Charitable Giving During *and Beyond* Retirement!

As you focus on your pre-retirement financial planning, it may seem odd to suggest you think about charitable giving, but providing gifts to charities and other non-profit entities has many rewards for the retiree. And "Baby Boomer" retirees are projected to have far more discretionary funds available to them than any previous generation. As a retiree (or planning for retirement), your interest in supporting causes and lifelong passions beyond your lifetime is commendable. Here is something for you to consider:

- Approximately 86% of Americans donate money or resources to various philanthropic interests each year. This includes such things as weekly donations to faith organizations, buying girl-scout cookies, annual contributions through United Way, and lump sum gifts to favorite charities.
- *Only 6%* of Americans have a plan to continue their gifts at the time of death, or beyond their lifetime.

Why do only 6% of good hearted, generous and well-intentioned individuals develop a plan that extends beyond their lifetimes? Most experts believe it is due to a lack of awareness of the available means, benefits to the giver (and survivors). and an understanding of "how to."

Charitable giving in retirement can extend your financial gifts to those organizations and causes that are special and meaningful to you and those you love. Most charities rely on current gifts to meet their annual needs. Unfortunately, when donors die a gap in financial resources prevails that limits the organization's resources.

There are numerous ways to experience the joy and satisfaction of charitable giving during your retirement years, and to continue your legacy beyond your *living* years. In addition to gifting cash and naming charities in your will or trust, consider the following:

1. Give "highly-appreciated" assets (stock, collectibles or land). This can be accomplished by creating charitable trusts that provide the asset to designated charities during your lifetime or even after death. It is also possible for income from these assets to continue back to the donor or another designee.
2. Change the beneficiary arrangement on your life policies (individual or group) to provide as little as 1% to a charity. An organization was created years ago called Life Share. Part of its vision was to educate the public on the option of designating a portion of life insurance proceeds to charitable institutions. This can be accomplished with personally owned or "group" life insurance policies.
3. Purchase a new life insurance policy to leverage your gifting ability. A large amount of life insurance proceeds can be generated through relatively small premium dollars. Of course, the purchase of a new life insurance policy generally requires being able to successfully qualify by passing underwriting requirements. Maybe *now* is the time to purchase such a policy, when you are more likely able to qualify.
4. Join the 10% club! Consider purchasing a life policy that equals 10% of your net worth. Have the proceeds payable by beneficiary arrangement to your church, temple,

synagogue or favorite charity. At death, the life policy will pay the death benefit proceeds to your favorite organization.

5. Establish a family charitable giving program by giving items at specific intervals during the year to organizations who distribute goods to families or organizations in need. Well-planned estates continue this life lesson of giving to surviving family members (children and grandchildren) through family foundations, and by establishing giving requirements of assets received at the time of inheritance. Trusts can also be directed by donors to give certain percentages of the estate to charities on an ongoing basis. Great flexibility is available to continue one's passion well beyond one's living years.
6. Work with the executive personnel of your favorite charities and foundations. Many have received specialized training in how to facilitate legacy gifts, and can also identify future needs of their mission.
7. Many communities have joined together to provide local resources to assist donors, such as a community foundation. Your local chamber of commerce may be able to help you identify resources.

Your decision to contribute your gifts/assets to charities can have an enormous impact on those causes and missions that align with your heart and your passion, while providing you with tremendous personal satisfaction and continuation of your legacy. Additionally, you and your estate may receive numerous tax advantages, recognition, and most importantly, the knowledge that you made a difference!

Lastly, the *manner* in which you leave an inheritance to your loved ones and loved organizations can provide ongoing feelings of appreciation, in addition to financial support and a lasting legacy. A properly developed estate plan will provide a legacy that will be cherished forever, whereas leaving common inheritances through a will or a contract many times creates family disagreements, legal issues associated with receipts, and many unanswered questions regarding the purpose or ideal of the inheritance.

To create a "legacy" compared to just an inheritance, consider the following:

1. Creation of a document to share how the asset was accumulated, where it is located, and who specifically is to receive the asset.
2. Documentation of the purpose of the asset, how you wish it to be utilized. If you have no specifications for its use, then feel free to state that.
3. Leave a "legacy love letter," video or CD ROM to provide a lasting memory of you and the purpose and the usage of the asset.

By working with your accountant, attorney and financial planner, you can arrange for your legacy to be continued and ensure that your favorite charity is the beneficiary of future gifts. Doing so will not only provide tax deductions and leverage your estate, it will add gratification to your retirement years.

INVEST Financial Corporation does not provide tax or legal advice. Please consult your tax and/or legal advisor for guidance on your particular situation.

Sources: National Council on Planned Giving; Giving USA; survey by lawyers.com, online attorney directory

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