



YEAR-END GIVING GUIDE

FINISHING STRONG *in 2020*

DECEMBER

31

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Note From the Authors

No one could have imagined the impact of the pandemic a year ago. As we enter the final weeks of 2020, we continue in uncharted water with no precedent, formula or experience to lean on to determine where to go from here. You and your team have gone to extraordinary efforts to create meaningful worship, make connections, and continue to reach your community through it all. Over the past nine months we have had the privilege of collaborating and talking to pastors all over the country who are working diligently and prayerfully to lead their congregations in this new environment.

Well, the year is almost over (cheers!) and many are concerned about December giving and ending the year in a strong financial position. Even if you have a cash reserve due to a forgiven PPP loan or lower-than-anticipated expenses, no one knows what curve-balls 2021 will bring. You want to end the year with the assurance that your ministry will be fully funded.

So, what can you do in these last weeks of 2020 to engage your contributors and encourage strong financial support?

That is why we created the Year-End Giving Guide to share some ideas and resources you can put into action now to increase giving and finish the year strong.

Here are six strategies to help you end the year strong and successfully launch 2021:

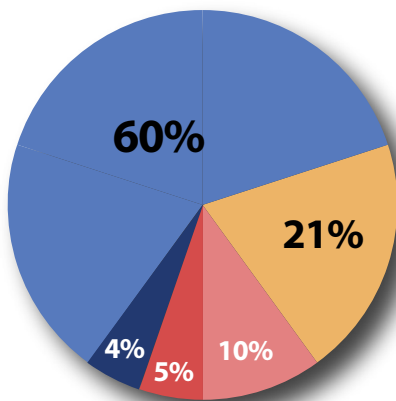


STRATEGY
ONE

Let Your Donors Decide to Give or Not to Give

This may sound odd, but so often, we are convinced we know what our donors are thinking. Instead of allowing them to decide for themselves, we make up reasons why they might not want to be asked. They don't have any more to give. They are struggling financially. They are tired of being asked. Deciding for your donors not only derails your generosity efforts, but also encourages your donors to give their gifts to someone else.

The Opportunity to Grow 2020 Year-End Giving Remains Strong. Invite Donors' Support.



Donors expect their giving in 2020 to...

- 4% ■ INCREASE Significantly
- 21% ■ INCREASE a Little
- 60% ■ STAY THE SAME as 2019
- 10% ■ DECREASE a Little
- 5% ■ DECREASE Significantly

- 85%** of donors intend to maintain or increase their giving through the end of 2020
- 25%** of donors plan to give more in 2020 than in 2019 primarily because they have additional resources available
- 97%** of donors who gave earlier to special Covid-related appeals say they are considering giving more to charitable causes in the final months of 2020
- Most** donor giving priorities remain the same as they were in 2019

Source: [Charitable Giving in the Wake of Covid-19](#)



Keys to Success

- Enable your givers to fulfill their philanthropic objectives and express their gratitude to God through your ministries by making the ask.
- Remember that the vast majority of donors intend to make additional donations in the last weeks of the year.
- Resist the urge to decide for your donors. Invite their support and let them decide how to respond.

What remains true is that donors want to invest in causes that make a difference in the world—and they want to do that this year, too! Don't be shy! Your donors have resources to contribute and want to give them this year!



Tell Your Ministry Impact Stories

STRATEGY TWO

Effectively communicating how you are transforming lives cuts through what culture has to say about money.

Your church has spent the last nine months figuring out how to effectively provide online worship and discipleship venues, connecting with members who feel isolated and who have joined you online, adapting ministries to contactless systems, organizing your volunteers to serve Christ through nonprofit partners and so much more. Your nonprofit has had to reinvent itself several times to serve your clients, connect with your donors and engage your Board. You have been actively doing ministry. The end of the year is a perfect time to celebrate how you have impacted your members and your community. The distractions of 2020 may have prohibited some from fully grasping the impact you are making, so tell your story.



People who have been blessed by your ministry are eager to express their gratitude too. Telling your ministry story means letting your donors know how their continuing financial support is making a difference in the lives of those you serve.



Keys to Success

- Always connect your ability to do ministry with the generosity of your givers.
- Look for opportunities to share stories of impact –written, in-person, and video.
- Tell the story of one life at a time. Use facts and figures to support the story, not be the story.
- Use weekly offering talks in worship to share stories of how your ministries are making an impact in the lives of those you serve.
- Use donor-centric language and avoid focusing on your organization's need to pay the bills.



Participate in Giving Tuesday, December 1, 2020. Everyone else is!

STRATEGY
THREE



According to research by [NextAfter](#), 20% of nonprofit revenue is contributed on Giving Tuesday and December 31st. [Causevox](#) reports that nonprofits receive up to 50% of annual contributions in the last quarter of the year. Encouraging your donors to contribute on these two days can significantly boost your year-end giving.



What is Giving Tuesday?

In 2012, Giving Tuesday was created as a way to balance out the cultural influence of Black Friday—the biggest shopping day of the year. The idea of Giving Tuesday was to popularize the idea of doing good in the world through acts of kindness and generosity.

In 2019, Giving Tuesday [resulted](#) in an estimated \$511 million in online giving in the United States. Why not let people know they can make a special gift to your ministries on Giving Tuesday?

Most of the heavy lifting of advertising will be accomplished by the Giving Tuesday team. You will see #GivingTuesday all over social media and other places. Your focus should be on connecting your important ministries with the opportunity to give on Giving Tuesday. Sign up to participate in Giving Tuesday with this link: [Giving Tuesday Sign Up](#)



Keys to Success

- Create a Giving Tuesday landing page with links to all publicity.
- Create a financial goal for Giving Tuesday and build excitement.
- Provide space on your website's home page to share your financial goal and track your progress.
- Publicize Giving Tuesday, December 1 in all publications, announcements and social media. Use hashtag #GivingTuesday.
- Ensure your website is set up to easily accept online contributions. Include Giving Tuesday as an option on your dropdown list of funds.
- Celebrate everything you receive and remember to express gratitude to those who participated.
- If your annual funding is strong, consider designating Giving Tuesday contributions to a special project, outreach, or ministry. Be clear and specific about where funds raised will be used.

Remember a large portion of your donors will participate on Giving Tuesday, so be sure they have the opportunity to give to you! You have nothing to lose here and everything to gain.



STRATEGY
FOUR

Promote Tax-Advantaged Contributions

Many of your donors can leverage contributions to reduce their tax liability. It's good stewardship!

Your donors may be able to take advantage of some changes included in the [CARES Act](#).

Bunching Gifts

Donations to your church or nonprofit are tax deductible for donors who itemize deductions. Donors who may not reach the itemization threshold in a single year can strategically “bunch” deductions. For example, they can combine contributions for 2020 and 2021 to meet the threshold.

Special Tax Incentives for 2020 only

In 2020 only, cash contributions (checks, ACH, etc.) are deductible up to 100% of a donor's adjusted gross income (AGI). Ordinarily, these deductions are limited to 60% of AGI. Also, in 2020, donors are able to reduce taxable income by up to \$300 for cash contributions.





IRA Charitable Rollover and the Required Minimum Distribution (RMD)

Donors who are 70½ or older can make a Qualified Charitable Distribution (QCD) from their IRA of up to \$100,000 annually. The QCD should be donated directly to your organization and is exempt from income tax to the donor. Although Required Minimum Distributions (RMD) have been suspended for 2020, donors subject to an RMD in the future can use a QCD to meet the required distribution and avoid a taxable event.

Appreciated Securities

As in prior years, donors may be able to decrease their tax liabilities by contributing stocks, bonds, or mutual funds that have had capital gains. Donors receive an income tax charitable deduction for the value of the security when they

make the donation to your church or nonprofit. The donor is able to avoid paying taxes on the capital gains they would have paid if they had sold the security rather than donated it.

Donor Advised Fund (DAF) Grants

Donor Advised Funds are the fastest growing charitable giving vehicle in the United States. A donor advised fund is an investment account established by a donor for the purpose of making charitable contributions. Funds contributed to a DAF are tax deductible in the year they are given and allowed to gain interest tax-free. Donors issue “grants” to eligible nonprofits directly from their DAF. Contributions to a DAF are irrevocable and can only be used for charitable purposes. It is important to let your donor advised fund holders know you are eligible to receive DAF grants. You may not know which of your donors has established a donor advised fund, but you can publicize your eligibility to receive DAF grants.



Keys to Success

- Publicize the various options for making a tax-advantaged gift to your church or nonprofit. Be sure to include contact details of your Business Administrator, Executive Director or other person who can answer questions.
- Let your donors know you are eligible to receive grants from Donor Advised Funds. Pledges that are not legally binding (such as pledges to your church or faith-based nonprofit) can be fulfilled through grants from Donor Advised Funds.
- Inform your donors about the tax changes made in the Cares Act. At a minimum, donors can make a \$300 donation and deduct it from their income, even if they are not planning to itemize deductions.

Tax Advantaged Giving is Important, but Not Most Important

Rarely is the ability to reduce a tax liability the most important reason donors contribute to your organization. However, effective tax giving strategies allow your donors to give more and create a win-win for your organization and your donors. As always, it is important for donors to seek advice from their tax representative to know what is best for their circumstances.



STRATEGY
FIVE

Encourage Estate Gifts—
There has never been a
better time!

Interest in estate planning is ramping up.

People often focus on end-of-life planning during major life events and a pandemic surely qualifies! Now is a perfect time to educate members about planned giving opportunities and to ask that your organization be included.

Beneficiary Designation – Simple and Impactful

A “beneficiary designation” is one of the easiest ways for donors to make a legacy gift to your church or nonprofit. Most often the donor completes a form that lists your church or nonprofit as the beneficiary or as one of several beneficiaries. Beneficiaries can be designated on bank accounts, insurance policies, retirement accounts, donor advised funds and other financial accounts. Beneficiaries can include one or more family members and one or more charities.

There are many advantages to making a legacy gift through a beneficiary designation.

- **Flexibility:** Accounts remain under the donor’s control throughout the donor’s lifetime
- **Easy to Arrange:** A beneficiary designation does not require a change in a will or legal counsel
- **Revocable:** Should circumstances change, beneficiary designations can be easily modified or revoked
- **Tax Advantaged:** Funds given to your church or nonprofit through beneficiary designation are not subject to income or estate taxes
- **Family-Friendly:** Through beneficiary designation, an asset can easily be shared among several beneficiaries including family members and charities



Focus on Your Mostly Likely Prospects

The average value of a bequest in the United States is \$35k.

Planned giving may be an area you have been talking about but have taken few effective steps to advance the cause. Encouraging someone to make an estate gift takes time and diplomacy, but because interest and awareness are on the rise, now is the perfect time to begin conversations with your most likely planned giving prospects.

Characteristics of those who include a charitable bequest in their wills:

- Female – women tend to outlive men
- Over age 65 (although the average will is established at age 41)
- Actively religious
- Long-time donors (the length of the giving relationship is a stronger correlation than the amount)
- Active (or formerly active) volunteer
- Desire to leave a legacy

Relationships are critical

Until the donor dies, the bequest is revokable. Because so few churches and nonprofits ask their donors, most are unaware they have been included in an estate plan. Regular communication with planned giving donors is vital to deepening the relationship and ensuring the gift will be received. Donors want to be assured that their giving will have an impact on the lives of others, so continue to remind them of how their generosity is making a difference.



Create a Legacy Society and encourage those who

have included your organization in their estate plans, will or beneficiary designation to become members. Invite living donors to share with others why they have chosen to leave a bequest to you and why it is meaningful to them. Create a visual reminder including the names of all who have joined your Legacy Society to encourage additional legacy gifts.



Remember that anyone with a will or financial account can make a bequest

Wealth is not a prerequisite for making a legacy gift. Anyone with a will, estate plan, bank account, retirement account or life insurance, regardless of the amount of assets, can make a legacy gift to your organization.



Keys to Success

- Ask donors to remember your church or nonprofit in their wills just as they would a child or grandchild. Donors can specify a certain percentage or amount of their estate for each beneficiary ensuring that family members are taken care of and their philanthropic objectives are met.
- Send donors a simple form that asks for information on legacy gifts they may have made to your organization. Ask them to include the type of gift, where it is located, the executor of their estate including contact information, and approximate value of the gift (optional). While asking for the approximate value of the gift is optional, it is important to provide an opportunity for the donor to share this information with you.
- Invite one of your legacy donors to share why making a legacy gift is meaningful. Research indicates the most effective message in increasing interest in legacy giving is the story told by a living donor. Living donors:
 - Speak to why they believe in your organization and its ability to impact the world.
 - Can be a role model for others who may be inspired by their example.
 - Establish normative behavior suggesting that, “if they can make an estate gift, so can I.”
 - Can effectively demonstrate trust in your ability to use resources wisely.



STRATEGY
SIX

Send an Email Appeal the Last Week of the Year

Contributions to religious organizations continue to decline and donations are being redirected to charities that are effectively making their case and boldly asking donors for their support. Sending an email the last week of 2020 will remind donors of your important ministry and enable you to end the year strong.

Make your case. Your appeal must stand out above the rest and clearly identify why your ministry is worthy of support. New research published in [Cutting Through the Clutter with your Year End Fundraising](#) recommends the following:

- **Focus on the last week of December:** Nonprofits that sent appeals during the last week of the year saw a significant increase in online giving.
- **Timing of your email matters:** Your email is most likely to be read if it arrives in the early morning, late afternoon, evening, or on Saturday and Sunday afternoons.
- **Add a Personal Touch:** Sending an email from a real person (rather than the organization) results in significantly higher readership.
- **Use a Matching Gift Challenge to Increase Giving:** Incentivizing donors using a matching gift at year end can increase your response rate by 50%.
- **Use a Goal Tracking Bar:** Engage donors by setting a goal and tracking progress on your homepage.





- **Include Your Give Now Button After Making Your Case:** Donor participation was 28.2% lower in email appeals that included a donate button at the beginning of the appeal rather than at the end. Be sure to make your case first before asking for the gift.
- **Create a Sense of Urgency:** Use a countdown clock to create a sense of timeliness and urgency. Research showed a 61.8% increase in donor conversion rate as compared to the same message without the clock.
- **Make Online Giving Feel More Secure:** Setting the credit card fields apart from the background and adding a simple padlock icon increased the number of donors by 14.4%.



Keys to Success

- Plan to email your constituents on Monday, December 28th – right after Christmas and with enough time for them to respond before year-end.
- Establish a goal or include a matching gift for the final push.
- Make a strong case for how your ministry is making a difference before including your Give Now button.
- Develop a plan for thanking your year-end donors. Expressing gratitude is still one of the best ways you can ensure they will continue to support your important ministry.



Next Steps

This year has clearly been one for the books! Next year will likely continue to be a challenge as we navigate the twists and turns along the way.

Using these strategies over the next several weeks will enable you to respond to the challenges and opportunities that lie ahead.

We are already working with church and nonprofit leaders like you to help them think through what ministry (and ministry funding) will look like in the year ahead.

If you want a partner to join you on the journey, or just someone to explore ideas with, we are here to help. The Horizons team is praying for you and cheering you on!



About the Authors



Kristine Miller, CFRE

Partner and Senior Vice President

As a veteran generosity coach, Kristine believes generosity is key to enjoying a deeper and more meaningful relationship with God.

Kristine is a book author, keynote speaker and workshop leader at stewardship conferences and other leadership events. She did her undergraduate work in Business Administration at The Ohio State University and received her M.B.A. from Northern Illinois University. Kristine has also held a C.F.R.E. (Certified Fundraising Executive) credential since 2007.

Kristine traveled extensively in Asia while living in Singapore and enjoys cooking Asian food. She and her husband live in Clarkston, Michigan.



Joe Park

CEO

Joe leads a team of 38 dedicated Ministry Strategists and support staff at Horizons Stewardship, whose mission is to help churches and faith-based nonprofits grow disciples and fund ministry. The Horizons team has assisted churches in raising over 7 billion dollars in capital funding and uncountable amounts of annual and planned giving. Joe has consulted and taught extensively on implementation of best practices in generosity, strategic planning and change management.

Joe earned a degree in Finance and Banking from the University of Arkansas and a master's degree in Business Administration from Boston University. Joe and his wife, Rev. Lisa Greenwood, live in Dallas, Texas.



ABOUT HORIZONS STEWARDSHIP

Horizons Stewardship helps church and faith-based nonprofit leaders make disciples and fund ministry through a collaborative framework that is tailored to the unique culture of the church, aligned with leadership's vision, and implemented through coaching, planning, technology, and analytics to ensure the church lives into its full ministry potential and impact.

After more than two decades working with thousands of churches to raise billions of dollars for ministry projects, Horizons has refined a deeply integrated, spiritually focused approach that consistently results in more ministry funding and more effective disciple-making strategies.

Churches who partner with Horizons, on average, experience a **16 percent increase in giving within the first 12 months**. Visit nextlevelgenerosity.com to discover a proven, effective process that will empower you to move forward with clarity and confidence.