

# The Top 7 Mistakes Canadians Make When Donating To Charity - Part II



**Keith Thomson, CFP®**

In the last edition of *Your Guide to Charitable Giving and Estate Planning* I wrote about mistake #1 - not appreciating that your RRSP and RRIF probably will be your most highly taxed asset ... eventually. In this month's guide I would like to discuss mistake #2 - not seeking professional help.

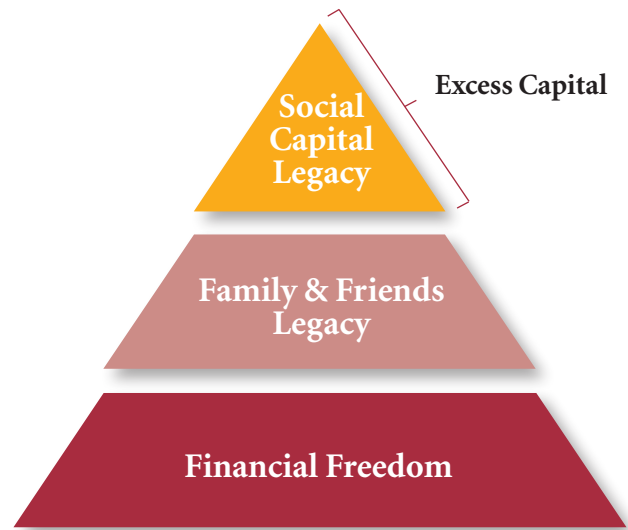
There appears to be a myth that's been foisted on Canadians. Not only are we expected to excel in our chosen profession, but also we're expected to be achievers in all other aspects of our life. In today's rapidly changing environment we're bombarded by an overload of information. Basic tasks have

become more complex and our day-to-day lives are busier. Is it realistic to expect that we can transform ourselves into "part-time experts" in everything we do? Here is where the power of hiring an expert financial professional becomes clear.

When it comes to philanthropy and your legacy goals, hiring an individual who specializes in this discipline is key. In seeking such a professional to guide you there are three benefits on which you should focus: personal peace of mind, creating a financial plan that ensures you an income stream that you can never outlive and, finally, building a legacy that leaves a lasting impact, not only now but long after you're gone. Also, the order in which you attain these three steps is just as important.

First, in order to gain personal peace of mind you need clarity around where you are today and where you want to be in the future. A focused conversation and some key questions can guide you towards your desired results. From there you can move on to strategies for financial freedom. Utilizing customized software and conservative assumptions, it's relatively easy to determine the numbers you need to live on for the rest of your life, and what remains to pass on to family and friends. Ultimately, once these steps have been accomplished,

## *Pyramid of Clarity*



you may find that you are in a position to design a philanthropic giving strategy utilizing what is often referred to as your "social capital". I call this process the **Pyramid of Clarity**. Once you've finally reached the "peak of the pyramid", and in order to achieve true philanthropic impact, you'll need to concentrate on some personal questions such as:

*What is important to you?*

and

*Where do you want to make a difference?*

Seem simple? Perhaps, but it's difficult to achieve without proper guidance and knowledge. Seek out a professional with ability and skills in the philanthropic sector to assist

you in obtaining peace of mind, clarity in regard to what financial freedom looks like to you and, finally, the insights that will help you to leave a lasting impact and truly make a difference for generations to come.

For details of the final 5 mistakes Canadians make when donating to charity, please feel free to download my Special Report at:

[www.philanthropymatters.ca](http://www.philanthropymatters.ca)

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**When  
dumb money  
acknowledges  
its limitations,  
it ceases to be  
dumb**

*Warren Buffet*