

More Bang For Your Charitable Buck: Give Appreciated Stock and Double Your Contribution at the Same Cost to You

For US Tax-Payers

First, let us say a big “Thank You!” for your support of FPWR. As you consider your gift, we encourage you to think about giving appreciated stock to magnify your gift and its impact in helping find a cure for PWS.

Why? Well, giving low-cost-basis stock rather than cash magnifies the benefit of the gift to you and us. By giving zero or low-basis public stock, you not only receive a tax deduction for the value of the gift but also avoid the embedded capital gains tax that would otherwise be due after the stock is sold. The combination of the income-tax deduction and the capital gains tax avoided makes low-cost basis stock a high bang-for-the-buck gift. For example, if you are in the highest tax bracket of 39.6%, you can confer \$2,730 on FPWR for every \$1,000 of effective cost (Display 1), versus \$1,650 for a cash gift.

Display 1: Leveraging Tax Benefits: Donating Low-Cost Basis Stock*

To FPWR	\$2,730	} 
39.6% Tax Deduction	(\$1,080)	
23.8% Capital Gains Tax Avoided	(\$650)	
Cost to You	\$1,000	

*Assumes \$0 cost basis. Deduction limited to 30% of AGI in year of gift for appreciated public stock. Tax Deduction assumes full use of deduction against income otherwise taxed at indicated tax rate. Donors may carry forward any unused charitable deductions of a period of up to five years. For simplicity we have ignored “Pease” limitation on itemized deductions, however, in most situations these limitations do not reduce value of charitable deduction.

Moreover, if your employer fully matches your charitable donations, with many such programs matching up to \$5,000, your donation is magnified even further (Display 2).

Giving securities that you have owned for more than one year is a tax efficient way to support FPWR.org. You may claim a deduction based on the gift’s full fair market value. Since FPWR sells the security you do not have to pay capital gains tax.

Display 2: Adding It All Up: Total Impact By Donation Type*



*Represents the charitable impact of gifts with an effective cost to the donor of \$1,000. Charitable deduction from cash and stock gifts is assumed to offset income otherwise taxed at 39.6%. Stock gift assumes embedded capital gains otherwise taxed at 23.8%. Employer match assumes 100% match by employer. Please speak to your HR/Benefits department to confirm your company's charitable matching program. Deduction limited to 30% of AGI in year of gift for cash or appreciated public stock, respectively. Tax Deduction assumes full use of deduction against income otherwise taxed at indicated tax rate. Donors may carry forward any unused charitable deductions of a period of up to five years. For simplicity we have ignored "Pease" limitation on itemized deductions, however, in most situations these limitations do not reduce value of charitable deduction.

Note the above examples assume the highest marginal tax bracket. However, taxpayers in lower brackets also benefit from the tax deductions and capital gains avoidance presented at their respective income and capital gains tax rates.

Thank you again for your support of FPWR.