



A SIMPLE TOOL FOR FAMILY PHILANTHROPY

Brian Puckett, JD, CPA/PFS, CFP®

It was a busy morning at the Steve and Susan Smith household. Here, their three children are clearly the center of life, and parents Steve and Susan work hard to make sure it stays that way.

Steve's father, George, also works hard to make sure family values play a part in his adult children's and young grandchildren's lives. One way he is instilling family values is through the George and Mary Smith Family "Make-A-Difference" Fund.

It's a simple way for the family to get together and discuss the importance of philanthropy. In the financial world, this fund is known as a Donor Advised Fund. The purpose of the Fund is two-fold: Engage the children in the value of giving and create a lasting legacy.

George and his wife Mary like the simplicity that their Fund offers. Here is how they engage the family: Each child age 10 or older can recommend a grant from the "Make-A-Difference" Fund in the amount of \$25 for each year since their birth. For example, at 10 years old Greta has \$250 available to work with. Greta researches a charity, and once she gathers the information, she brings back what she has learned to discuss with the family. The parents and grandparents provide guidance and oversight.

"We want to give them something that has meaning," Mary says. "The foundation offers us a way to demonstrate the power of generosity. As grandparents we'd like to inspire our family's philanthropy, and the Donor Advised Fund gives

The results of philanthropy are always beyond calculation.
Miriam Beard

us a teaching tool — without creating an administrative burden for them." The projects inspired by and initiated through his family's Fund allow George and Mary to teach their grandchildren a simple but profound message: You can learn about yourself by giving to others.

Many experts believe that an early childhood experience in philanthropy will have a strong influence on how charitable and philanthropic an individual will be later in life. Sometimes, parents are worried that giving too much money to their children can hinder their ability to learn essential life lessons. Parents may be concerned that their legacy will be squandered or that their kids may fall under the influence of people who will take advantage of their beneficence. They also might fear that their children will lose the drive to succeed if they suddenly receive a large inheritance.

Donor Advised Funds provide a number of benefits:

- A vehicle for developing a greater sense of personal wealth and self-esteem
- Establishment of a family purpose and team spirit
- A forum for meaningful inter-generational communication.
- Training wheels in “letting go” for older generations
- A lasting legacy for preparing heirs to receive wealth
- A way to remember or memorialize a loved one

Donor-advised funds are a simple, affordable and flexible charitable-giving tool that are within the reach of many Americans. If you're interested in learning more, speak with your financial advisor or contact our office more information.

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Brian Puckett, JD, CPA/PFS, CFP®, is the managing principal of Brian Puckett Retirement Advisors, a Federally Registered Investment Adviser. The firm provides comprehensive wealth management services to individuals, families, trusts, corporations and non-profits. Phone: 405-607-4820 or Web: www.puckettadvisors.com.