

The Life Stages of Giving?

Moving through life, your clients' lifestyles and financial circumstances change. And so do the ways they might choose to support their favourite charities and not-for-profit organizations.

The Early Years

Cash Donations and Active Participation

With limited means while still in school or starting a career, individuals in their twenties and younger typically make spontaneous cash donations and/or contribute by participating in special events and activities.

Monthly Giving

Increasingly, people in their thirties who are looking for easier, more convenient ways to give are choosing monthly giving programs where a specific amount is automatically donated to their favourite organization(s) each month. This is most easily accomplished through pre-authorized withdrawals from a chequing account or on credit card.

The Middle Ages

Life Insurance

In their forties and fifties, individuals often carry their highest levels of personal debt and have the greatest need for annual tax savings. For this group, funding a charitable gift using a life insurance policy is a great way to make a significant future gift with modest current premium contributions that also generate a tax credit each year.

Listed Securities

For individuals in their mid-to-late career who hold stocks, mutual fund units and/or stock options that have increased in value, funding a gift by donating these assets lets them take advantage of special capital gains tax rates and enjoy immediate tax savings.

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The Retirement Years

Charitable Gift Annuities and Remainder Interest Gifts

Those clients looking for a reliable, tax-preferred (often tax-free) life income stream, and a thoughtful way to support a favourite charity, have discovered that charitable gift annuities (CGA) or charitable remainder trusts (CRT) can be great ways to meet their needs.

Please note that currently, community foundations are prohibited by law to offer the charitable gift annuity. Some registered charitable organizations can accept gift annuities; however, you may wish to make those clients interested in generating *guaranteed lifetime income* aware of this attractive giving instrument.

Estate Gifts by Will

With retirement income resources and needs much better understood, many people over age 60 begin to plan for charitable gifts in their will. Often referred to as *bequests*, these gifts can be specific amounts, a percentage amount, or the residue of an estate.

Retirement Plan Accumulations

Increasingly, generous donors are beginning to designate charities as beneficiaries of the proceeds from Registered Retirement Savings Plans (RRSPs) or Registered Retirement Income Funds (RRIFs). Such decisions result in reducing the amount of tax that would otherwise be payable by the estate at death.

Clients as Prospects for Planned Giving

Qualified Planned Gift Prospects

According to Robert Sharpe, those clients with the following characteristics:

- Confidence in the leadership and belief in the mission of an organization
- Assets to fund the gift they choose to make
- Willingness to set a date to meet with you as a gift planning advisor
- A demonstrated motivation to give, and a willingness to discuss the matter

Age Matters...

A client's age is the single most important piece of information to obtain before making initial contact.

- People make different kinds of gifts at different times in life.
- Prospective donors can be grouped into 4 categories:
 - The young – under age 55
 - The young-old – age 56 to 70
 - The old – 71 to 85
 - The old-old – over age 85

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Best Prospects for Planned Gifts

- Age 71 and older
- Late in Life Donors
 - Fears that necessitated the bequest are likely no longer valid
 - Have not died too soon
 - Have provided for their families
 - Have not outlived resources
 - Have not suffered undue illness or disability
 - Have continued to support the charity
- Age 56 and older
- Already retired or about to be retired
 - Diminished family responsibilities
 - Demonstrate a philanthropic intent
 - Have assets available to fund major gifts
 - Tax advantages are attractive
- Under age 55
- Empty nest
 - Maximum earning years
 - Increasingly concerned about retirement
 - Prospects for life insurance gifts
 - Often discovered by financial planning community because they are –
 - Planning for retirement
 - Planning to invest an inheritance
- By Family Category
- Unmarried with no close family ties
 - Married couples with no children
 - Married couples with financially successful children

Life's Milestones

It is important to determine what might stimulate your client to make a planned gift. They rarely make decisions about planned gifts, especially deferred ones, solely because an organization claims to need the money.

They generally make planned gifts when they are preparing their Wills or conducting other estate planning activities.

Also, people begin to plan when significant events and changing life circumstances occur in their lives. These events typically surround marriage, divorce, remarriage and the addition of children (and/or grandchildren). The death of loved ones can prompt the planning process. Such events happen constantly throughout the life cycle.

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