

THE ADVANCED CONNECTION

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A Letter from Bob

In August 1982 the average closing price for Dow Jones Industrial Average was in the upper 800's – three digits – and now bouncing around 30,000! Mortgage rates averaged above 16% in 1982 and are now averaging over 7%, which may seem high when compared to what mortgage rates have been for the last many years. August 1982 was the month I became licensed and began my career as a financial professional. Much has changed since then.

I am now in my 41st year as a financial professional. Personally and professionally Dorothy and I have been extremely lucky, with a wonderful family, a great group of friends, and a successful firm. We have also been lucky at building a very strong team of financial professionals. We considered it a blessing when, in 2007, Ted expressed a desire to join the firm. His professional competencies and management skills developed quickly, eventually making it appropriate for him to become CEO.

As I am sure you know, I love what I am doing. Still, I am now 76 years old, and there are non-business things Dorothy and I would like to do. She and I have decided to reduce our hours and responsibilities. I will continue to be involved but will focus more on background work and research, and to be on fewer client appointments. This will give Dorothy and me the opportunity to spend

more time with our grandson and other family, to enjoy non-business travel, and to get to the many things we do not have time for now.

We want to thank all of you who have worked with us at any point during these last 40 years. We feel tremendously blessed in so many ways. We look forward to the occasions when we get to connect again!

Blessings to all!

Bob and Dorothy



Wealth Guide

At Advanced Wealth Management, we do a lot more than manage investment accounts. In fact, that is a small piece of the services that we offer to you, our wonderful clients.

We believe that before we can craft a comfortable investment strategy that is individualized to meet your needs and achieve your goals, we need to understand much more about many different facets of your life. Plus, we enjoy learning about and getting to know you! To help us gather and organize this information, each of our clients has a unique document called a Wealth Guide, which contains approximately 30 topics—some of which are listed and described below.

Goals

What are your financial and life goals?

Investment Plan

What is the strategy in place for your accounts?

Education and 529 Planning

Do you have a need for planning to fund education for yourself, friends, or family members?

Charitable Planning

What causes are important to you? If you are contributing financially to organizations, are you doing so in the most tax efficient way for your situation?

Tax Planning

Who does your taxes? Are there tax planning opportunities that should be considered, such as Roth conversions, Qualified Charitable Distributions, etc.?

Estate Planning

Are estate planning documents in place (wills, trusts, powers of attorney, etc.), and do they reflect your current wishes? Who did you work with to craft those documents, and when were they last reviewed?

Insurances (Life, Disability, Home, Auto, Liability, etc.) Are there current coverages in place? Are those coverages appropriate if an incident were to occur?

Account Titling and Beneficiary Review

Are accounts titled correctly and do the current beneficiary designations still reflect your wishes?

Family

We enjoy learning more about your children, parents, pets, etc. We are always excited to talk with any young adults in your life who may have financial questions.



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Liquidity Needs

Is there a need for cash in the future that we should be aware of as we are managing your investment accounts?



Retirement Income

Have we looked at retirement income projections for you?

Introduced By & Introduced To

How did you learn about our firm?

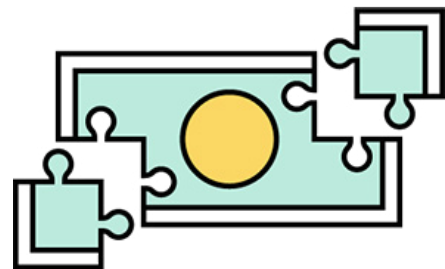
The Wealth Guide is a constantly evolving document, meant to contain the most up-to-date and accurate information about you. This ensures that everyone in our office can easily locate information about your situation.

We have shared this document with many of you, and even if we haven't, it serves as the agenda for most of our review meetings with you. The Wealth Guide helps ensure that we are staying current on the many facets of your life, and that important topics are being brought up as needed.

If you want to see a copy of your Wealth Guide, ask us, and we would be happy to share with you!

Social Security COLA Increase

The Social Security Administration has announced that the cost-of-living adjustment for 2023 will be 8.7%, the highest increase since 1981!



Your Guide to Charitable Giving Through Crowdfunding

As the end of the year approaches, so do the seasons of giving thanks, giving gifts, and for many, giving back. In fact, according to the 2021 Charitable Giving Report by the Blackbaud Institute, a cloud software company serving the nonprofit and social good community, 37 percent of all charitable giving happens in October, November, and December. And, thanks to the widespread use of social media, crowdfunding—raising money from a large number of contributors—is becoming the easiest method of soliciting funds for charities and personal causes.

The report also determined that online giving has grown 42 percent over the past three years, with a 9 percent increase in 2021 alone. So, whether you're inspired to donate by Giving Tuesday, a Facebook birthday fundraiser, a teacher's Amazon wish list, or a neighborhood family's GoFundMe page, the chance to donate is just a click away. But there is more you need to know before you click. When you plan to donate to any charitable organization, including via social media, do your research. Here, we answer common questions about this accessible method of giving.

Is My Crowdfunding Donation Tax Deductible?

Many crowdfunding sites have a symbol or other indicator that the organization is a registered charity and, therefore, tax exempt and eligible to receive tax-deductible contributions. You can also go directly to the organization's website to learn its tax status. In addition, the IRS has a tool called the Tax Exempt Organization Search (TEOS), which allows you to search any charity to determine whether it's registered as a 501(c)(3) organization.

This search can also help you find out if the charity has had its tax-exempt status revoked, which can happen if it hasn't filed the necessary paperwork for three consecutive years (among other reasons).

Whether you write a check or donate through a Facebook fundraiser, a donation to a verified 501(c)(3) organization is tax deductible. Keep in mind that some charities, like religious organizations, aren't required to have 501(c)(3) status, but donations to them are still tax deductible.

A donation to an individual, on the other hand, is not. You may feel compelled to give money to a family having trouble paying medical bills via GoFundMe, or to a good friend who launched a campaign to finance a new product via Kickstarter. While those are likely helpful and much-needed donations, they're not tax deductible for the donor.



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If you're itemizing deductions on your tax return rather than taking the standard deduction, be sure to keep receipts and detailed records of your donations. Check with your financial advisor for guidance on how to maximize your tax savings.



How Can I Tell If a Request for Donations Is Legitimate?

While it's fairly easy to visit the IRS search tool or a charitable organization's website to research its tax status and government filings, individual or private recipients aren't as easily vetted. Unless you personally know the recipient or can somehow verify their need, it's wise to keep your giving to causes you trust. Of course, social networks do enable you to vet friends of friends, or view posts and comments that will help you to judge whether a cause is legitimate.

You can also look to the specific crowdfunding site to see if an organization does its own vetting. GoFundMe, for example, has a one-year guarantee wherein you can submit a claim through the site if you think you've contributed to a fraudulent fundraiser within that period. If its experts determine your donation went to an illegitimate cause (note: this determination is at the discretion of the site), you will be refunded in full.

What Percentage of Donations Actually Supports the Cause?

This varies from site to site, and it's worthwhile for you to do some digging to make sure your gift has the largest impact. GoFundMe, for example, deducts a transaction fee of 2.9 percent plus \$0.30 per donation. Facebook doesn't charge transaction fees for donations to charitable organizations, but does deduct a 2.6 percent plus \$0.30 processing fee for donations to personal causes.

Check the details on the specific platform you're planning to use to help you determine whether it makes sense to donate through that site or another way. The charity website will also likely have a transaction fee to cover processing, but if you're skeptical that your funding will actually reach the intended organization, donating directly instead of through social media may be your safest bet.

Is Donating Through Social Media Instead of the Organization Beneficial?

Donating with just the click of a mouse and the use of a credit card is the biggest benefit to this type of charitable giving. It also allows supporters to easily share fundraisers so they can inspire friends, family, and followers to donate to them as well. More than \$6 billion has been raised globally through Facebook and Instagram for various causes—the reach is clearly wide. But, in terms of financial benefit to the giver, there is no significant

difference between donating directly or donating via crowdfunding.

So, as the year draws to an end and you feel compelled to share your good fortune with those who are less fortunate, click the “donate” button to your heart’s content. Just remember to vet the site and the cause—and feel free to check with your financial advisor—before you do.

Finding Opportunities in a Down Market with a Roth Conversion

The stock market has not been nice to us in 2022 and we have experienced more volatility than we have felt in the past 10 years. But with all of that comes an opportunity for investors to utilize tax savings strategies such as Roth Conversion. A Roth conversion is when you take pretax money from your Traditional IRA and convert that to a Roth Account. You will pay ordinary income taxes on the money that you convert, but the money will grow tax deferred, come out tax free, and be passed on to your beneficiaries’ tax free. This is a concept and a tool we use regularly, but it is especially impactful when we are executing during a down market.

Let’s take a stock that is worth \$100 in the beginning of the year, if the stock price has fallen to \$75 then

we are converting at a “discount” and paying taxes on \$75 instead of the \$100. If the market rebounds and brings the value back up to \$100 then we’ve essentially converted low and will sell high—tax free.

There are other considerations when making a Roth Conversion—will it bump you into a higher tax bracket, do you have a need to leave money tax free to beneficiaries, or will the taxes paid now be higher than you or your beneficiaries will pay later. If you are interested in reviewing whether a Roth Conversion would be an appropriate strategy, please reach out to us and we can review your options.

Giving Back

Earlier this fall, team members from Advanced Wealth Management spent some time volunteering with HomePlate Youth Services, a local nonprofit that provides support and resources to young people experiencing housing instability or homelessness.

In doing so, we had the privilege to tour their new, permanent facility in advance of its grand opening. The bright and spacious building, located adjacent to HomePlate's administrative headquarters in central Beaverton, will provide a drop-in location with access to essential amenities such as laundry and showers, a kitchen for cooking meals, and dedicated spaces for computer access, gardening,

and social activities. Services such as counseling and job placement assistance will also be available there.

Preparing the new building has been a labor of love by the community, with companies and individuals donating time, money, and supplies to see the project through to its completion. Advanced Wealth Management is proud to count ourselves among those who pitched in. We hope to find more opportunities in the future to assist HomePlate in their very worthy mission! Check out [HomePlate's website](#) to learn more about this organization.



AWM Summer Party

Our team celebrated together this summer by enjoying a great summer BBQ hosted by Ted and Lindsey. Everyone was able to bring a dish to share including some summer salads and a delicious mini pecan tart! This was a classic company picnic including great food, Cornhole competitions, and a chance to get reacquainted with children and spouses we haven't seen for quite a while.

Our summer weather here in Oregon was so nice, but short lived it seemed this year, so we all hope you were able to enjoy your friends and family outside too.



Office Closures

Thanksgiving
November 24th - 25th

Christmas (observed)
December 26th

New Year's Day (observed)
January 2nd

Martin Luther King, Jr. Day
January 16th

President's Day
February 20th

Memorial Day
May 29th

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