

# Why Churches Should Have a Ministry of Legacy Giving

The Top Ten Reasons *by Chris McLeod, JD*

The Greatest Generation is disappearing. Younger donors give differently or not at all. Annual operating costs of churches are increasing exponentially due to health care expenses and physical campuses suffering from deferred maintenance.

A legacy giving initiative can help build a pipeline of major gifts that can grow a church's endowment and provide long term stability.

## 1 Legacy giving manages risk.

The most generous members in a church congregation are often its oldest. What would happen if the three most generous members were to die in the same year?

In some cases, it could take ten or more giving units to replace each member's annual stewardship commitment.

## 2 Legacy giving conversations can be transformational for the church and the member.

The desire to make a difference is almost universal, regardless of one's religious tradition. Your members are already making legacy gifts to World Vision, the Salvation Army and their alma maters because *they've been asked*. Many members want to make a difference for their church, an institution with which they generally have a much more intimate and long term relationship.

## 3 Legacy giving can unlock the generosity of your congregation.

National research shows that donors with documented bequests give twice as much

annually as donors who have not made a bequest. While it is not clear whether the more generous donors are more likely to make a bequest or those who make bequests also contribute more annually, there is a relationship between the two that churches cannot afford to ignore.

## 4 Many families want to document and celebrate their family's history with the church.

The opportunity to create a named endowment for outreach, education, pastoral sabbaticals, facilities or music excellence is a timeless way for families to document their history with the church.

## 5 Increase Return on Investment (ROI).

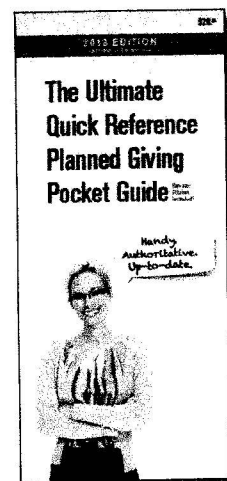
"Return on Investment" is a business term that is especially relevant to the conversation about church members' giving.

Members who have attended a church for 15 or more years have a greater investment in the church and often contribute more annually than members who have joined the church more recently. Long-time members have often baptized, confirmed and married their children in the church, and perhaps even buried their spouse or other loved ones.

A legacy gift is often **the largest gift** a member makes in his/her lifetime since such gifts usually are made from a member's assets, not their annual income.

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## 6 Legacy Giving is a healing ministry.

Many church members, both those who are wealthy and those of average means, suffer from the *wounds of wealth* and often feel burdened by decisions about the distribution of their assets at their death. For church leadership with a scarcity mindset, it may be difficult to appreciate that some church members worry about leaving too much money to their children and may be inspired by the opportunity to express their values by making a significant bequest to the church.

## Imagine a Blue Sky Scenario.

What could your church do differently if you learned from a local attorney that one of your long time members left the church an unrestricted \$5 million bequest? It happens.

## Legacy giving is a lot less complicated than you think.

You do not need to master the technical aspects of planned giving to launch a legacy giving initiative. Close to 90% of all legacy gifts are bequests – or beneficiary designations from a retirement fund or life insurance policy.

## Talking to members about the importance of a will is a ministry to families.

Today, more than 55% of individuals do not have a will.



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Many pastors have ministered to families when a young parent suffers an unexpected death. Without a proper will, the surviving spouse may have to endure the unnecessary and time-consuming hardship of probate. The Church can convene legacy conversations in Sunday school or workshops that provide parents with support to make these important decisions.

## Legacy giving is the most inclusive strategy for giving.

Many churches think that a congregation is made up mostly of people of average means and that only the wealthy make legacy gifts. Many older members live well below their means and hold the majority of their wealth in liquid assets such as land, small businesses or collectibles.

Women are often the most overlooked donors in a church. Since many single, divorced and widowed women are concerned about outliving their assets, few feel confident enough to make major gifts during their lifetime. However, they often are inspired to make significant bequests to their “church family” to demonstrate their commitment and devotion to the church.

According to a donor survey conducted by the Partnership for Philanthropic Planning, 70% of donors who make a legacy gift, do so because they are asked.

Make it your ministry to ask.



I hope you found this white paper stimulating and useful.

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