

FINANCIAL INSIGHTS BLOG

BUDGETING | SAVING & INVESTING | THE ECONOMY

Joyful Giving Without the Financial Setback

We have entered the season of giving, a time when generosity and gratitude take center stage. While it's important to stay focused on maintaining your personal financial goals, it is equally important to consider how giving back can fit within your overall financial plan. Some of the world's most successful individuals and families have long recognized that philanthropy is not only the moral thing to do but is also strategic, in that it provides a way to align wealth building with purpose.

In fact, research has shown that the emotional and psychological benefits of giving often outweigh the stress caused by the hustle and bustle of the holidays. Acts of generosity can improve overall well-being while also fostering stronger communities. Still, it's easy to get caught up and lose sight of your financial boundaries. The key is to approach giving with the same level of discipline that guides that rest of your financial life.

Set a Budget for Giving

Just as you would with every other expense, it's best to set a manageable budget for charitable giving during the holidays. Allocate a specific portion of your income, even a modest amount, for giving toward charitable causes or individuals in need. You may even consider going without personal entertainment or treats for a period to leave breathing room to help others.

If, for example, you set aside \$200 per month for eating out or going to social event, consider



using those funds to help someone in need or an organization that aligns with your beliefs.

Focus on Impact

Giving does not have to always be a grand. Sometimes the smallest gesture makes the biggest difference. This could look like supporting a small business, covering the cost of coffee for the person in line behind you at the coffee shop, giving a care package to a struggling family in your church or community, or even volunteering your time to spend the day with an elderly person who may find themselves alone during the holidays. While large donations usually get the spotlight, smaller acts of service can have an even more far-reaching impact than you may imagine.

Incorporate Giving into Your Long-Term Financial Plan

Philanthropy should not be seen as separate from financial planning, however if you are just starting your journey, it can be the last thing on your mind. That's why it's important to integrate giving into your long-term wealth building strategy. Just as you may set a savings goal, like



saving to purchase real estate or take a long-awaited vacation, set a charity goal. This could look like putting aside the change you receive from everyday purchases so that they add up over time to give to a charity; or you set aside five to ten percent of your discretionary spending each month to save toward giving back.

Giving Wisely This Holiday Season

As you navigate the holidays, put thought into what matters most to you not just financially. Make a point to plan how you want to give this holiday season and stick to that plan. Remember, it's okay to say no when requests come your way that fall outside of your plan. However, it's always a good idea to have contingency funds to help loved ones who may have unexpected needs.

At CFAL, we encourage individuals and families to view charitable giving and philanthropy as a regular component of sound financial management. We believe true wealth is not only measured by what we accumulate, but also by what we share.

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 | W: www.cfal.com

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