



THE AMERICAN FOUNDATION
Creating Family Foundations

For further information, contact:
Jeanne Grainger,
E.B. Lane Marketing Communications
Office: 602-417-1573
Cell: 602-714-9338
jgrainger@eblane.com

Small Charitable Gifts Made in December Can Generate Large Reductions in End of Year Tax Liability

Arizona Ranks 38th of 50 States in Per Capita Charitable Contributions

Expert at Phoenix-based public charity that creates charitable foundations provides insights into low cost ways to avoid tax liability

PHOENIX, Arizona – December 1, 2006 – A little money can go a long way this holiday season. It can go farther and create more benefits than many people believe, according to a Phoenix-based expert in philanthropy.

According to a November study conducted by the Boston College Center on Wealth and Philanthropy, Arizona ranks 38th of 50 states in per capita charitable giving. “So, many Arizonans have the means to be more generous to charitable causes and create win-win situations for both non-profit organizations and their own tax liability situations,” says Ben L. Schaub, CEO of The American Foundation, a 501(c) (3) public charity.

For the person who is willing to make a charitable contribution to support a non-profit organization, a relatively small donation of even hundreds of dollars can not only make a big difference to the humanitarian cause supported by a charitable group—but it can also be used to create one of several advantageous tax avoidance strategies for the donor.

“For less than the cost of a couple of mortgage payments a donor can create a family foundation, or set up a donor-advised fund,” Schaub says. “These strategies can significantly reduce the donor’s tax liability.”

The study conducted this fall by the Center on Wealth and Philanthropy reveals that Arizonans contribute slightly less than two percent of their household income to charity.

“Warren Buffet’s charitable gift of billions made national headlines this year, but people can take advantage of the many financial planning options associated with charitable giving, even with limited funds,” Schaub says.

Schaub is a nationally recognized expert in philanthropy who has pioneered a number of unique planning concepts and techniques that have directly contributed to the growth and development of family and corporate foundations.

Some options for lowering end-of-the-year taxes include:

- **Donor-advised Family Foundation Account** – Started with as little as \$5,000, donors have the control of recommending the charities to which they would like the grants to be given. In addition, donors are able to eliminate or reduce estate and gift tax, generate greater income tax deductions and can eliminate capital gains tax on the sale of appreciated stock and real estate.
- **Charitable Remainder Trust** – Under the family foundation format, this trust will create income for the donors for the remainder of their lives with the balance transferred to their own family foundation upon their death that will continue to give in perpetuity. This creates a family legacy as the foundation continues to donate after the benefactor has passed.
- **IRA Charitable Rollovers** - Available only in 2006 and '07, IRA owners ages 70½ and older can directly roll over up to \$100,000 per year from an IRA into public charities without having to declare it as income.

“Supreme Court Justice Louis Brandeis once said, ‘For my tax evasion I should be punished; for my tax avoidance, I should be commended,’” Schaub says. “Now more than ever, people should look to charitable giving as a prudent way to lower, and in some cases, completely avoid taxes.”

Schaub recommends a call to your tax advisor before the end of the year to discuss if these strategies could be a worthwhile investment of your time.

About The American Foundation

Since 1982, The American Foundation, a 501(c)(3) public charity, has been revolutionizing charitable giving with its innovative and secure way for individuals, families, small businesses and corporations to create foundation accounts that provide financial support to favorite charities while giving donors greater control of their giving.

For more information or to speak to Ben Schaub, please contact Jeanne Grainger at (602) 417-1573. You can visit The American Foundation at: www.americanfoundation.org.

###