

american council on gift annuities



1



ACGA Plenary Luncheon



2



Rates, Scholarships and the ACGA Update



Dave Ely, CFA
 ACGA Rates & Regulations VP and
 Portfolio Manager
 Brown Advisory



Cathy R. Sheffield, CAP®, CFRE®, CSPG®
 ACGA Programs VP and
 Chief Advancement Officer
 Lena Pope



Joseph O. Bull, JD
 ACGA President and Principal
 Philanthropy Advisory Counsel



3





Bryan Taylor
 Chief Investment Officer & CEO



CORNERSTONE
 MANAGEMENT



4





ACGA Rates Update

Dave Ely, CFA

VP, Rates & Regulations



5



ACGA Rates & Regulations Committee

Joe Bull – Philanthropy Advisory Counsel	Chris Long – Silvercrest Asset Management
Ed Cable – Mount Vernon Nazarene University	Kevin McGowan – Catholic Extension Society
David Ely, CFA- Brown Advisory	Phil Purcell - Salvation Army
Larry Katzenstein – Thompson Coburn LLP	Cathy Scheffield – Lena Pope
Shane Leib, FSA - Norte Dame	Melissa Sylvester – PNC
Rebecca Locke - American Red Cross	Bryan Taylor – Cornerstone Management



6




Non-Board Committee Members

Bob Coffman Dave Libengood Edie Matulka	Frank Minton Kristen Jaarda
---	--------------------------------




7

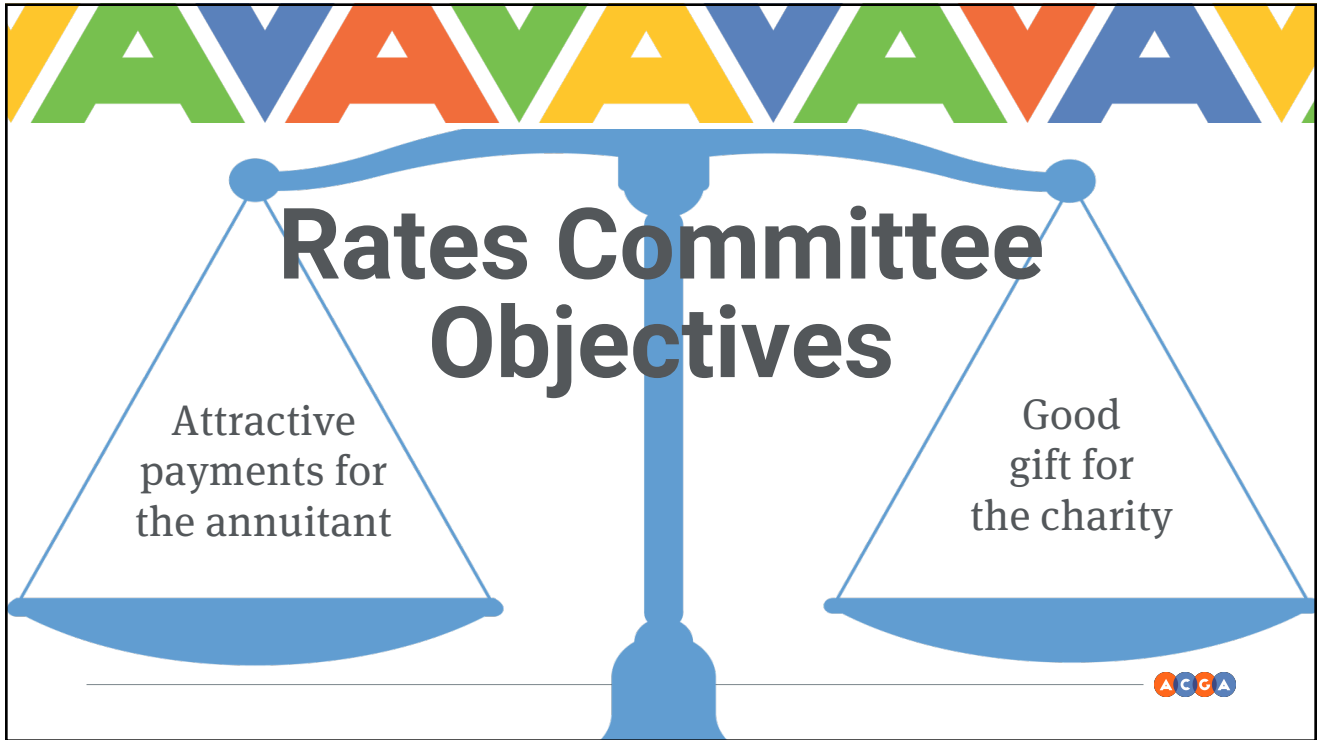


Agenda for Today

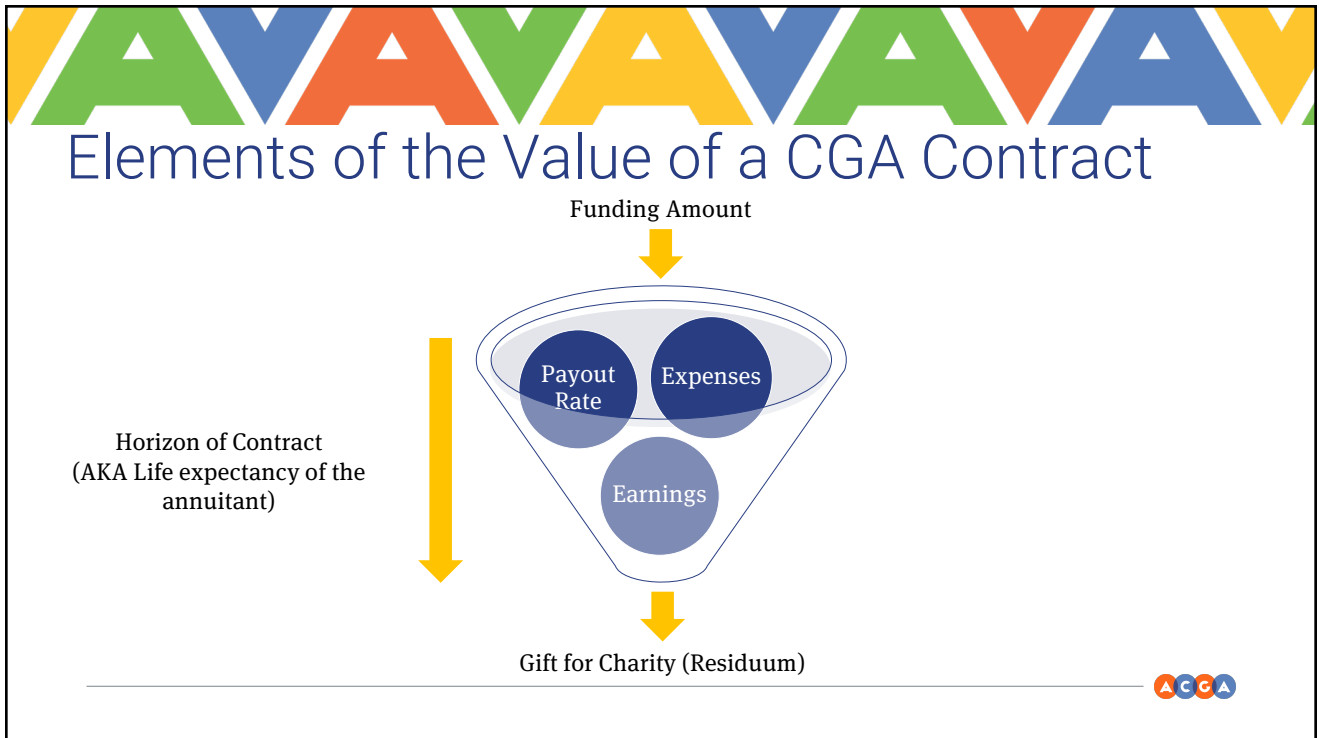
- How does the ACCA set maximum suggested payout rates?
- What are the basic assumptions that go into the rates?
- What are the main challenges when thinking about issuing and investing CGAs?



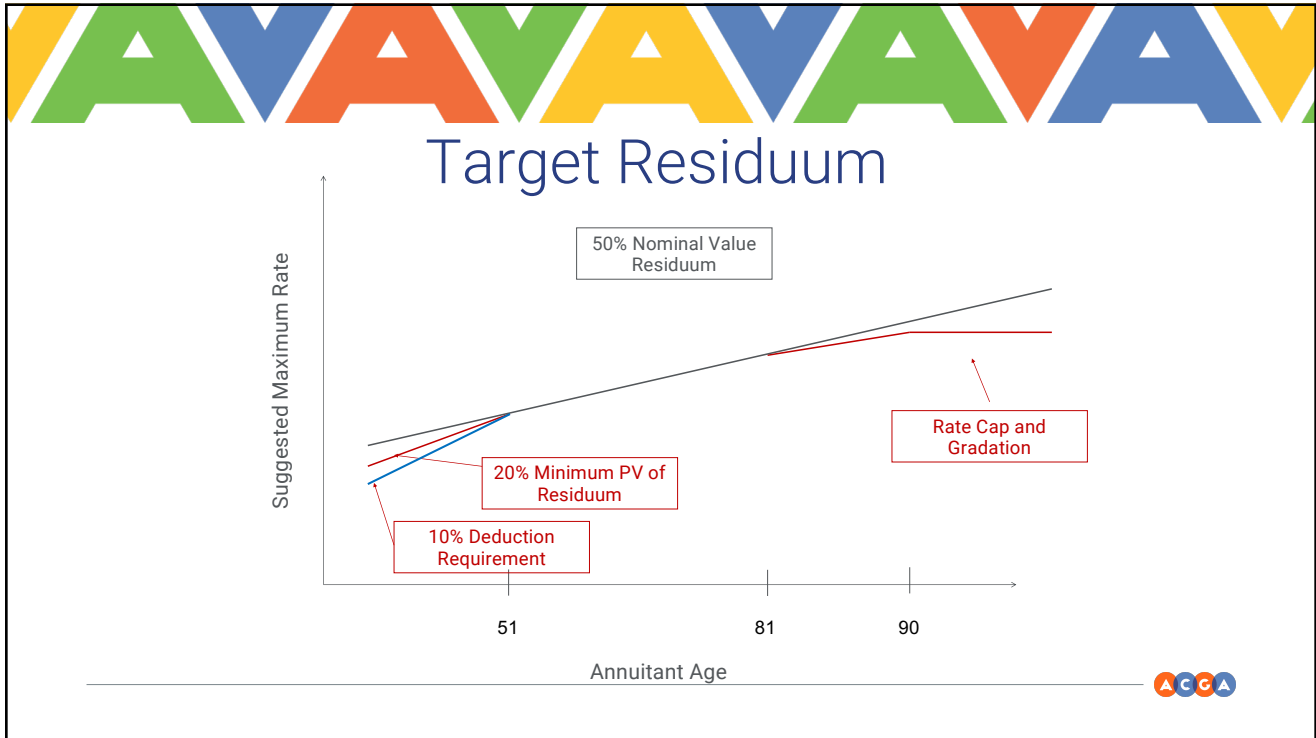
8



9



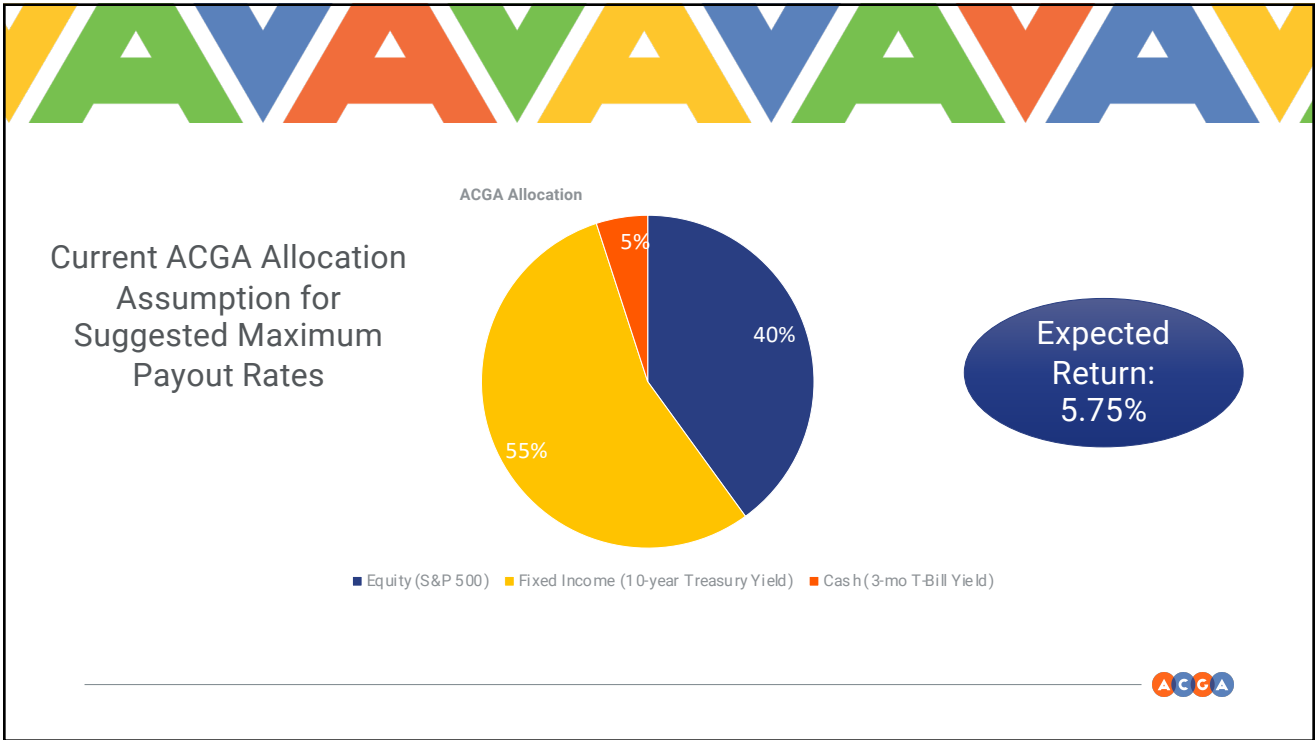
10



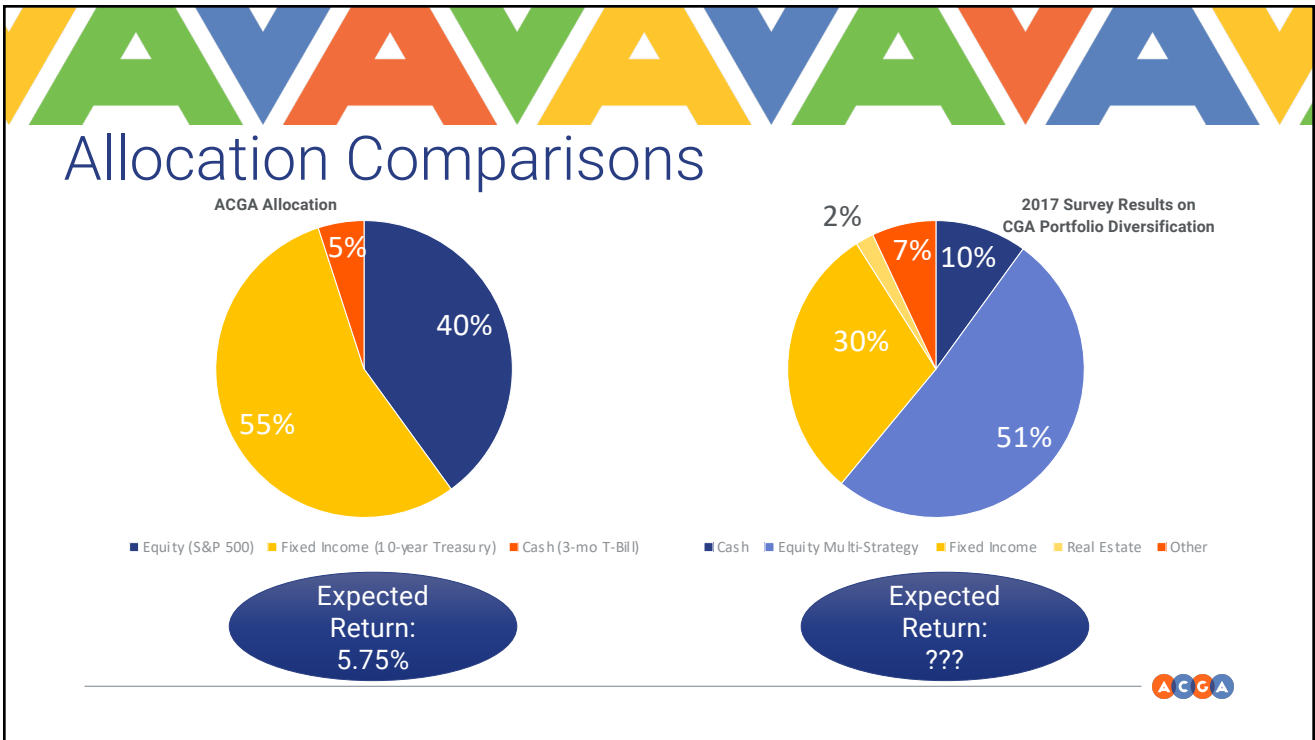
11

- ## Assumptions for Rates Schedule
- Return assumption is based an allocation of 40% stocks, 55% bonds, and 5% cash
 - Current gross return assumption is 5.75% per year
 - Expenses of 1.0% per year
 - Quarterly payments in arrears
 - Mortality experience per the 2012 Individual Annuity Reserving Table with a 45/55 blend of male/female mortality
- ACCA

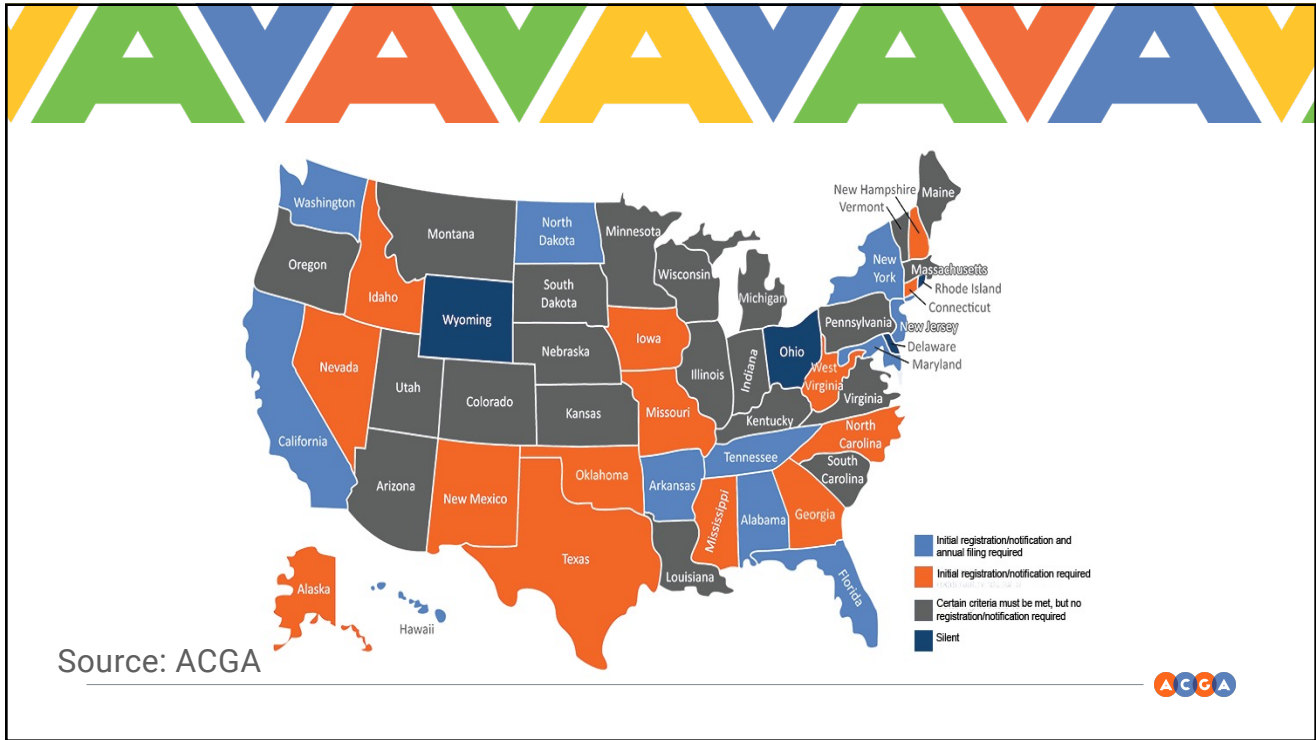
12



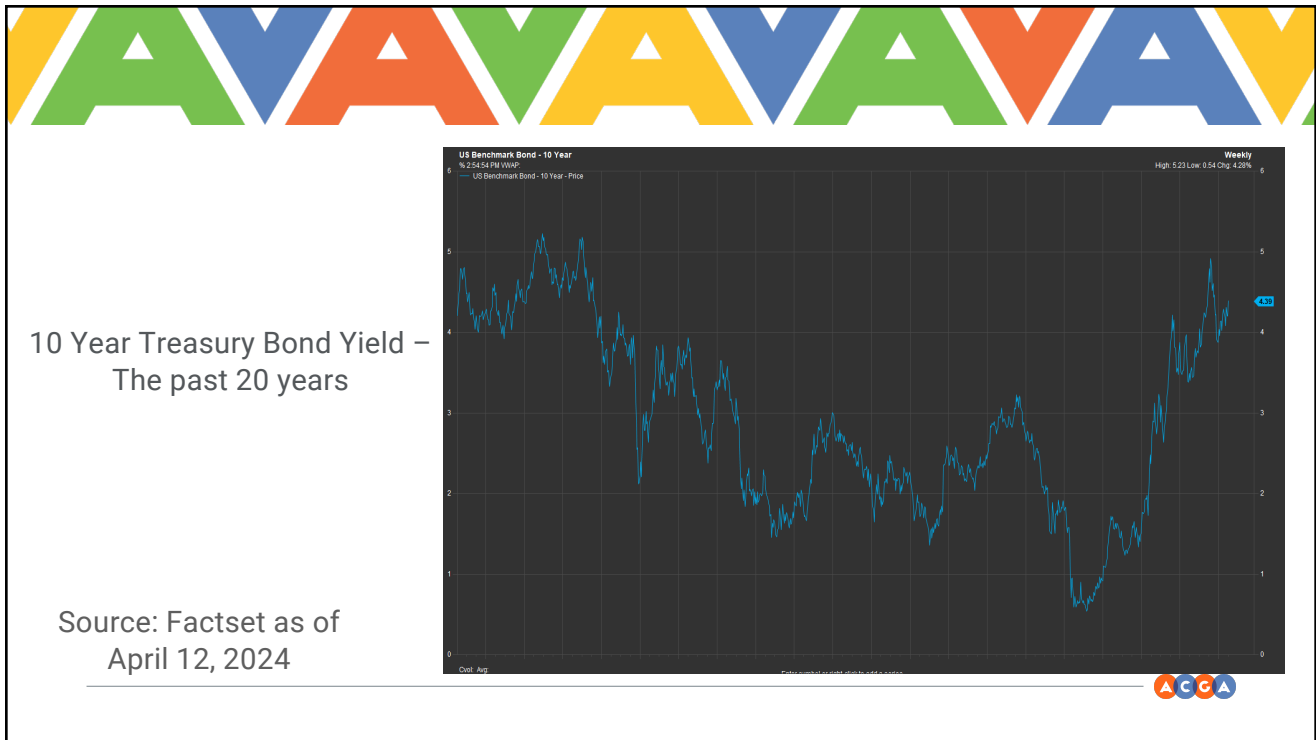
13



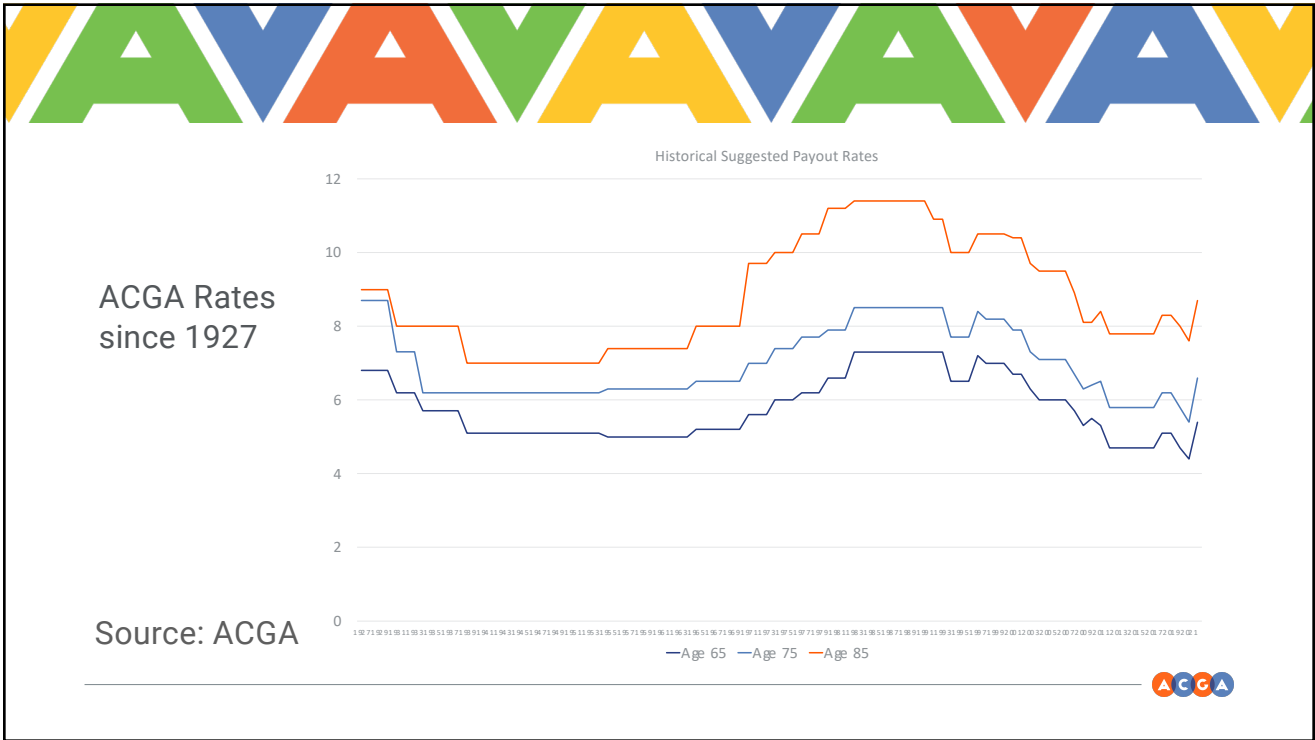
14



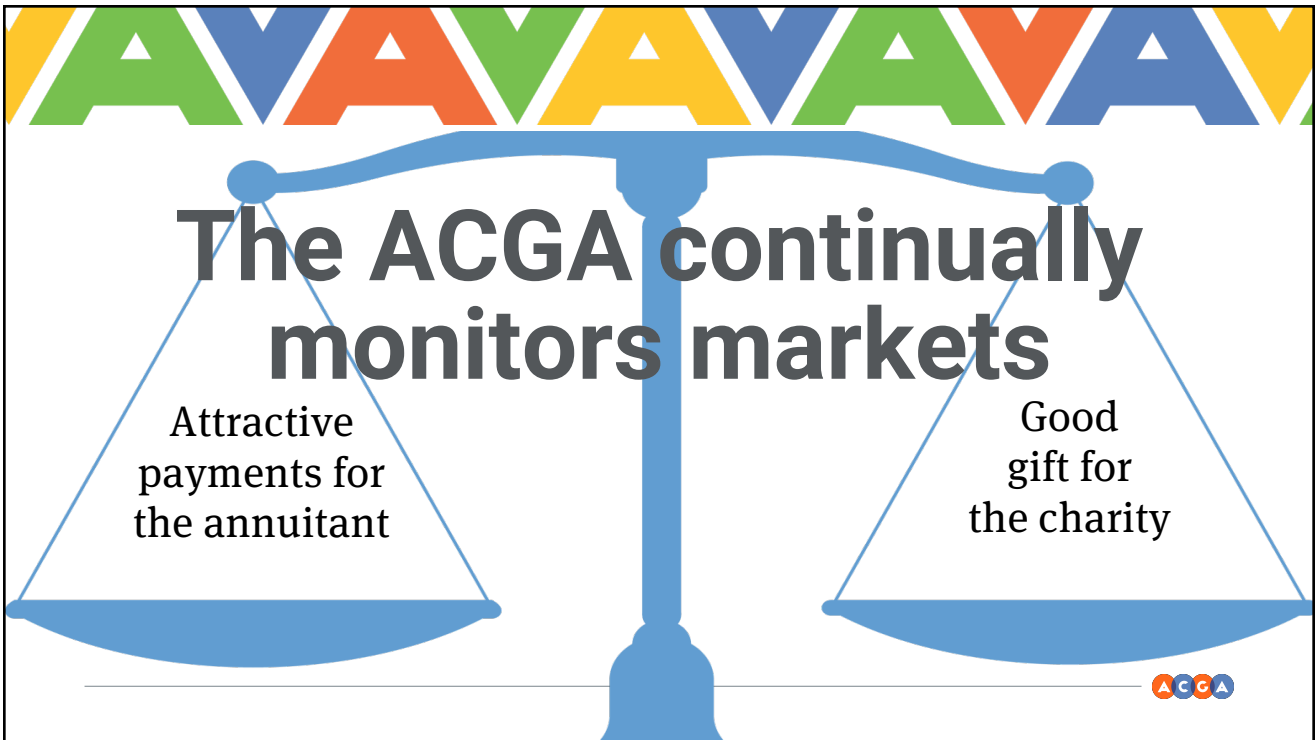
15




16




17




18



QUESTIONS???




19

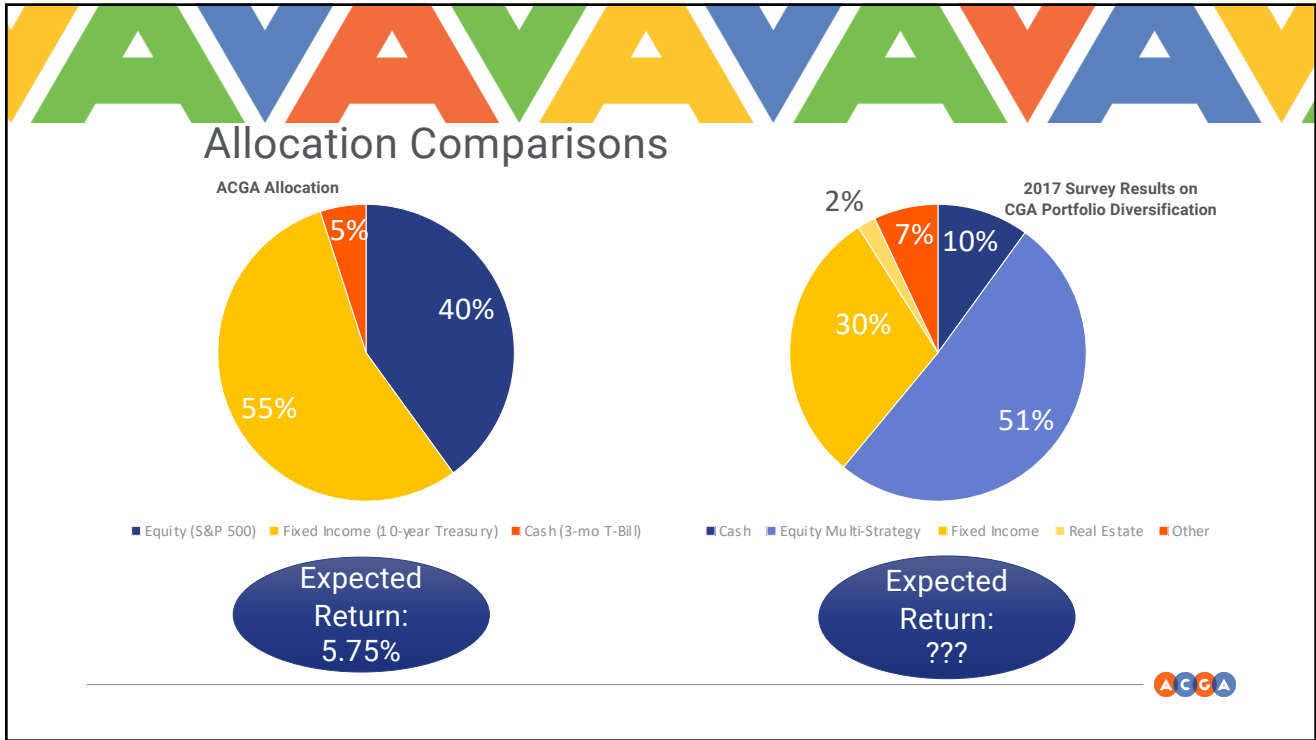


Main Challenges (Risks) of CGAs

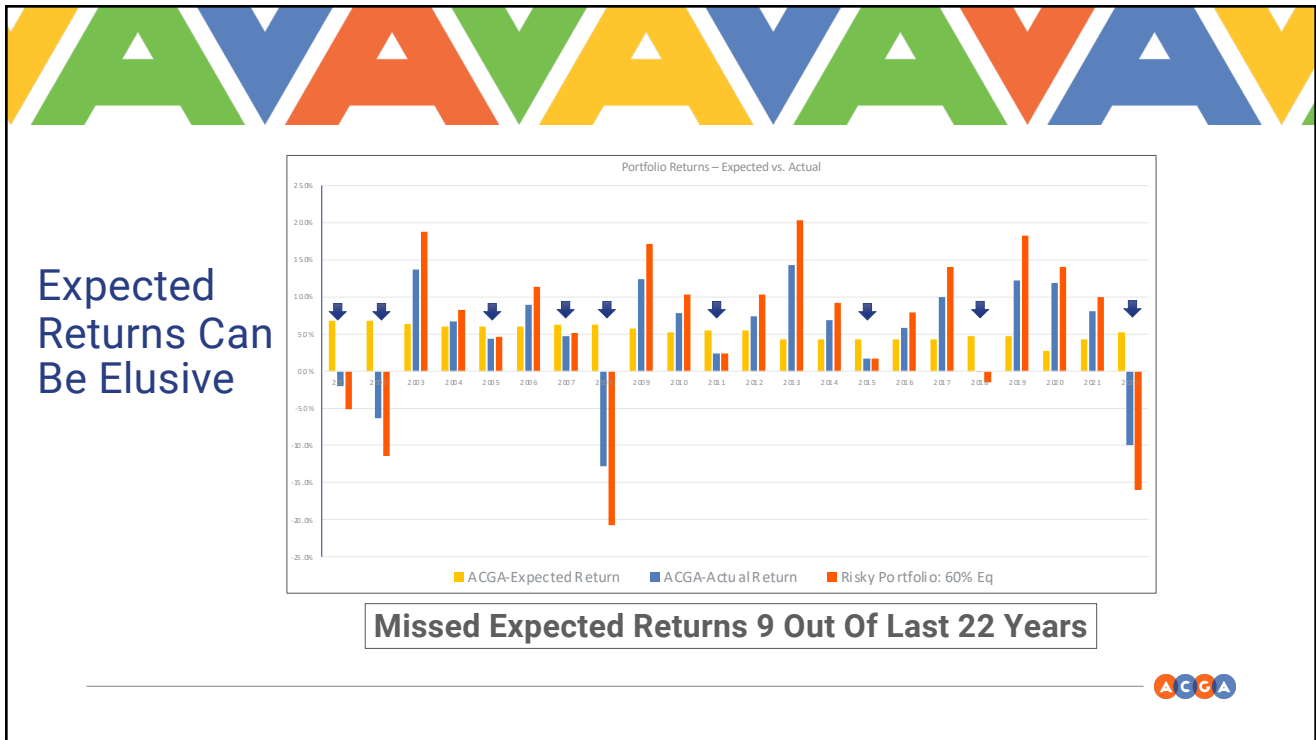
Risk	Issue to Consider
1. Returns	What return should we expect from a conservative portfolio to meet our payout needs? • <i>Metrics: Expected Returns; Asset Allocations</i>
2. Timing	Can market volatility and timing hurt an annuity cohort that results in reduced expectations over time? • <i>Metrics: Average age of Annuitant, Risk/Return, Effective Payout Rate</i>
3. Longevity	Would increased life expectancy reduce expected returns and residuum? • <i>Metrics: Remaining Life Expectancy, Mortality Rate, Average Age at Termination, Average Residuum</i>




20



21



22




Be aware of Market Cycles


Timing can make a difference

All 3 Scenarios have a 7.6% average return

Year	Contract 1 Bust-Boom	Contract 2 Steady Eddy	Contract 3 Boom-Bust
1	-12.0%	7.6%	+30.0%
2	-12.0%	7.6%	+30.0%
3	-12.0%	7.6%	+30.0%
4	+7.6%	7.6%	7.6%
5	+7.6%	7.6%	11.5%
6	11.5%	7.6%	7.6%
7	7.6%	7.6%	7.6%
8	+30.0%	7.6%	-12.0%
9	+30.0%	7.6%	-12.0%
10	+30.0%	7.6%	-12.0%



23

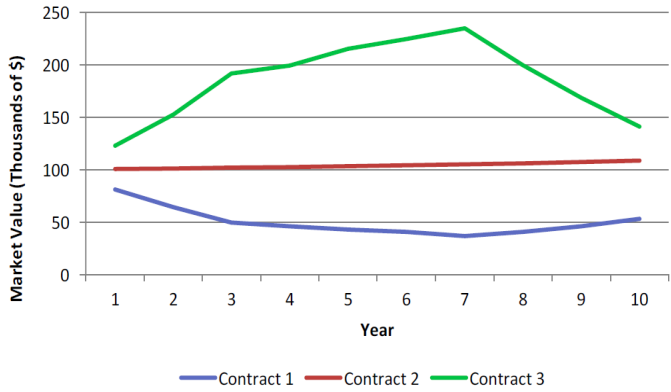


Be aware of Market Cycles


Timing can make a difference

Yet have very different outcomes . . .

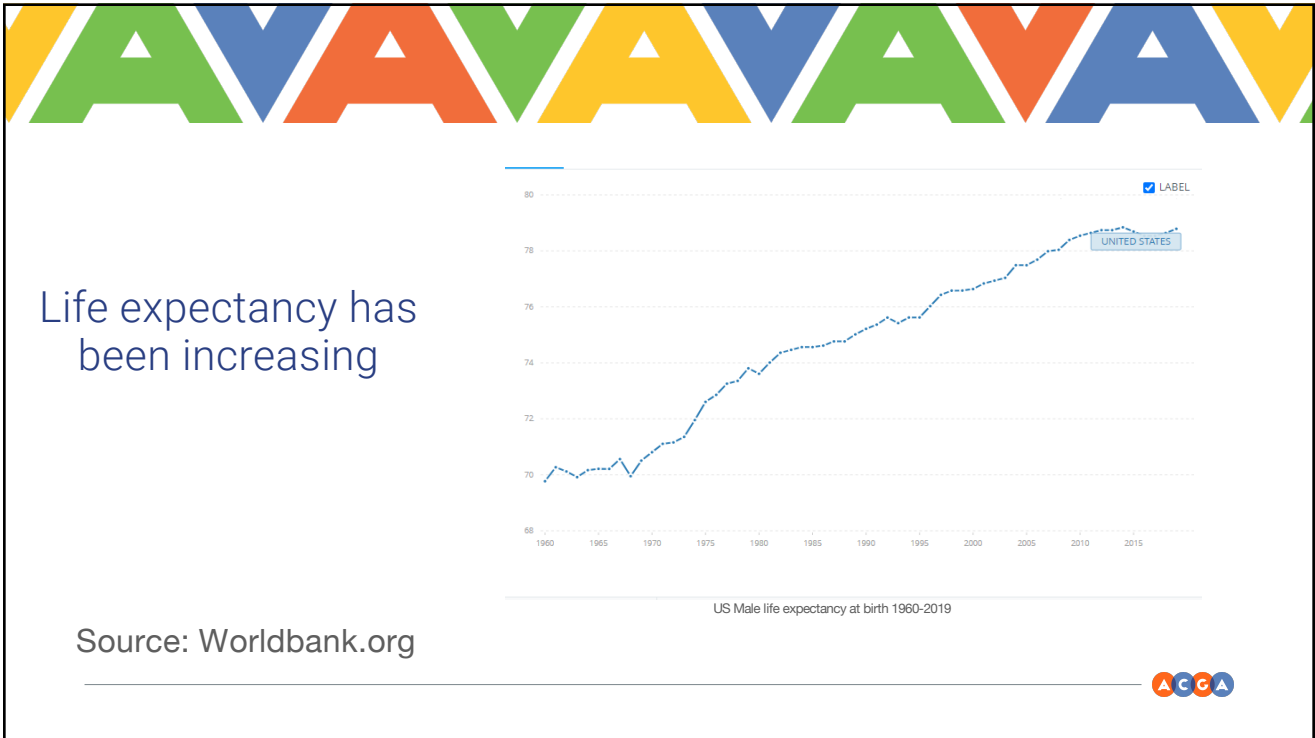
Value of a \$100,000 7% Gift Annuity Contract



Year	Contract 1	Contract 2	Contract 3
1	80	100	120
2	70	100	150
3	50	100	190
4	45	100	200
5	40	100	210
6	35	100	220
7	30	100	230
8	40	100	180
9	45	100	150
10	50	110	140



24




25

ACGA's Mortality Study


- 2012 IAR data is based on purchasers of commercial annuities
- The ACGA completed the largest charitable gift annuity mortality study in 2020 and analyzed 50,000+ gift annuity contracts existing anytime during 2015-2019
- Found that 45/55 blend of 2012 IAR mortality matched ACGA results best and mortality was generally in line with the 2012 IAR table

ACGA logo at the bottom right.

26



QUESTIONS??



27



Carolyn Freeman
Vice President
STATE STREET GLOBAL ADVISORS



28







36TH ACGA
CONFERENCE
APRIL 29 - MAY 1, 2024 | HOUSTON, TX

ACGA VP, Programs & Conference Chair
Cathy R. Sheffield, CAP®, CFRE, CSPG, FCEP



29



Terry L. Simmons Scholars
Cathy R. Sheffield & Karen Simmons



30




Terry L. Simmons Philanthropic Endowment




The Endowment was created on June 27, 2008 through contributions by the ACGA and hundreds of Terry's friends. The endowment is fully funded and assists promising gift planners with their professional development.




31




Scholars




Matthew Busby
Del Mar College
Associate Vice President of Development




Jodi Chaler
Operation Smile
Specialist for Planned Giving




Bev Carter
Impact Latin America
Development Director




Stephen Eschen
University of Idaho
Director of Estate, Trust, and Gift Planning




32




Scholars




Debbie Helbig
The Friends of Israel Gospel Ministry
Planned Giving Representative




Carol Snow
Hebrew SeniorLife
Major and Planned Giving Officer



Amanda Neiter
Houston Grand Opera
Director of Legacy Giving



Jaclyn Stewart-Strothmann
St. Louis Symphony Orchestra
Senior Director of Major and Planned Giving



33





ACGA Update

Joseph O. Bull, JD

ACGA President



34



Join us on social media! **#ACGA36**

 **LinkedIn:**
<https://www.linkedin.com/company/american-council-on-gift-annuities/>


 **Facebook:**
<https://www.facebook.com/acgiftannuities>

 **X (formerly Twitter):**
https://twitter.com/acga_web


Share your conference experience online!




35




ACGA Partners




36



Exclusive Platinum Partner and Official Conference Sponsor



CORNERSTONE
MANAGEMENT



37



Gold Partners

HIGHGROUND[®]
ADVISORS

STATE STREET GLOBAL
ADVISORS

 **TIAA** Kaspick



38



Silver Partners

Crescendo
Integrated Marketing for Planned Gifts

PENTERA
Modern Planned Giving Marketing

NATIONAL GIFT Annuity Foundation
THE COUNTRY'S LARGEST INDEPENDENT CHARITABLE GIFT ANNUITY POOL

Charitable Solutions LLC
MINIMIZING RISKS MAXIMIZING GIFTS

PNC INSTITUTIONAL ASSET MANAGEMENT

STELTER



39



Exhibitors

EDS ENDOWMENT DEVELOPMENT SERVICES

Giving Docs



40



ACGA Executive Committee

<p>President Joseph O. Bull, J.D. Principal Philanthropy Advisory Counsel</p>	<p>VP, Engagement Julian "Nev" Major IV Director of Gift Planning Administration The Nature Conservancy</p>	<p>VP, Programs Cathy R. Sheffield, CAP®, CFRE, CSPG, FCEP Chief Advancement Officer Lena Pope</p>
<p>President-elect Philip M. Purcell, CFRE, MPA/J.D. Director of Planned Giving The Salvation Army, Central Territory</p>	<p>VP, Finance & Investments Kevin P. McGowan Chief Financial Officer Catholic Extension Society</p>	<p>VP, Rates & Regulations David G. Ely, CFA Portfolio Manager Brown Advisory</p>
<p>VP, Development Renee V. Kurdzos Director of Gift Planning Fundraising The Nature Conservancy</p>	<p>VP, Governance & Secretary and Immediate Past President Rebecca Locke Vice President, Gift Planning American Red Cross</p>	<p>VP, Research Kinna N. Clark, Esq. Director of Gift Planning Services UNC System Office - NC Gift Planning, LLC</p>



41




ACGA Board of Directors

<p>Alexandra P. Brovey, J.D., LL.M. Senior Director, Gift Planning Northwell Health Foundation</p>	<p>Rochelle Makela-Goodman Asst. VP, Gift Planning Oregon Health & Sciences University</p>	<p>Bryan Taylor, CFA Chief Investment Officer & Chief Executive Officer Cornerstone Management</p>
<p>Edwin L. Cable, CPA, CFP® Director of Planned Giving Mount Vernon Nazarene University</p>	<p>Catherine L. Melvin, CPA, CITP Controller Indiana University Foundation</p>	<p>Corliss Taylor, J.D., MBA Trust Strategist Baird Trust</p>
<p>Lawrence P. Katzenstein, J.D. Thompson Coburn LLP</p>	<p>Angela G. Parsons, J.D., CAP® Vice President for Donor Services The Columbus Foundation</p>	<p>Carl Wayne Executive Director Gift Planning UC Berkeley</p>
<p>Pamela Leonard National Executive Lead for Charitable Estate Planning American Heart Association</p>	<p>Jeremy Stelter Executive Vice President The Stelter Company</p>	<p>Michael S. Welling Planned Giving Director Operation Smile</p>
<p>Christopher Long Managing Director Silvercrest Asset Management Group LLC</p>	<p>Melissa Sylvester, CFA, CAIA, AIF VP, Senior Planned Giving Investment Specialist PNC Institutional Asset Management</p>	<p>Actuary N. Shane Leib, FSA, MAAA Noblesville, IN</p>



42



Honorary Directors

Lindsay Lapole


Frank D. Minton

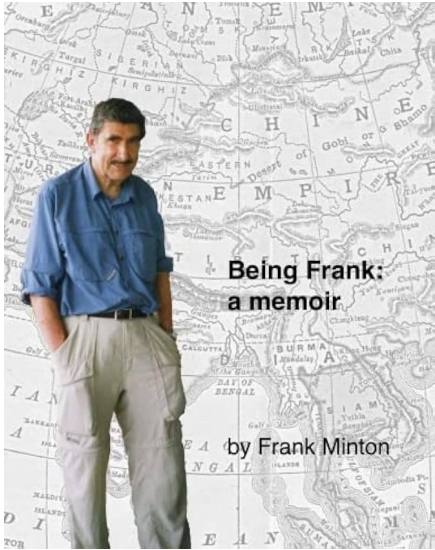
Michael Mudry

Conrad Teitell



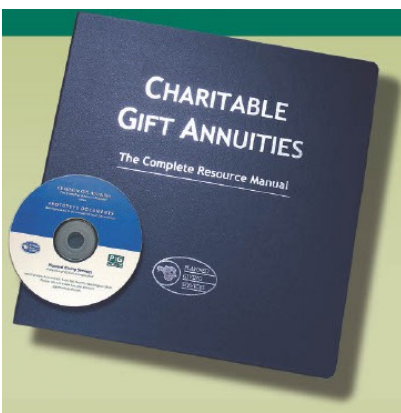
43






**Being Frank:
a memoir**

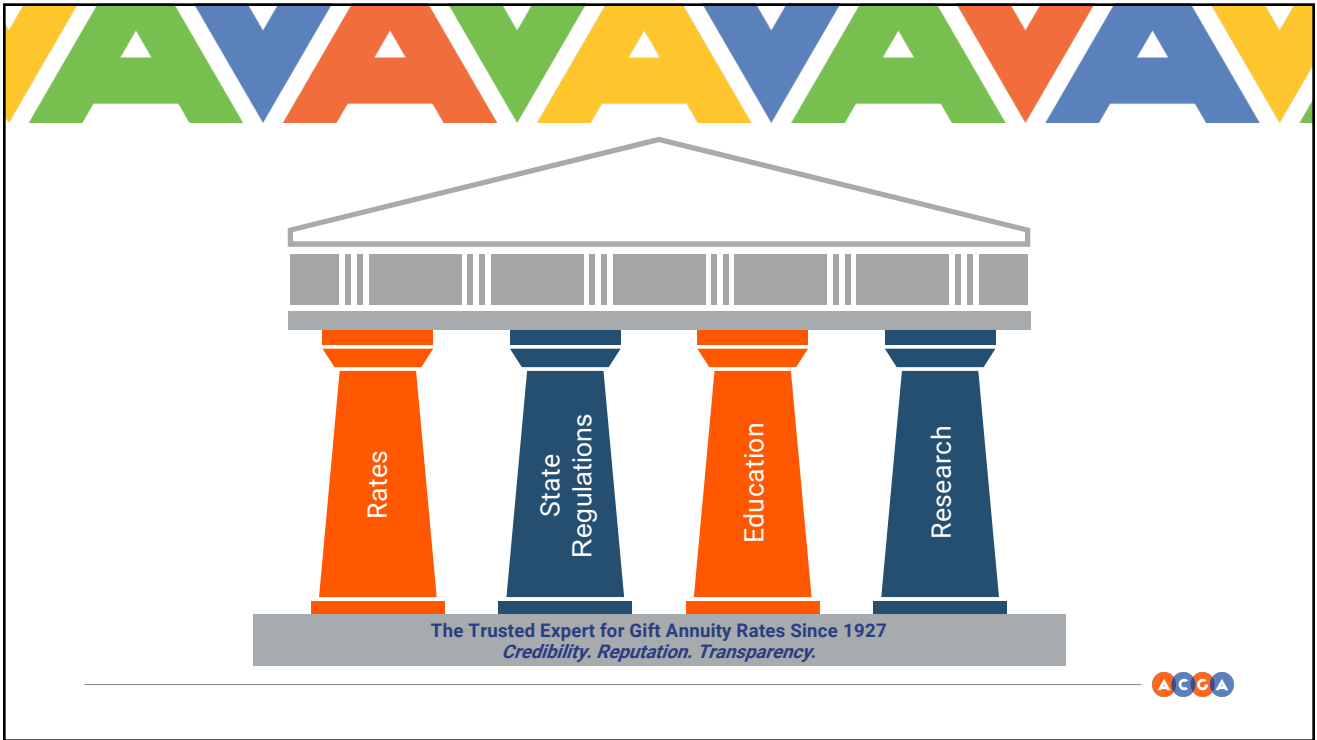
by Frank Minton



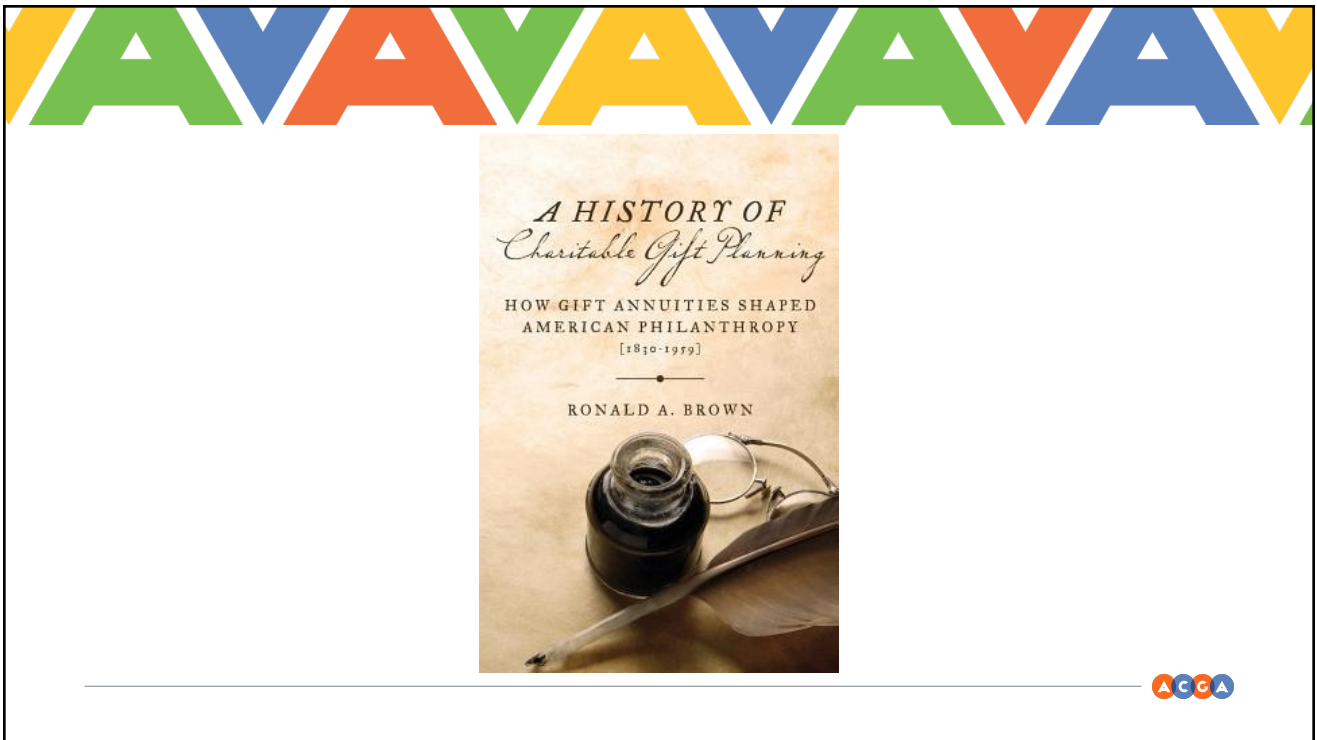
**CHARITABLE
GIFT ANNUITIES**
The Complete Resource Manual



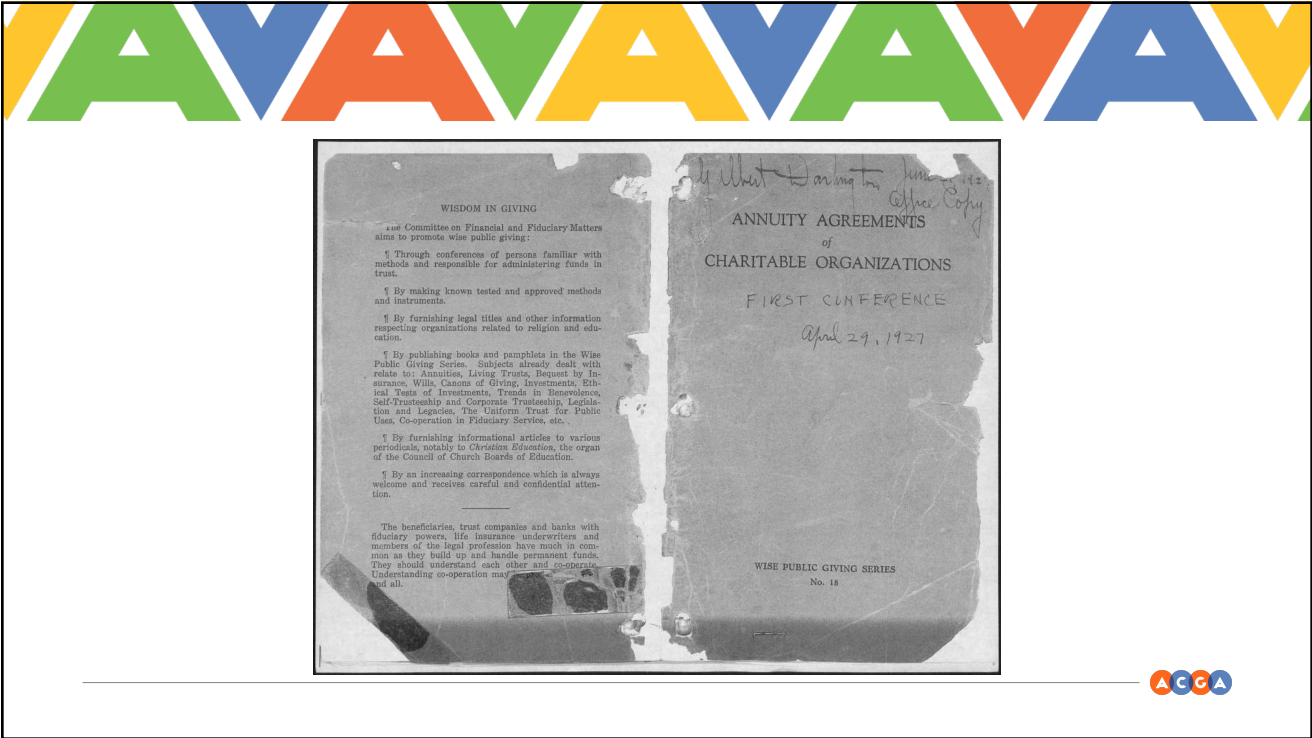
44



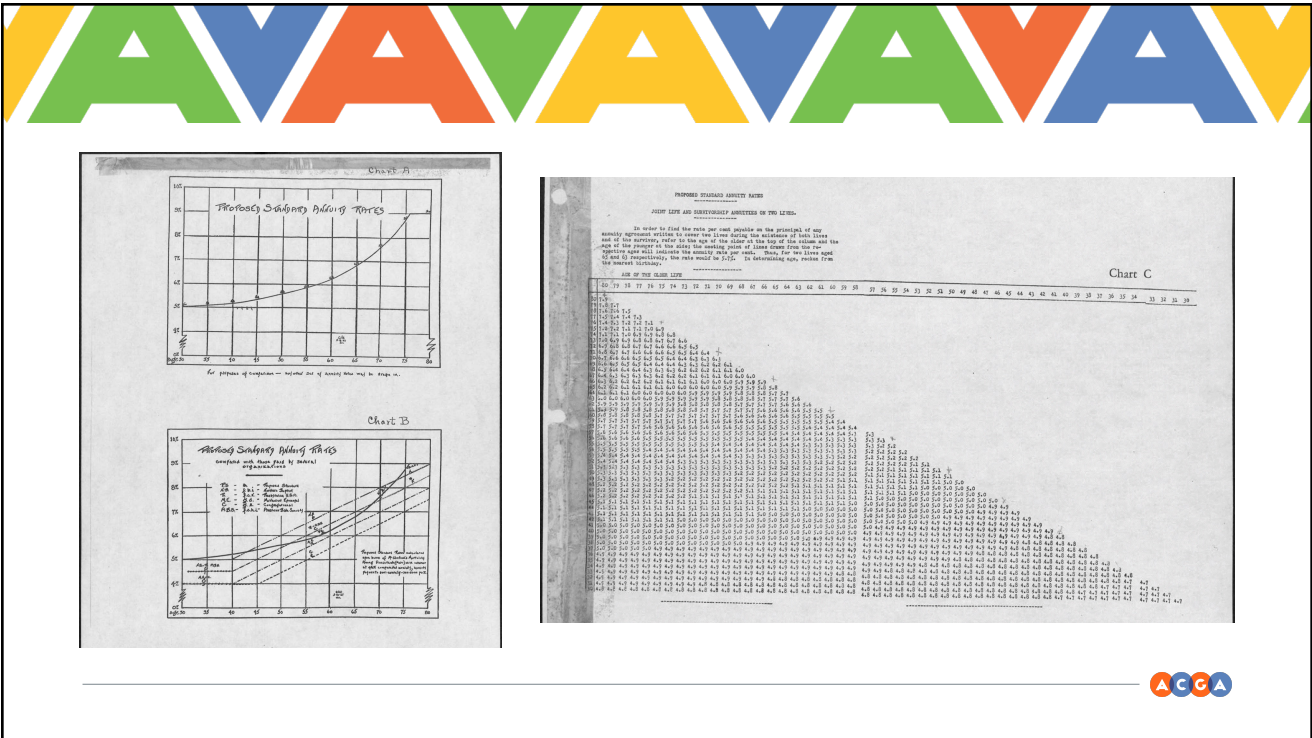
45



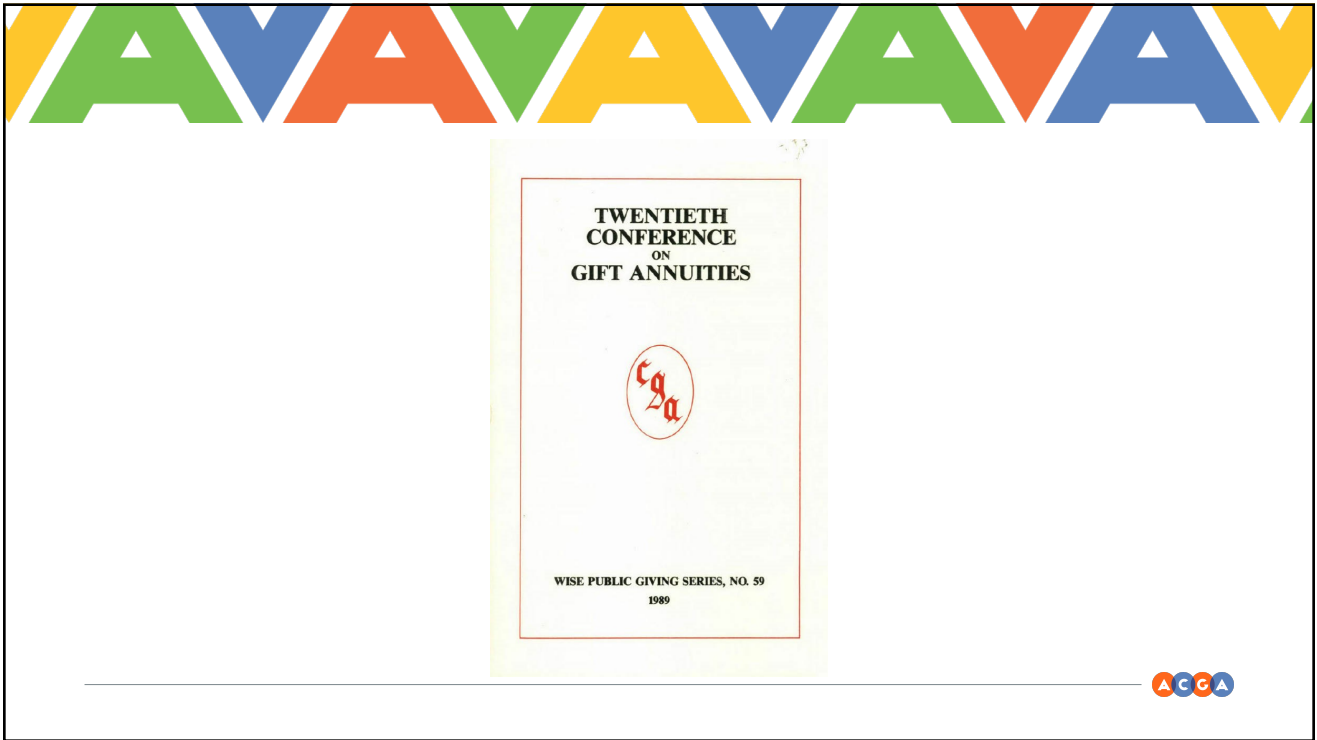
46



47




48




49



50




Mr. Simmons Goes to Washington...and Austin




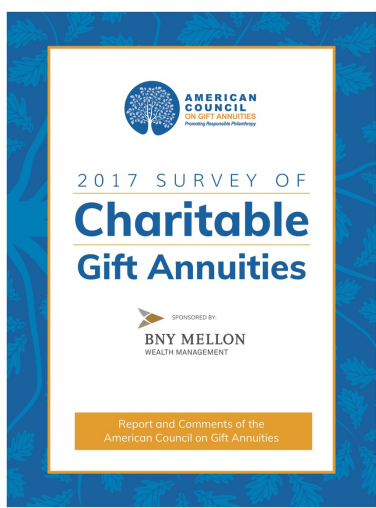
Philanthropy Protection Act of 1995
Charitable Donation Antitrust Immunity Act of 1997

**AMERICAN
COUNCIL ON
GIFT ANNUITIES**
Promoting Responsible Philanthropy



51






AMERICAN COUNCIL ON GIFT ANNUITIES
Promoting Responsible Philanthropy

2017 SURVEY OF
**Charitable
Gift Annuities**

SPONSORED BY
BNY MELLON
WEALTH MANAGEMENT

Report and Comments of the
American Council on Gift Annuities



**AMERICAN
COUNCIL
ON GIFT ANNUITIES**
Promoting Responsible Philanthropy

34th ACGA Gift Planning Conference
Atlanta, Georgia . April 20 - 22, 2020




52




36TH ACCGA 
CONFERENCE
APRIL 29 - MAY 1, 2024 | HOUSTON, TX



53



THANK YOU!



54