

November 2018



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SOUNDS LIKE A TRILLION PER YEAR

- The national debt as of 9/30/18 (i.e., the end of fiscal year 2018) was \$21.5 trillion, up \$1.3 trillion in the last year, up \$4.8 trillion in the last 5 years, and finally up \$11.5 trillion in the last 10 years (source: Treasury Department).

PROLIFIC PRODUCTION

- If the Permian Basin was an OPEC country, its 3.3 million barrels a day of crude oil production would rank the region which stretches from West Texas to New Mexico as the # 3 OPEC producer, trailing only Saudi Arabia and Iraq out of the 15 OPEC nations (source: Energy Department).

As the days get shorter and the nights longer, most people start turning their attention to holiday plans and Christmas shopping. But there is something else on the rise this time of year: charitable giving.

Charity exists no matter the season, but it seems to be especially prevalent during the holidays. I imagine it is because people use this time to count their blessings and reflect on how much they have to be thankful for. It is only natural that we should want to share these warm feelings with others. One of the best ways to do that is by giving our time, talents, and even money to help those in need.

But while the spirit of giving comes from the heart, that doesn't mean the head shouldn't have its say. Here are a few tips on how to donate safely and effectively.

Seven Charitable Giving Tips

1. Charitable contributions can often be tax deductible. Obviously, that's not the reason for giving, but it doesn't hurt to help your tax bill in addition to your fellow man! In order to qualify for a tax deduction though, you need to ensure that your gift is to a qualified organization. Contributions to individuals, political organizations, or political candidates don't count.¹

2. Remember that donating money doesn't have to mean donating cash. You can also donate stocks or other property. These donations are tax deductible too – just keep in mind that the deduction you claim should be equal to the item's "fair market value," meaning "the price you would get if you sold the property on the open market."¹

3. Write this number down: 1040. To deduct any contribution, you will need to file a Schedule A, Form 1040 with the IRS and itemize any deductions.¹

4. Get it in writing! No matter what you give, make sure you keep some type of record. This is especially important for cash deductions, because they must be documented in writing in order to claim a deduction. What exactly is a "written

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NO MONTHLY PAYMENT DUE - In 2011, 1 of 3 American homeowners (34%), owned their homes free and clear of any debt, i.e., no mortgage loan or line of credit. In 2017, 2 of 5 American homeowners (40%) owned their homes free and clear of any debt (source: 2017 American Housing Survey).

GET READY - A 65-year old American male in 2018 is expected to live another 19.2 years (to 84.2 years old), an increase of 5 years in the last 40 years. A 65-year old American female in 2018 is expected to live another 21.6 years (to 86.6 years old), an increase of 3 years in the last 40 years (source: Social Security Administration).

record"? It could be a receipt, a letter from the organization you donated to, or a bank statement. Per the IRS, the record "should include the name of the charity, the date, and the amount donated."¹

5. Do your research. Before you donate to any charity or organization, make sure you have researched them fully. The last thing you want to do is give your money to a scammer instead of someone who really needs it. The Federal Trade Commission (FTC) website has some useful tips in this regard²:

- ◆ Avoid organizations that refuse to provide detailed information about its identity, mission, costs, and especially how the donation will be used.
- ◆ Avoid organizations that won't provide proof that a contribution is tax deductible.
- ◆ Avoid organizations that use high-pressure tactics, like trying to get you to donate immediately.

6. Do your research, (cont.) The FTC also recommends you do the following before giving²:

- ◆ Ask for detailed information about the charity, including their contact info.
- ◆ Search for the organization online, especially in conjunction with the word "complaint(s)" or "scam." If someone has been scammed before, you can probably find out about it.
- ◆ Find out if the charity is registered by contacting the National Association of State Charity Officials. Meanwhile, why not ask around about them at the Better Business Bureau as well?

7. Donating your time can be just as good as donating your money. Charitable giving isn't all about writing a check. Sometimes, the best way to help other people is simply to be there for them. Volunteer at a local soup kitchen, homeless shelter, or orphanage.

Most importantly, spread the spirit of the season everywhere you go by simply offering assistance to those who look like they may be in need of help.

Whoever or however you decide to help this holiday season, make sure you use your head as well as your heart. That way, you can ensure that those most in need of charity are the ones who actually receive it. And from me to you, Happy Holidays!

¹ "Tips on Deducting Charitable Contributions," *Internal Revenue Service*, March 24, 2014. <http://www.irs.gov/uac/Newsroom/Tips-on-Deducting-Charitable-Contributions>

² "Before Giving to a Charity," *Federal Trade Commission*, June 2012. <http://www.consumer.ftc.gov/articles/0074-giving-charity>

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