

(You may need to zoom in to read the full article)

No doubt about it: schools today face tremendous, often unprecedented, fund-raising pressures. Urgent needs for programs, staff, and building exceed the growth of current investments and contributions; other worthy causes aggressively compete for our hearts and pocketbooks; and everyone concerned with financial health and future prospects for our schools finds less and less time available for new efforts and initiatives. Also — if you are like me — parents (and grandparents) are *personally* dealing with tremendous, unprecedented financial pressures as well. How do we secure our future, our children's, and our grandchildren's? How can we help strengthen and safeguard our schools?

One key to our individual planning and our school's planning is planned giving. Through planned giving programs, institutions are announcing — and surpassing — fund-raising goals larger than have ever been raised in their organizations' histories. Schools are reaching these goals by setting their sights on — and securing — gifts far larger than ever before. Too good to be true? You're not rich enough for this to pertain to you? Well, consider this:

More than one out of four Americans is able to leave estates worth \$50,000 or more, yet most Americans have not been asked to consider charitable gifts and bequests in their estate planning. Indeed, many Americans — including lawyers and physicians — do not have wills or trusts. For them — and for you too? — the state will decide who gets all this money, and not one cent will go to help any organizations!

A charitable bequest is a simple and "painless" way to make a significant and lasting gift to your Montessori school — a gift that will help other children who could not otherwise be able to attend to have the same wonderful experience our children are having. A gift by will helps your school hold down costs and keep its doors open wide. And think what a gift of this kind says to your children about you; we can show by our actions far more powerfully than by our words or intentions the generous, sharing, committed, forward looking, and unselfish values we want our children to learn and make a part of themselves.

If you already have an up-to-date will in force, it is not necessary to re-draft the entire will. A simple appendix called a codicil may be added to the

Is Planned Giving In Your Plans?

By Barry Nickelsberg



will to make a provision for the charitable bequest. Generally, a *codicil* is easy and inexpensive for you to arrange.

Even if you have no will at all, the cost and time to have one made is not generally great; and your will helps ensure that your wishes for your family and the organizations that are important to you will be protected and cared for.

By the way, you can include your Montessori school in your will in several different ways, selecting the method best for you. You might want to make an outright bequest, willing a certain amount to the school; you can make what is called a contingent bequest, which will provide for the school only after other organizations and persons have been fully provided for; or you can make a charitable remainder gift, giving to your school all or part of whatever is "left over" after all others are taken care of.

There is another secret to planned giving: your children not only have you, their parents, they also have *grandparents*. Grandparents, I believe are Montessori school's greatest hidden asset.

The decade of the 1990s will see a generational change unparalleled in scale, scope and impact on modern history. Seventy-five percent of America's assets are held by persons age 50 and older. People age 65 and older currently hold approximately \$5.2 *trillion* in wealth. Given that this generation created wealth, and holds

wealth like none before it, this window of opportunity is unlikely to be repeated.

Planned giving, in addition to gifts by will, comprises many other forms and utilizes various assets in addition to cash. Planned gifts for example, can be made with appreciated stocks and bonds, real estate and insurance. Many grandparents have a number of valuable, highly-appreciated assets, and — lets face it — most grandparents are concerned about their grandchildren and great-grandchildren. But, grandparents also have concerns about their own financial needs as well. There are kinds of planned gifts that can help the Montessori school and, at the same time provide lifetime income for their needs and/or heirs. The benefits from income-producing planned gifts vary, but all income-producing planned gifts will give:

Income for life, paid to you and/or another (such as your spouse or other family member.)

Increased income, if a gift is made to a life income plan that produces a higher yield than the donated asset. If the gift funds a trust holding tax-exempt bonds, your income will be tax free.

An immediate federal income tax deduction for a portion of the value of the gift.

Elimination of capital gains tax at the time of transfer if the asset is in the form of securities or real estate that have appreciated in value.

This article only begins to explore the various possibilities and opportunities for designing gifts that can — in many instances — return income to you, provide a substantial and lasting gift to your school, and give you the deep satisfaction of making a significant philanthropic gift that will strengthen and safeguard your school's future with the thanks and recognition of your commitment to the Montessori philosophy for generations to come.

A planned gift may indeed be in your plans, and may be in your parents' plans too. After all, ultimately we are not so much inheritors of our forbearers' wealth as we are stewards of our children's world.

Barry Nickelsberg is the Executive Director of The Funding Center of Alexandria, VA, a not-for-profit that works with other not-for-profits worldwide to help them raise money. In the past twelve years, The Funding Center has worked with hundreds of organizations, including schools, to raise over \$900 million. Mr. Nickelsberg is also the father of Marissa, a third-year primary Montessori student.