



THE CHRONICLE OF PHILANTHROPY

OPINION

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LETTERS TO THE EDITOR

What Stymied the Transfer of Wealth

To the Editor:

One very significant piece of the puzzle to that posed by your article, "[Much-Anticipated Transfer of Wealth Has Yet to Materialize, Nonprofit Experts Say](#)" (April 6), may lie in what is unsaid and, yes, unanticipated by almost everyone starting fund-raising programs designed to ensure that philanthropy will receive its fair share of the wealth transfer.

In 1994, the Johnson Foundation and the W.K. Kellogg Foundation sponsored a conference, organized by the Philanthropic Initiative, to devise the first-ever "philanthropic game plan" as to how philanthropy could receive a reasonable and fair share of the trillions of dollars expected to change hands.

What Paul Schervish, who was at the 1994 meeting, and John Havens did not know (and frankly could not anticipate) in 1999 when they first projected bequests were (a) the consequences of the attacks on the World Trade Center and the Pentagon that took place on September 11, 2001, and the accelerated downturn in the economy; (b) the uncertainty and resulting hesitancy created by reductions in estate tax rates and the uncertainty of what would happen in 2010 and 2011 when historic rates come back with a vengeance; (c) any shift from giving through bequests to accelerated giving before death, primarily through lifetime gifts of endowment to charities, community foundations, and newly formed and old private foundations; and (d) an absolute decline in the death rate.

Even now, we are having great difficulty predicting what will happen to the wealth transfer if the estate tax is eliminated or its floor increased and rates reduced. Fund raisers still cling to the expectation (some would say mantra) that higher estate taxes encourage giving at death.

Others, myself included, believe that reducing or eliminating the estate tax will lead to an increase in wealth transferred to philanthropy, because prospective decedents will have more wealth to distribute to heirs and charities during their lifetimes and at death.

But what *The Chronicle's* coverage misses was first identified at the 1994 meeting. The people joining together there envisioned fund raisers

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working with advisers so as to educate and give them tools for "representing" philanthropy to their clients. The conference also anticipated and developed new short- and long-term strategies for creating a new environment and culture for philanthropy, especially strategies that would facilitate the predicted transfer of wealth.

Your article should have questioned why Boston College, the Nature Conservancy, and others were able to realize increases in transfers of wealth through bequests, and how the wealth transfer is taking place through other forms of planned giving that do not show up as bequests.

All of this leads to something else we all have missed — that the significance and power of the work done by Mr. Schervish and Mr. Havens isn't about their predictions at all — it's about how they called our attention to the possibilities.

Whether their predictions pan out or not, they created the beginnings of a revolution. Mr. Schervish and Mr. Havens caused all of us to begin thinking forward to the future and created a framework and opportunity for changing the ways we think about fund raising for philanthropy in America. For that, even as we dissect their work, we owe them our gratitude.

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