BECOME A GENEROSITY GUIDE — SPECIAL OPPORTUNITIES!

- It may take additional training to execute the Generosity Guide strategy with confidence. If your fundraising team would value group or 1:1 coaching sessions with Donor Boom's Founder and Principal Consultant Sari McConnell, **please contact us**.
- Our program materials have been condensed due to time and space limitations. There is so much more you can learn about executing the Generosity Guide strategy with confidence. Let us help you!
- Missed our program on this topic? **Sign up for our newsletter** where we will post future dates and keep you current on this topic.

Changes You Should Make Now to Ignite Tax-Smart Generosity

Your quick-reference companion to today's session — Sari McConnell, CFRE, MBA, Founder, Donor Boom

1 What It Means to Become a Generosity Guide

A **Generosity Guide** is a professional fundraiser who ignites generosity by helping donors navigate tax-smart giving options — and bridges the gap between donors and their financial advisors. Tax-smart giving options convert donors from giving cash to giving non-cash assets, or gifts of wealth. And that's good news for nonprofits. Here's why:

Tax-Smart Giving = Wealth Giving

Disposable income lives in checking accounts. It pays the bills. **Wealth** lives in investment accounts. It pays for the future. Most donors give from the first pot — out of habit, not strategy. Your job as a Generosity Guide is to help them find their way to the second one. Donors giving from wealth are apt to be more generous because these funds aren't earmarked for monthly expenses. It also accounts for 97% of their total wealth.

5–6x

revenue growth over time when donors give from wealth instead of disposable income

Source: "Cash is not king for fund-raising: Gifts of noncash assets predict current and future contributions growth," Professor Russell N. James III, Texas Tech University, February 2018. An analysis of over one million tax returns from more than 250,000 nonprofits over a five-year period.

2 Why Now: OBBBA Changed the Rules. Donors Need Your Help.

The One Big Beautiful Bill Act (OBBBA) rewrote charitable-giving tax rules starting in 2026. Some of it helps your donors; some of it penalizes them. Here's what to know — no tax degree required.

GOOD NEWS

Starting 2026, donors who take the **standard deduction** can deduct cash gifts for the first time — up to **$1,000 (single)** or **$2,000 (married, filing jointly)** — without itemizing. Most of these donors have no idea this exists yet.

BAD NEWS

Starting 2026, donors who **itemize** can only deduct gifts above **0.5% of their Adjusted Gross Income (AGI)**. The first slice of a donor's total charitable giving every year is no longer tax deductible.

What the 0.5% AGI floor means for an itemizing donor who gives $5,000 annually

Donor's AGI	Not Deductible (0.5% Floor)	Deductible Portion of Gift
$200,000	$1,000	$4,000
$500,000	$2,500	$2,500
$800,000	$4,000	$1,000

WHY THIS MATTERS TO YOU

Major donors typically drive 80%+ of revenue — and many just lost part of their deduction. Left unaddressed, the Indiana University Lilly Family School of Philanthropy estimates OBBBA could cut charitable giving by roughly **$5.69 billion a year**. That's the cost of doing nothing — and exactly why your donors need a guide right now.

3 Your Role as a Generosity Guide

You are not a tax advisor, and you don't need to become one. Your job has exactly two parts:

1

Alert your donors

Let them know the rules changed and that other donors are already adjusting how they give. And that you don't want them to lose out. That's enough to start a conversation.

2

Send them to their advisor with good questions

Arm donors with good questions about tax-smart giving to bring to their financial advisor. You're the bridge — not the destination.

CONVERSATION STARTERS

"With so many tax code changes this year, so we're contacting our most loyal donors to provide some tax-smart guidance."

"I just opened up my own DAF online. I can't believe how easy it is to use. You can shop for a DAF online or ask your advisor."

"I'm not a tax expert but donors seem to give in this way so they don't lose their tax benefit....."

"You're probably not old enough to qualify for a QCD....."

"Oh, you are? Oh, your spouse is? Not yet, but soon and you're curious to learn more? Talk to your advisor...."

4 Three Tax-Smart Strategies that Convert Donors to Wealth Giving

Background only. Don't present these strategies to donors — get donors asking their advisors about them instead.

1 Donor-Advised Funds (DAFs)

A DAF is a charitable giving account that anyone can easily open. Funds are invested in the market — a form of wealth giving — and all money in a DAF must eventually go to nonprofits. Donors get their tax deduction the year they fund the DAF, which also helps them qualify for itemizing. From there, it's no longer a taxable event: donors can grant funds to your nonprofit anytime. It's a gift of wealth, not disposable income.

Ask their advisor: *"Is this the most tax-smart way for me to give? What are my other options?"* *(Keep it simple.)*

2 Qualified Charitable Distributions (QCDs)

Donors 70½+ can give directly from a Traditional IRA — up to **$111,000 per person** or **$222,000 per couple** each year. For donors 73+, a QCD also satisfies their Required Minimum Distribution (RMD), which is otherwise taxed as ordinary income. For donors who qualify, it's the most tax-efficient way to give.

Ask their advisor: *"Is this the most tax-smart way for me to give? What are my other options?"* *(Keep it simple.)*

3 Appreciated Securities

Stocks, mutual funds, ETFs, or bonds worth more than a donor originally paid for them. Donated directly, the donor avoids the capital gains tax they'd owe if they sold first — and gives an asset now worth far more than what they originally paid for it.

Ask their advisor: *"Is this the most tax-smart way for me to give? What are my other options?"* *(Keep it simple.)*

5 Bonus: Corporate Giving, Briefly

Corporate donors have a new wrinkle too. Starting in 2026, C-corporations can't deduct the first **1% of their Adjusted Taxable Income (ATI)** given to charity, and their deduction caps at **10% of ATI**. This applies to C-corps only — S-corps and partnerships follow individual giving rules.

> **TAKEAWAY**
> Talk to your corporate sponsors about how they'd like to handle their sponsorship: **(1)** consider documenting sponsorships as a marketing expense — proof of payment, event visuals, and evidence of business value — or **(2)** consolidate into a multi-year gift paid as one lump sum to clear the 1% floor once instead of annually.

6 Become a Generosity Guide

A win for your donors and a win for your mission.

- Donors value fundraisers who look out for them.
- Deepens relationship.
- 5x growth opportunity.
- Always recommend consulting a tax advisor.

SPECIAL NOTE

Tax-smart giving options have been around well before OBBBA existed and will very likely exist when tax laws change again. The passing of OBBBA just gives you a great opportunity to start talking about them with donors. So the Generosity Guide™ strategy should have lasting power well beyond the latest tax law.

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Sources: Chris Clarkson, Senior National Director of Wealth Strategies, Alliance Bernstein; Nisha Golcha, a CPA and Tax Principal at GHJ; Heather Fineberg, EA of Zukerman and Associates, Ltd. and other top financial advisors; Thomson Reuters Checkpoint Contents>Federal Library>Federal Editorial Materials>Federal Tax Updates>Federal Tax Update>2025>July>Week of July 07>Articles>Checkpoint Exclusive: Executive Summary of the 2025 Tax Act (07/08/2025); IRS.gov, Section 526 on charitable deductions, and official 2025 tax law updates; IRS.gov, Section 526 on charitable deductions in 2024, and official 2025 tax law updates; Journal of Accountancy, June 29, 2025; Market Watch, July 4, 2025; Tax Foundation, July 4, 2025; The Nonprofit Alliance, July 6, 2025; The Wall Street Journal, July 4, 2025. © Donor Boom