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SUMMER 2011

SEIZE THE SUMMER

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AMBASSADOR ADVISORS

The Ambassador

SUMMER 2011

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Summ

TAX

Curt Stoltzfus
VP Financial Strategies

When the April 15 filing deadline is not imminent, it's easy to turn your attention to other matters, especially as 2011 is shaping up as a year of few tax surprises. Yet, it's still wise to keep an eye on tax planning during these "slow" months. Here are some midyear pointers to consider:

Use it wisely. Earlier this year, you probably noticed a modest bump in your paycheck, thanks to a tax law change approved last December.

The change cut payroll tax rates. Workers who normally pay 6.2 percent to support Social Security are paying 4.2 percent on wages up to $106,800. This change applies for 2011 only, so consider using the extra cash wisely to invest for the future.

Review 2010. Now's a good time to evaluate your most recent tax return and make needed changes. For example, while most Americans like getting big tax refunds, they're really not in one's best interest.

Instead, consider increasing your paycheck withholding to stop giving Uncle Sam an interest-free loan. Conversely, if you had a big tax liability, search for more deductions to use in the coming year—or at least figure out how you're going to pay the bill.

Play it forward. Several key tax rates remain unchanged for individuals in 2011 and 2012. Federal tax brackets stay at 10 percent, 15 percent, 25 percent, 28 percent, 33 percent and 35 percent. Also, long-term capital gains and dividends will receive the same treatment they did last year. Taxpayers face a top rate of 15 percent on both types of receipts, with a zero percent rate for people in the two lowest brackets. Stable rates make it easier to plan.

Check investment gains and losses. Summer is not too early to sort through portfolio gains or losses. The basic rule is that you can offset capital gains with capital losses. To the extent you have excess losses, you can use them to shelter up to $3,000 in ordinary income per year.

nertime REVIEW

You have until the end of December to lock in gains or losses affecting your 2011 tax picture, but it might pay to make some moves now, especially if your outlook is shifting. "With volatility in the stock market rising, it's time to look at losses," said Lynn Clark, a certified public accountant and personal financial specialist at United Planners Financial Services in Phoenix.

Pay attention to IRA-withdrawal rules. Congress extended a provision that enables charitably-minded people 70 1/2 and up to pull money from an Individual Retirement Account and donate it to a favorite nonprofit. Donors don't need to include their withdrawals as taxable income, and these transfers satisfy minimum distribution requirements governing IRAs. IRA owners who make use of this tactic don't receive a charitable tax deduction for their donations, but a lot of seniors wouldn't get one anyway because they don't itemize.

So, if you give to a charity on a regular basis, it might make sense to give from your IRA, directly, instead of paying taxes on the RMD.

Consider other tax extensions. Congress also continued several other provisions that were set to expire. These include the option of deducting state and local sales taxes on federal returns rather than state and local income taxes. The sales-tax option has been popular in states that lack an income tax, but it also could make sense in states like Arizona, where the state income-tax bite is relatively low and sales taxes fairly high. Keep this in mind if you buy a car or other big-ticket item on which sales taxes apply.

It's wise to keep an eye on tax planning, even during the slow months.

Review Roth-conversion moves. Last year, some investors switched or converted regular IRAs into Roth IRAs. If you made the switch, but later watched your account drop in value, you may want to cancel the transaction by moving your Roth proceeds back to a traditional IRA. You may undo a Roth conversion until the extended due date for that year's return. This gives you until October 17, 2011, to cancel a conversion that you made in 2010.

Here's why you should consider canceling: because you must pay taxes on the amount you switch from a traditional IRA into a Roth, so your bill would be lower if your account declined in the meantime. You could then switch back into a Roth later and pay taxes on a lower account value. But there's a caveat: If you do cancel and later convert again to a Roth, you'll have to pay the tax bill all in one year. Under a special rule that has expired, investors who converted in 2010 could spread the tax bite over two years.

All this involves a lot of juggling. But it might be worthwhile since Roth IRAs offer a nice feature—no taxes apply on future withdrawals. For more information, please contact Ambassador Advisors at 717-560-8300.

Summer Storms Are Nice, Family Storms Are Not

GUEST COLUMNIST
Dr. Rowland W. Shank, Jr., Ph.D.
Licensed Psychologist
Behavioral Healthcare Consultants

Some people enjoy summer thunderstorms about as much as they enjoy summer's sunny days, and I am one of them. There's just something about the crack of lightning, the rumble of thunder, the wind, and the water that I enjoy watching and listening to. There is another type of storm, however, that I do not like at all: the storms that sometimes break out in families when having conversations about money. When it comes to relationships and emotions, I prefer the sunny days.

One of life's greatest challenges, perhaps second only to parenting itself, is the management of money within a family. Families and finances are a potentially combustible mix—one that requires wisdom and skill, including the ability to forecast when a storm might be brewing, and the ability to repair the damage after a storm occurs.

When it comes to relationships and emotions, I prefer the sunny days.

Money has the power to be divisive, even within a family. Psychologically and emotionally, money can represent many things to many people. We, as individuals, are the ones who assign "meaning" to money. We connect it with our self-worth, status, power, control, entitlement, and equality or inequality, just to name a few things. It is little wonder, therefore, that the subject of money can have all the explosive power of a severe thunderstorm. Perhaps this is why, in the recorded words of Jesus in the Gospels, there are more statements and warnings about money than almost any other topic.

What can we do in our families to avoid or minimize the potential damage of "money storms"—to keep our families in the sunny days we all prefer? There are a few principles a family can employ to help prevent the emotional turmoil and conflict that come with money talks.

1. **Never use money as a tool to exert power or control over another family member.** Attempts to coerce, entice, pressure, or manipulate another's behavior with money are doomed to failure, and will often have long-term negative consequences on the relationship itself. Jesus commands us to influence with love, not to control or coerce with money.

2. **Model emotional and spiritual honesty about struggles, issues, and temptations regarding money.** Parents who act as though they have no spiritual or emotional struggles regarding the management of wealth are often not being honest, and furthermore are depriving their children the opportunity to learn from them. It helps families to have a clearly articulated—even written—theology of money and for children to witness their parents struggle to maintain fidelity in their spiritual beliefs about wealth and money management.

3. **When "gifting" money or assets to children, be completely open, honest, and transparent.** Family secrets, even when motivated by a desire to protect another family member, are virtually always harmful to relationships. When the secret is brought to light, it often creates offense, pain, and problems for those who have been in the dark. Secrets regarding significant family financial crises (excessive debt, potential bankruptcy, etc.) can be unequivocally damaging.

4. **Clearly communicate family financial plans and expectations.** Openly converse about such matters as what children are expected to purchase out of their own funds, when they are expected to find a job, how much parents plan to contribute toward college expenses, when money from parent to child is a gift or a loan, etc. Many immediate and future conflicts can be avoided if parents are unambiguous from the start.

Bearing in mind the sayings, admonishment, and warnings Jesus gives us about keeping wealth in proper perspective—in both personal and family matters—will keep sunny days in your forecast. When money is viewed with wisdom and a godly perspective, it always results in what is best for us—for our relationships, mental health, and overall well-being. So, enjoy the summer thunderstorms… but only the weather-related ones!

Summer Reading

Preparing for the Cost of Education

Ryan Middleton
Financial Consultant

College tuition, virtually everywhere, is increasing at rates well above the normal inflation rate. According to the *Trends in College Pricing 2010 Report,* the average tuition increase is 5.6% per year *beyond* the rate of general inflation. This leaves many parents wondering how they can save for their child's college expenses: **How much do you need to save? What college savings vehicle(s) should you consider using?**

College savings, just like anything else, should start with a plan. In order to begin the planning phase, some very important questions need to be answered:

1) Do I want to pay 100% of the college expense?
2) How much can I afford on a monthly basis?
3) Are any other family members going to help contribute to the college savings account?
4) What kind of college or university is my child looking at (private or public)?
5) What do I already have saved for their future?

After these questions are answered, you can now explore the various college savings vehicles. There are four common options: personal accounts, UGMA/UTMA accounts, Coverdell education savings accounts, and 529 college savings plans. The following are some of the attributes of each account:

PERSONAL ACCOUNT

- No contribution limits
- Any earnings are taxed at the owner's tax rate.
- No income limitations
- You maintain control of the assets, and determine when any withdrawals will be made.

UGMA/UTMA ACCOUNT

- No contribution limits
- No income limitations
- The beneficiary can control the assets at age 18 or 21 in most states.
- Normally, the first $950 of earnings is tax-free, earnings between $950 and $1,900 are taxed at the child's rate, and any earnings over $1,900 are taxed at the parent's rate.

COVERDELL EDUCATION SAVINGS ACCOUNT

- Contribution limit of $2,000/year
- Earnings grow tax-deferred.
- Withdrawals for qualified education expenses are tax-free.
- Income limitations exist (contributions are phased out from $190,000 to $220,000 for married couples filing jointly and from $95,000 to $110,000 for individuals).
- It can be used for expenses from kindergarten through college.

529 PLAN

- Earnings grow tax-deferred.
- Withdrawals for qualified higher education expenses are tax-free.
- No income limitations
- There may be account value restrictions based on the 529 plan you choose.
- Withdrawals for non-qualified expenses can be subject to a 10% penalty and income tax on the earnings.

With the help of new software programs, we are able to help our clients quantify the expected cost, savings strategy, growth rate, tax effect, and other variables essential to properly plan for a child's education. To get started, feel free to contact us directly—we would welcome the opportunity to help you put together a college savings strategy for your loved ones.

Finding the Silver Lining

Opportunities in the Midst of Crisis

Robert Kauffman
President

Many investors are developing their own theories on severe weather.

While some blame it on "Global Warming" and others on "Climate Change," it is clear that the number of severe events and the intensity of recent weather outbreaks are well above what we consider to be normal on an historical basis. Whatever the cause, and however far from the "norm" this year's weather and other natural disasters have been, it is also clear that the destructive forces of nature play a role in our economic landscape. When severe weather strikes, how does it affect the economy, the markets, and an investor's opportunity?

Numerous industries are negatively affected by severe weather. The list includes insurance companies, energy companies, manufacturing companies, and more. Although losses in the past have been substantial, they were usually temporary. In fact, these losses have often led to higher profits for companies over the long term. Today, however, there is reason to fear that the increased frequency and magnitude of natural disasters may put an end to that cycle of recovery.

Let's look at insurance companies, for example. When severe weather like a hurricane or tornado hits an area, claims go up and profits and reserves fall. However, the costly event also allows that company to raise premiums, so that in several years, profits can actually exceed previous levels. This can turn into a virtuous profit cycle for both the insurance company and its investors.

When one severe weather event quickly gives rise to another of even greater destruction, it affects an insurance company differently. It could be that premium increases will not keep pace with weather-related events. It could also be that premiums are raised higher than a newly devastated area can support. Then, the traditional paradigm of temporary losses can turn into permanent losses. Investors who are counting on the virtuous profit cycle could be left with a major disappointment.

On the other hand, natural disasters can bring opportunities as well. The tsunami in Japan decimated many homes and boats that were of an age and condition that replacement made sense. Such an event could revive the housing and building materials industry in Japan that has been in a slump for quite some time. Furthermore, international corporations specializing in heavy equipment such as Caterpillar and John Deere will likely be well paid to aid in the cleanup process. Every crisis hides an opportunity. In fact, there is a Chinese symbol that can be read either way – crisis or opportunity.

My belief is that weather events are and will remain more numerous and intense. This requires caution when dealing with industries adversely affected by the weather. On the other hand, looking at how we historically respond to disaster, it is easy to believe that future events will be well-handled. Therein lies both opportunity and danger for investors. It could be that weather-related events are too numerous and costly for typical recovery timeframes to continue. Then again, companies may be learning from recent trends and taking the steps necessary to survive more of the same. Time will tell, but we will continue to research and evaluate those sectors affected by natural disaster and look for emerging opportunities. Remember, within each storm cloud is a silver lining.

Every crisis hides an opportunity. In fact, there is a Chinese symbol that can be read either way – crisis or opportunity.

Built to Endure?

Daniel R Bailey
Financial Consultant

The wise man built his house on the rock… the foolish man built his house upon the sand… the winds and rain came and beat against both houses." Matthew 7:24-25. One stood strong; one was smashed to pieces.

How prepared are you for the summer storms? Sometimes we can see them on the horizon, as they head our way. Other times they are like squalls that come and go quickly. In either event, these storms leave a large amount of destruction in their wake. The wise person is ready for both of these storms.

How does a family protect itself from the financial storms of life—storms that threaten to destroy a lifetime of planning and saving, or maybe threaten to destroy any attempts at planning before even getting started? Storms may give little warning or be years in the making. One of the most devastating storms is the death of a stay-at-home parent.

The stay-at-home parent is often the family's stabilizing factor in a world that is fast paced and changing all the time. The death of this parent creates not only an emotional hardship, but a financial one, as well. For the small "price" of a family's love, we often benefit from taxi service, child care, meal preparation, laundry services, house cleaning, and constant emotional attention. All of these services would cost a small fortune to hire out.

The goal of life insurance planning is to calculate the "replacement value" of each spouse. This is a two-part process.

First, we identify the monies (immediate cash needs) that will be either spent directly after death or allocated to future expenses (such as funding higher education). Then we calculate any potential lost income.

How does one calculate immediate cash needs? These needs can include paying off the mortgage and other debts, funeral costs, replacing the family vehicle, higher education, establishing an emergency fund and any other obligations.

What about replacing lost income? A common rule of thumb for many families is to replace 60-70 percent of the income that they had before one of the spouses died. If the stay-at-home parent had little or no income, this part of the process is easily overlooked. There are important considerations here, as well. Will the surviving working spouse be able to continue working and earning the same income they had prior to the death of their spouse? Or will they have to reduce the number of hours they work or even change jobs, so that they can be home more now that they are both Mom and Dad? If, when all of the facts

are considered, there is any income shortfall, we then determine how much money must be invested to generate enough income to fill in the gap. Combining the total cash needs figure and this income figure helps one to arrive at the total life insurance need.

The family who goes through the planning process and does not purchase the right amount of life insurance is like the foolish man who was aware that storms could come, but did nothing to protect himself from the storm. While this may often seem obvious, it is perhaps the most important step, because it is here that the storms are calmed.

We live in a world of change. Life insurance planning is not a once-and-done event. Plans and policies change, and should be reviewed periodically to make sure that both are up-to-date. When the storms arrive, the wise family is prepared.

Contact Ambassador Advisors to discuss your storm planning preparations.

Looking for the Rainbow

Drew Kavanaugh
VP Wealth Management

Spring and summer are both notorious for unexpected weather. Days without a cloud in the sky can turn into severe weather without much rhyme or reason. The weatherman can warn us of the potential afternoon thunderstorm, but many of us accept the risk and go about our day without giving it much thought—until a storm hits, that is. In the height of the storm, it seems like the rain and thunder will never let up. But once the storm is over, fear subsides and, often, we look outside to find the sun shining once again.

When it comes to unexpected weather, the stock market is quite the same as these unpredictable seasons. Although no one likes to hear news of a negative turn, let me be the first to play weatherman and tell you to expect it. A storm in the market can draw two reactions: 1) you can take shelter now and never come out until you hear a brighter forecast, or 2) you can accept the risk, get on with living and investing, and remember that you can't have a rainbow without a little rain.

Unfortunately for those leaning toward option one, the possibility of a forecast without at least a chance of rain is practically impossible in any investment. Consider these examples of recent market storms, their initial reaction, and subsequent recovery:

Black Monday (10/19/1987): The S&P 500 fell over 22% in a single day. While it did take time, the S&P 500 reached the same level less than two years later on June 9, 1989. The S&P 500 has since nearly tripled in value.

9/11 Attacks (9/11/2001): The S&P 500 fell 4.9% when markets reopened on September 17 and 11.6% over the entire next week. Despite the initially sharp pullbacks, markets were back to September 10th levels by October 11.

London Train Bombing (7/7/2005): By the end of the next trading day, the FTSE 100 was higher than prior to the attack and gained over 16% in the following year.

Hurricane Katrina (8/29/2005): The S&P 500 fell .08% the Monday after Katrina, but was above pre-Katrina levels within days and gained over 10% through year-end.

While it is impossible to predict with absolute certainty how and when the latest market storm (the Financial Crisis of 2008 and subsequent "Great Recession") will end, diversification and active management can help the sun reappear sooner, and faithful investors will be rewarded for looking past the storm and enjoying the rainbows ahead.

Dive Into An Automated 401(k) Plan

John T. Lauer, II
VP Retirement & Pension Strategies

One provision of the Pension Protection Act of 2006 (PPA) that has received a lot of press recently concerns automatic employee enrollment. Automatic enrollment is something that every 401(k) should have in place—not only because it helps employees provide for their future, but also because it allows business owners more flexibility in their own planning.

A concern we frequently hear from our business clients is that they are unable to take full advantage of retirement plans because their employees aren't doing enough for themselves. Generally speaking, to qualify for the extensive tax benefits within 401(k) plans, the plans can't discriminate in favor of highly-compensated employees (HCEs), and the plans must meet all the rules that apply to Qualified Plans. The plans must also pass ADP and ACP tests for deferral contributions and matching contributions, respectively.

If a plan does not pass these tests, then it must either make contributions to the non-highly-compensated employees or distribute money back to the HCEs. These tough discrimination rules for 401(k) plans often hinder some executives and owners in their decisions about how much to defer. Through proper plan design, strategies can be set up so that these highly-compensated individuals may be able to save much more than they are currently.

One of the main reasons that 401(k) plans fail these tests is low participation rates. Automatic Enrollment is a practical feature that can be introduced to any 401(k) plan to help increase participation rates. Higher participation addresses the HCE problems discussed earlier and helps employees save for their retirement. Through Automatic Enrollment, as the name suggests, employee participants are put into the plan unless they "opt out." Such an "opt out" must be a proactive decision on the employee's part. Once an employee is enrolled, participant funds are allocated to Qualified Default Investments—until the participant makes a differing investment decision on her own.

As an employer, you can decide to limit the Automatic Enrollment Feature to just new hires or to include all employees. Employers can also automatically increase the deferral percentage within the stated range in the PPA. Notice for these Qualified Automatic Contribution Agreements must be given within a reasonable period before the beginning of each plan year (the regulations allow for a window of 30 to 90 days). Remember, adhering to these guidelines will typically allow the HCEs to put back the maximum amount without worrying about passing either the ADP or ACP test.

Navigating the Pension Protection Act should not be undertaken lightly. We work with businesses and nonprofit organizations to help them understand the benefits and costs that come with Automatic Enrollment, as well as many other areas that have changed with the new regulations. If you'd like to learn more, Ambassador Pension Consultants offers our Comprehensive Plan Level Review to assist Plan Sponsors in analyzing their current plans, as well as receiving other advice about how best to move forward.

Growing to Serve Your Needs

If you haven't been by the office recently, you may not know that we've moved. Don't worry, though, as we're in the exact same building…just on the other side of the hallway. Our new office space is designed to help us serve you better and help you do even more. In our new space, we have created two specialized conference rooms that we will use to enhance your experience with us, enable us to provide more visual instruction of concepts, and provide education for groups.

One of the rooms will be dedicated to the memory of Barbara J. Shea, our dearly missed, 25-year team member. The Shea Conference Room, as well as our Group Education Center, tap into some of the latest innovations, utilizing large-scale projection and wall-mounted SMART board (digital white board) technology. The Group Education Center has a capacity for 30 participants and will allow us, as well as any interested clients, to present a broad range of topics to larger groups.

It is our hope that this updated office space and the new conference rooms will allow us to better serve you, as you continue your journey to be the best stewards of your assets as possible. As always, you can count on the team at Ambassador to be continually vigilant in our search to increase our effectiveness and efficiency.

In our next edition, we will highlight several of the other innovative changes that we are undertaking to help you Do More®. Until then, please contact Amy Malay at 717.560.8300 x115 (*amalay@ambassadoradvisors.com*) if you would like to schedule a meeting or seminar for your team, group or company's employees.

SAVE THE DATE!
for *A Client Christmas Experience*
Come to Dine, Tour, and Learn
DECEMBER 6, 2011

A Time for Gathering

Securing Your Future with Legacy Planning

"There is a time for everything, and a season for every activity under heaven. A time to be born and time to die, and a time to plant and a time to uproot."

ECCLESIASTES 3:1-2

Bernie I. Bostwick
Executive Vice President

It's interesting to watch a squirrel in the summer as it works diligently to gather up food and bury it underground in preparation for winter. The squirrel knows that the acorns simply lying around now will not be so easy to find when the cold winds of winter set in. Rather than gorging itself, the squirrel prepares for the future, knowing that—though it may seem like a long time away—winter will be upon it soon.

Giving to nonprofits is beginning to rebound, after being down the last two years. Economic uncertainty in the U.S., however, has not cleared just yet. Many charities continue to try and raise support as they have before through appeal letters, fundraising events, golf outings, and bake sales. This continues to be an "eat as you go" attitude. What about planting and storing up for the future? Today, we are living in the middle of a great transfer of wealth between generations. This could last at least until 2050 and could equal as much as 41 trillion dollars. The big question to ask is whether or not your supporters are in the best position to pass on their resources to family, as well as to the organizations they want to bless.

One of the biggest obstacles to starting a legacy planning program is simply understanding how the process works.

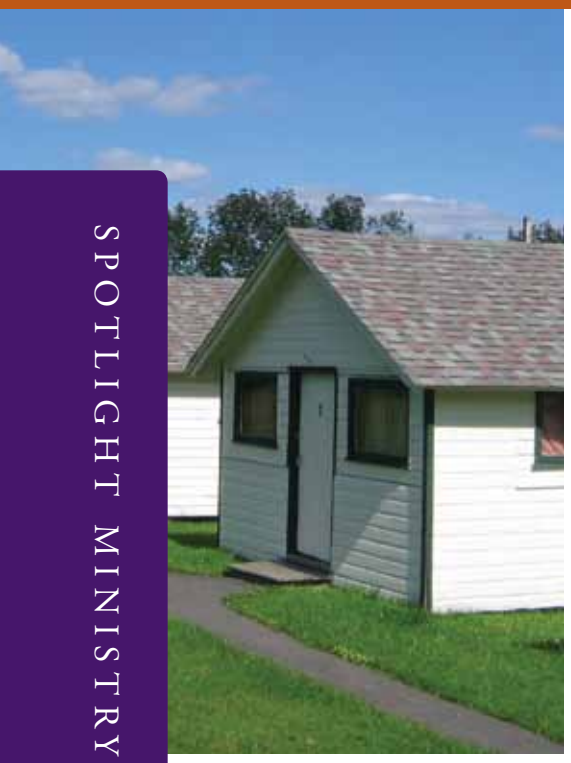
In the fall of 2010, "Charity Village" and "Give Green Canada" conducted a broad international survey to assess the grasp of legacy fundraising among nonprofit sector professionals. The study found that, despite years of educational efforts within their sector, many organizations had failed to effectively invest in legacy giving—even as this great transfer of generational wealth is "already underway," according to the study.

Much more can be done to gather these valuable resources. For those organizations that have paid some attention to legacy giving, the report observes that their current level of effort "is yielding positive results." Of those surveyed, 36% said that the number of bequests they had received since 2005 had gone up, and they indicated their organization's average bequest size was $50,000 or more.

One of the biggest obstacles to starting a legacy planning program is simply understanding how the process works. This is not just another way of asking a supporter for more money—as the common misconception holds. In reality, if a legacy program is established properly, you will be looking to "serve" your donor. You will be helping them bless their families and all the ministries they support. No longer will you be competing for money with other nonprofits, but rather assisting a person to thoughtfully do more with what they have for all beneficiaries.

This is a great time to begin collecting resources for the future. It is important to know your board, know your mission, and understand your donor. Education and communication are very important in making this happen. We will examine more ways to take advantage of both education and communication in the next issue. If you haven't had a chance to do an assessment of your organization or board, I would encourage you to call us to see how we can help. Our Planned Giving Scorecard is a great way to get started or reinvigorate your existing program.

SPOTLIGHT MINISTRY



Arrowhead Bible Camp

"On Mission" with Summer Fun

Nestled in the woodsy natural landscape of Brackney, Pennsylvania, Arrowhead Bible Camp welcomes visitors each year to enjoy the forest, the lake, and a beautiful campus of cozy lodging. For decades, these grounds have provided campers with unforgettable summer fun. But the purpose of Arrowhead isn't just to have fun: Arrowhead Bible Camp is designed to serve.

The annual Shepherds Camp is one of Arrowhead's dearest and longest-running ministries. For eight weeks each summer, the camp hosts developmentally disabled teens and adults—some of whom have never spent a night away from their caretakers. During this time, the campers are treated to the complete Camp Arrowhead experience, sleeping in cabins or dormitories, swimming, and joining in specials games and activities.

One parent expressed her elation with her foster son's first experience away from home. "I was impressed with the time [Justin's counselor] Dathan took to question me about Justin's habits, likes and dislikes, and needs. He put Justin at ease immediately, and I felt very comfortable leaving Justin for the first time overnight. The staff talked to me about all the safety measures in place, and I received emails to let me know how Justin was doing.

"At the conclusion of his experience, he brought home a photograph of all the campers and counselors at the camp that week. Justin points to that picture daily and signs to me, 'Please, let's go!' He will be so happy to go back next year."

Shepherds Camp provides daily times of worship and Bible teaching led by caring instructors who strongly desire that every participant come to know God and grasp His love for them. According to Camp Manager Ben Myers, everyone working at Arrowhead Bible Camp is encouraged to remain "on mission" at all times. That means always being ready to share the good news about Jesus and constantly seeking to help build up faithful disciples.

For nearly 50 years, Shepherds Camp is one of the ways that Arrowhead Bible Camp uses those lovely natural surroundings to bring their visitors the gift of summer fun—and, best of all, a joy that will last for all eternity. For more information call 570-663-2419 or log onto *www.shepherdscamp.org*.

The State of Giving

Nonprofits across the country and around the globe have experienced the pinch of tough economic times these past few years. However, there is light on the horizon. Recent reporting on charitable giving in 2010 shows an increase of 2.1% (adjusted for inflation), or almost $291 billion, following steep declines in giving over the two previous years.[1] This, of course, is not a record-high increase, but it is an encouraging sign.

Americans have continued to contribute about 2 percent of their disposable personal income to charitable causes, regardless of the economic climate.[2] If donors are maintaining the commitment to these causes despite financial hardship, then we believe it makes sense to maintain good relationships with your donors in the bad times, as well as the good. Nonprofits who have built and maintained relationships with their donors over the years are reaping the benefits of a higher commitment on the donor's part, even if the donor's giving decreases temporarily in response to economic factors.

A healthy and growing planned giving program can help ensure your ministry's longevity!

Good relationships with donors carry your nonprofit through a down economy, so it is important to foster those relationships intentionally. For ideas on how to best position yourself to your donors and potential donors through your website, newsletters, direct mail, video, social media, and more, contact us today.

Source: Giving USA Foundation, (2011). Giving USA 2011: The Annual Report on Philanthropy for the Years 2010.

Have You Been Assessed?

Join the growing number of ministries who are finding out if they are ready to take their organization's giving program to the next level. Just as importantly, learn what steps you could be taking to encourage your donors to include your nonprofit in their legacy plans.

Ambassador Advisors' ***Planned Giving Scorecard*** is an online assessment tool consisting of 25 easy-to-answer questions that can be quickly completed by your executive staff, development staff, board members, and other select individuals to efficiently evaluate your readiness to embark on a new—or to advance your current—planned giving program. After an analysis and presentation of the results gathered through the ***Planned Giving Scorecard,*** Ambassador Advisors will craft recommendations that correspond to your current strengths and challenges. From these outcomes and conversations, we can customize a planned giving program and action plan to fit your needs and goals.

Planned Giving SCORECARD

Planned Giving Education & Training

WEALTH MANAGEMENT & INVESTMENT POLICY REVIEW

Inspirational Giving SYSTEM

Charitable Gift Annuity & Endowment Creation

Marketing Partnership Programs

EXPERTISE

Chartered Advisors in Philanthropy (CAP®)

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www.ambassadoradvisors.com

SEIZE THE SUMMER!

Wise Strategies

for Giving to Your Favorite Charitable Organization

STRATEGY #2

Life Insurance

Life insurance is a great tool for those trying to help charities while maintaining estate value during wildly fluctuating markets. In addition to high internal rates of return and lack of market correlation, life insurance allows estate dollars to be leveraged to benefit those you want to bless. Many have already named an organization as a beneficiary on their policies. This technique provides you with a large benefit at little cost and the flexibility to change your mind by adding or subtracting beneficiaries at any time. This technique does not, however, provide any current tax benefit. To get a current income tax benefit, donate the policy, itself, to a charitable organization. Under this method, a portion of the current policy value, coupled with any future premium payments you make, will be tax deductible. Remember, however, that life insurance represents one of the only tax-free ways for you to benefit your heirs.

Have you considered giving taxable assets to charity and replacing that wealth for heirs through life insurance? If you'd like to learn more about the power of life insurance in charitable planning, give us a call.