Year-End Marketing Ideas

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What are you planning for your year-end planned giving marketing campaign? It's not too early to be solving this problem. While mailing to your donors is important year-round, the fall, before Thanksgiving, can be a particularly opportune time to communicate with donors. This is especially true for planned gifts, as many of these gifts are completed late in the year.

PG Calc works with hundreds of charities on year-end marketing campaigns, and below are a few of the ideas our clients are employing this year end.

Gifts of Appreciated Property

Inform your donors of the benefits of giving appreciated property, such as publicly traded securities and real estate. If the donor has owned these assets for at least one year, she is entitled to a charitable deduction equal to the full fair market value of the property, and there is no tax on the gain. As long as the gift goes directly to your charity, your donor can see huge tax savings. This campaign can be marketed as a *double tax benefit*, or as *tax-wise* or *tax-free giving*.

Retirement Asset Plans

Educate your donors on the use of retirement plan assets. Naming your charity as a beneficiary of your retirement plan, IRA, 401(k), 403(b), or other qualified plan is a simple way for a donor to give while realizing tax savings. Retirement plan assets are subject to income tax when distributed to heirs; designating your charity as beneficiary of a portion or all of a qualified retirement plan will avoid the income tax that might otherwise be due. This campaign is often marketed as a *tax-efficient way for donors to give*. Please note: It's not just the beneficiary designation that should be marketed, but also a Qualified Charitable Distribution (QCD) for those donors 70 1/2 and older (see next idea for a stand-alone promotion of QCDs).

Qualified Charitable Distributions

Often marketed as an IRA Charitable Rollover, the QCD allows a donor to give up to $100,000 from a traditional IRA or Roth IRA each year directly to charities. The distribution counts toward the IRA owner's required minimum distribution (RMD) for the year, and will not be included in the owner's adjusted gross income. A QCD gift can be a great way for donors to avoid having to pay taxes on their RMD, while supporting the charities they love. Importantly, the tax benefit survives even if the donor is among the 90% of taxpayers who don't itemize deductions. To qualify, the donor must be a least 70 1/2 at the time of the gift, and the QCD assets must be transferred directly to the charity from the IRA custodian, such as a bank or mutual fund company. Use *urgency* — the end of the calendar year — to get donors to act.

Donor Advised Funds

Donor-advised funds (DAF) are the fastest-growing charitable giving vehicle in the United States and will make a very marketable source of year-end gifts. Making a gift through a DAF is one of the easiest ways to give to charity. Your donors can give a large sum to establish the fund and then make smaller distributions to the charities of their choice. The messaging here is *simplicity*. If your DAF is established, it's never been easier to give to charity. The donor doesn't get an additional charitable deduction when grants are made, so there is no year-end urgency associated with these gifts. However, DAF grants are still popular at year-end, the time of year when many donors do most of their giving.

Bunching

Due to the new tax law of 2018, many donors no longer itemize their deductions, and as a result, may not realize tax benefits from their charitable contributions. However, strategic "bunching" of charitable gifts can maximize these tax benefits. This is not a new giving strategy, but is worth educating donors about, since today bunching is more relevant than ever. What is "bunching," you ask. Bunching is a giving strategy designed to maximize tax benefits by making gifts for multiple years in one tax year. By front-loading several years of charitable donations into a single tax year, donors can once again realize the tax benefits from itemizing deductions.

For example, if a donor normally gives $10,000 each March to support charities, she might consider also donating $10,000 in the fall of the same year to support those charities for the coming year, thus "bunching" these gifts to make a $20,000 total donation for the tax year. Combined with deductions for state and local taxes, mortgage interest, etc., bunching charitable gifts in this way gives the donor total itemized deductions that are greater than her standard deduction. Since it will make sense for her to itemize, she will enjoy a tax benefit from her charitable deductions that may have been absent if she had split her donations over two years. In years when the donor does not make charitable gifts, the donor would go back to taking the standard deduction. Notably, gifts to DAFs are a very popular way to implement bunching of gifts at the end of the year. The messaging here is… *navigate the new tax law*, or *yes, you can still deduct your gifts*.