

Hunger Action Month

September is recognized as Hunger Action Month, originally established by Feeding America in 2008. Hunger Action Month is an annual nationwide campaign that occurs each September to raise awareness about hunger in America and inspire action.¹ According to the USDA, more than 34 million people, including 9 million children, are food insecure. *Food insecurity* is defined by the USDA as “a lack of consistent access to enough food for every person in a household to live an active, healthy life.”² Sadly, the pandemic increased this issue among families with children and communities of color. Consequently, food insecurity has a wide impact, contributing to serious health issues and lack of nutrition for young children and forcing families to choose between food, rent, medicine, healthcare, and transportation.

Numerous methods exist to contribute to the mission of eradicating hunger in the United States. You should meet with a qualified estate planning attorney to learn more about supporting charitable causes by incorporating charitable planning structures into your estate plan. If you wish to make meaningful charitable contributions, you may not be fully aware of the diverse opportunities and tax advantages possible through this type of planning. Among various other strategies, two commonly used trusts are the charitable remainder trust and the charitable lead trust, each offering multiple tax benefits while supporting important causes.

A charitable remainder trust is an irrevocable trust that is tax-exempt at the trust level and designed to allow for a partial charitable tax deduction. This trust structure works well when funding an account or property that has grown in value over the years (i.e., low-basis assets). Once the account or property is funded into the trust, the account is liquidated or property is sold, and the money is invested to ultimately produce a stream of income. The sale avoids capital gains tax at the trust level because the trust is liquidating the account or selling the property. However, the noncharitable recipient of the income stream will be responsible for any income tax on the distributions. This structure allows you to maintain the benefit by receiving distributions annually for a term of years, and at the end of the term, the charity you have designated will receive the remaining funds or property. Also, you are able to remove further appreciation from your estate.

A charitable lead trust is similar in that this irrevocable trust is funded with property or accounts that have grown in value, but it differs in that the charity receives the income stream for a term of years, and at the end of the term, the beneficiaries you have chosen will receive the remaining funds or property. With a charitable lead trust, you or

¹ *September Is Hunger Action Month*, Feeding America, <https://www.feedingamerica.org/take-action/hunger-action-month> (last visited Aug. 30, 2023).

² *Hunger and Food Insecurity*, Feeding America, <https://www.feedingamerica.org/hunger-in-america/food-insecurity> (last visited Sept. 1, 2023).

the trust (depending on the type of charitable lead trust created) will pay the income tax, but you will receive a tax deduction at either the beginning or end of the trust depending on the type of charitable lead trust used. While these structures can provide valuable benefits to the parties and organizations involved, you may not feel that they fit within your current charitable goals.

You may be eager to support the crucial goal of ending hunger but may not have the ability or inclination to engage in complex charitable planning at this time. However, there are still incredibly meaningful ways for you to contribute to this vital cause. One approach is by making lifetime financial donations to local food banks, Feeding America, or other charitable organizations actively working to fight hunger. If lifetime gifting is not an option, you can leave a one-time gift at your death through your estate plan to local food banks, soup kitchens, or other organizations fighting to end hunger.

Moreover, actively participating in volunteer activities at local food banks or soup kitchens can be a rewarding and enlightening way to directly support the mission of ending hunger. You can play an essential role in tackling this issue by engaging on the front lines and dedicating your time and effort to these local organizations. In addition, involving your children or grandchildren in volunteer activities can foster a sense of responsibility and compassion for this important cause, creating a charitable legacy of giving that could span generations.

You have the ability to support charitable causes through estate planning, donations, and volunteering, which are all meaningful ways to contribute to ending hunger in the United States. By learning more about the opportunities and associated benefits with charitable planning, you can make a positive impact on society while receiving valuable tax benefits.

If you are interested in learning more about charitable giving and how it can be incorporated into your estate plan, give us a call to schedule an appointment.