



CHARITABLE GIVING

An investment in yourself and others

You may be bracing for that early December feeling – a crisp chill in the air, the tingling of bells and a mailbox overfilled with donation requests from charitable organizations. As an American, you will probably be in a giving mood as America is one of the most charitable nations, giving away over \$373 billion in 2016.

The non-profit organizations that we donate to are dependent on those charitable contributions to support our favorite causes. And, while the contributions we make are for the greater good, many savvy investors understand that charitable contribution is also an investment.

Why Donate?

Reasons for donating are as varied as the contributors themselves. Besides furthering the goals of a cause close to their heart, charitable giving can soften one's personal brand, be a touching tribute or legacy for a loved one, or create numerous tax advantages for investors.

A charitable tax write-off sows guaranteed returns, and a lifetime of charitable giving can help with estate planning. There are several ways that a charitable contribution is an investment in one's portfolio. For example, opening a Charitable Remainder Trust (CRT) may help an investor turn non-income generating assets and properties profitable. Charitable investments may also fund life insurance, better providing for heirs. Additionally, private foundations offer reduced estate and income taxes, a charitable bequest may reduce gift taxes and donor advised funds allow assets to grow, tax-free.

How to Donate - Screening Chosen Charities

It's the season for giving, but beware. There is never a shortage of scandals involving charitable foundations misusing funds or turning out to be outright scams. As an investor, you want to make sure your dollar is stretched as far as possible, which means fully screening whom you choose to invest in. Luckily, there are more options now than ever for screening the charities of your choice.

- charitynavigator.org, give.org - documents legitimate charities including governance and cost-effectiveness. Check these websites to see if the charity you are thinking about giving to is a scam.
- <http://www.myphilanthropedia.org/> - ranks the most cost-effective charities by cause.
- The [Charity Navigator app](#) – provides quick reference checks
- [GuideStar](#) – collects the tax returns of charitable organizations. Here you can see executive compensation, mission statement, and if any money went to the family or business of the executive, among others.

When to Donate

For tax savings, there is not necessarily a better time to give throughout the year. However, the urge to give is typically strongest around the holidays. As the holiday season coincides with year-end, this time of year is often best for investors looking to limit their tax burden.

It is important that you have a charitable giving plan. Researching the charities that serve the causes close to your heart and working with your financial advisor to develop a plan around you giving will help you maximize the benefit **of** your donation, both for the organization of choice and for your personal investment.

For a better understanding of how charitable giving can both help your investments and minimize your tax obligations, contact us at 919-463-0018.

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