

Coach's Corner

Our latest commentary to help you elevate the success of your practice

Disclosure

The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance fund. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness. Past performance is no guarantee of future results.

[Working with the Wealthy](#)

Tis the Season to Talk Tax-Smart Charitable Giving

By: Eaton Vance | November 14, 2023

Did you know that almost one-third of all charitable giving in the U.S. occurs in December, and 10% of annual giving will occur over the last three days of the year?¹ Last minute giving often results in cash donations, which are rarely the most tax-efficient way for your clients to support their favorite charitable organizations.

Here are three alternative giving strategies to discuss with clients, and questions you can ask to get the conversation started:

Donating Stock in Lieu of Cash

Using appreciated stock to fund charitable giving can unlock more value for charities while maximizing tax benefits for donors. When taxpayers give publicly traded securities to charities, the taxpayer and the charity win because neither will owe capital gains tax on the appreciated securities when sold.

Ask: "How open are you to discussing the benefits of funding your charitable giving with appreciated securities in lieu of cash?"

Bunching Charitable Donations

The 2024 standard deduction for married couples filing jointly will be \$29,200. Because of the limitation on other deductions—like state and local taxes and mortgage interest—your clients may no longer receive a charitable deduction if their itemized deductions do not exceed the standard deduction.

Clients in this situation could recover a tax deduction by bunching multiple years' worth of giving into a single year. This bunched amount can then be given directly to the charity of their choice or used to fund a donor-advised fund (DAF), which they can distribute out over multiple years.

Ask: "Are you able to deduct your charitable giving as an itemized deduction, or are you limited to using the standard deduction amount?"

Qualified Charitable Distributions from an IRA

Clients over the age of 70½ can consider making qualified charitable distributions (QCD) from their IRAs—a direct transfer of funds from an IRA to a qualified charity. For clients required to take minimum distributions, QCDs of up to \$100,000 can be counted toward their required minimum distribution for the year. While traditional IRA distributions are taxed as ordinary income, QCDs are excluded from taxable income entirely.

Consider asking clients who are 70½ or older: "How familiar are you with the potential benefits of funding your charitable giving with a qualified charitable distribution?"

Bottom Line: Remind charitably inclined clients that a little advanced planning can go a long way in helping to improve their tax outcomes in

the new year.

1. *Nonprofits Source*. (2022). *The Ultimate List of Charitable Giving Statistics For 2022. (General Charitable Giving Statistics)*. <https://nonprofitssource.com/online-giving-statistics/-:~:text=General%20Charitable%20Giving%20Statistics,a%20difference%20by%20supporting%20causes.>

The Firm does not provide tax advice. The tax information contained herein is general and is not exhaustive by nature. Tax laws are complex and subject to change. Investors should always consult their own legal or tax professional for information concerning their individual situation.

Related Content

INFOGRAPHIC: Ways to Give



Eaton Vance
Advisor Institute

"Last minute giving often results in cash donations, which are rarely the most tax-efficient way for your clients to support their favorite charitable organizations."



To report a website vulnerability, please go to [Responsible Disclosure](#).

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

For USA PATRIOT Act Disclosure Notice please click [here](#).

 This image indicates content designed specifically for Financial Advisors / Investment Professionals. This material is not to be used with the public.

Before investing in any Eaton Vance, Calvert or Morgan Stanley Investment Management Inc.-advised fund, prospective investors should consider carefully the investment objective(s), risks, and charges and expenses. Read the prospectus carefully before you invest or send money. For **open-end mutual funds**, the current prospectus contains this and other information. To obtain an **open-end mutual fund** prospectus or summary prospectus and the most recent annual and semiannual shareholder reports, contact your financial advisor or [download a copy here](#). For **closed-end funds**, you should contact your financial advisor. To obtain the most recent annual and semi-annual shareholder report for a closed-end fund contact your financial advisor or [download a copy here](#). To obtain an **exchange-traded fund**, ("ETF") prospectus or summary prospectus, contact your financial advisor or [download a copy here](#).

Before purchasing any **variable product**, consider the objectives, risks, charges, and expenses associated with the underlying investment option(s) and those of the product itself. For a prospectus containing this and other information, contact your investment or insurance professional. Read the prospectus carefully before investing.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

Eaton Vance does not provide tax or legal advice. Prospective investors should consult with a tax or legal advisor before making any investment decision. The information on this Web page is for U.S. residents only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

© Eaton Vance Management. All rights reserved.

Eaton Vance open-end mutual funds are offered through Eaton Vance Distributors, Inc. One Post Office Square, Boston, MA 02110. Member [FINRA](#) / [SIPC](#). Exchange-traded funds are distributed by Foreside Fund Services, LLC.