

A portrait of a smiling woman with short, styled grey hair. She is wearing a bright yellow, textured cable-knit sweater. The background is a soft-focus outdoor scene with warm, golden light, suggesting a park or garden. A dark blue rectangular box is positioned at the bottom left, containing white text.

## Strategic Giving— Simple Ways to Make an Impact

## Simple Can Be Strategic: What Is Good for You?

Often, the word strategic conjures up notions of complexity, sustained effort, and potential resistance. From a proposal addressing climate change to the X's and O's that diagram a football play, strategic planning can indeed be challenging. Sometimes, however, a strategic plan can be simple—particularly when it comes to charitable giving.

### Steps to a Sound Strategy

Developing a strategy for making rewarding charitable gifts starts with recognizing what is important to you and identifying your personal goals for helping others.

#### **Assess your goal**

For some donors, a charitable goal can be as simple as recognizing a general commitment: I believe in this organization's mission and I want to support their work. For others, the goal may be more specific: I believe in this organization's mission and I want to support their work, specifically in the area of \_\_\_\_\_. Finally, some donors go even further by thinking in terms of maximizing their personal philanthropic impact by carefully considering the gift planning options that are available. I believe in this organization's mission and I want to support their work, specifically in the area of \_\_\_\_\_, and I want to explore ways to maximize the impact of my giving. Wherever you may be on this planning spectrum, knowing what is important to you points the way to making a satisfying gift.

#### **Consider the timing**

Once your charitable goals are clear, the next step is to consider the timing of your gift. Do you want to make an impact today or in the future? Or perhaps you would like to do both.

Whatever timing you have in mind, there are multiple ways to give. Knowing the particular features and advantages of various gift options lets you select the charitable strategy that best fits your circumstances and goals. Some options allow for a great deal of flexibility, making it easier to plan and easier to make any needed adjustments down the road.

### **Seek advisors who can help**

As you consider ways to make a philanthropic impact, keep in mind that there are specialists who can help. Attorneys can guide you through will and legacy planning, and financial advisors can help you determine how to make the best use of your assets. In addition, we are available to help you and your advisors explore and implement giving options that are most meaningful to you. Please contact us any time you have questions.

## **Your Personal Strategy: Make an Impact Today**

If your desire is to provide immediate support for our work, there are easy, effective ways to reach your goal.

### **Cash: make a powerful impact with the simplest gift**

The simplest way to make a gift is to write a check or use your credit card. Every gift furthers our work, no matter the amount. Because so many donors make these types of gifts every year, the combined impact is an extremely significant and vital part of our ongoing work. Gifts using cash, check, or credit card are deductible if you itemize—we will send you the proper acknowledgement of your gift for income tax purposes.

Because the 2017 Tax Cuts and Jobs Act raised the standard deduction amount for individual taxpayers, you may want to consider a strategy called bunching—combining several years' worth of gifts into the same year so you can benefit from itemizing your tax return. Your advisors can help you determine if this is a good approach for you.

### **Appreciated stock: take advantage of tax benefits**

A gift of appreciated stock held longer than one year offers two helpful tax benefits. First, like all charitable gifts, a gift of appreciated stock is deductible if you itemize your return. In fact, you can deduct the full value of the stock no matter how much it has increased over time. For example, if you purchased stock for \$5,000, held it for over a year, and it is valued at \$10,000 when you make your gift, you can deduct the full \$10,000.

The second tax benefit is also important—when you make a gift of appreciated stock held more than a year, you owe no capital gains tax on the appreciated amount.

### **Donor-advised fund grants: shape your charitable legacy**

Because a grant from your donor-advised fund comes from assets you have already set aside for charitable purposes, the gift does not impact your budget and the funds you have available to meet current needs and future goals. You can target a specific program with your DAF grant, and you will know that you are making an impact right away.

Please contact us if you are considering this type of gift, and we can help you make certain the distribution from your donor-advised fund goes smoothly. We will provide transfer information and confirm your intention if you wish to direct your grant to a specific purpose.

### **A gift from your IRA: meet requirements and fulfill your goals**

If you are age 70½ or over, a transfer directly from your IRA to our organization (a qualified charitable distribution or QCD) is a highly effective way to give. Why? You pay no tax on the distribution.

A QCD is a simple gift to make at any time during the year—just instruct your IRA custodian to make a transfer directly to us. Transfers up to \$100,000 (annual aggregate limit) qualify for favorable tax treatment, but any IRA contributions you make after age 70½ reduce this amount.

Again, although there is no tax deduction for the gift, the distribution is excluded from your income for federal tax purposes—no tax is due! In addition, the amount transferred counts toward your required minimum distribution if one is due (age 72 and older), which can make this a wise alternative to a cash gift. A QCD lets you meet your required distribution, pay no tax on the distribution, and fulfill charitable goals by making an immediate impact on our work.

## **Your Personal Strategy: Make an Impact Tomorrow**

For many of our supporters, a gift that is planned now but completed in the future is the best way to meet charitable goals. These gifts allow you to retain lifetime control of the gift assets, meaning you can use them if you need them. But you can also enjoy knowing you have planned a gift that can make an important impact at a later time.

### **A gift in a will or living trust: planning your charitable legacy**

Many donors want to make the largest possible impact on our work, but also want to keep assets available in case they are needed. If you are of this mindset, a gift to us through your will or living trust is a highly rewarding way to support work that is meaningful to you.

## MORE WAYS TO PERSONALIZE AND ENRICH YOUR PLANNING

There are many simple ways to make a strategic gift, but investing just a small amount of additional time opens up further opportunities for meeting your charitable goals in satisfying ways.

- **A life-income gift** (such as a charitable gift annuity or charitable remainder trust) lets you provide income for yourself and/or others, support our work, and benefit from a tax deduction if you itemize. You can arrange these gifts to specifically benefit you, your spouse, your children, or other dependents. For example, life-income gifts can supplement retirement income, provide security for a dependent child or sibling, or even provide for grandchildren in creative ways.
- **A gift of appreciated real estate** is another option that requires more planning but can be very rewarding. An outright gift of appreciated property can avoid capital gains tax and qualify for a substantial tax deduction. A bargain sale of real estate can provide funds to you immediately and a tax deduction that offsets any capital gains tax you might owe. Life estate gifts offer tax benefits while allowing you lifetime use of your property.
- **A blended gift strategy** refers to the combination of two or more different gifts to reach your specific goals—for example, a gift of appreciated stock today coupled with a designated gift in your will or living trust. Combining current and future gifts is a powerful way to impact our work today and continue our mission tomorrow.

Contact us to learn more.

**EXAMPLE:** In her late 40s, Celia named us in her will to receive 10 percent of the value of her estate. At that time, she had two daughters about to enter college and a 12-year-old son. Years later, after her son completed college and graduate school, Celia revised her will so that we would receive 25 percent of the value of her estate. In her 70s, Celia revised her will yet again so that we would receive 40 percent of the value of her estate, with her children evenly splitting the other 60 percent. As her personal financial situation and goals changed throughout her lifetime, this giving strategy allowed Celia to plan a substantial gift, provide well for her children, and keep assets available in case they were needed for any reason.

Of course, there are many other ways to designate a gift through a will or living trust, from gifts of a specific amount of cash or other property (such as real estate) to setting up a testamentary charitable trust to benefit us and loved ones. Let us know if we can provide additional information.

### **Beneficiary designations: taking advantage of an easy giving opportunity**

There are two important things to remember about beneficiary designations for your life insurance policies, bank accounts, and retirement plans:

- They should be up to date.
- They can provide simple but meaningful opportunities to make charitable gifts.

Now is a good time to review beneficiary designations and verify that your assets will be distributed as you intend. Remember that you can name us as a primary beneficiary (first in line), contingent or secondary beneficiary, or a percentage beneficiary. Please be sure to use our full legal name in any designations.



### **You Have Options**

Thank you for considering ways to make an impact on our mission. As you can see, it doesn't have to be complicated or difficult to make a difference—there are many simple charitable giving options that are both personally satisfying and strategically sound. Let us know if we can help you explore ways to reach your philanthropic goals.