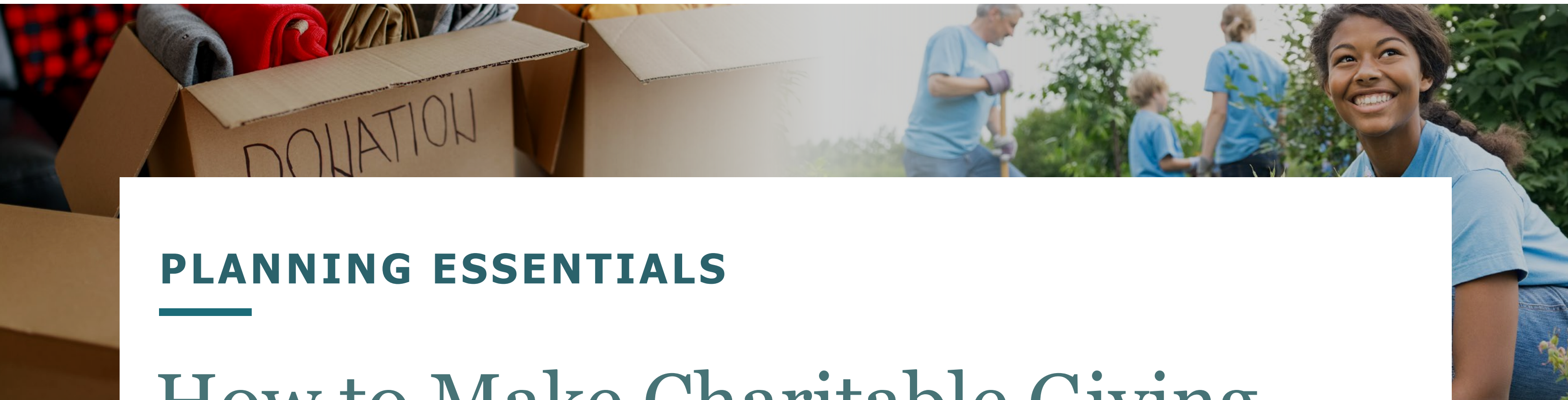
Eagle Strategies LLC

Financial Planning



PLANNING ESSENTIALS

How to Make Charitable Giving a Family Endeavor

WHY CHARITABLE GIVING MATTERS

Giving back is a powerful way to support the causes you care about while also reinforcing your family's values. Whether through volunteering, in-kind donations, or financial contributions, charitable giving is about more than just writing a check. It can also create an enduring family legacy and complement your broader financial and estate plans.

Philanthropy has become even more important in today's environment. Many nonprofits face ongoing challenges due to economic uncertainty, demographic shifts, and increased demand for services. Families who commit to structured, thoughtful giving can maximize their impact while also deepening connections across generations.

KEY TAKEAWAYS:

- You do not need significant wealth to be an active philanthropist. What matters most is the desire to make a difference.
- Structured giving vehicles such as donor-advised funds (DAFs) can simplify giving, provide tax advantages, and create opportunities to involve the entire family in philanthropy.
- Charitable giving can strengthen family bonds, teach younger generations about stewardship, and serve as an important component of financial, estate, and tax planning.
- During uncertain times, nonprofits face rising demand and funding challenges. Charitable giving helps ensure these organizations continue to serve communities in need.

ADDING STRUCTURE TO YOUR GIVING

There is no single right way to give. Your approach depends on your goals, resources, and the causes you wish to support. At minimum, always confirm that organizations are qualified 501(c)(3) tax-exempt entities with a strong record of delivering results.

Increasingly, families are turning to structured giving vehicles to make their philanthropy more effective and easier to manage. Options include:

- **Donor-Advised Funds (DAFs):** Flexible and simple to set up, allowing you to contribute cash, appreciated stock, or other assets and make grants over time.
- **Charitable Trusts:** Enable families to support charities while providing income streams or tax benefits.
- **Private Foundations:** For those with significant wealth and a desire for control, though these require administrative oversight and IRS reporting.

THE BENEFITS OF USING A DONOR-ADVISED FUND

Donor-advised funds are simple to use, easy to set up, and don't require you to commit a large amount to get started. You can fund your DAF with a wide range of assets, including cash, appreciated stock, bonds, mutual funds, real estate, and other illiquid assets. Once your account is opened, you'll choose from a variety of investment strategies as to how you want your gifted, but not yet granted, assets managed (allowing those assets to potentially grow even more) and can then begin recommending grants.

A DAF offers a number of inherent advantages compared with giving cash or writing checks. It saves you from having to keep detailed contribution records and receipts, since the account tracks all your contributions during the year and provides you with a single consolidated year-end receipt for tax purposes. Additionally, because contributions to a DAF are considered irrevocable gifts, they can be immediately deducted on your taxes, even if you wish to take your time deciding upon which charities you would like to support. Perhaps most beneficial of all, however, is the ability of a DAF to help unite your entire family around charitable giving.

KITCHEN TABLE PHILANTHROPY

The simplicity and ease of use associated with DAFs make these ideal vehicles for engaging the next generation in philanthropy—and in the process sharing your values about wealth and giving, and the fact that there's more to life than accumulation and consumption. Once you've established your DAF account, try to carve out an hour each quarter to sit down together with your family and talk about the causes and issues that each person is most passionate about. Perhaps it's the environment, homelessness, animal welfare, or something else entirely.

Try to agree on a couple of shared common interests that you'll focus your charitable giving toward for the coming quarter, and then spend a little time identifying one or two qualified charities that specifically focus on addressing those causes and issues. If possible, try to combine your financial giving with volunteering your time and talents as a family. It will truly help to make the experience more impactful and fulfilling.

OTHER PLANNED GIVING VEHICLES

While DAFs are the simplest and most common way to engage in planned giving, depending on your philanthropic goals, your financial resources, and your personal timetable, there are other charitable solutions you may want to consider, such as:

CHARITABLE LEAD TRUSTS[1] (CLTS)	CHARITABLE REMAINDER TRUSTS[1] (CRTS)	PRIVATE FOUNDATIONS
With CLTs, you transfer property to a trust set up to benefit a specific charity of your choice. The charity receives the income generated by the trust for a fixed time period (or the life of the donor), after which the remaining trust assets are returned to either the donor or their beneficiary as stipulated by the terms of the trust.	CRTs are essentially the reverse of CLTs. After assets are transferred to the trust, it begins paying an annual income (for a set number of years or for life) to you, your spouse, or another designated beneficiary. When the trust ends, the charity then receives whatever assets remain.	Families with considerable wealth and a strong philanthropic drive may want to consider creating a private foundation. Compared to DAFs, foundations afford you with a wider array of giving choices, for example, allowing you to make grants to other foundations, individuals in need, and scholarship programs. Since they require professional management and detailed IRS reporting, the costs and complexity of running a foundation need to be carefully weighed against the benefits.

Giving—whether of our time, our assets, or both—is top of mind for many today. For those of us who have been fortunate, it's an opportunity to give back to our communities in a meaningful way. It also creates a powerful platform to teach and empower your children—not only to be thoughtful stewards of wealth, but also to grow into empathetic, generous, and engaged members of their communities.

[1] It's important to note that there are costs associated with setting up and maintaining a charitable trust, and assets placed in the trust are irrevocable. Additionally, the IRS has specific rules governing the percentage of trust assets that must be received by the charity in order to qualify for tax benefits.

ES.PE.CharitableGiving
SMRU 6087580 (Exp. 10.31.2028)

Eagle Strategies LLC

PROTECTION. RETIREMENT.
INVESTMENT. ESTATE.

Trusted Guidance. Comprehensive Solutions.