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Money Matters | Why you should add charitable giving to your financial plan

By DAN WEEKS

Charitable giving is not a topic that usually comes up when talking with your financial advisor, but it should be. Your charitable goals have a big impact in how you address the rest of your financial plan. One might argue that not addressing how you wish to make an impact on your family and community is like planning with one hand tied behind your back.

A question you might ask yourself in order to uncover issues or causes that could be (or already are) near-and-dear to your heart is: "If someone wrote you a check today for a million dollars, but you had to give it away, who would you give it to and why?" You may have an easy time answering this question if you already have causes that you are passionate about and are actively supporting. Or, you may have a difficult time answering because it's something you've not thought about or you've never felt like you had enough to give to actually make a difference. That's ok too.

The neat thing is that regardless of your net worth or income level, you have the capacity to be generous and to make a difference. Generosity is not measured by the size of the gift, but by the heart of the giver. Here are four reasons you should add charitable giving to your financial plan:

- 1) Giving fosters contentment. In a country that quite often believes that the key to life's happiness is accumulating more money and possessions, thinking beyond yourself will free you from the never-ending cycle of mindless accumulation and you will experience contentment. Contentment is not complacency; it is peace of mind in where you are at along life's journey.
- 2) Giving increases happiness. Countless studies have been done which have found links between giving and happiness. The most interesting thing about these studies is that the size of the gift did not materially change the level of happiness experienced. The happiness of an individual was positively impacted by a gift of as little as five dollars. It is often said that it is more blessed to give than to receive; now we have scientific research that supports this statement!
- 3) Giving can decrease your taxes. Although it shouldn't be your sole motivation for making a charitable gift, if you itemize your tax deductions, charitable donations to 501(c)3 organizations are tax deductible. This is one of the extra perks of charitable giving.
- 4) Giving improves personal relationships. Typically, as you develop a passion for a particular cause, you begin financially supporting the cause and naturally want to get involved by volunteering your time as well. Thinking beyond yourself opens you up to connect with others on a deeper level and establish lasting relationships that are meaningful and fulfilling.

What are you passionate about and how can you use your resources (time, talent, and treasure) to make an impact? I guarantee that if you take the time to ponder this question and take action, it will have a positive impact in your life as well as the lives of those who will benefit from your generosity.

The Money Matters column is written by members of the Financial Planning Association of Greater Kansas City. This week: Dan Weeks, a Certified Financial Planner with Syverson & Company, LLC, Overland Park.