South Jersey
Transfer of Wealth Opportunity Results

September 2024

Conducted by Rutger's University

Commissioned by the Community Foundation of South Jersey

COMMUNITY FOUNDATION of SOUTH JERSEY

CFSJ TRANSFER OF WEALTH STUDY

Thankful to be Supported by Experts

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RUTGERS UNIVERSITY

Edward J. Bloustein School of Planning and Public Policy

The Center for Urban Policy Research

Rutgers Economic Advisory Service

Created in SJ, by SJ and for SJ.

The Community Foundation of South Jersey works to create permanent philanthropy and build stronger communities. CFSJ manages more than $100 million in assets and administers philanthropic funds and planned gifts. CFSJ's work with donors, charitable organizations, cities and towns plays a critical role in both philanthropic and community development.

Since its founding in 2009, CFSJ has reinvested more than $40 million in South Jersey through scholarships, grants, and programs. A dedicated board of directors, as well as an experienced and professional staff, provide personal service and local expertise to deliver the greatest impact for your charitable giving and help ensure South Jersey's future for the generations of South Jerseyians to come.

The Community Foundation of South Jersey helps southern New Jersey strategically use philanthropy to create a thriving eight county region where all neighbors aspire, succeed, participate, and give.

Community Foundation of South Jersey IS HERE

TO LISTEN

Personalized Service

- Help people create personal legacies
- Share knowledge of community needs
- Customize giving strategies to match donor values and interest
- Facilitate complex forms of giving
- Offer grant-making expertise and administrative services

TO UNDERSTAND

Local Expertise

- Knowledge of community issues, opportunities and resources
- Monitor community needs to direct grants and resources
- Gather information and track local agencies and programs
- Unite people, institutions and resources

TO TAKE ACTION

Community Leadership

- Act as a community catalyst for making a difference
- Build endowments to ensure funding is always available
- Support high impact opportunities
- Create proactive and reactive solutions
- Foster development of people, organizations and programs

TRANSFER OF WEALTH

The wealth that will transfer from one generation to the next in our community over the next decade.

In many places, the coming transfer of wealth is the largest undeveloped community asset.

For communities to thrive, they must thoughtfully invest in education, health care, economic development, and other community amenities. Traditional sources of funding have become less consistent and reliable in recent years. Community Foundation's experience working with communities across the U.S. shows that philanthropic giving represents the greatest underdeveloped financial resource a community can mobilize. Community-based philanthropy is a way for neighbors to invest and realize a shared vision for the future of their region. It is also a community engagement tool, providing opportunities for all community members of all means to give back to the place they call home.

Across the U.S., there are examples of the power of community-based philanthropy to drive community transformation. Young parents create an endowment to support quality preschool education. Successful entrepreneurs endow programs to encourage and support their up-and-coming peers, including youth. To encourage community philanthropy, however, you need to begin by helping the community recognize that they have collective wealth to give and the capacity to dream about the community they could create by applying that philanthropic potential.

The Community Foundation of South Jersey's Transfer of Wealth analysis provides a reasonable estimate of the total household wealth that will transfer from one generation to the next over a given period, 10 years or 40 years, in a defined geography – typically a city, county or state. While past research has found that most of this wealth will be passed on to heirs, recent evidence shows that individuals and families also give back to their communities, keeping some of that wealth in the places they call or have called home.

Transfer of Wealth Research and Goals

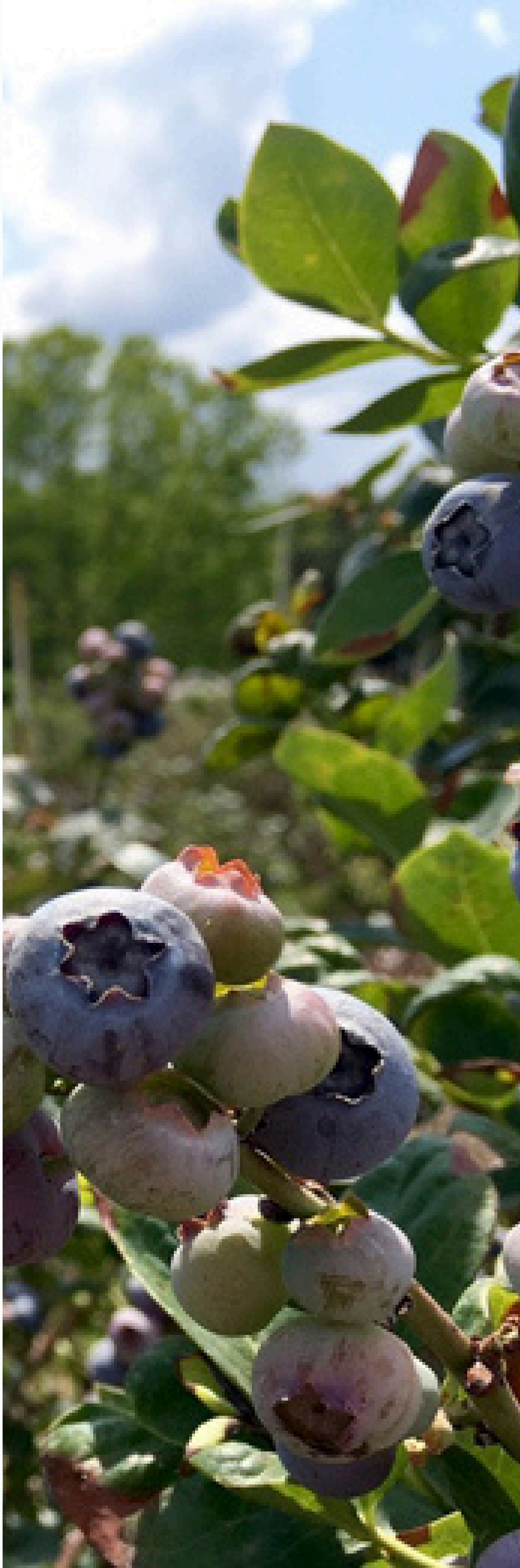
The South Jersey Transfer of Wealth study finds its roots in a 1999 Boston College study, **Millionaires and the Millennium.** Since the first transfer of wealth study in Nebraska in 2001, collaborators have developed and refined the methodology to provide scenarios that can be the starting point for powerful discussions about wealth transfer and its potential as a source of funding for community.

One such methodology developed by the Nebraska Community Foundation and the Center for Rural Entrepreneurship provided projections for wealth transfer on a county-by-county level. These projections helped catalyze county level economic development, and community improvement efforts.

The two primary goals of TOW research are

1: Help **individuals, communities, donors, and organizations develop a better understanding of the remarkable opportunity**, the connection between the demographic and economic characteristics of a community and the size, the timing, and the geographic distribution of the TOW.

2: Provide a useful anchor for donor development goals that can translate into **endowment building and strategic grant making**.



Wealth Transfer Model
Key Factors

Demographics	The model considers the sex, nativity, Hispanic origin, race, and age distribution of the population and the timing of intergenerational transfers of wealth based on life expectancy, and underlying population change.
Household Size	The model considers changes in household size over time and how this affects the amount of wealth that will be transferred between generations.
Income and Wealth Distribution	The model uses data on income and wealth distribution to estimate the expected amount of wealth that will be transferred between generations.
Life Expectancy and Mortality	The study used life expectancy and mortality rates to estimate the number of deaths and the timing of intergenerational transfers of wealth.
Charitable Giving	The model also considers the potential impact of charitable giving on the transfer of wealth; assuming a 5% capture rate, standard in wealth transfer studies to be directed towards charitable giving.

Each of these variables is associated with coefficients that measure the effects of characteristics on current net worth. Our projections use 2019 (pre-pandemic) current net worth as the starting point in developing the South Jersey transfer of wealth scenarios.

Data sources for these variables include the American Community Survey from the Census Bureau and the Survey of Consumer Finances from the Federal Reserve Board and the U.S. Treasury Department.

Calculations and Considerations

Analysis projects estimated **total net wealth**, **transfer of wealth opportunity**, and **potential charitable bequests** from **2025-2060**

8 counties of South Jersey: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem, and Ocean.

Constructed using projected **CNW** and **mortality rates by age**

Projections constructed for **6 different scenarios** that differ with respect to key variables

Population Change
Rate of International Migration
(Low immigration / High immigration)

Economic Growth
Rate of Growth of Personal Income
(No growth/ Low / Moderate growth)

The Transfer of Wealth model produces scenarios based on projections of likely futures, not projections or forecasts of actual future outcomes. Scenarios are driven by key assumptions about the future, based on historical trends.

In all cases, conservative scenarios were created to represent realistic estimates of transfer of wealth opportunities. The scenario numbers generated are not predictive - indicating what will result, but rather demonstrate potential or a “likely future” given past and current trends.

Population and Household Projections

A key input required for modeling TOW scenarios is a region's population forecast. State and local demographers regularly forecast local population trends by looking at historic population levels, local economic data, migration patterns, planned housing developments, and other factors that contribute to population growth or decline. Historically, South Jersey has experienced steady population growth rising from a little over 1,854,000 residents in 1980 to over 2.5 million residents in 2022.

Growth has been most prominent in Burlington, Gloucester, and Ocean counties. Looking forward, the New Jersey Department of Labor and Workforce Development forecasts continued growth for the state, while Cape May and Salem counties are projected to see a slight decrease in population.

Populations by County

	Population 1980	Population 2022	Projected Population 2034	Current Median Age
New Jersey	**7,365,011**	**9,261,699**	**9,733,400**	**40.4**
Atlantic	194,119	275,638	282,900	42.7
Burlington	362,542	466,103	472,700	41.5
Camden	471,650	524,907	525,600	38.8
Cape May	82,266	95,634	93,400	51.6
Cumberland	132,866	151,356	164,400	38.2
Gloucester	199,917	306,601	312,500	40.6
Ocean	346,038	655,735	665,700	41.4
Salem	64,676	65,117	59,800	41.1

New Jersey Department of Labor and Workforce Development, American Community Survey 2022

What is a household?

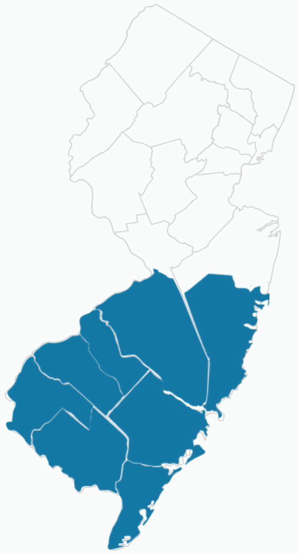
For the purposes of public surveys, a "household" is a group of people who occupy the same housing unit. This can mean a family, but it also includes unrelated people living together. All households have a "householder" or one person, or one of the people, in whose name the home is owned, being bought, or rented. When surveys report a household's wealth, the wealth is the aggregate wealth of all the individuals living in the household.

South Jersey- Current Net Worth

Accounting for a region's wealth and modeling TOW scenarios start with determining current net worth. Current net worth is the total value of all permanent resident household assets less all permanent resident household debts. This includes homes, family-held businesses, and retirement assets. It does not include the value or undervalues trusts, assets held by corporations, nonpermanent residents, hard to value assets, quickly depreciating assets, extremely high net worth families and nonprofits.

$429 BILLION

The classes of assets that account for the largest shares of CNW in South Jersey are real estate, 50%, non-retirement financial assets, 22%, and retirement financial assets 18%.



Current Net Worth

	Households	CNW	Per Household CNW
New Jersey	**3,516,978**	**$1.623T**	**$461K**
Atlantic	106,972	$44.5B	$416K
Burlington	176,334	$89.1B	$505K
Camden	203,530	$87.9B	$432K
Cape May	48,563	$19.1B	$393K
Cumberland	54,961	$19.9B	$362K
Gloucester	111,781	$52.2B	$467K
Ocean	241,983	$106.3B	$439K
Salem	25,221	$10.0B	$396K

American Community Survey 2022; Public Use Microdata Area 2020

SOUTH JERSEY

TRANSFER OF WEALTH OPPORTUNITY

$464.8B

*High international immigration and moderate-income growth scenario

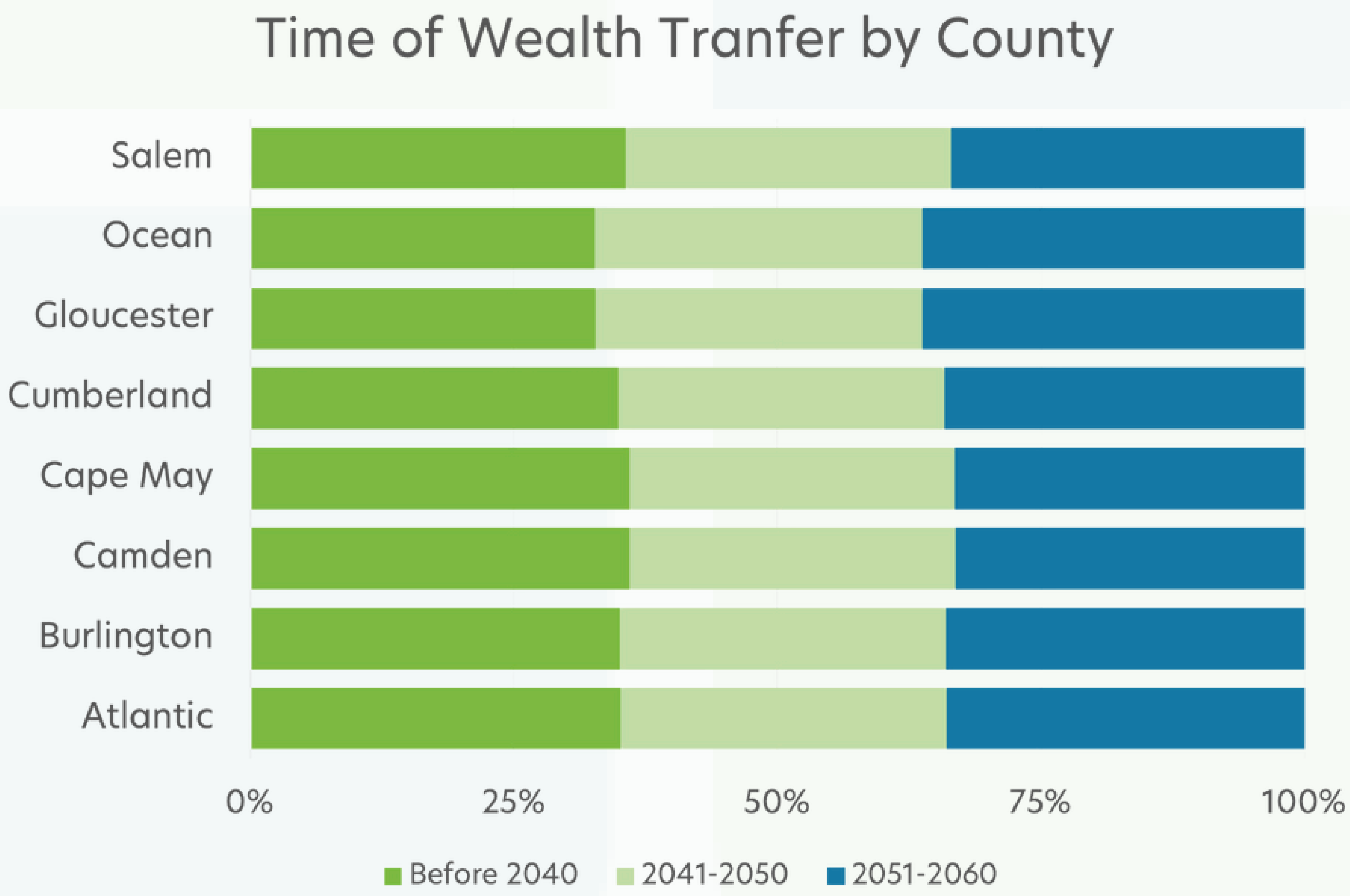
Total across all 8 South Jersey counties between 2025 - 2060

Transfer of Wealth Opportunity

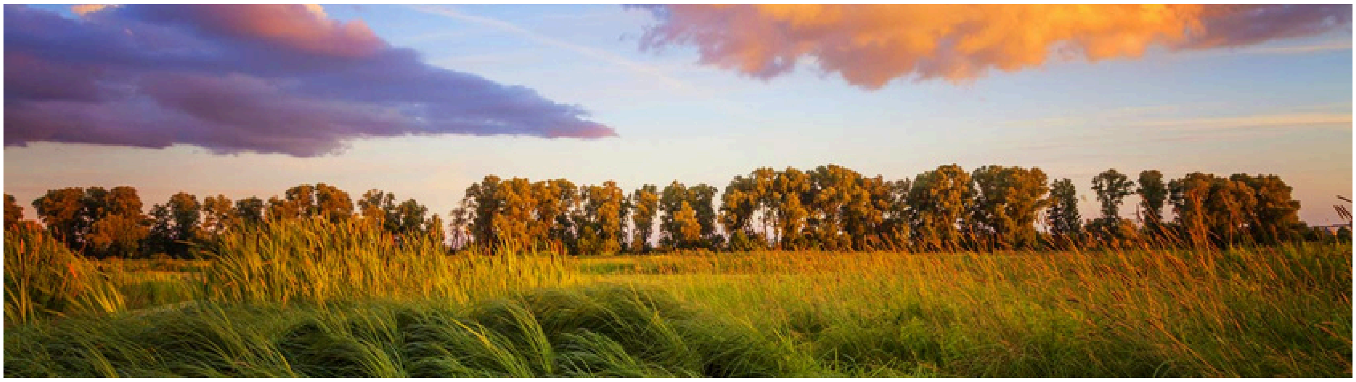
	5-Year Transfer 2025-2030	15-Year Transfer 2025-2040	40-Year Transfer 2025-2060
South Jersey	**$48.9B**	**$159.5B**	**$464.8B**
Atlantic	$4.6B	$15.9B	$45.3B
Burlington	$10.1B	$32.7B	$93.3B
Camden	$9.7B	$31B	$86.1B
Cape May	$2.1B	$6.6B	$18.3B
Cumberland	$2.2B	$7B	$20.1B
Gloucester	$6.2B	$20.6B	$63B
Ocean	$12.6B	$42.2B	$129B
Salem	$1.1B	$3.4B	$9.6B

Transfer of Wealth

Combining projected demographic, economic, and household wealth growth, the region's transfer of wealth in the next decade is expected to average **$9.8 billion annually**. Aggregated over the next **15 years**, **$159.5 billion** will transfer. Over the next **40 years**, **$464.8 billion** will transfer.



INSIGHTS: South Jersey Opportunity



South Jersey has assets. Today, our region has current household net worth of $429 billion. Communities regularly struggle to overcome the perception that they lack the capacity, the tools, or the know-how to make a lasting change for the better. Simply understanding the scale of our region's net worth can be helpful in dispelling that perception and help community members start dreaming about what might be possible now and in the future.

Many people have wealth. Families of all incomes across South Jersey have something to contribute to this region. A broad- ranging outreach strategy gets all families involved in our region's future. We do better when our neighbors do better, and our town does better when all South Jersey communities do better.

We can seize this opportunity. Organizations started assessing their local transfer of wealth in the 2000s. Foundations used this information to develop community giveback campaigns, inform donor development strategies, and conduct strategic planning. Some foundations called on neighbors to give just 5%, **a remarkable $7.9 million in our region, to support important philanthropic purposes.** Experience shows that understanding our region's transfer of wealth – having numbers and setting goals – helps foundations better reinvest those assets to promote community economic development.

The time for planning is now. Community economic development takes time. Local organizations should be planning for population shifts, recognizing that $48.8 billion will transfer from one generation to the next by 2030. Developing a strategy to retain just a portion of a region's transfer of wealth needs to start now.

South Jersey needs these assets. Healthy and vibrant communities take investment – investment in schools, housing, main streets, businesses, hospitals, and much more. Nonprofits, businesses, governments, and philanthropy need the capital and the skills to make these investments. The transfer of wealth opportunity in our region likely represents one of the most underdeveloped resources for furthering community-led projects and programs. **Capturing 5% of our transfer of wealth could support $404 million in average annual funding** to support critical community efforts. A concerted effort to capture just a portion will mean that communities have the resources they need to make investments in their future.

Philanthropic Opportunity

Philanthropy is not an end, but a means to build a more prosperous community. Philanthropy can catalyze investment in more affordable housing. Philanthropy can endow programs that advance affordable, high-quality childcare for all families. Philanthropy can provide gap financing for small businesses that stimulate economic growth and reduce economic inequality. There are thousands of ways that philanthropy can help strengthen communities and economies.

The 10-year and 50-year Transfer of Wealth scenarios demonstrate that there is significant and growing philanthropic potential in South Jersey. Focused development can help stimulate increased annual giving to local nonprofits and charitable activities, increased legacy giving that can capitalize existing and new endowments, and the use of some endowment funds to capitalize philanthropic impact investing funds.

What is possible if the region successfully tapped the coming transfer of wealth?

What if neighbors leave just 5% of their estate to their community?

Capture the transfer of wealth to support local charities and nonprofits.

If the Community Foundation of South Jersey captured even 1% of the transfer of wealth for one-time philanthropic purposes, an additional $4.6 million would bolster local nonprofits and towns . That is a lot of money to support local arts, recreation, crisis centers and other critical community needs.

Capture the transfer of wealth to build endowments.

If the Community Foundation of South Jersey captured 5% of the region's $159.5 billion 15-year transfer of wealth, an estimated **$7.9 million**, those resources could capitalize an endowment. Assuming a rate of return of 8% and a payout of 5%, over 20 years the endowment would grow to $13.6 billion and generate **$11.8 billion** in charitable funding.

What is an endowment?

An endowment at a community foundation is a fund where the principal amount is invested, and a portion of the earnings are used to support charitable activities. The goal of an endowment is to create a permanent source of funding for nonprofits, causes, scholarships, or community led initiatives that will support South Jersey today and for generations to come.

How does an endowment work?

1. Donor Contributions: Individuals, families, businesses, or organizations establish or add to an endowment fund.

2. Investment: The principal (initial donation) is invested to grow over time, often in a diversified portfolio managed by the foundation.

3. Income for Charitable Funding and Grants: A portion of the investment earnings, is distributed annually to fund grants or support specific programs. The principal remains intact, ensuring long-term sustainability.

4. Long-term Impact: The endowment grows through reinvested earnings and additional contributions, providing a steady source of funding for future community needs.

Endowments ensure the Community Foundation of South Jersey can provide ongoing support to local nonprofits, scholarships, and community programs for South Jersey, forever.

Why Endow?

Giving in a way that creates lasting, growing charitable resources for our communities is the biggest reason to endow. Other benefits of giving to or creating an an endowment include-

Endowment giving is a profound way to leave a legacy that honors your values and passion for what is important to you.

With the predictable income that charities receive from endowment, they can plan more strategically for the future and take the bold steps they know will advance their missions.

Just **one year** of the transfer could produce **$475M in charitable funding**.

5% Capture Endowment Building Example

Year	Beginning Principal	Annual Earnings	Annual Grants	Ending Principal
Initial Endowment	$7,950,000,000	$636,000,000	$429,300,000	$8,156,700,000
Year 1	$8,809,607,750	$704,768,620	$475,718,818	$9,038,657,551
Year 5	$10,015,978,316	$801,278,265	$540,862,829	$10,276,393,752
Year 10	$11,387,546,923	$911,003,754	$614,927,534	$11,683,623,143
Year 15	$12,946,935,470	$1,035,754,838	$699,134,515	$13,283,555,792
Year 20	$13,283,555,792	$1,062,684,463	$717,312,013	$13,628,928,243
Total Funding			**$11,794,697,119**	

TRAN5FORM SOUTH JERSEY

As a part of our plan to help create a thriving South Jersey for all, CFSJ is excited to tell you about an initiative called Transfer 5 to Transform South Jersey- designed to be a collective effort to invest in the future of our communities through planned giving, and we invite you to be a part of it.

The goal of Transfer 5 Transform South Jersey is to build better communities and transform ordinary people into philanthropists by educating, inspiring and encouraging individuals to aspire to leave 5% of their estates to the communities and issues they care about.

We hope to inspire and develop a growing network of like-minded individuals who care about community. Nonprofit, professional advisor and individual champions who care about South Jersey and understand the importance of keeping local wealth that is generated in our communities, IN OUR COMMUNITIES. This is especially a priority in a place like South Jersey- where assets often end up redirected to other economies throughout the country as people move away.

Transfer 5 to Transform SJ is about recapturing this wealth, growing wealth with populations that have never had a chance to grow wealth before.

Our hope for South Jersey is that we continue to expand the ways we collaborate and the strengthening of community assets like access to food, access to healthcare, and infrastructure, across our region.

Caring community members, nonprofits and community foundations can transform the possibility of a financial commitment into a reality for future generations.

Together, our work ahead will be to inspire and help people translate their caring to giving by leaving a portion of their financial legacy to philanthropy.

Transfer 5 to Transform South Jersey

Passionate Community Members

TRAN5FORM SOUTH JERSEY

If more South Jersey residents include gifts to their communities and the causes they care about in their estate plans, the landscape of our region will be positively transformed forever. In addition, our charitable legacies will inspire generosity and strong community values and behaviors in other individuals, families and communities.

There are many ways to create a legacy.

- Talk to a CFSJ philanthropic advisor about including your community in your estate plans.
- Consider creating an endowment that supports the causes you care about or your favorite nonprofit by creating a designated agency fund at CFSJ.
- Set up a Charitable Gift Annuity or Charitable Remainder Trust that has tax savings and provides financial benefits like income for your lifetime.
- Transfer assets such as life insurance, retirement accounts, bank accounts, annuity contracts by changing your beneficiary designation to a CFSJ.
- Establish a donor-advised fund as an alternative to a private foundation and incorporate the fund into your estate plans.

Everyone can participate to Transform South Jersey.
You don't have to be rich or have an elaborate estate plan.
Just make a meaningful gift commitment to the place you love.
It's about investing in your community to the best of your ability.

Professional Advisors

TRAN5FORM SOUTH JERSEY

Your work and our community benefit

Professional Advisors play a key role in the mission to Transform South Jersey and build better communities and to inspire generosity in as many people as possible by educating, and encouraging people to aspire to leave 5% of their estate to South Jersey.

Transform South Jersey Champions

- Invest in the vibrancy and health of our communities by becoming a part of a regional movement of allied professional advisors, nonprofits, and community partners dedicated to raising awareness of the impact charitable investments can make in our communities.
- Use opportunities like tax planning, retirement planning and more to help their clients understand how they can financially benefit by investing in their community
- Engage in conversations about charitable giving and incorporate the Transform South Jersey concept into estate planning discussions with their clients.
- Serve as Ambassadors and encourage other members of their organization and professional networks to embrace the concept of Transform South Jersey

Your partnership with CFSJ helps make our communities stronger!

Why become a Champion?

- Help your clients make the world a better place according to their values.
- Deepen and enrich your client relationship, moving from being a subject matter expert to a cherished "trusted advisor"
- Differentiate your practice by offering philanthropic guidance to clients and prospects. People want to have conversations about their legacy. You stand out when you are capable and open to helping them articulate and plan their impact.
- Your clients will likely invite the next generation into the conversation and open the door for multigenerational planning, community impact, and continuity for your practice.
- Your commitment to spread the message of Transform South Jersey will grow our potential to create a thriving South Jersey region.

Nonprofit & Community Organizations

Your organization and our community benefit.

In partnering with the Community Foundation of South Jersey to become a Transform South Jersey Champion, nonprofits and community groups can make the possibility of a thriving South Jersey into a reality for future generations. Through the Champion program we provide you with the guidance, tools and resources to put a planned giving program in place.

Transform South Jersey Champions

- Support the vibrancy and health of your organization and community by becoming a part of a regional movement of professional advisors, nonprofits, and community partners dedicated to raising awareness of the impact charitable investments can make in our communities.
- Establish or enhance your planned giving program and make it visible to your constituents and the public
- Celebrate those who commit to Transform South Jersey by sharing stories, testimonials, and building a Legacy Society
- Proudly share the messaging of Transform South Jersey in marketing materials, websites and other touch points to help elevate visibility

Why become a Champion?

- Educational programs offered by the Community Foundation of South Jersey and other regional partners on planned giving.
- Free and easy access to tools and resources to help with your efforts in starting or enhancing your planned giving program
- Access to the Transfer of Wealth Study as a tool to help build vision and inspiration for promoting planned gifts as well as setting strategic priorities for use and stewardship of assets
- Peer mentorship opportunities for nonprofits or community groups needing extra assistance with establishing their program

Goals for Transform South Jersey

We want to build awareness throughout the region of the transformative power of philanthropy, and get everyone talking about it and taking action. It takes repeated messaging, from many sources.

We know that planned giving can be complex and require additional capacity, time, or skills to manage the program. We will work with individuals, nonprofits and community groups to provide tools, resources and education to be successful in attracting and accepting planned gifts.

We hope to see Professional Advisors recognize Transform South Jersey as an idea that appeals to the generous nature of their clients and help those clients reach their charitable goals in a way best suited to their financial situation.

We hope to inspire and develop a growing network of like-minded individuals who care about community. They are nonprofit, professional advisor and individual champions who embrace this mission and are willing to spread the word to their networks and inspire others to Transform South Jersey.

COMMUNITY FOUNDATION of SOUTH JERSEY

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Key Terms

Assets
Accumulated resources that provide future economic value such as investments, inventory, equipment, buildings, or land. Assets can be current, fixed, financial, or intangible.

Capital
A broad term that describes available resources with economic value such as cash and assets that can be used or sold to produce an outcome. Capital includes working capital, debt, equity, and trading capital. NOTE - all capital is an asset, but not all assets are capital

Charity
A nonprofit whose net profits from donations, membership fees, or business activities does benefit the general public of which there are two types. A Public Charity has many sources of funding and relies on public support vs. a Private Foundation that typically has a single private or limited funding sources. While all charities are non-profits, not all non-profits are charities.

Community Foundation
A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution composed primarily of permanent funds established by many separate donors for the long-term diverse, charitable benefit of the residents of a defined geographic area. Typically, a community foundation serves an area no larger than a state. Community foundations provide an array of services to donors who wish to establish endowed funds without incurring the administrative and legal costs of starting independent foundations. There are more than 500 community foundations across the United States today. The Cleveland Foundation is the oldest.

Disbursement
The paying out or disbursing of money from a fund.

Donee / Grantee
The organization that receives a contribution or grant.

Donor/s
An organization or individual that makes a contribution or allocates the distribution.

Fund holder
An individual, business, organization or community group how have money invested in an established fund.

Grant
An award of funds to an organization to be used for a specific purpose.

Nonprofit
A term describing the Internal Revenue Service's designation of an organization whose income is not used for the benefit or private gain of stockholders, directors or any other persons with an interest in the company. A nonprofit organization's income must be used solely to support its operations and stated purpose.

Operating Support
A contribution given to cover an organization's day-to-day, ongoing expenses, such as salaries, utilities, office supplies, etc.

Perpetuity
An investment that has a stream of cash payments that will last indefinitely.

Principal
The cash value of an investment including initial, and any future contributions made.

Philanthropy
Philanthropy is defined in different ways. The origin of the word philanthropy is Greek and means love for mankind. Today, philanthropy includes the concept of voluntary giving by an individual or group to promote the common good. Philanthropy also commonly refers to grants of money given by foundations to nonprofit organizations. Philanthropy addresses the contribution of an individual or group to other organizations that in turn work for the causes of poverty or social problems-improving the quality of life for all citizens. Philanthropic giving supports a variety of activities, including research, health, education, arts and culture, as well as alleviating poverty.

Pledge
A promise to make future contributions to an organization. For example, some donors make multiyear pledges promising to grant a specific amount of money each year.

Agency Funds
An organizational fund is an endowed fund created by a nonprofit organization. An initial gift can establish a nonprofit fund that allows the principal to grow in perpetuity. Gifts of all sizes can be made to an existing endowment. Creating an endowment fund at the Community Foundation ensures the long-term stewardship and objective fiscal management of a nonprofit's funds. It also frees nonprofit staff from the burdens of endowment management and reporting, so they can focus on fulfilling their mission.

Corporate Funds
A corporate fund can be a donor-advised, field of interest, unrestricted, or designated organization fund created to facilitate corporate philanthropy. If you own your business, have substantial holdings in closely held stocks, or are charged with managing your corporation's charitable giving, giving through the Community Foundation offers tax advantages, eliminates record keeping and administrative hassles, and gives your business access to the guidance of our professional staff for both grant making and gift planning.

- Donate cash or other business assets. Contributions are tax deductible and you can make additional donations at any time. Making larger donations in more profitable years helps reduce your dependence on annual cash flow to sustain corporate giving levels.
- Decide which requests for support to fulfill and recommend those grant recipients. Or, allow the Foundation to assist in setting up your own grant program, managed by the Foundation.
- The Foundation handles all administrative paperwork, legal and audit fees, and correspondence with grant recipients.
- Our efficient administration of your giving program means more of your charitable resources are directed into the community.

Designated Funds
A designated fund is a way to support specific nonprofits for generations to come. Many donors recognize their annual gifts are a critical resource for the nonprofit organizations they support. Designated funds name specific nonprofits that are the beneficiaries of their grants and ensure that support in the donor's name continues in perpetuity. Creating a designated fund is best when you have supported select organizations for years and want that support to continue forever.

Donor-Advised Funds
A donor-advised fund is a fund for which the donor and their family members make recommendations for grants, subject to the approval of the Foundation's board of directors. Our most popular fund option, donor-advised funds provide maximum convenience and flexibility by enabling donors to address a wide variety of issues as their charitable interests and priorities change over time. The Foundation manages check writing, reporting, and paperwork.

The Foundation offers **two types of donor advised funds**:

- Flexible funds allow you to make grants, as long as you maintain a balance of at least $2,500. These funds will accrue investment returns, which can add to the amount available for grantmaking.
- Endowed funds are designed to continually grow charitable assets, thereby leaving a lasting resource for the community. Only a portion of the income earned on the fund's assets is available for grantmaking each year, with the emphasis on growing the principal for long-term use. This choice is best for those whose philanthropic vision extends far into the future.

A donor who creates an advised fund can identify a successor or the organizations that the fund will continue supporting in the donor's name after death. The Foundation's stewardship ensures that the donor's charitable intent is fulfilled in perpetuity. Create a donor-advised fund when you have an active interest in supporting a number of causes and want to remain both involved and flexible in your charitable objectives. The donor-advised fund is also a good option if you want to involve future generations in family philanthropy. Because the Foundation handles all the administrative and reporting tasks, a donor-advised fund can simplify and streamline your charitable giving and record keeping.

Endowed Funds
In an endowment, all assigned donations are pooled and permanently invested as capital to create a source of revenue. Generally, the principal is restricted and remains intact in perpetuity, or for a defined period or until sufficient funds have been accumulated to achieve a designated purpose. A portion of the annual investment revenue earned is then used for charitable purposes – either at the direction of the fund holder to the charities they designate, or through a grant making process.

Field of Interest Funds
A field of interest fund supports a broadly defined area such as the arts, the environment, health and wellness, or a more narrow interest, such as dental care for children of low-income families. Fund holders identify their area of interest and can participate in the grantmaking process or utilize the Foundation's expertise to identify worthy grantees. Creating a field of interest fund is best when you are passionate about a community issue and want the flexibility to support it in perpetuity, without necessarily committing your funds to a specific organization.

Scholarship Funds
A scholarship fund provides students with educational dollars according to specific criteria, such as field of study or geographic area. When a donor establishes a scholarship fund, they can choose the name of the scholarship, the eligibility criteria, and the award amount. The Community Foundation manages all fiscal and administrative aspects of the fund, including the application, selection, and award processes. Create a scholarship fund if you are passionate about supporting students in the pursuit of their educational goals.

Supporting Organizations
Using your gifts to establish a supporting organization is an alternative to a private foundation with only a fraction of the administrative responsibilities. You select board members, maintain personal involvement, and support the causes and organizations you care about while benefiting from the favorable tax treatment of a public charity. The investment management, startup costs, grant administration, and reporting requirements can be handled by the Community Foundation of South Jersey.

Unrestricted Funds
An unrestricted fund recognizes that a community's challenges and opportunities will change. It provides flexible resources to support innovative responses. Fund holders entrust the Foundation with the selection of promising projects to receive grant funding through a competitive process based on community needs. As with all of the Foundation's funds, distributions are made in the name of the fund or anonymously as requested. Creating or contributing to an unrestricted fund is best when you want your gift to have maximum impact on the community's most pressing needs - now and forever.

Giving Circle
A form of participatory philanthropy by a group of individuals who form a voluntary association to donate their money or time. The group then decides how to allocate these resources to charitable organizations or community projects.

Types of Gifts

Appreciated Securities
Gifts of securities include publicly traded stocks, but also mutual funds, Treasury Bills, notes and closely held stock. The gift of appreciated securities held for at least one year allows a donor a charitable deduction for the market value of the gift, avoiding the payment of capital gains tax.

Cash Gifts
Common donations include check, credit card, wire transfer or money orders made payable to the Community Foundation of South Jersey.

Real Estate
Residential and commercial property, farmland, and timberland.

Business Interest
Privately held stock, limited partnerships, and other business interests

Transfer from Charitable Entities
If you have a private foundation or other donor advised fund and are concerned with succession planning or don't have time to manage your foundation, you can transfer those assets to the Community Foundation to create a fund.

IRA Charitable Rollover
If you are 70 1/2 or older, you can transfer up to $100,000 annually from your IRA directly into many types of Community Foundation funds (with the exception of donor advised funds) without first having to recognize the distribution as income. If you are subject to the required minimum distributions from your IRA, you can use your gift to satisfy all or part of that requirement.

Planned Gifts

Bequest by Will or Trust
The simplest way to make a lasting gift to the causes that are important to you during your lifetime is to make a bequest through your will or trust. By simply including information in your estate planning documents, you can easily establish a charitable fund (or add to an existing fund) at Community Foundation of South Jersey that speaks to your charitable intentions. The bequest can be for a specific dollar amount, a percentage of your estate or residue of your estate.

Retirement Plan
Naming the Community Foundation of South Jersey as a beneficiary of your retirement plan — such as an IRA, 401(k) and 403(b) — is an opportunity to avoid income and estate tax penalties while benefiting your community. These assets are the most heavily taxed; therefore, it may be more effective for you to transfer assets to a tax-exempt organization, such as CFSJ, and leave assets not subject to income tax to your heirs.

Life Insurance
By naming the Community Foundation of South Jersey as a beneficiary of your life insurance policy, you can make a much larger gift than what you possibly could make during your lifetime. There are a number of different ways you can gift a life insurance policy. You can irrevocably name the Foundation as the owner of an existing policy, deduct a calculated value of the policy as a charitable gift or choose to name the Foundation as the beneficiary of a life insurance policy that you continue to own. Charitable gifts made to CFSJ to pay any future premiums are eligible for a tax deduction in the year the gifts are made to the Foundation.

Retained Life Estate (Residence or Farm)
If you don't plan to leave your personal residence, vacation home or farm to family members, you could gift the property at death to the Community Foundation of South Jersey while receiving current tax benefits. By deeding the property to the Foundation, you retain the right to live in the home or occupy the land without disruption until death or for a term of years. While living on the property, you continue to be responsible for all routine expenses such as maintenance, insurance and property taxes. When the retained life estate ends, CFSJ can use the property or proceeds from the sale of the property for your designated charitable purpose.

Planned Gifts

Gifts that Pay You Income: There also are a number of planned giving options that provide income to you now while creating a charitable fund that will award grants in perpetuity to the causes you care about.

Charitable Gift Annuity
A charitable gift annuity is a way for you and/or your spouse to receive a fixed and secure stream of income for life. You make a charitable gift (cash or securities) to the Community Foundation of South Jersey in exchange for the Foundation's commitment to pay a fixed amount to you for the remainder of your lifetime. After all payments have been made, the remaining assets are then contributed to your fund at the Foundation to accomplish your specific charitable goals. CFSJ would be happy to provide you with your personal rate based on your age.

Charitable Remainder Trust
Making a gift to establish a charitable remainder trust allows you to support the community, retain an income stream and receive a substantial charitable income tax deduction. The trust pays either you or a designated beneficiary a series of fixed or variable payments for life or for a fixed term (not to exceed 20 years), or a combination of the two. You also receive an immediate charitable tax deduction for the present value of the gift the year it is made. When the trust term expires, the remainder is then distributed into your charitable fund at CFSJ. Can be established as a Charitable Remainder Annuity Trust (CRAT) with a fixed payout or as a Charitable Remainder Unitrust (CRUT) with a variable payout.

Charitable Lead Trust
A charitable lead trust is the mirror image of a charitable remainder trust. Income off the trust is paid annually to the Community Foundation of South Jersey to establish and build your charitable fund. When the trust term expires, the remainder is distributed to you, or more typically, your children or other loved ones.