

August 2014 Nonprofit Newsletter

The Popularity of Remainder Trusts Increases as Boomers Age

“The oldest of America’s 72 million baby boomers are turning 68 this year, the average age at which individuals create charitable remainder trusts” according to The Chronicle of Philanthropy. More people will become interested in these trusts because of tax changes that increased the amount of capital-gains taxes owed. These trusts are popular because the donor enjoys tax benefits from establishing the trust and also draws an income from it for a specified period. The funds remaining in the trust go to a charity after the trust expires or when the donor, spouse or other heir dies. Because charitable remainder trusts are irrevocable, they can provide a significant future benefit to charities. Read more on this trend [here](#).

Charities With Annual Funds More Likely to Meet Total Fundraising Goals

About 77% of organizations with an annual fund meet total fundraising goals as compared to 55% of organizations without such a fund, according to a new report by the Nonprofit Research Collaborative on the impact of annual-fund campaigns. The report is based on a survey of 945 nonprofits in the United States and Canada. 75% of those nonprofits surveyed reported having an annual fund. Report findings include:

- Organizations with budgets of at least \$250,000 are more likely to have annual funds than smaller groups.
- 80% of those surveyed that have an annual-fund campaign were arts and religious organizations.
- With respect to retaining donors, 63% of respondents said that at least 60% of donors renewed their annual-fund gift.

Read the special report [here](#).

Foundations Need to Alter Attitudes

James Canales, president and trustee of the Barr Foundation in Boston, recently wrote an opinion piece for The Chronicle of Philanthropy on altering attitudes to meet today’s pressing challenges.

- Chasing What’s New versus What Has Worked: “Philanthropy should continue to embrace innovation and pursue new modes of working and doing. At the same time, foundations should not become so obsessed with identifying the next new solution for the intractable problems we face today that we neglect the tried and true.”
- Going It Alone versus Collaboration: “Foundations are notoriously independent and not necessarily wired for partnership and collaboration. In today’s complex environment, it will be our ability to collaborate that will lead to greater effectiveness in philanthropy. It will require us to be good partners, which at times compels us to lead and at other times invites us to follow.”

Read more [here](#).

Facebook Helps Rally Support But Doesn’t Do Much for Fundraising

Only 2% of nonprofits in the United States raised \$10,000 to \$25,000 through Facebook in a 12-month period, and 1% raised \$25,000 to \$100,000, according to a report released last year by Blackbaud, a fundraising-software company. Last December, Facebook ran an experiment giving 19 charities that are particularly active on the social network a donate button to use on their Facebook pages. The Leukemia & Lymphoma Society reported raising \$3,500 through Facebook, only a small fraction of the \$98.5-million the charity raised through all online sources last year. Read more [here](#).

Foundation Investments See Double-Digit Growth for a 2nd Year in a Row

Private-foundation investments grew 15.6% on average in 2013, the second straight year of double-digit increases. According to the 2013 Council on Foundations-Commonfund Study of Investments for Private Foundations, foundation asset managers made most of their gains in domestic equities, which rose 31.8%. The study, which compiled data from 153 foundations, found that net returns grew an average of 12% annually over the past five years when the five-year average annual return was 1.7%.

Read more [here](#).

Client Profile: A New Source of Talent for Nonprofits-- Encore Fellows Program: Now in Boston!

As nonprofits continually strive to meet a growing demand for services at a time of diminishing resources, an innovative solution successfully employed across the US has come to greater Boston: The Encore Fellowships Program-- a source of highly skilled and experienced talent now available to take on high impact work assignments at an affordable cost -- designed to meet the unique challenges of nonprofits in areas such as strategy development, marketing, fundraising, human resources, business development, finance, program development and technology.

ESC of New England (ESCNE), a nonprofit organization providing management consulting and capacity building services to other nonprofits, has been selected as regional operator for the national Encore Fellows Program-- helping social purpose organizations by matching skilled, experienced professionals and managers who are generally transitioning from a primary career. Fellowship assignments are typically 1000+ hours over either 6 months full-time or 12 months part-time and may include specific projects, new positions within an organization, or interim positions intended to fill a short-term gap in leadership. The cost to sponsor a Fellow is \$25,000. For more information about ESCNE and the Encore Fellowships Program, visit: www.escne.org.