

Record-Breaking U.S. Charitable Giving in 2017 Tops \$400 Billion

By Sarah Ruef-Lindquist



Sarah Ruef-
Lindquist,
JD, CTFA

According to Giving USA 2018, for the first time in history annual US charitable giving exceeded \$400 billion, with \$410.02 billion in charitable gifts in 2017. The report is available at www.givingusa.org.

Their report, published annually by Giving USA Foundation, The Giving Institute and the Indiana University Lilly Family School of Philanthropy, released June 12, 2018, heralded the unprecedented amount of charitable giving that represents an increase of almost \$20 billion over 2016, which saw total giving of \$390.05 billion.

Some of the factors cited in the report for the robust nature of philanthropy reflected in the 2017 data include:

- Solid commitment to philanthropy;
- People having more resources available, choosing to use them to make a difference; and
- 2017 increases in the stock market, including 20% growth in the S&P 500.

Included in the report was mention of two gifts of at least \$1 billion in 2017, quoting the dean of the Lilly Family School of

Philanthropy, Amir Pasic, Ph.D., as saying “This tells us that some of our most fortunate citizens are using their wealth to make some significant contributions to the common good.”

Included in those figures were gifts by bequest of \$35.7 billion, an increase of 2.3% over 2016.

As usual, gifts from living individuals made up the largest donor sector, representing 70% of the total. Foundations gave 16%, bequests 9% and corporations 5%. Giving to religion was the largest recipient area, at 31%, education next at 14%, followed by human services at 12%.

There is some speculation that with tax reform at year-end providing less of an incentive for itemization of deductions on tax returns starting in 2018, some may have accelerated giving into 2017, to take advantage of income tax treatment available. Likely we will have no way of seeing whether there has been any negative impact in 2018 of 2017 tax reform until a year from now when the 2018 figures are released.

Rate Hikes Sought by Maine's ACA Insurers

Maine's two leading providers of Affordable Care Act-compliant individual health insurance are requesting average rate increases of just over 9 percent in 2019, and smaller increases if a state-run reinsurance program is revived.

Maine media has covered this news, including this story from the Portland Press Herald. [Click here.](#)

Planning Giving Seminar for Area Non-Profits



Abraham
Dugal

Allen Financial of Camden advisors and wealth managers Sarah Ruef-Lindquist, JD, CTFA, and Abraham Dugal were the featured speakers at an event attended by a number of Maine non-profit organizations, held at and hosted by the Island Institute in Rockland.

Dugal and Ruef-Lindquist presented the program “The Ultimate Equation: Donor Passion + Thoughtful Planning = Planned Gifts Is your organization prepared?” Learn how to build strong policy foundations to support planned gifts and endowments.

Among those organizations participating were the Schoodic Institute, Farnsworth Art Museum, Midcoast Recreation Center, Mildred Stevens Williams Memorial Library, Harbor House, Island Institute and Georges River Land Trust.



Sarah Ruef-
Lindquist,
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Dugal and Ruef-Lindquist spoke about the policy foundations and recognition practices they view as necessary to have fiscally-sound and successful planned giving programs and endowment

funds.

Dugal's background at Fidelity Charitable Gift Fund and Cambridge Associates in Boston position him as a seasoned advisor in the area of endowment management. He reviewed the detailed aspects of sound fiscal policies that boards include in order to fulfill their fiduciary duties related to both investment and spending.

Given the unprecedented intergenerational transfer of wealth taking place in the United States, and the projections for gifts to non-profit organizations during the next 30 to 40 years in the trillions of dollars, organizations would be well-served to pay greater attention to this area of resource development to build their long-term financial sustainability, Ruef-Lindquist said.

Anna Moorman Recognized for Medicare Sales Production



Anna
Moorman

Anna Moorman of Allen Insurance and Financial has been recognized as a top Medicare producer in Maine. Moorman is one of two agents at the company who specialize in the complex market of Medicare insurance, working with a number of insurance carriers to give customers a range of choices to suit their needs.

Moorman and her colleague Jo-Ann Neal are based in the company's Chestnut Street offices in Camden.

"Medicare is very complex and both Anna and Jo-Ann enjoy helping clients navigate the Medicare maze by simplifying the process," said Michael Pierce, company president. "At Allen Insurance and Financial, our goal is to provide dedicated, one-on-one attention to our Medicare customers, assessing each person's needs and finding options that will align with their budget and healthcare goals."

At a recent luncheon in Bangor, Anthem recognized Moorman for her work in the Medicare market, where she received an award for being the second highest performing broker for Anthem Medicare Supplement sales in 2017 for the State of Maine. She also received a second award for overall production of Anthem Medicare policies written in 2017, coming in fourth in a field of more than 200 brokers.

Sarah Ruef-Lindquist Featured Speaker at May meeting of the MDI Nonprofit Alliance



Sarah Ruef-
Lindquist,
JD, CTFA

Sarah Ruef-Lindquist, JD, CTFA of Allen Financial was the featured speaker at the May meeting of the MDI Nonprofit

Alliance (MDINA) held recently at the Acadia National Park Headquarters offices.

MDINA is a collaborative group of nonprofits in the Mount Desert Island area who share event planning, development and other resources, including educational programming, to support their respective missions. Some of the participant groups who were represented at the meeting include the Criterion Theatre, Camp Beechcliff, Jackson Laboratories, Jesup Library, Schoodic Institute, MDI Nursing Association, Island Connections, YWCA, Bar Harbor Food Pantry, Southwest Harbor Library, Friends of Acadia, Wendell Gilley Musuem, Healthy Acadia and Island Housing Trust and host, Acadia National Park.

Ruef-Lindquist spoke about the policy foundations and recognition practices she views as necessary to have fiscally-sound and successful planned giving programs. Her background as an attorney, financial and philanthropic advisor, trust officer and board member contribute to her unique perspective as an advisor and fiduciary and how they approach potential gifts through clients' estate and financial planning. She was invited to present as a long-time member of the board of the Maine Planned Giving Council, an association of non-profit board and staff as well as professional advisors involved in the industry of gift planning.

Given the unprecedented intergenerational transfer of wealth taking place in the United States, and the projections for gifts to non-profit organizations during the next 30 to 40 years in the trillions of dollars, organizations would be well-served to pay greater attention to this area of resource development to build their long-term financial sustainability, Ruef-Lindquist said. She is no stranger to Hancock County, having worked as a Senior Administrative Trust officer for Union Trust until a merger in 2008 with Camden National, and as a past board member and development chair for the Abbe Museum.

Welcoming Charles Luce



Charles
Luce

Charles Luce has joined Allen Insurance and Financial as a Group Benefits Account Manager in the company's Benefits Division.

Luce, who has his State of Maine Life, Accident & Health Producer's license, will work with clients on a variety of insurance products, including group health, life, dental and disability insurance.

Luce is based at the company's offices at 31 Chestnut Street in Camden. He joined the company in March 2018.

Luce is a graduate of Dartmouth College, in Hanover, N.H. He brings decades of experience in the financial services industry, including Fidelity Investments, Nationwide Insurance, and more than over nine years with Unum, as well as valuable group benefits agency and brokerage experience.

He and his wife and twin 16-year old daughters live in Camden.

2017 Tax Reform and the Impact

on Alimony Decreed After 2018: Divorce is Hard Enough...Don't be Blind-Sided by This One!



Sarah Ruef-
Lindquist,
JD, CTFA

By Sarah Ruef-Lindquist

For as many years as I can recall, when a party to a divorce was ordered to pay alimony, their “consolation prize” was that the amount was deductible for federal income tax purposes. This was usually tax efficient for the parties overall, since the payor of the alimony was usually in a higher tax bracket than the recipient, so the net that the recipient received was higher than it would be if the payor had to pay the tax. The recipient of the alimony had to treat it as taxable income on their federal return. It was actually considered earned income.

With the December 2017 Tax Reform signed into law, all of that will change.

For divorces after 2018, the payor of alimony will no longer be able to deduct the amount from their income. Additionally, the payee, or recipient of the alimony, will no longer be taxed on it as income. What is ironic about this is that for years, the tax benefit was given to the higher earner, the one who was paying the alimony. That made sense. Essentially, one could view this change as a tax increase, because the tax liability of the payor in most divorce situations is likely greater than that of the payee, or recipient. This could be viewed as a tax increase overall for those who divorce after 2018.

For those whose 2018 and earlier divorce decrees are modified after the end of 2018, the modification must choose which tax treatment they want, or it will default to the old. Parties negotiating their alimony going forward should be mindful of this new treatment. In proceedings for which there is no decree before the end of 2018, payee spouses can reasonably anticipate that payor spouses will try to have their alimony obligation reduced to reflect the loss of the deduction, but at the same time, the payee spouse does not need to take into account a federal tax obligation for the alimony as income. It is unclear how Maine plans to treat alimony for payees.

What is clear is that recipients of alimony can no longer treat it as earned income for the purposes of establishing eligibility for making contributions to an IRA. In other words, if you receive alimony under a decree dated after 2018, you can't claim it as earned income to allow you to make IRA contributions to help you save for retirement. One may make contributions to an IRA (up to \$5,500 per year, or \$6,500 if you are 50 or older) but only to the extent of earned income.

As with any financial decisions, be sure to check with your financial or legal advisor about the impact on your tax liability of any decree relating to your domestic relations situation.

Meet Our Medicare Team at the MidCoast Senior Expo

Join Jo-Ann Neal and Anna Moorman at the MidCoast Senior Expo, Friday, May 18 from 9 a.m. to 2 p.m. at the Elk's Lodge, 210

Rankin Street in Rockland.

Jo-Ann and Anna will be ready to answer questions about Medicare. The event is expected to draw 32 exhibitors and is sponsored by Maine Senior Guide.

Wendy Byrd, Group Benefits Account Manager, Obtains Life & Health License



Wendy Byrd

Wendy Byrd, group benefits account manager at Allen Insurance and Financial, has obtained her State of Maine Life and Health insurance license so that she can help clients with a variety of insurance products, including health, life, dental and disability insurance.

Byrd joined Allen Insurance and Financial in July 2017 and is based in the company's Benefits Division, located at 31 Chestnut Street in Camden. She assists clients with insured benefits questions.

Byrd is a graduate of Lewiston High School and the University of Maine, and is certified as a benefits account manager by the National Association of Health Insurance Underwriter (NAHU).

The NAHU Benefits Account Manager Certification provides account manager professionals with an understanding of the complex and critical role an account manager plays in the health and benefits arena.

Your Financial Well Being

By Sarah Ruef-Lindquist, JD, CTFA

Do you have financial well-being? Many of us see our doctor and dentist at least annually to be sure we know our physical well-being and have a chance to do what we can, on our own or with the help of medicine, to maintain our physical well-being.

But what about our financial well-being? Is there a test, or a standard, against which we can measure this? How do we know whether we have financial well-being?

According to the Consumer Financial Protection Bureau, “(financial) well-being is defined as having financial security and financial freedom of choice, in the present and in the future.” This includes control over day-to-day finances, the capacity to absorb a financial shock, the financial freedom to make choices that allow one to enjoy life, with a clear path to meeting financial goals.

www.consumerfinance.gov/reports/financial-well-being. Each person’s perspective on enjoying life is different, so there’s no “one size fits all” approach.

The CFPB article discusses how social and economic factors can increase or diminish a person’s opportunities, while financial behavior can be guided by personality, attitudes, knowledge and skills. Decisions a person makes every day about the options available to them drive and often determine their financial well-being.

Living within our means is a key behavior for financial well-being. Sometimes that requires tough decisions which can, in the long run, increase your chances at financial security. Making poor decisions can have the opposite – and disastrous – effect.

As financial advisors, we often review with clients just what

their cash flow is, and what they might do to improve it. Often this is to optimize their retirement savings over time for the future or encourage their living in a way that will optimize – for as long as necessary – the retirement savings on which they are already relying.

Making a realistic plan with desirable goals is also critical. If the plan is not realistic, it's a recipe for failure. So is a plan with an end result that is not a compelling goal. It simply won't motivate the good decision-making required to stick with the plan.

To find out about your financial well-being, see a financial advisor, and then get an annual "check-up." Having a professional help you analyze and provide input on your situation, while developing a realistic plan for your goals and then reviewing it annually can make the difference between financial security and insecurity both now and in the future.