



# Thoughts for Lenten Almsgiving

**“Prayer with fasting is good, but better than both is almsgiving with righteousness...It is better to give alms than to lay up gold. For almsgiving saves from death and purges away every sin. Those who give alms will enjoy a full life” (Tobit 12:8-9).**

*What are you giving up for Lent? A popular question for this penitential season that often elicits answers such as “Chocolate,” “Social Media,” “Coffee,” etc. When the absence of that thing which we have sacrificed becomes nettlesome, we are called to prayer. Thus, our sacrifice enriches our prayer and leads us to the virtue of self-control. But what about almsgiving? The third pillar of Lent is the most often forgotten because it is viewed as separate from both fasting and prayer. But almsgiving is inextricably linked to fasting and prayer. When made as an offering to God, our alms become true prayer instead of just philanthropy. It becomes fasting when the gift is sacrificial.*

The Lenten season can be a good time to look at your giving strategy. Over the period that ends with Easter, we practice self-control through fasting and abstaining from the luxuries that belong to God and his people in need. For more than ten years, the market and many individual stocks within it have grown. We want to share a couple of ideas with you.

Consider a direct distribution from your retirement plan to help you avoid taxes. When you take a distribution from your retirement plan after you are 59-½ years old, you still must pay income taxes on the full amount. If you are over 70-½ and subject to RMDs (Required Minimum Distributions) you may have your broker send your distribution directly to a qualified charity so that you avoid the income tax. This can be a sizable tax savings.

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The most common strategy for distributing to charity is through Donor Advised Funds (DAF).

**A donor advised fund is a separately identified fund or account that is maintained and operated by a section 501(c)(3) organization, which is called a sponsoring organization. Each account is composed of contributions made by individual donors. Once the donor makes the contribution, the organization has legal control over it. However, the donor, or the donor's representative, retains advisory privileges with respect to the distribution of funds and the investment of assets in the account.**

### Things to know about Donor Advised Funds:

- The largest 'providers' of DAFs are the big brokerage platforms such as Fidelity, Schwab, and Vanguard. According to the National Philanthropy Trust DAF assets stand at more than \$159 billion.
- Any contribution to a DAF can be claimed immediately for tax purposes while the assets may be distributed over time
- Assets, such as mineral rights, stocks and real estate can be contributed to a DAF, making it easier for the disposition and potential avoidance of capital gains taxes. Often the end charity does not have the capability to accommodate this activity.

### Things you may NOT know about DAFs

- Schwab Charitable, Fidelity Charitable and Vanguard Charitable are charitable organizations and theoretically separate entities.
- These 'charitable' organizations charge a fee to administer the funds held in their DAFs. In addition, these entities also invest in many of the funds managed by their 'related' entities.
- The investment options on the deferred distributions are not screened or aligned with Catholic Values.
- These entities can approve or deny certain charities and may sponsor entities antithetical to Catholic Values.



With that background there are additional options for Charitable activity aligned with Catholic Values. The Diocese of Fort Worth has the Advancement Foundation to offer DAFs. Donations can be made in many forms and activity can be directed toward priest retirement, seminarian education, Catholic Charities, schools, campus ministry or other purposes.

Another option close to our hearts is the Foundation for Catholic Values. This foundation was started by principals of Trinity and IWP Capital to help provide resources to teach Catholic values in society. This foundation can provide the flexibility for charitable activity and help research the end charities that align with your values.

For more information, contact the Advancement Foundation of the Diocese of Fort Worth at 817-533-7242 or [runderwood@adv-fdn.org](mailto:runderwood@adv-fdn.org).

