

TALENTS

Proving Faithful in Stewardship

Matthew 25:14–30

WHEATON COLLEGE GIFT PLANNING NEWSLETTER

Appreciation Can Go a Long Way	2-3
Wheaton College Trust Company	3
Redesigned Website	3
Blanchard Society	4
Upcoming Events, Resources & Materials	4

In this edition of Talents, we explore how you can utilize your appreciated assets to give charitably, reduce your taxes, and advance your legacy goals. Let's consider for a moment the term *appreciate*. To *appreciate* someone or something is to recognize its full worth. Colloquially, appreciation is a sentiment signaling respect, honor, and gratitude—for the people, places, and things we hold dear. There is another meaning, too. Financially, appreciation describes the increase in value of something as time passes.

We can certainly see the ways that these two distinct meanings of the same term can overlap and intersect, particularly as we consider the resources that have been entrusted to us and what they might be used to accomplish. You may have heard it said: "What you appreciate, appreciates." Have you considered how your earthly resources will be used ultimately for God's glory?

This issue touches on outright gifts in addition to the option to fund a lifetime charitable remainder unitrust using a variety of investments, from real estate to businesses, reaping not only the tax advantages, but also the benefits of lifelong income, an immediate tax deduction, and the satisfaction of making a meaningful gift to support Wheaton's ministry!

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For Christ & His Kingdom



Appreciation Can Go A Long Way

Many people own *tax-embedded assets*—those that have a taxable nature that is unique from other types of assets. Two general types of tax embedded assets are: traditional (tax-deferred) retirement account assets and appreciated assets. We recently explored the advantages in utilizing traditional retirement assets in a testamentary charitable remainder unitrust, also known as the “give it twice trust,” through which you can provide an income flow to your loved ones for up to 20 years after your passing. Now we turn our attention to the second tax-embedded asset: those that have *appreciated* in value since they were initially acquired.

Only a small percentage of financial assets held by families is in the form of cash or equivalents. Stop and think: what do you own? How much of it is in checking, savings, money market, or similar accounts, versus non-cash assets such as securities (stocks, mutual funds, ETFs, bonds), real estate, and business interests? Likely, only a small fraction is in cash. Let’s rethink how we utilize these appreciated assets, especially to maximize your impact on charitable causes.

Tax Benefits for Appreciated Asset Gifts

When you make a gift of appreciated assets outright to a charity, you receive a *full charitable income tax deduction* for the current value of the gift—even if you paid just a fraction for it many years earlier! Generally, you can use this deduction up to 30 percent of your adjusted gross income for gifts of appreciated assets, and any unused balance may be carried over for the succeeding five years.

Capital gains tax is typically due when you sell an appreciated asset, based on the amount of gain or increase in value since you first acquired it. With a charitable gift, you *avoid all capital gains taxes* that would have been due at a sale, and the charities receive them without incurring tax!

Funding a Lifetime Charitable Remainder Unitrust (CRUT)

If you have appreciated assets and have charitable intention but would also like to receive a steady income flow, a lifetime CRUT may be right for you! With the help of an attorney, you can set up and fund the CRUT with your investment condo,



WHEATON COLLEGE TRUST COMPANY

Serving as an executor or trustee is not for everyone! These roles can be complex and time consuming, which is why some prefer that a professional trust company serve in this role. Wheaton College Trust Company, N.A., can administer estates for those who are making significant gifts to Wheaton College through their estate plans. Contact us today to discuss these offerings and various strategic charitable giving options!

Phone 630.752.5332

Email gift.plan@wheaton.edu

public or private stock, business shares or another appreciated asset (which might otherwise be difficult to donate). The CRUT will sell the asset, reinvest the proceeds in a diversified portfolio, and make fixed percentage annual payments to you and/or a loved one for life. You'll get a partial income tax deduction (for the charitable portion), too. You will avoid the capital gains tax that would have been due upon a sale. At the end of the trust, Wheaton (and possibly other charities you choose) will receive a significant gift of impact!

You can certainly establish a CRUT using cash, but you may want to consider your appreciated assets as a good funding "bucket." A gift of either cash or appreciated assets will have the same impact on the charity, but by gifting appreciated assets you will reduce both your income tax and capital gains tax burden.

If you'd like to learn more, we are happy to discuss your specific situation with no obligation.

CHECK OUT OUR REDESIGNED WEBSITE!

We are excited to announce the launch of our newly updated Wheaton College Gift Planning Services website. The refreshed site offers streamlined topics ranging from ways to give through wills/trusts, retirement account assets, real estate, stock/securities, as well as gifts that create income flow (gift annuities and charitable trusts), and donor advised funds. You can also access a variety of enhanced resources including informational videos, booklets, newsletters, updated information sheets, and relevant news articles.

If you are interested in learning more about tax-efficient giving strategies, charitable trusts, or Wheaton College Trust Company services, we've got you covered!

Visit **wheaton.edu/giftplan** to experience the upgrade firsthand.

Blanchard Society

Have you included a gift to Wheaton in your will, trust, or retirement account beneficiary designation? If so, please let us know—we would like to thank you for creating a legacy that will make a lasting impact for generations to come. Bequest gifts like these allow donors to make a gift to the College generally, or to a specific scholarship, department, or program—without impacting current financial stability. If you haven't included such a provision and are considering it, we would be happy to discuss your goals and objectives with you.

We would love to welcome you into the **Blanchard Society**, to celebrate your generosity in remembering Wheaton in your estate plans, or your giving to the College through a gift annuity, charitable unitrust, or another charitable vehicle. Members receive semiannual devotionals from the current Chair, who is usually a current or retired faculty or staff member, an invitation to our luncheon during Alumni Weekend which is a wonderful time of fellowship each spring, and bookstore discounts and other gifts.

Blanchard Society members help ensure Wheaton's ability to educate the whole person, For Christ and His Kingdom. Consider joining today—we look forward to welcoming you!

Contact Information

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Upcoming Events

Alumni Weekend: May 9–11, 2025

- Blanchard Society Luncheon (by invitation only)—
May 9 at 11:30 a.m.
- Estate Planning Seminar—
May 10 at 1:30 p.m.
- Commencement—
May 11 at 3:00 p.m.

GIFT PLANNING RESOURCES & MATERIALS

- Blanchard Society
- Charitable Remainder Unitrust (CRUT)
- Donor Advised Fund (DAF)
- Estate Review
- Gift Annuities
- Gift Planning Vehicles and Services
- Qualified Charitable Distributions (QCDs) / IRA Rollovers
- Real Estate Giving
- Strategic Giving
- Tax-Advantaged Retirement Account Giving
- Tax-Embedded Assets
- Wheaton College Trust Company
- Non-Cash Gifts
- Remainder Interest in a Personal Residence or Farm
- Things to Consider Before Meeting with your Attorney



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