

# Giftwise

Financial and Charitable Strategies for Alumni, Parents, and Friends of Williams College



Christopher Stefanik '16

“If I could meet her, I’d tell her how thoughtful she was...”

## Hampel Scholarship Joins Two Berkshire Lives

Grace Hampel’s first job out of college, in 1947, was as a stenographer and secretary to President Phinney Baxter III, Class of 1914. It was, she said, “a great beginning for me.”

Many years later Grace became a charter member of The Ephraim Williams Society when she established a Williams charitable gift annuity. “Little did I ever imagine that I am again able to contribute something to the college, and the college will pay me a ‘wage!’”

When Grace passed away in 2011, Williams used the proceeds of her gift as she intended—to endow the Grace S. Hampel Scholarship. Its first recipient is Christopher Stefanik '16, a native of nearby Adams, Mass., whose father works for Berkshire Gas Company and whose mother is a security officer at the Williams College Museum of Art. A member of the Williams ultimate frisbee team, Chris plans to major in chemistry and perhaps in environmental science as well.

For Grace Hampel, Chris has nothing but deepest gratitude. “If I could meet her, I’d tell her how thoughtful she was, to enable me and generations who come after to receive one of the best college educations in the world.”

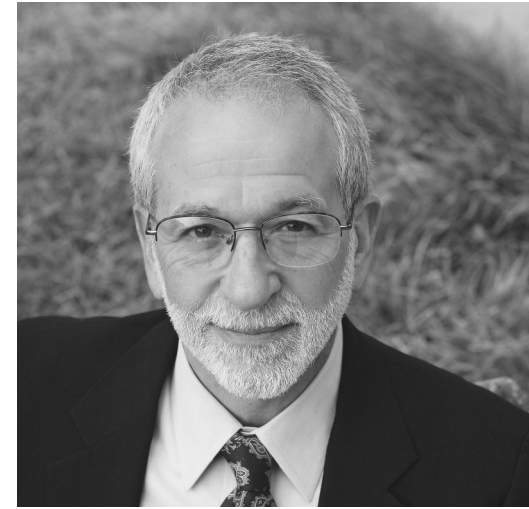
Giftwise Fall 2013

Address Service Requested

Office of Gift Planning  
75 Park Street  
Williamstown, MA 01267

Williams

Non-Profit Org.  
US Postage  
PAID  
Permit No. 121  
Pittsfield MA



Professor Ralph Bradburd

“...is funding a \$500,000 program to help single mothers become truck drivers a better use of money than funding a soup kitchen?”

## The Metrics of Smart Giving

Prof. Bradburd’s new book offers powerful measures for smart philanthropy.

Americans give over \$300 billion to charity every year. *The Robin Hood Rules for Smart Giving* (Columbia Business School Publishing, 2013) is about how to spend that money to greatest effect.

Ralph Bradburd, professor of economics and environmental studies department chair, co-authored the book with Michael Weinstein, VP of The Robin Hood Foundation, the largest private charity dedicated to fighting poverty in New York City. *Giftwise* asked Bradburd about the book and its impact.

### How did you come to write *The Robin Hood Rules*?

The Robin Hood Foundation was founded mainly by financial managers. They were results-oriented, interested in developing ways to measure the benefit from Robin Hood’s various philanthropic interventions, and to use that information to direct resources to where they achieve the most good. Michael Weinstein was brought to Robin Hood to oversee that process. Two years ago, Michael was looking for someone to co-author a book that would help philanthropies and donors learn and apply the Robin Hood methods. He contacted me to suggest a co-author. I suggested myself.

### What’s the secret?

“Relentless Monetization” (RM). Our book presents a multi-step process to

help set a clear philanthropic mission, establish specific monetary values for philanthropic outcomes, and measure how well specific charitable investments actually perform. Rather than measuring success by dollars contributed or number of people served, which are actually measures of inputs rather than outcomes, RM focuses squarely on outcomes. For example, “Taking everything into account, is funding a \$500,000 program to help single mothers become truck drivers a better use of money than funding a soup kitchen?” It’s about funders getting the biggest bang for the philanthropic buck.

### Feedback so far?

The book’s been generally well received. Some people worry that “monetization” is somehow contrary to the spirit of philanthropy, but when you consider the scale of societal problems relative to the available resources, it’s surely worth gauging various options based on best evidence. To do anything else is to waste precious resources, to leave potential gains on the table.

*continued on page 2*

## Giftwise

Williams College  
Office of Gift Planning

75 Park Street  
Williamstown, MA 01267  
Phone: 413.597.3538  
Toll-Free: 877.374.7526  
Email: gift.planning@williams.edu  
giving.williams.edu/gift-planning

Margaret A. McComish  
Director of Gift Planning

Amy E. Palmer-Ellis  
Associate Director of Gift Planning

Cheryl Brigley  
Assistant to the Director

Amy Cott Filson  
Gift Planning Assistant

Trust & Estate Administration Office  
Phone: 413.597.4118  
Email: securities@williams.edu

Kathleen Therrien, Director  
Diana W. Clayson, Assistant Director



### Join The Ephraim Williams Society

The Ephraim Williams Society recognizes those who have demonstrated their commitment to Williams' future by establishing planned gifts or including Williams as a charitable recipient of their estates.

The society's name honors the college's founder in the hopes that alumni, parents, and friends will perpetuate Ephraim Williams' legacy by supporting Williams through their estate plans.

If you have already included Williams in your estate plans, but are not yet a member of The Ephraim Williams Society, please let us know so that we may welcome you! If you're preparing your estate plan and would like to discuss how to include Williams, simply contact us.

## Metrics of Smart Giving

*continued from page 1*

### How Does Williams stand up to RM scrutiny?

The first thing that *Robin Hood Rules* tells funders to do is to carefully define their mission, that is, articulate what they are really trying to achieve. If your philanthropic mission as a funder is to create the best possible undergraduate education for students who've demonstrated tremendous potential, we can safely say that Williams passes muster. Data clearly support specific quantifiable Williams outcomes: four-year graduation

rates, lifelong earnings, student debt at graduation, diversity of students and faculty. But to me (and many others, I'm sure) what's most important is that Williams produces graduates who relentlessly question assumptions and constantly look for better ways of doing things. Society-at-large benefits when citizens have been trained to think critically and to articulate—in clear, compelling ways—new approaches to addressing problems. Williams produces such citizens.

*Learn more about The Robin Hood Rules at <http://bit.ly/1evLAjX>*

## Make a Tax-Free Gift to Williams from your IRA before December 31, 2013!

### What Are the Rules?

- You must be 70½ or older when making the qualified charitable distribution.
- Gifts to qualified charities, including Williams, cannot exceed \$100,000 per taxpayer, per tax year.
- Pending further legislation, your gift must be completed by December 31, 2013.
- The gift must be transferred directly from your IRA account to Williams.
- Only outright gifts are eligible. Gifts to charitable gift annuities, donor advised funds, or other life income vehicles do not qualify.

### ...And Did You Know?

- Your gift can count toward all or a portion of your IRS required minimum distribution.
- You pay no federal income tax on the distribution from your IRA—and lowering your adjusted gross income may provide you with tax advantages.
- Your gift does not generate a charitable deduction.
- Employer-sponsored retirement plans, such as SEP IRAs, Simple IRAs, 401(k)s, and 403(b)s, generally don't qualify for charitable rollover. However, you can sometimes roll assets from these plans into a traditional IRA.

### Join the hundreds of Williams alumni who have used their IRAs to give more than \$8 million to Williams since 2006!

*For guidelines on making an IRA gift to Williams, please see: <http://bit.ly/H8sf9Y>.*

The information contained in this publication is offered for general informational and educational purposes. We advise you to seek your own legal and tax counsel in connection with gift planning matters.

# DOMA Ruling

## An Opportunity for Same-Sex Couples to Revisit their Estate Plans

In a landmark decision this past summer, the U.S. Supreme Court struck down Section 3 of the Defense of Marriage Act as unconstitutional. This ruling dramatically changes the financial and estate planning landscape for married same-sex couples, as they can now enjoy the benefits of federal laws previously available only to heterosexual couples—from filing income taxes as a married couple

to the portability of estate tax exemptions. The time is ripe for same-sex couples to revisit their financial and estate plans to ensure that their wishes, both during life and upon their passing, are accurately reflected.

While questions still remain unanswered as to how certain laws will be interpreted, we're hopeful that the IRS and the current administration will

work to clarify and update the laws affected by last June's decision. For now, we encourage people to speak with their financial and legal advisors as they proceed to navigate these ever-changing waters. And when the time comes to incorporate charitable giving into the mix, Williams' Office of Gift Planning is happy to serve as a resource.

## Win-Win!

### Give to Williams, Receive Money Back for Life

A charitable gift annuity is a way for you to make a gift to Williams and receive lifetime payments for yourself or others. How does it work? In return for your gift, you receive a federal income tax charitable deduction and guaranteed lifetime payments. When the last of the beneficiaries (two, maximum) passes away, the remaining funds are transferred to Williams. It's a win-win!

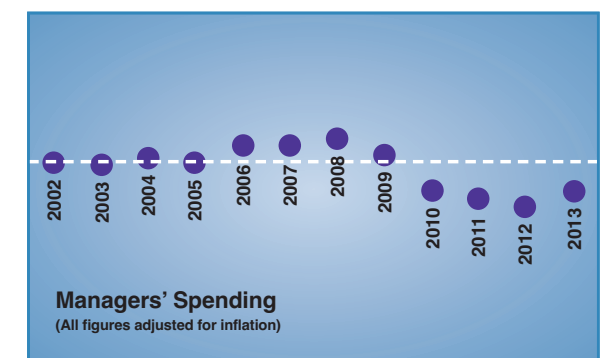
#### 2013 Immediate Payment Charitable Gift Annuity Benefits (\$25,000 cash gift for single beneficiary)

Age	Rate of Annual Payment	Annual Payments	Immediate Charitable Deduction
60	4.4%	\$1,100 (67% tax-free)	\$7,272
70	5.1%	\$1,275 (73% tax-free)	\$10,248
80	6.8%	\$1,700 (78% tax-free)	\$12,551

*Minimum gift amount \$15,000. Consider deferring your payments for a higher annuity rate. Actual benefits may vary depending on the timing of your gift.*

## Williams Manages Your Donations Very Carefully

Williams managers' budgets account for all annual expenditures beyond payroll and capital expenditures: microscopes, summer internships, classroom technology, sports equipment, student recruitment—the large and small building blocks of an outstanding undergraduate experience. Since 2002 those managers' budgets have declined in constant dollars, while Williams continues to offer an unparalleled undergraduate experience, an unyielding commitment to need-based financial aid, and a low student: faculty ratio that sustains Mark Hopkins and the Log as our educational model.



## Own a Piece of Williams—and Give Back to the College!

Did you know that Williams College bonds (issued by the MDFA) are available for purchase on the open market? Ask your broker about the possibility of including them in your portfolio. Williams bonds can provide income during your lifetime, and they are exempt from federal and state (Massachusetts residents only) taxes.

Consider giving your unredeemed bonds back to Williams, either during your lifetime or upon your death. By doing so, you will help the college, the bonds will be extinguished, and you or your estate will be entitled to a charitable tax deduction.