

## Finding and Supporting Your Passion

Donating to a nonprofit organization is a wonderful way to make a positive impact on an issue that connects to your values. Currently, 2.7 million nonprofits in the U.S. are looking for donors and volunteers<sup>1</sup>. The opportunities to support a nonprofit can seem endless and overwhelming.

Unfortunately, not every nonprofit is properly managed, and your investment may not make the impact you intended. That's why it is essential to research a nonprofit before becoming a long-term supporter. So, how do you do that?

### What Matters to You?

Before you write a check, volunteer time or attend a gala, reflect on your values. What is important to you and your family? Is it providing meals to those who need them? Do you want to help expand educational opportunities for children? Do environmental issues weigh heavily on you? How you answer these questions, and the discussions around them, will bring your interests and passion into focus.

### Finding Your Place

After figuring out what energizes you, the fun begins. There are many ways to find a charity that matches your values and interests. GuideStar.com and CharityNavigator.org are two examples of online databases that allow you to search charity profiles by category, cause, location and more.

Umbrella organizations, like the United Way, are a coalition of charitable organizations within a city or region. Such organizations in your area will have a wealth of knowledge about their partner organizations and can direct you to some that match your interests. Community foundations are another local resource for finding organizations that match your interests and passions and help direct your funding designation as intended.

Volunteering can introduce you to a new charity, give you a glimpse into the work it is doing and open the door for further conversations. VolunteerMatch.com connects people looking for volunteer opportunities with nonprofits that match their interests and have a volunteer need.

Finally, talk to those close to you about your search. Friends and family may have a connection to an organization that would interest you. Religious leaders are sensitive to a community's charitable needs and can recommend a nonprofit that advances a cause you hold dear.

### Dotting the I's and Crossing the T's

Once you have found a nonprofit you think you want to support, spend some time getting to know the organization to make sure its work maps to your values and the impact you want to make.

- /// Read the mission statement. It's the reason the charity exists, and it should speak to you.
- /// Look at its donor base. Broad support from well-known donors over time indicates a reputation for delivering successful programming.
- /// Visit the organization's website, read published articles and view what others are saying about the work it is doing.
- /// Does it inspire you? Does it seem to have a sense of mission, bravery and boldness?

An emotional, values-based connection with a nonprofit is key, but digging into the numbers is another important step. Tax-exempt organizations with \$50,000 or more in gross receipts are required to file IRS Form 990. The form includes information about the organization's activities and governance, executive compensation, program accomplishments, stewardship of donor investments, governing body and management policies, executive compensation and expenditures and assets<sup>2</sup>. Form 990 is a view into how your investment may be applied to programmatic offerings, how overhead is handled and how a nonprofit is working to grow its impact.

These forms are available on the organization's website or through a database like GuideStar. If a charity doesn't have to file Form 990, ask to see its letter of determination. If the organization is faith-based, ask to see its official listing in a directory for its denomination.

Finally, go tour the organization and have an overview meeting. The development department is there to build and nurture relationships with donors. A reputable

# 7 Financial Tips to Avoid Leaving Money on the Table

By Jonathan Scheid CFA, AIF®

The holiday season is approaching, and while our focus may soon turn to turkey, travel and the New Year, we need to make sure we don't neglect our finances before the ball drops. Below are seven financial planning opportunities that every investor should consider before year-end.



## 1. Maximize Retirement Contributions

Retirement accounts are a great way to save for retirement and save on taxes. If your employer has a retirement plan (like a 401k or 403b), see if you can max out contributions before the end of the year. For 2019, the maximum contribution amount is \$19,000 (or \$25,000 for individuals 50 and over) in a calendar year. If you are eligible to contribute to a traditional or Roth IRA, consider maxing out those contributions. For 2019, the maximum contribution amount is \$6,000 (or \$7,000 for individuals 50 and over) in a calendar year.



## 2. Ensure RMD Is on Track

If you turned 70½ this year or were over that age at the beginning of the year, you need to take your required minimum distribution (RMD) from your traditional retirement accounts (e.g., traditional IRA, rollover IRA, etc.) by the end of the year. There are hefty penalties imposed on people who don't take the RMD, so don't delay and distribute today!



## 3. Review Interest Rates

Interest rates fell during 2019, and some borrowers may be able to lower their costs by refinancing. The national average interest rate on a 30-year fixed rate mortgage was over 4.8% a year ago, and as of late summer is under 3.6%. If you want to purchase a home, lower rates make it more affordable to borrow.

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charity welcomes conversations about its mission, goals, research and financial stewardship. If an organization isn't transparent about those topics, walk away. You should feel comfortable providing support to the charity and excited to partner with it to work toward its goals!

Taking the time to research and vet a nonprofit can lead to life-long partnerships between you and the charity. Provide financial support and volunteer your time knowing you selected an organization that matches your passion, is transparent in its operations and is fiscally responsible. These long-term partnerships will help lead to sustainable change and move the needle on issues important to you.

## Resources for Help Finding and Vetting Nonprofit Organizations:

- GuideStar.org
- CharityNavigator.org
- UnitedWay.org
- GreatNonprofits.org
- myphilanthropedia.org
- GiveWell.org

<sup>1</sup>Guidestar.com, | <sup>2</sup><https://www.irs.gov/charities-and-nonprofits>



#### 4. Empty Flexible Spending Accounts

Many employers offer flexible spending plans (aka Cafeteria Plans) that allow you to save pre-tax dollars for qualified expenses like medical and/or dependent care. These are use-it-or-lose-it benefits, so if you don't spend the money or don't have proof of purchase, you lose the money. Be sure to spend it all before the end of the calendar year.



#### 5. Give to Charities

If you are charitably inclined and itemize expenses on your federal tax returns, you may qualify for a tax deduction by donating to a charity. There are many ways to give, including cash, appreciated stock and used goods. Get a receipt to track and prove your contributions.



#### 6. Sell Investments for a Loss

We don't enjoy seeing our investments decline in value, even though we understand that we typically have to experience a little pain to benefit from a potential gain. In these periods of decline, you may be able to sell investments in your taxable accounts that are at a loss and use the capital loss to offset capital gains from other investments. If you have a substantial amount of realized capital losses and not enough realized gains to offset them in a calendar year, you may be able to reduce your income. In most cases, realizing investment losses helps reduce taxes.



#### 7. Consider a Roth Conversion

If you have traditional IRA accounts, you may want to consider converting some or all of them to a Roth IRA account. While contributions and conversions into a Roth IRA require you to pay taxes now, you never pay taxes on the account again. Conversions typically make sense for people who may be in higher income tax brackets during retirement, want to avoid RMDs or want to pass along retirement assets to their heirs in a more tax-efficient way.

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## How to Craft a More Fulfilling Vacation

By Tim Maurer, CFP®

With the back-to-school chaos behind us, the year's end and the recurring planning topics that correspond with those boxes on the calendar—tax and retirement planning, and especially charitable giving—start coming into sharper focus.

I love hearing the stories behind my clients' charitable interests and causes, at this or any time of the year, and I'm always intrigued to learn more about how others map their values onto their lives. As we've begun to craft a theme of giving and volunteerism through our own family narrative, these discussions have led us to pursue an unorthodox approach to our most recent vacation.

After all, we'd been there, done that. We'd visited the tropics, the mountains, the lake, sailed on a cruise and made the pilgrimage to Disney. Most of these trips were fun, restful—maybe even restorative or memorable.

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But something was lacking. Something was missing. We left that sentiment behind, however, as we departed—for Nicaragua.

## Leaving the Bubble

It was not intended to be a vacation in the traditional sense. Our primary purpose was not rest and relaxation, however valid those objectives are. Those elements were indeed present, but our foremost aim was to expand our mental, physical and spiritual horizons through adventure and acts of service.

Such a trip has felt increasingly necessary, as our boys—now 15 and 13—have been privileged to grow up in one of many amazing towns and neighborhoods you could term a “bubble.”

We inhabit these bubbles with the good intention of achieving a high quality of life—good schools, nice houses in safe neighborhoods, cultural proximity and all the accompanying perks.

These are places where genuine hardship does occur, but a veneer shrouds much of its pain and our children may only irregularly witness true external suffering.

Don't get me wrong. I love the bubble. The bubble isn't inherently bad, but living in one—and growing up in one—can create an unhealthy distance from life's more troubling realities. The pitfalls of life inside the bubble—insularity, entitlement, indulgence—are too great to risk remaining inside it.

## Surf and Serve

We hoped to find greater fulfillment through surfing and service, and this trip, organized by the Charleston-based nonprofit OneWorld Health, delivered on both.

Every morning, a core group of surfers would meet for strong Nicaraguan coffee at 5:15 a.m. before departing our paradisiacal home base, Surf Sanctuary. A couple pros from Christian Surfers would split up the group, arm us with the appropriate vessel and nudge us toward a surfing spot that sufficiently stretched but didn't entirely overwhelm our capabilities.

Following a quick rinse, our entire team would pull together for a locally inspired breakfast prepared and served with loving hands by the Florida ex-pat owners of the Sanctuary, before reviewing the day's service plan. The plan typically included hopping on a souped-up school bus and meeting the OneWorld Health mobile medical unit at a nearby church

or school, where we set up a day-long medical clinic staffed by Nicaraguan and American medical professionals. Unskilled but willing aides, like my family and me, helped in a non-medical capacity.

After serving between 110 and 145 Nicaraguans each day, many of whom struggle to gain access to quality medical care, our drives home were marked by satisfied exhaustion and endeavors to process the day's activities. The passing landscape was so starkly distinct from our vantage point inside of the bubble.

Toward the end of the week, our family could agree on two things. First, this really wasn't a “vacation.” But second, it just felt better.

## Build Your Own

So, what could this concept look like for you? Most of the people I've talked to before and after our trip ultimately have said, “Gosh, that sounds amazing,” or, “I've wanted to do something like that.” If you fall into that category, you have a couple options:

/// **Go all-in.** Build your own Surf and Serve trip, replacing the “surf” element with whatever source of adventure appeals to you at whatever recreation-to-service ratio you prefer. Build up anticipation in the months ahead by learning about the culture, talking to various nonprofits in the region and practicing enough of the language to make your way around.

For the service part of your trip, I'd like to offer one caveat. Not all forms of help are actually helpful, so I encourage partnering only with nonprofits geared toward creating sustainable change.

/// **Take a transitional step.** If you're not ready for the all-in proposition, consider adding a step or two at a time. Facilitate belonging by vacationing with another family. Create a benchmark trip that becomes a rite of passage for your children or grandchildren. Add a goal to your trip that's enough of a stretch that it feels like an accomplishment. Or, better yet, make that goal to touch base with a local nonprofit you could serve, even for a day or half-day.

## The Power of Moments

At the close of our week, perched in a postcard setting after an afternoon walk on the beach, my wife and I discussed the many meaningful memories we had made. In that single moment they accumulated into a deeper sense of fulfillment than we could recall feeling on any trip we'd taken previously.