



Your ultimate guide to **End-of-Year Giving**

Fundraising strategies for planned & major giving

FREEWILL 

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Part 1:

8 new trends in 2020 — and what makes this year different

2020 is a year unlike any other for nonprofit organizations. The Coronavirus pandemic has challenged traditional fundraising models, sparked massive job losses, and isolated donors.

On top of that, the upcoming presidential election is consuming donor and media attention. Across the board, 2020 keeps asking nonprofit fundraisers to think outside the box.

According to [Gallup](#), this year has seen a new low in the number of Americans donating to charity. This makes end-of-year fundraising for 2020 even more crucial. [One-third of all charitable giving](#) occurs in October, November, and December. If planned and major giving officers can engage their supporters during this time, they may be able to make up for other fundraising losses.

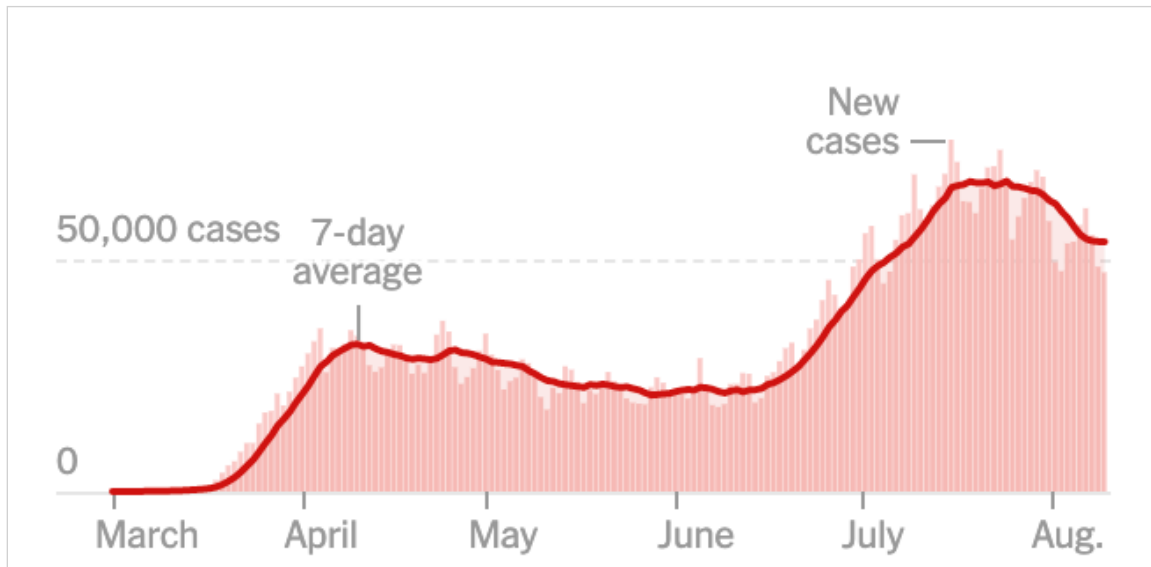
So with year-end giving around the corner, now is the time for your nonprofit to put plans in place. You need to incorporate new strategies and understand the trends that make this year different.



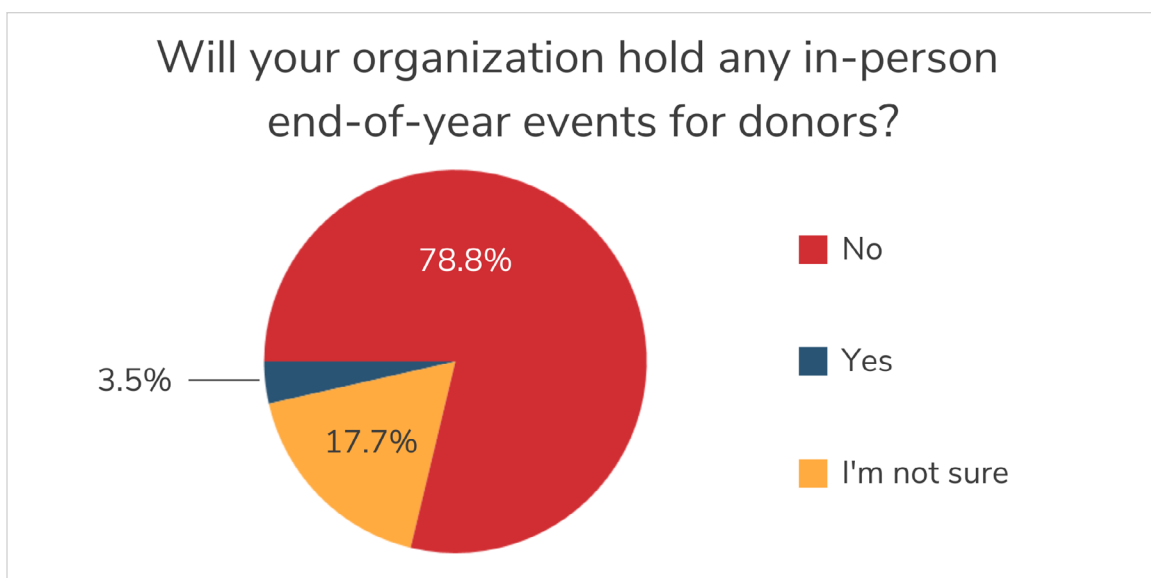
Trend 1

Nonprofits are canceling year-end visits and events

Coronavirus cases are still on the rise in many parts of the United States. So in-person visits and events are off the table for most nonprofits — especially when it comes to at-risk, older donors.



In mid-August, we surveyed over one hundred nonprofit professionals about their end-of-year plans. More than 75% of them said their organizations are not holding in-person events this year.



If you're a planned or major giving officer, these in-person touchpoints are probably an essential part of how you fundraise. This change will force you to find new ways of cultivating donors and raising important gifts.

Trend 2

Isolation will get worse for donors

Many older donors will celebrate the holidays in isolation this year. Nearly [13.8 million Americans over the age of 65](#) — about 28% of that population — live by themselves.

As schools reopen, grandparents may visit their grandchildren and families less to avoid the risk of Coronavirus. In Northern states, especially, cold weather will force people inside.

This will cut off many social opportunities and isolate donors further. Your nonprofit can help address this growing isolation by reaching out to donors in authentic, meaningful ways.

Trend 3

Donors' attention may be focused on the Presidential election

This election season will be unlike any other in U.S. history. The pandemic and a struggling post office will likely cause a decrease in in-person voting and delays with mail-in ballots. With these issues, as well as a highly-polarized electorate, the presidential election will consume media and donor attention.

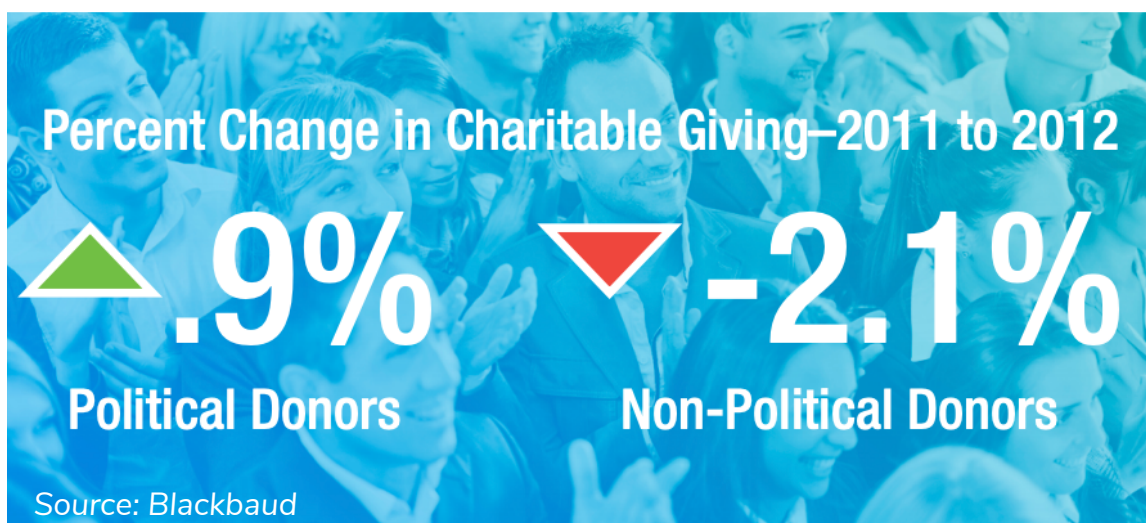




Nonprofits may find it difficult to break through the election noise in September, October, and November. These are critical months for reaching supporters for year-end fundraising. During this time, political calls may overwhelm your donors. This could make them less willing to pick up the phone unless you schedule a call together.

The two weeks before and after election day on November 3 may be the hardest of all if there isn't a clear, immediate winner. It's been 20 years (since the Bush/Gore election in 2000) that we haven't known the electoral college winner on election night. The news cycle and donor attention will be entirely focused on this if it occurs.

Nonprofits may also see slight shifts in charitable giving this year due to the election. From 2011 to 2012, there was a [0.9% increase in charitable giving](#) from political donors. However, there was also a 2.1% decrease from non-political donors. In 2016, giving went up by 2.6% from the previous year. Politically-aligned organizations may see the biggest change post-election. Organizations aligned with the losing presidential candidate see an [average 57.6% increase in contributions](#) while organizations aligned with the winning candidate see a 2.9% drop.



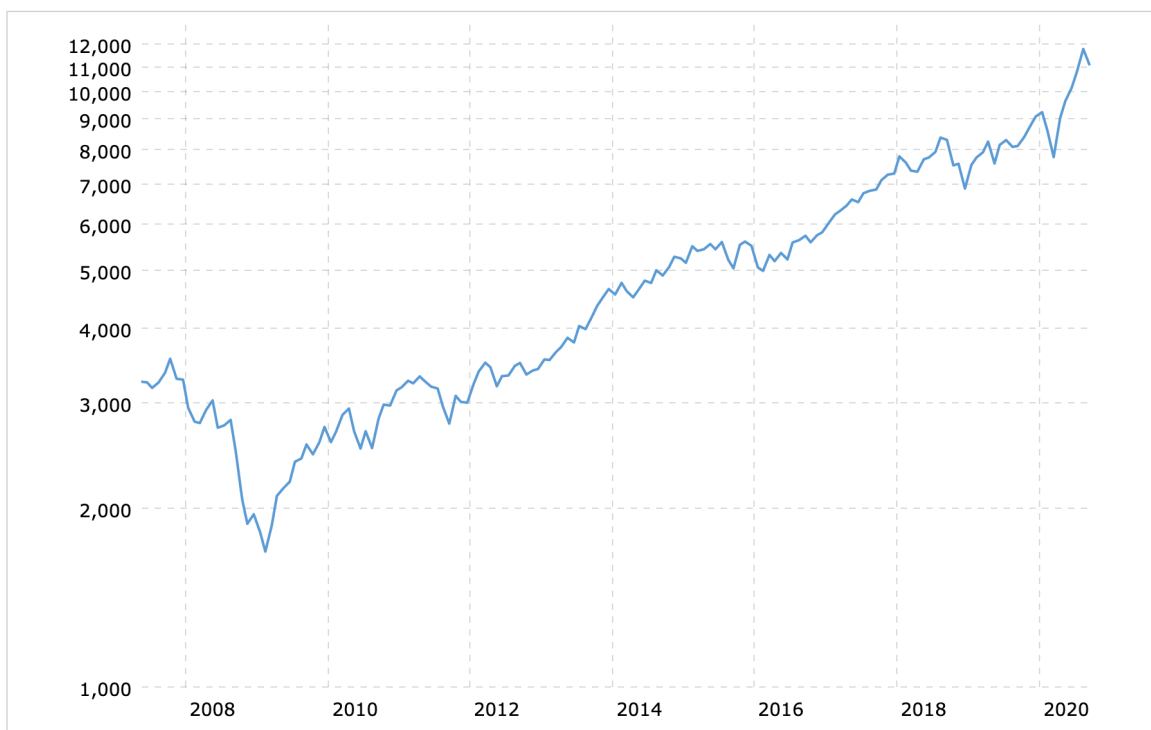
Trend 4

The stock market has hit all-time highs

There is a massive juxtaposition right now in the stock market and unemployment rates. The U.S. is facing record-high unemployment due to Coronavirus shutdowns. Yet, the stock market has recently been off the charts after an initial dip when the pandemic first hit.

This means that your planned and major giving donors will be even more important this year. While many supporters may find it more difficult to make cash gifts, planned gifts won't affect them financially.

Plus, if you can simplify the stock giving process for your donors, you'll have an incredible opportunity to raise major gifts. Gifts of appreciated stock are often much larger than cash gifts, and donors see better tax benefits from giving them.



Trend 5

QCDs are continuing to surge

Qualified Charitable Distributions (QCDs), also known as “IRA Charitable Rollover Gifts,” are tax-free gifts transferred directly from your donor’s IRA account to your organization. These gifts are one of the fastest growing areas of philanthropy. In our [2020 QCD report](#), we found that nonprofits have experienced nearly 3X growth in QCD gifts in the past two years.

Due to recent tax changes, QCDs are the single most tax-efficient way for older donors to give. Any donor over 70.5 with a traditional IRA can make QCD gifts, totaling up to \$100,000 a year.

Yet, most donors are still extremely confused about how to make QCDs. To change this, more nonprofits are marketing QCDs as a way to give and driving an increase in donor awareness.

Trend 6

Unemployment skyrocketed this year

Shutdowns to prevent the spread of Coronavirus have caused massive job losses in almost every industry in the U.S. At its peak in April, the [unemployment rate was over 14%](#). While job loss has slowed and many have recovered, it was still over 8% in August.





This economic uncertainty has led to [new lows in charitable giving](#). Nonprofits we've surveyed reported large decreases in annual and major gifts — donations that affect cash on hand. However, it's not all bad news for nonprofits. Many donors are still making planned gifts because these gifts don't affect them financially during their lifetimes. Plus, many Americans say that they hope to increase charitable donations next year.

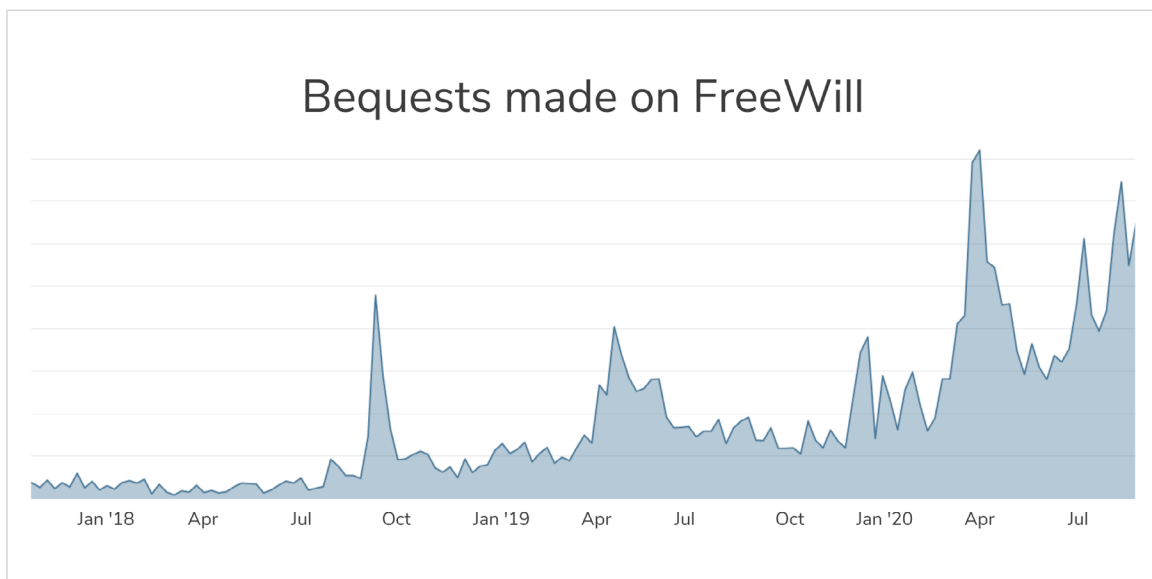
Trend 7

Planned giving continues to reach record new levels

The economic effects of the Coronavirus pandemic have contributed to decreases in annual giving. Yet, planned giving is having a moment. More people than ever are making their wills and using this opportunity to support the causes they care about.



On FreeWill, the number of bequests left to nonprofits has surged since the start of the pandemic. In our recently released [2020 Planned Giving Report](#), we saw a 400% increase in wills with bequests in March compared to the same month in 2019. And in August, wills with bequests increased by nearly 300% over the same time last year.



Trend 8

DAF giving is reaching record highs

Donor Advised Funds (DAFs) are a way for donors to make charitable contributions over time. When setting up a DAF, donors make one large charitable contribution into a fund. They receive an immediate tax deduction, and then they allocate grants from that fund over a few years.

A big benefit to DAF giving right now is that it isn't affected by economic uncertainty. That money is already out of the donor's hands and has been set aside to go to charity.



In 2008 and 2009, contributions into DAFs dropped by 36%, but total grant dollars only dropped by 7%. And this year, National Philanthropic Trust, the largest independent DAF sponsor in the U.S., reported a [54% increase in total DAF grant dollars](#) given to charity.

Responding to charitable needs during the Coronavirus pandemic, donors have been allocating those grants in record levels. In March, April, May, and June of this year, the volume of grants increased by 69% and the value increased by 159% over the same months in 2019.

Part 2:

Making the most of these trends for a successful end-of-year giving season

Tap into the trends we explored in part one to fundraise successfully during October, November, and December. If it was a difficult year for your organization's fundraising teams, then these thoughtful, effective strategies will help you meet your goals this quarter.

Tactic 1

Use the “Now, more than ever” frame

Your organization will have to reimagine how to achieve your mission in 2021. This is true for schools, hospitals, museums, land trusts, animal shelters, advocacy organizations, and more.

During the Coronavirus pandemic, fundraisers have often spoken to their donors with language like “despite all of this, we still need your help.” However, this language is less effective.



Instead, you should focus on why 2021 will be the most important year in your organization's history yet — and if donors have ever wanted to support your mission, now is the best time to do it.

Here's an example of how a private secondary school could use this framing:

Dear [DONOR],

For our school, the start of 2021 will look very different from the start of 2020, or 2019, or even 1920.

Our faculty and staff are focused and ready to re-imagine schooling to help our students learn during a difficult time and to be ready for a world that's changing faster than ever.

Your gift in 2020 will have as much, or more, impact compared to any time in our school's history, and I hope you'll consider supporting the school, if you are able to do so.

Tactic 2

Tap into volunteers for planned & major giving donor stewardship

Increased social isolation means people are simultaneously stuck at home, searching for purpose, and looking for connection. Your organization can provide this purpose and connection by giving volunteers and donors a way to engage with each other.

More than ever before, you'll be able to tap into your volunteers and get their help with stewardship efforts. One effective fundraising and stewardship tactic is to mobilize volunteers to write handwritten notes to planned and major giving donors.

Here's how to do it:

1. [Create a survey following this example](#), and customize it for your organization.
2. Email the survey to supporters, including those who have not volunteered in the past.
3. Send the names and addresses of the donors you want to thank to the volunteers who respond positively on the survey. Give them sample language to include on the cards, a clear deadline, and ask them to respond back to you when all the notes have been mailed.
4. If a volunteer needs cards, you can easily and inexpensively ship them in a day from Amazon.

Provide your volunteers with sample language like this:

Dear [NAME],

I'm writing as a volunteer for [ORGANIZATION] to thank you for supporting [MISSION] in the past.

I am personally invested in [MISSION] because [REASON], and I'm thrilled that so many wonderful folks have also made this work possible.

Have a wonderful Fall!

[NAME]



Tactic 3

Survey donors before asking for donations

There are two very important reasons to survey donors as soon as you can, before moving to fundraising asks:

1. Many people's lives have changed so drastically in 2020 that you want to understand who is struggling, who is eager to help, and how they are feeling in this moment.
2. Gifts like Qualified Charitable Distributions, appreciated stock, and Donor Advised Funds are becoming even more important. A survey allows you to surface donors who have access to different ways to give.

[Download and send this survey template](#) to your donors in September or early October.

Tactic 4

Make a plan for stock giving

The stock market is near the highest it has ever been, and stocks are the most tax efficient tax way to give for many people. Appreciated stock gifts receive both a full income tax deduction and eliminate capital gains taxes for those stocks.

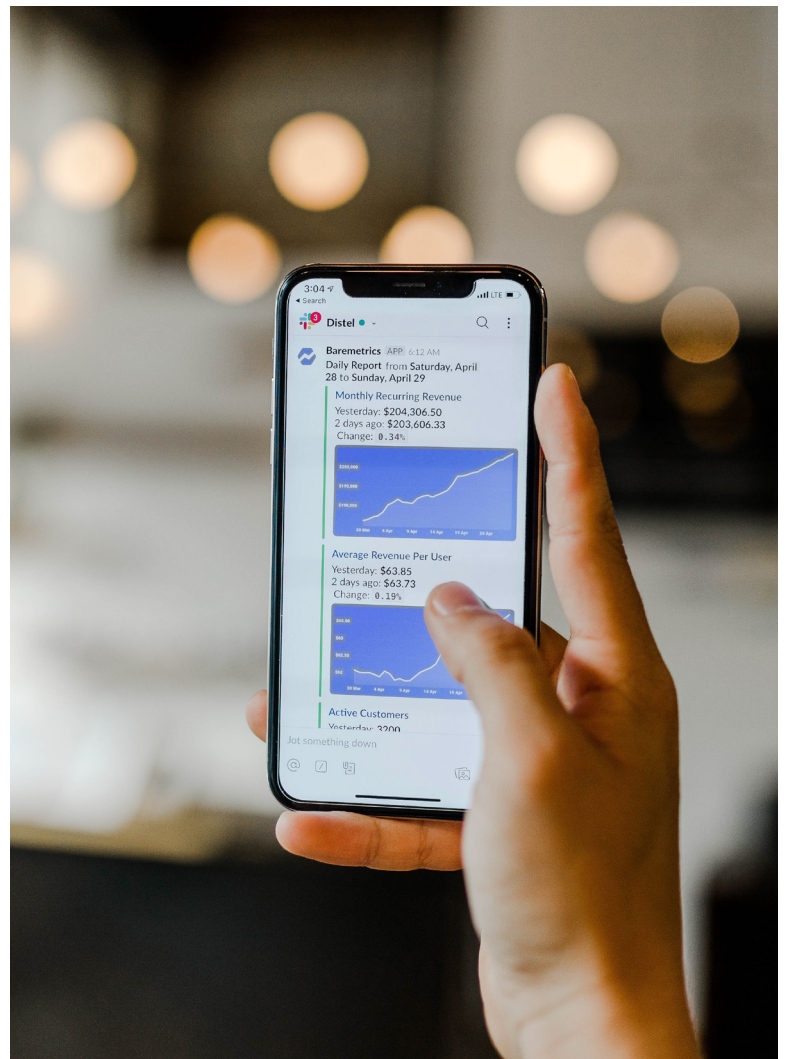
Studies also show that gifts of stock will be significantly larger than cash gifts, even from the very same donors. This is because donors think of gifts from their overall wealth and gifts from their available cash very differently. When you ask donors to give from their wealth (like stocks), they tend to feel wealthier and give more.

But most donors do not understand how to make stock gifts, or how valuable they can be. That's why your organization needs to market stocks in a way that's easy to understand and be prepared to answer their questions.

It's also important to note that an individual can donate stock without changing their portfolio. They can simply donate the stock, then buy the same stock again with cash.

Here are talking points to use to effectively solicit stock gifts from supporters:

- *Did you know that gifts of stock can give your family a big tax benefit even in a fluctuating market?*
- *These gifts can reduce the capital gains you'll pay without changing your portfolio.*
- *Many of our supporters choose to take advantage of this especially smart way to give. Would you like to learn more about what others do with their appreciated stocks or other equities?*



For more stock talking points, [download our stocks phone script](#) to go over the benefits with your donors.

Note: Many organizations choose to use [an online tool](#) to make it easier for their donors to give stocks.

Tactic 5

Go big on Qualified Charitable Distributions

To take advantage of the surge in Qualified Charitable Distributions (QCDs), savvy nonprofits are including QCD asks in virtually every standard fundraising email or letter. This works because many organizations have a high percentage of donors who are over 70 years old — the age at which a traditional IRA owner can begin making QCDs.

One strong example of this is by Second Harvest of Silicon Valley, a high-impact food security nonprofit in California:

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.**

It's important to note that many donors are confused by the QCD process. Organizations often choose to help guide donors through giving these gifts. For example, Second Harvest makes it easier for their QCD donors to give by providing them with an easy-to-use, customized FreeWill QCD page:

https://www.freewill.com/qcd




Second Harvest
of SILICON VALLEY

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... 

I was born before March 16, 1950

Start my Qualified Charitable Distribution

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 Minimum Distribution rules for qualified retirement accounts for 2020.)

Learn more about the [FreeWill QCD tool](https://www.freewill.com/qcd).



Tactic 6

Use the “Open Door” message with economic hardship

One of the strangest parts of 2020 is that while the stock market is thriving, unemployment continues to spike, and some loyal supporters will be less able to give this year.

In order to be sensitive to this group, while still being extremely effective as a fundraiser, use a tactic we created called the “Open Door” email.

[You can download the email template here.](#)

This message has a few key attributes:

1. It opens up with an authentic connection.
2. It shares how your organization has been addressing the crisis.
3. It clearly articulates that not everyone is in a position to support your organization.
4. It gives those who are able to help an action to take.

On the next page, you can see the sample template for the “Open Door” email.

Dear [NAME],

Hope all is well with you and your loved ones. I know many are feeling anxious during these challenging times.

Our family is holding up okay! My husband and I have found our separate workstations (me at the dining room table and him switching between the kitchen and a plastic folding table in the garage, depending on the weather.) Our teenagers are more open to board games with us when they're not texting their friends, and we've caught up on the classic movies we'd been meaning to see (Casablanca was even better than I expected!).

I also wanted to share what we've been up to at [ORGANIZATION NAME]. Since we've all had to switch from home, we've continued our work at full speed. Yes, some of us are working on easements with infants in their laps, and others have to keep going upstairs to tell their middle-schooler to turn down the music while we're on video calls, but here are a couple highlights of what we've been working on:

- [Example 1]
- [Example 2]
- [Example 3]

We know that this crisis is hitting everybody differently, and we hope you are doing ok. Some of our supporters have asked what they can do to help [ORGANIZATION NAME] continue to thrive during this moment, so we made a list of [three ways you can help](#).

If you can help, we'd love for you to take a look — but please don't feel any pressure. We know this is a challenging time.

Our whole team is thinking of you, and wishing you well,

[DIRECTOR SIGNATURE]

The link in the email then should direct to a landing page with several options, as seen below:

3 Ways to Help [ORGANIZATION NAME] Today

There are multiple ways to support [ORGANIZATION NAME] and we want to help you figure out the way that works best for you.

1. [Give a cash gift](#): Thanks to the recent passage of the CARES Act, every American can donate up to \$300 tax-free, whether or not you itemize deductions.
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 [ORGANIZATION NAME].
3. [Join the many people who have included us in their legal will](#): You can support [ORGANIZATION NAME] forever without paying a cent today using [this free will-writing tool](#). It's an easy way to protect the [CAUSE] we love, together.

[Download this email template here](#), along with several others you can use.

A thank-you to our community

We'd like to thank our nonprofit community and partners for their support, feedback, and continuous engagement this year. When the pandemic hit the United States in March, many organizations were unsure of how to move forward. At FreeWill, we have done our best to provide effective ideas for how nonprofits can continue their important work. It has been an absolute pleasure to see so many organizations get back on their feet and fundraise for planned and major giving in creative new ways.

We wish you the best of luck with your end-of-year fundraising and hope that this guide will be helpful to you in the upcoming months.

Best,

Patrick, Simone, & the whole FreeWill team

