

GNWAM08-20
July 11, 2008

30-Second Course in Deferred Charitable Giving

Here's a thirty-second course in deferred charitable giving. If you understand this, you'll have a framework to help your clients understand complex charitable gifts. Start your stopwatch.

A milk cow.

That's it. That's all you need to know. If you understand cows, you understand deferred giving.

Well, perhaps we should give you a little more.

If you have a cow, what can you give to charity? You can give the cow and the milk. Or you can give just the milk (and keep the cow). Or you can give the cow (but keep the milk).

"Charity, I have a cow. However, I need milk for my little grandchildren. I'm willing to give you the cow now if you'll let me have the milk for as long as I have little grandchildren. Once they're grown up, you can have the cow (and the future milk)." That's a gift to a charitable remainder trust.

"Charity, I have a cow. I don't need the milk; you can have it. But I'd like to be able to give the cow to my nieces and nephews sometime in the future. At that time you'll no longer get the milk." That's what you're doing when you use a charitable lead trust.

"Charity, I don't need this cow. And I don't need the milk. Please take them both and put them to good use." That's an outright gift.

Thirty seconds. Now you know what you need to know to explain charitable gifts that some people take books to explain.

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