

# Gift Strategies

HARVARD UNIVERSITY PLANNED GIVING NEWS



FALL 2015



JENNIFER PLINE

## A CONVERSATION WITH JENNIFER PLINE OF HARVARD MANAGEMENT COMPANY

Jennifer Pline, managing director of Trusts and Gifts at Harvard Management Company (HMC), shares her thoughts on the advantages of various planned gift options, the exciting momentum at HMC under the leadership of new president and CEO Stephen Blyth PhD '92, and the impact planned giving donors can have on Harvard and the world.

### Q: Why is planned giving so important to Harvard?

Planned gifts are a powerful part of the philanthropy toolkit. They really offer donors the best of both worlds. By making a planned gift, you can receive income during your lifetime and have the satisfaction of watching your gift grow, knowing that when it is released, you will have made a real impact on the School or area you want to support. You can also benefit your spouse and/or children. Planned gifts are especially effective at helping people stretch their giving. At Harvard, there are statistics showing that a donor's first planned gift is typically larger than all of his or her previous gifts combined. That is high-impact philanthropy.

CONTINUED ON PAGE 2



## WITH A TRUST, DONORS MAINTAIN INCOME AND CREATE OPPORTUNITIES IN PUBLIC HEALTH

When Ronald A. Walter SM '72 and Marilyn Walter established a fellowship fund at the Harvard T.H. Chan School of Public Health, they opted to do so through a charitable remainder trust—a giving vehicle that allowed them to increase the size of their support, receive annual income during their lifetimes, and, most important to them, have a long-term impact on future generations of public health leaders.

“A charitable remainder trust really hit the sweet spot for us,” says Ronald Walter, who retired from Citigroup in 2003 after nearly 25 years with the firm. At the time of his retirement, he was head of the firm's pension group. “Because of my job, I have spent a lot of time thinking about retirement planning. We felt this was the best way to put money aside that could support us while we're still around but also create opportunities for outstanding young men and women. It's exciting to think about the people who will one day benefit from this gift.”



RONALD A. WALTER SM '72 AND MARILYN WALTER

“When it comes to charitable giving, we're interested in organizations that have a direct impact on people who need help,” adds Marilyn Walter, professor of law emerita and director of the Legal Writing Program at Brooklyn Law School in New York. “There aren't many organizations that can say they save lives, but the Harvard Chan School is doing exactly that around the world. We've talked to students who have been on the front lines of fighting Ebola and other diseases, and it's so inspiring to see their dedication to humankind.”

After graduating from what was then known as Harvard School of Public

CONTINUED ON PAGE 3

ABOVE: THE KRESGE BUILDING AT THE HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH  
PHOTO: SUSAN YOUNG PHOTOGRAPHY

JENNIFER PLINE PHOTO: STEPHANIE MITCHELL/HARVARD UNIVERSITY (HU)  
RONALD AND MARILYN WALTER PHOTO: COURTESY OF RONALD AND MARILYN WALTER

## A CONVERSATION WITH JENNIFER PLINE OF HARVARD MANAGEMENT COMPANY

CONTINUED FROM COVER

### **Q: What makes a charitable gift annuity an attractive option?**

Charitable gift annuities are perfect for those who want to contribute to Harvard's mission but also need to secure a certain guaranteed annual income during their retirement years. The University's assets stand behind the annuities; that's about as secure as you can get. As you can imagine, this option became very popular during the uncertain times of the financial crisis in 2007 and 2008, and it has remained so during the recovery.

### **Q: Why is it an attractive time for donors to set up a lead trust at Harvard?**

A lead trust is a powerful planning tool that enables you to support Harvard while simultaneously transferring wealth to your heirs free of gift or estate tax, or reducing your taxes in a big income year, or both. The effectiveness of a lead trust is enhanced in a low interest rate environment, and with rates still near historic lows, we are seeing a great deal of interest in this estate planning option.

### **Q: Can you explain how gifts of appreciated property work and why this is a good time to consider making such a gift?**

Giving appreciated property is another smart way to combine your philanthropic interest with tax-wise planning. In most scenarios, people who make gifts of appreciated property can deduct the full amount of the value of the property and save on capital gains taxes. This is another way for planned giving donors to stretch their giving and increase their impact because they can make a significant gift and receive favorable tax benefits.

### **Q: HMC has a new president and chief executive officer. Can you talk about some of the new directions that HMC is taking?**

This is an exciting time at HMC. Stephen Blyth, who took over on January 1, 2015, has been doing a tremendous job carrying forward the mission of HMC and determining new ways to build upon it. Stephen has been at HMC since 2006, so he stepped into the position with a wealth of knowledge. He has spent the past nine months setting a course for the future of HMC, designed to improve its investment performance over the long term. In particular, he has outlined clear investment objectives for the

organization so it can most effectively support the mission of Harvard. He has focused on reinvigorating our investment process by increasing collaboration among investment teams, considering new partnerships and investment vehicles, and ensuring that we build the conviction to invest at appropriate scale.

### **Q: What are some of the challenges facing HMC today? How is HMC poised to respond to those challenges?**

HMC has a powerful investment platform. Our hybrid model of investment management gives us flexibility to respond to many different types of market conditions. Over the past year, market volatility has increased significantly and liquidity has declined, especially driven by new market regulation. While volatility and low liquidity can be challenging in the short run, they can also present opportunities for investors like HMC that possess stable capital. We are aware that many asset classes have been fully priced due to the unprecedented central bank liquidity injections of the past eight years, yet we feel that opportunities will continue to present themselves across markets over time.

### **Q: Why should someone support Harvard with a planned gift?**

Harvard has the capacity to change the world. When you look at what our faculty, students, and alumni are doing to answer difficult questions, solve problems, find cures, and serve so many needs, Harvard is uniquely positioned to help make the world a better place. Giving to smaller charities will always be important, but when you make a gift to Harvard, you can help effect change on a great scale.

I would add that when you make a planned gift to Harvard, our team is committed to providing you with the best in personalized service. If you want to talk to someone about your gift, we are here to answer your questions. We are devoted to helping our planned giving donors.

### **Q: What do you enjoy most about working at Harvard?**

I enjoy being part of a mission-driven organization that has a real clarity of purpose. In the investment world, you often get pulled in multiple directions, but here we're furthering one institution. I also love working with the alumni. They are fascinating people with amazing stories. Many tell me that they couldn't have gone to Harvard without financial aid and how the opportunity to do so changed their lives. It's inspiring to know that a strong endowment makes all of that possible.

VISIT [ONECAMPUS.HARVARD.EDU](http://ONECAMPUS.HARVARD.EDU)



## WITH A TRUST, DONORS MAINTAIN INCOME AND CREATE OPPORTUNITIES IN PUBLIC HEALTH

CONTINUED FROM COVER

Health with a master’s degree in health services administration, Ronald Walter enjoyed a long and successful career based in New York City. Prior to his tenure at Citigroup, he served as vice president of finance for New York Health and Hospital Corporation, as deputy chancellor for the New York City Board of Education, and as assistant to the mayor of New York. Before attending Harvard, he was an assistant professor of urban planning at MIT, where he received his undergraduate degree in 1965.

Walter says he has always felt a responsibility to give back to Harvard, noting that his “terrific experience” at the School of Public Health was made possible by a scholarship. As volunteers and members of the Harvard T.H. Chan School of Public Health Leadership Council, he and his wife have had the opportunity to engage with students and

faculty at the School about their exciting work. The Walters were also able to learn more about how they could support the School’s highest priorities, including fellowships.

“Before we became so closely involved with the School, we didn’t see ourselves as able to do significant philanthropy,” Ronald Walter says. “But through planned giving, we realized that we could.”

“The planned gift model is a terrific one for many people,” he says. “I encourage others to consider making a planned gift. It’s a way of maintaining current income while providing funds that will have an impact far into the future. Harvard is an institution that can take a long view, and planned gifts really are an important way to help them do that.”

“It’s exciting to think about the people who will one day benefit from this gift.”

—RONALD WALTER

### MAKE A DIFFERENCE. MAKE A BEQUEST.

Supporting Harvard through a bequest is both rewarding and easy. You can make a lasting impact at the University by simply including the following language in your will or trust:

*“I give (\_\_\_\_\_ dollars or \_\_\_\_\_ percent or all of the residue of my estate) to the President and Fellows of Harvard College, a Massachusetts educational, charitable corporation (for its general purposes or for the benefit of a School or unit).”*

Bequests can be tailored to your interests. Please contact the University Planned Giving team at **800-446-1277** or **pgo@harvard.edu** for assistance.

### HARVARD UNIVERSITY GIFT ANNUITY RATES

ANNUITY RATES ARE BASED ON YOUR/YOUR BENEFICIARY’S AGE(S) WHEN QUARTERLY PAYMENTS BEGIN.

DONOR MAKES A GIFT TODAY AT CURRENT AGE...	...AND ANNUITY BEGINS IMMEDIATELY AT THIS RATE*...	...OR WAITS 5 YEARS BEFORE ANNUITY BEGINS AT THIS RATE*
65	5.4%	7.6%
65/65	4.8	6.7
70	6.0	8.4
70/70	5.3	7.4
75	6.7	9.7
75/75	5.9	8.2
80	7.7	11.0
80/80	6.5	9.5

\* ANNUITY RATES CURRENT AS OF SEPTEMBER 2015

## GIFT OF APPRECIATED STOCK SUPPORTS THE LEADERS OF TOMORROW

Paul Tang AB '74 believes a broad liberal arts and sciences education is the best preparation for the leaders of tomorrow. “The pursuit of knowledge of cultures and other people is what an education should be doing,” he says, “and that’s what Harvard has always stood for.”

Reflecting on his own liberal arts education at Harvard College, Tang says he was amazed by the diversity of ideas and activities on campus. He recalls happening upon a chamber music recital at Harvard Art Museums’ Adolphus Busch Hall and becoming completely entranced. “It was an eye- and ear-opening—and, I daresay, mind-opening—experience for a public school student who immigrated to the United States with his family at the age of six,” says Tang, who concentrated in government at the College.

After Harvard, he earned his JD and MBA from Columbia University and went on to a career in law and business, most recently as executive vice president and general counsel of Burlington Coat Factory.

Tang recently showed his support for Harvard’s educational mission by establishing a charitable remainder trust through a gift of appreciated stock. “I wanted to support Harvard as an

institution,” he says. “The University is a place where scholars, academicians, and thinkers need to be nourished and supported.”

By funding the trust through a gift of stock, Tang received an income tax deduction based on the fair market value and avoided capital gains taxes that would be due if the stock were sold instead of donated. The trust will also provide quarterly income to Tang and his wife for the rest of their lives, after which the principal will transfer to Harvard as unrestricted funds for the Faculty of Arts and Sciences.

Tang says it was important to him that the gift be unrestricted, giving the dean the flexibility to use the funds where they are most needed.

“I didn’t want to direct it to a specific purpose,” he says. “I wanted to support the cause of education in general, so Harvard would put it to use in the best way possible.”



PAUL TANG AB '74

### HOW TO REACH HARVARD’S PLANNED GIVING PROFESSIONALS

University Planned Giving	617-495-4647	Anne McClintock
Philanthropic Advising	617-495-4647	Alasdair Halliday
Harvard University 124 Mount Auburn Street Cambridge, MA 02138-5795	800-446-1277 pgo@harvard.edu alumni.harvard.edu/give/planned-giving	
Business School	617-496-5642	Sierra Rosen
Harvard College, GSAS	617-495-4352	Peter Kimball
Harvard T.H. Chan School of Public Health	617-432-8071	Judi Taylor Cantor
Law School	617-496-9265	Charles Gordy
Medical School	617-384-8449	Karen Stepp Turpin

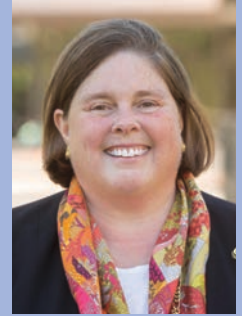
University Planned Giving professionals can help you develop gift plans for any part of the University:

Harvard University President’s Fund  
Harvard College  
Graduate School of Arts and Sciences  
Business School  
School of Dental Medicine  
Graduate School of Design  
Divinity School  
Graduate School of Education  
Harvard John A. Paulson School of Engineering and Applied Sciences  
Extension School  
Kennedy School  
Law School  
Medical School  
Harvard T.H. Chan School of Public Health  
Radcliffe Institute for Advanced Study  
Harvard Art Museums  
Harvard Museums of Science and Culture  
Memorial Church  
American Repertory Theater  
Arnold Arboretum

## LETTER FROM THE EXECUTIVE DIRECTOR

Dear Alumni and Friends,

Your continued commitment to Harvard's work to educate the next generation of leaders, create new knowledge in virtually every field, and find solutions to address the world's most complex problems is nothing short of inspiring. It is a privilege and pleasure for us to be of assistance to you, and we strive to help you make gifts in the most satisfying and prudent ways.



ANNE D. MCCLINTOCK

Donating appreciated stock is an often overlooked yet easy and cost-effective gift. You receive an income tax deduction for the full market value of the shares given, and Harvard can use 100 cents on the dollar. You avoid paying capital gains tax that would be due on a sale of the stock. Some of our donors tell us that they use the cash they would otherwise have given to purchase the same or a different company's stock, increasing the cost basis of their portfolio.

A gift of appreciated stock can fund an endowment or be used right away. You can designate a specific purpose for your gift or allow the president the discretion to use your gift to meet a pressing need or take advantage of a new opportunity. You also can establish a gift arrangement that will pay you, and another person if desired, an annuity for life backed by the University's assets. In the future, your gift will be used for the purpose determined up front.

We have included at left a chart showing the benefits of making gifts of stock that can help you achieve various financial and philanthropic goals. If and when you would like to explore how you can make an impact at Harvard, and far beyond, in the most sensible and advantageous way for you and your family, please let us know. Our planned giving professionals are available to work with you to develop a strategy for your unique situation.

As always, thank you for your thoughtful generosity.

Best wishes,

Anne D. McClintock  
Executive Director, University Planned Giving

## KEY BENEFITS OF A \$10,000 GIFT OF STOCK WITH A COST BASIS OF \$2,000

	CASH GIFT	STOCK GIFT
CURRENT FAIR MARKET VALUE	\$10,000	\$10,000
INCOME TAXES SAVED	\$3,960	\$3,960
CAPITAL GAINS TAXES SAVED*	\$0	\$1,904
TOTAL TAX SAVINGS	\$3,960	\$5,864

\* ASSUMES 20% CAPITAL GAINS TAX AND 3.8% SURTAX ON NET INVESTMENT INCOME

You can also convert your appreciated stock into a Harvard gift annuity or charitable trust. You secure a diversified income-paying portfolio for yourself and/or others at no upfront capital gains tax cost, and Harvard benefits from your gift in the future. Let us help you explore your options.

## STAFF ANNOUNCEMENT

### NEW ADDITION

Sierra Rosen has joined Harvard Business School as director of gift planning. Sierra has 10 years of experience in planned giving fundraising. She began her career at State Street Global Advisors and then worked at Wellesley College and Northeastern University. She is a member of the Boston Bar Association and formerly served as a public defender in Essex County. She holds a BA from Gordon College and a JD from Northeastern, where she is currently pursuing a graduate degree in taxation. Sierra enjoys outdoor activities with her family and dog.



PHOTO: SUSAN YOUNG PHOTOGRAPHY

# UNIVERSITY PLANNED GIVING EVENTS

IF YOU ARE INTERESTED IN RECEIVING MATERIALS OR SPONSORING A PROGRAM IN YOUR AREA, PLEASE CONTACT THE UNIVERSITY PLANNED GIVING TEAM AT **800-446-1277** OR **PGO@HARVARD.EDU**.

## **DINNER AND DISCUSSION ON FAMILY, FINANCE, AND PHILANTHROPY**

Earlier this year, guests enjoyed dinner and interactive presentations on the topics of family, finance, and philanthropy at events in Beverly Hills, San Francisco, and New York City.

### **BEVERLY HILLS, FEBRUARY 25, 2015**

Held at The Peninsula Beverly Hills, the evening was hosted by Mark S. Campisano AB '75 and Kimberly Campisano.

1. DAVID K. CHUNG AB '91

3. JOHN AMATO EDM '78

5. JONATHAN CAMPISANO AND

2. NANCY R. PARKER

4. PAULETTE LANTZ

KIMBERLY CAMPISANO





**SAN FRANCISCO, FEBRUARY 26, 2015**

Mark F. Bregman AB '78, John H. N. Fisher AB '81, MBA '91 and Jennifer Caldwell, and Claude T. Tolbert III AB '94 hosted the event at the Four Seasons Hotel San Francisco.

- 1. ANDREW WITRAK AND D. DONALD SPRADLIN MBA '72
- 2. CLAUDE T. TOLBERT III AB '94
- 3. SHIRLEY CHAN

**NEW YORK CITY, MAY 6, 2015**

Held at the Harvard Club of New York City, the event was hosted by Nicole Sinek Arnaboldi AB '80, JD '84, MBA '84 and Leo Peter Arnaboldi JD '84, and Elizabeth Allman Massoud AB '87, MBA '93 and Ihab Joseph Morcos Massoud MBA '93.

- 1. GERALD M. OSCAR LLB '53 AND URSULA "SUE" OSCAR
- 2. ELIZABETH ALLMAN MASSOUD AB '87, MBA '93
- 3. IHAB JOSEPH MORCOS MASSOUD MBA '93, ELIZABETH ALLMAN MASSOUD AB '87, MBA '93, NICOLE SINEK ARNABOLDI AB '80, JD '84, MBA '84, AND LEO PETER ARNABOLDI JD '84





**HARVARD**  
University Planned Giving

HARVARD UNIVERSITY  
124 MOUNT AUBURN STREET  
CAMBRIDGE, MA 02138-5795

NONPROFIT  
U.S. POSTAGE  
PAID  
N READING MA  
PERMIT NO. 121



# INVEST IN HARVARD AND YOUR FINANCIAL FUTURE

LET HARVARD'S PLANNED GIVING PROFESSIONALS HELP YOU EXPLORE YOUR OPTIONS.  
CONTACT US AT 800-446-1277 OR [PGO@HARVARD.EDU](mailto:PGO@HARVARD.EDU).