

tax efficient gifting

Turning generosity into a *lasting legacy*

THE CHALLENGE

A couple approaching retirement had always prioritized generosity in their financial life. When their church announced a large capital campaign to expand its community services, they felt called to make a major gift—one that reflected both their values and their gratitude for years of financial stability.

Still, they had concerns. They didn't want their contribution to create unexpected strain on their retirement plan or limit the resources they had set aside for family and future goals. They also wanted to understand if there was a smarter way to structure their giving that could enhance the impact of their gift and align with their tax and estate planning strategies.

They asked for help turning their charitable intent into a plan they could feel confident about.

THE PROCESS

We began by analyzing their financial plan in detail, modeling different giving scenarios. Once we confirmed the gift could be made without compromising their retirement, we explored ways to make the most of the opportunity through thoughtful planning.

- **Gift Timing & Donor-Advised Fund:** We discussed the benefits of making the full charitable contribution in a single year using a donor advised fund (DAF). This strategy offered them a larger charitable deduction upfront, while still allowing for flexible grantmaking over time.
- **Integrated Tax Planning:** By aligning their charitable deduction with other planning strategies such as converting a portion of their traditional IRA to a Roth IRA, we aimed to manage taxable income efficiently and support long-term tax diversification.
- **Appreciated Asset Donations:** We reviewed their portfolio and identified appreciated investments that could be donated directly to the DAF. This approach allowed them to support their gift while potentially reducing future capital gains exposure.



THE OUTCOME

With a coordinated plan in place, the couple moved forward with their gift feeling confident not just in the impact it would have on their church, but in the long-term soundness of their financial plan.

The donor advised fund gave them the flexibility to support the campaign over time, while allowing them to take advantage of charitable tax deductions in a high-income year. The Roth conversion strategy helped them rebalance their retirement accounts toward more tax-efficient growth, and donating appreciated investments helped them reduce future tax exposure.

Most importantly, they were able to witness the effects of their generosity—seeing their church expand its outreach while knowing their own financial future remained on track. What began as a charitable commitment became a catalyst for broader financial clarity and purpose.

REFLECTION & TAKEAWAY

Charitable giving doesn't have to mean choosing between generosity and financial security. With proper planning, it's possible to support meaningful causes in a way that's also aligned with your overall financial well-being. For individuals and families who prioritize giving, the right strategy can turn a heartfelt decision into a lasting legacy.

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