

Sudden Life Changes: Charitable Giving Can Help Clients Get Through It

As an attorney, CPA, or financial advisor, you are no stranger to witnessing the ripple effects of life's unexpected curveballs. If you represent a client over many years, you're very likely at some point to help the client through a serious illness, a loved one's death, business challenges, marital dissolution, strained relationships with children, or all of the above.

[Research](#) and [survey results](#) tell us that many clients' most consequential estate and financial planning activities arise not from long-term intentions, but from sudden change. Moments like this are challenging because clients are often overwhelmed and unsure how to proceed, and even the best advice can feel like too much information delivered too soon. In these situations, be aware that charitable planning can help re-anchor clients' decision-making in values rather than fear or urgency. For many clients, generosity is one of the few topics that still feels familiar when everything else is shifting.



Here are three examples:

Change in assets

Following a divorce settlement, a client may suddenly be holding cash, concentrated stock, or other highly appreciated assets. The client may also be juggling other priorities: adjusting lifestyle expectations, supporting adult children, and rethinking an estate plan. When the client also wants to do something charitable but isn't sure yet what organizations to support, setting up a donor-advised fund at the Community Foundation can be a natural fit in some cases, allowing the client to be eligible for a tax deduction when the contribution is made while taking time to decide which charities to support and when.

Loss of spouse

A client whose spouse has recently passed away may want to make a charitable gift in the spouse's memory, but likes the idea that the gift could benefit the community for many generations and address urgent needs that arise decades from now. Setting up an unrestricted fund at the Community Foundation allows a client to support evolving community needs over time as well as support the mission of the Community Foundation itself.

Retirement

A 74-year-old client who just retired is feeling less "relevant" outside of the workforce, and therefore would like to do something meaningful for the community. With plenty of assets in retirement accounts, the client does not need to rely on distributions from IRAs to maintain lifestyle standards. This client could be a good candidate to establish a designated fund (to support a specific nonprofit organization) or a field-of-interest fund (to support an area of need such as education, health care, or the arts) at the Community Foundation. Then, the client may direct Qualified Charitable Distributions from IRAs (up to \$111,000 per taxpayer in 2026) to the fund, bypassing adjusted gross income and counting toward required minimum distributions.

The Chester County Community Foundation is happy to help. Next time you are meeting with a client who is experiencing one of life's inevitable rough patches, remember that charitable planning allows your client to take action that brings joy, reflects identity, aligns with purpose, and helps the client shift from a reactive mode to an intentional one.

For more information, contact the Chester County Community Foundation:

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The team at the Chester County Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.