














2024 Fiduciary and Philanthropic Outlook

Clare Golla, CFP®, National Managing Director—Philanthropic Services


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Who We Are: At A Glance

Global firm with boutique culture

| | | | |
|--|--|--|---|
| <p>Assets Under Management</p> <p>\$725 Billion</p>  | <p>History</p> <p>55+</p> <p>Years helping clients reach their financial goals</p>  | <p>Private Wealth AUM</p> <p>\$121 Billion</p>  | <p>Diversity and Inclusion</p>  <p>A perfect score of 100 on the Corporate Equality Index four years in a row</p> <p>CEO <u>ACT!ON</u> FOR DIVERSITY & INCLUSION</p> <p>Proud member of a growing coalition pledging to advance diversity and inclusion in the workplace</p> |
| <p>Research Analysts</p> <p>493</p>  | <p>Revenue</p> <p>100%</p> <p>From investment research and management</p>  | <p>Debt</p> <p>\$0.00</p> <p>Long-term debt on Bernstein's balance sheet</p>  |  <p>Invest with IntentionSM</p> |
| <p>Offices</p> <p>54 cities</p> <p>27 countries</p>  | <p>Responsible Investing</p> <p>~100 employees directly supporting responsible investing initiatives</p>  | <p>Performance based fees</p> <p>Aligned interests, accountability, and transparency</p>  | |

What We Stand For

-  **Trustworthiness**
-  **Innovation**
-  **Teamwork**
-  **Equity**
-  **Community**
-  **Responsibility**

As of December 31, 2023. The number of research analysts and employees directly supporting responsible investing initiatives relates to all analysts and employees working at AllianceBernstein L.P. affiliated subsidiary companies. Please note, Bernstein Research does not provide investment management services to Bernstein Private Wealth Management clients.
Source: AB

Bernstein | Foundation and Institutional Advisory

Our holistic approach addresses the multi-faceted challenges and opportunities faced by foundation and nonprofit teams, providing a range of informative and actionable topic expertise tailored to needs of your staff, boards, and philanthropists.



Portfolio Management

- Dedicated Institutional IPG
- Proprietary research
- Direct and expansive platform
- 403(b) and retirement planning

Policy and Governance

- Investment and spending policies
- Allocation forecast analyses
- Risk and reserves analyses
- Gift acceptance policies

Operational Support

- Customized and consolidated reporting
- Secure client portal
- ESG/Impact research and metrics
- Asset based lending

Development Support and Donor Engagement

- Customizable donor communication for development teams
- Custom donor analyses and campaign support
- Networking and convening opportunities

Sample Clients



Ronald McDonald House Charities[™]
Chicagoland & Northwest Indiana



CRISTOREY JESUIT
COLLEGE PREPARATORY SCHOOL OF HOUSTON



Build It[®]
Green



COUNTRY MUSIC ASSOCIATION



Howard Brown Health



QUEENS MUSEUM



QUEENSBOROUGH COMMUNITY COLLEGE



Jewish Family and Children's Services
OF SAN FRANCISCO, THE PENINSULA, MARIN AND SONOMA COUNTIES



Communities In Schools[®]
Tennessee



NEW BRAUNFELS Community Foundation



SEXUAL ASSAULT CENTER



ADVENTURE SCIENCE CENTER



Hamilton Families
HOUSING FIRST. COMMUNITY STRONG.



THE ELEPHANT SANCTUARY
IN TENNESSEE



TAUCK FAMILY FOUNDATION



HUMANE ANIMAL RESCUE of Pittsburgh



RAICES
THE REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES



Women[™] Employed



FRIENDS FOUNDATION
DENVER PUBLIC LIBRARY



DANCE THEATRE OF HARLEM



Gamma Phi Beta FOUNDATION



HEARTLAND ALLIANCE

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Agenda

Setting the Stage:

- Today's starting point is dramatically different than recent history. How are key risks and opportunities shifting for fiduciaries and philanthropists? What should we prioritize today for near- and long-term success?

Optimize Investments

- Time sensitive actions for short and intermediate pools
- What and why re: strengthening long horizon portfolios

Spend Less? Align More?

- Really, what are the benefits of spending less?
- Aligning decisions more holistically—including investments—with mission

Give/Get More Effectively: Philanthropic Trends

- Opportunities ahead for both donors and fundraisers

Wall Street's Key Economic and Market Expectations for 2024

| | Consensus | Bernstein |
|-------------------|-------------|--------------------|
| US GDP* | 0.7% | 1.0% |
| Global GDP* | 2.6% | 2.1% |
| Policy Rate | 4.00%–4.25% | 4.00%–4.25% |
| 10Y Treasury Rate | 3.8% | 3.25% |
| US Inflation | 2.4% | 2.5% |
| EPS Growth | 6.0% | 4.0% |
| SPX Target | 4,850 | 4,900 |

AB's View:

Global growth: Growth is slowing and will continue to do so, but we do not expect a disruptive hard landing.

Inflation: Gradual disinflation is likely to define 2024 but convergence to target is not anticipated until late 2024 or even 2025.

Monetary policy: Tightening has ended, and easing is on the horizon, though not likely until Q2 or Q3 in most major economies. The pace hinges on the magnitude of economic deceleration and rate of disinflation.

Bond yields: With rate cuts on the horizon, yields will decline, though not as rapidly as seen in Q4—barring a collapse in growth.

Earnings growth: S&P 500 earnings expectations have been relatively stable. Macroeconomic headwinds may challenge company profitability—though we anticipate receding rates to be a welcomed tailwind.

As of December 30, 2023. **Historical analysis is not necessarily indicative of future results. There is no guarantee that any estimates or forecasts will be realized.**

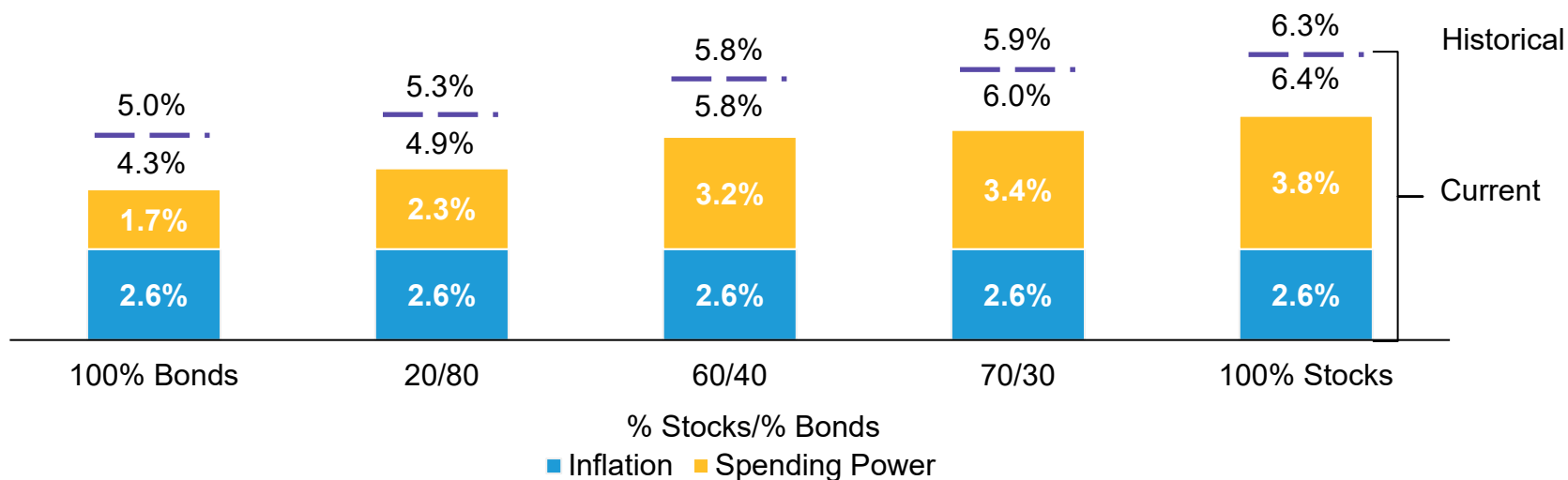
*US GDP forecasts presented as Q4/Q4; Global is YoY. Outliers of more than 100 bps from difference from highest/lowest estimate are removed. Source: Bloomberg, FactSet, and Bernstein analysis. Top-down EPS estimates based on those reported as of 12/22/2023.

Looking Out a Bit Further...

We expect future returns in line with history, but higher inflation will pressure sustainable distributions

Median 10-Year Index Return Projections*

vs. Long-term Average†



Probability of
20% Loss

<2%

<2%

16%

27%

60%

As of June 30, 2023

*Represents projected pretax compound annual growth rates. Stocks modeled as MSCI World Index. Bonds modeled as intermediate-term taxable bonds.

†“Long-term Average” returns are rolling average 5-year compound annual growth rates over the past 30 years.

Based on AB’s estimates of the range of returns for the applicable capital markets over the periods analyzed. **Data do not represent past performance and are not a promise or a range of future results.** See Appendix for further details.

Source: Barclays, MSCI, S&P, and AB

Optimize Investments

- Time sensitive actions for short and intermediate pools
- What and why re: strengthening long horizon portfolios

Is Our Money Safe? SIPC Insurance

| Bank Deposits—FDIC Insurance | Investments—SIPC Insurance |
|--|---|
| <ul style="list-style-type: none">• “Federal Deposit Insurance Corporation” | <ul style="list-style-type: none">• “Security Investor Protection Corporation” |
| <ul style="list-style-type: none">• Protects depositors against loss if insured bank fails | <ul style="list-style-type: none">• Protects customers if insured brokerage firm fails |
| <ul style="list-style-type: none">• Standard FDIC coverage: \$250 thousand per depositor | <ul style="list-style-type: none">• Standard SIPC Coverage: \$500 thousand, \$250 thousand of which can be cash |
| | <ul style="list-style-type: none">• Firms can purchase excess SIPC coverage<ul style="list-style-type: none">• Bernstein’s excess SIPC insurance increases overall coverage to \$100 million per client, of which \$1.9 million can be cash• Certain money market funds (e.g., Bernstein’s Government Reserves) are considered investments for purposes of SIPC coverage |

Action Items

- Right-size your cash and consider “adding duration” to funds exceeding short-term needs
- Optimize return on dollars funding short-term needs
- Check in on the terms of your credit relationship and your philanthropic relationship

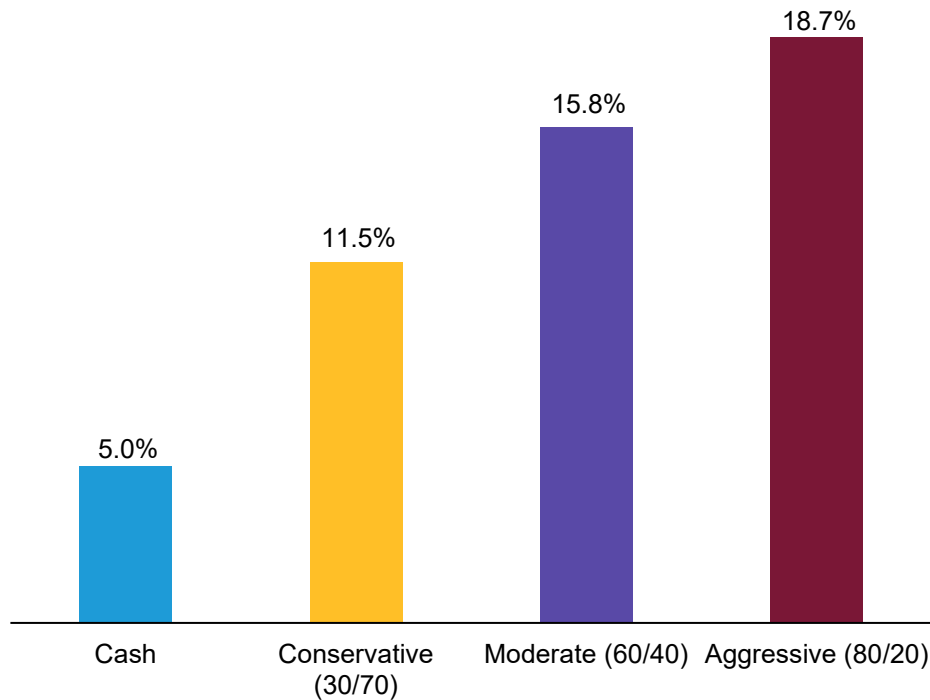
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Safety of Cash Came with a Cost in 2023

Investors Stand to Benefit from the Imminent Deployment of Record Cash Balances

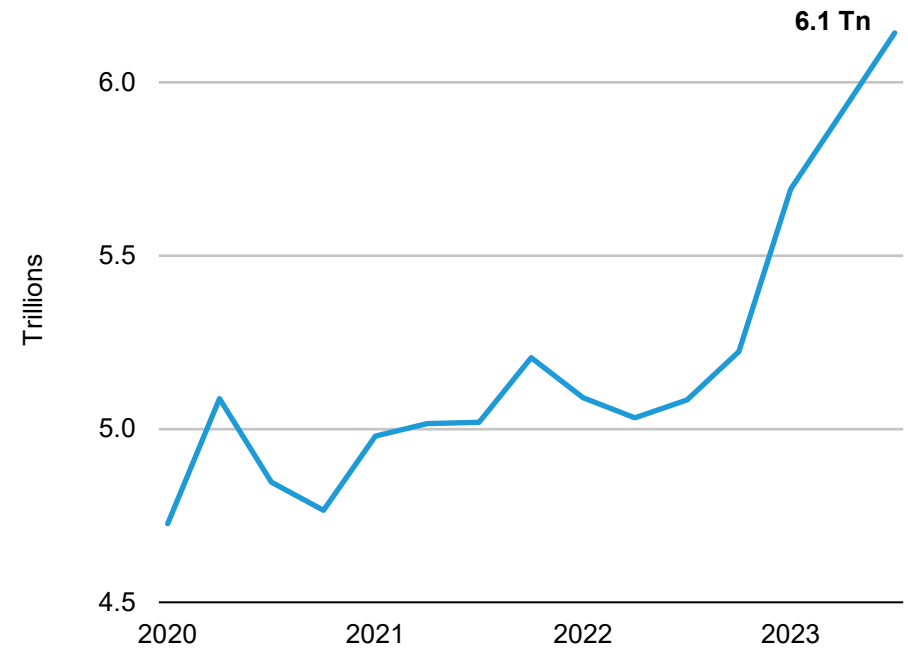
Is Cash King?

2023 returns: cash vs. diversified portfolios (percent)



Investors Now Sit on Bloated Cash Balances

Money market funds, total asset level (USD)



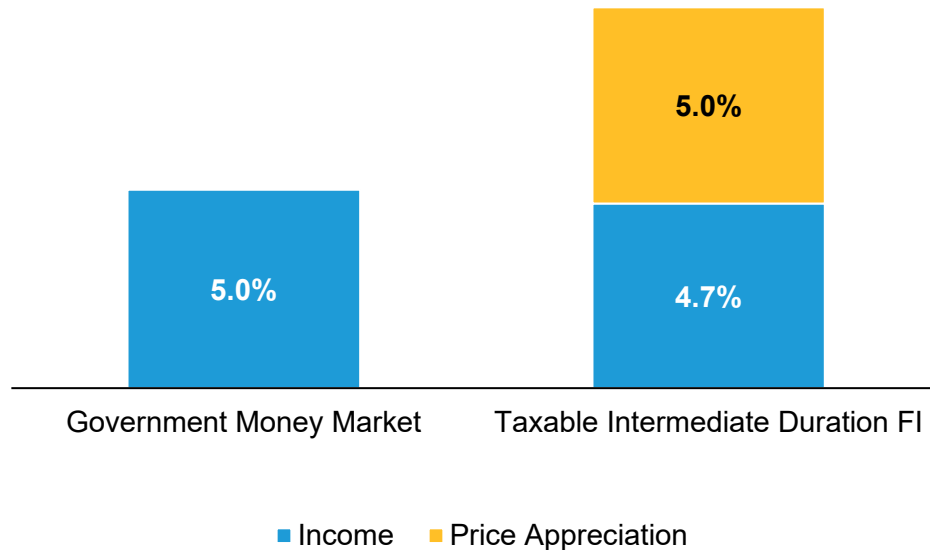
As of December 30, 2023. **Past performance does not guarantee future results.**

Cash represented by FTSE 0-1 Month T-Bill Index. Global equities are modeled as the MSCI ACWI IMI Index. Bonds are modeled as the Bloomberg Global Aggregate Bond Index-Hedged.

Source: Bloomberg Barclays, Federal Reserve, FRED, MSCI, and Bernstein analysis.

Sizing and Allocating Reserves in the Environment Ahead

Investors who wait until after rates have declined are likely to miss an opportunity. Seeking thoughtful advice today can help you determine the best way to size and invest your operating reserves.



- Bond prices increase when interest rates decline
- Bond duration (sensitivity to interest rate changes) detracts from performance when rates rise (i.e., 2022), but it benefits the portfolio when rates fall
- If the Fed is near the end of their hiking cycle, or if rates fall due to economic weakness, cash equivalents are likely to underperform short and intermediate duration bond portfolios

As of January 9, 2024. **Past performance and historical analysis do not guarantee future results.**

Display reflects expected returns of representative Government Money Market, Intermediate Duration Indices.

*Assumes cash rates fall by 0.75% pretax after nine months at current levels, 10Y Treasury falls to 3.25% from 4.0%, ID duration is 6.6 years

†Assumes Government cash rates fall by 0.75% based on Fed Guidance from dot plot to 4.45%, and 10Y Treasury yield falls to 3.25%

Sources: AB, Barclays Live

Size Reserves Based on Factors Impacting Shortfall Risk

Risk Factor

Revenue Risk

More Uncertainty or Potential for Disruption = More Reserves



Spending Risk

Fixed Commitments or Potential for Spike = More Reserves



Timing Differences

Variability, Seasonality, or Timing Mismatch = More Reserves



Borrowing Risk

Access to Margin or Loan from Affiliate Org. or Donor = Less Reserves



- Less Reserves Required
- Some Reserves Required
- More Reserves Required

Investments & Institutional Advisory

Cash Reserves Analysis Questionnaire

Setting Short-Term Reserves

- How much does the organization currently have reserved to cover spending expenses in the event of an unplanned event? (Monthly)
- What is the maximum percentage you've needed to withdraw from short-term reserves historically?
- What are your projected annual revenues?
- What are your projected annual expenses?

Review Funding Status

- In the left column, please break out your typical (or projected) annual revenues by seasonality and how certain you are to receive them.

| Source | Revenue as % of Total | Probability Will be Received |
|-------------------------------|-----------------------|------------------------------|
| Annual Income | | |
| Wages/Salary | | |
| Pension/IRA/401k | | |
| Dividend/Interest | | |
| Real Estate | | |
| Trust Assets, Pensions, etc. | | |
| Government/Pension/Retirement | | |
| Other | | |
| Total | | |

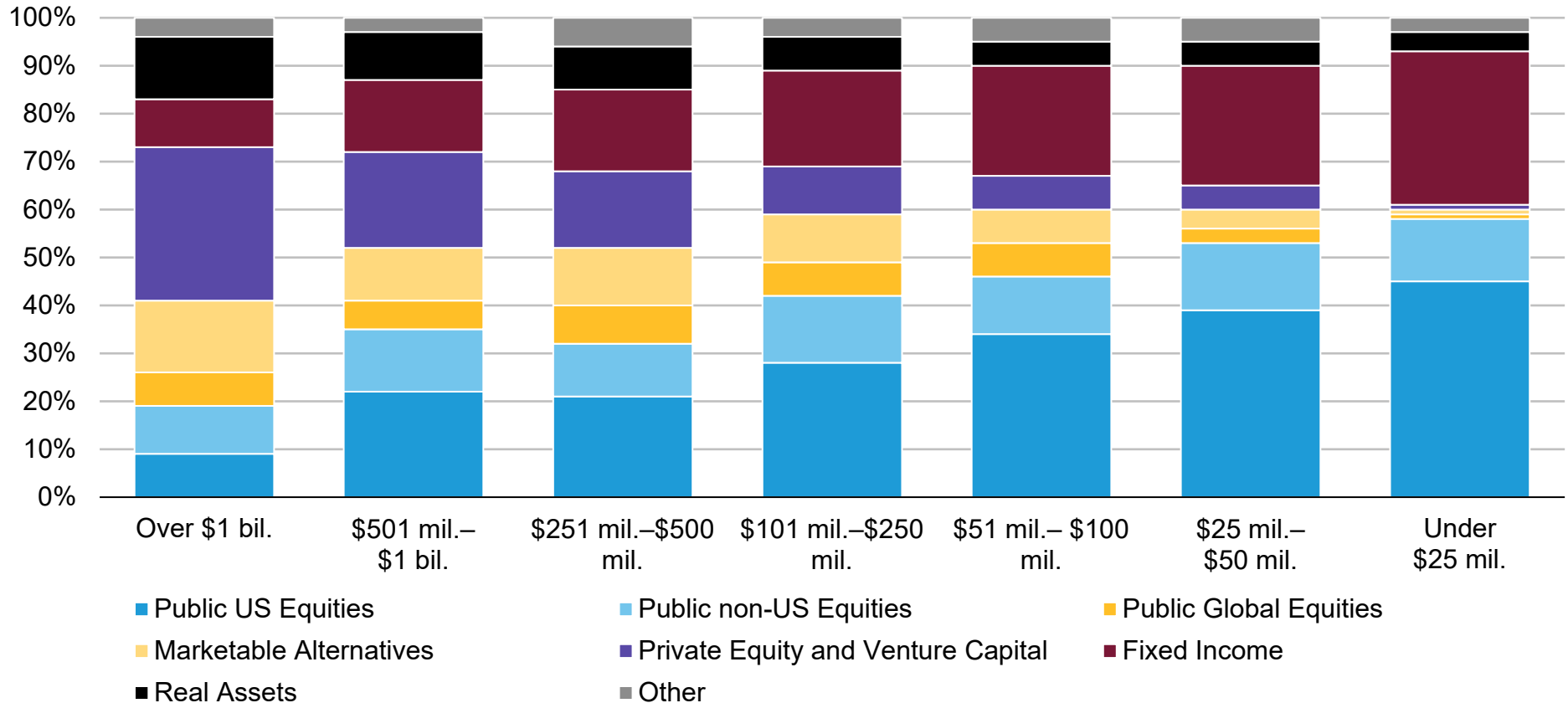
Use Previous Report Settings

Click Here

Hypothetical client profiles presented. Historical analysis is not necessarily indicative of future results. There is no guarantee that any estimates or forecasts will be realized. Source: Bernstein analysis

Endowment Allocation Differences by Size

Asset allocations for endowment cohorts, FY 2022



For illustrative purposes only.
As of 2022
Source: NACUBO-TIAA Study of Endowments

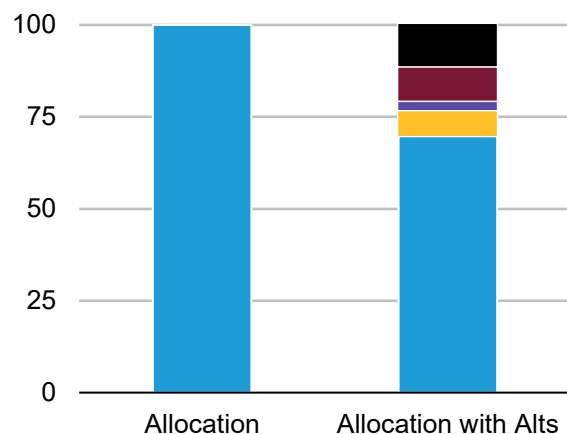
Why Bother? Example Alternatives Analysis

Projected outcomes based on asset allocation models (10-year period)

| | Median Return | Long-Term Volatility | Prob. of 20% Loss | Tail Risk | Average Income |
|----------------------|---------------|----------------------|-------------------|-----------|----------------|
| Allocation | 5.9% | 11.8% | 21% | -21% | 2.8% |
| Allocation with Alts | 7.1% | 9.3% | 14% | -22% | 3.1% |

Projected Liquidity

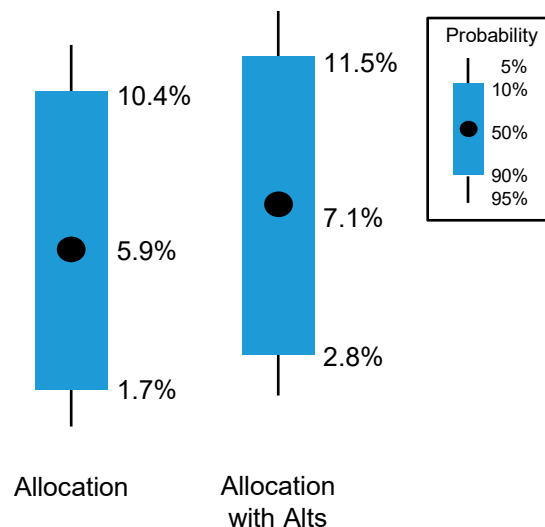
Minimum lock-up period



■ ≤1 Week ■ ≤1 Quarter ■ ≤2 Year
■ <5 Year ■ ≥5 Year

Range of Projected Returns

10-year compounded annualized growth rate



Trade-offs and Considerations

- Liquidity Shortfall
- Allocation Drift
- Timing of Reporting
- Cost and Tax Structure

For illustrative purposes only. There can be no assurance that any investment objectives will be achieved. Simulated or hypothetical performance results have certain inherent limitations. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve returns or a volatility profile similar to those being shown.

Prob. of 20% loss is the probability of peak-to-trough losses, which may include a multi-year period of difficult markets. Tail Risk is defined as the 99th percentile or worse outcome for an annual loss. See assumptions and notes on Alternatives Impact Analysis at the end of this report.

IPS Should Codify Strong Governance Practices

Living Document

- Review/re-ratify annually
- Balance structure and flexibility
- Clearly define roles and responsibilities
- Align with current and expected market conditions



Success Measurement

- Tie investment success to mission
- Measure Returns vs. Risk—weighted allocations & forecasted expectations
- Monitor for strategies that are outliers
- Confirm returns net of *all* fees and expenses



Institutional Memory

- Document both decisions and rationale
- Use as onboarding tool for new fiduciaries
- Reference as guide in times of stress
- Add/include all asset pools overseen by fiduciaries

Interested in Updating your Organization's IPS?

Bernstein's Foundation and Institutional Advisory (FIA) Team would be happy to review your existing IPS, suggest tweaks to language, assess or update your spending policy, or answer any other questions you might have. Please reach out to FIA@Bernstein.com.

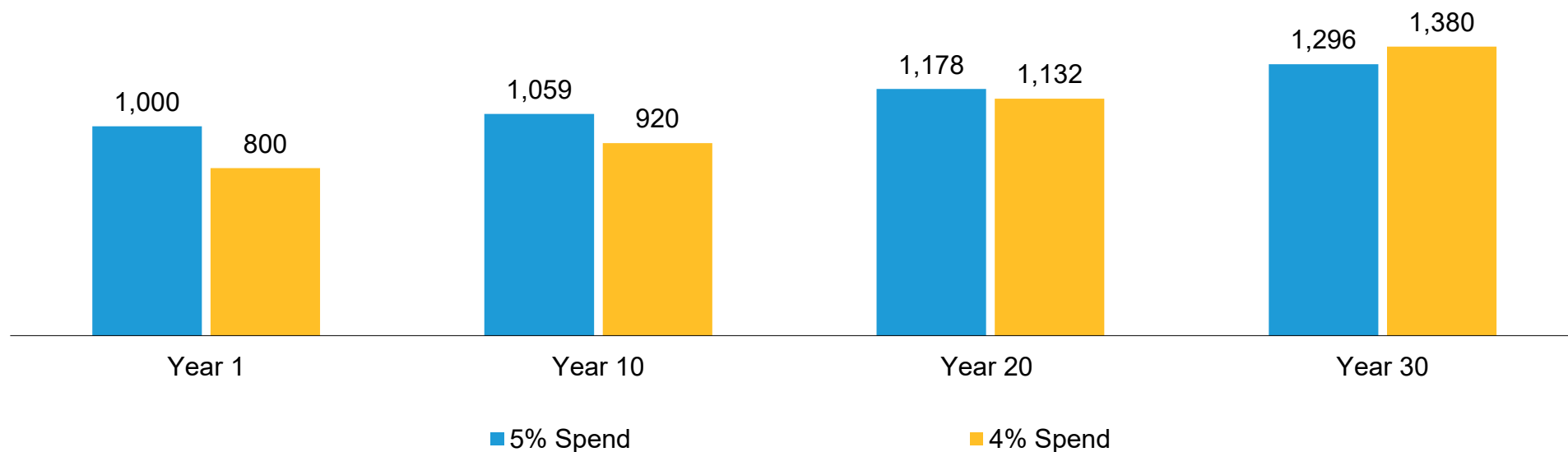
Spend Less? Align More?

- Really, what are the benefits of spending less?
- Aligning decisions more holistically – including investments – with mission

Spend More? Spend Less? Near- and Long-term Portfolio Impacts

Annual Distributions Spending

USD millions, nominal, 60% stock/40% bonds (USD thousands)



As of December 31, 2023.

Initial assets of \$20 million with a 3-year smoothing spending policy.

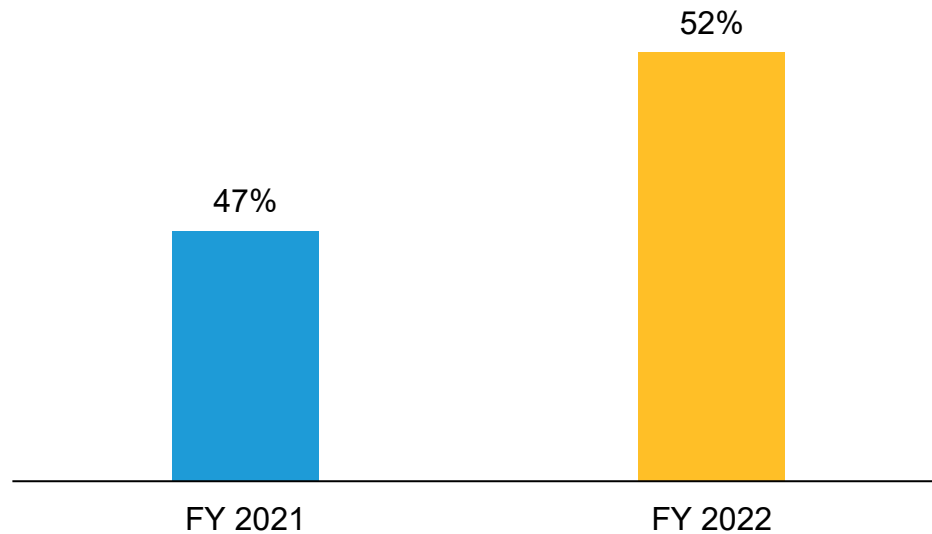
Asset allocation is 60% Global Stocks/40% Intermediate Taxable Fixed Income. Global Stocks are 12.0% US Diversified, 16.2% US Value, 16.2% US Growth, 6.0% Small-Mid Cap, 9.6% Us Low Vol Equity, 21.2% Developed International, 8.1% Emerging Markets and 10.7% High-Risk International. Fixed Income is 100% US Intermediate-Term Taxables. See Notes on Wealth Forecasting System in the Appendix of this presentation.

For illustrative purposes only

Institutional Investors Are Increasingly Aligning Investments

Manager Evaluation

Over 50% of higher ed endowments surveyed incorporate responsible investing into their manager selection due diligence and evaluation process (Percent)



Diversity, Equity and Inclusion

Nearly 10% of surveyed schools have a DEI policy for investment manager selection (Percent)

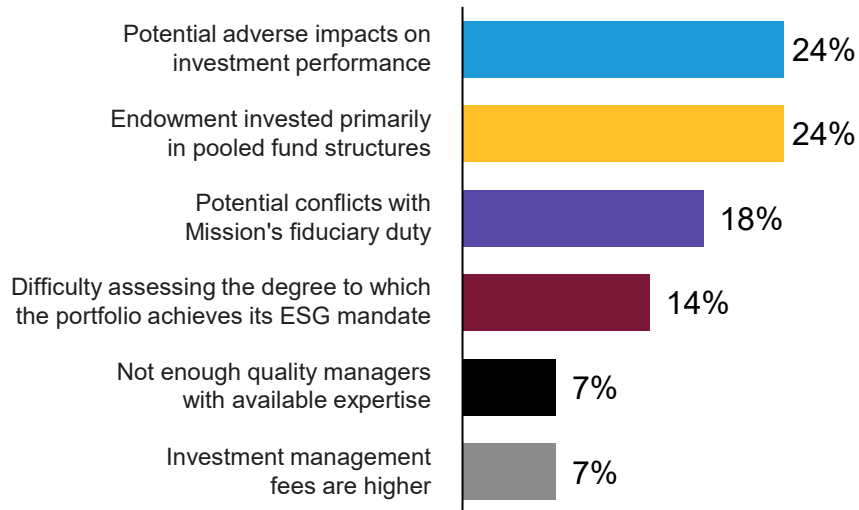


As of 2022
Source: NACUBO-TIAA Study of Endowments
For illustrative purposes only

Research Insights Respond To Barriers Cited by Fiduciaries

Why not?

Percent of endowments reporting that the following factors were reasons for not pursuing environmental, social and governance (ESG) investing, socially responsible investing (SRI) or impact investing:



Source:
AB – Fiduciary Investing: Navigating the New Frontier;
2022 NACUBO-TIAA Study of Endowments;

Bernstein Research Responds



Doing More with What We've Got: Additional Alignment of Money and Mission

- Aligning traditional investment portfolio with values (“the other 95%”)
- Social enterprises, blended financing/funding, expanding philanthropic and financial tools
- Rise of ‘Corporate Social Responsibility’—customers, investors, employees and execs highly value
- Movement toward an ‘integrated life’
- Diversity, Equity and Inclusion—the foundational level of DEI in all aspects of the business
- GUSA 2023 new section: “Many Paths to Generosity” features many ways individuals, foundations, and corporations manifest generosity, including unique giving campaigns, different giving vehicles and unique approaches to philanthropy

Additional Resources

- **[A Look Inside the Six Types of Social Enterprise](#)**
- **[15 Eye-Opening Corporate Social Responsibility Statistics](#)**
- **[Handbook for an Integrated Life](#)**

Investing in your People

Employee Dissatisfaction in General is Costly

Cost of replacing an employee can exceed
200%
of their annual salary

Disengaged employees cost the world
\$8.8T
(9% of GDP)

52% of nonprofits report more vacancies in now than pre-pandemic

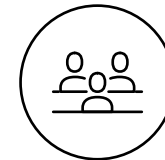
How can fiduciaries



Assess Existing 'Beyond Compensation' Benefits



Evaluate Retirement Plans/Benefits



Explore Education and Other Services

Sources:
State of the Global Workplace: 2023 Report, Gallup; Employee retention: The Real Cost of Losing an Employee, PeopleKeepHR
This Fixable Problem Costs U.S. Businesses \$1 Trillion, Gallup

Investing in your People

80% of Nonprofit Employers Cite Compensation as Major Restraint on Hiring and Maintaining Top Talent

Retirement Plans:

Are you putting this priority benefit to work effectively?

Nonprofits tend to:

- Have investment expenses greater than 75 bps.
- Include retail share class mutual funds instead of institutional share class funds.
- Have not conducted an independent evaluation of providers and fees over the past 3 years.



Financial Education Can Help

58%

Of employees said that preparing for retirement stressed them out.

Stressed employees are

**TWICE AS
LIKELY**

to look for a new job elsewhere.

Employees spend

**13 HOURS PER
MONTH, ON
THE JOB**

worrying about finances.

66%

Of employees reported not having access to financial literacy through work.

71%

Of employees are interested in taking part in financial literacy programming.

Resource: [New IRS Proposed Regs Target Donor Advised Funds](#); Jennifer B. Goode, Bernstein's, Director, Wealth Strategies

Source:
AB Research, 2021

Give/Get More Effectively

- Opportunities ahead for both donors and fundraisers

High-Level Philanthropic Trends | What to Expect in 2024



Global Uncertainty Continues, Donors will Seek Stability

Uncertainty continues but opportunity exists.



Individual Giving Leads the Charge; Donor Sophistication Increases

Donors at all levels are seeking savvy, strategic, and convenient ways to support their causes of choice.



Where Could an Economic Downturn Unlock Philanthropic Potential?

Donor Advised Funds (DAFs) can't be ignored. What other charitable giving might be a focus for donors this year?



Generative AI: Practice Makes Progress

Efficiency is the real win. How can we harness this technology ethically?

What is the investor angle – how should leaders and committees address the topic?

Continued Uncertainty, What's Next?



**Election
Year**



**Continued
Geopolitical
Unrest**



**Philanthrocapitalism
Evolves**

A Recap of the most recent Giving USA Report (June 2023)

In 2022, Americans gave \$499.33 billion to charity



Corporations:

- Gave \$30B
- Up 6.4% (decline of 4.2%, inflation-adjusted)



Foundations:

- Gave \$105B
- Up 2.5% (decline of 5%, inflation-adjusted)



Individuals:

- Gave \$319B
- Down 6.4% (decline of 13.4%, inflation-adjusted)

Sources: [Giving USA 2023 Annual Philanthropy Report](#); [The Super Rich are Trying a New Approach to Philanthropy](#), The Economist, January 2024; [20 Nonprofit Experts Share Trends To Watch In 2024](#), Forbes Nonprofit Council

Individual Giving Leads the Charge; Donor Sophistication Increases

Larger Gifts, Fewer Doors

73% of Charitable Giving from Individuals in 2022 (Giving USA)

- ✓ Chronicle of Philanthropy reported that Giving Tuesday raised \$3.1B in 2022; **same as 2021 but with 10% fewer donors.**
 - ✓ **'Relationship-based' approach is required, but resource heavy.** How can fundraisers meet the needs of high-touch donor engagement?
 - ✓ Nonprofit leaders and fundraisers serve as guiding partners to donors. **Education and support is key.**
-

Planned Giving Continues to Grow as an Opportunity

The average donor in the United States is 64 years old (Giving USA)

- ✓ Less than **8% of Americans include a charitable bequest** in their will or estate plan BUT 1/3 say would consider doing so if asked.
- ✓ **\$30 trillion wealth will transfer** from Baby Boomers to heirs/beneficiaries in next 30–40 years.
- ✓ The typical completed planned gift is **200 times the size** average annual fund gifts.
- ✓ **Current giving increases** dramatically after including an organization in estate plans.

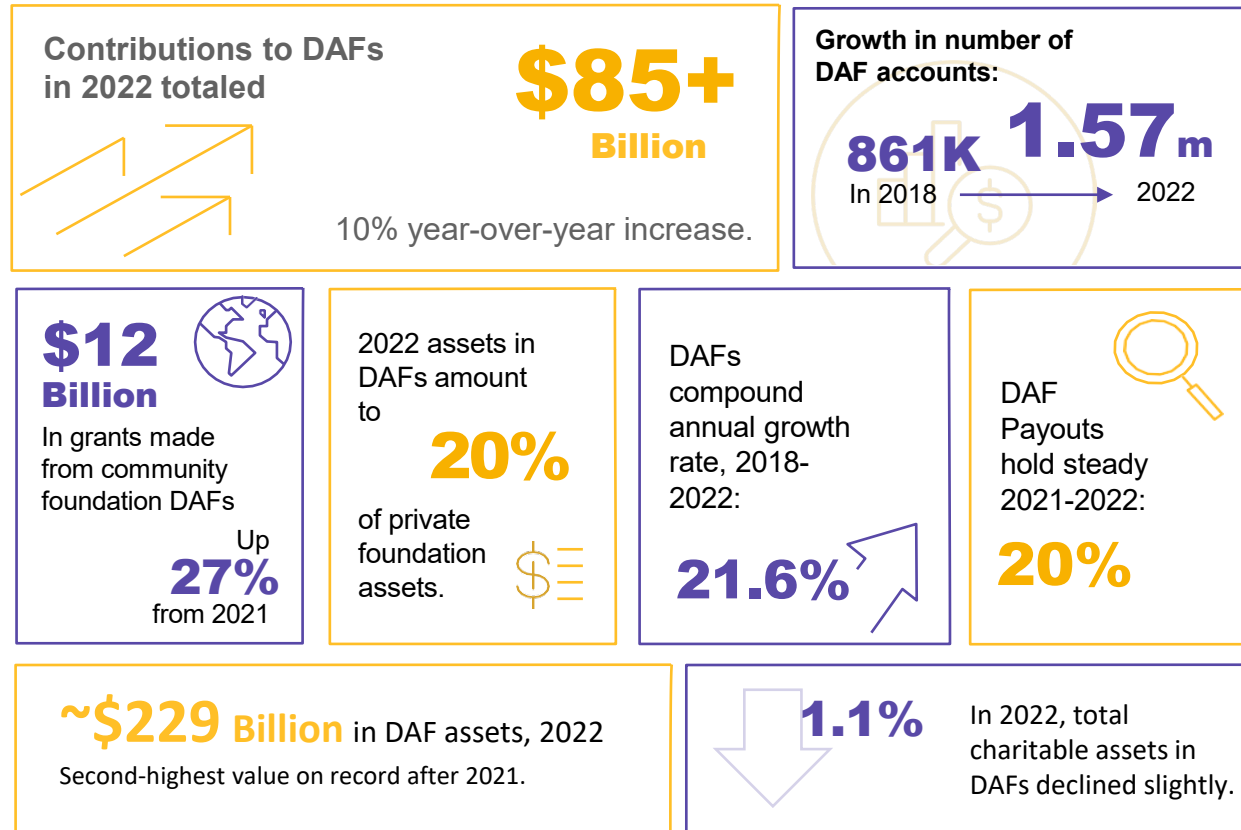
Source:

Giving Tuesday Results Are Flat; Nonprofits Raise \$3.1 Billion, Chronicle of Philanthropy;

*Giving USA's Leaving a Legacy: A New Look at Planned Giving Donors; The Council on Nonprofits: Legacy Giving Are Your Donors Waiting to Be Asked About Their Legacies?; Giving USA 2023.

Economic Slowdown? DAFs as an Opportunity

Grants from DAFs to charitable organizations reached \$52.16 billion, a 9% increase from a revised \$47.83 billion in 2021

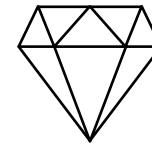
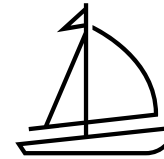
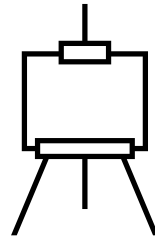


Resource: [New IRS Proposed Regs Target Donor Advised Funds](#);
Jennifer B. Goode, Bernstein's, Director, Wealth Strategies

Source:
National Philanthropic Trust 2023 DAF Report (representing 2022 data)

Economic Slowdown? Nontraditional Assets

Potential rise in gifting of nontraditional assets: fine art, jewelry, cars, antiques and other collectibles



Where to Start?



**Create or update your
Gift Acceptance Policy (GAP)**



**Partner with experts who can
help you convert assets**



**Mining your donor base,
communicate to prospects**

Questions? Reach out to FIA@Bernstein.com for resources relative to this topic.

Generative AI is Changing the Landscape in Donor Engagement

Efficiency is the Real Win

Risks

Streamlined governance is a long way off

- Serious risks to privacy
- A.I. may be wrong
- Biased HR practices
- Disclosure policies should be considered
- Threat to humanity?

Rewards

The real win is efficiency, adding bandwidth to stretched teams

- Overcoming the 'blank page'
- Donor Identification & communication
- Streamlined operations
- Data analysis

A few simple steps to own your own AI plan



Where can AI help? Create a wish list of your greatest needs.



Choose a short list of AI tools and test with your team.



Integrate into your next strategic plan

In appendix: Sample list of AI apps and tools curated by our team for social sector organizations.

Source: Rasheeda Childress, June 2023, How Nonprofits Can Avoid A.I. Ethical and Legal Pitfalls, Chronicle of Philanthropy; How Some Fundraisers are Using ChatGPT, Chronicle of Philanthropy, May 3, 2023, Emily Haynes; Jon Biedermann, GiveSmart;

Agenda Recap

Setting the Stage:

- Today's starting point is dramatically different than recent history. How are key risks and opportunities shifting for fiduciaries and philanthropists? What should we prioritize today for near- and long-term success?

Optimize Investments

- Time sensitive actions for short and intermediate pools
- What and why re: strengthening long horizon portfolios

Spend Less? Align More?

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Give/Get More Effectively: Philanthropic Trends

- Opportunities ahead for both donors and fundraisers

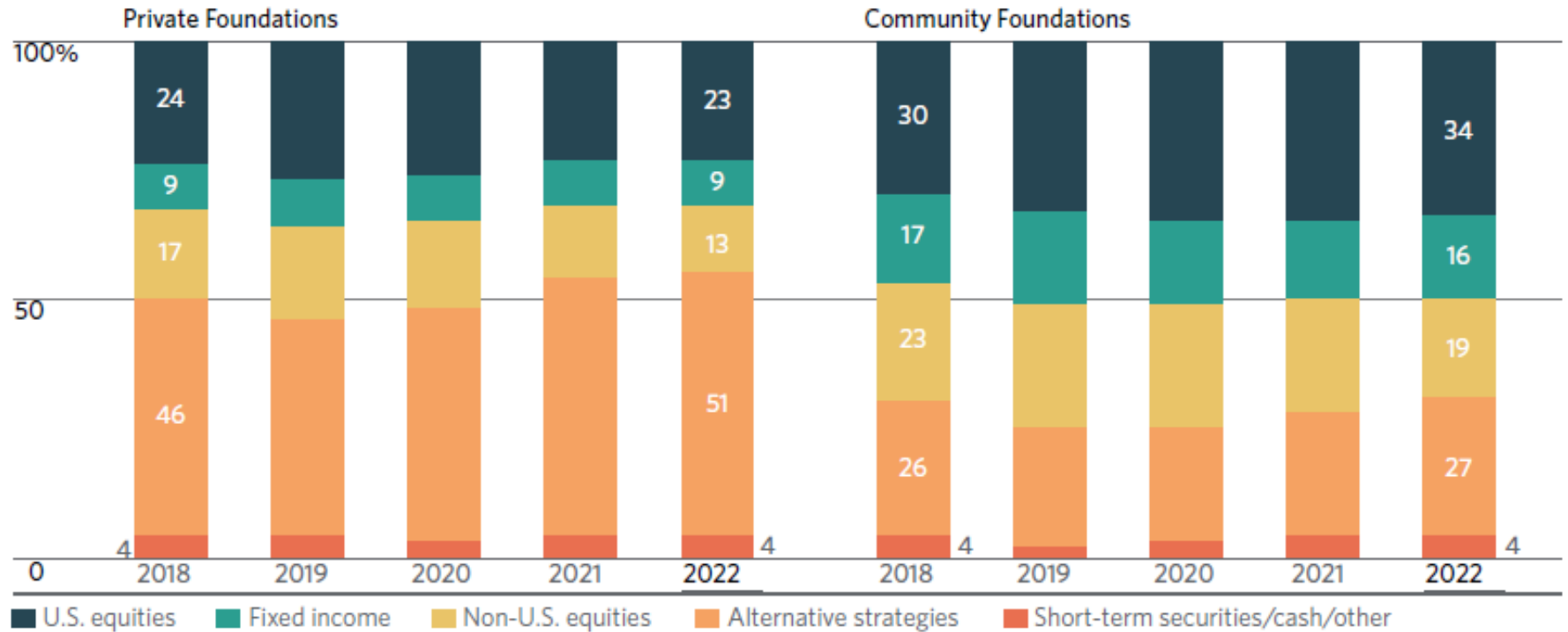
Questions?

Appendix

Private and Community Foundations Allocation to Alternatives

Figure 3.1

ASSET ALLOCATION* TRENDS FOR FOUNDATIONS 2018-2022

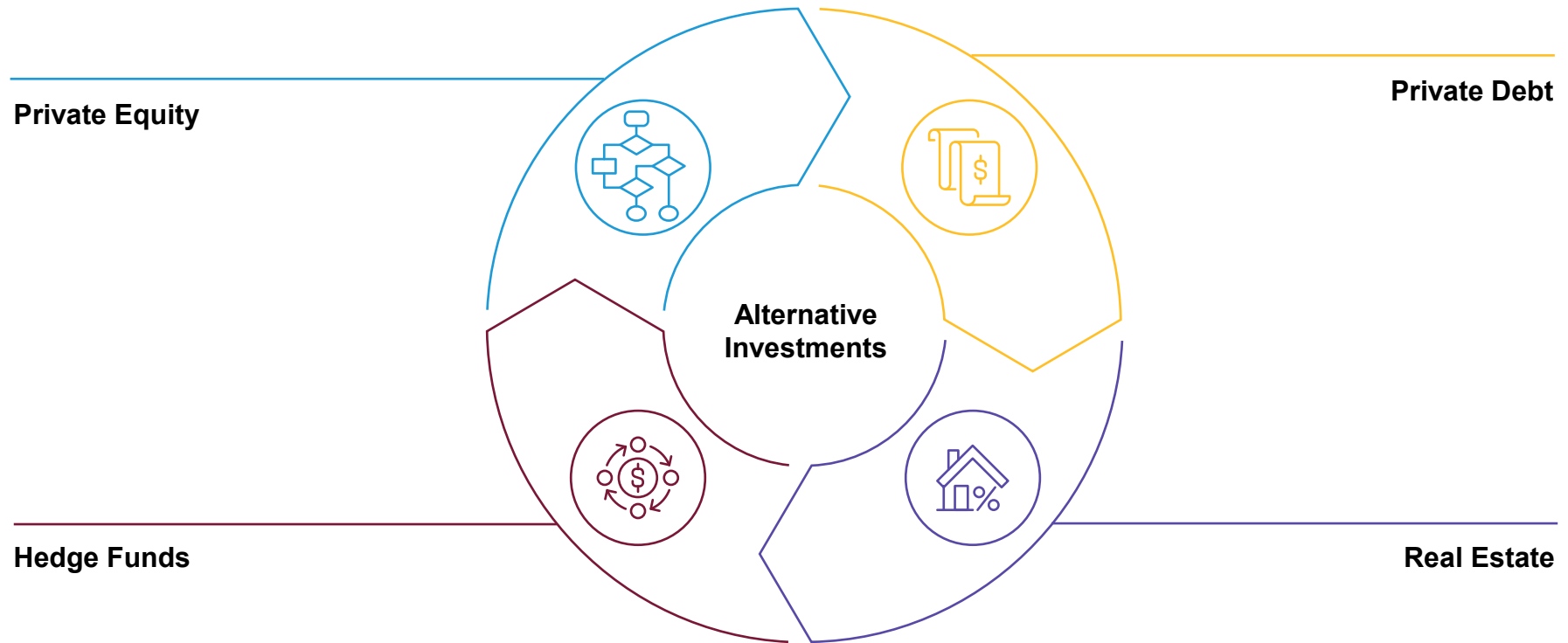


*dollar-weighted

As of 2022
Source: Council on Foundations-Commonfund Study of Investment of Endowments

Innovative Alternative Investment Offering

Where insight, opportunity and structure meet. Our clients can incorporate alternatives across four major pillars. Clients gain access to niche funds offering distinct investment opportunities only available on our platform.



Alternative investments involve a high degree of risk and are designed for investors who understand and are willing to accept these risks.

Source: AB

Committee Action Items

Who

Confirm Committee Members for 2024+

- Are there term limits? Are they staggered? Pipeline/succession plan?

When

Schedule 2024 Quarterly Meetings

- Obtain materials from investment advisor three weeks after quarter-end
- Schedule meetings four weeks after quarter ends

What

Review Investment Policy Statement (IPS) and Spending Policy

- Include all accounts over which the board has oversight responsibility—short, intermediate, long horizon, restricted/endowment and unrestricted
- Make updates if necessary and document changes/re-ratification.

Why

Prospective Capital Markets Forecasts and Organizational Needs/Priorities Change over Time

- Are current allocation guidelines and spending allowances/requirements in line with current expectations? (see *Projected Median Outcomes & Sustainable Spending Rates in appendix*).

How

- **How should we course correct?** What adjustments can we make re: allocation/investments selection, spending and/or revenue?
- **Reach out to fia@bernstern.com and/or your Bernstein advisor for a customized forecast analysis and recommendations**

Planned Giving



Why Planned Giving?

Worth the Investment

Less than **8% of Americans include a charitable bequest** in their will or estate plan BUT 1/3 say they would consider doing so if asked

\$30 trillion wealth will transfer in US from Baby Boomers to heirs/beneficiaries in next 30–40 years. “If we don’t ask, other nonprofits will.”

Planned gifts have **increased roughly 5% every year**—even in recessions

A donor’s **current giving increases** dramatically after including an organization in estate plans

Worth the Wait

The typical completed planned gift is **200 times the size** of a donor’s largest annual fund gift (\$55,000+)

Average time from when gift is made to **maturity is 7–10** years (only a few years—most campaign pledge periods)

Average planned gift is **US\$35,000–US\$70,000**

Over **\$237 billion given by bequest in the 5-yr period ending 2022**, close to double the amount given by corporations

Planned Giving [The Importance of Planned Giving](#); Stelter [Planned Giving's Positive Impact on Annual Giving and How to Make Your Board See the Value of Planned Giving](#); Giving USA: [Leaving a Legacy: A New Look at Planned Giving Donors](#); The Council on Nonprofits, [Legacy Giving: Are Your Donors Waiting to Be Asked About Their Legacies?](#); Giving USA 2023.

AI Apps to Consider

Sample list of AI Tools Leading the Charge for Lean Social Sector Teams



Task Mechanization and Research:

- **ChatGPT 3.5 (free) or 4.0 (paid):** Whether you choose the free or paid version, this app is an incredibly versatile leader in the generative AI movement. Ask it anything, and then continue the conversation until you get the quality content/response you can use. Consider researching prompts to learn how to best make this tech work for your team. [ChatGPT](#)
- **Perplexity:** Perplexity Pro adds integrations with new AI models and search that enhance the content quality, including the ability to reference sources for the information pulled from the platform. [Perplexity](#)
- **FeedlyAI:** is a news aggregator app that compiles news feeds from a variety of online sources to customize and share with others. “I use Feedly to simplify and narrow my daily research, which has made my process much more organized,” said Cheung, who uses it to research the latest trends for his newsletter. [FeedlyAI](#)



Content Creation and Design:

- **Gamma AI:** Create beautiful, engaging content with none of the formatting and design work. It's essentially an automated presentation generator that produces full presentations from a few settings and prompts. It also allows real-time edits. The output usually requires some small changes, but the majority of the work is completed for you after the first round of prompts. [Gamma](#)
- **Canva:** This has long been a favorite tool of creative and marketing teams. With the addition of their new 'magic' tool, there is a host of AI created content that makes their job even easier. [Canva](#)



Donor Identification and Communication:

- **FundraiserGPT:** Simplify the task of creating fundraising content using ChatGPT. FundraiserGPT's Appeal Wizard takes on the heavy lifting of prompt crafting to ensure high-quality, proof-ready drafts in a variety of formats.
- **DonorSearchAI:** Machine learning solution that enables nonprofit organizations to identify, visualize, and segment the very best prospects across all fundraising. [DonorSearchAI](#)
- **ChatFuel:** This tool allows you to establish an automated donor responder with relative ease. Once donors become more communicative in response to your stewardship, you can engage with a higher-touch approach but for one-off or smaller-amount annual fund donors, this is a great way to stay in touch. [ChatFuel](#)



Finance and Operations:

- **Planful:** They help clients achieve peak performance, driving prosperity for their shareholders, their employees, and the communities they impact through integrated and dynamic reporting functionality. [Planful](#).
- **DOMO:** Comprehensive cross-departmental reporting to streamlined and grow your business and impact. [Domo](#).
- **Fireflies AI:** Transcribes and analyzes meetings notes and follow up tasks into a condensed summary for future reference. [Fireflies](#)

Trust-Based Philanthropy: Shifting Power Dynamics

Six practices of trust-based grantmaking



Give Multi-Year, Unrestricted Funding

Long-term flexible funding allows organizations to allocate resources where they are most needed, making room for innovation, emergence and impact.



Do the Homework

It is the funder's responsibility to get to know the issues and organizations in their funding landscape, saving nonprofits time in the early stages of the vetting process.



Simplify and Streamline Paperwork

Nonprofits spend an inordinate amount of time on reports and applications. A more relational approach saves time and helps funders gain a deeper understanding of the work.



Be Transparent and Responsive

When funders model transparency, power awareness and vulnerability, it helps build relationships rooted in trust and mutual accountability.



Solicit and Act on Feedback

A foundation's work will be inherently more successful if it is informed by the expertise and experience of grantee partners and communities.



Offer Support Beyond the Check

Funders have more to offer than dollars alone. Responsive, adaptive, non-monetary support bolsters leadership, capacity and organizational health.

Causes Vary Among Generations...

Navigating different interests



Traditionalists
(1925–1945)

27.1

million donors in the US

88% give

Likely to support:

- Place of worship
- Social services
- Troops/veterans
- Emergency relief



Baby Boomers
(1946–1964)

51.0

million donors in the US

72% give

Likely to support:

- Place of worship
- Social services
- Children's charities
- Animal rescues



Generation X
(1965–1980)

39.5

million donors in the US

59% give

Likely to support:

- Place of worship
- Social services
- Troops/veterans
- Emergency relief



Millennials
(1981–1996)

32.8

million donors in the US

60% give

Likely to support:

- Children's charities
- Place of worship
- Health charities
- Human rights
- International development

Source: Bridgeworks: Four Generations for Charity: Who really gives a buck? Phil Gwoke. April 2022.

Notes on Bernstein Wealth Forecasting SystemSM

1. Purpose and Description of Wealth Forecasting Analysis

Bernstein's Wealth Forecasting Analysis is designed to assist investors in making their long-term investment decisions as to their allocation of investments among categories of financial assets. Our planning tool consists of a four-step process: (1) Client-Profile Input: the client's asset allocation, income, expenses, cash withdrawals, tax rate, risk-tolerance level, goals, and other factors; (2) Client Scenarios: in effect, questions the client would like our guidance on, which may touch on issues such as when to retire, what his/her cash-flow stream is likely to be, whether his/her portfolio can beat inflation long-term, and how different asset allocations might affect his/her long-term security; (3) The Capital-Markets Engine: our proprietary model that uses our research and historical data to create a vast range of market returns, which takes into account the linkages within and among the capital markets, as well as their unpredictability; and (4) A Probability Distribution of Outcomes: based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of returns and asset values the client could expect to experience are represented within the range established by the 5th and 95th percentiles on "box-and-whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not establish the boundaries for all outcomes. Expected market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. Moreover, actual future results may not meet Bernstein's estimates of the range of market returns, as these results are subject to a variety of economic, market, and other variables. Accordingly, the analysis should not be construed as a promise of actual future results, the actual range of future results, or the actual probability that these results will be realized. The information provided here is not intended for public use or distribution beyond our private meeting.

2. Retirement Vehicles

Each retirement plan is modeled as one of the following vehicles: Traditional IRA, 401(k), 403(b), Keogh, or Roth IRA/401(k). One of the significant differences among these vehicle types is the date at which mandatory distributions commence. For traditional IRA vehicles, mandatory distributions are assumed to commence during the year in which the investor reaches the age of 72. For 401(k), 403(b), and Keogh vehicles, mandatory distributions are assumed to commence at the later of: (i) the year in which the investor reaches the age of 72, or (ii) the year in which the investor retires. In the case of a married couple, these dates are based on the date of birth of the older spouse. The minimum mandatory withdrawal is estimated using the Minimum Distribution Incidental Benefit tables as published on www.irs.gov. For Roth IRA/401(k) vehicles, there are no mandatory distributions. Distributions from Roth IRA/401(k) that exceed principal will be taxed and/or penalized if the distributed assets are less than five years old and the contributor is less than 59½ years old. All Roth 401(k) plans will be rolled into a Roth IRA plan when the investor turns 59½ years old, to avoid Minimum Distribution requirements.

3. Rebalancing

Another important planning assumption is how the asset allocation varies over time. We attempt to model how the portfolio would actually be managed. Cash flows and cash generated from portfolio turnover are used to maintain the selected asset allocation between cash, bonds, stocks, REITs, and hedge funds over the period of the analysis. Where this is not sufficient, an optimization program is run to trade off the mismatch between the actual allocation and targets against the cost of trading to rebalance. In general, the portfolio is expected to be maintained reasonably close to the target allocation. In addition, in later years, there may be contention between the total relationship's allocation and those of the separate portfolios. For example, suppose an investor (in the top marginal federal tax bracket) begins with an asset mix consisting entirely of municipal bonds in his personal portfolio and entirely of stocks in his/her retirement portfolio. If personal assets are spent, the mix between stocks and bonds will diverge from targets. We put primary weight on maintaining the overall allocation near target, which may result in an allocation to taxable bonds in the retirement portfolio as the personal assets decrease in value relative to the retirement portfolio's value.

Notes on Bernstein Wealth Forecasting SystemSM

4. Expenses and Spending Plans (Withdrawals)

All results are generally shown after applicable taxes and after anticipated withdrawals and/or additions, unless otherwise noted. Liquidations may result in realized gains or losses, which will have capital-gains tax implications.

5. Modeled Asset Classes

The following assets or indexes were used in this analysis to represent the various model classes

| Asset Class | Modeled As | Annual Turnover |
|------------------------------------|---|-----------------|
| Cash Equivalents | 3-month US Treasury bills | 100% |
| Short-Term Treasuries | US Treasuries of 2-year maturity | 50 |
| Short-Term Taxables | Taxable bonds of 2-year maturity | 50 |
| Short-Term Diversified Municipals | AA-rated diversified municipal bonds of 2-year maturity | 50 |
| Int.-Term Treasuries | US Treasuries of 7-year maturity | 30 |
| Int.-Term Taxables | Taxable bonds of 7-year maturity | 30 |
| Int.-Term Corporates | US investment-grade corporate debt of 7-year maturity | 30 |
| Int.-Term Diversified Municipals | AA-rated diversified municipal bonds of 7-year maturity | 30 |
| Global Int.-Term Taxables (Hedged) | 50% sovereign and 50% investment-grade corporate debt of developed countries of 7-year maturity | 30 |
| Int.-Term TIPS | US TIPS of 7-year maturity | 30 |
| High Yield | Taxable bonds of 7-year maturity with credit characteristics of CSFB High Yield Index II | 30 |
| Global Large-Cap (Unhedged) | MSCI World Index (NDR) Index | 15 |
| US Diversified | S&P 500 Index | 15 |
| US Value | S&P/Barra Value Index | 15 |
| US Growth | S&P/Barra Growth Index | 15 |
| US Mid-Cap | Russell Mid-Cap Index | 15 |
| US Small-/Mid-Cap | Russell 2500 Index | 15 |
| US Small-Cap | Russell 2000 Index | 15 |
| Developed International | MSCI EAFE Index (Unhedged) | 15 |
| Emerging Markets | MSCI Emerging Market Index | 20 |
| Global REITs | NAREIT Index | 30 |
| Real Assets | 1/3 NAREIT, 1/3 MSCI ACWI Commodity Producer Index, 1/3 DJ-UBS Commodity Futures Index | 30 |
| Diversified Hedge Fund | Diversified Hedge Fund Asset Class | 33 |

Notes on Bernstein Wealth Forecasting SystemSM

6. Volatility

Volatility is a measure of dispersion of expected returns around the average. The greater the volatility, the more likely it is that returns in any one period will be substantially above or below the expected result. The volatility for each asset class used in this analysis is listed on the Capital-Market Projections page before these Notes. In general, two-thirds of the returns will be within one standard deviation. For example, assuming that stocks are expected to return 8.0% on a compounded basis and the volatility of returns on stocks is 17.0%, in any one year it is likely that two-thirds of the projected returns will be between (8.9)% and 28.8%. With intermediate government bonds, if the expected compound return is assumed to be 5.0% and the volatility is assumed to be 6.0%, two-thirds of the outcomes will typically be between (1.1)% and 11.5%. Bernstein's forecast of volatility is based on historical data and incorporates Bernstein's judgment that the volatility of fixed-income assets is different for different time periods.

7. Technical Assumptions

Bernstein's Wealth Forecasting System is based on a number of technical assumptions regarding the future behavior of financial markets. Bernstein's Capital-Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs that summarize the current condition of the capital markets as of the date in the footnotes of that page. A description of these technical assumptions is available on request.

8. Tax Implications

Before making any asset-allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein, including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. Bernstein does not provide tax, legal, or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

9. Tax Rates

Bernstein's Wealth Forecasting System has used various assumptions for the income tax rates of investors in the case studies. See the assumptions in each case study (including footnotes) for details. The federal income tax rate is Bernstein's estimate of either the top marginal tax bracket or an "average" rate calculated based upon the marginal rate schedule. For 2014 and beyond, the maximum federal tax rate on investment income is 43.4% and the maximum federal long-term capital-gains tax rate is 23.8%. Federal tax rates are blended with applicable state tax rates by including, among other things, federal deductions for state income and capital-gains taxes. The state tax rate generally represents Bernstein's estimate of the top marginal rate, if applicable.

10. Core Capital Analysis

The term "core capital" means the amount of money necessary to cover anticipated lifetime net spending. All noncore capital assets are termed "surplus capital." Bernstein estimates core capital by inputting information supplied by the client, including expected future income and spending, into our Wealth Forecasting System, which simulates a vast range of potential market returns over the client's anticipated life span. From these simulations, we develop an estimate of the core capital the client will require to maintain his/her spending level over time. Variations in actual income, spending, applicable tax rates, life span, and market returns may substantially affect the likelihood that a core capital estimate will be sufficient to provide for future expenses. Accordingly, the estimate should not be construed as a promise of actual future results, the actual range of results, or the actual probability that the results will be realized.

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The value of an investment can go down as well as up and investors may not get back the full amount they invested. Capital is at risk. Past performance does not guarantee future results.

Alternative investments involve a high degree of risk and are designed for investors who understand and are willing to accept these risks. Past performance is not necessarily indicative of future results and there can be no assurance that any alternative investment strategy will achieve its investment objectives. A discussion of risk factors related to an investment in the Fund can be found in the applicable offering document(s), which you should read carefully before you decide to invest.

Some of the principal risks of investing in alternative investments include:

Default Risk: The risk that issuers or counterparties may not be able to meet interest payments nor repay the capital borrowed. A default by the issuer may impact the value of the assets.

Securitized Asset Risk: Investments in mortgage-backed and other asset-backed securities may be particularly sensitive to changes in interest rates. They may also be subject to higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of those securities.

Liquidity Risk: Adverse market conditions can affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

Market Risk: The market values of the investments may rise and fall from day to day, so investments may lose value.

Interest Rate Risk: Bonds may lose value if interest rates rise or fall—long-duration bonds tend to rise and fall more than short-duration bonds.

Credit Risk: A bond's credit rating reflects the issuer's ability to make timely payments of interest or capital—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline.

Allocation Risk: Allocating to different types of assets may have a large impact on returns if one of these asset classes significantly underperforms the others.

Foreign Risk: Investing in overseas assets may be more volatile because of political, regulatory, market and economic uncertainties associated with them. These risks are magnified in assets of emerging or developing markets.

Currency Risk: Currency fluctuations may have a large impact on returns and the value of an investment may be negatively affected when translated into the currency in which the initial investment was made.

Capitalization Size Risk: Holdings in smaller companies are often more volatile than holdings in larger ones

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