Yale’s mission is a commitment to improving the world today and for future generations through outstanding research and scholarship, education, preservation, and practice. Your involvement and support, combined with the generosity of other alumni, parents, and friends, makes a meaningful impact on the university every day and assists in Yale’s ability to fulfill its mission.

Working with your own advisors and with the professionals in Yale’s Office of Planned Giving, you may be able to develop creative strategies tailored to your own personal, financial, and charitable goals that can put a variety of your assets to work simultaneously for you, your family, and Yale.

Among Yale’s many planned giving resources, we are fortunate to have the expertise of Director of Special Assets Scott Hunter, who will soon celebrate twenty years in his role at the university.

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Working with colleagues in our office, in the Investments Office, and across the university, Scott regularly reviews, accepts, and administers non-cash gifts, managing them as appropriate to fund Yale’s academic priorities. These assets include public and private securities, real estate, tangible personal property, and other assorted non-cash gifts.

Scott, as well as every member of our staff, is dedicated to providing the highest level of service to ensure a first-class experience for Yale donors who plan and complete gifts of all kinds, including one of the most popular, gifts of appreciated securities.

To learn more about the opportunities described in this issue, and to see specific examples of the income and tax benefits associated with them, I invite you to reach out to me or one of my colleagues.

With thanks for your generosity,
Gifts of Appreciated Assets: Consider the Advantages

Although cash is the most common type of gift, you may wish to consider giving other kinds of assets. With the stock market high and interest rates low, this may be a perfect time to take advantage of the benefits of giving appreciated securities. When you give securities that have increased in value and have been held for more than one year, you receive the immediate rewards of a charitable income tax deduction plus the avoidance of capital gains tax.

Some of the same benefits may also apply to gifts of other appreciated assets including bonds, mutual funds, privately-held business interests, real estate, and even tangible personal property.

In addition to using appreciated assets to make outright gifts, you may want to contemplate using these assets to make planned gifts which offer other financial incentives.

FUNDING PLANNED GIFTS WITH APPRECIATED ASSETS OFFERS ADDITIONAL BENEFITS

Funding a Yale charitable gift annuity with appreciated securities will provide you with reliable payments for life. Your annuity payments are often greater than the dividend income from the securities. You also benefit from a federal income tax charitable deduction in the year the gift is made and eliminate part of the capital gains tax you would have paid if you sold the securities.

Highly appreciated securities are one of the best assets to fund a charitable remainder trust. You may be reluctant to sell the securities directly because of the tax you would pay on the gain; however, if the securities are transferred to a charitable remainder trust, the assets can be sold without incurring capital gains tax. Yale, as trustee, can then reinvest the proceeds to secure income for you and others that has the potential to increase over the years. Real estate which has appreciated in value may also be used to fund a charitable remainder trust.

Using appreciated assets to fund a charitable lead trust allows you to make gifts to Yale for a period of years, but ultimately keep assets for your family. The assets you give to the lead trust are frozen in value for transfer-tax purposes at the time of funding. At the end of the trust’s term, the appreciation that takes place in the trust may pass tax-free to your heirs.

If you would like to donate your home or vacation home to Yale and continue to live there or use the property, you may be interested in establishing a retained life estate. While you would not receive income from this kind of gift, you would be able to remain in your home for life, and be entitled to an immediate tax deduction for a significant portion of the appraised value.

In this time of historically low interest rates, some of these gift options may allow you to make a meaningful gift to Yale at a significantly lower cost to you and your family than when interest rates are higher. For more details about attractive planned gifts, please visit www.yale.planyourlegacy.org or email us at development.plannedgiving@yale.edu.

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<tr>
<th>Table: Comparison of Benefits: Gift of Cash vs. Gift of Appreciated Securities</th>
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<tbody>
<tr>
<td><strong>Gift of Cash</strong></td>
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<tr>
<td>Current Fair Market Value of Gift</td>
</tr>
<tr>
<td>Income Taxes Saved</td>
</tr>
<tr>
<td>Capital Gains Taxes Saved*</td>
</tr>
<tr>
<td>Total Tax Savings</td>
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<tr>
<td>Total Cost of $50,000 Gift</td>
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*Assumes a 20% capital gains tax, plus 3.8% tax on net investment income = 23.8% tax
Generations of Grateful Students

Eliza Hopkins ’17, a Saybrook College senior from Buffalo, New York, has been the recipient of the Class of 1956 Memorial Endowed Scholarship for three years. In a letter to class recording secretary Ted Robb, Eliza expresses gratitude for her Yale experience and the scholarship which helps make it possible.

“I feel so blessed and proud to be a Yale student and so appreciative of Yale’s generous need-based financial aid.

I originally chose Yale because of the residential college system, the strong English department, and my incredible time at Bulldog Days, but it’s grown to be so much more. Since the beginning of freshman year, I’ve been deeply involved in the a cappella community as a member of the jazz group, Redhot & Blue. As Yale’s oldest co-ed a cappella group, Redhot & Blue has shaped my whole experience, introducing me to some of my closest friends, allowing me to improve my singing, and giving me the opportunity to share beautiful music with people all around the world.

As for other extracurricular activities, I act in theater productions on campus, recently as Lady Macbeth in a seven-actor production of Macbeth, and am also a FOOT leader (Freshman Outdoor Orientation Trips), a fantastic program that allows freshmen to meet other freshmen and upperclassmen in a technology-free, wilderness environment.

What I so value about Yale is how the extracurriculars add to the learning environment, allowing people with different academic backgrounds to come together outside the classroom, discuss current events and controversial topics, and then bring those new connections and discoveries back to their seminars and lecture halls. I definitely feel that my involvement with non-academic groups has enriched my own academic experience.

And so, Mr. Robb, I send you all my gratitude for this scholarship. May many generations of Yale students benefit from the continued generosity of your donations and those of your fellow members of the Class of 1956!

The Class of 1956 Memorial Endowed Scholarship Fund was established by classmates at their 50th Yale College reunion and augmented substantially by this year’s 60th reunion gift effort. Jack Silliman, a 60th reunion gift co-chair, describes why he made a gift of appreciated securities to fund a charitable gift annuity to be added to the scholarship in honor of his reunion.

“I established an immediate joint annuity by transferring some low basis stock to Yale. In return, my wife and I received a 50% increase in the income we were receiving from the donated securities. A portion of this income is tax-free and the payments are guaranteed by the full faith and credit of Yale, a guarantee unmatched in the commercial marketplace. We will also get a significant 2016 income tax deduction. Most important to us is the diversification achieved in our portfolio together with a rate of income unavailable from bonds. All in all, I believe, a smart, philanthropic alternative to a commercial investment. Ultimately, our gift annuity will be added to the Class of 1956 Memorial Endowed Scholarship to provide financial aid for Yale College students.”

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Preserving a Valuable Musical Tradition

Paulette and Jack ’69 Lantz

When Paulette and Jack ’69 Lantz began investigating ways to make gifts and receive payments in return, they explored opportunities at a number of organizations where they had made charitable contributions in the past. Their decision to establish a charitable gift annuity at Yale was motivated by the marriage of two goals: the desire for a sound and secure income stream combined with the intention to significantly impact a program about which they care deeply at a favorite institution.

As an undergraduate, Jack was one of the founders of the Yale Symphony Orchestra, which celebrated its 50th anniversary this year, later becoming an officer of the YSO. Today, music remains a vital element in both Jack and Paulette’s lives. Jack directs the music program for a large West Coast church, conducts a sixty-piece semi-professional orchestra, and leads the Jack Lantz Big Band. Paulette sings and rings handbells in various church choirs, after teaching elementary school choruses for years.

Jack says, “YSO offers a unique opportunity for musicians to pursue the finest undergraduate education in the country while also performing great musical literature at a level one expects to find in conservatory. While many members are not music majors, the YSO has been a launching pad for some remarkable musical careers. I’m particularly proud that YSO has grown to be a staple in Yale’s vibrant arts community. Through our gifts, we are hopeful that we can play a role in preserving YSO for future generations of talented and dedicated young musicians.”

Continued on page 4
Preserving a Musical Tradition (continued from page 1)

Jack continues, “When we learned more details about Yale’s charitable gift annuity program, we knew we had found the ideal planned gift to meet our needs. The deferred gift annuity provides an immediate income tax deduction and a future stream of fixed payments for life. We chose the flexible deferred gift annuity because it offers an additional benefit: the freedom to choose when to start the payments during a generous window of possible start dates. Newly retired, but continuing to pursue our musical leadership interests, we are still not certain when we wish to begin to receive additional income. The longer we postpone our payments, the higher the annuity rate we can obtain. The ability to use a variety of appreciated securities made the gift plan even more flexible and advantageous. We worked with our financial advisor to select the assets which would be most useful for us to give.”

“We have already established two flexible gift annuities and our intention is to create a series of them. Each time we fund another annuity, we may obtain a higher annuity rate, by virtue of being a year older.”

And, he says, “Imagine our joy and satisfaction in knowing that our gifts today will support YSO’s strong tradition and help succeeding generations both to perform and to enjoy the kinds of music that have so enriched our lives.”

To learn more about Yale’s flexible deferred charitable gift annuities, please visit our website, www.yale.planyourlegacy.org, or contact the Yale Office of Planned Giving.

Photo credits: Katie Goodridge, Yale Office of Public Affairs and Communications, Zach Page ’18, donor contributed photos