

By donating shares, the net cost to you is significantly less, but the benefit to the charity is the same, because it does not pay taxes.

Assume you want to donate \$10,000, and you have a security worth \$10,000 for which you paid \$2,000.

	Option 1 Sell, donate cash deal with taxes later	Option 2 Do not sell, donate securities directly
Current Market Value	\$10,000	\$10,000
Original cost of securities	\$2,000	\$2,000
Capital gain	\$8,000	\$8,000
Tax on capital Gain	\$2,120	\$0
Donation to charity	\$10,000	\$10,000
Charitable tax credit	\$4,600	\$4,600
Donor's net cost	\$7,520	\$5,400