

# Dividends

University  
of Wisconsin  
Madison

YOUR GUIDE TO CHARITABLE GIFT PLANNING

FALL 2016



The iconic Carillon Tower watches over campus. (Photo by Bryce Richter / UW-Madison)



UNIVERSITY OF WISCONSIN  
**FOUNDATION**

Keep your cash and cut your taxes by choosing  
the best asset for your year-end gift

# Dr. Julie Underwood, former dean of School of Education, makes estate gift

Education Professor Dr. Julie K. Underwood, who for a decade served as dean of the nation's top public university School of Education, is making an estate gift to the University of Wisconsin-Madison through the UW Foundation.

Dr. Underwood, who stepped down as dean last year but still teaches Educational Leadership & Policy Analysis and Educational Policy Studies, said she supports all forms of giving to the UW but that in her circumstances an estate gift was the best way to give a larger amount. "I wanted to make a meaningful gift, and it was easier at this time in my life and career to defer it and offer even more, in addition to my regular annual gifts," she said.

Dr. Underwood, a nationally recognized authority on school law and a staunch proponent of public education, became dean of the School of Education in 2005. She oversaw a school that was able to build upon its research prowess and highly regarded national standing while at the same time finding new ways to address the needs of Wisconsin's public schools. She led the \$34 million expansion and renovation of the Education Building on Bascom Hill, completed in 2010. Dr. Underwood also helped establish the Wisconsin Center for Educational Products and Services that helps license and market innovative education products created by faculty, staff and students.

*U.S. News and World Report's* 2017 graduate school rankings place UW-Madison No. 1 among all public schools of education and fourth overall (the top three are Stanford, Harvard and Johns Hopkins). Many of the school's graduate-level programs are ranked in the top three nationally.

"During my time as dean I was truly fortunate to work with so many people who are dedicated to improving lives and making the world a better place," she said.



Dr. Julie Underwood (Photo by: Jim Escalante)

Dr. Underwood first arrived at UW-Madison in 1986 and worked as a faculty member until 1995. She then served as dean of Miami University's School of Education and Allied Professions and from 1998 to 2005 served as associate



Golden leaves frame the façade of Bascom Hall. (©UW-Madison University Communications/Photo by: Bryce Richter)

executive director and general counsel for the National School Boards Association in Washington, D.C., providing advocacy for the nation’s public schools before the U.S. Supreme Court and federal appeals courts. She is the co-author of several well-regarded books in the education field, including *The Principal’s Legal Handbook*.

Dr. Underwood grew up in the Midwest, living in Madison longer than anywhere else. She earned a bachelor’s degree in political science and

sociology from DePauw University, followed by a law degree from Indiana University and a doctorate in educational leadership from the University of Florida. This year she married a UW alum, Tom Neujahr; they met while serving together on the Wisconsin Chamber Orchestra Board. She has two children and two grandchildren.

She described the UW School of Education as having “a state mission and a national profile ... with an

excellent faculty and staff known nationally for their dedication.” She said her most memorable experiences have come from working with UW students.

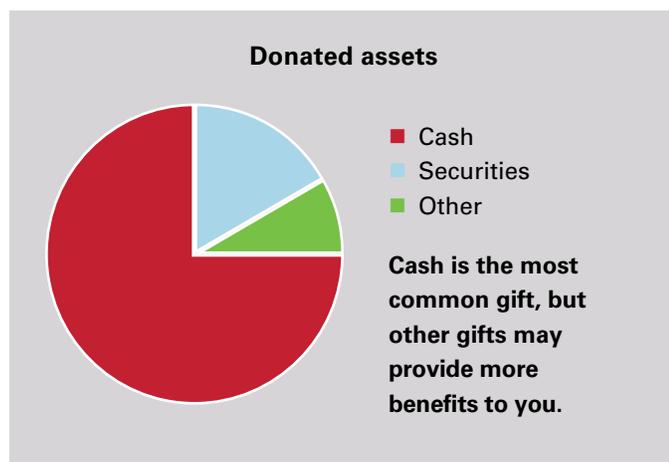
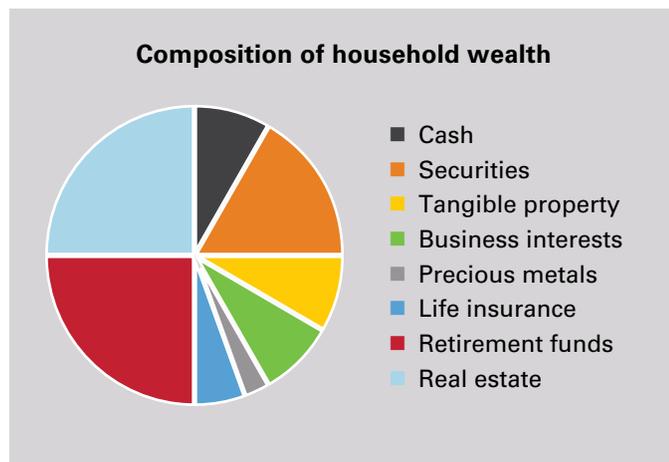
“My experience with each person on our campus has influenced my career, my life and my decision to make a gift,” Dr. Underwood said. “A gift to the UW provides benefits to students, faculty and the institution for years and years.”

**Visit [supportuw.giftplans.org/strategies](https://supportuw.giftplans.org/strategies) to learn more about gift strategies that preserve net worth.**

# Keep your cash and cut your taxes by choosing the best

How many different kinds of assets do you own? Likely more than you thought before you counted them. The top circle graph below depicts what the composition of household wealth of a successful middle-aged or retired person might be.

The proportion of assets in each category will, of course, vary by individual. If you own a business, it may constitute most of your wealth. If you have focused on investment in stocks and bonds, your brokerage account may be your major asset. Possibly, your vested retirement funds will be larger in value than anything else you own. If your home or other real estate holdings have appreciated significantly in value, the equity in the property may be your primary asset.



## Cash is the most common gift but not necessarily the best

As you think about year-end gifts to various charities, what assets will you likely use in making those contributions? A graph of donated assets might look like the bottom chart below. The two graphs show that most charitable gifts come from assets that may constitute only 10 percent to 20 percent of wealth. This raises the question of whether you are giving the right asset to maximize your benefits. Our free booklet, *Gift Strategies That Preserve Net Worth and May Increase Your Cash Flow*, explains the types of assets that might be contributed and the tax and other financial benefits of giving each kind.

## Six reasons why people make year-end gifts with unusual assets

1. They have an idle asset, such as a paid-up life insurance policy, no longer needed for family protection.
2. They have a stamp or coin collection in which they have lost interest.
3. They have depreciated rental property and would like to be relieved of the burden of management.
4. They have highly appreciated securities they would sell except for the capital gains tax they would incur.
5. They don't really need distributions from their IRA, but they have reached the age when annual withdrawals are required.
6. They invested in gold or silver and are worried about the volatility in price.

**If your home or other real estate holdings have appreciated significantly in value, the equity in the property may be your primary asset.**

# asset for your year-end gift.

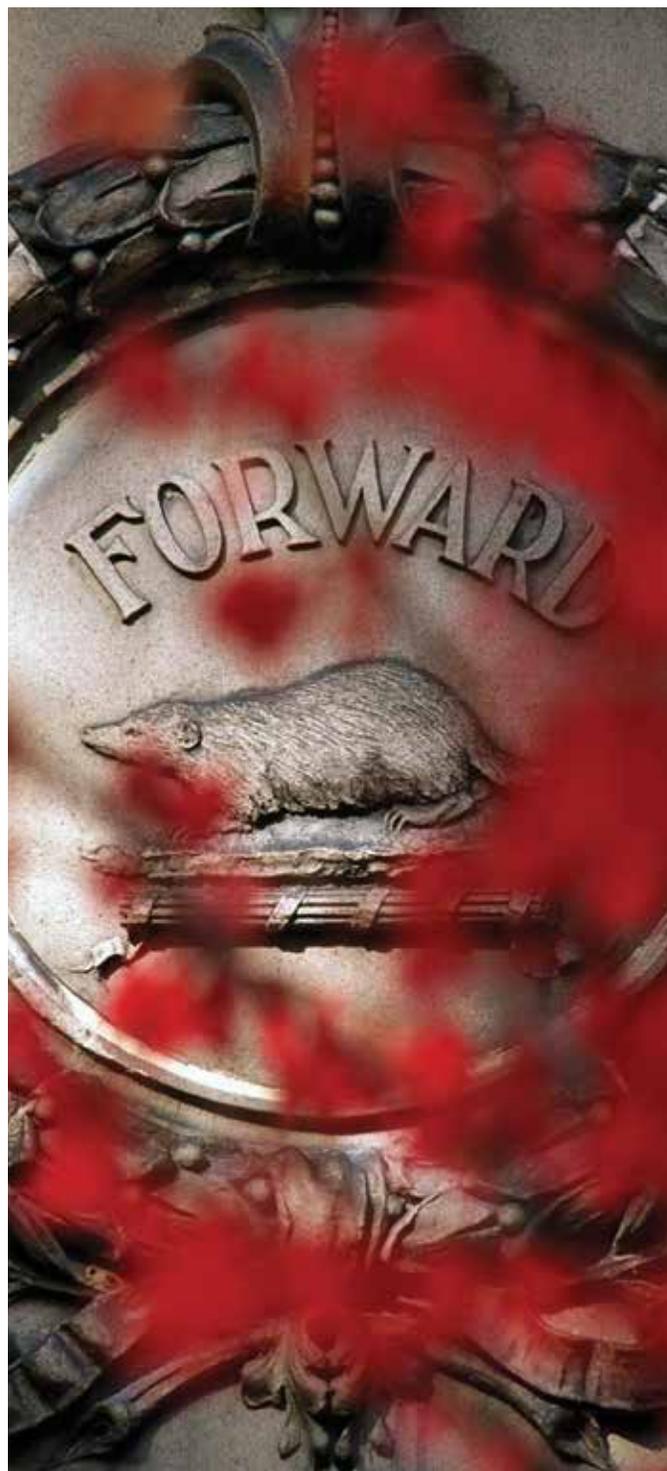
## Noncash assets can generate more tax savings for you

There is no question that cash, whether by check or online, is the simplest way to make a gift—and if you are making a number of smaller gifts to various charities, it is probably the most practical asset to give. A cash gift can also make sense when your bank deposits and money market funds greatly exceed your liquidity needs. However, donations of other types of assets could generate larger tax savings and have less impact on your cash flow and financial security.

For instance, when you give stocks, bonds and mutual funds that have appreciated in value, you receive a double tax benefit—a deduction for the fair market value and avoidance of tax on the capital gain. Possibly, you are aware of that fact; and you have, in the past, made some of your gifts from your brokerage account. However, it may not have occurred to you that other, less liquid assets can be given. Perhaps you have supposed that a gift, even a larger one, must be made with cash or securities—and since little of your wealth is in bank deposits and/or a brokerage account, you have not considered yourself capable of a major gift.

### **The UW Foundation accepts many assets**

We are pleased to say that the University of Wisconsin Foundation accepts a variety of assets: Not only cash and publicly traded securities, but anything else that can be sold and readily converted to cash is automatically acceptable. Illiquid assets (such as real estate, shares in a privately owned business and collectibles) may also be considered. Thus, even if you are “cash poor,” you may be able to make the major gift that you have long intended and possibly even increase your cash flow in the process.



Red leaves circle the Wisconsin state motto on the Education Building.  
(© UW-Madison University Communications/Photo by: Jeff Miller)

## A checklist to match your assets to your goals

### Check all of the objectives that you would like to accomplish with a year-end gift:

- Reduce income tax
- Avoid tax on capital gain
- Maintain or increase your income
- Fund a current project at the University of Wisconsin-Madison
- Arrange a future named endowed fund at the University of Wisconsin-Madison

### Now check any of the following assets that you own and would consider contributing:

- Securities (stocks, bonds, mutual funds)
- Real estate
- Shares in a family business
- Life insurance
- Precious metals (gold and silver)
- IRA or other pension fund assets
- Tangible property (collections, artworks, etc.)
- Other (commodities, intellectual property, etc.)

If you checked one or more items in each list, you will be interested in our booklet, *Gift Strategies That Preserve Net Worth and May Increase Your Cash Flow*, which discusses how gifts of various assets can meet personal objectives. If one of your objectives is to maintain or increase your income, you will learn how certain of these assets can provide income to you and/or another person

## Stay in touch with us!

The University of Wisconsin-Madison wants to stay in touch with you. As primary manager of the university's alumni and friends database, the UW Foundation continually seeks up-to-date contact information. You can update your information online by visiting [badgerbridge.com](http://badgerbridge.com). Updating your information will help us to maintain accurate records, which we share selectively with the Wisconsin Alumni Association and other campus departments and programs with which you may be involved as an alum, volunteer, faculty member or donor.

for life or a term of years. You will also learn how to preserve net worth needed for your personal security and family inheritances while advancing our work.

Cash is a wonderful gift and is enthusiastically welcomed. However, we want you to be aware of other assets that are also acceptable—and giving one of them could produce greater benefits for you.

## Request our free booklet for gift strategies that preserve net worth



- 1 Return the attached reply card** to receive a free copy of our new booklet, *Gift Strategies That Preserve Net Worth and May Increase Your Cash Flow*.
- 2 Call us at 608-263-4545** to find out how a gift to the UW Foundation will further the university's mission.
- 3 Email us at [uwf@supportuw.org](mailto:uwf@supportuw.org)**. We are happy to answer any questions you might have or send you more information.
- 4 Request it online at [supportuw.giftplans.org/strategies](http://supportuw.giftplans.org/strategies).**



The Carillon Tower stands tall against a perfect blue sky. (©UW-Madison University Communications/Photo by: Bryce Richter)

**Request your free** booklet to learn how to keep your cash and cut your taxes

**Simply return the attached card, request it online at [supportuw.giftplans.org/strategies](http://supportuw.giftplans.org/strategies) or call 608-263-4545.**

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## Return this card to benefit from choosing the right asset

- Please send me a complimentary copy of your new booklet, *Gift Strategies That Preserve Net Worth and May Increase Your Cash Flow*.
- I have included the university in my estate plan.
- I am considering including the university in my estate plan. Please contact me to discuss options.
- I would like more information on the following types of gifts:
  - Real estate       Gifts from an estate
  - Securities         Pooled income funds
  - Gift annuities    Charitable trusts
  - Other \_\_\_\_\_

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**The University of Wisconsin Foundation** engages those who care about the university, **provides opportunities** to enhance its teaching, research and outreach programs and **guarantees ethical stewardship** of the gifts received.

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