



Friends,

Urban Grace needs you! If you've been paying attention recently, you've heard that Urban Grace is at a financial crossroads. In planning this year's budget, we expected the next two years to be "rebuilding" years with deficit budgets and goals toward sustainability by 2025-26. But we've been underperforming and this year's deficit has almost doubled. In light of this and as we begin to plan next year's budget, it is a crucial time to get back on track and prepare the way for a new head pastor and stability for the church.

The staff and leadership are taking your ideas, comments, and concerns from previous conversations and incorporating them into ways we can help cut expenses as well as motivate all of us to our full giving capacity. They are pursuing other avenues of income (some of which you'll hear about in coming weeks) and being as creative as possible in trying to find solutions. This also includes volunteering and trying to meet more of the needs of the church with volunteer time.

For the month of April, we will focus on our "**Shaping our Future**" financial campaign. You'll see options for how and what to give (both finances and time), hear stories of why give now, and have a chance to respond yourself. If you consider Urban Grace your church home, don't miss out on being a part of shaping our future!

Here are some numbers to consider:

- **\$38,000:** As of the end of February, this is how far behind we are with this year's budget. Our fiscal year will end on June 30<sup>th</sup>, *so let's catch up!* Maybe you can focus your charitable giving only on Urban Grace for the next few months to help us? We can do it if each family or individual considers giving an **additional \$150/month for April-June or a one-time gift of about \$450.**
- **\$102,000:** According to our forecasts, this is how much of a deficit we'll have for our 2024-25 budget if everything stays as it is. *This is not sustainable!* Along with cutting expenses, we'd like to see a big dent made in this forecasted deficit if not get completely sustainable for next year's budget. This would mean each family or individual considers giving an **additional \$100/month for the foreseeable future.**

If you've never given a consistent amount to Urban Grace or given at all, now's your chance to make a meaningful investment! If you're of the "set it and forget it" group, we love that you're giving electronically on a consistent basis but when's the last time you adjusted your donation? Running our church is getting more expensive! Inflation is hitting the church just as much as you see at home. Consider increasing your regular donation today (see below instructions for making changes in Simple Give).

Now is the time to respond, so please fill out a [Pledge Card](#) (this covers financial and volunteer opportunities!). *Even if you filled one out last Fall and are making no changes, please fill out a new one so we can know your intentions.*

We know that these suggested increases are not feasible for everyone. But for some they could do that much or more. It will take creativity and sacrifice from all of us at the level we are able. But we believe that a combination of increasing the giving capacity of the church, additional facilities income, and additional community donors will get us to our goal!

P.S. Need some creative ideas on how to increase your giving? Check out this [Creative Gift Planning](#) list and see what might work for you!

# CREATIVE GIFT PLANNING

Spring 2024

This campaign is focused on enhancing our capacity for ministry now and well into the future. So, let's begin by thinking outside the conventional box. We need to explore and discover new opportunities for making gifts into the future. As you read these brief descriptions below, you may find a perfect fit for you to support the campaign and we'll be here if you have any questions.

## **Gifts of Appreciated Investments**

Donations of appreciated long-term stocks, mutual funds, or other investments are an excellent way to support our church. When you donate appreciated investments, you do not pay capital gains tax on your gain and you receive a charitable deduction for the full fair market value on the date of the donation. For example, if you bought a stock for \$1,000 and today it is worth \$5,000, when you donate the stock you get a full \$5,000 charitable deduction but do not have to pay federal income tax on your gain of \$4,000. A true win/win! This can be done one-time or via a Donor Advised Fund (DAF) which you should discuss with a financial advisor.

## **Lifestyle Giving**

Another way to generate gifts for our campaign is to consider lifestyle adjustments. Going camping with the family in place of a more expensive vacation, postponing the purchase of an automobile or remodeling of a home, are all ways to "find money" in order to make a generous gift.

## **Beneficiaries**

The church can be added as a beneficiary on your financial accounts, such as an IRA or brokerage account. The church is a tax-exempt organization, so even if the distributions would otherwise be taxable, the church does not have to pay income taxes on the distributions. Talk to your financial advisor or accountant when considering this.

## **Gifts from an IRA**

Those over the age of 70 ½ may be able to make a tax-free charitable contribution to the church from your IRA. The contribution must be made directly from your IRA to Urban Grace and it may be applied to your Required Minimum Distribution.

## **Life Insurance**

Do you have a life insurance policy that you no longer need? You may consider giving existing life insurance by making the church both the owner and the beneficiary of the policy. If the policy is whole (ordinary) life insurance, you will receive an immediate tax deduction for the cash value on your federal income tax, and, if you continue to pay future premiums, can take future deductions. Also, if you purchase a new life insurance policy making the church both the owner and the beneficiary and make the premium payments through the church, you can receive a tax deduction each year.

## **Real Property as a Charitable Gift**

There are two main methods for real estate to be given as a charitable gift. The first is an outright gift of the property. This is the simplest, most direct method resulting in the most immediate tax benefit. The second method involves bequests either through one's will, establishment of trusts or annuities. For the latter, there are various tax benefits depending upon the specifics of the bequest and upon the individual's life circumstances and desires.

## **Shared Benefit Gifts**

There are also several ways in which the financial benefits of a gift can be shared between the donor and the church. These include wills, charitable remainder trusts, gift annuities, pooled income funds and life estate agreements. It is recommended that you contact your financial advisor if you are considering a gift of this nature.

## **Help with your Gift Planning**

Urban Grace has people who are willing to assist you with your gift planning ideas. For assistance or more information, please contact the church office at 253-272-2184 or [info@urbangrace.org](mailto:info@urbangrace.org) and we will get you in touch with someone for assistance.