



Donating Appreciated Stock

Donating long-term appreciated stock directly to a donor advised fund is one of the most tax-efficient ways for donors to give, while maximizing the impact of their donation.

BENEFITS

- Donors can receive an income tax deduction for the full market value of the stock at the time of the donation.
- The more appreciation the securities have, the greater the tax savings will be.
- Capital gains tax on the appreciated stock are avoided.
- Donors can both invest in and grant to causes that are important to them through their charitable gift with The ImpactAssets Donor Advised Fund.

CASE STUDY

An individual donates \$100,000 in long-term appreciated stock with an original cost basis of \$10,000:

	DONATES AFTER-TAX PROCEEDS TO CHARITY	DONATES STOCK DIRECTLY TO CHARITY
VALUE OF APPRECIATED SECURITIES	\$100,000	\$100,000
CAPITAL GAINS TAX	\$21,420	\$0
NET AVAILABLE TO CHARITY	\$78,580	\$100,000
NET TAX SAVINGS	\$7,655	\$37,000

ABOUT IMPACTASSETS

ImpactAssets is a nonprofit financial services firm that increases the flow of capital into investments that deliver financial, social and environmental returns.

The ImpactAssets Donor Advised Fund and knowledge tools provide dynamic resources for wealth managers and the clients they serve to advance social or environmental change through investment.

ADDITIONAL FACT SHEETS

- Letter of Instruction for Donating Appreciated Stock
- The ImpactAssets Donor Advised Fund Fact Sheet
- Impact-Focused Investment Options
- Donating Illiquid Assets

The hypothetical example reflects a current tax-savings, assumes a 37% income tax rate and a 20% long-term capital gains rate, plus 3.8% Medicare surcharge. Deductions include up to 30% of adjusted gross income (AGI) for gifts of appreciated securities, mutual funds, real estate and other assets. If tax savings exceeds 30% of AGI, remaining deductions can be applied up to the next 5 years. Using a donor advised fund, donors would **give more to charity and pay less in taxes**.

CONTACT US TO LEARN MORE

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The capital gains rate is presented for illustrative purposes only. Capital gains tax rates and benefits are unique to each individual. There are a number of factors to consider when assessing the tax implications of gifts to charity. Please consult with your tax specialist before making any donations.