

Charitable Annuities Provide Gifts with Peace of Mind

Charitable gift annuities are an increasingly popular way donors are supporting their favorite charities while receiving personal income.

Personal philanthropy is such a rewarding experience once you find the causes that are dear to your heart. Numerous gifting

vehicles exist which make it easy for you to provide financial support to your favorite charity, organization or institution.

In the last *Prospectus*, I provided information about ways that you can organize your estate plans, which may include leaving a charitable bequest in support of Iowa State University and the College of Business. In the second of this four-part series, I am going to share an increasingly popular way donors are supporting their favorite charities while receiving personal income supporting their own or a loved one's living expenses.

The charitable gift annuity is an easy way to support a charity. The donor transfers cash or securities to the charity in exchange for the charity's written promise to pay a specified dollar amount for life to the donor and another beneficiary if desired. This income amount varies based on the donor's age or the age of the income beneficiary, if different from the donor.

The donor also has the option to defer the annuity payments for a period of years. For example, a 50-year-old donor may wish to defer annuity payments until she is 60 years of age. A deferred start date increases the income amount paid to the donor and can be used as a source of income during retirement years.

The minimum amount needed to establish a charitable gift annuity with the Iowa State University Foundation is \$10,000. In addition to the income that one receives through a charitable gift annuity, the donor also receives charitable

income tax deductions, as well. Some of our donors find the charitable gift annuity to be useful in augmenting income for the care of an aging parent, particularly if the annuity is established on the parent's life. Other donors utilize the income payments to support a grandchild's college education, or to enhance their retirement savings.

For information on charitable gift annuities or other life income arrangements, I recommend a brochure titled, "Making a Difference, Creative Ways to Leave Your Own Legacy." This is available through the Iowa State University Foundation

at no charge by calling 800 621-8515 or by returning the reply card on the inside back cover of this magazine.

In 1998, Robert Stafford, longtime Ames native and successful businessman, established a charitable gift annuity for the College of Business funded through appreciated stock. Stafford supports the college because of his involvement and



interest in the college from when he was chairman of Ames National Corporation.

"We have been very pleased with the performance of this charitable gift annuity," Stafford said. "The payout that it provides allows us to enjoy many things in retirement. And we know that one day this will make a lasting impression on the College of Business."

I hope that you will take advantage of this opportunity through the Iowa State University Foundation. It would be a wonderful way for you to support the college during *Campaign Iowa State: With Pride and Purpose*. ■

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