DONOR PROFILE

LEAVING A LEGACY FOR STUDENTS

KEN MARCH
(BS ’69, MA ’72, PHD ’73)

Intellectual, well read, and an avid sports fan is how friends of the late Ken March (BS ’69, MA ’72, PhD ’73) describe him.

Sadly, the three-time Loyola alumnus passed away after a long and heartbreaking search for a new kidney. Before his death, however, he made a point of leaving a significant gift through his individual retirement account to Loyola’s Department of Psychology to create the Kenneth A. March Scholarship in Psychology for graduate students studying social psychology. His final wish was to create a legacy to repay the university that gave him his education and the tools for his successful career.

“I met Ken many years ago on the tennis courts in Evanston,” says neighbor and friend Steve Gritton. “He was quite good, and we played once or twice a week for 40 years. I also knew him to be tenacious, but after suffering from end-stage kidney disease for the last several years, he just couldn’t beat it.”

Ken’s doctorate degree in social psychology earned him high regard in the medical research field, where he analyzed the psychological factors that informed the marketing of pharmaceuticals to physicians.

As executive vice president and director of research at Seiber and McIntyre, Inc., Ken conducted studies to determine if a client’s message was being understood, or, if not, why not.

“With that information, Ken would work with the creative team, medical writers, and artists to produce a better end product,” said former colleague Dr. Bob Buckman. “He was very good at what he did.”

As a graduate student in the social psychology program at Loyola in the early 1970s, Ken worked with his faculty advisor, John D. Edwards, professor emeritus of psychology, who also directed March’s doctoral dissertation. They worked together on several projects dealing with ways people can resist changing their attitudes even when faced with persuasive information.

“This topic was relevant to Ken’s plan to enter the field of advertising, which he did with great success,” John wrote on Ken’s memorial wall. While still a student, Ken presented his research at professional psychology conferences and was among the first graduates of the program. “He paved the way for others who wanted careers doing applied research in nonacademic, real-world settings. He made his positive mark in this world that will live on.”

May we include you?

Many of our alumni and friends have included Loyola in their wills. We honor those who have done so with membership in the Society of the Shield. Would you like to know more about how you can become a member of this society? Please fill out and return the enclosed card for more information, or to let us know that you have already included Loyola in your plans.

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Alumni Gym in 1963 after the Ramblers’ men’s basketball team won the national championship.

Ready to help

When you have questions about making a gift to Loyola University Chicago, the Gift Planning team is ready to help. We welcome the opportunity to answer your questions. Please call or write us!

To browse more resources and get current advice to help in your estate planning, visit our website at: **LUC.edu/giftplanning.**

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Loyola Legacy is published by the Office of Gift Planning at Loyola University Chicago on a periodic basis. This publication illustrates general concepts and ideas in tax and estate planning. The articles are not intended as legal services or advice. You should consult with competent tax and legal professionals as to the applicability of any items to your personal situation.

LOYOLA UNIVERSITY CHICAGO
On the cover: Students walk across the Lake Shore Campus circa 1960s.

LOYOLA UNIVERSITY CHICAGO

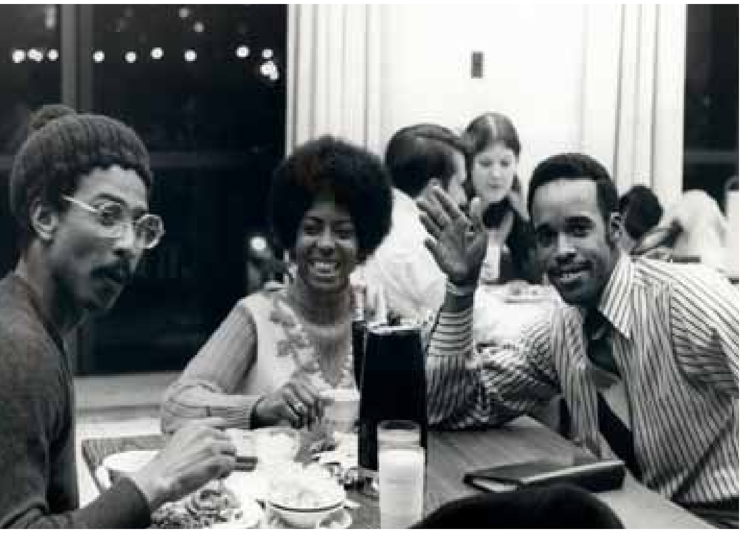
LOYOLA LEGACY

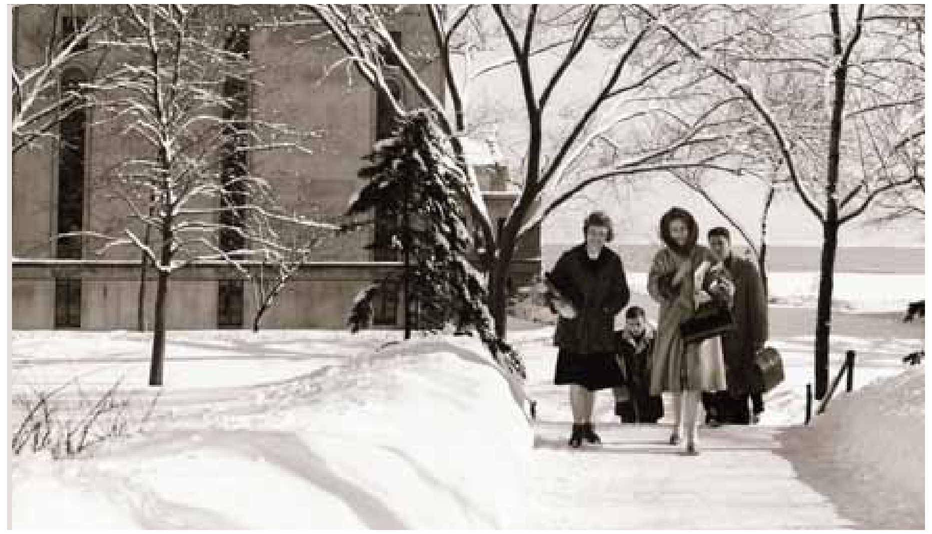
GIFT PLANNING OPTIONS FOR YOU — FALL/WINTER 2018

WHAT CAN I DO TO REDUCE CAPITAL-GAIN TAX?

If you may be taxed on long-term capital gains and wonder what your options are, a charitable planned gift might be right for you. Did you know that you could increase income, reduce income tax, avoid tax on the capital gain, and support Loyola’s mission all at the same time? In this issue, several examples show what this might look like for you.

ALSO
SOCIETY OF THE SHIELD EVENTS





A CHARITABLE GIFT PLAN FOR INVESTORS THAT ACCOMPLISHES FOUR OBJECTIVES

Let's imagine four couples with varying incomes, each of whom purchased a hundred shares of XYZ company stock for $10,000 in early 2009 and want to sell their shares this year for $30,000—realizing $20,000 of capital gain. What federal capital-gain tax rate would each couple pay? And what would be the tax savings of making a charitable gift to the Ann Ida Gannon Center of Loyola University Chicago with that stock? Could any of the couples possibly accomplish four objectives at once: increase income, reduce income tax, avoid tax on the capital gain, and support the Gannon Center's mission?

Capital-gain tax: zero.

The first couple, Ruth and Russell, has taxable income of $75,000 and adjusted gross income of $100,000. They will pay zero tax on the capital gain, because joint filers pay no capital-gain tax if their taxable income is $77,200 or lower.

Capital-gain tax: $3,000.

The second couple, Julie and Carlos, has taxable income of $140,000 and adjusted gross income of $180,000. They will pay $3,000 tax on the capital gain (15% x $20,000). Because their taxable income is between $77,201 and $479,000, a 15% tax on capital gain applies.

Capital-gain tax: $3,760.

The third couple, Isaiah and Lori, has taxable income of $250,000 and adjusted gross income of $300,000. They will pay $3,760 tax on the capital gain. In addition to the basic rate of 15%, they are subject to the 3.8% Affordable Health Care surtax (total rate of 18.8%).

Capital-gain tax: $4,760.

The fourth couple, Bill and Nancy, has taxable income of $500,000 and adjusted gross income of $550,000. They will pay $4,760 tax on the capital gain. The basic tax rate on capital gain for couples with taxable income over $479,000 is 20%, and the 3.8% Affordable Health Care surtax also applies.

Pay no capital-gain tax with a charitable gift

If each couple were to make a charitablt gift of the XYZ stock shares instead of selling them, they would avoid the varying tax on the capital gain. They would also receive a deduction for $30,000, which could reduce their income tax if they itemize deductions on their income taxes.

These examples demonstrate that it is clearly advantageous for donors who will be subject to tax on long-term capital gain (gain in property owned more than one year) to make charitable gifts of appreciated assets. Assuming they itemize deductions, donors realize a double tax benefit—reduction of income tax resulting from the deduction plus elimination of tax on the capital gain.

It is possible that you have stock that you acquired prior to or just after the market declines of 2008–2009, but you hesitate to lose any of the dividends or earning potential of sales proceeds. If that is the case, you could give the stock for a gift such as a charitable remainder trust or gift annuity that would make payments to you for the rest of your life.

A gift that achieves four objectives

Bill and Nancy, the fourth couple in the examples to the left, combine their XYZ stock with other stock; the combination has a market value of $200,000 and a cost basis of $60,000. They contribute it to a charitable remainder unitrust that will pay them 5% of trust assets as revalued each year.

Their initial income will be $10,000—double the dividends they have been receiving from the bundle of stocks. Based on their ages of 73 and 72, they receive an income-tax charitable deduction of $90,604. At the end of their lives, the trust remainder will be distributed to the Gannon Center and used for the purposes they have designated.

They are able to accomplish all four objectives: increase income, reduce income tax, avoid tax on the capital gain, and support the Gannon Center. (Note: The example does not take into consideration possible additional savings on state income tax.)

For further information about gift plans that avoid taxation of capital gain, please contact the **Office of Gift Planning** at **312.915.7641** or **giftplanning @LUC.edu**.

BEQUESTS CAN TAKE MANY FORMS

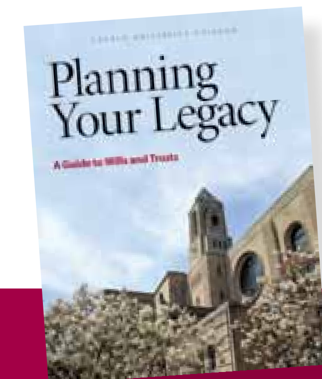
The **general bequest** is the most popular type of charitable bequest. You simply leave a specified dollar amount to the Ana Ida Gannon Center of Loyola University of Chicago. For example, a bequest of $10,000 is a general bequest.

A **specific bequest** is another popular way to make a gift to the Gannon Center . You designate a specific asset that you want a charity to receive. For example, a bequest of specified stock or a vacation home is a specific bequest.

A **residuary bequest** is used to give all—or a portion of—one's property after all debts, taxes, expenses, and other bequests have been paid. It may augment a general or specific bequest to the Gannon Center if the size of the estate allows—after ensuring that other beneficiaries receive their bequests prior to distribution. For example, giving the Gannon Center "the rest of the property that I own at my death" is a residuary bequest.

A **percentage bequest** can be expressed as a portion of an estate or a residuary estate. For example, you might leave the Gannon Center 50 percent of the residuary estate. If fortune changes the size of the estate over the years, this bequest will change in the same proportion.

A **contingent bequest** is used to provide for the situation when a beneficiary dies before you or disclaims the property. To prepare for such an occurrence, consider naming the Gannon Center as the contingent beneficiary.

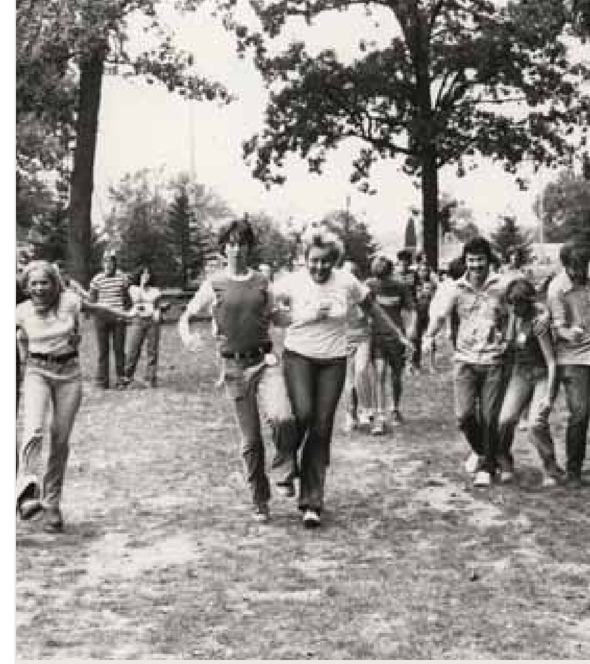


FREE PLANNING GUIDE

Planning Your Legacy: A Guide to Wills and Trusts.

To receive a copy of this helpful and practical workbook, please choose one of the following options:

- Call the Office of Gift Planning at **312.915.7641**
- Request information online at **LUC.edu/giftplanning**
- Return the enclosed reply card
- E-mail **giftplanning@LUC.edu**



Save the date: Society of the Shield events

We invite Society of the Shield members to join us at one of these upcoming events:

SUNDAY, OCTOBER 21, 2018
Violet: A Musical
12:30 PM, Reception; 2 PM, Curtain
Lake Shore Campus

MONDAY, NOVEMBER 19 AND WEDNESDAY, NOVEMBER 21
Fort Myers Tip-Off
6:30 PM EST, Fort Myers, FL

THURSDAY, DECEMBER 6, 2018
Joyola 2018
7:30 PM, Lake Shore Campus

SATURDAY, MARCH 23, 2019
My Manana Comes (play)
12:30 PM, Reception; 2 PM, Curtain
Lake Shore Campus

Invitations and more details about the events will be mailed soon. Please call the Office of Gift Planning with questions.

P 312.915.7641

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