

LEGACY



FEINBERG
SCHOOL of
MEDICINE

Feinberg School of Medicine

LEGACY | SUMMER 2009

Let Their Light Be a Beacon Following in the footsteps of Northwestern's great philanthropists

Northwestern University has a long and storied history of benefactors—people who promoted diversity, community, and dynamic education long before they became the “buzz words” they are today. Our leaders of yesterday serve as shining examples for today.

HENRY AND EMMA ROGERS

In 1890, at the age of 37, Henry Wade Rogers became president of Northwestern University. Under his leadership, the University became a more dynamic and progressive institution.

A leader in her own right, Henry's wife, Emma Winner Rogers made a lasting impact on the Northwestern community. During the 10 years her husband was president, Emma Rogers helped to found the University Guild and the Settlement Association, two organizations still active today that provide social and civic services to residents of Chicago and Evanston.

Northwestern University founded the Henry and Emma Rogers Society to express our gratitude to all those who make an estate or deferred gift commitment to Northwestern. Like Henry and Emma Rogers, members of the Society have decided to invest in the future of Northwestern, creating an inspiring legacy for current and future students.

NATHAN SMITH DAVIS

President of Chicago Medical College (an ancestor to Northwestern University Feinberg School of Medicine), eventual dean of the medical school, and a champion of medical education, Dr. Nathan Smith Davis played a pivotal role in shaping the field of modern medicine. In 1859, he and others founded the medical department of Lind University, which later became Chicago Medical College. Dr. Davis was an important figure in its later affiliation with Northwestern University, and he served as a University trustee until his death.

In 1965, the medical school founded the Nathan



Nathan Smith Davis

Smith Davis (NSD) Club to “encourage strong financial support from alumni and faculty for Northwestern University Medical School” and honor the medical school's most ardent philanthropic partners. For 34 years, NSD members have served as vital partners in the school's mission, sustaining its tradition of excellence in medical education and ensuring that its innovative curriculum and outstanding faculty will shape compassionate, dedicated physicians for years to come.

Method Atrium



OUR FUTURE LEGACY: THE DISTINGUISHED PHILANTHROPISTS' WALL

Northwestern's benefactors of today already have made a great impact on the Feinberg School of Medicine. As a lasting tribute to their enduring support, the medical school

plans to install a philanthropy recognition wall to honor our most magnanimous donors in this our 150th year. The Distinguished Philanthropists' Wall will be housed in the Method Atrium, which joins the Ward, Searle, and Tarry buildings on the medical campus.

In this space, the medical school will be honored to visibly recognize all individuals, corporations, and foundations who have realized bequests of more than \$1 million, or who have made cumulative lifetime gifts of more than \$1 million. The medical school also will display the names of all donors who have endowed and established named professorships and scholarships in perpetuity, as well as all the donors who have documented bequests to benefit the medical school.

For more information about the Distinguished Philanthropists' Wall, the Henry and Emma Rogers Society, or the Nathan Smith Davis Club, or to learn how your planned gift can create a lasting legacy at the medical school, please contact Rita Kisielius at (312) 503-3459 or r-kisielius@northwestern.edu.

Four Opportunities to Make the Economy Work for You Right Now

1. SELL THOSE LOSERS BEFORE GIVING

In this down market, consider selling depreciated stock and then giving the proceeds to the Feinberg School of Medicine and reap double benefits:

- The loss on the sale of the stock will offset other capital gain.
- Your cash gift generates a tax-saving charitable deduction.

2. TAKE THE GUESSWORK OUT OF RETIREMENT INCOME

One of the biggest concerns for many Americans has been the effect of the economic downturn on their retirement-fund investments. Retirement-plan fluctuations have made it more difficult than ever to predict exact levels of retirement income.

Some of our friends are combining charitable planning with retirement planning, a creative strategy that allows them to fulfill important philanthropic goals and lock in retirement income down to the penny—all while enjoying major tax benefits.

Here is how it works: You transfer assets to us now, and we guarantee to pay you a specific amount each year beginning when you choose. Your future income is guaranteed regardless of what happens in the market.

Example: Tom, 55, transfers \$200,000 to us now in exchange for annual income at 8 percent each year—that will begin when he retires at the age of 65. After Tom's death, funds from his gift will be available for a fund he wants to support.

This plan—called a deferred charitable gift annuity—will continue to pay \$16,000 per year to Tom for as long as he lives, and \$7,312 of his "income" will be tax-free for the balance of his life expectancy. Tom will take a deduction this year of \$54,542, which may save him more than \$19,090 in his 35 percent tax bracket.

3. GET IN ON THE GROUND FLOOR OF THE RECOVERY

Because of the swift decline in the market, it is difficult for many investors to find a good place to jump out of the market; many are reluctant to sell now, not wanting to miss a potential recovery.

Others may want additional income but are reticent to cash in at what they consider the bottom, tying the income they do get to current low stock values. If you have substantial charitable goals, there is a way to create that source of income right now and still benefit from future recovery.

You can transfer assets to a special kind of trust that will pay you a fixed percentage of its value as it changes annually. If the value of the trust's investments goes up, your income will go up. You can arrange to make payments for your life or for any period of time you choose, up to 20 years, and it generates a significant tax deduction. At the end of the trust term, assets remaining in the trust pass to us.

4. CASH IN ON THE GIFT-TAX "SALE"

The right to pass substantial amounts of your property on to others—such as children or other family members—typically comes with a price tag: federal gift or estate taxes. But low stock and real estate values and low interest rates have combined to put these taxes on "sale" for those who have significant charitable goals.

How can that be? You create a special fund that will make your gifts to the medical school for as long as you choose and then distribute the remaining amount to the persons you designate. The value of your gifts to us will be subtracted from the total you put in the fund, and only the balance will be subject to gift or estate tax.

Right now is a great time to create this kind of special fund. *Why?*

- Current low asset values mean less is potentially subject to tax.
- Record low interest rates produce high values for charitable gifts from the fund and low values for the taxable amounts eventually passing to beneficiaries.

These special funds—known as charitable lead trusts—can be powerful planning tools. Various types of charitable lead trusts meet different planning objectives. The type you choose can have significant implications for income, gift, and estate taxes. We welcome the chance to talk with you and your advisors as you plan.

IS OPPORTUNITY KNOCKING FOR YOU?

You may find our handbook, *Creating Your Legacy in Uncertain Financial Times: A Philanthropist's Guide to Federal Taxes in '09*, helpful as you consider your plans. Please return the enclosed card to receive a complimentary copy. To discuss your situation, please contact Rita Kisielius at (312) 503-3459 or r-kisielius@northwestern.edu.

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