

# Lonnie E. Jones

- Certified Financial Planner®
- Incredibly Passionate about  
Planned Giving






# Disclaimer Notice

The concepts and ideas presented today are based solely on the author's opinion. The information contained in this presentation should not be construed to be endorsed by the author's employer or associates.


Some of the information presented today may have tax and legal implications. This information is based solely on the authors understanding and should not be relied on when working with donors. Participants and donors should always refer to competent legal and tax professionals for guidance.



# Money with Purpose

*“The Mustard Seed Solution”*





“ Being purposeful with money is  
about living a life and leaving a legacy  
that you intend.”





**Power to  
Change the  
World**



**Big Job**



**Small Ideas**

# My Mission & Motivation

I want to **plant a seed** in your life, so that you have a **new perspective** of your profession and **inspire you** to utilize your **unique positions** to make a meaningful **impact in the life of your donors and in our world.**



## Customizable Tool

that is available for your use in an outreach effort to financial advisors and prospective donors.



# The Mustard Seed Solution

**Working with Financial Advisor**

**Delivering Value to the Donor**

**Provide a New Perspective**

**What's My Story**

**The Lifetime Opportunity**

**The Threat to Family Wealth**

**Build Your Team**

**The Broken Estate Process**

**Find A Better Way**

**Legacy Matters**

**The Legacy Conversation**

**Planned Giving Strategies**





# **I. Working with Financial Advisor**

Bob Kerrey's No-Confidence Game By Jennifer Senior  
Broadway Jane Fonda | The Republicans' Face Transplant  
Guy & Guy: Adam Platt on Oliver Platt

MARCH 2, 2009

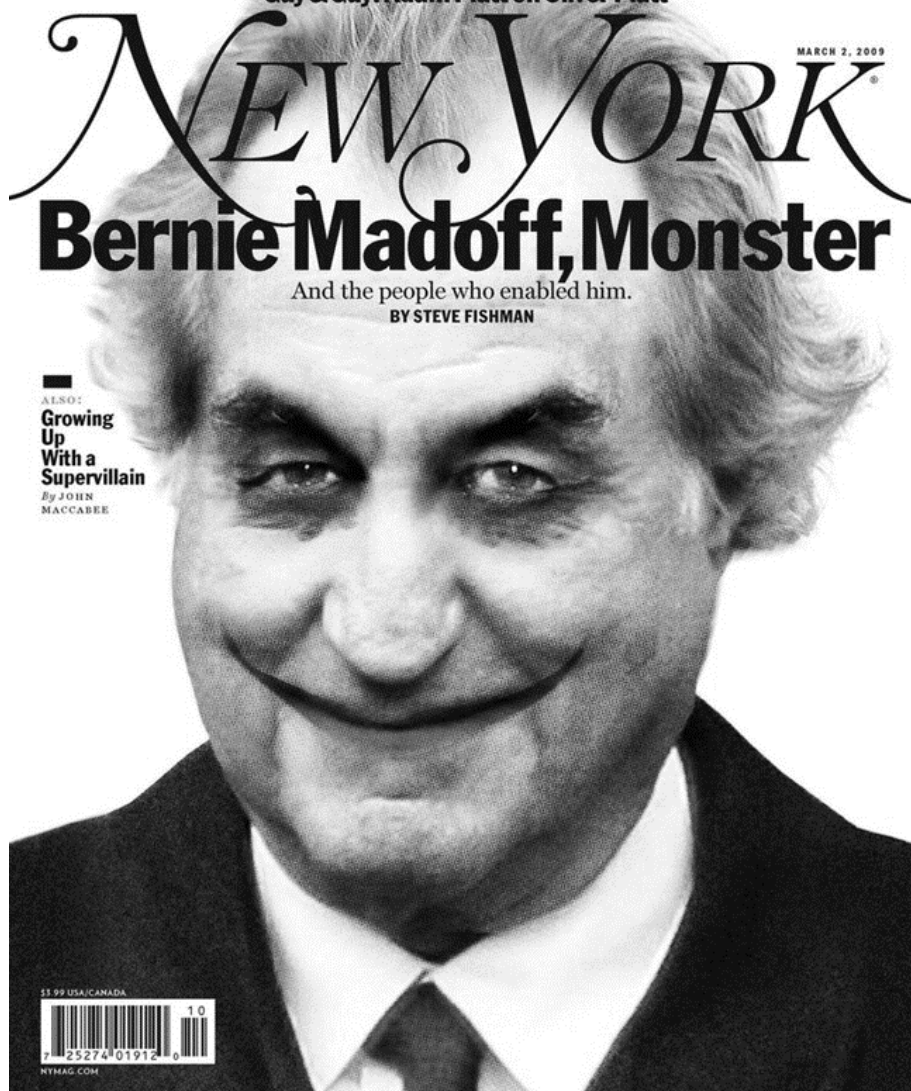
# NEW YORK

## Bernie Madoff, Monster

And the people who enabled him.

BY STEVE FISHMAN

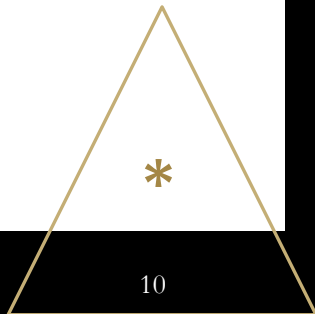
■ ALSO:  
**Growing  
Up  
With a  
Supervillain**  
*By JOHN  
MACCABEE*



\$3.99 USA/CANADA



NYMAG.COM

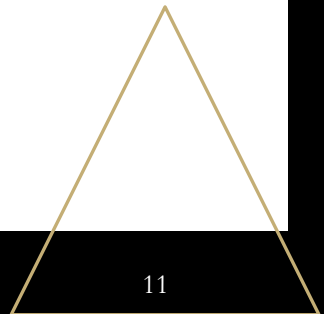




# ▶ Advisors Different Business Models

- **Broker / Dealer – Commission**
- **Registered Investment Advisor - Fee Only**
- **Hybrid - Commission or Fees**

*“Professional and prudent advice is not without a cost, but poor advice will most certainly cost you dearly.”*



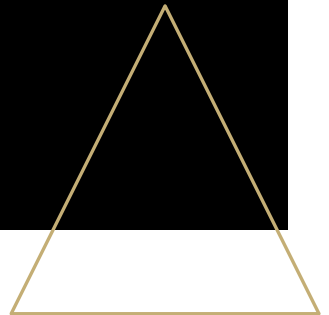
# ► Advisors Different Mindsets

- **Hunters vs. Shepherds**
- **Transactional vs. Holistic**
- **Certified Financial Planner®**
- **Relationships for Life**

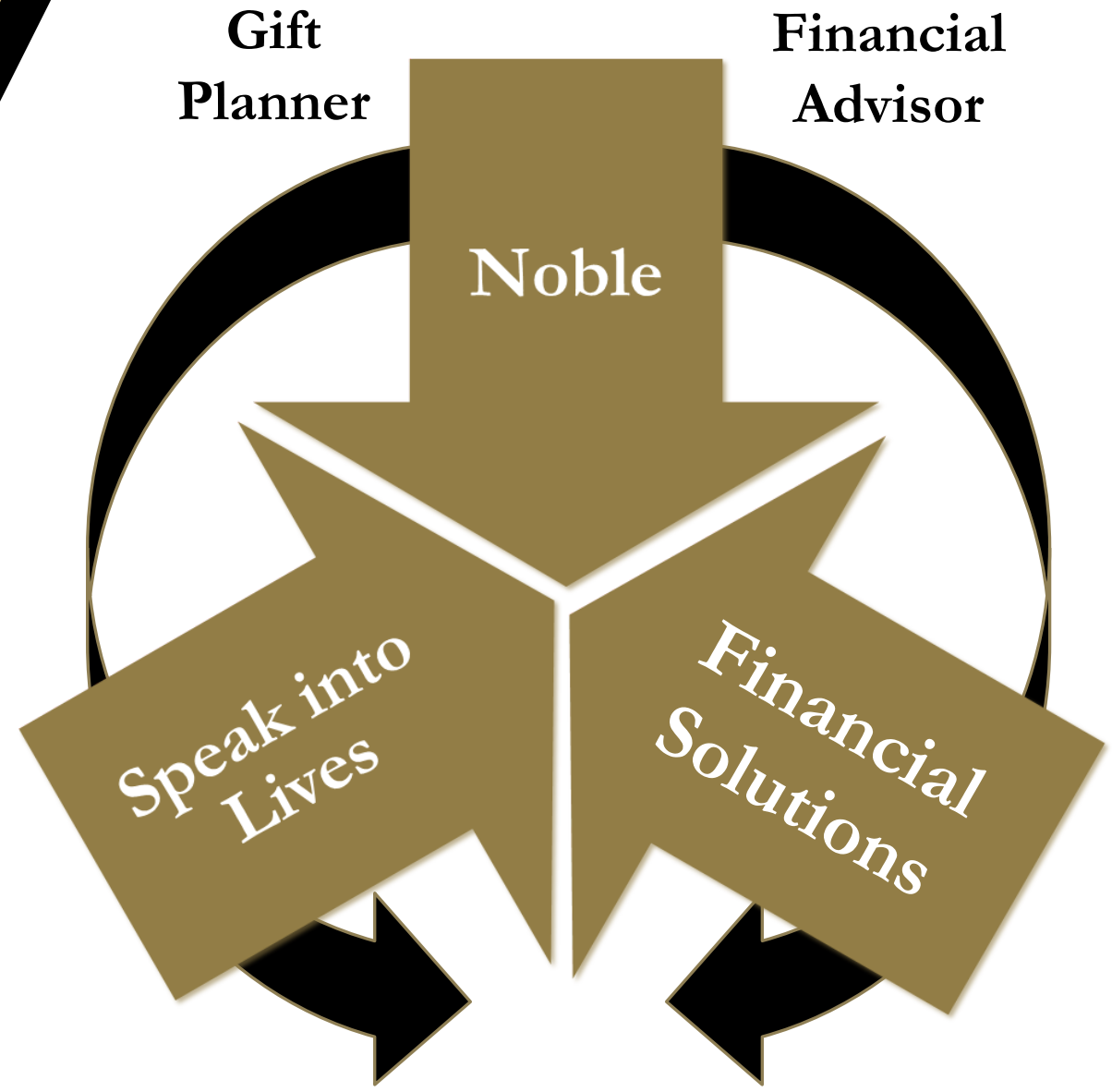


# Common Ground with Financial Advisors

- Selling Trust
- Meaningful Relationships
- Estate Planning Conversations
- Personal Financial Matters
- Personal Family Matters
- Investments – (*Return Measured In Lives*)



**Gift  
Planners  
&  
Financial  
Advisors  
are  
Uniquely  
Positioned**





What value can you bring  
to a financial advisor relationship ?



\*

# Position Yourself as a Philanthropic Expert

- Charitable Strategies
- Strengthen Relationships
- Estate Considerations
- Legacy Conversations
- Increase AUM
- Retain Asset Under Care
- New Product Solutions
- Cultivate Referrals
- Impact the World



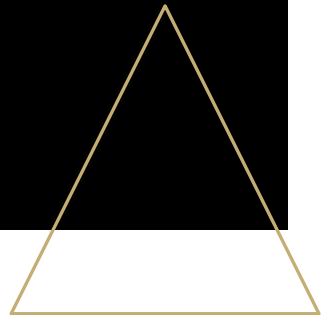



## **II. Delivering Value to the Donor**



# How Can You Deliver Value to Your Donor

- a.) Think like a Financial Advisor
- b.) Be a Trusted Advisor
- c.) Deeply Serving the Client / Donor
- d.) All the above





# Key Qualities of the Trusted Advisor

- Ethical
- Trustworthy
- Professional
- **Knowledgeable**

# Drivers of Client & Donor Engagement.

- Trusted Advisor Coaches Me
- Up-to-date on Tax-Laws
- Cutting-edge Investment / Charitable Strategies
- Strong Technical Expertise
- Receives High Value

“Absolute Engagement” Julie Littlechild



\*

20

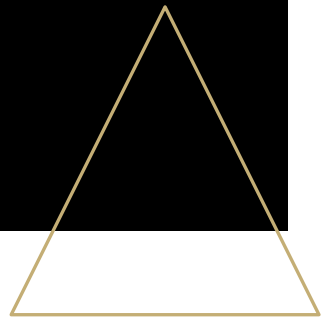
# What Does The Engaged Donors Focus On?

*“Focused on how their trusted advisor helped them, beyond what they offered.”*

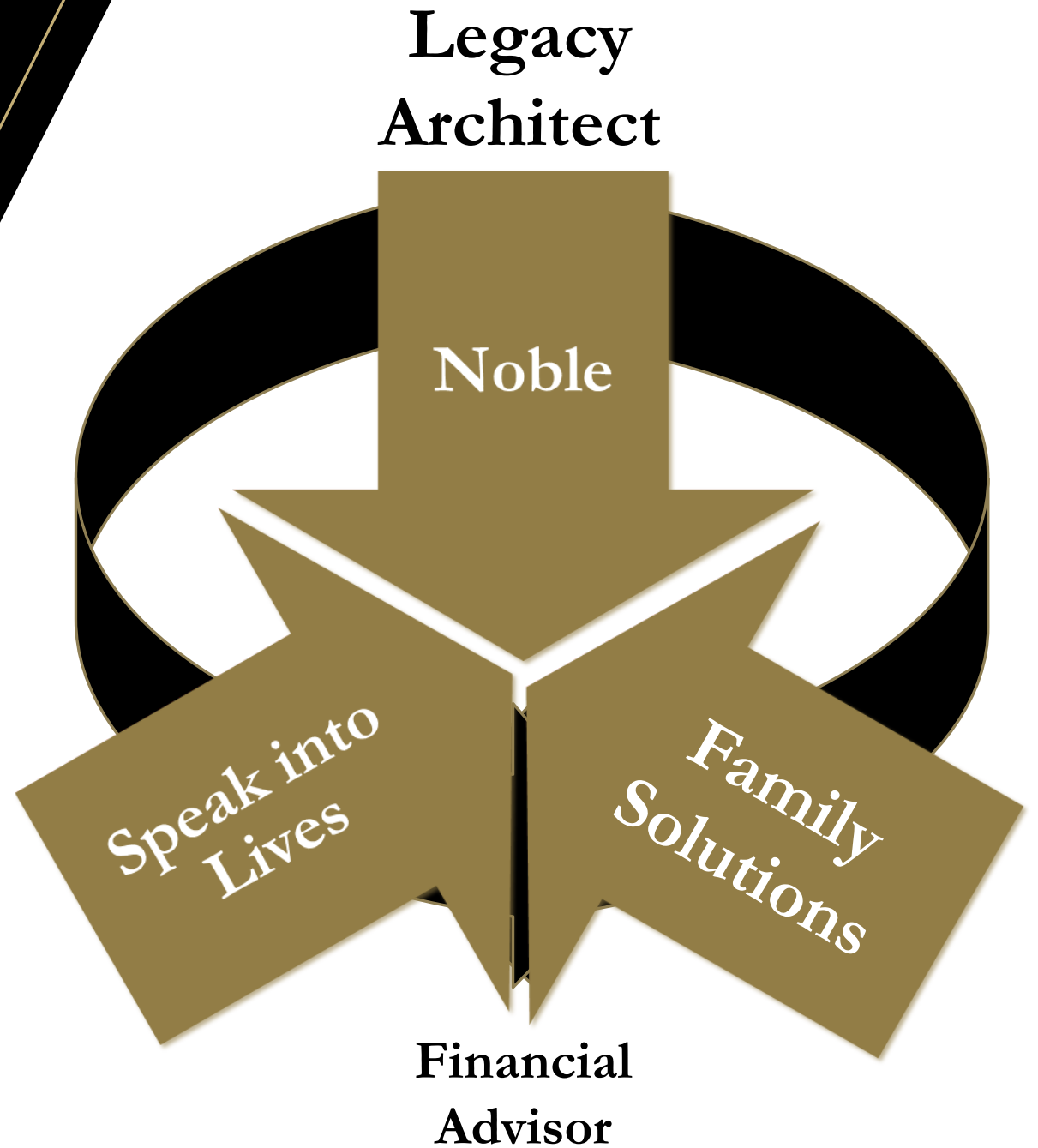
The challenge is to translate “*what*” we provide into “*how*” we support donors in reaching their important life and legacy goals.



**What will be different** in the life, family, business, or future of your donor?



**What If...**



# Statement of Purpose

*“I specialize in legacy planning, helping individuals build their family, community, and impact the world.”*



# Value Proposition

- I want to understand **what is important to you.**
- I have an established process to help you create personalized strategies to achieve your important **life and legacy goals.**
- We will partner together throughout your life to help you **build your family, community, and impact your world.**

# Money Milestones

My  
Established  
Process

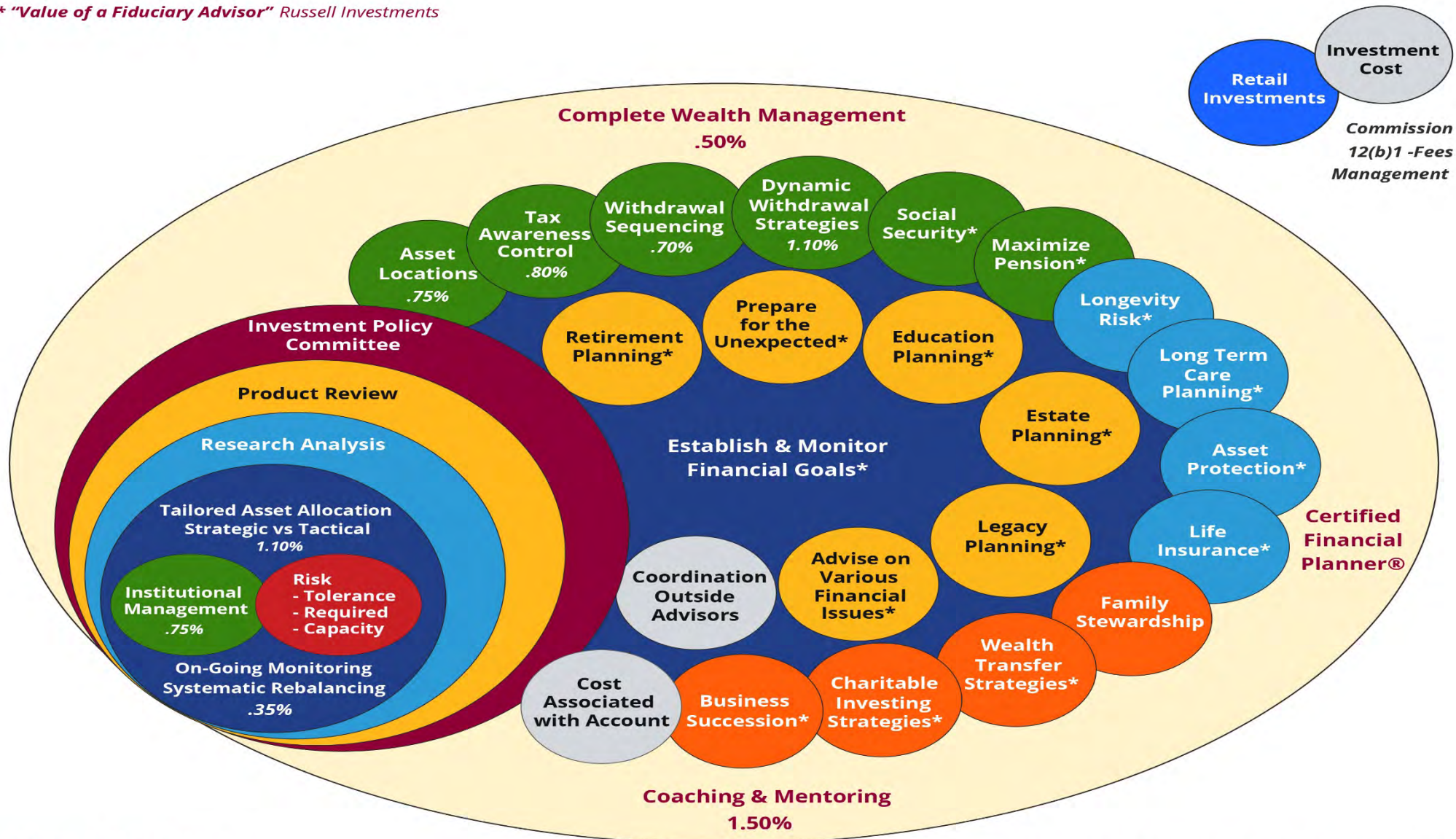
# The Twelve Money Milestones

- **Get Your Picture** - Financial Statement\*
- **Cash Flow Control** - Monthly Spending Plan
- **Protect the Goose** - Prepare for the Unexpected\*
- **Shoe Box Money** - 1 Month of Living Expense
- **Break the Chains** - Eliminate Consumer Debt
- **Build a Silo** - Emergency Fund (6 - 12 mo.)\*

# The Twelve Money Milestones

- **Audit the Tax Man - Tax Efficiency Review\***
- **Retirement Blueprint - S.M.A.R.T Goals<sup>o</sup>**
- **Education Portrait - Educational Goal<sup>o</sup>**
- **Show Some Love - Basic Estate Planning\***
- **Own Your Nest - Eliminate Mortgage Debt\***
- **Plan Your Legacy - Stewardship & Charitable Focus\***

\* "Value of a Fiduciary Advisor" Russell Investments



# My Value Circle

\* "Advisor's Alpha", Vanguard

\* "Alpha, Beta, and Now Gamma", Morningstar



**4**  
**Things  
Your  
Donors  
Want**

- **Understood**
- **Informed**
- **Secure**
- **In-Control**



# Is Your Process?

- **Building Trust**
- **Promoting Generosity**
- **Delivering Value (Legacy Planning)**
- **Developing Financial Confidence**



# **III. Providing The Donor With A New Perspective**





**Where do you rank?**

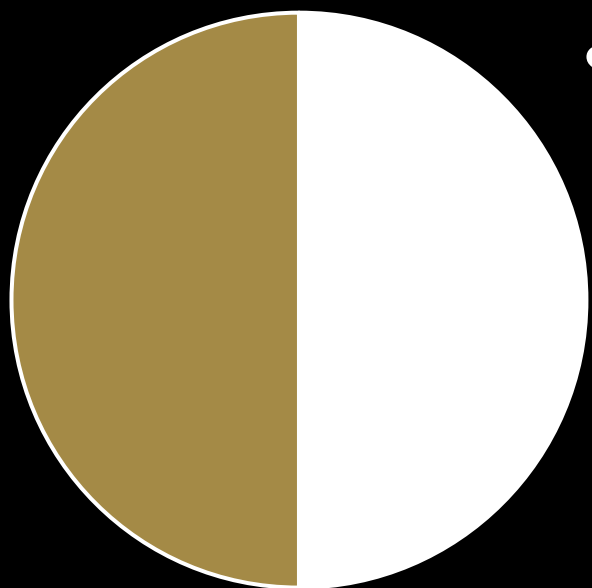
**If You Have An Income of \$54,000...**



**You In Are Among the Richest on the Planet.**



# A World Beyond Our Imagination

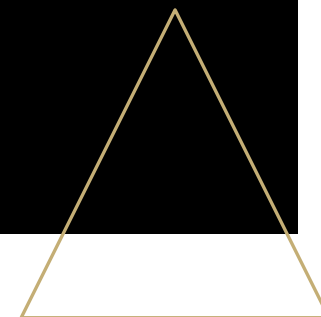


50%

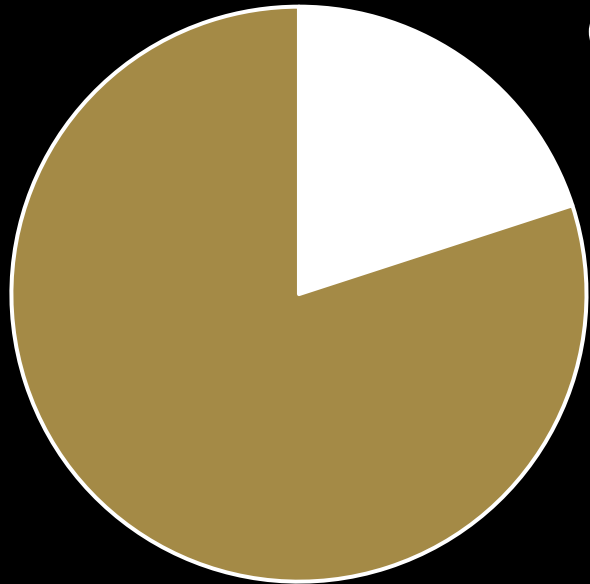
of world population lives on less than

\$2.50

\*World Bank Development Indicators



# A World in Need All Around Us



80%

of world population lives on less than

**\$10.00**

\*World Bank Development Indicators

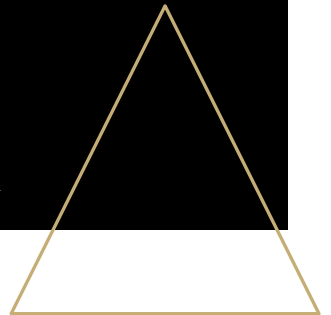


# Your World, Community & Neighbor

**795** million malnourished or **1/9** individuals

**2.2** billion struggle for clean drinking

\*United Nations International Children's Emergency Fund, World Health Organization





Dirty water cause a death every **10** seconds



**22,000** children die everyday due to poverty

# The Real Need in Focus...

2001 World Trade Center attack every 3 hours

2004 Asian Tsunami occurring every 11 days

2005 New Orleans Katrina occurring every 2 hours

2010 Haiti earthquake occurring every 10 days

A Vietnam War occurring every 2.5 days

U.S. Coronavirus Deaths every 12 days





*Can money buy happiness ?*



\*

**Yes, if...**

**Homeless**

• 564,708

**Food Insecurity**

• 42,000,000

\*World Bank Development Indicators





**Money  
&  
Happiness**

**US has the Highest  
Standard of Living  
In The World.**

- GDP – \$65,111 per Capita
- 354 % of the World's GDP



# Money & Happiness

## World Happiness Report

- US ranks #19
- 35% increase in suicide
- 10<sup>th</sup> leading cause of death

\*World Happiness Report 2019

# Happy Income Level

- Univ of British Columbia - \$50K
- Princeton University - \$75K
- Marist Institute - \$50K
- Harvard University - \$50K

Happy  
Money

# 5

## Principles to Happy Money

- Buy Experiences
- Make It a Treat
- Pay Now - Consume Later
- Buy Time
- Invest in Others



Technical

# 3 Dimensions of Money

Spiritual

Emotional

**Maslow**

**Meets**

**Money**

**Gift**

**Freedom**

**Dream**

**Independence**

**Independent**

**Security**

**Security**

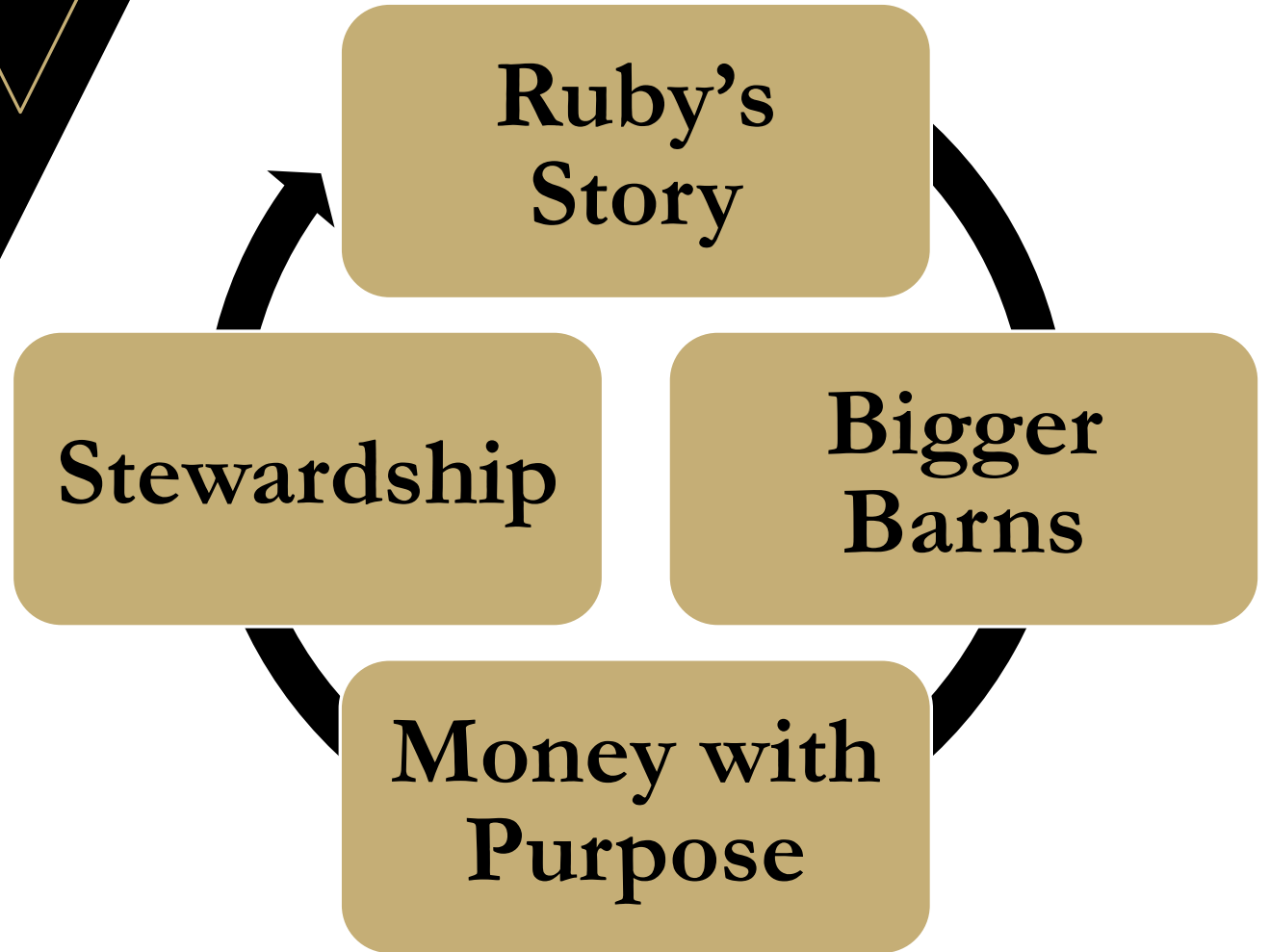
**Survival**

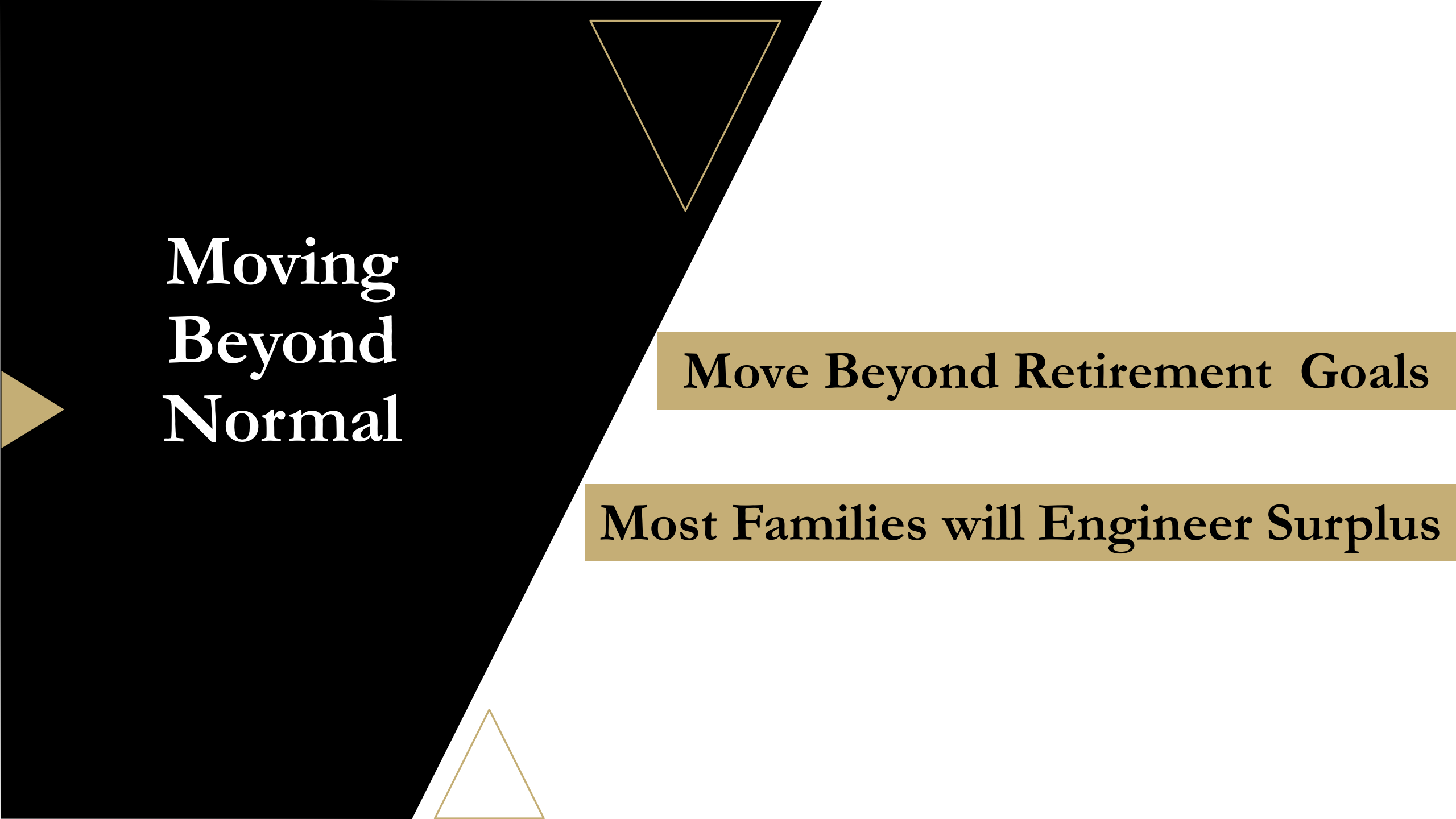




## **IV. What's My Story ?**

# My Journey





**Moving  
Beyond  
Normal**

**Move Beyond Retirement Goals**

**Most Families will Engineer Surplus**

**Can lose its power**

**Will never reach full potential**

**Will never find contentment**

**Negatively impact your life**

**Impact lives of loved ones**

**Money  
Without  
Purpose**

# Everyone Needs Four Buckets of Money

1.

**Emergency  
Money**

3.

**Later  
Money** \*

2.

**Now  
Money**

4.

**Legacy  
Money**



# V. The Lifetime Opportunity

**Andrew Carnegie**

**Bill Gates**

**Warren Buffett**

**Purpose  
Leads  
To  
Stewardship**




**The Catalyst  
for  
Change**

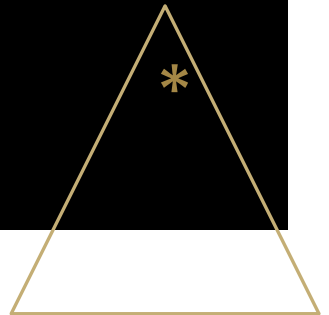
**Mainstreet Americans are  
the Keys to Change**

**Greatest Transference  
of Wealth in History**





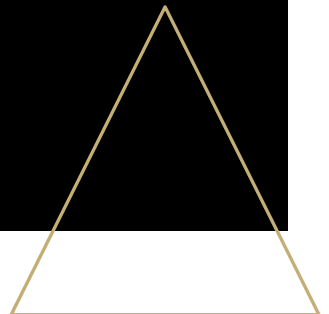
**“ We are experiencing the greatest transfer  
of wealth in the history of mankind  
on planet earth. ”**



# The Great Transference of Wealth

- Elder Generation - **12 trillion**
- Boomer Generation - **40 trillion**

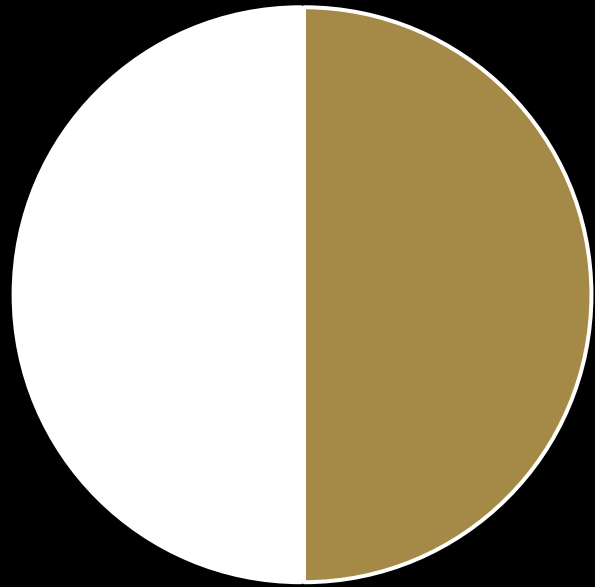
\* Boston Center of Wealth and Philanthropy





# **VI. The Threat to Family Wealth**

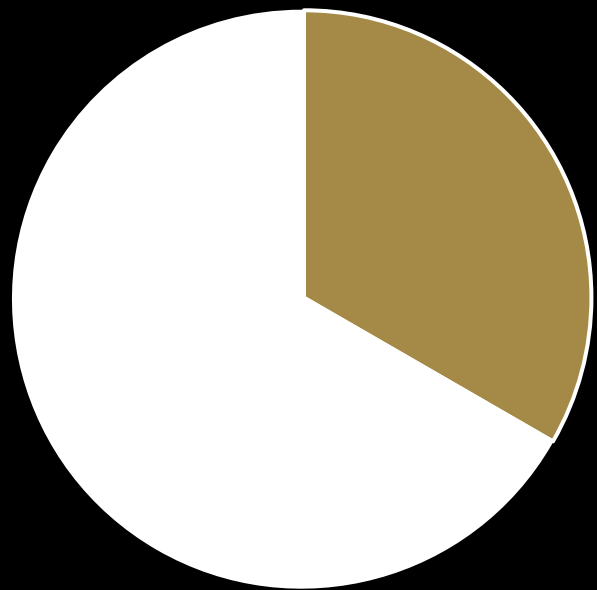
# Families are Grossly Unprepared



**48%** Baby Boomers only have some type of inheritance plan.

\* Allianz American Legacies Pulse Survey

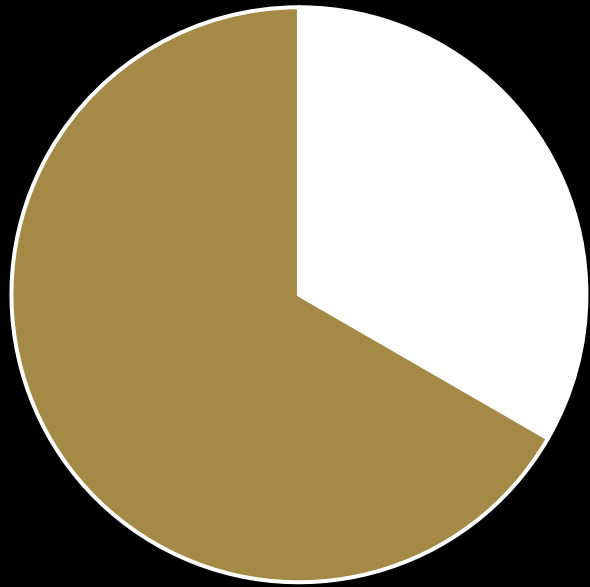
# A Real Threat to Family Wealth



**1/3** of American will spend  
entire inheritance within  
two (2) years.

\* Ohio State University, Federal Reserve & National Longitudinal Survey funded by the Bureau of Labor Statistics

# Lifetime of Labor & Legacies Lost



**2/3** of American will spend  
**50%** inheritance within  
two (2) years.

\* Ohio State University, Federal Reserve & National Longitudinal Survey funded by the Bureau of Labor Statistics

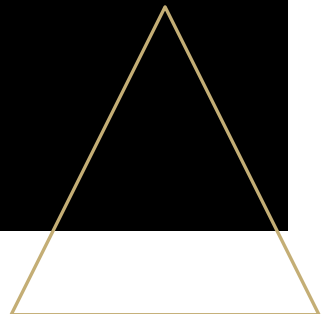


# The Great Coming Travesty

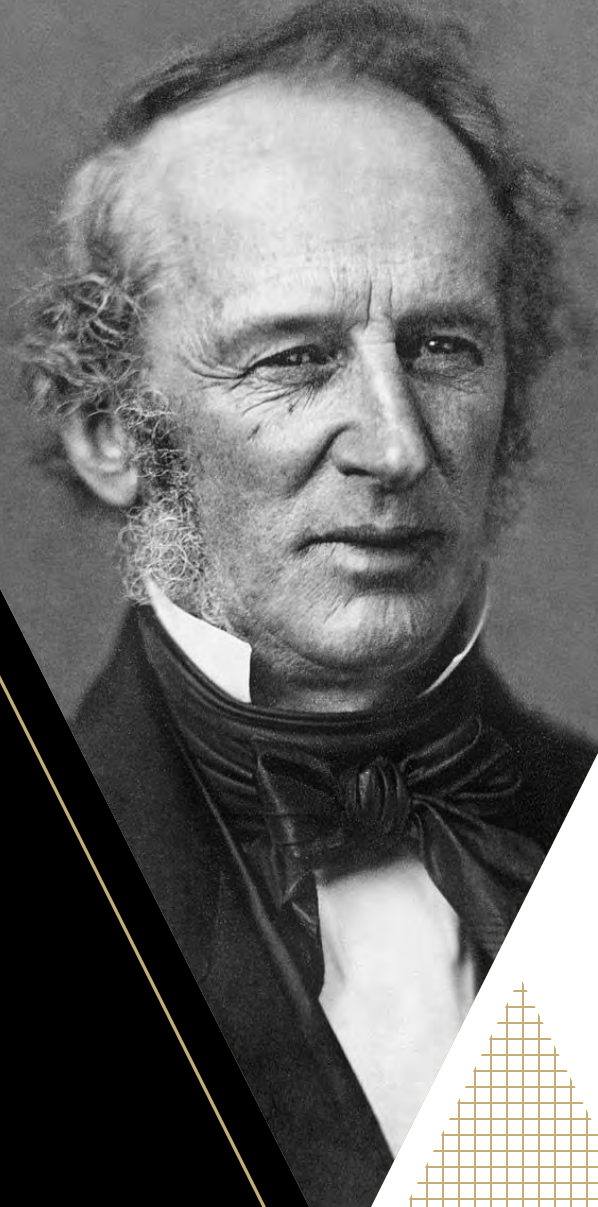
**70%** of families lose wealth by second generation\*

**90%** of families lose wealth by third generation\*\*

\* Williams Group, \*\*Harvard university




# Vanderbilt's Lesson



- Estate valued at \$95 million
- Equal to 50% of Treasury
- Richest Man on the Planet
- Today = \$2.16 Billion
- Within 30 years...
  - No family member among richest in USA
- Within 100 years...
  - Not a single millionaire





*“Any fool can make a fortune; it takes a  
man of brains to hold on to it.”*

- Cornelius Vanderbilt





**Families Need Stewardship Guidance.**





# VII. Build Your Team

**Build a  
Great  
Estate  
Planning  
Team**







# Deliver Personalized Solutions

- Certified Financial Planner
- Estate Planning Attorney
- Certified Public Accountant
- Insurance Professional
- Family Consultant

# Four Methods to Transfer Assets

- Beneficiary Designation\*
- Titling / Operation of Law
- Probate Process
- Trust Documents



# Basic Estate Documents

- Trust - Testamentary, Intervivos
- Pour-Over Will
- Financial Power of Attorney
- Medical Power of Attorney
- Living Will
- Personal Instruction
- Ethical Will - Stewardship



# **VIII. Broken Estate Planning Process**



# What Client Really Care About

## WHAT ADVISORS THINK

- **Control**
- **Tax Efficiency**
- **Asset Protection**
- **Return**

## WHAT CLIENTS WANTS

- **Communication**
- **Cohesion**
- **Identity**
- **Impact**

Investment & Wealth Institute, *“Adapt Change or Disappear”*

# Boomer Views on Estate Planning

**75%** said...  
“It is important to leave inheritance to children”

but only

**20%** said...  
“My children will be prepared to handle wealth”

Investment & Wealth Institute, *“Adapt Change or Disappear”*

# Opportunity to Deliver Value to Families

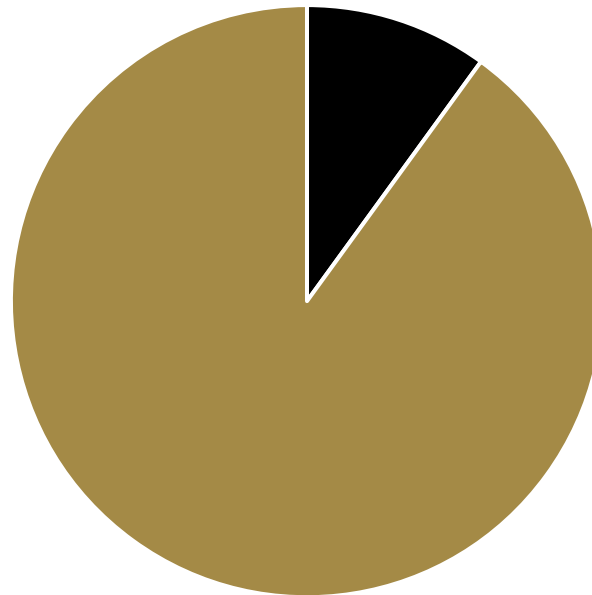
**54%** said...  
“I believe my family would benefit from formal principles to guide the **purpose of wealth**”

**10%** said...  
**but only**  
“actually have formal principles to guide the purpose of wealth”

Investment & Wealth Institute, *“Adapt Change or Disappear”*

# Boomer Views On Estate Planning

90%  
said...



“there planning  
did not align  
with goals,  
values and  
objectives”

\* Allianz American Legacies Pulse Survey



# **IX. Find A Better Way**

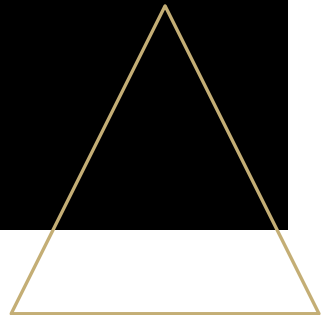


# We Can Learn From The Past

The family patriarch had three (3) responsibilities

1. Teach child the Torah
2. Train a child for trade and land for farming
3. Teach the child how to swim

Entrusted by David York



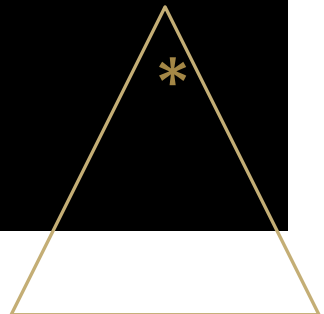


# A New Estate Planning Perspective

In today's term, families have three (3) responsibilities

1. Character & Values
2. Opportunity
3. Self-Reliance

“Entrusted David York





# Traditional Estate Planning Mindset

- Generic
- Asset-Focused
- Strategies to Transfer Capital
- Tax Efficiently
- Best Described
  - Divide
  - Dump
  - Defer
  - Dissipate

“Entrusted” by David York



- Beneficiary-Focused
- Preparing Future Generations to Maximize Potential
- Customized for Transfer **Total Wealth**
- Best Described as Focused on:
  - Goal
  - Value
  - Belief

# Purposeful Legacy Planning Mindset

“Entrusted” by David York

# Client Questions That Matter.

- If you could transfer all your financial asset without any tax or you could have grateful children, what would you pick?
- If you could average 12% on your investments, or had children who were self-reliant, self-sufficient, productive and mature, what would you pick?
- If you could completely protect all your assets or you had children who knew who they were and what they valued, what would you pick?
- If you could ensure that your assets were used exactly as outlined or that your family was engaged, involved and connected with each other 50 years from now, what would you pick?

Investment & Wealth Institute, *“Adapt Change or Disappear”*

# ▶ Wealth Transition Decisions

- Purpose - **The Why**
- Transfer – **To Whom\***
- Treatment – **How Much**
- Timing – **When\***
  - i. Current or Deferred
  - ii. Life or Death

# ▶ Wealth Transition Decisions

- Title – **What**\*
- Tools & Techniques – **How**
- Talk – **Communicate**



# X. Legacy Matters

Legacy is being  
built every day.  
What will  
someone **feel,**  
**think** and **say**  
when they hear  
your **name.**





# Legacy Matters

“Boomers **embraced** the idea of leaving a **“legacy”** because it captures all facets of an individual's life to include **family traditions, history, values and beliefs.**”

# Google Books Ngram Viewer

Graph these comma-separated phrases:   case-insensitive

between  and  from the corpus  with smoothing of  [Search lots of books](#)

[Tweet](#)

[Embed Chart](#)



Search in Google Books:

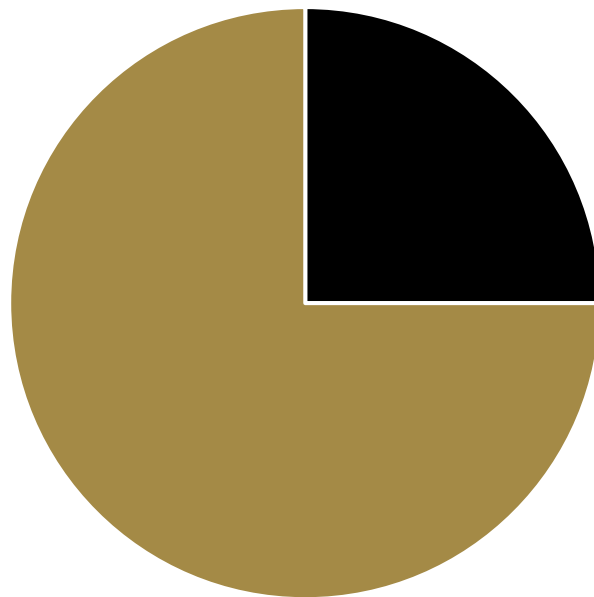




▶

# Future Generation to Remember

75%  
said...

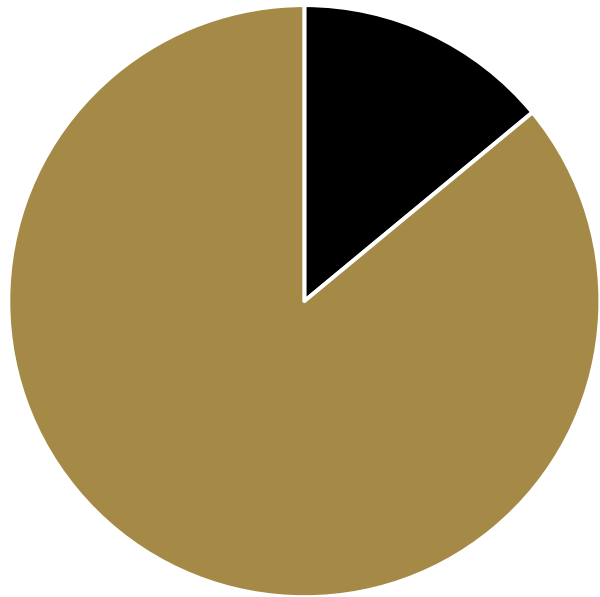


“..it is extremely important to me that future generations remember my parents and what mattered to them.”

\* Allianz American Legacies Pulse Survey

86%

said...



“they believed that it is very important to preserve family history and memories.”.”

**Preserve  
Family  
History**

\* Allianz American Legacies Pulse Survey





# **XI. The Legacy Conversation**



“ **Meaningful legacy conversations** can be a catalyst in defining a family’s purpose ”



# 8 Pillar of The Legacy Conversation.

- **Begin with Perspective**
- **Ask HD Questions**
- **Purpose Driven**
- **Stewardship**
- **Eliminate Silent Killers**
- **Tailored Approach**
- **Beneficiary Focused**
- **Dynamic**

Investment & Wealth Institute, *“Adapt Change or Disappear”*

**Legacy**

**Perspective**

**Total Wealth =**

**Values + Financial Resources**

---

**The Campfire Principle**

---

**Inspire Philanthropy**

# Ask High-Definition Questions

- Who are you? What do you believe? Family details?
- Describe your children's passions, struggles & triumphs
- If you could pass on one piece of advice?
- What would a family-gathering look like in 30 years?
- What do you want your family to think, feel and say when they hear your name?

Investment & Wealth Institute, *"Adapt Change or Disappear"*

# Helps Clients To Be Purposeful

- Identifying Beliefs
- Create Motto
- Vision Statement
- Mission Statement
- Goals & Objectives

Legacy

Purpose  
Driven



# Help Clients Break the Silence

- Provide the time & space for communication
- Deal with tough issues during parent's lifetime:
  - a) Lack of cohesion
  - b) Broken relationships
  - c) Avoid conflict

Legacy

Silent Killers



# Work with Estate Planning Professional to Customize Foundational Documents

- Instructions to be fulfilled
- Personal items of emotional value
- Beneficiary-focused strategies in transition of financial assets and real estate

Investment & Wealth Institute, *“Adapt Change or Disappear”*

**Legacy**

**Tailored  
Approach**



# Legacy

# Stewardship

## Embrace Stewardship


- The Role of a Trustee
- Building Your Family & Community
- Think in Terms of Infinity
- The **90%** Question
- Most Important Financial Question
- The Family's Financial Pie



“ What is enough? ”



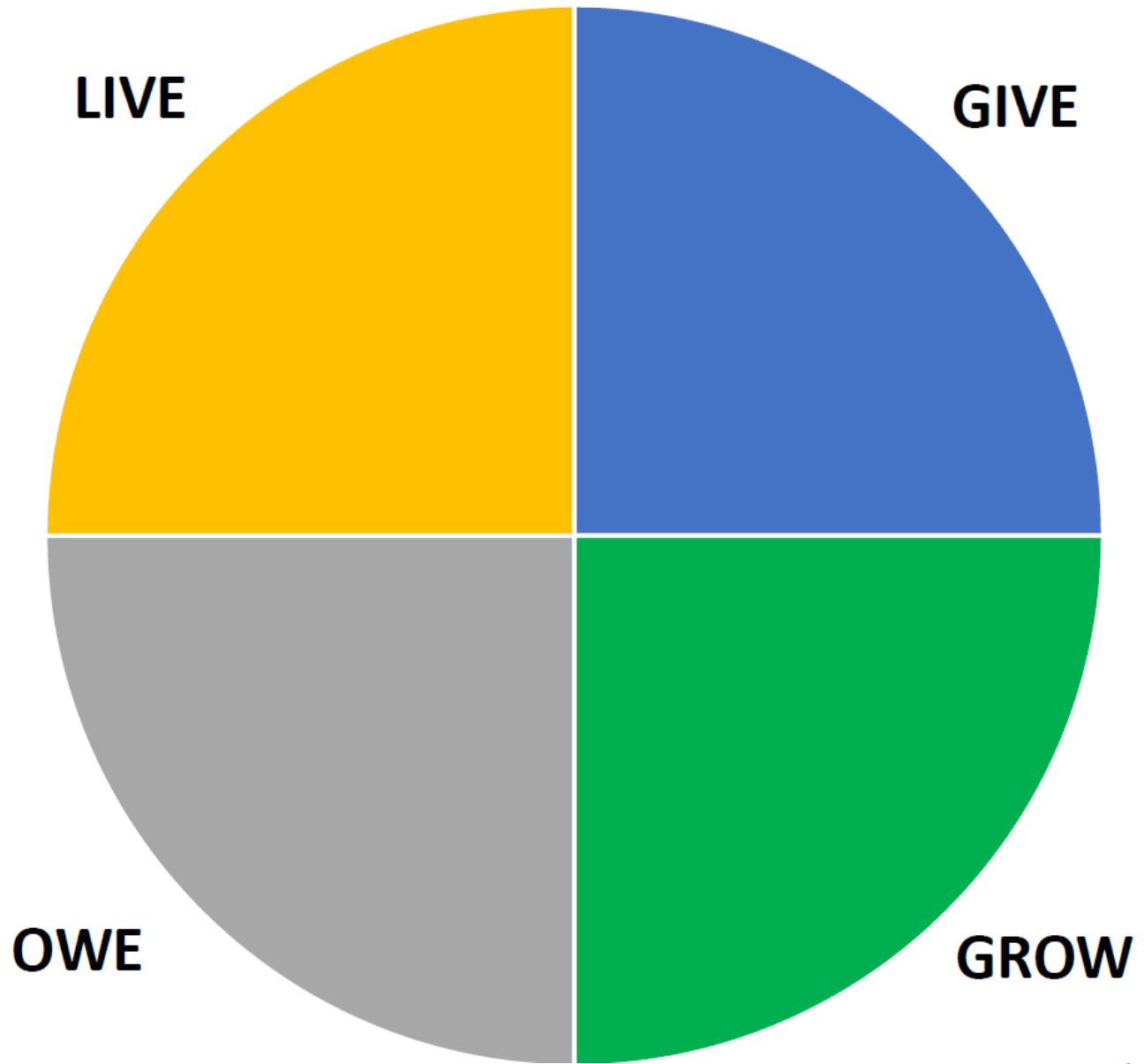
\*



“ If you **knew** that you and your family **had enough**, would you be inclined to **explore** how you could **invest** in the lives of those **less fortunate** and leave a legacy that can make a meaningful **impact** in your **family, community, and the world at large ? ”**

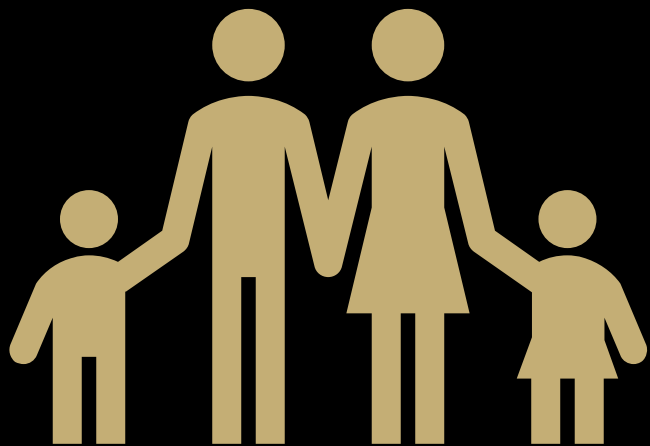


**The  
Financial  
Pie  
is  
Life's  
Rudder**



# Find Your Donor's Heart

62%



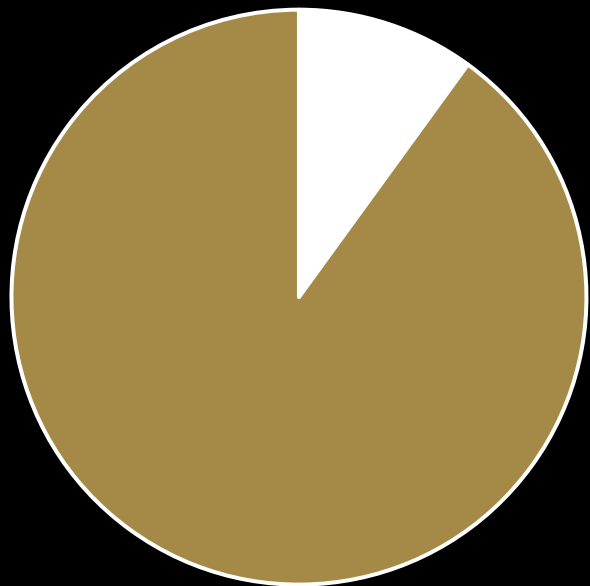
Investors believe that **philanthropy is important** to **educate** the next generation on **family values & legacy.**

\* State Street Global Advisors, *"The Heart of Wealth Management"*



# Find Your Client's Heart

90%



Investors who have an advisor guiding them on **impact investing** are satisfied or **extremely satisfied.**

\* State Street Global Advisors, *"The Heart of Wealth Management"*



# Philanthropy Conversations – Words Matter

- **Words for the Generational Mindset**

- Giving Away?
- Giving Back?
- Paying It Forward?
- Tax Deduction

- **Impact Investing**

**IMPACT**

# Help Clients Define their Impact Areas

- **Ask the right question...**
  - What would you like to see more of in the world?
  - What would you like to see less of in the world ?
  - What would you like to see sustained for your children & beyond

Investment & Wealth Institute, *“Adapt Change or Disappear”*



# **XII. Planned Giving Strategies**



**Stewardship**

**Money with  
Purpose**

**The  
Starting  
Point  
for all  
Planned  
Gifts**

# Nuts & Bolts of Planned Giving

**Immediate  
Gifts**

**Special  
Gifts**

**Split  
Interest  
Gifts**

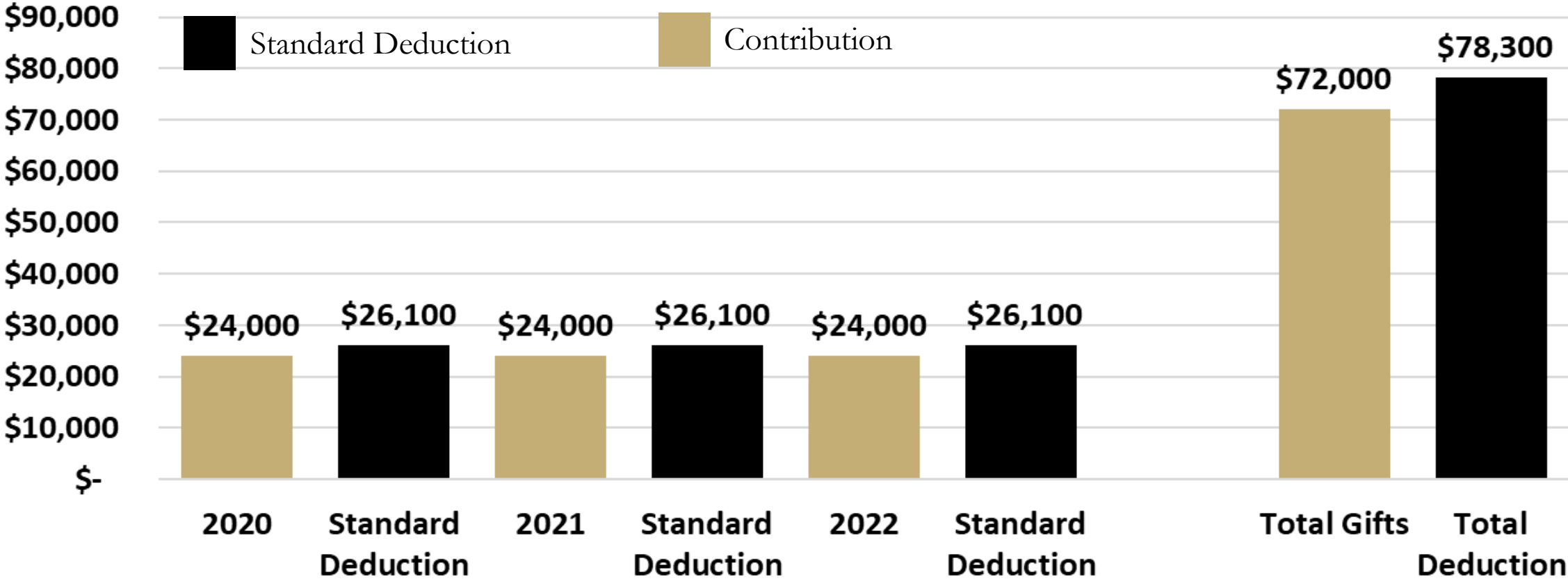
# Immediate Gifts - Planned Giving

- Cash\*
- Appreciated Stock
- Real Estate
- Tangible Personal Property
- Intellectual Property

\* Qualified Charitable Distribution (QCD)

# How Much Can A Donor Deduct ?

## Regular Contribution





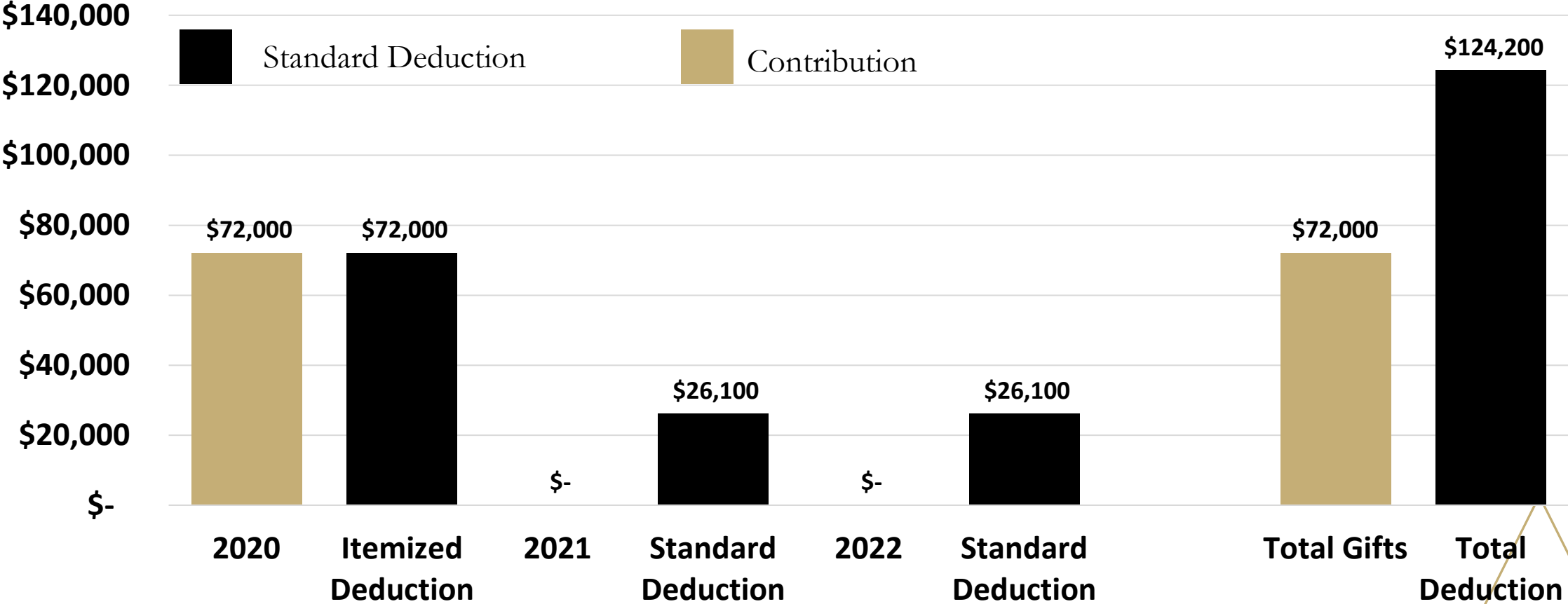
**The Answer...The Donor Can Deduct**

**\$0**



# Bundling Contributions Helps Donors

## 3-Year Bundled Strategy



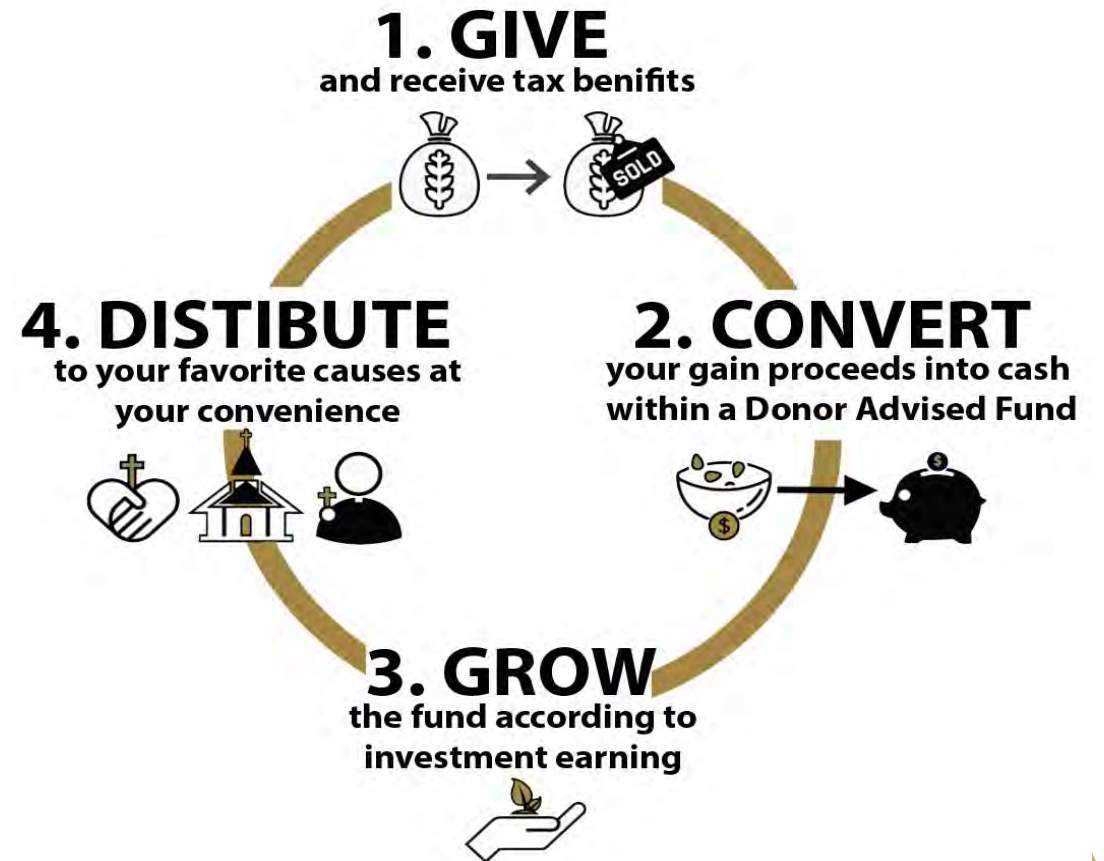


# Donor's Increased Tax Deduction

**58%**

# Special Gifts - Planned Giving

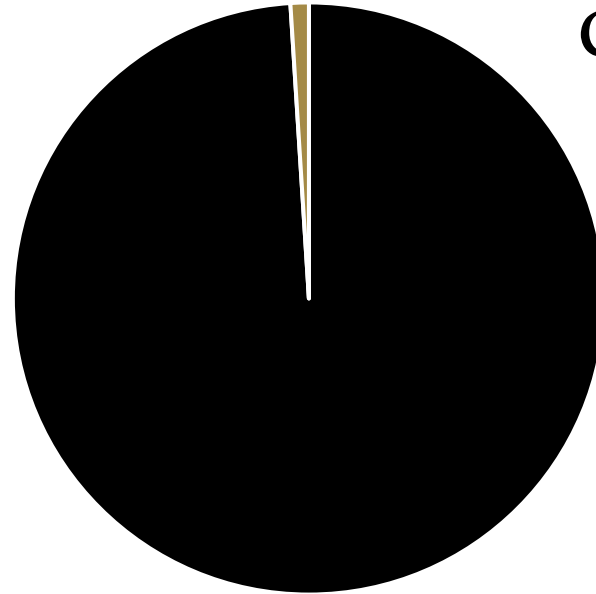
- Donor Advised Funds
- Private Foundation



# Opportunity with Donor Advised Funds

## 1.33 Million Charities

Charities that sponsor  
donor-advised funds  
comprise less than  
**1/10 of one percent.**



\* National Philanthropic Trust. *The 2019 DAF Report*



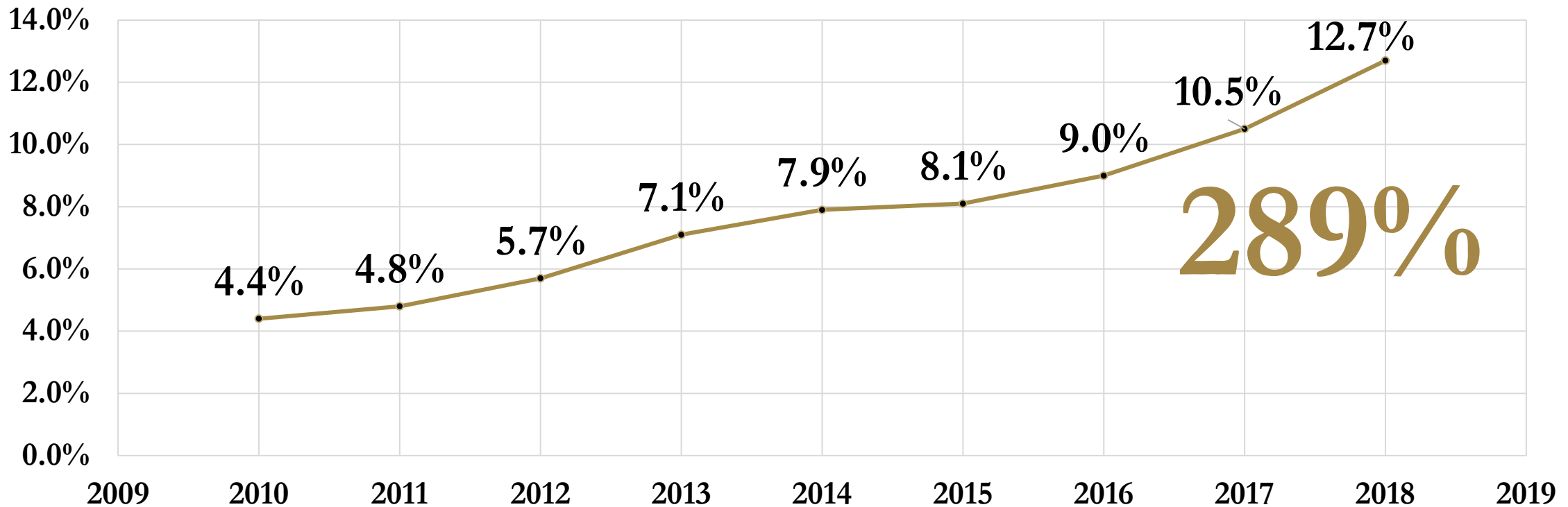
# Average Donor Advised Fund

**\$166,653**

\* Based on National Charities. National Philanthropic Trust. *The 2019 DAF Report*

# DAF Are Playing a Bigger Role of Giving.

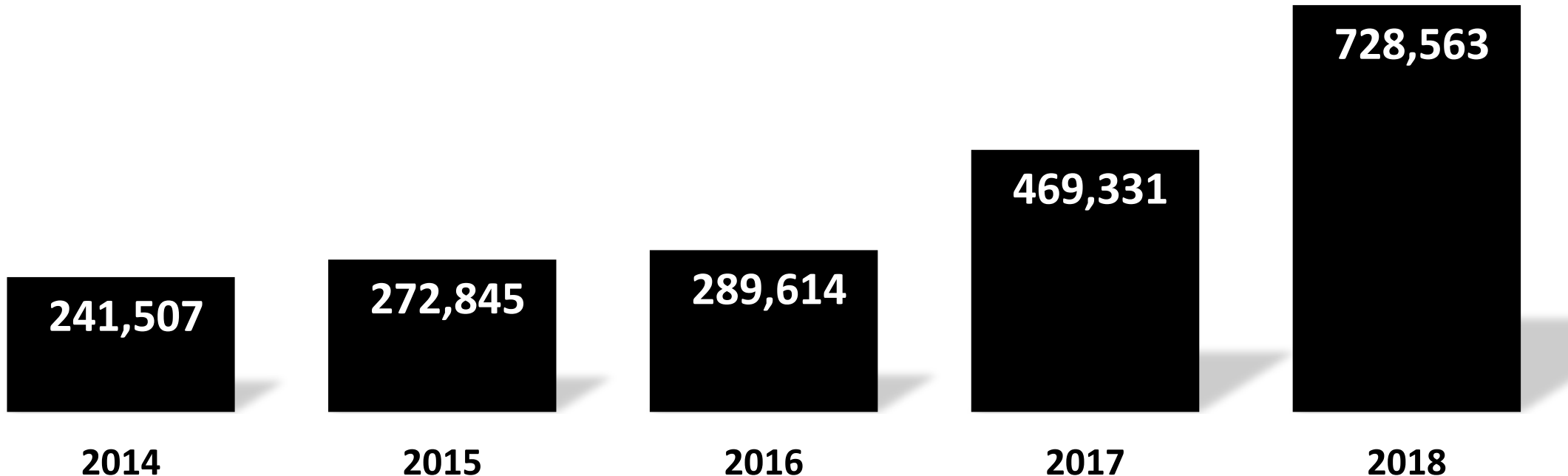
Contributions to DAF Expressed AS % of Total Individual Giving



\* National Philanthropic Trust. *The 2019 DAF Report*

# Number of DAF Accounts Grew **201.6%**

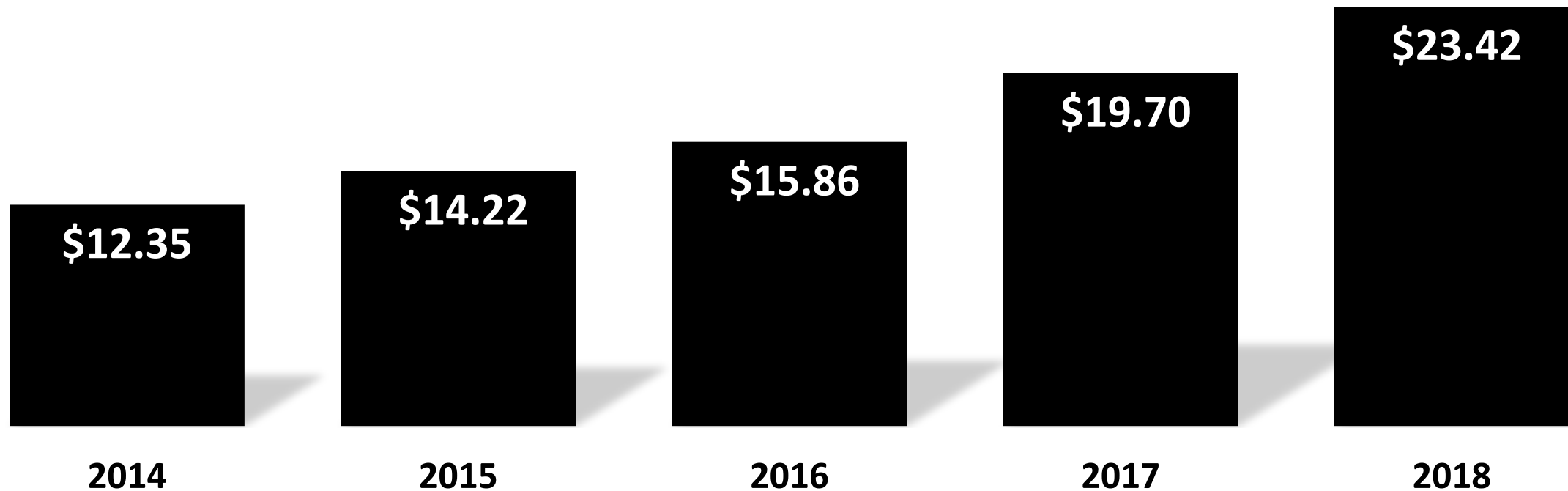
Total Number of Donor-Advised Funds



\* National Philanthropic Trust. *The 2019 DAF Report.*

# Grants from DAF Increased by 89.6%

Total Grants Made by Donor-Advised Funds (\$B)



\* National Philanthropic Trust. *The 2019 DAF Report*. Figures reported are in billions



# Split Interest Gifts - Planned Giving

- Charitable Gift Annuity
- Charitable Remainder Annuity Trust
- **Charitable Remainder Unitrust**
- **Charitable Lead Trust**
- Bargain Sale
- Life Estate



# Charitable Remainder Trust

- Charitably Inclined
- Highly Appreciated Assets
- Low-Cost Basis
  - Stock
  - Real Estate
  - Business
  - NUA / Rollover
- Needs / Wants Income
- Stretch IRA for Beneficiaries

## Candidates for Charitable Remainder Trust



# Charitable Remainder Trust

Income

Deduction

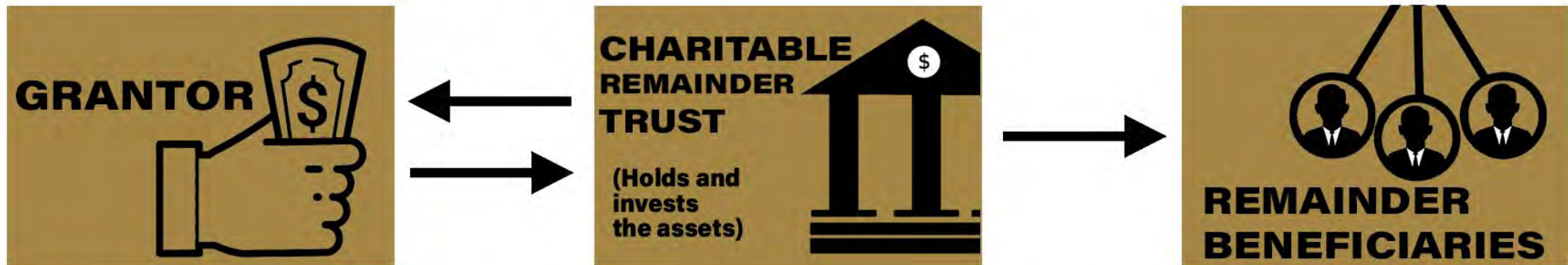
Exempt from Estate / Gift Tax

Avoids Immediate Capital Gain Tax

Largely Financed by Tax Law

# Charitable Remainder Trust

## 1. Gift of securities or other assets



2. Income for lifetime or term of years to grantor or named party

3. Remaining assets distributed to named charitable organization at death of grantor

**Charitable  
Remainder  
Trust**

**Case Study  
Part #1**

Joe & Joann Rancher – Age 74 & 72

\$500,000 Real Estate

Low-Cost Basis

Charitably Inclined

Prepared for the Unexpected

**Charitable  
Remainder  
Trust**

**Case Study  
Part #2**

Contribute Assets = \$500,000

Bypass Capital Gains = \$488,000\*

Tax Deduction = \$227,160

Lifetime Income @ 5% = \$25,000+

Projected Distributions = \$604,418

**Charitable  
Remainder  
Trust**

**Case Study  
Part #3**

Utilized Portion of Income to Fund  
**\$400,000 GUL Policy**

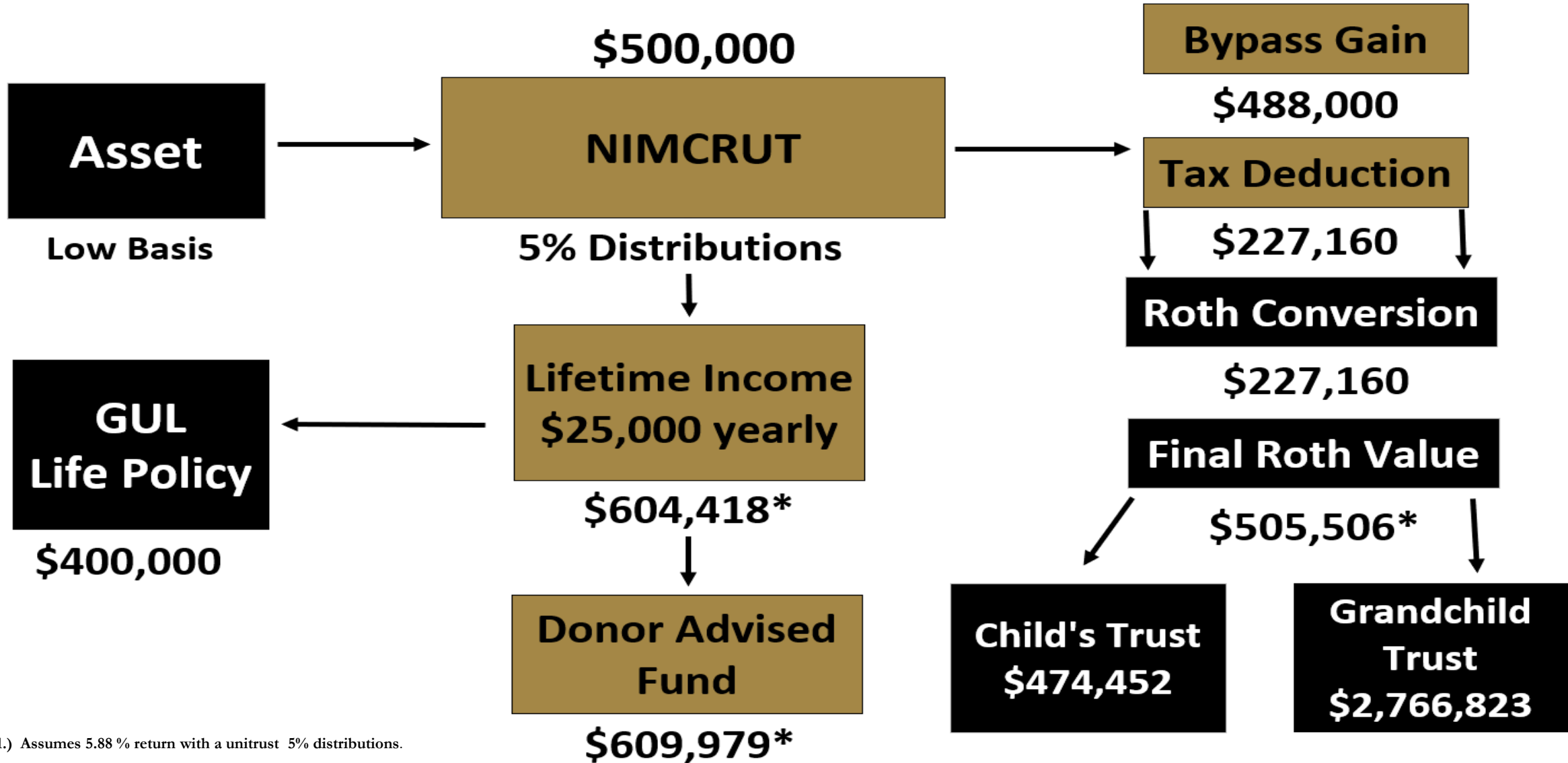
Utilized Tax Deduction for ROTH  
Conversion.

Designated Child's ROTH IRA =  
**\$474,452**

Designated Grandchild's Trust=  
**\$2,766,823\***



# Charitable Remainder Trust



1.) Assumes 5.88 % return with a unitrust 5% distributions.

2.) Child scenario assume 6.5% return until full retirement, then full distribution.

3.) Grandchild scenario assumes 6.5% return until grandchild reaches full retirement, then full distribution.


# Total Impact on Long-Term Family Wealth

**\$4,245,702**

**Give & It Shall Be Given...Generosity Pays**



# Charitable Lead Trust

- 
- Charitably Inclined
  - Cash Assets
  - High-Cost Basis Asset
  - High-Income Earner
  - Liquidity Event
  - Needs or Wants Asset Later

Candidates  
for  
**Grantor**  
Charitable  
Lead  
Trust



# Charitable Lead Trust

Return of Principle

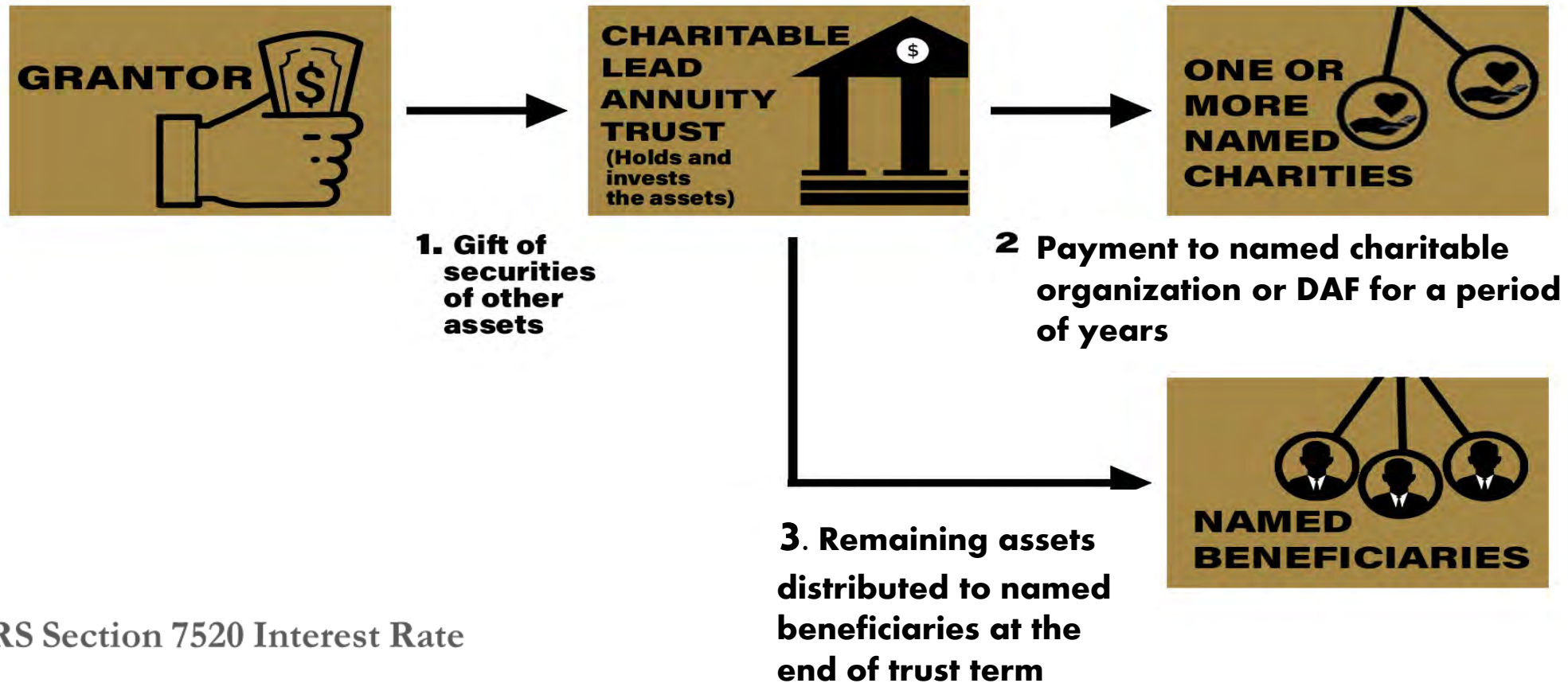
Income to Charity

Deduction for Tax Purpose

Grantor or Non-Grantor\*

Estate & Gift Tax Mitigated\*

# Grantor Charitable Lead Trust



IRS Section 7520 Interest Rate

**Grantor  
Charitable  
Lead  
Trust**

**Case Study  
Part #1**

Betty Banker– Age 57

\$50,000 Checking Account

High Cost-Basis

Charitably Inclined

Prepared for the Unexpected

**Grantor  
Charitable  
Lead  
Trust**

**Case Study  
Part #2**

Contribute Assets = \$50,000

Tax Deduction = \$ 26,000

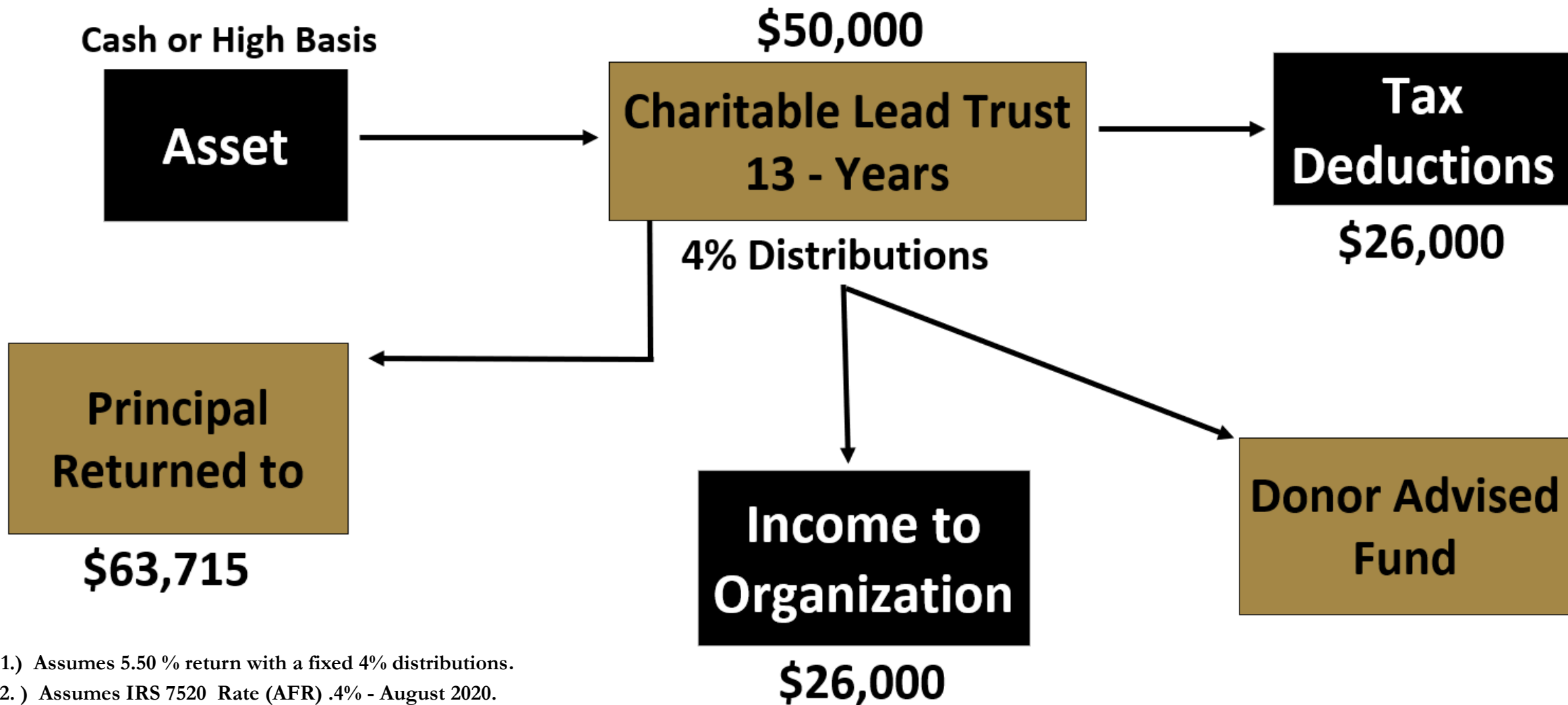
Income to Charity @ 4% = \$26,000

Principle Returned = \$ 63,715

Low IRS 7520 Rate (AFR)



# Grantor Charitable Lead Trust



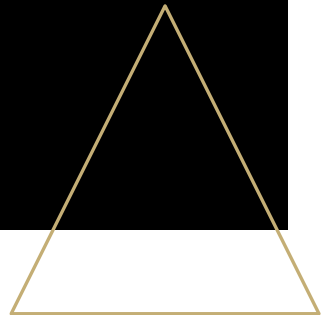
1.) Assumes 5.50 % return with a fixed 4% distributions.

2.) Assumes IRS 7520 Rate (AFR) .4% - August 2020.



*“Opportunities don’t happen.  
You create them.”*

- Chris Grosser





# Matthew O'Reilly

“Am I dying”

- Forgiveness
- Remembered
- Meaning

**Please Complete  
Survey**

**Contribute  
\$50 for Each**



# Thank You



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