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Who Are America's Most Generous Givers?



SHARPE
GROUP

Barlow Mann, J.D.
C.O.O.
Sharpe Group
barlow.mann@SHARPEnet.com
901.680.5311


According to
Giving USA 2016: The Annual Report on Philanthropy for the Year 2015,
last year was a record year for charitable giving in America.




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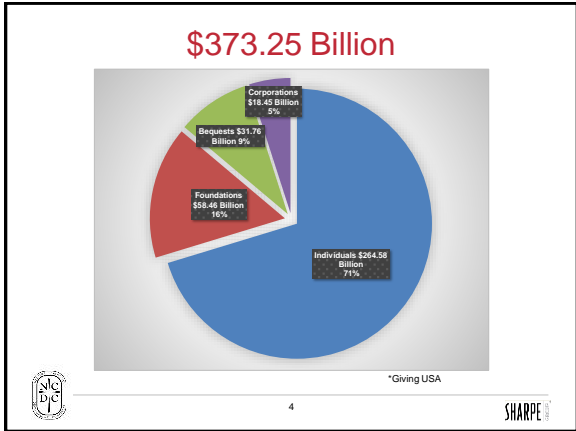


Total charitable giving exceeded an estimated \$373 billion, more than **one billion dollars a day!**



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Traditionally,
80% of Total Giving
 Comes From
 Individuals and Their Estates

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Almost 1/3, or **32%**,
 of Every Charitable Dollar Was
 Given to Religious Missions

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Other Giving USA Clues

- More than 80% of individual giving is attributed to the 1/3 of taxpayers who itemize deductions for income taxes
- Almost 70% of individual giving comes from people born before 1965 (baby boomers and older)
- Charitable bequests increased more than 30% between 2013 and 2015



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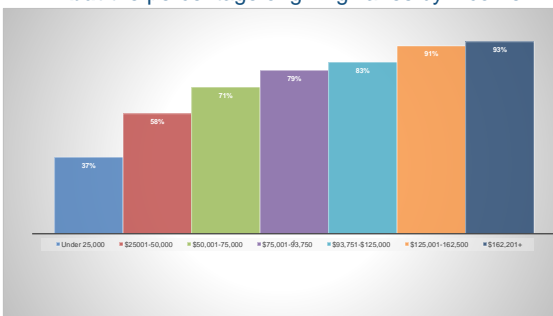
According to the *2016 Almanac of American Philanthropy*,
More than 2/3 of households give to charity . . .



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. . . **but the percentage of giving varies by income.**



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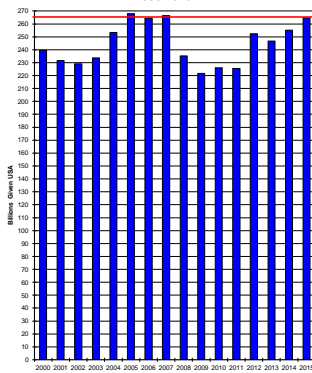
Of those that give, middle and lower-income donors give a higher percentage of income each year, but higher-income households have a higher contribution amount.



Even though 2015 was a record year for overall giving, individual giving has still not recovered to 2005 levels when adjusted for inflation.





GIVING USA Inflation-Adjusted Individual Giving 2000-2015



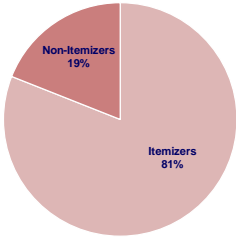
Itemizers As Percentage of Individual Giving



Amount IRS Reported Itemized in 2013	\$194,664,318	81%
Remainder Reported By Giving USA for 2013	\$ 45,943,682	19%
Total Individual Giving Reported By Giving USA 2013	\$240,608,000	100%

Source: IRS 2013 and Giving USA 2014


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Percentage of Philanthropic Dollars Donated by Itemizers

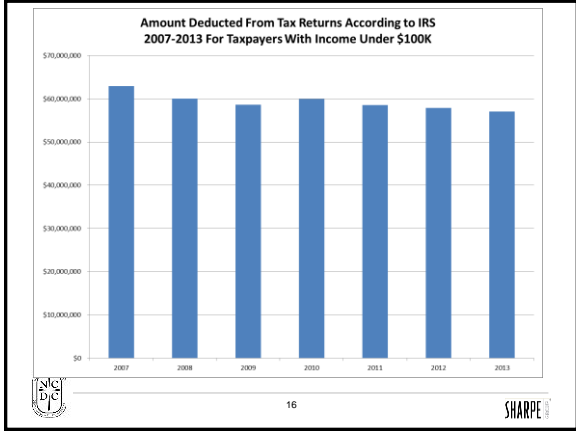


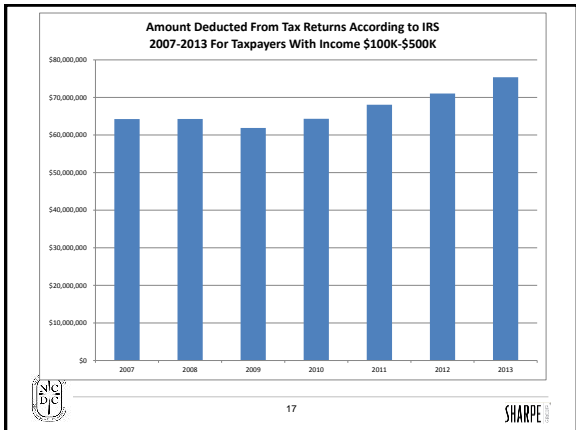

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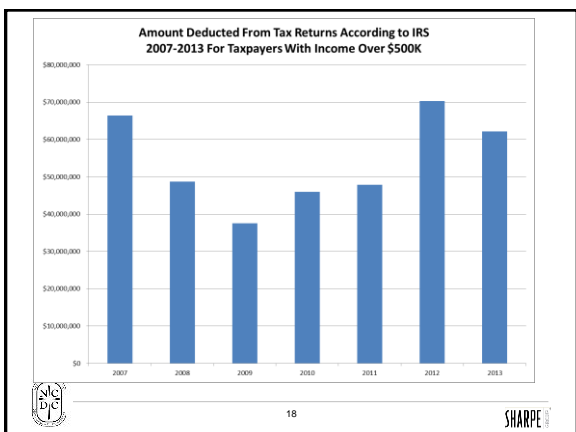
Trends in Fundraising

- Was decline in giving during recession “across the board?”
- Were there differences based on wealth levels?
- Where did the declines occur?


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Trends in Fundraising

- Donors with income over \$500K accounted for 80% of decline in giving
- Donors with incomes over \$200K have accounted for most of the recovery in giving
- Donors with incomes below \$200K have been very stable



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Trends in Fundraising

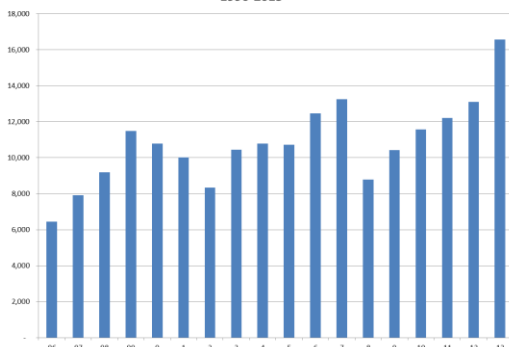
- Importance of loyal core
- Importance of high-income group
- Importance of high net worth group
- Rise and fall in philanthropic giving correlated with financial capacity



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Dow Jones Industrial Average
1996-2013

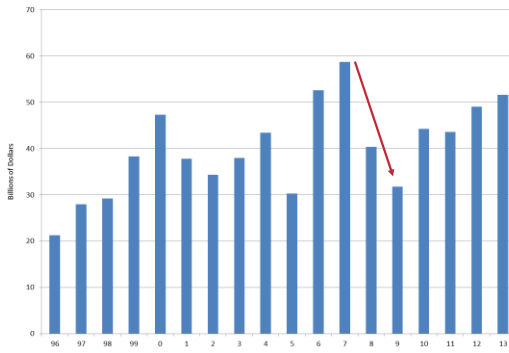


Trends in Fundraising

- Declines in noncash giving accounted for 75% of decline in giving during recession



Non-Cash Gifts Deducted
1996-2013



Comparison of Change in Noncash Itemized Gifts
and Total Gifts From Over \$500K Income Range

	2009	2013		+/-
Income Over \$500K	\$37,514,702	\$62,211,000	\$24,696,298	66%
Noncash Gifts	\$31,816,050	\$51,591,000	\$19,774,950	62%





Most Americans Not Aware of Advantages of Giving Securities

According to Smart Giving: Maximizing Your Charitable Dollars Through Donations of Appreciated Stocks and Mutual Funds, published by Fidelity Investments, almost three-quarters of all contributions made by individuals in 2004 were in the form of cash.

However, a random sample of 50,000 Fidelity customer households with at least \$25,000 in securities found that 90 percent of them could have donated \$10,000 entirely in securities with long-term appreciation. Those households would have realized an additional \$449 in federal tax savings alone and beyond the tax savings made from just making the contribution. In addition, there could have been additional savings from state and local taxes since donating appreciated securities may help avoid them as well.



Tax Advantages Not Well Known

While many households may have the resources to donate such gifts, 68 percent of respondents to a Fidelity survey were not aware of the additional tax advantages they would receive by make gifts of appreciated securities. More than half (54 percent) could not identify any additional advantages, even when the benefit of reduced capital gains tax was offered as a response option. Nearly 40 percent said they did not want to give up high-performing securities (the report notes they can be immediately repurchased), and 23 percent cited too much paperwork.


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Donors Are Older Than Many Assume



- IRS data also sheds light on ages of donors
- Donors over age 65 giving disproportionately large percentage of total

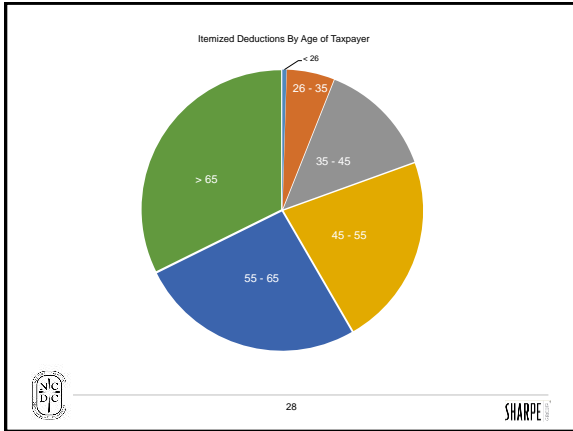

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Amount Donated By Age of Taxpayer

Age of Taxpayer	Number of Donors	%	Dollars Deducted	%	Cume % Deducted	Average Donated
< 26	382,311	1%	\$ 958,180	0.5%	100%	\$ 2,506
26 - 35	3,491,840	10%	\$ 10,733,774	6%	99.5%	\$ 3,074
35 - 45	6,998,084	19%	\$ 26,207,223	13%	94%	\$ 3,745
45 - 55	9,247,646	25%	\$ 43,169,071	22%	81%	\$ 4,668
55 - 65	8,638,624	24%	\$ 50,670,087	26%	58%	\$ 5,866
> 65	7,672,372	21%	\$ 62,925,982	32%	32%	\$ 8,202
Total	36,430,877		\$ 194,664,317	100%		\$ 5,343

Source: IRS 2013


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Age and Noncash Gifts

- IRS data indicates that securities donors tend to be older
- They have held investments longer and may be more likely to own appreciated assets

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Age of Securities Donors

Age Group	Number of Gifts	Cumulative Number	Amount of Gifts	Cumulative Amount
65+	63%	63%	59%	59%
55-64	25%	88%	21%	80%
45-55	10%	98%	14%	94%
<45	2%	100%	6%	100%


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The Hidden Wealth Transfer of 2000s

- It was widely predicted that older individuals would transfer untold wealth to the young
- What really happened?




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Change in Median Net Worth 2000 -2011

Under 35	\$ 9,765	\$ 6,676	-32%
35 - 44	\$ 59,689	\$ 35,000	-41%
45 - 54	\$111,867	\$ 84,542	-24%
55 - 64	\$150,866	\$143,964	-5%
Over 65	\$146,205	\$170,516	17%
65 - 69	\$154,226	\$194,226	26%
70 - 74	\$161,027	\$181,078	12%
> 75	\$134,535	\$155,714	16%
Total	\$ 73,874	\$ 68,828	-7%

Source: U.S. Census Bureau




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The Hidden Wealth Transfer of 2000s

- Implications of this reality touch all areas of fundraising
 - Outright giving
 - Giving over time
 - Giving through estates




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Encouraging Generosity

- Age of donors important
- Wealth of donors important
- Your mission is important



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Sharpe Gift Planning Matrix®

	YOUNGER	MIDDLE-AGED	OLDER
WEALTHY	A1	B1	C1
MODERATE MEANS	A2	B2	C2
LIMITED MEANS	A3	B3	C3
	X Generation and Millennials	Baby Boomers	Silent and G.I. Generation

Sharpe Gift Planning Matrix®

	-50 YOUNGER	50-70 MIDDLE-AGED	70+ OLDER
WEALTHY	A1 Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trusts Life Income Gifts for Others	B1 Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trusts Life Income Gifts for Others	C1 Gifts of Cash & Property Charitable Lead Trusts Term of Years Trusts Life Income Gifts for Others CRAT for Donor's Life Bequests Gift Annuities Life Insurance Beneficiary Retirement Plan Beneficiary
MODERATE MEANS	A2 Gifts of Cash	B2 Gifts of Cash Appreciated Property Term of Years Trusts Charitable Trusts for Life Pooled Income Fund	C2 Gifts of Cash Appreciated Property Bequests Charitable Trusts for Life Term of Years Trusts Pooled Income Funds Gift Annuities Retirement Plans & Insurance
LIMITED MEANS	A3 Gifts of Cash	B3 Gifts of Cash	C3 Gifts of Cash Bequests Gift Annuities Retirement Plans & Insurance

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Focus on Mature Donors

- It appears that philanthropy peaks at 65 and older for many
- Middle-age boomer and older Silent and G.I. Generation donors account for majority of giving



Focus on Mature Donors

- This age group will explode in numbers over next 20 years
- More than 10,000 baby boomers will turn 65 and 70 every day
- The first boomer turned 70 in 2016



Focus on Mature Donors

- Be attuned to nature of modern families
- Baby boomers more than twice as likely to be childless
- People give from discretionary income and assets



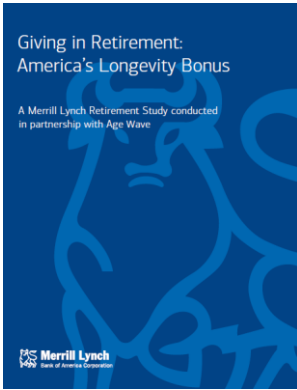
Focus on Mature Donors

- Studies recently published are predicting major wave in giving by baby boomers
- Most will be lifetime gifts in coming decades
- See 2015 Merrill Lynch study



Giving in Retirement: America's Longevity Bonus

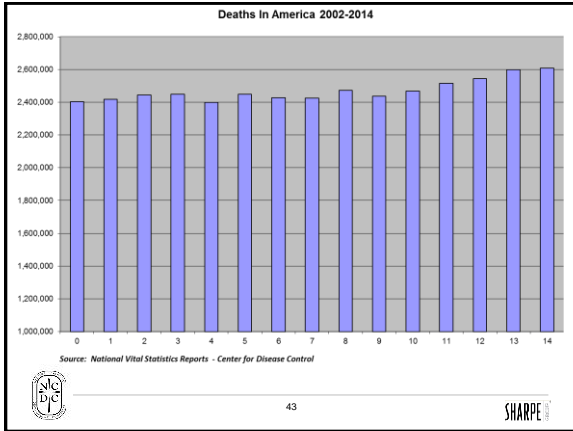
A Merrill Lynch Retirement Study conducted
in partnership with Age Wave



Bequest Income

- Major demographic factors underlie trends
- Flat death rate over past decade



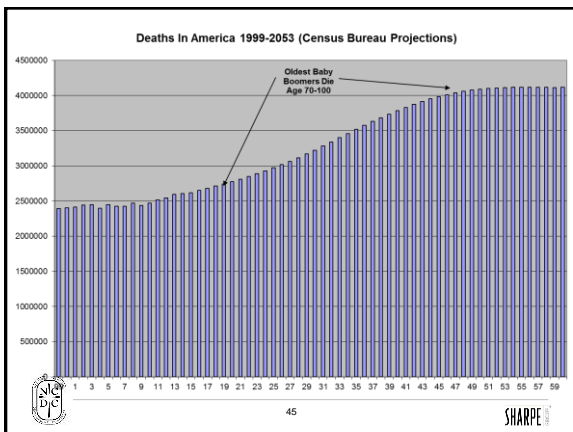


Future of Bequests

- Oldest baby boomers are 70 years old in 2016
- Many will make final will over coming two decades
- Will pass away in large numbers beginning in 10 to 15 years

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Future of Bequests

- Still time to influence remaining bequests from Silent Generation now age 70 and older
- Remains primary source of bequest income over next decade
- Researchers have determined most wills that contain gifts to charity completed after the age of 75

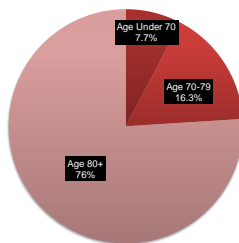


IRS Statistics on Charitable Estates

Age at Death	Number of Estates	Percentage
Under 60	2,386	2.80%
60 through 69	4,303	4.90%
70 through 79	14,040	16.30%
80 through 89	35,409	41.10%
90+	30,090	34.90%
TOTAL	86,228	100%



IRS Statistics on Charitable Estates



Impact of Recent Estate Tax Changes

- Many will be interested in gifts completed at death with income tax benefits
- Can be referred to as “accelerated bequests”
- More for family, friends and charitable interests



Putting It All Together

- Giving continues in good times and bad
- More likely than not 2016 will see a continuation of trends of recent years
- Economic and political uncertainty will continue



Putting It All Together

- Understand changing realities in terms of economics, politics and demographics
- Be aware of opportunities and challenges they present
- Act now to maximize results for 2016





Conclusion and Questions & Answers

For more information

info@SHARPEnet.com 901.680.5300 www.SHARPEnet.com

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