

## **Estate & Taxation Planning Council Presentation**

### **Notes from Geoff Clews presentation – 2 March 2016**

Geoff described the demographic change driving massive wealth transfer from the baby boomer generation to their children. It is estimated that in the United States there is a potential transfer of approximately \$30 trillion, which equates in New Zealand to approximately \$200 billion. Not all of that transfer is chosen as bequests to children. Instead a significant proportion will be endowed for charitable purposes.

Geoff discussed the role of the Trust in providing structure, governance, and access to projects which enable the Trust to assist in this wealth being transferred effectively. The Trust operates to assist as a service provider to those people wanting to support charitable purposes and can operate sub-trusts as a charitable organisation through which specific family funds or groups of funds can be aggregated and for which specific purposes can be identified. This also has the advantage of passing the responsibility to an organisation with specialised focus and an ongoing management structure rather than needing to choose a person to be an executor or trustee and have the difficulty of creating a mechanism to replace that person with another suitable person.

It is possible also to use trust funds to underwrite or provide subordinated loans to charitable organisations so as to support them through some financial transition. This could result in either endowing that organisation with funds or enabling the recycling of funds when the organisation has the ability to move beyond the need for that support.