



Giving with Purpose

by Lorraine R. Salvo, CFP®, CDFA®

Americans are incredibly generous. During this "season of giving," which peaks in November and December each year, nonprofits, on average, raise nearly 40% of their annual revenue.¹ Donors are inspired by the holiday spirit and moved to take action on giving days, such as National Philanthropy Day and Giving Tuesday. Tax-saving opportunities may also motivate a charitable mindset before the end of the year.

Whatever your inspiration may be, know that nonprofits rely on your generosity to help accomplish their goals. In fact, during 2022 individuals provided nearly 64% of all charitable gifts (as compared to 21% from foundations, 9% from bequests, and 6% from corporations).²

If you are considering making a charitable donation this year, here are three things to consider:

1. Give with Your Heart

You're likely to feel best about giving when a donation aligns with your values. Think about the issues most important to you and your family and where you feel most impassioned to make a difference. There are a range of available options, from disaster relief organizations, healthcare charities, human services, religious entities, arts groups, and cultural organizations. Consider drafting a mission statement that establishes your philanthropic goals so you can ensure your contributions are directed towards your core objectives.

2. Involve Your Loved Ones

Children (and grandchildren) will look to you for lessons about money and finance, and this includes guidance on giving. One way to encourage empathy and teach your loved ones about helping others is to include them in (age appropriate) conversations about the causes you'd like to support. They can become directly involved by donating a portion of their allowance, babysitting money, or birthday gifts to charity. In addition, volunteering together, cooking a meal for a local homeless shelter, or gathering supplies for the humane society can help you and your children give back in a way that is meaningful. Shared activities can also create wonderful bonding experiences.

At Palisade, we bond by giving back together, including supporting the Bergen Volunteers' ["All Wrapped Up"](#) Holiday Giving Program to provide gifts for local families in need.



3. Employ Strategies That Maximize Your Impact

Palisade can help make the most of your charitable giving through tax-smart strategies that make the most sense for you. We'll partner to assess your circumstances, such as whether you have appreciated assets to donate or need to reduce your taxable estate. We can also provide guidance on evaluating specific charities you may want to support, such as reviewing third-party websites like [Charity Navigator](#) and [GuideStar](#).

Ways to Give Back	
Cash and Non-Cash Contributions	If you itemize, charitable deductions may be eligible for your 2023 tax return for cash or goods donated by December 31st. This may be the simplest way to give but does not provide additional tax advantages beyond the initial tax deduction.
Appreciated Stock	When you donate appreciated stock, you can potentially avoid having to pay taxes on capital gains, allowing you to donate more than if you were to sell the stock first, pay the taxes on your profits, and then donate that amount to charity.
Qualified Charitable Distributions (QCDs)	QCDs are direct transfers of funds from your IRA to an eligible charity. These transfers do not count as taxable income, which can potentially help reduce your income taxes, minimize your Medicare Parts B and D premiums, and, if you're over 72, count toward your RMDs. Watch our SECURE ACT 2.0 Charitable Giving video to see how the Secure Act impacted QCDs and other charitable giving vehicles.
Charitable Remainder Annuity Trust (CRAT)	A CRAT is an irrevocable, tax-exempt "split-interest" trust to which you can contribute that provides a tax-advantaged annuity stream. Once the CRAT term expires, the remaining funds go to a charitable beneficiary. A CRAT can provide tax advantages, including a reduction in capital gains, gift, and estate taxes. The SECURE ACT 2.0 allows you to make a one-time contribution of up to \$50,000 from your IRA.
Charitable Lead Annuity Trust (CLAT)	A CLAT is an irrevocable, tax-exempt "split-interest" trust to which you can contribute that provides an annuity stream to the charity you choose for a designated term. Once the term expires, the remaining assets transfer to a non-charitable beneficiary, typically your heirs, and are not subject to federal gift or estate taxes.
Donor Advised Funds (DAF)	A DAF is an irrevocable account established at a public charity specifically for the purpose of charitable giving. You receive a tax deduction in the year you irrevocably contribute to the DAF but can make grants in the future. When you donate appreciated stocks held long-term, you can reduce or eliminate capital gains taxes, and your donations have the potential to grow tax free.
Private Family Foundation	For families with significant wealth, a private family foundation is a way to directly involve family members who can also serve as board members to help decide how funds will be distributed. However, setting up and running a foundation can be complex and expensive, and typically requires the guidance of an attorney and/or accountant.

Palisade helps you give with purpose

At Palisade Private Wealth, our goal is to help you use your money to realize your dreams, including making a difference in the world.

Not yet working with Palisade?

WE CAN HELP YOU PROTECT YOUR WEALTH

¹ M&R Benchmarks, Benchmarks 2023, available at <https://mrbenchmarks.com/>, p. 38

² [Giving USA](#)

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Past performance is not a guarantee of future results.