# The End of Planned Giving

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When I entered the planned giving "profession" a number of years ago, the daily life of a planned giving officer was quite different from what it is today. The first project I undertook involved calculating the remainder value of a charitable remainder trust the old-fashioned way, with IRS actuarial tables and a calculator. It took all day. Intriguing as this activity was for a few hours, it quickly lost its allure. I thought to myself "so this is planned giving?"

Planned giving, I was told, was not just about calculations but rather about getting out to see donors. So I quickly moved on to my second task: working through a list of emeriti trustees. The first name on the list was a retired attorney in a nearby community who lived in what we now call a "retirement community." In those days was it was a "nursing home."

This gentleman had been a leader during his days on the board, but 10 seconds in his room was enough to convince anyone that his days of making financial decisions were long over. He was strapped to a chair and completely unresponsive to my feeble — and short — attempts at conversation. I was beginning to wonder what I had gotten myself into.

Fortunately, these early experiences were not the norm. Shortly after those initial adventures, the first planned giving software appeared on the market and we could let the computer take over those laborious calculations. I quickly learned to do more homework before making visits to make sure I was able to talk with people who were ready and able to talk with me.

A few short years later, NCPG was born and the planned giving profession took on both depth and vitality. All of us who attended those early gatherings in Indianapolis — and many others who labored in their offices throughout the country — saw ourselves as an increasingly important component of modern fundraising, bringing both specialized knowledge and a wide circle of otherwise neglected donors to the enterprise. We looked at ourselves with pride as we envisioned ourselves as part of a growing and valuable professional endeavor.

Early in my career I also ventured, perhaps naively but with a certain confidence born of short-range experience, into the forecasting business. I saw planned giving attracting more and more bright young people to its ranks, and I predicted a continuous expansion of both planned giving colleagues and planned giving donors.

**Unexpected Changes**

As often occurs with linear predictions, mine was caught short on the shoals of unexpected change. First, many of those bright young fundraisers found themselves in high demand by the major gift staffs of charitable organizations and they found a career path open to them that was far more varied and lucrative than old-style planned giving. Many of us became directors of major or principal gifts, vice presidents and even presidents of charitable organizations.

Second, we all discovered that many organizations decided they could not afford a member of their staff focusing solely on deferred gifts and bequests. Besides, most charities needed cash now and the return on traditional planned giving was just too far out to attract the attention we who were in the profession thought it deserved. As we quickly discovered through the surveys conducted by NCPG of its members and even through a quick show of hands at the national conference, more of those who practiced planned giving in some way also carried a variety of other portfolios. Few “did” planned giving alone.

Now, nearly three decades after beginning the fascinating journey that started with those rather inauspicious early tasks, we find that planned giving as a distinct profession may indeed be close to an end. That perception is not a cause for gloom, however, but rather grounds for a new celebration.

**A New Definition**

The entire definition of planned giving has undergone a radical metamorphosis. We have come far from the narrowly defined “deferred” gift focus of its early days, in which planned giving professionals labored in a corner office on complex trust arrangements or spent their time discussing uncertain bequest possibilities with elderly prospects.

During those days, the rest of the development staff might occasionally consult about some specific donor but for the most part left the planned giving expert to work on his or her prospects alone. When a bequest matured and new money showed up, everyone celebrated and then went back to business as usual.

Now, increasingly, planned giving has come to mean any gift that requires more planning than writing a check. Outright gifts of non-cash assets, as well as deferred gifts of all sorts are now the purview of planned giving. And especially in a time of economic uncertainty, these gifts have become more and more important. When Congress passed the Pension Protection Act in 2006, allowing for the first time owners of IRAs to transfer up to $100,000 tax free to a charity, who took over publicizing the new law? Who let donors know what to do and how to do it? Yes, most often the planned giving officer.

As donor advised funds have become more and more popular ways for donors to "park" their charitable donations, who has become the primary liaison between charities and these sources of potential current donations? Again, often the planned giving officer. As campaigns have grown in size and aspiration, what aspect of development has helped the most to boost the results of campaigns? Planned giving. And finally, in the last two years during which donors have become much more cautious than they had been about giving large cash donations, what aspect of development has shown the most growth? Again, planned giving.

Planned giving also has become more and more the umbrella under which donor-centered philanthropy is practiced. Working with donors to place philanthropic decisions in the center of their financial planning process, alongside their other long-range financial concerns, has long been the hallmark of good planned giving. And the success of countless such conversations with donors at hundreds of charitable organizations has caught the attention of CEOs, chief financial officers, and trustees or directors. Because planned giving has been so successful, it has ceased to be a separate branch of fundraising in more and more nonprofits.

**Three Probabilities**

What does all this mean for the future of planned giving? We would like to suggest three probabilities for the coming years.

First, the line between planned and major gifts will blur even more. As traditional planned giving officers retire or leave their posts, more and more charitable organizations are already electing not to replace them. Rather, nonprofits are hiring more (and often less expensive) major gift officers, who then undergo regular "training" in the basics of planned giving.

The primary point here is that all charitable representatives who regularly interact with donors should know enough about the basics of planned giving that they can spot opportunity when they encounter it and they can continue the conversation when the donor says "I would love to make a major gift, but . . . ." Major gift officers do not need to be tax experts, but they do need to be alert to gift opportunities beyond the traditional outright gifts of cash.

Second, expertise is still important. However, more and more nonprofits have chosen to hire the expertise when they need it instead of paying for it on staff every day. We have found that a sharp administrative assistant can and probably should be able to run the calculations for potential life income gifts. Once the program and policies are in place, most deferred gifts — like bequests and charitable gift annuities — can become part of the normal repertoire of the major gift staff.

Often one of the major gift officers at an organization shows an aptitude for spreadsheets and numbers and can often take the role of point person for the normal planned giving activities that come. For more complicated gift plans, whether outright or deferred, organizations can and do hire consulting help or keep expertise on retainer. We have found that an increasing portion of our consulting practice focuses on training staff on a regular basis and on providing expert counsel when the need arises.

Finally, as a result of the trends we note above, we envision the planned giving field becoming smaller and broader at the same time. Smaller, because the need for dependable experts will become even more critical; and broader, because every front-line development officer will include planned gift options in his or her portfolio. Some people will still occupy that professional niche, but, other than at large and mature charitable organizations, the experts may well increasingly serve more than one charity.

Charities find this arrangement to be more cost effective and more rewarding than the old model. And the experts may find these kinds of partnerships to be more engaging on a daily basis as well. They can see the results of their work across a broad spectrum of American philanthropy and they can focus on the gift opportunities that are most creative and most intellectually challenging as well.

**Conclusion**

Planned giving has reached a level of maturity that few of us might have envisioned two or three decades ago. Still, we have long sought to be recognized and respected as a central part of the development enterprise. Is this truly the end of planned giving? Maybe, at least as a separate part of many development organizations — but certainly not as an integral part of development. We rejoice and celebrate these changes, and we believe that both planned giving professionals and charitable organizations will prosper as a result.

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