



Wealth Matters Newsletter

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Giving Back Responsibly and Intentionally

Charity. It's just a 3-syllable word, but it reaffirms the deeper side of the human heart: its innate desire to sacrifice for love's sake, its selfless acts of improving the lives of others, and its humble expressions of caring and compassion. This is where life ought to begin.

In his first inaugural address, President Abraham Lincoln referred to that intrinsic drive in each of us to connect and to bond with others: "The mystic chords of memory will swell when again touched, as surely they will be, by the better angels of our nature."

For some reason, charity is woven uniquely and deeply into the fabric of the American soul. Per capita giving in the United States exceeds that of any other nation by a nearly 2-1 margin.

Carefully designed financial strategies enable Americans holding those heartfelt passions to integrate their visions of giving and their heart-held values into clearly defined directives. These directives provide givers with the assurance that they are making a difference in their communities and in people's lives.

Developing a plan of action allows you to keep track of your donations and provides you with the confidence in knowing your gifts are going to worthwhile causes.

How Does Planning Your Philanthropy Help Charities?

Charity and nonprofit organizations depend on the generosity of donors. While many organizations devote considerable time and effort to fundraising and marketing campaigns to maintain their budgets, the bulk of their donations comes from the faithful givers who believe in the nonprofit's cause and share its vision.

Charity Navigator, an independent nonprofit that evaluates charity organizations, provides donors with the resources to choose responsible and accountable recipients. Donors can use the site to investigate nonprofits' financial transparency and percentage of actual giving. Strong, loyal commitments from donors to nonprofits allow organizations to align their budgets more closely with their mission statements.

CharityWatch, an independent charity watchdog group, analyzes nonprofits' financial reports to reveal spending trends and budget expenditures in rating organizations. CharityWatch rates organizations as highly efficient if

their administrative, marketing, and other overhead costs fall below 25% of their budgets. While this may not be an indicator of effort or impact, it is a percentage that some donors are interested in.

Strategic Giving Helps Donors and Nonprofits

Developing a donation plan helps nonprofits shift their focus to the principles outlined in their mission statements. Nonprofit leaders who know their revenue streams are flowing strongly and steadily can adjust their efforts on either expanding their organizations to help more people or improving their levels of service.

Dedicated giving plans by a network of donors also help lessen the need for nonprofits to sponsor exhaustive marketing campaigns and hold regular fundraising drives. Donors who only respond to mail or cyber-solicitations reinforce the need for charity groups to conduct expensive marketing campaigns, which explains in part why many organizations spend so much of their money to generate more money.

Planning your giving also lets you determine who exactly should receive your donations. You may choose, for example, to earmark percentages of your donation budget to churches, to shelters, or to certain education foundations.

Here are some questions to help bring focus and clarity to your giving strategy:

- What does your pattern of giving reveal about you?
- What charitable causes ignite your passion or grab your interest?
- Have your giving and your gifts been disciplined and focused in one area?
- What motivates your giving?
- How did you connect with your chosen charities?

Developing a plan for your giving provides you with the assurance that your gifts are going where you feel they'll produce the best impact. Having a plan in place establishes a kind of partnership between you and the charity organization.

Giving also has a secondary and more tangible benefit on your taxes. Listing charitable giving during your tax filing may lower your tax bill.

Philanthropy Accentuates Your Personal Values

A giving plan helps define your core values and fortifies your life mission. Determining how, what, and to whom you want to give involves at least some personal reflection to assess your values and your priorities in life.

Helping people doesn't always have to take the form of a monetary gift. Volunteering your time, offering your expertise, or sharing your wisdom fits into the category of philanthropy. Volunteering gives people the opportunity to invest in their communities on a deeper human level.

The act of sharing our time and talents with others elevates us by enhancing our problem-solving abilities, strengthening our communities, improving other people's circumstances, establishing connections with others, and creating opportunities to transform hurting lives on the deepest levels.

Investing in others could never be easier.

Give Now or Give Later: When's Best?

The timing of your giving is just as important as how much and to whom you give. Here are some questions to consider:

- How often do you want to give?
- Do you want to include a gift as part of your estate?
- How do you want to give?

Consulting a financial professional to analyze your circumstances and review your goals may help alleviate your concerns.

How Can We Help You Reach Your Goals?

As advisors, we want to help you shape your vision into a practical and workable plan. We can help you:

- Explore your values and create a family mission statement
- Develop a system for giving that incorporates your goals
- Understand how planned giving can fit into your existing financial strategies
- Develop your personal legacy and a vision for your family's future

We will help you identify worthy and reputable groups and organizations by equipping you with the ability to analyze and research nonprofit causes. By working with financial professionals, you gain valuable insight into how to give responsibly and guidance in achieving your charity goals.

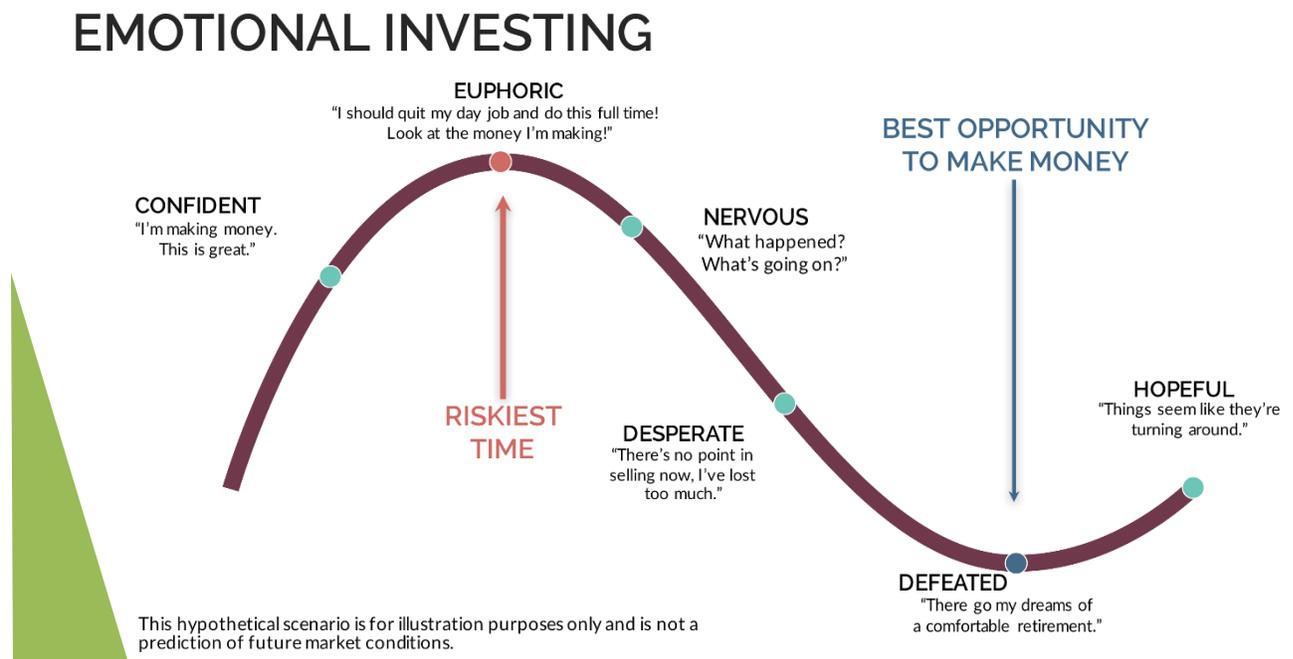
Sources Available Upon Request

Avoiding Emotional Investing

When building a financial strategy, we work hard to create an approach that plans for your longevity and allows you to live a satisfying life. But beyond helping clients prepare for a longer retirement, we are focused on addressing a key goal: Managing emotional reactions.

For many investors, the market's inevitable fluctuations can make investing feel like an emotional roller coaster. However, letting erratic, short-term market movements create anxiety can lead to detrimental financial decisions.

Consider this graphical depiction of the emotional investing rollercoaster:



Many investors allow emotions to affect the way they invest, and instead of staying invested for the long run, they tend to buy high and sell low. Not only do people not want to miss a big increase in the market (thus buying when we're at an all-time high), but one of the biggest mistakes investors make is to panic during rough markets and hit the eject button.

"...be fearful when others are greedy and be greedy only when others are fearful." – Warren Buffet

In 2017, people started investing more in the market not based on fact, but because they saw it was rising and didn't want to miss out. This is how we move from Confident, when markets are stable and rising based on real indicators, into Euphoric, when current investors start feeling too safe with the market and non-investors jump in because things seem great. And whether we experience a large pull back or even just a quick dip in the market, the fear kicks in and sends us down into Desperate and Defeated lows. As your advisor, our goal is to help you gain the long-term perspective you need and avoid making knee-jerk reactions that can derail your financial future.

Unfortunately, making the emotional decision to buy or sell can be very damaging to your long-term performance. We understand how difficult it can be to remove emotion, which is one reason we have an investment committee that meets to determine the best course of action and keep our emotions in line. We also follow a process for investing that help us remove those emotional tendencies and follow the process we have outlined to navigate market movement.

We know it's not easy when times seem tough, but we're here acting as your safety belt and you can hold on tight with us as we experience the downs and ups of the market. Having a well-structured portfolio that contains a variety of investments, pursues individual objectives, and reflects personal risk tolerance is incredibly important for reaching your goals.

AROUND THE OFFICE



Blue Valley Special Needs Resource Fair

John Fales and David Bush had the opportunity to attend the Blue Valley Special Needs Resource Fair, where more than 100 organizations that help families with special needs came together. If you or a family you know could benefit from being connected to the resources in our community or would be interested in invitations to our future events on this topic, please email Cali@SearcyFinancial.com.

Community Involvement

As a member of the Centurions Leadership Program, Marc Shaffer has learned more about the issues impacting our community, engaged with local leaders, and volunteered with several civic organizations. If you are interested in joining this group, applications are due by June 1, 2018. Information sessions are coming up and Marc would be happy to share his experience with anyone who is interested.

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