



Commentaries

## **You don't have to be wealthy to plan your legacy**



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Posted August 25, 2020

*For this month's column, I asked our Chief Advancement Officer, Jody Romano, to share her thoughts on the topic of planned giving. In our experience with both clients and donors, the topic of planned giving can seem daunting. Here, Jody discusses the basis for planned gifts and their importance in creating your legacy.*

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If you have a connection to any nonprofit, church or school, you have no doubt heard the term "planned giving." But many do not fully understand the importance of planned giving in the life of the groups and causes they care about, or the opportunities it creates for individuals to support those initiatives.

So what is a planned gift? Also known as a legacy gift, it is ultimately people caring about the future of an issue in a meaningful way, and helping ensure their presence within those issues even after they are gone.

Whether it be a specified bequest amount in a will or a gift of cash, stock, property, artwork, life insurance or some other tangible asset, when you make a planned gift you are investing in the future, the future of something you believe will make life better for all people. You are creating your legacy.

The first step for anyone wanting to create their legacy is to talk with a trusted financial adviser. This can be a financial planner, an accountant or even someone at an organization such as the Catholic Foundation of Greater Philadelphia (CFGP), who can help you identify your legacy goals and what the best way is to achieve them.

There are also many free resources online about planned giving, including a comprehensive guide on our website, [TheCFGP.org](http://TheCFGP.org). Everyone has the capacity to create their legacy through a planned gift.

The easiest and most common way to make a planned gift is to make a bequest in your will of a specific amount or percentage of your estate to an organization such as a foundation, your parish or school, or another nonprofit. For some, a bequest allows them to make their largest gift to a group because it does not impact their income while they are alive, as a planned gift is one that is most often part of your estate planning.

The term “estate planning” can be misleading, as we tend to associate it with large incomes and significant property and business holdings. But estate planning is not something reserved for the affluent. In fact, anyone who has a will has an estate plan. An estate refers to any amount of money or property owned by an individual, especially at the time of their passing. Therefore, making a planned gift can be a part of anyone’s estate planning.

Another way to make a planned gift is through appreciated stock, bonds or mutual funds. There can be a substantial tax benefit for making a gift this way and you can also avoid paying capital gains tax. A gift of life insurance is another way to make a legacy gift. You can either donate a life insurance policy or name a specific organization as the beneficiary of a policy. This is an easy way to create a large gift though a small annual premium cost.

Finally, Donor Advised Funds create another easy opportunity to make a planned gift. This is a customized, personal giving account that allows you the flexibility to be actively involved in making grant recommendations for the ministries you care about most.

There are organizations, such as CFGP, that specialize in working with individuals to create Donor Advised Funds while assuming the administrative, audit and distribution work, as well as the investment management of the account.

Again, you don’t have to be wealthy to make a planned gift. The first step is simply to start the conversation with someone who can help guide your philanthropy and create your legacy.

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“Charity is at the heart of the Church, it is the reason for its action, the soul of its mission.” — Pope Francis

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