

Giving Appreciated Stock 101

Reasons stack up for giving stock

Giving long-term appreciated stock — stock that you've held for more than one year — to charity is a smart way to give for three reasons:

01 / When the market is strong, the value of your gift is higher. Simply put, you have more to give.

02 / You can give up to 30% more by avoiding capital gains tax on stock when you gift it to a charity or donor advised fund. This is especially beneficial when the stock has experienced significant growth.

03 / You also receive an income tax deduction for the full value of the donation up to 30% of your adjusted gross income. Work with your tax advisor to determine further benefits.

New standard deduction, new giving strategy

The 2018 tax code changes nearly doubled the standard deduction, making it harder for taxpayers to itemize. But when you make a large gift, like appreciated stock, you're suddenly much closer to being able to itemize your deductions. This may unlock other deductions as well.

When you use a donor advised fund, you can spread that large charitable gift across many organizations and over several years. This strategy is called "bunching." There's no need to wait until the end of the year to give charitably.