



MALAKOFF & ASSOCIATES
Financial Planning For Focused Families
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We like to talk about giving for the benefit of those we love. Here are some ways that you can give generously but wisely:

Family Gifting

- Consider helping your child or grandchild save for their futures by opening a College Savings plan. You may want to consider a Section 529 plan or UTMA (Uniform Trust to Minors Act) as an easy way to put Christmas and birthday money to good use for your family. *Ask us about the provisions of these type of accounts.*
- You may want to consider gift appreciated securities for your adult children through an individual account for large expenses such as a home down payment rather than cash. If your children are just starting out and in a lower tax bracket they may pay little or no tax for the sale of securities that might be largely taxable to you. *Ask us about capital gains income thresholds.*

Charity Gifting

- Consider gifting appreciated stocks or funds directly to a charity. The charity receives the full benefit of the principal and gains and you are able to gift the funds without having to sell and pay capital gains. The gains must have long term treatment for this to work, but it is one of the most tax advantaged ways to give.
- If you want to give to charity, consider using a Donor Advised Fund that will allow you to gift appreciated stocks or funds and distribute them as periodic grants to established charities.
- Use unnecessary RMD Required Minimum Distribution income to gift directly to charity and skip consideration of those funds for Social Security taxation.

Generosity is not easily taught, rather it is caught. The wise start early.

- Consider setting aside a portion of your funds for charitable giving each year and make your children or grandchildren your *advisory board*. Ask them to help you select appropriate charities and to tell you why they believe those charities should be recipients.
- If you want to encourage your children and grandchildren to give, offer to match or multiply an amount they are willing to contribute from their own funds. For example, a school age child who is willing to give \$10, offer to go 50X and make it \$500 total. Or the child is older, offer to match their \$100 with \$100 of your own.

We find that the happiest and most successful families we serve are those that practice generosity up and down the generations. *Ask us for more!*

Joel W. Malakoff, CFP®