Professional Advisor Newsletter
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Hello from the community foundation!

In this issue, we're providing updates in response to many of the questions we've received lately as market conditions continue to present challenges for your clients and as yet another natural disaster impacts millions of lives. We've also taken this opportunity to share a few reminders about why the nonprofit sector is so important to the fabric of our society.

We hope you enjoy the updates and, as always, we look forward to hearing your comments and suggestions about topics and resources that would be useful to you as you serve your philanthropic clients.

Thank you for all you do to make our community a better place by assisting your clients with charitable planning. It is our honor and pleasure to support your work in any way we can.

(This newsletter is also available at https://cfgrundycounty.com/professional-advisor-newsletter/ so that you can access all of the live links)

–Julie Buck, CAP®
Executive Director

P.S. We are in the midst of exploring ways we can help bring to life and summarize key information related to the funds established by your clients at the community foundation. If you'd like to discuss an early prototype and help us brainstorm, we would welcome that opportunity.

THE BEAR MARKET
Hanging in there: Charitable giving in a challenging economy

Earlier this year, Bankrate and Psych Central released the Money and Mental Health study and, not surprisingly, a large number of people surveyed in the research reported that money has a negative impact on their mental health. Survey results varied across generations: Financial concerns psychologically impact 48 percent of Millennials, 46 percent of Generation X, and 40 percent of Generation Z. Needless to say, every generation will feel the sting of any bear market, including (and especially) Baby Boomers.

At the moment, economic conditions feel, well, awful. Some people feel better if they can gain a better understanding of the factors that created the unpleasant mix of inflation, rising interest rates, and a bear market in the first place. Others are comforted knowing they are not alone as they ride the emotional rollercoaster. And for those who are charitable inclined, challenging economic times might actually serve as an inspiration to become more intentional about charitable giving priorities. What's more, not all donors will reduce their donations.

Here are three messages worth sharing with your philanthropic clients as bear market conditions hang on into the fourth quarter:

"Not all stocks are down."

Giving appreciated stock to a donor-advised fund or other type of fund at the community foundation is always a tax-savvy alternative to giving cash, regardless of the economic situation. Your clients may feel disappointed that their portfolios have hit a rough patch, but this does not mean that there aren't still plenty of opportunities to avoid capital gains tax on stocks held for more than a year. (Take a look at the historical share price of Apple, for example, and imagine the capital gains tax liability for clients who've held the stock for several years.)

"Consider the needs of others who are even more acutely feeling the pinch of inflation."

Community needs are rising, and the community foundation is dedicated to staying on top of the issues that are critically important to quality of life at any given time. Families with low or moderate household incomes can be especially vulnerable to high inflation. The team at the community foundation can help your clients zero in on nonprofits in our community that are serving the people who need the most help right now.

"Don't forget about the Qualified Charitable Distribution."

We mention this tool a lot because it is such a financially-savvy way for your clients to support the charities they care about. If your client has reached the age of 70 1/2, the client may be eligible to make annual distributions of up to $100,000 per spouse from IRAs directly to a designated or field-of-interest fund at the community foundation. QCD transfers count toward satisfying clients' Required Minimum Distributions and avoid the income tax on those funds. Plus, those assets are no longer part of a client's estate at death, which avoids estate taxes, too. What's more, the QCD may get a boost if the EARN Act becomes law; proposed bipartisan legislation would expand the QCD rules to allow a one-time, $50,000 QCD to a split-interest trust such as a charitable remainder trust.

HURRICANE RELIEF
Disaster philanthropy: Your clients and the important role of individual philanthropy

Sadly, your philanthropic clients have likely grown accustomed to making charitable donations to support disaster relief. Individual donations provide critical resources to help communities recover from the many disasters–weather, fire, humanitarian, disease, war–that occur each year.

In the wake of Hurricane Ian, your clients may ask you about their options to support those affected by the storm. We encourage you to reach out to the team at the community foundation. We can connect your donors with a variety of options for giving that are trustworthy and effective. Indeed, disaster relief funding is frequently coordinated by community foundations, which are widely viewed as one of the very best vehicles to help donors provide financial support to relief efforts. Individual giving is critically important to any disaster relief effort, and the community foundation can help your clients make an immediate, powerful, and positive impact on the lives of those affected by Hurricane Ian or any disaster.

As you may know, CFGC holds the Grundy County Disaster Fund that we keep open at all times. This fund is a qualified recipient of QCDs (Qualified Charitable Distributions) from clients' IRAs.

We look forward to helping your clients improve the lives of those affected by disasters both here in our community and across the nation and world.

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