



Judy's Story

Judy is 78 years old. She owns \$100,000 worth of stock paying \$2,000 per year in dividends. Judy wants a better return but knows that moving her money will trigger a capital gains tax of \$10,500. And safe investments such as Money Market Accounts and Certificates of Deposit are not paying much.

Judy also wants to support Dallas Theological Seminary but cannot afford to give as generously as she would like, since she is now living on a fixed income.

One day, Judy read an article about Charitable Gift Annuities. Further research revealed that a Gift Annuity would be ideal for her.

Judy used her stock to fund the annuity. This generated a fixed income of \$6,000 per year—three times her previous income. Some of this income is tax-free, giving her the same after-tax return as a fully taxable investment earning 8.12%.

Most of the capital gains tax was bypassed, saving her \$2,040. Judy also received an income tax deduction, resulting in additional tax savings of \$10,210.

When Judy dies, Dallas Theological Seminary will receive approximately \$50,000 free of probate and estate taxes.

Judy accomplished her objectives: Tripled income, tax benefits, and a donation to Dallas Theological Seminary.