

### Daring to Create a Legacy

“In every field of human endeavor—science and the arts, business and the professions, scholarship and public service—important things happen when daring, innovative, principled thinkers have the courage to step forward with new ideas. That is why, at Pomona College, we dare our students to dream boldly, push them to think broadly and deeply, encourage them to stretch their creative muscles and to take intellectual risks, and challenge them—in the words inscribed upon our gates—to ‘bear their added riches in trust for mankind.’”

—David Oxtoby, President



“Personally, I’m a doer.”

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As this spring edition of the *Flash! Newsletter* reaches you, Pomona College has raised \$191 million, over 76% of the ambitious \$250 million goal for our Daring Minds capital campaign. This remarkable success is due in no small part to the many alumni and friends who have made gifts through bequests or through the *Pomona Plan*. These gifts comprise \$82 million, or 43% of the dollars raised to date.

As one of America’s preeminent liberal arts colleges, Pomona is uniquely positioned to provide to some of the nation’s most promising young scholars a distinctive brand of liberal arts education with creativity and active engagement at its core. The generosity of our donors ensures that talented, venturesome students will always be able to afford a Pomona education, and that we will be able to provide them with a learning environment even

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## Who Were We, Really?

stronger in the kind of creative and experiential opportunities that play such a vital role in making our graduates leaders in their fields.

Since its founding in 1887, Pomona's leaders and supporters—like its students—have made a habit of choosing more challenging paths that lead to greater achievements. Over the years, this tradition of innovation has led to such accomplishments as the creation of the nationally recognized life-income program, the *Pomona Plan*, by one of our own alumni, Allen Hawley '17.

The initiatives encompassed in the campaign include increased support for scholarships, a renewed investment in the arts, opportunities for all of our students to test their knowledge and abilities through intensive internships and research, enhanced opportunities to interact across international and cultural boundaries, support for the outstanding Pomona professors of tomorrow and an expanded Annual Fund to provide immediate funding for some of our most pressing priorities.

To realize these initiatives requires a profound commitment from all who love this College. At a time when the issues confronting our society can seem daunting, donors can still make a difference by offering students life-changing learning opportunities supported by their gifts. The call by Pomona's beloved fourth President, James Blaisdell, to "bear their added riches in trust for mankind" speaks not only to our students as they leave this institution endowed with knowledge, but to everyone who cares about creating a legacy for the future.

There's an old saying, "The older I get, the better I was." It refers to our tendency to sanitize our past, airbrushing the embarrassing and painful memories and embellishing our good times and achievements. Because it is human nature to do this, we know that every autobiography is, in part, a work of fiction.

After we are gone, who we really were, how we evaluated ourselves, and how others saw us may each be somewhat different. But we have the power to shape all of those views. We may accomplish this through the collective memories of family and close friends, but it can also be communicated through the legacies we deliberately plan. Those legacies reveal our values, affections, convictions and beliefs about the future.

When you create a legacy gift to Pomona College, it demonstrates to others that you support its educational

mission. Working with you and your advisors, we can establish a permanent fund in your name, or in the name of you and a loved one, or the name of a special mentor. This is one way you can reveal who you really were, what you stood for, and set a powerful example to others.

Making such a gift, of course, entails financial decisions—whether to create the fund now, to do it through a will or living trust, to name Pomona as beneficiary of a retirement plan or life insurance policy or to establish a gift annuity or charitable remainder trust whereby you receive income for life. We can assist you in deciding the plan that is best for your situation; we suggest, of course, that you also consult your own legal and financial advisors. Above all, we want your gift to say something about who you are ... and were.

May we help you plan?



*"Don't you think it's time you started thinking about your legacy?"*

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# Touching More People Than We Realize

When donors learn that a charitable gift they have made has helped someone to achieve their goal of a college degree, they are pleased to have touched that life. What donors do not always realize is that through that person, they will touch many others, as well.

Walter Rivera '13 demonstrates this principle. Supported by three different sources—the Financial Aid Office, the Annual Fund, and the Draper Center for Community Partnerships—the College's investment in Walter has been paying huge dividends in terms of developing human capital. Through his involvement in the Draper Center, he developed a desire to become involved in education reform. In his own words:

“Maria Tucker (director of the Center) suggested I contact Jacob

Stiglitz '06, who was the first Chief Operating Officer at *Strive for College*. One of its goals is to get college students to help out as counselors in high schools. We established a chapter and now have 60 mentors from the Claremont Colleges, who work with 65 students at Fontana High School. We've been helping them with everything they need to apply to college, from the Common Application to personal statements and financial aid.”

What about the road ahead? Walter initially thought about running for school board in Baldwin Park and decided instead to work as a campaign manager for another candidate, who shares his views on education. After graduation, he wants to focus on a career in a financial field, but eventually would

like to work on educational reform, either through politics or by helping economically disadvantaged high school students. Excited by the possibilities, he says, “I want more people to have the opportunities I've had at Pomona.”

The gift you make to Pomona College can have a similar multiplying effect. You can make that gift in a variety of ways, depending on your circumstances. One option is a bequest in your will or living trust. Another is naming us as a beneficiary of an IRA or other retirement fund. Still another is a life-income plan, whereby you receive income for life. If you don't need extra income, you can simply make an outright gift and have the satisfaction of seeing how it is affecting people like Walter Rivera. What a legacy!

## MANY POSSIBLE GIFTS TO POMONA COLLEGE



### Sustaining Support

- 60% Scholarships
- 30% Academic Programs
- 10% Student Life

- Annual Participation
- Reunion Years

TORCHBEARERS

Office of Annual Giving

MAKE AN IMMEDIATE IMPACT



### Strategic Initiatives

- Increasing Affordability
- Teaching & Learning
- Critical Facilities

- Endowed Funds
- Building Funds
- Immediate Use

NAMING OPPORTUNITIES

Office of Major Gifts



### Lifetime Income

Payments come back to you monthly or quarterly, either fixed in amount or variable.

- Retirement Income
- Longevity Insurance
- Income Tax Planning

HAWLEY SOCIETY

Trusts & Estates

AUGMENT YOUR IMPACT



### Legacy Planning

Gifts through your will, revocable trust, IRA beneficiary designation, insurance designation, or other estate planning document.

- Charitable Legacy
- Estate Tax Solutions

GRANITE & SAGEBRUSH SOCIETY

Trusts & Estates

# A Strategy When Interest Rates Are Low

Joan, aged 74, had hoped that the interest and dividends on her investments, plus her pension and Social Security, would provide ample income during her retirement years. However, the interest on her cash deposits and other fixed-income investments is far less than she had anticipated. For example, she has a maturing \$50,000 CD which has been paying her a rate of only 2.0 percent, and she's not sure that she can equal even that low return with a new CD.

Then she learns that she could contribute the money from the matured CD for a gift annuity from Pomona College and nearly quadruple her after-tax income. She has been receiving \$1,000 interest per year from the CD, but the tax on it, given her 28 percent tax bracket, is \$280. That leaves \$720 of spendable income. With a gift annuity, the annual payment would be \$2,850, of which \$2,323

would be tax-free for the duration of her life expectancy. That would leave after-tax income of \$2,702.

The tax-free portion of a gift annuity is larger when interest rates are low. As an additional tax benefit, Joan would also receive an income tax charitable deduction of \$19,574, which would result in tax savings of \$5,481.

Joan understands that with a gift annuity she would be irrevocably committing the \$50,000—unlike investing in a CD that returns the capital to her—and that the portion of her contribution remaining at the end of her life would be used by the College for whatever purpose she designates.

Joan decides that she can afford to commit \$50,000 of her capital—and that increasing her cash flow, saving on taxes, and having the satisfaction of making a gift to an institution she admires are all compelling reasons for doing so.

## FROM THE DIRECTOR:

### *Achieving Your Philanthropic Goals – Problem Solved!*

Joyce '63 and Patrick '63 feel so lucky to have attended Pomona College. Not only did they obtain their degrees, they made lifelong friendships and, most importantly, they found each other in their freshman year. Now married for nearly 50 years, they would like to create a legacy that will outlive them and set an example for their three children—as well as classmates and future graduates. As part of their retirement plan, they acquired several rental properties, but they are now tiring of the need to manage them. Remembering past *Flash! Newsletters*, they decide to explore establishing a life-income gift that will first pay income to themselves and then leave a gift to Pomona that will help to endow summer research internships at the College.

After speaking with a *Pomona Plan* representative, Joyce and Patrick decide to establish a charitable remainder trust using a special “flip” provision that will allow them to give one of their rentals directly to the trust and then

have it sold without incurring capital gain tax on their substantial appreciation. What's so great about this? Following the sale of the property, the funds will be invested, and the trust will pay them a 5% return each year for the rest of their lives. And, this year, they will receive a substantial charitable tax deduction. What's even better? All of this will be done without any legal or financial management fees by the Office of Trusts & Estates. What's best of all? Joyce and Patrick will succeed in creating a lasting legacy at Pomona that will benefit students for decades to come. *Problem solved!*

If you would like to explore ways to achieve your philanthropic goals, one of our experienced gift-planners would be delighted to work with you on how to blend a gift with your financial goals.

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