

Financial Planning Tips to Maximize Your Giving

NewsUSA



(NU) - Everyone believes in a good cause. Especially now, when individuals and organizations are struggling in the wake of the ongoing coronavirus pandemic. People want to support causes they care about, whether through volunteering, donating goods or services, or making a financial contribution.

The ability to make a financial contribution to a cause that matters to you will likely vary throughout your lifetime. As a younger person starting out, your financial resources may be more limited or spread across areas including home purchase, student loans, starting a business, or starting a family.

The financial planning profession recognizes that people want to support organizations that are meaningful to them without compromising other financial goals, such as repaying debt or planning for retirement.

The CFP Board, a non-profit organization dedicated to supporting professional standards in personal financial planning, can help individuals assess their financial positions and plan for how much they can budget for charitable giving.

“A CFP professional can help you clarify your financial objectives and determine which charitable giving options are best suited to help you meet your goals,” says Marguerita Cheng, CFP®, a CFP Board Ambassador.

Some factors to consider in your planning include putting your personal situation first. Don’t shortchange your regular monthly expenses for housing, loans, or other essentials, then consider giving money to charity.

Other tips to make the most of charitable giving:

- Maximize your money. Some employers match charitable contributions. Also, writing a check directly to a charity lets you deduct the full amount vs. paying to attend a fundraising event. Do your research and find out what percentage of donations directly support the organization’s mission.

- Stick to your plan. It’s easy to blow a budget for charitable giving, especially during difficult times when everyone is asking for help. Set priorities, choose your favorite organizations, and send your money there, rather than spreading your funds thin. Also consider whether monthly or yearly contributions make sense depending on the consistency of your income.

- Think outside the checkbook. You don’t have to give from your regular salary to make an impact. If you have an interest or skill that you can use as a side business, donate those profits. Sell time at a vacation home when you aren’t using it and donate that money.

Visit letsmakeaplan.org for more information about the CFP Board and for tips and advice on how to make charitable giving part of your financial planning strategy.