

## **Most Investors Are Unaware of Benefits of Donating Stock**

By Holly Hall | [www.CharitableGift.org](http://www.CharitableGift.org)

---

A majority of donors who own stock do not understand the tax breaks they could obtain by donating securities that have risen sharply in value, a new survey has found.

The survey, released by Fidelity Investments and the Fidelity Charitable Gift Fund, assessed the knowledge of more than 500 investors who had at least \$100,000 in stocks or mutual funds, including retirement accounts, and who also had donated \$1,000 or more to charity in one of the past three years.

Sixty-eight percent of the investors were unaware of the tax benefits of giving appreciated stock rather than selling it — namely, that they could save 15 percent in capital-gains tax on the amount by which their stock had appreciated, on top of the deduction they would receive by donating either stock or cash.

Only 5 percent of the donors had given appreciated stock to charities in the past three years. Among the remaining 95 percent, the top reasons cited for not giving stock were that investors wanted to keep stocks that had done well (39 percent), were concerned that stock gifts involve "too much paperwork" (23 percent), or thought that making small gifts and supporting many organizations would be difficult with stock (20 percent).

In a separate analysis, Steven Feinschreiber, senior vice president for research at the Fidelity Research Institute, examined data concerning 50,000 Fidelity investors with \$25,000 or more in securities. In 2004, more than 90 percent of them could have donated \$10,000 worth of stocks with long-term appreciation and obtained a median \$449 in tax savings over what they would have received by giving \$10,000 in cash.

A copy of the full report on the study results, "Smart Giving: Maximizing Your Charitable Dollars Through Donations of Appreciated Stocks and Mutual Funds," is available free on Fidelity's [Web site](#).

---