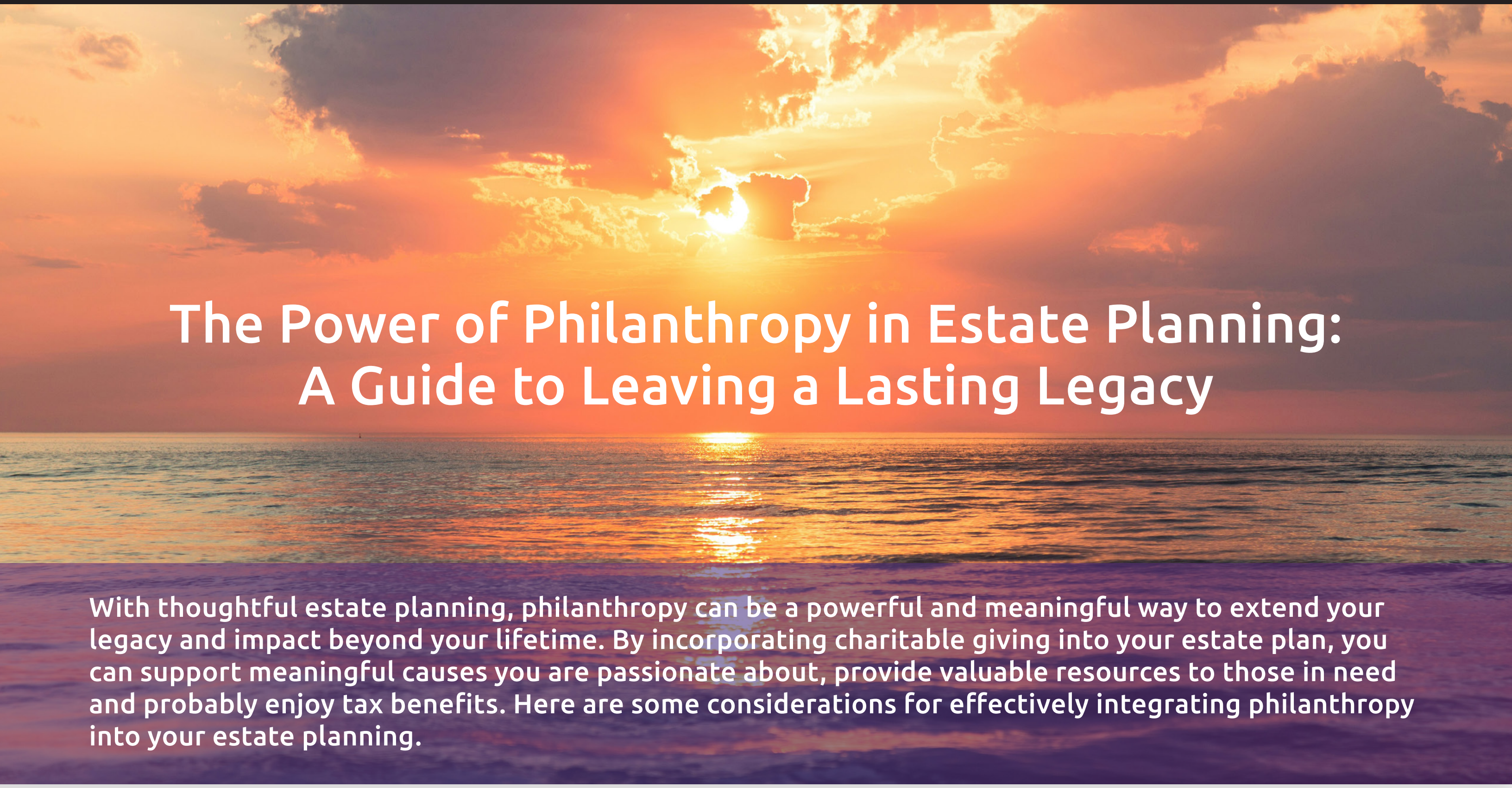

The Power of Philanthropy in Estate Planning: A Guide to Leaving a Lasting Legacy

With thoughtful estate planning, philanthropy can be a powerful and meaningful way to extend your legacy and impact beyond your lifetime. By incorporating charitable giving into your estate plan, you can support meaningful causes you are passionate about, provide valuable resources to those in need and probably enjoy tax benefits. Here are some considerations for effectively integrating philanthropy into your estate planning.

Identify Your Charitable Goals

A solid start to philanthropic planning is to articulate your philanthropic goals and objectives. What do you hope to achieve? What changes do you hope to inspire? Which causes or organizations align with your values? Setting clear goals can give direction to your charitable endeavors and make subsequent steps more manageable. Consider drafting a mission statement or charitable strategy to streamline your efforts and amplify the impact of your contributions.

Review Your Assets

It's important to take stock of your financial landscape, assessing all types of assets at your disposal for charitable giving. Beyond cash, this includes investments, real estate, valuable collectibles and more. Understanding the breadth of your assets will allow you to make informed decisions about what and how much you can afford to donate.

Choosing the Right Charitable Giving Vehicles

There are multiple avenues for philanthropic giving, each with unique benefits. Here are a few:

- Outright bequest in your will: Direct a portion of your estate to chosen charities in your will.
- Retirement accounts: Name a charity as a beneficiary of your retirement accounts.
- Rollover from IRAs or QDCs: IRA Charitable Rollovers or Qualified Charitable Donations (QCDs) from your IRA during your lifetime are two straightforward donation methods.
- Life insurance or charitable gift rider: Allocate a charity as the beneficiary of your life insurance policy or include a rider that directs a percentage to a charitable organization.
- Charitable trusts: Charitable remainder trusts (CRTs) or charitable lead trusts (CLTs), for example, can provide income and estate tax benefits and a split beneficial interest, benefiting charitable and non-charitable beneficiaries simultaneously.

- Donor-advised funds: Flexible funds sponsored by a financial institution allow you to make charitable donations over time but receive an upfront income tax deduction.
- Community foundation gift: Collaborate with a community foundation to make an impact gift or create a fund, affording you the flexibility to determine the amount and recipients of your philanthropy.
- Private foundations: These are for those interested in creating a lasting philanthropic organization, though this comes with significant compliance and increased cost.

Consider the timing and form of your gift(s): Decide whether you want your gifts to be made during your lifetime or as part of your estate. Also, consider the form of your gift (e.g., cash, stocks, property), as this can affect both the beneficiary organization and your income and estate tax situation.

Tax Benefits and Incentives

Generosity not only feels good but also comes with tax incentives, including estate tax reductions and income tax deductions. Donations can often be deducted from your income, reducing your tax liability. Gifting appreciated stock might help you avoid capital gains tax. Working with advisors is important to help you understand the specifics, create and maximize the effectiveness of your plan and charitable impact.

Consult With Professionals

Navigating the complexities of estate planning and charitable giving can be quite complicated and requires expertise. When structuring your charitable contributions, precision is key. Inaccurate paperwork or choosing the wrong giving vehicle can inadvertently lessen the impact of your donation. Expert advice is paramount to ensure that your gifts are both meaningful and effective. Estate planning attorneys, CPAs and wealth advisors can provide invaluable guidance, helping to avoid common pitfalls and suboptimal giving strategies. They will ensure that your philanthropic intentions are carried out efficiently. If appropriate, also discuss your philanthropic intentions with your family. This can be an opportunity to share your values and possibly inspire them to continue your philanthropic legacy.

Implement and Review Your Plan

With professional advice and a solid strategy, you are ready to implement your charitable giving plan. However, estate planning is not a set-it-and-forget-it affair. Regular reviews are necessary to adjust to changes in your life circumstances, financial status or charitable interests.

Your Values and Vision

Incorporating philanthropy into your estate plan is about the wealth you share and the world you hope to shape. It is a testament to your values and vision for the future. By following these steps and working with trusted professionals, you can ensure your charitable giving reflects your commitment to making a difference, benefiting the causes you care about and providing a rewarding experience for you.

Engaging in philanthropic giving as part of your estate plan is a profound way to contribute to the greater good, offering a dual legacy of goodwill and generosity. Whether through a will, a trust or other giving vehicles, your philanthropic actions — and financial savviness — can positively impact generations to come.

If you want to do something powerful with the wealth you have built up, reach out to a Choreo advisor today and start discussing ways to make charitable giving part of your strategic estate plan.