



Transform

The Future of Pierce County

Discover the Power of Legacy Giving

2021 South Sound Philanthropy Summit



Hello, I'm Robin Callahan, VP of Philanthropic Services for Greater Tacoma Community Foundation.

On March 12th, 2020, we saw the devastating effect COVID was going to have on the most vulnerable in our community.

That's when GTCF partnered with United Way to launch the Pierce County Connected Fund.

In less than three months, funders and donors gave 7 million dollars.

Those donors were aligned philanthropic partners like foundations and corporations. And also individuals.

18 months have passed.

A total of \$7.8 million has funded organizations, like yours, who have addressed the urgent and emerging needs of our community.

Food, housing, child care, technology, access to the vaccine and more.

2020 and 2021 are the kind of years that GTCF was built for.

At GTCF, we have a deeply held belief that we are stronger together. Whether you are here as a nonprofit staff or board member – or a professional advisor, we are your partner in building a thriving Pierce County.

“ Sometimes the most important stuff is not all about the money.” The late Marydale Brooks believed the “important stuff” happened, “when everyone starts pitching in with their talents, resources, or pure grunt work to get the job done.”



White River Hometowns Fund

Total Grants
\$139K

Local Grant
Recipients
17

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One person who believed that everyone should have the opportunity to thrive was Marydale Brooks.

Marydale was a longtime Buckley resident

She was community-minded and unassuming.

In 2008, she created the White River Hometown Fund.

The Fund benefits the residents of White River, Carbonado and Buckley. When Marydale passed away in 2018, Marydale’s estate added to the fund.

Marydale’s legacy gifts have supported critical needs in her hometown. Things like...

- A van to give homebound seniors transportation to medical appointments
- Weekend food backpacks for students in the White River School District
- Clearing land at a Senior living community in order to build a vegetable garden and additional housing units

This is the power of legacy giving – transforming our community for generations to come.

Less Than 8%

of donors leave a
charitable bequest
in their will.*

Many donors are not aware
of the opportunity to support
your organization for generations
to come by making a legacy
commitment because
THEY AREN'T BEING ASKED.

**Russel James Statistic.*

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And yet, few people know what a difference they can make.

According to Russel James, only 8% of people over 55 include nonprofits as part of their estate plan.

In fact, only an estimated 30% of Americans say they have made a will.

Nonprofits have the potential to invite donors to support your organization with a legacy gift...

... but only if we ASK.

47% of the time

clients make
use of a charitable
tool if advisors
talk to them about
philanthropic giving.*

When advisors DON'T talk about
charitable giving, clients choose to
use charitable tools only **12% of the time.**

Clients **NEED YOU TO TELL THEM
ABOUT THE POTENTIAL
OF THEIR PHILANTHROPIC GIVING.**

*2013 study by TPI and US Trust on philanthropic conversations

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Nonprofits aren't the only ones who can show people their power to transform the future.

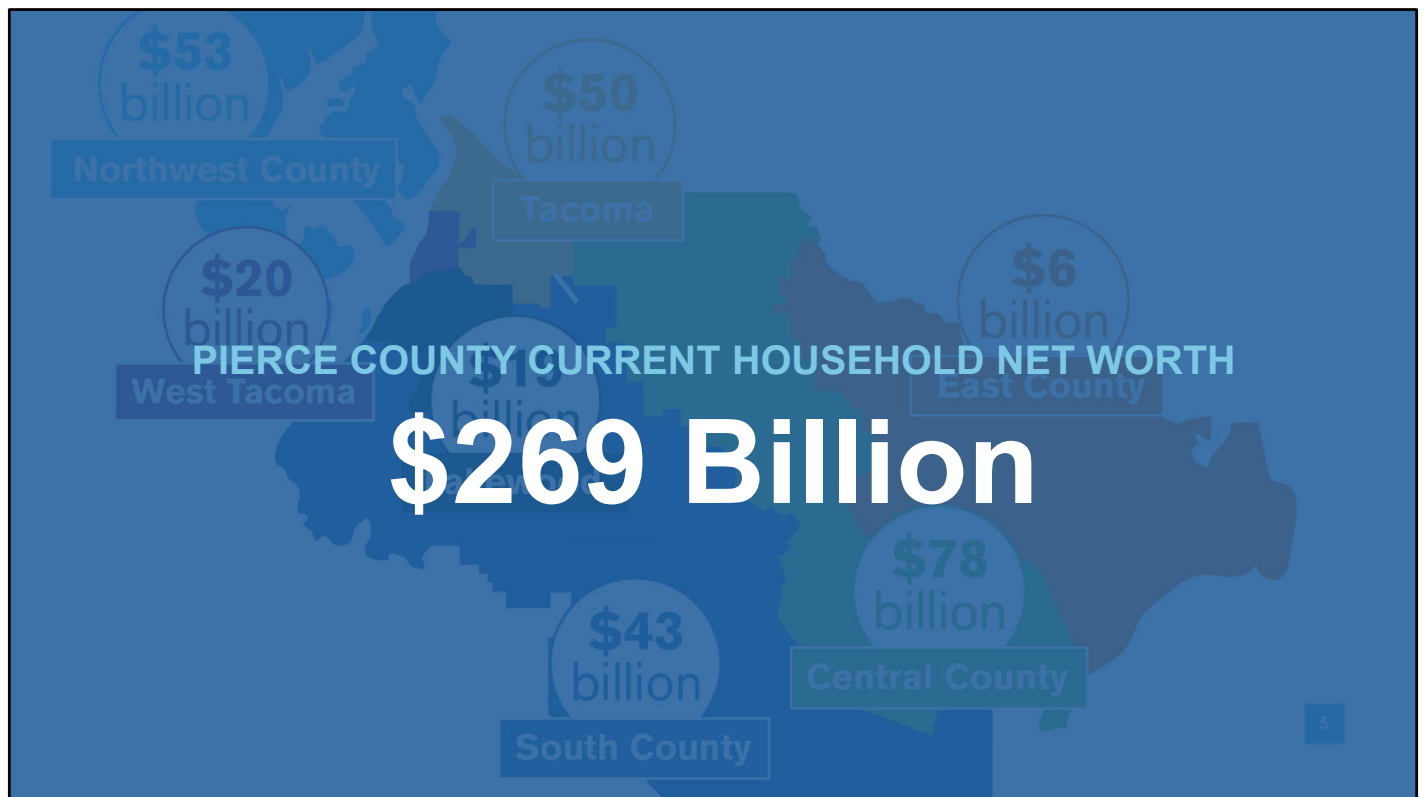
Professional Advisors can as well.

According to a US Trust Study, clients make use of a charitable tool 47% of the time...

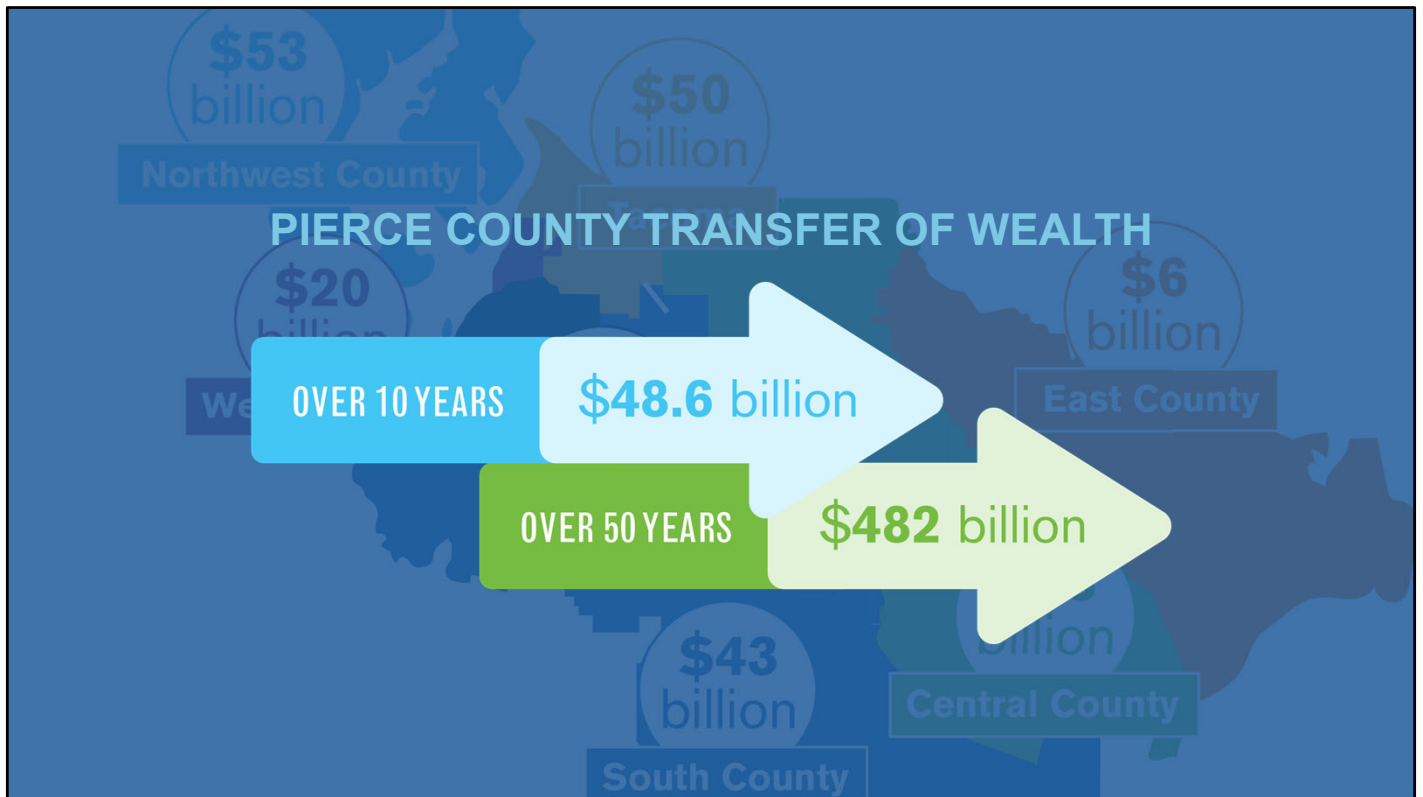
.. when PA's talk to them about their philanthropic giving.

If a person's professional advisor DOESN'T introduce them to charitable tools...

... people only use them 12% of the time.



- GTCF looks deeply at the community to understand both our needs and opportunities.
- That's why GTCF hired Locust to study the Transfer of Wealth taking place in Pierce County over the next 50 years.
- Philanthropic Giving represents the greatest underdeveloped financial resource a community can mobilize.
- It is a way for neighbors to invest and realize a shared vision for the future of their region.
- Like MaryDale Brooks, philanthropy provides an opportunity for community members of ALL income and estate size to give back to the place they call home.
- However, we need to FIRST help people recognize they have the opportunity to give.
- And legacy giving is a powerful way to dream about the community they can create by applying that philanthropic potential.
- Today, Pierce County's current household net worth is substantial, 269 BILLION.



Over the next 50 years, a remarkable Transfer of Wealth will take place.

In Pierce County, the estimated wealth that will transfer between generations over the next 10 years is 48.6 BILLION.

Over 50 years, 482 BILLION.

Research shows that most of this wealth will be passed on to heirs.

However, if people left only a small percentage of their estates to the organizations they love, it could have a dramatic affect.

Let's look at some of the possibilities.

10% For Sustainable Funding

Capturing just 10% of the 10-year TOW potential would create \$4.9 billion in new endowments. Over 20 years, these endowments could support average annual payouts of nearly...



\$279 million
per year

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If people designated just 10% of their estates for nonprofits over the next 10 years, this could create collective endowments worth 4.9 BILLION.

Over 20 years, this would provide \$279 MILLION per year to sustain nonprofit organizations' operating expenses or support new programs to help you better achieve your mission.

Endowment Calculator for an initial gift amount of \$500,000 over 25 years with an expected return rate of 6%

| Years Invested | Annual Grant Dollars | Cumulative Grant Dollars | Administrative Fee | Net Value (After Annual Grants & Fees) |
|----------------|----------------------|--------------------------|--------------------|--|
| 1 | \$0.00 | \$0.00 | \$8,750 | \$521,250 |
| 5 | \$22,400 | \$89,600 | \$9,108 | \$520,198 |
| 10 | \$22,300 | \$201,300 | \$9,085 | \$518,293 |
| 15 | \$22,300 | \$312,800 | \$9,063 | \$517,586 |
| 20 | \$22,200 | \$423,900 | \$9,041 | \$516,365 |
| 25 | \$22,200 | \$534,900 | \$9,017 | \$514,979 |

Let’s look at the power of one planned gift.

I used \$500,000 because it is close to the median value of a home in Pierce County.

So, let’s say one generous donor left you their home and with it, you started an endowment.

In 25 years, the endowment would have grown slightly...
And it would provide about 22 THOUSAND in annual revenue.

That’s more than \$530 THOUSAND in total revenue.

And that is just ONE planned gift.



Ruthann Howell, executive director of The Zoo Society, “Endowments are vital to nonprofits. Of course, we love support now, but when people give knowing their support will continue past their lifetimes, it is an altruistic, selfless act of giving.”



You may be wondering, “who are these people and are they donors to my organization?”

YES!

Chip Matejka was a navy veteran, a friendly produce staffer at a Lakewood grocery and a shrewd investor.

When he passed away, he created an endowment which funds many organizations he was passionate about...

...including the Point Defiance Zoo and Aquarium.



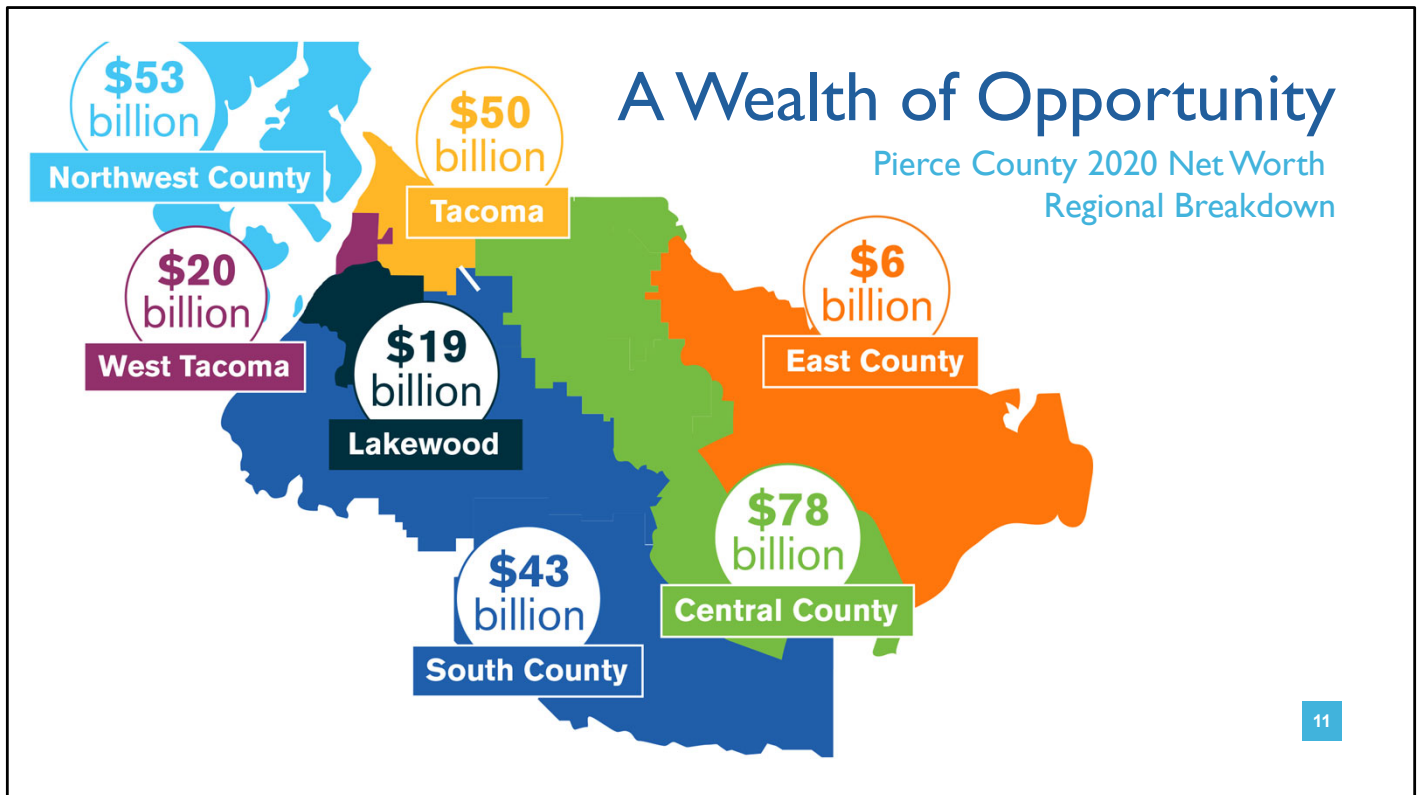
“ The way I see it, if I look at disease or social unrest or environmental threats, it occurs to me how pompous it is for us as human beings to overlook any mind that might find the cure or have the answer. It is ludicrous for us to put any mind at risk. **The intent of the Wayne Williams – Lifting Lives Legacy is to help young people of color discover, like I did, the best parts of themselves and to share it with others.**”

Wayne Williams is another such individual.

He was one of only a handful of African American students in the MBA program at the Wharton School of Business.

Wayne’s experiences and knowledge led him into a career as a product innovator with the Xerox Corporation, a teacher and administrator with Tacoma Community College and more.

He established the Wayne Williams – Lifting Lives Legacy Fund through his estate planning to help young people of color discover, like he did, the best parts of themselves - and to share it with others.



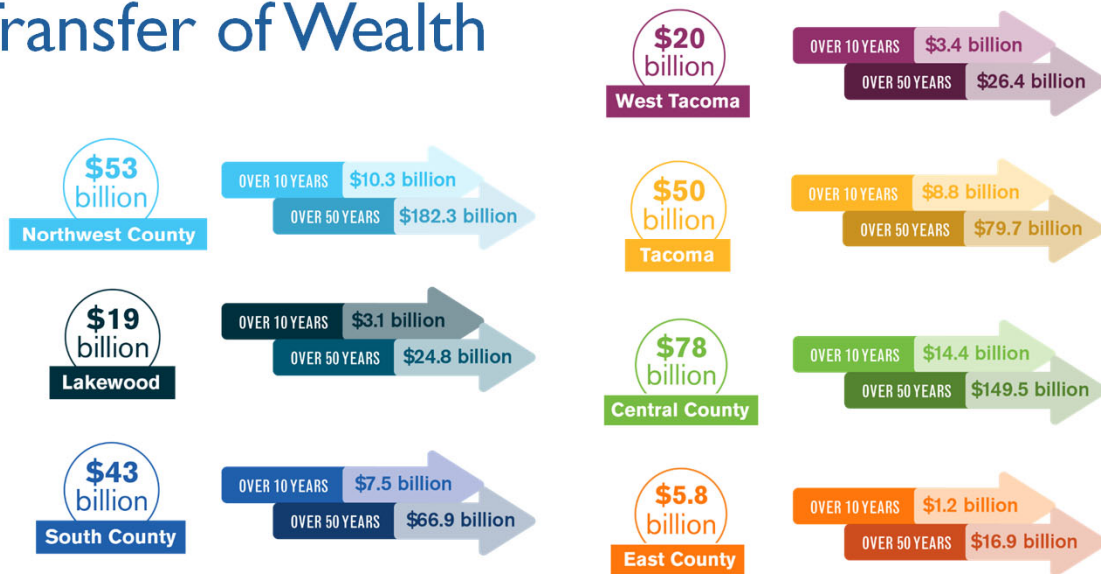
If you look at this map, you can see the wealth across Pierce County is not equitably distributed.

However, every region has local wealth which can be invested “back home”.

We have the details behind this data, including the 57 zip codes that make up each region, in the technical findings report.

We’ll be sharing out a link to that report or you can find it by going to [GTCF.org](https://www.gtcf.org).

Pierce County 10-Year & 50-Year Transfer of Wealth



I will give you a moment to look at this 10- and 50-year Transfer of Wealth data for each region in Pierce County.

While you look, I invite you to think about what it would mean for your mission if people set aside 10% of their estates for their community.

Race & Ethnicity by Pierce County Zip Code Average Wealth Quartiles



Today we are focused on equity and wealth.

We are looking at ways that wealth can be leveraged to make our community stronger and busts myths around wealth and philanthropy.

So when GTCF got this transfer of wealth data, we asked Locus to go back and see what wealth looks like according to racial demographics.

It should not be surprising, given the multigenerational access to wealth and opportunity, that wealth is distributed across our zip codes inequitably.

Pierce County's long-range transfer of wealth provides an opportunity for all of our donors to recognize their ability to address inequity and systemic change through legacy giving.

Dr. Jerry Ramsey recalled,

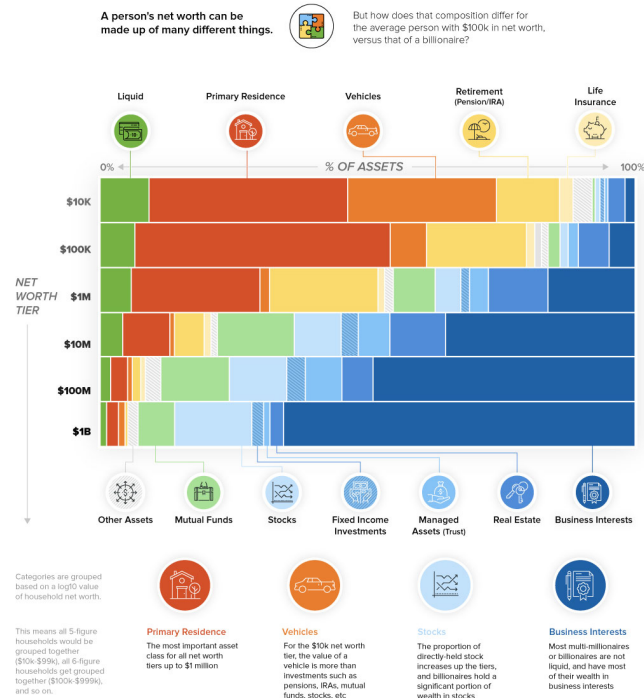
“Someone asked me once if I was rich and without hesitation I said ‘yes’. Oh, in hindsight I know they were talking about wealth and I am sure that I misled them. But honest to God, Elaine and I lived a rich life. God blessed my wife Elaine and I with plenty – more than we needed. We wanted to pass that abundance along to others who can do some good with it.”



- Dr. Jerry Ramsey and his late wife, Elaine, were true lovers of Tacoma long before it became the hottest housing market in the nation.
- Through their work as educators and authors, they built connections to the region’s history.
- Jerry Ramsey wrote the history, *Stealing Puget Sound*, because he said “a lot of history gets lost and twisted”.
- What drove him as a historian was to uncover the truth, even if the truth was not always pretty.
- He hopes that part of the legacy of his and Elaine’s work as historians and educators is to encourage people to “ask why” and to “do our research”.
- As part of his commitment to preserving local history, Dr. Jerry donated his copyright and earnings for *Stealing Puget Sound* to the DuPont Historical Society.
- They also established a scholarship at the University of Puget Sound and established three endowed funds to benefit Ft. Nisqually, Pierce County Friends and Athletes, and the Tacoma Historical Society, forever. Ordinary people, having an extraordinary impact.

What Assets Make up Wealth?

*chart via visualcapitalist.com/



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- When I say bequests and planned giving, you may think immediately of cash gifts.
- However, donors have more assets than they may imagine
- Professional advisors likely know this...
- Don't try to read this whole chart, just look the colors.
- Green is the percent of assets held in cash at each level of net worth.
- The other colors represent all other assets - sometimes called complex assets which range from a primary residence to stocks, real estate, and business interests.
- Complex assets can be liquidated or transferred for philanthropic purposes as a complex gift.
- When GTCF looked at the wealth in Pierce County, much of our assets are held in complex assets like homes, real estate, business interests.
- So, if you are only talking to your donors about accepting cash, you may be missing your donor's full potential for giving.
- In addition to helping you manage your endowment, one of the ways GTCF can support you in your planned giving efforts is in accepting complex gifts on your behalf.
- GTCF's complex gifts committee works with nonprofits, donors and their professional advisors to manage such transactions.
- Speaking of complex gifts...

“ Marydale was a quiet philanthropist who worked closely with community members to support special opportunities in the White River community. She knew her community well and was purposeful about “layering” her giving. She started with cash available and eventually involved securities. As her estate planning evolved, she began to include gifts of real estate and other complex assets.



Let's revisit Marydale's legacy.

Marydale was a devoted philanthropist who started early.

She was purposeful about “layering” her giving.

She started with cash available in 2008 and eventually involved securities.

As her estate planning evolved, she began to include gifts of real estate - including a retained life estate.

That means that after she passed, a relative is living out their life in her home.

When that relative passes, that home's sale will be added to the White River Hometown Fund.

Marydale was able to set up her estate to support her family **and her** community.

Less than 8%

of donors leave a
charitable bequest
in their will.*

NONPROFIT ACTION



Share stories about donors
who have chosen to leave
a charitable legacy as
part of an intentional
LEGACY ASK to donors.

**Russel James Statistic*

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MaryDale is just one person.

But Pierce County is filled with people who have the capacity to make a difference in their community for generations to come.

They may not even realize what a difference they could make because no one has told them.

If you are not already doing so, consider incorporating planned giving into your development plan.

If that approach sounds like something that might work for your organization, you don't have to do it alone.

Next you'll be hearing about an initiative called Leave 10 South Sound.

Leave 10 can provide you with the tools you need to start or grow your planned giving program.

47% of the time

clients make
use of a charitable
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PROFESSIONAL ADVISOR ACTION



Include charitable tools like complex gifts, donor advised funds, and charitable gift annuities as part of your client's estate plan.

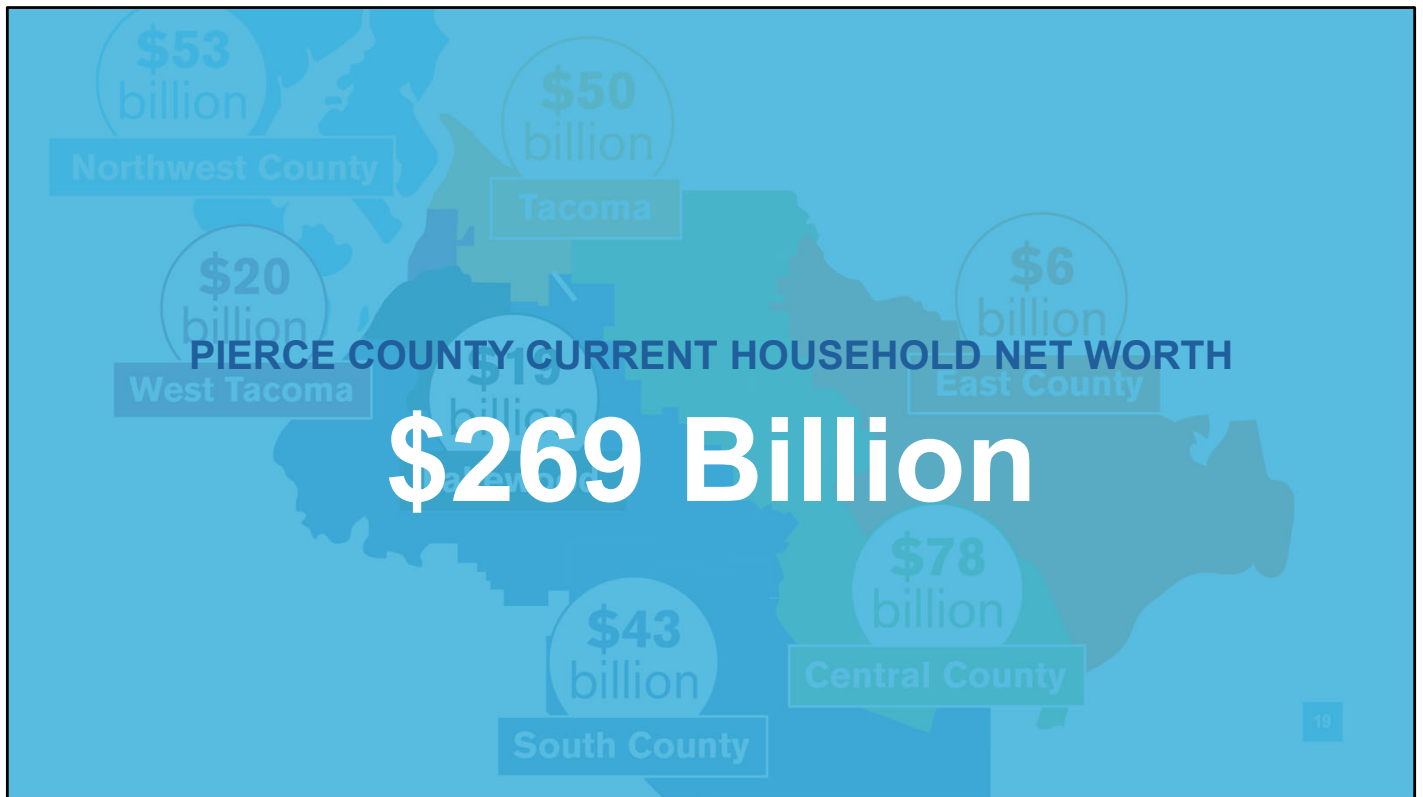
*2013 study by TPI and US Trust on philanthropic conversations

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If you are a professional advisor, **PLEASE** talk to your clients about their philanthropic giving.

When feasible, explore charitable tools as part of your clients' estate plans.

Many people are delighted to learn they can live a comfortable life, support their heirs, **AND** support the community they call home.



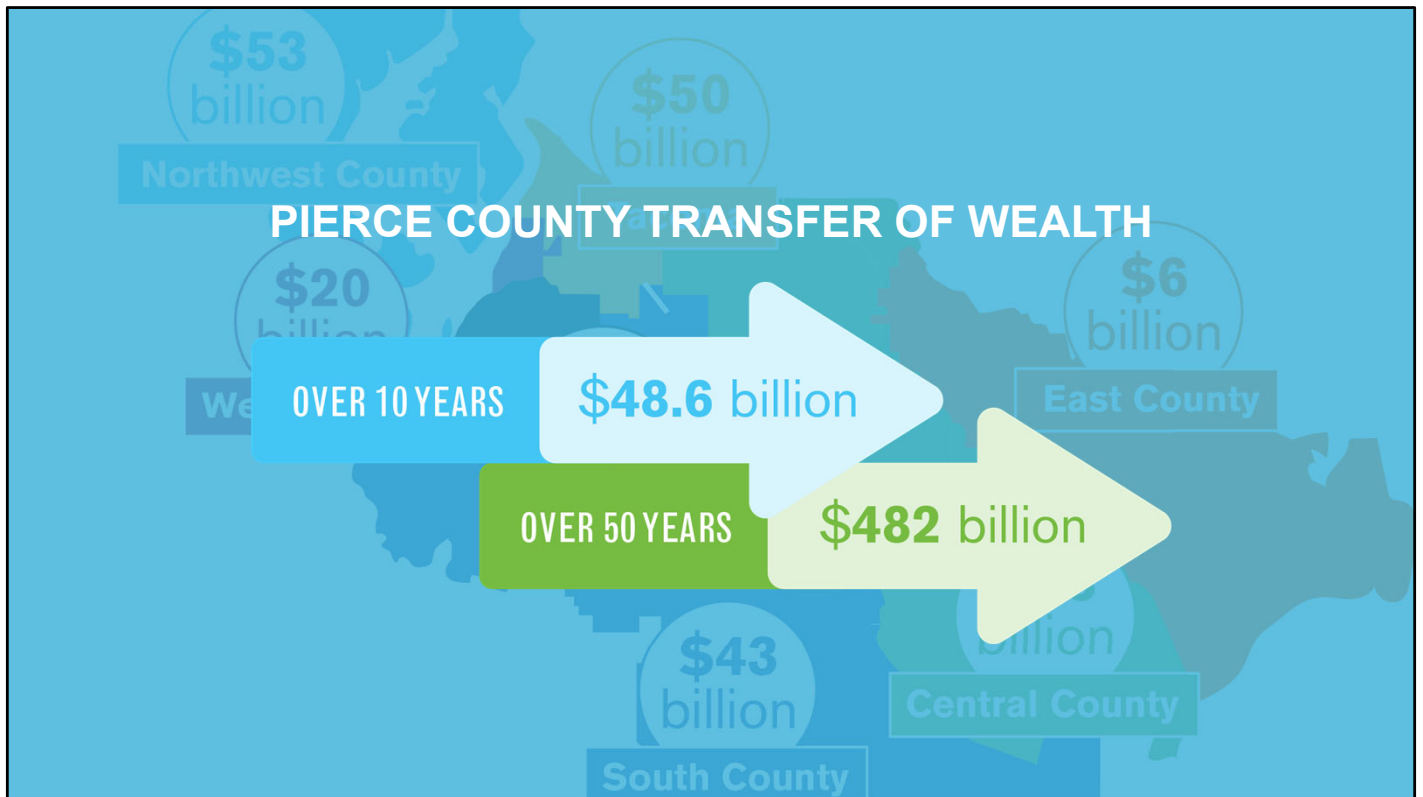
The future is bright.

Pierce County has significant assets.

Individuals and families of various incomes can all make a difference.

We can build long-term support for our community.

But, the time for planning is now!



48.6 BILLION will transfer from one generation to the next by 2030.

YOU help our community see and understand their role in making the South Sound a healthy and vibrant community for ALL.

We can work together to inspire and support legacy gifts during this monumental era of generational wealth transfer.

I'd like to now hand it over to our colleagues who are leading the Leave 10 South Sound Initiative, Rick Oldenburg and my GTCF Colleague, Evelyn Ryberg.