
Betterment to offer direct online charitable giving

By Editorial Staff *Thu, Nov 16, 2017*

Clients decide how much to donate and Betterment will fund the gift with the most appreciated shares in their portfolio, according to a Betterment release.

Betterment, the digital advisor, has launched a Charitable Giving service that allows users of the online asset allocation and investment tool to donate appreciated mutual fund shares directly to charities from their Betterment accounts. The service will be available to customers on November 28th, 2017.

According to a Betterment release, clients decide how much to donate and Betterment will fund the gift with the most appreciated shares in their portfolio. Clients get a deduction of the market value of the shares from their taxable income while avoiding a sale that would trigger capital gains taxes. Charities get the full donation, without the friction of intermediary fees.

At launch, Betterment will have several charities for users to donate directly to: The Breast Cancer Research Foundation (BCRF), UNICEF USA, World Wildlife Fund, Feeding America, Big Brothers Big Sisters of NYC, Save the Children, Wounded Warrior Family Support, Hour Children, Against Malaria, DonorsChoose, and GiveWell.

The Betterment release did not describe its Charitable Giving service as a donor-advised fund, which would allow clients to transfer to the fund, get a tax deduction, and later decide which charities to give to. Fidelity Charitable, founded in 1991, granted about \$3.5 billion to charities in 2016, according to Fidelity's website. Vanguard's Charitable Endowment Program, started in 1997, received \$1.3 billion in donations and paid out \$704.5 million in grants in 2016, according to GuideStar.

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