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We're here for you.

Your community foundation helps you serve your charitable clients.



Updates from **Your Community Foundation Team** for July 2025

A conversation-starting case study, what clients are thinking, and the latest tax updates impacting charitable giving

Hello from the community foundation!

Summer is in full swing! We've heard from many advisors that you're taking advantage of this season's change of pace by planning ahead for the fall, when many clients decide to move forward with updates to their estate and financial plans. With that in mind, we're sharing tips and trends that can help pave the way for those conversations.

-Introducing the topic of charitable giving during client meetings can be challenging because there are so many other issues you need to cover in a short amount of time. Walking a client through a case study can help, especially when that case study illustrates the ways charitable giving and tax savings are intertwined. The community foundation is happy to provide examples to break the ice.

-In your role as a tax, estate planning, or financial advisor, you're always seeking ways to help your clients meet their goals for retirement, provide for family members, transfer wealth to heirs, and support the charities they care about. Knowing what clients may be thinking related to charitable giving can help you address the philanthropic components of a client's estate and financial plan.

-There's a lot going on with tax legislation! As always, the community foundation keeps its finger on the pulse of the latest developments related to philanthropy. We're sharing what's happening now, and we will keep you informed about changes in the law that could impact the charitable planning strategies you recommend to clients.

As always, please consider the community foundation to be your first call whenever the topic of charitable giving arises in your client discussions. We're committed to helping your clients make a difference in the community we all love. Thank you for your partnership!

-Your community foundation

THIS MONTH'S
TRENDING TOPICS



Start with numbers: A case study for charitable clients

by **Staff Name**, Director of Charitable Giving

As an estate planning, tax, or wealth advisor, you play a critical role in helping your clients maximize the impact of charitable giving while also optimizing tax benefits. Unfortunately, a 2023 [survey](#) found that only 19.2% of advisors regularly discuss charitable giving with clients, and another 44.2% do so only occasionally.

The community foundation can help! Our team is here as a sounding board for everything related to charitable giving. So, when the topic arises and your clients are interested in evaluating strategies for supporting the causes they care about, just loop us in.

Of course, this still means you'll be looking for ways to bring up the topic in the first place. One of the easiest ways to do that is to talk with your clients about the [benefits](#) of donating highly-appreciated assets, such as stocks or real estate, to a fund at the community foundation. To help with that conversation, consider discussing the example of Alice, a hypothetical client, who wants to make gifts in 2025 before the tax laws change in 2026.

Alice earns more than \$500,000 per year. She wants to make a \$10,000 gift to the community foundation's nonprofit emergency fund. Alice holds shares of Apple, Inc., which she purchased more than 20 years ago—and the value of the shares has increased significantly. Alice also holds plenty of cash.

Alice is weighing writing a check to the community foundation for \$10,000 or transferring shares of Apple stock with a total value of \$10,000.

Of course, as an advisor, you know that it's more advantageous for Alice to give the stock. But it might help to break it down into real numbers when you talk with Alice:

- Alice's annual income of more than \$500,000 lands her at a Federal marginal tax rate of 37% and a Federal long-term capital gains tax rate of 23.8% (20% plus the 3.8% Net Investment Income Tax).
- Let's assume that Alice itemizes her income tax deductions, and that Alice's cost basis in the \$10,000 worth of Apple shares is \$2000.
- If Alice gives cash to the community foundation and claims a charitable deduction of \$10,000, the resulting Federal tax savings will be \$3,700, bringing the net cost of the donation to \$6300.
- On the other hand, if Alice were to donate \$10,000 of Apple stock to the community foundation instead of giving cash, the tax result would be much better because Alice would avoid an unrealized capital gain of \$8000, equating to \$1904 in capital gains tax avoided.
- The Federal income tax savings of \$3700, plus the \$1904 in capital gains tax avoided, results in a net cost to Alice of \$4396 for the \$10,000 gift.
- The upshot here is that the gift to charity is \$10,000 in either case, but giving cash "costs" Alice \$6300 while giving stock "costs" her just \$4396.

Of course, the benefits of donating highly-appreciated assets to the community foundation are just the beginning. Charitable conversations with your clients lead to many productive discussions about maximizing lifetime giving, legacy planning, involving the next generation, and so much more. Please reach out to our team anytime! We're happy to share more ideas and examples of the many ways your clients can make a difference.



Charitable mindset: What are clients thinking?

by **Staff Name**, Director of Charitable Giving

Don't you wish you could read your clients' minds? Understanding what clients really care about is crucial to constructing any estate or financial plan. When it comes to charitable giving, you can be a step ahead. Plenty of research offers clues about what matters most to your philanthropic clients.

For starters, the numbers show that year after year, people are giving money to U.S. charities—to the tune of \$592.50 billion in 2024 alone according to [Giving USA](#). Indeed, most of your clients are probably philanthropic; more than [85%](#) of affluent households give to charities each year.

Here's what else they may be thinking:

“We want to make the world a better place, starting right at home.”

The importance of a local connection is a common [theme](#) throughout various research studies on the motivations for charitable giving. A widely cited peer-reviewed [study](#) conducted by the University of Chicago Booth School of Business found that people are more likely to donate to local charities than distant ones. The team at the community foundation certainly witnesses this every day as we work with donors to address local needs by supporting charities right here in our community. The community foundation is honored to be a resource for you and your clients to structure charitable gifts that make the biggest difference.

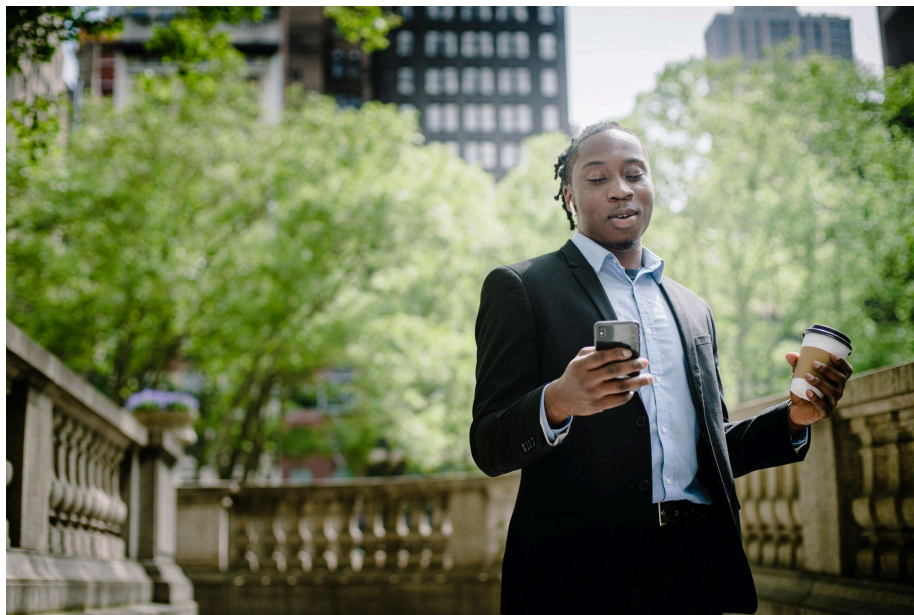
“We really enjoy giving to charities.”

Philanthropy is a [positive](#) experience for the benefactor, not just the beneficiaries. [Research](#) suggests that the benefits are both psychological and physiological. This is in sharp contrast to something clients may view as a mostly negative or [stressful](#) experience—updating financial and estate plans. Estate planning forces clients to confront uncomfortable topics such as their own mortality, potential incapacity, and the possibility of family conflict, not to mention the complexity of the planning process, fear of making the wrong decisions, and anxiety about financial security. By infusing charitable giving into the conversation, you're taking the pressure off the uncomfortable topics and potentially lifting the mood of the entire process.

“We want to be sure we are making a difference.”

Philanthropists, by definition, seek to create positive social [change](#) and are often eager to address complex issues. Indeed, at this moment in time, [commentary](#) has suggested that philanthropy may be re-examining its role amid global "polycrises" by considering not just the material resources it provides but also its potential to lead within organizations, across the sector, and in society at large. The community foundation is uniquely positioned to help your clients expand their philanthropic portfolios to include not only ongoing financial support for charities, but also advocacy and structuring unrestricted endowments or other long-term vehicles to support sustained positive change.

As always, the community foundation team stays closely connected with the full range of nonprofits in our region, and that expertise is invaluable to help your clients achieve the impact they're seeking to address critical community needs. Please reach out anytime!



Tax legislation: What's the latest?

by **Staff Name**, Director of Charitable Giving

The [One Big Beautiful Bill Act](#) was signed into law by President Trump on July 4, 2025, after the House of Representatives approved the Senate's changes to [H.R. 1](#), which passed the House by a narrow margin in May.

The OBBBA, with nearly 900 pages of provisions, [reshapes](#) policy across major sectors of the U.S. economy. Included in the OBBBA are several provisions that impact philanthropy. Three major takeaways are of particular importance as the community foundation helps donors, fund holders, and nonprofits—as well as attorneys, CPAs, and financial advisors—navigate charitable planning opportunities over the months and years ahead.

(Notably, the OBBBA omits several [provisions](#) that appeared in previous versions of the legislation, such as a proposed increase to the net investment income tax on private foundations.)

Insight #1: Standard deduction goes higher

What's in the OBBBA?

The new law makes permanent the standard deduction increases under the Tax Cuts and Jobs Act of 2017 (TCJA), increasing the standard deduction for 2025 to \$15,750 for single filers and \$31,500 to taxpayers who are married and filing jointly. The new law also expands the “[bonus](#)” deduction for taxpayers 65 and older through 2028.

What's more, under the new law, individuals who itemize may take charitable deductions only to the extent the charitable deductions exceed 0.5% of adjusted gross income. Furthermore, taxpayers in the top bracket can only claim a [35 percent](#) tax deduction for charitable gifts instead of the full 37 percent that would otherwise apply to their income tax rate. Note also that the final bill extended the 60% of adjusted gross income contribution limitation for cash gifts made to certain qualifying charities.

What does this mean for charitable giving?

With even fewer taxpayers eligible to itemize, and deductions capped for high-income earners, we're likely to see a continuation of the [chilling effect](#) on charitable giving that occurred in the wake of the TCJA.

What can you do?

If you regularly support charities, it's important to continue to do so whether or not you're benefiting from a tax deduction. Our community needs you, now more than ever. If you're a nonprofit, or if you're an attorney, CPA, or financial advisor who works with charitable clients, remember that people do not give to charity solely to secure a tax deduction. Keep in mind that many other factors motivate charitable giving, and philanthropy is an important priority for many families. (This [article](#) in the *Stanford Social Innovation Review* has stood the test of time.)

Insight #2: Deduction for non-itemizers

What's in the OBBA?

The new law includes a provision, effective after 2025, allowing non-itemizers to take a charitable deduction of \$1,000 for single filers and \$2,000 for taxpayers who are married and filing jointly. As has been the case in the past, gifts to donor-advised funds are not eligible. Unlike a previous (but smaller) similar provision, though, this law is not set to sunset.

What does this mean for charitable giving?

After the TCJA went into effect, households that itemize deductions dropped to under 10%. Parallel to this trend, the number of U.S. adults who give to charity in any given year has dropped over the last 20 years from nearly two-thirds to less than half, according to some [studies](#). Against this backdrop, the OBBA's deduction for non-itemizers has the potential to re-motivate charitable giving among a significant number of households.

What can you do?

For everyone, now is the time to take a serious look at your charitable giving plans to support the causes you care about over the years ahead, especially if you are early in your career and not yet itemizing deductions. If you've already established a fund or you're working with the community foundation in another way, please reach out to learn how we can help you make the most of the new tax laws, and even get your children and

grandchildren involved. If you're a nonprofit, now is the time to attract and engage brand new donors. And if you're an attorney, CPA, or financial advisor, make sure you talk about charitable giving with your clients who don't itemize; a \$1000 or \$2000 deduction could be just the motivation they need to begin a journey of philanthropy.

Insight#3: No sunseting estate tax exemption

What's in the OBBA?

For affluent taxpayers updating financial and estate plans, and for the attorneys, CPAs, and wealth managers advising them, the last couple of years have been a roller coaster because of the looming possibility that the TCJA's increase to the estate tax exemption would sunset at the end of 2025. Finally, there is clarity: Under the OBBA, the sunset will not happen. The [new law](#) makes permanent the increase in the unified credit and generation-skipping transfer tax exemption threshold. The 2025 exemption is \$13.99 million for single filers and \$27.98 million married filing jointly. In 2026, these numbers increase to \$15 million and \$30 million respectively.

What does this mean for charitable giving?

Purely estate tax-based incentives to give to charity continue to apply only to the ultra-wealthy, likely resulting in a continuation of the taxpayer behavior triggered by the TCJA. In other words, most people will give to charity during their lifetimes and in their estates for reasons *other* than a tax deduction.

What can you do?

There is no guarantee that the estate tax exemption will stay high forever. As families work with their tax and estate planning advisors, many are viewing the next two years as an important [window](#) to plan ahead. The upshot of the new law is that high net-worth taxpayers now have more time to thoughtfully consider estate planning strategies, including charitable giving. For nonprofit organizations, this means continuing to focus on long-term planned giving strategies is wise.

The team at the community foundation is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.

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