Financial planners should ask the 'charity' question

The 'Charity" Question

Elizabeth H. Hutchins
Leigh B. Hutson

A child puts a quarter in the collection plate. Teenagers wash cars in the hot sun to finance a trip to build a house in Mexico. A retired engineer sets up a scholarship fund to benefit African-American students in this competitive field.

These are the faces of charitable giving in Alabama, the state that has been listed fifth in the national Generosity Index for the past three years.

These are the faces of charitable giving across the United States, where a recent report from Giving USA Foundation show that gifts to educational institutions, religious groups, social service agencies and other nonprofit organizations rose 5 percent last year to $248.5 billion.

A truly 'Magic City'

Birmingham has set a benchmark for giving. Some people proclaim their vision of a better future through yearly gifts that make our local United Way successful year after year. Others, today and in the past, have made gifts that rank The Community Foundation of Greater Birmingham among the top 75 in the nation.

We all know the stories of generous gifts by philanthropists like Lucille Beeson, whose love of this community led to a bequest of more than $150 million to 13 different charities – a gift held in trust so that the giving will continue for years to come.

Unfortunately, the rest of the story sometimes lacks a voice. There are thousands of small gifts that make a difference every day to the chosen nonprofit beneficiary. Philanthropy is an equal opportunity endeavor that opens the joy of giving to everyone.

People want to give to their churches, synagogues and mosques. They want to give to the schools that educated them and the hospitals that cared for them and their families in a time of need.

In keeping with these real life examples, supported by state and national statistics, philanthropy is a topic attorneys, accountants, financial planners, trust officers and other professional advisors need to address with their clients.

Explaining the broad range of giving parameters is essential to clients realizing that nearly everyone can provide a legacy gift for their favorite charity. It is never too early to consider building a bridge between the past and the future through philanthropy.

Asking the question

In many years of experience in our professional fields, we have learned that it is important to ask the charitable question. It is part of our responsibility in helping individuals and families plan for a future that includes legacy giving both to their own families and to the charities that they care about.

In estate planning, sometimes all a professional has to do is ask: "Do you currently give to charity?"

That question is a good place to start, because people who give today will be happy to hear how they can continue to give, even after their death – and perhaps even save a little money in taxes at the same time.

Estate planning is a task that requires expertise in the latest governmental regulations, as well as in-depth knowledge of the client's assets and aspirations.

In this most generous state and nation, estate planning also requires expertise in charitable giving, to make sure that we can help our clients find the best way to make their charitable dreams come true.

Charitable gift annuities, gifts of stock or real estate, use of life insurance and retirement benefits – all these are possibilities to be considered when a client answers the charitable question with a Yes. All that remains is for each of us to remember to ask the question.

Promotional effort

An initiative is underway in Alabama to promote charitable planned giving through a will, bequest or other method. The Alabama Planned Giving Council is sponsoring the LEAVE A LEGACY® Program of Alabama and is actively engaged in publicizing and promoting the benefits of legacy giving.

Professionals can become a part of this initiative, and can also receive valuable resources and tools for explaining charitable planned giving.

For more information about how you can make a lasting gift to charity or become involved in the LEAVE A LEGACY® Program of Alabama, contact your professional advisor or go to the LEAVE A LEGACY® PROGRAM OF ALABAMA website at www.leavealegacyalabama.org.