

Donors and Their Advisors: A Powerful Team

When Dawn Marie Treloar was preparing for her retirement from the company where she had worked for more than 25 years, she knew that she could use some expert advice. Though planning to continue to work part time, she looked forward to finding a meaningful way to give back to her community through volunteering - something her retirement and a more relaxed schedule would allow her to do. Volunteering was an obvious choice for Dawn, particularly because she did not think her financial situation would afford her the ability to make significant donations.

After meeting with longtime financial advisor and friend, Robert Schechter, of Schechter Wealth Strategies in Birmingham, Mich. Dawn realized her ability to have a greater impact on the charities of her choice through a combination of volunteerism and philanthropy. Together, Dawn and Robert reviewed her personal, financial and philanthropic retirement goals.

Dawn revealed that she was touched by the people she met at Henry Ford Hospital during a family member's lengthy illness. Because of her experiences at Henry Ford, she was inspired to help other patients and families going through similar situations.

The conversation led Dawn to make a generous gift to Henry Ford West Bloomfield Hospital and a significant estate gift through the establishment of a charitable remainder unitrust. The unitrust will provide significant support to two areas: Henry Ford Heart and Vascular Institute and Josephine Ford Cancer Center. Dawn wanted her gift to



Robert Schechter and Dawn Treloar

support both capital needs and research. Her careful planning has ensured that it will do exactly that.

The collaboration of Dawn Treloar and Robert Schechter demonstrates the importance of partnerships. Through that partnership, Dawn succeeded in obtaining her goals; providing benefit to the community and having a secure comfortable retirement. In making the gift, Dawn's partnership with Henry Ford Health System will be important to the community it serves - now and in the future.

For more information about how you can partner with Henry Ford to help build a healthier tomorrow, contact Miriam Imerman at (313) 874-3429.



The LEGACY NEWSLETTER

Get More from Your Philanthropy: Unlock the Right Combination

Unquestionably, personal philanthropy is receiving increased attention today - given impetus by donors such as Warren Buffet, Bill Gates and other financial and business gurus. While some gifts are huge, it's not the size of the gift that counts. It's the desire to make a difference in the world... to have an impact through strategic problem solving... to see the results of one's philanthropy... and to leave a lasting legacy.

Planned giving expands the range of giving opportunities and opens the door for wider donor participation. For some, that means an outright gift of cash or appreciated property; for others, a deferred gift arrangement such as a charitable bequest or a gift with a retained income stream. Sometimes it's a combination of gift plans in the form of a pledge or endowment to support a program dear to the heart or to participate in a capital campaign.

In this issue, we provide a general overview of planned giving and some of the important programs made possible through planned gifts - gifts that benefit both our institution and the donor. All planned gifts - small and large - play a fundamental role in helping us achieve our mission.

To learn more about the many specific gift plans available to you, we invite you to send for our booklet, *Making a Difference*. We'll also be happy to provide you with detailed information about endowment or pledge opportunities. Simply use the reply card to receive this information, or contact us directly by phone or e-mail. We look forward to hearing from you.

ENVISION *Together We Can*

Why Planned Giving Is So Attractive - You Benefit, So Do We

Planned gifts are charitable gifts that can be beneficial to both you and us. Often the donor can enjoy enhanced tax and financial benefits while making a larger gift than otherwise might be possible. Usually this means coordinating the gift with the donor's financial and estate planning. But it need not be complicated or difficult:

- Most planned gifts are easy to understand and implement.
- Planned giving is not just for the wealthy - gifts of all amounts are appreciated and make an impact.
- Some gifts are extremely flexible, which means you have the right to make adjustments should your needs or circumstances change.

One way to understand planned giving is to break it down into three broad categories of gift plans and look at the comparative benefits. The categories are outright gifts, life income gifts, and charitable bequests.

Outright Gift Opportunities

If you are looking to make an immediate impact with your gift, consider an outright gift. Outright gifts can be used right now to support a program of your choice. Plus, you have the opportunity to maximize your income tax savings.

Cash gifts, of course, are always welcome and appreciated. But oftentimes a gift of long-term appreciated property such as securities or real estate can even enhance your tax benefits. Consider that a gift of appreciated securities is an effective way to make a meaningful gift, sidestep the capital gains tax drain, and rid your portfolio of an out-of-favor stock. What's more, such a gift has a true after-tax cost that is less than a comparable cash gift.

Example: Jean is thinking about making a \$10,000 cash gift to our capital campaign. But, is a cash gift necessarily the best choice? Jean could make a \$10,000 gift with shares of a tech stock that she bought years ago. Her basis in the stock is only \$500, but she can take the full fair market value of \$10,000 as a charitable deduction on her next income tax return. And, the \$9,500 capital gain that would have been taxed if Jean had sold the shares is altogether avoided. The choice of a stock gift is a smart option for Jean - she has a reduced out-of-pocket cost, but her gift still has the same impact.



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Many of our friends use outright gifts to give impetus to a particular program or capital campaign, or to set up a pledge or endowment commitment. We can help you select the most appropriate asset to produce the best result.

Gifts with a Retained Income Stream

Friends who want to make an impact gift but who are reluctant to give up an asset may do so providing they can retain the income from the asset. Fortunately, we offer several gift plans that can generate either a fixed or a variable income depending on your needs. For example, if you want to convert a highly appreciated, low dividend-paying stock into a high income stream, you can do so while bypassing or reducing your capital gains tax liability. You will also enjoy substantial income tax savings based on our remainder interest.

Example: Robert just celebrated his 60th birthday. One of the 76 million boomers facing retirement, he has done well with investments but is still concerned about maintaining his active life style in the years ahead. Robert wants to start building a stronger income stream for the future. He has turned his attention to one block of highly appreciated stock that was once a high flyer but now pays a paltry dividend. His cost basis in the stock is \$50,000, but the current fair market value is \$350,000. Selling the stock and reinvesting is a viable option, but the idea of paying the significant capital gains tax is not appealing to Robert.

After some investigation, Robert learns he can use the stock to set up a charitable remainder unitrust



(CRUT) with us. The two primary advantages are (1) avoidance of the capital gains tax of \$45,000, and (2) the creation of a lifetime income stream based on the full \$350,000 value of the stock. He selects a 6% annual payout, which not only improves his current financial position, but may actually increase over the years should the invested trust proceeds grow in value as anticipated. What's more, Robert receives a substantial income tax charitable deduction this year for our projected remainder interest. And, assuming the trust grows in value, Robert likes the idea that the remaining gift will also grow in value – increasing the impact of his philanthropy.

Another option: If you are already enjoying retirement, you may prefer the fixed income opportunities available with a charitable remainder annuity trust (CRAT) or with our very popular gift annuity program. Our informative booklet, *Making a Difference*, provides more information about life income gift plans. Please use the enclosed card to order this booklet or to let us know if we can help you with any other gift planning ideas.

Charitable Bequests

A charitable bequest is simply a gift made through your will. It's the most popular planned gift because the donor retains control of the asset during life and has the right to amend any beneficiary designations in response to changing life conditions. Because a charitable bequest is revocable (unlike an outright gift or life income gift plan), there are no income tax savings. But there may be estate tax benefits.

Charitable bequests are easy to make but creating or amending a will usually requires an attorney. If you already have a will, your attorney may be able to add a charitable bequest to us through a simple amendment called a codicil. You can leave a specific dollar amount, a percentage of your estate, or what's left of your estate after other bequests and taxes are satisfied. We will be happy to work with you and your advisors to help you achieve your specific planning objectives.

How to Leverage the Impact of Your Gift

Read nearly any financial or philanthropic journal today and you will quickly discover an intense donor interest in how to maximize the impact of a charitable gift. Often, donors use a combination of gift plans to realize their goals. Some who opt for a pledge (a promise to make a large gift commitment over a period of time) may make an initial outright contribution of cash or appreciated property, supplemented by a bequest provision in their will to complete the commitment.

Endowed funds can also be specifically created through a combination of gift plans or through a single gift. Some donors create an endowment through a bequest or trust. Others may simply prefer to contribute to an existing endowment rather than create their

own. Many of the endowed funds at Henry Ford Health System were made possible through planned gifts.

We invite you to explore the many opportunities available to you today. There is a “right combination” that will allow you to leverage your philanthropy and experience the greatest satisfaction from your gift – helping us immensely while you enjoy meaningful personal benefits as well.

To Learn More

To find out which specific gift plan may be best for you, simply return the enclosed card. It would be our pleasure to provide additional helpful information on gift plans and ideas, including pledges and endowments.



Exactly What Is an Endowment?

An endowment is a permanent fund set aside for a special purpose. Through an endowed fund, you can support in perpetuity a favorite cause. The gift is self-renewing and can even create opportunities for others to join in extending a meaningful legacy. Here's how an endowed fund works:

- The endowed fund is established through a tax-deductible charitable gift.
- The principal of the endowed fund is invested and only its income used to provide the designated support.
- As new tax-deductible gifts are added, the endowment grows and so does the income stream.
- Since the principal is never invaded, the fund becomes a growing perpetual source of funds for the program or service you've chosen. And the gifts continue, from year to year and even generation to generation!

Example: Nearing retirement, Cory wanted to acknowledge and pay tribute to his parents for all the opportunities they provided that paved the way to his professional success. Knowing they were lifelong supporters of our organization, Cory established an endowed fund in their honor. Each year, the income from the endowed fund is used to support their favorite program. Cory plans to make future contributions to the fund as well, including a bequest provision in his will, and he has invited his children to make contributions as they are able. It's an admirable family venture – one that has a never-ending impact on our important work.