



HELP CHILDREN DREAM BIGGER

Leave a Legacy of Hope Through Appreciated Assets and Stocks

Giving after your lifetime means partnering with Compassion to touch the lives of children who desperately need to know the love and grace of Jesus Christ. Gifting Compassion with appreciated assets and stocks helps make the children whole, so they can dream bigger and impact their communities in God-honoring ways.

Protect Your Assets

After death, assets typically go to loved ones, the government or a charity. If your estate is taxable and your loved ones are the only beneficiaries, the government may consume a great deal of your estate. You may minimize this impact by adding Compassion as one of your primary beneficiaries.

Save on Taxes, Receive a Deduction

Owning property is a wise investment. Even with market fluctuations, your property is probably worth more than what you originally paid for it. Yet selling the property may expose you to capital gains tax.

However, you can completely eliminate this tax on property while receiving a charitable deduction when you donate property to Compassion.

To receive the most benefit from an asset donation, the asset must be owned for more than a year. The charitable deduction is for the fair market value of your asset on the date of donation.

Appreciated property donated can include real estate, stocks or other assets.

Here are two ways to turn your appreciated property into a charitable donation:

Donate Stocks

The following example shows the possible savings that can result from donating appreciated stock versus cash.

Example:

You have stock you purchased two years ago worth \$5,000. The original cost was \$3,000. Because of appreciation, you would have a capital gain of \$2,000 when you sell. In this example, if your marginal income tax rate is 32 percent (15 percent on capital gains), the difference in net cost between giving \$5,000 in cash or \$5,000 in stock is a tax savings of \$300. See the following chart for details.

Note: This is not written or intended as legal, tax or financial advice. You are encouraged to seek legal, tax and financial advice from professionals.



Giving Appreciated Stock versus Cash

	Stock	Cash
Value of gift	\$5,000	\$5,000
Tax savings from use of deduction (32% tax rate)	(\$1,600)	(\$1,600)
Tax savings from elimination of capital gains tax (15%)	(\$300)	0
Net cost of gift	\$3,100	\$3,400

If you have more appreciation in the contributed stock or are in a higher tax bracket, your savings increase and the net cost of your gift decreases.

Contribute Real Estate

Gifts of land or developed property that has appreciated offers you the same income tax and capital gains tax savings as gifting securities. You may gain additional savings — and time — when you remove costly, time-consuming management and maintenance of your land or developed property.

Consider donating your appreciated assets or stocks to Compassion. Your gift will make a lasting impact on the lives of the children we serve.

Give us a call at 855-315-5019 or email giftplanning@compassion.com to discuss the best ways to leave your legacy of hope.

