



October 17, 2017

# FUN in Philanthropy

for  
Estate Planning Council of SW Washington

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“If you think money can’t buy happiness you’re not spending it right. Stop spending it on yourself and try giving some of it to other people.”

Michael Norton, Associate Business Professor  
Harvard Business School



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## Agenda

- Why philanthropy is important
- What philanthropy achieves
- Common charitable tools
- Words that work
- FUN in Philanthropy



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## Why Philanthropy is Important



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## Why important to clients/ donors

- Financial Planning and Tax
- Personal and Family
- Philanthropic and Legacy



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## Common Charitable Tools

- Bequest
- Beneficiary Designations
- Charitable Gift Annuity



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## Bequests and Beneficiary Designations



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## Bequests and Beneficiary Designations



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### Achieve:

- Financial planning and tax, personal and family, philanthropic and legacy

### Key Concept:

- Client leaves money to charity at death

### Benefits:

- Client has complete use during lifetime
- Asset is removed from estate for tax purposes
- Provide an appropriate inheritance for heir
- Client leaves a legacy in the community

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## Bequest

Specific

Percentage

Residual



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### Example: Specific Bequest

**Chloe:**

- LOL
- Give annually - \$100.00
- Specific bequest of \$2,000.00

**Achieve :**

Financial planning and tax	Removes asset from estate
Personal and family	Complete use during life
Philanthropic and legacy	Supports cause or organization



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### Example: Percent Bequest

**Client/donor:**

- Clark County Food Bank
- 5% of piece of real-estate
- Gift of \$45,000.00

**Achieve :**

Financial planning and tax	Removes asset from estate
Personal and family	Complete use during life
Philanthropic and legacy	CCFB



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### Example: Residual Bequests

**Fred Fields**

- Specific Bequests to numerous organizations
- Residual bequest over \$160 million

**Achieve :**

Financial planning and tax	Removes asset from estate
Personal and family	Complete use during life
Philanthropic and legacy	Legacy



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## Charitable Gift Annuities

**Benefits:**

- Charity pays fixed amount for life to annuitant
- May receive tax free income
- Reduce estate and gift taxes
- Balance riskier personal investments
- Diversify highly appreciated assets
- Removes asset from client's estate
- Recognition
- Support cause or organization



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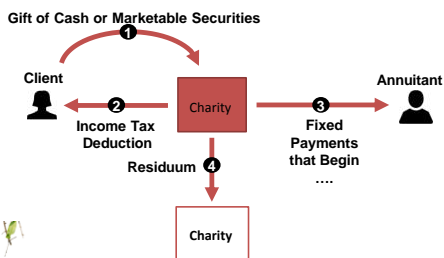
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## Charitable Gift Annuity



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## Example: Immediate Gift Annuity

Ruth:	Age 80
Appreciated stock donated	\$100,000.00
Basis	\$50,000.00
Annuity Rate	6.8%
<b>Achieve :</b>	
Financial planning and tax	Immediate deduction of \$50,752.53
Personal and family	Annuity of \$6,800.00
Philanthropic and legacy	Legacy
	Remainder to charitable organization



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### Example: Deferred Gift Annuity

Alex and Karen  
 Son: Age 57  
 Donate appreciated stock \$500,000.00  
 Annuity rate when son reaches 65 6.0%

Achieve:  
 Financial planning and tax Immediate deduction of \$196,519.78  
 Personal and family Annuity of \$30,000.00  
 Engage heir in philanthropy  
 Philanthropic and legacy Legacy  
 Remainder to charitable organization



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### Example: Flexible Gift Annuity

Bill: Age 56  
 Cash donated \$100,000.00  
 Annuity Rate at 65 6.1%  
 Annuity rate at 70 7.7%

Achieve:  
 Financial planning and tax Immediate deduction of \$28,530.00  
 Personal and family Annuity payment begins at 65 of \$6,100.00  
 Annuity payment begins at 70 of \$7,700.00  
 Philanthropic and legacy Legacy  
 Remainder to charitable organization




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### Words That Work

#### Examples:

- 1 - Do you want to make a bequest to charity?
- 2 - Do you want to make a gift to charity in your will?
- 3 - Would you like to make a gift to charity in your will to support the cause that has been important in your life?




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## FUN in Philanthropy



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