

LAWYER FOR *Life*

KEEPING YOUR FAMILY HEALTHY, WEALTHY & WISE



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BE CAREFUL WHO YOU GIVE TO — AMERICA’S WORST CHARITIES

Charitable giving is a thoughtful way to thank the people and institutions that have come to mean the most to you during your lifetime. When properly planned and implemented, it can also be an excellent way to preserve assets. We do not mean to discourage you from giving to charity, far from it, but we strongly advise you to do your homework before making any charity the recipient of your generosity.

The *Tampa Bay Times* and the Center for Investigative Reporting have recently completed a yearlong investigation into what they call “America’s Worst Charities.” Their findings are disturbing to say the least.



- The 50 worst charities in the United States devote less than 4% of donations raised to direct cash aid. Some charities gave even less. For example, over the course of 10 years, a diabetes charity raised nearly \$14 million, yet it distributed a mere \$10,000 to patients. Six of the other charities on the list spent no cash at all on their “cause.”
- Some nonprofits are essentially fronts for fund-raising companies. The fund-raising companies bankroll the nonprofits’ startup costs, lock them into contracts with exorbitant fees, and in some cases actually drive the charities into debt. Florida-based Project Cure has raised more than \$65 million since 1998, but every year it has ended up owing more money to its fundraiser than the amount of money raised. In its latest financial filing, Project Cure reported being \$3 million in debt.

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BE CAREFUL WHO YOU GIVE TO—AMERICA'S WORST CHARITIES (CONT.)

- To disguise the meager amount of money that reaches those in need, charities use accounting tricks and inflate the value of donations given to the intended recipients of the charity.

In addition, the study identified hundreds of charities that run donation drives across the country and regularly give their solicitors at least two-thirds of the amount taken in. Experts say “good” charities should spend approximately half that much—no

more than 35 cents to raise one dollar. All told, the 50 worst charities in the study raised more than \$1.3 billion over the past decade and paid nearly \$1 billion of that directly to the companies who provided fundraising services.

We invite you to read the full report by visiting <http://www.tampabay.com/topics/specials/worst-charities1.page>.

THE IMPORTANCE OF KEEPING YOUR PLAN UP TO DATE

Many people experience a tremendous sense of relief when their estate plan is completed. This is only natural—it’s a great feeling to know you have thoughtfully prepared for your future financial, physical and emotional well-being, as well as that of the people you care about most. But does that mean you can just file your plan away and never think about it again? Absolutely not. Keeping your plan up to date is just as important as having a well-designed plan in the first place. The reason for this can be summed up in a single word: Change.

Your needs will inevitably change as you grow older. So, too, will your health, financial situation, income, and the overall value of your assets.



The needs of your loved ones will change as well. After all, people get divorced and remarry; they have children; they buy and sell homes, start a business, change jobs; and sometimes, they suffer

unforeseen financial difficulties like bankruptcy, or personal problems like alcoholism. By having your plan reviewed and updated, you are able to take the changes that are part of life into account, and better protect both you and your loved ones. In addition, the law itself is constantly changing. New laws take effect that make some options for protecting assets less attractive than they were previously. Similarly, new opportunities arise for wealth preservation and growth.

So how often should you have your plan reviewed? If you have experienced a major change in your financial situation or health, or the personal and/or financial situations of your beneficiaries have changed dramatically, you should have your plan reviewed immediately. And even if the personal, physical and financial situation of you and your loved ones has not changed, you should have your plan reviewed at least every two years to make sure your plan takes into account changes to the law, changes to the tax code and changes to the financial landscape.

For more information about whether your existing plan may be in need of review, please call us.

WORDS OF WISDOM: THE CONVERSATION EVERY FAMILY SHOULD HAVE



Over the course of our lives, we have many conversations with our children that can best be described as “rather uncomfortable.” This is epitomized by the classic and often lampooned *Birds and the Bees*, in which the parents discover to their shock and dismay that their kids “already know all that.”

Despite our best intentions to be open with our loved ones, there is one conversation many families don’t have until it is too late. What is this conversation about? It boils down to this: What happens if I become incapacitated, or pass away suddenly and unexpectedly? As an estate planning and elder law firm, we strive to provide all of our clients with the tools and strategies they need to prepare for whatever comes along, including wills, trusts, advanced directives, and more. While it is vitally important for you to have these documents, it is equally important to let your loved ones know that you do indeed have them, where they can be found, and what provisions are contained within them.

It is entirely possible that your children and other loved ones would like to know, for example, how you wish to be cared for in the event of incapacity. But do they know that you have made

your wishes clear through advanced directives? Do they know that you have created a power of attorney empowering a person of your choosing to make medical and/or financial decisions on your behalf? If these legal documents are stored on your computer, do they know what file name they are under or the password necessary to access them?

Similarly, your children may wonder about your financial situation. Is your house paid for, or are you carrying a mortgage that will need to be covered if you pass away suddenly? What about your automobile? Have you created a will or trust, and if so, do your children stand to inherit any assets? Your children may be hesitant to ask questions such as these for fear of appearing greedy or insensitive. Yet they may also need this information to do proper estate planning of their own.



We understand how difficult it is to begin conversations of this nature, and can help you find the best ways to broach them with your loved ones. Experience tells us that families who are able to open up in this manner draw closer together and feel a sense of relief afterwards. We welcome the opportunity to discuss this matter with you.

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A PERSONAL NOTE FROM ROBERT BOYDSTUN

Dear Clients and Friends,

I hope you have had a wonderful summer whether you went to the beach, the mountains or somewhere else that was special. Now as we return to our work and regular activities, it is a great time to review which important tasks still need to be worked on before the year ends.

I am a strong believer in the necessity of talking with your children about where your power of attorney, health care proxy and Will are located. It is also important to talk to your children about why you have designated the agents that you have chosen to act on your behalf and to assure them that no matter who has been chosen, they should not feel slighted. A great deal of family strife and hurt feelings may be prevented, if this is discussed before your agents step in.

In the last several years the federal estate tax has changed multiple times. It finally came to rest in 2013 with an exemption for the first \$5,250,000 of estate assets. The current exemption does not have an expiration date, so the current exemption may be with us for a while. New York State residents need to keep in mind that the NYS Estate Tax exemption is only \$1,000,000 and that the tax rate on the value of the estate above that amount is approximately 16%. There are strategies available to minimize the NYS Estate Tax for married couples. The strategies vary depending on the circumstances applicable to each couple. Reviewing your estate plan at this time may have a big payoff for your family in the future.

Have a great autumn.

Robert Boydston