

The Stock Market is Booming
This might be a good time to donate stock



When planning your Christmas gift to the parish, why not consider donating appreciated securities directly to St. David the King rather than selling the assets and donating the cash proceeds. As illustrated below, this strategy is one of the easiest and most effective ways to simultaneously increase your gift's impact and realize personal tax benefits.

Example - Mr. and Mrs. Jones would like to make a donation to St David the King. They own securities currently valued at \$3,000 which they purchased several years ago for \$1,000. Should they sell these securities and donate the proceeds or just donate the stock to the church? For the same amount of market value (\$3,000) they can make a \$300 greater donation, and assuming a 30% income tax bracket, have a better net tax benefit (\$900 versus \$810).

	<u>Sell the stock and donate the proceeds</u>	<u>Donate the stock</u>
1) Cost of Stock	\$1,000	\$1,000
2) Value of Stock	\$3,000	\$3,000
3) 15% tax on capital gain (\$2,000 times 15%)	\$300	not applicable
4) Net amount of gift to the church (2 minus 3)	\$2,700	\$3,000
5) Tax benefit of gift	(\$2,700 times 30%) \$810	(\$3,000 times 30%) \$900

The bottom line: Mr. and Mrs. Jones are able to both get a bigger tax saving as well as a bigger contribution to the church by using appreciated securities. The processes itself is usually as easy as filling out a securities transfer form with your broker and notifying us that the securities are coming.

The example above is illustrative and applicable to most people but you should check with your tax advisor.

Please contact Cheryl Ellsworth at the church office for more information.

Cellsworth@stdavidtheking.com or call 609-275-7111, option 6.

Thank you for your prayerful consideration.

We wish you a Blessed Christmas and Happy, Healthy New Year.