

BALANCING FAMILY NEEDS AND CHARITABLE GIVING

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Many people become anxious when considering how to balance their charitable wishes with their desire to help family when creating an estate plan. The good news is that people can do both. By exploring options with their attorney, financial planner, accountant or other professional advisor, and given tax incentives that favor such planning, they can fulfill family obligations and philanthropic ambitions without being concerned about shortchanging either.

Important questions one must ask are: How much do I need to live comfortably? How much do I wish to give my family? And how much do I want to leave for my favorite charitable causes? Even though lifetime needs and family care come first, giving to charity can not only fulfill a person's estate plan, but can also connect them with, rather than separate them from, family.

For many donors, charitable giving is a family tradition to be inherited along with wealth. People often view charitable giving as a meaningful way to teach their families about the significance of volunteering, the value of a dollar, and the importance of philanthropy to society. Raising a family in support of charitable causes strengthens family bonds and promotes the exchange of ideas across generational lines.

Consider the case of the "Smith" family, a family in our community who meets every year on the Friday after Thanksgiving to discuss community needs and charitable giving. In addition to adult input, children as young as 12 years old are asked to research and present the needs of a favorite charity. Everyone, grandparents, their children and grandchildren are a part of the discussion, and they are able to give back as a family to causes important to them all.

Building a family culture of charitable giving may ease some of the potential challenges regarding estate planning and the distribution of assets at death. And, preparing children and grandchildren to take responsibility for preserving this family value can soften the trauma of transitioning from one generation to the next.

There is no definitive way to balance a person's charitable intentions with his or her family obligations. Each person will have his or her own rationale and what works for one may not work for another. However, there are numerous estate planning tools available to make balancing charitable intentions with family obligations easier. For example, charitable remainder trusts, pooled income funds, charitable gift annuities, and percentage of value bequests allow for greater flexibility in estate plans so that monies are available for both the family and for charity. Often, people look to financial advisors, accountants, attorneys and other allied professionals for assistance in balancing family obligations and philanthropic ambitions.

Many charities are able to offer assistance as well. And an excellent resource in Broward County is LEAVE A LEGACY® Broward, which provides speakers, advisors and participating charities to assist people with gift planning, so that they can make a difference in the lives that follow. For more information, visit the website at: LeaveALegacyBroward.org.

Adam Goldberg is an estate planning attorney and is President of the Planned Giving Council of Broward County.

This article is intended to provide general information and does not represent tax or legal advice. Always consult with your independent attorney, tax advisor or financial consultant.