

Sound Advice

Two Generous Families, One Great Gift



In contrast to the **great estate planning failures**, there are many other families who have taken the time and forethought to plan for the wealth that they have accumulated to be passed on to others less fortunate. Warren Buffet has famously said:

My wealth has come from a combination of living in America, some lucky genes and compound interest. Both my children and I won what I call the ovarian lottery. For starters the odds against me being born in 1930 in the United States were at least 30 to 1. My being male and white also removed huge obstacles that a majority of Americans faced.

You can read the rest of his comments at the Berkshire website under *My Philanthropic Pledge* by Warren Buffet. Warren Buffet has pledged to give away all of his wealth immediately following his passing. The money will be distributed through the Bill and Melinda Gates Foundation. The combined wealth being donated by each of the Buffet and Gates families is over \$60 million at present and this may very well increase if the underlying shares of Berkshire and those in the Gates Foundation continue to grow.

There are at least two additional remarkable qualities about the gifts that these two fam-

ilies are contributing. The first is that the money the Foundation distributes is given to those who could benefit most. For example, the Foundation funds the battle to eliminate the threat of malaria to poor people living in the tropics. The Gates Foundation has two main objectives -- to improve world health and to provide education for the poorest citizens. There is a children's vaccine program, an HIV research program and a TB vaccination program. In addition, there are grants for lending agencies to give micro loans to women entrepreneurs in some of the most impoverished countries. There are millions of dollars given to libraries, and for scholarships to help high school students to graduate prepared to succeed in college, career and life. It is very evident when you listen to either Bill or Melinda Gates, or to Warren Buffet, that they have and will continue to devote a considerable amount of time to making sure that the distribution of their financial fortunes produces the maximum results for the poorest and most disadvantaged people.

Recently this trio of billionaires has called upon other wealthy families in America to pledge at least half of their wealth to charitable purposes. When asked if he knew how much money the Fortune 400 wealthiest families currently controlled, Warren Buffet quickly quipped, "oh about \$600 billion. If half of that were to be given away there would still be over \$300 billion left over. The only loser would be Uncle Sam." He thought that would be a pretty satisfactory result. While none of us has a billion dollars or so to give away, we do have the opportunity to make sure that our kind, caring friends in Ottawa receive just a little bit less while our charities and families receive a little bit more. **The best plan is to have a good estate plan.**

Part of my role as your advisor is to assist you in designing an estate plan. If you would like help with your plan, please call me. I will guide you through the process. I can also refer you to a lawyer experienced in drafting estate documents.