

Gift Strategies

HARVARD UNIVERSITY PLANNED GIVING NEWS



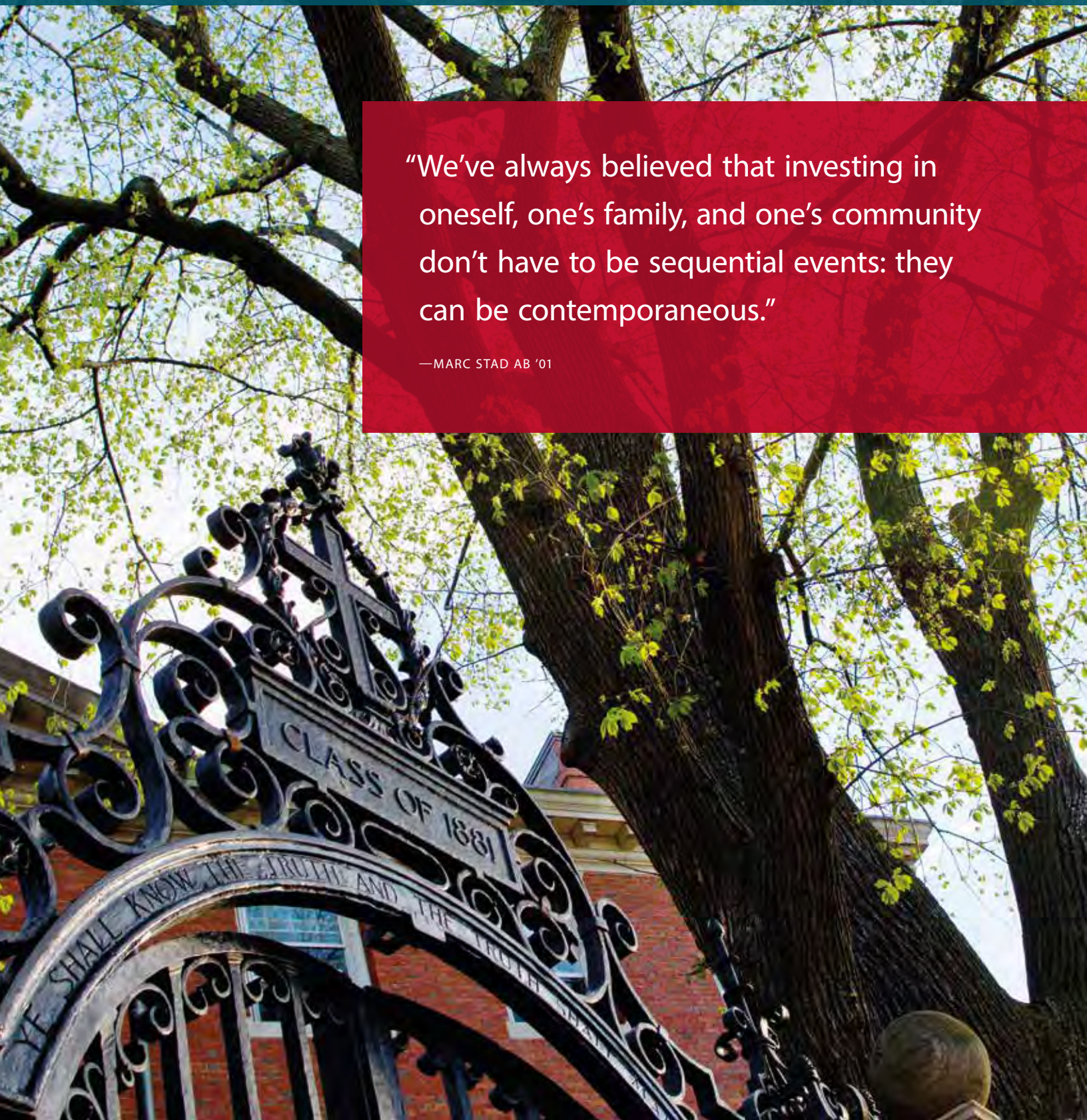
FALL 2017

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"We've always believed that investing in oneself, one's family, and one's community don't have to be sequential events: they can be contemporaneous."

—MARC STAD AB '01



Charting Their Own Course to Giving Back

Marc AB '01 and Elisa Stad



Above: Marc and Elisa Stad with their children, Ethan (5), Kennedy (3), and Avery (8 months).

Growing up in Southern California in the late 1990s, college was an unfamiliar concept to Marc Stad AB'01. As one of five children in a family of modest means, he was the first to graduate from high school, so being accepted to Harvard and awarded a generous financial aid package was understandably a big deal.

"I had a wonderful experience, with all it had to offer," Marc says about his time at Harvard. "I learned so much in and out of the classroom with my peers, and still my closest friends to this day are folks I met at Harvard. It was the most formative four years and launched me into my professional life."

As a first generation college student, Marc learned to be comfortable in uncharted territory, where even the simplest things can require some navigation.

"The fall of my freshman year I wanted to go see the Harvard-Yale game in New Haven. But the weather forecast called for snow and freezing temperatures, and the thickest item of clothing I owned was a long-sleeve T-shirt," recalls the native of Montebello, a small city just outside of Los Angeles. "I asked someone in the financial aid office, 'What do other people from L.A. with no money do at this time of year?' They told me about the Winter Coat Fund, which someone had endowed to provide coats for people just like me. I applied and received a check to buy a coat. That was my first encounter with The North Face."

After college, Marc returned to California and worked at McKinsey & Company, followed by a stint in private equity at TPG. He then enrolled

in business school and after graduation joined the Investment Group of Santa Barbara, a firm he calls “the sages of Santa Barbara” who are known for their stellar history of investing in high-quality companies. The experience inspired him to chart his own course, and in 2012 he founded Dragoneer Investment Group.

“We’re new to philanthropy, and still trying to figure out how we want to give back. The donor advised fund is an interesting tool to allow us to figure it out along the way... .”

—ELISA STAD

Around the time Marc returned to California, he attended yet another football game (this time coat-free) at the University of Southern California (USC). It was there he met his future wife, Elisa.

Elisa Stad was born in Southern California but grew up in Boise, Idaho. Her mother is a Vietnamese-Chinese immigrant who came to the United States in 1976 following the Vietnam War. At USC, Elisa developed an interest in international business and spent the early part of her career in sales and brand management roles at global organizations, including Newell Rubbermaid, Clorox, and Moët Hennessy Louis Vuitton. Elisa’s career took her and Marc all over the world, including to Hong Kong, where she served as general manager of Benefit Cosmetics’ Southeast Asia division. It was there that she and Marc welcomed their first child.

Today, they live in San Francisco with their two daughters and one son, all under the age of six. Elisa is on the board of UCSF Benioff Children’s Hospital in San Francisco and is a volunteer at Soka Gakkai International, a Buddhist organization that promotes peace, culture, and education through personal transformation and social contribution. Marc has actively recruited Harvard graduates to join Dragoneer, and the couple has been involved with Marc’s Harvard reunion committee.

In addition to volunteering their time and energy, the Stads’ professional success has allowed them to support Harvard monetarily. They recently established a donor advised fund (DAF), which offers donors the opportunity to make a significant gift that is invested and grows with the Harvard endowment, and can be distributed upon the donor’s request. It’s a way to invest without management fees and includes one-on-one support and consultation from Harvard planned giving staff.



EXTEND YOUR IMPACT THROUGH 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.

Charting Their Own Course to Giving Back

CONTINUED FROM PAGE 3

“Having a strong, personal advocate at Harvard offers a lot of perspective, pattern recognition, and best practices on what other donors have done before, and really informs the best way to give back,” Marc says about the appeal of Harvard’s DAF offering.

“We’re new to philanthropy, and still trying to figure out how we want to give back,” Elisa adds. “The DAF is an interesting tool to allow us to figure it out along the way, as we age, as our kids grow up, and as we grow more interested in different initiatives that the University is working on.”

The timing of their gift is notable, given the couple’s relative young age, but being ahead of the curve is part of their makeup.

“A lot of people wait their whole lives to give back, and they do it all toward the end. We’ve always believed that investing in oneself, one’s family, and one’s community don’t have to be sequential events: they can be contemporaneous,” Marc says. “At this point in our lives we can give back in a meaningful way to Harvard, and we hope it can become even more meaningful over time. But there’s no time like the present. Harvard is important to us, and we have the means to do it, so let’s start now.”

From soccer practices to kindergarten, the Stads are enjoying time with their young family of five, and they are also giving of their time and effort to many deserving organizations. They have yet to determine what areas or initiatives they will support at Harvard. Maybe they will use their fund to support financial aid. Maybe they will launch an entrepreneurship program at the University. Or maybe they will make their mark with their own version of the Winter Coat Fund. Time is on their side and the Stads are used to navigating uncharted territory. ❖

Above right: Widener Library in the early fall. Built in the early 1900s by Eleanor Elkins Widener, it was given to Harvard as a memorial to her son, Harry, Class of 1907, a young bibliophile who perished aboard the Titanic.

Below right: Following a group photo on the steps of Widener Library, members of the graduating Class of 2017 scatter, looking for family and friends.





What's Your Rate?

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alumni.harvard.edu/give/planned-giving

SAMPLE HARVARD UNIVERSITY GIFT ANNUITY RATES

Donor(s) makes a gift today at current age(s)...	...and annuity begins immediately at this rate*...	...or waits 5 years before annuity begins at this rate*
55	4.5%	6.2%
55/55	4.1%	5.6%
60	4.9%	6.9%
60/60	4.4%	6.1%
65	5.4%	7.6%
65/65	4.8%	6.7%
70	6.0%	8.5%
70/70	5.3%	7.5%
75	6.7%	9.8%
75/75	5.9%	8.3%
80	7.7%	11.1%
80/80	6.5%	9.5%

*ANNUITY RATES CURRENT AS OF NOVEMBER 2017

Recent University Planned Giving Events

Interested in hosting an event?

Please contact University Planned Giving at pgo@harvard.edu.

CHICAGO

Our Family, Finance, and Philanthropy series traveled to Chicago on May 11, 2017. This lively gathering at the Peninsula Chicago was hosted by Stephen W. Baird AB '74, P'10, '08 and Susan M. Baird P'10, '08; James T. Napolitan AB '69 and Sandra Mock Napolitan; David R. Scherer AB '93; and Richard W. Shepro AB '75, JD '79, P'10 and Lindsay E. Roberts P'10. The event also featured a presentation on charitable planning ideas by Anne McClintock, executive director, University Planned Giving, and a discussion on family and wealth led by Alasdair Halliday AB '82, philanthropic advisor and director, Principal Gifts.

1. Richard Shepro AB '75, JD '79, P'10
2. Chris Shannon AB '13, Cara Shannon
3. Winnie Lu, Walter Keats AB '67, George Vincent MBA '72, Andrea Vincent
4. Sam Chu, Andrew Chang AB '16, Jack Kearney AB '10, Kathy Lin

NEW YORK CITY

On October 26, 2017, two hundred gathered at the Harvard Club of New York City for "A View to the Future," the University's annual planned giving meeting and luncheon. The luncheon speaker was renowned national security expert Graham Allison, Douglas Dillon Professor of Government at Harvard Kennedy School. Allison discussed his recent book *Destined for War: Can America and China Escape Thucydides's Trap?*, in which he examines the likelihood of war between the United States and its chief global rival. The gathered guests also heard an update on Harvard Management Company from N.P. "Narv" Narvekar, chief executive officer.

5. Graham Allison AB '62, PhD '68
6. Patricia Beilman P'15, '12
7. Pug Winokur AB '64, AM '65, PhD '67; Robert Belfer JD '58
8. Catherine Perusse AB '80, Phuong-Que Nguyen AB '91, Carl Cordova
9. Paul Finnegan AB '75, MBA '82; Byron Wien AB '54, MBA '56; Bob Cashion AB '81





Sibling Support from the Last Frontier

Cyndie and Art Warbelow DBA '92

Up in the air

In Alaska, life is a little different. Some of the things residents of the lower 48 states take for granted—like trips to the grocery store or daily mail delivery—require a bit more planning and effort. It's a lesson Marvin and Willy Lou Warbelow learned quickly after moving to Alaska from Wisconsin in 1945 to teach in Eskimo villages north of the Arctic Circle.

Over their first decade in Alaska, the Warbelows welcomed four children—Cyndie, Ron, Art, and Charlie—and relocated to a lodge at Cathedral Bluffs (near Tok) on the Alaska Highway. They instilled in their children a sense of adventure, an appreciation for hard work, and a strong belief in the value of education.

Because it was difficult to reach the remote villages in which they taught, Marvin obtained his private pilot's license. Eventually, he started Warbelow's Air Ventures, a one-pilot air service offering mail, freight, and passenger transport from its base at Cathedral Bluffs to the northern and interior Alaskan villages that often lacked road access.

When Marvin was killed in a shop accident in 1971, Art dropped out of high school and took over Warbelow's with his brothers. Though he had always planned on attending college, Art didn't enroll at the University of Alaska Fairbanks (UAF) until 10 years after he took over the family business. When he was in a plane crash in 1982, his viewpoint changed entirely.

"It was a significant moment in my life for getting me back to school," Art says of the crash. "As I lay in the hospital for a few weeks, I thought, *I should probably be doing something different with my life rather than flying airplanes.*"

Although he never finished his undergraduate degree, Art did obtain a master's degree from UAF and a doctor of business administration degree from Harvard Business School (HBS) in 1992. He then returned to UAF to teach and resumed his duties at Warbelow's.

When he sold his business in 2012, Art began to explore ways in which he could retire. He learned about planned giving from an advertisement in *Harvard Magazine* and was further motivated by an article he read about Howard Stevenson, Sarofim-Rock Baker Foundation Professor Emeritus at HBS (who had served on Art's dissertation committee) and a noted advisor on planned giving. Art established a charitable remainder trust to benefit HBS in 2013 and added another gift to the trust in 2015.

"I chose to support Harvard because, while I learned *things* at other schools, Harvard changed the way I thought," Art says. "When I went to Harvard I figured my expectations would be much greater than the reality of the experience. But the reality greatly exceeded my expectations. Not only the faculty but the student body—you learn as much from them as from the faculty."

"I chose to support Harvard because, while I learned things at other schools, Harvard changed the way I thought."

—ART WARBELOW DBA '92

Right: Art DBA '92 and Cyndie Warbelow atop Mount Warbelow, which was named in honor of their father, Marvin.



Staying grounded

Like her younger brother, Cyndie Warbelow's life's direction was altered when her father died. After receiving a bachelor's degree in biological sciences from UAF and a master's in zoology from the University of Michigan, she returned to Alaska three years into a PhD program at Oregon State University. Upon returning home, she too became a business owner—operating a general store and café and commercial greenhouses outside of her hometown of Fairbanks. She sold that business in 2000 and for the past 18 years has owned and operated the Plant Kingdom Greenhouse and Nursery a few miles east of Fairbanks.

"I'm the only one in my family that is firmly planted on the ground," Cyndie jokes about why she chose not to pursue a career in aviation. "I am very much the opposite—I like earth and plants."

When it came time to pull back from her business, Cyndie followed her brother's lead, establishing a charitable remainder trust at Harvard. She was drawn to it for many of the same reasons.

"The fact that it has the potential to grow alongside the Harvard endowment was intriguing, as was the income I would receive," Cyndie says. "And I felt good about some of my assets going to an educational institution. While I didn't go to Harvard, I did receive scholarships, grants, and teaching assistantships at the schools I did attend. Indirectly, this is a way for me to give back."

Cyndie chose to support an area to which she has a personal connection.

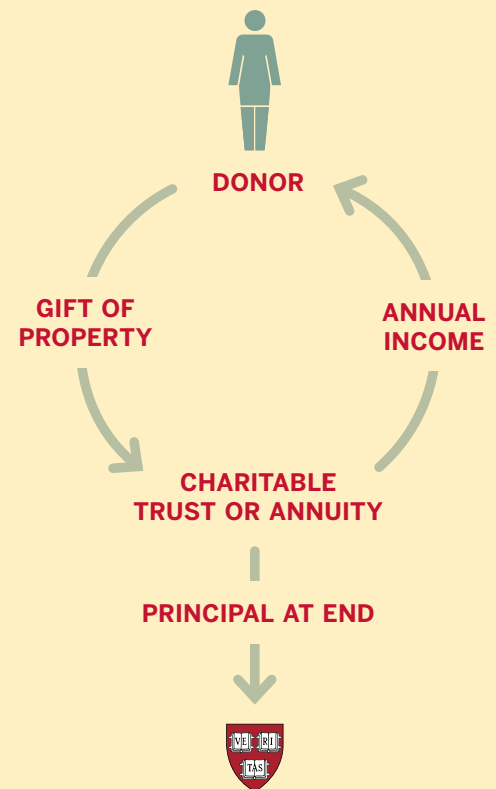
"I decided to support the Harvard University Center for the Environment because I feel fortunate to have been raised in Alaska," she says. "We have a lot of open country and I've had freedoms that have come from living in a not-so-highly populated state. I feel it's very important to preserve big chunks of the world where people can be by themselves."

After studying and working hard for much of their lives, Art and Cyndie now have more time to spend pursuing their other passions. It is not uncommon to see the siblings riding the streets of Fairbanks on their bicycles, often on their way to visit their mother, Willy Lou, who is now 102. After all, Art and Cyndie's parents have had a profound impact on their lives—leading Cyndie to name her trust after them.

"The people we have to thank the most are our parents," she says. "They not only raised us in a wonderful place, they also raised us in a wonderful way. Whatever I have done and to have the money I am able to give to Harvard, I am able to do it because of them." ❖

INVESTMENT OPTIONS FOR CHARITABLE TRUSTS THAT PAY INCOME

Harvard offers two investment choices for trusts that pay distributions to income beneficiaries—the Harvard endowment strategy and the tax-efficient strategy (which uses tax-efficient passive and active index funds and exchange-traded funds). Distributions from the endowment strategy are taxed at the ordinary income rate, while distributions from the tax-efficient strategy are taxed at a blended rate, one that is below the ordinary income rate. If you are considering establishing a trust that will pay you or others distributions for life or for a period of years, please be sure to speak with one of our gift planning specialists about which investment option is right for you.



Q&A

Helping Further Harvard's Mission

After a long and successful career in financial services, **Kevin Shannon** was ready to make a difference in the world. As managing director and chief financial officer of Harvard Management Company (HMC), Shannon is responsible for the University's Trusts and Gifts group, a team of financial professionals who work with planned giving professionals at Harvard to help donors create customized strategies for fulfilling their wishes, while also furthering Harvard's mission to serve humanity through knowledge. Here, Shannon answers some questions about his experience with HMC.

What did you do prior to joining HMC and what drew you here?

I spent my entire career prior to HMC in the financial services industry in New York City, starting at KPMG in 1977 and moving on nine years later to Lehman Brothers. In late 2009, I was ready to transition to government service at one of the regulatory agencies, and had interviewed with the Obama administration's transition team when I got "the call" to come to Boston from HMC's chief operating officer, Bob Ettl. Similar to what I was looking to do in Washington, D.C.—cap off a fine career by engaging in a worthy mission—my initial thought was that I would stay in Boston for a maximum of five years and then return to New York. I joined HMC in September 2009 as chief financial officer, overseeing all financial reporting and tax reporting, as well as securities operations, and in December 2016 I assumed responsibility for the University's Trusts and Gifts platform. I now consider myself a full-time Boston resident and enjoy both my position at HMC and the city of Boston, so a return to New York is just not in the cards!

Since you began overseeing the Trusts and Gifts group, what have you learned? What, if anything, has surprised you about the group?

Harvard is unique among its peers in that it established an internal group of financial professionals at HMC to interact with the University's planned giving professionals and facilitate customized strategies for donors. The group manages approximately \$1.4 billion of assets, most of which will benefit donors during their lifetime and then be passed on to the University to fulfill its mission as well as the donor's wishes.

I have known the Trusts and Gifts team as colleagues for many years, so it's been no surprise to me the talent that resides in the group. The team is led by Pamela Yang, who oversees investment and administration, and Nancy Keller-Go, who oversees special investments and estates. Both Pamela and Nancy are highly skilled professionals and acknowledged experts in their respective fields.

What is it like working with one client at HMC—Harvard?

It is a pleasure to focus 100 percent of our attention on one client and know that we are supporting a noble institution that benefits such a wide swath of humanity. To be directly involved in assisting with the University's mission is both gratifying and challenging, knowing that our success will directly affect research and development budgets in both the sciences and humanities that benefit so many people now and into the future.

How, if at all, will the Trusts and Gifts group be affected by the changes at HMC?

When "Narv" Narvekar joined HMC as CEO in 2016, he shifted the company's priorities to create the necessary organizational and investment culture that will position the endowment for better future performance. This included establishing a generalist investment model, in which all members of the investment team take ownership of the entire portfolio; recruiting new senior investment team members; spinning off various internal platforms; rebuilding our investment processes and analytics; creating a new risk allocation framework; generating meaningful liquidity; and designing our new compensation framework.



Kevin Shannon

There are no changes to the function of the Trusts and Gifts group, and we continue to be focused on the needs of donors and creating operational efficiencies within our team. We think having the group as part of HMC is important to its success and why the University outpaces its peers in this area.

What is the scope of work done by the Trusts and Gifts group?

The dedication of the Trusts and Gifts team to the University is unsurpassed. On an annual basis, we will monetize approximately \$200 million in securities gifts, account for almost 1,000 separately managed trusts, and perform tax reporting on 900 separate legal entities. All of this work is done internally and with an emphasis on being responsive to our donors. In addition, we will settle hundreds of estates and work on special investments and complex donations.

How do you spend your time outside of work?

As permanent transplants from New York City, my wife and I both enjoy history and spend a fair amount of time at the University's museums, as well as Boston's museums and historical sites. We also love international travel and exploration, and have three grown kids who love to travel with us and visit the New England area. ❖

Ready to Learn More About Making a Gift to Harvard?

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 pgo@harvard.edu alumni.harvard.edu/give/planned-giving	800-446-1277	
Business School	617-495-4417	Carmen Tordiglione
Harvard College, GSAS	617-495-4352	Peter Kimball
Law School	617-496-9265	Charles Gordy
Medical School	617-384-8449	Karen Stepp Turpin
Harvard T.H. Chan School of Public Health	617-432-8071	Judi Taylor Cantor

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Business School	Harvard T.H. Chan School of Public Health
School of Dental Medicine	Radcliffe Institute for Advanced Study
Graduate School of Design	Harvard Art Museums
Divinity School	Harvard Museums of Science & Culture
Graduate School of Education	Memorial Church
Harvard John A. Paulson School of Engineering and Applied Sciences	American Repertory Theater
Extension School	Arnold Arboretum

The University Planned Giving Team





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