

# FINANCIAL INSIGHTS BLOG

BUDGETING | SAVING & INVESTING | THE ECONOMY

## Giving Matters.

Making a plan for giving back to the community.

There is power in giving back to our communities. It provides an opportunity to have impact in the lives of others and in causes we cherish most. With Covid-19 lockdowns still fresh on our minds, we find ourselves thinking, “How can I make a difference?” It is never too early – or too late – to plan for giving.

According to the Journal of Happiness 2021 study, giving back also makes us feel good. Studies have revealed that whether giving of your money or time, it can decrease stress, lower blood pressure and lead to a longer life.

If you are a parent, guardian, or mentor, your giving also teaches the next generation about empathy and the differences and circumstances of others in the world around them. Even if you are not in a financial position to give, you can begin planning and understanding how you want to give. Here are some steps to creating a charitable plan today, or in the future.

### 1. Define a cause that you find important.

Intelligent giving starts with thinking ahead. Start by asking yourself what impact you would like to make with your giving and whether any special criteria may apply. Also consider that your personal saving, investing, and budgeting can help achieve the best returns on your resources.

Think over which causes and concerns you donated to or volunteered with over the past year(s). Which ones made you feel great, and which ones hurt? Before anything else, understand why you are giving. Speak with family or think over what values or experiences drives your giving. Choose a cause you feel passionate about, as you will be more likely to stick to your commitment if you believe in the cause.

Staying organized never hurts. Track your giving and each year review how your regular giving and volunteering may change.

### 2. Plan your strategy. How will you give?

Once you decide an overall budget, allocate your financial giving. A good rule of thumb is the 80-20 rule, giving 80% of what you have budgeted to regular giving and reserve 20% for reactive giving, being in a position to commit to giving when approached for a cause.

Not all giving must come from your wallet. If you cannot find an amount that works best for your financial situation, remember, giving of your time, energy and skills can be just as valuable. Seek out those opportunities in your community. The goal may simply be, to just start.



### 3. Revisit your giving strategy regularly.

Ultimately, giving is about doing good in the world. But it's also important to feel good about the impact you're having.

As your life changes, your ability to give will naturally evolve as well. Once you have made your plan, review your giving at least once a year and check to see if your values, causes or passions have changed.

Giving can also be a part of your estate or retirement plan, allowing you to leave a legacy or gift for others to carry on good work. Whatever you decide, and because you have made a financial plan, you can know that you're giving intentionally to maximize your impact.

### CFAL is here to help.

If you need additional help, feel free to reach out to us for a Financial Planning Session. Our Certified Financial Planners are here to assist you with your budgeting, saving and investing needs.

T: (242) 502-7010 | E: [info@cfal.com](mailto:info@cfal.com) | W: [www.cfal.com](http://www.cfal.com)

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