



Planned Giving for All

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Planned giving professionals often spend time with the wealthiest of donors, those for whom the tax aspects of their giving is frequently a significant driver. For these conversations, the technical details and legal aspects of charitable gift vehicles, such as charitable remainder trusts, can be an essential element in the pursuit of an optimum gift.

However, it is important to consider what drives the majority of donors who make up the lion's share of planned gifts. Charitable bequests continue to be a huge source of giving, even though they afford tax benefits for most donors. According to Giving USA, testamentary gifts hover between 8% and 10% of total giving each year. Our clients regularly receive more than 90% of their planned giving revenue through charitable bequests, beneficiary designations, and other revocable forms. These ratios have not changed much in the past 40 years despite changes in various tax laws.

The democratization of charitable gift planning – ensuring the tools of charitable gift planning are accessible to all, not just a few – can take many forms, some familiar and some newer. Understanding and appreciating these concepts and trends is critical for today's planned giving officer.

Let's start with an obvious example: the new permanent **non-itemizer deduction**, starting in 2026. While this deduction isn't meaningful for the typical wealthy planned giving donor, it is meaningful for the many planned giving donors who won't itemize again now that the higher standard deduction has been made permanent. This new tax incentive can be a part of any gift conversation, and because it's permanent, there are no subtleties about a possible expiration date to mention. To bring taxes into the

conversation, try a line like: “Even if you take the standard deduction, your gift now has a double impact: it both changes lives and lowers your taxes.”

Charitable Gift Annuity (CGA) programs are thriving, in part because of consistent promotion and education over the last few decades. It’s hard to find a donor of means, 70 or older, who hasn’t heard of this way of giving. When I first started in this business, CGA marketing was about educating prospective donors about life income giving; now the focus is about why giving to your organization via a CGA works for both parties. Of course, there is still room to grow. A CGA can be both the easiest life income gift to explain and one with many flavors. Challenge yourself to master **Flexible Deferred Gift Annuities**; they are not difficult to present and provide donors with many alternatives for planning (with no real difference in tax benefits compared to a standard Deferred Gift Annuity).

Almost everyone can have an IRA. If a donor has only a 401(k), they can open an IRA and transfer funds to it. Even if their IRA balance is modest or they don’t need retirement income from it, they may have a Required Minimum Distribution (RMD). The simple act of making a **Qualified Charitable Distribution (QCD)** contribution of up to \$111,000 from their IRA is a tax saving strategy available to a wide swath of your donor base. (\$111,000 is the QCD limit in 2026; it is adjusted for inflation each year.)

Donor Advised Funds (DAFs) are now for anyone because technology provides for both an excellent donor experience and easy administration for charities that offer their own DAFs (with many advantages accruing to charities who choose to do that). DAFs can encourage efficient and effective giving in many ways. Donors may consider bunching their giving (either because of a change in tax law like at the beginning of this year or because they have more to give in one year than they are ready to distribute to specific charities). Non-cash giving, especially of stocks or assets, can be more efficient when given through a DAF and then granted to charities of all sizes, many of whom are not equipped to receive those gifts as easily. While private label DAFs for some charities have high minimums, most DAFs have very modest contribution requirements and let you draw down account balances to almost nothing before they need to be replenished.

Technology can be an equalizer for the nonprofit sector, especially for small-to medium-sized nonprofits that can now take advantage of new trends as effectively as their larger peers. Access to tech tools can avoid being sidelined while other charities take advantage of the modern fundraising tools. **PhilTech** is something we’re committed to at Foundation Source. All those years ago, 41 to be exact, software built at Harvard and adapted by PG Calc for the emerging IBM PC market allowed any charity to run a planned giving program more efficiently and offer complex gifts. The modern world of

planned giving may have been created by the 1969 Tax Act, but its growth was fueled by technical innovations.

In the end, gift planners must remember it's not the taxes, the technical tricks, or the gift vehicles; donors give because of their **interest in the mission**. Looking back over time, tax legislation has never been the primary driver of giving. Over the years, data in the Giving USA Annual Report really hasn't pointed to a correlation between tax law changes and giving. And there is a risk that, if we overemphasize the tax aspects of giving we could trigger tax policies that disadvantage giving for everyone.

As charitable gift planners, we've had a tendency to become fascinated by the details; but that doesn't serve our organizations. Working with all donors over the long term is the *raison d'être* of the planned giving profession. Know the tools, but more importantly, know the reasons why your organization is deserving of your donor's charitable dollars. Even more important than that, know what part of your mission drives your loyal donors to give year after year and can move them to make legacy gifts. A robust bequest program will result in the most money raised.