Now Is the Time to Make a Difference

Without a doubt, the times are challenging as well as changing. Everyone has been affected by the economy. Nonetheless, many of our supporters realize that charitable giving remains vitally important—especially now.

In the current financial environment, planning strategies that create income, reposition assets, and provide lifetime income for you and your loved ones have become intriguing charitable giving opportunities. And the unique benefits of charitable gift annuities have made them the 2009 gift of choice for many donors. Why? Because a gift annuity is a carefully structured gift that provides you with a tax-wise and meaningful way to benefit yourself, your loved ones and New York University.

This issue explores how the charitable gift annuity can be used to meet a wide variety of personal goals. The charitable gift annuity is easy to set up, and the rewards more than justify the effort. Take a moment to review the options outlined on the following pages, and consider whether the charitable gift annuity may be worth exploring further. If you’re interested in learning more, return the enclosed card or contact us by phone or e-mail to request our complimentary brochure, The Charitable Gift Annuity —Back to Basics.

It would be our pleasure to help you and your advisor(s) as you consider your philanthropic options.
How Can Your Gift Help You and NYU?

The charitable gift annuity is a type of charitable gift that provides a lifetime income to the annuitant (usually the donor) and a gift to the charity. The primary purpose of the charitable gift annuity is to support a worthwhile charity. But the lifetime income makes this way of giving attractive to donors who have other financial needs as well.

Read on to find illustrations of how the charitable gift annuity can work for you and consider how to help yourself while you support NYU.

**A HIGH AND PREDICTABLE RETIREMENT INCOME FOR TODAY**

All her life, Rose (age 80) has been careful to save for a rainy day. And her decision to be a saver has served her well. Earlier this year, Rose worked with a financial advisor to review her financial program, which hasn’t been performing so well.

Rose decided to take the money from a maturing CD ($10,000) and direct it towards a charitable gift annuity with NYU. The gift annuity will pay her $710 every year as long as she lives. Plus, for the next ten years, about $553 of each payment will be tax-free. And this year Rose receives a charitable tax deduction of $5,024 that can lower her taxes.

Rose considers the charitable gift annuity a great thing—a reliable source of income for her and a substantial charitable gift to NYU.

**SUSTAINING INCOME FOR TWO**

Harold and Louise (both age 75) have always been careful planners. After celebrating their 50th wedding anniversary, they took a close look at their estate plan to see how they might best manage their resources during their golden years. Their goals included providing for themselves, their heirs, and their favorite organizations.

One option that came to light was the charitable gift annuity. It seemed to be a great gift idea, since it made it possible to provide a significant gift and receive a fixed, dependable lifetime income. They funded a two-life charitable gift annuity with three different stocks worth a total of $50,000. Every year, the gift annuity will pay out $2,800 as long as Harold or Louise lives. Plus, they receive a charitable tax deduction of $17,682.

Harold and Louise both enjoy peace of mind from knowing the income is payable for as long as either of them is alive. They also appreciated the simplicity of making the gift and the minimal paperwork involved.

**SUSTAINING INCOME FOR A LOVED ONE**

Over years of hard work and perseverance, Greta built up her consultancy business. Today, her company employs twenty wonderful people and generates plenty of work. Greta is ready to retire through an employee buyout, so in a month she will receive a large sum of money.

Greta has been a volunteer and long-time supporter of NYU, and she plans to make a major contribution that will create an endowed scholarship fund at the University. However, Greta also wishes to provide an income stream...
for her mother, Eleanor (age 85). The charitable gift annuity turned out to be a way Greta could accomplish all her objectives. The gift annuity will provide a fixed annual income of $6,075 for Eleanor. And Greta obtains an income tax charitable deduction of $42,435, which is particularly useful because this will be an unusually high-income year for Greta due to the sale of the business.

Greta is delighted that a charitable gift annuity so nicely complements her personal, philanthropic and financial goals.

**PREDICTABLE INCOME FOR LATER—A SUPPLEMENTAL RETIREMENT INCOME PLAN**

Dr. Martin knows he will reach the maximum contribution limit for his qualified retirement plan, so he is looking for additional ways to help prepare for retirement. At age 60, Dr. Martin would like to retire in five to ten years, and he wants to take advantage of opportunities available during his prime income-earning years.

One option that interests Dr. Martin is a deferred charitable gift annuity. He heard about the idea during a recent fundraising event and read about the concept on our gift planning website. The deferred charitable gift annuity works just like a regular charitable gift annuity except that the donor directs that the income payments will commence at a specified future date, years after a donor makes the contribution. And since Dr. Martin does not plan to retire soon, he does not need that gift annuity income for a while!

The difference between a deferred charitable gift annuity and a regular gift annuity is the higher payout rate.

**DEAN ABRAHAM GITLOW continued from page 1**

supply business. As World War II began, he was preparing to write his doctoral dissertation about labor relations in that industry. He served in the Air Force and was stationed in New Guinea. Unable to conduct research into the industry back home, he began exploring the characteristics and condition of trading patterns among the primitive Highlands population. His study became the subject of a new and radically different dissertation, as well the first extensive ethnographic examination of a previously unknown area.

Abe began his career at NYU over 60 years ago as an Instructor at the Leonard N. Stern School of Business—then the School of Commerce, Accounts and Finance. He served as Dean from 1965 to 1985, and is widely credited for helping the School survive the most difficult financial times in its history during the late 1960s. Now Dean Emeritus and Professor of Economics Emeritus at the Stern School, Abe is far from retired. Most recently, he taught a seminar, “Corruption in Corporate America,” and he is co-writing his fourteenth book. He has also written a history of the Stern School.

Just as Abe left an indelible mark on the School and University, he left a similar imprint on his students, who have honored him over the past years with a number of significant naming gifts, such as the Gitlow Conference Room and the Gitlow Professorship of Management and Organizations, now held by the Dean of the Undergraduate College, Sally Blount.

Abe’s expertise in both economics and anthropology continues to inform his outlook on the role of human behavior and values in institutional cultures and structures. And clearly his focus on values has compelled Abe to give back to NYU through his own financial contributions to the Stern School. Among the many objectives of his financial support has been the Gitlow Scholarship Fund, through which he is leaving a legacy for future generations of students. During the past years he has funded the scholarships through a series of contributions to the NYU Charitable Gift Annuity. “The gift annuity is a great deal, both for me and for NYU. When I make a gift to the Annuity, it pays me a high and predictable income, and I get a significant up-front income tax deduction. I may not know where the markets are heading, but I can be certain that I’m going to receive this income in the years ahead. And at the same time, I will be growing the scholarship fund for future Stern students. What can be better?”

Continued on page 4
and the higher income tax deduction. Dr. Martin decided to make a gift of $50,000 this year, and arranged the payments to begin in exactly ten years. This year, he can deduct $19,342. And, in ten years, Dr. Martin will begin receiving $4,050 each year for the rest of his life.

THE CHARITABLE GIFT ANNUITY: NOT A ZERO-SUM GAME

Usually, when someone gives something to someone else, the idea is that one person has less and another person has more—a zero-sum game. But the charitable gift annuity is different. The donor does not just give; he also receives something back.

Most of our gift annuity donors find the charitable gift annuity to be so compelling and attractive an arrangement that they make frequent contributions to it over the years—boosting their income as they add to their annuities.

Among the many characteristics our donors enjoy:

- Charitable gift annuities are easy to set up and do not need annual maintenance or renewal.
- Gift annuity payments are for life—you can’t outlive the payment period.
- The income is predictable, certain, and high.
- The minimum gift amount is low.
- They are flexible enough to accommodate your needs and objectives.
- There is no maximum contribution limit as there is with a qualified retirement plan.

If you’re interested in more information about the charitable gift annuity and how you might help yourself while helping NYU, send for our complimentary brochure, The Charitable Gift Annuity—Back to Basics. Or, feel free to call or e-mail us directly. It would be our pleasure to help you determine whether a charitable gift annuity is a good match for your philanthropic goals.

The IRA Charitable Gift Remains an Option in 2009

As part of the recent financial rescue bill, the IRA Charitable Rollover has been extended for 2009. This is an important tax planning opportunity available for individuals age 70½ and older who have an IRA account. You can make a charitable gift directly from your IRA—entirely tax free. Unlike past years, you aren’t required to take an income distribution from your IRA this year (another aspect of the financial rescue bill). But eligible donors may still find their IRAs to be the most tax-wise way to make a charitable gift to NYU this year—whether it’s an annual gift, a payment on an existing pledge, or a gift to establish a scholarship or other named fund. Call us for more information!