

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

giftwise

PLANNED GIFTS AND TEACH IT FORWARD

IN 2015 WILLIAMS ANNOUNCED OUR MOST ambitious campaign ever to raise \$650 million. More than the dollar goal though, the campaign is firmly focused on the future of the college by asking: Who will we be? How will we teach and learn? and What difference will we make?

Teach it Forward: The Campaign for Williams has addressed the future of teaching by raising substantial resources for faculty support and recruitment in the face of an unprecedented wave of retirements. We are recasting the teaching of science through the construction of two state-of-the-art science buildings with innovative spaces for teaching and learning. And most importantly, we are training the next generation of leaders through our commitment to identifying, enrolling, and educating students who, regardless of their financial circumstances, can fully experience campus life. Recent expansions in financial aid address the whole student and help ease the burden on the middle class.

Just as Williams looks toward the future, generous alumni are looking forward through planned gifts to the college. Planned giving has played a key role in helping us reach and exceed campaign goals including more than \$126 million in planned gifts and pledges of which over

\$94 million are realized bequests and new bequest intentions, the future legacy of many generous Ephs.

The Ephraim Williams Society (EWS)—an honorary society for those who have demonstrated their commitment to the college's future by establishing life income gifts or by including Williams in their estate plan has welcomed over 400 new members.

It's not too late to maximize your participation in the campaign. New gifts or pledges made before June 30, 2019, will count in the campaign fundraising total. You can fund a life income gift—it will pay you income during your life, be counted in the campaign, and support Williams as your legacy. And, beginning with your 50th Reunion, some documented bequest intentions can be counted in the campaign.

Remarkably more than 85 percent of the alumni body has engaged with the college during the campaign. At any age, if you notify us that Williams is in your estate plans, you will be a part of this nearly 24,000 strong group of dedicated Ephs.

No matter how you choose to make it, your planned gift will make a difference with a lasting legacy to the college and we will celebrate you as a member of The EWS.



Laura Day '04, Director of Annual Giving



Past EWS Chair and President Emeritus John Chandler with President Mandel

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TRENDS IN CHARITABLE GIVING

“Funding a “Donor Advised Fund” using appreciated stock or other low-basis assets is a great way to secure a tax deduction, simplify the gifting process, and support your favorite charities, including Williams.”



—Molly Kelleher Myers '96
Client Portfolio Manager at Dodge & Cox
and Class of 1992 Gift Planning Chair

Paul Williamson '86, Senior Relationship
Manager at TIAA Kaspick and Class of 1986
Gift Planning Chair

WHEN THE TAX CUTS AND JOBS ACT (TCJA) took effect in 2018, many charities were concerned that the significant increase in the standard deduction, which substantially raised the threshold for itemizing charitable donations, would reduce philanthropy. Without the advantage of a tax deduction, would donors be less motivated to donate to organizations like Williams?

Williams is incredibly fortunate and grateful that loyal Ephs continue their long tradition of support for the college. With a

remarkable 74% of the alumni body donating to the Teach It Forward Campaign to date, it's clear that Ephs do not donate for a tax break. Rather, you give in order to provide future Ephs with the transformative college experience you enjoyed.

The good news is that there are still tax-advantaged ways to donate to charities like Williams. Paul Williamson '86, Senior Relationship Manager at TIAA Kaspick, notes: “Giving to Williams has many benefits, mainly helping

the college continue its leadership in higher education. And despite the recent changes to the tax code that eliminated or limited many deductions, there remain good tax benefits that go along with making these gifts if donors plan carefully.”

CELEBRATE THE EPHRAIM WILLIAMS SOCIETY

Ephraim Williams Society Chair and Trustee Emeritus Paul Neely '68 hosts President Maud S. Mandel as we honor alumni, parents, and friends who have affirmed their commitment to Williams' future by establishing legacy gifts to the college.

FRIDAY, JUNE 7, 2019

8:00–9:30 a.m. Breakfast

**8:30 a.m. Remarks by Trustee Emeritus Neely
and President Mandel**

THE WILLIAMS INN

1090 Main St. • Williamstown



TO RESERVE A SEAT

Contact Cheryl Brigley, Gift Planning Office, 877 374 7526 or cbrigley@williams.edu

1 If you are 70½ or older you can use your individual retirement account (IRA) to make a qualified charitable distribution (QCD).

QCDs, sometimes referred to as charitable IRA rollover gifts, are great whether you itemize your tax deductions or not.

Beginning at age 70½, each year you must take a required minimum distribution (RMD) from your traditional IRA. By giving directly to Williams from your IRA, you can use up to \$100,000 of your RMD tax-free. You will not qualify for a tax deduction, but you also will not have to declare the gift amount as income on your tax return. Williams saw a 19% increase in the number of QCD gifts in 2018 and an astounding 67% increase in the dollars raised from those gifts. In short, more people are giving more money using their IRAs. The IRA is a very smart resource for charitable gifts.

2 For annual Alumni Fund giving, Ephs are planning ahead by bundling charitable gifts.

Because the timing of our Alumni Fund drive coincides with the college's fiscal year (July 1 to June 30), you can give twice in one tax year and cover two years of annual contributions. For example, a planful Eph can make a 2019 Alumni Fund contribution in the spring of 2019 and then, in the fall of 2019, make another gift, this one toward the 2020 Alumni Fund. Both gifts occur in the donor's 2019 tax year, but they cover two different years of Alumni Fund giving. By bundling gifts in 2019, it may enable a tax-savvy Eph to get above the standard deduction threshold in 2019 and qualify for a federal income tax charitable deduction. In 2020, you can take advantage of the increased standard deduction instead of itemizing, and know that your gift to the Alumni Fund is already taken care of. You then can repeat this practice, bundling donations in the first year so that you can itemize and claim the standard deduction in the next.

3 Create or use a Donor Advised Fund (DAF) to strategize for a federal income tax deduction without jeopardizing regular support of your favorite charities.

This is a variation of the bundling strategy. Donors make a significant contribution to a DAF (which is a 501(c)(3)) in one year, sufficient to surpass the standard deduction threshold so that they can itemize, then recommend grants on an annual basis to Williams and other qualified charities from the DAF account. Williams saw a 16% increase in donors using DAFs and private foundations for their charitable giving in 2018 over 2017. And, according to National Philanthropic Trust CEO Eileen Heisman, "Growth in grants from DAFs to charities—large and small—have outpaced contributions for four out of the last five years. The surge in number of individual DAFs reflects donors' interest in being active and strategic with their philanthropy."

The Gift Planning Office loves discussing tax-advantaged ways of giving. Contact us today, let us know what you're hearing from your advisors, and we can help you Teach It Forward.



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Williams

**What do you want your legacy to be?
Like Professor Birnbaum, you can Teach It Forward
today and solidify your legacy at Williams.**

PROFILE IN PHILANTHROPY

Professor Norman Birnbaum '46 (1926-2019)

PROFESSOR BIRNBAUM WAS A sociologist, journalist, teacher, scholar and author who Georgetown Law, Dean William M. Treanor, described as “a true renaissance man.” A lifelong teacher and learner, just a few months before he passed away, he presented his paper “Floating in Historical Space: A Ninety-Two-Year-Old Confronts the Chaos of the Twenty First Century” at a faculty workshop at Georgetown University Law School where he spent most of his career.

In 2017 Professor Birnbaum published his memoir *From the Bronx to Oxford and Not Quite Back*. Critic Donald Sassoon at the British academic journal *Political Quarterly* (to which Professor Birnbaum frequently contributed) described him as “one of the foremost American public intellectuals,” continuing to describe his book as “a fascinating memoir of a life lived to the full in intellectual circles in the USA and all over Europe.”

It’s not surprising that Professor Birnbaum wanted his legacy at Williams to reflect his lifelong commitment to learning and teaching. In 2017, he worked with the Gift Planning Office to establish a charitable gift annuity (CGA) that would ultimately support Sawyer

Library and Williams faculty. The annuity, invested alongside the college endowment, not only paid him quarterly income for the remainder of his life, but also held its value and provided a generous gift to the college upon his passing.

You might wonder why someone would establish an annuity at age 90 or older? Why not just include a bequest to Williams in your will? Professor Birnbaum’s arrangement is a good example of why the CGA structure works well for a range of ages.

The year he established the CGA, Professor Birnbaum sold his home. By using some of the proceeds from the sale to establish his annuity, he was able to take a federal income tax charitable deduction for 65% of his gift. This helped offset the capital gains tax on the sale of his property.

In addition, he secured guaranteed income at a robust rate, eliminating the risk of investing in the market, and earning more than it would in a bond portfolio (or savings account). The CGA accomplished all this while securing his intellectual legacy at the institution he loved.

Today a CGA for a 90-year old beneficiary would result in a 9% fixed rate for annual payments.



Williams will set up CGAs for beneficiaries to receive income at age 60 or older. Older beneficiaries receive higher rates.

Sample Lifetime Charitable Gift Annuity Benefits \$20,000 cash gift for a single beneficiary

Beneficiary Age	60	70	80	90
Fixed Annuity Rate	4.7%	5.6%	7.3%	9%
Fixed Annual Payment (Percent Tax Free)	\$940 (64%)	\$1,120 (70%)	\$1,460 (76%)	\$1,800 (82%)
Federal Income Tax Charitable Deduction	\$5,500	\$7,455	\$9,542	\$12,788

Minimum gift amount \$15,000. Deferring your payments will give you a higher rate. Actual benefits may vary depending on the timing of your gift.