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## **FOCUS ON GIFTING - 2006**

At year's end, we believe that the focus of **A Step Ahead** should be on gifting and gifting strategies. Apart from the fact that giving gifts benefits our loved ones and enhances their mental and physical well-being, it provides a mechanism for reducing the size of our estate. Not only is the value of the gift itself removed from the estate but the growth in the value of the asset, its **appreciation**, together with its earnings, are also removed from the estate.

It is always important to coordinate gifting with other asset protection strategies. If you are already engaging in Medicaid planning, for instance, it is important to inquire, *before* making gifts that were not considered in the strategy, what effect those gifts will have on your plan.

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