

## CHARITABLE GIVING: STRATEGIES TO MAKE A DIFFERENCE

*Kelly Potes, CFP®*



Despite economic hardship, giving remains a core American value. In 2010, American donors gave more than \$290 billion to charities, and our country consistently leads the world in charitable contributions.<sup>1</sup>

Though many Americans give generously to charity, the majority donates through “checkbook philanthropy,” writing checks or

giving small cash donations to a variety of charities - often in response to solicitations. While every contributor makes a difference, regardless of the size of gift that is given, taking such a spontaneous approach is often not in the best interest of the donor or the charity.<sup>2</sup>

Through planned giving, donors take a more deliberate approach to giving that considers their personal values, select the non-profits and gift-giving methods that best honor those values, and maximize the financial and tax benefits of their gifts.<sup>2</sup> Whether your gift is in the hundreds of dollars or the thousands of dollars, a disciplined approach to charitable giving can help your donations go farther and make a greater impact.

### EVALUATING CHARITABLE CAUSES

Before you donate, take some time to be proactive and intentional about your giving. To create a charitable giving plan, give some thought to these questions:

- What causes are important to you and your family?
- What are your specific goals for giving? What changes would you like to affect?
- How much do you want to give?
- How much involvement do you want to have with the charity?

- Is maximizing tax benefits an important consideration?
- Would you like to make charitable provisions in your estate?

Online tools at CharityNavigator.org and GuideStar.org can help you begin the vetting process by searching charities that meet your criteria and support your goals.<sup>3</sup>

Once you create a short list of potential charities, contact them and ask each for a copy of last year’s audit findings. The report may be more detail than you need; but it goes to show that the agency performs yearly audits, and they are willing to share financial information. The most efficient charities are able to grow their revenue at or above the rate of inflation, continue investing in their programs and save some funds for lean times.<sup>4</sup>

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## UPCOMING EVENTS

### JANUARY

**Monday, January 16<sup>th</sup>**

Martin Luther King Jr. Day Observed

**Thursday, January 19<sup>th</sup>**

Managing Money in Retirement Seminar *Moss Ridge Golf Club*

### FEBRUARY

**Tuesday, February 14<sup>th</sup>**

Happy Valentine’s Day!

**Monday, February 20<sup>th</sup>**

Presidents’ Day Observed

### MARCH

**Sunday, March 11<sup>th</sup>**

Daylight Savings Begins

**Wednesday, March 20<sup>th</sup>**

1<sup>st</sup> Day of Spring

**Thursday, March 29<sup>th</sup>**

Estate Planning Seminar

*Moss Ridge Golf Club*

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Also request results of a few independent evaluations of the charity's work; look for evidence that the organization is actively reviewing and improving its practices. Rather than blindly earmarking your donation for a specific purpose, ask for the charity's needs assessment to help determine where your donation is most needed.<sup>4</sup>

#### REDUCING INCOME TAXES

If you itemize deductions, your cash gift to a qualified non-profit may entitle you to a charitable contribution deduction on your income taxes. If you're in the 33% tax bracket, the actual cost of a \$100 donation is \$67 (\$100 less the \$33 in tax savings). The real cost of a charitable contribution decreases as the income tax bracket increases, providing the wealthy with the most incentive to donate. There are limits to how much you can deduct, but the limits are very high. If you contribute to a public charity, your deduction maximum is 50% of your adjusted gross income.<sup>5</sup>

#### MAKING A DIFFERENCE

Charities need monetary donations to do their good work, but they also need willing volunteers. Plus, volunteering with an organization is a great way to familiarize yourself with an organization's programs.

Consider giving your time or resources to help your community or a cause that's close to your heart. Please contact us if we can help with your charitable strategies.

Sources: 1) *GivingUSAreports.com*, *GivingUSA 2011-Executive Summary*. 2) *The Financial Planning Association*, "The Benefits of Planned Charitable Giving." 3) *The Wall Street Journal*, "Charities: Tough Times Call for Smarter Giving," May 2009. 4) *GoodIntents.org*, "Bad Donor Advice Perpetuates Bad Aid Practices," May 2009. 5) *CharityNavigator.org*, "Tax Benefits of Giving." 6) *GuideStar.org*, "Tips for Choosing a Charity." 7) *CharityNavigator.org*, "Top 10 Best Practices of Savvy Donors." ■■■■■

## HAPPY NEW YEAR!

Randy Schmidt, CFP®

It's that time of year again. Thanksgiving and Christmas just ended, and I am regaining my composure after eating way too much food. However, the time spent with family was great.

In looking back at 2011, Kelly and I have taken a hard look at the economy to see if there are any patterns developing. While the markets have gyrated erratically all year, it does appear as if the economy is improving. Companies are making more and more money. A recent report stated that 120,000 jobs were added in November of last year, and that the jobless rate is dropping even more than most thought. While we might expect 2012 to be another year of big ups and downs, it is nice to end 2011 on a positive note, and hopefully spread a little bit of 'Christmas Cheer' to the world as we enter 2012.



As we approach this New Year, forget all of your worries, and focus on family, health, and the truly important things in life. The Investment Center Gang and I will do the best we can to help ensure that your finances allow you to do those things. Missie and I are feeling very upbeat on 2012, as Camden has started sleeping thru most of the night.

Take care and have a Happy New Year!! ■■■■■

## ELIZABETH'S EXPRESSIONS

*Elizabeth Ford*

The holiday season has come to an end and winter weather is upon us. My children have been wishing for snow so they can go snowmobiling. I, on the other hand, prefer spring and fall.



My son only has three basketball games remaining, and then we have a short break before baseball and softball begin. This break of not traveling to sporting events will allow me more family time at home, which I do enjoy.

Although the holidays are over, we need to remember that family is important, and we should

always make time for them no matter what the time of year!

Take care and have a Happy New Year!! ■■■■■

## GOLF TIP

### A 3-WOOD- FROM OFF THE GREEN?

It may sound preposterous to some, but the three-wood chip is a great shot to have in your arsenal when the ball lies no more than a foot into the first cut of rough. For starters, a three-wood won't snag. And it works for Tiger Woods!



The key to working this shot is to keep the left arm fairly straight, but relaxed throughout. The more tension in the arm, the quicker the stroke, resulting in a loss of distance control. Grip down with the palms facing each other, similar to the way you would grip a putter. Place the forefinger and thumb of your lower hand on the shaft for better feel and control of the club head. Then, use your wrists to pop the club face into the ball (kind of like an axe, but not as hard as you would if you were splitting wood).

That will propel the ball airborne just enough to coast along the top of the grass. ■■■■■

## ERIC'S EXPOSITION

*Eric Evans*

All I can say is "What a year!" I hope 2011 was as big of a year for you as it was for me.

It started off with a bang when my Green Bay Packers won the Super Bowl. In May, I graduated from Northwood University, in Midland, MI, with my BBA in Banking & Finance, and finished my career as a member of the Northwood Men's Track & Field team. Then, I was finally able to marry my high school sweetheart, Kristen, on August 13<sup>th</sup> in beautiful Grand Haven by Lake Michigan.



After working since 2009 as a part-time/seasonal teller in Grant, while home from school during summers and breaks, I was given the opportunity to apply and interview for an Investment Assistant position in the ChoiceOne Investment Center...which I quickly accepted when it was offered to me. It is my goal to obtain the required registrations and licenses within the next year and a half so that I can earn your trust and respect as a financial advisor, and build a successful career with the ChoiceOne Investment Center and ICA. ■■■■■

## HEALTHY NEW YEAR APPETIZER

### APRICOT CANAPES

#### INGREDIENTS

- 16 dried apricots
- 8 teaspoons crumbled blue cheese
- 2 ounces chopped shelled pistachios
- 1/2 teaspoon honey
- Freshly ground pepper



Top each apricots with 1/2 teaspoon cheese. Sprinkle with pistachios and drizzle with honey; sprinkle with pepper. 64 calories per piece.

Recipe from eatingwell.com ■■■■■



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## GO GREEN —GO PAPERLESS

There are a number of reasons to “Go Paperless”. Whether you want to reduce clutter, opt for better data protection and security, or help save the environment, the growing trend for electronic delivery (e-delivery) is becoming the preferred method of document delivery and accessing account information worldwide. Contact us for more details. It’s the smart thing to do!

*Please call our office, or send an email to [ChoiceOne@InvestmentCenters.com](mailto:ChoiceOne@InvestmentCenters.com) to provide your best email address so you can be assured of receiving important communications.*



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