

Financial planning  
ideas for

# Our Family our future

## Seeing Is Believing

**F**or Memphian Jimmy Lackie, philanthropy is a natural result of his business expertise, a family culture of giving back and seeing Youth Villages' impact firsthand.

Lackie has served on Youth Villages' board of directors since 2005, serving as vice chairman and leading the organization's Project 2010 Capital Campaign. Over the course of his career, he has been involved in venture capital and private equity investing, acquiring extensive business expertise that he lends to Youth Villages.

"Youth Villages is the highest-performing nonprofit organization I've ever been involved with," Lackie said. "The Youth Villages model serves troubled children and works with their siblings and parents. Their program provides a multiplier effect on those served, and maintains measurable long-term success. I would put Youth Villages' performance and management on a comparable level of the highest performing for-profit companies."

Lackie has seen firsthand the impactful work Youth Villages is doing in Memphis and other communities across the United States.

"Day-to-day, we serve 4,300 kids, all with serious challenges," he said. "On a local level, I've seen kids who are in Youth Villages' transitional living program earn their college degrees and come back to Youth Villages to work as counselors and be productive citizens. It's incredible. On a national level, the Youth Villages model for treating children and their families is affecting national policy and changing the way programs are evaluated and taxpayer money is spent."

Lackie draws on his investing expertise and often chooses to support Youth Villages with gifts of securities rather than cash." It's a smart way to support a charity you believe in," he said.

"Appreciated stock is a very cost-effective way to give," he said. "From a tax standpoint, you can maximize your deductions." (Read more about the advantages of making stock gifts on Page 2.)

Lackie's wife of 38 years, Margie, is active in the community as well, and one of his two children is a therapist in private practice working with families and their children.

"For our family, giving back is part of living life," he said. "We choose to give to Youth Villages because it's a high-performing, results-oriented organization helping our country's most vulnerable children. As a businessman, I appreciate knowing that my contributions are supporting an organization focused on giving children the best outcomes."



Jimmy Lackie

## INSIDE:

- Taking Stock and Giving It
- A Legacy to Youth Villages

# Taking Stock and Giving It

**W**ith the Dow Jones and other popular stock market indexes posting record levels, many investors have seen their securities increase in value significantly over the last few years. With this in mind, long-term appreciated securities can be a wise choice when making gifts to Youth Villages, as they offer multiple tax benefits.

Here are some frequently asked questions about the advantages of giving securities to Youth Villages:

**Q. What are the advantages of using securities to fund my gift?**

**A.** If you own securities that have appreciated in value, you may owe a substantial capital gains tax if you sell them. By using these assets to fund a charitable gift, you will not owe capital gains tax. You can also enjoy a federal income tax deduction for the full value of the securities.

**Q. Which security should I give?**

**A.** For maximum tax benefits, it is usually best to give securities that have increased the most in value since you have owned them. Or, in other cases, you may wish to give a particular security as a means of balancing or simplifying your portfolio.

**Q. What if I don't itemize deductions? Can I still save taxes from my gifts?**

**A.** If you did not itemize your deductions last year, it doesn't mean you never will. Making an extra gift in a given year can boost the total of your deductions over the standard deduction amount, qualifying you to itemize in that year. This is sometimes referred to as "bunching" deductions.

## Gift of Cash vs. Gift of Stock

Assuming 35% Income Tax Bracket	Option A: Give \$10,000 in Cash	Option B: Give \$10,000 Worth of Stock
Gift value	\$10,000	\$10,000
Cost of gift	\$10,000	Original purchase price of stock, for example, \$2,000
Income tax savings	\$3,500	\$3,500
Capital gains tax, at 15% tax rate	n/a	15% x appreciated value of stock (\$10,000 - \$2,000) = \$8,000 (gain) x 15% = \$1,200 you save by donating the stock directly to charity instead of incurring the capital gains tax
Your after-tax cost of giving \$10,000	\$10,000 - \$3,500 income tax savings = \$6,500	\$10,000 - \$3,500 income tax savings - \$1,200 in foregone capital gains tax = \$5,300
<b>Your additional savings by donating stock</b>		\$1,200 in avoided capital gains tax

If your gift exceeds the maximum amount deductible, you may deduct the excess in the next five tax years. Remember, you avoid capital gains tax on donated property whether or not you itemize deductions.

**Q. How do the new tax laws affect my giving this year?**

**A.** With new, higher tax rates and capital gains rates, you may enjoy greater tax savings by making gifts this year. Pending proposals may reduce these benefits in future tax years.

## Procedures for transferring securities to Youth Villages

**Wire to:** JP Morgan Chase Bank, New York, NY **ABA Number:** 021000021

**For Credit to:** National Financial Services, LLC Account #066196-221

**DTC#:** 0226 • **For the Benefit of:** Youth Villages Foundation Inc. • **FFC:** 627-000477

# Tabitha's Setting New Expectations

**T**abitha expects good things to happen. More importantly, she expects good things to happen to her. "I think I'm ready to receive good things and accept accomplishments," she said. "I've done a lot better for myself lately."



Tabitha

Tabitha grew up abusing drugs with her family. She didn't go to school, staying home to protect her younger sisters from the abuse of their parents. At age 17, Tabitha told a school counselor about her situation, and she and her sisters were taken from the home and placed in foster care. Her parents were recently charged and faced a sentencing hearing. Tabitha, now almost 20, was in the courtroom.

"I wanted to be there," she said. "I wanted to be able to close the door on that chapter of my life."

Her foster home was fantastic. There, she was allowed to be a teenager and received positive attention. She finished high school and entered Youth Villages' Transitional Living (TL) program, where she began to thrive. She found a job, learned money management and got an apartment. She enrolled in college and would like to go into the social work field.

"When she first started, we went over those things most young people face as they transition into adulthood," said Audrey Covington, TL specialist. "But the effects of her environment were still there. It was a big step for her to get out there and begin making a life. Tabitha needed consistency and needed to know she had support."

Tabitha recently purchased a new car. She also maintains a job and full course load at school. She was named a YV scholar, a group of especially driven youth in the TL program who receive extra support for college provided they meet rigid academic and community service requirements.

"Now we're focused on balancing all the different aspects of her life," Covington said. "We still have to go over coping skills and work through her past. We also work on self-esteem and maintaining healthy relationships."

Tabitha has come a long way in just a few short years. She regularly visits her sisters, who were adopted by their foster parents. She reads a lot, and carries herself with more confidence and assurance.

**“Now I feel like I can accomplish whatever I set my mind to.”**

**—Tabitha**

"She wants to help younger people going through what she did," Covington said. "She's gone from being a victim to learning how to be an advocate."

"Now, I feel like I can accomplish whatever I set my mind to," Tabitha said. "No girl should have to go through what I did. I want to be in a position to help those who have."

**Ken Stern, author of *With Charity for All*, wrote an article in December, 2013 for *Slate* titled "The Cynic's Guide to Holiday Donations." In it, he says, "The website of a best-in-class charity like Youth Villages provides an entire section on results. Few organizations can muster research as comprehensive as Youth Villages, but you should reasonably expect a worthy charity to at least model itself after the Youth Villages of the world."**

Visit [www.youthvillages.org](http://www.youthvillages.org) to learn more about how your support contributes to our success.

# A Legacy to Youth Villages

**B**equests to Youth Villages are often included in the wills of our friends who want to continue their support in the future and make us part of their legacy. There are a number of ways to accomplish this goal:

**The residue.** You can provide that charitable gifts be made from what is left after all other gifts to loved ones have been fulfilled. Giving “what’s left” to Youth Villages does not affect your family’s future security. See the box below right for sample bequest language you may want to share with your attorney.

**A specific amount.** You designate that a particular dollar amount be transferred to Youth Villages and other causes.

**A percentage.** A percentage of your estate can be designated for charitable purposes, thus ensuring that your gifts remain in proportion to bequests to other loved ones and charitable interests.

## More information

We welcome the opportunity to discuss more options and provide information on the charitable aspects of your plans. Simply contact us or return the enclosed card.



Savanah, right, with TL Specialist Mindy Bowman.

## Bequest Language

If you are considering a bequest to Youth Villages, here is some suggested wording to take to your attorney:

“After fulfilling all other specific provisions, I give, devise and bequeath \_\_\_\_\_% of the remainder [or \$\_\_\_\_\_ ] of my estate to Youth Villages, a charitable corporation [Tax ID #58-1716970] currently having offices at 3320 Brother Blvd., Memphis, Tennessee 38133.”



**Youth VILLAGES**<sup>®</sup>  
The force for families

**For planned giving information,  
please contact:**

Stephen Benskin • Manager of Planned Giving  
3320 Brother Blvd • Memphis, TN 38133  
Phone: (901) 251-4820 • Fax: (901) 251-5004  
stephen.benskin@youthvillages.org  
www.youthvillages.org/plannedgiving



Youth Villages is a holder of the BBB Wise Giving Alliance National Charity Seal.



Youth Villages is a Silver-Level Guidestar Exchange participant, demonstrating its commitment to transparency.