

How Much is Enough?

By Blake W. Kirkpatrick

Two years ago I did an article for this publication entitled "The Final Communication" wherein I discussed how one's estate plan could possibly be seen as a final communication between a person and their heirs. In that article I discussed the concepts of leaving a legacy and the inconsistencies between how a person may share their fortunes during lifetime with their family and/or charity versus what they do at death. Picking up where we left off on that theme or topic, this article will explore deeper into the inconsistency in this area. As a part of this process we will try to examine three key questions.

As a part of the estate planning process, one might be benefited by asking one very important question. To whom or what do my estate/money/assets belong to? If you spent many years working to earn what you have, you may view the assets and property you possess as being yours and yours alone. Alternatively, depending upon your perspective from a biblical, faith or moral standpoint, you may view what you have earned and "amassed" during your lifetime, as something to which you are a steward and whatever is yours is yours by the grace of God with the duty to preserve and protect it for the furtherance of a greater need or objective. Generally speaking, however, when asked about their assets or belongings most people do not say..."it belongs to my children or my heirs."

Side note...if you ever wonder whether an topic is one that people consider important, look to see whether or not a bumper sticker has been created about the subject. For example, you may have come across bumper stickers such as:

"the person who dies with the most toys wins," or

"the person who dies with the most toys, still dies" or

"I'm spending my children's inheritance" or

"you can't take it with you."

There are a whole host of others; however, the general theme is that at some point, everyone must wrestle with the issue of having to pass on or give up control over what used to be theirs.

For some, as alluded to above, the concept of control is and always has been one of a bestowed power. Out of this concept develops another one known as "stewardship." Certainly, no one has proven the ability to completely control worldly possessions after they are dead.

Now we get to the second question. If, assuming the above is true, and what is ours we really only have unfettered control over for a limited period of time (i.e., until our death at the latest), one may want to ask is, *since I'm going to have to transfer control of or use of my estate to someone else at some point, what should I do?*

Thus, we come full circle to the great inconsistency. During lifetime, pretty much everyone keeps control and ownership of the assets they have earned, collected or amassed, choosing, from time to time, to share with others - *often including charity, some of that which they possess.*

Oddly enough, however, the majority of the estate plans do not contain any component of charitable giving. Even stranger, when you think about it in the context of the above, most parents would shudder to think of giving their children a majority or all of everything they own during their lifetimes. Yet, the majority of the estate plans simply leave everything to the children outright at the surviving spouse's death, even if the children truly don't need all of it (after all, up to the point of the surviving spouse's death, the children probably have been getting by *without all* of it, even if they were receiving some level of support from mom and dad).

So why do most people leave their entire estate outright to their children, cutting out any potential charities they may have supported during lifetime in the process? Perhaps it's simply easier to leave things that way. Another reason might be that the real motive for charitable giving isn't always purely altruistic and from many individuals' perspectives, once you are dead you do not get the personal satisfaction or experience of seeing charitable gifts put to use. Yet another reason may be historical or long standing traditions of providing for one's "natural objects of their bounty." Nevertheless, another question that each person probably needs to ask is, *how much is enough?*

The answer will probably be different for each person. Let's look at the question from a different angle. Suppose you were asked or even wanted to give \$10,000 to a charity right now. That may cause some of us to really have to stretch the budget. However, suppose someone just handed you (out of the blue) \$100,000. Would it then be easier to give up \$10,000? What if you were simply transferred \$90,000 out of the blue and the person giving you the gift decided to give \$10,000 to their favorite charity at the same time. Recipients hardly raise an eyebrow or question the intent of the donor if that were to occur during the lifetime of the donor. However, it is interesting that similar "shared" transfers at death don't always render the same response (or lack thereof).

Despite where we might be headed as a society, generally, at least for the time being, few would complain of having to share a small portion of a windfall with a charity. Charitable planning does not have to be all encompassing. Even a modest amount will go a long way, especially if everyone incorporates it as a part of their overall estate plan. Finally, there are a number of ways to benefit not only the charities but also your non-charitable heirs through creative tax planning strategies. You may also be able to involve the next generation in the process (an approach I have found to be both appreciated and embraced by the next generation).

In conclusion, hopefully this article will make people ask another question, which is: *How to do I include charitable planning as a part of my estate plan?*

This Article does not constitute legal advice and may not be relied upon as such. Each individual's facts and circumstances are different. If you have any questions regarding your particular situation, please consult with legal counsel.

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