

#### First Things First



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from the standing-desk of *David H. King* | President & CEO

# How to Prepare For Future Nonprofit Trends

One of my favorite expressions is, "There is no such thing as standing still; you are either moving forward or backward." We may feel as though we are standing still, but things are constantly shifting around us.

Sometimes we make the change, but often the change happens to us, brought about by some force beyond our control. No matter the cause, if we are not intentional about keeping up with what's happening in our spaces, we can quickly fall behind. This applies to all types of business, including nonprofits.

Here are three trends that I think will have a significant impact on the nonprofit sector and that organizations should begin to prepare for if they haven't yet started.

#### Cryptocurrency is coming to philanthropy.

While it has not yet made its way into widespread use in philanthropy, cryptocurrency is starting to show itself. This trend recently got a boost when actor Ashton Kutcher donated \$4 million in *Ripple's XRP* coins (a cryptocurrency he has invested in) to *The Ellen DeGeneres Wildlife Fund.* Kutcher made the donation live on her show and completed the \$4-million transaction from his phone in the span of a few seconds while millions watched.

Many, if not most, nonprofit organizations have no idea how to handle a gift of cryptocurrency. For starters, since it is a volatile commodity, many nonprofits don't know how to value the gift. More questions follow such as: Can my bank handle it directly, or do I need a separate crypto wallet? Should I convert it to dollars or keep it as an investment? These are questions that organizations need to be asking themselves and setting policies around.

## Do You Fear a Cut to the Capital Gains Tax?

A tax break tilted toward the wealthiest Americans that Treasury Secretary Steven Mnuchin pushed recently would dampen charitable giving, according to some nonprofit-policy experts, providing more unsettling news to charities already worried about the impact of last year's tax overhaul.

The proposal, which has been on GOP lawmakers' wish list for years, would cut the capital gains tax by allowing taxpayers to adjust the purchase price of an asset based on inflation. The

wealthiest 1 percent of Americans would see 86 percent of the benefit of the tax change, at a cost to the Treasury of \$102 billion in tax revenue over a decade, according to an analysis of a similar proposal by the Penn Wharton Budget Model.

Mnuchin suggested the administration may try to make the change without approval from Congress, which likely would be challenged in court.

Charitable gifts can help the wealthy reduce their tax hit when they sell assets. Mnuchin's proposal would shrink the financial benefits of giving for those potential donors.

"We're concerned," said Michael Nilsen, vice president for public policy at the Association of Fundraising Professionals. "There would be less incentive to give as much for higher-end donors."

#### What's the impact on Planned Giving

# Giving USA 2018: Results

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What do the findings mean for your subsector? David King, President & CEO of Alexander Haas, explains in this live recording.



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New This Week!

## **Foster Donor Involvement**



More money can often translate into more problems. Once your organization has needed funding, the next decision is allocation. **Eddie Stuart**, Vice Chancellor of University Advancement for University of North Carolina Wilmington joins Alexander Haas President & CEO, David King to share insights on fostering collaboration among staff and promoting alumni giving long after the graduation ceremonies are over.

Whether you are an educational institution, an art museum or a social service organization, his useful insight is valuable to all fundraisers.



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What can we help you with?





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