



AFG Financial

Helping You Make Wise Financial Choices

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Happy Thanksgiving!

I am thankful for you! May our hearts overflow in thanks for all God has provided. It has been a year of lasts and of firsts with lots of joy for Grayson and me. I am looking forward to spending Thanksgiving with my family. What are you most thankful for this year?

I enjoy being a resource for you, your friends or family. Please feel free to introduce us or share this newsletter and my information.

If you would like prayer, please let me know.

Praying for your joy and contentment as we finish 2019!

Angela Giboney, CFP®
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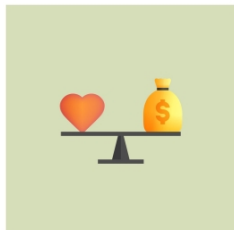
Should I sign up for an identity theft protection service?

Protecting Yourself Against Identity Theft

Financial Stewardship

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How to Give Like a Billionaire When You Don't Have Billions to Give



Since Bill and Melinda Gates and Warren Buffett created the Giving Pledge in 2010, more than 200 of the world's wealthiest individuals and couples have committed to giving the majority of their

wealth to philanthropic or charitable causes.

Although the Giving Pledge only invites billionaires to join, "it is inspired by the example set by millions of people at all income levels who give generously — and often at great personal sacrifice — to make the world a better place."

You don't have to be a billionaire to embrace the spirit of the Giving Pledge: When people come together to give, regardless of wealth, they can improve the lives of others.

Decide which causes matter most to you

Giving Pledge billionaires are a diverse group, coming from 23 countries and ranging in age from their 30s to their 90s. While they're all dedicated to philanthropy, they support many different causes.

For example, Giving Pledge member Sara Blakely pledged to help empower women to prosper when she signed the pledge in 2013. She has since donated money to build homes for impoverished families and funded entrepreneurial programs for girls.

One of the newest signers of the Giving Pledge, Robert F. Smith, focuses on causes that support equality for African Americans. In May 2019, he told graduates of Morehouse College that he was paying off their student loans via a grant that is worth an estimated \$40 million.

What causes are you passionate about? What are your values? Do you want to make an impact locally or globally? Aligning the causes you support with what's meaningful to you can help deepen your long-term commitment to giving back.

Write down why you are giving

Director and producer George Lucas and his wife Mellody Hobson joined the Giving Pledge in 2010. Like other members, they wrote a statement explaining why they wanted to join and what they intended to accomplish.

"My pledge is to the process," Lucas wrote; "as long as I have the resources at my disposal, I will seek to raise the bar for future generations of students of all ages. I am dedicating the majority of my wealth to improving education."

Lucas fulfilled part of this pledge by creating the George Lucas Educational Foundation to transform education through innovation.

Writing down your own intentions can help clarify your philanthropic goals and serve as a reminder of the impact your gift could have.

Inspire and learn by going public

The Giving Pledge hopes to "inspire conversations, discussions, and action, not only about how much, but also for what purposes/to what end."

Even if you normally prefer to keep your charitable work private, being open about the causes you support might help inspire others to give back.

Other perks of going public include being able to exchange ideas and lessons learned with others, and the opportunity to meet people in your community or around the world who share your commitment.

Connect generations through giving

A major goal of the Giving Pledge is to encourage long-term family giving that will help make the world a better place for generations to come.

Sharing your passion for helping others with your children or grandchildren can be especially rewarding. Setting family goals, choosing worthy causes, and volunteering together are ways that you can help unite generations and make philanthropy part of your family's legacy.

* To learn more about the Giving Pledge and those who have signed it, visit givingpledge.org.

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How much will you spend this year?

In October 2018, the National Retail Federation projected that consumers were planning to spend more than \$1,000 on holiday-related purchases over the entire season, which was a 4% increase over 2017. For 2019 figures, typically released in late October, please visit the [organization's website](#).

There's an app for that, too?

You can even find an app that will help you locate your car in the shopping mall parking lot.

Tips for Managing Your Holiday Spending

Like almost everything else these days, the holidays have become a barrage of options and choices, with nearly limitless opportunities to overspend. Here are some tips to help you make sure your family's spending remains in check this holiday season.

Develop a spending strategy

First and foremost, **develop a budget.**

Involving family members will help you establish and maintain realistic expectations at the outset. Remember to include not just gifts, but also holiday meals and parties, travel, greeting cards and stamps, gift wrap, decorations, and any other category you deem necessary. This is also a good time to commit to using cash or charging no more than you can pay off in one month.

Next, **devise a method of tracking all your purchases**, receipts, gift recipients, and the locations of hidden gifts that you might otherwise forget about. This will make life easier as the chaos ramps up.

Review your credit cards to see if you have any perks. Could you use earned points for travel, or cash-back and gift card rewards to help defray costs?

Track down old gift cards and put them to use now. If you think you'll never use them, trade them in for cash on a discounted gift card website. There, you can sell your old cards and even buy new e-gift cards at a discounted rate, which you can then give as gifts or use for your own purchases.

Put technology to work for you. You can find apps that offer cash back if you shop online; alert you to online coupons available at nearby stores; round up your purchases to the nearest dollar and put the difference into a savings account; and track your online purchases, scan other stores for better prices, and then automatically email the original stores on your behalf to take advantage of the price-match guarantees. There are myriad options available, so be sure to check reviews and privacy/security measures before downloading.

Think creatively

Gifts. Take time to carefully scan all promotional materials before you head out the door or open a browser, because great deals are often available for limited periods of time. For example, some stores have offered generous gift cards in exchange for buying certain products on Black Friday.

Consider giving experiences rather than gifts, which happiness experts say could lead to more sustained levels of well-being. In fact, you

may find that you'll spend less overall by giving one or two memorable experiences instead of the usual pile of items.

Create meaningful yet inexpensive gifts, such as photo books, calendars, and family recipe books, using online apps and services. This idea is especially appropriate for gifts from children to older family members.

For larger or extended families, make a game out of gift giving. Consider a "Yankee swap," or implement a gift exchange, where everyone is randomly assigned a person for whom they buy one special gift. Or consider having the entire family chip in a certain amount per person and donating to a favorite charity or sponsoring another family in need.

Food. Nonperishable holiday-related goods typically go on sale in late fall, so plan ahead and stock up. Also keep an eye out for specials; for example, some grocery stores offer a free turkey around Thanksgiving when you spend a certain amount on groceries.

Party planning, decorations, gift wrap.

Consider buying the bulk of these supplies at deep-discount stores and splurging on a few special highlight items, such as napkins with an elaborate design, centerpieces of fresh flowers, or fancy bows. If you live in an area where evergreens, autumn berries, and pine cones are plentiful, take advantage of this potentially sophisticated, yet *completely free*, decor. Or create even more memories by hosting an ornament-making party. Use old costume jewelry or other items to make ornaments and decorations with sentimental value.

Travel. During one of the busiest travel times of the year, deals can be hard to find. Here are some tips:

- Be flexible. If you can postpone your celebration until after the holidays, you may be able to save substantially on travel costs. (You can also shop the post-holiday sales for gifts!)
- Avoid airline baggage fees by using carry-on luggage.
- Use fare-tracking apps to find the best deals.
- Cost-compare alternative modes of travel, such as train and ridesharing.

It's never too early to start saving

Finally, get a jump on next year's festivities by stocking up on supplies during post-holiday sales, opening a savings account with a goal of saving at least as much as you spend this year, and shopping as early as possible to spread spending throughout the year.



Timing of itemized deductions and the increased standard deduction

Recent tax law changes substantially increased the standard deduction amounts and made significant changes to itemized deductions. It may now be especially useful to bunch itemized deductions in certain years; for example, when they would exceed the standard deduction.

IRA and retirement plan contributions

For 2019, you can contribute up to \$19,000 to a 401(k) plan (\$25,000 if you're age 50 or older) and up to \$6,000 to traditional and Roth IRAs combined (\$7,000 if you're age 50 or older). The window to make 2019 contributions to an employer plan generally closes at the end of the year, while you typically have until the due date of your federal income tax return (not including extensions) to make 2019 IRA contributions.

Ten Year-End Tax Tips for 2019

Here are 10 things to consider as you weigh potential tax moves between now and the end of the year.

1. Set aside time to plan

Effective planning requires that you have a good understanding of your current tax situation, as well as a reasonable estimate of how your circumstances might change next year. There's a real opportunity for tax savings if you'll be paying taxes at a lower rate in one year than in the other. However, the window for most tax-saving moves closes on December 31, so don't procrastinate.

2. Defer income to next year

Consider opportunities to defer income to 2020, particularly if you think you may be in a lower tax bracket then. For example, you may be able to defer a year-end bonus or delay the collection of business debts, rents, and payments for services. Doing so may enable you to postpone payment of tax on the income until next year.

3. Accelerate deductions

You might also look for opportunities to accelerate deductions into the current tax year. If you itemize deductions, making payments for deductible expenses such as medical expenses, qualifying interest, and state taxes before the end of the year (instead of paying them in early 2020) could make a difference on your 2019 return.

4. Factor in the AMT

If you're subject to the alternative minimum tax (AMT), traditional year-end maneuvers such as deferring income and accelerating deductions can have a negative effect. Essentially a separate federal income tax system with its own rates and rules, the AMT effectively disallows a number of itemized deductions. For example, if you're subject to the AMT in 2019, prepaying 2020 state and local taxes probably won't help your 2019 tax situation, but could hurt your 2020 bottom line. Taking the time to determine whether you may be subject to the AMT before you make any year-end moves could help you avoid a costly mistake.

5. Bump up withholding to cover a tax shortfall

If it looks as though you're going to owe federal income tax for the year, especially if you think you may be subject to an estimated tax penalty, consider asking your employer (on Form W-4) to increase your withholding for the remainder of the year to cover the shortfall. The biggest advantage in doing so is that withholding is

considered as having been paid evenly throughout the year instead of when the dollars are actually taken from your paycheck. This strategy can also be used to make up for low or missing quarterly estimated tax payments. With all the recent tax changes, it may be especially important to review your withholding in 2019.

6. Maximize retirement savings

Deductible contributions to a traditional IRA and pre-tax contributions to an employer-sponsored retirement plan such as a 401(k) can reduce your 2019 taxable income. If you haven't already contributed up to the maximum amount allowed, consider doing so by year-end.

7. Take any required distributions

Once you reach age 70½, you generally must start taking required minimum distributions (RMDs) from traditional IRAs and employer-sponsored retirement plans (an exception may apply if you're still working for the employer sponsoring the plan). Take any distributions by the date required — the end of the year for most individuals. The penalty for failing to do so is substantial: 50% of any amount that you failed to distribute as required.

8. Weigh year-end investment moves

You shouldn't let tax considerations drive your investment decisions. However, it's worth considering the tax implications of any year-end investment moves that you make. For example, if you have realized net capital gains from selling securities at a profit, you might avoid being taxed on some or all of those gains by selling losing positions. Any losses over and above the amount of your gains can be used to offset up to \$3,000 of ordinary income (\$1,500 if your filing status is married filing separately) or carried forward to reduce your taxes in future years.

9. Beware the net investment income tax

Don't forget to account for the 3.8% net investment income tax. This additional tax may apply to some or all of your net investment income if your modified adjusted gross income (AGI) exceeds \$200,000 (\$250,000 if married filing jointly, \$125,000 if married filing separately, \$200,000 if head of household).

10. Get help if you need it

There's a lot to think about when it comes to tax planning. That's why it often makes sense to talk to a tax professional who is able to evaluate your situation and help you determine if any year-end moves make sense for you.

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Should I sign up for an identity theft protection service?

Unfortunately, data breaches are now normal, everyday occurrences in our society. As a result, many companies are offering services to help you protect your personal information. If you want an extra layer of protection, an identity theft protection service is a good option. However, the term "identity theft protection service" can be misleading. The reality is that no one service can safeguard all of your personal information from identity theft. What most of these companies actually provide are identity theft monitoring and recovery services.

A monitoring service will watch for signs that an identity thief may be using your personal information. This typically includes tracking your credit reports for suspicious activity and alerting you whenever your personal information (e.g., Social Security number) is being used. The recovery portion of the service usually helps you deal with the consequences of identity theft. This often involves working with a case manager to help resolve identity theft issues (e.g., dealing with creditors or placing a freeze on your credit report). And depending on the level of protection you choose, the service may

also provide reimbursement for out-of-pocket expenses directly associated with identity theft (e.g., postage, notary fees) and any funds stolen as a result of the identity theft (up to plan limits). Identity theft protection services usually charge a monthly fee. Entry-level plans that provide basic protection (e.g., Social Security number and credit alerts) can cost as little as \$10 a month, while plans that offer more advanced features (e.g., investment account monitoring) will cost more.

Keep in mind there are steps you can take on your own to help protect yourself against identity theft, such as:

- Check your credit report at least once a year for errors
- Periodically review your bank and debit/credit card accounts for suspicious charges/activity
- Obtain a fraud alert or credit freeze if necessary
- Have strong passwords, use two-step authentication, minimize information sharing, and be careful when shopping online

PROTECTING YOURSELF AGAINST IDENTITY THEFT



Be Vigilant

- Check your credit report at least once a year for errors
- Periodically review your bank and debit/credit card accounts for suspicious charges/activity



Consider a Fraud Alert or Credit Freeze If Necessary

- A fraud alert requires creditors to take extra steps to verify your identity before extending any existing credit or issuing new credit in your name
- A credit freeze prevents new credit and accounts from being opened in your name



Stay One Step Ahead

- Maintain strong passwords or consider using a password manager
- Consider using two-step authentication when available
- Minimize information sharing and be wary of requests for personal information, whether received in an email, letter, or phone call
- Beware of scam websites and only use secure connections when shopping online