

Investing in the Future of Your Favorite Canadian Landscape

WITH THE U.S. STOCK MARKET at an all-time high and investment advisors talking about market “corrections”, savvy donors are evaluating the benefits of giving securities this year, instead of cash. American Friends’ supporters who own stocks that have increased in value substantially can donate shares to American Friends, so the organization can invest in conservation in Canada. Every dollar received by American Friends returns eighty dollars in land value.



RBC Wealth Management

The Benefits of Gifting Appreciated Stock to Charity

by Patrick Swesey, Financial Advisor, RBC Wealth Management, Edmonds, WA

If you are considering making a charitable contribution this year, it is in your best interest to make your money work for you – and your favorite nonprofit. Gifting appreciated stock is one of the most effective means to achieve those two goals — courtesy of today’s U.S. tax laws.

THE BENEFITS OF GIFTING APPRECIATED STOCK

- The satisfaction of knowing your money is invested in a cause important to you.
- Capital gains taxes on the stock are avoided.
- You will be eligible to receive an income tax charitable deduction for the full fair market value of the stock at the time of the gift.

To qualify for these special tax advantages, the security must have been held for at least one year. A gift of stock in certificate form should be postmarked by December 31 or your financial advisor can arrange for a year-end gift of stock from your account.

Your gift of appreciated stock is fully deductible up to 30% of your adjusted gross income. For example, if your adjusted gross income is \$100,000, up to \$30,000 of long-term appreciated stock and other capital gain property may generally be deducted, although high-income donors may be subject to a partial phase-out of itemized deductions. Any excess can generally be carried forward and deducted over as many as five subsequent years.

HOW DONATING \$10,000 IN STOCK CAN BENEFIT YOU

Take a look at the tax savings associated with donating securities. The chart below assumes you donate shares of stock worth \$10,000 that you purchased for \$2,000 several years ago. As you can see, the net result of gifting securities is much better than selling them and contributing the proceeds.

	Donate Appreciated Securities Outright	Donate \$10,000 Cash	Sell Securities and Donate Cash
Charitable Deduction	\$10,000	\$10,000	\$10,000
Ordinary Income Tax Savings (assumes 35% rate)	\$3,500	\$3,500	\$3,500
Capital Gains Tax Paid (assumes 15% tax rate on \$8,000 gain)	\$1,200 saved	N/A	\$1,200 paid

For information on how to convert your stocks into an investment in permanent protection of Canada’s land treasures please contact: Sandra Tassel, Program Coordinator, info@conservecanada.org, 360-515-7171

Patrick Swesey contact info: Telephone (425) 712-7317 Email patrick.swesey@rbc.com

The information included in this article is not intended to be used as the primary basis for making investment decisions. RBC Wealth Management does not endorse this organization or publication. Consult your investment professional for additional information and guidance. RBC Wealth Management does not provide tax advice. All decisions regarding the tax implications of your investments should be made in connection with your independent tax advisor.

RBC Wealth Management, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC