

With a combined 50+ years of experience, 2X Wealth Group is committed to educating and empowering investors. We firmly believe financial literacy helps people make better decisions.

'Tis the Season... for Charitable Giving

The stock market has been a remarkable bright spot this year, but as 2020 draws to a close, millions of Americans remain unemployed. Others have lost their businesses or suffered a drastic drop in income. We devote this blog to ways of helping those who have been left behind.

Ways to Give

- **A cash donation of up to \$300:** Even if you don't itemize, donations this size can be deducted for the 2020 tax year.
- **Giving from your IRA:** Up to \$100,000 of donations made directly from your IRA are not taxed, unlike normal distributions which are taxed as ordinary income. This tax break benefits both itemizers and non-itemizers (over 59 ½) and owners of inherited IRAs. IRA withdrawals for charitable contributions also satisfy your minimum distribution requirements.
- **Donating appreciated stock:**
 - Itemizers receive a charitable deduction for the full fair-market-value of the stock at the time of the gift AND avoid paying the capital gains taxes on the stock. Stock must be held over 1 year to qualify.
 - Non-itemizers can get a step up in cost basis by donating their appreciated stock and using available cash to repurchase the same shares at current prices.
- **Bunching several years of charitable gifts into one year:** A higher donation amount could mean you will benefit from itemizing your 2020 tax return and save taxes on your contributions.

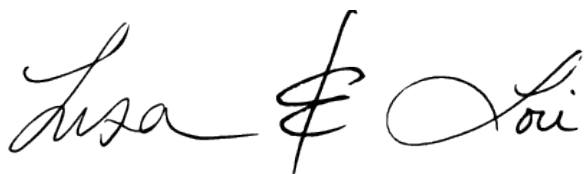
For Larger Gifts

- **Consider a donor-advised fund (DAF)** – a private philanthropy fund administered by a third party. A DAF is like a charitable investment account set up for the sole purpose of supporting organizations that matter to you.

- **A DAF is particularly useful in a high-income year to maximize the value of the charitable tax deduction.** Using a DAF allows you to donate assets and take a tax deduction today even though the funds don't need to be distributed to charity until sometime in the future.
 - Minimum starting donation amounts typically range from \$5,000 to \$25,000.
 - The donation is irrevocable.
 - The contributions are invested tax free.
 - The donor can typically decide how to invest and distribute the funds over time.
- **There are many types of fund sponsors to choose from, all with different goals and minimums.**
 - National donor advised fund organizations – such as Schwab, Fidelity, Vanguard, American Endowment Foundation, National Philanthropic Trust.
 - Community foundations – which focus on local causes, such as Marin Community Fund.
 - Public foundations – which typically support national and international charities focused on a particular issue or geographic region.

To deduct any contribution in 2020, the charity or DAF must receive the donation by December 31st, so the earlier you start the process, the better.

We wish you and your families health, happiness, and the joys of giving in the coming holiday season!

A handwritten signature in black ink that reads "Lisa & Lori". The ampersand is stylized, and the letters are cursive.

For more financial planning information, please check out other [blogs](#) on our website, 2Xwealth.ingalls.net.

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