It's A Family Thing

If you've not yet involved your children or grandchildren in your charitable giving, this may be the year to consider it! Children of all ages can benefit from learning even just a little bit about philanthropy and how charities improve the quality of life for everyone. Indeed, many parents and grandparents believe that some level of community involvement is crucial for young family members' personal growth and future contributions to a more compassionate society.

The team at the Community Foundation of Central Illinois (CFCI) is always happy to help you explore best practices for helping shape the young people in your life into caring, responsible adults and inspire your family to get more involved. Increasing a family's role in charitable giving often leads to broader questions about estate planning, such as:

- How to structure legacies to favorite charities so that heirs can stay involved in your priorities across generations
- How to ensure that children and grandchildren will be financially secure but still motivated to pursue independent personal and professional growth
- How to foster and support the self-directed charitable passions of children and grandchildren.

The team at CFCI is happy to work alongside your tax and estate planning advisors to address questions like this. We understand that you may be concerned that leaving millions of dollars, or even hundreds of thousands, to your children could backfire and hinder your kids' ability and motivation to achieve financial independence. You might even be among the growing number of baby boomers who are considering pushing out distribution dates of inheritances and gifts.

In addition to concerns about fostering entitlement and dependency, many parents and grandparents are concerned that their children will miss out on the satisfaction of knowing they built wealth on their own. These parents believe that the challenges and struggles along the way will ultimately enrich their children's lives with intangible benefits that are far greater than the obvious benefits that come with gifts or an inheritance of significant financial resources.

If you find yourself feeling this way, please reach out to CFCI. Every day, our team works with families who are in this exact situation. We'll help you evaluate strategies such as:

- Establishing philanthropic components of an estate plan so that children receive only the amount that can pass to them free of estate tax, with the rest passing to a charity, such as a donor-advised fund at the community foundation.
- Setting up a fund at the community foundation to allow you to support favorite causes and charities during your lifetime; if the fund is a donor-advised fund, you can provide that your children step in as successor advisors following your death.
- As successor advisors to the donor-advised fund, your children can work with the community foundation to recommend grants to favorite charities, support interest areas you've pre-selected, or both.

Many people are attracted to this type of structure because not only could it avoid estate tax, but it also allows their children to stay involved with all of the family's wealth, work together and keep sibling bonds strong, and get involved in the community.

Please reach out to the CFCI team anytime. We look forward to exploring strategies to help you meet your financial and tax goals, as well as honor your wishes for your children to live happy and productive lives!

The team at CFCI is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This article is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.

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