

THE TOP TEN REASONS CHURCHES SHOULD HAVE A MINISTRY OF LEGACY GIVING

By Chris McLeod, JD
President, Giving Matters, INC

In today's economic environment, a legacy giving initiative can help you tap the hidden potential of your most generous and loyal donors and transform the growth trajectory of your organization.

The Greatest Generation is disappearing. The first wave of Boomers is retiring and worried about outliving their assets. Many are planning their legacy now.

Legacy Giving is a healing ministry.

Many church members, both those who are wealthy and those of average means, suffer from the wounds of wealth and often feel burdened by decisions about the distribution of their assets at their death. For church leadership with a scarcity mindset, it may be difficult to appreciate that some members worry about leaving too much money to their children and may be inspired by the opportunity to express their values by making a significant bequest to the church.

When a member is invited to consider making a bequest, it is often a time when s/he contemplates how s/he wants to be remembered – in essence, their legacy. These conversa-

tions often lead to a natural re-prioritization of those institutions that are most important to the member and his/her family.

Legacy giving conversations can be transformational for the church and the member.

The desire to make a difference is almost universal, regardless of one's religious tradition. Making a legacy gift is one way to make a permanent difference in the church's future. Your members are already making legacy gifts to the Salvation Army, World Vision and their alma maters because they've been asked – and many may want to make a difference for their church, an institution with which they generally have a much more intimate and sustained relationship.

Legacy giving can unlock the generosity of your congregation.

National research shows that donors with documented bequests give twice as much annually as donors who have not made a bequest. While it is not clear whether the more generous donors are more likely to make a bequest or those who make bequests also contribute more annually, there is a relationship between the two that churches cannot afford to ignore.

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Legacy gifts can lead to major gifts. Often, after making arrangements for a significant legacy gift, members realize that they will neither experience the joy and satisfaction of that gift nor will the church benefit until they are gone. Some members may re-think their commitment and decide to experience the joy of giving by making a significant gift while they are alive.

Legacy giving manages risk.

The most generous members in a church congregation are often its oldest. What happens when the three most generous members in a church die? In some cases, it could take ten or more giving units to replace each member's annual stewardship commitment. This places the congregation at financial risk – a risk that can be avoided.

Many families want to document and celebrate their family's history with the church.

The opportunity to create an endowment for outreach, education, pastoral sabbaticals, facilities or music excellence is timeless way for members to demonstrate their lifetime commitment and devotion to the church. Many long-time members have experienced a deep engagement in these aspects of a church's life. A legacy gift helps to ensure that these precious ministries will continue to thrive.

Increase Return on Investment (ROI).

The term "Return on Investment" is a business term that is especially relevant to the conversation about church members' giving. Members

who have attended a church for 15 or more years have a greater investment in the church and often contribute more annually than members who have joined the church more recently. Also, consider the time and energy that the church has invested in serving its members. Long-time members have often baptized, confirmed and married their children in the church, and perhaps buried their spouse or other loved ones. The church and pastoral staff have served many members and their families during the better part of their life time, often much longer than a relationship a member might have with his/her alma mater. A legacy gift is often the largest gift a member makes in his/her lifetime since such gifts usually are made from a member's assets, not their annual income. If your church does not have a legacy giving initiative, you are missing the opportunity to increase your return on investment and secure significant legacy gifts from your long-time members.

Imagine a Blue Sky Scenario.

What could your church do differently if you learned from a local attorney that one of your long time members left the church an unrestricted \$5 million bequest? It happens. Increasing support for outreach and missions can inspire and energize your members in their journey of faith. Increasing endowment support for the church facilities could allow you to increase the annual support for mission and outreach and simultaneously inspire and energize your members in their journey of faith. Now imagine instead that you've just learned that one of your members

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left a large bequest instead to the local symphony or art museum. You may feel as if you have let down your church by not having an active legacy giving effort.

Legacy giving is a lot less complicated than you think.

You do not need to master the technical aspects of planned giving to launch a legacy giving initiative. Close to 90% of all legacy gifts are bequests – or beneficiary designations from a retirement fund or life insurance policy. Today, fewer people are making the more technical gifts, such as Charitable Remainder Trusts, since these gifts are irrevocable and often require an expenditure of personal funds to draft legal documents or pay for an appraisal and environmental study.

Legacy giving is an educational ministry.

It is a ministry to families to support their efforts to prepare for the unthinkable. Today, more than 55% of individuals do not have a will.* Many couples encounter difficulty or disagree when making decisions about guardianship issues, resulting in important testamentary decisions getting postponed. The Church can help convene the legacy conversations in Sunday school classes or workshop settings that provide support and resources to parents to help them make these important decisions.

Many pastors have ministered to families when a young parent is killed in an accident or suffers a fatal heart attack. Having a husband die suddenly can be equally terrifying for an elderly woman with little experi-

ence managing the family finances. Without a proper will, the surviving spouse may have to endure the unnecessary and time-consuming hardship of probate, and the provisions of state law will dictate the distribution of assets, with unforeseen and costly consequences. Talking to your members about the importance of a will is an important ministry to families.

Legacy giving is the most inclusive strategy for giving.

Many churches think that a congregation is made up mostly of people of average means and that only the wealthy make legacy gifts. For clergy who find it difficult to talk about the importance of stewardship, legacy giving is often a more comfortable topic since it is a strategy that is a lot more about generosity than net worth. Many older members live well below their means and hold the majority of their wealth in liquid assets such as land, small businesses or collectibles. Regardless of a member's lifestyle or net worth, everyone has a choice about how their assets are distributed at their death. Even a member of modest means can name the church as the beneficiary of his/her checking/ savings account.

Women are often the most overlooked donors in a church. Since many single, divorced and widowed women are concerned about outliving their assets, few feel confident enough to make major gifts in their lifetime. However, they often are inspired to make significant bequests to their "church family" to demonstrate their commitment and devotion to the church.

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Conclusion

According to a donor survey conducted by the Partnership in Philanthropic Planning, 70% of donors who make a legacy gift, do so because they are asked.

Make it your ministry to ask.

Chris McLeod, JD, is President of GIVING MATTERS, INC., a consulting firm that specializes in providing planned giving counsel to the most well respected churches, nonprofits and educational institutions. For more information, visit www.givingmattersinc.com or contact her at 704.608.8661 or chris@givingmattersinc.com.

*Published in 2007, Harris Interactive® for Martindale-Hubbell® conducted a research study finding that for the last three years, 55% of all adult Americans do not have a will. Only one in three African American adults (32 percent) and one in four Hispanic American adults (26 percent) have wills, compared to more than half (52 percent) of white American adults.

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Founder
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