



UNIVERSITY OF MICHIGAN
OFFICE OF UNIVERSITY DEVELOPMENT
3003 South State Street, Suite 9000
Ann Arbor, MI 48109-1288

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YOUR U-M LEGACY

SUMMER 2021

Shaping Tomorrow, Today

When you hear about people making an estate gift to their alma mater, you might not picture Michael Reed (A.B. 2008)—he's in his early 30s, he's been in the workforce for a little more than a decade, and he was a first-generation college student.

Thanks to two recent life events, Michael discovered the ease and value of making a planned gift. A member of the University of Michigan development community, Michael was asked to join a task force focused on planned giving. At the same time, he and his partner, Tyler, were closing on their first home. Naturally, the home-buying process encouraged Michael to look closely at his finances and to think about his assets. Something clicked.

"I logged into my retirement account to update my address after we moved in, and I got that reminder again: 'You need to designate a beneficiary for your account.' So I started to think about where I'd like that money to go if something happened.

"I decided that half will go to my family and, to make sure those assets aren't too heavily taxed, I wanted half to go to a nonprofit," Michael says. "The University of Michigan came to mind immediately because it has had such a big impact on my life."

It was simple to designate U-M as a beneficiary online, and Michael can easily update it himself if he wants to make changes in the future. He took the important next step of contacting a U-M gift officer to detail the gift's intent and



Michael Reed (A.B. 2008), left, pictured with his partner, Tyler, chose to support his wide-ranging interests through his estate gift to U-M.

identify what it should support, to ensure that it will have a meaningful impact.

In addition to the College of Literature, Science and the Arts (where Michael earned his psychology degree), he included the Michigan Marching Band, Michigan Softball and the Friends of Musical Theatre, all of which reflect his wide-ranging interests.

"This gift really tells a story of me," he says. "I loved the idea of supporting many areas of the university that I care about and that I trust will do the right thing in the next 100 years—and beyond."



Like Michael, you can create a simple gift that will make a big impact on future generations. Contact the Office of Planned Giving at (734) 615-2022 or toll free at (866) 233-6661 to get started.

How to Be Generous at Every Age

Generosity takes on new meaning as we grow older, build financial resources and set charitable goals. These planning checkpoints, arranged by age group, outline how to maximize your generosity to the causes that matter the most to you.



WORRIED ABOUT SAVING FOR RETIREMENT?

A financial advisor can help! Our FREE brochure ***Your Guide to Working With a Financial Advisor*** will walk you through everything from choosing an advisor to what to expect in your first meeting. Request your copy using the enclosed envelope.

50s

Update your will to reflect any life changes, such as a new relationship or grown children leaving home. Meet with a financial advisor to review your investments and savings—there's still time to make catch-up contributions for retirement.

BEST WAYS TO BE GENEROUS

- **A gift in your will or trust:** This costs you nothing today and can be made by adding one sentence to this document.
- **Retirement plan assets:** Name the University of Michigan as a beneficiary of part or all of your retirement plan assets. It takes minutes to contact your plan administrator or complete the change-of-beneficiary form online.
- **Life insurance policies:** If your children are grown and financially stable, consider donating these to U-M.
- **Donor advised funds:** This popular option offers you the flexibility to recommend how much and how often money is granted to qualified charities like U-M. You open a fund with a written agreement at a community foundation or sponsoring organization, which then provides regular accounting to you.
- **Appreciated securities:** Donate stocks you've owned for longer than one year and receive an income tax charitable deduction when you itemize. You can also eliminate capital gains taxes.

60s

Check with your financial advisor to make sure you are on track with retirement savings. If you've already retired, revisit your expenses, priorities and health care needs.

BEST WAYS TO BE GENEROUS

- **Life income gifts:** If you are looking for income in retirement, consider establishing a charitable remainder trust and use appreciated assets to maximize your tax benefits. You receive income for life from the trust, with the rest supporting U-M after your lifetime. If you have a high net worth and are looking to minimize taxes, a charitable lead trust allows you to support U-M now and provide for loved ones in the future.
- **Beneficiary designations:** Review the beneficiaries of your life insurance policies and retirement plan assets. Many of these assets may result in a large tax hit for your family, but they pass tax-free to U-M.
- **Bank or brokerage accounts:** Most states* allow you to designate one or more individuals or charities as a beneficiary of a checking or savings account; certificates of deposit; or brokerage or investment accounts.

* State laws govern payable-on-death accounts and transfer-on-death accounts. Please consult with your bank representative or investment advisor if you are considering these gifts.

70s and Beyond

Discuss your giving goals with your family and meet with your financial advisor to align your financial and philanthropic plans.

BEST WAYS TO BE GENEROUS

- **Gift from your IRA:** If you are 70½ or older, give any amount up to \$100,000 per year from your IRA directly to a qualified nonprofit such as U-M without having to pay income taxes on the money.
- **Legacy letter:** This optional companion piece to your estate plan is a chance to share your dreams and your story with your loved ones.



What's Right for Your Stage?

We're ready to work with you and your professional advisor to discuss a variety of giving options that work best for your personal circumstances. Please contact the Office of Planned Giving at (734) 615-2022 or toll free at (866) 233-6661 today.