Lehigh Valley Community Foundation

Board of Associates Meeting
Thursday, June 2, 2022

7:30 a.m.  Registration and Breakfast

8:00 a.m.  Welcome
           Cindy Lambert, Chair, LVCF Board of Associates
           LVCF Update
           Erika Riddle Petrozelli, LVCF President and CEO

8:15 a.m.  The Great Wealth Transfer
           R. Nicholas Nanovic, Esq.
           Partner and Chair of Trusts & Estates, Gross McGinley, LLP

8:45 a.m.  New Tools for Charitable Giving
           Carrie Krug Nedick, LVCF Director of Donor Services
Welcome

Cindy Lambert
Chair, LVCF Board of Associates
Thank you, Sponsors:
Update

Erika Riddle Petrozelli, CPA
President & Chief Executive Officer
The Great Wealth Transfer

R. Nicholas Nanovic, Esq.
Partner and Chair of Trusts & Estates
Gross McGinley, LLP
New Tools for Charitable Giving

Carrie Nedick
Director of Donor Services
Lehigh Valley Community Foundation
Nurturing Place-Based Philanthropy

**NURTURE:** *verb (used with object), nurtured, nurturing.*

- to feed and protect
- to support and encourage, as during the period of training or development; foster
- to bring up; train; educate.

**PLACE-BASED PHILANTHROPY:**

- describes an approach that targets a specific location—be it a neighborhood, municipality, or even multiple counties—upon which to focus charitable resources and make a *transformative impact.* It is grounded in a commitment to *true partnership with communities.*

https://milkeninstitute.org/article/understanding-place-based-philanthropy
Nurturing Place-Based Philanthropy

Supporting individual philanthropists

Supporting broad philanthropic community

Supporting professional advisors
THE GREAT WEALTH TRANSFER

By: R. Nicholas Nanovic, Esq.
Gross McGinley, LLP
Great Wealth Transfer

• As of 12/31/2021, breakdown of wealth distribution by generation:
  • Silent Generation and earlier: $19.18 Trillion (13.49%)
  • Baby Boomer: $71.59 Trillion (50.34%)
  • Generation X: $42.30 Trillion (29.75%)
  • Millennial: $9.13 Trillion (6.42%)

• Baby Boomer generation defined as persons born between 1946-1964.
  • Average Baby Boomer is 67 years old.
Great Wealth Transfer

• Why?
  • Retirement. Succession planning. Death.

• Who?
  • Children. Grandchildren. Charities.

• Motivating Factors:
  • Family relationships (or lack thereof)
  • Legacy
  • Taxes
Charitable Giving

• The Giving Pledge
  • Started in 2010 by Warren Buffet, Bill Gates, and Melinda French Gates.

• Tax Cuts and Jobs Act

• SECURE Act
  • SECURE Act 2.0?
Charitable Giving

- Charitable Options:
  - Cash contributions;
  - Appreciated securities;
  - Private foundations;
  - Donor advised funds;
  - Qualified charitable distributions;
  - Charitable gift annuities; and
  - Charitable lead trusts and charitable remainder trusts.
Final Comments

• The Great Wealth Transfer has already begun.

• Past performance is not indicative of future results.

• Donors want our help.
Questions?
LEHIGH VALLEY COMMUNITY FOUNDATION

NEW TOOLS FOR CHARITABLE GIVING

CARRIE NEDICK
DIRECTOR OF DONOR SERVICES
Why now?

- THE LOCAL PHILANTHROPIC LANDSCAPE
- KEEPING AHEAD OF TAX LAW CHANGES
- THE GREAT WEALTH TRANSFER
Local “Family” Foundations

As per 2019 Guidestar 990s

Number of Foundations by Size

- Large: 16
- Medium: 25
- Small: 80

Total Assets of Foundations by Size

- Large: $22.6 Million
- Medium: $71.7 Million
- Small: $334.0 Million

Organizations size by Assets:
- Large: $5 Million+
- Medium: $1-5 Million
- Small: Less than $1 Million

Total Number: 125
Total Assets: $428.3M

Note: Local foundations with mailing address in Lehigh or Northampton County that are not related to a business or non-profit.
Changing Local Landscape

- Change in companies over several decades
- Shift in funder priorities & strategies
- Sunsetting and exiting foundations
- Growth of donor-advised funds
- Well-known philanthropists passing on
Potential Tax Law Changes

- Significant reduction in estate exemption = higher estate tax bill
- Increase in capital gains tax = higher cost to selling appreciated assets
- Changes in inheritance payout periods for IRAs
- Greater tax benefit to charitable giving
- Increased conversations between clients and advisors
Family Philanthropy

Engage  Support
Share   Help
Two Pathways

- **EverGreen Funds**
  Your outsourced Executive Director & CFO

- **Impact Services for Grantmaking**
  Contract with LVCF for grantmaking resources to support an existing fund or foundation
EverGreen Funds

LVCF is your multi-generational partner in the long-term administration of your mission and philanthropic goals

Based on the Donor Advised Platform
LVCF’s alternative to a private foundation
Includes Impact Services for Grantmaking
Impact Services for Grantmaking

- Included with EverGreen Funds AND offered as a contracted consulting service
- Simplify the grant application process through the use of LVCF’s online grants portal (1 cycle/year)
- Amplify impact with LVCF’s deep insight into the nonprofit sector, due diligence and evaluation, and extensive community knowledge on areas of interest
Benefits

Reduce the administrative workload from creating and maintaining a foundation

Ease the burden of effective grantmaking

Create a sound, trusted succession plan to continue a family legacy

Access resources in an economically efficient way through economies of scale

Afford quality paid staff through LVCF that small- or medium-sized family foundations or charitable funds may not be able to support
Questions

Thank you

New Tools for Charitable Giving
Thank You | Next Meeting

Fall Meeting - October 11

Growing as a Community Leader

LVCF Grantmaking