Pooled Income Funds

Creates variable lifetime income for 1 or 2 beneficiaries and supports Teach It Forward: The Campaign for Williams

"It would be wise, in my opinion, for anyone considering a Pooled Income Fund with a longer-term time horizon to choose Pool # 1 as I have."

– Thomas W. Synnott III '58, P'97
Adjunct Professor of Industrial Engineering, Cooper Union
Chief Economist, Emeritus, U.S. Trust Company of NY

Pooled fund gifts are commingled for investment purposes with other similar gifts, much like a mutual fund. Donors are assigned units in the fund and the income beneficiaries (up to two beneficiaries) receive their proportionate share of the net income earned by the fund each year for their lifetime (beneficiary payments are taxed at ordinary income and dividend tax rates). In this extended low interest rate environment, pooled income funds are less popular than charitable gift annuities and charitable remainder trusts, which provide a more robust beneficiary return. Even though pooled income fund net income payments are relatively modest to start, these funds do provide the opportunity for growth of both income and principal over time.

A donation of long-term appreciated assets to a PIF eliminates all capital gain tax liability. Whether you use cash or appreciated securities, you will receive a federal income tax charitable deduction for a significant portion of the gift, and campaign gift credit for the full amount of your gift.

Fund Characteristics 2018

PIF I (estimated current net income: 2.3%)
- Seeks opportunities for long-term growth and current income.
- Target investment allocation is 20-40% fixed income/60-80% equities.

PIF III (estimated current net income: 3.0%)
- Seeks high current income from a diversified portfolio consistent with protection of principal.
- Target investment allocation is 85-90% fixed income/10-15% equities.

Minimum Gift Amount: $5,000 (additions of $1,000 or more)
Beneficiary Age minimum: 60

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TEACH IT FORWARD