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Cost of gift is the donor's out-of-pocket cost of funding a gift.

For example, if a donor funds a gift with \$10,000 and the charitable deduction from the gift saves the donor \$2,000 in income taxes, the donor's out-of-pocket cost to make the gift is \$8,000 ($\$10,000 - \$2,000$). The amount of tax savings equals the charitable deduction multiplied by the donor's income tax bracket.

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