6 ways to close out 2020 with smarter giving decisions



2020 has been a year unlike any other, with a global pandemic upending the lives of people around the world. Charitable donors have responded generously to their neighbors and communities most affected by the crisis, but as we approach the holidays—the time of year that for many is synonymous with giving—it's also a good time to consider the tax-related implications of giving decisions. You may have additional opportunities to help reduce your taxes in 2020—which can help you maximize your support for your favorite nonprofits during this time of need.

Check out these tips to make smarter giving decisions before 2020 comes to a close.

Check in with the experts

Even if you don't usually discuss your charitable giving with a financial advisor or CPA, it's a good idea to check in at year-end to ensure you're making the most strategic and efficient charitable decisions for your specific situation.

Take advantage of unique 2020 opportunities

In March, the President signed into law the CARES Act to combat the economic impacts of the COVID-19 crisis. The law includes increased tax incentives for charitable giving, including a \$300 "above-the-line" deduction for cash donations to qualifying charities.*

Make sure you take advantage of the Act's one-time-only opportunities to save.

Try "bunching" charitable donations

If it doesn't make sense to itemize your tax deductions or if you are having a high-income year—consider the tax-smart "bunching" strategy, where you make multiple years' worth of charitable gifts in a single year to increase giving and tax savings.

Consult a <u>tax savings calculator</u> to see how this strategy could work for you.

Think beyond cash

Despite a volatile year in the stock market, many investors are left with significant appreciation on non-cash assets they have held for a long time. Donating assets other than cash to charity—like securities in your brokerage account, company stock options or cryptocurrency—can help you minimize your capital gains tax and leave you with more to give to charity. Keep in mind that complex assets could take additional time to process, and donations must be received by December 31 to be eligible for a tax deduction this year.

Don't hesitate

A donation must be made by December 31 to be eligible for a 2020 income tax deduction. A donor-advised fund—a kind of dedicated charitable investment account—can help you avoid the scramble and simplify the end-of-year giving process. You can make a single donation of cash, stock or many other assets to be eligible for an immediate tax deduction. The funds can then be used to support charities over time—and invested for the potential of tax-free growth while you decide.

Look for a match

Charitable matching programs at your workplace or campaigns sponsored by your favorite charities won't help you with a tax deduction, but they can help you maximize your impact on the issues you care about.

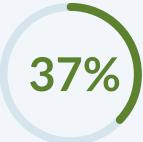
Helping hands in a time of need

COVID-19 crisis drove generous responsive giving in 2020



46%

of Fidelity Charitable donors to charity than normal in



in response to the

COVID-19 crisis.

of donors said they have supported new charities



of donors who have supported new charities also plan to give to the organizations they **regularly support** this year.

Want more on how donors are responding to COVID-19?

Read the report

Source: Fidelity Charitable, "A Year Unlike Any Other: How Donors Plan to Approach Giving at 2020's Year-End," 2020

Need more?

Visit Fidelity Charitable online for more tips to help supercharge your impact through charitable giving

FIDELITY Charitable[™] Make more of a difference

*The CARES Act \$300 above-the-line deduction does not apply to cash donations made to public charities that sponsor donor-advised funds.

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