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Succession Planning and Legacy Giving

IN PARTNERSHIP WITH

**REMEMBER A CHARITY
IN YOUR WILL**
Help the work live on...



Legacies are a helpful tool for smooth Succession planning and family cohesion

As an advisor your approach can cover:

Involving the Family:

- › Engage family members early to foster understanding and commitment to charitable goals.
- › Incorporate family governance and decision-making processes for ongoing legacy management.
- › Avoid any potential disputes with early engagement

For Families:

1. Enhanced Family Legacy and Values

- › Reinforces the family's core values and philanthropic interests across generations.
- › Creates a meaningful narrative that links family identity with giving back to the community or causes they care about.

2. Tax Benefits and Financial Efficiency

- › Provides opportunities for estate and gift tax deductions, reducing overall tax liability.
- › Facilitates tax-efficient transfer of wealth by utilizing charitable vehicles such as trusts, foundations, or donor-advised funds.
- › Can help maximize the value of wealth transferred to heirs by offsetting estate taxes.

3. Perpetuity and Enduring Impact

- › Establishes a lasting charitable presence that can continue beyond the lifetime of individual family members.
- › Ensures that philanthropic goals are sustained over multiple generations, fostering a sense of continuity and purpose.

4. Family Engagement and Education

- › Encourages involvement of family members in charitable activities, fostering shared purpose and teamwork.
- › Provides opportunities to educate younger generations about philanthropy, stewardship, and responsible wealth management.

5. Flexibility and Control

- › Allows families to retain control over how charitable funds are used, through strategic planning of trusts, endowments, or foundations.
- › Offers flexibility to adapt charitable goals over time as family priorities evolve.

6. Reputation and Community Standing

- › Enhances the family's reputation within their community or industry.
- › Demonstrates a commitment to social responsibility, which can positively influence relationships and legacy.

7. Alignment with Personal and Family Goals

- › Integrates personal passions and family values into the overall succession plan.
- › Supports broader estate planning objectives, such as wealth preservation, succession, and risk management.

8. Succession and Governance Opportunities

- › Provides a framework for involving family members in governance and decision-making related to charitable initiatives.
- › Fosters leadership development among younger family members.

9. Potential for Increased Donations and Support

- › Charitable structures can encourage ongoing giving, building momentum and sustained support for causes.
- › Can motivate family members to participate actively in philanthropy.

10. Satisfaction and Fulfillment

- › Offers an emotionally rewarding way for families to leave a legacy that aligns with their values and passions.
- › Creates a sense of purpose and fulfillment that complements financial and estate planning.

Questions to Ask Families

Values and Legacy Goals:

- › "What causes or issues are most important to your family?"
- › "How would you like your family to be remembered, and what kind of impact do you hope to make?"

Existing Charitable Engagement:

- › "Are you currently involved with any charities or community initiatives?"
- › "Have you considered how your philanthropic interests could be integrated into your estate planning?"

Family Involvement and Education:

- › "Would your family members be interested in participating in charitable activities or decision-making?"
- › "How do you see the role of your children or grandchildren in your charitable legacy?"

Preferences and Flexibility:

- › "Are you looking for ways to make a lasting impact that can evolve over time?"
- › "Would you prefer to establish a fund or trust that can support your chosen causes for generations?"

Tax and Estate Planning Considerations:

- › "Have you discussed with your advisors how charitable giving might help optimize your estate plan?"
- › "Are there specific tax benefits you're interested in leveraging through charitable arrangements?"

Long-term Vision:

- › "What kind of ongoing presence or influence would you like your charitable initiatives to have after you're gone?"
- › "Are you interested in establishing a family foundation or endowment?"

Tips for Raising the Topic

Be Respectful and Non-Judgmental:

Recognize that some families may need time to consider these ideas and may have existing plans or reservations.

Connect to Broader Family Objectives:

Frame charitable legacy planning as part of the overall family success and values, not just a financial strategy.

Provide Education and Examples:

Share successful models or stories of families who have integrated philanthropy into their succession plans.

Follow Up Thoughtfully:

Give families space to reflect and revisit the conversation over time, providing information and support as needed.

By approaching the conversation with empathy and curiosity, you can help families explore charitable legacy planning as a meaningful extension of their values and family story.

In summary: Integrating charitable legacy into succession planning not only provides financial and tax advantages but also helps families build a meaningful, enduring legacy that reflects their values, engages future generations, and makes a positive societal impact.