

The Extraordinary Holiday Gift

This time of year, shoppers are scouring the malls and internet websites seeking a gift that is both meaningful and useful. With this in mind, we would like to offer suggestions of gifts from a financial perspective. Financial gifts can serve to benefit the giver as much as the recipient. All too frequently, the allocation and dividing of personal property is left until after an individual's death. Unfortunately, at that time it may not be possible for the intentions of the giver to be carried out because of final expenses, lack of a will or other dispositive instructions, or in more extreme situations, taxes due on the estate. Making a financial gift today may avoid future complications and allow the giver to enjoy the spirit of the gift.

A gift that has been popular throughout the years has been a gift of stock. Disney, Apple, Microsoft, and many other companies have been chosen as a gift that is relatively ageless, but also is one that can be directed towards a specific interest of the recipient. In time past, it was possible to provide the actual stock certificate which could be very ornate and worthy of framing and mounting. Today, receiving a certificate of stock is generally discouraged and often not available without a significant processing charge. The gifted ownership of an asset like equities may be one that the recipient would remember for years to come.

Another gift that is frequently overlooked is one of life insurance. This can be existing life insurance where the ownership is gifted, or a new policy. Since life insurance carries a "money-multiplier" benefit, a modest gift today could be a substantial future reward. And once again, such a gift could serve to remove property from an estate that could create a tax issue in the future. Gifting life insurance for young families may provide some much needed peace of mind, too.

For those children or grandchildren who are college bound in the future, a gift of a college savings account like a Section 529 Plan may serve to provide a good foundation that can be built on and used for a worthwhile endeavor. Additionally, this can be a perpetual gift that the giver can use for years into the future and the memory of this gift is certain to be one that is appreciated for the life of the recipient.

If you are seeking a smaller gift, consider a Series EE Bond. These can be purchased for as little as \$25, and could encourage long-term savings more than paper currency. Series EE Bonds are no longer issued in paper form, but purchasing them is relatively easy through www.treasurydirect.gov.

There are countless financial products that may be used as a gift. You will need information about the recipient of the gift, such as their Social Security Number and full legal name. Your financial advisor can instruct you as to what information would be needed and in what form your gift would be received.

As you walk through the crowded malls this Holiday season, and evaluate the latest electronic gadget that will be outdated in a few months, consider a gift that is timeless and may well appreciate in value. Who knows....you may start a new Holiday tradition!

Gary W. Beard, CLU, ChFC, is the owner of Beard Financial Group, and is a local, independent financial advisor and planner and has over 38 years experience in the financial community. Mailing address 26910 92nd Ave. NW, Suite C5 Box 470, Stanwood, WA 98292. (360) 387-2372 (866) 217-3350. Securities offered through KMS Financial Services, Inc., Seattle WA www.beardfinancialgroup.com

All information provided here is derived from publicly available information and is intended to be general information. It is not to be construed as tax advice. Please consult your own tax or financial advisor regarding your personal circumstances before taking any action that may have tax consequences.