

Gifts of Appreciated Assets



When you make a charitable gift,
do you simply reach for your
checkbook?



Donating appreciated assets instead
can provide you with significant
advantages.



More Information About Gifts of Appreciated Assets

Donations of publicly traded securities are a common, tax-wise method of making charitable gifts. Securities that are highly appreciated offer the most capital gains tax savings. Most securities are easily transferred and easily valued for deduction purposes. The most common forms of securities gifts are shares of stock, bonds and mutual funds. To avoid capital gains tax, it is important to make your gift prior to selling the securities.

Gifts of Appreciated Assets at a Glance

- Immediate income tax deduction for the fair market value of most assets
- Avoidance of capital gains taxes on securities held for over one year
- Gifts can be timed to match fluctuations in the capital markets



Gifts of Appreciated Assets

Illustration

Suppose you have \$20,000: \$10,000 in cash and \$10,000 in stock that cost \$2,000, 25 years ago. You would like to give a \$10,000 gift to charity. Your income tax rate is 30%; your long-term capital gains rate is 15%.

GIVING CASH

- If you give \$10,000 in cash to charity, you will get a tax deduction of \$3,000 ($10,000 \times 30\%$)
- When you sell your stock, you will owe \$1,200 ($(10,000 - 2,000) \times 15\%$) in capital gains tax
- Your charitable gift cost \$7,000. Your sale of stock cost \$1,200.
- Of your original \$20,000, you will have \$11,800 remaining for your annual expenses

GIVING APPRECIATED STOCK

- If you give \$10,000 of securities with long-term gains to charity, you will get a tax deduction of \$3,000 ($10,000 \times 30\%$)
- You will owe no capital gains tax
- Of your original \$20,000, you will have \$13,000 remaining for your annual expenses

GIVING STOCK YOU WANT TO KEEP

If you own appreciated stock you would like to keep in your portfolio, you may still give the stock to charity. You may later use cash to repurchase the stock for your portfolio at a higher basis.

How Do I Make a Gift of Securities?

How you proceed depends on how your individual securities are held. If you hold the certificates, call us for mailing instructions and a Stock Power form. If the securities are held in a brokerage account or on book entry with a company, you will need to work with your broker and/or the company to complete the transaction. Visit shalomdc.org/stocktransfer for the transfer instructions your broker will need.

FOR MORE INFORMATION, PLEASE CONTACT:

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The Jewish Community Foundation partners with and inspires philanthropists and the Greater Washington community to advance a thriving, equitable world where all people can reach their full potential.

Combining Jewish values with personalized service, we inspire generosity, support philanthropists in maximizing their impact, and build and participate in learning and funding communities to make systemic, lasting change for generations to come — within and beyond the Jewish community.

TURN TO THE JEWISH COMMUNITY FOUNDATION FOR:

- Support with giving to your favorite causes within and beyond the Jewish community
- Building a permanent legacy to support the work of Federation's family of agencies and the Greater Washington community
- Access to philanthropic and intergenerational learning programs ground in Jewish values and teachings
- Collaborative giving opportunities to amplify your impact
- Personal, impact-focused philanthropy advisory services
- Tax-advantaged gift options

The Jewish Community Foundation and The Jewish Federation of Greater Washington do not provide legal, financial, or tax advice. Donors are encouraged to seek independent tax and legal counsel.