



ARE YOU BEING STRATEGIC WITH YOUR CHARITABLE GIVING?

Often when we think of reaching our financial goals, we think of holding on to money. It's not because we lack a charitable spirit, but it feels counterintuitive to give away money when we're trying to accumulate more of it. But did you know that giving back, or making charitable donations, can actually help you reach your goals? You can help satisfy your philanthropic goals alongside your financial ones when you employ strategic charitable giving! However, there's a difference between making a donation to a charity and making a strategic charitable donation.

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Make a Plan.

When you seek to be strategic with your charitable giving you'll need a structured plan for your donations rather than making last-minute decisions. This plan will account for your current financial situation and your goals. If you can, plan as early as possible in the year for your giving. Consider setting aside a certain amount of your monthly income for an end-of-the-year contribution. This way you're not scrambling when it's time to give and it also gives you time to assess different organizations and causes you may want to donate to!

Be Tax Efficient.

Charitable donations are gifts of cash or property to an IRS-recognized nonprofit organization where nothing is given in return. You're probably curious how giving away money can help you keep more in your pocket. This is where being tax efficient comes into play! See, these donations can be deducted from your federal tax returns as long as you itemize your donations on your taxes. While just giving money or property can help you save on tax time, other strategies can help stretch your impact, and money, even further!

- **Appreciated Assets:** One strategy that can help you save on taxes is by donating appreciated assets, like stocks or bonds, that you've held for over a year. As of 2024, the IRS allows you to gift up to \$18,000, and in 2025, you can expect that limit to rise to \$19,000. By donating appreciated assets you can help avoid capital gains taxes and potentially the net investment income tax.
- **Qualified Charitable Distributions (QCDs):** Another way to implement a tax-efficient plan is through QCDs. These are tax-advantaged distributions directly from your retirement accounts. QCDs can help you meet your required minimum distributions (RMD) without increasing your taxable income.
- **Donor-Advised Funds:** Instead of giving your donation amount directly to a charity, you can put that money in a donor-advised fund. This fund will help grow that money, tax-free, allowing you to give even more to your preferred charities. You can use the money in the fund to support a charity now or spread out your donations over time.
- **Employer & Donor Matching:** If you are currently employed, do some research about your organization's benefits around giving and see if they have a donor matching program. If they do you can take advantage of that to give more as well.

Regardless of how you choose to give, make sure it's a cause you care about. That will help you be more involved in the process, which in turn will help you optimize your giving and your money. Charities rely on donations from people supporting their cause, so the further you're able to stretch your giving, the more you're able to help them!

If you want to learn how you can optimize your giving while keeping your financial goals in focus, we are here to help!

Give Jason Noble a call today at (843) 743-2926 or call Andy Merchant at (316) 669-9413 to learn how you can stretch your giving to a cause you care about!

Sources:

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