Unusual Assets Can Be Outstanding Gifts

Q&A with Gary Snerson, Vice President of Estates and Special Investments, Harvard Management Company

Gary Snerson handles Harvard’s portfolio of special assets—generous and creative gifts from alumni and friends that range from paintings and stamps to oil and gas interests, small corporation stock, partnership interests, real estate, and insurance policies. He also handles all of Harvard’s estates, approximately 125 at any given time, and supervises all of Harvard’s outside managed trusts. Snerson frequently collaborates with Harvard’s planned giving officers to work through planned gifts that are funded with special assets.

(Continued on page 3)

Photo Collection Preserves the Past and Helps Donors Prepare for Their Future

For renowned photographer Rodger P. Kingston EdM ’78, “the camera is really nothing more than a save button for your mind’s eye.” It was with this archivist quality in mind that Rodger and his wife Carolyn recently converted a collection of vintage photographs that Rodger built over four decades into a Harvard trust and accompanying scholarship.

Working with Harvard to find a new owner for the collection guarantees that the unique historical moments captured in the photos will be preserved. It also provides the Kingstons with a secure source of retirement income while allowing them to give future support to the arts at Harvard.

Born in Seattle, Washington, Rodger Kingston moved to Massachusetts in 1968 for a writing job. He found himself with a camera in hand as part of an assignment, and he has yet to put it down. Since then, Kingston has focused on chronicling late twentieth- and early twenty-first-century America through the forms and faces of everyday American life. His work is in collections throughout the United States, including the Museum of Fine Arts in Boston, the Fogg Museum at Harvard, and the National Gallery of American Art in Washington, D.C.

Originally from Lexington, Massachusetts, Carolyn Kingston returned to the Boston area after graduate school to teach voice in the Preparatory and Continuing Education Schools of New England Conservatory of Music in Boston and at the Powers Music School in Belmont, Massachusetts. Carolyn, whose family has been in the area since Colonial times, plays a role similar to Rodger’s, serving as a family historian. Many members

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from both sides of her family have attended Harvard since the early 1800s, including her father, Charles Henry Cole II SB ’30, MAR ’36, and grandfather, Major Edward Ball Cole, Class of 1902, USMC, a World War I hero killed in action who had a U.S. Navy destroyer named after him.

Rodger began collecting vintage photographs in the early 1970s, focusing on the previously unexplored and undefined genre of “vernacular” photos. His collection, titled “Forgotten Photographs,” consists of more than 4,000 original images capturing people’s everyday activities. The images, often created by unknown photographers, encompass the entire history of photography, from the jewel-like daguerreotypes of the 1840s, through the wet- and dry-plate variations of the late nineteenth and early twentieth centuries, to modern snapshots.

When Rodger turned 65, the Kingstons felt that “it was time to look for a new home for this collection if we wanted to retire.” They heard about the broad variety of creative planned gift options available at Harvard, and the couple began the process of transforming their vast collection into a trust. The proceeds from the sale will be placed in the endowment through their charitable trust, ensuring the Kingstons a quarterly income for life.

“What I love about this kind of gift,” said Rodger, “is that we’ll be guaranteed a life income and, because our money goes into the endowment, we have the benefit of high-quality financial management of our income for the rest of our lives.”

They have also established a scholarship fund as part of their trust. Rather than passing to a beneficiary, the remainder of the trust will support students pursuing music and documentary photography through the Carolyn and Rodger Kingston Scholarship Fund.

For Carolyn, the ability to establish a scholarship that will fund the study of both her and Rodger’s passions was very appealing. “It feels like we are still continuing to give and that our legacy will truly live on here at Harvard,” she said.

PLACE YOUR TRUST IN HARVARD CHARITABLE REMAINDER TRUST

By establishing a charitable remainder trust, you can make a significant gift to Harvard, receive income for life, and/or provide income for someone else.

CHARITABLE REMAINDER TRUST

$500,000 gift
Harvard Account Managed by HMC
Ending principal
John & Jane Age 61
Tax savings
$144,400 income tax charitable deduction
Lifetime income Based on 5% of principal value determined each 12/31 $25,000 in first year
Q: What are some of the unusual gifts Harvard has received?

Collections are becoming very interesting because there can be unexpected stored value in this category. For example, in 1982 a stamp collector gave a collection to Harvard through his will. It was appraised at $18,000 at the time. The will stipulated that the collection could not be sold until 2014. Recently reevaluated, the collection probably will fetch $300,000 at auction. This is a significant increase in the impact of the original gift.

Gifts of real estate are not unusual, but sometimes they come with very interesting stories attached. Harvard was given two houses in Paris that we sold after many years for $5 million—a very generous gift. A French businessman, who departed from Paris in the late 1930s because of the deteriorating climate for Jews, owned the houses. He left his company and the houses to be operated and maintained by his employees. He came to the United States, and during that time affiliated with Harvard. Ultimately, he returned to Paris, regained his business, and left the two houses and the company to Harvard as a gift.

Q: What tips do you have for people looking for a way to give a gift to Harvard in this unusual economy?

Look at what you already have and investigate its value. Life insurance policies are a good example. Many people who are older and have had life insurance for a long time have more value in their policies than they think because mortality tables have changed considerably. They may be able to rewrite their policies and make a gift to Harvard without having to increase their premiums. Fully paid up policies also can be an attractive gift option.

People might also take a fresh look at their collections. For example, we can use art to fund Charitable Remainder Unitrusts (CRUTs). We are currently working on a CRUT that is funded with an unusual photographic collection (see “Photo Collection Preserves,” page 1). There may be a lot of stored value in assets like stamps, coins, and antiques.

Q: Why should planned giving tools appeal to alumni and friends thinking about making a gift?

Because there are scenarios you might not think of that may fit into your estate plans.

For example, a doctor and his wife living in Massachusetts structured a creative planned gift to Harvard. They gave their Massachusetts residence to Harvard, but retained a life estate. They held the right to live in the house and received an annuity from Harvard during that time. When the couple turned 95 and 92, respectively, they decided to move into an assisted living facility.

Together, we sold the house and the couple received 25 percent of the proceeds to pass along to their children. They also got a tax deduction for donating the house in the first place. And they continued to get the annuity for life even though they no longer lived in the house. This planned gift benefited the couple, their family, and Harvard.

Q: Why do you enjoy working in support of Harvard?

All of the donors whom we work with are inspiring to me. I see how much they want to give back to Harvard because of what Harvard has done for them. They honestly feel that Harvard has had a tremendous effect on their lives. Over the years, I’ve seen many letters and wills stating that strong sense of connection—they have made a real impression on me.
William (Bill) E. Sperry MBA ’53 and Catherine (Kitty) Sperry felt a renewed and enriched connection with Harvard sooner than expected after establishing three Harvard annuities this past fall.

When the Sperrys, longtime supporters of Bill’s undergraduate alma mater Williams College, decided that they wanted to diversify their portfolio, they began exploring different investment options, including annuities. “First and foremost, it was a question of which option was the most practical,” noted Bill, “but the impact of our gift on Harvard was very important to us as well. We wanted to make a charitable gift that would end up with an educational institution and not an insurance company.”

After comparing Harvard’s rates with a number of different academic institutions, Bill and Kitty elected to establish three annuities. These annuities offered the Sperrys a simple, tax-advantaged way to provide for income during retirement and to support Harvard’s activities as well. The annuities are structured to accommodate inflation over time; one furnishes income for the Sperrys right away, and two are deferred annuities, with payments that will begin at a later date. In addition, the structure of the annuities allowed Bill and Kitty to choose a use for their gift: the support of intramural athletics and recreation at Harvard Business School (HBS), a valuable part of Bill’s time at Harvard.

“Intramural football and basketball helped us unwind after class,” said Bill. “We all looked forward to the games, and I was able to form close bonds and make lifelong friends.”

In addition to the close friendships he made in athletics, the life lessons that Bill learned both inside and outside the classroom helped shape his career. A native of Scarsdale, New York, Bill always knew he wanted to go into business. After Harvard and after serving in the Army during the Korean conflict, he became the first management trainee at the Campbell Soup Company, eventually moving into marketing. Later, he held consulting (McKinsey & Company) and management roles at several different corporations.

“The thing I realized at Harvard,” he said, “was that as hard as I worked during my undergraduate studies, the level of talent and workload at the Business School was yet another level up.” These aspects of HBS fostered a sense of camaraderie and collaboration among the students and helped Bill appreciate the importance of group dynamics in the business world.

Bill’s connections to the HBS community, though they originated in the classroom, were strengthened as a result of the Sperrys’ gift, a benefit that he did not expect to feel so quickly.

“The interesting thing about our gift,” reflected Bill, “is that, even though it is only a few months old, I already feel more attached to the Business School and to the University than ever before.”

For Kitty, a native of Des Moines, Iowa, and a graduate of Colby Junior College, her growing affinity for Harvard was even more unexpected but certainly welcome. “I feel like I went to Harvard myself,” she said, “and I am even considering establishing a gift of my own.”

“I already feel more attached to the Business School and to the University than ever before.”

WILLIAM E. SPERRY MBA ’53
A charitable gift annuity is a simple contract between you and Harvard that offers a tax-advantaged way to provide for income during retirement for yourself and/or someone else.

**HARVARD UNIVERSITY GIFT ANNUITY RATES**

Annuity rates are based on your age or the age(s) of your beneficiary(ies) when quarterly payments begin.

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**To learn more**

Contact Harvard University’s Planned Giving professionals at (800) 446-1277 or pgo@harvard.edu to obtain personalized information on the income and tax benefits that are available to you.
Dinner and discussion on

Family, Finance, and Philanthropy
December 2, 2009

Guests enjoyed a Family, Finance, and Philanthropy program in Wellesley, Massachusetts. The evening was hosted by Bruns H. Grayson AB ’74 and Perrin M. Grayson AB ’72 and Gwill E. York AB ’79, MBA ’84 and Paul A. Maeder MBA ’84.

If you are interested in receiving materials or sponsoring a program in your area, please contact Jane Verrill at (800) 446-1277 or pgo@harvard.edu.

PLAN FOR HARVARD AND YOUR FAMILY
CHARITABLE LEAD TRUST

With a charitable lead trust, you can make annual gifts to support an area of interest to you at Harvard for a term of years, after which the property reverts to your family. This intergenerational wealth-transfer tool enables you to provide for your heirs, while reducing gift and estate taxes.

### CHARITABLE LEAD TRUST

- **Harvard Account Managed by HMC**

- **The Kims**
  - **Income**
    - $50,000 annual gift to Harvard for 20 years

- **Tax savings**
  - $730,300 gift/estate tax deduction
  - Future appreciation not subject to estate tax

- **Ending principal**

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1. Hosts Bruns H. Grayson AB ’74 and Perrin M. Grayson AB ’72
2. Christina Brown, Isa K. Zimmerman MAT ’63, EdD ’71, Katherine Stone Kaufmann EdD ’87, and Sheila Campbell
3. Host Gwill E. York AB ’79, MBA ’84
4. Mitchell L. Dong AB ’75, OPM ’97, host Paul A. Maeder MBA ’84, and George Zimmerman
A View to the Future

A Celebratory Luncheon
October 29, 2009

A University Planned Giving meeting and luncheon at the Harvard Club of New York City in October brought together alumni and friends who have provided for Harvard through their estate plans, life income gifts, or other planned gifts. Speakers included Jane Mendillo, president and chief executive officer, and Jennifer Pline, managing director, both of Harvard Management Company, and Regina Herzlinger, Nancy R. McPherson Professor of Business Administration at Harvard Business School.

Make a Bequest

Leaving a bequest to the University is easy—simply include the following language in your estate plan:

“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 the benefit of (School or Unit).”

HOST COMMITTEE
Scott A. Abell AB ’72
Laura L. Calhoun AB ’68
Mark S. Campisano AB ’75 and Kimberly Campisano
Thomas M. Chappell MTS ’91 and Kate Chappell
Barry J. Cohen AB ’74, JD ’77, MBA ’77 and Joyce K. Cohen
Michael A. Cooper AB ’57, LLB ’60 and Nan Rothschild Cooper
D. Ronald Daniel MBA ’54, LLD ’05 and Lise Scott
Edward B. Dunn AB ’58, MBA ’62 and Giovannella Dunn
T. J. Dermot Dunphy MBA ’56 and Joan S. Dunphy
Fred N. Fishman SB ’46, LLB ’48
Martin S. Fridson AB ’74, MBA ’76 and Elaine R. Sisman
Richard L. Menschel MBA ’59 and Ronay Menschel
David E. Moore AB ’45
Gary M. Pforzheimer AB ’84, MBA ’91 and Mary Y. Pforzheimer
Paul M. Prusky MD ’55 and Susan M. Prusky
Richard T. Watson AB ’54, JD ’60 and Judith B. Watson
Paul M. Weissman AB ’52 and Harriet L. Weissman
James O. Welch, Jr. AB ’52 and Virginia B. Welch

AT LEFT:
1. Hosts James O. Welch, Jr. AB ’52 and Virginia B. Welch
2. Warner Johnson and Karla C. Elrod MBA ’88
3. Host Gary M. Pforzheimer AB ’84, MBA ’91 and Carl H. Pforzheimer III AB ’58, MBA ’63
4. Host Edward B. Dunn AB ’58, MBA ’62 and Robert A. Myers AB ’58, AM ’59, PhD ’64
## How to Reach Harvard’s Planned Giving Professionals

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<th>University Planned Giving</th>
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<th>Anne McClintock</th>
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<td>Harvard University</td>
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<td>Internet: <a href="http://alumni.harvard.edu/give/planned-giving">http://alumni.harvard.edu/give/planned-giving</a></td>
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<th>Business School</th>
<th>(617) 495-6027</th>
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<td>(617) 495-4352</td>
<td>Peter Kimball</td>
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<td>Law School</td>
<td>(617) 496-9265</td>
<td>Charles Gordy</td>
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<td>(617) 384-8449 (800) 922-1782</td>
<td>Mary Moran Perry</td>
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<tr>
<td>Senior Philanthropic Adviser</td>
<td>(617) 495-5218</td>
<td>Charles Collier</td>
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**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
- School of Engineering and Applied Sciences
- Extension School
- Kennedy School
- Law School
- Medical School
- School of Public Health
- Radcliffe Institute for Advanced Study
- Harvard Art Museum
- Memorial Church
- American Repertory Theatre
- Arnold Arboretum