

# In Due Time: Life Insurance Makes It Easy to Support a Favorite Charity

By Myra Donovan

**A**s Americans, we can take pride in the fact that we are a nation of givers. In 2012, U.S. households and individuals donated more than \$228 billion to nonprofit organizations.

Still, the recession has taken its toll, and many of us have had to scale back our contributions as a result. In fact, charitable giving has declined by more than \$30 billion since 2007 (in inflation-adjusted dollars)<sup>1</sup>

Given the uncertain economy, it's easy to see why many of us are reluctant to part with money that we may need later on. Fortunately, there is a way to support a favorite charity without having to worry about the impact it could have on our family or lifestyle. It's called the gift of life insurance, and here are just a few ways to use this proven financial strategy:

- **Donate an existing policy.** If you already have a policy and no longer need the death benefit, you can

“...there is a way to support a favorite charity—without having to worry about the impact it could have on our family or lifestyle.”

irrevocably transfer ownership of the policy to your desired charity. While the charity will be responsible for any remaining premium payments, they will also receive the full death benefit when you die.

- **List the charity as a beneficiary.** As the owner, you remain in control of your policy and can leave money to as many beneficiaries as you like: children, grandchildren even multiple charities. Or, you can name a single charity the sole beneficiary, and it will receive the entire amount.
- **Purchase a separate policy.** There are times when it makes sense to have separate policies: one for family and friends, and one for charitable gifts. This technique can prove especially helpful if you would like to retain ownership of one policy, but not the other.
- **Create a Charitable Remainder Trust.** While this planned giving tool is designed to shelter appreciated assets such as stocks and real estate, it can also incorporate life insurance if set up correctly. Be sure to consult a trust attorney before pursuing this approach.

Giving life insurance can be a lasting and recession-proof way to support a worthy cause. And, depending on the method you choose, it may also offer a variety of tax-benefits, as well.



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<sup>1</sup> Brenda Gazzar, Los Angeles Daily News, "Charitable giving on the rise as economy improves," November 22, 2013.

# FAMILY PHILANTHROPY TIPS: Extending Your Philanthropic Values at Year End

By Sarah Harrison, Deputy Vice  
President of Philanthropic Services,  
The Denver Foundation

It's the end of the year, and the holiday season, also known as "the season of giving," will soon be upon us. Here are some ways to extend your philanthropic values in a meaningful way.

## Ask your favorite nonprofit organizations what they need and consider working from that list.

For example, if you want to volunteer during the holidays, plan far ahead. Ask what sort of help is needed and during what time frame. Trying to volunteer at the last minute can be frustrating to both your family and the organization you want to help.

## Find the right recipient for your in-kind donations and for financial gifts you want to restrict.

Your favorite nonprofit might not need the books you'd like to donate, but those books might be badly needed and greatly appreciated at the library or mentoring program. Giving the gifts where they'll be put to the best use will honor your support and help the most people.

## Substitute "gifts in honor" of your loved ones for traditional "gifts of things."

Ask your friends and family what charitable organization you can support in their honor in lieu of exchanging gifts, and you might be surprised to learn about their philanthropic passions.

## Include a giving component in your holiday activities.

If you host the family Thanksgiving dinner, ask everyone to make a donation to the

local food bank or food pantry. If you host a holiday cocktail party, or the year's final book club meeting, ask your guests to bring an item on a charity's wish list instead of a hostess gift. Homeless shelters might need hats and mittens; day shelters might need diapers and toys.

## Tell your friends about your charitable activities.

The holiday letter might be a way to introduce people to your favorite cause. Facebook, Twitter, Instagram, and other social media sites provide a way to tell people about an organization and invite them to learn more and provide support.

For more information and ideas on holiday and year-end giving, visit [www.denverfoundation.org](http://www.denverfoundation.org) or [www.justgive.org/donations/holiday-gift-guide.jsp](http://www.justgive.org/donations/holiday-gift-guide.jsp).

