



RESERVE LEGACY

Gift Planning Newsletter of Western Reserve Academy

Winter 2009

Charitable Gift Annuities

Planned giving is a method by which you can make a satisfying charitable contribution to an organization through a plan that also addresses your personal objectives.

As you consider your personal objectives, you may find that certain charitable giving strategies are better suited to your needs. In this issue, you will find a very brief description of charitable gift annuities. Remember there are two equally important parts to planned giving: planning and giving.

INTEREST RATES AND FIXED INCOMES

Many individuals on fixed incomes have been hurt by lower interest rates. Certificates of deposit that have paid 6 percent or more are being rolled over at 3 percent or less. For those on fixed incomes, this represents a real loss of earnings. The volatility of the stock market has also hurt stock portfolios. Many donors have seen the value of their stock and stock dividends decrease over the past year.

Many alumni, friends and donors have made gifts through the charitable gift annuity program at Western Reserve Academy. Charitable gift annuities provide streams of income paying 6 percent to 10 percent or more, depending on the age of the donor.

Charitable gift annuities allow donors to make a gift to benefit any program at Reserve, receive an income for their life and a spouse's life, and obtain a charitable income tax deduction at the time the gift is made. This vehicle requires a minimum gift of \$10,000.

BENEFITS OF A CHARITABLE GIFT ANNUITY

A charitable gift annuity to Reserve provides mutual benefits to both the donor and WRA. A charitable gift annuity provides the following benefits:

- A stream of income for the lifetime of a donor and/or the donor's spouse;
- A charitable income tax deduction;

- An opportunity to establish an endowed fund in the donor's name or in the name of a loved one;
- Avoidance or reduction of capital gains taxes on gifts of appreciated property;
- Membership in The Reserve Heritage Society;
- A reduction in federal estate taxes;
- The chance to support one or more campus initiatives.

CHARITABLE GIFT ANNUITY

A charitable gift annuity is a contract between the donor and Western Reserve Academy. Through the contract, Reserve is obligated to pay a fixed payout rate to the donor and/or the donor's spouse for life. For example, a couple, ages 80 and 74, who make a \$100,000 gift receive a 6.5 percent payout, which amounts to \$6,500 a year for life. In the year the gift is made, the donors receive a charitable income tax deduction of \$32,988.

CHARITABLE GIFT ANNUITY FOR A GIFT OF \$100,000*

Age	Rate	Income/Year	Tax Deduction
60	5.7%	\$5,700	\$19,504
65	6.0%	\$6,000	\$26,118
70	6.5%	\$6,500	\$31,965
75	7.1%	\$7,100	\$38,504
80	8.0%	\$8,000	\$44,696
85	9.5%	\$9,500	\$49,313
90	11.3%	\$11,300	\$54,966

**Figures based on current discount rate of 3.4%*

FOR MORE INFORMATION

If you would like more information on planned giving opportunities, contact Director of Planned Giving Jack McKee '64 at 330.650.5885 or e-mail him at mckeej@wra.net.

Planned Giving Spotlight

David “Oxy” Golden ’51

Looking back, David “Oxy” Golden’s academic accomplishments at Reserve were frankly nothing to write home about.

In fact, Golden once found a letter to his parents, penned in 1948 by Dean Ray Mickel, which said, “David’s attitude toward study is somewhat casual.” Golden makes no excuses for his checkered academic record. But one thing is clear: “WRA made a great difference in my life,” he reflects, “and many of my schoolmates would say the same. It was a total remaking of what I was before. It was an invaluable experience.”

Golden hadn’t been doing particularly well in public school, but he says he learned “the discipline of study” during his four years at Reserve. He enjoyed history and he also discovered a talent for writing. “I got excellent instruction from Frank Reardon,” he remembers. Reserve is also where he got the nickname Oxy. “My classmate Paul Danaceau gave me that, probably because I was large and ungainly,” he laughs.

Golden went on to Harvard, where he earned a “gentlemanly C” and also a new nickname: “Bear.” “I spent two years going to class, and two years not going to class and it didn’t seem to make much difference,” he wryly admits. “I did my academic work during the two-week reading period before exams, and I got by.” A lot of his time, he says, was spent at the *Harvard Lampoon*.

These days, Golden is “quite retired” and living in Novelty after years of working for Tranzonic Companies, originally a family-owned business that was sold in 1998. His love of history, nurtured at Reserve, has continued, resulting in a collection of more than 1,000 books – American history and biographies, in particular – many of which may someday end up on the shelves of the Ong Library. “There’s nothing new under the sun except the history you haven’t read,” he quotes. “I find all of it very interesting, and can’t get enough of it, especially the very early days of our history.”

Golden has also cultivated an interest in model railroads after a visit to the Chicago Museum of Science and Industry. “I got carried away,” he confesses, “like the country squires in England in the 18th and 19th centuries, who built their ‘follies.’” Golden’s “folly” is a two-story complex that houses his train system at his Munson property. “I want to see orphans and special-needs children have a chance to visit and enjoy it,” he says.

Over the years Golden kept in touch with a few Reserve classmates, but his contact with the school was limited until Henry “Skip” Flanagan began his tenure as headmaster. After Golden retired from Tranzonic in 1998, he decided to become even more involved. “When we sold the company,” he recalls, “I said ‘now I can do things for the school that I’ve wanted to do.’”

That list is long and varied, with some gifts public and others not. In addition to being a strong supporter of the Annual Fund and recent capital campaigns, Golden made a significant contribution to the Ong Library, which opened in 2000. In 2001, to honor his class’s 50th reunion, he provided funds for the Class of 1951 Grove, a beautiful grove of 61 trees planted beside the school’s hockey pond, each bearing a plaque designating a different class member. That 50th reunion was “an incredible time of closeness and bonding,” Golden reflects.

In addition, Golden is also a member of the Reserve Heritage Society, a group of more than 240 alumni and friends of the Academy who have included the school in their estate plans. Golden’s planned gift will one day provide significant funding for the newly created Flanagan Endowed Scholarship Fund, established in 2008 to honor the service of Skip and Britt Flanagan.

Golden is also an enthusiastic supporter of the Cleveland Orchestra, and over the years he has enjoyed hosting WRA students at orchestra concerts. When his young guests lament that the work at Reserve is hard, he invariably tells them, “If I can get through Reserve, anyone can – and you will.”

Why does Golden support Reserve? He offers two simple reasons. “First, Reserve meant so much to me – and did so much for me – that they fully deserve my support.” He sums up his second reason this way: “The less I leave to the government, the better!”



Reserve Heritage Society

The Reserve Heritage Society continues to grow, with more than 240 members. This is a wonderful indication of the gratitude of so many toward Western Reserve Academy, and the importance of “giving back.” Since July 2008, we have received notification of 17 additions to this wonderfully supportive group. The society is pleased to welcome the following new members:

Mr. R. Thomas Green '55

Mr. F. Wilson Kafer '59

Rev. Thomas E. Wilson '63

Mr. Henry E. Haller III '65

Mr. John S. Owsley '73

Mr. John L. Carpenter '76

Mr. Gordon Chris Bell '79

Mr. Scott F. Klimo '79

Mr. Charles L. Tramel II '79

Rev. C. Davies Reed '81

Mrs. Megan Gibson '85

Mr. Jeffrey C. Schaffer '87

Mrs. Cecily Woods Mullins '99

Mrs. Phillip R. Berger (P '70)

Mr. Irwin E. Cohn (d) (P '54)

Mrs. Janet G. Kimball (P '57)

Mr. & Mrs. Robert W. McKechnie (P '00, '04)

Neither the author, the publisher nor Western Reserve Academy is engaged in rendering legal or tax advisory service. For advice or assistance in specific cases, the services of an attorney or other professional advisor should be obtained. The purpose of this publication is to provide general gift, estate and financial planning information. Watch for tax revisions. State laws govern wills, trusts and charitable gifts made in a contractual agreement. Advice from legal counsel should be sought when considering these types of gifts.