

VESTRY PAPERS



EPISCOPAL
CHURCH FOUNDATION
Learn. Lead. Give.

To inform, inspire and affirm Episcopal leaders in their work

Plan now...for planned giving

by Natalie Guthrie

Trillions of dollars. Did we get your attention? As the baby boomer generation begins to pass on, a great deal of money, estimated by experts to be in the trillions, will pass onto children, relatives, and charitable organizations — and possibly even to your congregation. But you will need a planned giving program if you hope to take part.

While having such a program is an excellent idea for any parish, a vestry that is starting one will need to have realistic expectations as well as a clear idea of its goals. Two key points can make the difference between success and failure. To be effective, a congregation must:

- See planned giving as an ongoing effort, and;
- Ensure an adequate structure is in place.

First, and perhaps most important, a planned giving program must be viewed as ongoing. A thriving program doesn't happen in just a year. Opportunities to participate in planned giving endeavors need to be frequent. Both the congregation and parishioners will

benefit from reminders to include the parish in estate plans on an ongoing basis.

Due to the nature of planned gifts, the funds are, of course, not received until the donor has passed away. If a vestry has expectations that the program will provide hundreds of thousands of dollars instantly, members will quickly become discouraged.

This is not to say that a planned giving program is not a significant potential resource for a parish. Indeed, a strong program can generate some of the largest gifts a parish will see, as long as leaders have the patience and tenacity to ensure a long-term effort is made.

Having a structure in place is the second key to a successful PG program. Money must be managed in a responsible, transparent manner, and the program must have a committee in place to carry out key functions.

One of the trends in philanthropy today is for donors to be more concerned about when, where, and how their contributions will be used. In the case of planned giving, this is

continued on page 4

*This Issue:
Planned Giving
Circulation 24,500*

In this time of extraordinary political and economic change, it is more important than ever to build a bright, strong foundation for the future of our congregations. Here are some tips to get started in that process or to strengthen an already-existing planned giving program. Onward!

Inside: Starting a Legacy Society





Churches face increasing competition

by Matt Freeman

How many pieces of direct mail from charities do you receive a week? One a day? At least? Environmental organizations, political parties, the Red Cross, public television, your alma mater; these are just a few of the sorts of well-heeled and professional-grade organizations asking for not only your charitable gift, but that of every member of your congregation.

The number of nonprofits has skyrocketed, even just over the last ten years. In 1995, there were over 600,000 registered in the United States. In 2005, there were already over one million. As the number increases, so has the sophistication of their appeals. Your parishioners are courted by countless organizations that use targeted research, deep developmental staffs and, more often than not, an excellent argument for their cause.

The definition of what makes a nonprofit has also expanded. Certainly relief workers in the Third World are still reaching out to new donors, but so are any number of large and small arts institutions, and even software developers (Mozilla Firefox is a not-for-profit software venture that competes with Microsoft and accepts donations).

Religion has long been a cornerstone of charitable intent throughout the world. More than a third of all charitable gifts in the US go to churches and religious organizations. Considering the competition, one might feel proud to hear that the figure is so high. For contrast: in the sixties and early '70s more than 50 percent of all charitable donations were made to religious institutions.

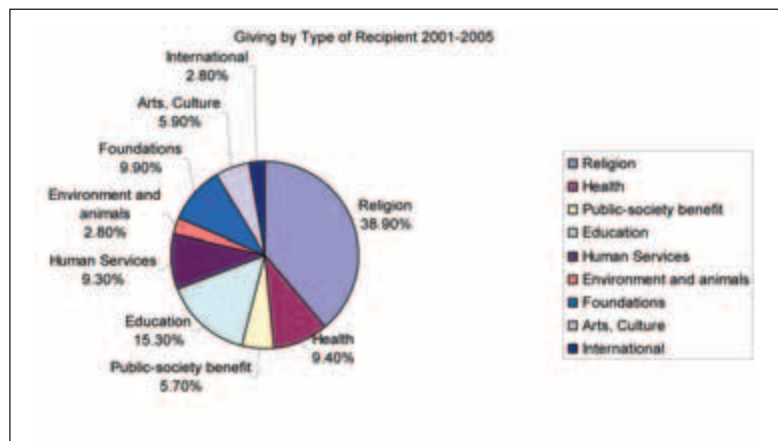
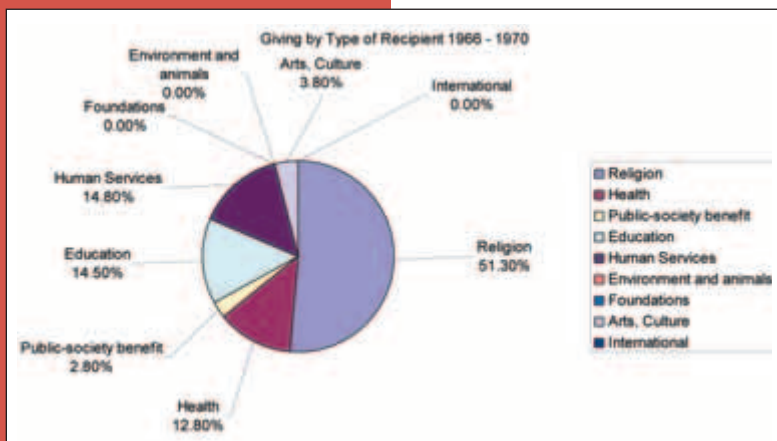
It is clear that the "market share" of religious charity is decreasing. Churches can no longer assume that they are the center of their parishioners' charitable universes. Many donors may find their Christian desire to "give to a good cause" satisfied by any number of other organizations that feed the homeless or cure disease.

That is why it has never been more important to engage with older parishioners about bequests and gift planning. Donors who grew up in an era where church was the traditional recipient of gifts will be most likely to provide bequests or a life income gift.

Younger donors with newer money may need a different sort of appeal, one that matches and understands the compelling messages they receive on a daily basis. In order to keep current, take the time to look over the direct mail you receive with your planned giving committee or the vestry, and see what catches your eye. Discuss the competing appeals and which charities you decide to give to outside of the parish. By learning about modern charities' marketing techniques, your parish becomes better equipped to compete in a crowded field.

A lifelong Episcopalian, Matt Freeman is the Giving Service Associate for the Episcopal Church Foundation and a playwright and actor in New York City.

Here's a handy definition on planned giving from the National Committee on Planned Giving for the Episcopal Church: "Planned gifts are a variety of charitable giving methods that allow the donor to express his or her personal values by integrating charitable, family and financial goals."



Some forty years ago, charitable giving to religious organizations far outpaced that of today.

We asked Charles Gearing, an Atlanta-based planned giving expert in the Episcopal Church, to share his thoughts on how to mesh planned giving with annual giving.

Make the stewardship cycle smooth

by Charles Gearing

"Planned Giving" entails two distinct activities: "planning" and "giving"; and both are equally important. And both reinforce each other, rather than compete.

Planning

The "planning" part deals with the question, "How will I use the assets I have accumulated?" For one striving to be a faithful Christian, this question is embedded

If you are a clergy person, most likely you have witnessed the unfortunate consequences when parishioners do not make adequate plans, particularly when they fail to prepare their wills. Conflict, hurt, alienation, cost, inconvenience and delay are commonly experienced, all of which could be avoided with proper planning. So, an appropriate response to the church's instruction outlined in the rubric above



in the important, and sometimes difficult, issues associated with making preparations for life's later years and death. For those of you serving in pastoral roles, it is incumbent upon you, first, to encourage members of your congregation to undertake the task of making preparations for their life's end while they are able to do so; and, second, to provide pastoral guidance in their encounter with the challenging decisions they will face. Actually, the Episcopal Church mandates that in a rubric of *The Book of Common Prayer*:

The Minister of the Congregation is directed to instruct the people, from time to time, about the duty of Christian parents to make prudent provision for the well-being of their families, and of all persons to make wills, while they are in good health, arranging for the disposal of their temporal goods, not neglecting, if they are able, to leave bequests for religious and charitable uses.

would be for you to conduct in your parish an intentional effort of education for end-of-life planning.

Giving

In any setting in which parishioners are given information and guidance aspects on end-of-life planning is an appropriate time for you to broach the subject of "giving," the other side of the "planned giving" coin. Specifically, it would be timely for you to introduce the notion of "stewardship of accumulated assets." No doubt most members are familiar with stewardship in the context of an annual campaign for operating funds, and even an occasional capital campaign. But probably only a few have heard of the idea of stewardship in the context of estate planning. Still, the decision to make some type of provision for the church in one's estate plan clearly is an act of responsible Christian stewardship.



The Episcopal Church Foundation provides a wide range of resources for planned giving, capital campaigns and annual giving campaigns. Currently the Foundation manages some \$40 million for congregations, dioceses and Episcopal agencies. For more information on how the Foundation might assist your congregation, call 1-800-697-2858 or visit www.episcopal.foundation.org



The articles in this issue of Vestry Papers are for informational purposes only, and should not be construed as legal or financial advice. Always consult your own financial and legal advisors before making estate planning decisions.

Plan now...for planned giving

continued from page 1

particularly important, because the donors themselves will not be alive to monitor how their gifts are managed. Therefore, a vestry launching a PG effort needs to demonstrate to donors that their gifts will be put to good use.

Creating an endowment fund to which planned gifts can be contributed is the best way to accomplish this objective. Having these policies in place will make it easier to encourage and facilitate gifts from prospective donors:

- + clear procedures and goals;
- + specific uses for the money;
- + professional investors and managers (preferably non-parishioners);
- + transparent accounting practices;
- + open channels of communication to the vestry and congregation.

Having a designated planned giving committee will enable important functions

to be carried out on a consistent basis.

For example, how will you market your program? If you have a legacy society, who will plan events? Who should donors contact if they want information about giving?

Committee members do not necessarily need to be lawyers or financial advisors; rather, they should primarily be people who are good listeners, who will be good stewards of donors' gifts, and who have made a planned gift themselves. The committee does not have to be large — some parishes have only two people working on the planned giving effort — but it does need to be self-sustaining, ensuring that the hard work that makes the program vibrant does not go to waste.

Natalie Guthrie joined the Foundation's staff in September of 2003. She is the Assistant Director of Giving Services and manages ECF's planned giving programs.

Starting a Legacy Society

by Natalie Guthrie

Begin by considering these benefits:

- + A potentially difficult topic — mortality — becomes a little lighter by offering, through a legacy society, a fun, annual event celebrating life gifts.
- + A PG program becomes energized by setting deadlines (i.e., if you want to become a member of the group this year, you must make a gift by "X" date).
- + Marketing events are on schedule and annualized, culminating with the legacy society yearly event.
- + The PG program is promoted positively by inviting parishioners to become members and encouraging others to hear from those who have given.

1. Prepare an information brochure and enrollment form. Create a form that makes it simple for a donor to inform the church of an estate provision and gives permission to include the donor's name on the list of legacy society members.

2. Define membership criteria. A legacy society is created to support the gift-planning program, so it is important to maintain that association and offer memberships for legacy type gifts.

3. Choose a name or theme. Consider choosing a name that reflects some special physical, spiritual, or historical characteristic of the church.

4. Establish high standards. Establish professional standards in the handling of documents and information about members of the legacy society. Promptly acknowledge new commitments.

5. Establish a secure accounting system. Put in place reliable and secure systems for keeping appropriate records, maintaining files, and preparing periodic reports on numbers of commitments, the vehicles used, the institutions designated as beneficiaries, etc.

6. Offer an initial enrollment period for "founding members". Offering a period of twelve months or more for the enrollment of "founding members" will get the legacy society and the gift-planning program off to a good start.

7. Plan a dedication event for all. Sponsor a festive event to which all founding members are honored. Invite the whole congregation as well.

Make the stewardship cycle smooth

continued from page 3

Year-round stewardship

When you undertake an effort to convey a broad understanding of stewardship as an integrated whole, planned giving fits in easily and naturally; however, you will want to develop a twelve month calendar of activities. Like most congregations, you probably conduct a concentrated effort on



annual giving in the fall in preparation for the budgeting process the first of the year. During that time, your educational focus should be on general stewardship awareness and practice plus support of your ongoing parish ministries.

While you never want to let planned giving get completely off the radar screen, the best time for a concentrated effort is from about mid-January through Easter, taking advantage of the Lenten season to encourage parishioners to undertake, as a Lenten discipline, the preparation of their end-of-life plans. You will find that period a logical and effective time to conduct special educational activities focused on planned giving, such as an adult education class on "Matters of Life and Death," a "wills clinic," an adult forum on "The Ultimate Gift: Christian Witness at the Time of Death," a Saturday "Final Affairs Fair," a special mailing to parishioners aged fifty and over, etc. If you have created a legacy society in support of your planned giving program, it will be particularly effective to conduct these activities under the aegis of that legacy society.

To complete the year-round schedule, you might find it appropriate during the Easter season to focus on environmental awareness and practice. On the other hand, you might want to use this period to engage the parish in the preparation of a parish narrative, or you may want to conduct a "time and talent" inventory in one of its many variations.

There are other possibilities, of course, but the main goal is to have a coordinated year-round schedule wherein parishioners are continually reminded that annual giving and planned giving are two key parts of the overall stewardship program. They do not compete but complement and reinforce each other in important ways.



Colorado mosaic artist
Kathy Thaden was
commissioned to create
the "Tree of Life" mosaic,
a commemorative
installation honoring the
Colorado Episcopal
Legacy Society's founding
churches and individuals.
The Legacy Society was
created by the Colorado
Episcopal Foundation to
promote and support the
faithful stewardship of
God's gifts and resources
throughout the diocese.
For more information
about the artist
please visit
www.thadenmosaics.com

Passing on "gracious gifts..."

The vestry of St. James's Episcopal Church in Richmond, Virginia passed the following resolution unanimously on March 20, 2007...

In deep gratitude for the gifts that God has given us, we, the vestry of St. James's Episcopal Church in Richmond, Virginia, wholeheartedly approve and support the planned giving ministry of our parish. The health of our church is built on the generosity of many, some of whom are no longer with us. We give thanks for their gracious gifts while we recognize the

responsibility each succeeding generation has to future generations and the continued strength of our parish.

We believe in the importance of returning to God part of what God has given us. Therefore, when we consider or review our individual estate plans we commit ourselves to make some provision for the St. James's Endowment Fund, Inc. should our individual circumstances permit. We encourage every member of the parish to do the same.



Consider a tithe (10 percent) in your will so that your assets may continue to empower your congregation after your death.

“Will” your parish have a future?

by Richard Schaper

Vestry members share a mantle given to no other body in the parish: that of being stewards of the congregation's future. Will your parish have the financial resources needed to meet the challenges of the mission to which God may be calling you in the future? The answer may lie in the wills of your current members — in a double sense.

Your willingness as a vestry member to remember the church in your own will or estate plan sends a powerful signal. This planned gift is an irrefutable expression of your commitment to the long-term mission of the parish. Legacy stewardship, like stewardship of income, is a faith response to God's generosity. Our church's inheritance, no less than our family's, is an expression of devotion and faith. A will is an essential exercise of Christian stewardship.

In addition, long-term vestry members know the difference that bequests have made in allowing the church to fulfill and expand its mission. Planned gifts build endowments that can enable long-term financial support for mission.

How important is a will?

Did you know that *The Book of Common Prayer* makes reference to “The duty... of all persons to make wills, while they are in health, arranging for the disposal of their temporal goods, not neglecting, if they are able, to leave bequests for religious and charitable uses?” (page 445) Further, it directs the minister of the congregation “to instruct the people from time to time” of this responsibility.

One in two Americans die without a will — and some of these are Episcopalians who never heard that they were to have one. The absence of a will jeopardizes our families and loved ones. I have visited young people in jail who

inherited at age eighteen more than they could handle. Without a will, our wishes and values will have no part in determining how our remaining accumulated assets are distributed.

So you want to remember your church

So you've made the decision to include your church as well as your family in your estate plan. How would you like to do this?

The most common way

Most estate gifts received by parishes are in the form of a bequest from a will or a revocable trust. The amount may be a specific dollar amount, for example, \$10,000. More often, the gift is expressed as a percentage — for example, “To Christ Episcopal Church, Town, State, I leave 10 percent of the remainder of my estate.”

Endow your pledge

“How can I endow my pledge?” a vestry member recently asked. “I've served enough terms on the vestry to know that when someone dies who has been among the larger givers, it can leave a large hole in the budget,” he explained. “I don't want that to happen when I die, so I want to endow my pledge.”

It is easy to endow your pledge. Just take your annual pledge amount — say \$5,000 — and multiply it by twenty — for example, \$5,000 times twenty is \$100,000 — and make this a bequest in your will for your parish endowment.

Since a typical endowment fund distributes about 5 percent per year, the annual distribution from your endowment gift will be equal to your existing pledge payment. Voila! Your pledge will continue to be paid in perpetuity even after you are no longer there to personally write the checks.



Is yours a Christian will?

by Charles Gearing

Will your last words to this world express the most important thing about you? Consider beginning your will with this statement:

The Preamble

I _____, of _____, do make and publish this my Last Will and Testament.

I believe in the Lord, Jesus Christ. I am secure in God's love for me and am confident of everlasting life procured for

me through the life, passion, death and resurrection of Jesus Christ. I leave those who survive me the comfort of knowing that I have died in this faith and now am with my Lord in eternal glory.

And as a final act of faith and thanksgiving for all of the blessings of my life, I direct that a tithe of 10 percent of my estate be given to _____ (the parish/diocese of ...) to continue God's work in the world.



The staff of Vestry Papers wishes you a blessed Easter!

"Will" your parish have a future?

If your congregation does not yet have an endowment, you may do this through your diocese or through the Episcopal Church Foundation.

An easier way

A convenient way to remember your parish is to name the church as the beneficiary of a retirement plan or life insurance policy. If you have an IRA, 401(k), or 403(b), you can simply name your parish for a percentage. For example, "40 percent to Christ Episcopal Church, Town, State." Just call the toll-free number on your retirement plan statement and ask for a "Change of Beneficiary" form. It's easy, private, cost-free and does not require a lawyer. Exactly the same can be done with life insurance — even with an employer-provided policy.

Vestry participation

Just as an annual pledge represents intentional, concrete participation in the current financial support of the parish, so a planned gift of any size represents

intentional, concrete participation in assuring the parish's future. Designating the church for 10 percent of a retirement plan or insurance policy or for a bequest in a will takes no money out of anyone's pocket. All the money is still there, to be used for the lifetime of the donor and remains completely in the control of the donor, for these are all revocable gifts. But when the donor, upon death, no longer needs the funds, then the gift will be made as a token of faith and ultimate generosity.

As stewards of the parish's future, vestry members are first in line to fulfill the injunction of *The Book of Common Prayer* to have a will that includes the church. Then the parish will have a future. And the vestry member will have made a significant expression of faith.

A former Rhodes Scholar, Benedictine monk, hospital chaplain and parish priest, the Rev. Richard Schaper is a priest in the Diocese of California, a certified financial planner, and a registered investment advisor.





ECF's Mission

To strengthen the leadership and financial capabilities of Episcopal congregations, dioceses and related organizations to pursue their mission and ministry.



President

Donald V. Romanik



Editor

The Rev. Lindsay Hardin Freeman
VestryPapers@EpiscopalFoundation.org

Program Associate

Kelly Mistick

Director of Marketing

Rebecca McDonald

Design/Production

Monarch Communications

Subscriptions

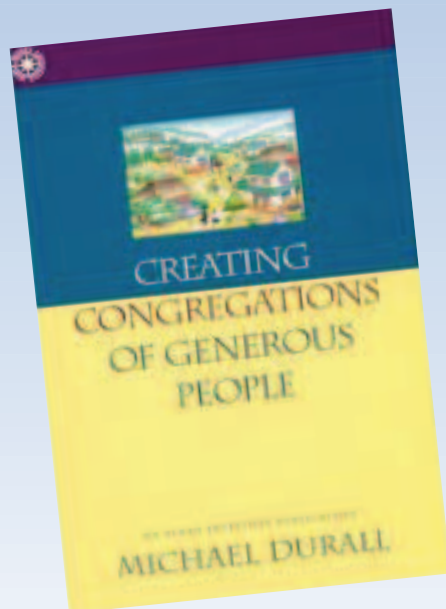
\$40 annually. Mailed in packages of 15 copies per issue. \$30 annually for electronic version. Published in January, March, May, July, September and November.

Episcopal Church Foundation
 815 Second Avenue
 New York, NY 10017

Call (800) 697-2858
 or subscribe online at
www.EpiscopalFoundation.org

Reader's Corner

Creating Congregations of Generous People (Money, Faith, and Lifestyle Series) by Michael Durall. Described by one reviewer



as "slim but succulent," this book reinforces the link between generosity and spiritual growth. A combination of homespun wisdom, research, and advice from experts, *Creating Congregations* encourages readers to share the gifts with which God has blessed them.

The Alban Institute

Growing Givers' Hearts: Treating Fundraising As a Ministry by Thomas H. Jeavons and Rebekah Burch Basinger. Recommended by California planned giving expert Richard Schaper, most of this book centers around three years of research by the Lilly Endowment into six Christian organizations that not only raise funds successfully but encourage their donors to grow spiritually as part of the giving process as well. A challenging but intriguing read.

Jossey-Bass

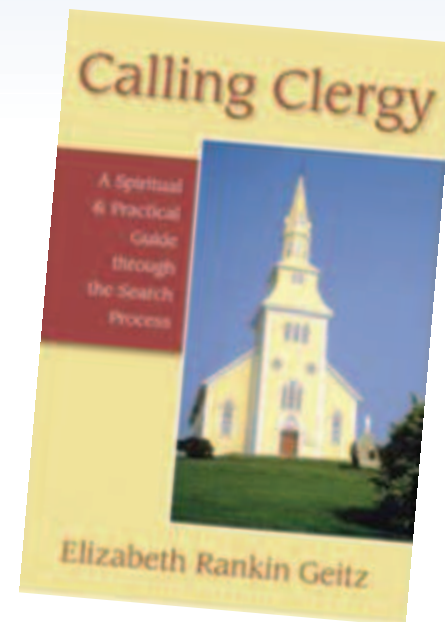
Other good picks

Calling Clergy: A Spiritual and Practical Guide Through the Search Process by Elizabeth Rankin Geitz. Written by the deployment officer for the Diocese of New Jersey, this practical and spiritually-centered gem guides vestries and search committees through the calling process. Breaking the journey down into manageable steps, the book fills a gap in current literature in this area. It also reminds vestries of this important notion: "Most clergy know that the way they are treated during a discernment process is the way they are likely to be treated should they accept a call to your parish."

Church Publishing

Hope in Conflict: Discovering Wisdom in Congregational Turmoil by David R. Sawyer. Written by a Presbyterian minister, this book uses the author's experiences, short narratives, and contemporary learning to suggest positive ways in which conflict might best be handled. Encouraging clergy to look beyond the most obvious reasons for dissension, Sawyer reminds readers that both hope and the Christian faith are important tools in dealing with conflict.

The Pilgrim Press



Prayers for School Teachers: Contemporary Conversations with God by Sharon Harris-Ewing. Affirm those in your congregations who teach for a living. Here, over 150 prayers cover a variety of topics, including forgiveness, guidance, etc.

The Pilgrim Press