

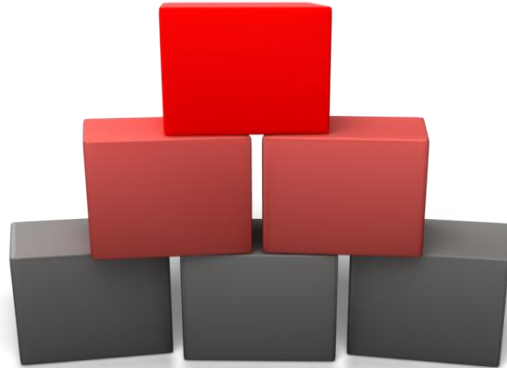
Three Principles for a Meaningful Legacy

Tim Cestnick FCPA, FCA, CPA(IL), CFP, TEP

May 5, 2016



Principle # 1



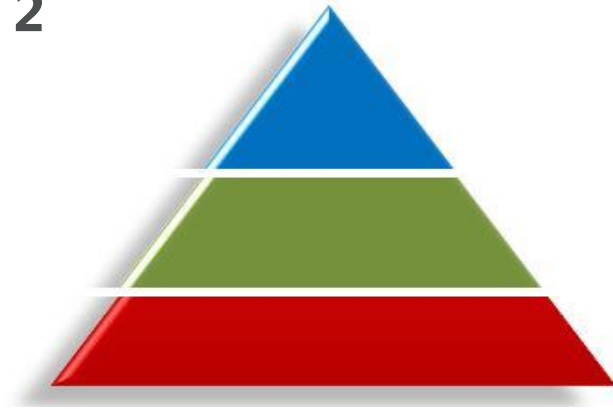
Real wealth is broader
than you think.

Six Types of Capital

True wealth consists
of six types of
capital.



Principle # 2



There is a hierarchy of planning.

Hierarchy of Objectives



Family Legacy

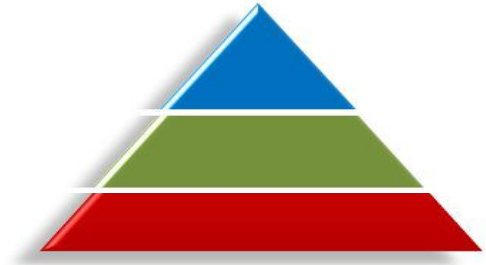
Warren Buffett

**Parents should leave children
“enough money so they would
feel they could do anything, but
not so much that they could do
nothing.”**

Family Legacy

Guidelines

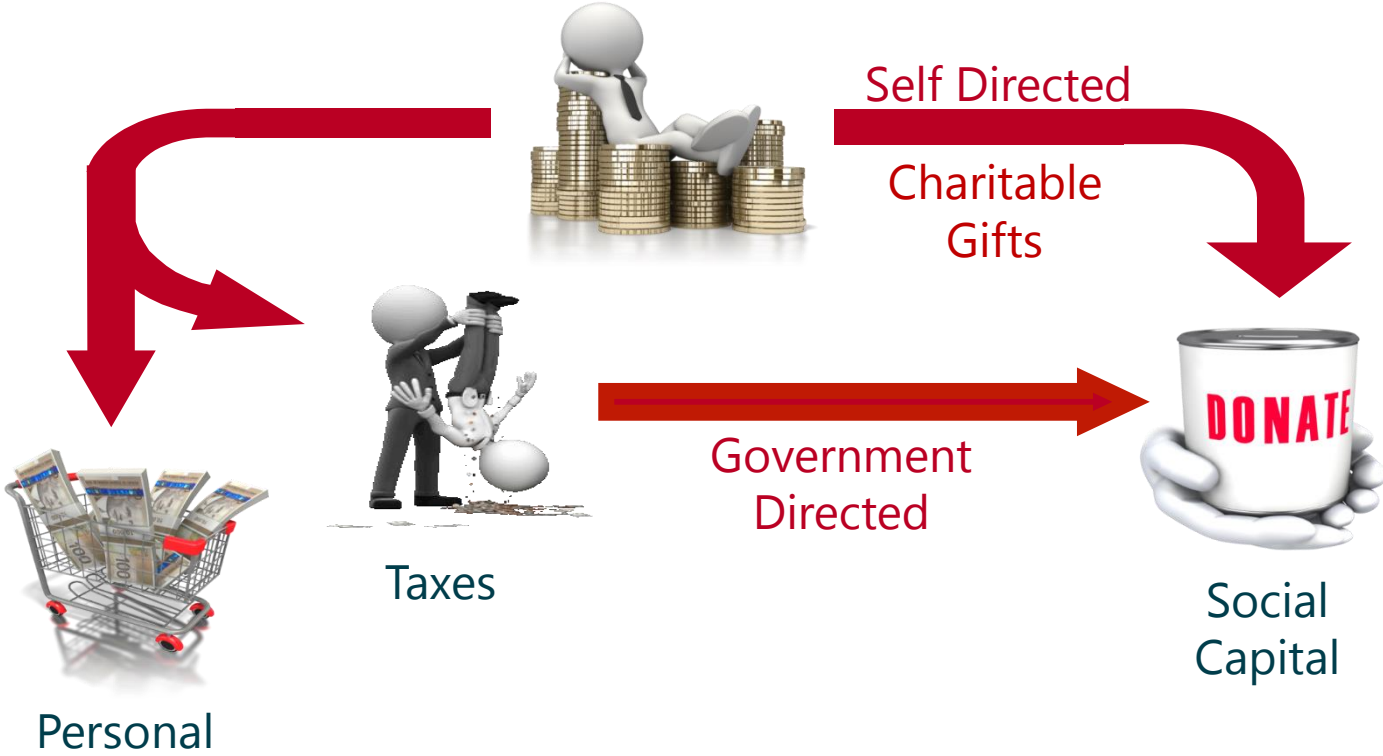
- Each heir needs to own their own hierarchy
- List each heir to benefit from estate
 - ✓ List the specific assets you would like to give each one
 - ✓ Define an additional amount for each to cover emergencies
 - ✓ Define supplemental income you'd like to provide each one
- Add up the total for each heir, then add the total for all heirs combined



Principle # 3



Focus time on social capital.



Personal

Taxes

Government
Directed

Self Directed
Charitable
Gifts

Social
Capital

Seven Faces of Philanthropy

COMMUNITARIANS

Doing good makes sense

THE DEVOUT

Doing good for faith reasons

INVESTORS

Doing good is good business

SOCIALITES

Doing good is fun

REPAYERS

Doing good in return

ALTRUISTS

Doing good feels right

DYNASTS

Doing good is a family tradition

Seven Faces of Philanthropy

Why understand the Seven Faces?

It helps us to answer other questions:

- **To whom should I give?**
- **What should I give?**
 - Cash
 - Securities
 - Real estate or other assets
- **Where should I give from?**
 - Corporation
 - Personally
 - Trust or foundation
- **When should I give?**
 - Today or on death
- **How should I give?**
 - Public or private foundation
 - Direct to charity
 - With or without recognition



Questions?



Contact Tim

Tim Cestnick, FCPA, FCA, CFP, TEP

President, WaterStreet Financial Inc.

tim@cestnick.ca

905.330.4569