

**Becker Capital Management**

---

# Community Impact Report

---

2024 Edition



**BECKER CAPITAL  
MANAGEMENT**

---

**(503) 223-1720**  
**beckercap.com**

Portland, OR | Bend, OR  
Seattle, WA | Boise, ID

---

# A Letter From the President & CEO

As I reflect on another year of growth and impact, I am immensely proud of what we've accomplished together in 2024. At Becker Capital, we've always believed that our success is measured not just by financial performance, but by the positive impact we create in the communities we serve.

The 2024 Annual Community Impact Report is a testament to that belief. Our commitment to philanthropy isn't just an extension of our business – it's at the heart of who we are.

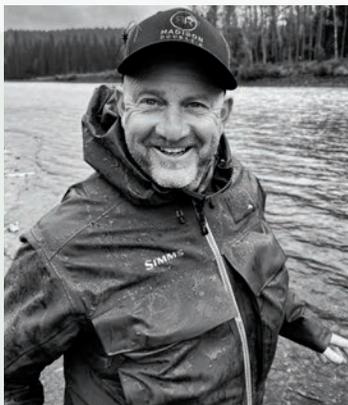
Our team has shown incredible dedication, contributing their time, expertise and resources to causes and initiatives that align with our core values.

From education and healthcare to arts and culture to environmental sustainability and animal welfare, we've not only deepened our partnerships with long-standing organizations, but embraced new opportunities to make a difference.

2024 was a big year for us. We opened a new office in Boise, Idaho, added 6 new team members to the firm and hit \$5 billion in assets under management for the first time in the firm's history.

I invite you to explore this report and learn more about the incredible work we have accomplished this past year.

Thank you for your continued support and partnership as we strive to create a lasting legacy of giving back and build a brighter future for all.



With sincere  
appreciation,

A handwritten signature in blue ink, appearing to read "J. L. Baker".

President & CEO

# Contents

---

**04** Empowering Wealth, Enriching Communities

---

**05** Total Monetary Donations

---

**06** What We Do

---

**08** Our Services

---

**09** Core Investment Principles

---

**10** Perspectives 2024: EVs and the Future of Mobility

---

**12** Perspectives 2024: The Panelists

---

**16** The Becker Nonprofit Forum Presents!

---

**20** Investing in Our Communities

---

**22** Charitable Events Attended in 2024

---

**24** Employee Volunteering

---

**31** Nonprofits in the U.S. Economy

---

**32** Americans are Generous

---

**34** Ways to Give: Appreciated Stock Gifts

---

**35** Case Study: Appreciated Stock Gifts

---

**36** Ways to Give: Qualified Charitable Distributions

---

**37** Case Study: Qualified Charitable Distributions

---

**38** Ways to Give: Donating Family Business Stock to Charity

---

**42** Evaluating Nonprofits: A Checklist for Smart Giving

---

**45** Oregon's Most Admired Companies Award

---

**46** Best Places to Work Award

---

**47** Corporate Philanthropy Award

---



# Empowering Wealth, Enriching Communities

---

At Becker Capital, community involvement is at the heart of who we are. We take pride in fostering a philanthropic company culture that reflects our dedication to the communities in which we live and work. For over a decade, we've been recognized as one of Oregon's most philanthropic medium-sized companies.

Our commitment in action:

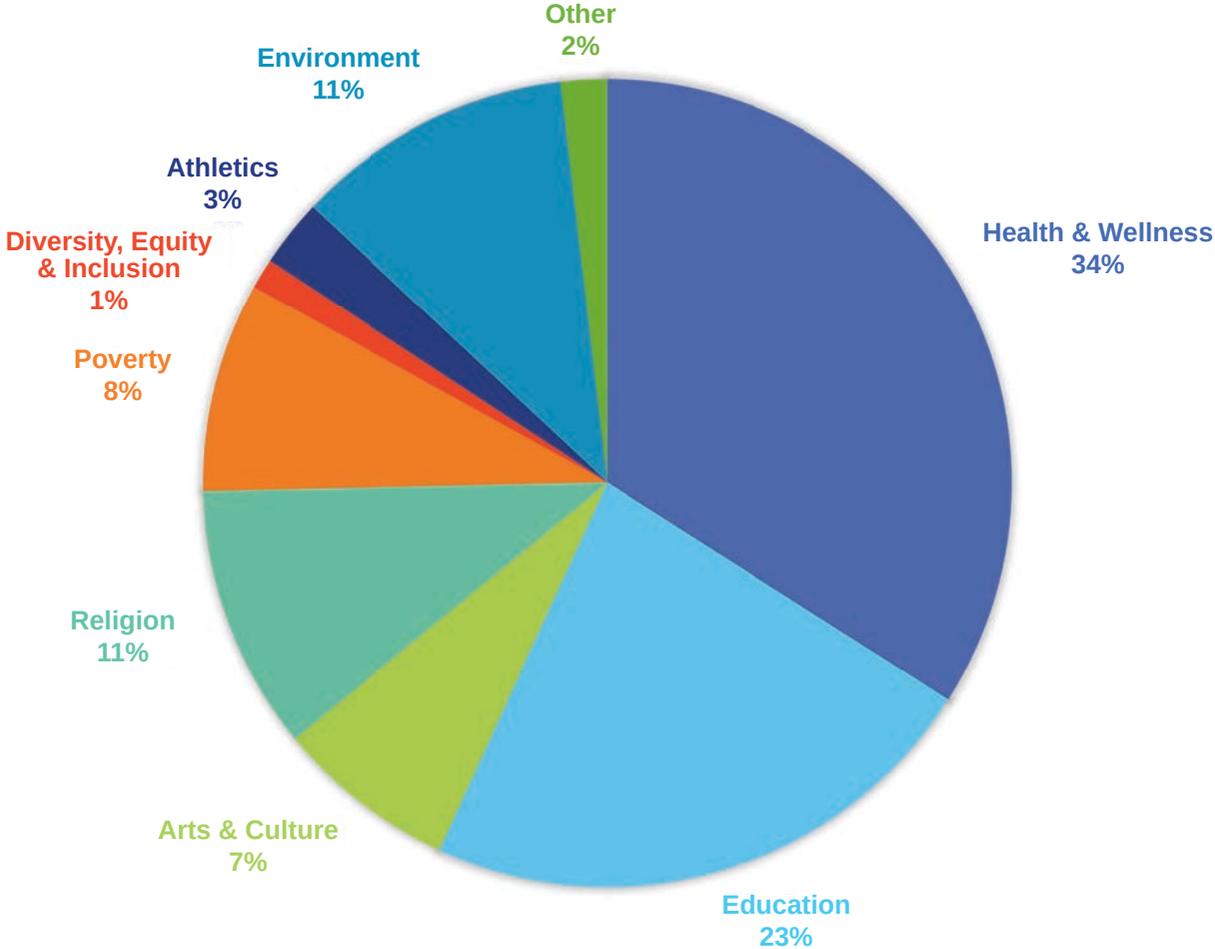
- 01** 1% of gross revenue donated annually to charitable organizations
- 02** Partnerships with 70+ nonprofit organizations as clients
- 03** A formal employee donation matching program to amplify giving
- 04** Volunteer incentives to encourage team participation
- 05** Over 3,200 volunteer hours contributed by employees in 2024

Together, we strive to make a meaningful difference.

# TOTAL MONETARY DONATIONS IN 2024:

# \$221,545

BECKER CAPITAL'S 2024 DONATIONS BY SECTOR



● Health & Wellness	\$75,276	● Poverty	\$18,605
● Education	\$50,449	● Diversity, Equity & Inclusion	\$2,700
● Arts & Culture	\$15,950	● Athletics	\$6,000
● Religion	\$23,440	● Other	\$4,095
● Environment	\$24,670		

# What We Do

---



Rooted in a tradition of unwavering commitment to our clients, nurtured and refined over a span of four decades, our foundation is solidified by a steadfast dedication to putting our clients at the forefront of everything we do.

At Becker Capital, we are more than just financial advisors; we are dedicated partners in securing and enhancing your financial future. Founded on principles of integrity, expertise, and personalized service, we are committed to guiding clients through the complexities of wealth management and strategic planning.

With decades of industry experience, our team brings a deep understanding of financial markets and tailored solutions that reflect each client's unique goals and needs. Our approach centers on building lasting relationships, grounded in trust and transparency. We work closely with high net worth individuals, families, nonprofit organizations and institutions to create customized financial strategies and portfolio solutions that go beyond the numbers, taking into account the full spectrum of financial, personal, and legacy aspirations.

By staying nimble and forward-thinking, we're able to adapt to ever-changing financial landscapes, ensuring that our clients remain well-positioned to meet their objectives.

We're driven by a mission to make a meaningful difference in the lives of our clients and the communities we serve. We take pride in offering a level of service that is both comprehensive and deeply personal, with a commitment to the highest standards of professionalism. Whether you're planning for retirement, growing your investments, or preparing to pass on your legacy, our team is here to provide the guidance and expertise you need to succeed.

Recognizing that no two clients are the same, whether it's guiding a family through generational wealth planning, supporting business owners with succession strategies, or providing retirees with peace of mind, Becker Capital Management is dedicated to delivering financial solutions tailored to individual needs.

Our emphasis on relationship-driven service means we listen closely, communicate openly, and ensure our clients have a clear understanding of their financial landscape.



# Our Services

---

## **Wealth Management**

By combining the nimbleness of a boutique with the resources of one of the largest independent firms in the Pacific Northwest, our clients benefit from unbiased advice, thoughtfully constructed multi-asset portfolios, and access to the broad capabilities of the firm.

## **Nonprofit**

Our goal is to be your trusted partner in all areas of nonprofit management, from managing strategic short-term reserves and customizing your investment management to helping boards fulfill their fiduciary responsibilities.

## **Wealth Planning**

We strive to provide peace of mind to our clients through many of life's transitions, using our personalized and dynamic wealth planning approach.

## **Institutional Management**

Becker Capital is a trusted manager of capital for institutional investors across a range of investment strategies.

## **Alternative Investment Opportunities**

We have direct partnerships in real estate, private equity, venture capital, and hedge funds for qualified clients.

## **Impact Investing**

We offer solutions across the complexity spectrum for clients seeking to create impact through their investments.

## **Family Office**

At Becker Capital Management, our industry experts offer a full range of financial, investment, and lifestyle solutions for single-family and multi-family offices.

## **Women Investors**

As financial advocates for our women clients, we are dedicated to understanding your unique goals and aspirations. With decades of combined experience, we are committed to standing up for and empowering our women clients. Becker Capital has women-only teams available to support you with all your investment needs.

# Core Investment Principles

## Experienced

- 48 years in business
- 14 years average employee tenure
- 24 years average industry experience

## Employee-Owned

- 18 of 37 employees are shareholders
- No outside capital

## Institutional Caliber Investment Management

- National presence
- Long-term track record

## Custom Multi-Asset Approach

- Individual stocks and bonds
- Access to third-party managers
- Passive indexes
- Real estate, private equity and hedge fund strategies for qualified clients

## Tailored Wealth Management

- Customized portfolio transition strategy and schedule
- Accommodate existing holdings
- Integrate tax planning with portfolio management

## Community Commitment

- 1% of annual revenue is donated to charities
- Formal employee matching program
- Time off to volunteer





# Perspectives 2024

---

## EVs and the Future of Mobility

We hosted our highly anticipated 2024 Perspectives event at the Portland Art Museum, drawing an engaged audience of clients, thought leaders and enthusiasts. The event's theme, EVs and the Future of Mobility, showcased the seismic shifts in the automotive and freight industries toward an electrified future.

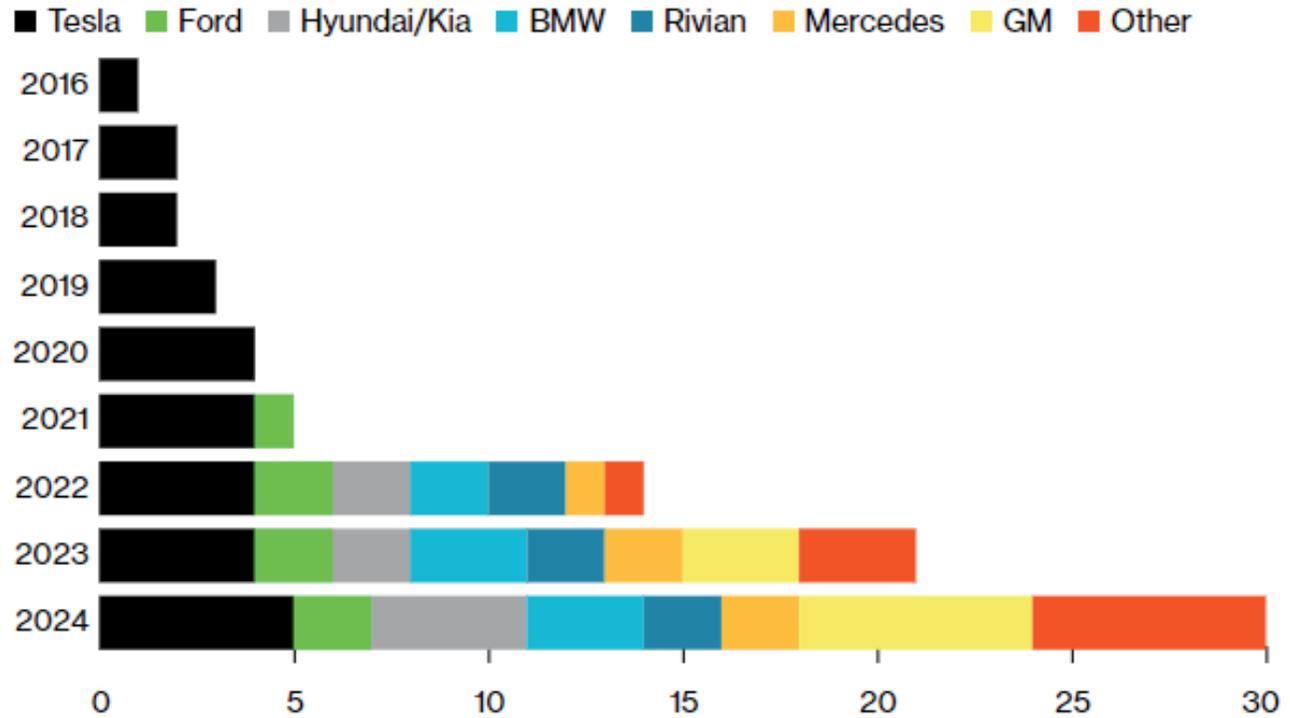
Outside the museum, attendees were greeted by two striking examples of the cutting-edge technologies redefining mobility: Tesla's Cybertruck and Freightliner's eCascadia electric truck. These vehicles symbolized the event's message: electrification isn't just for personal transportation but has the potential to revolutionize the commercial freight sector as well.

Inside the museum, panelists delved into topics such as advancements in battery technology, infrastructure challenges, autonomous vehicles and the economic and environmental impact of widespread EV adoption.

Our Perspectives series aims to inform and empower its audience by connecting them with forward-thinking ideas and insights. The 2024 event underscored our commitment to understanding emerging trends and their long-term implications for markets and society.

# The Long-Range EV Boom Has Arrived

Unique models offering 300+ miles per charge



Source: US EPA, company websites

Note: At least 20 additional models have been announced to start later 2024. Excludes model years with limited availability. Other: VW, Lucid, Polestar, Fisker, Nissan, Vinfast





# Perspectives 2024

## The Panelists



### **Rakesh Aneja**

Vice President and Head of Daimler Truck North America's Zero-Emissions Transformation Group.

In this role, Mr. Aneja finds purpose in developing and empowering global, high-performing teams dedicated to delivering sustainable and customer-focused transportation solutions, including vehicles and their supporting infrastructure. Additionally, he leads Daimler Truck North America's (DTNA) sustainability efforts, focusing on Environment, Social, and Governance (ESG) initiatives. Mr. Aneja has over 25 years of diverse professional and educational experiences related to commercial vehicles spanning multiple countries- U.S., Germany, and India.



## **Joe LaChapelle**

Most recently Vice President of Research and Development at Luminar Technologies, Inc., an automotive LiDAR company.

Mr. LaChapelle has over 30 years of technology development and operating experience, including 26 years at CEO, GM and VP levels. Mr. LaChapelle has participated in multiple startups including Luminar (IPO), nLight Photonics (IPO), Deep Photonics (acquired) and Techne (acquired). Mr. LaChapelle holds over 70 patents in the fields of LiDAR, SWIR imaging, solid state lasers, fiber lasers and semiconductor manufacturing. Mr. LaChapelle holds a Bachelor of Science degree from Oregon State University in Engineering Physics.



## **Dr. Richard W. Pekala**

Chief Technology Officer for ENTEK Technology Holdings LLC.

Dr. Pekala began his career at Lawrence Livermore National Laboratory where he worked for 11 years in the Materials Science Department on sol-gel chemistry and organic-based aerogels. In 1996, Dr. Pekala joined PPG Industries as a scientist working in the Silica Products business unit where he had responsibility for precipitated silica used in battery separators and synthetic printing media. In 1999, Dr. Pekala joined ENTEK where he helped to commercialize new products such as lithium-ion battery separators, Pb-acid battery separators, flow battery separators, conductive carbon films, and waterproof breathable membranes. Dr. Pekala has over 100 technical publications, 2 R&D 100 awards, and 33 patents.







# The Becker Nonprofit Forum Presents!

---

The Becker Nonprofit Forum is an annual opportunity for nonprofit leaders to connect with peers, recharge and engage in thought leadership.

On October 22nd, 2024, Becker Capital hosted our 2nd annual Nonprofit Forum at the Hunt & Gather event space in the heart of the Pearl District in Portland, OR. Over 40 extraordinary leaders from diverse sectors - social services, education, environmental stewardship, animal welfare, art, entertainment, mental health, and spiritual care - came together to connect, collaborate and learn.

Nonprofit leaders are charged with delivery of excellent programs, providing a healthy workplace culture, and managing their organization as a business with limited resources. While most of their leaders are adept in program and culture development, many have less training in financial management. The forum addressed the economic challenges faced by nonprofits and how to engage and prepare for long-term financial sustainability.



## Fulfilling Your Mission; Financing its Future

### **Brenda Stonecipher**

Principal, MBA, CPA  
Stonecipher Consulting

Our featured speaker in 2024 was Brenda Stonecipher. Brenda has three decades of financial and executive leadership experience in education, healthcare, arts administration, and government. She has served in the role of Executive Director, Interim CEO/Head of School, CFO, and Interim CFO for many nonprofit organizations. Brenda and her team specialize in helping nonprofit organizations identify and overcome the barriers to financial sustainability.

Thank you to all the nonprofit leaders who joined us this year! Becker Capital is grateful for the incredible work that you do every day to enrich, educate, entertain, engage, heal and inspire our communities. We are proud to support your missions and serve as your partner.



“Nonprofits are essential to the functioning and flourishing of our communities. Their missions range from the inspiration of the arts to the desperation found in our most vulnerable populations.

Nonprofits fill the critical gaps that are too complex for government and too costly for the private sector. Their leaders and supporters are heroes.”

**- Tom Doyle**







## Investing In Our Communities

Becker Capital makes a substantial investment in our communities' nonprofits and foundations. At no additional cost to our clients, in 2022 we added a full-time resource to provide leadership and operational consulting services. We integrated into our team Tom Doyle, who has an MBA, MDiv, and decades of experience leading nonprofits. Tom is wholly dedicated to ensuring that our nonprofits are enveloped in an ecosystem through which Becker serves our nonprofit clients and provides leadership in our community.

Having held the seats of Executive Director and Board member, Tom understands the complexity and pressures of nonprofit leadership. He serves as a consistent and objective conversation partner, coach, and mentor to many nonprofit leaders and board members. He lends his expertise in governance, leadership development, strategic planning, fund raising, administrative design, organizational culture, and community relations to our clients. In addition, his general managerial expertise provides strategic guidance and referrals in the areas of finance, technology, and human resources.

In addition to convening 50 nonprofit leaders to explore financial sustainability, some of the projects Tom worked on in 2024 included:

### **Community Foundation Planned Giving**

Led the board of a community foundation in an exercise to develop personal philanthropic mission statements. This process was a pilot for offering similar training for potential planned givers among their friends and supporters.

### **Board Development**

Provided the board of a growing private secondary school with a forum for conversation and training on board evolution and best practices of roles and responsibilities for high-performing governing boards.

### **Strategic Planning**

Assisted an established educational foundation develop a strategic plan as they transitioned from operations run by volunteers to professional management.

### **Leadership Team Building**

Developed content for a full day workshop on leadership and collaboration for a leadership team of a college in public university.

### **Board Counsel**

Provided extended counsel and support for a social service nonprofit through a transition in executive director leadership.

### **Planned Giving**

Teamed up with a wealth planning professional colleague from Becker Capital to provide a health care foundation with longitudinal trends in U.S. philanthropy, opportunities in planned giving, education about vehicles for planned giving and planned giving case studies.

### **Campaign Readiness**

Assisted a private community foundation in review of a campaign readiness study.

### **Board Education and Training**

Created original content for education and discussion around the issues of leadership, culture, and operations as they relate to Diversity, Equity and Inclusion.

### **Convening and Match Making**

Facilitated introductions of nonprofit organizations to regional foundations resulting in successful grant proposals.



37

## Charitable Events Attended In 2024

- Saint Charles Foundation's Saints Gala
- Deschutes River Alliance's Auction & Gathering
- Ducks in the Desert
- Edison High School's Brilliance Benefit
- NW Association for Blind Athletes' Together in Tandem Dinner & Auction
- Blanchet House's Lend a Helping Hand Brunch
- Oregon Episcopal School's Intergalactic Gala
- Providence Hood River's Hearts of Gold
- St. Mary's Home for Boys' Mending Hearts Luncheon
- Civics Learning Project's Legal Citizen of the Year Award & Celebration
- LifeWorks NW's 22nd Annual Something to Talk About Breakfast
- De La Salle North Catholic High School's Changing Destinies Luncheon
- JDRF's Portland Hope Gala 2024
- Feral Cat Coalition of Oregon's Milano Miao 26th Annual Furball
- Providence Portland Medical Foundation's 26th Anniversary Celebration of Creating Hope
- Maybelle Center Family Reunion
- Catholic Charities of Oregon's Celebration of Hope
- St. Andrew Nativity School's Promoting Success Luncheon



- Adelante Mujeres' Fiesta of Hope
- High Desert Museum's 2024 Rendezvous
- Timberline Daydream: A Celebration of Music, Brews & Bikes
- Salem Art Association's Salem Art Fair & Festival
- Together for Albertina Kerr
- Ronald McDonald House Charities of Oregon & SW Washington's 2024 Hope-Raiser
- JoyRX's 2024 Wonderball
- Catholic Youth Organization/Camp Howard's Champions of Faith Dinner
- Columbia Land Trust's Wild Splendor Gala
- St. Andrew Nativity School's Harvesting Success Dinner
- Boys and Girls Club of the Umpqua Valley's Celebrate Kids Dinner & Auction
- American Cancer Society's Making Strides Against Breast Cancer Walk
- De La Salle North Catholic High School's Fall Benefit Dinner & Auction
- Abbey Foundation of Oregon's Seminary Benefit
- ARCS Foundation of Oregon's Impact, Ignite!
- NW Association for Blind Athletes' Vision for Opportunities Luncheon
- Hillsboro Medical Center Foundation's Salud! To Our Health
- Providence Portland Medical Foundation's Festival of Trees
- Ascend's Open Hearts, Open Doors





**3,200**

## **Becker Capital Employee Volunteer Hours in 2024**



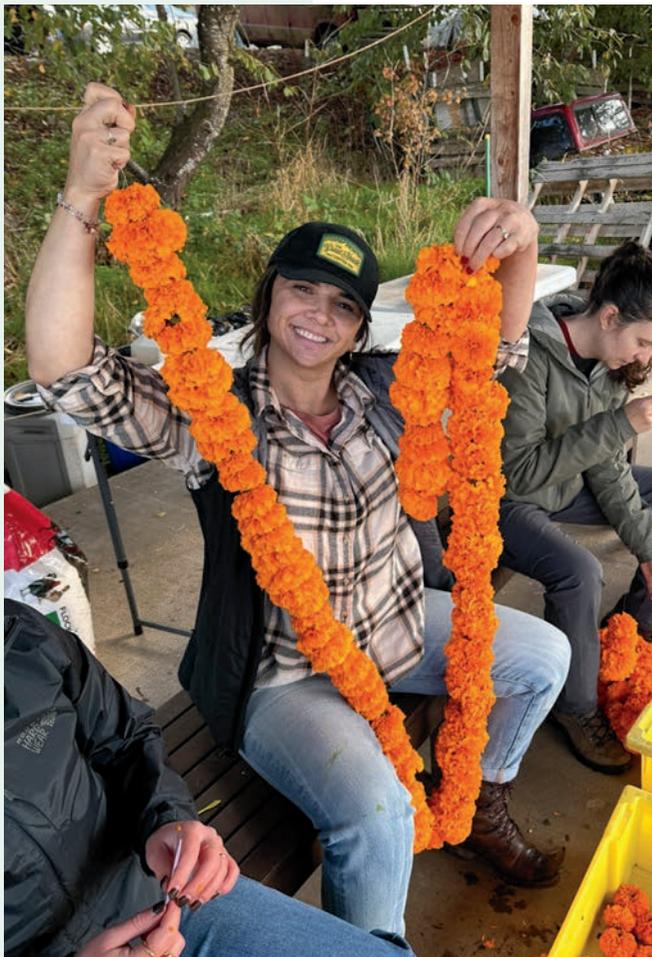








Becker Capital





# Nonprofits in the U.S. Economy

---

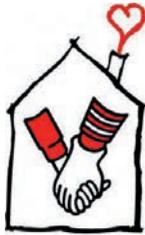
**LIFEWORKSNW**



**MAYBELLE**  
CENTER FOR COMMUNITY



MAYBELLE CLARK  
MACDONALD **FUND**



**Ronald McDonald  
House Charities®**  
Oregon & SW Washington



**FERAL CAT  
COALITION  
OF OREGON**

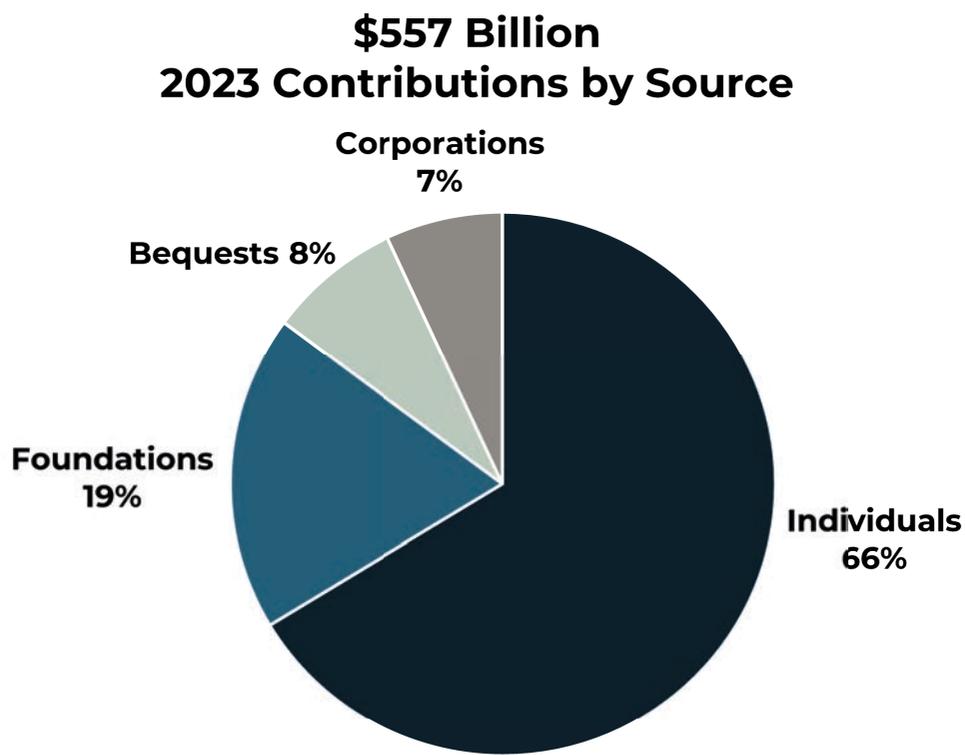
- Provide critical services that contribute to economic stability and community vitality
- Comprise 5%-6% of US GDP
- America's 1.5 million charitable nonprofits feed, heal, shelter, educate, inspire, enlighten, and nurture people of every age, gender, race, and socioeconomic status
- Foster civic engagement and leadership, drive economic growth, and strengthen the fabric of our communities
- Engines of social entrepreneurship and public policy development
- Spur volunteerism: 60.7 million Americans volunteered, donating 1.4 billion hours of service for an economic benefit of \$122.9 billion\*

\* <https://www.census.gov/library/stories/2023/01/volunteering-and-civic-life-in-america.html>

# Americans Are Generous

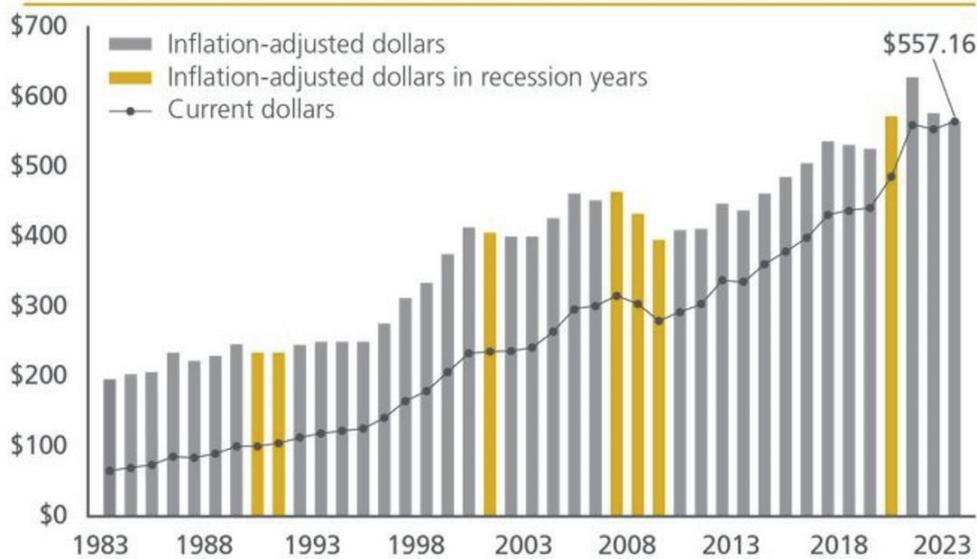
- 74% of charitable donations in U.S. come from individuals
- 2023 giving increased 1.9% in current \$ (decreased -2.1% inflation adjusted \$)
- Americans donate 7x as much as continental Europeans

2023 Gifting		
Individuals	\$374.4 billion	66%
Foundations	\$103.5 billion	19%
Bequest	\$42.7 billion	8%
Corporations	\$36.6 billion	7%



Source: "Giving USA 2024, The Annual Report on Philanthropy for the Year 2023".  
 Researched and written by the Lilly School of Philanthropy, Indiana University.

# Total Giving In The U.S.



## Where Are Dollars Flowing?



Source: "Giving USA 2024, The Annual Report on Philanthropy for the Year 2023".  
 Researched and written by the Lilly School of Philanthropy, Indiana University.

# Ways To Give

---

## Appreciated Stock Gifts

- Appreciated assets, such as stocks, can be gifted.
- Upon receiving the appreciated asset, the charity sells the security and adds the proceeds to their organization.
- No taxes are incurred by the charity, since it is not subject to income taxes.
- The donor avoids incurring capital gains by not selling the appreciated asset and may also receive a tax deduction.

### Pros

- Taxes are not incurred by the donor or charity.

### Cons

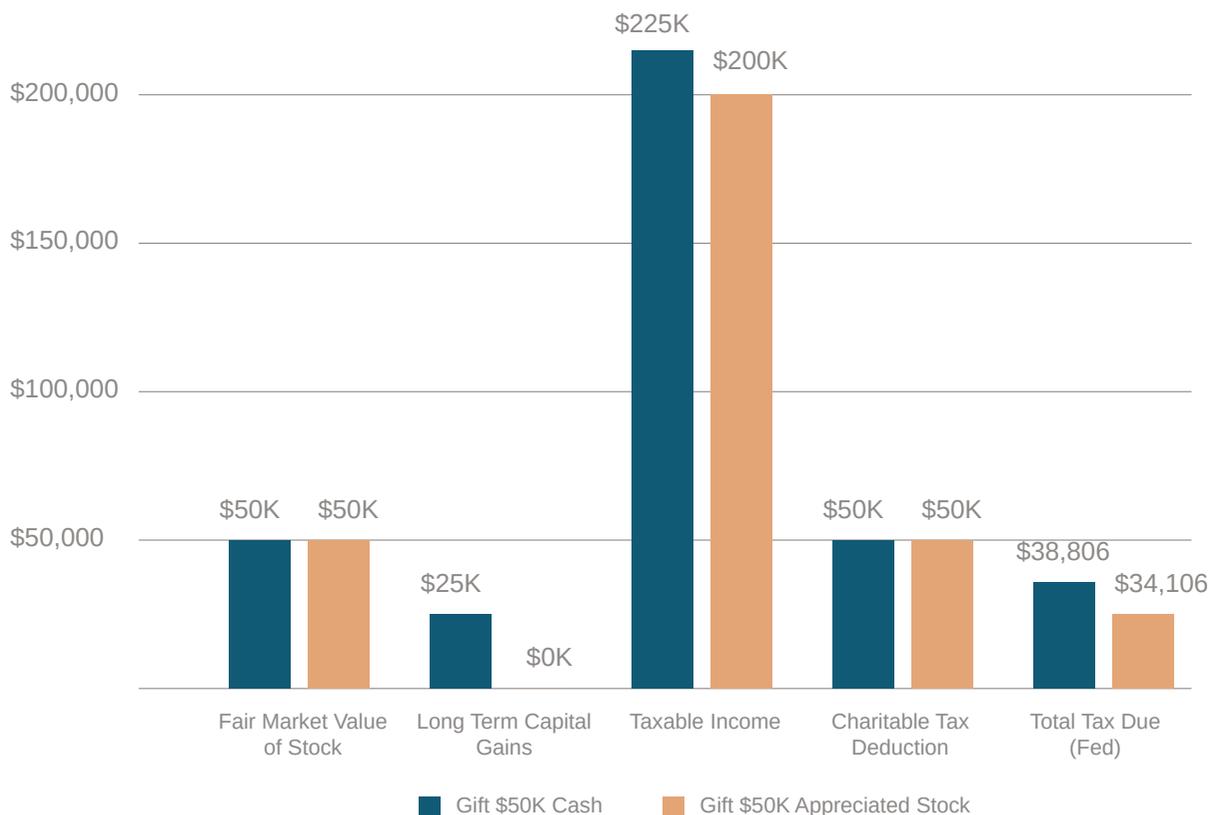
- Slightly more difficult for donor to determine which security to donate and how to transfer it.
- Donor may be leaving more tax advantageous strategies on the table.



# Case Study

## Appreciated Stock Gifts

- Lucy and Ricky have an Adjusted Gross Income (AGI) of \$250,000 and a Family Trust worth \$1 million.
- Their portfolio currently has a cost basis of \$500,000.
- They itemize their tax deductions and have decided to donate \$50,000 of appreciated stock to their favorite charity.
- By donating appreciated stock, instead of selling the stock and incurring capital gains taxes, Ricky and Lucy save \$4,700 in taxes.



# Ways To Give

---

## Qualified Charitable Distribution

- A Qualified Charitable Distribution (QCD) is a direct transfer of cash from an IRA account to a qualified charity.
- A donor can utilize a QCD beginning at age 70 ½.
- This distribution counts as part of the donor's annual Required Minimum Distribution.
- The maximum QCD was \$105,000 in 2024 and is adjusted for inflation annually.
- The gift must go directly to a 501(c)(3) organization – it cannot go to a Donor Advised Fund or private foundation.

### Pros

- The donor may reduce their taxable income.

### Cons

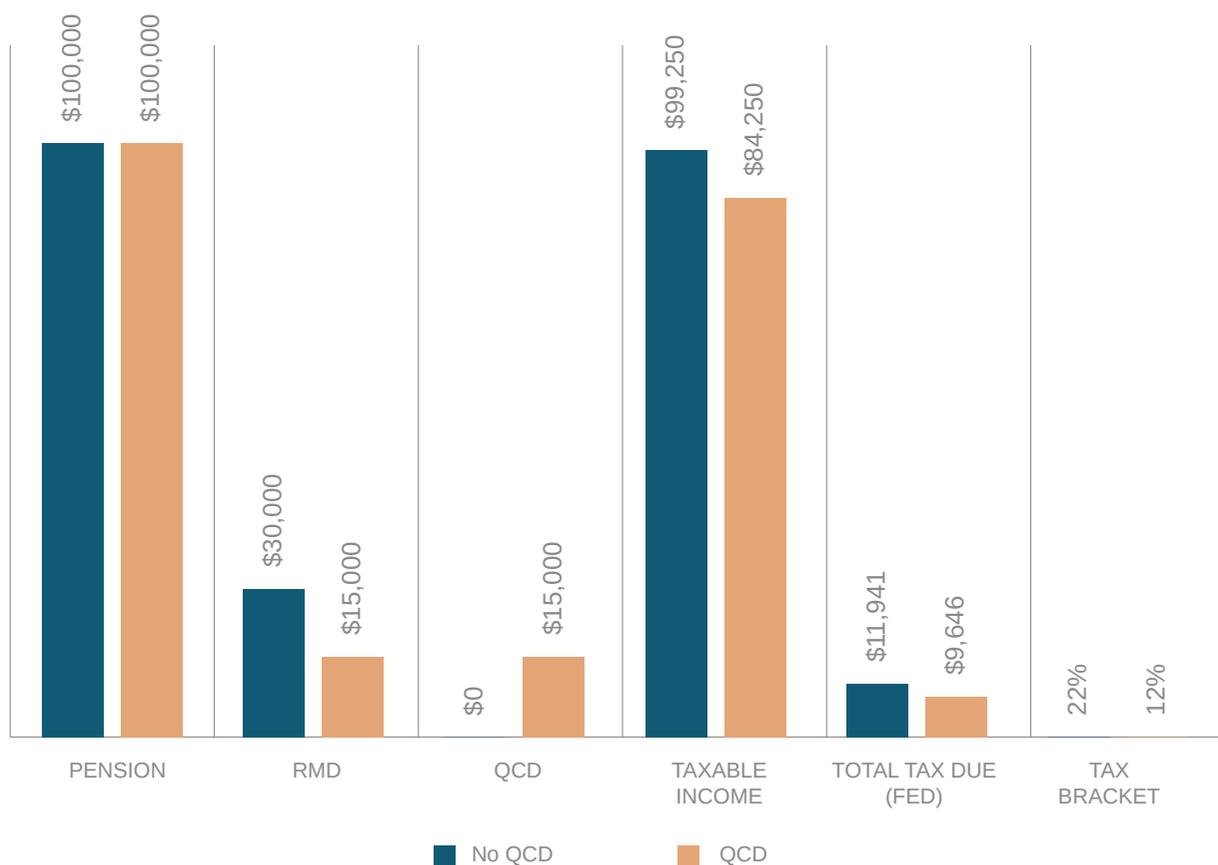
- Cannot use a QCD to donate to a private charity or Donor Advised Fund.
- Custodians cannot send the check directly to the charity. It is sent to the donor, their advisor or other client provided address to forward to the charity of choice.



# Case Study

## Qualified Charitable Distribution

- Fred has recently retired from his job as a bronto-crane operator. He retired later than his wife, Wilma, would have liked and now needs to begin his Required Minimum Distributions (RMD).
- Fred also has a pension that pays \$100,000/yr and Wilma is worried about the RMD, \$30,000 in 2024, moving them into a higher tax bracket.
- Fred and Wilma decided to give \$15,000 to charity via QCD and are taking the standard tax deduction.
- By donating via QCD, Fred and Wilma lower their taxable income and stay in the 12% tax bracket.



# Ways To Give

---



## Donating Family Business Stock To Charity

**Written by Melissa May, JD**

Wealth Strategist and Director

As noted on pages 34 and 35, donating appreciated stock to charity can provide tax benefits in addition to the satisfaction of investing in your community or favorite cause with a charitable donation. The tax benefits of a lifetime gift to a 501(c)(3) organization include a 100% deduction for gift tax purposes as well as an income tax deduction subject to certain limits. Another meaningful tax benefit is the elimination (or deferral, with some types of gifts) of capital gains tax on appreciated stock donated to charity. In some cases, you may be able to retain a stream of income while ultimately benefiting charity and enjoying the tax advantages described above.

The techniques discussed in this article and the examples that follow are applicable to donations of stock in a closely held “C” corporation, or a limited liability company (“LLC”) taxed as a C corporation. Additional complexities, restrictions, and limitations on charitable deductions may apply to gifts of stock in “S” corporations and interests in LLCs taxed as S corporations, partnerships, and LLCs taxed as partnerships. Such gifts are outside the scope of this article but are worth exploring with your tax and legal advisors if you are interested in donating your stock or ownership interest in such an entity.

Regardless of the type of stock being given and the identity of the receiving charity, it is important to contact your attorney and accountant as soon as possible to obtain legal and tax advice applicable to your specific situation. They can evaluate the feasibility and tax consequences of a proposed gift and point out potential pitfalls along the way. In addition, the timing of a donation can be critical to obtaining the desired tax benefits, particularly if you (and/or the other business owners) are contemplating a sale of company stock. Therefore, you should call on your advisors before taking steps toward the donation of a sale or other transaction involving stock you wish to donate to charity.

Before making a charitable donation of your closely held business stock, you must evaluate not only the feasibility of meeting the technical tax requirements for a successful donation, but several practical issues as well. First, does the company's shareholder agreement (or operating agreement in the case of an LLC) and any additional buy-sell agreement restrict the transfer of stock (or LLC interests) to third parties? If so, is there an exception allowing charitable donations of the stock? If not, would the parties agree to amend those agreements to allow the charitable donations? Assuming the donation is permissible from the company's perspective, does the intended recipient have the capacity to accept the gift and become a shareholder, and are they willing to do so? If the charitable organization is not able to hold the stock long-term, can they sell it to a third party,

or to existing shareholders? Last but not least, to obtain an income tax charitable deduction the IRS requires a qualified appraisal of the donated stock. The appraisal necessarily entails a valuation of the company, including valuation of company-owned assets, and must be performed by a qualified appraiser. This can be a complex, time-consuming, and sometimes expensive undertaking. Nevertheless, many donors find that the benefits of their charitable donations outweigh the compliance burdens.

The following table illustrates potential outcomes of a hypothetical gift (using a variety of charitable giving vehicles) of C corporation stock worth \$1 million to various types of charitable organizations. The table addresses the potential income tax charitable deduction available for such a gift, the limitations on such deduction, the potential capital gains tax that may be eliminated or deferred with a successful charitable gift, the amount (or projected amount) ultimately passing to charity, and, in the case of a charitable split-interest trust, the projected amount to be received by the donor or other individual beneficiary. If the value of a charitable donation exceeds the applicable limit on deductions for the year the donation is made, the donor may carry over the excess deduction for five years.

The table demonstrates the hypothetical gift's potential outcomes for a donation directly to a public charity, a donor advised fund or "DAF" established at a public charity, and a private foundation. It also illustrates the potential outcome of donating the stock to a public charity

in exchange for a charitable gift annuity. Finally, it sets out the potential outcomes of stock gifts to public charities via charitable split-interest trusts, including a charitable remainder annuity trust (“CRAT”), charitable remainder trust (“CRUT”), charitable lead annuity trust (“CLAT”), and a charitable lead unitrust (“CLUT”).

Briefly, charitable remainder trusts allow a donor to retain (or give to another individual) an income stream from the donated assets and receive an immediate income tax deduction for the present value of the gift to charity at the end of the trust term. The income stream may be in the form of an annuity (a charitable remainder annuity trust) or in the form of a “unitrust” interest - a fixed percentage of the trust assets,

determined annually. Charitable lead trusts switch the roles described above. The charitable organization receives an income stream for the donated assets in the form of an annuity or unitrust amount. At the end of the charitable lead trust’s term, the remaining trust property passes to one or more individual beneficiaries selected by the donor. The actual outcomes of a charitable split interest trust vary depending on the IRS interest rate in effect at the time of the gift, length of the trust term, performance of trust investments, and the annuity amount or unitrust percentage and timing of payments from the trust to the beneficiary of the annuity or unitrust interest.

<b>Type of gift &amp; tax attributes<sup>1</sup></b>	<b>Max. income tax deduction<sup>2</sup></b>	<b>Max. fed. cap. gains tax<sup>3</sup> savings</b>	<b>Max. fed. cap. gains tax deferred</b>	<b>Annual unitrust / annuity payment</b>	<b>Total amount to charity</b>	<b>Total amt. to donor / <u>other</u> beneficiary</b>
Direct gift to public charity	\$1,000,000	\$200,000	N/A	N/A	\$1,000,000	N/A
Direct gift to DAF <sup>4</sup>	\$1,000,000	\$200,000	N/A	N/A	\$1,000,000	N/A
Direct gift to private foundation <sup>5</sup>	\$1,000,000 <sup>5</sup>	\$200,000	N/A	N/A	\$1,000,000	N/A
Gift with charitable gift annuity <sup>7</sup>	\$311,420	\$311,420	\$688,580 <sup>8</sup>	\$47,000 <sup>9</sup>	~\$500,000	\$1,391,200
Charitable remainder annuity trust <sup>10</sup>	\$135,819 <sup>11</sup>	N/A	\$1,000,000 <sup>12</sup>	\$58,986 <sup>13</sup>	\$824,652	\$1,651,599
Charitable remainder unitrust <sup>14</sup>	\$100,010 <sup>15</sup>	N/A	\$1,000,000 <sup>16</sup>	Variable <sup>17</sup>	\$406,476	\$1,645,758
Charitable lead annuity trust <sup>18</sup>	\$639,742 <sup>19</sup>	\$639,742 <sup>20</sup>	N/A	\$40,000 <sup>21</sup> to charity	\$1,120,000	\$2,103,338 to children
Charitable lead unitrust <sup>22</sup>	\$664,110 <sup>23</sup>	\$664,110 <sup>24</sup>	N/A	Variable <sup>25</sup>	\$1,591,584	\$1,413,920 to children

1. All examples assume the gift is made by a married donor, age 60, whose basis in the stock is \$0 and whose marginal federal income tax rate is 37%. Any benefits payable to the donor are assumed to be payable to the donor and spouse (also age 60) for the remainder of their lives where applicable. The donor and spouse are presumed to survive for exactly their IRS-projected life expectancy of 29.6 years
2. In all but one example in this table, the income tax deduction is limited to 30% of the donor's federal adjusted gross income ("AGI"). The deduction for a gift to a private foundation is limited to 20% of the donor's federal AGI. (Gifts of cash, rather than appreciated stock or other property, can be deducted up to 60% of the donor's federal AGI.) If the donor's deduction is limited in the year of the gift, the donor may carry forward the excess deduction and use it during the five subsequent years.
3. Actual capital gains tax savings depends on the cost basis of the stock and its value at the time of the gift. These examples assume a cost basis of \$0.
4. Donor-advised fund sponsored by a public charity.
5. A private foundation may refuse to accept large gifts of closely-held stock due to the excise tax imposed on excess business holdings. Additional restrictions may apply based on factors including the donor's relationship with the foundation. Private foundations are subject to myriad self-dealing rules.
6. Deduction may be limited (in addition to the 20% of AGI limitation) if donating more than 10% of the company's outstanding shares.
7. This row illustrates a gift to charity in exchange for a charitable gift annuity with a 4.7% rate and payments made quarterly over the lifetimes of the donor and spouse (both age 60), with each spouse surviving until his or her IRS-projected life expectancy.
8. In this example, the deferred capital gains must be reported and taxed over 29.6 years (\$23,265 per year). The remainder of each annuity payment is taxed as ordinary income. After 29.6 years, 100% of any additional annuity payments are taxed as ordinary income.
9. Fixed annual amount.
10. This row illustrates a gift to a charitable remainder annuity trust ("CRAT") that pays the maximum allowable annuity to the donor and spouse, with trust assets growing at a rate of 5.76%, annuity payments made quarterly, and both spouses surviving until their IRS-projected life expectancies. The remainder interest in the trust is payable to a public charity or DAF.
11. The present value of the projected remainder interest payable to charity.
12. Capital gains taxes are deferred, and payable incrementally as funds are distributed from the trust to the donor and spouse. Annuity payments are taxed as ordinary income to the extent of the trust's ordinary income, then as capital gains to the extent of the trust's capital gains, then other income to the extent the trust has other income, and finally any excess amount of a payment is treated as a return of principal and isn't subject to income tax.
13. Fixed annual amount.
14. This row illustrates a gift to a charitable remainder unitrust ("CRUT") that pays the maximum allowable percentage of the value of the trust assets (valued annually) to the donor and spouse. The example assumes 5.76% annual combined growth and income for the CRUT. The maximum allowable percentage payout for January 2025 is 8.773% and payments are made at the end of each quarter for the remainder of the donor & spouse's lifetimes.
15. The present value of the projected remainder interest payable to charity.
16. Capital gains taxes are deferred, and payable incrementally as funds are distributed from the trust to the donor and spouse. The unitrust payments are taxed to the donor & spouse as ordinary income to the extent of the trust's ordinary income, then as capital gains to the extent of the trust's capital gains, then other income to the extent the trust has other income, and finally any excess amount of a payment is treated as a return of principal and isn't subject to income tax.
17. Unitrust payments to the donor and spouse will vary according to fluctuations in value of the trust assets. Projected annual payments begin at \$87,733 and decline over time to \$36,826 at the end of the donor & spouse's life expectancies. Payments are made for the remainder of the donor & spouse's lives.
18. This row illustrates a gift to a grantor charitable lead annuity trust ("CLAT") that pays a fixed annuity of \$40,000 to charity on a quarterly basis. The CLAT continues for the remainder of the donor's and spouse's lives, with the remainder interest payable to their children. The present value of the children's remainder interest is subject to gift tax at the time of the gift but there is no further estate or gift tax when the remainder interest actually passes to them. (It is possible to structure a CLAT for a fixed term of years and make the remainder payable to the donor and/or spouse.)
19. The present value of the projected annuity payments to charity. The donor also receives a gift tax deduction of \$639,742, which will offset the gift tax due (or estate and gift tax exemption amount used) for the present value of the gift of the remainder interest to the donor's children.
20. The donor pays income tax on the income earned by the grantor CLAT, reduced by the amount of the annual payment to charity. Capital gains are taxed to the donor when the CLAT sells assets. The large income tax deduction illustrated here can be used to offset the capital gains tax.
21. The annuity payments to charity may be varied pursuant to the terms of the trustee agreement creating the CLAT. Variable annuity payments can produce very different results than shown in this example.
22. This row illustrates a gift to a grantor charitable lead unitrust ("CLUT") that pays a fixed percentage (here, 4%) of the value of the trust's assets to charity on a quarterly basis. The CLUT continues for the remainder of the donor's and spouse's lives, with the remainder interest payable to their children. The present value of the children's remainder interest is subject to gift tax at the time of the gift but there is no further estate or gift tax when the remainder interest actually passes to them (It is possible to structure a CLUT for a fixed term of years and make the remainder payable to the donor and/or spouse.)
23. The present value of the projected unitrust payments to charity. The donor also receives a gift tax deduction of \$664,110, which will offset the gift tax due (or estate and gift tax exemption amount used) for the present value of the gift of the remainder interest to the donor's children.
24. The donor pays income tax on the income earned by the grantor CLUT, reduced by the amount of the annual payment to charity. Capital gains are taxed to the donor when the CLUT sells assets. The large income tax deduction illustrated here can be used to offset the capital gains tax.
25. Unitrust payments to charity will vary according to fluctuations in value of the trust assets. Projected annual payments begin at \$40,000 and increase over time to \$62,615 at the end of the donor and spouse's life expectancies. Payments are made to charity for the remainder of the donor & spouse's lives, in this example.

# Evaluating Nonprofits

---



## A Checklist for Smart Giving

**Written by Tom Doyle**

Director of Nonprofit Engagement

Jim Sinegal, the founder of Costco, claimed he could tell the difference between a good Costco store and a great one within twenty feet of its entrance. His extensive experience in retail honed his eye for detail and gave him a powerful intuition about well-run operations. Wouldn't it be helpful if we had similar clarity when evaluating nonprofits for our philanthropic dollars?

With nearly 1.5 million nonprofits in the United States, and approximately 50,000 more created each year, choosing which one to support can be daunting. After working in, leading, and consulting for hundreds of nonprofits, I've learned that while missions and operations may differ, the fundamentals of effectiveness remain consistent across sectors and budgets.

The essential questions and qualities for nonprofit evaluation can be distilled into nine key areas. The first two items help narrow down where to give, while the remaining topics provide a framework for deciding whether, and how much, to entrust to the organization. After the checklist, I'll offer a perspective on the two most important - but often misunderstood - qualities of high-impact nonprofits.

01

## **Mission Alignment**

- Does the nonprofit's mission resonate with your values and goals?
- Does it address an issue you care deeply about?

02

## **Personal Connection**

- Do you have a personal connection or experience with the nonprofit?
- Have you seen their work firsthand?

03

## **Leadership and Governance**

- Is the leadership team experienced and credible?
- Does the organization have an engaged board and a clear strategic plan?

04

## **Financial Health**

- What percentage of the budget is spent on programs versus administration?
- Is the organization financially stable with a diverse funding base?

05

## **Transparency and Accountability**

- Are financial statements, such as Form 990, clear and accessible?
- Is the nonprofit transparent about how donations are used?

06

## **Effectiveness and Impact**

- Does the nonprofit demonstrate measurable outcomes?
- Are there success stories that illustrate their impact?

07

## **Community Involvement and Reputation**

- How is the nonprofit perceived within the community it serves?
- Does it have strong partnerships and endorsements?

08

## **Innovation and Adaptability**

- Does the nonprofit innovate and adapt to changing circumstances?
- Have they scaled their impact or responded to new challenges?

09

## **Donor Relations**

- Does the nonprofit acknowledge and appreciate its donors?
- How do they communicate with and engage donors?

## Leadership and Governance

In my early career, I consulted for a large metropolitan public school district tasked with identifying the primary drivers of success amongst its 100+ schools. Our initial analysis puzzled us: two of the top five schools were in the most disadvantaged neighborhoods, with the poorest facilities and fewest special programs. Upon closer examination, we discovered the common factor - exceptional leadership.

Leadership is the most critical element in evaluating a nonprofit because it directly shapes the organization's vision, strategy, and effectiveness. Lean staffing requires the best leaders to have a wide breadth

## Financial Health

One of the most misunderstood metrics in nonprofit financial reporting is "administrative expenses." While nonprofits are required to follow Generally Accepted Accounting Principles (GAAP) in their audits, significant judgments are made in classifying expenses. Nonprofits know that donors often focus on administrative costs and may minimize these within GAAP guidelines. However, high administrative costs can reflect a commitment to quality, including investments in skilled staff and essential infrastructure. Paying employees competitive wages helps attract and retain top talent, which is crucial for the organization's effectiveness and sustainability. Focusing solely on overhead can be misleading; instead, donors should assess overall outcomes, transparency,

of experience, the hard skills necessary for administration, and the soft touch to be the face and chief fundraiser of the organization.

Effective leaders have a command of their industry, mission, operations, and finances. They ensure focus on the mission, efficient resource allocation, and adaptability. They inspire staff, volunteers, and stakeholders, foster a culture of accountability, and build trust with donors and the community. Without capable leadership, even the most well-funded nonprofit can struggle to operate efficiently and achieve meaningful impact.

and long-term sustainability. Recognizing the importance of well-compensated employees is key to achieving lasting impact.

When discerning which nonprofit to support, especially with a major gift, consider walking 20 feet into their facility. Pay close attention to everything you observe. Engage in a conversation with a board member or someone from the leadership team. Donors should ask themselves, "What impact will my gift have on the short- and long-term aspirations of my personal values and philanthropic goals?" Smart donors use their head, heart and gut to guide them. The following year, they should evaluate whether the nonprofit demonstrated that their gift was appreciated and put to good use.



We are honored to once again be listed among the top 10 of Oregon's Most Admired Companies in Financial Services by Portland Business Journal!\*

We jumped up 3 spots from the previous year, ranking 5th in 2024 - a testament to our enduring impact and commitment to serving our clients.

*\*This award was given on 12/12/2024. Becker Capital Management did not pay a fee to be considered for this award, though it did purchase the award image. To generate rankings for Oregon's Most Admired Companies award, the Portland Business Journal sends surveys to thousands of CEOs in Oregon and Southwest Washington, asking them to select companies they most admire in various industry categories, as well as companies they admire most across all industries. CEOs are provided extensive lists of companies in each industry, but may name any company not listed. Companies eligible for consideration include any business with a substantial presence in Oregon and Southwest Washington. Point values are assigned to each company chosen based on the order in which companies appear on the respondent's list. Point values are then totaled to arrive at the final list. A total of 25 companies are ranked in the Financial Services category each year. Becker Capital Management ranked 5th in the medium category (25 to 99 local employees). Rankings are not representative of actual client experiences or outcomes and are not indicative of any future performance. Becker Capital Management is not aware of any facts that would call into question the validity of the ranking.*



We have been named one of the Best Places to Work in Oregon and S.W. Washington\* by the Portland Business Journal (ranked 2nd in the medium category - 25 to 99 employees). This recognition is a testament to our commitment to fostering a positive and inclusive workplace where every team member feels valued and empowered.

Our dedication to creating a culture of collaboration, innovation, and growth has truly set us apart. Thank you to our incredible team for making this achievement possible. We couldn't have done it without you!

Here's to continuing to build a workplace that inspires excellence and celebrates success together.

*\*Rankings are published by the Portland Business Journal and information obtained from their survey partner, Quantum Workplace, which emailed a unique survey link to Oregon and S.W. Washington employees of nominated companies. To be eligible for consideration, a certain percentage of each company's workforce, based on size, had to complete the questionnaire. Each company received a numerical score based on employee survey results, with the top scorers being named honorees. Rankings are not representative of actual client experiences and are not indicative of any past or future performance results of client portfolios. This award was received 8/15/24. The award image badge was purchased from the Portland Business Journal.*



We are thrilled to announce that we were ranked the 5th Most Philanthropic Medium-Sized Company in the Portland Business Journal's 2024 Corporate Philanthropy Awards\*.

This is our 13th year in a row being a recipient of the award and we are extremely grateful.

Congratulations to the entire Becker Capital team for all of their incredible philanthropic work!

*\*This award was given on 10/24/2024 and is based on the 2023 calendar year. Becker Capital Management did not pay a fee to be considered for this award, though it did purchase the award image. To generate rankings for the Corporate Philanthropy Awards, the Portland Business Journal sends surveys to thousands of companies in Oregon and Southwest Washington, asking them for the total hours of employee volunteer/pro bono work in Oregon or Southwest Washington as well as total cash and charitable contributions made. Companies eligible for consideration include any business with a substantial presence in Oregon and Southwest Washington.*

# Thank You

---

Becker Capital  
Management



**BECKER CAPITAL  
MANAGEMENT**

Portland, OR | Bend, OR | Seattle, WA | Boise, ID  
(503) 223-1720 | [becker.cap.com](http://becker.cap.com)