

[< Back to overview](#)

Eaton Vance Tax Education Center > Charitable Giving

LEARN | Benefits of Donating Concentrated Stock

2 minutes

Funding a charitable gift with securities may be better for your clients and the charity rather than selling the securities and contributing cash.

Prefer to save for later?

[SHARE BY EMAIL](#)

Did You Know?

Long-term appreciated stock gifts typically net significantly larger tax savings than cash-only gifts.



Key Takeaway

Stock donations may have a higher potential tax savings compared with donating cash. When armed with the right information, you can help clients understand the difference

Cash vs. Stock Donations*

\$100,000

Appreciated securities




(\$20,000 cost basis)

When it comes to charitable giving some donations are more tax effective than others.

Long-term appreciated stock gifts typically net significantly larger tax savings than cash-only gifts.

Donate Cash

Donate Stock

| | | |
|--|----------|-----------|
|  Capital Gains Tax | \$19,040 | \$0 |
|  Net Charitable Donation | \$80,960 | \$100,000 |
|  Federal Income Tax Savings 37% | \$29,955 | \$37,000 |

Next Step

For clients who are charitably inclined, donating securities may be the most tax-efficient way to fund their donation.

KEEP LEARNING

Investment Concentration: 3 Questions to Ask

[LEARN MORE](#)

Disclosure

*This hypothetical illustration is provided solely to demonstrate the long-term effect of applying mathematical principles to an assumed set of facts. Actual results will differ and could be substantially different. Have your financial advisor contact Eaton Vance Distributors, Inc. to obtain an estimated federal income tax deduction based on your specific situation. Note: A state income tax deduction also may be available.

Assumes top 2022 tax rate for families with income over \$647,850 (\$539,900 for single taxpayers). The maximum federal long-term capital gains rate applied toward the potential recognized gain of \$80,000 is 23.8% (includes the 3.8% Medicare surtax). This illustration does not include any potential state or local tax consequences.

Under federal income tax law, certain limitations apply to the amount of the charitable deduction a taxpayer may claim in any given year. Generally, cash gifts can be deducted up to 60% of your "contribution base" (in general, adjusted gross income (AGI)), and appreciated securities held by you for more than one year are deductible up to 30% of AGI. Special rules govern the interplay of these limits. Any excess amount may be carried forward and deducted, subject to the applicable limitations, in the five-year period after the year of contribution. Your ability to deduct itemized deductions may be subject to certain other limitations.

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.



HEADQUARTERS

One Post Office Square
Boston, MA 02110

Investments

[Eaton Vance Funds](#)

[Parametric Funds](#)

[Calvert Funds](#)

[Separately Managed Accounts](#)

[Closed-End Funds and Term Trusts](#)

Insights

[Advisory Blog](#)

[The BEAT](#)

[The Advisor Institute](#)

Taxes & Tools

[Investment Tax Center](#)

[Tax Information](#)

[Investment Tax Calculator](#)

[Laddered Investing Interest](#)

[Rate Scenario Tool](#)

[Concentrated Stock](#)

[Position Calculator](#)

[Tax-Equivalent Yield Calculator](#)

Resources

[Forms & E-Delivery](#)

[Mutual Funds & Unclaimed Property](#)

[DST Vision](#)

[Active Advisor](#)

[Corporate Filings](#)

[Annual Reports](#)

[Press Releases](#)

[Diversity and Inclusion](#)

[Accessibility](#) | [Business Continuity](#) | [Privacy & Cookies](#) | [Your Privacy Choices](#) [Terms & Conditions](#) | [Careers](#) | [Contact](#) | [Investor Account Access](#) | [Morgan Stanley Investment Management Terms of Use](#)

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.

Publication details: Wednesday, June 5, 2024 12:04 PM

Page ID: 43375 - <https://www.eatonvance.com/benefits-donating-concentrated-stock.php>