Financial planning in an uncertain market

The fluctuations of today’s economy and interest rates means investors are seeking stability in an uncertain market. Read on for charitable gift-planning options that can provide you with steady income while supporting your alma mater.

FEATURED TOPICS

- CHARITABLE REMAINDER UNITRUST
- CHARITABLE GIFT ANNUITY

I was happy to learn that you can customize a gift any way you like.

Q: What did you value about your time at Loyola?
A: The high standards, strong curriculum, excellent teaching, and Jesuit influence.

Q: You’ve earmarked a bequest to the College of Arts and Sciences and one to the John Felice Rome Center. How would you like to see your gifts used?
A: I’d like to help fund something like an idea hub for the College of Arts and Sciences, a place where students and faculty could relax, collaborate, and think of ways to fix stubborn problems. And as a student at the Rome Center, I traveled extensively, made great friends, and learned so much. I’d like to see that gift used to help the Rome Center thrive.

Q: How do you see Loyola helping future generations of students?
A: By providing them a first-rate education and more. Loyola’s Jesuit identity is the special ingredient. It equips people to be well-rounded, of service to others, and meaningfully active in the world.

Q: Any thoughts for people thinking about a planned gift to Loyola?
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**PLAN AHEAD**

**Take advantage of low interest rates and uncertain markets**

While the market faces an uncertain future and interest rates are close to all-time lows, investors are pondering some crucial questions: How can I lock in any gain I may have realized in my securities? How can I get a reasonable return on my assets?

For our alumni and friends, the best answers may be found not at your local bank or brokers’ offices but at Loyola University Chicago. Because fixed-income investments such as certificates of deposit and money market funds aren’t what they used to be, many people have begun looking for higher-yielding alternatives.

Loyola offers a number of giving options that address your financial objectives. Among the most effective options that can protect your gain and generate an attractive yield are our charitable remainder trusts and charitable gift annuities.

Either option can generate a source of income for life. You may fund your gift with cash, appreciated securities, or other assets depending on your specific goals. In addition, your gift qualifies for a substantial charitable income-tax deduction.

### Loyola offers a number of giving options that allow you to address your financial objectives.

#### How can I obtain the security of regular income and the flexibility to take advantage of possible future market growth?

With a charitable remainder unitrust, you receive annual income payments that come from—and are secured by—the trust assets. You can set up the trust either for the life or lives of the named beneficiary(ies) or for a specified term that doesn’t exceed 20 years. A unitrust provides annual income to the designated beneficiary(ies) as a specified percentage, typically five percent of the value of the trust as it is valued each year. Because the value may vary from year to year, the payments may vary.

You can fund a trust with cash, appreciated securities, or other assets depending on your specific goals. In addition, your gift qualifies for a substantial charitable income-tax deduction.

#### How can I easily achieve financial predictability?

A charitable gift annuity generates benefits for your self or other beneficiaries you choose and supports Loyola. And it’s simple. In exchange for your contribution to a charitable gift annuity, Loyola will make fixed payments for life to one or two beneficiaries on the basis of the value of your gift. You may receive payments immediately or defer payments for a number of years until you need them.

Returns on gift annuities are based on the age(s) of the beneficiary(ies) at the time the gift annuity is established. Typically, returns on gift annuities outpace the returns on traditional fixed-income investments. Our rates for one-life annuities go as high as nine percent for beneficiaries who are 90 or older.

### CASE STUDY

Betty, 72, owns stock in IBM, which has nearly doubled since she bought it back in 1990. With current stock market fluctuations, Betty is nervous about the value of the stock falling. She is reluctant, though, to sell and incur the taxable gain of $24,000, which would result in a tax bill of $4,800.

Betty decides to fund a deferred charitable gift annuity and receive payments in three years when she is age 75.

#### Deferred-payment charitable gift annuity

- **DONOR NAME** Betty
- **CURRENT AGE** 72
- **WHAT SHE GAVE** 300 shares of IBM stock, which she bought at $100 per share in 1990
- **HOW MUCH SHE GAVE** $54,000 fair market value ($30,000 cost basis)
- **INCOME GOAL** Secure an annual income stream, and minimize tax consequences
- **GIFT TYPE** Deferred Gift Annuity until age 75 (6.4%)
- **BENEFICIARIES** Herself

**Reason for giving**

Betty wants to make a significant gift to the Quinlan School of Business to support student scholarships, but as a widow, she wants to plan for her future financial security. A gift annuity allows her to do both.

**Benefits to Betty**

- **Charitable income-tax deduction of $26,671**
- Annual income of $3,456 for her lifetime beginning at age 75, a rate of 6.4% (90% of her annual payment), and a portion of her annual payment is tax-free return of principal
- Tax on her capital gain is spread over 12-14 years instead of being due in full the year the annuity was established
- Achieves a lifelong dream of making a significant gift to support the endowed scholarship fund at her alma mater, thereby establishing her legacy and helping generations of students

For more information on gift annuities and charitable remainder unitrusts, visit [LUC.EDU/LIFEINCOME GIFTS](http://LUC.EDU/LIFEINCOME GIFTS). Gift annuities may not be available in all states.

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### Know your charitable planning options

Request your complimentary copy of our charitable remainder trust and/or gift annuity brochures to learn more about how these planned giving opportunities may benefit you, your loved ones, and Loyola.

To receive your copy and answer your questions, simply:

- Call the Office of Gift Planning at 312.915.6804.
- Request information online at [LUC.EDU/LIFEINCOME GIFTS](http://LUC.EDU/LIFEINCOME GIFTS).
- Return the enclosed reply card.
- E-mail plannedgiving@LUC.edu.