

[< Back to overview](#)

Eaton Vance Tax Education Center

WATCH | Charitable Donations: Why Choose Stock Over Cash?

2 minutes

Charitable Donations: Why Choose Stock Over Cash?

Did you know that donating highly appreciated securities to charity has advantages over making a cash donation? Let's look at an example. A married couple wants to make a meaningful donation to charity. They bought \$20,000 worth of a stock 30 years ago, that is now worth \$100,000. One option is to sell the stock and contribute the cash proceeds to charity. If they go this route, the couple would have to pay federal capital gains tax of \$19,040 at a 23.8% tax rate, plus any applicable state and local taxes. After paying the federal taxes, the couple would be left with \$80,960 for their charitable donation, minus any state and local taxes.

If instead, the couple contributes the stock directly to the charity, they would not owe any federal capital gains tax. The couple contributes the full \$100,000 value to the charity rather than the lower after-tax amount of \$80,960, and the couple would be able to deduct the full fair market value of the stock not to exceed the overall amount allowed by the IRS under itemized federal income tax return.

Bottom line, donating appreciated stock can unlock more value for charities while maximizing tax benefits for donors.

Take a few minutes to explore the Eaton Vance Tax Education Center at EatonVance.com/TaxEdCenter for more useful resources to help you meet a variety of tax-forward investing needs.

Disclosure



Tax-loss harvest transactions aren't beneficial in a retirement account because the losses generated in a tax-deferred account cannot be deducted.

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.

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.



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](#)

[Market Update Events](#)

[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: Tuesday, March 5, 2024 10:49 AM

Page ID: 42127 - <https://www.eatonvance.com/watch-tax-ed-center.php>