

Year-End Planning: Charitable Giving in 2020

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2 min read



Pumpkin pie on the brain? Thanksgiving is a reminder that even in a year like 2020, we have many things to be thankful for. With [Giving Tuesday](#) just around the corner it's a great time to think strategically about your charitable giving. The average American household gave [\\$2,514 to charity](#), while the average high net worth donor gave over \$29,000 in 2017.

If you are part of a generous cohort, be sure to take advantage of your tax benefits to truly maximize your gifting in 2020.

“Stack” your donations every other year. For example, at the end of 2020, make contributions for the current and next year at the same time (2020 & 2021), repeat again in 2022.

- Under the SECURE Act, cash gifts are 100% deductible (up to your Adjusted Gross Income) on itemized returns
- If you sold a business or valuable real estate a charitable contribution could assist with managing additional taxes

Above the line deduction of \$300/\$600 in 2020

- Even if you cannot itemize your return, the SECURE Act allows for a \$300 deduction (\$600 for married filing jointly)
- Must be a cash gift
- Don't forget to save charitable receipts

If you are looking at building a long-term giving strategy, Donor Advised Funds (DAF) are another option and provide immediate tax savings. DAFs are especially attractive if you are looking to give securities or other appreciate assets.

- No capital gains tax on appreciate assets
- No estate tax
- Tax-free growth

As a US taxpayer abroad, think about where your charitable contributions will have the most impact. Speak to your local and US tax advisor to understand how your charitable contribution will be treated.

- Reducing your tax due in your resident country may inadvertently increase your US tax burden
 - Search for IRS approved organizations [HERE](#)
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