

Gainful Giving: Making the Most of Your Charitable Gift By Anthony C. Weagley President, CEO of Malvern Bank, N.A.

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A few weeks ago, Malvern Bank hosted our first “Gainful Giving: A Charitable Giving Seminar.” In attendance were several regional charitable organizations and donors who were interested in how to have the greatest impact from their charitable gifts.



Tony C. Weagley
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President & CEO



Laura Fredricks, JD
International Consultant,
Speaker, and Best Selling Author
of "The Ask"



The seminar featured, Laura Fredricks, J.D., an international philanthropic advisor and best-selling author of “The Ask.” I spoke with Laura about her presentation so that we could share her knowledge with the readers of the Daily Local News.

Weagley

Laura – can you summarize recent United States charitable giving statistics? How much was given, who gave, and who received the giving?

Fredricks

Charitable giving has increased steadily over the past 10 years. In 2011, Americans donated more than \$300 billion to charitable organizations. By 2021, that figure increased to \$494.85 billion.

For the past 60 years, giving by individuals has always been the largest giving sector. Here are the statistics:

- Individuals: 76% of total giving to nonprofits
- Foundations: 19%
- Corporations: 4%

After a difficult 2020, giving to health and arts organizations rebounded in 2021. Giving to arts, culture, and humanities grew 27.5% and giving to health grew 7.7% in 2021. This giving was bolstered by a strong stock market and a return to in-person activities after the first years of the pandemic.

Giving to international affairs, human services, and education experienced low growth or declines in 2021 after reaching record highs in 2020.

Giving to environmental, animal welfare, and public-society benefit organizations and foundations all grew by 10% or more in 2021. The environment is a smaller category of giving, but shows impressive growth and boasts a broad range of donors with different income and age levels.

Weagley

Donor Advised Funds (DAFs) have become tremendously popular charitable giving vehicles in recent years. Can you tell us more about them?



Fredricks

DAFs have become popular because of their ease and flexibility. They are funds that can only be used to benefit a charity. They are managed and invested by registered financial institutions and are created to manage the donations of an individual, a family, or an organization.

DAFS are registered 501(c)(3) organizations that are funded with cash or securities that have appreciated in value and other assets. All of the contributions are put into an account in the donor's name, which is held by the fund sponsor and eventually donated to a charity of the donor's choosing.

The main benefit of a DAF is the ability to make a donation and take an immediate tax deduction while the donor decides which charity or charities will receive the fund. DAFs are irrevocable, and they can grow tax-free in the fund while the donor is deciding.

Of course, there are other benefits of a DAF. Potential donors should talk to their financial advisors about the full range of benefits. And I certainly would be available to speak with any potential donors with questions.

Weagley

During your presentation, you identified Charitable Lead Trusts as being "hot" charitable giving vehicles. Why is that?

Fredricks

A Charitable Lead Trust (CLT) is an irrevocable trust designed to provide financial support to one or more charities for a period of time, with the remaining assets eventually going to family members or other beneficiaries. Many donors are creating CLTs to lower the tax burdens on their appreciated assets.

Fidelity Investments notes that a CLT can be funded either during the lifetime of the individual creating the trust or by will. It is a strategy most frequently used by the charitably-inclined for estate or gift tax planning purposes. It can potentially provide benefits such as income tax deductions or estate or gift tax savings on assets ultimately passed to the individuals designated as remainder beneficiaries. At the same time, the trust distributes regular payments to benefit a preferred charity or charities during the term of the trust.



If you are a nonprofit organization looking to increase giving to your cause – or a potential donor who wants to maximize the impact of your charitable giving – I invite you to contact Laura Fredricks at 917.796.2325, laura@ExpertOnTheAsk.com, or call me at 610.644.9400.

Anthony C. Weagley is President and CEO of Malvern Bank, N.A., and President of the [Malvern Federal Charitable Foundation](#).

About Malvern Bank, National Association

Malvern Bank, National Association, the wholly owned subsidiary of Malvern Bancorp, Inc. (NASDAQ:MLVF), was originally organized in 1887 as a federally-chartered savings bank. The Bank now serves as one of the oldest banks headquartered on the Philadelphia Main Line. For more than a century, Malvern Bank has been committed to helping people build prosperous communities as a trusted financial partner, forging lasting relationships through teamwork, respect, and integrity.

Malvern Bank conducts business from its headquarters in Paoli, Pa., a suburb of Philadelphia, and through its other banking locations in Chester and Delaware counties, Pennsylvania; Morristown, N.J., its New Jersey regional headquarters; and in Palm Beach, Fla. The Bank also maintains representative offices in Wellington, Fla., and Allentown, Pa. The Bank's primary market niche is providing personalized service to its client base.

For further information regarding Malvern Bank, National Association, please visit the Bank's website at <https://www.mymalvernbank.com>