



## **The Charitable Remainder Trust**

### ***A Thoughtful Approach to Lifetime Income and Enduring Philanthropy***

*Offered by the SDG Global*

### **The Philosophy Behind the Charitable Remainder Trust**

Philanthropy is often most meaningful when it reflects both personal values and thoughtful financial stewardship. Many benefactors seek ways to support the causes they care about while also ensuring that their financial resources continue to support their families and long-term plans.

A **Charitable Remainder Trust (CRT)** offers a powerful way to accomplish both objectives.

Through this structure, benefactors contribute assets to a charitable trust that is professionally managed for the benefit of both the donor and the charitable mission. The trust provides income to the donor or other designated beneficiaries for a period of time. At the conclusion of that period, the remaining assets are directed to support the work of the charitable organization.

This approach allows donors to participate in philanthropy that is both practical during life and transformative for the future.

Rather than separating financial planning from charitable purpose, the charitable remainder trust integrates the two into a unified philanthropic strategy.

### **Aligning Financial Stewardship with Philanthropic Vision**

At its core, the charitable remainder trust reflects a philosophy of balanced stewardship.

The assets contributed to the trust are invested with the goal of generating income while also preserving and growing the long-term value of the charitable contribution. This balance allows donors to support their financial planning while ensuring that their philanthropic intentions are fulfilled over time.

For many benefactors, this structure provides a way to transform existing assets into a source of both lifetime income and long-term charitable impact.

The charitable remainder trust represents a partnership between the donor and the charitable mission—one that supports both present financial goals and future philanthropic outcomes.

### **A Philanthropic Strategy That Evolves Over Time**

One of the defining features of a charitable remainder trust is its ability to adapt and evolve over time.

Because the income generated by the trust is tied to the value of the assets held within it, the income stream reflects the ongoing performance of the trust's investments. As the trust grows, the income available to beneficiaries may also grow.

This dynamic structure creates a philanthropic vehicle that can respond to changing financial conditions while continuing to support the long-term objectives of both the donor and the charity.

For benefactors who value a structure that evolves alongside their financial life, the charitable remainder trust offers a compelling solution.

## **A Complement to Other Philanthropic Tools**

Many donors incorporate multiple charitable vehicles into their overall giving strategy. Each structure serves a different purpose and can contribute to a well-designed philanthropic plan.

The charitable remainder trust is often used alongside other giving tools, including donor advised funds and pooled income funds.

### **Donor Advised Funds**

A donor advised fund is frequently used to facilitate charitable grantmaking over time. It provides donors with a flexible platform for recommending grants to nonprofit organizations.

While donor advised funds are highly effective for active charitable giving, they are typically structured as purely philanthropic accounts, meaning the assets are dedicated entirely to charitable purposes.

A charitable remainder trust introduces an additional dimension by providing an income stream for donors or beneficiaries while ultimately supporting charitable work.

### **Pooled Income Funds**

A pooled income fund allows donors to contribute assets to a shared charitable investment pool that distributes income to participants.

While pooled funds provide a collaborative approach to charitable income planning, a charitable remainder trust offers donors the ability to establish an individually structured philanthropic vehicle tailored to their specific financial and family circumstances.

Both structures serve important roles, and many benefactors utilize them as complementary components of a broader giving strategy.

## **Why Families Choose a Charitable Remainder Trust**

Families and individuals often choose a charitable remainder trust when they are seeking a philanthropic strategy that combines financial flexibility, thoughtful stewardship, and lasting charitable legacy.

Common motivations include:

### **A Desire to Transform Appreciated Assets**

Many benefactors hold assets that have grown significantly over time. A charitable remainder trust can provide a pathway to reposition these assets within a philanthropic structure that continues to support the donor while also advancing charitable work.

### **A Preference for Structured Philanthropy**

Some donors value the clarity and structure that a charitable trust provides. By establishing a dedicated trust, benefactors create a clear framework through which their philanthropic intentions can be carried out over time.

### **A Long-Term Approach to Financial Planning**

Because the trust generates income over time, many donors view it as a way to integrate charitable giving with their broader financial planning. This approach allows philanthropic commitments to coexist with personal and family financial priorities.

### **A Vision for Enduring Legacy**

Ultimately, the charitable remainder trust creates a pathway for donors to leave a meaningful philanthropic legacy. The remaining assets of the trust support the work of the charity and extend the donor's impact well beyond their lifetime.

## **Illustrative Giving Scenarios**

Every benefactor's philanthropic journey is unique. The following examples illustrate how a charitable remainder trust may support different charitable and financial goals.

### **A Donor Seeking Income with Purpose**

An individual may wish to convert appreciated investment assets into a source of income while also supporting charitable causes they care deeply about.

By contributing those assets to a charitable remainder trust, the donor establishes a structure that generates income while simultaneously building a future charitable gift.

Over time, the trust supports both personal financial needs and philanthropic aspirations.

### **A Family Integrating Giving with Long-Term Planning**

A family may wish to align their charitable values with their financial strategy.

By establishing a charitable remainder trust, they create a structure that provides income to family members while also ensuring that their charitable commitments continue to shape the future work of the organizations they support.

## A Donor Expanding an Existing Giving Strategy

Many benefactors already maintain donor advised funds or other charitable vehicles.

A charitable remainder trust can complement these strategies by introducing an income-oriented structure that works alongside more traditional grantmaking approaches.

Together, these tools create a comprehensive philanthropic plan.

## Comparing Philanthropic Giving Options

Benefactors often evaluate multiple charitable vehicles when designing their philanthropic strategy.

Feature	CRT	DAF	PIF
Income to Donor	Yes	No	Yes
Administrative Simplicity	Moderate	Very High	High
Professional Investment Management	Yes	Yes	Yes
Grantmaking Flexibility	Limited	High	Limited
Legacy Impact	High	High	High
Structure	Individual charitable trust	Charitable account	Shared charitable fund

Each structure serves a distinct role within philanthropic planning, and many donors incorporate more than one approach to support their charitable goals.

## Strengthening the Mission of the Charity

Beyond the benefits to donors, charitable remainder trusts play an important role in strengthening the long-term work of charitable organizations.

Over time, these trusts create a pipeline of future philanthropic support that allows charities to pursue their missions with greater stability and confidence.

As the trust provides income to beneficiaries, the remaining assets are preserved for future charitable use. This ensures that the donor's philanthropic vision continues to support meaningful work long into the future.

For the charity, the trust represents a partnership with benefactors who share a commitment to sustainable impact.

## A Partnership for the Future

At its heart, the charitable remainder trust represents a powerful idea: philanthropy and financial stewardship can work together to create lasting impact.

By integrating income planning with charitable purpose, the trust creates a structure that benefits donors, strengthens families, and advances the mission of the charity.

For individuals and families who believe that their resources should serve both their lives and their values, the charitable remainder trust offers a thoughtful and enduring path forward.

## **Frequently Asked Questions**

### **What types of assets can be contributed to a Charitable Remainder Trust?**

A variety of assets may be suitable for contribution, including cash, publicly traded securities, and other financial assets. In some cases, other appreciated assets may also be considered.

The team at SDG Global works closely with benefactors and their advisors to determine the most appropriate assets for contribution.

### **How are the assets invested?**

Assets contributed to the trust are invested within a professionally managed portfolio designed to generate income while preserving and growing long-term value.

This investment stewardship reflects the responsibility of the charity to both the donor and its mission.

### **Who receives the income generated by the trust?**

Income from the trust is distributed to the donor or to individuals designated by the donor. This allows benefactors to integrate charitable giving with personal or family financial planning.

### **Can multiple beneficiaries receive income?**

Yes. Donors may designate more than one income beneficiary. In many cases, benefactors include spouses or family members as participants in the income stream generated by the trust.

### **How does a Charitable Remainder Trust differ from a Donor Advised Fund?**

A donor advised fund is primarily designed to facilitate charitable grantmaking over time. Assets contributed to the fund are dedicated entirely to charitable use.

A charitable remainder trust, by contrast, provides income to donors or beneficiaries before ultimately directing the remaining assets to charitable purposes.

### **How does a Charitable Remainder Trust differ from a Pooled Income Fund?**

A pooled income fund combines contributions from multiple donors into a shared investment pool.

A charitable remainder trust, on the other hand, is structured as an individual charitable trust designed around the specific financial and philanthropic goals of a single donor or family.

### **How does the Charitable Remainder Trust support the mission of the charity?**

Over time, the trust creates a future philanthropic gift that strengthens the work of the charity.

As income is distributed to beneficiaries, the remaining assets ultimately support the charitable mission, ensuring that the donor's philanthropic vision continues to have impact for generations.

## **Learn More**

Benefactors interested in learning more about how a charitable remainder trust may complement their broader philanthropic and financial planning are encouraged to connect with the team at SDG Global.

Our advisors are available to discuss how this approach to giving may align with your charitable goals, family priorities, and long-term vision for impact.

### **Important Information**

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