



Going Where the Assets Are

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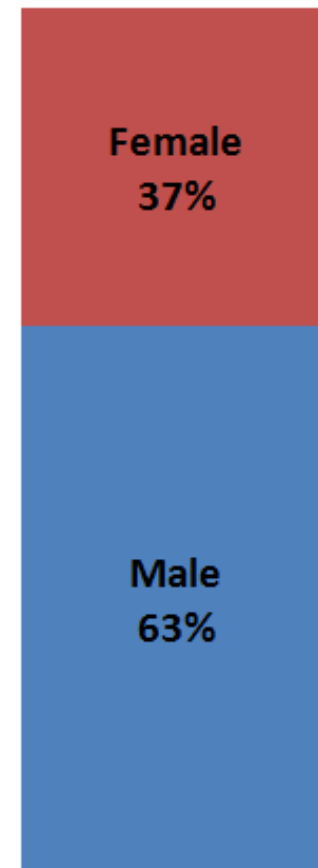
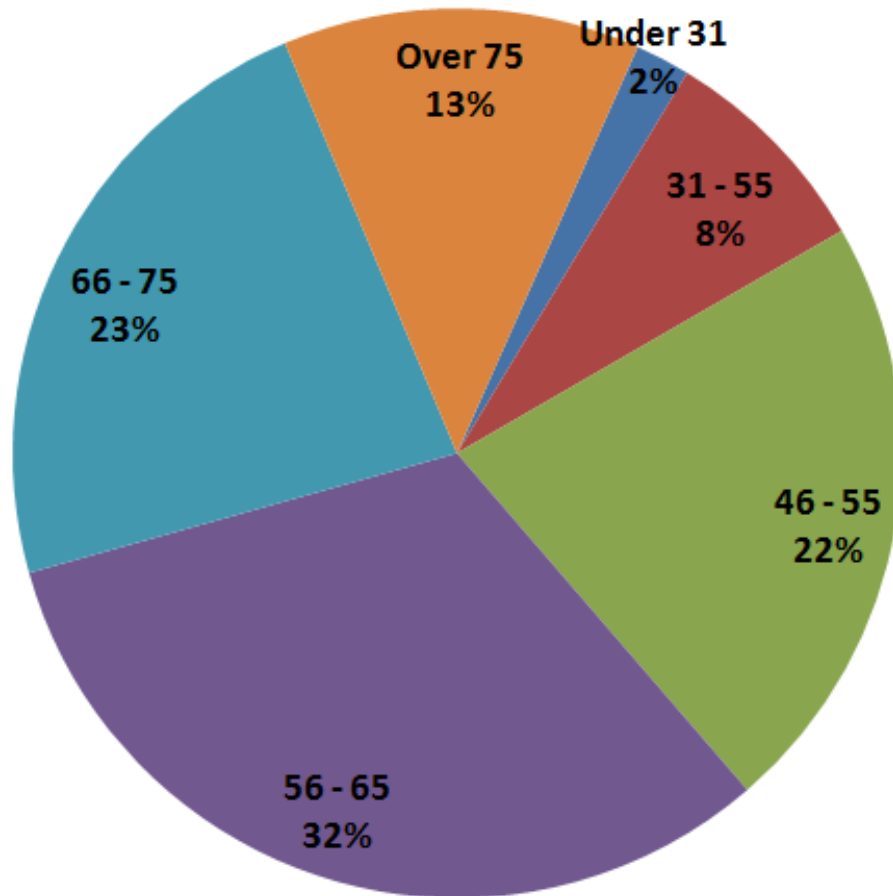
Session Objectives

- Understanding how wealth is held by high net worth individuals (HNWI)
- Uncovering donor's assets & objectives
- Explore dovetailing assets, objectives, and gift plan

Section One

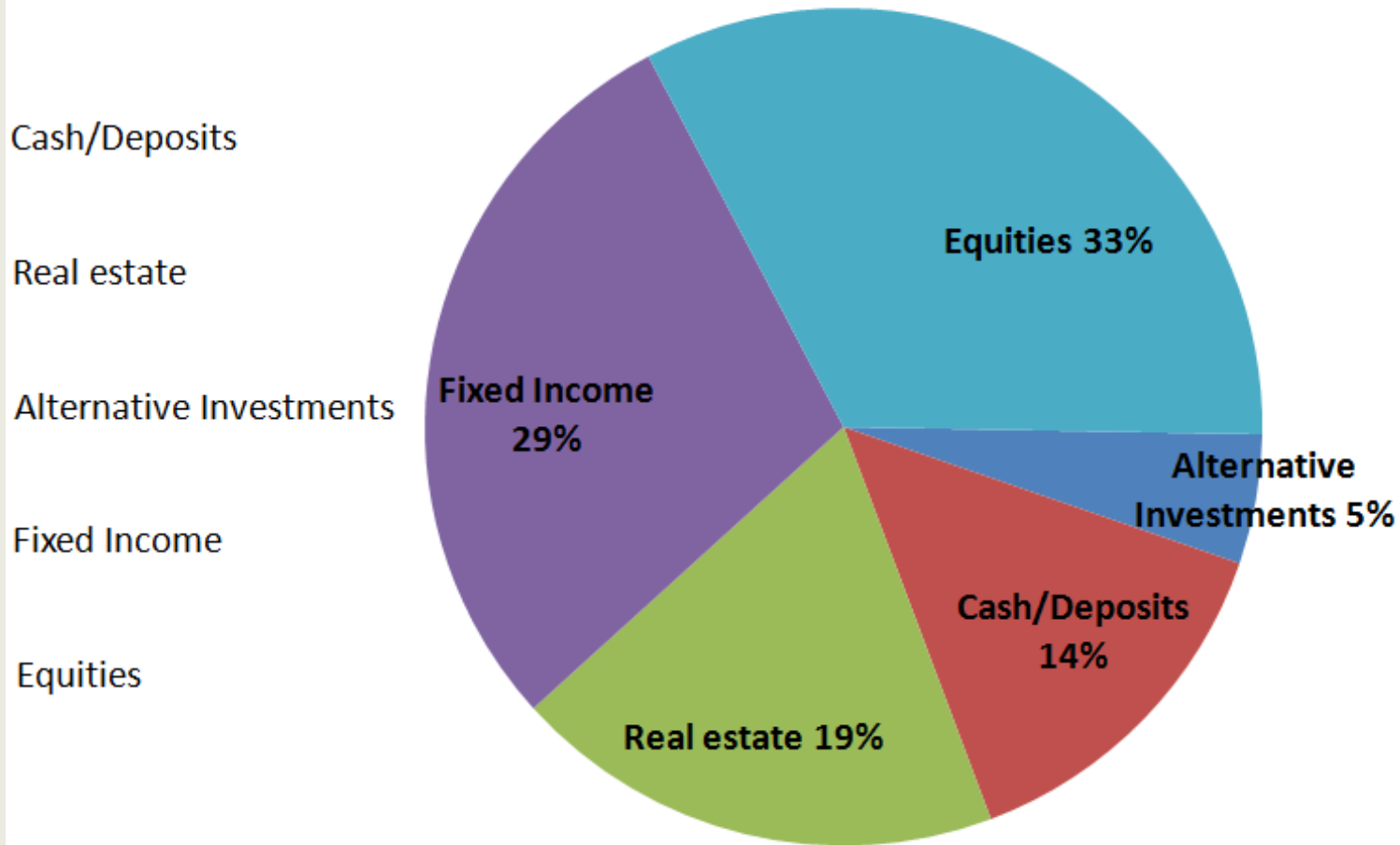
WHAT ASSETS DO OUR DONORS OWN?

Age & Gender of HNWI in N.A. (2010)



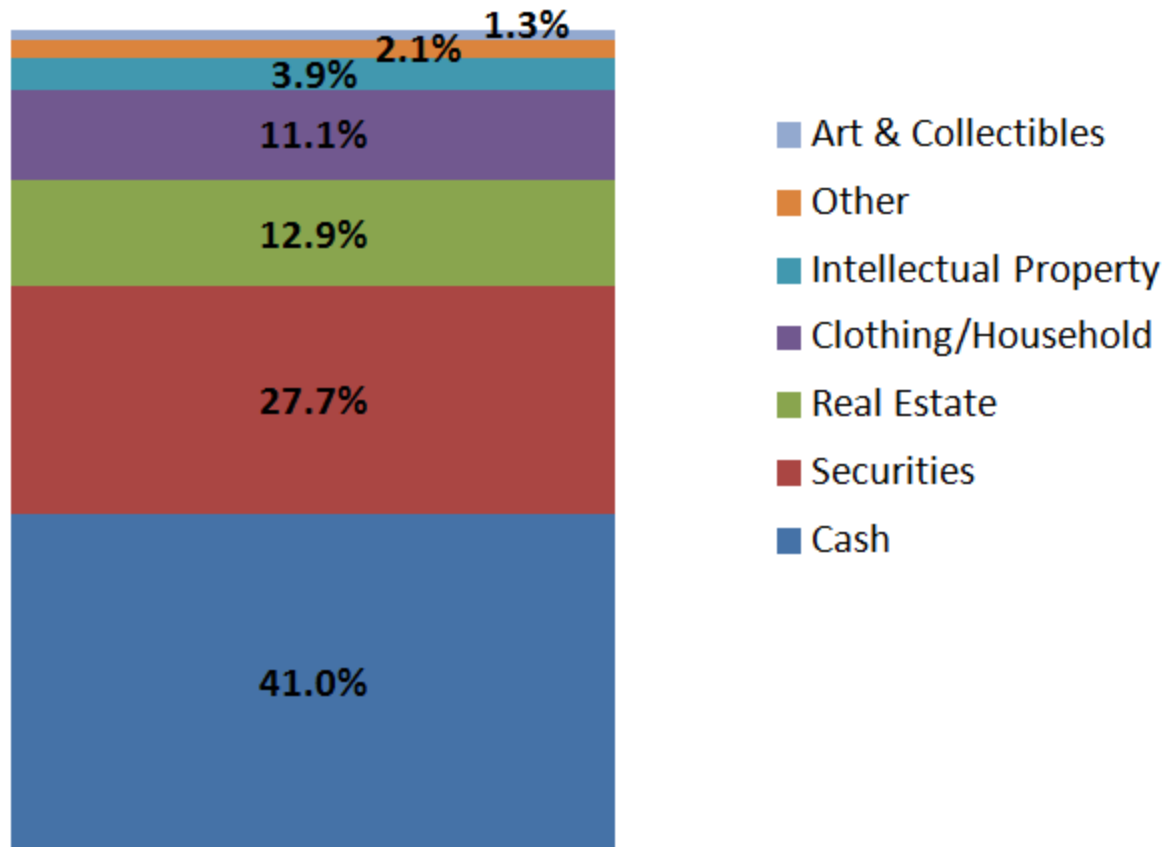
Source: World Wealth Report 2011

Global HNWI Financial Assets (2010)



Source: World Wealth Report 2011

Donation by Type in USA

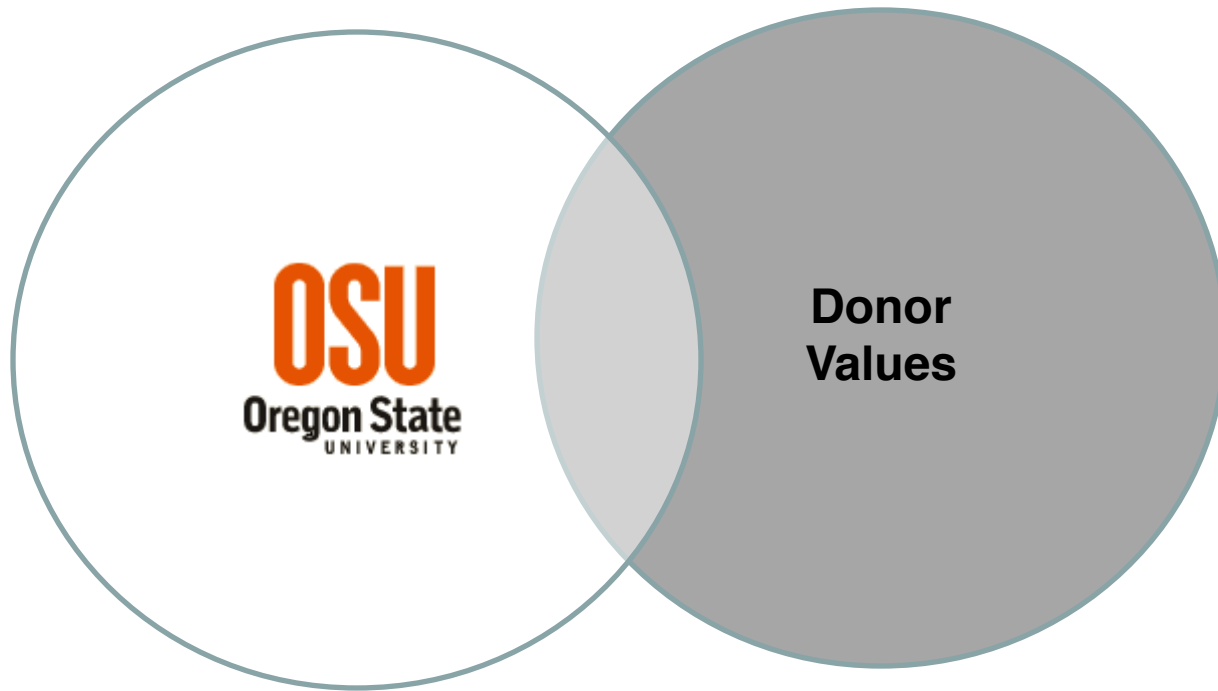


Source: Robert Sharpe

Section Two

LISTEN FOR DONOR'S ASSETS & OBJECTIVES!

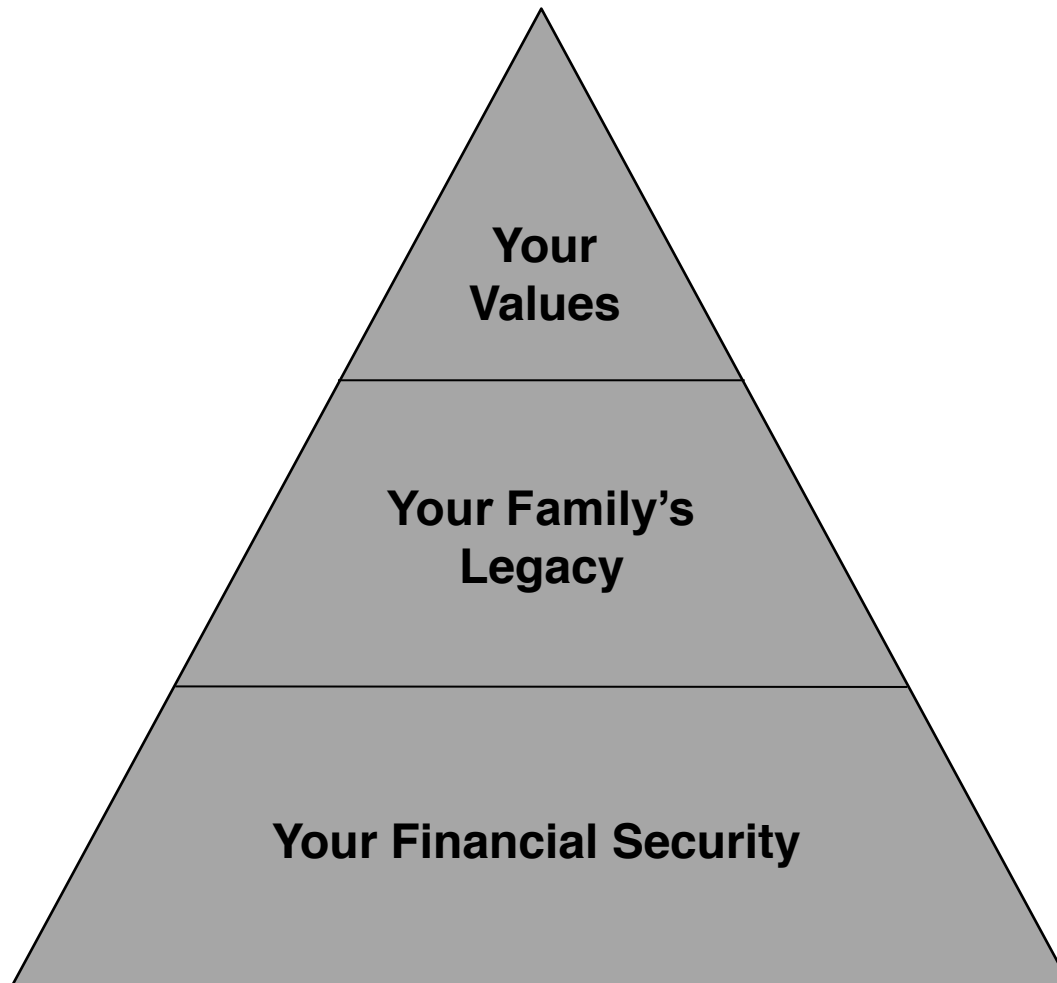
Listen for Donor Values & Charity Priorities



Listening Tool: PAPPA

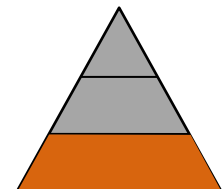
- People
- Assets
- Plans
- Passions
- Advisors

Values-Based Planning



Values Based Questions: *Your Financial Security*

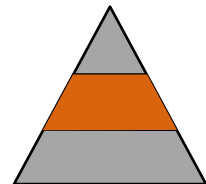
- Safe and steady retirement income?
- Long-term health care costs addressed?
- Non-income generating assets?
- Any qualified retirement plan assets?
- Paying too much income tax?
- Plan for personal residence?



Values Based Questions (Cont.)

Your Family Legacy

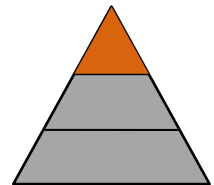
- How much to give children? When?
- Equal or equitable gifts to children?
- Give children assets or the use of assets (i.e. in Trust)?



Values Based Questions (Cont.)

Invest in Your Values

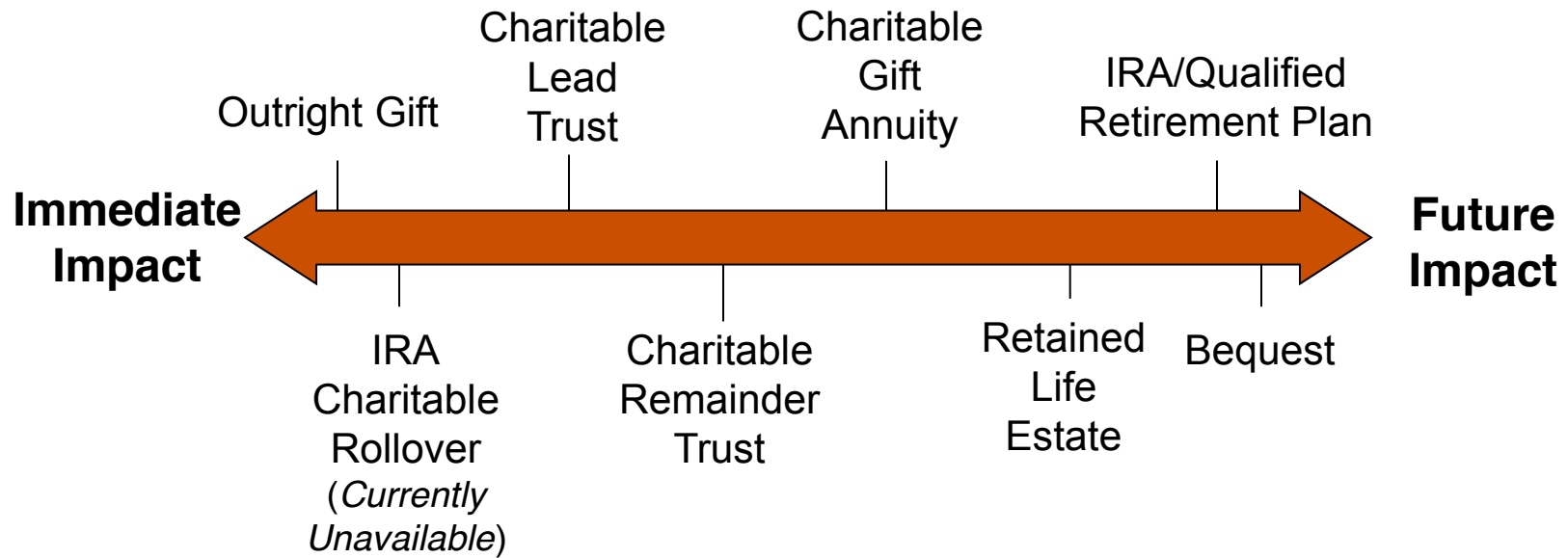
- What would you like to do with your money that would be meaningful to you?
- What organizations do you want to benefit?
- How important is minimizing estate tax?



Section Three

PLAN THE GIFT

Gifts Across the Spectrum



Section Four

CASES

CASE I: Ms. Anderson

- Single, 55 years old
- Two adopted girls, ages 5 & 7
- Elderly Parents, also alums
- Career as general counsel for Nike
- Invests in residential real estate
(Parents own a couple homes with her)

CASE II: Mr. & Mrs. Barton

- Married couple, 75 & 74 years old
- Own & operate a business
- Two adult children
 - Oldest financially independent
 - Youngest struggling financially
- Known Assets: House, retirement plan, 4-plex, vacation home, modest investment account

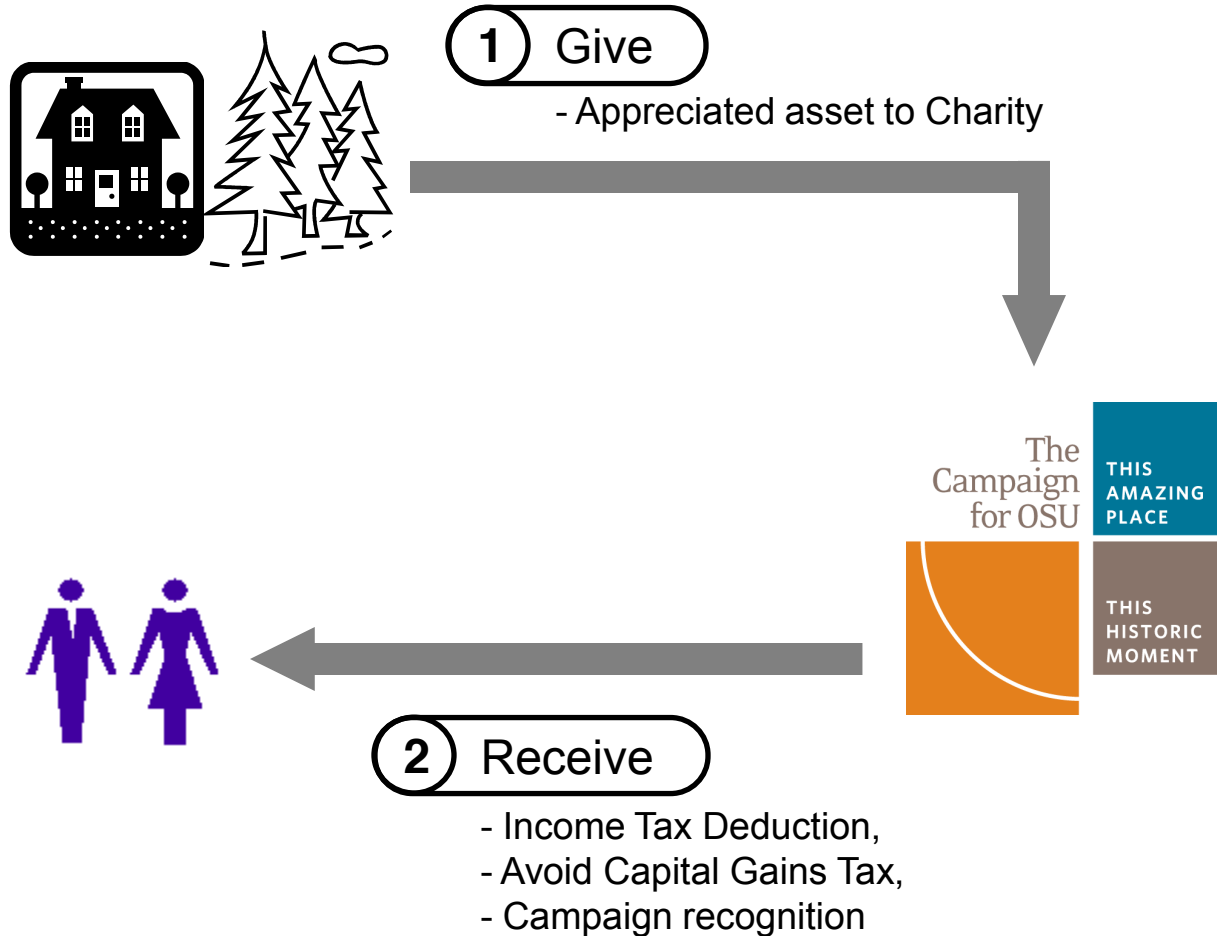
CASE III: Mrs. Collins

- 88 years old alum
- Widowed and remarried 10-years ago
- Kids: Son (died) and Daughter (65)
- Daughter on second marriage, modest income & lifestyle and failing eyesight
- Known Assets: Retirement plan assets, taxable portfolio, and family farm in another state

Section Five:

APPENDIX

Outright Gift



Typical Assets:

- Cash
- Equities
- Fixed Income
- Real Estate
- Tangible Ppty

Listen: “I’ve got this _____ that I don’t need anymore...”

IRA Charitable Rollover (currently unavailable)

- Donors over 70 ½ can transfer up to \$100,000 directly from their IRA to qualified charities without incurring taxable income
- *USA only*

Listen: “I still have too much in my IRA...”

Charitable Lead Annuity Trust

1 Donor Benefits: Today

- Reduce or eliminate estate/gift tax
- Move assets to next generation



CLAT



2 OSU Benefits: The Fruit

- Trust annuity for a term of years
- Designated toward favorite OSU programs



3 Family Benefits: The Tree

- Return of trust assets and any appreciation

Typical Assets:

- Cash
- Equities
- Fixed Income
- Real Estate
- Business Interest

Funding Amount (1)	Gift or Estate Tax	Investment Return	6.2% Annuity to OSUF (2)	Ending Trust Value in 20 years (3)
\$1,000,000	\$0	8%	\$1,240,000	\$1,823,715

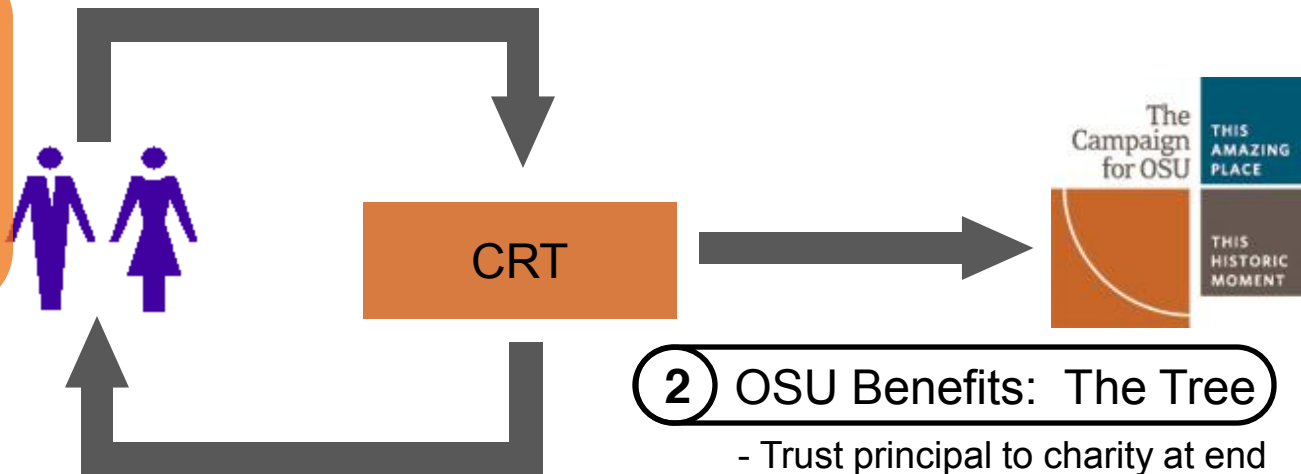
Charitable Remainder Trust

1 Donor Benefits: Today

- Income tax deduction & avoid capital gains tax
- Out of donors estate
- Counted towards The Campaign for OSU

Typical Assets:

- Cash
- Equities
- Fixed Income
- Real Estate
- Business Interest



2 OSU Benefits: The Tree

- Trust principal to charity at end
- Designated toward favorite programs

3 Donor Benefits: The Fruit

- Income stream for life or term of years
- Option of outsourcing management
- Diversify income generating assets

Listening Clues for CRTs

- “I’m getting out” - *impending sale of business*
- “I’ve got way too much Apple” - *appreciated stock*
- “No one wants to farm anymore” - *Ag and timber properties*
- “Too many headaches; I’m tired” - *investment real estate*

Recent Inquiries: Charitable Remainder Trusts

Funding Asset	Donor's Key Objective	Donor's Income Goal
LLC	Avoid cap gains tax	10 year term
Timberland	Ease estate admin.	Support for spouse
Rental homes/4-plex	Simplify lifestyle	Replace rental income
Ranch	Ease estate admin.	Replace farm income
Vacation home	Avoid cap gains tax	Retirement income for kids
Cash	Professional management	Metered income
Stock	Diversify assets/avoid LTCG	Increased income
Starbucks property	Family planning	For kids and grandkids

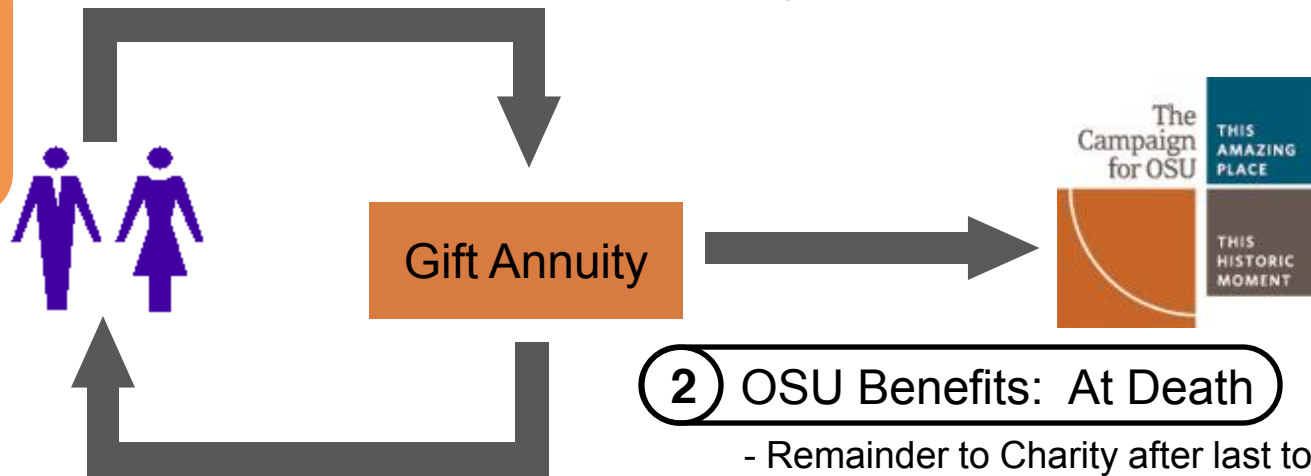
Charitable Gift Annuity

1 Donor Benefits: Today

- Income tax deduction
- Spread out capital gains tax
- Out of donors estate
- Counted towards The Campaign for OSU

Typical Assets:

- Cash
- Equities
- Fixed Income



3 Donor Benefits: For Life

- Income stream
- Income not subject to market volatility
- Significant tax-free income (cash funded)

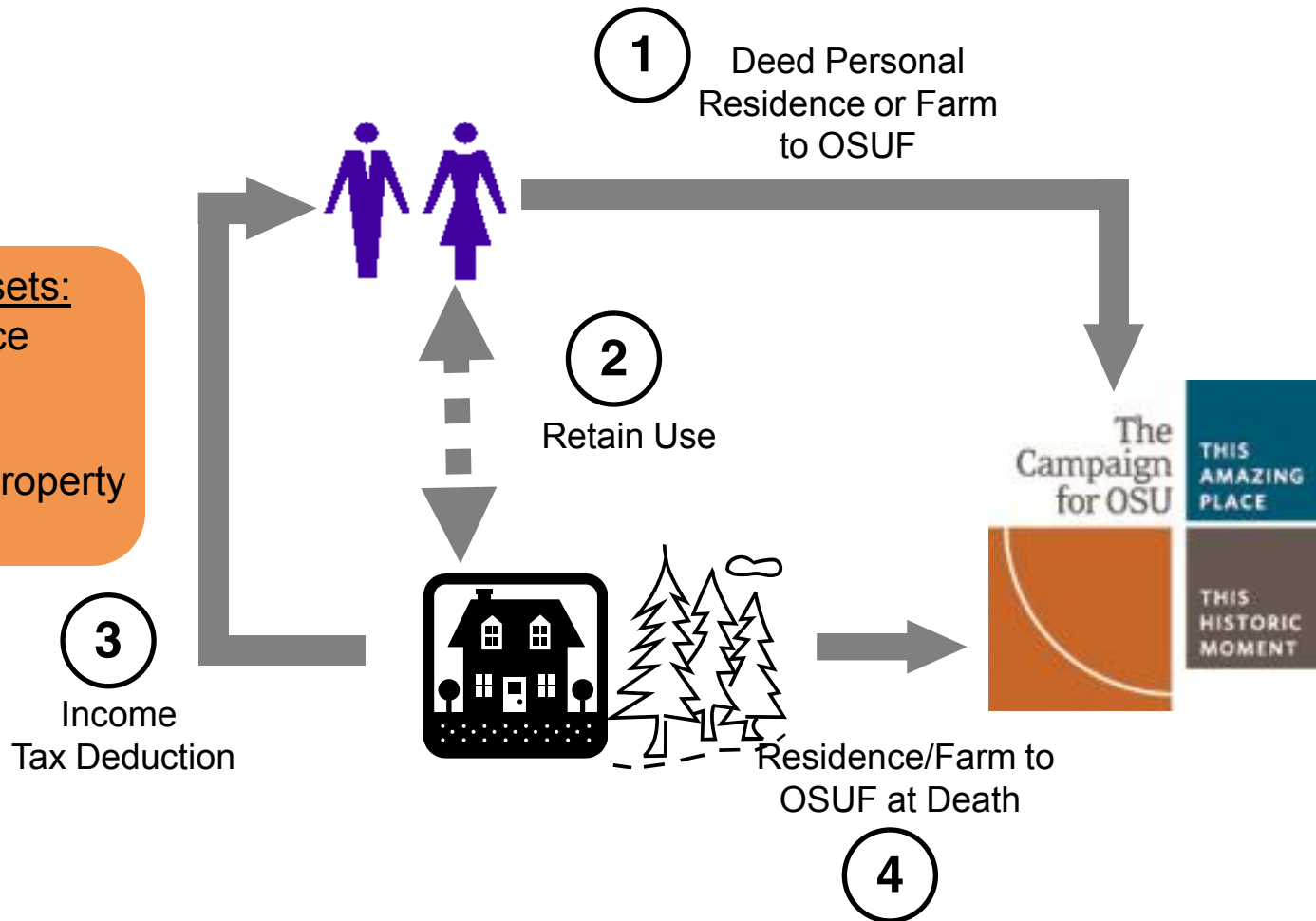
2 OSU Benefits: At Death

- Remainder to Charity after last to die
usually about 50% of gift
- Designated toward favorite programs

Listening Clues for Gift Annuities

- “I want (need) more income...”
- “We aren’t earning anything off our investments...”
- “I want off the stock market rollercoaster...”
- “We’re ok now, but my spouse loses my pension when I die...”

Retained Life Estate



Typical Assets:

- Residence
- Farm
- Ranch
- Timber Property

Listen: *"I don't want to burden my kids with selling my house."*

Bequests - a plan for everyone

- Providing for Charity thru an estate plan:
 - Will or Living Trust
 - IRA/401-K/Keogh beneficiary designation
 - Transfer/Pay on Death accounts
 - Life Insurance proceeds

Listen: “I can’t make a gift now, but I’m doing some estate planning...”

Potential Planned Gift Assets

Asset Type	Easy	Med.	Hard	Bad Idea
Publicly-Traded Equities & Fixed Income Securities	✓			
Mutual Funds		✓		
Retirement Accts.		✓		✓
Real Estate		✓	✓	
Cash	✓			
Alternative Investments				✓
Tangible Personal Prop.			✓	

Summary

- Understand how wealth is held by high net worth individuals (HNWI)
- Uncover and learn about our donor's assets & objectives for their finances, family and philanthropy
- Explore dovetailing assets, objectives, and gift plan