I have a friend who is a professional colleague, and we have known each other for quite some time. We share similar views regarding our profession and we have similar interests. Besides golf, hunting, and fishing, we found common ground in the advice we provide to donors on how to become more effective in their giving. We share personal experiences with such giving strategies so that when we are together, we can add to each others' knowledge base. And some of the best giving strategies that we share are examples of Blended Gifts, where a donation combines current *and* deferred giving.

Different Ways to Blend Gifts

Many years ago, I had a client who was contributing annually to his college. Thinking that his giving would cease after his death, he decided to purchase a large life insurance policy and gift it to the college. The effect of this gift is that the college would invest the proceeds of the policy at his death. Then the earnings on that money would continue to provide the college with the same annual income as they were receiving while my client was alive.

I also know a donor who is using the Required Minimum Distributions from their IRA to make gifts to their church. Gifts made directly from the IRA avoid the tax that would be paid if the donor took the distribution first and then made a cash gift. Since the donor does not receive the distribution, it does not add to their adjustable gross income, thereby avoiding income tax. In addition, this donor has named the church as a partial beneficiary of the IRA at their death, so that support can continue much like the first example I mentioned above.

In yet another case, I am aware of a donor who supports several charities currently and has included them his will to continue support after his passing.

Benefits of Blended Gifts

Each of these stories shows an example of a Blended Gift. They are gifts that are both current *and* deferred. There are many more such examples that can incorporate increased current income to the donor, provide current tax deductions, *and* support worthy organizations such as ECF and your parish, all at the same time. The common theme of this type of giving is that it provides current funds to the charity of choice and it can continue well past the donors death, possibly providing perpetual legacy.

To learn more about Blended Gifts, consult your financial advisors or contact ECF's executive director, Lindsey Hardegree.

Pat Renn (he/him) is the founder and president of The Renn Wealth Management Group and has more than 35 years of experience in the financial services industry. He is a member at the Cathedral of St. Philip where he has previously served as junior warden and endowment chair; he has also served as board member and endowment chair of Holy Innocents' Episcopal School. Learn more about the ECF Board of Directors

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