

# heritage

ROSE-HULMAN INSTITUTE OF TECHNOLOGY

GIFT & ESTATE PLANNING Year-End 2009

## The Vision Fund

Rose-Hulman's leaders have always had a noble vision from the college's inception to today: to be the best—to achieve greatness—to be on the cutting edge of innovation in the classroom and as educators, and to make a difference in the world. For these visions to become realities, there need to be people—visionaries—who financially back Rose-Hulman Institute of Technology. It was true at the college's founding, and it is true today. I want to tell you—today's visionaries—of an opportunity to help the college as well as yourself.

"Your Vision is the promise of what you shall one day be."

*British inspirational writer  
James Allen (1864–1912)*

Rose-Hulman's new *Vision Fund* offers qualified new and existing *charitable remainder trust* donors the opportunity to invest alongside the Institute's endowment. History shows the endowment investments, overseen by experienced fund managers, outperform other common investment strategies and offer a great potential for long-term growth. For the college, your investment means an increased growth potential in the endowment, and for you, the possibility of increasing trust income for life. What an opportunity!... For you and for Rose-Hulman!

Please join us in the vision for an even greater Rose-Hulman and in *The Vision Fund* to support that.

If you have any questions about *The Vision Fund* or other planned giving, please contact me at 812-877-8453 or by e-mail at david.haynes@rose-hulman.edu.



I wish you all the greatest of holiday seasons!

David Haynes  
Director of Planned Giving

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Send for our complimentary booklet, *Creating Your Legacy in Uncertain Financial Times: A Philanthropist's Guide to Federal Taxes in '09*.

# Three Opportunities to Make the Economy Work for You Right Now

## 1. Sell Those Losers Before Giving

Many of our supporters are familiar with the strategy of giving appreciated stock instead of cash to get extra benefits, deducting the full value of the stock and not paying any tax on the paper gain.

But in this down market, consider selling the stock first and then giving the proceeds to Rose-Hulman and reap double benefits:

- You can use the loss on the sale of the stock to offset other capital gain.
- Your cash gift generates a tax-saving charitable deduction.

## 2. Take the Guesswork Out of Retirement Income

One of the biggest concerns for many Americans has been the effect of the economic downturn on their retirement-fund investments. Retirement-plan fluctuations have made it more difficult than ever to predict exact levels of retirement income.

Some of our friends are combining charitable planning with retirement planning, a creative strategy that allows them to fulfill important philanthropic goals and lock in retirement income down to the penny—all while enjoying major tax benefits.

**Here is how it works:** You transfer assets to Rose-Hulman now, and we guarantee to pay you

a specific amount each year beginning when you choose. **Your future income is guaranteed regardless of what happens in the market.**

**Example:** A longtime supporter of the college, Tom J, 55, wants his giving to have a major impact on our mission and transfers \$200,000 to us now in exchange for annual income at 8% each year, which will begin when he retires at the age of 65. After Tom's death, funds from his gift will be available for a special project he wants to support.

This plan—called a deferred charitable gift annuity—will continue to pay \$16,000 per year for as long as Tom lives, and \$7,312 of his “income” will be tax-free for the balance of his life expectancy. Tom takes a deduction this year of \$54,542, saving him \$19,090 in his 35% tax bracket.

## 3. Get In on the Ground Floor of the Recovery

Because of the swift decline in the market, it is difficult for many investors to find a good place to jump out of the market; many are reluctant to sell now, not wanting to miss a potential recovery.

Others may want additional income but are reticent to cash in at what they consider the bottom, tying the income they do get to current low stock values. If you have substantial charitable goals, there is a way to create that source of income right now and still benefit from future recovery.

You can transfer assets to a special kind of trust—a charitable remainder unitrust (CRUT)—that will pay you a fixed percentage of its value as it changes annually. If the value of the trust's investments goes up, your income will go up. You can set this up to make payments for your life or for any period of time you choose, up to 20 years, and it generates a significant tax deduction. At the end of the trust term, assets remaining in the trust pass to Rose-Hulman.

**Example:** Dan and Elizabeth M, both 68, have been major supporters of our work for many years. They have seen the value of their



LEADING THE NEXT DECADE OF  
**INNOVATION**  
ROSE-HULMAN

Mark your calendars for February 27, 2010, when Rose-Hulman Institute of Technology will hold a celebration titled “Leading the Next Decade of Innovation.”

stocks drop precipitously over the last year and know that if they sell some and put the proceeds in traditional income-producing investments, they will effectively lock in their losses and not benefit from future recovery.

Instead, they decide to put \$500,000 of their portfolio in a CRUT that will pay 5% of its value each year as long as either one of them lives. They will get 5% (\$25,000) in the first year of the trust. The amount in future years will depend on the trust's investment results.

If the trust achieves an average of 8% total return, their income will go up annually and could eventually exceed \$46,000.

What's more, Dan and Elizabeth can take a deduction of more than \$194,000, saving them more than \$68,000 in federal income tax. If the trust achieves an 8% total return, there will be almost \$1 million—\$958,052—to create their gift.

## Next Steps:

Are you wondering what your next best step is? Maybe you'd like more information, or maybe you'd like to speak to us directly. Here are a few options:

- 1 Visit us online** to learn more about how you can help us build our endowment: [www.rose-hulman.edu](http://www.rose-hulman.edu).
- 2 Return the reply card** to receive a free copy of our new booklet, *Creating Your Legacy in Uncertain Financial Times: A Philanthropist's Guide to Federal Taxes in '09*.
- 3 Call us** at 1-800-248-7448 to find out about how a gift to Rose-Hulman will further our mission and provide income to you for life.
- 4 E-mail David Haynes** at [david.haynes@rose-hulman.edu](mailto:david.haynes@rose-hulman.edu). We're happy to answer any questions you might have or send you more information.

## ENDS DECEMBER 31—ACT NOW! An Opportunity for You and for Rose-Hulman!

A unique and beneficial giving opportunity at Rose-Hulman is about to end. The Pension Protection Act of 2006 made it possible for individuals age 70½ and older to donate up to \$100,000 annually directly from an individual retirement account (IRA) or a Roth IRA to Rose-Hulman Institute of Technology. This legislation was extended through 2009 and no legislation appears to be in sight for its further extension. *This giving opportunity provides a tax-free opportunity for you to make a gift to Rose-Hulman.*

If you qualify to take advantage of the IRA rollover, please contact the administrator of your IRA or contact David Haynes, director of planned giving at Rose-Hulman, at 812-877-8453.

### Rose-Hulman Alumni, Friends, and Supporters Comment on the IRA Rollover Opportunity:

“Being from the medical field, I realize the Rose-Hulman biomedical engineers are making prostheses which are very important, and if it weren't for electrical engineering we wouldn't have pacemakers, and without chemical engineers we wouldn't have medications. These are reasons I donated to the Biomedical Engineering department through the IRA rollover plan.” Dr. J. L. Stoelting, friend of the Institute



Dr. J. L. Stoelting

“We should take advantage of this opportunity to share our good fortune from graduating from Rose-Hulman. It's really a no-brainer. Either you pay taxes on it or you don't. It's an opportunity for us to give back without penalty.” Bart Hartsock, 1958 mechanical engineering alumnus

“I thought it was good idea. It saved us on taxes, and it was funds we really didn't need.” Warren Boudan, retired Rose-Hulman professor of chemical engineering, teaching from 1972 to 1990

# New Leaders and Staff Prepare to Enter New Decade

As Rose-Hulman prepares to enter a new decade of innovation and excellence, we have new leadership and several new staff members. We would like to introduce you to them:



## MATT BRANAM

Matt Branam joined Rose-Hulman Institute of Technology as president on July 1, 2009. He brings a wealth of experience and knowledge to Rose-Hulman, serving as the first chief operating officer of the American

Red Cross and having a distinguished career with the United Parcel Service where his local college job evolved through positions of increasing responsibility, culminating in the position of vice president of public affairs. Branam is also a well-known executive coach and highly sought senior consultant for organizations such as the United States Postal Service. A native of Terre Haute, Branam graduated from Rose-Hulman Institute of Technology in 1979 with a B.S. in civil engineering.



## DON FRY

Don Fry joined the Rose-Hulman community in August as vice president of institutional advancement, overseeing development, alumni affairs, and communications and marketing. Don has an extensive background in

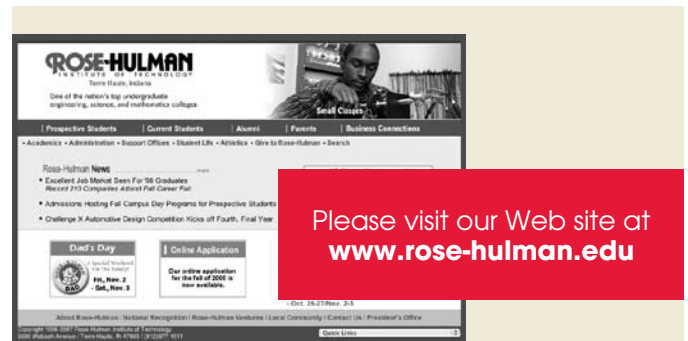
fundraising, management, and public relations, most recently serving as a fundraising consultant for Hartsook Companies and regional director for Purdue University. At Rensselaer Polytechnic Institute he led a successful \$1.4 billion capital campaign. Don's education includes a master of science in business administration from Boston University and a B.S. in business and management from the University of Maryland.

## KIM PERKINS

Kim comes to Rose-Hulman as director of annual giving after serving in numerous positions in marketing; sales; and public, media, and community relations. Most recently she served as director of physician and community relations for St. Luke's Sugar Land Hospital in Sugar Land, Texas.

## SCOTT WILLIAMS

Scott Williams joined the Rose-Hulman Institutional Advancement Team in mid-August as a regional development officer. Scott comes to us after serving as executive director of the Terre Haute Children's Museum and, prior to that, as an executive in the pharmaceutical industry for 29 years. Scott is originally from Terre Haute, is an Indiana State University graduate, and attended Vigo County schools.



David D. Haynes

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