

Financial Focus: Financial gifts can bring smiles on Valentine's Day

Written by Betsy Blevins

Thursday, 17 February 2011 16:47 - Last Updated Thursday, 17 February 2011 16:53

Feb. 10, 2011 - Each Valentine's Day, Americans spend millions of dollars on candy and flowers. These are fine gifts, but after the chocolates are eaten and the roses have wilted, Valentine's Day will just be a pleasant memory. But if you want to give a present that can benefit your valentine for years to come, why not give a financial gift?

Here are a few creative ideas for doing just that:

- Give shares of stock. Like everyone else, your valentine no doubt enjoys certain products or services. So why not give her or him shares of stock in the businesses that produce those goods and services? Your valentine will enjoy being an owner and may well use this newfound stock ownership to develop a greater interest in investing -- and investing can help all of us work toward our financial goals. (Keep in mind that, if you are giving away shares of your own stock, you should take note of your original purchase price; this information will be needed for tax purposes should your gift recipient ever sell the shares.)
- Contribute to an IRA. Does your valentine contribute to a traditional or Roth IRA? If so, he or she is making a wise move, because an IRA is one of the best tax-advantaged ways to save for retirement. Consequently, you'll be doing your valentine a great service by helping him or her fund an IRA. (While you can't directly invest in someone else's IRA, you can write that person a check for the same purpose.) For the 2010 and 2011 tax years, the IRA contribution limit is \$5,000, or \$6,000 for investors 50 and older. And contributions for 2010 can be made right up until the tax-filing deadline.
- Make a charitable gift in your valentine's name. Your valentine may well support certain charitable, educational or civic groups. By making a contribution to one or more of these groups, and designating the gift in your valentine's name, you will be doing a good thing for your valentine, for the charity -- and for yourself, too, because your gift may earn you some tax benefits. If you simply give cash, you can write off part of the value of your gift if it's made to tax-qualified charitable organization. And if you give an appreciated asset, such as stock, you'll also avoid paying capital gains taxes, because when the stock is sold, it will be the charity, not you, taking the gain.
- Make a debt payment. You might want to volunteer to pay your valentine's car payment or credit card payment for a month, and then encourage your valentine to put the savings to work in an investment. The more debts any of us have, the less we have to invest for our future.
- Check your beneficiary designations. If your valentine also happens to be your spouse, you'll be doing him or her a favor by making sure the beneficiary designations are correct on your insurance policies and investment accounts. Through all the events of life -- marriage, remarriage, new children -- these designations can become outdated, so you'll want to keep them current.

By following any or all of these suggestions, you can help make sure your loved one will feel the

Financial Focus: Financial gifts can bring smiles on Valentine's Day

Written by Betsy Blevins

Thursday, 17 February 2011 16:47 - Last Updated Thursday, 17 February 2011 16:53

glow of this year's Valentine's Day far into the future.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.