

\$1 BILLION IN LEGACY COMMITMENTS:

An Effective Strategy to Build Your Endowment



“Providing Jewish communities with proven tools and training to help them secure their long-term financial goals is absolutely vital. Through the LIFE & LEGACY® program, I’m hopeful that we will be able to help sustain vibrant communities that allow future generations to enjoy our rich Jewish culture and heritage.”

- HAROLD GRINSPOON



INTRODUCTION

Many nonprofit Jewish organizations have been left in precarious financial positions due to the COVID-19 pandemic. Unfortunately, this is just the latest in a long list of disasters that have impacted society. We have faced hurricanes, floods, wildfires, shifting politics and the global financial collapse in 2007, and we will face more in the years to come. Raising cash is a temporary, short-term fix. Organizations need a more robust solution to ensure their survival.

Endowments are the answer.

An endowment fund is no longer a luxury. It can provide long-term, financial stability for the nonprofit organizations that serve a vital role in the fabric of a Jewish community. With an endowment in place, organizations receive a steady stream of cash flow into the future, thus putting less stress on annual operating budgets.

This is the ideal time to establish a new endowment or promote commitments to an existing endowment. According to the Chronicle of Philanthropy, Baby Boomers are in the process of transferring an estimated \$8.8 trillion by 2027, and the pandemic has ignited a surge in estate planning. Leaving after-lifetime assets to an endowment provides community members with another way to make a difference and secure the future.

LIFE & LEGACY® provides training, support, and monetary incentives to Jewish organizations that want to build permanent endowments. **In just under eight years since the Harold Grinspoon Foundation launched this initiative, sixty-three Jewish communities across the US and Canada have secured more than \$1 billion in legacy commitments.**

From Chicago to Charleston and Montreal to Calgary, more than 17,000 individuals have answered the call with nearly 28,000 legacy commitments to support the Jewish organizations they care about. Loyal donors are honoring values instilled by parents and grandparents, commemorating loved ones and perpetuating Jewish values of generosity and tzedakah. **New and existing endowments have already received more than \$112 million, and distributions are supporting organizational operating budgets.**

Surpassing the \$1 billion milestone is the tip of the iceberg. LIFE & LEGACY does not just strengthen communities financially; it strengthens them socially. The initiative brings together organizations that previously saw each other as competitors. They become trusted partners who cooperate, share resources, learn from, support, and celebrate one another.

Legacy giving is becoming a social norm in these individual communities, and it is our goal to ensure it becomes normative donor behavior within all Jewish communities across North America. Donor stewardship has led to greater connectedness and engagement of donors. We share their stories, list their names and honor them at events.

To all donors who support an organization on an annual basis, know that you can increase your impact by making a legacy commitment. When you do, synagogues will continue to be a Jewish sacred space in which to gather, make friends, celebrate, mourn, pray and live among others with shared values. Jewish day schools will continue to educate our children in a loving environment and teach what it means to be part of a community. Jewish social service organizations will continue to care for the vulnerable among us.

This white paper provides an overview of how the LIFE & LEGACY initiative works, common myths about endowments and a detailed look at its success in three very different Jewish communities in the US. But first, we will look at the origins of the program.

BACKGROUND



LIFE & LEGACY has its roots in San Diego, California. Gail Littman (of blessed memory) and Marjory Kaplan, former CEO of the San Diego Jewish Community Foundation, launched the Endowment Leadership Institute (ELI) in 2004.

Word of its success soon reached Harold Grinspoon, a philanthropist who is committed to preserving vibrant Jewish life through his eponymous foundation. In 2008, he invited Gail to launch a similar initiative in his hometown community in western Massachusetts.

Along with Areivim, a two-year pilot program in four major cities funded by Harold Grinspoon, the San Diego Jewish Community Foundation and several other funders, the initiative was a huge success. After integrating legacy giving into the Harold Grinspoon Foundation's (HGF) camp program, Harold convinced Gail to join HGF in 2012. The initiative was renamed LIFE & LEGACY and relaunched just before Gail tragically passed away in December 2012. Four months later, Arlene D. Schiff took the reins of LIFE & LEGACY.

The success of LIFE & LEGACY is the result of a structured curriculum, accountability, incentives and organizational commitment to endowment building.

HOW IT WORKS

LIFE & LEGACY is a culture-changing initiative with a four-year structured curriculum. During the program, organizations within a Jewish community learn how to create a sustainable endowment process. Recognizing that this is a big undertaking, the Harold Grinspoon Foundation (HGF) offers incentive grants every year for four years to recognize and reward the community's success.

The ultimate goal of an endowment is to provide an organization with a steady stream of funds. Ideally, 20% or more of an organization's operating funds come from their endowment. If membership or fundraising dips – or a pandemic abruptly arrives on the scene – the organization will not teeter on the verge of collapse.

LIFE & LEGACY does much more than support and encourage legacy giving in Jewish communities. It is a community-building enterprise that emphasizes collaboration. As a result, it creates a united and strong Jewish community for future generations.

To begin, a Jewish Federation or Jewish Community Foundation (JCF) makes a commitment to help local Jewish organizations (for example, synagogues, day schools, community centers and social services) within its catchment area build endowments through after-lifetime giving. The Federation or JCF applies to be part of LIFE & LEGACY. Once accepted, the Federation or JCF partners with 10-15 local organizations and hires a Legacy Coordinator to administer the community-wide effort. The Legacy Coordinator in each community is instrumental to the initiative's success. They mentor organizations throughout the process, helping them integrate legacy giving and change their organizational culture.

Each of the local organizations form a Legacy Team consisting of professionals and lay leaders who are committed to the concept of legacy giving and willing to assist in securing legacy commitments.

“LIFE & LEGACY has been successful in every community with which it has partnered. All of our communities have made their first-year legacy commitment goals, and with only a few exceptions, have met the goals all four years.”

– ARLENE D. SCHIFF



HOW IT WORKS

THE INCENTIVES

The incentive grant program is a key component to LIFE & LEGACY's overwhelming success. During Years 1-4, HGF provides funding to the federation or JCF for the program, which includes incentive grants to reward the local organizations for reaching their annual legacy giving goals. In Year 5, we offer each community a \$10,000 grant to assist them in continuing to administer their community-wide legacy initiative as HGF incentive grant funding and on-site trainings come to an end.

HGF provides up to one-third of the Federation or JCF's annual LIFE & LEGACY budget up to a maximum of \$100,000 per year for four years. This ensures incentive grants are offered and some administrative expenses are covered. The Federation or JCF provides the remaining two-thirds of the annual budget either through their annual budget, proceeds from an endowment or funding provided by individual donors. We require that the incentive grants to local organizations be a minimum of \$5,000 each year. We also encourage communities to offer a tiered incentive grant. This helps ensure local organizations remain motivated once they reach the minimum incentive grant goal.

In the beginning, the incentives are key to motivating organizations to do the work necessary to meet stated goals. As they see success, they become internally motivated and begin applying the lessons learned through LIFE & LEGACY to their organization overall and its other development efforts. The incentives play a critical role in changing each organization and the community's culture of philanthropy. They also motivate donors to take action on making a legacy commitment in a timely way, rather than putting it off as something they can do in the future (in much the same way a matching grant motivates donors to make a cash gift today).

PROGRAM OVERVIEW

Each year builds upon the previous year. During the first year, HGF provides Legacy Teams with the tools they need to lay the foundation for a successful initiative. In Year 2, we build upon Year 1 stewardship activities, encourage more legacy commitments and increase marketing. In Years 3 and 4, we focus on helping donors legally put in place the commitments they made in Years 1 and 2, striving for at least 75% formalization. We also require organizations to further integrate effective stewardship activities into the culture of their organizations, as long-term stewardship is key to keeping donor legacy commitments in place. Years 3 and 4 focus on setting each organization up for long-term sustainability of their legacy initiative to ensure that on an annual basis, in perpetuity, they are continuing to market the concept of legacy giving, securing new commitments, stewarding donors and formalizing gifts. In Year 4, we instruct organizations on how to think through all the elements needed to sustain their efforts to date and provide a format for putting this plan in writing.



HOW IT WORKS

YEAR 1: *Building a foundation for legacy giving*

The first year is an intense, hands-on timeframe for both HGF and the Legacy Teams.

Legacy Teams receive training and guidance on creating a Legacy Plan; begin having Legacy Conversations with members of their communities; marketing their Legacy initiative; and take initial steps to effectively steward donors. They submit quarterly reports to monitor progress, help them stay on track, and address any challenges that arise. Communities set aggregate goals, create Letters of Intent forms and implement the initiative.

At the end of Year 1 (and all subsequent years), each Partner submits an actual budget, final quarterly report for the year and a list of incentive grants due to participating organizations. HGF then issues the first year's matching payment, and the Partner celebrates with a community-wide event to thank and honor those donors who have made a legacy commitment to one or more organizations. In many cases, this is the first time that donors from different organizations, levels of wealth and demographics have been brought together simply to be thanked for their support. This yearly gathering becomes an eagerly anticipated event each year and signifies a community-wide shift from competition to collaboration among local organizations.

YEAR 2: *Embracing legacy giving*

To kick off Year 2 (and subsequent years), HGF and each Partner evaluate the program to date and establish both organizational and community-wide legacy commitment goals. Meanwhile, Legacy Teams build on what they learned during Year 1. They receive training on how to follow up on Letters of Intent so donors legally put their legacy commitment in place. They review best practices in the areas of having conversations, marketing and stewardship, including how to integrate legacy conversations into all fundraising solicitations and become more donor-centric organizations. This is the year when organizations gain competency in engaging with donors, deepening relationships, having legacy conversations, securing commitments and being good stewards.

YEAR 3: *Legally formalizing legacy commitments*

At the beginning of Year 3, Legacy Teams are encouraged to share an organization's impact and legacy donor testimonials to encourage additional legacy commitments. They also document and implement stewardship plans for the year that move donors to a legally formalized commitment. Halfway through the year, HGF meets with each Legacy Team to celebrate their successes and brainstorm around challenges.

YEAR 4: *Ensuring sustainability*

In Year 4, each Legacy Team undergoes sustainability training. They receive a sustainability workbook to help them plan how to carry on their initiative once HGF funding is no longer available as a motivator. This final training helps each organization develop additional ways to integrate legacy giving into their culture.

Year 4 brings heightened confidence among organizations and their teams. At this point, legacy giving is fast becoming a social norm with the publication of legacy donor names, donor testimonials and effective stewardship.

HOW IT WORKS

THE LETTER OF INTENT HAS A STARRING ROLE

The beauty of the Letter of Intent is that it provides donors with one form in which to leave commitments to multiple organizations. In other words, organizations within a community, from pre-schools to synagogues, do not compete for legacy gifts. Instead, they work together to secure the future of their entire community.

If a donor doesn't disclose the value of their gift, Partners use an estimate. Based on our research, the national average for Legacy Gifts is in the \$32,000 - \$72,000 range. We decided to be very conservative and, the majority of our community partners use \$25,000 as a placeholder.

A few larger communities we have worked with use \$50,000 as their average, because that is their actual experience. Some small communities use \$10,000. Actual gifts range from \$1,000 to \$10 million.

LIFE & LEGACY *by the Numbers*



63
communities



680
organizations



Nearly **28,000**
legacy commitments



\$1.04 billion
committed to the
Jewish future



More than
\$112 million
already placed in endowments

MYTHS ABOUT ENDOWMENTS

Myth 1: The Legacy Conversation is about the donor's death.

A Legacy Conversation is not about death. Rather, it's a conversation that focuses on giving the donor the opportunity to do something significant during their lifetime.

Myth 2: Legacy Gifts are only given as cash.

Legacy gifts can be made via life insurance policies, annuities, retirement funds, bequests or other assets.

Myth 3: Legacy gifts take away from family inheritance.

In our experience, the majority of an estate is left to family members. Legacy commitments usually represent a small percentage of an estate or other asset.

Myth 4: Only the wealthy participate.

Wealthy community members are not an organization's only prospects. We have found that the best prospects are your most loyal donors.

Myth 5: Legacy giving hurts annual campaigns.

The opposite is true. One researcher found that donors increase their annual giving by a remarkable 75% after making a legacy commitment. They are more informed, more connected and more engaged.

Myth 6: We don't have the time to create a legacy giving program.

You are already spending time on donor relations for annual campaigns, so you absolutely have time for conversations about legacy giving.

SUCCESS STORIES

*Charlotte, NC
Completed the 4-year
L & L curriculum in 2017*



Phil Warshauer,
Executive Director,
Foundation for the
Charlotte Jewish
Community

"It's ultimately not about the needs of the community or organization; it's about identifying and connecting with the passions of the donors."

When the Foundation for the Charlotte Jewish Community joined LIFE & LEGACY in 2012, the Executive Director, Phil Warshauer, had no doubt it would be successful. "I was very aware of the program's success in San Diego, where it originally started," he said. "I had high expectations it would be successful here in Charlotte."

And successful it has been: To date, \$27 million in legacy gifts have been committed from 400 individuals and families. "We think that number is very conservative," Mr. Warshauer pointed out.

It was not smooth sailing into LIFE & LEGACY. As Mr. Warshauer said, nonprofits know they should have a planned giving program in place, but it can be hard to drum up enthusiasm for something that's constantly pushed to the backburner. "Incentive grants made a bigger difference in the actions of the organizations than I anticipated," he explained. "It was the hook that got people to care about the long-term sustainability of their organization and evolution of their community."

The Foundation's goal was to ensure that every donor went beyond the commitment and formalized their legacy gift. Because of LIFE & LEGACY's success, organizations begin each fiscal year on a more solid footing; they know a certain percentage of their funding represents both current and past donors.

Charlotte is a unique Jewish community. A majority of Jewish organizations are located on one campus, and many community members have served on various boards with various organizations. Even with an estimated 12,000 – 15,000 Jews in and around the city, it often feels like everyone knows each other.

"There is more collaboration than competition," Mr. Warshauer said. "When a donor is approached by one organization, they usually stop to think about the other organizations they support - and they leave legacies to those organizations, too. The term we heard initially from our colleagues in San Diego was coop-itation (a combination of cooperation and competition). We wanted to create a culture of philanthropy, which we have done."

SUCCESS STORIES

*Omaha, NE
Completed the 4-year
L & L curriculum in 2018*



Howard Epstein,
Executive Director of
the Jewish Federation of
Omaha Foundation

“When I heard about LIFE & LEGACY, I asked why we hadn’t done something like this before.”

Howard Epstein, Executive Director of the Jewish Federation of Omaha Foundation, might have been enthusiastic about joining the program, but his board of directors was not. “They were concerned it would take money away from our Federation’s perpetual annual campaign endowment and Lion of Judah program,” Mr. Epstein explained. “Eventually the board said, let’s do it. I was optimistic; I thought we could raise \$10 million for the endowment. Our board didn’t think we could.”

The Jewish community in Omaha immediately embraced legacy giving. They are approaching \$22 million in promised gifts, which represents 675 signed commitments from 350 individual legacy donors. They have already received some substantial gifts and have found that most people are giving to multiple organizations.

One of the biggest surprises has been the size of the gifts. A single woman of fairly modest means left a legacy gift in the \$1 - 1.5 million range. A Holocaust survivor left \$125,000 to multiple causes. “We assigned the value of \$25,000 to both of those gifts,” Mr. Epstein said.

“I met with an older couple who lived in a modest home in a modest neighborhood,” Mr. Epstein continued. “They said they’d like to leave a gift to the synagogue and federation. I said, ‘Great! Let’s fill in a dollar amount.’ They responded, ‘Well, we don’t want to sound overly optimistic, so why don’t you put us down for \$10 million.’ By the way, this is not calculated as part of that \$22 million [mentioned above]. In the interim, they decided to start giving until they pass away. They have given in excess of \$700,000 to two endowments.”

With only 6,500 people, the Jewish community in Omaha is small. LIFE & LEGACY has helped it become more engaged, cohesive, cooperative and sustainable. “One thing that we are grappling with is the tendency of the Jewish population to gravitate to larger cities,” Mr. Epstein said. “We have a concern that the younger generations will move away and stay away. The endowment income will be important to sustaining a vibrant community and attracting Jews who are interested in small city living.”

SUCCESS STORIES

*Orange County, CA
Completed the 4-year
L & L curriculum in 2017*



Wendy Arenson,
Executive Director of
the Jewish Community
Foundation of
Orange County

“We knew about the transference of wealth that was taking place, and these generations weren’t giving to Jewish organizations.”

When Wendy Arenson joined the Jewish Community Foundation of Orange County as Executive Director, leadership was already discussing the need for an endowment. Ms. Arenson instinctively knew that they needed a program that would leverage other organizations in the Jewish community, which, at around 8,000 people, is relatively small.

“People were very much in their silos,” Ms. Arenson explained. “The only way they engaged with the Jewish community was through their synagogue. It was clear that we needed to break down the silos so we could have one Jewish response. I also knew we needed to change our approach to philanthropy.”

Before they could apply to join LIFE & LEGACY, Ms. Arenson worked hard to build trust between the federation and other Jewish organizations. “We had to get leaders from these organizations to expose their donors to us and other organizations. My expectations were moderate. I was hopeful we would have some success and that it would bring the community together.”

In fact, LIFE & LEGACY has been a tremendous success in Orange County. At the close of 2019, they had received 719 legacy commitments; the conservative value of those commitments is \$18.9 million, with \$7.4 million realized to date.

“Financially, legacy giving provides us with the potential for a vibrant Jewish future,” Ms. Arenson said. “Relationship-wise, it gives us the ability to do new and exciting things together. Organizations are having conversations about combining resources to be more effective. Donors look at the community as a whole and it opens the door to new relationships, deeper understanding and stronger connections. This has been especially helpful during the pandemic.”

As LIFE & LEGACY extends its reach, and more Jewish individuals become legacy donors, we can assure there will always be Jewish life in cities across North America. No one can predict the future, but we are confident there will be vibrant Jewish life for generations to come.



JOIN US

The devastating economic impact of the pandemic has made it clear that Jewish communities must act now to secure a strong, vibrant and financially stable future. For those Jewish communities in the US and Canada who have not joined LIFE & LEGACY yet, this is the time to take action. As initially envisioned, we planned to take on new communities during a 10-year period. We are currently in Year 8, and we want to integrate legacy giving into the culture of as many North American Jewish communities as possible. Please contact us to learn more about getting started.

Visit us at jewishlifelegacy.org or call us at (413) 276-0784.

Note: Because LIFE & LEGACY is supported by a Jewish foundation, we cannot partner with nonprofit organizations outside the Jewish community. Based on the tremendous success of LIFE & LEGACY with 680 organizations, we know that a long-term legacy giving initiative can absolutely work for you. Stop thinking about it – just do it!

For a full list of participating communities:
jewishlifelegacy.org/communitypartners