# The Path to Lasting Impact: Strategies for Purposeful Giving

In addition to being entrusted with your most valuable assets, financial advisors are equipped to deploy resources to support philanthropic priorities by recognizing tax-efficient giving strategies, exploring charitable giving vehicles, and identifying opportunities for maximum impact.

**By Callie Kaminskas**
January 8, 2024

---

*Via Unsplash*

New year … new opportunity to plan your philanthropy with a clear head, an open heart and an advisor.

Philanthropy and financial advising may seem like divergent paths, but they intersect at a crucial juncture—the desire for a purpose-driven life. Whether it is establishing a scholarship just like someone did for you at your alma mater, contributing to your church or place of worship, or donating to a cause close to your heart, philanthropy comes in many forms. Charitable giving reflects the values and long-term goals of individuals, couples, and families and is integral to a comprehensive financial plan. In fiscal year 2023, Schwab Charitable helped donors increase their giving power, supporting 120,000 charities and reaching a record-breaking total of $5 billion.

Not a one-size fits all endeavor, philanthropy is dynamic and intimate. In addition to being entrusted with your most valuable assets, financial advisors are equipped to deploy resources to support deep-rooted philanthropic priorities by recognizing tax-efficient giving strategies, exploring charitable giving vehicles, and identifying opportunities for maximum impact. Often motivated by a year with a significant income event, an upcoming retirement or investment portfolio rebalancing, there are a variety of strategies to consider:

- Qualified Charitable Distribution (QCD) – allows for tax free direct transfers up to $100,000 from traditional IRAs to qualified charities for those over 70 ½ years of age
- Donor Advised Funds (DAF) – consolidates giving, creates opportunity for compound growth and allows flexibility in timing of donations and allocations
- Private Foundations – creates structured and organized approach to philanthropy
- Charitable Remainder Trust – transfers assets to an irrevocable trust while receiving income for a specified period of time
- Charitable Lead Trust – streams income from the trust to charity for a specified period of time before remaining assets go to assigned beneficiaries
- "Bunching" – makes two years' worth of contributions in one year to itemize deductions one year and take the standard deduction in the other year

**Alternatives to Cash Donations**

- Appreciated securities donation – directs donations to charity to avoid capital gains tax on appreciation
- Appreciated non-cash assets – equity compensation awards, privately held business interests, private equity fund interests, restricted stock and IPO stock, real estate, fine art and collectibles, cryptocurrency and life insurance

These tools and alternative giving vehicles empower philanthropists to contribute significantly to their chosen causes while minimizing the financial implications on their overall wealth.

In addition to impact and personal fulfillment, incorporating philanthropy into financial planning creates a powerful synergy for establishing a legacy. Beyond the transfer of financial assets from one generation to the next, legacy planning for families involves the preservation and passing on of a family's values, traditions, and wealth. A family legacy is a hope for the future with lasting and multi-generational effects. Developing a framework can bring intentionality and effectiveness for families considering philanthropy. By curating a plan that encompasses the objectives and priorities of multiple generations, families can amplify their reach, foster pride and endure generations.

**When Considering Charitable Giving, the Following Questions Should Be Discussed with an Advisor:**

- When? Now, later or both
- How? Leverage most tax efficient and high impact donation
- How much? Align with financial and philanthropic goals
- Where? Direct funds to one charity or multiple
- Who? Include spouses and families

In 2024, the standard deduction is $14,600 for single filers and $29,200 for married couples filing jointly. Those who are over the age of 65 can take an additional standard deduction of $1,950 for single filers or $1,550 per person for married couples filing jointly. The deadline for tax deductions is December 31, 2024. Imagine the possibilities in 2024!

Philanthropic aspirations are as unique as each individual and should be cultivated, treasured and celebrated. Financial advisors are uniquely positioned to provide guidance on wealth accumulation and leverage resources through strategic and purpose-driven philanthropy. The true measure of success lies not only in the growth of financial portfolios but in the meaningful impact individuals can make on the world.

**ABOUT THE AUTHOR**

**By Callie Kaminskas**

Callie Kaminskas serves as Client Relationship Associate at Sterling Investment Advisors, Ltd. where she supports Sterling's 401(k) clients and individual investment management. Joining the Sterling team in the spring of 2023, Callie previously spent...

**View Profile**