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The Examiner



A Charitable Giving Plan Can Help Combat Hunger One Starfish at a Time

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By Kevin Peters

Many of us are in the throes of planning our Thanksgiving holiday. Perhaps our children will come home from college or visit with their new families. Perhaps we will invite friends and neighbors to join us.

Our menus may be a tantalizing combination of traditional family recipes and exciting new additions. Chances are, whoever celebrates with us and whatever we serve, our Thanksgiving will feature a table laden with food.

At the same time, we know that many Americans will not have a Thanksgiving feast. Even our neighbors may struggle with hunger. There are hundreds of thousands of food-insecure families in New York, families for whom access to nutritionally-adequate food is uncertain. Throughout the five boroughs, about 1.4 million people – mainly women, children, seniors, the working poor and people with disabilities – rely on soup kitchens and food pantries; about 2.6 million New Yorkers experience difficulty affording food for themselves and their families.

Fortunately, there are also many organizations combating hunger, and most need extra support during this holiday season. If helping to alleviate hunger sounds like a good cause, now may be a good time to consider a charitable giving plan to one of the many nonprofits based in New York.

How should you start?

I would always suggest a meeting – or at least a call – to representatives of the selected charity before making a donation. It is always advisable to ask for proof of the charity's 501c3 status; as a philanthropist, you want to ensure that your money is being used as you intended. Research done beforehand ensures clarity and may lead to an ongoing partnership between you and your beneficiary.

There are various strategies for giving. An upfront gift is easy; you can donate cash or assets directly for the charity's immediate use. Consider the tax benefits of gifting highly appreciated stock.

With these sorts of donations, you may be entitled to tax deductions. Be sure to obtain receipts.

Consider the flexibility of a donor-advised fund (DAF); you receive an immediate tax break upon making a contribution to a fund. A DAF is a type of giving program administered by a third party. You transfer cash or other assets to a tax-exempt sponsoring organization such as a public foundation. You can then recommend –but not direct – how much and how often money is granted to the charities, sometimes as easily as using an Internet portal. And you avoid the cost and complexities of managing a private foundation.

Other strategies for giving that provide tax benefits include charitable gift annuities, charitable remainder trusts, charitable lead annuity trusts and charitable lead unitrusts. These can be simple or complicated, depending upon an individual's personal circumstances, and really require assistance from financial and tax advisers.

You can continue your legacy of giving after you are gone, and can honor and memorialize loved ones as you do so, through such vehicles as charitable bequests and endowed gifts. These help your beneficiary charity to continue its mission. In the case of a charitable bequest, your gift may entitle your estate to an unlimited federal estate tax charitable deduction.

Workplace giving or volunteering your time at a food pantry or fundraising event are also exceptional ways to contribute. There is nothing like donating your time to set an example for young children.

Of course, a philanthropist need not overlook the simple satisfaction of donating a turkey and all the trimmings to the nearest food bank at Thanksgiving. If you ever doubt that a single donation can make a difference, remember the starfish story.

An old man finds on the beach starfish washed up on the sand, as far as the eye can see. He spies a little boy throwing the starfish back into the water, one by one.

"There must be tens of thousands of starfish on the beach. Nothing you do will make a difference," the old man tells the boy.

The boy bends down and tosses another starfish into the ocean. "I made a difference to that one," he says.

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