

# Synagogues and Other Jewish Nonprofits: Tackling Planned Giving Yet?

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While every charitable gift is planned, some are “more planned” than others. And in today’s charitable giving arena the importance of testamentary giving is more punctuated than ever, especially as Jewish Baby Boomers are aging ... quickly. Yet, America’s Jewish congregations lag far behind other Jewish nonprofits in reaching out to secure commitments by wills, trusts, estates and other revocable and irrevocable approaches, complementing current gifts. In fact, planned giving is acknowledged to be among the most critically important, but often overlooked, aspects of a synagogue’s overall fundraising strategy. Higher education, arts organizations and hospitals have successfully pursued testamentary gifts for decades. But why not synagogues?

Charitable bequests in the U.S. rose an estimated 18.8% in 2010 to \$22.8 billion, according to Giving USA. Although planned giving is becoming more important to many nonprofits, Jewish leadership – and especially congregational leaders – has been reluctant to make it a centerpiece of congregational fundraising.

Philanthropy in both the Jewish and non-Jewish worlds has evolved fundamentally from the “crisis mode” of the post Holocaust generation. With a substantial accumulation of wealth, we would expect that donors have money to give for compelling causes and important organizations. Coupled with increased wealth is increased involvement in philanthropy, as donors strive to find the best fit for their specific areas of interest and demand assurances that their contributions are being well utilized. Perhaps synagogue leadership have been afraid of talking about the eventuality of death and the importance of putting the synagogue on an equal footing in estate planning with an individual’s other philanthropic priorities.

This then begs another question: why haven’t synagogues evolved their fundraising capabilities to position themselves in the new philanthropic dynamic? This is an especially critical question in light of recent economic challenges. Most congregations rely on annual and High Holiday appeals, the bread-and-butter of synagogue fundraising, along with events and other “nickels and dimes.” Additionally, synagogues generally focus on securing contributions to address day-to-day needs rather than looking at strategic and future needs. Further, planned gifts involve seemingly complex and unfamiliar legalistic terms and are sometimes couched as the private purview of financial advisors, lawyers and wealth consultants and not with clergy and synagogue administrators. It’s no wonder why some would hesitate to initiate discussions about planned giving. So why must synagogues integrate planned giving into existing development programs? Talking about planned giving need not be fraught with technical jargon, and, in fact, is a wonderful opportunity for dynamic discussions with

members, engaging them in personal conversations about their hopes and dreams for the future of the congregation. Incorporating planned giving conversations and efforts into other campaign-focused efforts provides an alternative or a partner to outright gifts. Moreover, planned giving can be geared towards a larger audience, reaching those who may not have the capacity to make a significant outright gift. There are also tax benefits and supplemental funding considerations to various planned giving vehicles.

In a nutshell, planned giving focuses on an individual's assets, which typically comprises the majority of a person's net worth and allows individuals to make larger gifts than they could merely from their income. Rather than make a single major gift through various planned giving vehicles, donors can structure a bequest or something more complex that provides both income and tax advantages to the donor as well as heirs. Depending on the gift, a donor may pay no capital gains tax, receive current tax deductions, qualify for sales tax exemption or receive fixed payments.

Our research led us to four practitioners with varying positive perspectives on planned giving. Lisa Farber Miller is the Jewish Life Program Officer with the Rose Community Foundation in Denver, Colorado. Through the Rose initiative, *Live On: Build Your Jewish Legacy*, 31 Denver/Boulder area Jewish organizations, including nine area congregations, have built endowments through planned giving. Like many Jewish communities, Denver's Jewish organizations had not approached fundraising from a strategic perspective, relying mainly on membership dues and annual giving. Ms. Miller attributes a willingness to consider alternative fundraising techniques to a dwindling dues pool and recent economic challenges. Through targeted training, incentive grants and a public awareness campaign, Live On has enabled the Denver/Boulder Jewish community to harness about \$45 million in endowment bequests since 2005. When educating Jewish organizations on the creation of planned giving initiatives, Ms. Miller leans towards keeping the message simple, as planned giving terminology and functionality can be confusing. Similarly, she stresses the relative ease of "stroke of the pen" gifts, such as adding a Jewish organization as a life insurance beneficiary, which allows donors to add the synagogue to the policy themselves and does not require legal counsel. The culture of planned giving starts at the top, which is why she advises the creation of a leadership-based Planned Giving Committee. Committee members should receive training in how to establish and build upon relationships with legacy donor prospects as well as make planned gifts themselves.

One of the most successful synagogue-based campaign efforts now in progress is at Temple Oheb Shalom, in suburban Baltimore. With more than \$5.0 million in pledges already secured for restricted and unrestricted endowment, about \$1.5 million comes in the form of testamentary commitments, according to Mrs. Maxine Lowy, director of development and special projects. "We have incorporated a solid planned giving component into our campaign and I know that we will see many more planned gifts in the future," she told us. "Our Pathways Campaign has a planned giving subcommittee and they will continue even after Pathways concludes." She noted, too, that discussing planned giving with

congregants is opening up many discussions that serve to strengthen all aspects of the congregation.

Rabbi Michael G. Holzman, of Northern Virginia Hebrew Congregation in Reston, Virginia, recognizes the importance of planned giving, yet believes that synagogues have been fundamentally slow to adapt to the changes in the philanthropic environment and to adopt new practices. With burgeoning membership growth a benefit of the baby boom, synagogues did not have to try too hard to grow and remain fiscally sound. However, he believes that the last ten years have been a wake-up call to congregations.

Declining membership in many communities, coupled with economic challenges, has both drastically altered the vision that many synagogues have for their next generation. When it comes to fundraising – fortunately or unfortunately, “everything is on the table.” Challenges exist for many suburban synagogues, of which NVHC, in the Washington, D.C. suburbs, fits the mold. A majority of the almost 500 household member congregation comprises families with school-age children – not exactly the cohort to embrace planned giving. However, congregants who are a little older have considered planned giving options as part of their synagogue support. Rabbi Holzman describes planned giving as being exactly consistent with Jewish traditions of giving and supporting the community. He counsels that synagogues should create a culture of planned giving by investing staff time and leadership effort, congregational energy, and the required financial resources. Additionally, they should insert a planned giving line item in their budget and through the above investment, expect to receive testamentary support annually.

The acknowledged leaders in capturing the planned giving market are the so-called eds and meds – institutions of higher learning and medicine – which traditionally have had development departments engaged with alumni, former patients and their families. According to Brian Rissinger, Executive Director of Reform Congregation Keneseth Israel in Elkins Park, Pennsylvania, it is rare to find a synagogue that has kept pace with higher education and hospitals in developing and promoting planned giving. Although he sees more synagogues with development professionals, there too often is pressure for immediate results rather than an acceptance of the delayed gratification of planned giving.

As a result of a recent endowment campaign there is renewed emphasis on planned giving and a lay-led committee is coordinating an on-going approach that develops into a long-term fundraising vehicle, he hopes. At Keneseth Israel, Mr. Rissinger is rarely notified beforehand that congregants have named the congregation in their estate. More often than not, he receives bequests that he was unaware were being left to the synagogue. Several major bequests were a result of “seeds” that were planted 15 years ago. The bequests are treated like “found money,” of which the unrestricted bequests are used for capital needs or placed in a rainy day fund. Regardless, the KI policy is to recognize each and every bequest, whether or not specific instructions were included. Donor recognition in the form of plaques and special newsletter articles are used to inform and educate the membership about planned giving.

Planning legacy gifts requires a dedicated effort of a congregation’s professional

and volunteer leadership. A commitment to both strategically accommodate and demystify planned giving is a must.

Establishing a Planned Giving Committee of members who not only are passionate about the synagogue and its future but also possess some technical familiarity (e.g. lawyers, accountants, financial planners) is essential to ensuring that donors can efficiently plan legacy gifts safeguarding their charitable intent.

Clergy as well as past and current leadership should be included in the planned giving process.

As always with fundraising, leadership should lead by example so Planned Giving Committee members should be the first to designate the congregation as a beneficiary. The other responsibilities of the Planned Giving Committee should include creating gift policies and procedures, marketing, asking for gifts and donor recognition.

Planned giving should be approached as a long-term venture, where relationships with congregants are stewarded, through consistent promotion and regular and appropriate promotion, until they are ready to make such a special gift. Discussing the synagogue's mission and future plans is a good way to initiate contact with potential donors and learn more about their specific motivations and preferences.

Communication and education are essential. Virtually all communication should have an integrated planning giving message, including newsletters and brochures along with a "Ways to Give" link on the synagogue's website.

Specialized seminars given by legal and financial professionals, possibly drawn from the congregation, are an informal way to promote planned giving.

Recognizing individuals who have made planned gifts is vital to maintaining relationships and building new ones.

Planned giving is the most flexible way for congregants to proactively acknowledge the importance of their synagogue in their lives. Likewise, planned giving affords synagogue leadership with a tremendous opportunity to forge and strengthen bonds with congregants when discussing how to best use the multitude of testamentary options, not to mention supplementing dues, enhancing capital projects and supporting vibrant programming. The time is ripe for synagogues to expand their funding capacities and catch up with other nonprofits in strategically planning a sustainable financial future.

(Do you have some planned giving success stories to share with others? Please share with us your success stories so the experiences can encourage others to enter the planned giving arena.)

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