

NORTHWEST PLANNED GIVING ROUNDTABLE



# **Giving Trends, Legislative Changes and the Market**

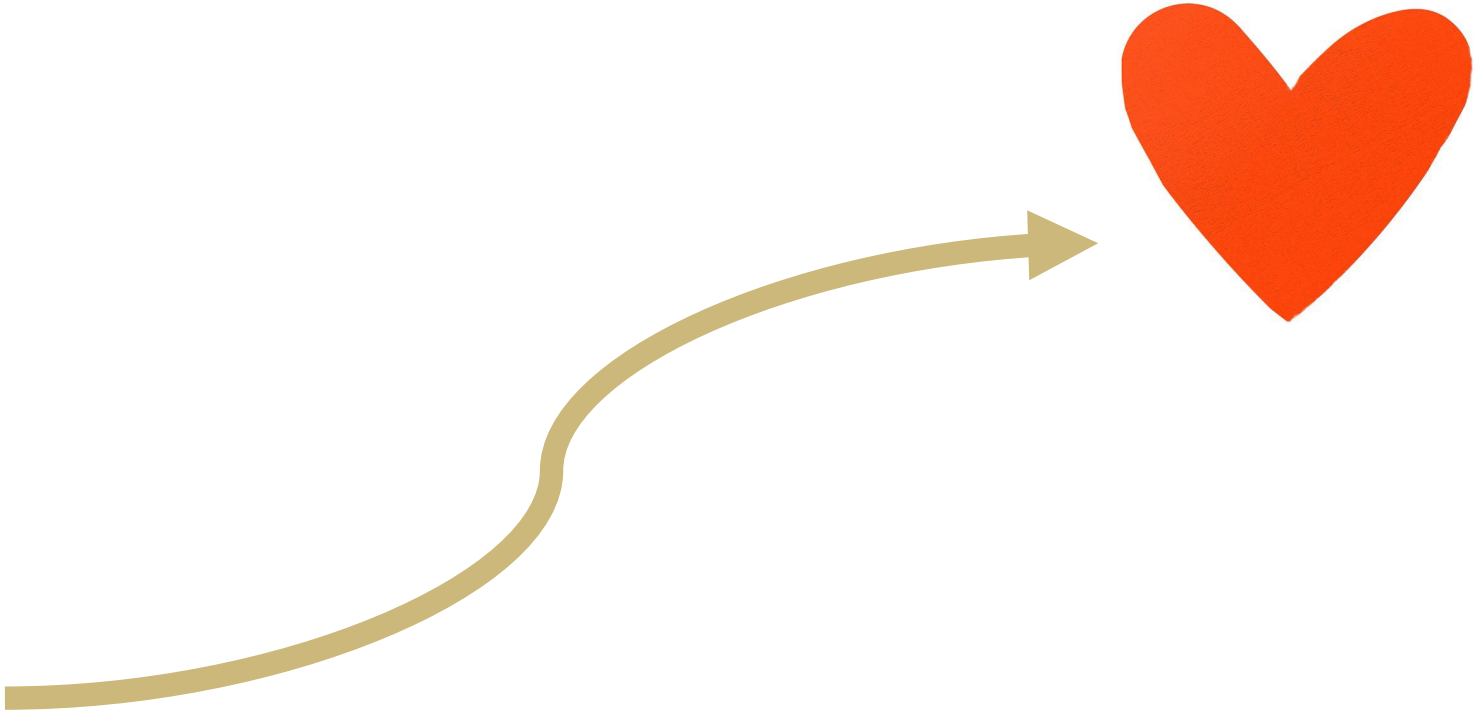
## **What Advisors and Donors Need to Know**

Presented by Mary Lago  
September 18, 2025

# Giving Trends in 2024

“Total giving in 2024 reached record levels...clear evidence of Americans’ enduring generosity and the value they place on nonprofit work... generosity is alive and well in America.”

Wendy McGrady  
*Chair of Giving USA Foundation*

- 
- Giving to U.S. charities increased by 6.3% to an estimated \$592.5 billion
  - Giving by individuals, corporations and foundations increased
  - Individual giving represents 2/3 of all giving and increased by 8.2%
  - Bequest giving is more volatile and decreased slightly
  - In current dollar, giving to all nine sub-sectors increased

# Giving Trends: 2024 Charitable Giving to Recipients

Type of recipient organization	Up/down	Amount	Adjusted for Inflation
Religion	↑ 1.9%	\$146.54 billion	↓ 1.0%
Human Services	↑ 5.0%	\$91.15 billion	↑ 2.0%
Education	↑ 13.2%	\$88.32 billion	↑ 9.9%
To Foundations	↑ 3.5%	\$71.92 billion	=+0.5%*
Public-Society Benefit	↑ 19.5%	\$66.84 billion	↑ 16.1%
Health	↑ 5.0%	\$60.51 billion	↑ 2.0%
International affairs	↑ 17.7%	\$35.54 billion	↑ 14.3%
Arts, culture, and humanities	↑ 9.5%	\$25.13 billion	↑ 6.4%
Environment and animals	↑ 7.7%	\$21.57 billion	↑ 4.6%

\*Giving USA 2025: The Annual Report on Philanthropy

# Giving Trends: Personal Reflections

- Clients are quite engaged with philanthropy and increasing support
- Individuals are far more aware of organizations needs and reliance on philanthropy
- There is more focus on current giving than bequest, but CRTs are getting more action
- DAFs are used by many clients as a simplified mechanism for contributing appreciated stock and grouping deduction. This is becoming standard protocol
  - Don't be afraid of it

# Legislative Update: Tax Policy is Always in Flux

● Represents 50 bills

1,198

average number of bills  
proposed each session

# Tax Policy in 2026 - *OBBBA*

## 1. Tax rates and brackets

**Top income tax rate remains at 37%**

## 2. Deductions

**Standard deduction increases to \$15,750**

**SALT deduction increases to \$40,000, with AGI phaseouts**

## 3. Estate taxes

**Federal estate tax exemption increases to \$15 million per person**

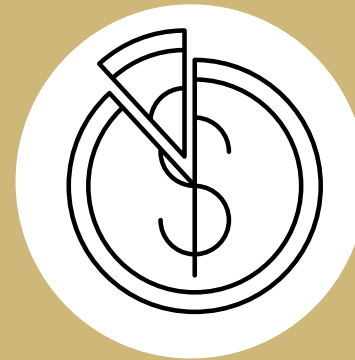
# Legislative Update for Charitable Deductions - *OBBBA*



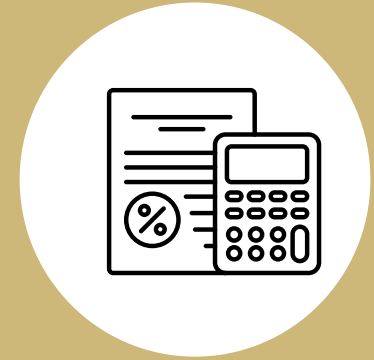
**Deductions for  
non-itemizers**



**0.5% floor on  
charitable  
deductions**



***Permanent  
60% AGI  
deduction***



**Capped value  
of deductions  
at 35%**

# Legislative Update for Charitable Deductions – *OBBBA*

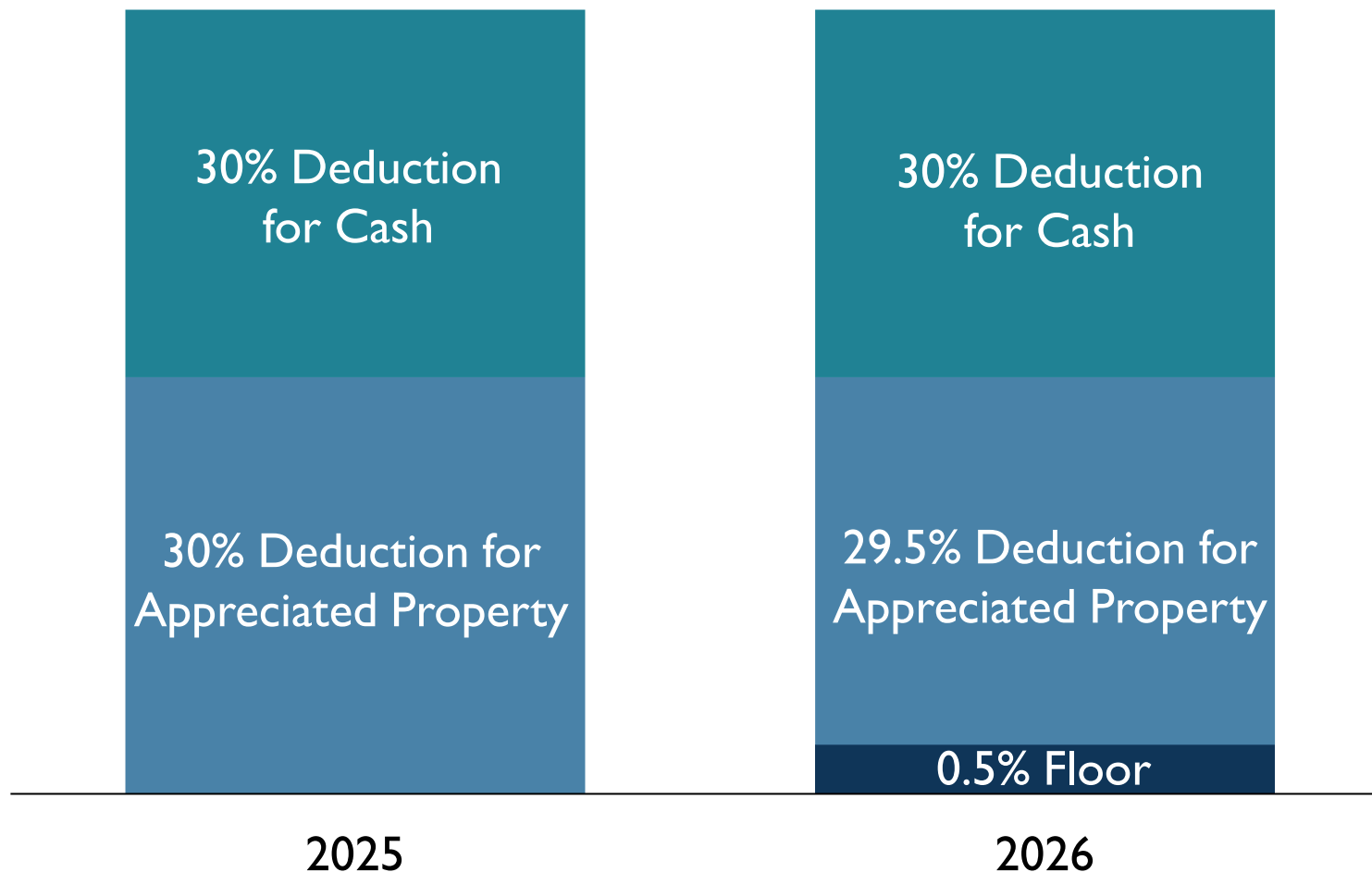
## Charitable Deductions up to \$1,000 (SF)/ \$2,000 (MFJ) for Non-Itemizers

- Filers using the standard deduction can now claim modest deductions for charitable gifts
- The gifts must be made in cash to public charities (not DAFs)
- Maximum federal tax savings of \$740 based on 37% bracket



# Legislative Update for Charitable Deductions – *OBBBA*

New 0.5% AGI Floor on Charitable Deductions in 2026



# Legislative Update for Charitable Deductions – *OBBBA*

“Permanent” Increase in Deductions to 60% of AGI

- The maximum charitable deduction was slated to revert to the pre-Tax Cuts & Jobs Act rules of 50% of AGI
- The Act makes the increase to 60% of AGI “permanent”



# Legislative Update for Charitable Deductions – OBBBA

Value of Tax Savings Capped at 35%

- Assume
  - MFJ
  - \$1 million AGI
  - \$100,000 charitable gift
- 2025 tax savings = \$37,000
- 2026 tax savings = \$35,000

2025 Federal Income Tax Brackets

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns
10%	\$0 to \$11,925	\$0 to \$23,850
12%	\$11,925 to \$48,475	\$23,850 to \$96,950
22%	\$48,475 to \$103,350	\$96,950 to \$206,700
24%	\$103,350 to \$197,300	\$206,700 to \$394,600
32%	\$197,300 to \$250,525	\$394,600 to \$501,050
35%	\$250,525 to \$626,350	\$501,050 to \$751,600
37%	\$626,350 or more	\$751,600 or more

# Smart Giving Strategies

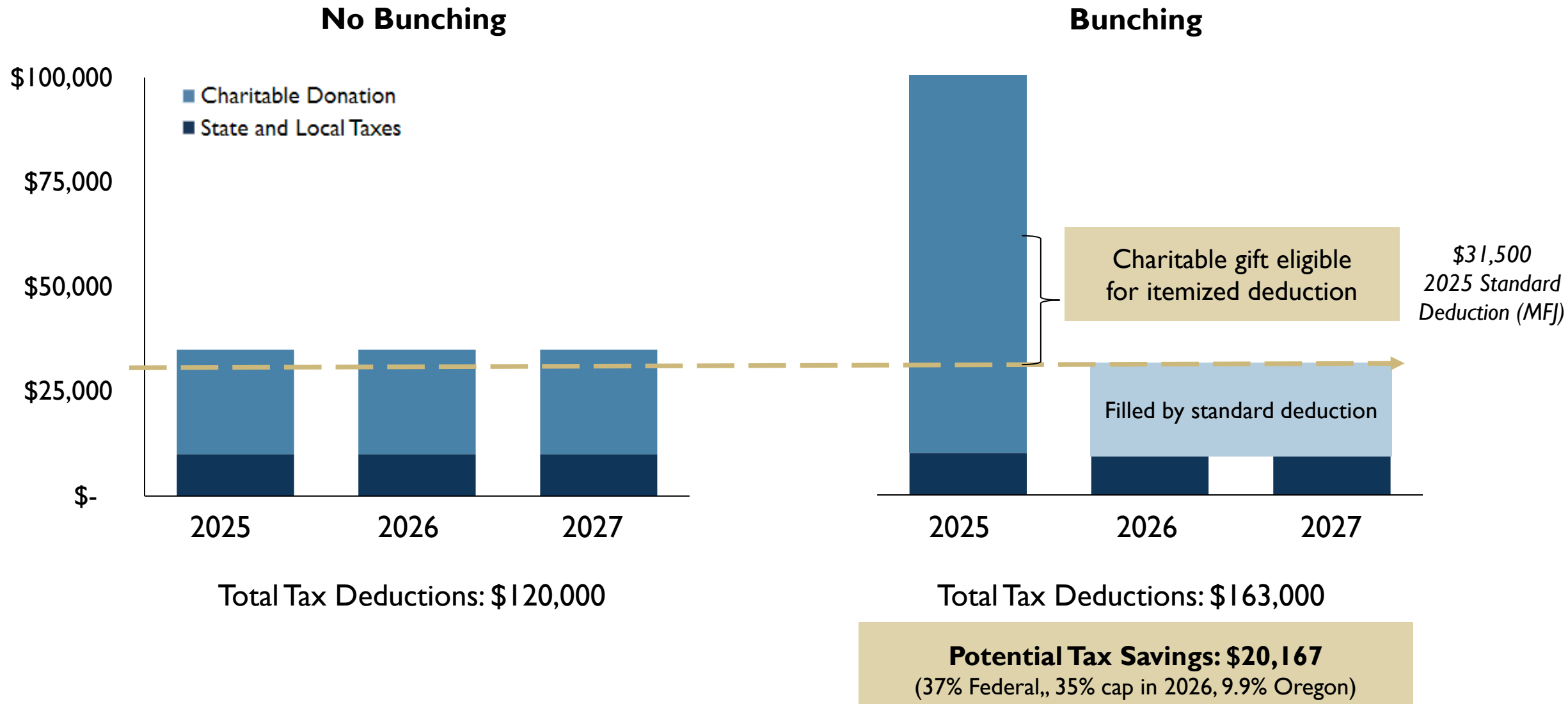
- Accelerate large charitable gifts into 2025 to avoid the 0.5% floor and 35% cap on tax savings introduced by the OBBBA
- Contribute highly appreciated assets for a double tax benefit
- Continue to explore “grouping” multiple years of giving either directly or using donor advised funds
- Charitable remainder trust are looking far more compelling with higher AFRs
- Qualified charitable distributions (QCDs) from IRAs are useful for non-itemizers

# Strategic Charitable Giving to Maximize Deductibility

Deductibility Limits	Cash	Stock
Public charity AGI limit including DAFs and private operating foundations	60%	30%
Private foundation AGI limit	30%	20%
<b>Cash vs. Stock Gift Example</b>		
Deduction	\$100,000	\$100,000
Capital gains tax avoided	\$0	\$16,850
<b>Total tax savings</b>	<b>\$44,900</b>	<b>\$61,750</b>
Assumptions: Basis = 50%, Marginal federal rate = 37%, Deductions capped at 35%, LT Capital gains rate = 23.8%, Oregon state tax rate = 9.9%		

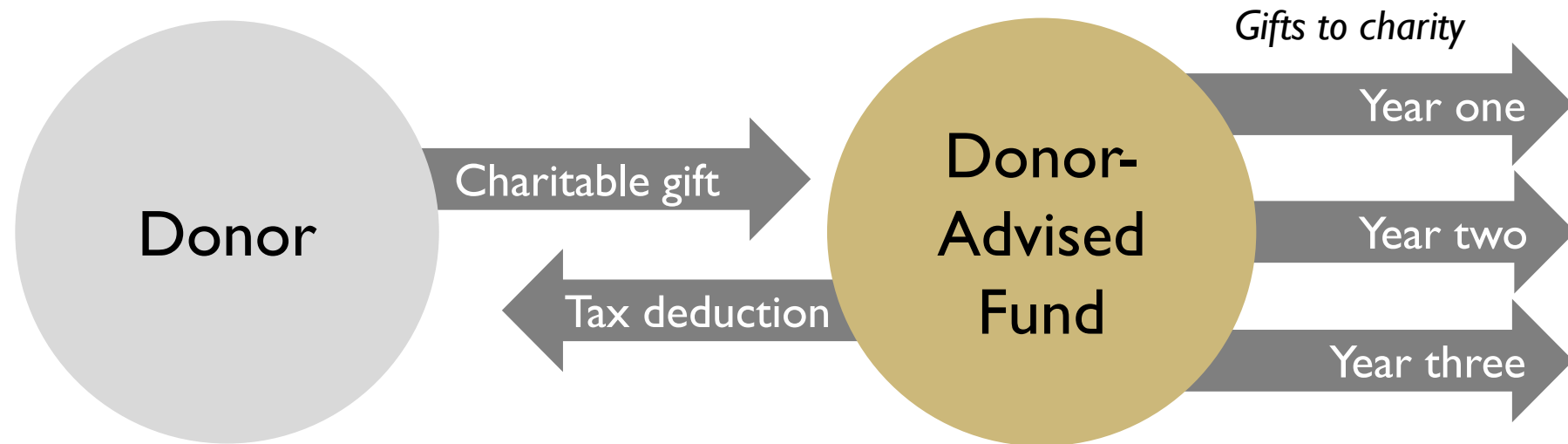
- Taxpayers who reach an AGI limitation (e.g., 20%) may make additional contributions to complete other AGI limited gifts
- Gifts between 30-60% of AGI may *only* be made in cash
- Unused deductions generally carry forward for up to five years

# Tax Impact of Bunching on \$30,000 Annual Gift



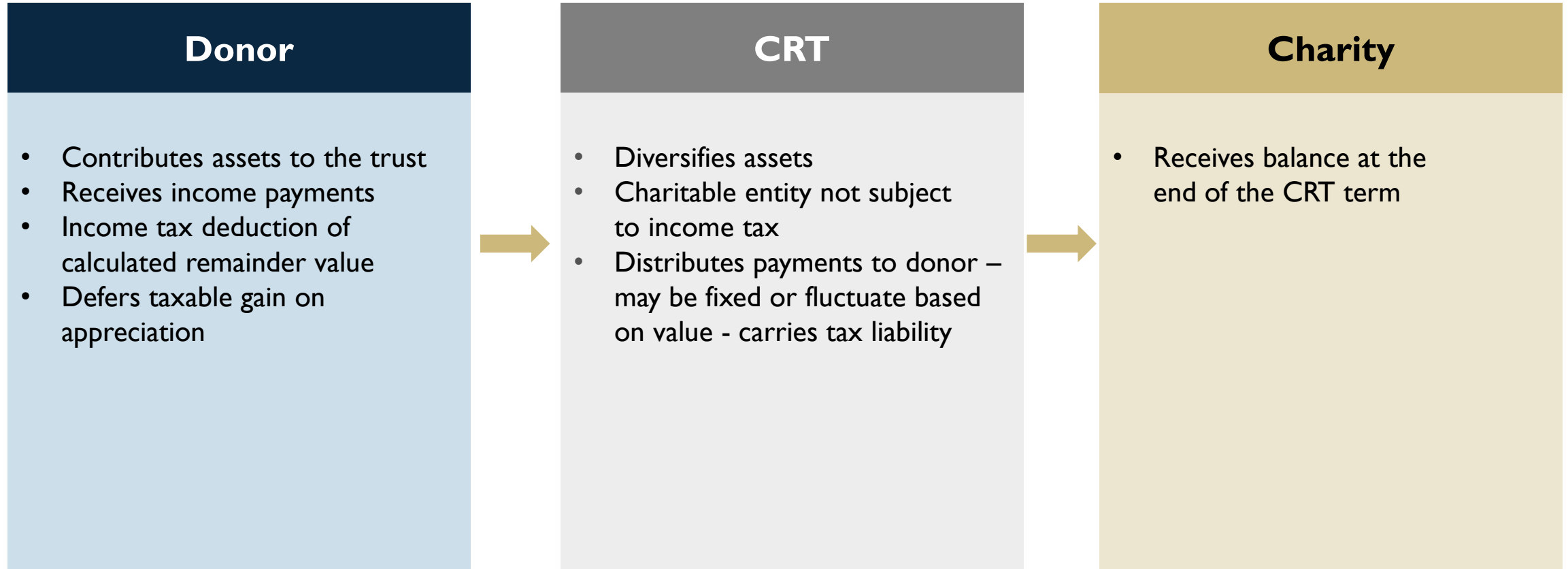
# Strategic Bunching of Charitable Gifts

Donor Advised Fund



- Donor avoids capital gain by gifting appreciated stock to a DAF
- Receives charitable tax deduction for full amount of gift in the year of funding
- Ability to spread final gifts to charities over multiple years
- Maintains limited control over the investment strategy of the DAF
- Administrative ease of single gift receipt
- DAFs are public “30%” charities

# Charitable Remainder Trusts (CRTs)



- A charitable remainder trust may be a useful option for charitably inclined individuals and wish to diversify out of appreciated property
- In using a CRT, individuals may defer capital gains until distribution to the income beneficiary, effectively spreading the tax burden
- CRTs allow individuals to convert their low-basis asset(s) into a taxable stream of income
- A taxable gift may occur if someone other than the donor is designated as the income beneficiary
- A donor advised fund may be appointed as the charitable remainder beneficiary



# IRA Charitable Gift

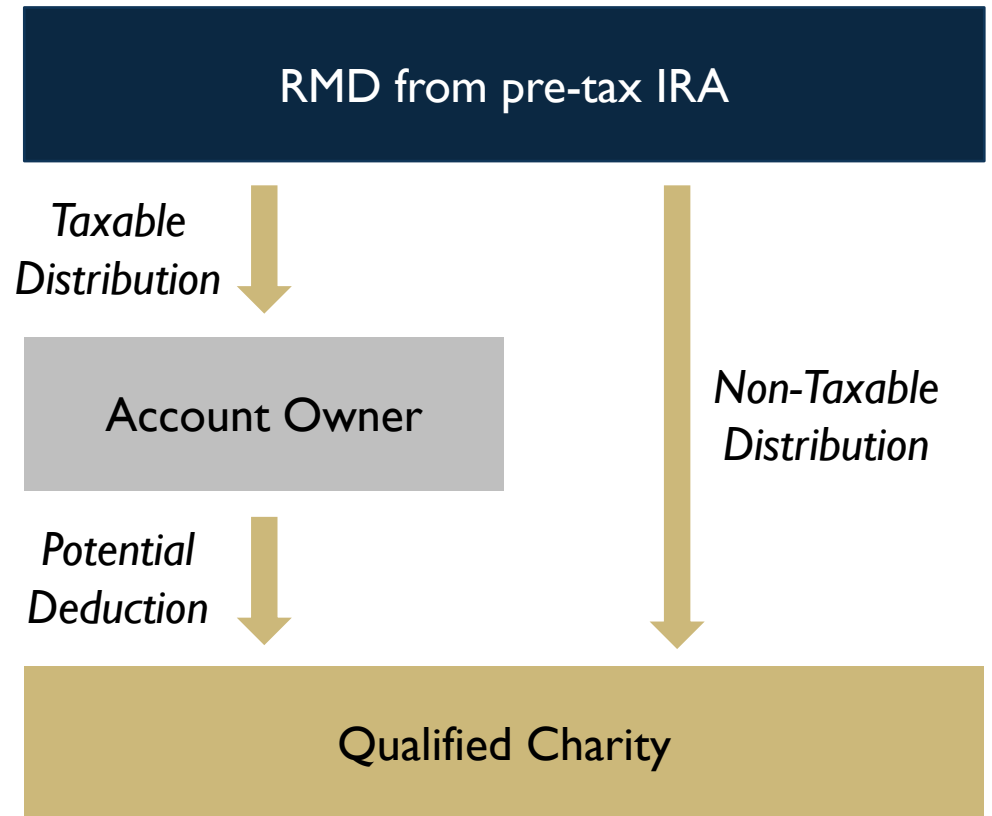
Qualified Charitable Distributions in 2025

## What is a qualified charitable distribution (QCD)?

- A direct transfer of funds from pre-tax IRA to a qualified charity
- Distribution is not taxable and counts toward required minimum distribution (RMD)
- Maximum of \$108,000 annually per IRA owner
- Must be 70 1/2 years old

## Ideal for those who:

- Charitably-inclined
- Not itemizing tax deductions
- Don't need the income



- QCDs may reduce Medicare premiums and taxation of Social Security income by reducing adjustable gross income (AGI)
- QCDs must be distributed to operating public charities and may not be contributed to donor advised funds (DAF)

# Case Study

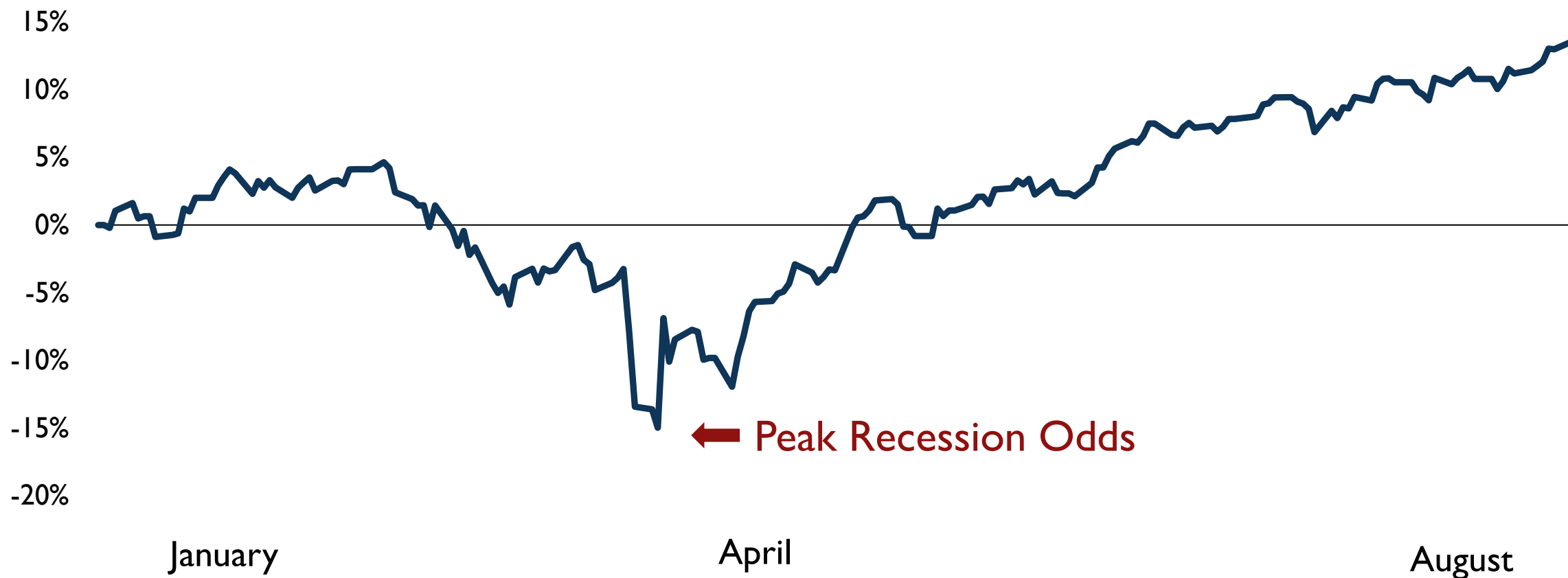
**What is happening in the market?**



# Actions Over Words

**Investment Strategy - Third Quarter 2025**

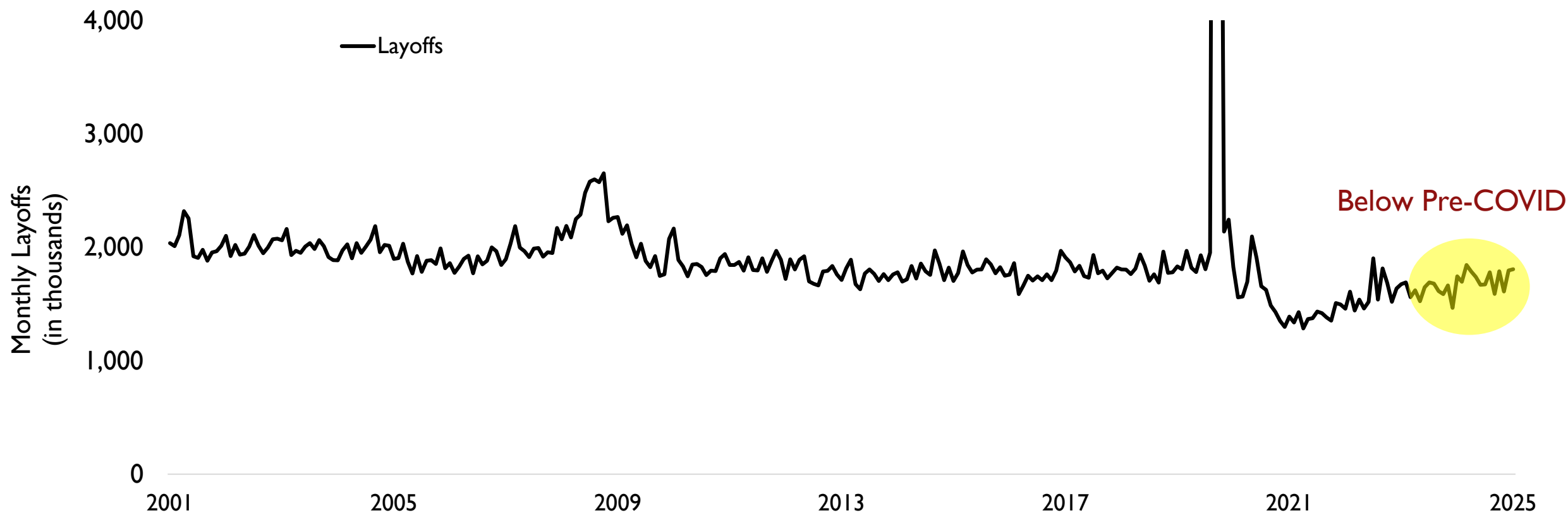
# Sometimes the Hardest (but Correct) Thing to Do is Nothing



Time period: December 31, 2024 – September 15, 2025  
Investors cannot invest directly in an index.  
Sources: FactSet

- Staying disciplined is key when market volatility increases and investors fear the worst

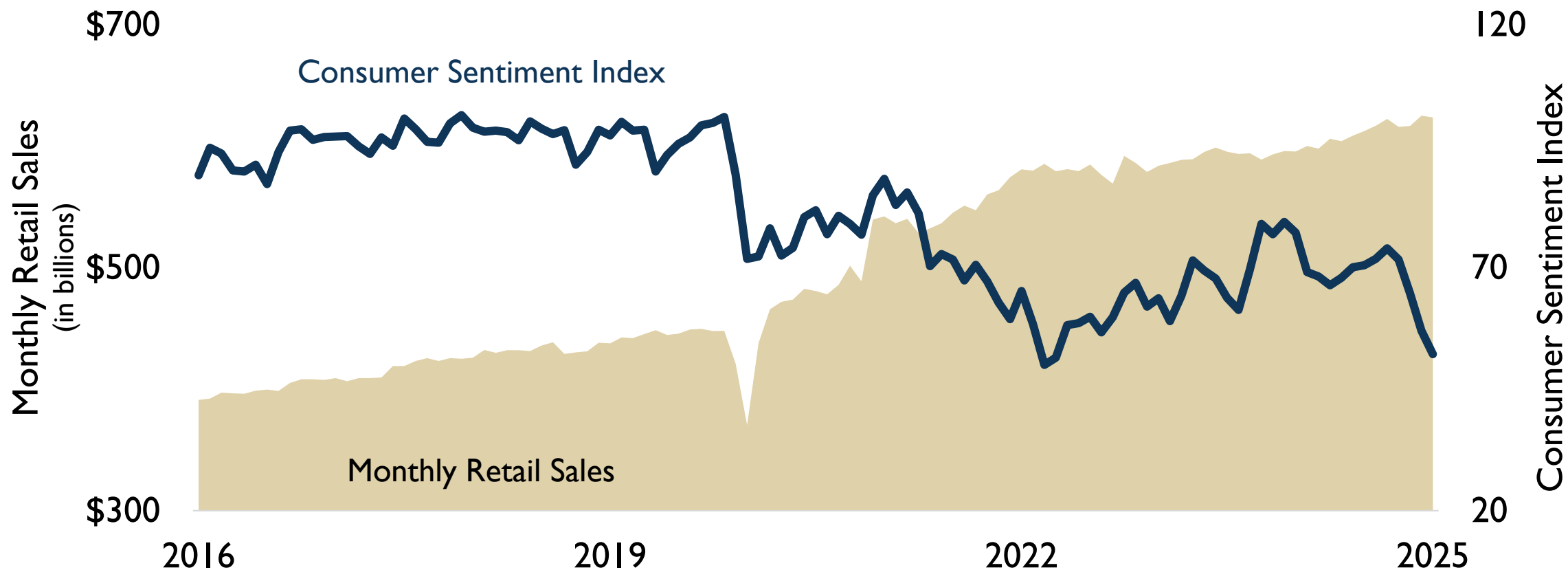
# Labor Markets Are Healthy ... But Softening



Time period: January 1, 2007 – July 30, 2025  
Source: Federal Reserve Bank of St. Louis, FRED

- While job growth has slowed, layoffs remain low indicating businesses are staying with the status quo until more clarity on the tariffs/economy comes to fruition
- The ratio of job openings to unemployed has gone from 2:1 to 1:1, suggesting a balance

# “Retail Therapy” – The Consumer is Spending

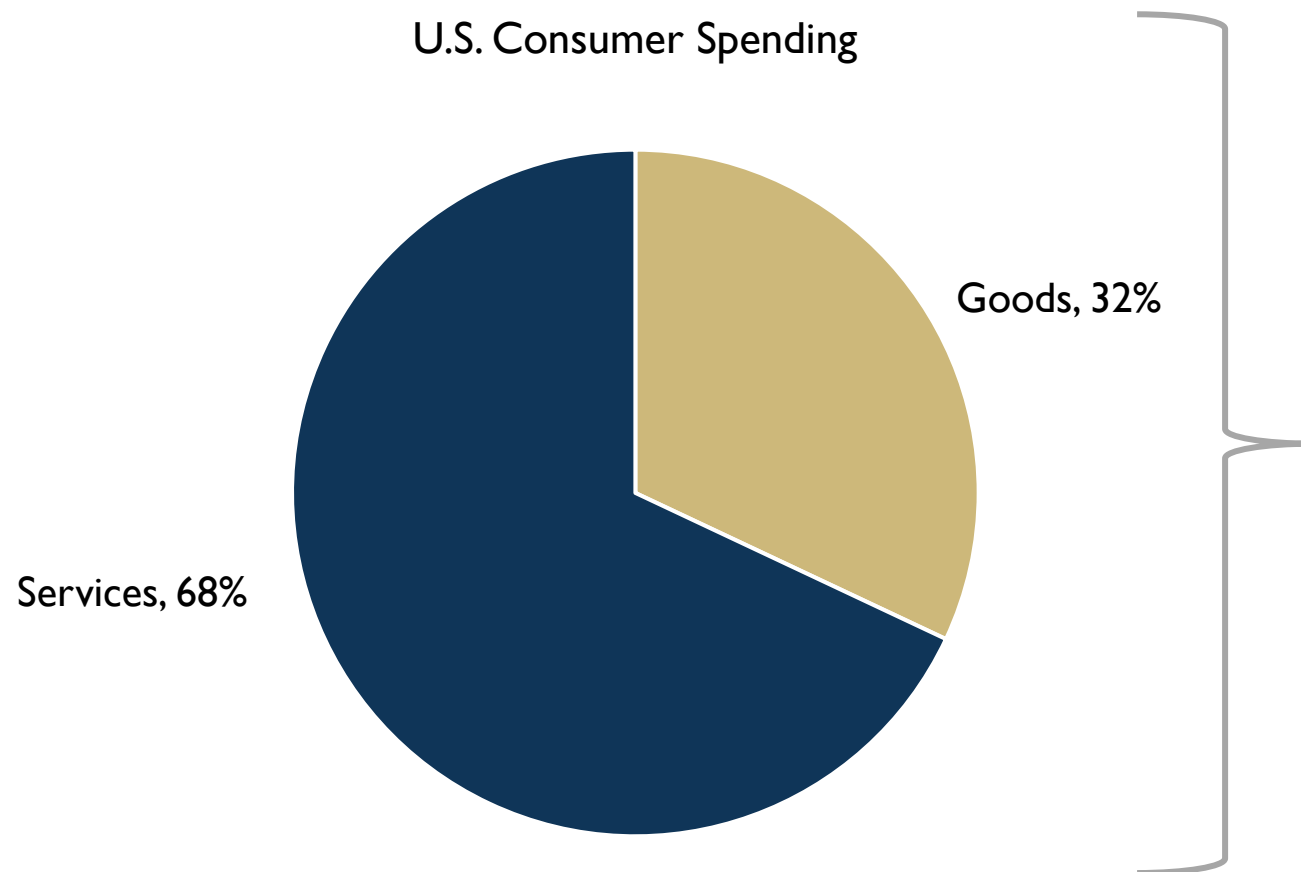


Date: April 2016 – April 2025

Sources: University of Michigan, Federal Reserve Bank of St. Louis

- Despite elevated anxiety and poor consumer confidence, consumers have not tightened their purse strings
- Consumer spending is nearly 70% of U.S. economic output. So long as consumers spend, the economy should continue to expand

# Tariffs to be Economically Manageable



## Estimated Economic Ultimate Impact of Tariffs

- Increase inflation by 1%
- Reduce GDP growth by 1%

Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

- We project effective average tariffs to end up between 10% and 15%, much lower than the 25% level threatened on April 2
- Imported consumer goods represent 10% of consumer spending
- There will be tariffs on business goods, intermediate goods and raw materials, so the tariff impact will be larger than just the direct impact on consumer goods



## Regrettably, the Fiscal Picture Remains Status Quo

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**\$7 trillion**

**Spending**

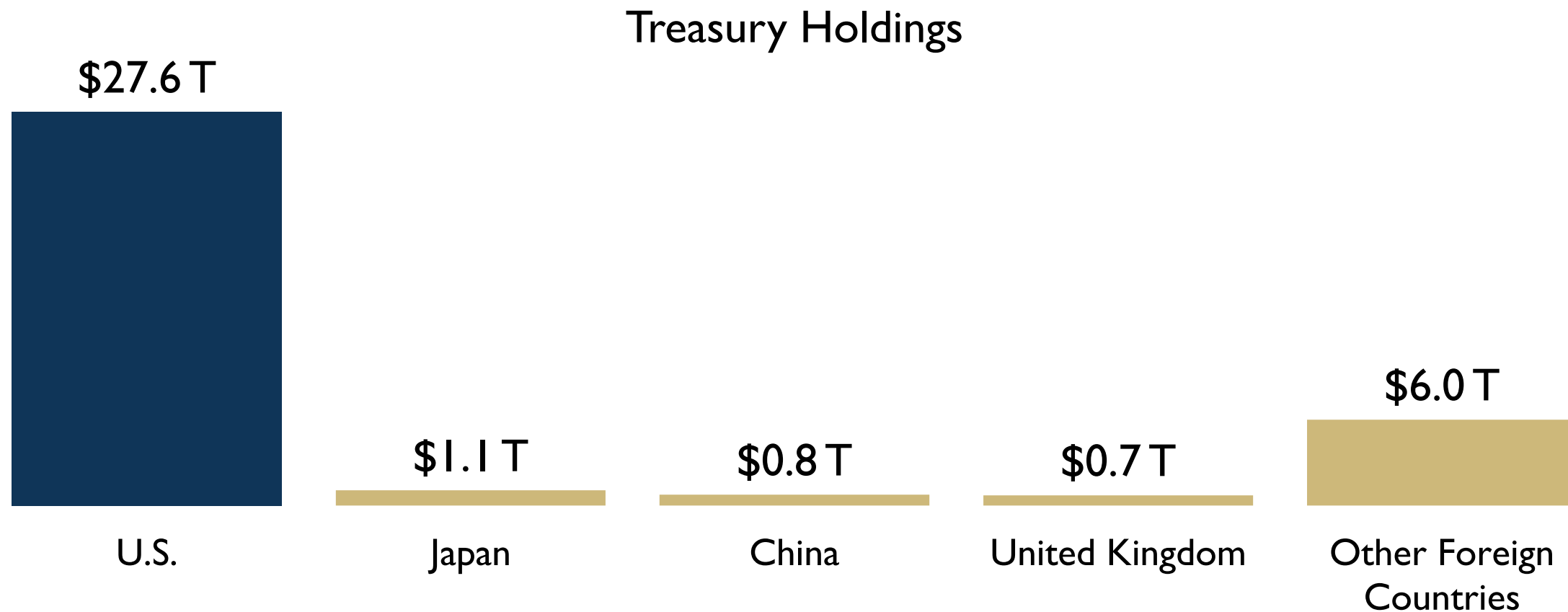
**\$5 trillion**

**Revenue**

Sources: Congressional Budget Office

- Despite the highly publicized attempts to cut government spending, the status quo of spending far more each year than is collected in tax revenues remains
- The recent attempt to control spending has been the most aggressive in recent history. The fact that it did not move the needle suggests that, without a crisis, there is no political will to make any meaningful changes at this time
- While the growth of the debt is alarming to some, the U.S. government has a long runway to continue to borrow with the current spending trajectory

# U.S. Not Overly Reliant on Foreign Buyers



Sources: Capital Economics

- Our national debt is largely financed within the United States; there is a perception that the U.S. is reliant on foreign governments to buy our debt
- Since the COVID-19 crisis, U.S. households and institutions have been increasing their holdings of treasury securities due to higher short-term interest rates

# Bond Market is Signaling a Stable Economy

## 10-Year Treasury Yield

greater than **5.0%**

Inflation and/or Deficit Fear

**3.5 - 5.0%**

Stable Zone

less than **3.5%**

Economic Growth/Recession Fear

- The “Stable Zone” provides for yield in excess of the current rate of inflation (real yield) at ~ 2%, a historically attractive entry point for bonds
- Yields above this range are likely to reflect either worse-than-expected inflation and negative real yields or heightened concern about our federal deficit (bond vigilantes)
- Yields below this range are likely to reflect a major slowdown of the U.S. economy, which has other implications for the rest of clients’ investment portfolio

# International Having Its Day

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- Decline in the value of the U.S. Dollar
- European stimulus
- Chinese technology stocks
- Stronger than expected earnings

+26%

Year-to-Date

As of September 15, 2025  
International = ACWI ex US.  
Investors cannot invest directly in an index.  
Source: FactSet

# Indicators That Could Change Our Thesis

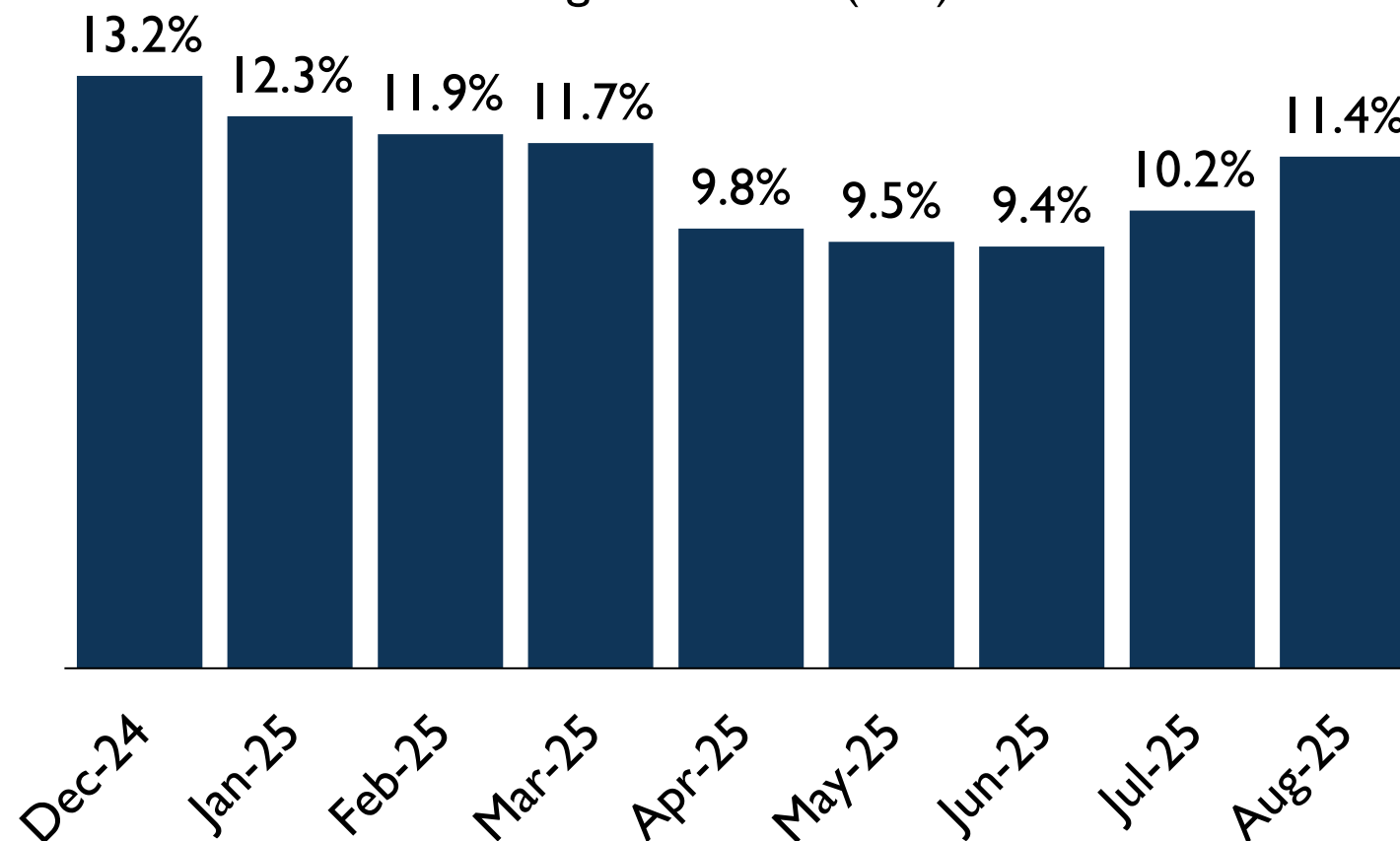
1. **Weekly Unemployment Claims**

2. **Earnings Revisions**



3. **Credit Spreads**

2025 Earnings Per Share (EPS) Growth



Source: FactSet

• While earnings growth has decelerated, corporate profits remain resilient, resulting in our firm maintaining an overweight to U.S. Large Cap equities

# Takeaways

- Labor market has softened but remains healthy
- Despite uncertainty, consumers continue to spend
- Trade de-escalation underway; tariff impact is manageable
- Bond market signaling a stable economy
- Earnings growth supports elevated market valuation

# Disclosures

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**Questions**





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Mary Lago, CFP®, CTFA, joined Ferguson Wellman in 2015 and is chief wealth strategist and principal shareholder of the firm. She is a CERTIFIED FINANCIAL PLANNER™ professional (CFP®) and adheres to a disciplined approach and process to fully understand her clients' goals and then provide thoughtful and strategic financial and investment counsel. Mary is also a Certified Trust and Fiduciary Advisor (CTFA) with an extensive background in trust administration and asset protection. As a portfolio manager with over 25 years of wealth management experience, Mary is a valued resource for individual and multigenerational family clients regarding investment, planning, philanthropic strategies and trust/estate matters. She also advises charitable organizations on endowment management and planned giving techniques.

Prior to joining the firm, she worked as a vice president and Oregon region manager for Washington Trust Bank in its wealth management and advisory services division. Mary previously worked for Union Bank and First Republic Bank in their private bank and trust divisions. She received her B.S. in business administration from Linfield University where she graduated Magna Cum Laude.

Mary is actively involved in the community, currently serving on the boards of Doernbecher Children's Hospital and Linfield University. She also chairs the gift planning council for OHSU Foundation. She has previously held numerous leadership roles including president of the Estate Planning Council of Portland, chair of Albertina Kerr Centers Foundation and trustee at OHSU Foundation.

Recently appearing on CNBC Closing Bell, and Yahoo! Finance, Mary is a frequent presenter on topics related to multigenerational wealth, investing and philanthropy. She has been recognized for her professional contributions, including being named by Portland Business Journal as one of Portland's "Forty Under 40" and "Woman of Influence." In 2019, Mary received the Joyce Manougian Lifetime Achievement Award from Albertina Kerr Centers.