

CAUSE CONNECTION

Connecting people who care to causes that matter

Great Wealth Transfer & Implications for Philanthropy

The Lehigh Valley Community Foundation held its Spring 2022 Board of Associates meeting on June 2nd. It was a welcomed return to in-person interactions and the energy created when over 60 people gather for good conversation and good company. **Erika Riddle Petrozelli**, LVCF President and CEO, provided an update on the Community Foundation's new strategic plan titled "Growth Through Partnership," which will be released to the public this summer and discussed in more depth in our next issue. She introduced one of the primary strategic initiatives, "Nurturing Place-Based Philanthropy," as it relates to the keynote presentation for the morning: The Great Wealth Transfer. **R. Nicholas Nanovic, Esq.**, Partner and Chair of Trusts & Estates, Gross McGinley, LLP, and a member of LVCF's Board of Governors, presented The Great Wealth Transfer topic – what it means and the implications for philanthropy.

What is the Great Wealth Transfer?

According to *Forbes Magazine*, we are facing the greatest wealth transfer ever, with over \$60 trillion or more passing from the "Boomer" generation to primarily Gen X and Millennials. At least 10% is expected to benefit charity, an astonishing figure by any measure. The average age of the baby boomer generation is 67 years old and the majority of this generation along with the silent generation have retired or are ready to retire. This group is expected to transfer their remaining wealth over the next 25 to 30 years. Those who work with clients on retirement succession planning are seeing that this transfer is already happening.

Some interesting trends are in the mix. Boomers are asking themselves, how much of my wealth do my children really need? There is not an assumption that the entire estate will be passed on to family. There are also family dynamic issues. Divorce rates for people in the baby boomer generation are much higher now than they were 30 years ago. There is a larger percentage of the adult population now that don't have children than in the past. According to a 2018 study by the U.S. government, 16.5% of those aged 55 or older do not have children with which to leave their net worth.



R. Nicholas Nanovic, Esq.

What does this mean for philanthropy?

A lot! Estates that are not passed on to spouses, children and other family members are often going to other places like charities or being used to establish charitable vehicles such as donor-advised funds or private foundations for multi-generational philanthropy. There is enormous opportunity for charities to deepen relationships with donors who are planning gifts, sometimes transformational gifts.

Different generations also have a different approach to their philanthropy, so donor engagement approaches and communications must evolve. Lastly, the sense of "place" is more global, with issues beyond our own neighborhoods receiving much attention. Is there an interest, or even a responsibility, to continue supporting issues and nonprofits in your own backyard?

IN THE NEWS

Grants Support Nonprofits Serving Youth and Families

LVCF recently issued more than \$185,000 in general operating grants to area nonprofits serving youth and families as part of its foundation-directed community investments grantmaking.



The Community Foundation manages several different area-of-interest funds that are focused on supporting Lehigh Valley youth and families, including The Edward & Inez Donley Fund; Walter & Alma Bastian Fund; Outdoor Recreation Fund for Youth; Robert D. & Gwendolyn-Jane Romeril Campership Fund; Lucille F. Driver Fund, and support from Roger and Kathy Yott. [Learn more...](#)

Easton Arts Tour | See the Photos

LVCF recently took fundholders, board members, and friends on a walking tour of the State Theatre Center for the Arts, the Easton Public Market, and the Sigal Museum, where we viewed a powerful exhibit of African-American artists. See the photos on LVCF's [Flickr Photo Gallery](#).



The Great Wealth Transfer (continued)

We have been talking a lot about this at LVCF. Philanthropy is often a part of the family conversation about wealth transfer, so what is the Community Foundation doing to support these families, their families, and the nonprofits in our community that benefit from the families generosity?

LVCF's strategic goal is to support, encourage and educate local philanthropists so they can make a bigger impact and create more partnership with their philanthropic investments ("nurturing place-based philanthropy"). We have created a three-legged stool of supporting those impacted by the Great Wealth Transfer: 1) supporting the individual philanthropist; 2) supporting the professional advisory; and 3) supporting the broader philanthropic community.

- We support individuals and families who want strategic support for grantmaking and family legacy planning through our new products, EverGreen Funds and Impact Services.
- We support professional advisors who have a seat at the table next to their clients, talking about philanthropy, by co-hosting a study group for advisors pursuing the Chartered Advisor in Philanthropy (or CAP) designation. We are co-hosting the inaugural study group right now with Cornerstone Advisors, and Erika is a member of this group.
- We support the broader philanthropic community by being a Founder to, and participating in, a regional Funders' Network. This Network includes corporate funders; private foundations; and nonprofit funders such as the Community Foundation and United Way. We share best practices for grantmaking and learn more about issues in our backyard.

We hope that our efforts to support families, their advisors, and the broader funder community will encourage the flow of charitable dollars in our region during the Great Wealth Transfer and make a greater impact on the people of the Lehigh Valley.

The BOA meeting video can be viewed on [YouTube](#) and event photos on [Flickr](#).

Tools for Charitable Giving



Carrie Krug Nedick

At the June 2nd Board of Associates meeting, **Carrie Krug Nedick**, LVCF's Director of Donor Services, presented New Tools for Charitable Giving. As the Lehigh Valley region experiences growth, both economically and culturally, the Foundation is developing thoughtful philanthropic solutions for families and businesses who want to make a bigger impact.

EverGreen Funds

Our EverGreen Fund is designed as an alternative to a private foundation, with built-in support by way of LVCF resources, expertise, and community knowledge. The Community Foundation acts as paid staff to keep the fund on track and impactful, easing the burden and workload that a private foundation would require.

There are Many Benefits to Opening an EverGreen Fund with LVCF

- Quality staff built in to the fund
- Reduced administrative workload
- Effective and supported grant cycle
- Access to shared resources
- Succession planning for continued family legacy

LEARN MORE

Contact: Carrie Krug Nedick
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Lehigh Valley Community Foundation

EverGreen Funds & Services

Lehigh Valley Community Foundation's mission is to improve the quality of life in our region, to encourage collaboration among area philanthropists, and to serve as a source of information and expertise regarding charitable giving. Simply put, the Community Foundation connects people who care to causes that matter. Through your partnership with the Community Foundation, our region will benefit from your philanthropy in multiple ways.

The Community Foundation is proud to offer an extensive portfolio of services to families in the Lehigh Valley region who want to maximize the impact of their charitable giving. We support family philanthropy with research, provide grantmaking support, administrative services, networking, asset management, and philanthropic advising.

We are your place-based partner that provides creative solutions to meet your charitable goals.

Let the Community Foundation Guide your Philanthropic Pathway with the Following Options...

- 1 **EverGreen Fund** | Start a new fund or move all or part of your family foundation to an EverGreen Fund at LVCF
- 2 **Impact Services** | Contract with LVCF for grantmaking resources to support your existing fund or foundation

EverGreen Fund | Your outsourced Executive Director & CFO

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

Focus on your family legacy while LVCF conducts all areas of fund administration, including:

- Fiduciary oversight responsibilities
- IRS filings
- Financial audits
- Check writing
- Bookkeeping
- Investment oversight

EverGreen Fund Requirements:

- Minimum establishing gift of \$1 million
- 1.25% annual fee
- At least 25% of grants support LVCF's regional footprint

An EverGreen Fund includes LVCF's Impact Services

- Work with your dedicated Philanthropic Advisor to establish values and mission for your charitable giving
- Simplify your grant application process through the use of our online grants portal (1 cycle/year)
- Apply your impact with LVCF's deep insight into the nonprofit sector, experienced due diligence and evaluation, and extensive community knowledge on areas of interest
- Network with other philanthropists and nonprofits in the area through exclusive events for fundholders

Not ready for an EverGreen Fund? Use our Impact Services
Access the Community Foundation's Impact Services option and procure only the assistance you need based on an annual fee-for-service and a one-time set-up fee.

Consolidation of Services
Investing in our Community Investing in your Legacy

Lehigh Valley Community Foundation, 840 W. Hamilton St., Suite 310, Allentown, PA 18101 | Phone 610 351-5353 | www.lvcfoundation.org

Download a PDF - [Click Here](#)

Impact Services

Impact Services for grantmaking are included with an EverGreen Fund, but we also offer this as a contracted consulting service. Existing private foundations or independent donors can use this service to make more impactful grants and simplify their grantmaking procedures.

Impact Services includes the use of LVCF's online grant application portal and can be tailored to the needs of the client. We help to administer an already well-established grant cycle, or we can work from scratch to create a process that brings to life the philanthropic vision of a donor.