

## Bequests best in down economy

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**Eileen Heisman**

For charities looking for stability in shaky times, planned-giving vehicles provide a great starting point for building endowments.

But as donors start to circle the wagons during the economic downturn, fundraisers are finding it harder to get donors to part with their assets.

Rather than going for the more complex planned-giving vehicles, fundraisers should ask their loyal donors for traditional bequests, says Eileen Heisman, CEO of the National Philanthropic Trust.

For one thing, bequests are something that all charities, regardless of size, can work with. And since bequests come to charities after the donor has passed away, they are usually large and unrestricted.

Wealthy donors who give during their lifetimes are more likely to want recognition, such as a name engraved on the entrance of a building. Those who plan to give to charity after their deaths are more likely to be sold on the mission, rather than attracted by the idea of admiration or benefits for their families.

Bequests appeal to a wider population of donors, since the super-wealthy who donate regularly to capital campaigns often do not feel an obligation to leave their assets to charity after death.

And bequests are more attractive to potential donors who may not be able to part with their assets during their lifetimes, Heisman says.

"People aren't going to give a house they're still living in," she says.

Since many other types of planned giving deal with items whose values fluctuate with the market, such as real estate, bequests allow donors to give items that remain steady even during a down economy. Items such as Oriental rugs and stamp collections are immune to economic flux, but often provide sizeable financial benefits to charities.

And even if a bequest includes items that lean heavily on the market, odds are that the market will stabilize in the 10 or so years before the gift comes to the charity.

Though gift annuities may be attractive to donors looking for a steady income stream during a down economy, they have a serious downside, Heisman says.

"If these assets have diminished a lot in value, the income will be reduced," she says. "There is an incentive for donors to say, 'I'll wait until the market bounces back.'"

However, the major problem fundraisers face during a down economy is their own reluctance to approach donors who also may be feeling the financial pinch.

Though Heisman stresses the importance of being sensitive to donor concerns, she says donors will not give unless they're asked. And with communities hurting more than in years past, donor generosity is even more crucial.

Fundraisers would get better responses from donors if they spent time building relationships and discussing the important role their charitable organizations play in the community, Heisman says.

Since potential donors are becoming more and more reluctant to part with their dollars, selling mission is more important than ever.

"If donors can only pick their top three," Heisman says, "make sure you're in that top three."