

Nagel on Finances: Vaccines are on the way! Use money wisely

BY ROGER NAGEL
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RIO RANCHO, N.M. — By the time this article is published, the distribution of the Pfizer vaccine will be underway, administered according to a priority plan, state by state.

The head of the United Nations recently reported that we can all begin to look forward to a post-pandemic world. What a relief!

This is encouraging. Everyone has been directly affected by COVID-19, some much more than others. I can't help but dream about life without masks, free to roam about (beyond the cabin), even a trip outside the state without a punitive quarantine.

No more sarcastic attitudes about political policy and leadership. Indeed, quite a relief.

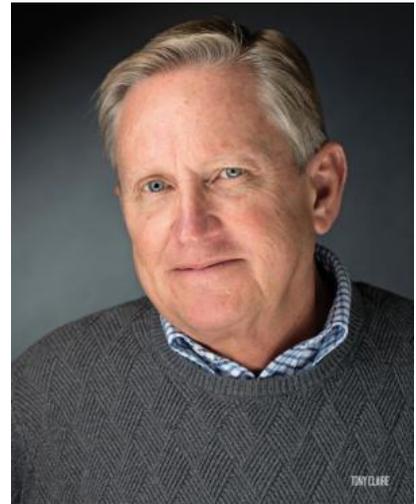
The peak of the holiday season is upon us. Now is a good time to dream about the present, not just presents.

At this time last year, I wrote about “bunching” charitable donations for two years into one to exceed the standard deduction.

This can be done retroactively or prospectively; in other words, if you gifted little last year, increase what you didn't give then with an extra amount this year to maximize deductions. Or, donate this year's and next year's gifts before 2020 ends.

I also wrote about the benefits of donor-advised funds. A quick Google search will help you find a qualified provider.

That investment you made in April has now appreciated by 25-30 percent. Donate it to your DAF and deduct the entire fair market value, with no capital gains tax.



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Once the shares are in the giving fund, you have no more deadlines to decide how to best support your favorite charity. You can do that all year long as the needs arise.

Last January, I wrote about “planned gifts” of business interests or real estate. I hope you had an opportunity to take advantage of these avenues of generosity.

They provide great tax-saving opportunities, and it’s not too late to act for 2020.

You can find those articles at nagelcpa.us. They still apply and are great tips for reducing income taxes.

We have many other opportunities to express our gratitude through generosity, most of which are often overlooked. This might be one of the best times in recent history to take a little risk, spend a little money and help someone whose job has been lost or curtailed due to the pandemic.

- Consider this: Do you have odd jobs around the house that could get completed sooner with hired help?
- Does your business have a new opportunity to pursue if you had an extra employee? Have you thought about a new line of service or products but not acted simply because your existing employees have no capacity for any extra work?
- Can you create synergy by partnering with other business owners and create a few new jobs? Would you consider a joint venture for a similar purpose?

This has been a difficult year. End it well by solving a problem with a new, creative approach. Spend a little of that extra money that got you by to help someone else.

Stay home, reflect and enjoy the holidays safely.

(Roger Nagel, CPA/PFS, CMA, CGMA, is the managing director of Nagel CPAs, LLC – Accountants and Advisors, serving the middle Rio Grande Valley and beyond. Learn more at nagelcpa.us.)