

Giving While Living

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You don't have to be as wealthy as Warren Buffet to learn from his recent behaviour. While many investors and money managers have tried to imitate Mr. Buffet's investment savvy over the years, charities are hoping people will now emulate his giving strategies.

A few weeks ago, Mr. Buffett announced his plans to donate his \$31 billion Berkshire shares to the Bill and Melinda Gates Foundation. He's not alone in his thinking – many notably wealthy individuals have already demonstrated that giving while living is a part of their planning too.

Mr. Sanford Weill, former Citigroup Inc. chairman has said, "People realize you can't take it with you. It's a lot better to do a lot of this philanthropy while you're still alive and you have the energy. We can use our brainpower to make the world a better place now – not to leave a bunch of money that will be around in 100 years."

Mr. Bronfman, an heir to the Canadian liquor fortune says, "Why should I saddle the next generation with something I'm passionate about?"

It seems that the needs of today's world are being recognized, whether at home or abroad, and there's a desire to do something now. Whether it is programs to fight AIDS in Africa or insect-borne diseases in South America, spreading God's Word in China or giving to the local church, the Bible says we are to be cheerful givers. Determining how much is enough for us each year and joyfully giving the rest to the work of God's kingdom makes us obedient stewards. It seems the motivations of Mr. Buffet's heart have become an example for Christians to follow.

Giving while living has its advantages for the donor too. They are able to experience the joy of the gift, watching the impact of the funding and ensuring the receiving charity has the capacity to administer the gift. There also can be attractive tax benefits. When you make a lifetime gift, you get an income-tax deduction, reducing your income tax bill, and you also move money out of your estate, which can trim estate taxes.

Consideration of a large lifetime gift must include calculations that ensure the donor has enough income to live the rest of their lives. While charitable annuities and charitable remainder trusts offer an income to the donor, the assets are irrevocably gifted. And, there is an ever-growing roster of ways to give money besides just writing a simple check to a favorite charity. The use of a public foundation in large-gift planning is usually beneficial as well. Sound advice from a Christian advisor will be most valuable to determine the best path forward.

Should further information be required, please contact us at info@cncf.ca or call us at 1-866-336-3315. We'll be pleased to work with you to accomplish the purposes God has laid on your heart or the heart of your client. We're here to serve you.