

## An Innovative Approach to Charitable Giving.

*Planting Seeds for Future Harvest...*

by Michael Haubrich, CFP

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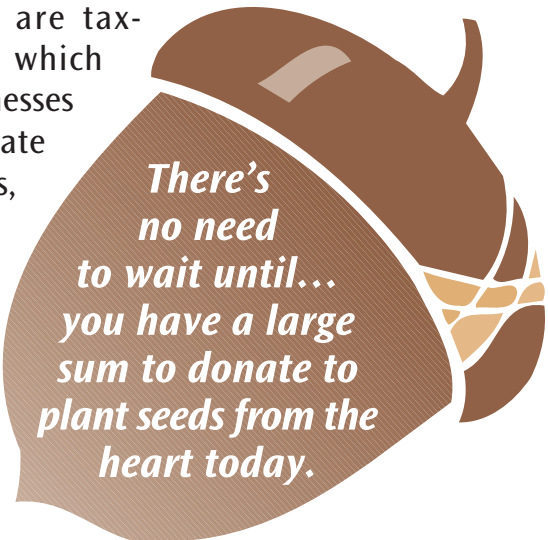
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I'd like to share an innovative approach to contributing that helps ensure the seeds you plant today can be harvested for maximum benefit in the future. As we begin a new year, you may want to consider alternative approaches for how you can go about making charitable contributions throughout the year.

Community foundations are tax-exempt charities through which individuals, families, businesses and organizations can create permanent charitable funds, administered by the foundations. The funds are often designed to identify emerging issues and foster resources specifically geared toward addressing arts and culture, environment, community development, health, education and human services needs in specific geographic regions. In the state of Wisconsin, for example, we have 23 such community foundations one of which is the Racine Community Foundation.



*There's  
no need  
to wait until...  
you have a large  
sum to donate to  
plant seeds from the  
heart today.*



The Racine Community Foundation, which was founded in 1975, currently administers over \$25 million of funds for the charitable intent of their donors. During each of the past three years, the Racine Community Foundation distributed grants of over \$1.5

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## An Innovative Approach to Charitable Giving. *Planting Seeds for Future Harvest...*

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million. The Foundation's mission is "to serve all of Racine County by actively seeking, receiving and administering philanthropic funds to meet changing community needs and to serve the charitable interests of donors".

Grants to many community treasures, such as Health Care Network, the Racine Zoo, and local parks were made from the permanent funds established by donors. The types of funds the Foundation administers for individuals include named, donor advised, designated, field of interest and scholarship funds. For organizations, the Foundation provides administration for endowment funds. The minimums to open one of these funds range from \$5,000 to \$20,000.

Before you conclude that making a contribution to a community foundation is only for the wealthy donor, you should look closely at creative options offered by many local community foundations. For example, the Racine Community Foundation offers the Acorn Fund which allows a donor to start with as little as a tax deductible \$50 per month (\$600 a year) which continues to build tax-free toward the eventual minimum of one of

the permanent funds. This means you don't have to have \$20,000 or even \$5,000 to plant a seed that grows over time to provide wide-reaching benefits.

According to John Crimmings, president of the Racine Community Foundation, one of the Foundation's objectives is to increase participation by small donors by providing an affordable option for donors who may not have a large lump sum to contribute all at one time.

The Racine Community Foundation offers the following example on their website to help explain how the Acorn Fund works.

Let's suppose you started an Acorn Fund 10 years ago with annual contributions of \$1,000. You decided your fund would start making grants when it reached \$25,000 in value. Today, your annual contributions would total \$10,000 and due to compounded investments returns, your fund has actually grown to your \$25,000 goal. Now the fund is a grant-making permanent fund within the Racine Community Foundation.

The fund continues to grow even while providing grants based on your stated

intentions. Ten years from now, assuming investment returns of 10% and normal grant allocation formulas used by the Foundation, it has generated more than \$14,000 in grants and its value has risen to more than \$41,000.

To learn more about the Racine Community Foundation, the variety of individual funds and the Acorn Fund, visit [www.racinecf.org](http://www.racinecf.org).

If you reside outside of the Racine area and are not interested in RCF, perhaps we can locate a community foundation in your area that can provide similar opportunities. We would be glad to research appropriate foundations based on your objectives.

Since we're still early in the year, it's an excellent time to evaluate your financial planning objectives, including your charitable intents for the coming year. There's no need to wait until December or until you have a large sum to donate to plant seeds from the heart today. ▲

*Have You Logged on  
to Our Website  
Lately?*

**www.  
toyourwealth  
.com**



**T**his past year I have centered a good deal of attention on a discussion process I have dubbed Caring Conversations™. Designed to be inter-generational dialogues for care planning with many of our clients I recommend and facilitate this approach to communication whenever the potential need exists, as is often the case with an aging client or the parent of a client.

Caring Conversations is not about long-term care insurance or Title 19 planning. Rather



this focuses on the family's attitudes, values and beliefs about caring for the elderly among them. From the attitudes, values and beliefs we look at the wishes of each family member – how do they

want to see care delivered and received to and from their loved ones. It is only after having this conversation, identifying life style choices and allowing the emotional implications to be experienced, that we can then focus on

financial and estate planning strategies.

My own experience with this subject comes from two perspectives – from being a financial advisor working with clients and their families and from serving three times as a primary health care provider for terminally ill family members. In both of these roles I have had the unique opportunity to learn about the real life issues that families face as we journey through various life transitions. Dependent when we are young, we become independent only to revisit dependency in our old age. A generation or two ago, we had our families as the primary provider of assistance and care for our elderly. Today institutions have filled the gap created by our more mobile society with families

geographically distant and two income earners being the rule rather than the exception. Family dialogues, difficult discussions and vitally important questions often go unattended until circumstances dictate no other choice but to quickly resolve issues that could be more effectively and appropriately addressed during a much less emotionally charged time.

## *Caring Conversations* A New Family Dialog...

### ***Considerations of All Must be Taken into Account***

Caring Conversations brings to surface questions and issues needing addressing such as will mom or dad receive care in a home or institutional setting. Are there family resources available to provide care for the aging member? Those resources include time, talent or skill in health care, ability to coordinate service providers and finally money. If care will be delivered in an institutional setting, what facilities best fit the needs of the family in addition to the resident? No matter what venue, home care or institutional, family needs should be considered. If an institutional setting is deemed best, when will the change from home living to institutional take place – independent living, assisted

## Caring Conversations

A New Family Dialog...

living or full nursing/custodial care. If the transition takes place at the independent living or assisted living, does the organization have a full nursing care facility that will also work for the family? It is best for the institution to be close enough for family members to conveniently visit and provide support for the resident family member.

What I have discovered is that families rarely have these discussions without first a crisis. And even then, the discussion is usually hijacked by the immediate needs created by the crisis – mom or dad took a fall and are now in the hospital – what do we do now? Sadly, the incident that caused the crisis was quite predictable –



mom or dad was starting to show signs of aging and the need for care and we ignored the obvious. I have recognized through my practice that conversations such as these are often somewhat difficult and uncomfortable for families to discuss so I often encourage and facilitate this dialog with

my clients. My client may be the recipient of the care or the potential provider of the care, either way it's important that we all get around a table to have this important Caring Conversation.

As we age as a society, caring for our elderly will become a bigger issue for families.

Alternatives to institutional care will continue to evolve.

Perhaps our changing attitudes after 9/11 may also

have a role in the discovery of alternatives – a reevaluation of our family values.

One care model that I believe will become popular again is the intergenerational family unit. Specially designed housing so family members can maintain their independent space with a shared space for support and care – the former mother-in-law suite. One friend of mine has created this environment with a two family home with an added family room and an attached efficiency apartment to create a third unit or mother-in-law suite. Two of the three units are handicap accessible and will facilitate home health care services when needed. She



lives there with her retired mother in one unit and disabled brother in the other. Each has their own space, but share the common family room, complete with a fireplace

and luxurious hot tub. The housing form follows the function needs of this extended family. And this alternative arrangement is financially affordable to many middle class families.

This is just one example of a unique caring

arrangement especially designed around the needs of family members. I believe more families need to have a Caring Conversation to help them arrive at the best arrangement for their situation before crisis limits their choices and flexibility to make certain decisions. Conversations of this type should *lead* the long-term care plan rather than follow.

If you or someone you know is confronting these intergenerational issues, do not hesitate to give us a call. We will explain in greater detail how a Caring Conversation can serve as a new form of family dialogue. ▲

# Making Your Wishes Known Keeps You in Control

Caring Conversations, along with the basic estate planning documents – Health Care Power of Attorney (HCPOA), Financial Power of Attorney (FPOA) and Wills helps families prepare and deal with the final life transition, end of life. I have found another valuable tool to add to the process of caring conversations – *Five Wishes*™.

Five Wishes, a resource available from Aging with Dignity, is a set of documents when completed informs and instructs loved ones and care givers about the kind of care, treatment and environment we wish to experience if we get seriously ill or at the last stage of life. It specifically addresses your personal, emotional and spiritual needs along with your medical wishes.

Five Wishes was born from the experiences of attorney Jim Towey, who for 12 years worked closely with Mother Teresa caring for both terminally ill patients and their families. One of those years was spent working hands-on in a hospice center. He discovered five consistent wishes that seemed to summarize patient's desires at the most critical time of their lives. He then developed a set of legal and instructional documents that anyone can use to express their personal desires.

These include:

▲ **Wish One** – *The person I want to make Health Care Decisions for me when I cannot make them for myself.*

▲ **Wish Two** – *The Kind of Medical Treatment I Want or Don't Want*

▲ **Wish Three** – *How Comfortable I Want To Be*

▲ **Wish Four** – *How I Want People to Treat Me*

▲ **Wish Five** – *What I Want My Loved Ones to Know*

The first two essentially serve as the Health Care Power of Attorney and Living Will. For residents of Wisconsin, these wishes can best be handled by using state-approved forms. The Health Care Power of Attorney and Directive to Physician forms that are included in the Five Wishes package are not currently recognized as legally binding in Wisconsin. However, the real advantage that Five Wishes offers to the estate planning process comes in wishes three, four and five. These deal with the less tangible personal, spiritual and emotional wishes.

Wish Three, *How comfortable I Want to Be*, for example, addresses pain management and physical care. This includes instruction to doctors on the desire for palliative care (pain management) over curative care, personal hygiene requests, favorite music to be played and/or religious readings and well-loved poems read aloud when near death.

Wish Four, *How I Want People to Treat Me*, deals with requests for people to be near at the time of death, prayer requests, requests

for photos of loved ones near, and the desire to die at home if possible.

Wish Five, *What I Want my Loved Ones to Know*, provides a list of deeply personal statements to family and friends about funeral arrangements, memorial services, last comments about forgiveness, love and how one wishes to be remembered and disposition of remains.

While these last three wishes are not legally binding, they serve a valuable purpose to help family and loved ones adhere to your wishes during this last stage of your life. I have experienced both first hand and as an advisor to many clients the turmoil and stress families go through trying to make the right decisions about what would mom or dad want. Tools like caring conversations and the Five Wishes package provides a road map for the journey all of us will take.

For clients who are interested in learning more about Five Wishes, we have a video tape that you may borrow and return. Please contact our office if you're interested in reserving the Five Wishes.

As an alternative, you can learn more about Five Wishes, order packages and/or the video tape, go to [www.agingwithdignity.com](http://www.agingwithdignity.com) or call Aging with Dignity (888) 594-7437. ▲

*Five Wishes is a registered trademark of Aging with Dignity.*



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**FINANCIAL SERVICE GROUP, INC.**

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