

TAX-SMART GIVING

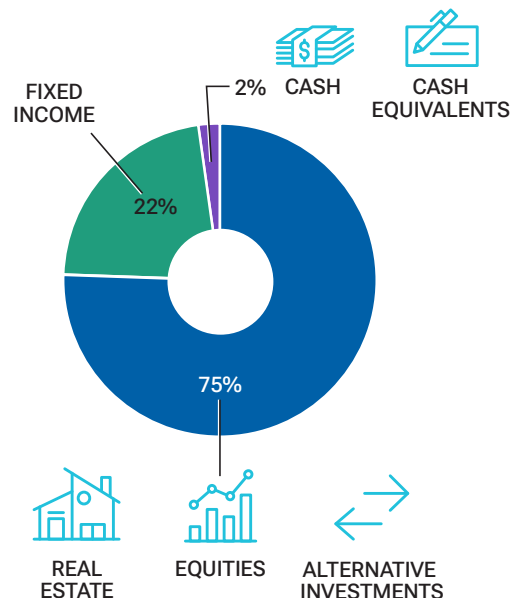
Maximize your giving power and minimize capital gains tax

A donor-advised fund, such as T. Rowe Price Charitable, makes it easy to turn almost any asset into gifts for your favorite charities. Donating long-term appreciated assets qualifies you for an immediate charitable tax deduction¹ and avoids capital gains tax.² With T. Rowe Price Charitable, you can realize tax savings now and maximize your charitable impact.

Look beyond cash to optimize charitable giving

For high-net-worth individuals, cash or cash equivalents represent only about 2% of their wealth, while nearly 75% is held in equities, real estate, and alternative investments.³

This suggests that, for many donors, appreciated noncash assets could play a more significant role in their charitable giving strategy, benefiting both the donor and the charity.



¹ Up to 30% of adjusted gross income.

² Up to 23.8% of capital gains tax.

³ Asset allocation of ultra and high net worth individuals in the United States in 2023, by asset type. Retrieved on 2.8.2024 from <https://www.statista.com/statistics/1270098/asset-allocation-of-ultra-and-high-net-worth-individuals-in-the-united-states/>

Noncash contributions: doing good for both donors and charities

Donors should consider noncash assets prime candidates for donation because they are often highly appreciated — meaning, if they were sold, there would most likely be significant capital

gain. That's why contributing these assets presents an appealing proposition for donors and charities alike:



DONORS

- Minimize or potentially eliminate capital gains taxes
- Are eligible for an immediate tax deduction for the fair market value⁴ of the asset
- Gain added liquidity by holding the cash they might have otherwise donated



CHARITIES

- Receives the full value of the asset as an in-kind transfer
- Can do more good in the world

How to maximize noncash charitable giving

How you choose to donate your appreciated noncash assets can make a significant difference in your potential tax deduction and the impact you're able to make. Consider the example below:

	SELLING REAL ESTATE AND DONATING THE PROCEEDS	DONATING REAL ESTATE IN-KIND THROUGH A DONOR-ADVISED FUND
Property value	\$1 million	\$1 million
Federal capital gains taxes	\$200,000	\$0
Closing costs and brokerage fees	\$75,000	\$75,000
Donation received by charity	\$725,000	\$925,000
Potential tax deduction for donor	\$725,000	\$1 million

Special considerations for donating noncash assets

- Donations valued at over \$5,000 require a "qualified appraisal," as defined by the IRS.
- Deductions for noncash donations are limited to 30% of adjusted gross income in the year of contribution.
- Assets that have debt can still be donated but may result in tax complications. This includes debt inside a pass-through business entity and mortgages on real estate.

Maximize your giving power with T. Rowe Price Charitable.

Consider how appreciated noncash assets might play a role in your charitable giving strategy.

Explore T. Rowe Price Charitable to get started.

➔ Visit trowepricecharitable.org

⁴ Per IRS rules, fair market value is determined by a qualified appraiser for nonpublicly traded assets. All investment pools are subject to risk, including the possible loss of principal.

T. Rowe Price Charitable is an independent, nonprofit corporation and donor-advised fund founded by T. Rowe Price to assist individuals with planning and managing their charitable giving.

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