



# Navigating Uncertainty Part 3: Adapting to New Executive Orders and Economic Headwinds

**Publication Date: 5/22/2025**

NAVIGATING UNCERTAINTY

Welcome!



Stacie Cornwell

National Nonprofit & Education Practice Leader

EXPLORING NEW AREAS

# Agenda



**Legislative Update**



**Economic and Market Expectations for 2025**



**Immediate Actions and Planning for Future Success**



**Panel Q&A**

WELCOME

# Today's Presenters



**Stacie Cornwell**

Armanino  
National Nonprofit Industry  
Leader



**Chris Clarkson**

Bernstein  
National Director  
Research & Planning  
Strategies



**Clare Golla**

Bernstein  
National Managing Director  
Philanthropic Services



**Kate Hultin-Schott**

Armanino  
Director  
Nonprofit Consulting



**Matt Petroski**

Armanino  
Partner  
Nonprofit Tax

NAVIGATING UNCERTAINTY

# Legislative Update



## LEGISLATIVE UPDATE

# The “One Big Beautiful Bill” (OBBB)

- Part of extension of Tax Cuts and Jobs Act (TCJA)
- Part of tax reconciliation package with several provisions that have the potential to impact nonprofits and healthcare organizations
- Timeline



LEGISLATIVE UPDATE

# OBBB – Potential NFP Impact

College/University Endowment Tax Changes

Private Foundation Net Investment Income Updates

Qualified Taxable Fringe Benefits Reclassified as UBI (aka the Parking Tax)

Update to Definition of Covered Employee for Excise Tax

UBI Research Exclusion Limited to Publicly Available Research

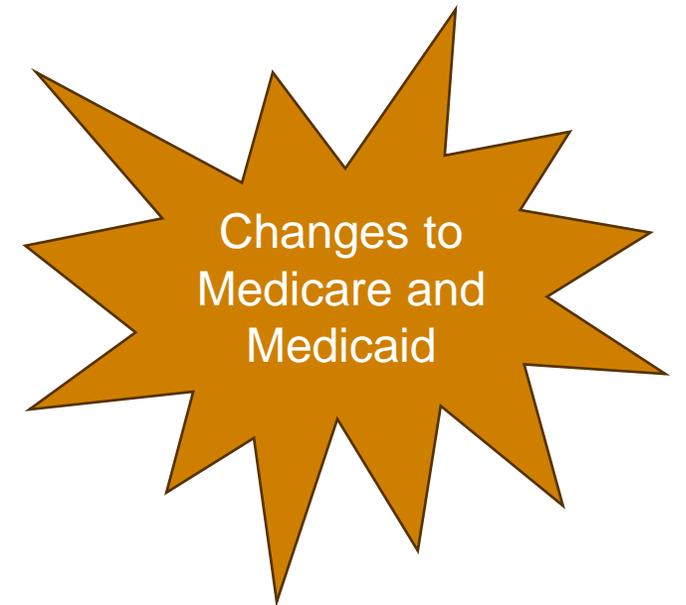
1% Floor on Contributions from Corporations

Charitable Contribution Deduction for Non-Itemizers

Green Energy Credits

*Certain Royalty Income Classified as UBI\*\**

*Tax Exempt Status of Terrorist-Supporting Organizations\*\**



*\*\*These provisions were removed from the final bill to hit the floor of the House for vote*



**BERNSTEIN**

## **2025 Fiduciary & Philanthropic Outlook**

**Clare Golla, National Managing Director, Philanthropic Services  
Chris Clarkson, National Director, Research & Planning Strategies**

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# Who We Are

Global firm with boutique culture

## Aligned with Our Clients

- Singular focus
- A united firm with one objective: create the best outcomes for our clients
- No proprietary trading
- We are not a bank
- We do not leverage our balance sheet
- Act as agent rather than principal in fixed income

## History

55+ 

Years helping clients reach their financial goals

## Offices

54 cities

 27 countries

## Assets Under Management

\$806 Billion 

## Revenue

100%

From investment research and management 

## Research Analysts

 524

## Private Wealth AUM

\$136 Billion 

## What We Know

- The fiduciary standard is the only standard a client should accept.
- A successful client-advisor relationship must transcend investment results.
- Rigorous planning based on priorities fuels investment execution.
- Fee transparency should be the standard, not the exception.
- Our innovation and evolution are vital to client outcomes.

As of September 30, 2024. The number of research analysts and employees directly supporting responsible investing initiatives relates to all analysts and employees working at AllianceBernstein L.P. affiliated subsidiary companies. Please note, Bernstein Research does not provide investment management services to Bernstein Private Wealth Management clients.  
Source: AB

# Bernstein—Foundation and Institutional Advisory

Our holistic approach addresses the multi-faceted challenges and opportunities faced by social sector and philanthropic leaders.

Portfolio Management

Policy and Governance

Operational Support

Donor Engagement and Development Strategies

## Sample Clients



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# 1Q 2025: Certainly Uncertain

## The Markets Price Tariff Effects

A steep early April selloff helped erase 12 months of gains. The culprit was tariff fears and what may come from a re-alignment of the global order. Even with the subsequent rebound, in our view, a recession is distinctly possible, and inflation is likely elevated.

## Fed In A Bind

The Fed is in a tough spot, needing to thread a needle between, presumably, softening labor markets and higher price inflation. The Chair underscored the need for patience and waiting for incoming data to confirm or conflict with fears.

## Diversification: Rumors of Its Demise Were Greatly Exaggerated

The value of thoughtful (diversified) portfolio construction has been highlighted once again. The use of strategies focused on mitigating risk, sticking with out-of-favor asset classes, while avoiding exposures with significant binary risk helped investors weather the US equity volatility.

**Resource for Fiduciaries:** [Balancing Structure & Flexibility](#)

As of April 4, 2025. **Current analysis and forecasts do not guarantee future results.**  
Source: Bernstein analysis

# Our Key Economic and Market Expectations for 2025

- **US Growth:** Growth is likely to slow as the tariff effects bite. We took ~0.5% out of our original 2025 US GDP forecast.
- **Monetary Policy:** With a now slower growth outlook, we think 3+ cuts are likely. Longer run inflation expectations will be closely monitored.
- **Inflation:** Next twelve months inflation is likely to be higher, provided the tariffs stick as announced. We model an extra ~1.5% above a normal 2.5% rise.
- **SPX Target:** We've taken our base case forecast down to 5,700 from 6,400 given the tariffs announced to date. Our target assumes low single-digit EPS growth and a lower PE than YE24.

2025	Bernstein
US GDP*	1.0%
Policy Rate Change	(0.75%)+
10Y Treasury Rate	3.5%-4.0%
US Inflation	3.8%
S&P 500	5,700
S&P 500 Earnings	\$256 (+4% YoY)

As of April 10, 2025. **Historical analysis is not necessarily indicative of future results. There is no guarantee that any estimates or forecasts will be realized.**

\*US GDP forecasts presented as 4Q/4Q; global is YoY. Outliers of more than 100 b.p. from difference from highest/lowest estimate are removed.

Source: Bloomberg, Bureau of Economic Analysis, Congressional Budget Office, Federal Reserve, FRED, S&P, and Bernstein analysis

# Questions We're Hearing from Clients



**How will tariffs affect the markets and the economy?**

**Is the stock market overvalued?**

**Does global equity diversification still make sense?**

**Is now the right time to get invested/stay invested?**

**How much more will the Fed cut in 2025?**

**What risk does the deficit impose?**

**Where are the opportunities, and how do we position ourselves for the future?**



**Will proposed legislation jeopardize our mission?**

**Should we adjust our cash position in the near term?**

**How will federal funding cuts affect us?**

**What skills & experience do we need to navigate what's next?**

**Where can we find trustworthy information?**

**How can we balance rising costs, tariffs, etc.**

**How do we move forward from here?**



# Resources to Help Track Sector Updates

FAQs	Resources
How can I keep track of various policy impacts on our sector?	<a href="#">National Council of Nonprofits</a>
Which organizations are losing government funding and experiencing layoffs?	<a href="#">Urban Institute</a> <a href="#">The Chronicle of Philanthropy</a>
Who is advocating for the nonprofit sector?	<a href="#">Community Impact Coalition</a>
What is being done about the potential changes affecting our sector through the TCJA?	<a href="#">Charitable Giving Coalition</a>
Are philanthropic entities discussing the gaps and planning to respond?	<a href="#">United Philanthropy Forum</a>
What other funding strategies are donors using?	<a href="#">Philanthropy's Meaningful Middle (Bernstein)</a>

## Bernstein Resources



**Navigating Post-Election Uncertainty: Strategies for Nonprofit Financial Resilience**



**Click for Webinar**



**Certainly Uncertain: 1Q 2025 Macro and Markets Review for Fiduciaries**



**Click for Webinar**

# Stabilizing Your Organization Now for Future Success

## Immediate Action Items

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- Define the Gaps and Opportunities
- Reserves Analysis
- Control the Controllables
- Game Plan

# Should We Adjust Our Cash Position?

## Risk Factor

**Revenue Risk**  
More Uncertainty or Potential for Disruption = More Reserves



**Spending Risk**  
Fixed Commitments or Potential for Spike = More Reserves



**Timing Differences**  
Variability, Seasonality, or Timing Mismatch = More Reserves



**Borrowing Risk**  
Access to Margin or Loan from Affiliate Org. or Donor = Less Reserves



- Less Reserves Required
- Some Reserves Required
- More Reserves Required

**BERNSTEIN** Foundation and Institutional Advisory

**Cash: Too Much of a Good Thing?**  
A Guide to Sizing and Investing Reserves

As your organization holding cash reserves that exceed your needs? Are you grappling with how much to reserve? Many solutions are offered, but it comes at a cost. With fees, but you aren't and can drag on portfolio performance. For strategic organizations often struggle with using and investing funds. Bernstein's new research report provides a comprehensive overview of cash reserves. Bernstein has built a report designed to answer key questions:

- How much **cash** do you really need?
- Should an **insurance** strategy make sense for your organization?
- How should we **invest** cash?

**Could Your Organization Come Up Short?**  
Holding cash may sound simple, but it's more complex than it appears. Most organizations tend to only do general risk of it. But what if they need to do a sudden withdrawal? The risk of that is often overlooked. Bernstein's research report will guide you through the process. Contact your advisor to get a copy of this report.

**Reserves should be sized based on the organization's risk of shortfall:**

- **Revenue Risk:** Cash is only as good as the revenue it generates.
- **Spending Risk:** Cash is only as good as the revenue it generates.
- **Timing Differences:** Cash is only as good as the revenue it generates.
- **Ability to Borrow:** Cash is only as good as the revenue it generates.

In today's environment, let Bernstein help you explore the options. Contact your Bernstein Advisor today.

The information provided here is intended as a guide to help you understand the risks of cash reserves. It is not intended as a recommendation or an offer. Bernstein does not and does not intend to provide any financial, investment, or tax advice. Bernstein is not a fiduciary. © 2025 Bernstein Advisory Group, Inc. All rights reserved.

**BERNSTEIN** Foundation & Institutional Advisory

**Cash Reserves Analysis Questionnaire**

**Sizing Short-Term Reserves**

**Current Reserve Policy Questions:**

- How much does the organization currently have reserved to cover operating expenses in the event of an unexpected shortfall in revenues?

• What is the maximum percentage you've needed to withdraw from short-term reserves historically?

• What are your projected annual revenues?

• What are your projected annual expenses?

**Revenue Sourcing Table:**

- In the table below, please break out your typical (or projected) annual revenues by source category and how certain you are to receive them.

Source	Revenue as % of Total	Probability Will be Received
Annual Fund Donations		
Major Gifts		
Foundation Grants		
Government Contracts		
Fees for Services		
Ticket Sales, Tuition, etc.		
Endowments/Portfolio Distributions		
Other		
<b>Total</b>		

Cash Reserves Analysis Questionnaire

Hypothetical client profiles presented. Historical analysis is not necessarily indicative of future results. There is no guarantee that any estimates or forecasts will be realized. Source: Bernstein analysis

# Sizing Cash Reserves: Examples

## Low Risk

An educational institution with sizable unrestricted reserves collects annual tuition and has a broad donor base.

Expenses could be adjusted year-to-year if necessary.

The organization has several alumni donors willing to lend.

Result: Operating reserves equal to 3 months of average expenses

## Medium Risk

A regional professional association derives revenues from membership dues and an annual conference.

Significant expenses are required before the conference.

The organization could borrow from a national affiliate.

Result: Operating reserves equal to 5 months of average expenses

## High Risk

A nonprofit organization relies heavily on two foundations for its annual support.

Portion of assets are restricted.

The organization recently purchased a building, leaving sizable mortgage payments and maintenance costs.

Board is reluctant to take on more debt.

Result: Operating reserves equal to 8.5 months of average expenses

Source: AB

# Is Our Money Safe? SIPC Insurance

Bank Deposits—FDIC Insurance	Investments—SIPC Insurance
<ul style="list-style-type: none"><li>• “Federal Deposit Insurance Corporation”</li></ul>	<ul style="list-style-type: none"><li>• “Security Investor Protection Corporation”</li></ul>
<ul style="list-style-type: none"><li>• Protects depositors against loss if insured bank fails</li></ul>	<ul style="list-style-type: none"><li>• Protects customers if insured brokerage firm fails</li></ul>
<ul style="list-style-type: none"><li>• Standard FDIC coverage: \$250 thousand per depositor</li></ul>	<ul style="list-style-type: none"><li>• Standard SIPC Coverage: \$500 thousand, \$250 thousand of which can be cash</li></ul>
	<ul style="list-style-type: none"><li>• Firms can purchase excess SIPC coverage<ul style="list-style-type: none"><li>• Bernstein’s excess SIPC insurance increases overall coverage to \$100 million per client, of which \$1.9 million can be cash</li><li>• Certain money market funds (e.g., Bernstein’s Government Reserves) are considered investments for purposes of SIPC coverage</li></ul></li></ul>

## Action Items

- Right-size your cash and consider “adding duration” to funds exceeding short-term needs
- Optimize return on dollars funding short-term needs
- Check in on the terms of your credit relationship and your philanthropic relationship

For illustrative purposes only. SIPC and other insurance does not protect against investment loss.

# Preparedness is Key

## Increasingly Complex Future of Philanthropy

Giving was down by **2.1% in 2023**, inflation adjusted. It has not surpassed the all-time **high set in 2021**.

**\$124 Trillion** intergenerational wealth transfer is underway. \$18 Trillion expected to pass directly to charitable organizations.

**68% of global UHNW** families work with philanthropic advisors or have family offices to manage giving.

Majority of HNW/UHNW wealth is **non-cash assets**. Growth in giving is being driven by fewer gifts from larger, more complex donors/funders.

## Resources Are Available

Philanthropy's Meaningful Middle:  
Good Practices for the Middle Tier-Donor

GENIVA GLOBAL | BERNSTEIN

[Click Here](#)

Breaking the Mold: How Donors of Color Are Shaping Philanthropy

Family Office | Personal Philanthropy

First-Generation Wealth Creation

Click Here

Is Philanthropy the Missing Link in Your Estate Plan?

Family Office | Personal Philanthropy

Tax and Estate

Click Here

Recoverable Grants: The Gifts That Keep on Giving

Want to ramp up your giving? Consider deploying more today and recycling for future grantmaking with "recoverable grants."

[Click Here](#)

Now's the Time to Gift Private Business Interests

Business Owners | Personal Philanthropy

Click Here

Artful Giving: Donating Collectibles for Good

Personal Philanthropy | Tax and Estate | Business and Philanthropy

Click Here

The Indiana University Lilly Family School of Philanthropy, Giving USA 2024: The Annual Report on Philanthropy for the Year 2023, June 2024; Giving USA Foundation, [www.givingusa.org](http://www.givingusa.org) Cerulli, Cerulli Anticipates \$124 Trillion in Wealth Will Transfer Through 2048, December 2024; Campden Wealth / RBC, The North America Family Office Report, 2024

# Planned Giving—Outstanding ROI

Recent economic, demographic, and philanthropic trends point to continuing importance of planned giving to nonprofits

## Worth the Investment

**8% of Americans include a charitable bequest** in their will or estate plan BUT **1/3** say would consider doing so if asked

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**\$124 trillion** in wealth will transfer in US from elder generations to beneficiaries by 2048, including \$18 trillion to charity. “If we don’t ask, other nonprofits will...”

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**69%** of donors change their wills but only **25%** change the gift beneficiaries in their wills

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## Worth the Wait

Average planned gift is **\$46,000+** - on average, 200–300 times the size of a donor’s largest annual fund gift

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Average time from when gift is made to **maturity is 7–10 years**

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Start early: The average age of donors when they first executed a will or living trust was **44**

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Sources: Planned Giving Myths, Facts, Stats, Ruminations and More, PlannedGiving.com; GivingUSA’s Leaving a Legacy: A New Look at Planned Giving Donors; Cerulli Anticipates \$124 Trillion in Wealth Will Transfer Through 2048. December 5, 2024; Are Your Donors Waiting To Be Asked About Their Legacies? The Council on Nonprofits; National Committee on Planned Giving; The Benefits of Planned Giving for Nonprofits and Donors, FreeWill; Legacy Giving and What You Need to Know, NMBL Strategies; Who Are Your Planned Giving Donor?, Sharpe Group

# How do planned gifts benefit nonprofits and donors?

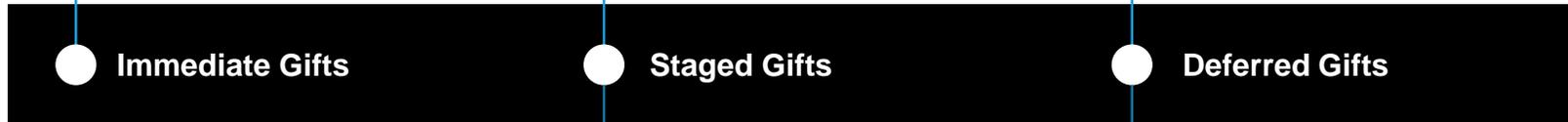


## Purely Philanthropic Strategies

- Charitable IRA Rollover
- Securities
- Cash

- Private Nonoperating Foundations
- Private Operating Foundations
- Donor-Advised Funds

- Pledges
- Bequests



Immediate Gifts

Staged Gifts

Deferred Gifts



## Partly Philanthropic Strategies

- Charitable Lead Annuity Trusts

- Charitable Gift Annuities
- Charitable Remainder Trusts
- Pooled Income Funds

# Not All Charitable Gifts Offer the Same Tax Savings

**\$100,000 Gift**  
**Donor in top income-tax bracket**



\*Applicable rate for stock gain is assumed to be 23.8%.  
 †Deduction limited to 60% of AGI in year of gift for cash or 30% of AGI in year of gift of appreciated publicly traded stock. Benefit of deduction assumes full use of deduction against income otherwise taxed at 37.0% tax rate. Gift is to a public charity.  
 Bernstein does not provide legal or tax advice. Consult with competent professionals in these areas before making any decisions.  
 Source: Bernstein

# As Wealth Transfers, Look Beyond Cash

Sample strategies used by HNW donors, but not one size fits all



## DONOR ADVISED FUNDS

- Payout rate was 24% in 2023
- Contributions to DAFs dropped significantly, -21.7%. The most precipitous one-year drop on record. Drop follows recent/sharpest one-year *increase* (2020-2021).
- Contributions seem to be returning to historical growth patterns.

### Next Step:

Add a DAF button to your website, making it easy for donors to find you



## CRYPTO-PHILANTHROPY

- \$2B in crypto has been donated to nonprofits since 2018.
- 56% of [Forbes Top 100 Charities](#) now accept cryptocurrency donations.
- Reach out to [FIA@Bernstein.com](mailto:FIA@Bernstein.com) for more information on our partnership with Giving Block.

### Next Step:

Crypto is back in conversation but it's not for every donor nor grantee. Listen to our podcast episode with Giving Block on [Demystifying Crypto Donations](#)



## PASSION ASSETS

- Families often pass down real estate, fine jewelry, automobiles, and other collectibles
- Becoming a strong additional revenue source for nonprofits

### Next Step:

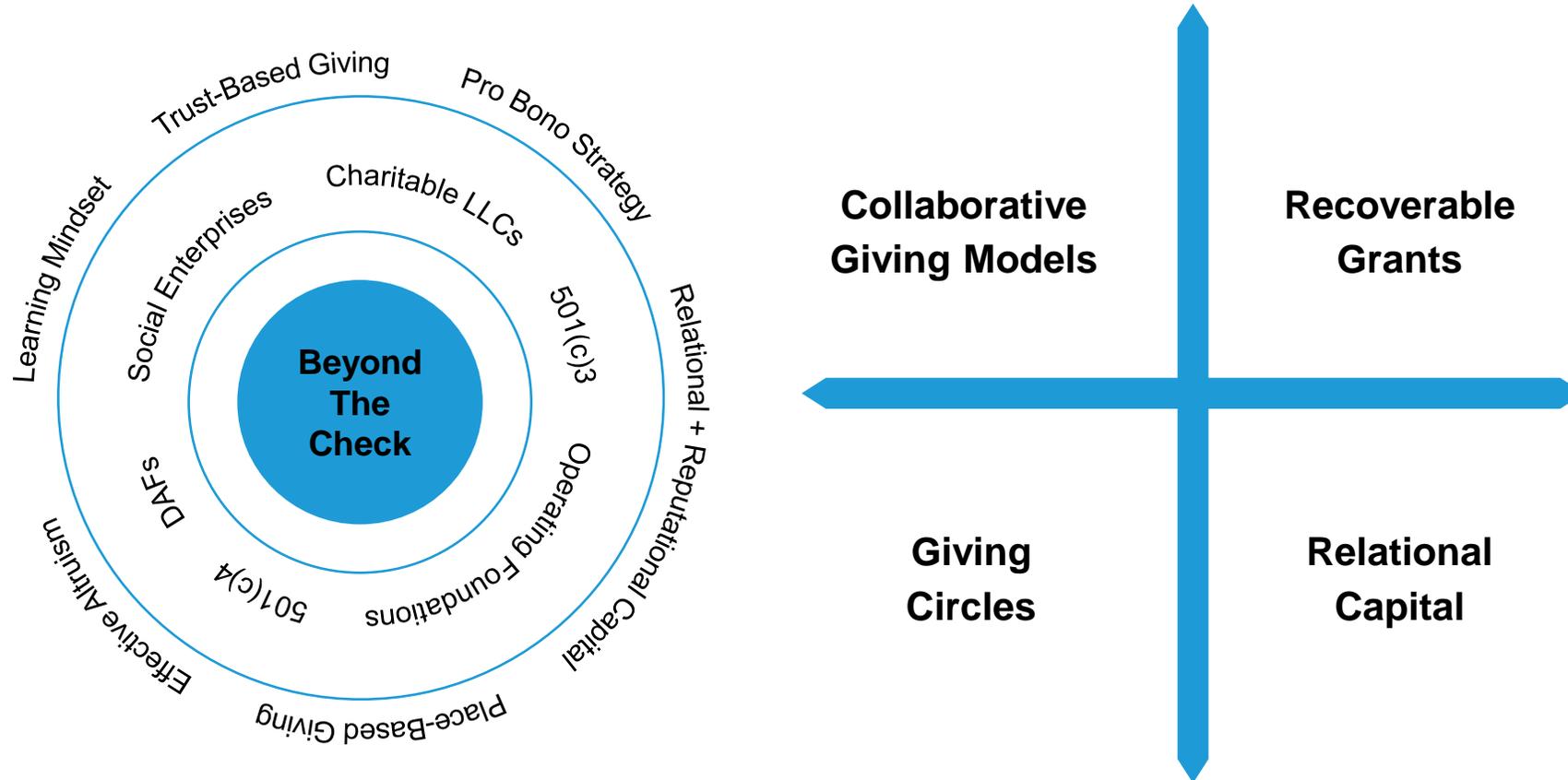
The Fine Art Group's advice: Start the conversation with jewelry, which is often sitting in a safety deposit box

**Review your gift acceptance policy to consider all the above, strategically. For a template, reach out to [FIA@Bernstein.com](mailto:FIA@Bernstein.com)**

Religion Unplugged. "Crypto Is Coming: Are Nonprofits Ready For It?" Religion Unplugged, 22 March 2024, [Link](#); Forbes. "The Largest U.S. Charities For 2021." Forbes, 10 December 2024, [Link](#); The Giving Block. "2024 Annual Report on Crypto Philanthropy." The Giving Block, 2024, [Link](#); Bernstein. "Demystifying Crypto Donations." Inspired Investing, 2022, [Link](#); National Philanthropic Trust. "Donor-Advised Fund Report." National Philanthropic Trust, 2024, [Link](#); Bernstein. "Artful Giving: Donating Collectibles for Good." Bernstein Insights, 2024, [Link](#).

# Further Diversify Engagement Strategies

Development teams and boards are seeking education to open the door for new and beneficial giving models



Source: Philanthropy's Meaningful Middle: Best Practices for Middle Tier Donors

# Thought Leadership Directly Related to Current Needs

**Philanthropy's Meaningful Middle:**  
Good Practices for the Middle Tier-Donor

GENEVA GLOBAL | BERNSTEIN

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**Doing More with Less in Times of Challenge**  
A Meaningful Middle Donor Issue Brief

GENEVA GLOBAL | BERNSTEIN

[Click Here](#)

**Balancing Structure and Flexibility**  
A guide for fiduciaries on long horizon investment allocation

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**Navigating Post-Election Uncertainty: Strategies for Nonprofit Financial Resilience**

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**Meeting the Moment: Strategies for Funders, Donors, and Nonprofits Through Challenging Times**

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**Is Philanthropy the Missing Link in Your Estate Plan?**

Family Office | Personal Philanthropy | Tax and Estate

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[Click Here](#)

**Recoverable Grants: The Gifts That Keep on Giving**

Want to ramp up your giving? Consider deploying more today and recycling for future grantmaking with “recoverable grants.”

[Click Here](#)

**Demystifying Foundation Distributions**

Is your foundation making the most of its required distributions?

[Click Here](#)

**Why Nonprofits Need Financial Wellness Programs**

May 29, 2024

Are workforce shortages holding your organization back? By enhancing your retirement plan to include a robust financial wellness program, nonprofits can compete for top talent without breaking the bank.

[Click Here](#)

**How Much Should a Nonprofit Have in Reserves?**

Jan 29, 2024

While interest rates remain high, they may have peaked—creating a dilemma for nonprofit fiduciaries. It could be time to rethink your organization’s reserves.

[Click Here](#)

**Now's the Time to Gift Private Business Interests**

Business Owners | Personal Philanthropy

BERNSTEIN

[Click Here](#)

**Breaking the Mold: How Donors of Color Are Shaping Philanthropy**

Business & Wealth | Charitable and Social Impact | Personal Philanthropy

Despite making up 14.4% of US millionaires, high-net-worth individuals of color have often been overlooked in studies of the philanthropic world? But a recent survey of US high-net-worth donors by the Donors of Color Network (DCN) reveals a shift in the tide? What does this research reveal about how donors' relationship with charitable giving?

**First-Generation Wealth Creation**

When it comes to the origins of wealth, donors of color don't often fit in the traditional mold. A staggering 65.5% of the high-net-worth donors of color reported that their wealth was self-made, compared to just 20% of white, non-Hispanic donors in a separate study. And while many successful families have an established legacy, 50% of DCN participants reported that no portion of their wealth was passed down to them.

There might have dynamic influences on how donors of color navigate the following challenges (and opportunities) impact donors of color:

- **Strong Their Surplus:** Many did not consider themselves wealthy or privileged.

[Click Here](#)

Thank You

# Connect with us!

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NAVIGATING UNCERTAINTY

# Resources

- [Armanino's Regulatory Updates](#)
- [National Council of Nonprofits Chart of Executive Orders Impacting Nonprofits](#)
- [Optimizing Nonprofit's Cash Position With Cash Flow Forecasting | Armanino](#)
- [Nonprofit Fundraising Checklist: Essential Best Practices to Drive Donations Year-Round | Armanino](#)
- [Manage Donor-Restricted Endowments During a Crisis | Armanino](#)

PROSPEAK

February 18, 2025

## How Nonprofits Can Protect Financial Stability Amid Federal Funding Changes



NONPROFIT SERVICES

Do what you do best, let us focus on the rest.  
Equipping you with the insights and tools needed to redefine what's possible



COMPLIANCE

- UBIT Tax Planning
- Form 990
- Nonprofit Formation
- Construction Cost Advisory



TRUST

- Financial Audit
- Benefit Plan Audit
- Internal Audit
- Single Audit
- Cybersecurity
- Restructuring
- Revenue Recognition



STRATEGY

- Operational Strategy
- Management Consulting
- Benchmarking
- Business Transformation
- Technology Roadmaps and RFPs



STAFFING

- HR Outsourcing
- Payroll
- Policies and Procedures
- Health and Benefits
- Executive Search
- Interim Placement



TECHNOLOGY

- ERP
- CRM
- FP&A
- Business Intelligence
- Managed Support and Services
- Automation



OUTSOURCING

- Bookkeeping
- Budgeting/Forecasting
- Account Receivable
- Accounts Payable
- Strategic Fundraising Development

OUR PROMISE TO YOU

# Reimagine Your Potential



## Unconventional Approach

We're a vested, entrepreneurial partner who sees your organization through a 360 lens and finds opportunity at every stage



## Comfort in Change

Our experts provide guidance and support while quickly facilitating transformation that gives you a competitive advantage.



## Focused on You

Our integrated teams and solutions deliver tailored insights to bring you more value and clarity throughout your journey.

# Armanino Operates in an Alternative Practice Structure:

“Armanino” is the brand name under which Armanino LLP, Armanino CPA LLP, and Armanino Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with law, regulations, and professional standards. Armanino LLP and Armanino CPA LLP are licensed independent CPA firms that provide attest services, and Armanino Advisory LLC and its subsidiary entities provide tax, advisory, and business consulting services. Armanino Advisory LLC and its subsidiary entities are not licensed CPA firms.

# Appendix

# It Starts With Leadership

Should the DNA of our board shift amid new challenges?



How can our investment policy meet the needs of rising costs?

What role does board governance plan in the success of our mission?

How can we diversify fundraising to further our mission?



## Make use of Bernstein Resources

### Board Skills Assessment Tools

**BERNSTEIN**

**Building or Evaluating Your Board**

- How Many Board Members?**
  - Consider at least 5 and up to 7 Board Members
- Who Should Be on the Board?**
  - Leaders of the Organization – CEO
  - Professional Firms – Audit/Tax
  - Key Strategic Advisors – leaders
- How Will they Support the Organization?**
  - Think about which prospective Board Members will be most helpful in Investment, in Grant Approval, HR, etc.
- What is their Personal Style and Background?**
  - Think about how each individual will contribute to the team
  - Also consider their age, background, board members with more seasoned backgrounds will enhance continuity thought along the way
- How Long Will They Serve For?**
  - A timebound ask is easier to accomplish

Board Matrix Worksheet Board Needs Assessment & Recruitment Tool	Board Member #1	Board Member #2
	Name	Name
<b>SME / Industry</b>		
Investments		
Similar Foundation/Grantmaking Leader		
Financial Leader (CFO, etc.)		
Attorney		
HR/Governance		
CPA/Audit		
Mission-related Expertise (e.g. Cardiovascular Research)		
Mission-related Expertise (e.g. Jewish Philanthropy)		
<b>Personal Style</b>		
Consensus Builder		
Strong Communicator		
Strategist		
Visionary		
<b>Age</b>		
18 – 34		
35 – 50		
51 – 65		
65-75		
75+		
<b>Gender</b>		
Male		
Female		
<b>Other Demographics</b>		

### Board Workshops:

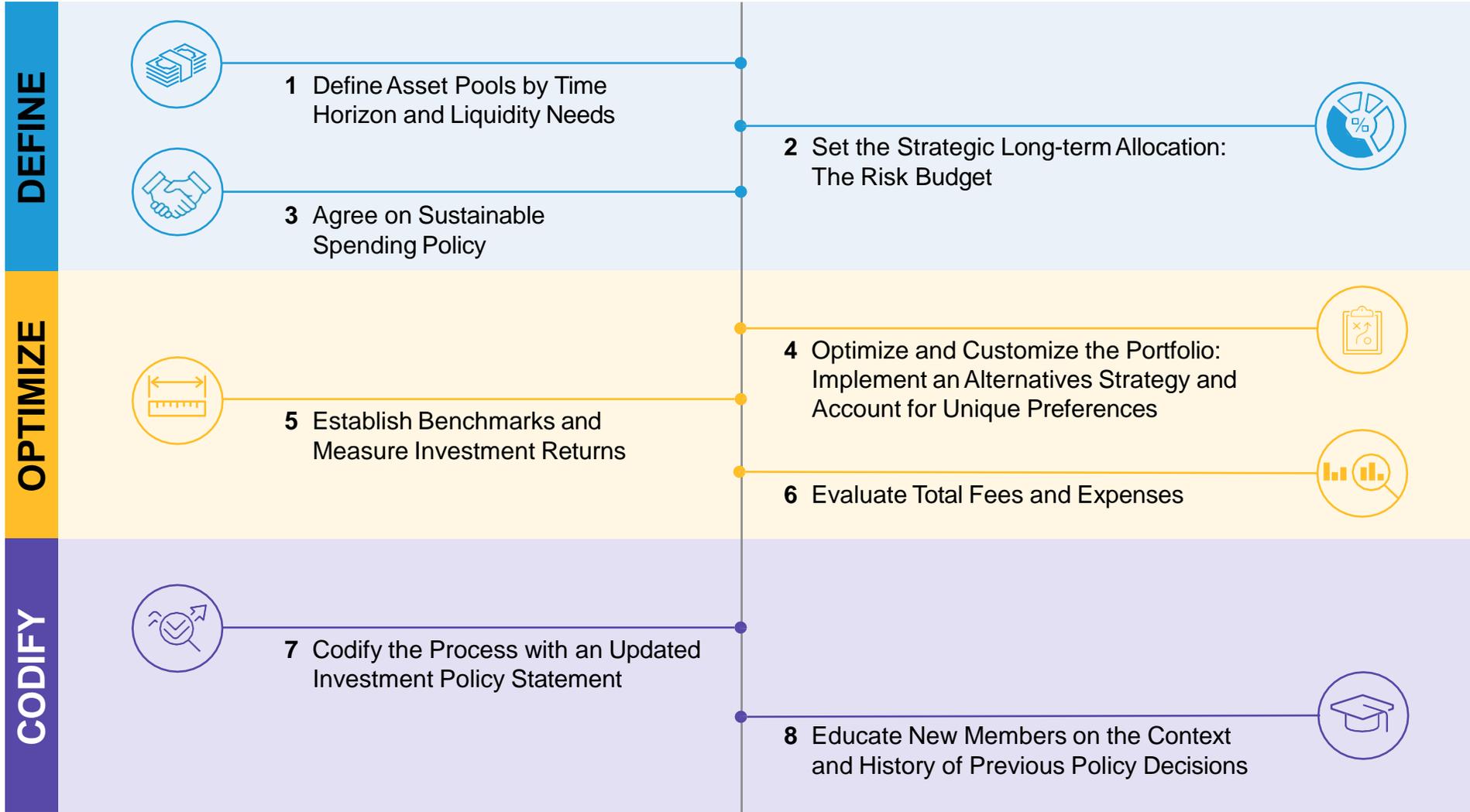
- Fiduciary Duty and Investment Committee Best Practices
- Key Governance Policies and Practices
- Sustaining your Organization through Planned Giving
- Strong Board Ambassadorship: Building a Culture of Philanthropy

Source: Bernstein



# Asset Allocation Approach

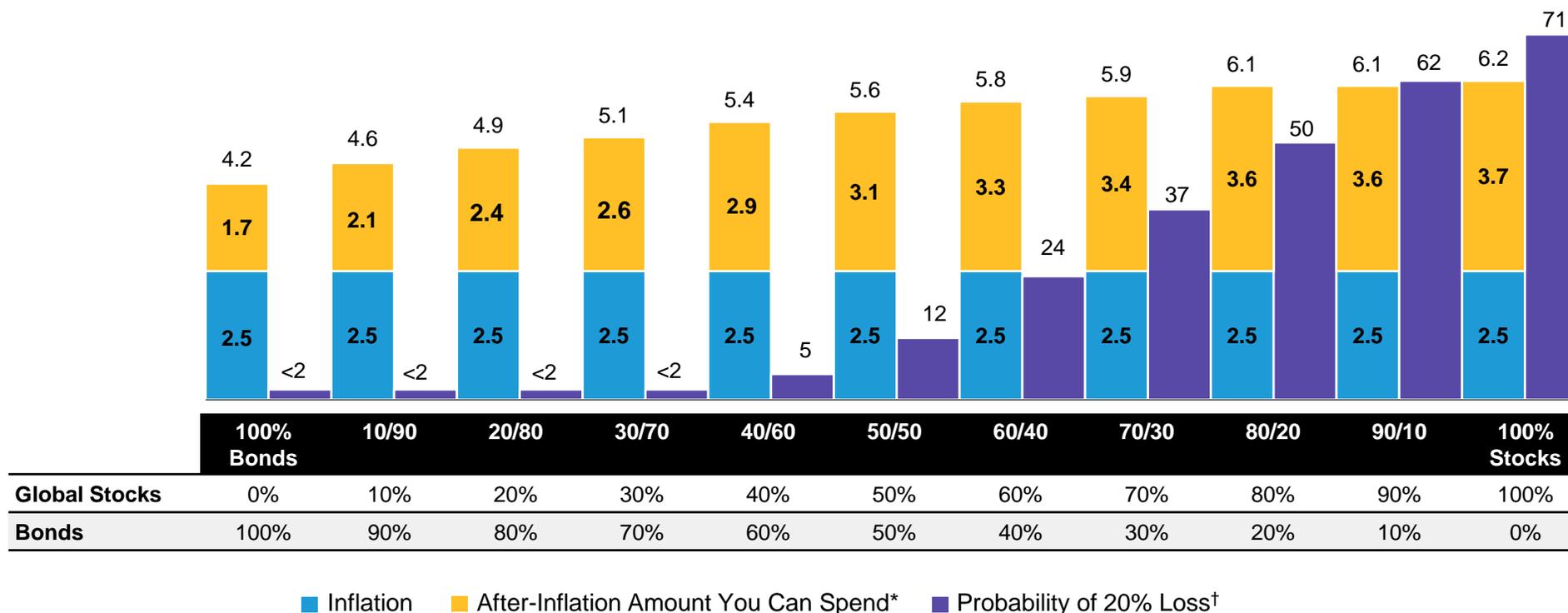
Path to Building a Solid Fiduciary Foundation



Source: AB

# Projected Median Outcomes and Sustainable Spending Rates

Next 10 years (percent)



\*Based on median projected 10-year compound annual growth rates for stock/bond portfolios and inflation. Globally diversified stocks are represented by the following allocation for a 100% Return-Seeking allocation: 17.8% US value, 17.8% US growth, 13.2% US diversified, 6.6% US small-mid cap, 19.0% developed foreign markets, 10.5% emerging markets, 10.6% US Low Vol Equity, 4.5% high-risk international. Equity geography weights may shift in proportion to total return-seeking allocation. Bonds are represented by the following allocation for a 100% Risk-Mitigating allocation: 50% diversified intermediate term taxable bonds and 50% global intermediate taxable bonds (hedged) in the proportions noted. Additional detail regarding allocation available upon request.

†Data indicates the probability of a peak-to-trough decline in pretax, pre-cash-flow cumulative returns of 20% over the next 10 years. Because the Wealth Forecasting System uses annual capital markets returns, the probability of peak-to-trough losses measured on a more frequent basis (such as daily or monthly), may be understated. The probabilities depicted above include an upward adjustment intended to account for the incidence of peak-to-trough losses that do not last an exact number of years.

Based on Bernstein's estimates of the range of returns for the applicable capital markets over the next 10 years as of December 31, 2024. Data do not represent past performance and are not a promise of actual future results. See Notes on Wealth Forecasting System in Appendix for further details.

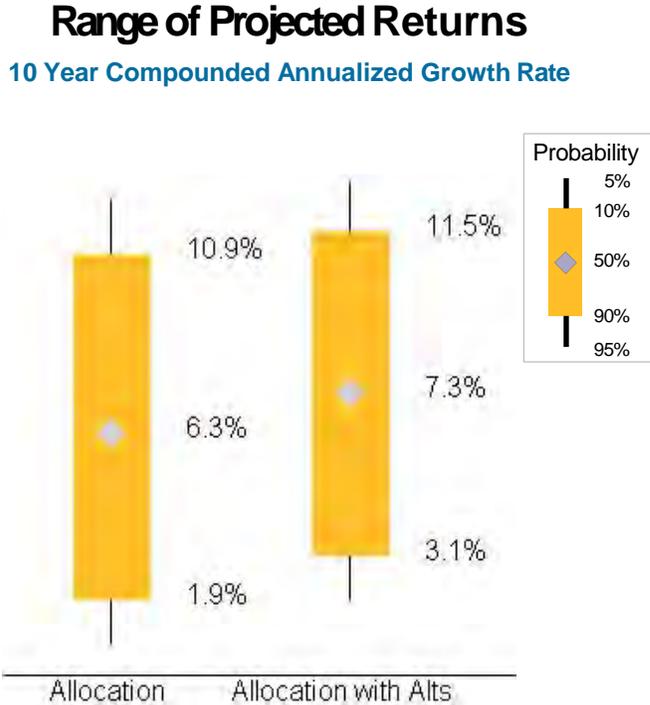
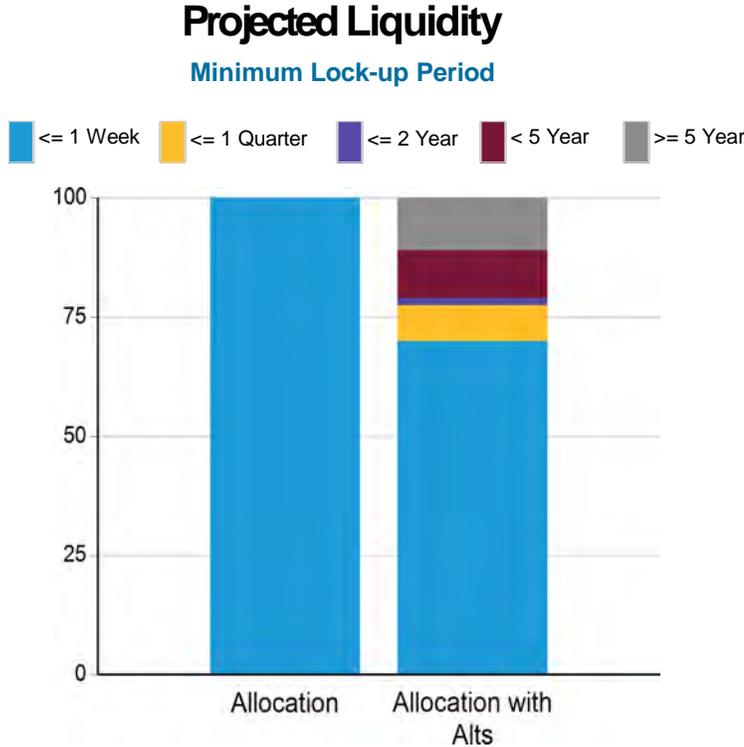
# Example Alternatives Analysis

Not a one size fits all decision

Example Alternatives Analysis: Projected outcomes based on asset allocation models (10-year period)

### Projected Outcomes based on Asset Allocation Models (10-year period)

	Median Return	Long-Term Volatility	Prob. of 20% Loss	Tail Risk	Average Income	Weighted Avg. Lockup
Allocation	6.3%	12.0%	19.2%	-21%	2.9%	1 Day(s)
Allocation with Alts	7.3%	9.3%	11.2%	-21%	3.3%	1.0 Year(s)

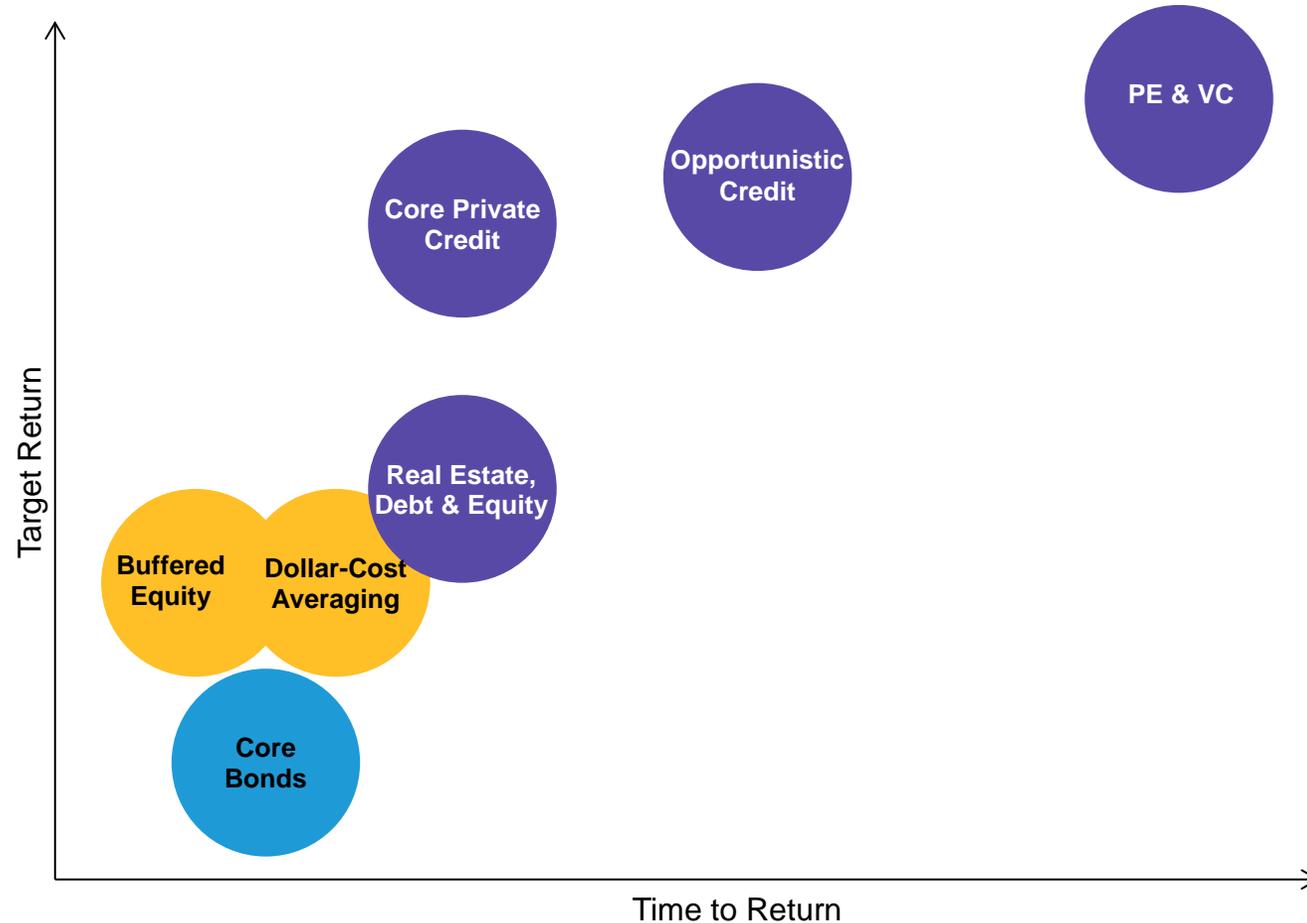


### Trade-offs and Considerations

- Liquidity Shortfall
- Allocation Drift
- Timing of Reporting
- Cost and Tax Structure
- Perceived vs. True Risks

For illustrative purposes only. There can be no assurance that any investment objectives will be achieved. Simulated or hypothetical performance results have certain inherent limitations. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve returns or a volatility profile similar to those being shown. Prob. of 20% loss is the probability of peak-to-trough losses, which may include a multi-year period of difficult markets. Tail Risk is defined as the 99th percentile or worse outcome for an annual loss. See assumptions and notes on Alternatives Impact Analysis at the end of this report.

# Best Ideas for 2H 2025



**Opportunities Catalyzed by the Current Environment:**

**Near-Term Volatility**  
Upside participation with downside protection

**Peak Rates**  
The hiking cycle has ended, and the economy is expected to slow into 2025. Current yields plus potential for price appreciation look appealing.

**Liquidity Dislocation**  
Still constrained supply of capital in private markets, creating opportunity for those who can provide liquidity

As of April 4, 2025. For illustrative purposes only. Past performance is no guarantee of future returns. Target returns are hypothetical performance and not projections, predictions, or guarantees of future performance, and there can be no assurance that the target return will be achieved.  
Source: Bernstein analysis

# SAMPLE—Legacy Planning on Your Website

Planned giving arrangements can benefit both donor and charity. You can direct cash, stock, or tangible assets to a charity, minimizing taxes and allowing you to leave more to your family. Below are some popular planned-giving vehicles to facilitate both during-life and/or end-of-life gifts. This information is not legally binding; please consult an attorney for advice.

- **Bequests**—Name {ORG} in your will. Sample language: “I hereby give and bequeath [name dollar amount or percentage of the residue of your estate] to {ORG}, located at {ADDRESS} {tax ID #}, or its successors-in-interest, to be used for general charitable purposes.”
- **Life insurance**—You don't need a large estate to make a significant gift.
- **Donor-Advised Fund**—Create your own “charitable checkbook.”
- **Charitable Lead Trust**—An innovative way to pass appreciating assets on to family members while making gifts in the interim.
- **Charitable Remainder Annuity Trust**—Make a large gift and receive a fixed-income payout each year.
- **Charitable Remainder Unitrust**—Make a large gift and receive a flexible source of retirement income.
- **Retirement Plan**—As with trusts, you can list charitable organizations as the beneficiaries of your retirement fund assets.
- **Retained Life Estate**—Receive a deduction by donating a residence while retaining the right to live there for life.

Your legacy can help sustain our work for generations to come. For more details and to learn more about us, please contact our fiduciary partner, {BERNSTEIN CONTACT} at {(XXX) XXX-XXXX or [X@X.org](mailto:X@X.org)}.

Bernstein does not provide legal or tax advice. Consult with competent professionals in these areas before making any decisions.

# Short On Time? AI Is Becoming A More Cooperative Member Of The Team

Example AI Integration for Nonprofit Organizations



## Automate Financial Reporting

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Integrate AI plug-ins through your accounting software like Sage or Quickbooks to shave hours from manual reporting practices.



## Adopt AI Tools for Donor Outreach

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Leverage AI-driven CRMs like DonorPerfect or Bloomerang to automate donor outreach and predict giving trends.



## Streamline Grantmaking Operations

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In preparation for board review of grant submissions, use AI to optimize grant application review including automated sorting and prioritization aligned with pre-determined grant mating priorities.



## Expand Program Reach with AI

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Offer interactive, tech-enabled donor experiences, like virtual reality tours of your programs.

Source: DonorPerfect; Bloomerang; Sage; Quickbooks

# AI Resources To Help You Get Started

## Strategies to Implement AI

If you are looking for help to develop a plan for a responsible implementation of AI technology in your organization, here is The Artificial Intelligence (AI) Suitability [Toolkit for Nonprofits](#), by NETHOPE, as well as the [USAID's artificial intelligence action plan](#), which shows how AI is impacting our sector and how organizations are preparing to use AI responsibly.

For more about Policy templates and implementation policies, [here is](#) Microsoft's AI Governance Framework for Nonprofits. Another good policy is provided by Emerson Collective by [clicking here](#).

## Learn how to use AI in a Practical Way

If you want to go deeper and learn how to use AI technology in a practical way, check out the [Guide to Usefulness of Existing AI Solutions in Nonprofit Organizations](#), created by NetHope, as well as [Google Workspace's productivity guide](#) to using AI in nonprofits.

If you are looking for a prompt library, Whole Whale has created a [writing prompt formula for nonprofits](#); Google also offers a [nonprofit prompt library](#).

For more general information about prompting, we recommend [A Beginner's Guide to AI Prompting](#), by Victoria Sivaeva, and [The Prompt Collection](#), by Dave Birss.

# Additional Resources for Leaders

Research and Educational Topics for Fiduciaries

 <b>Finance and Investments</b>	 <b>Policy and Governance</b>	 <b>Development &amp; Donor Engagement</b>
<ul style="list-style-type: none"><li>• Investing Basics for Fiduciaries</li><li>• Reserves Analysis</li><li>• Economic &amp; Capital Markets Updates</li><li>• ESG &amp; Responsible Investing</li><li>• Alternatives Investing</li><li>• Nonprofit &amp; Foundation Financial Statements</li></ul>	<ul style="list-style-type: none"><li>• Fiduciary Duty &amp; Committee Best Practices</li><li>• Investment &amp; Spending Policy Drafting &amp; Review</li><li>• Grantmaking Historical Analysis &amp; Guidelines Development</li><li>• Mission, Vision &amp; Values Statements</li><li>• Compensation &amp; Retirement Benefits Support</li></ul>	<ul style="list-style-type: none"><li>• Philanthropic Trends &amp; Opportunities</li><li>• Fundraising Campaign Analyses &amp; Best Practices</li><li>• Blended Giving   Planned Giving and other Noncash Strategies</li><li>• Key Considerations for Building an Endowment</li><li>• Strong Board Ambassadorship: Building a Culture of Philanthropy</li></ul>

- **The above are included as part of your partnership with Bernstein.**
- Delivery of topics is customizable and intended to serve as an extension of your team, helping amplifying your work and mission.

# Notes on Wealth Forecasting System

## 1. Purpose and Description of Wealth Forecasting Analysis

Bernstein's Wealth Forecasting Analysis is designed to assist investors in making their long-term investment decisions as to their allocation of investments among categories of financial assets. Our planning tool consists of a four-step process: (1) Client-Profile Input: the client's asset allocation, income, expenses, cash withdrawals, tax rate, risk-tolerance level, goals, and other factors; (2) Client Scenarios: in effect, questions the client would like our guidance on, which may touch on issues such as when to retire, what his/her cash-flow stream is likely to be, whether his/her portfolio can beat inflation long-term, and how different asset allocations might effect his/her long-term security; (3) The Capital-Markets Engine: our proprietary model that uses our research and historical data to create a vast range of market returns, which takes into account the linkages within and among the capital markets, as well as their unpredictability; and (4) A Probability Distribution of Outcomes: based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of returns and asset values the client could expect to experience are represented within the range established by the 5th and 95th percentiles on "box-and-whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not establish the boundaries for all outcomes. Expected market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. Moreover, actual future results may not meet Bernstein's estimates of the range of market returns, as these results are subject to a variety of economic, market, and other variables. Accordingly, the analysis should not be construed as a promise of actual future results, the actual range of future results, or the actual probability that these results will be realized. The information provided here is not intended for public use or distribution beyond our private meeting.

# Notes on Wealth Forecasting System

## 2. Modeled Asset Classes

The following assets or indexes were used in this analysis to represent the various model classes:

Asset Class	Modeled As	Annual Turnover
Cash Equivalents	3-month US Treasury bills	100%
Short-Term Treasuries	US Treasuries of 2-year maturity	50%
Short-Term Taxables	Taxable bonds of 2-year maturity	50%
Short-Term Diversified Municipals	AA-rated diversified municipal bonds of 2-year maturity	50%
Int.-Term Treasuries	US Treasuries of 7-year maturity	30%
Int.-Term Taxables	Taxable bonds of 7-year maturity	30%
Int.-Term Corporates	US investment-grade corporate debt of 7-year maturity	30%
Int.-Term Diversified Municipals	AA-rated diversified municipal bonds of 7-year maturity	30%
Global Int.-Term Taxables (Hedged)	50% sovereign and 50% investment-grade corporate debt of developed countries of 7-year maturity	30%
Int.-Term TIPS	US TIPS of 7-year maturity	30%
High Yield	Taxable bonds of 7-year maturity with credit characteristics of CSFB High Yield Index II	30%
Global Large-Cap (Unhedged)	MSCI World Index	15%
US Diversified	S&P 500 Index	15%
US Value	S&P/Barra Value Index	15%
US Growth	S&P/Barra Growth Index	15%
US Mid-Cap	Russell Mid-Cap Index	15%
US Small-/Mid-Cap	Russell 2500 Index	15%
US Small-Cap	Russell 2000 Index	15%
Developed International	MSCI EAFE Index (Unhedged)	15%
Emerging Markets	MSCI Emerging Markets Index	20%
Global REITs	NAREIT Index	30%
Real Assets	1/3 NAREIT, 1/3 MSCI ACWI Commodity Producer Index, 1/3 DJ-UBS Commodity Futures Index	30%
Diversified Hedge Fund	Diversified Hedge Fund Asset Class	33%

# Notes on Wealth Forecasting System

## 3. Volatility

Volatility is a measure of dispersion of expected returns around the average. The greater the volatility, the more likely it is that returns in any one period will be substantially above or below the expected result. The volatility for each asset class used in this analysis is listed on the Capital-Market Projections page preceding these Notes. In general, two-thirds of the returns will be within one standard deviation. For example, assuming that stocks are expected to return 8.0% on a compounded basis and the volatility of returns on stocks is 17.0%, in any one year it is likely that two-thirds of the projected returns will be between (8.9)% and 28.8%. With intermediate government bonds, if the expected compound return is assumed to be 5.0% and the volatility is assumed to be 6.0%, two-thirds of the outcomes will typically be between (1.1)% and 11.5%. Bernstein's forecast of volatility is based on historical data and incorporates Bernstein's judgment that the volatility of fixed-income assets is different for different time periods.

## 4. Technical Assumptions

Bernstein's Wealth Forecasting System is based on a number of technical assumptions regarding the future behavior of financial markets. Bernstein's Capital Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs that summarize the current condition of the capital markets as of June 30, 2024. Therefore, the first 12-month period of simulated returns represents the period from June 30, 2024, through June 30, 2025, and not necessarily the calendar year of 2024. A description of these technical assumptions is available on request.

## 5. Expenses and Spending Plans (Withdrawals)

All results are generally shown after applicable taxes and after anticipated withdrawals and/or additions, unless otherwise noted. Liquidations may result in realized gains or losses, which will have capital-gains tax implications.

## 6. Tax Implications

Before making any asset-allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein, including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. Bernstein does not provide tax, legal, or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

# Notes on Wealth Forecasting System

## 7. Tax Rates

Bernstein's Wealth Forecasting Analysis has used the following tax rates for this analysis:

Taxpayer	Scenario	Start Year	End Year	Federal Income Tax Rate	Federal Capital-Gains Tax Rate	State Income Tax Rate	State Capital-Gains Tax Rate	Tax Method Type
Client	All	2024	2025	40.8%	23.8%	0.0%	0.0%	Top Marginal
Client	All	2026	2033	43.4%	23.8%	0.0%	0.0%	Top Marginal

The federal income tax rate represents Bernstein's estimate of either the top marginal tax bracket or an "average" rate calculated based upon the marginal rate schedule. The federal capital-gains tax rate is represented by the lesser of the top marginal income tax bracket or the current cap on capital gains for an individual or corporation, as applicable. Federal tax rates are blended with applicable state tax rates by including, among other things, federal deductions for state income and capital-gains taxes. The state income tax rate represents Bernstein's estimate of the "average" rate calculated based upon the applicable state's marginal tax schedule. Where an applicable state tax code permits the exclusion of a portion of capital-gains income from gross income for purposes of calculating state income tax such exclusions have been included in the calculation.

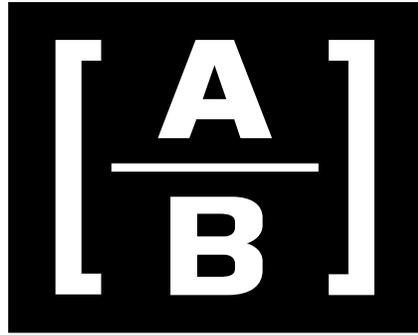
## 8. Core Capital Analysis

The term "Core Capital" means the amount of money necessary to cover anticipated lifetime net spending. All Noncore Capital assets are termed "Excess Capital." AB estimates Core Capital by inputting information supplied by the client, including expected future income and spending, into our Wealth Forecasting System, which simulates a vast range of potential market returns over the client's anticipated life span. From these simulations, we develop an estimate of the Core Capital the client will require to maintain spending level over time. Variations in actual income, spending, applicable tax rates, life span, and market returns may substantially affect the likelihood that a Core Capital estimate will be sufficient to provide for future expenses. Accordingly, the estimate should not be construed as a promise of actual future results, the actual range of results, or the actual probability that the results will be realized.

# Disclosures and Important Information

This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Bernstein does not provide tax, legal, or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

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