


“The Seven Faces of Philanthropy”

How an Investor make his gifts

November 4, 2021



Leave A Legacy® York County
A Program of the York County Bar Foundation




“The Seven Faces of Philanthropy”

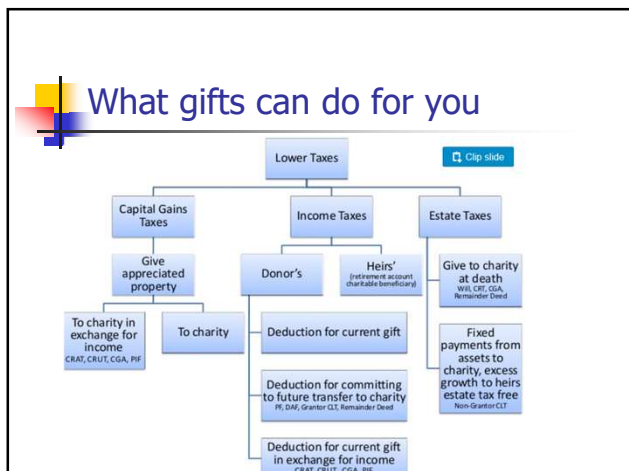
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Connell & Associates
 Charitable Estate and Gift Planning Specialists
www.connellandassoc.com

for PDF of presentation
www.connellandassoc.com/articles

Three kinds of gifts

OUTRIGHT GIFTS	ESTATE GIFTS	LIFE INCOME GIFTS
<ul style="list-style-type: none"> • Immediate gifts • IRA-QCDs • Bargain sale • Installment bargain sale • Retained life estate • Donor advised funds 	<ul style="list-style-type: none"> • Will or Trust bequest • Beneficiary designations • Life insurance • Retirement plans • POD or TOD 	<ul style="list-style-type: none"> • Gift annuity • Charitable trusts • Pooled Life Income Funds

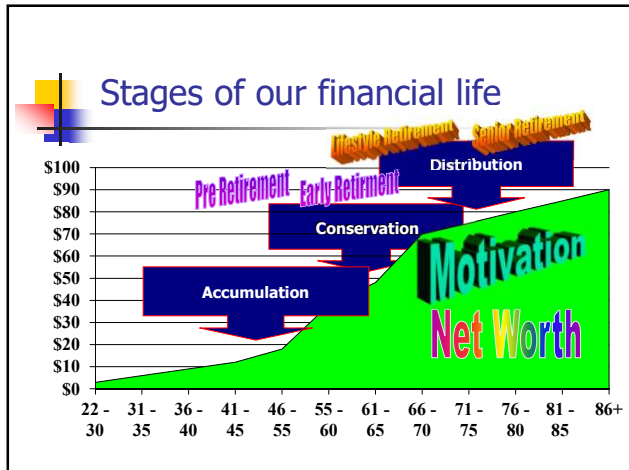


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Philanthropy has many faces

- Each segment represents a characteristic and distinctive way a donor group approaches philanthropy
- A set of typical attitudes and beliefs
- A range of considerations
- A process of evaluation
- A style of involvement

“One set of motivations tend to dominate people's decisions”

Source: Prince & File study

Philanthropy has many faces

■ Communitarian	26%	★ ★ ★
■ Devout	21%	
■ Investors	15%	★ ★ ★ ★ ★
■ Socialites	11%	
■ Repayors	10%	★ ★ ★ ★
■ Altruists	9%	
■ Dynasts	8%	★ ★

Source: Prince & File study

THE COMMUNITARIANS

- “DOING GOOD MAKES SENSE”*
- Typically local business owners who find that service on boards and committees of local nonprofits can be good for business because of the relationships that often develop

Thank you

THE COMMUNITARIANS

- *"What they look for"*
- Effectiveness - solid evidence of good management and results
- Individual attention and public acknowledgement
- May look to influence nonprofit behavior

THE DEVOUT

- *"DOING GOOD IS GOD'S WILL"*
- Motivated to support non-profits for religious reasons
- Almost always members of a local church

Thank you



THE DEVOUT

- Decisions are based on trust
- Do not rely on professional advisors
- Want little influence over gift use
- Want nonprofit to reflect their religious values
- Recognition is *OK* if small

THE INVESTOR

- *"DOING GOOD IS GOOD BUSINESS"*
- Affluent individual donors who give with one eye on the nonprofit cause and one eye on personal tax and estate consequences

Thank you



THE INVESTOR

- Give the same way they invest
- Rely on quality of people involved
- Being affluent does not impose a moral imperative to give
- Motivation to give is on result / May not the mission of nonprofit
- Want public and private acknowledgment and attention and nonprofit to look out for their interests

THE SOCIALITE

- *"DOING GOOD IS FUN"*
- Members of local social networks who select nonprofit for support and conduct fund raising activities as a way to help make a better world

Thank you



THE SOCIALITE

- They are charitable at heart and have resources
- Select carefully those that benefit their social network
- Must feel valued
- Charity must be attentive to their needs
- Little concern about use of funds
- Use philanthropic advisors

THE REPAYER

- *"DOING GOOD IN RETURN"*
- Constituents first and donors second
- Personally benefited from some institution often a school or medical center, and now supports that institution from a feeling of loyalty or obligation

Thank you



THE REPAYER

- Constituents first and donors second
- Tend to select a few charities and concentrate their support
- May emerge late in life in response to some event
- Give because results follow
- Insist on effectiveness and accountability
- Seldom rely on advisors
- Do not want individual attention

THE ALTRUIST

- *"DOING GOOD FEELS RIGHT"*
- The selfless donor who gives out of generosity and empathy to urgent causes and who modestly *"wishes to remain anonymous."*
- Giving is a moral imperative that helps them grow as individuals

Thank you



THE ALTRUIST

- Giving adds purpose to their life
- A path to self-actualization
- Wealth has greater obligations, believe they are the true philanthropists
- Nonprofits are morally superior to government
- Pay attention to quality of people
- Want acknowledgement of their altruism
- Personal attention is equated with consideration, concern, caring and respect
- Do not need to be involved

THE DYNAST

- *"DOING GOOD IS A FAMILY TRADITION"*
- Typically inherit their wealth. Philanthropic motivation stems from their socialization.
- Giving is something their family has always stood for and they believe it is expected
- Younger dynasty often seek out different causes than their parents

Thank you



THE DYNAST

- Support a wide range of nonprofits
- Low need for social approval
- Living out a family tradition
- Rewards for giving are all internal
- Make personal and detailed evaluation of charities
- Employ professional advisors
- Want to understand in detail the mission and activities
- Expect interpersonal relationships to develop
- Want nonprofit to “stay the course”

Indicator grid for building a list of prospects

1. **Linkage** – who is the logical connection
2. **Interest** – program or project they are fond of
3. **Age** – logic tells us to work with the oldest first
4. **Signals** – verbal, mail, personal indications of an ownership connection
5. **Values** – personal and family concerns about their health, finances and welfare
6. **Ability** – indicated or hidden net worth, personal social capital



Personal philanthropy

- Strategies in play
 - Outright gifts
 - QCDs – *Etrade*, *Trowe Price*, *TIAA-CREF*
 - Will and trusts
 - Donor advised fund – *Trowe Price*
 - Charitable gift annuities - *NPOs*
 - Legacy income pooled income trust – *Eaton Vance*
 - 529 plans for grandchildren - *Vanguard*
 - Charitable endowment using variable annuity funded with QCD – *Jackson National Life & Annuity*

Personal philanthropy

- Strategies in play
 - Outright gifts & QCDs
 - Duke Athletics (2)
 - Habitat
 - LaSalle University
 - Sandhills Women’s Exchange
 - CHKD
 - Moore Free Clinic (2)
 - Lani Cat Sanctuary
 - Misc. events

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Personal philanthropy - DAF

The James and Mary Connell Fund

Recommend a Grant Disbursement Plan a Contribution

\$213,981.13
ACCOUNT VALUE

PAID GRANT DISBURSEMENTS

ID	PAID	RECIPIENT	AMOUNT	TYPE	
2375411	7/22/2020	MIRA Foundation USA, Inc.	\$2,500.00	Grant	REPEAT
2333097	5/13/2020	Moore Free and Charitable Clinic	\$10,000.00	Grant	REPEAT
2333266	5/13/2020	Food Bank of Central and Eastern NC	\$1,000.00	Grant	REPEAT
2026229	4/9/2019	Friends of Weymouth, Inc.	\$10,000.00	Grant	REPEAT
826121	7/28/2016	MIRA Foundation USA, Inc.	\$500.00	Grant	REPEAT
			Total = \$34,000.00		



Personal philanthropy

- Life income agreements
 - Immediate CGA - Jim
 - Duke
 - Deferred FCGAs – Jim
 - Dickinson (3) – payment status
 - Duke (1) – Flexible deferred
 - Habitat (1) – gifted in 2019 & 2020
 - Deferred FCGAs – Mary
 - Duke (2)
 - LaSalle (1) CGAs total \$124,384.11
 - Pooled income fund – joint
 - US Legacy Income Trust 1

Personal philanthropy


The U.S. Legacy Income Trusts® (Legacy Income Trusts) are next-generation charitable planned-giving instruments established by the U.S. Charitable Gift Trust® (Gift Trust), a tax-exempt public charity offering donor-advised funds. The Legacy Income Trusts and the Gift Trust are sponsored by Eaton Vance Management (Eaton Vance), a longtime leader in wealth management solutions. Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

The Legacy Income Trusts provide Donors contributing cash and/or acceptable securities with the opportunity to:

- Avoid recognition of capital gains on contributions of appreciated assets
- Receive a federal income tax deduction based on the charitable remainder portion of the contribution value
- Provide monthly distributions of tax-advantaged income for life to up to ten individual income beneficiaries designated by the Donor
- Make grants to qualified charitable organizations selected by the Donor or his or her designee following the death of the last-surviving of the Donor's individual income beneficiaries

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Personal philanthropy

<https://www.uscharitablegifttrust.org/>

TRUST ACCOUNT SUMMARY

Trust Account Summary

DATE ESTABLISHED
2/12/2021

CURRENT YEAR CONTRIBUTIONS
\$109,237.63 [View All](#)

CURRENT YEAR DISTRIBUTIONS
\$1,894.22 [View All](#)


BENEFICIARIES

Income Beneficiary

- Mrs. Mary E Connell 100%

Charitable Beneficiary

- Duke University 50%
- LaSalle University 50%



Personal philanthropy


CONTRIBUTIONS

Start Date: 10/26/2020 End Date: 10/29/2021 [Apply Dates](#) [Export to Excel \(3\)](#)

ID	DATE	INVESTED	NAME	QUANTITY	VALUE	STATUS
1106260	10/18/2021	10/25/2021	Roku Inc	100.00	\$33,386.43	Accepted and Invested
1094891	6/30/2021	7/8/2021	Microsoft Corp	100.00	\$27,048.20	Accepted and Invested
1073525	2/12/2021	2/22/2021	Microsoft Corp	200.00	\$48,803.00	Accepted and Invested

Microsoft dividend rate = <1.0% Roku dividend rate = 0%

Security gifts require IRS form 8283 filing




Personal philanthropy

ID	DATE PAID	PAYEE	AMOUNT	RECURRING
1461620	3/3/2021	Mrs. Mary E Connell	\$46.92	Monthly
1486423	4/6/2021	Mrs. Mary E Connell	\$218.96	Monthly
1508798	5/5/2021	Mrs. Mary E Connell	\$218.96	Monthly
1529960	6/3/2021	Mrs. Mary E Connell	\$218.96	Monthly
1549704	7/6/2021	Mrs. Mary E Connell	\$218.96	Monthly
1568509	8/4/2021	Mrs. Mary E Connell	\$304.08	Monthly
1589320	9/7/2021	Mrs. Mary E Connell	\$333.69	Monthly
1609274	10/5/2021	Mrs. Mary E Connell	\$333.69	Monthly

Total Value of Income Distributions Paid = \$1,894.22

Monthly distributions taxed as dividend payments (15%), up to 10 beneficiaries possible



Personal deduction

Calculate Charitable Income Tax Deduction

Please enter information below [Start over](#)

NUMBER OF INDIVIDUAL INCOME BENEFICIARIES

2

AGES OF INDIVIDUAL INCOME BENEFICIARIES
(enter age as of nearest birthday on date of Trust contribution)

1st Beneficiary * 65

2nd Beneficiary * 77

*REQUIRED

YOUR POTENTIAL CHARITABLE DEDUCTION

66.586% X \$48,803 FMV = \$32,495

(percentage of contribution value)


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Summary of input parameters		
Date of Contribution	Oct 2021	
Number of Individual Income Beneficiaries	2	
Ages of Individual Income Beneficiaries	77, 65	
Applicable Federal Section 7520 Rate	1.20%	
YOUR POTENTIAL CHARITABLE DEDUCTION (percentage of contribution value)		
U.S. Legacy Income Trusts	<div>Compared Charitable Remainder Unitrust</div> <div>6.00% Unitrust Percentage</div> <div>33.912%</div>	<div>Compared Charitable Gift Annuity</div> <div>4.00% Gift Annuity Rate</div> <div>32.142%</div>
66.586%	Change in potential deduction by replacing with Legacy Income Trust contribution	
	+96.35%	+107.16%
Important Information		



US Legacy Income Trust 1

\$10.73 ~ \$0.12
NAV as of Oct 5, 2021

Distributions to Income Beneficiaries

as of Oct 04, 2021

Annualized Distribution per Unit ¹	\$0.550
Annualized Distribution Rate at Current NAV ²	5.10%
Annualized Distribution Rate at Initial NAV ³	5.50%
Distribution Frequency	Monthly

See important disclosures below.

Trust Facts		Fees and Expenses (%)	
Inception Date	04/30/2019	Advisory Fee	0.55%
Minimum Initial Contribution	\$20,000	Trustee Fee	0.10%
CUSIP	90344D354	Administrative Fee	0.30%
		Servicing Agent Fee	0.75%
		Estimated Other Expenses	0.06%
		Estimated Total Expenses	1.84%

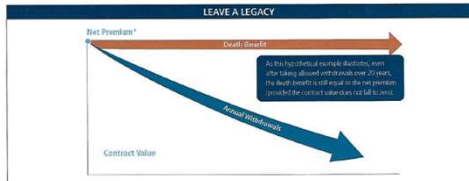
Legacy endowment

\$50,000 endowment, paying 4.75% to charity for life of Mary Connell

OPTIONS TO GROW		OPTIONS TO TAKE YOUR PROTECTED LIFETIME INCOME						
STEP-UP FREQUENCY	BONDS (BELL 20Y)	AGE	35-44	65-74	75-80	81+	LIVING BENEFIT COST	DEATH BENEFIT COST
1% or 2%	1%	SINGLE	3.50%	4.75%	5.00%	5.25%	1.35%	0.80%

Jackson's LifeGuard Freedom Flex DB can potentially grow your income while providing an enhanced death benefit.

LEAVE A LEGACY



Net Premiums*

Death Benefit

Contract Value

As this guaranteed monthly decision, even after taking allowed withdrawals over 20 years, the death benefit will equal or be greater (provided the contract value does not fall to zero).




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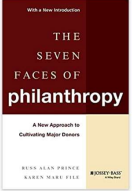
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Link below for purchase:
<https://www.amazon.com/Seven-Faces-Philanthropy-Cultivating-Jossey-Bass/dp/0787960578>

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