GENERATIONS

The Gift Planning Newsletter of Wheaton College • Winter 2003

A Message from the Director

Women at Wheaton have left an indelible mark on our college and society. Women also make a profound difference when it comes to philanthropy at Wheaton. Their gifts strengthen the institution and position the college for continued achievement in the future. In this inaugural edition of *Generations*, we are pleased to profile Joan Duffy Murray '53 and Morgan Murray. Through sensible fiscal planning, Joan and Morgan have provided for the continued beautification of the campus without sacrificing their own financial security. It is never too early to plan for your retirement and think about estate distribution.

The Office of Gift Planning offers a number of ways you can make a gift to Wheaton while continuing to enjoy the quality of your life. Simply complete the enclosed card and mail it back to us, call us at (508) 286-3556, or e-mail mhouston@wheatonma.edu. We hope you enjoy this newsletter and welcome your thoughts and comments. Look for us again in the springtime with more vital information on how to support Wheaton while caring for yourself and your family.

Marjorie Houston

Marjorie Houston
Director

WOMEN AND ESTATE PLANNING —*A SPECIAL REPORT*

Women today enjoy more freedom and possess more independence and wealth than ever before.

Women control at least 51% of the personal wealth in the United States, according to recent data from the Federal Reserve Bank. During the late 1990s, the number of wealthy U.S. women grew at a rate almost twice as fast as that of men; and currently women constitute 43% of affluent Americans with assets of $500,000 or more.

What accounts for this growing concentration of wealth? Better education is one factor; by 2010, women will make up 60% of U.S. college graduates. Women have also competed successfully with men in boardrooms and in the executive marketplace. According to a UC Davis study, female investors tend to do better than men in the financial markets because they tend to be more conservative and don't try to catch short-term swings in the markets.

In addition, it is estimated that the World War II generation and the baby boomers will transfer $41 trillion of wealth to their heirs. Because women tend to outlive men by about seven years, they are expected to end up controlling much of that wealth.

(Please turn the page)

PLEASE DETACH AND MAIL IN

- ❒ Please send me a complimentary copy of your booklet, ***Estate and Charitable Planning for Today's Woman***.
- ❒ I have already included or intend to include Wheaton in my estate plan (and have not yet informed the school) through
  - ❒ a bequest in my will.
  - ❒ a charitable remainder trust.
  - ❒ a life insurance policy or retirement plan.
  - ❒ other______________________________.
- ❒ Please send me a personalized proposal on benefits of a gift that provides me income.

Name______________________________ Class______________

Address____

City________________________ State__________ ZIP__________

Phone (________)_______________________________________

E-mail ____

Birthdate______________ Beneficiary Birthdate______________

Either because they are widowed or because they choose to remain single, nine out of ten women will manage their own finances at some point in their lives. Both this increased independence and wealth and the fact that women generally outlive men result in greater financial responsibilities.

Wealth and Responsibility

There's no question about it: Women have become a major force in the changing financial world. And with ownership of assets come attendant responsibilities, such as:

- conserving and using wealth to secure maximum benefits during life;
- arranging the orderly distribution of assets according to personal objectives;
- creating plans to minimize death taxes and settlement costs; and
- ensuring that sufficient cash and other liquid assets will be available to pay death taxes and settlement costs.

How to Include Wheaton in Your Will

You may make a pecuniary or specific bequest of cash, securities, or other property to Wheaton by designating a specific dollar amount, a particular asset, or a fixed percentage of your estate.

You may make a bequest of all or a portion of your residuary estate to Wheaton after you have provided for all other beneficiaries by specific bequests.

You may make Wheaton a contingent beneficiary of a trust that you establish in your will to provide income to one or more beneficiaries for life. Wheaton would then receive the principal of the trust at the death of the last surviving beneficiary. Such a trust arrangement may include any of the charitable life income plans outlined elsewhere in this newsletter or a marital trust that pays all income to your spouse for his or her life.

Sample Testamentary Language

A general bequest: "I give (a specific asset) or (__percent of the rest, residue, and remainder of my estate) to Wheaton College in Norton, Massachusetts, for its general use and purposes."

A bequest for a specific purpose: "I give (____dollars) (specific asset) or (__percent of the rest, residue, and remainder of my estate) to Wheaton College, Norton, Massachusetts, to be used for the following purpose: (state purpose, e.g., to establish a scholarship fund, an athletic team, a library collection fund)."

If you choose to restrict your bequest provision for the establishment of a fund for a specific purpose—such as the funding of an undergraduate scholarship—we ask that you add the following to your initial provision:

This fund is to establish an endowment fund to be known as the (name of fund), the income from which to be used for (state purpose). If the Wheaton Board of Trustees, in its sole judgment, determines that the original intent is no longer feasible, the college may use the income for such purposes as, in its sole judgment, will most nearly fulfill the original intent.

Note Concerning All Bequests

For purposes of legally naming the college in a bequest, the full corporate name should be used: Wheaton College, Norton, Massachusetts.

Wheaton

PLEASE
PLACE STAMP
HERE

MARJORIE HOUSTON
DIRECTOR, GIFT PLANNING
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Failure to plan—as many have learned the hard way—can lead to unnecessary negative consequences: distribution of assets to unintended beneficiaries, excessive and unnecessary tax liabilities, and forced sale of assets at sacrifice prices to raise funds to pay death taxes and other estate liabilities.

While there are sophisticated planning instruments to protect yourself against such potential hazards, the first step, whether you are married or single, is to review your current asset picture and establish both short- and long-term goals. Then you will want to engage competent financial and legal counsel to explore the opportunities available to you.

The Need for a Will Transcends Gender

Of all the tools used in estate planning, the will is most familiar to the lay public. Yet, with all that's written about the importance of a will and the harsh inequities that can result from intestacy (dying without a valid will), seven out of ten adults die intestate.

One reason for intestacy is procrastination, tinged perhaps with the hope of postponing the inevitable. Another may have to do with a lack of awareness about the value of property that creates the need for a will.

Additional factors may keep a married woman from executing a will. For example, a wife may feel that she does not need a will if her husband has one; or she may think she simply does not have sufficient assets in her own name to warrant making a will. Such assumptions can be very costly because they ignore the probability that the wife's survival of her husband will make her an owner of a sizeable estate.

When a married woman has an estate of her own, the need for a will to distribute assets in accordance with her personal objectives is apparent. Less apparent, but equally important, is the need to coordinate her will with her spouse's. By coordinating their estate plans, a husband and wife can plan to distribute their assets in the most effective manner to meet shared goals.

Planning Options for Single Women

The transfer of an estate to beneficiaries can be more expensive for a single woman since she lacks the benefits of the marital deduction. Nevertheless, she has many planning tools available, both living and testamentary, to reduce the impact of transfer taxes.

If a single woman's primary beneficiaries are her siblings, she may wish to place her estate in trust for their lifetime benefit. Such an arrangement will not avoid the estate tax at her death but will do so at the death of her siblings. ***Attractive charitable option:*** A *charitable remainder trust* could benefit siblings for their lifetimes and subsequently benefit a charity.

A charitable remainder trust established during life may be particularly appealing to a single woman with minimal family responsibilities. The trust can provide her with a stream of income for life and then pass to charity at her death, providing both income- and estate-tax savings.

Tempering the Estate-Tax Burden

The creative use of trusts can substantially reduce a married woman's estate taxes as well, while achieving both personal and philanthropic objectives for use and distribution of assets.

For example, each spouse in a married couple can direct in his or her will that $100,000 be put into a charitable remainder trust that will pay the surviving spouse 6% of its value each year throughout life, with the principal then passing to Wheaton.

At the death of the first spouse, the value of the trust will be fully deductible. Thus, there will be no estate tax with respect to the entire $100,000. The surviving spouse will receive lifetime payments to satisfy personal needs. Ultimately, the principal will be distributed to us, thus fulfilling the couple's philanthropic objectives.

For an in-depth discussion of these and other planning opportunities, please return the attached business-reply card to receive your complimentary copy of our booklet, ***Estate and Charitable Planning for Today's Woman***.

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GENERATIONS

Making the College Look Good

When Joan Duffy Murray '53 celebrates her 50th reunion with classmates this spring, she and her husband Morgan will walk Wheaton's historic campus and take quiet pleasure in the role they are playing to preserve its beauty for the future.

The Murrays, who have been active supporters of Wheaton for many years, arranged an endowed gift fund that will be dedicated to campus beautification projects. "Certain images stay with you," says Joan. "When I had my first glimpse of the Wheaton campus, I thought it was just the prettiest place that I had ever seen. Because of my interest in gardening and in Wheaton, I would like to help keep it that way."

Morgan, who retired from Smith Barney as head of the Municipal Bond Division, helped to make the gift possible by choosing to make the contribution through a pooled income fund. This type of financial vehicle allows individuals to set aside funds for charitable purposes and qualify for the tax advantages of philanthropic giving while continuing to receive interest income from the principal for the rest of their lives.

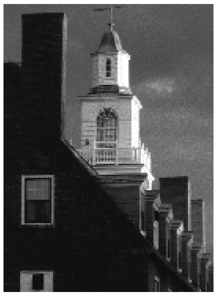
"I look at the pooled income fund as a win-win-win situation," says Morgan. "First, it's very good for us to have the income from the fund. Second, the assets came from the sale of appreciated securities on which we would have paid a significant capital-gain tax, if it hadn't been transferred to the fund. Third, the pooled income fund allowed us to make a bigger gift to the college than we otherwise would have."

While the method of giving may be a first for the Murrays, philanthropy has long been part of the their lives.

Joan has long been a volunteer leader for Wheaton, including as a member of the Alumnae/i Association Board; this year she is serving as class fund agent for her 50th reunion.

Joan and Morgan Murray

"We just feel that it's very important to support private education," Joan says. "Schools have played an important part in our lives and we want to honor that."





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