

# BCF Hosts Red Cedar Council Luncheon

**B**ainbridge Community Foundation hosted its Red Cedar Council luncheon



on Wednesday, February 15th at Heyday Farm to celebrate the gifts of a special group of visionary donors. To become part of the Red Cedar Council, donors include BCF in their wills or estate plans to achieve their long-term philanthropic goals.



At the lunch, Red Cedar Council members had intimate conversations about their visions for the future of Bainbridge Island—and how their legacy will live on through their strong connection to the foundation. These discussions over a Heyday Farm meal led to deeper connections with like-minded individuals, and many formed new relationships while others reconnected with friends.



2023 Red Cedar Council Luncheon at Heyday Farm

To learn more about the benefits of joining the Red Cedar Council, visit our website or follow the shortened link here: [tinyurl.com/RedCedarCouncil](https://tinyurl.com/RedCedarCouncil).

# COMMUNITY UPDATE

SPRING 2023



## FREE ONLINE PROGRAMS:

# Empowering You and Your Financial Future

**F**inancial literacy is empowering—yet good, practical education about financial management is too often out of reach for people, especially those with limited incomes. Former BCF Board Member Paul Merriman—founder of The Merriman Financial Education Foundation—has dedicated his retirement to providing free trainings to all ages about how to secure a more stable financial future. On behalf of BCF, every year Paul organizes free virtual events with speakers who are nationally renowned experts in their fields in order to help educate our community on how to better plan for our futures. This year, each event is targeting a specific age group on topics relevant to their stage in life. These events focus on all ages and levels of financial literacy, including youth, first-time investors who are still in the workforce, and those who have just entered retirement. Learn more below!

### Smart Financial Steps in Your 20s and 30s! March 30 at 4:30PM

Paul Merriman, Founder of The Merriman Financial Education Foundation, will discuss how to get started on investing. He will cover the three keys to successful long-term investment success, how to tell if you are on course to meet your goals, and how to select the best performing mutual funds and Exchange Traded Funds (ETFs). He will also talk about the pros and cons of Environmental, Social, and Governance (ESG) investing and target date funds.



### Saving, Investing and Planning: Getting Ready for your 3rd Act April 6 at 4:30PM

Join Tom Cock, Co-Host of Talking Real Money and Regional Director of Apella Wealth, to talk about saving, investing, and planning for ages 40-65. He will discuss how to build a low-cost diversified portfolio for your retirement, what key asset classes you must own, and how to avoid costly mistakes as you near retirement. He will also share the best ETFs to invest in.



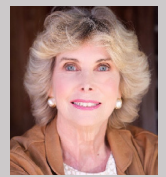
### Ages 65 and Beyond! Making the Smartest Financial Moves in Retirement April 13 at 4:30PM

Join Christine Benz, Director of Personal Finance and Retirement Planning at Morningstar, to learn about how much you can safely spend per year in retirement, what is a sensible stock/bond mix for your retirement portfolio, and how to address long-term care so that it doesn't decimate your finances. She will discuss critical issues such as when an annuity might make sense or the biggest financial mistake new retirees make.



### How to Maximize Your Social Security for Everyone! April 20 at 4:30PM

Join Mary Beth Franklin, one of the country's leading experts on Social Security and Medicare, for a discussion on how to maximize Social Security benefits and to learn about how recent changes might affect you. She will also talk about full retirement age and what it really means, along with how to solve funding challenges for Social Security.



Visit [www.BainbridgeCF.org](https://www.BainbridgeCF.org) to register or contact [media@bainbridgecf.org](mailto:media@bainbridgecf.org) with questions.

## Community Grants Cycle Closes April 4 at 5PM

BCF's Community Grants Cycle is almost closed! BCF has been accepting applications for the 2023 Community Grants Cycle from all sectors of our nonprofit community from March 8 – April 4. **We encourage nonprofit leaders to reach out and discuss possible funding opportunities!** To learn more, visit BCF's website or feel free to contact Debbie Kuffel at [debbie@bainbridgecf.org](mailto:debbie@bainbridgecf.org).



## Community Grants Cycle



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# Increase in Demand for Programs and Services Amongst Younger Population

**B**ainbridge Community Foundation's 2023 Nonprofit Survey had its highest response rate this year with 65 nonprofit respondents from individual organizations. The survey found the following key preliminary results:

- ▶ Concerns around **family economic security** was identified as having the greatest impact on nonprofit programming
- ▶ For the second year in a row, **affordability and mental health** were found as the top two challenges facing our community
- ▶ Almost 77% of respondents **highlighted health services to be "extremely important"** for a sustainable and supportive community, and yet only 5% of nonprofits reported that all of the population they serve have access to health services
- ▶ 69% of respondents reported that **respect and social inclusion are extremely important**, but only 17% responded that all of the population they serve can access it
- ▶ 69% of the respondents reported affordability to be extremely important and **22% of them reported that most of the population they serve cannot access housing or cost of living**

On the topic of nonprofit opportunities and challenges, the following were reported through the survey and also through the four Sector Gatherings that took place on February 14th and 16th.

- ▶ **Increase in demand** was rated much higher than usual, especially in the younger generation (ages 0-18)



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- ▶ A sharp increase in demand for **fundraising activities and training**, followed by a need for communications/marketing resources
- ▶ **Activities feel the most "normal" since end of the pandemic**, and nonprofits can do more strategic planning rather than managing a constantly changing environment
- ▶ 57% of respondents reported that they do **not have enough volunteers**
- ▶ Respondents reported that **78% of staff are paid less than a full-time salary of \$68,879** and 39% of respondents do not provide health insurance to any staff

Stay tuned this spring and summer as BCF plans to roll out its third iteration of the State of the Sector Report: *A View of Our Community*.

# The 'perfect' investor has these traits

The article below outlines a way to think about investing for all ages, even when you start with a small amount. Read below to learn more. This piece has been edited for length.

**By Paul Merriman**

Former BCF Board Member and Founder of The Merriman Financial Education Foundation

I'm always on the lookout for new ways to teach investors how to achieve long-term success, and I recently came across a very interesting six-minute TED Talk video on the topic of "grit." I thought to myself: Aha! Maybe this is a key point.

The speaker is Angela Lee Duckworth, a psychology professor at the University of Pennsylvania who specializes in the concept of grit. Duckworth identified grit as a key difference between success and failure among cadets at West Point Military Academy, teachers in tough neighborhoods, salespeople of all sorts, and contestants in a national spelling bee.

The most reliable predictor of who would succeed and who would not came down to passion, perseverance, and stamina, she said. These ideas and insights are terrific for many parts of life. But I don't think this is really what investors need.

Successful investing does not require constant hard work, lots of practice or triumphing over competitors. If anything, after you have implemented a good plan, it requires being passive: doing next to nothing and letting your plan play out over years or decades. Jack Bogle, founder and longtime CEO of The Vanguard Group, once advised investors to turn a bit of common wisdom on its head: "Don't do something; just stand there."

Here's what he meant: If you have a good long-term strategy, trying to micromanage it will almost certainly be counterproductive. So, if investors don't need grit, what do they really need?



Paul Merriman

A big part of the answer is in the final chapter of a book that Richard Buck and I wrote a decade ago called *Financial Fitness Forever*.

## Attitudes

Our attitudes shape our behavior almost automatically when we aren't watching. Here are four that our advisers identified:

- ▶ **Trust in the future.** This gives us confidence that someday we'll have a safe place to land despite today's turbulence.
- ▶ **Resilience.** Long-term investors repeatedly face setbacks, and resilience lets them pick themselves up and keep going. As Winston Churchill famously said many times: "No matter what, never give up."
- ▶ **Perspective.** This trait helps us know the difference between what's really important and what just seems important at the moment.
- ▶ **Patience.** The most successful investors know time is their ally. They can wait for results. The least successful investors are often upset, impatient or elated, as the case may be, by whatever's happening at the moment.

To read more about successful investor habits, visit <https://tinyurl.com/ThePerfectInvestor>.

Richard Buck contributed to this article.

## A must-know: Reviewing the QCD

You'll recall the buzz at the end of 2022 when Congress passed sweeping omnibus legislation that expanded a tool called the Qualified Charitable Distribution, or QCD. A QCD is a financially-savvy way to support the charities you care about.

As a reminder, if you have reached the age of 70 ½, you may be eligible to make annual distributions of up to



\$100,000 from IRAs directly to any fund at BCF, except a Donor Advised Fund, or another qualifying public charity. QCD transfers count toward satisfying your Required Minimum Distributions (RMDs) and therefore you can avoid the income tax on those funds. Plus, distributed assets are no longer part of your estate at death, which avoids estate taxes, too. The new law expands the QCD rules to allow for a one-time, \$50,000 QCD to a split-interest vehicle, such as a charitable gift annuity or charitable remainder trust, as well as indexing the QCD cap for inflation in future years. The age for RMDs from your qualified retirement plans, including IRAs, was also expanded to the age of 73 (which is better for taxpayers who want to delay taxable income). Please contact your financial advisor to help you determine what is right for you!