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Partners in Philanthropy

Philanthropic Insights and Resources for Professional Advisors
from Greater Tacoma Community Foundation



Speaking anonymously, the fundholder found the opportunity to turn their RMD into a QCD put the situation in a whole new light, “We'd been taking the distribution and paying taxes accordingly for the last few years and hadn't thought about it that carefully. GTCF urged us to consider a different scenario and it was a great idea for us.”

Stacey Guadnola, GTCF Director of Philanthropic Engagement, asked this fundholder, “What's the change you want to see?” Together, they identified several local 501(c)3 organizations to receive grants through a QCD. Stacey added, “In an ideal world, there is a blinking light on age 70½: You have this new opportunity to make an impact in your community.”

With the counsel of their Certified Public Accountant (CPA), Frost & Company, PLLC, the fundholder placed a \$100,000 QCD in a designated fund at GTCF. A QCD cannot go into a Donor Advised Fund under current rules.

The Frost & Company CPA shared, “Turning your RMD into a QCD is a fairly simple strategy to make your charitable giving most tax-efficient.” Many people end up writing philanthropic checks after paying taxes on their entire RMD, simply because they aren't aware of the opportunity.

The CPA explained that the QCD is not included in gross income and cannot be taken as a deduction, making the RMD-to-QCD strategy best for people who “are charitably inclined, don't need all of their RMD to live on, and who are not itemizing deductions. If you do make a QCD, be sure to save your paperwork and submit it to your tax adviser so that it is correctly listed on your tax return.”

“In an ideal world, there is a blinking light on age 70½: You have this new opportunity to make an impact in your community.”

One of the recipients of the anonymous GTCF fundholder's QCD was the Tacoma Rescue Mission. Duke Paulson, Executive Director, shared the difference this particular grant will have on our community, “This gift helps us to more than double the shelter space for homeless women in Pierce County!”

Having discovered the opportunity their RMD offers, GTCF's anonymous fundholder has already earmarked another QCD for 2020, “Why wait? Why not work with GTCF in the early part of the year to put your money to work in a thoughtful manner when nonprofits can use it most, rather than pressuring yourself to make a decision at the end of the year?”

Required Minimum Distributions offer an opportunity to make a tax-efficient philanthropic impact

A GTCF fundholder said, “A lightbulb went off!”, when he discovered a sometimes-overlooked opportunity to support a thriving community available after age 70½.

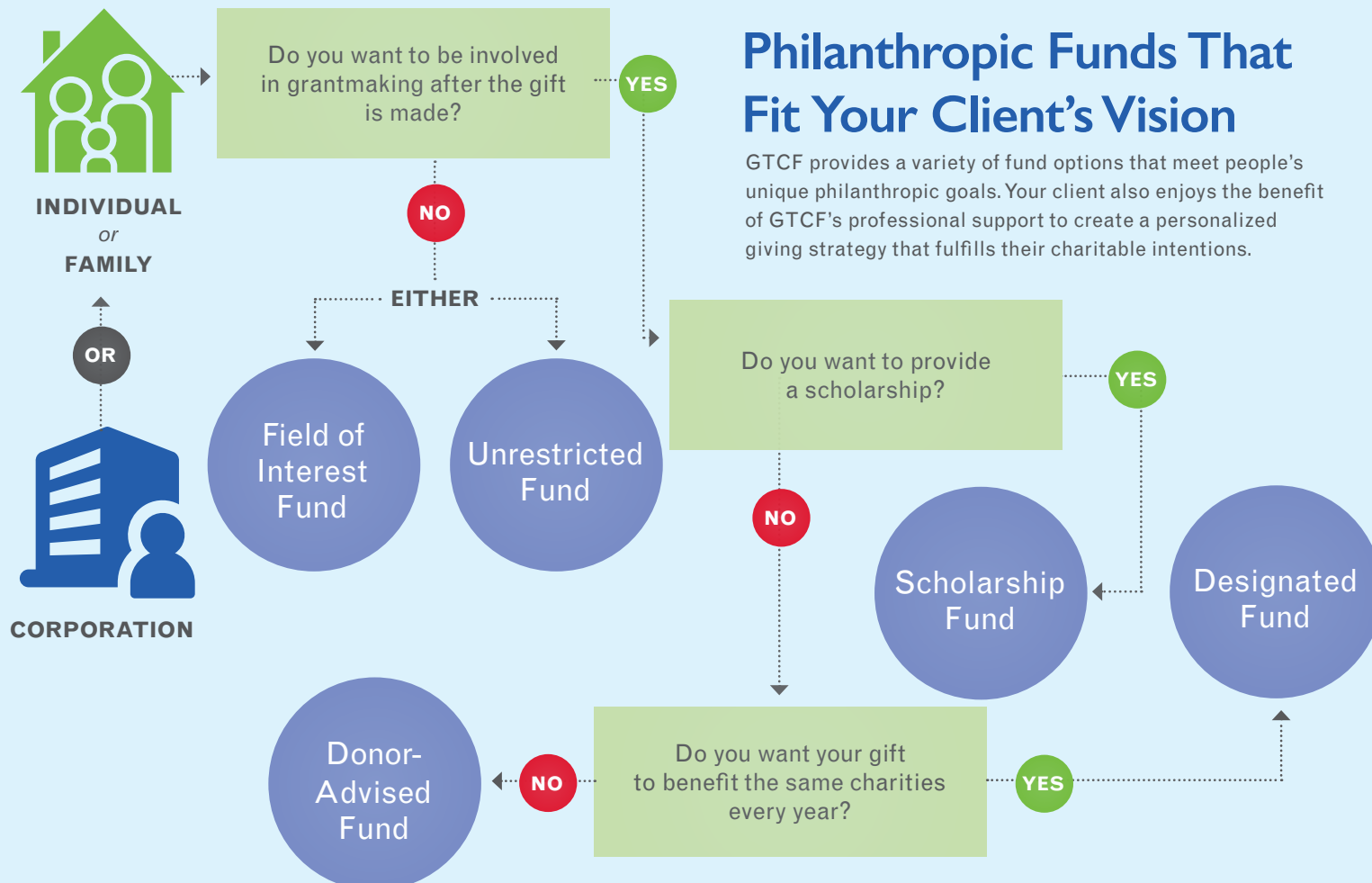
It isn't traditionally seen as a milestone birthday, but age 70½ can be reason to celebrate. That's when Individual Retirement Account (IRA) holders must begin taking minimum withdrawals annually, known as a Required Minimum Distribution (RMD).

The RMD was a “taxable event” for this GTCF fundholder. IRA contributions that were tax-deferred when they were made are treated as ordinary income and subject to taxes as distributions. However, the RMD also offered this fundholder an opportunity to make a tax-efficient philanthropic impact for the community.

Any RMD amount, up to \$100,000, can be designated as a Qualified Charitable Distribution (QCD). The funds go directly to an eligible charity, bypassing the owner of the account, and not counting as income for tax purposes.

Philanthropic Funds That Fit Your Client's Vision

GTCF provides a variety of fund options that meet people's unique philanthropic goals. Your client also enjoys the benefit of GTCF's professional support to create a personalized giving strategy that fulfills their charitable intentions.





Understanding Next Gen Values Helps Retain Next Gen Clients

For professional advisors who want to maintain relationships across generations in families, it's important to understand how to engage the next generation through their values.

Based on interviews with rising philanthropists across the country, Dr. Michael Moody discovered, "as next gen donors step into their philanthropic roles...they want to disrupt the traditional world of charitable giving and want to do so now, not after they retire to a life of philanthropic leisure."

Dr. Michael Moody, co-author of "Generation Impact", shared insights from his research on Gen X and Millennial philanthropists, at the South Sound Philanthropy Summit on September 27, 2019. Hosted by AFP South Sound and South Sound Planned Giving Council, the Summit explored how philanthropy is changing as younger generations bring different styles and perspectives to the work.

The Summit included a panel offering insights from and about Next Generation philanthropists.

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Kim Fisher, Senior VP and Wealth Advisor at Wells Fargo Private Bank, shared her lessons from a program that brought different generations of philanthropic families together. Jordan Beckingham, a 3rd generation member of the Ben B. Cheney Foundation family, talked about carrying on her grandfather's values while learning from more recent philanthropic approaches to supporting community. Eli Taylor, VP and Relationship Manager at Key Private Bank, shared his experiences serving as a board member for local nonprofits and what he looks for when choosing organizations to support. Emily Schell, a member of the 2018-2019 GTCFYouth Philanthropy Board, talked about the importance of including people with lived experience of the issues in efforts to address those issues.

Several important ideas emerged about the way younger generations think and connect:

Desire for Meaningful Experiences

"They're more of the 'lean-in' generation. They want to get their hands dirty. The ways we're seeing that is they'll raise their hand and say let's have a separate NextGen meeting outside of the regular board meeting and we'll tell you what the topics are that we want to talk about. They want to learn and research and figure out how they can engage in more impactful ways."

Being Heard

"Having a seat at the table, but also having a voice at that table is very important for us as Millennials. It has to be dialogue though, it has to be conversational. It can't just be yes/no questions because if it is then we feel you're just checking a box and you're not really into us and what we have to say."

Understanding of the 'Why'

"The why is so important for us. I need to know why you do what you do and why you serve the people you serve because I need to be able to explain my "why" for giving time away from my family and my kids whenever I'm serving."

Learning Opportunities

"I go to conferences, try to be involved in the community and get education from others, and I'm also in a Chartered Advisor in Philanthropy course. So, just pushing myself in getting the education I can, so I can share it back with family members and help figure out how we can change or innovate with what we're doing."

Having Fun

"Making events family-friendly, with a mix of work and play, brought in more participants. They want to have fun together while also getting information. We played a game with faces of celebrities who didn't plan their estates and made it a competition to see who could name the famous person."

Taking A Life-Centered Financial Planning Approach



Beverly Cox, Certified Financial Planner®, Chartered Advisor in Philanthropy®, GTCF Professional Advisor Committee Chair for the community.

"The financial advising industry has evolved a lot during my career, as have my own methods, into more of a life-centered planning approach. Life-centered planning is about so much more than just the money. It's about living the life you want to live with the money you have and investing in the things you care about."

Bev is interested in discovering the story that got her clients where they are. The story they want to live right now and the story they want to leave behind. "It's all about creating an empowering vision around their story."

"Not all of my clients are high net worth individuals. There are many other ways I help others think about their legacy, be it resources to help them write a legacy letter or simply helping them find more time to volunteer with a cause that they care about."

Bev is also thinking about her own legacy and passing on what is important to those who are important to her. "I have started a giving project with my own grandchildren. I have set aside some funds and together we talk about what we

care about and make decisions about how to use that money to support it."

"I want everyone who is doing life and estate planning with a philanthropic focus to know what a great resource GTCF is. I am out here planting seeds, saying to folks who have an interest, 'just go and see what they are doing, and you will be amazed.'"

"The way I see it, Greater Tacoma Community Foundation is the cog at the center of so much good happening in Pierce County." Bev Cox was a part of the first cohort and study group of the Chartered Advisor in Philanthropy education and certification opportunity, facilitated by GTCF. "The relational and learning opportunities that GTCF has provided have helped me connect my work and my heart more fully. They have helped me meet other people with a similar mindset and given us the opportunity to collaborate together as professional advisors in a unique client centered environment."

"It's all about creating an empowering vision around their story."

Bev has partnered up with other professional advisors through GTCF connections to teach a workshop at Tacoma Community College. "My part was about legacy and I tried to get people to really think about what qualities they want to be remembered for."

Greater Tacoma Community Foundation can assist your clients in establishing their legacy in the community. Contact our Philanthropy Team to learn more:

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