

## THE NEW BLACK VIEW

# Charitable Giving in 2021 How to Maximize your Impact

Due to the global health crisis, philanthropists and donors responded throughout 2020 with swift and profound generosity to meet pressing needs in local communities and around the world. We have taken note of profound changes in how people are being charitable due to the pandemic.

Giving back has never been easier, and charitable organizations need the support now more than ever! There are a surprising amount of things various charities need, and there can also be advantages to optimizing your giving and charitable intent. Managing Director Terry Woodard of the J.P. Morgan Private Bank in New York City shared with us on advice for individuals, families and organizations that want to help out – understanding finances are still tough for many – but it's still possible to make an impact.

### Why Donate?

Being able to support a cause that's important to you is the most meaningful reason to donate. Few things in life are as fulfilling as having a direct impact on something that you care about. Whether you're helping support families in need or protecting an essential part of your town, there's no feeling like having a positive impact on a cause you're passionate about. There are also incentives for people to make charitable contributions. Despite recent tax law changes, you can still get deductions for donations - as long as they're made to qualified tax-exempt organizations. Contributing could even help lower your taxable income - speak with a professional if you have any questions about these deductions.

When selecting an organization to invest in here are a few things to consider:

**Understand Impact** - When first deciding on a charity to donate to it's important to understand what impact your funds would have. Are you looking to have more of a national impact, or

would you like to support an on-the ground grassroots initiative. Both have critical roles serving those in need.

Crisis-related needs also evolve over time. Funding immediate needs may include support for the organizations serving the most vulnerable communities such as homeless shelters, children's services and elder support, healthcare systems, food security and education. Partnering in long-term recovery may include job assistance and support, affordable housing or nonprofit sustainability.

**Collaborate** - Many charities or employers offer matching programs during specific times of the year and they're a great way to stretch your dollar further. Check out your favorite online shopping destination for charitable giving programs as well – some organizations will make donations on behalf of every purchase you make

"We've also seen a significant surge in collaborative among organizations giving during the pandemic," Woodard said, "one common goal has brought more donors together at all levels to align and pool resources."

**Food and Clothing** – If you don't have the financial means, supporting an organization with physical items or lightly used donations is a great way to give back. Food banks, homeless shelters, and other local charities are in constant need of food and clothing. Canned and boxed foods are popular and cheap, but regular donations of produce, dairy, and meat are precious to these organizations. Children's apparel, winter weather gear, socks, and footwear are some of the most commonly needed items. Contacting your local charity before making purchases is recommended.

**Sweat equity**- This option is a bit harder currently due to current restrictions and social-distancing measures, but volunteering at a local charity can be rewarding on multiple levels, and many organizations still need help virtually. You may not be able to deduct this type of giving from your taxes, but you *will* be making a direct impact on the causes you care about. You can also look for charities that hold camps and classes for kids - they frequently need adult volunteers. Also have you ever thought about donate blood or plasma? Contact your local blood bank to better understand their needs, and sometimes you get paid to donate.

**Vehicles** – Instead of selling that old vehicle, why not donate it? Many organizations will take your old car or truck and use it to continue their work - whether it's making deliveries, loaning them to families in need, or auctioning them off and using the proceeds to help fund the organization's goals. These donations are often tax-deductible. Check with your financial advisor to help guide you on the best way to achieving tax efficiencies.

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