

# heritage

ROSE-HULMAN INSTITUTE OF TECHNOLOGY

GIFT & ESTATE PLANNING

SPRING 2009

## Three Generous Individuals Contribute to Rose-Hulman's Future

From the Desk of David Haynes

*"Many men have been capable of doing a wise thing, more a cunning thing, but very few a generous thing."* Alexander Pope, English poet (1688-1744)

Rose-Hulman was recently the beneficiary of three very generous alumni. In this issue I want to honor their memory and applaud their desire to ensure Rose-Hulman has a continuing and lasting impact on young students and the world. These men left their legacy through their estates and provided for the future of Rose-Hulman in three different areas of philanthropic planning. All were intent on securing Rose-Hulman's future, but each chose a different route to that destination.

### Robert E. Miller

Robert created Southwest Engineering, Inc. during a period of major road and highway improvements in New Mexico. His career began in the United States Army following graduation from Rose-Hulman in 1943 with a degree in electrical engineering. He was assigned to help provide vital radio communication information for all armed forces. During an assignment at the Pentagon, Robert collaborated with the Federal Communications Commission to determine allocations of FM radio and television transmission frequencies. Following his service in World War II, Robert used his engineering expertise to improve the road and highway system in New Mexico. He created a materials-testing laboratory in Las Cruces, N.M., that expanded into a highly successful engineering company.

Robert left his entire estate to Rose-Hulman, including two parcels of real estate, his savings, and personal property, which he requested be used to establish a scholarship endowment fund. One unique possession he left Rose-Hulman is a rare \$500 bill that is securely retained in Rose-Hulman's vault. Not only will his generosity help provide financially for his alma mater, but it will ensure that students deserving and wanting a Rose-Hulman education will not be denied because of financial roadblocks. His scholarship leaves a living memorial to his life and accomplishments while generously providing for others.



### John Bartholome

John was an electrical engineering graduate of '48. He served with the 36th Infantry Division in Europe during World War II and was awarded the Bronze Star. John worked for Westinghouse Electric Corporation his entire business career and retired from that corporation in 1984. Until his death, John was a proud member

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*Planning Your Will for All It's Worth.*

# Extend the Reach of Your Generosity Far into the Future

Few things bring more joy to philanthropic people than making meaningful contributions to their favorite charitable organizations. All of us can relate to the satisfaction that comes from seeing our support make a difference for causes important to us.

Many of our friends have discovered the added pleasure of knowing they can continue to support our mission beyond their lifetimes. **How?** They have arranged their affairs to make gifts to Rose-Hulman at the end of their lives.

## 5 Benefits of the Popular, Versatile Charitable Gift by Will

You may choose to do what literally millions of people have done: make a charitable bequest in your will. Gifts we receive through wills help ensure that Rose-Hulman will stay strong and move forward in the future.

There are many benefits of making a charitable bequest:

### 1. You can be sure your assets ultimately go to support causes important to you.

Without your specific direction, none of your assets will pass to Rose-Hulman or any other

charity. Children or other heirs may decide to use some of what they receive to make charitable gifts in your honor and memory—but that is beyond the direct control you can exercise with a charitable bequest.

**2. Leave a legacy.** Even if your annual budget provides for gifts to Rose-Hulman, it may seem out of reach to make the size of gift you would like during your lifetime. Many of us need access to all of our assets or the income they generate. At the end of your life, though, all those assets will be available to distribute according to your wishes—as set out in your will.

*Gifts through wills help ensure that Rose-Hulman will stay strong.*

A gift through your will can be the ideal way to realize your larger charitable objective. And you can designate how you want us to use your gift. You may want to fund a special capital or programmatic project. Or you may want to create an endowment that will continue to provide support to Rose-Hulman in perpetuity.

**3. Do you mean I could continue my current level of annual support?** Yes, and here's an example of how others have accomplished this.

***Example:** Gene and Donna B are generous supporters of Rose-Hulman. Each year they make an unrestricted gift of \$50,000 to underwrite some of our general operations, freeing up budget dollars for other purposes.*

*They decide to make a gift that will make it possible for this level of support to continue. Estimating that an endowment will generate approximately 5% in distributions each year, Gene and Donna provide for \$1,000,000 to come to Rose-Hulman to set up an endowment that will provide continued support at the level they had been giving.*

An endowment can be set up to support virtually any exempt purpose of Rose-Hulman. We welcome the opportunity to talk with you about how you can create an endowment to address your own specific purposes.



*Your support and students' hard work pay off when graduates make their final walk through campus on their way to commencement.*

**4. You may realize federal and state inheritance-tax benefits.** While federal estate tax can claim 45% of a decedent's taxable estate above a certain threshold amount—\$3.5 million for 2009—a charitable bequest can shield from this tax the amount passing to Rose-Hulman and may reduce state inheritance tax as well.

**5. You can change your mind.** Your will can and should be a dynamic document.

*Giving a percentage of your estate protects your heirs.*

You would ideally review your will anytime there is a significant change in life circumstances. For instance, if the extent of your assets

increases, you may decide you want to do more for certain beneficiaries. Or if one of your children becomes significantly more or less financially secure, you may decide to modify the division of assets among all the children. As long as you are competent you retain the power to amend or eliminate any provision in your will.

## Protect Your Potential Beneficiaries: Don't Let Estate Size Threaten Their Inheritance

There are many ways to structure a bequest to Rose-Hulman. For instance, you can designate a specific asset or a specific dollar amount. Many of our friends find it is prudent to make a gift of a certain percentage of their estates.

**Why?** By making a gift of a percentage of your assets, you can guard against inadvertently diminishing provisions for other beneficiaries and you can allow your gift to grow proportionally if your assets grow.

**Example:** *Mary G is thinking of making a gift of \$500,000 to Rose-Hulman. Her estate is currently worth \$2,000,000, and she intends that her three children will divide the balance equally.*

*Under Mary's current plan, if her assets shrink to \$1,000,000 at the time of her death her children will divide only \$500,000 (\$166,667 apiece) instead of the \$1,500,000 she had contemplated.*

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## Spanning Planning

Despite the recently announced resignation of our president, Jerry Jakubowski, the future of Rose-Hulman remains in good hands ... your hands. This issue of *Heritage* focuses on general estate planning, wills, and trusts. Along with the support the school receives from corporations, foundations, and living friends and alumni, bequests provide the large, life-changing gifts from donors who have answered the question, "How might I continue to make a difference at Rose-Hulman?" Since its founding in 1874, Rose-Hulman has reaped the benefits of estate gifts and will continue. In this way, the future of Rose-Hulman remains in good hands ... your hands.

Countless articles are being written on how to survive in a difficult economy. Rose-Hulman is not immune from the same issues that face your individual households, and its response is no different than yours. The Institute has limited spending in all areas except those that directly affect the education we provide our students. Although our endowment has suffered, its performance compares favorably to other colleges and universities. Applications for admissions have approached best-ever numbers, and we hope to welcome one of the largest well-credentialed freshman classes in the school's history. Although giving is down, we know that interest in the success of your school remains high, and financial support will take a positive turn as each of us becomes more comfortable and secure in an improving economic climate.

So how best to encourage and support continued success at Rose-Hulman? Stay connected. Keep up with what's going on in the classroom and on campus. Know and understand the demands and challenges being faced, and find creative ways of giving both now and in the future. Know that some planned-giving arrangements provide lifetime income that may rival some other investments as well as meet your philanthropic wishes.

Be secure in the fact that Rose-Hulman is in good hands ... yours.

## Generous ... continued from cover

of the Chieftains of Rose-Hulman—those who contributed \$500,000 or more to the Institute.

John planned his estate recognizing the benefits of making a charitable gift from his retirement fund. Rose-Hulman was a principal beneficiary of his estate, including the proceeds of his entire 401(k), which was left to the Institute as an unrestricted gift. In this way, he provided for the Institute, leaving the use of the gift to be determined by Rose-Hulman's needs at the time of receiving it. John's was the largest unrestricted gift Rose-Hulman received this past year. His aid helps Rose-Hulman maintain first-class facilities, provide passionate and dedicated faculty, and ensure the stability of the Institute.

## Chester Stock

Chet was a chemistry major in the class of '32. His father, Orion L. Stock, was also a Rose-Hulman graduate and was later a professor of drawing and descriptive geometry at Rose-Hulman. Chet received a doctorate from The Johns Hopkins University and a master of science degree from New York University. He became the founder and leader of the Sloan-Kettering Institute and retired as vice president of Sloan-Kettering and director of the Walker Laboratory after 34 years of service. He was known for many innovations in the cancer research field, including developing a program to screen chemicals and natural materials as possible chemotherapy agents for cancer.

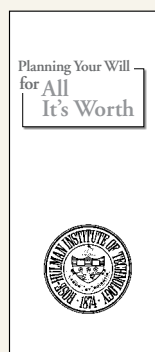
Chet chose to remember Rose-Hulman by establishing a living trust arranging for Rose-Hulman's gift in the form of real estate that will ultimately be sold. The Institute will receive the proceeds, which Chet earmarked to support the class of 1940 scholarship fund. Again, the generosity of a single person will ensure that numerous students down through the ages will be financially able to attend our prestigious and first-rate institute of technology. Perhaps even one graduate will take up the research that Chet began at the Sloan-Kettering Institute.

Three generous individuals chose three different ways to ensure the future of Rose-Hulman Institute of Technology. We are thankful for their contributions in life, and we know that their memories and gifts will be indelible in Rose-Hulman's history.

## Extend the Reach ... continued from inside

*If instead Mary were to designate 25% of her estate to Rose-Hulman, we would receive the percentage she had in mind if the value of her assets remains essentially stable. But if the value were to change—either up or down—the value of our interest would always stay in the same proportion to that of her children. If she wishes, Mary may include a provision that limits the total that we can receive—for example, 25% to us but not to exceed \$\_\_\_\_\_.*

## We Are Here to Help



To assist you as you contemplate estate gifts to Rose-Hulman, we would like you to have a complimentary copy of our booklet, ***Planning Your Will for All It's Worth***. Please return the enclosed reply form to get your copy or to schedule a consultation with a member of our staff.

Please visit our Web site at [www.rose-hulman.edu](http://www.rose-hulman.edu)

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You should consult your attorney about the applicability to your own situation of the legal principles contained herein.