



REALTY GIFT FUND  
CHARITABLE GIFTS OF REAL ESTATE

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CULTIVATING  
A TRADE LAND  
PROGRAM

RALLY 2022  
THE LAND TRUST ALLIANCE

SEPTEMBER 13, 2022

## THE BASICS

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### The Basics

- Wealth vs Giving Real Estate = 43.0% vs. 2.0%
- The Problem Nonprofits Don't Ask
- A Solution Learn how to ask. Commit to a program & accountability
- Resources Experience. Cash. National Network. Back Office  
Payoff Debt. Cash to Donors. Holding Costs. Repairs
- Wealth Screening 30% of your donors own multiple properties
- Donor Motivation Donors are looking for nonprofits to take their properties
- Types of Gifts Outright Donations, Bargain Sales, Partial Gifts, Bequests
- Types of Real Estate Any Type... Anywhere
- List of Grantees See Website

### Actual Averages

- Gifts            2021            \$ 600,000  
                         2022            \$1,100,000
- Funds           2021            \$ 500,000  
                         2022            \$ 900,000
- Grants           2021            94.1%  
                         2022            96.2%

### Net Gift Estimate

- Transparency Immediate & accurate expectations
- The Plan Every gift is a stand-alone business plan
- Time & Money Evaluation results in estimate of time & money
- Investment vs. Return How much to invest for how much return
- Risk vs. Reward Resource complexity, number of steps
- Knowledge vs Resources Have we done this. Who can help?

### Charitable Leverage

- Total Cash Benefit Donor + Nonprofit | \$1,200,000 becomes \$1,620,000

### Benefits

- Donors See Website
- Land Trusts See Website
- Role of Financial Advisors See Website

## PROGRAM OUTLINE

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### Stories of Opportunities

- Ft. Collins, CO
- Pine City, MN
- Clark County, SD
- Falls Church, VA
- Sebastopol, CA
- Montclair, CA
- Carmel, CA

### Current Trends

- Residential was hot, now steady, headed for uncertainty
- Prices are steady but not increasing
- Over performance is... Over
- Commercial is emerging
- Donor's do not live near their gifted real estate
- Donor's do not live near their social causes
- 65% of asset gifts are initiated by financial advisors
- Most major gifts of assets go to Donor Advised Funds
- Donor Advised Funds might not be your competitor. They could be your bank.
- Endowments grow 6 x faster. Noncash fundraising vs. cash only

### Emulate Highly Successful Fundraising Teams

- Focus on Results and the Big Picture
- Serve their Donors
- Limit Risk but not the Reward
- Utilize Third-Party Relationships (Invite Collaboration)
- Growth at Minimal Cost
- Flex as Needed for Expert Resources
- Do What You Do Well (Avoid Mission Drift)

### Questions to Explore

- How do visualize the actual property that comprises "Trade Lands"
- What percentage of total fundraising comes from gifts of Trade Lands?
- Have you accepted a gift of Trade Lands in last 12 months? Last 3 years?
- Do you formally ask?
- What are the barriers to a formal, measurable, accountable program?
- Do you have the needed resources?
- Can you afford gifts of Trade Lands?
- Do you know how a formal program will affect your donor relations?

### Strengthen your Discussions

- Face Your Donor (Doubles the Size of a Gift)
- Be Specific (Help the Donor Visualize the Need)
- Keep It Simple (Help a Single Person or Cause, not the World)
- Be Empathetic (Learn About Your Donor. Go Slow)
- Think Large
- Be Bold
- Know when to Get Help

### Cultivating a Trade Land Program

- Donor's already love you and your mission. They also love their private "Hero Story".  
"I wish I could do more, but... "
- Identify the donor as the character in a shared hero story.  
"I heard a story last night and it made me think of you".
- Social-emotional messages are the *engine* that drives giving.  
Mathematical-logical messages are the *brake* on giving.
- Tax benefits matter, but it's cheaper not to donate.
- Donating to change the world is admirable. Donating for tax benefits is not.
- Object gifts reflect kindness more than cash gifts do.  
("A bottle of wine vs. an envelope of cash to your host")
- Major gifts are often gifts of things.
- Gifts of things are gifts of wealth. Gifts of cash are gifts of income.  
Disposable wealth vs. disposable income.
- Gifts of things change the donor's reference point about wealth and their perception of the relative cost of a major gift.
- Giving results from the intersection of motivation and cost. If the cost feels smaller, a gift is more likely.
- With gifts of real estate, the multiple benefits make the costs feel smaller
- Gifts of appreciated and complex real estate can simplify life and elevate the hero role
- Gifts of real estate can create "charitable leverage". Produce more cash than the asset is worth.
- The donor's "hero story" says that the gift must help the charity 100%, with no risk, no cost. A third-party collaborator makes this story true by off-loading the risk and cost, leaving only pure reward for the donor's charity.
- Gifts of assets help donors
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- Donors who successfully make gifts of assets typically increase future cash gifts  
"The sustained hero relationship"

- Endowments grow at 6 times the rate if fundraising includes gifts of noncash assets instead of limiting to cash.