



## Strategies for tax-smart charitable giving this year

**July 23, 2025 / Financial Experts Network**

DAFgiving360™ is the name used for the combined programs and services of Donor Advised Charitable Giving, Inc., an independent nonprofit organization which has entered into service agreements with certain subsidiaries of The Charles Schwab Corporation. DAFgiving360 is a tax-exempt public charity as described in Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Internal Revenue Code.

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## Meet our guest:



**Mary Jovanovich**

Senior Manager,  
Charitable Consulting

DAFgiving360



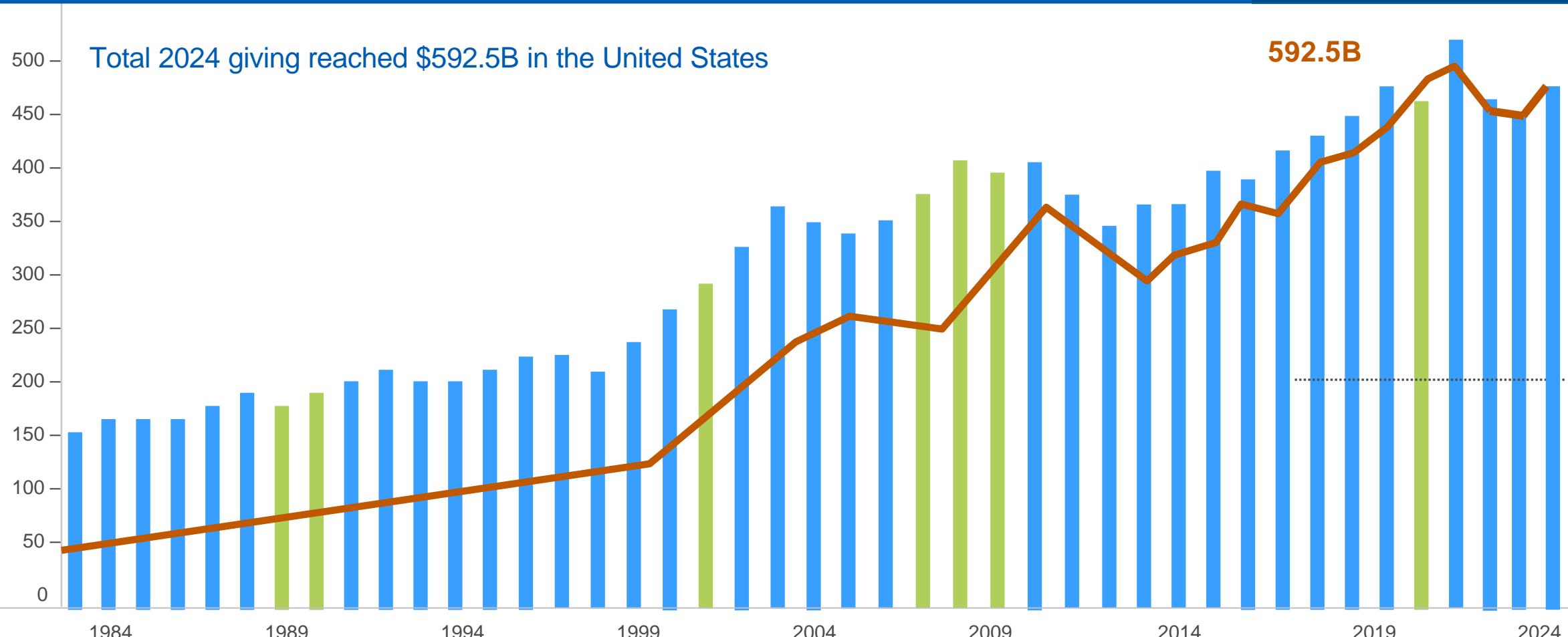
# What's inside

1. Charitable trends
2. About DAFgiving360
3. Current giving environment
4. Tax-smart charitable giving strategies
5. DAFgiving360 resources

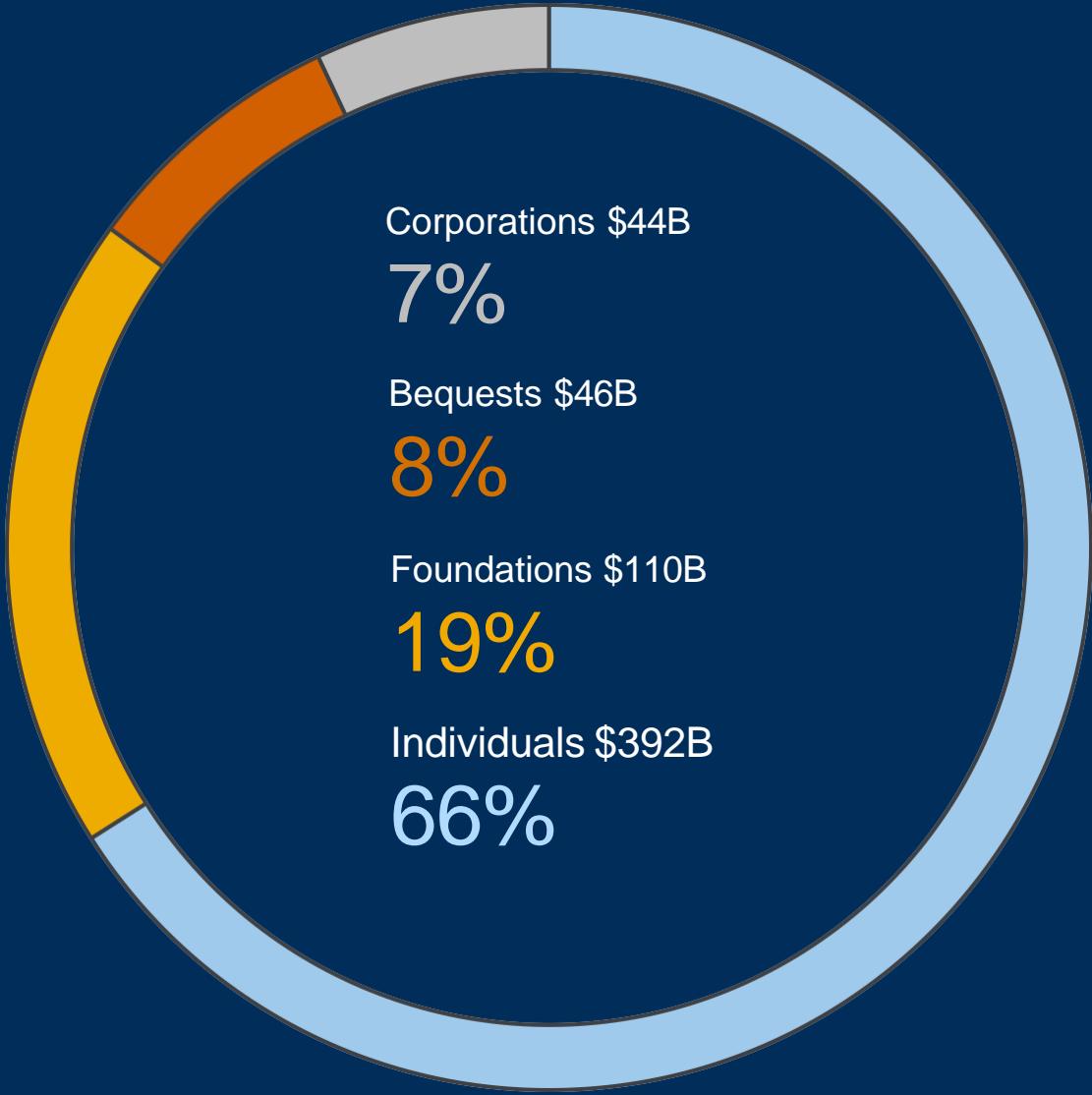
# Charitable trends

# What are the giving trends in the United States?

- Inflation-adjusted dollars (billions), 2024
- Current dollars
- Inflation-adjusted dollars in recession



**Individuals represent  
two-thirds of all  
charitable giving in the  
United States**



Source: Giving USA Foundation, Giving USA 2025. Data points in billions; all figures are rounded.

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# About DAFgiving360

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## What is DAFgiving360™?

DAFgiving360 is an independent 501(c)(3) public charity with a mission to increase charitable giving in the U.S. DAFgiving360 does this by providing a tax-smart and simple giving solution of a donor-advised fund (DAF) account to donors and financial advisors.



## Donor-advised funds benefit both donors and charities



### Donors

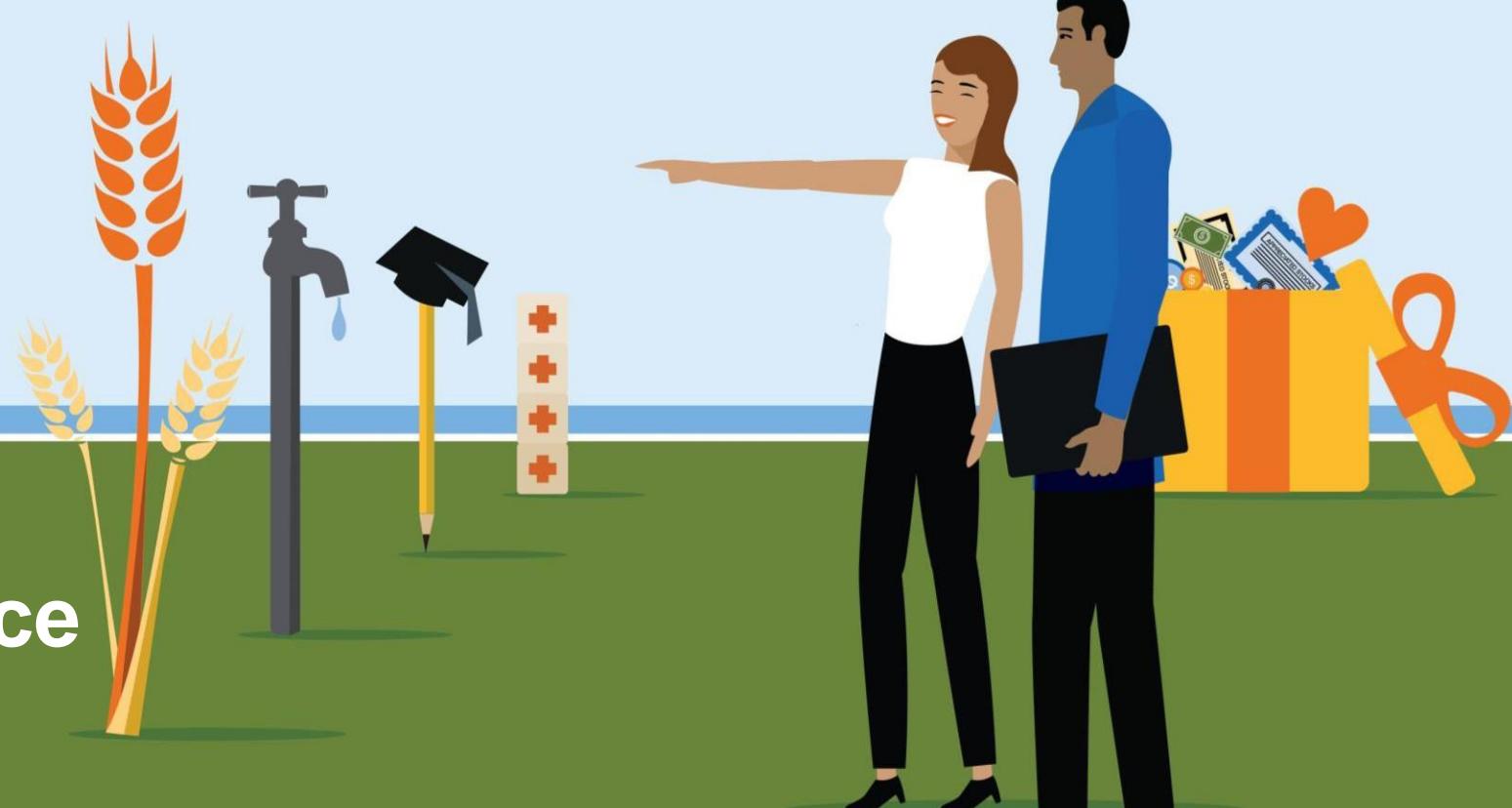
- Minimizes taxes
- Maintain investment diversification/reduce concentration
- Donate illiquid assets for charitable benefit



### Charities

- Unlock appreciated investments and assets for charitable good
- Minimize complexity and cost of accepting and processing complex assets

**DAFgiving360 helped  
donors make a difference  
in fiscal year 2024**



**\$6.6b grants**

**3,961 advisors served**

**141k charities**



Our donors' generosity continues to make a difference locally, nationally, and around the world.

As of June 30, 2024

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**How much have  
DAFgiving360 donors  
given through grants  
since our inception  
in 1999?**

**\$40.7  
billion**

**270,915  
charities**

Source: DAFgiving360, September 1999 – December 2024

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## The current giving environment

# Current giving environment

Charitable deduction limits are unchanged from 2024

Standard deduction amounts increased from 2024

Non-cash asset donations unlock additional funds for charity

IRA qualified charitable distribution limit increased from 2024



# An unusual income year can mean opportunities to reduce taxes by using the charitable deduction

<b>Potential taxable events:</b>	1 Rebalance portfolio	2 Sale of concentrated position	3 Large income year or windfall	4 Sale of closely held business	5 Roth IRA conversion	6 Withdrawal from retirement accounts
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A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's specific tax situation. Consult a tax advisor for more information.

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# Tax-smart strategies for maximizing charitable giving impact

Read more about the tax strategies online at [DAFgiving360.org](http://DAFgiving360.org)



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**Donate appreciated non-cash assets instead of cash**



## Tax benefits



Potentially eliminate capital gains tax, allowing donors to give up to 20% more to charity.

Donating appreciated non-cash assets and investments can help reduce taxes



Generally, claim a fair market value charitable deduction of up to 30% of adjusted gross income on contributions of long-term appreciated non-cash assets. Excess can be carried forward five years.

Contributions of certain real estate, private equity, or other illiquid assets may be accepted via a charitable intermediary, with proceeds transferred to a donor-advised fund (DAF) account upon liquidation. Call DAFgiving360 for more information at 800-746-6216.

A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's specific tax situation. Consult a tax advisor for more information.



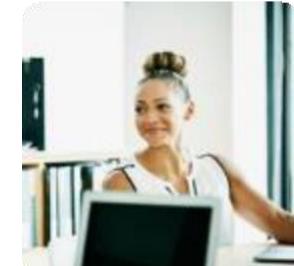
Any assets contributed to a donor-advised fund may be excluded from the donor's federal taxable estate.

# Carla gives highly appreciated stock while reducing an oversized position in her investment portfolio and minimizing her taxes

Original cost (cost basis) of XYZ stock: \$5,000  
Federal long-term capital gains tax rate: 15%

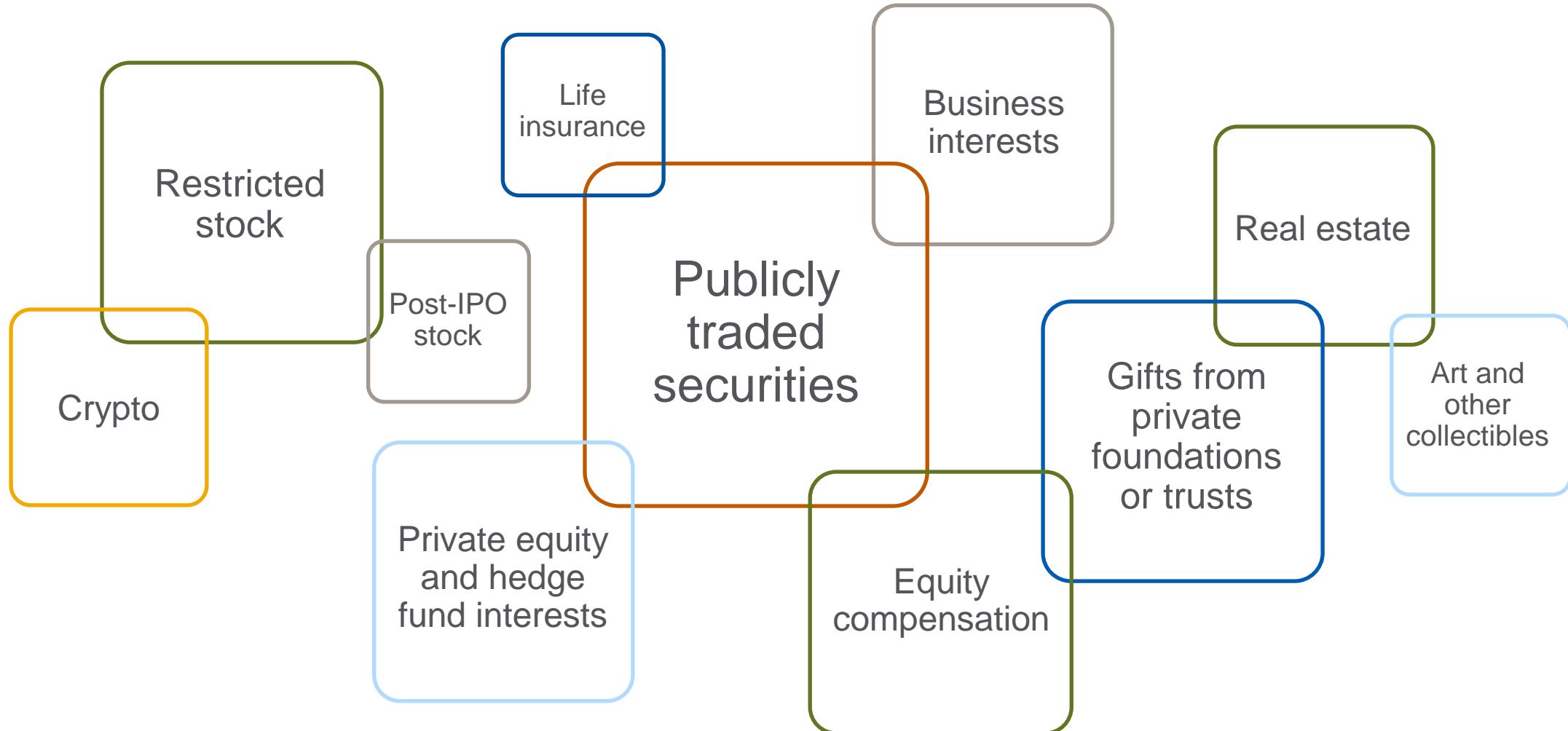


Fair market value of XYZ stock:  
**\$50,000**

	<b>Option 1:</b> Sell XYZ stock then donate the after-tax net proceeds	<b>Option 2:</b> Contribute XYZ stock directly to DAFgiving360	 A small rectangular photo of a woman with brown hair tied up in a bun, wearing a white top, sitting at a desk and looking at a laptop screen.
Long-term capital gains taxes paid	\$6,750	\$0	
Charitable contribution and tax deduction	\$43,250	\$50,000	Additional amount to grant to charities: <b>\$6,750</b>
Tax savings	\$3,630	\$12,000	Additional amount saved on taxes: <b>\$8,370</b>

This hypothetical example is only for illustrative purposes. The example does not take into account any state or local taxes or the Medicare net investment income surtax. The tax savings shown is the tax deduction, multiplied by the donor's income tax rate (24% in this example), minus the long-term capital gains taxes paid.

# What kinds of appreciated assets make good charitable gifts?



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## Bunch multiple years of charitable contributions



# Case study: Ava and Steve bunch multiple years of charitable contributions into one tax year



	Option 1 Take the standard deduction		Option 2 Tax-smart planning: concentrated giving	
Tax year	2024	2025	2024	2025
Charitable deductions	\$10,000	\$10,000	\$20,000	\$0
Other deductions	\$13,000	\$13,000	\$13,000	\$13,000
Total	\$23,000	\$23,000	\$33,000	\$13,000

Standard or itemized deductions	Standard deduction	Standard deduction	Itemized deduction	Standard deduction
Deduction amount	\$29,200	\$30,000	\$33,000	\$30,000
<b>Total two-year deduction</b>		<b>\$59,200</b>		<b>\$63,000</b>

A This hypothetical example is only for illustrative purposes. Standard deduction amounts are for married filing jointly status.

That's \$3,800 of additional tax deductions over two years.

3

**Start contributing to charity with a  
non-taxable Qualified Charitable  
Distribution (QCD) at age 70 ½**



# Rules of the road to consider with a qualified charitable distribution (QCD)

- ▶ Donate asset directly from your IRA
  - ▶ Taxable income does not have to be realized
  - ▶ Helps meet your required minimum distributions (RMD)

## 1 Who is eligible?

For those age 70½ or older, RMD age does not impact this

## 2 What accounts are eligible?

Only IRA accounts can do this, not employer plans

## 3 What is the maximum annual amount?

Can give up to \$108,000 directly to operating charities tax-free

## 4 What are the tax implications?

No tax deduction for donation but lower income taxes

This hypothetical example is only for illustrative purposes. The maximum annual amount that can qualify for a QCD is \$108,000. Operating charities, or qualifying public charities, are defined by Internal Revenue Code section 170(b)(1)(A). Donor-advised funds, supporting organizations, and private foundations are not considered qualifying public charities. Operating charities exclude donor-advised funds and private foundations.

# Bob makes gifts directly from his IRA to satisfy his required minimum distribution (RMD) and lower his taxable income

Value of IRA: \$1,050,000  
Projected RMD: \$42,683  
Ordinary income: \$80,000

Option 1:  
Take RMD income and  
donate cash

Option 2:  
Take tax-smart approach –  
make a QCD and satisfy RMD

Bob's adjusted gross  
income

\$122,683

\$80,000

Bob's charitable gift

\$42,683 (cash)

\$42,683 (QCD)

vs

Itemized or standard  
deduction

\$42,683  
itemized deduction

\$17,000\*  
standard deduction

Bob's estimated federal  
taxable income

\$80,000

\$63,000

A QCD lowers Bob's  
taxable income by \$17,000

\*Bob takes the standard deduction of \$15,000 for 2025, plus an additional standard deduction of \$2,000 because Bob is over 65 and has a single filing status.

This hypothetical example is only for illustrative purposes. Both examples assume no Social Security income and that the charitable gift is to an operating charity.



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**Offset the tax liability  
on converting a  
retirement account  
to a Roth IRA**



# Olivia offsets income taxes from converting a traditional IRA to a Roth IRA

Current balance of traditional IRA:  
**\$350,000**

2025 marginal income tax bracket: 37%  
Federal income tax on withdrawal: \$129,500



**\$350,000 converted to Roth IRA**

**\$129,500**  
Ordinary income tax  
(assumes all conversion income  
taxed in 37% bracket)

**\$350,000 donation of XYZ stock**

\$350k deduction  
X 37% income tax bracket =  
**\$129,500**  
potential tax savings

Stock gift potentially offsets  
increased income tax

This hypothetical example is only for illustrative purposes. The example does not take into account any state or local taxes or the Medicare net investment income surtax.

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## Give private business interests



# Chloe contributes private company shares

Original cost (cost basis) of XYZ stock:  
\$50,000

Federal long-term capital gains tax rate: 20%

Fair market value of XYZ stock:  
**\$1,000,000**

	<b>Option 1:</b> Sell XYZ stock then donate the after-tax net proceeds	<b>Option 2:</b> Contribute XYZ stock directly to DAFgiving360	
Long-term capital gains taxes paid	\$190,000	\$0	
Charitable contribution and tax deduction	\$810,000	\$1,000,000	vs > Additional amount to grant to charities: \$190,000
Tax savings	\$109,700	\$370,000	> Additional amount saved on taxes: \$260,300

This hypothetical example is only for illustrative purposes. The example does not take into account any state or local taxes or the Medicare net investment income surtax. The tax savings shown is the tax deduction, multiplied by the donor's income tax rate (37% in this example), minus the long-term capital gains taxes paid.



# Considerations for gifts of private business interests

1

## Transferability

Identify entity type,  
understand nature  
of transfer restrictions

2

## Exit strategy

Understand details  
and timeline for exit

3

## Valuation

Understand the  
qualified appraisal  
requirement

4

## Risk Management

Avoid pre-arranged  
sales, UBTI, excess  
benefit transactions



# Key benefits of a donor-advised fund



## Tax-smart

Helps donors maximize the tax benefits of giving.



## Flexible

Receive a tax deduction this year and grant assets over time.



## Convenient

More affordable than other more complex giving vehicles, with less paperwork.

A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's specific tax situation. Consult a tax advisor for more information.

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# Giving resources

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# Initiating year-end philanthropic conversations and maximizing year-end giving

Read our [article for advisors](#) and share our [donor planning article](#) with your clients, both of which walk through common year-end giving strategies.

Authored by DAFgiving360 Charitable Strategies Group and Schwab Center for Financial Research

## When should you talk to clients about their charitable giving?



### Key points:

- The deadline for clients to receive a 2024 tax deduction for charitable donations is December 31, making year-end an opportune time to initiate philanthropic conversations with clients.
- There are powerful giving strategies that can help your clients increase their giving power while minimizing their taxes.
- By using a donor-advised fund, clients can simplify their giving and maximize their charitable impact, and advisors can deepen client relationships and more efficiently manage clients' giving.

With more than 85% of affluent households giving generously to charity, it's possible that many of your clients are already planning to make charitable donations by the end of the year.<sup>1</sup> Now is a great time to initiate charitable conversations and show your clients a more impactful way to give. We'll walk you through suggestions on how to start the conversation, strategies to maximize your clients' donations, and how you can make charitable giving easy for both clients and your firm.

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Director of Tax Planning and Wealth Management,  
Schwab Center for Financial Research



## Make the most of your 2024 year-end giving

If you are considering making a charitable contribution before the end of 2024, consider these strategies to maximize the impact of your donation.



**What time of year is best to make charitable contributions?** We'll start by saying that it's always a good time to give, no matter the time of year. But, the end of the year can be one of the most impactful times to give—the last few months of the year is when many charities need extra help.

Now is also a good time to reflect on any significant taxable events you experienced (or may experience) throughout 2024. Did you face increased taxable income? Do you have a highly appreciated investment portfolio that you'd like to rebalance? Are you exploring selling long-term highly appreciated property, business interests, or other illiquid assets by the end of the year? By making an informed charitable contribution before **year-end giving deadlines**, you may qualify for a current-year deduction if you itemize your taxes, potentially offsetting some or all tax liabilities from those events.

### Are there tax changes coming?

While it is a United States election year and uncertainty may exist, we anticipate the current tax landscape to remain the same through the end of 2024, as there does not appear to be anything on the horizon that would fundamentally affect current charitable contribution tax rules.

That being said, the Tax Cuts and Jobs Act of 2017—which effectively doubled the annual standard deduction amount when it was passed by Congress—will expire at the close of 2025. It is possible that we may see new tax proposals next year, with any potential corresponding changes taking shape in 2025 or 2026.

In summary: There's no reason to hesitate on donating in 2024.

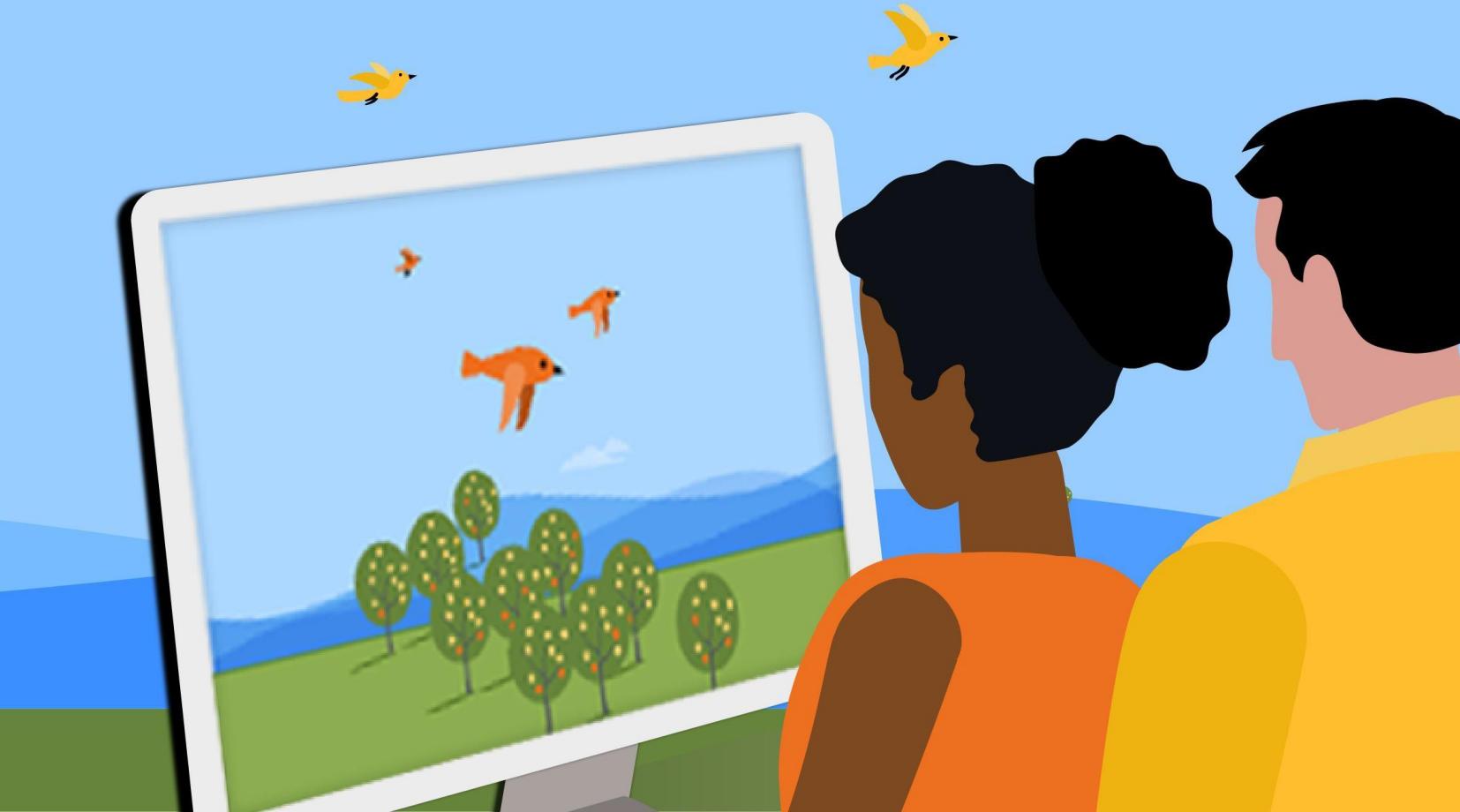
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# DAFgiving360

## Giving Guide

A powerful tool to help develop  
a comprehensive giving plan



**1**

Define your  
charitable  
mission

**2**

Create a  
giving budget

**3**

Involve your  
family

**4**

Choose your  
giving vehicles

**5**

Find charities  
that support  
your interests

**6**

Generate a  
comprehensive  
giving plan

[\*\*Download the guide\*\*](#)

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# The Giving Guide includes 13 helpful topics you may download



## Topics include:

1. Find your focus
2. Involve your family
3. Select your giving vehicles
4. Set a giving budget
5. Identify tax deductible entities
6. Determine which assets to give
7. Find organizations to support
8. Refine your plan over time
9. Define your gift's terms
10. Give beyond treasure
11. Tackle social problems
12. Learn and give with others
13. Learn more about charities



# Navigating family philanthropy

## Define your purpose

- Understand why you give
- Explore motivations, values and principles, priorities and giving styles
- Create a purpose statement

## Choose your philanthropic vehicles

- Charitable vehicles
- Private sector vehicles
- Civic engagement vehicles

## Planning for legacy and succession

- Resources to help you envision your future

A series of guidebooks, roadmaps and videos developed by our partners at the **National Center of Family Philanthropy**

## [Visit the family philanthropy series](#)



## Questions?

Contact **Business Development** for support and education on charitable giving topics such as:

- How DAFgiving360 can support your clients' philanthropy
- New account opening
- Tax smart giving strategies

## Ongoing relationship management

Contact your **Charitable Consultant** for support with clients who currently have a donor-advised fund account on charitable giving topics such as:

- Comparing charitable giving vehicles
- Creating a charitable legacy
- Tax smart giving strategies

For questions about the ongoing maintenance of a donor-advised fund account, contact **Donor Services**:

Call 800-746-6216  
or email [ask@dafgiving360.org](mailto:ask@dafgiving360.org)

Contact the **DAFgiving360 Charitable Strategies Group** to inquire about contributions of complex, non-cash assets: [CSG@dafgiving360.org](mailto:CSG@dafgiving360.org)

# Thank you!



## Important Disclosures

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DAFgiving360 does not provide legal or tax advice. Please consult a qualified legal or tax advisor where such advice is necessary or appropriate.

A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's specific tax situation. Consult a tax advisor for more information.

Contributions made to DAFgiving360 are considered an irrevocable gift and are not refundable. Once contributed, DAFgiving360 has exclusive legal control over the contributed assets.

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