- We're going to send copies of the following books to **20 people** as a gift:
 - *To Kill a Mockingbird* (1960)
 - *Slaughterhouse-Five* (1969)
 - *I Know Why the Caged Bird Sings* (1969)
 - *The Autobiography of Malcolm X* (1965)
- Make **a note in the survey** if you'd like a copy, and tell us where to send it



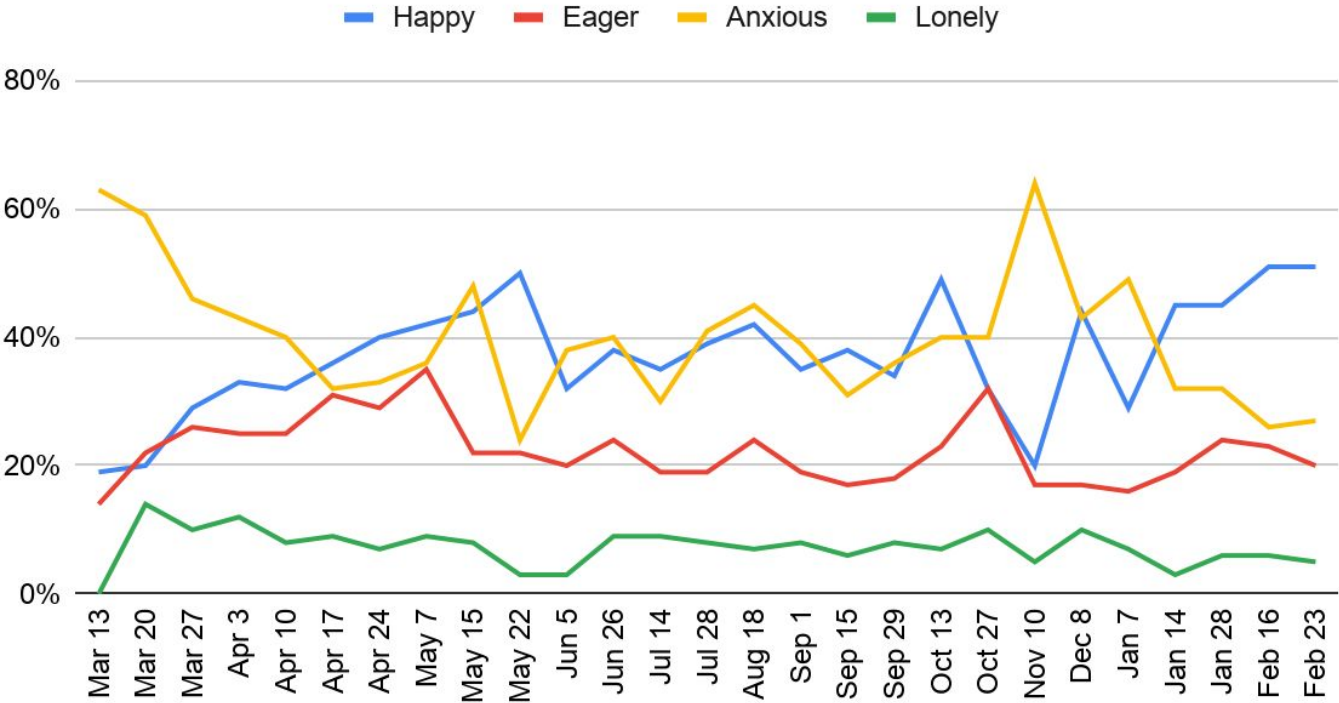


How's your week going?



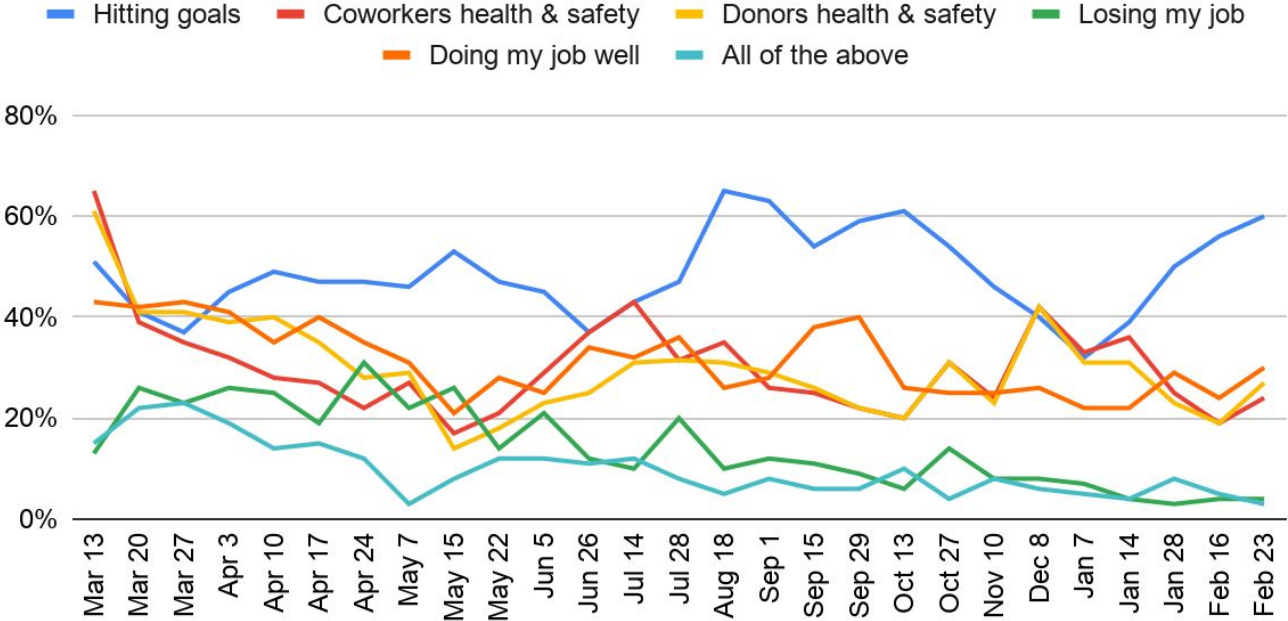
How are you feeling?

Week over week: How is your mood today?



What are you worried about?

Week over week: What are you (professionally) worried about today?



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Understanding 65+ donors



First, some shared facts

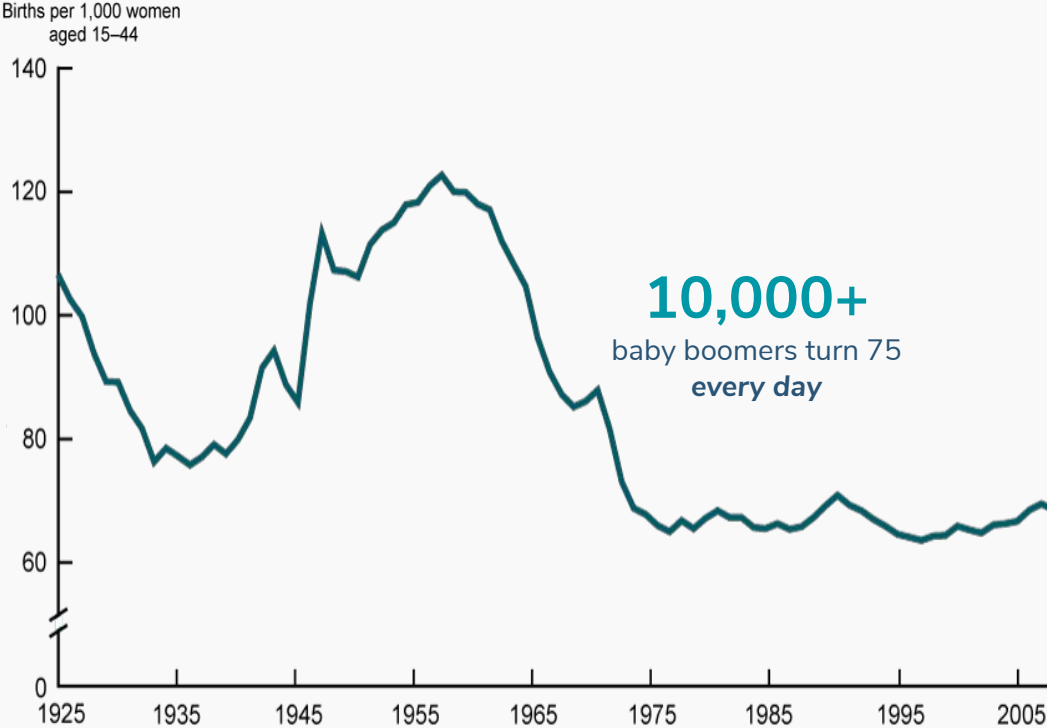


- Two generations of older donors:
 - Silent Generation: Born **1928 to 1945** (76 to 93)
 - Baby Boomers: Born **1946 to 1964** (57 to 75)

- **The 65-and-older population grew by over a third** (34.2% or 13,787,044) during the past decade according to the 2020 Census, to about **52 million**



First, some shared facts



First, some shared facts



- These generations are **much more religious** (80% of Boomers and 90% of Silents identify with a religion, compared to 35% of Millennials)
- They are **less educated** than younger generations (Only **25% of Boomers** and **10% of Silents** have bachelor's degrees or more, compared to 40% of Millennials)



First, some shared facts



- They are also **more married with more children** — many are now grandparents
- 67% of Boomers and 83% of Silents were married when they were 25-37, compared to only 46% of Millennials
- 58% of Boomers were moms between the ages of 20-35 compared to only 48% of Millennials



These generations experienced huge shifts in culture & technology



- Childhoods were shaped by the **Cold War and McCarthyism**
- They grew up amid the Civil Rights Movement and cultural shifts of the 1950s-60s
- They fought in and protested against the Vietnam War
- They were the first to see innovative technology like color TV, cable, internet, and the first iPhone (2007)



Here's the life of a 75-year-old American



- Born, 1946, immediately after WWII ends.
- At age 6 (1952) would run “Duck and cover” drills around nuclear war during the Cold war
- At age 17 (1963) color TV becomes more mainstream, Kennedy is assassinated
- At age 23 (1969) when man walks on the moon and the Vietnam draft starts (and Woodstock)
- Age 28 (1974) when Nixon resigns and the oil embargo is underway
- Age 38 (1984) when the first Apple Macintosh comes out



Here's the life of a 75-year-old American



- Age 43 (1989) when the Berlin wall falls
- At age 47 (1993) AOL gains popularity and the internet goes mainstream
- At age 55 (2001) 9/11 happens and cell phones are ubiquitous
- At age 61 (2007) the first iPhone is released, and smartphones quickly become ubiquitous
- At 69 (2015) Supreme Court rules in favor of gay marriage
- At 74 (2020) Covid-19 pandemic creates historic societal shifts
- At 75 (2021) First female VP is inaugurated



Boomers & Silents are the most charitable generations



- Boomers make up **41% of all donations** and **55% of all high net worth donors**
- They prefer giving to well-known, respected organizations — 45% of Boomer donors research an org before making a gift
- **64% of Boomers also prefer to give online** — only 19% prefer to send a check in the mail



Boomers & Silents prioritize religious and local causes

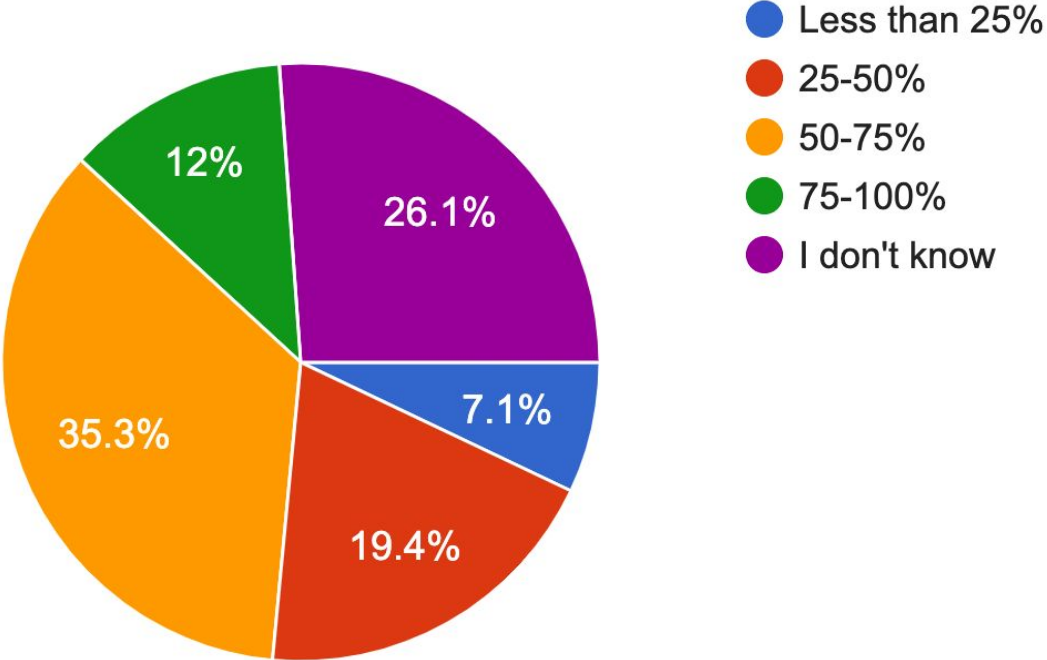


MOST FREQUENT GIVING CHOICES BY GENERATION				
GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Children	Worship*	Health*	Local Social Service	Worship*
Animal	Children	Local Social Service	Worship*	Local Social Service
Health	Local Social Service	Animal	Health	Emergency Relief
Worship*	Health	Children	Emergency Relief	Health
Local Social Service	Animal	Emergency Relief	Children	Children
Military	Emergency Relief	Worship	Military	Military
Emergency Relief	Youth Development	Military	Animal	Formal Education

*Indicates most dollars allocated when asked to prioritize.



What % of your donor base is over 65?

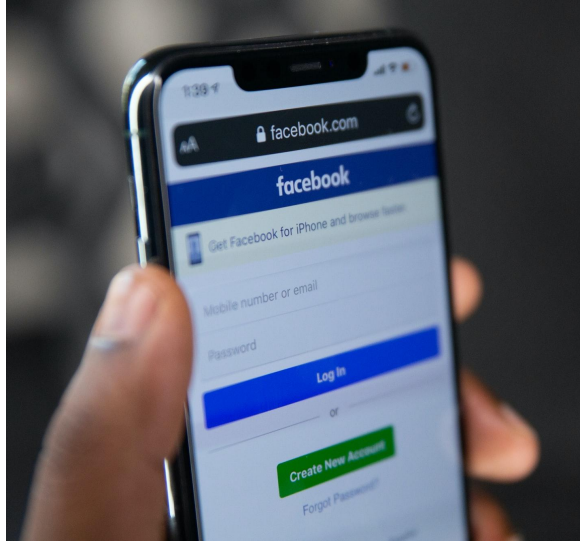


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Older donors in 2021: 5 major trends



Trend 1: A rapid move to technology



- At the beginning of 2020, 73% of 65+ Americans were regular internet users
 - 68% of Boomers and 40% of Silents owned a smartphone in 2019
 - Since the spread of COVID, internet & phone usage has shot up among all cohorts
- These generations increasingly use social media to connect with friends and family



Trend 2: Isolation taking a toll



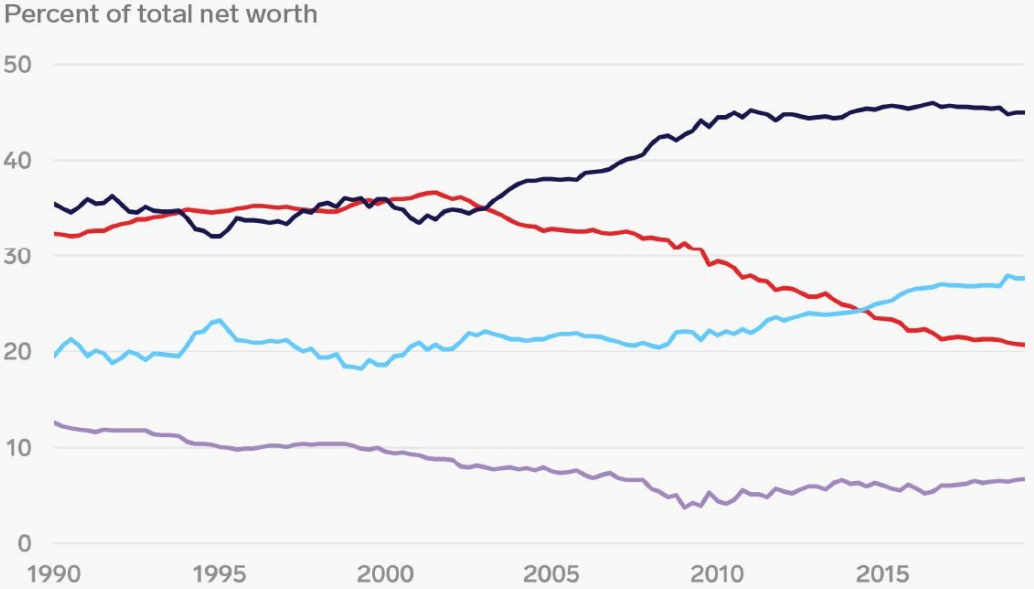
- Nearly 13.8 million Americans over the age of 65 — about 28% of that population — live by themselves
- AARP and Kaiser Family Foundation suggest that 43% of all older adults in the U.S. experience loneliness either sometimes or frequently (pre-COVID)
- Lack of social connection and brain stimulation is associated with higher risks of heart disease, dementia, and even premature death



Trend 3: Wealth becoming even more concentrated to older generations

Wealth by age

Under 40 40 to 54 55 to 69 70 and over

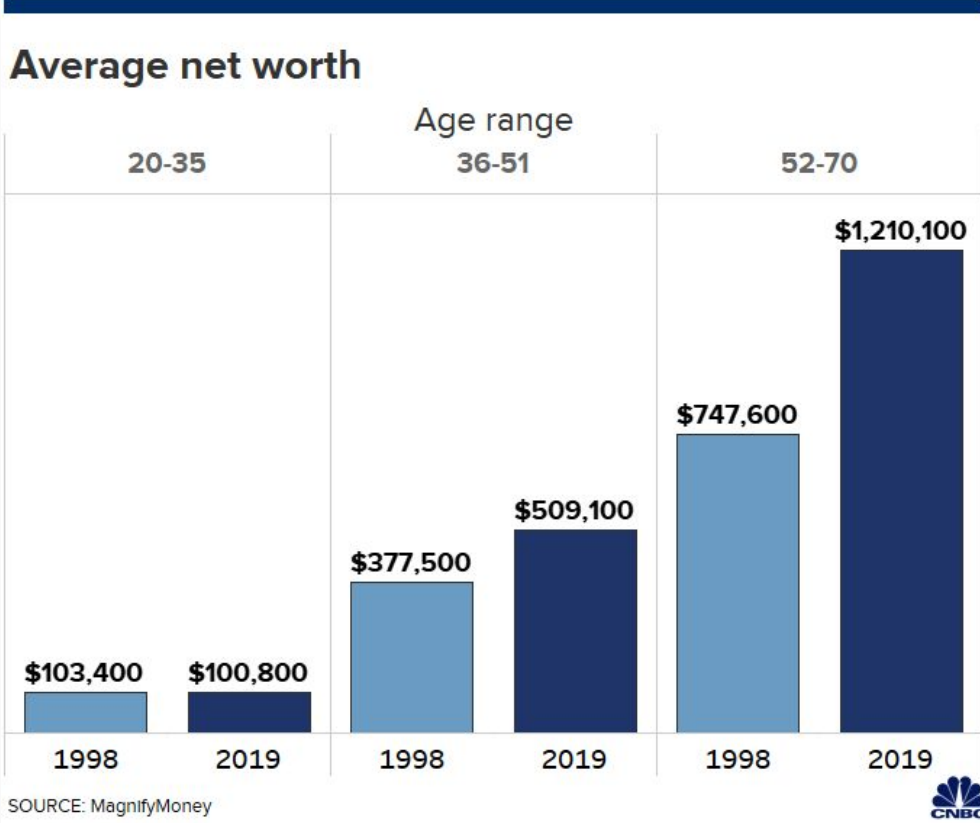


Source: Federal Reserve

BUSINESS INSIDER



Trend 3: Wealth becoming even more concentrated to older generations



Trend 4: Those
reliant on
investments are
faring much better
than those relying
on income



Trend 5: Wealthy households have been spending less, and have significant pent-up spending potential

Consumer spending rebounds 8.2% in May

Billions of dollars, seasonally adjusted annual rate

— PERSONAL CONSUMPTION EXPENDITURES

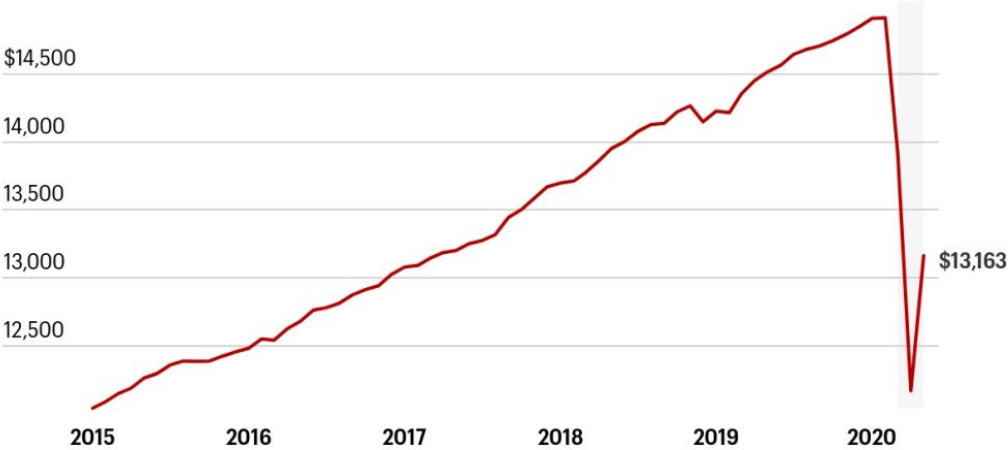


CHART: LANCE LAMBERT • SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

FORTUNE

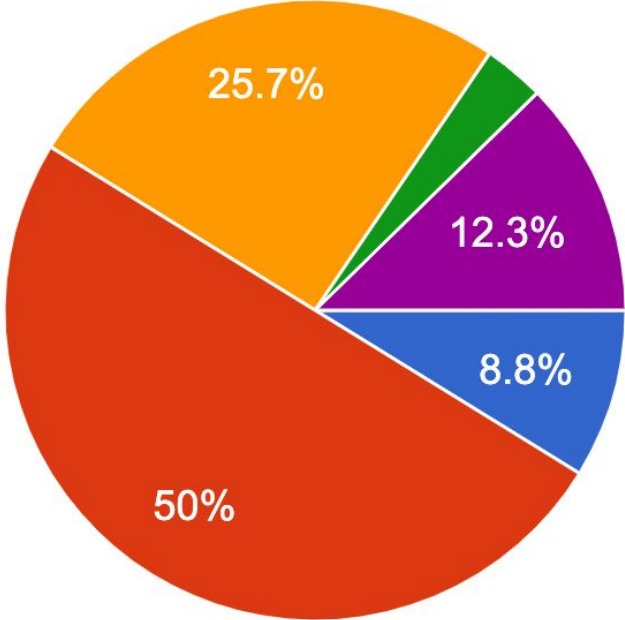


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How nonprofits are changing their approach to older donors



Do you expect to have in-person visits with older donors in 2021?



- We already are
- We are not currently, but expect to before the end of the year
- Unlikely
- Definitely not
- I don't know



How have you changed your strategy vis-a-vis older donors?



- Increasing phone calls: 57%
- Hosting virtual events: 53%
- Promoting more digital ways to give: 46%
- Increasing social media presence: 33%
- No changes: 16%



What are the primary avenues you use to reach older donors?



- Email: 89%
- Direct mail: 83%
- Phone calls: 74%
- Social media: 28%
- Video calls: 13%
- Texts: 6%



What are the primary gift types you solicit from older donors?



- Cash / Annual gifts: 75%
- Bequests: 51%
- Major gifts: 45%
- Stock: 33%
- Donor Advised Funds: 33%
- **QCDs: 28%**
- Charitable gift annuities: 10%
- Charitable trusts: 8%

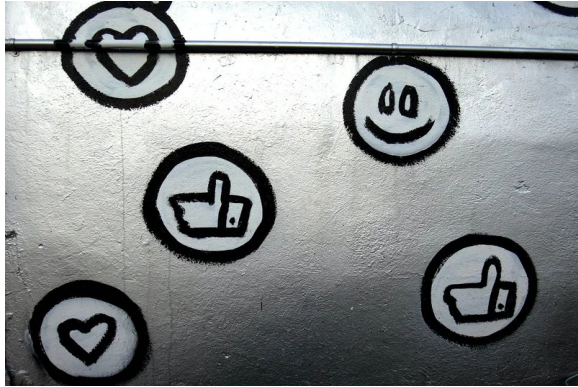


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3 strategies for success with older donors in 2021



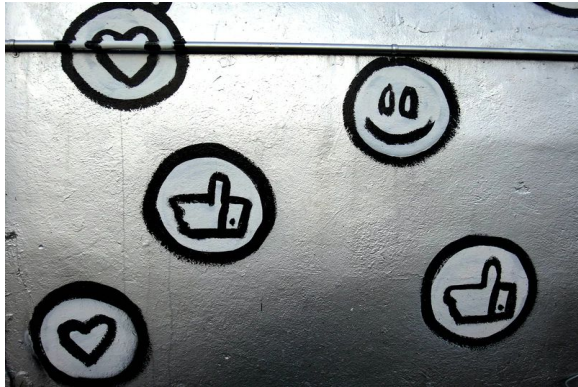
1. Interactivity on social media (Facebook)



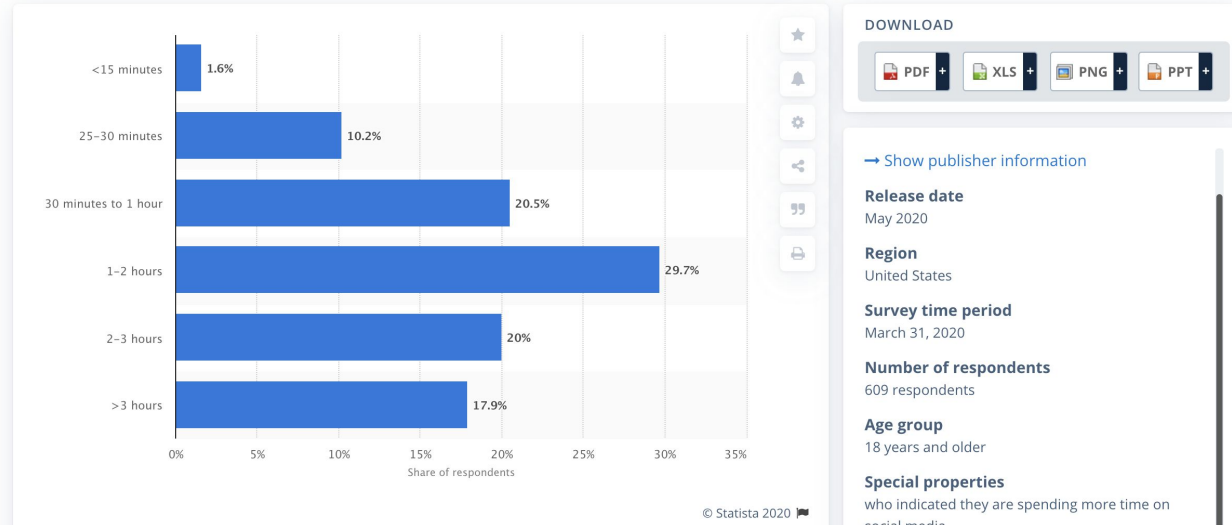
- 33% of nonprofits are increasing social media outreach
- 78% of Boomers and 37% of Silents regularly use Facebook
- American adults spend an average of one hour per day on Facebook in normal times



1. Interactivity on social media (Facebook)



Additional daily time spent on social media platforms by users in the United States due to coronavirus pandemic as of March 2020



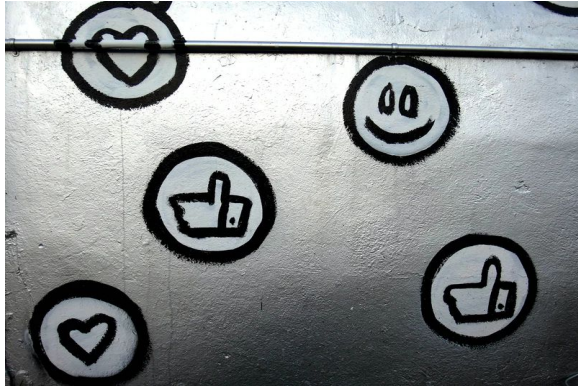
1. Interactivity on social media (Facebook)



- Video messages are one of the most powerful ways to share on social media (and can be quick and easy)
- Be ready to quickly connect via Facebook message or reply comment when someone likes or comments



1. Interactivity on social media (Facebook)



- **Social media users are extremely willing to take surveys**
- See who is “ready to help”
- See who is lonely and needs checking in on
- Surface who has a donor advised fund, stocks, QCDs, etc.
- Be sure to request phone number for immediate follow-up
- [Survey template on our resources page](#)



2. Non-digital outreach



- Most major donors will be digitally savvy, but there are some great tactics for non-digital folks, who will be even more isolated
- Postcards can be given to volunteers to be handwritten (stamps, list of names and address, sample message, and postcards)



2. Non-digital outreach

- You can also use mypostcard.com or similar to send photos and handwritten cards to major donors (about \$3 each)



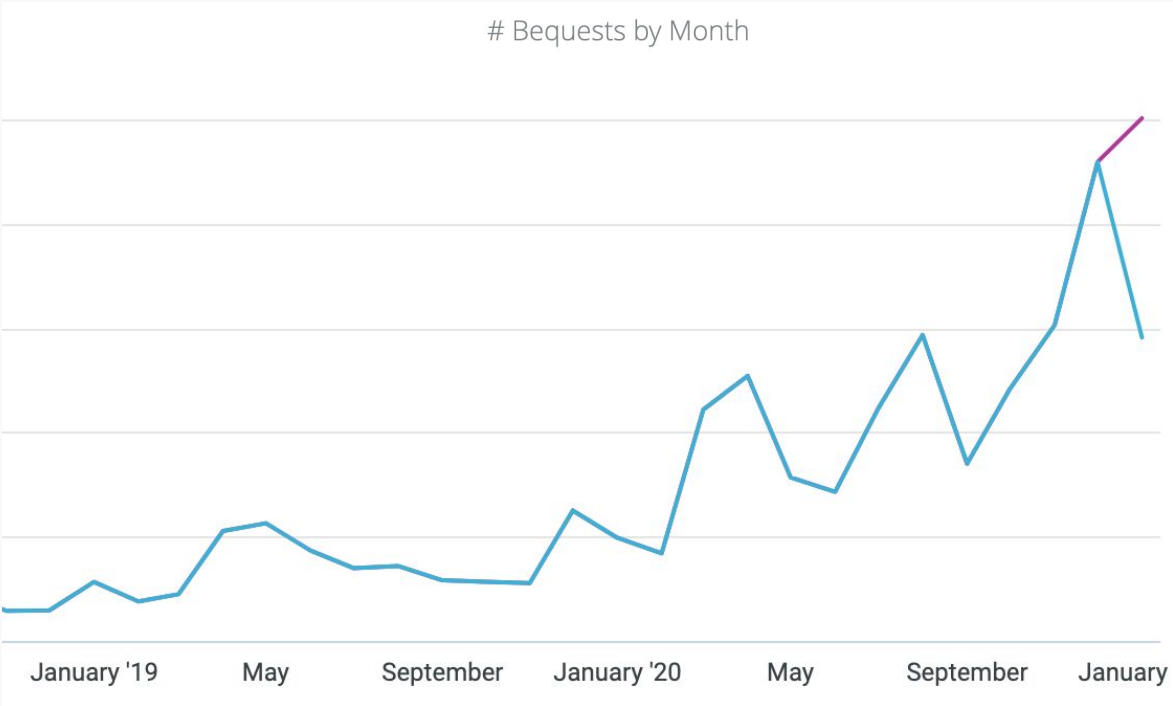
2. Non-digital outreach



- For major donors who can't join virtual events, a great excuse for a phone call is a recap of the event
- Share notes from the speaker, anecdotes about the event, and ways to give that were highlighted at the event



3. Thoughtful planned giving



3. Thoughtful planned giving



- **We know that seniors are thinking about estate planning more than ever.**
- But, you don't want to be offensive.
- Two key strategies here:
 - Give multiple options as ways to give
 - Highlight the breadth of ages making planned gifts



“The Triple Option” is both thoughtful and effective

There are multiple ways to support The Fairness Project, and we want to help you figure out the way that works best for you:

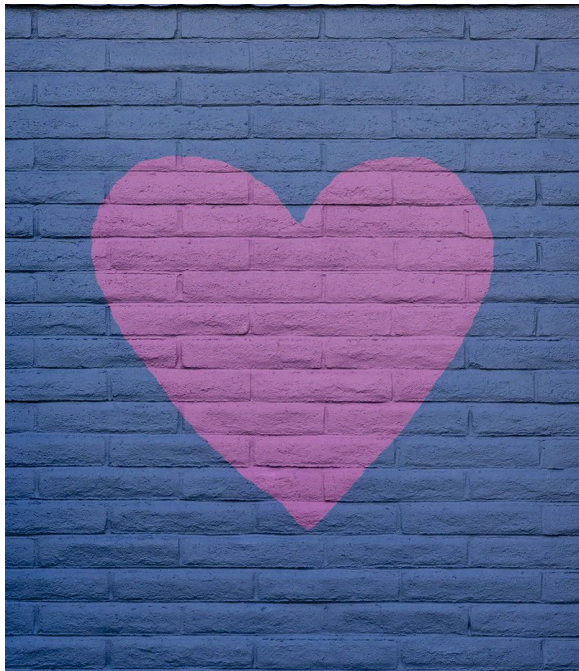
- 1. Give a cash gift:** Your gift will get put to immediate use on providing paid sick leave and medical coverage for workers.
- 2. Amazon Smile:** If you're shopping from home this week, please consider adding us as an Amazon Smile partner. It costs nothing to you and is an ongoing help to The Fairness Project.
- 3. Join the many people who have included us in their legal will:** You can support The Fairness Project forever without paying a cent today using our [free will-writing tool](#). It's an easy way to protect the people and causes you care about the most, and help support workers at the ballot box in November, and always.

Thank you for doing what you can,

[DIRECTOR SIGNATURE]



3. Thoughtful planned giving



- The most effective messaging we have tested (in online ads):

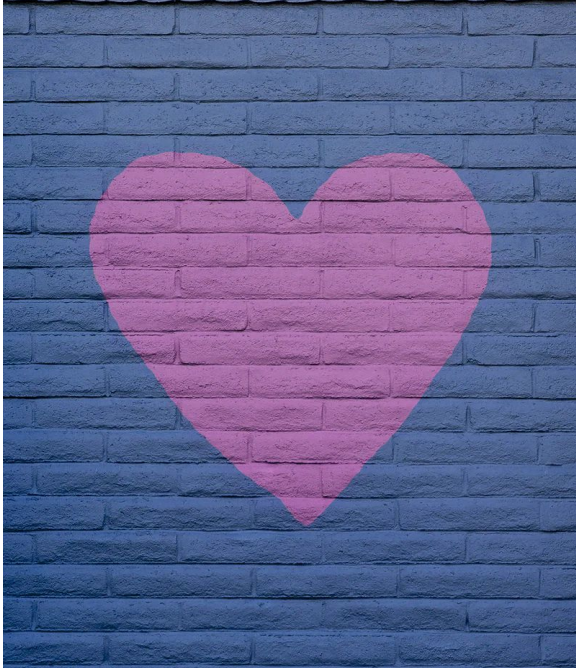
“Even if you plan to live to 150, you still need a will. Get started today.”

- Other effective messaging to older donors:

*“Supporters of our humane society, **from 18 to 88**, choose to include us in their will or trust. Would you like information on how to join them?”*



3. Thoughtful planned giving



- These email templates have been written for you, and are on our [resources](#) page.



Bonus: Go big on QCDs



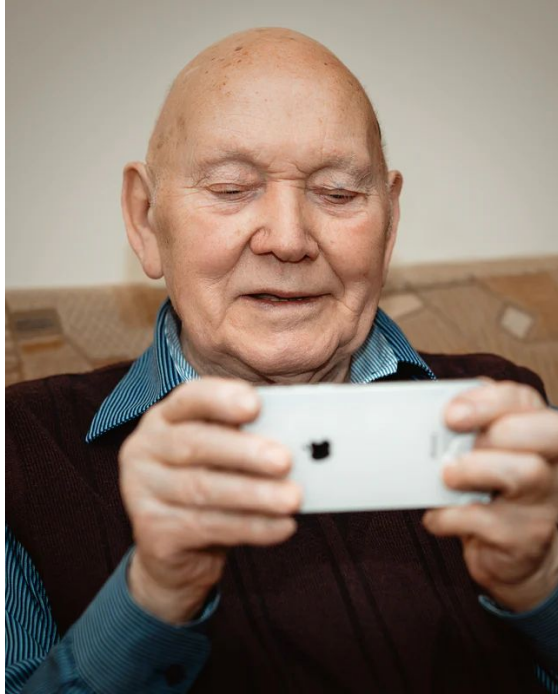
- Qualified Charitable Distributions (a.k.a. “IRA Charitable Rollovers, a.k.a. “QCDs”) are the fastest growing type of philanthropy of the last two years
- For many seniors, this will be the single best way to give



QCDs in 2021



Qualified Charitable Distributions

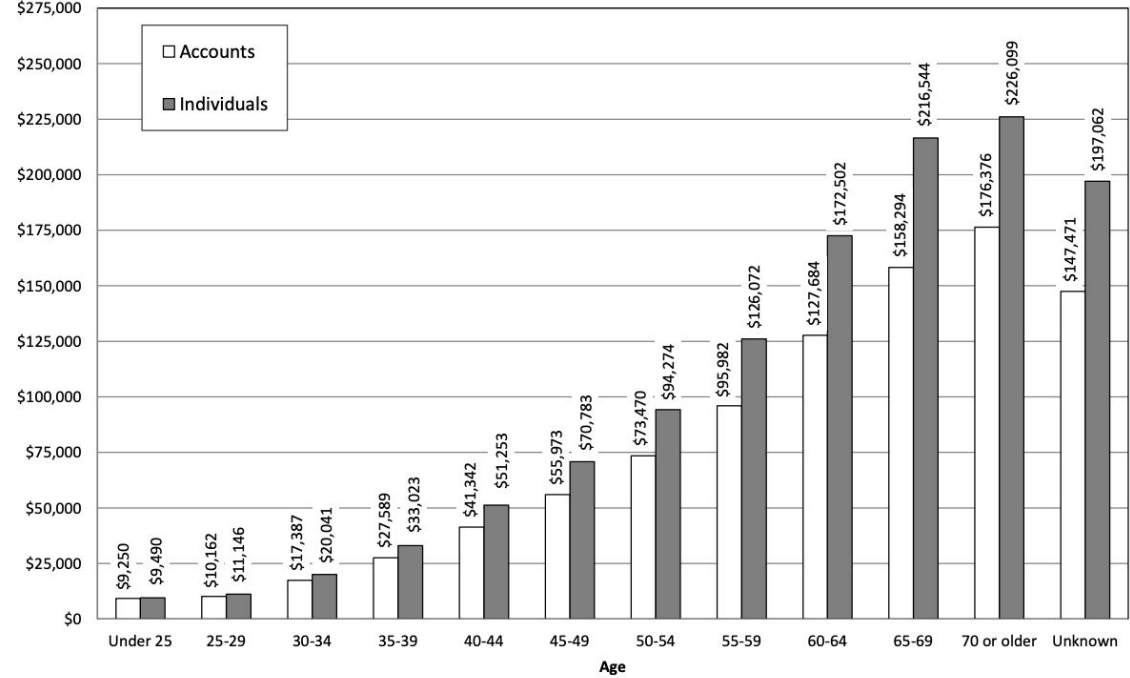


- Reminder: QCDs are gifts directly out of an IRA
- QCDs have grown almost 3X since 2017 due to tax changes and demographics
- The CARES Act eliminated RMDs (the money people must take out of their IRA) in 2020, but they're back for 2021



There is more than \$7 trillion in IRAs

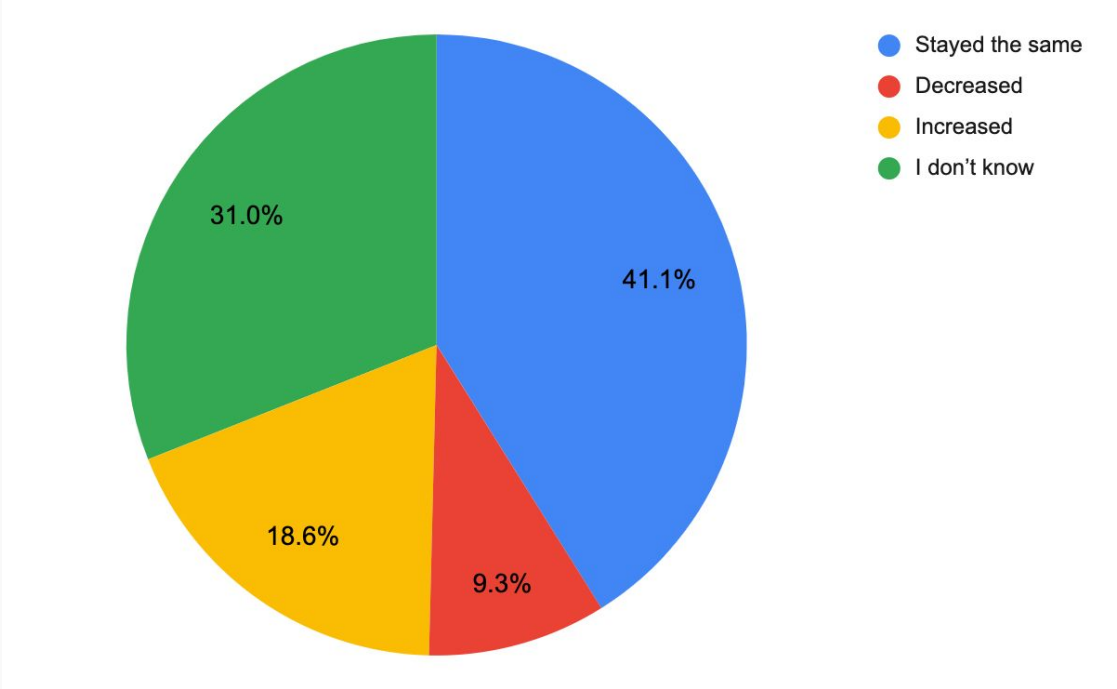
Figure 6
Average IRA Balance for All Accounts and Individuals, by Age, 2016



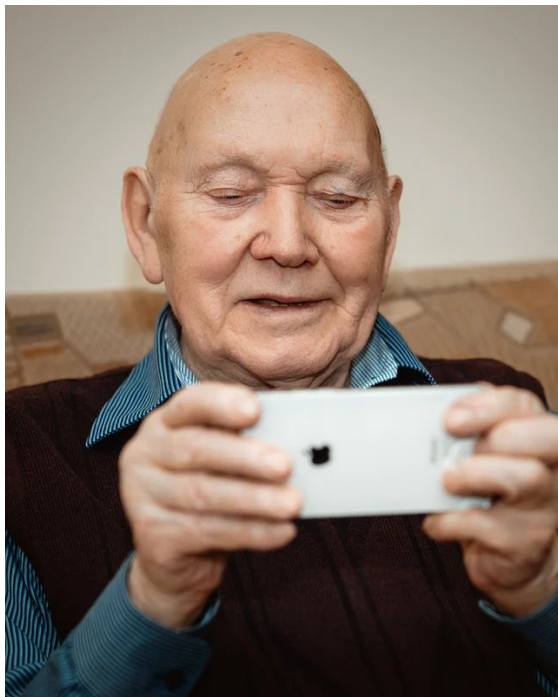
Source: EBRI IRA Database.



How did the average size of a QCD change in 2020, compared to 2019?



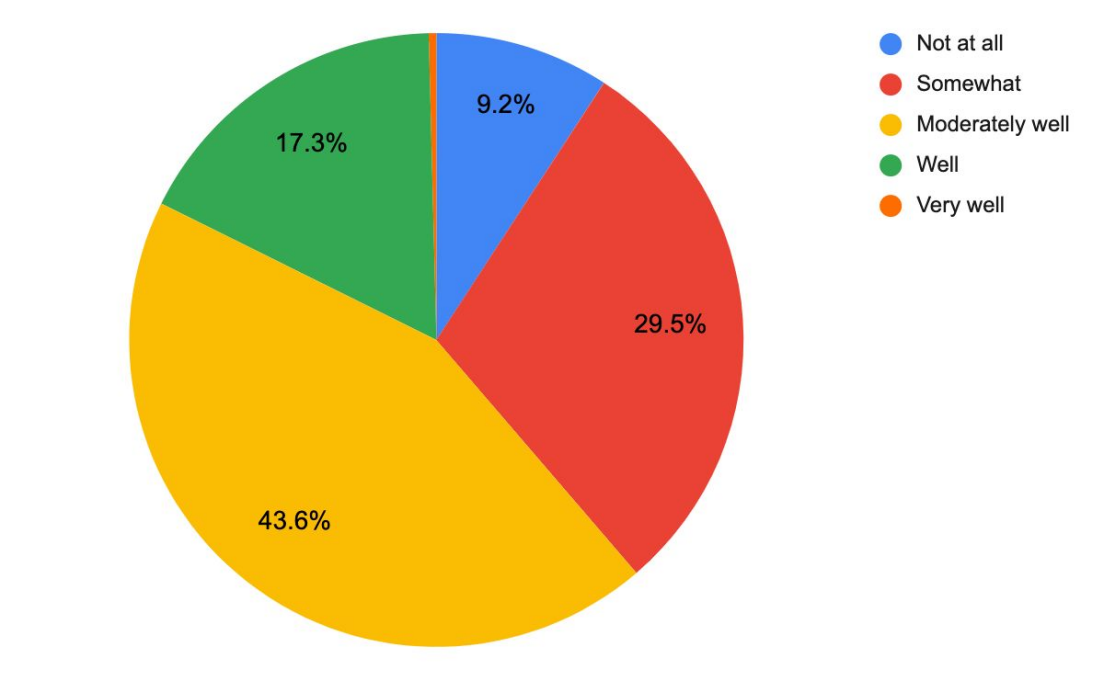
Reminder: Why these work



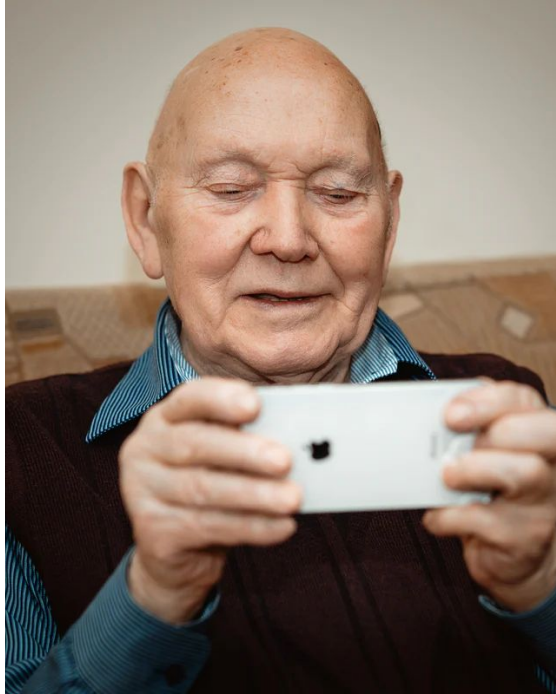
- Money in an IRA is pre-tax, and will **always be taxed**, even if the donor passes away
- Post-tax money is much more valuable to the donor, and should be conserved



How well do you think your donors understand QCDs?



Qualified Charitable Distributions →

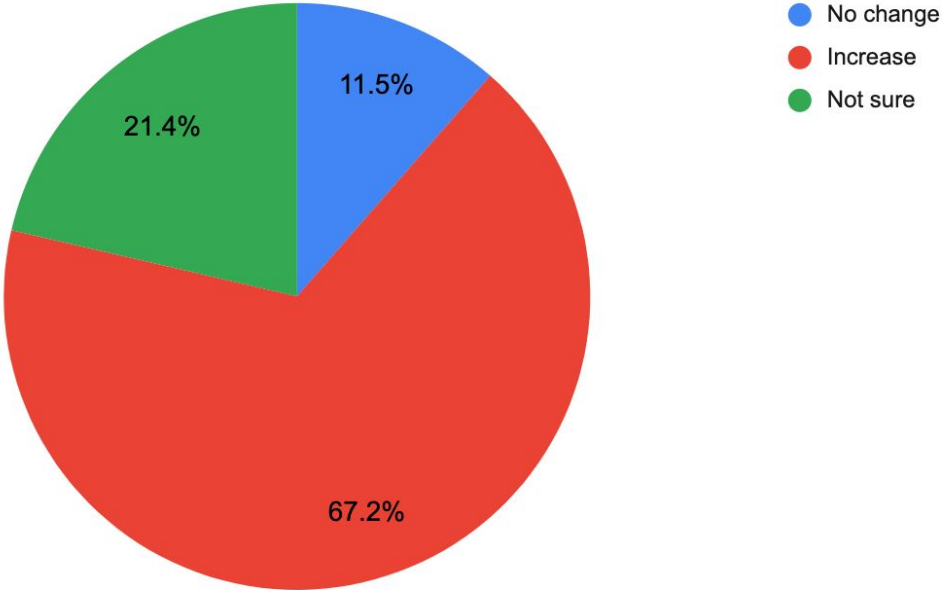


- Building the habit of QCDs is hugely helpful. This can quickly become a recurring annual gift.
- Giving a QCD is better than cash for the donor, as it meets RMDs and saves on taxes.
- Stocks and QCDs are much better for you because they result in **much larger gifts from the same donors.**



Recommendation #1: Increase QCD outreach

Do you plan to increase your QCD marketing in 2021?



Recommendation #1: Increase QCD outreach

Looking for an Easy Way to Help?

- You can make a **gift** directly from your **IRA**
- Most Americans don't itemize their deductions, but **you can save on income taxes** by taking advantage of this gift
- Anyone over 70 ½ can make a gift through their IRA - and if you're 72, you can make a gift out of your required minimum distribution
- More and more people are discovering this **simple and tax-friendly way to give** – hundreds of Saint Mary's donors made a gift from their IRA in recent years
- Our simple forms can help you make a gift. Visit saintmarys.edu/about/invest-in-saint-marys/how-to-give or email Valerie at vsherman@saintmarys.edu

Learn more at:
saintmarys.edu/GiftPlanning
Valerie Sherman, JD | Director of Gift Planning
vsherman@saintmarys.edu
(574) 284-4600



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College**

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Saint Mary's College

Notre Dame, Indiana 46556

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Recommendation #1: Increase QCD outreach

Hi,

Imagine not being able to fill your family's plates for a Thanksgiving meal. Then imagine struggling to fill their plates *every day*.

That's Carolina's reality — feeding a family of five in one of the most expensive areas to live in the country. Because of supporters like you, she can count on Second Harvest of Silicon Valley to provide her family with the healthy food she couldn't otherwise afford. She shared:

"Thank you to all the people that make it possible for us to have food on our table."

Your gift will help make sure local families like Carolina's can enjoy a memorable meal together this Thanksgiving. [Give by November 30](#) and your gift will be matched by the Khosla Family.

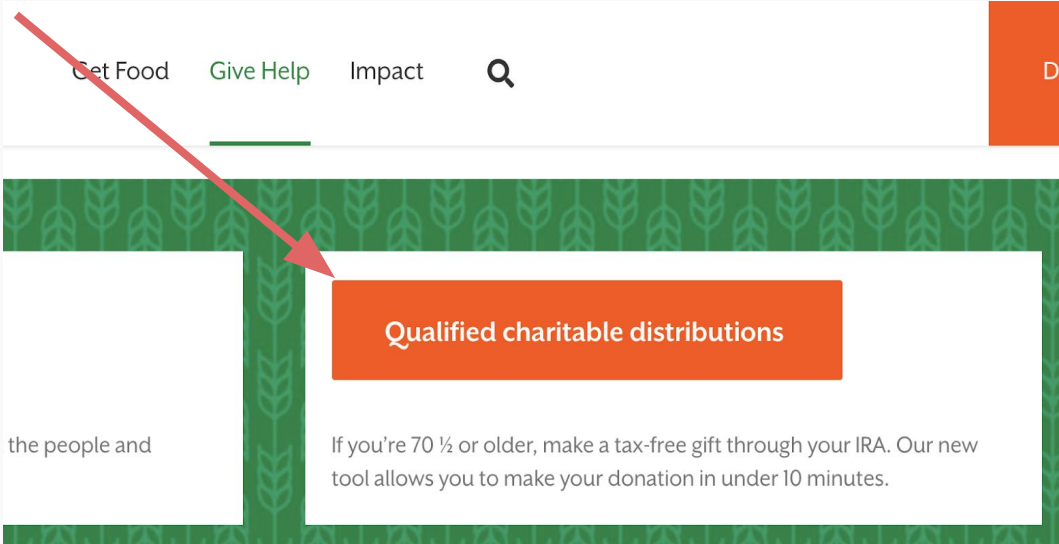
[Double My Impact](#)

If you've recently made a gift, thank you so much.

P.S. If you're 70 1/2 or older, you can join fellow Second Harvest of Silicon Valley supporters who make tax-free gifts from their IRAs each year. [Learn how you can save money while ensuring everyone has access to a healthy meal.](#)



Recommendation #1: Increase QCD outreach



Recommendation #2: Educate & clarify for donors

- Remember that donors are much more confused than you think!
- Understand the key paths for different custodians and be able to walk them through it. (Average time to find the right forms is ~25 minutes.)
- Run trainings for Major Gift Officers on QCDs and common questions. (Major Gifts Officers are also more confused than you think!)



Recommendation #2: Educate & clarify for donors



Qualified Charitable Distributions

Give better with Qualified Charitable Distributions

Donate directly from your Individual Retirement Account (IRA) for tax benefits and higher charitable impact, quickly and easily.

[Start my Qualified Charitable Distribution](#)



Make a Qualified Charitable Distribution

What type of IRA do you have?

Choose one...

What company is your IRA with?

- ✓ Choose one...
- TD Ameritrade
- TIAA
- T Rowe Price
- Vanguard
- Wells Fargo
- Fidelity

Why Qualified Charitable Distributions might be for you

If you're over 70½ years old or older, making a Qualified Charitable Distribution (QCD) is a great option to lower your income taxes while doing good for others. QCDs count toward your Required Minimum Distribution (up to \$100,000), effectively lower your adjusted gross income and bring about many tax benefits. (In response to the Coronavirus outbreak, Congress has waived the Required



Recommendation #2: Educate & clarify for donors

Your support is critical to the work of the Southern Poverty Law Center.

The SPLC is a catalyst for racial justice in the South and beyond, working in partnership with communities to dismantle white supremacy, strengthen intersectional movements, and advance the human rights of all people.

Contribute now!

Other ways to give:

- [Donate to The SPLC Action Fund](#)
- [Donate with PayPal](#)
- [Donate Stock or Securities](#)
- [Update Your Monthly Pledge](#)
- [Make a Tribute Donation or send an eCard](#)
- [Make a donation through your IRA as a Qualified Charitable Distribution \(QCD\)](#)

The Southern Poverty Law Center is a tax-exempt 501(c)(3) nonprofit organization. All donations are tax deductible.



Recommendation #3: Advanced tactics

- Many people take QCDs at the same time every year. Follow up with previous QCD donors 6-weeks before their “QCD-versary.”
- Ask QCD donors if they would like to learn more about making your organization a beneficiary of their IRA.
- Most donors don’t know that they can make recurring gifts through QCDs, but it’s easy to do so (a check box on the form).



Recommendation #3: Advanced tactics

- 70% of QCD gifts in 2020 came from previous donors (down from 90% in 2019)
- 55% of QCD gifts in 2021 came from previous QCD donors (down from 58% in 2019)



Recommendation #4: Navigating Medallions

- Many older donors are still unable or unwilling to visit a bank in person to receive a medallion signature
- But, medallion signatures are often required for large QCD (or stock) gifts
- We have found that many banks will waive the requirement with a simple email



Recommendation #4: Navigating Medallions

Body:

Dear [NAME],

I would like to make a Qualified Charitable Distribution from my IRA to [ORGANIZATION NAME] for [DOLLAR AMOUNT]. Because of the current pandemic, I'm unable to obtain a Medallion Signature in person, and I am writing to ask if it's possible for [IRA CUSTODIAN] to waive this requirement.

Please let me know if there is any further information I can provide, or if we can discuss further on the phone.

All my best,

[DONOR NAME]

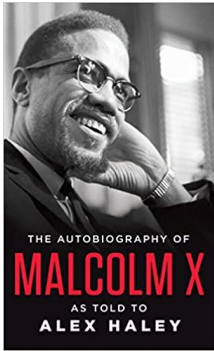
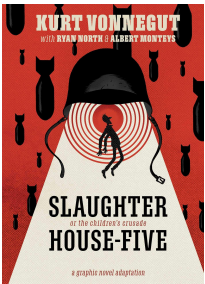
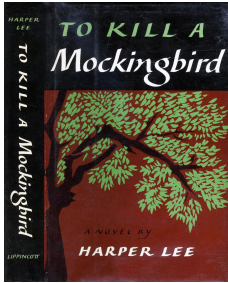
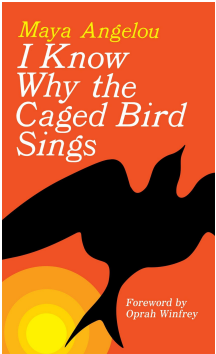


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Resources



A gift: The books that defined older generations



- We're going to send copies of the following books to **20 people** as a gift:
 - To Kill a Mockingbird (1960)
 - Slaughterhouse-Five (1969)
 - I Know Why the Caged Bird Sings (1969)
 - The Autobiography of Malcolm X (1965)
- Make **a note in the survey** if you'd like a copy, and tell us where to send it



Resources for you

- Coming soon: 2021 Report on Qualified Charitable Distributions
- How your nonprofit donors can get Medallion Signatures for QCDs
- Survey and email templates

Make a note in the survey if you want to receive this.



Group demos:



Short, 30-minute demonstration of our planned & major giving tools + case studies with Alyssa & David

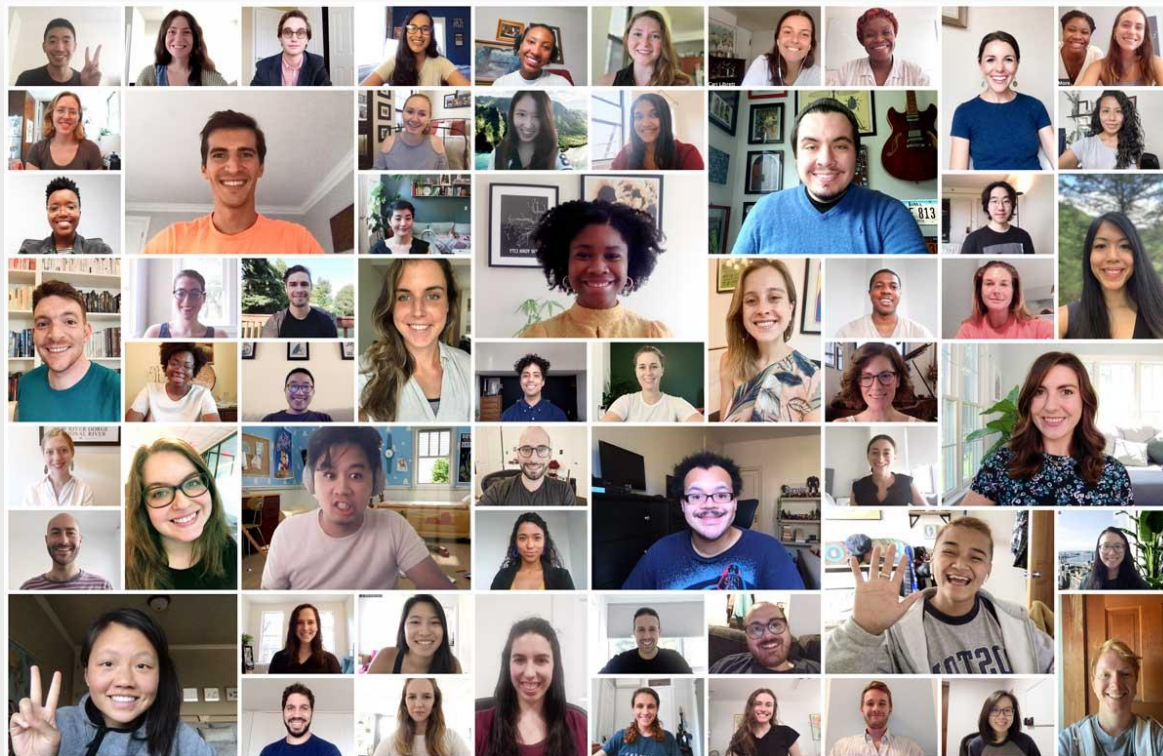
- Thursday, February 25, at 1 pm ET

RSVP in the survey.



1-1 demos:

You can also use the survey to request that an expert from our team walks you through our [Stock](#), [Bequest](#), or [Qualified Charitable Distribution](#) tools that have raised \$2.5B for charities.



Next steps

1. **Please fill out the survey in the Zoom**
2. Next webinar is on March 16th: “What an exploding stock market means for philanthropy”
3. If you have creative ideas to share (or if you need anything at all), just email me at Patrick@freewill.com

