



# News Release

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## **SCHWAB FUND FOR CHARITABLE GIVING® SURPASSES \$1 BILLION IN CHARITABLE CONTRIBUTIONS**

Fund Reaches Major Milestone with More Than \$500 Million in Donations in 2005

**SAN FRANCISCO, Jan. 6, 2006** — The Schwab Fund for Charitable Giving, one of the country's largest and fastest growing donor-advised funds, announced total contributions to its Charitable Gift Accounts have exceeded \$1 billion since the Fund's inception. Created in 1999, the Fund achieved the milestone as it ended its most productive year for charitable contributions. In 2005, the Fund received more than \$510 million, more than doubling the \$225 million in contributions received the previous year.

The biggest beneficiaries of the Fund's grants in 2005 were relief efforts for victims of Hurricane Katrina, the South Asian tsunami and the Pakistan earthquake. In 2005, the Fund issued more than 1,400 grants for Hurricane Katrina relief, totaling nearly \$3.5 million. Tsunami and earthquake relief together accounted for more than 2,000 grants and nearly \$2.3 million in funds. Since its inception in 1999, the Fund has granted more than \$400 million to 18,000 charities. It currently has approximately \$840 million in assets waiting to be granted.

"Fund donors responded in overwhelming numbers to the natural disasters of 2005," said Kim Wright-Violich, president of the Schwab Fund for Charitable Giving. "As the Fund passes the \$1 billion mark in total contributions, our donors will continue to have a significant impact in supporting future charitable causes."

Wright-Violich attributes much of the Fund's overall success to Charitable Asset Management – a philanthropic option available to high net-worth individuals that allows them to nominate an independent investment advisor to manage their donated funds. Donors with accounts of at least \$250,000 can have an independent advisor manage account assets, which can be invested in a wide range of investment vehicles, including individual stocks, bonds and other securities. No other leading national donor-advised fund offers this benefit.

"Charitable Asset Management has opened significant doors for advisors and their clients," said Wright-Violich. "Advisors can recommend that clients set aside assets for tax-advantaged charitable giving while simultaneously helping meet other diversification goals. The process is seamless for both the client and advisor."

Charitable Asset Management attracts affluent individuals and families who would otherwise need to set up a private foundation to create a charitable endowment. Donor-advised funds are simpler to set up and run – and more private – than private foundations. While private foundations must file an annual tax return which discloses officers, grant amounts, and recipients, a Charitable Gift Account has no such requirement. No additional paper or legal work is required after the contribution is made, and the Fund is responsible for due diligence, recordkeeping, managing the assets and granting funds.

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Donors of all income levels can open a Charitable Gift Account with an initial tax-deductible contribution of cash or securities valued at \$10,000 or more. Assets are invested for tax-free potential growth and donors can recommend grants from the account at any time. One of the benefits of the Charitable Gift Account is that the donor can contribute to the account when it makes sense for their tax planning, but the assets are set aside and readily available for grant-making at any time. Donors who contribute appreciated securities may be able to deduct their full value as a charitable donation and avoid capital gains tax. Donations of non-cash assets such as real estate can be made through a charitable third-party that specializes in such transactions, and are also tax deductible at fair market value. Note that contributions of real estate and most other assets made to private foundations are deductible only at cost basis.

For more information about the Schwab Fund for Charitable Giving and Charitable Gift Accounts, visit [www.schwabcharitable.org](http://www.schwabcharitable.org). The Schwab Fund for Charitable Giving, an independent non-profit organization, has entered into service agreements with certain affiliates of The Charles Schwab Corporation: Charles Schwab & Co., Inc. (Member SIPC) and Charles Schwab Investment Management, Inc.

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