



## Enhance Your Giving

Strategies to help you meet your philanthropic goals.

**G**iving has been on the rise in the U.S. In 2017, individuals, estates, corporations, and foundations contributed an estimated \$410.02 billion to a wide range of charitable causes, according to data from the Giving USA Foundation.<sup>1</sup> The figure represents a 5.2% increase over 2016. The increase was buoyed in large part by individual giving, which rose \$14.27 billion, notes the president of The T. Rowe Price Program for Charitable Giving<sup>SM</sup>,<sup>2</sup> Dr. John Brothers. “Now, more than ever, Americans are committed to making an impact by supporting the charitable organizations closely aligned to their interests and beliefs.”

PHOTOGRAPH BY PEOPLEIMAGES

### KEY POINTS

- Charitable giving is on the rise, and donor-advised funds (DAFs) are increasingly popular.
- The assets in a DAF are invested, and any potential growth is tax-free.
- Donors can recommend distributions to many different charities over time.
- DAFs allow donors to involve their family members in the charitable giving process.

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A growing number of individuals and families are using donor-advised funds (DAFs) to make their charitable gifts. DAFs are public charities that accept irrevocable gifts of cash or securities from individuals and distribute funds to qualified nonprofit organizations, based on the donor's interest. All gifts are tax-deductible up to IRS limits, with an additional important advantage: For long-term appreciated securities, you can deduct the current value of the shares without having to pay taxes on any capital gains. Then you can take your time to decide which charities you wish to support with your donations.<sup>3</sup> In the meantime, the balance of your DAF account is invested. Any potential growth is tax-free, so you could have more funds available to give to your favorite causes.

### Simplify your giving process

DAFs assist donors with in-kind security transfers so donors can take full advantage of any charitable tax deductions. Donors can transfer one block of stock to their DAFs and then recommend distributions to many different charities. This is much easier than trying to transfer shares of securities to individual charities. Keep in mind, however, that DAFs may require an initial contribution of \$10,000 or more, although future contributions can be lower.

### Foundation benefits, with less work

It's worth noting that DAFs are more cost-efficient and less time-consuming than private foundations. DAFs also offer recognition benefits—individuals can be cited as the donor-advisors recommending a grant, or they can have the name of their DAF account included in the grant award letter. In addition, the DAF handles all administrative tasks, such as recordkeeping, for a modest fee. You also can set up the fund to make automatic, regular grants to particular organizations of your choosing—even after your death.

### Creating a personal legacy of philanthropy

You can add the names of family members to your DAF account. Many donors especially like this option because it gives them the opportunity to involve younger family members in the charitable giving process.

The simplicity and range of options offered by donor-advised funds make them ideal for cultivating a giving tradition in your family, says Brothers. "Our donors believe that strong family legacy isn't something you pass down from generation to generation but rather something your family creates and sustains together."

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## You Can Give With a DAF

Through The T. Rowe Price Program for Charitable Giving<sup>SM</sup>, individuals can actively engage in philanthropy and support qualified charitable organizations throughout the United States.

### The Program offers:

- **Immediate Tax Savings.** Start by making an irrevocable contribution of \$10,000 or more and receive a full tax deduction for your donation (up to allowable IRS limits) for the tax year when it's made.
- **Giving Made Easy.** Choose how and when you support charities while the Program administers your account.
- **Low Fees.** Get some of the lowest administrative fees among the largest national donor-advised funds.
- **Attractive Investment Options.** Select from six investment pools managed by the professionals at T. Rowe Price. ■

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<sup>1</sup>Giving USA 2018: The Annual Report on Philanthropy for the Year 2017 (current dollar values).

<sup>2</sup>The T. Rowe Price Program for Charitable Giving is an independent, nonprofit corporation and donor-advised fund founded by T. Rowe Price to assist individuals with planning and managing their charitable giving.

<sup>3</sup>You will not receive a second charitable deduction at the time a grant is made from your DAF.

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