The New Normal for Charitable Tax Planning

Presented by:

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THE NEW STANDARD IN WEALTH MANAGEMENT

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AGENDA

I. **Studies and Statistics**

II. **Legislative Background**

III. **Where Do You Start?**

IV. **Charitable Giving Strategies**

V. **Cash, Stock or Other Assets**
   - Standard Deduction v. Itemized Deductions
   - IRAs
   - Charitable Remainder Trusts (CRUTs and CRATs) and
   - Charitable Lead Annuity Trusts (CLATs)
   - Charitable Deduction for Trusts and Estates

VI. **Charitable Giving Vehicles**
   - Private Foundations; Donor Advised Funds; “Charitable” LLCs; Purpose Trusts; 501(c)(4) Social Welfare Organizations

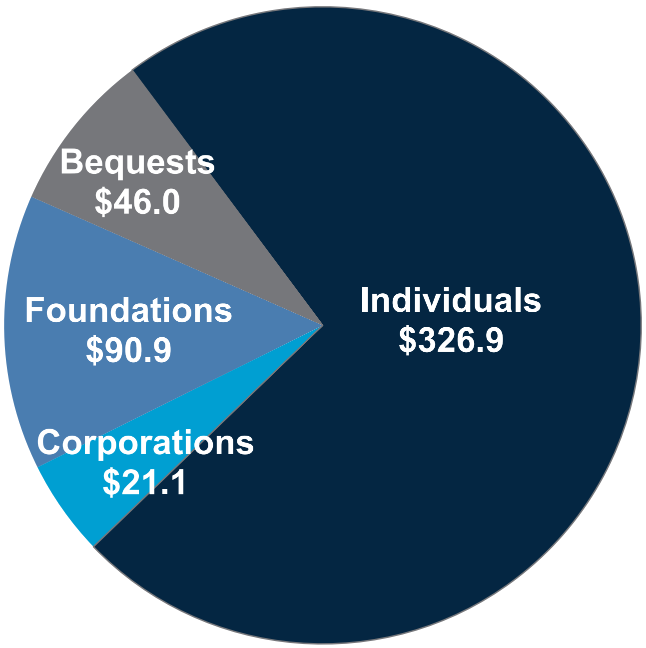
VII. **Sustainable, Responsible and Impact (SRI) Investing**

VIII. **Family Philanthropy**

Studies and Statistics

WHAT INDIVIDUALS GIVE

$484.9 billion



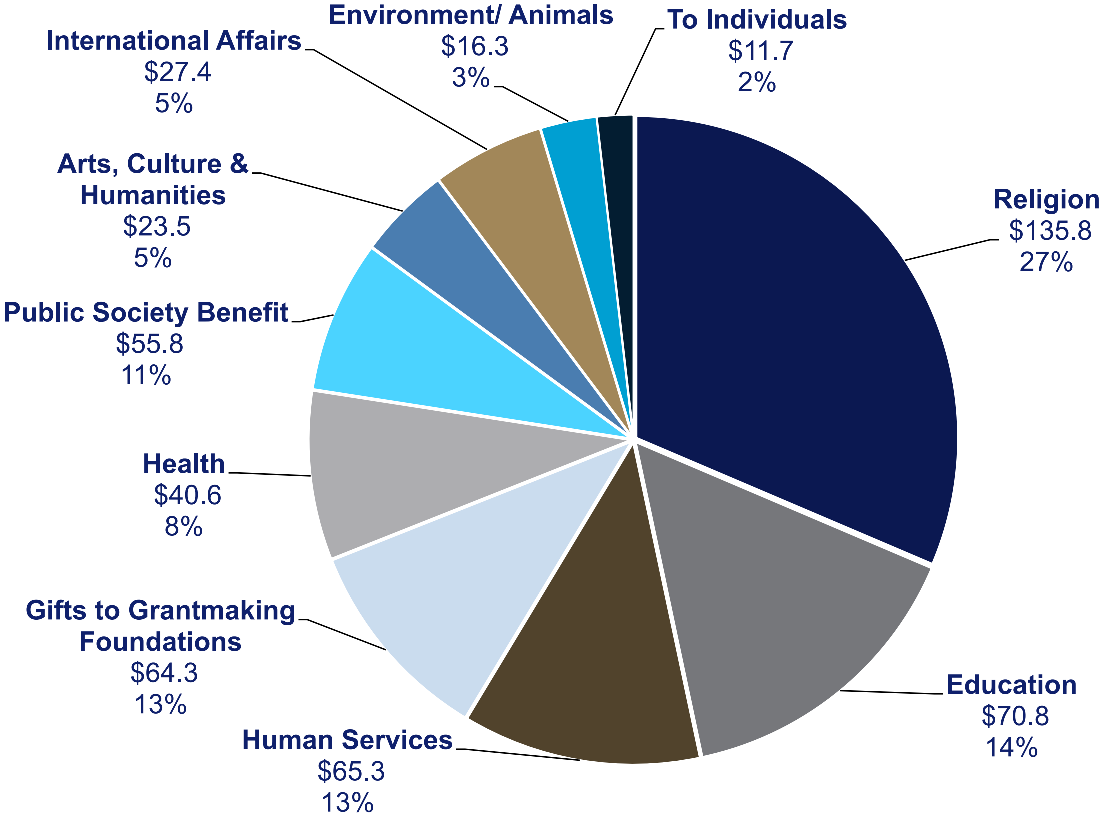
Largest source of charitable giving is individuals—**$326.9 billion**

98.2% of HNW households give to charity

On average, HNW households **gave 9.1%** of their income to charity

Sources: *Giving USA 2022: The Annual Report on Philanthropy for the Year 2021*, Giving USA Foundation, 2022, researched and written by the Indiana University Lilly Family School of Philanthropy; *The 2010 Study of High Net Worth Philanthropy: Issues Driving Charitable Activities among Affluent Households*, Center on Philanthropy at Indiana University (Nov. 2010).

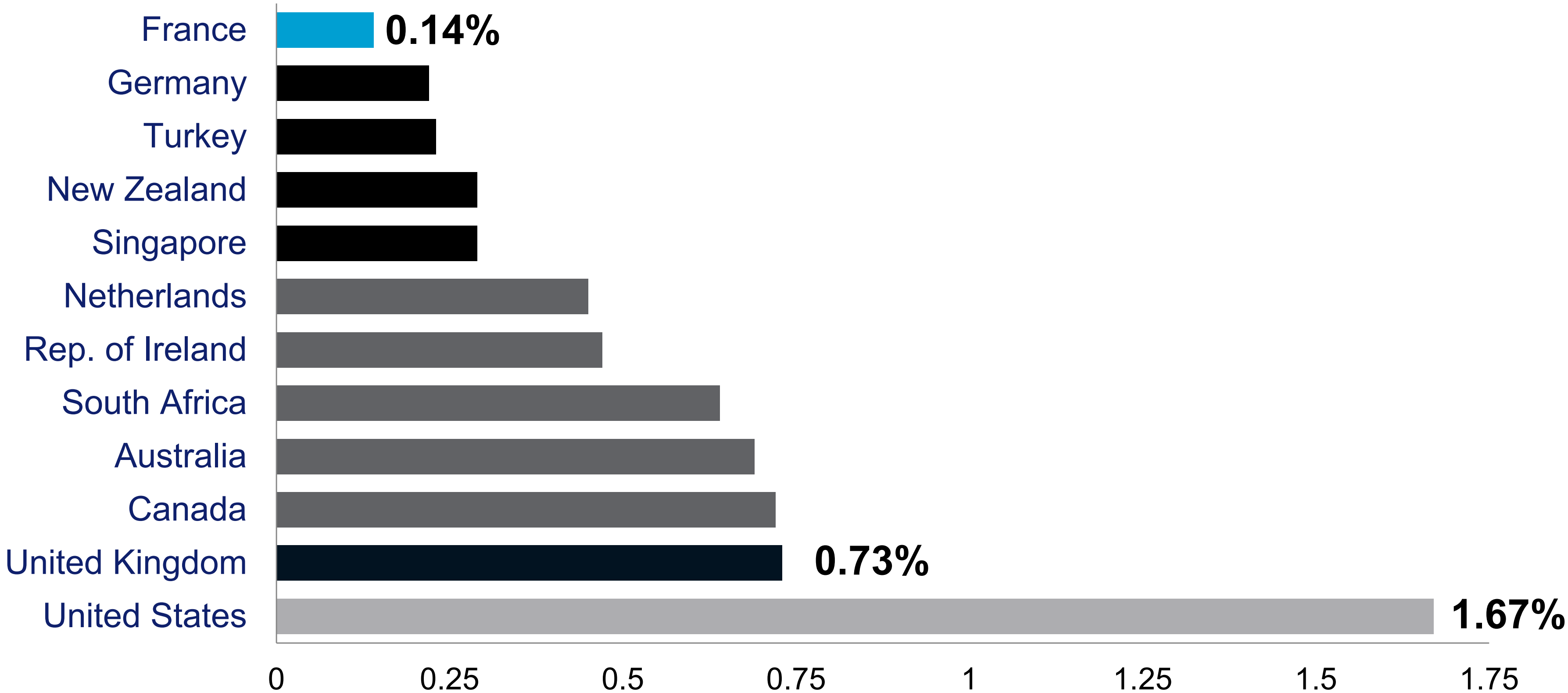
TOTAL DOLLAR AMOUNT IN EACH SECTOR



Source: Giving USA 2022: The Annual Report on Philanthropy for the Year 2021, Giving USA Foundation, 2022, researched and written by the Indiana University Lilly Family School of Philanthropy. Unallocated giving was negative $26.75 billion in 2021 (i.e., difference between source and use in a year)

INDIVIDUAL GIVING BEHAVIOR AROUND THE GLOBE

National Giving As % of GDP



Source: “International Comparisons of Charitable Giving,” Charities Aid Foundation (Kent, UK, Nov. 2006).

WHY DO INDIVIDUALS GIVE?

Studies on Charitable Giving

- Psychological—giving causes happiness[1]
- Social—signaling one's wealth or status[2]
- Economic—tax breaks[3]

[1] Andreoni, J., "Giving with impure altruism: Application to charity and ricardian equivalence," The Journal of Political Economy (1989); Andreoni, J., "Impure altruism and donations to public goods – a theory of warm glow giving," Economic Journal (1990); Dunn, E. W., Aknin, L. B., & Norton, M. I., "Spending money on others promotes happiness," Science (2008); Harbaugh, W., Mayr U., & Burghart, D., "Neural Responses to Taxation and Voluntary Giving Reveal Motives for Charitable Donations," Science, vol. 316, no. 5831 (2007).

[2] Becker, G. S., "Theory of social interaction," Journal of Political Economy (1974); Glazer, A., & Konrad, K. A., "A signaling explanation for charity," American Economic Review (1996); Griskevicius, V., et al., "Blatant benevolence and conspicuous consumption: When romantic motives elicit strategic costly signals," Journal of Personality and Social Psychology (2007).

[3] Clotfelter, C. T., "Federal tax policy and charitable giving," Chicago: University of Chicago Press (1985); Clotfelter, C. T., "The economics of giving," in J. W. Barry & B. V. Manno (Eds.), "Giving better, giving smarter", Washington, DC: National Commission on Philanthropy and Civic Renewal (1997); Reece, W. S., & Zieschang, K. D., "Consistent estimation of the impact of tax deductibility on the level of charitable contributions," Econometrica (1985).

Legislative Background

TAX CUTS AND JOBS ACT OF 2017 (2018-2025)

What Actually Happened

Charitable Contributions
- Percentage limit increased from 50% to 60% (for cash)

Standard Deduction Increased (adjusted for inflation)
- $27,700 (married filing jointly, 2023)
- $13,850 (single, 2023)

State and Local Tax (SALT) Deductions Limited
- $10,000 (married filing jointly and single)

Consequences

Fewer Taxpayers Itemize

Standard Deduction Results in $0 Tax Benefit for Charitable Contributions

INCOME AND INCOME TAXES

Income Category	AGI	Share of Total AGI	Share of Total Income Taxes Paid
Top 1%	**>$546,434**	**20.1%**	**38.8%**
Top 5%	**>$221,572**	**35.9%**	**59.4%**
Top 10%	**>$154,589**	**47.3%**	**70.8%**
Top 25%	**>$87,917**	**68.8%**	**86.6%**
Top 50%	**>$44,269**	**88.5%**	**96.9%**
Bottom 50%	**<$44,269**	**11.5%**	**3.1%**

Source: Internal Revenue Service, "SOI Tax Stats - Individual Income Tax Rates and Tax Shares," 2022 review of 2019 tax return data.

CARES ACT OF 2020 AND CAA ACT, 2021*—ONLY FOR 2020 AND 2021

Deducting Cash Gifts of $300

- Excludes private non-operating foundations, supporting organizations and donor advised funds
- No need to itemize
- Per tax filing unit in 2020 (i.e., $300 for both spouses), but up to $600 for married couples in 2021
- ***Not*** ***extended for 2022***

Deducting Cash Gifts Up to 100% of AGI

- Excludes private non-operating foundations, supporting organizations and donor advised funds
- Stacking—exhaust other AGI limits first, then apply to 100%
- ***Not*** ***extended for 2022***

* The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and Consolidated Appropriations Act, 2021.

STANDARD DEDUCTION AND CHARITABLE DEDUCTION?

Charitable Giving Tax Deduction Act

(H.R. 651, Jan. 17, 2019; H.R. 5771, May 10, 2018)

- Proposed legislation
- Above-the-line deduction for charitable contributions of individuals who do not itemize

Universal Charitable Giving Act

(S. 2123, Nov. 14, 2017; H.R. 3988, Oct. 4, 2017)

- Proposed legislation
- Above-the-line deduction for charitable contributions of individuals who do not itemize
- May not exceed 1/3 of the standard deduction

Where Do You Start?

INVESTIGATE

Key Questions for Uncovering Explicit Needs:

- How has uncertainty in the current environment impacted your charitable giving?
- In what ways have you documented your values and charitable goals?
- How are you providing for charity while accomplishing wealth transfer goals for your loved ones?
- What have you done to prepare your children to receive your wealth?
- What assets have you considered for charitable giving?

Charitable Giving Strategies

WRITTEN ACKNOWLEDGMENTS AND QUALIFIED APPRAISALS: INTERNAL REVENUE CODE § 170 AND FINAL TREASURY REGULATIONS

Gifts of $250 or More

“Contemporaneous Written Acknowledgement” (CWA)[1]

- Must state whether you received something in return (e.g., goods or services)
- For a donor advised fund, must confirm that it “has exclusive legal control over the assets contributed” under IRC § 170(f)(18)
- Must receive acknowledgment by the earlier of:

  (i) date the Federal income tax return for the year of the contribution is filed; or

  (ii) due date (including extensions) of the return

[1] Albrecht v. Commissioner, T.C. Memo 2022-53 (May 25, 2022) (No deduction for 120 items donated under five-page gift agreement without statement of goods or services provided); Keefer v. U.S., U.S. District Court, Northern District of Texas, Dallas Division, No. 3:20-CV-0836-B (N.D. Tex. Jul. 6, 2022 and Aug. 10, 2022)] (DAF acknowledgement letter did not confirm that it “has exclusive legal control over the assets contributed,” under IRC § 170(f)(18), and supplemental material from DAF was not incorporated by reference); Durden v. Commissioner, T.C. Memo 2012-140 (Receipt from charity lacked statement of goods or services provided, and second receipt was not contemporaneous).

WRITTEN ACKNOWLEDGMENTS AND QUALIFIED APPRAISALS: INTERNAL REVENUE CODE § 170 AND FINAL TREASURY REGULATIONS

Gifts of More Than $5,000

“Qualified Appraisal”[1] (limited exceptions—e.g., publicly traded securities)

- Summary or actual appraisal (e.g., $500K+ donation or $20K art)
- Must be attached to the Federal income tax return (for the year of contribution and carryover years)

[1] Schweizer v. Commissioner, T.C. Memo 2022-102 (Oct. 6, 2022) (No deduction for failure to comply with the substantiation requirements of Treas. Reg. §1.170-13); Gemperle v. Commissioner, T.C. Memo 2016-1 (Failure to include qualified appraisal for façade easement resulted in denial of deduction and penalties with no grounds for mitigation of the penalties by reason of acting with reasonable cause and in good faith); Mohamed v. Commissioner, T.C. Memo 2012-152 (No deduction for failure to comply with the substantiation requirements of Treas. Reg. §1.170-13); and Evenchik v. Commissioner, T.C. Memo 2013-34 (No deduction for donated shares of a corporation when appraisal was for two apartment buildings owned by the corporation).

ESTATE OF WARNE V. COMMISSIONER[1]

Valuation Discounts for Charitable Gifts of LLC Interests

Background

- Estate held majority interests, ranging from 72.5% to 100%, in five LLCs holding real estate
- Estate donated entire 100% interest in one LLC by splitting donation between two charitable organizations
  - 75% to family foundation
  - 25% to church

Court Ruling

- Discounts should be applied for lack of control and lack of marketability
  - Taxpayer win for controlling majority interests (6.9% discount)
  - Taxpayer loss for charitable deduction (4% discount for 75% interest; 27.385% discount for 25% interest)—*easily could have been avoided*

[1] Estate of Warne v. Commissioner, T.C. Memo. 2021-17 (Feb. 18, 2021)

ASSET OPTIONS: STOCK VS. CASH

	Sell Stock and Donate Cash	Donate Stock
Value of Stock	$250,000	$250,000
Taxes on Capital Gains	($50,000)	$0
Charitable Deduction	$200,000	$250,000
Amount to Charity	$200,000	$250,000

Donating Stock

- **Saves taxpayer $50k in capital gains taxes**
- **Provides taxpayer with an additional $50k charitable deduction**
- **Provides charity with an additional $50k**

Assumes stock with $166,667 long-term capital gain, and 30% blended tax rate on capital gains (federal and state).

BUNCHING ITEMIZED DEDUCTIONS

Who Should Consider?

- Taxpayers with itemized deductions that fall short of the standard deduction amount—in other words, itemized deductions do not produce any tax benefit

Solution

- Rather than deduct the standard deduction every year, time deductions (when possible) and bunch together in one year

BUNCHING ITEMIZED DEDUCTIONS

	2023	2024	2025
State Income Taxes	$15,000	$15,000	$15,000
Property Taxes	$15,000	$15,000	$15,000
Mortgage Interest	$7,700	$7,700	$7,700
Charitable Gifts	$10,000	$10,000	$10,000

SALT Deduction limited to $10,000

Standard Deduction is $27,700 (for married couple, 2023)

Without Bunching: No Charitable Deduction

With Bunching of $30k Charitable Gifts in Single Year: Charitable Deduction
2023 = $47,700
2024 ≈ $28,300 (standard deduction w/ inflation adjustment)
2025 ≈ $28,800 (standard deduction w/ inflation adjustment)

For illustration purposes, estimated annual inflation adjustment to standard deduction. See Rev. Proc. 2022-38.

CHARITABLE PLANNING WITH IRAS
TAX BENEFIT OF NAMING CHARITY AS IRA BENEFICIARY

	Stock to Charity and IRA to Child		IRA to Charity and Stock to Child	
	Charity	Child	Charity	Child
Stock	$1,000,000		—	$1,000,000
IRA	—	$1,000,000	$1,000,000	—
Income Tax	—	($450,000)*	—	—
NET BEQUEST	$1,000,000	$550,000	$1,000,000	$1,000,000**

* Assumes a blended ordinary income tax rate of 45% (federal and state) upon distribution from the IRA.

** Note that the child's shares of stock also receive a step-up in basis when the decedent dies.

CHARITABLE PLANNING WITH IRAS
SECURE ACT 2.0, SECURE ACT, PATH ACT OF 2015*

Qualified Charitable Distributions (aka Charitable IRA Rollovers)

- "Permanent" extension
- Required minimum age of 70½
- Can satisfy required minimum distribution (RMD) beginning at age 72
- Excluded from gross income, but no charitable deduction
- Up to $100k per year
  - Will be **indexed for inflation under SECURE Act 2.0** starting in 2024
  - **Beware** of SECURE Act tax trap if post-70½ deductible contributions
- Must be paid directly to public charity
  - No supporting organizations, non-operating private foundations (unless conduit rules apply), or donor advised funds**

* The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE Act 2.0 of 2022, and Protecting Americans from Tax Hikes (PATH) Act of 2015.

** Note that the "Charities Helping Americans Regularly Throughout the Year Act" ("Charity Act") (H.R. 2916, Jun. 15, 2017; S. 1343, Jun. 13, 2017; and S. 2750, Apr. 6, 2016) and "Grow Philanthropy Act" (H.R. 4907, Apr. 12, 2016) would strike existing prohibition for IRA distributions to donor advised funds.

CHARITABLE PLANNING WITH IRAS
LEGACY IRA ACT UNDER SECURE ACT 2.0*

One-Time $50,000 (Adjusted for Inflation) Qualified Charitable Distribution—Life Income Rollover

- Allows income benefit for lifetime with remainder to charity after death
- Can benefit participant and spouse
- Required minimum age of 70½
- Can satisfy required minimum distribution (RMD) beginning at age 72
- To a charitable gift annuity (CGA), charitable remainder unitrust (CRUT), or charitable remainder annuity trust (CRAT)
  - Likely most effective with CGAs given cost and administrative burden of charitable trusts

* SECURE Act 2.0 of 2022. See also prior unsuccessful legislative proposals, including Legacy IRA Act, H.R. 1337 (Mar. 2, 2017); H.R. 5171 (May 6, 2016).

NEW MORTALITY RATE TABLES—PROPOSED REGULATIONS[1]

Actuarial Tables, IRC § 7520

- For valuing annuities, unitrust interests, income interests and life estates
- Tax rules require new tables "not less frequently" than every 10 years
  - New in 1989, updated in 1999, updated in 2009, **but not** in 2019 because of delays with 2010 census
  - Updated tables finally released on May 5, 2022—**more than three years late**
- May rely on current or proposed tables after 2020 through effective date of final regs.—but must take consistent approach

General Impact of New Tables

- Longer life expectancy assumptions—people are living longer
  - Probability of surviving from age 60 to 90 went from 21% to 26.6% over 10-year period
- Lower value for remainder interest
- Higher value for income interest

[1] Available at: https://www.irs.gov/retirement-plans/actuarial-tables

CHARITABLE REMAINDER UNITRUST (CRUT)

Upfront Charitable Income Tax Deduction: $897K

Donor

$2M Asset

5% Annual Payment for Life (≈ $2M)

CRUT
Tax-Deferred Sale of Asset

Assets Remaining in Trust After Death Pass to Charity

Charity

Remainder Value
7% Growth: $2.7M

Assumes 7% net return (5.6% growth and 1.4% income), 65-year-old donor, and most favorable IRC § 7520 rate of 5.2% for most recent three months as of Feb. 2023. Rev. Rul. 2022-22.

CHARITABLE REMAINDER ANNUITY TRUST (CRAT)

Fixed Dollar Annual Payment (CRAT) vs. Unitrust (CRUT)

One or two-life CRATs

- Previously, not possible due to low interest rate environment for those younger than about 74
- Probability of exhaustion test—greater than 5% probability all assets will be paid out

IRS Revenue Procedure 2016-42 (Aug. 9, 2016)

Safe harbor provision

- Early termination if CRAT's assets fall below 10% of initial value multiplied by discount factor
- Not triggered if investments outperform § 7520 rate

CCA 202233014[1]

CRUT with Variable Unitrust Payout to Spouse or Charity

Background

- Annual CRUT unitrust payment of 5% for life with remainder to charity after death
  - 25% of unitrust payment—that is, 1.25% of CRUT—**must** be distributed to decedent's spouse
  - 75% of unitrust payment—that is, 3.75% of CRUT—may be distributed to **either** decedent's spouse **or** charity at the discretion of the trustee

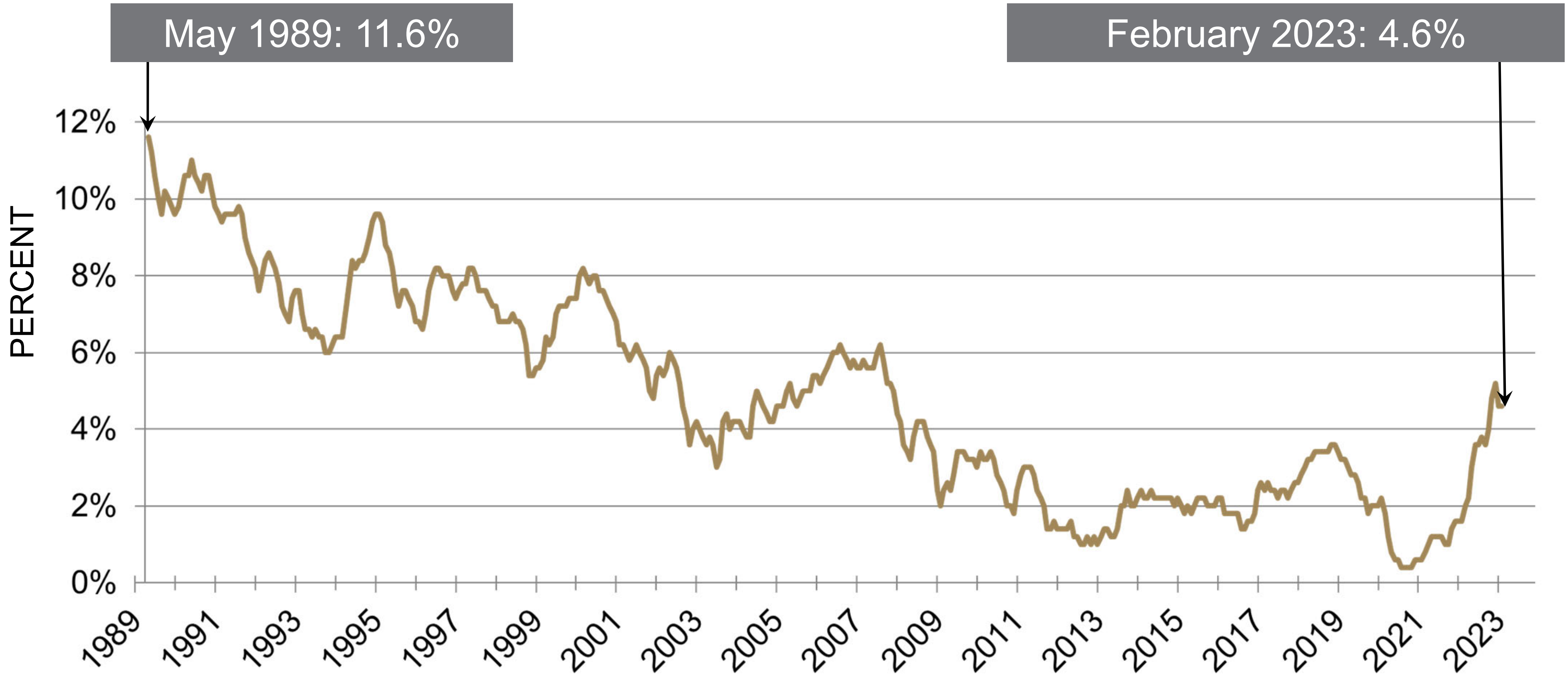
Conclusion

- No estate tax charitable deduction under 2055 for any portion of unitrust interest
- No estate tax marital deduction under 2056 for 75% discretionary portion of unitrust interest
- IRS changed position from earlier rulings that taxpayers were entitled to an estate tax marital deduction under § 2056 or a gift tax marital deduction under § 2523 for a CRUT unitrust interest that can be distributed between a charity and spouse at the trustee's discretion[2]

[1] Chief Counsel's Advice 202233014 (Aug. 19, 2022).

[2] PLRs 201845014, 201117005, 200832017, and 200813006.

INCREASED SECTION 7520 RATES



Source: Internal Revenue Service. Section 7520 rates as of February 2023. Rev. Rul. 2023-3.

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CHARITABLE LEAD ANNUITY TRUST (CLAT)

Upfront Charitable Income Tax Deduction: $2M

Donor

$2M

CLAT

$188K Annual Payment for a Term of 15 Years

Charity

Assets Remaining in Trust after 15-Year Term Pass to Heirs

Wealth Transfer Trust

Remainder Value

7% Growth: $806K

10% Growth: $2.4M

Assumes grantor CLAT and most favorable IRC § 7520 rate of 4.6% for most recent three months as of Feb. 2023. Rev. Rul. 2023-3.

CHARITABLE DEDUCTION FOR NON-GRANTOR TRUSTS AND ESTATES IRC § 642(c)

Requirements

- Paid from gross income
- Paid pursuant to governing document

Unlimited in Amount

No Distribution Deduction

Generally, Must Be Actually Paid in Current Year or Following Year

- Estates and pre-1969 trusts get charitable deduction if "permanently set aside"

Limited to Basis (Green v. U.S., 2018)

See Mart D. Green v. United States, 880 F.3d 519 (10th Cir. 2018).

CHARITABLE DEDUCTION FOR NON-GRANTOR TRUSTS AND ESTATES HYPOTHETICAL EXAMPLE

In 2023, Trust Has:

- $100K of taxable interest income

During 2023, Trustee Distributes:

- $100K to Amy (mandatory income distribution)
- $100K to Bob
- $100K to a charity

What was distributed to the beneficiaries for tax purposes?

CHARITABLE DEDUCTION FOR NON-GRANTOR TRUSTS AND ESTATES HYPOTHETICAL EXAMPLE

$100K Interest Income → **COMPLEX TRUST**

4. Trust receives distribution deduction of $100K of DNI

$100K FAI/DNI
$300K Distributions

First-Tier Beneficiary ($100K FAI/DNI to Amy)

1. $100K DNI is taxed first to Amy

1½-Tier Beneficiary ($100K Principal to Charity)

2. No remaining DNI is distributed to charity

Second-Tier Beneficiary ($100K Principal to Bob)

3. No remaining DNI is distributed to Bob

CHARITABLE DEDUCTION—IRC § 642(C) HYPOTHETICAL EXAMPLE

Another Option

- Distribute additional $100K to Amy instead of charity (not taxable since the DNI already came out)
- Amy can make a $100K contribution to charity
- Amy will get an income tax deduction, subject to the AGI rules and other limitations

Charitable Giving Vehicles

PRIVATE FOUNDATION VS. DONOR ADVISED FUND
COMPARING TWO PHILANTHROPIC VEHICLES

	Private Foundation	Donor Advised Fund
Tax Deductibility	• Cash—up to 30% of AGI • Appreciated and closely held stock—up to 20% of AGI	• Cash—up to 60% of AGI • Appreciated and closely held stock—up to 30% of AGI
Minimum Payout Requirements	• 5% annually	• None
Investment Flexibility	• Divest excess business holdings within five years or pay excise tax	• Donor chooses among investment options offered by DAF
Grant Making Support	• Create and handle due diligence and monitoring structure	• Professional staff of DAF handles due diligence
Administration	• Legal/accounting fees; filing fees; and annual tax return	• DAF handles all administration
Excise Taxes	• 1.39% of investment income annually	• None
Liability and Risk Insurance	• Must be purchased	• Provided by DAF
Start-Up Costs	• Legal fees and other start-up costs can be substantial	• Typically, none
Valuation of Gifts	• FMV for cash/publicly traded stock; cost basis for closely held stock/real property	• Fair market value
Privacy	• No	• Yes

FAIRBAIRN V. FIDELITY INVESTMENTS CHARITABLE GIFT FUND[1]

Donor Advised Fund Litigation

Background

- Fidelity touted its sophisticated methods to time liquidation so as not to depress price
- Donor transferred thinly-traded shares
- Fidelity sold stock immediately upon receipt

Court Ruling

- Donor had no "special relationship" with DAF sponsor
- No breach of a fiduciary duty by DAF sponsor

[1] Fairbairn v. Fidelity Investments Charitable Gift Fund, Case No. 18-cv-04881-JSC (N. Dist. Cal. Feb. 26, 2021)

PINKERT V. SCHWAB CHARITABLE FUND[1]

Donor Advised Fund Litigation

Background

- Donor claimed Schwab Charitable Fund affiliations with Schwab Corp. maximized profits for Schwab Corp. to the detriment of charity
  - Utilized Schwab index and money market funds
  - Purchased funds at retail prices—instead of wholesale
  - Failed to leverage bargaining power to retain less expensive brokerage and custodial services

Court Ruling

- Court dismissed all claims
  - Donor lacked standing after making irrevocable contribution of assets and relinquishing dominion and control
  - Schwab Charitable Fund had exclusive legal control over donated assets

[1] Pinkert v. Schwab Charitable Fund, 48.F.4th 1051 (9th Cir. Sep. 4, 2022), aff'g Case No. 20-cv-07657-LB (N. Dist. Cal. Jun. 17, 2021).

DONOR ADVISED FUND: REFORM PROPOSALS

Currently, No Mandatory Distribution Requirement, But…

- 15-Year Qualified DAFs and 50-Year Non-Qualified DAFs—*The Accelerate Charitable Efforts (ACE) Act,* S.1981 (Jun. 9, 2021), Senators Angus King (I-ME) and Chuck Grassley (R-IA), and H. 6595 (Feb. 3, 2022)
- California failed attempts to regulate DAFs include AB 2936 (Wicks 2020) and AB 1712 (Wicks 2019)
- Five-year payout requirement and 20% excise tax for failure—*Camp Proposal* (H.R. 1, Feb. 26, 2014)
- "there is likely to be substantial variation in payout rates at the individual level across all sponsoring organization"—*Congressional Research Service Study* (Jul. 2012)
- "premature to recommend a distribution requirement… at this point"—*Department of Treasury Study* (Dec. 2011)

"CHARITABLE" LLC
NOT A PUBLIC CHARITY, PRIVATE FOUNDATION OR CHARITABLE TRUST

The Good

- LLC *not* subject to mandatory distributions or prohibitions on self-dealing, excess business holdings, jeopardy investments and taxable expenditures (e.g., lobbying/political activities)
- LLC *not* subject to attorney general oversight
- LLC tax returns *not* subject to public disclosure
- Assets *not* permanently restricted for charitable purposes; can be used for any permissible purpose under state law

The Bad and the Ugly

- LLC *not* exempt from federal income tax; taxed as "pass-through" to owners
- *No* charitable income tax deduction from funding; future benefit if LLC donates to charity

PATAGONIA PURPOSE TRUST AND 501(c)(4) ORGANIZATION[1]

2% to Purpose Trust (Voting Shares)

- 2% of $3 billion = $60 million (without discounting)
- $17.5 million in gift taxes = 40% of $43.75 million

98% to Section 501(c)(4) Nonprofit "Social Welfare Organization" (Non-Voting Shares)

- 98% of $3 billion = $2.94 billion (without discounting)
- NO gift, estate or GST taxes—a 40% gift tax on 98% of $3 billion could have been as much as $1.176 billion
- NO income taxes—can continue to grow tax free for generations
- NO charitable income deduction, unlike a Section 501(c)(3) nonprofit charitable organization
- **Can be used for political purposes, unlike a Section 501(c)(3) nonprofit charitable organization**

[1] Estimates based on Juliana Kaplan and Grace Kay, "Patagonia founder's big donation potentially saves him over $1 billion in taxes — and experts say it shows how the wealthy are able to 'entirely opt out of taxes,'" Business Insider (Sep. 16, 2022), and David Gelles, "Billionaire No More: Patagonia Founder Gives Away the Company," The New York Times (Sep. 14, 2022).

Sustainable, Responsible and Impact (SRI) Investing

SUSTAINABLE, RESPONSIBLE AND IMPACT (SRI) INVESTING

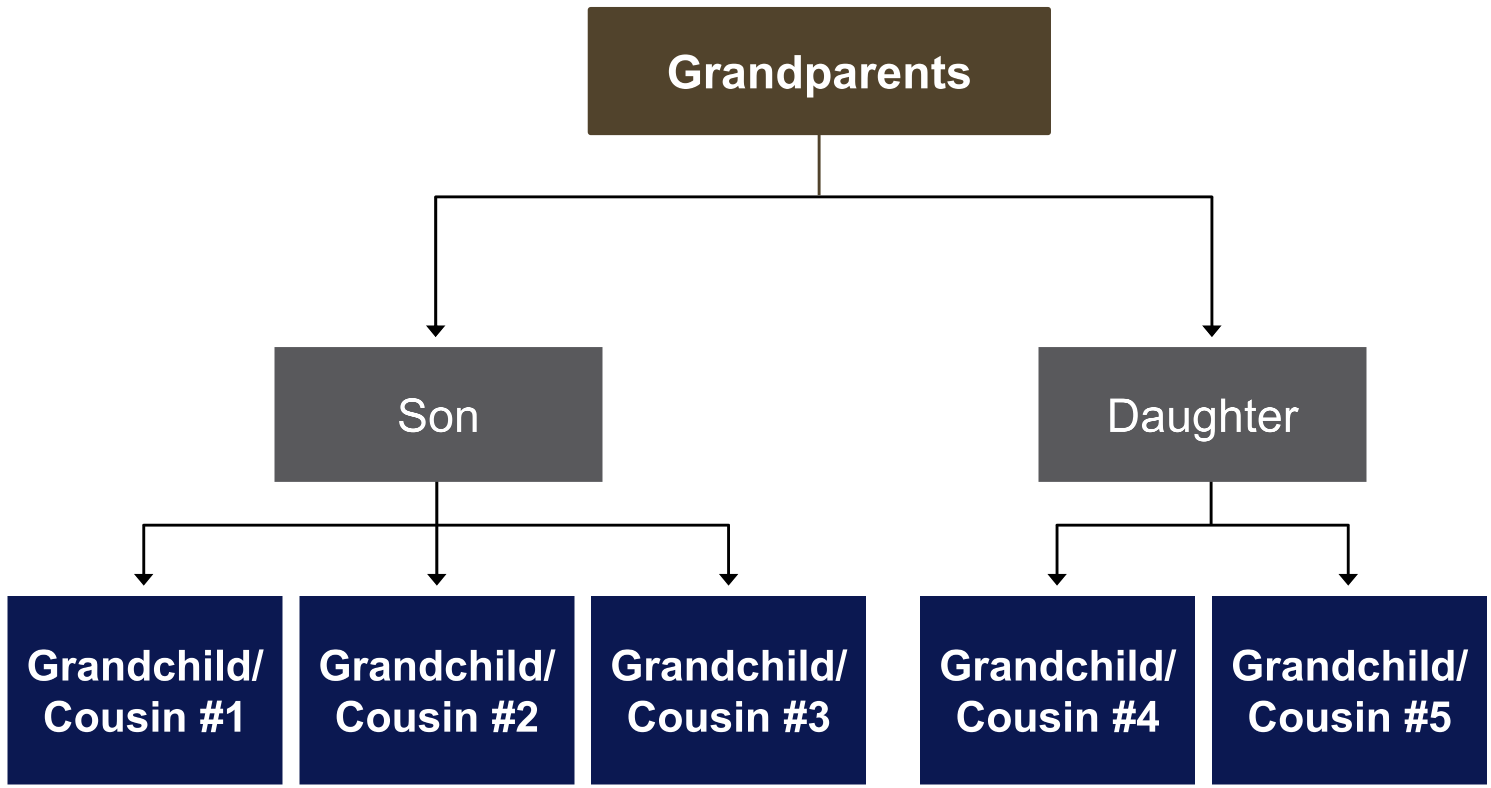
Program Related Investment (PRI)	Final Regulations (Apr. 25, 2016) allow private foundation investments for both charitable purposes and financial returns
Environmental, Social, Governance (ESG)	Positive screen for investment analysis and decision making
Impact Investing (II)	Direct private investment to generate measurable financial and social impact, such as community development, food security or health improvements
Responsible Investment (RI)	Sustainable, ethical or "green" investments that consider both financial returns and social good
Socially Responsible Investing (SRI)	Negative screening of the investment universe, such as excluding "sin" stocks

Family Philanthropy

TEAMWORK PRACTICE OPPORTUNITIES
Family Philanthropy

Grandparents Set Aside $25k Annually for Charity:

- $1K directed by each grandchild
- $5K directed by son's children
- $5K directed by daughter's children
- $10K directed by cousin consortium



Why It Works—Family Members Learn:

- **Communication, negotiation and shared decision making**
- **Leadership**
- **Accountability**
- **Investing and financial literacy**
- **Responsibility to help others**

These are all skills that are necessary for managing the family's "wealth."

Thank You!

BIO

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Justin Miller is a Partner and National Director of Wealth Planning at Evercore Wealth Management and a Managing Director at Evercore Trust Company, where he works collaboratively with accountants, attorneys, and other advisors to provide comprehensive wealth planning advice to clients. Prior to joining Evercore in 2021, Justin was a national wealth strategist for 10 years at BNY Mellon. He previously was a managing director at Wells Fargo and began his career as a tax attorney at Sidley Austin.

Justin also is an adjunct professor at Golden Gate University School of Law, a Fellow of the American Bar Foundation, and a Fellow of the American College of Trust and Estate Counsel. He has served in leadership positions with the American Bar Association, California Bar Foundation, San Francisco Estate Planning Council, and State Bar of California, and is a former editor-in-chief of the *California Tax Lawyer*. Additionally, he is a past recipient of the Outstanding Conference Speaker Award from the California Society of CPAs and the V. Judson Klein Award from the California Tax Bar.

Justin received a B.A., with honors, from the University of California, Berkeley, and a J.D. and LL.M. in Taxation from New York University School of Law. He also holds the Accredited Estate Planner® and CERTIFIED FINANCIAL PLANNER™ designations and is a member of the State Bar of California.

DISCLOSURES

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