



# Gifts for the Asking: Consider the Facts and Ponder These Questions

If you ever feel discouraged about how the economy might affect your organization, it's time to look at the facts and then ask yourself some questions.

By James A. Donovan

## Consider These Facts:

- Most wealthy donors will continue to give even if the charitable tax deduction is taken away. Nearly 52% of 700 households with a net worth of at least \$1 million and an income of \$200,000 indicated

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in a study by Bank of America and the University of Indiana Center on Philanthropy that their giving would remain the same even if the tax deduction were reduced or eliminated. While the remainder would give less if deductions were wiped out, a third of them would decrease their giving only slightly.

- Over 92% of Americans are employed.
- 70% of U.S. households give to charity, even in tough times.
- 94% of individuals in the U.S. have yet to make a bequest to a nonprofit.

Does your fundraising effort need a second opinion?

- Trillions of dollars will pass from one generation to the next in decades to come.
- Gifts of stock, whether appreciated or depreciated, can be gifted

to a bona fide nonprofit that has a Letter of Determination from the IRS. In this down market, donors can sell their depreciated stock, trigger a taxable loss, and give the cash to charity. Donors get a charitable deduction for the cash gift and usually incur a second taxable loss (a second deduction) equal to the difference between the stock's taxable cost basis and its fair market value at the date of sale. Always encourage donors to consult their own tax advisor on such matters.

## Ask Yourself These Questions

1. Have you assessed your situation and adjusted or re-tooled your fundraising strategy? (Does your fundraising effort need a second opinion?)

Are you devoting more time to training volunteers?

2. Do you have a contingency plan or fund?

3. Have you done an inventory of what you must do to compete in this highly competitive fundraising environment, especially for the shrinking number of foundation grants and individual major gifts?

4. Have you tweaked your case by making it known how your organization is assisting those most affected by tough times?

5. Have you prepared a list of possible donor objections to giving in tough times and responses to the objections?

6. Have you devoted more time to training volunteers on how to ask for major gifts to bolster their confidence when making the ask?

7. Is it time to consider the feasi-



bility of a merger with an organization with a similar mission?

8. Have you made a special effort to amp up and publicize your planned-gift program, including bequests?

9. Holding off on that capital campaign? Now is a good time to plan and prepare. Have you considered a pre-campaign online survey to test the campaign project list among your constituency and ask them when they think the time will be right to launch a campaign?

10. Do you keep in mind the number-one reason why people give money in good times and bad—because they're asked (invited) to do so? How many invitations have you extended this month? ■

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