



The ACU
Foundation

LEGACY

Estate Planning Newsletter

Rates Are Up! Why Wait?

Give now and enjoy the benefits

Increased Income! Tax Savings! Legacy Building!

Senior friends of Abilene Christian University often find charitable gift annuities to be an attractive vehicle for their assets. They want to make a gift to the university, CDs are maturing, interest rates are low, and they would like more income. What to do?

Charitable gift annuities offer fixed payments for life, attractive rates of income, tax benefits – and guarantee a gift to ACU. They are managed by the ACU Investment Services Corp. and underwritten by the assets of the university.

The American Council on Gift Annuities recommended increases in charitable gift annuity rates that are available now.

For example, a 75-year-old couple might make a \$10,000 gift for a charitable gift annuity. They would receive an income-tax deduction of \$3,034, annual

income of \$570 (\$425 of it tax free) for two lives, and the remainder would help fund ACU's endowment. Given the tax-free consideration, the effective payout rate is 7.7 percent.

An ACU Foundation officer would be happy to provide age-specific illustrations at your request – call 800-979-1906 or email theacufoundation@acu.edu.

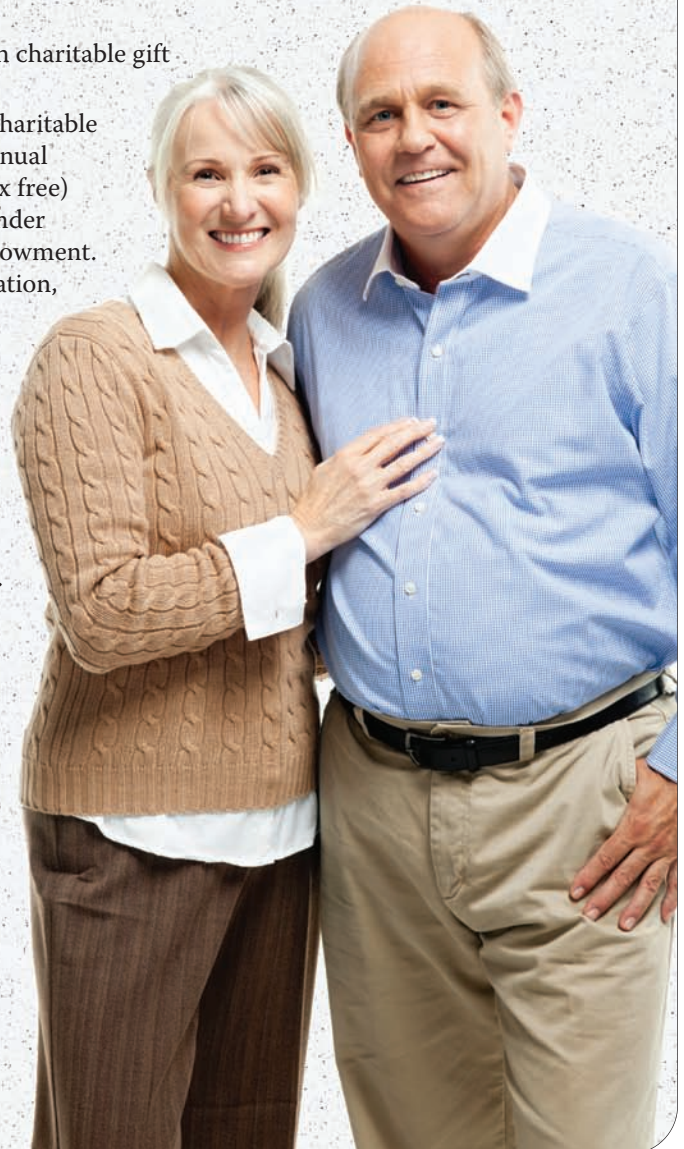
Or you can use our online calculators to explore the

financial implications privately. Go to theacufoundation.org, click on "Create Your Plan" then "Gift Annuity." Enter your data for a personal illustration.

Single-Life Rates Two-Life Rates

60	4.8%	60/60	4.3%
65	5.3%	65/65	4.7%
70	5.8%	70/70	5.2%
75	6.5%	75/75	5.7%
80	7.5%	80/80	6.3%
85	8.4%	85/85	7.4%
90+	9.8%	90/90	8.8%

Rates recommended by the American Council on Gift Annuities. Specific rates for interim and disparate ages are available on our website.



Note from The ACU Foundation

This issue of *Legacy* may look a little different to you. For several years we have published and delivered our newsletter in a clear plastic envelope. Our goal was to deliver an interesting, informative and attractive newsletter undamaged to your home.

We still aspire to that goal. However, good stewardship requires we consider more cost-effective delivery systems. Your comments are invited.

theacufoundation.org • theacufoundation@acu.edu • 800-979-1906



Partners in Philanthropy

Donors and students are an interesting combination. In his book, *Living a Life of Significance*, Joe Jordan writes of endowed scholarships in this way, "Every scholarship represents a person or group who wanted another person to have the chance at pursuing their dreams."

The motives for creating scholarships are many – to meet a need; payback, appreciation for help received along the way; honor, recognition of a significant person; memorial, tribute to a person taken too soon or for a life well lived; compassion, desire to afford an opportunity otherwise unattainable.

What would be your motive? It is possible, you know, for most of us to create an endowment. Scholarships at ACU can be established by outright gifts of cash, real estate or other assets; testamentary bequests, or remainder interests of trusts or annuities. There are myriad approaches if the desire is present. A lifetime of income can be followed by the creation of an endowed scholarship.

Al Scott ('61) is a second-generation alumnus and donor at ACU. He continues to enjoy interaction with student recipients of the Crutcher ('24) and Vickie Scott Foundation scholarship, and believes his mother would be well-pleased with the current recipient.

Crutcher and Vickie Scott were long-time friends of the university Crutcher and Al attended, and where Crutcher served as a trustee.

Following Crutcher's death, Vickie had a unique vision for a scholarship at Abilene Christian. She was concerned for adult ministers who desired additional preparation at ACU, undergraduate or graduate. Her family foundation would be available to help with the broad range of direct and indirect costs of attending ACU, and the minister could continue to serve their local congregation. Moreover, Vickie wanted recipients to contribute back to the fund to provide a continuing source of future assistance to others.

Al met recently with Eric and Lindsey Gentry. Eric is the current recipient of the Scott Foundation scholarship. A Master of Divinity candidate in the Graduate School of Theology, Eric is a full-time graduate student and regular preacher for the Cottonwood Church of Christ. He holds other jobs on campus. Al believes Eric is a great candidate for the Scott scholarship. "He is sharp, up-and-coming as a minister and working in the field. Exactly what mother had in mind."

A member of Eric's congregation described him this way, "Eric's duties have been to teach Sunday school class, lead singing and preach. Eric has been absolutely great at what we expect of him! He has exceeded expectations by counseling and visiting church members and even members of our community that need attention. His lessons are concise and well-illustrated. ACU has taught him well to dig deep in the Word and bring good and unusual lessons. I have no doubt that his preaching skills will be very much in demand."

Having worked three jobs for the majority of his

graduate career, Eric has great appreciation for the assistance of the Scott scholarship. "After six years at Abilene Christian University, both as an undergraduate and graduate student, the finish line is finally coming into view. I will complete a Master of Divinity degree, and begin a search for a full-time congregational ministry position," he says. "This experience within the academic setting has not been without challenges, but my calling to ministry has been confirmed and shaped in this context. From the intellectual formation to the spiritual direction, I will be forever grateful for my experiences in theological education."

"The Crutcher and Vickie Scott scholarship has helped my wife and me tremendously," he says. "My wife, Lindsey, is working toward her Interior Designer licensing. She is accruing apprenticeship hours before taking her licensing test, but in the meantime is making just over minimum wage. Similarly, I have worked three jobs for the majority of my graduate career."

Eric says they "live frugally, but are very happy. Money does not solve all of our problems, but the Crutcher and Vickie Scott scholarship provides us some much-appreciated breathing room. Without accruing more debt, we believe we can serve the kingdom of God more freely and generously. I realize that this scholarship includes an expectation that its recipients contribute in the future, and I intend to do so when financially able. I believe in the principle behind this gift, and hope to support it in the future."

Eric is simply the latest in a long line of students for whom the Scott endowed scholarship has afforded opportunity to pursue their dreams.





Heritage Planning

A sea change is occurring in the world of financial planning and philanthropy. Parents and grandparents are beginning to recognize what our donors have long understood: not all influences of wealth are good.

Numerous articles in professional journals address concerns about the potential negative effects on future generations of the accumulated wealth left behind by the Greatest Generation and the Baby Boomers. Writer after writer explores topics such as “Educating heirs about money,” “How much is enough?” and “How much would it take to ruin my children?”

Research shows that wealth and family unity rarely survive more than two generations. Statistically, only 10 percent of families keep their unity and their assets together across generations.

Surprisingly, versions of the adage, “From shirtsleeves to shirtsleeves in three generations,” can be found in almost every culture. Two thousand years ago a Chinese philosopher wrote, “Wealth never survives three generations.” Virtually every nation has its own version. But the concern is not primarily the preservation of wealth; more importantly, those families lose their heritage – who they are. Values, stories, lessons, traditions and experiences also disappear.

Dan Garrett, president of The ACU Foundation, says that for 35 years he, like other estate planners, approached planned giving pragmatically: what you own, how it’s owned and what you want to happen to it.

“For years I focused on financial and estate planning, particularly the tax aspects of giving of all types – ‘Let me show you the financial advantages of giving this instead of that, giving in this manner rather than another,’” Garrett says. “I was concerned with the what and how of giving. Today, I and other Foundation officers are far more likely to spend time on why a donor is making or should consider a particular gift.”

ACU’s constituency characteristically answers the third question with a concern for family and charity. Even then, little thought may be given to whether heirs are prepared for wealth or if charitable interests would be perpetuated in the second and third generations.

Increasingly, Foundation staff encourages friends and donors to identify their basic values and priorities and explore ways to perpetuate them through future generations.

The Heritage Institute recently published a white paper called “Sustaining Family Wealth & Unity Across Generations.” Content of the paper is developed around 12 elements (see sidebar) practiced by those few families successful in transferring both assets and values from one generation to another. You can request an expanded copy and self-assessment form through the enclosed reply memo, email theacufoundation@acu.edu or by calling 800-979-1906.



The Elements of Heritage Planning*

“Sustaining Family Wealth & Unity Across Generations”

- Foster strong and effective communication, and build trust between generations.
- Develop, maintain and regularly re-visit your vision for the present and the future.
- Successful families meet regularly.
- Promote a balanced definition of the meaning of “wealth.”
- Keep the family business (including investments) separate from the business of being a family.
- Identify the “roles” necessary for the family to be successful (non-financially as well as financially).
- Inspire individual family members to participate for their own individual reasons.
- Educate and mentor each generation.
- Facilitate the genuine transfer of leadership from generation to generation.
- Require true collaboration between your professional advisors.
- Create mechanisms for ongoing family governance.
- Do it now.

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The ACU Foundation

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ABILENE
CHRISTIAN
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Your (ACU's) Investments Are in Good Hands



Rich

Heritage Society members who have created endowments or have income-producing agreements with ACU (charitable trusts or gift annuities) should celebrate the success of Jack Rich. Jack has led

the team managing ACU's endowment fund for 20 years. Early in July he was recognized for his outstanding work by the National Association of College and University Business Officers with the 2011 NACUBO Rodney H. Adams Award.

As the chief investment officer for the university, Rich has seen ACU's endowment grow from \$147 million to \$300 million during the difficult investment climate of the past decade. The ACU endowment return of 8.9 percent over the 10-year period ending June 30, 2010, is one of the highest of all universities, tied with Yale University.

Jack is a tremendous asset to ACU," says Dr. Phil Schubert, ACU president. "Under his leadership, we have achieved unprecedented results that are playing a major role in funding the mission and vision of ACU and positioning the university as a national leader in the investment area."

IRA Charitable Rollovers Extended

You can meet your Required Minimum Distribution this year, pay no tax on the RMD, and support ACU. Congress passed legislation in December 2010, extending the IRA Charitable Rollover through Dec. 31, 2011. Persons aged 70-1/2 or older may transfer up to \$100,000 to charity tax-free. No income tax is required and no income tax deduction is allowed. However, such gifts count toward your RMD and reduce any potential future estate tax burden.

Call The ACU Foundation for specific information regarding this unique method of giving.

A New Resource for You!

For years you have known the The ACU Foundation through our *Legacy* newsletter. Today we are happy to announce another avenue of information: The ACUF Blog. Fresh content weekly. Advice. Stories. Resources.

It's a conversation about estate planning – online, on demand.

blogs.acu.edu/foundation

Ko Jo Kai Alumni Remember the Past, Endow the Future

In 1990 the Ko Jo Kai women of the 1940s met at the ranch of Jo Nell Drew ('48) in Hearne, where she raised cattle and had her own auction barn. In addition to reminiscing, Jo Nell, Patsy Duncan ('46), and Chris Kyker ('46) encouraged the group to meet regularly and organize a scholarship auction for current KJK seniors. That tradition continues today.

The biennial reunion has expanded to include all Kojies past and present and has migrated to Salado. Forty-four Kojies attended the Spring 2011 meeting.

Over 21 years, alumni have given 30 scholarships, totaling almost \$30,000, to senior Kojies, now offering four \$1,000 scholarships each year to qualifying seniors. Recipients are chosen based on financial need and the applicant's involvement on campus, in club and in a local church.

The biennial auction underwrites the \$8,000 needed every other year for the scholarships, which are distributed at the club's annual Homecoming breakfast.

In 2009, Chris issued a new challenge to Ko Jo Kai alumni: "Create an endowed scholarship fund through The ACU Foundation." The challenge was answered, and the KJK Endowed Scholarship Fund reached \$27,000 late this spring.

Never satisfied, Kojies are committed to sustaining the annual scholarships and building the endowment to support deserving young women in the future.

