Planning During Challenging Times

Without a doubt, the times are challenging. Everyone has been affected by the economy. But NYU is grateful that its alumni, faculty and friends realize that charitable giving remains vitally important—particularly during these difficult times.

In times like these, charitable planning strategies that provide lifetime income have become highly attractive to our donors. The unique advantages of charitable gift annuities have made them the 2010 gift of choice across the country.

Through our charitable gift annuity, you obtain a high and secure income for life, for yourself and/or another person you designate. Yes, the primary purpose of the charitable gift annuity is for the ultimate support of the University, but the income stream makes this way of giving attractive to all sorts of donors.

Read on for examples of how the charitable gift annuity can work and consider how you can help NYU while you help yourself.

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A Gift to NYU That Pays You Income

PREDICTABLE RETIREMENT INCOME FOR TODAY

All her life, Amy (age 80) has been careful to save for a rainy day. But she was distressed to learn how little she would receive in income if she rolled over a CD that was scheduled to mature in the near future.

Amy decided to take the money from the CD ($10,000) and direct it to a charitable gift annuity with NYU. The gift annuity will pay her $720 every year as long as she lives. Plus, for the next ten years, about $550 of each year’s payment will be tax-free. And Amy obtained an income tax charitable deduction of $4,850, which saved additional dollars from her tax bill.

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

LIFETIME PAYMENTS FOR TWO

Walter and Joyce (ages 75) reviewed their assets and investments to see how they might best manage their resources during their golden years. Their goal was to provide for themselves as well as for Joyce’s alma mater, NYU.

The NYU charitable gift annuity proved to be a compelling planning technique, because it made it possible for them to make a significant gift to NYU and receive fixed annual payments over their lifetimes. They established a two-life charitable gift annuity by transferring to us stock worth a total of $100,000. In exchange for this contribution, NYU will make annual payments of $5,700 to both of them, and then to the survivor. Plus, they received a charitable tax deduction of $32,500 this year.

INCOME FOR A LOVED ONE

During her college years, Anita had benefited from a scholarship she received from NYU, and she hopes to make a major contribution to create a scholarship fund in her own name. She also takes care of her mother, providing her with extra financial support on a regular basis.

Anita made a gift of $100,000 to NYU, to set up a charitable gift annuity that would pay income to her mother, who is 85. The gift annuity will provide annual payments of $8,100 for her mother. Anita also obtained a charitable deduction of $55,725 that she could claim on her own income taxes.

Anita was pleased that a charitable gift annuity so nicely achieved all her personal, philanthropic and financial goals—including the establishment of a scholarship fund for the benefit of future generations of students.

PREDICTABLE INCOME FOR LATER

Peter, a partner in an established law firm, reaches the annual contribution limit for his qualified retirement plan every year, so he is looking for additional ways to help prepare for retirement. At age 60, Peter does not anticipate retiring for another five to ten years, but he wants to take advantage of opportunities available during his prime income-earning years.

One option that interests Peter is a deferred charitable gift annuity. The deferred charitable gift annuity works just like a regular gift annuity except that the income payments don’t begin immediately. Rather, the donor specifies a date in the future when NYU will begin paying the annuity.

The deferral of income results in a higher annuity payout rate and a larger up-front income tax deduction for the donor. Peter decides to make a gift this year in the amount of $50,000, and he directs that the income payments will begin in ten years, when he will be 70. His annuity income will be $4,450, and he obtains an income tax deduction—which he
can claim on this year’s taxes—in the amount of $17,700.

And because the gift annuity is not subject to the retirement-plan contribution limit, Peter plans to make similar gifts over the next several years, to add to his future retirement income.

SIMPLE, FLEXIBLE... AND GREATER THAN THE SUM OF ITS PARTS

With an NYU charitable gift annuity, the donor gives away…and also receives substantial value in return. Like many of our alumni, faculty and friends, you will find the charitable gift annuity to be a smart way to give and to receive.

These gift arrangements are simple to set up and can help you accomplish many different financial objectives. In fact, most of our alumni and faculty who participate in the NYU charitable gift annuity return year after year to add to their NYU annuity income... It becomes their preferred way of making their annual gifts to NYU!

If you’re interested in more information about how you might help yourself while helping NYU, please let us know. Feel free to call or e-mail us directly. It would be our pleasure to help you see whether an NYU life-income gift can help you accomplish your goals.

JUDY TOBIAS DAVIS continued from page 1

with non-profit organizations that dealt with these grave social problems..

Decades later, as president of the Child Study Association of America, Judy came to know Jack Goldberg, the New York City Commissioner for Social Services. When he was appointed dean of NYU’s School of Social Work in 1973, he turned to Judy for help in solving the School’s financial troubles. After Dean Goldberg’s death, his successors recognized the value of Judy’s expertise and persuaded her to remain at the School.

Judy worked tirelessly to appeal to friends of the School as well as alumni, telling the story of the School and explaining its unique contributions to the life of the City and the country as a whole. Judy’s endeavors among many different communities around New York City eventually resulted in the fulfillment of the School’s early vision—a single large and renovated facility of its own, consisting of three landmark row houses on Washington Square North. Judy’s own generous support for the School named a large room in memory of her late husband Seth, a space that was formerly the studio of artist Edward Hopper.

Judy’s two sons—Stephen and Andrew—have enjoyed success and prominence in their own fields, Stephen as a lawyer and Andrew as a noted financial writer and treasurer of the Democratic National Committee. Judy’s sons became important advisors to her when she was contemplating her gift to the Silver School.

“When NYU approached me with information about how I could make a gift and receive a high and secure income through the charitable gift annuity, I turned to my sons for advice,” Judy said. “Both agreed that the gift annuity is an excellent opportunity to help support the School, which means so much to me, while benefiting myself as well.”
Leaving a Legacy to NYU

While we’re highlighting the simplicity and flexibility of gift annuities, we want to share some important planning tips regarding another very popular way our alumni and faculty express their support for NYU—through charitable bequests and legacies. It’s very easy to structure your charitable bequest in a way that best accomplishes your charitable goals while maximizing tax savings. Here are some general guidelines to help you in your planning.

PAY ATTENTION TO HOW YOU DRAFT YOUR BEQUEST LANGUAGE

Charitable bequests can be made in many different forms to suit your particular needs. Two of the most common types are **specific bequests** and **percentage bequests**.

With a **specific bequest**, you can designate a specific dollar amount or certain property to be distributed to New York University. However, keep in mind that your charitable bequest is fixed and remains so regardless of fluctuations in the value of your estate assets.

As the name indicates, **percentage bequests** allow you to allocate a percentage of your estate to be distributed to NYU. Many of our donors favor percentage bequests. The reason: Percentage bequests fluctuate with the size of your estate. This helps preserve the proper balance you have in mind, in terms of providing for loved ones and for NYU and other charities important to you.

INFORM US OF YOUR BEQUEST

Please inform us if you have included a charitable bequest to NYU in your will—or if you are thinking of doing so. We can help ensure that your desires for the future of the University and its students will be fulfilled. And we want to express our gratitude to you for your generous legacy. You will become a member of the University’s Society of the Torch, which recognizes and honors our alumni, faculty and friends who keep a place for the University in their estate plans.

Be assured that we will respect your privacy and treat the details of your legacy confidentially, as you desire. Remember, also, that informing us of your decision to leave a legacy does not prevent you from changing your will should your needs, goals and circumstances change in the years ahead.

HOW TO LEARN MORE

To learn about the gift annuity, charitable bequests, and other specific programs in which you can make your influence felt at New York University, don’t hesitate to contact us directly. Or simply write your request on the enclosed card when you order your complimentary brochure, *Exploring Charitable Gift Annuities—Understanding the Basics*. You can also request our helpful *Taxpayer’s Home Companion* for 2010. We welcome the opportunity to serve you.