

THE Rational Optimist™

Charitable Gifting: Part Three

The Ins and Outs of Charitable Gifting BY MITCH LEVIN, MD, CWPP, CAPP



First, not all donations are deductible. There are income limitations and deductibility limitations to consider. For appreciating assets, one percentage is deductible; for cash and equivalents another percentage is deductible up to a certain amount of your income.

By income, the IRS measures all kinds including tax-free municipal bonds and Roth IRA/401(k) distributions, as well as earned and unearned, passive and active, and rental and capital gains.

The rules seem to change on a regular basis. And timing can be important. We will consult with a tax professional on your behalf to help you achieve efficiency.

Nevertheless, we have a culture of giving that is supported by our government in the form of tax-payer subsidy through tax deductions.

Secondly, we recognize that gifting is uniquely an American phenomenon. Other countries with more social services delivered through the compulsory confiscation of property (known as taxation) have very little charitable culture.

In many of these countries, religion has diminished as a part of the lives of their citizens as they become

more secular. Arts, health, education, and other social services are courtesy of the tax-payers also but administered through their governments, rather than private entities.

This brings me to the third point - Many of these private entities may have grown so large as to be indistinguishable from government activity. Some may even take your gift, and “re-gift” your contribution to a different organization (sometimes one whose mission you may be strongly opposed to).



Ensure your generosity is used as intended.

For example, had you donated to the breast cancer research funding organization, The Susan G. Komen Foundation, you may have been surprised to learn that they contributed, in turn, to Planned Parenthood.

And, fourthly, the benefits provided may not deliver the help you expected. Not only that, but they may have made things worse.

So you may want to do some research regarding who delivers your gift to whom and how. It is for this reason, many choose to give local and to smaller, truly charitable entities.

Continued on page 7

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It All Starts With a Plan

BY ANDREW DICKENS, WEALTH ADVISOR AND 401(K) PLAN SPECIALIST

As a financial planner, I have met people from all walks of life. What haunts me are the stories I have heard of successful business owners who made just a few mistakes late in their working life only to find themselves financially decimated when it is too late to make any significant changes.

These mistakes are almost always due to the succession plan of their business, or rather the absence of one.

Most business owners have the majority of their net worth capitalized in their company; from a planning perspective it is like owning an illiquid micro-cap stock whose value is dependent on the skill and health of the same person(s) who owns it.

The point of owning a business is to extract value over time, but during bad economic times owners may need to self-capitalize their business to keep the doors open, which has the counter-productive effect of cannibalizing their own net worth and liquidity.



I felt compelled to write about some of the life experiences people have shared with us with the hope that it sparks a conversation between you and someone you love or care for.

This is the first of many articles I will share over the next year on the mistakes made in business succession planning, and to a lesser extent personal estate planning.

A business owner will exit the business one of two ways- vertically or horizontally

In this article, I'm going to focus on perhaps the biggest mistake: Not having a plan!

A singular inevitable truth of all businesses is this: The owner of a business will exit the business one way or the other, either "vertically" on their own terms or "horizontally" due to sickness, disability or death.

Despite this common knowledge, some estimates indicate upwards of 80% of closely held American businesses have no succession plan. Likewise, it is estimated that more than half of Americans over 50 don't even have a will.

The bottom line is an estate or succession plan will get the right stuff to the right people at the right time, a minimal expense and as tax efficiently as possible.

Having a plan helps reduce the risk of losing significant value in the business at the death or departure of an owner. Having a properly

structured sale or transition could prevent negative impact to cash flows.

An Estate Plan helps minimize the possibility of family discord, unforeseen legal fees, and undesired depletion of the estate.

Not many people build a lifetime of success and achievement only to have the government and strangers in line, as the biggest beneficiaries of everything they've built.

The good news is that the planning process requires only two things: acknowledgment that you need to plan and making a phone call to your trusted advisors to start the process.

Regards,

Did You Choose the Right Ancestors?

▶▶ *What Your DNA Says About You.*

BY JASON PRINT, CFP®, SENIOR WEALTH ADVISOR



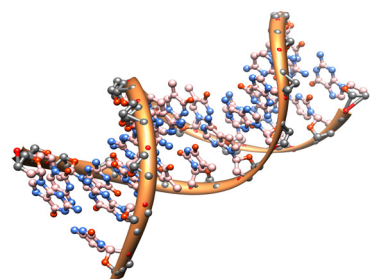
Earlier in the year, I wrote an article discussing some of the advancements in genetic and DNA testing. I signed up for a personal genetics test, offered by 23andMe. After enrolling online and paying the \$99.00 fee, they sent me a kit in the mail with a test tube.

The instructions were rather easy! Fill the tube with saliva and mail it back. After about four weeks I received an email asking me to log in to the 23andMe website, as my results were available.

The results were quite substantial. A total of 71 reports were produced in a range of categories from wellness, traits, carrier status and, of course, ancestry.

The ancestry composition was as expected, 82.1% British and Irish. Looking at an even broader picture, the results came back 99.2% Northwestern European.

The ancestry composition will not tell you the precise origin of all your ancestors; however, it will tell you the estimated proportion of your DNA that comes from each of 31 populations worldwide.



The vast scope of factors that an individual's DNA can influence is truly remarkable.

Additional reports provide data on haplogroups, which allows you to understand another aspect of your unique ancestry, within the broader context of human history.

The 39 carrier status reports are designed to give information about variants you may have, which do not directly affect you but can inform you about potential health risks you could pass on to future generations.

These variants range from Cystic Fibrosis to Bloom Syndrome to Sickle Cell Anemia. Fortunately, most of these variants were not detected in me.

The traits reports cover everything from skin and hair to taste and smell. One important point to note is the reports aren't always entirely accurate.

According to this report I have an 87% chance of not having a bald spot and a 68% chance of no hair loss prior to the age of 40. Unfortunately, I wound up in the minority category for this one!

There are seven reports in the wellness section which cover categories such as sleep movement, muscle composition, lactose digestion, and caffeine consumption. Essentially, these reports help you understand how your DNA may influence how you respond to certain lifestyle and environmental factors.



It is amazing to me how much information can be gathered from a simple saliva sample. I was also impressed with the extensive website which provides helpful tutorials to learn more about each of the different reports

found within each section.

For those curious about their ancestry or interested in their DNA, I would recommend the test. Just keep in mind, even if the percentages are decidedly one way, there stands the chance you may be an outlier. Nonetheless, it was an insightful experience.

We wish you and your loved ones a wonderful holiday season!

Best Regards,





Shifting Sands

BY CHAD WARRICK, CHIEF INVESTMENT OFFICER

A snapshot of retirement planning 30 years ago would look much different than it looks today. In 1985, Social Security was relied on for about 65% of a retiree's income. This was also a time when pension plans commonly filled in the gaps left by Social Security. These two components have changed drastically.

Today, Social Security only accounts for 27% of retirement income, a drop of 38%. Pension plans are now offered by only 19% of companies, a number that continues to decline. Additionally, the cost of health care has increased. Simultaneously, expected life span has also increased over the last 30 years.

The ground is shifting beneath our feet.

Assessing the situation, we realize:

- 1 *We have less guaranteed income.*
- 2 *We have higher medical expenses.*
- 3 *We have longer lifespans.*



Not to mention, we are faced with the realization that the majority of the burden no longer sits on the shoulders of employer paid pension plans or Social Security. The obligation lies with the individual approaching retirement.

It is no wonder the thought of planning for retirement may seem overwhelmingly uncertain.


One thing that is certain: you deserve to focus on what matters most. For some of our clients, that means, after decades of hard work, being able to unplug and enjoy your new retirement home. For others, it means moving to a different state and making a dent on your bucket list.

Many of you have shared stories with me about your loved ones, quotes from your witty grandchildren, and even pictures that captured memorable moments.

This is what it's all about. *These* are the moments that only come once. Everything else is noise.

Retirement planning has shifted drastically over the last 30 years. That is not only understandable, it is inevitable. Change is rarely a dead end; it is merely a modification in how we arrive at our destination.

What does this mean for you? It means we periodically and systematically reevaluate your financial picture. We explore alternative retirement savings options. We collaborate with accountants, and look for opportunities to become more tax efficient. We create an income strategy that works in your favor.

 ***Change is rarely a dead end; it is merely a modification in how we arrive at our destination.***

Retirement planning is centered on the things we can control and adjust as we face the inevitable changes outside of our control.

Regards,

End of Year Financial Checklist

BY AMANDA PATE, ADVISOR RELATIONSHIP MANAGER



Between voting for the next President of the United States, to Thanksgiving and Christmas festivities, to ringing in the New Year, there is quite a bit happening in November and December this year.

As the year winds down, you may have an account review meeting with your advisor. This is a great time to take a moment and reflect on 2016, even from a financial perspective.

A checklist is helpful to bring clarity and a sense of completion. Here are some items that your advisor may discuss or review with you:

- Tax-Loss Harvest Opportunities to off-set taxable gains*
- Charitable Contributions in appreciated assets versus cash contributions to save on capital gains taxation, while providing more money to donate*
- IRA Contributions*
- Roth Conversions*
- Required Minimum Distributions*
- Job changes in 2016? Consider rolling over a 401(k)*
- Major family changes such as births, deaths, illness, graduations, marriages*
- Set up College Savings Plan for children or grandchildren -- It is never too early to establish a plan for a child's education*
- Share goals, objectives & upcoming purchases for 2017 with your advisor*

As a value added service to you, we make ourselves available to your family, friends, and colleagues should they need to use us as a sounding board for their financial concerns, free of charge and without obligation. Thank you for your trust and confidence.

Wishing you a happy and healthy New Year!

Warm Regards,

Amanda



The Fountain of Youth, Revisited

BY KRISTIANA DANIELS & NICOLE SADEZ, CLIENT RELATIONSHIP MANAGERS

Society is constantly advertising how to stay younger, look younger, and be younger. However, most of these promotions focus on enhancements to your physical appearance in order to achieve longevity.

But perhaps, the true key to feeling young and healthy (no matter your true age) is achieved by keeping your mind active and continuously learning - By being a student of life.



This is one of the reasons we have recently started a journey of education in Financial Planning with the goal of obtaining our Certified Financial Planner® designations (CFP®).

While this learning journey will take about two years to complete, we look forward to utilizing our new found knowledge to enhance the service we provide to Summit's clients and advisors.

Although embracing new adventures is not always easy, there are many easy and realistic ways that we can create new opportunities for continuous growth and learning while not inconveniencing our daily lives.

One idea is to listen to an audiobook while driving or reading an article while waiting at a doctor's office. This normally stagnant time can be spent learning! Not to mention, research has shown there are health benefits associated with reading.

Another opportunity for learning is to volunteer in our communities. Getting involved in charitable activities is a great way to learn and gain insight on local and global issues that may have otherwise been nonexistent to us all.

You may also enjoy, as we do, making time to try something new through cooking, art, or fitness classes.

Pushing yourself outside your comfort zone can teach you more than you could have anticipated. And you never know, you might just find a new hobby or make a new friend!

Education and community involvement can also improve the quality of social connections which is another very important aspect of feeling young and healthy. Just one example found through research is that social interaction helps relieve detrimental levels of stress.

With the holiday season on the horizon, it is an ideal time to strengthen our relationships. Around the holidays, it is easy to get overwhelmed with the busyness of social gatherings.



As a value-added service to you, please feel free to tell your family, friends and colleagues that they may use us as a sounding board for their financial concerns free of charge and without obligation.

Often we lose sight of their deeper purpose which is to provide an opportunity for families, friends and communities to enjoy time together.

“Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young.”
— Henry Ford

During this eventful time of the year, we can try to engage ourselves in the present and build up our most meaningful relationships. Cherish the time and activities that bring happiness to you and the people you care about.

Let’s all challenge ourselves starting today, to commit to expanding our minds and nurturing our relationships. After all, life is too short to not fully enjoy it!

Best Regards,

Kristiana + nicole

Continued from page 1

There are local private schools, local social service organizations, and local performing arts groups that truly need your donations.

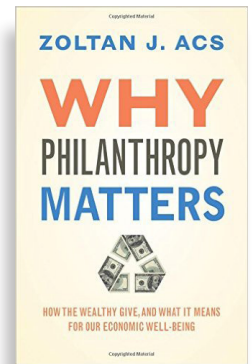
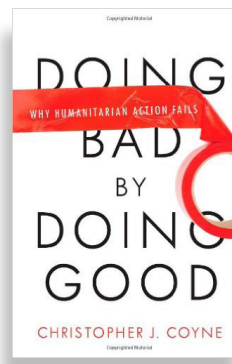
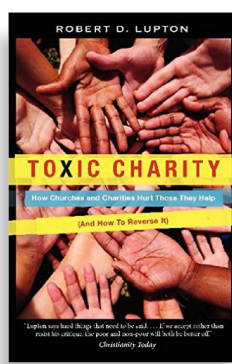
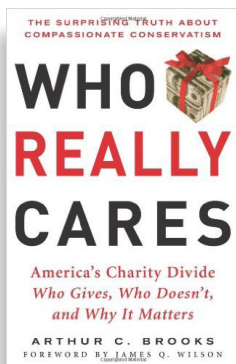
As with many things in our modern, complex, and rapidly changing world, nothing is quite as easy or simplistic as one would like.

Summit humbly offers our help to you in identifying which charity will deliver your gift in the manner you seek, how much and when you may want to consider giving, what assets should be donated, and through what mechanism.

Make great decisions,

Mitch

Mitch's book recommendations pertaining to the topics discussed in his article:



Cover Images : amazon.com

**Let us know how we can help.
Thank you for your TRUST and CONFIDENCE.**



Kick Holiday Stress to the Curb

BY ALYSSA FERRARO, CLIENT SERVICE SPECIALIST

The holidays are my favorite time of year. There really is nothing more enjoyable than hosting a magical and memorable holiday party. The thrill of planning, followed by the satisfaction you feel by witnessing the joy of your guests...

Wait, you don't feel this way?

Does the idea of entertaining make you cringe? It doesn't need to be this way, I promise.

But let's face it; hosting a gathering can be stressful. Not only are we trying to juggle a lot, as the host, we are also trying to make the most of our time with family and friends.



Now I am not titling myself as the "Hostess with the Mostest" by any means, but over the years I have learned a few game-changing tips to get me closer to mastering the art of effortless entertaining. This has also kept my husband from shuddering at the thought of hosting *yet another* event in our home.

Here are a few steps that I take to help make the process more efficient:

Plan Your Attack! If you really want to be a winner, and not a whiner, a plan is essential. Put your menu together, print any recipes you need, and see what you can prepare ahead of time. Think about quantities. You probably aren't feeding an army, so eliminate a few recipes and simplify.

Resist the temptation to show off. There is no need to make *everything* from scratch. Thank goodness for the supermarket Deli. Get rid of the packaging evidence, and you instantly look like Julia Child. Done.

Divide & Conquer. Divide your shopping list by store (grocery, warehouse, and specialty). This helps to

avoid the experience of hastily shopping the few days before a holiday, when shopping is not a pleasure.

Relinquish Control. Guests are going to ask you what to bring. It can be a struggle to let go and delegate items. Speak now or end up with multiple pumpkin pies!

Label, Label, Label. Ziploc bags and post-its are your friends. Around the holidays, I go as far as grouping the bagged ingredients (chopped, cleaned, and prepped the day before) by dish in a disposable aluminum pans and trays, and *most importantly* include the recipe card.

Sounds like overkill I know, but I assure you that grabbing a tray labeled "stuffing" and passing it off to anyone that offers to help, can create a flawless assembly line in the kitchen.

Execute! I set out and label all of my serving pieces and utensils by dish the night before the party. This will take the guesswork out of plating and presentation when you are nearing the home stretch of serving time. And it will also ensure you don't end up serving gravy with a fork.

Once the meal is served, take a moment to pat yourself on the back, mingle and relax. There is something magical that happens when you spend a couple hours with friends or family over a meal. Guards are dropped. Neighbors become friends. Memories are made. Relationships become deeper.

And remember, the only stress we should welcome during the holidays is the stress of deciding how many slices of pie to eat!

On behalf of the Summit team, we hope you have a lovely Thanksgiving, Hanukkah, Christmas and New Year.

Regards,



Why is Thanksgiving always on the fourth Thursday in November?

The history of celebrating goes back to 1621, when the first Thanksgiving was celebrated, although the fourth Thursday in November did not officially become the legal day for Thanksgiving until 1941. What took so long?

Here's the timeline:

1789 - President George Washington tried to set a date for all Americans to dine and give thanks. The date was set for November 26, which happened to fall on a Thursday that year. He unfortunately didn't have much support for this idea.

Over the years time date continued to vary, as other presidents tried to solidify something.

1863 - President Abraham Lincoln in the midst of the Civil War, officially commemorated a national Thanksgiving Day to take place on the last Thursday of each November.

Everything was running smoothly until...

1939 - The last Thursday in November fell on the last day of the month. President Franklin D. Roosevelt, concerned consumers didn't have enough time between Thanksgiving and Christmas to shop for gifts, moved Thanksgiving to the second Thursday in November. Thirty-two states followed suit, but 16 refused to listen. For the next couple years, the country celebrated Turkey Day at two different times.

1941 - Congress decided to end the confusion. The House passed a bill declaring the fourth Thursday in November the official holiday for Thanksgiving. President Roosevelt signed the bill into law in December.

Sources : businessinsider.com & history.com

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It's a great way to share our newsletter with your friends! Visit our website then go to "Resources" and click "Newsletter Archive".

FINGLISH /'FiNG(g)liSH/(n.) - [Financial English]

Inflation Trade: A method of investing that seeks to profit from an overall increase in price levels. The inflation trade often involves trades in commodities, such as gold and oil, because their prices rise when inflation occurs. Everyone needs to protect themselves against inflation, but the term "inflation trade" refers to a speculative practice of attempting to profit when inflation occurs rather than just hedging against it.

Camouflage Compensation: Compensation that is granted to upper echelon employees, directors, consultants and related parties that is not fully disclosed in mandatory company filings. In some cases of camouflage compensation, the compensation is fully disclosed, but in such a way that it is very difficult for the average investor to decipher the true value of gross pay compensation.

Oligopoly: Oligopoly is a market structure in which a small number of firms has the large majority of market share. An oligopoly is similar to a monopoly, except that rather than one firm, two or more firms dominate the market. There is no precise upper limit to the number of firms in an oligopoly, but the number must be low enough that the actions of one firm significantly impact and influence the others.

Source: [Investopedia.com](http://investopedia.com)



SUMMIT SPOTLIGHT

A LOOK INTO THE LIVES OF THE SUMMIT TEAM



* HOLIDAY QUIZ

▶ Match the Summit team member with the holiday tradition

1. Every Christmas Eve my whole extended family meets at my Aunts house and all 40+ of us go Caroling throughout the neighborhood. Another fun thing I always do with my immediate family members is to go see a movie on Christmas day and we all wear onesie pajamas.

2. Our family participates in the Angel Tree program every year to make sure children in need have gifts to open during the holiday season. We also always let the kids open one present on Christmas Eve, new PJs to wear to bed that night.

3. We have an annual Turkey Bowl – 8am flag football game at the local park with friends and family (all ages) the morning of Thanksgiving. We also take a new family photo every year with all 17 cousins.

4. Every year we must visit Connors A-Maize-Ing Acres in Hilliard, FL. They were originally chicken farmers but when Tyson shut down their Northeast Florida operation, they transformed the farm into a wholesome, fun family destination! Another unique tradition we have is to paint on paper grocery bags and use them to wrap our Christmas gifts.

5. Our family celebrates both Hanukkah and Christmas. My wife does a great job, preparing the traditional food for both holidays. We also follow the German Christmas tradition of decorating the tree with real candles and antique hand blown glass ornaments.

6. My husband and I watch a Christmas movie almost every night starting right after Thanksgiving.

7. Ever since my first Christmas, I have attended the Pelican Bay Rotary Christmas party with my family. Santa comes and my sister, brother and I (ages 21, 24, & 27) still get called up to sit on Santa's lap and receive a present. Christmas Eve in my family always consists of cooking a prime rib dinner, going to mass, and driving around town to look at Christmas lights.

8. We roast a whole pig every year on Christmas Eve and the youngest family member gets to select a name for the pig. My family also has a huge New Year's Eve party. We play the bongos, congas, tambourine and maracas to get everyone up to dance.

9. Every year in preparation for Christmas, multiple family members get together to bake 500+ cookies. We give them away as gifts and also to charities. We also enjoy our Elf on the shelf named, Tinsel.

10. Throughout the holiday season, my family takes the time to play as many Monopoly tournaments as possible.

11. On Christmas Eve, we make gingerbread houses and bake sugar cookies. Later on in the evening, we have a Christmas music dance party in our pajamas. Christmas day, our family gathers to have a Christmas brunch, hot chocolate, watch Christmas movies and spend time together.

SEE PAGE 11 TO CHECK YOUR ANSWERS

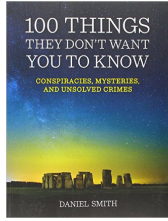
A. Chad Warrick
B. Loredana Wollett
C. Mischael Bross

D. Andrew Dickens
E. Amanda Pate
F. Kristiana Daniels

G. Alyssa Ferraro
H. Jessica Feliciano
I. Nicole Sadez

J. Teresa Turner
K. Mitch Levin

BOOKS WE'RE READING



100 Things They Don't Want You To Know

by Daniel Smith

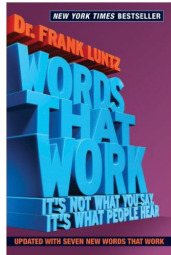
Smith sets out to uncover the truth behind 100 unexplained events that have been shrouded in secrecy for generations. Under his investigative searchlight are mysterious landmarks, disappearances at sea, legendary myths, astonishing coincidences, UFOs, missing people and bizarre natural phenomena.



Born to Run

by Bruce Springsteen

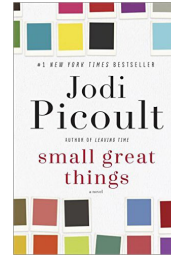
A revelation for anyone who has ever enjoyed Bruce Springsteen, but this book is much more than a legendary rock star's memoir. This is a book for workers and dreamers, parents and children, lovers and loners, artists, freaks, or anyone who has ever wanted to be baptized in the holy river of rock and roll.



Words That Work: It's Not What You Say, It's What People Hear

by Frank I. Luntz

Luntz offers a behind-the-scenes look at how the tactical use of words and phrases affects what we buy, who we vote for, and even what we believe in. If you ever wanted to learn how to talk your way out of a traffic ticket or talk your way into a raise, this book's for you.



Small Great Things: A Novel

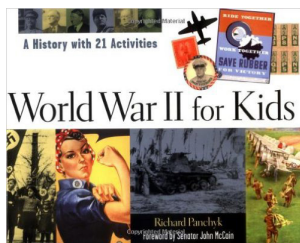
by Jodi Picoult

With incredible empathy, intelligence, and candor, Jodi Picoult tackles race, privilege, prejudice, justice, and compassion—and doesn't offer easy answers. This is a thought-provoking examination of racism in America today, both overt and subtle.



CHILDREN'S

BOOKS WE'RE READING (AND HIGHLY RECOMMEND AS GIFTS THIS HOLIDAY SEASON)



World War II for Kids: A History with 21 Activities (For Kids series)

by Richard Panchyk

This book is packed with information that kids will find fascinating, from Hitler's rise to power in 1933 to the surrender of the Japanese in 1945. This collection of 21 activities shows kids how it felt to live through this monumental period in history.

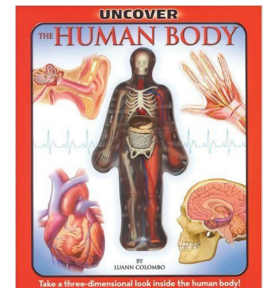
▶ Andrew's daughter's (ages 8 & 11) really enjoyed this book

Uncover the Human Body: An Uncover It Book

by Luann Colombo

This three-dimensional book offers a comprehensive approach to teaching children about anatomy and functions of the human body. Children learn why bones can bend without breaking, how blood travels thru the body and protects against germs, and how different parts of the brain controls different functions of the body.

▶ Loredana's kids (ages 1, 3 & 9) loved playing with the 3-D model



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- ➔ *What Your DNA Says About You*
- ➔ *Expand Your Mind*
- ➔ *End of Year Financial Checklist*
- ➔ *Manage the Holiday Stress Like a Pro*
- ➔ *Our Wonderful Traditions*



AS SEEN ON:



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Naples, FL 34109
(239) 254-1875

JACKSONVILLE
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Jacksonville Beach FL 32250
(904) 273-4550