

Donor-Advised Funds

Give stock, take tax breaks

A donor-advised fund is an easy and efficient way to donate to one charity or dozens. The inherent tax benefits make it a smarter way to reach your philanthropic goals. And doing good, whether in your own backyard or around the globe, is a benefit all its own.

What Is a Donor-Advised Fund?

Established at a public nonprofit,* a donor-advised fund is a philanthropic account that allows donors to make a charitable contribution, receive an immediate tax benefit and then recommend grants from the fund over time.

How It Works

DONATE NOW, SAVE TAXES NOW

You get an immediate tax break—and avoid capital gains taxes—on the entire amount you donate to a donor-advised fund.

GRANT MONEY TO YOUR CHARITIES

Make your giving meaningful. Take time to research charities, from smaller, single-focus nonprofits to larger, high-impact charities, such as United Way, that take on complex issues affecting multiple communities across the county. Then grant funds to those that make your best-of list. Bonus: Every year, you'll receive one convenient summary of all your grants.

GROW YOUR FUND TO GIVE MORE

After your initial contribution, you can add to your account as often as you like. Funds that stay in your account could grow over time, giving you more to give to your charities—and that increase is tax-free.

ONLINE ACCESS FOR ALWAYS-ON PHILANTHROPY

Many donor-advised funds offer online access to account information to make it easier for you to check balances, download reports, modify your charities list and recommend grants 24/7.*



Stock Gift Vs. Cash Gift Comparison

An early Zillow employee wants to make a \$48,000 gift to United Way. She holds 1,000 shares of Zillow stock acquired 10 years ago. Assumptions: cost basis, \$50 (\$.05/share); current market value, \$48,000 (\$48/share); ordinary income tax rate, 35%; capital gains tax rate, 20%.

CASH GIFT

Sell 1,000 shares of stock to raise cash to give	\$48,000
Long-term capital gain (proceeds minus \$50 cost basis)	\$47,950
Capital gains tax due (20%)	-\$9,590
Gift tax write-off (35% of total gift)	\$16,800
Donor's net tax benefit	\$7,210

STOCK GIFT

Give 1,000 shares of stock to nonprofit or donor-advised fund	\$48,000
Long-term capital gain (proceeds minus \$50 cost basis)	\$0
Capital gains tax due (20%)	\$0
Income tax write-off (35% of total gift)	\$16,800
Donor's net tax benefit	\$16,800

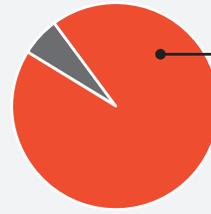
“Giving through a donor-advised fund is a great way to support United Way (or any nonprofit) by donating appreciated stock and saving on capital gains taxes.”

— Scott Medén, CMO and EVP, Nordstrom, Inc.
Board of Directors, United Way of King County

*Public nonprofits that offer donor-advised funds are set up by financial investment firms, called “sponsoring organizations”, which invest the assets and manage the donor’s account. Every donor-advised fund sponsor has its own rules and procedures, so check the details. Assets deposited into a donor-advised fund can only be distributed to charities; they cannot be returned to the donor.

Why Give to United Way?

We take the work of investing donor dollars VERY seriously. We strive to be a trusted partner, doing the absolute most good with the money entrusted to us. Once you give to United Way, our staff—with the help of very skilled volunteer committees—makes smart investments in nonprofits and their programs.



94%
of every dollar
donated, on average,
goes to community
needs.

Investment Strategy

Everything we invest in has at least two of the following attributes:

EFFECTIVENESS

Children who participate in our early learning program with their parents are 30% more likely to graduate high school. The programs and organizations we invest in put up big numbers and have real impact.



Parent-Child Home Program graduates have higher readiness scores than the comparison group, and higher-than-average scores statewide. By 3rd grade, they significantly out-performed the comparison group in reading and math, and achieved higher math scores than the statewide average.

LEVERAGE

United Way uses its strength as a large, well-respected organization to do even more.

Two examples:

- Winning a half-million dollar grant to bring hundreds more AmeriCorps and VISTA workers to the community.
- Utilizing \$10 million dollars in state funds the last two years to get young people back on track to graduate high school.

2x Doubling Your Impact

Your Reconnecting Youth gift is leveraged so that more than 2x the number of students get on the path to success

 **\$4,500**
individual and
corporate support

 **\$4,445**
average reimbursement
from state

 **\$8,945**
total cost per student

INFLUENCE

We invest in solutions that get to root issues and sustainable changes, including advocacy at all government levels in support of safety-net programs for our most vulnerable neighbors.



A RECENT WIN:
RAISING THE FOSTER CARE EXIT AGE
FROM 18 TO 21

The result? Fewer youth exiting into homelessness.

SCALE

Our community's unprecedented growth means our solutions must reach hundreds, if not thousands. Like providing 600,000 free summer meals to kids at more than 250 King County sites to ease the burden on families who count on school-year meal programs.



“When school is out, this program is a big help. It really makes a difference on our grocery bill.”

—Fox, mom of two Summer Meal participants and this Connect Four champion

Ready to give? Consider United Way of King County's Philanthropic Fund, in which you commit your Champion-level gift to United Way and include other nonprofits you wish to support.