LASELL COLLEGE

Perspectives on Planning

LASELL COLLEGE HERITAGE SOCIETY SPRING 2010

Information on financial and estate planning for alumni and friends of Lasell College—
Where the Classroom Is the Real World

Living Well Without Running Out of Money

We've all seen it: a recreational vehicle with a gray-haired couple in the cabin and a bumper sticker on the rear that says, "We're spending our children's inheritance." We may also have seen one of the authors of the book *Die Broke* (Harperbusiness, 1998) on a talk show saying, "The last check on your account should be to the undertaker, and it should bounce."

The couple in the recreational vehicle probably has every intention of preserving something for their children. However, they feel no parental obligation to stay home and live frugally in order to maximize that inheritance. If

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Trustee Emerita Marilyn "Lynn" Blodgett Williamson calls herself a "people person." The Class of '46 *Lasell Lamp* description of her as a crew captain full of "pep, vim, and vigor" is as apt today as when she was an undergraduate waiting tables at Bragdon Hall. Through decades as an active and generous Lasell alumna, Lynn's credo has remained, "to appreciate the good things that come your way in life. Lasell was one. In my book, you can't just graduate and never think about it again. If you gained an education, you should give back."

And giving back through the Heritage Society, Lynn continues, "means you're not just signing a check; you're setting an example. You can earmark the money for what you want to see enhanced or changed—a scholarship, a new academic program, a particular building. It's a great way to increase your current income *and* make a difference in Lasell's future."

Lynn Blodgett Williamson '46
Honorary Chairperson, Heritage Society

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living well requires using some of their capital, so be it.

Of course, spending capital may cause anxiety about running out of money. A retired couple may be willing to spend some of the children's inheritance, but they don't want to overspend and risk becoming financially dependent on those children. It's one thing to die broke; it's quite another to go broke ten years before you die.

The issue, then, becomes how much you can withdraw from your retirement funds and investments on a sustainable basis without fear of running out of money. What you need to withdraw depends on your lifestyle and the inflation rate. What you can safely withdraw depends on your life expectancies and the investment returns on your assets.

How Long Can You Expect to Live?

If you retire in your early sixties, you can expect to live another 25 to 30 years. If you are already 70 and are in reasonably good health, your life expectancy is 15 to 20 years. As medical technology advances, those life expectancies are likely to increase.

With all of these years stretching ahead of you, it is critically important to make sure your money lasts as long as you do.

How Much Can You Safely Withdraw from Your Nest Egg?

You probably have three major assets: your retirement funds; your personal investments consisting of cash, securities, and perhaps real estate; and your residence.

Professor Marsha Mirkin introduces student and alumni representatives for a lively discussion on the link between Lasell's "connected learning" philosophy, internship success, and career achievement to invited guests at the Annual Heritage Society Tea on May 15, 2009. The Heritage Society honors those individuals who have supported Lasell through a planned gift.

How much can you withdraw each year from a combination of your retirement funds and personal investments without the risk of running out of money? Analysts have gone back to 1968 and calculated the probability that a person retiring that year would use up all resources over periods of 20, 25, and 30 years. They assumed that each year the individual would withdraw a percentage of the initial value of his or her assets and that the withdrawal would be regularly adjusted for inflation.

Your payment will not decrease if interest rates fall or the stock market declines.

Of course, that period saw a prolonged bear market and high inflation before the recovery began. If both the stock market yields and the inflation rate that prevailed during most of the 1990s had continued, a person upon retiring could withdraw a much higher percentage of retirement funds and investments without worrying about exhausting them. However, financial markets are cyclical, as more recent changes in stock values and interest rates have reminded us. During economic downturns, the risk of running out of money is much greater, especially for those who retire early and withdraw high percentages of assets each year.

Immediate Gift Annuity Rates for Selected Ages

Age	Rate	Ages	Rate
65	5.3%	65/65	4.9%
70	5.7%	70/70	5.2%
75	6.3%	75/75	5.6%
80	7.1%	80/80	6.1%
85	8.1%	85/85	7.0%

We would be pleased to give you rates for other ages and to calculate your charitable deduction. Please enter the appropriate information on the enclosed reply card.

Guaranteed Income for as Long as You Live

One way to ensure that you never run out of income is to establish a gift annuity. In exchange for a transfer of cash or securities, Lasell agrees to pay a fixed sum of money to you (or to you and another person) for life. Those payments, which are backed by all of the assets of Lasell, will continue for as long as you live—even if you are one of the fortunate few who live past 100 years of age. Also, your payments will not decrease during times when interest rates fall and the stock market declines.

You cannot outlive the money you receive from an annuity. What's more, if it's a gift annuity, it continues to work even after you are gone by advancing the mission of Lasell.

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The Heritage Society Honor Roll

As alumni and friends learn about the benefits of planned giving at Lasell College, many are choosing to provide special support for Lasell's future by establishing a life-income gift or bequest. The Heritage Society honors these individuals who champion the next generation of students at Lasell.

We are pleased to pay tribute to the following members of the Heritage Society (as of Winter 2010):

Lynn Blodgett Williamson '46
Honorary Chair

Class of 1930
Marguerite Boyd Greene

Class of 1934
Anonymous
Mabelle Hickcox Camp
Dell L. Masterjohn

Class of 1936
Adelaide Shaffer Van Winkle H'96
(d) Emily Hubbel Weiss
and Gerard A. Weiss

Class of 1937
Marjorie Westgate Doran
and (d) A. Benedict Doran
Elizabeth Ann Wisdom

Class of 1938
Penny DeLaney Ogrinz
S. Joanne Bohaker Smith
Harriet Newcomb Stoughton

Class of 1939
Virginia Thomas Baxter
Janet Whitten Smith

Class of 1940
Jeanne Hubbard Brooks
Lucy Harrison Eimer
Elizabeth Carlisle Holmberg
Dorothy Cooke Merchant
Ruth Fulton Rardin
(d) Jayne Jewett Woodward
and John Woodward

Class of 1941
Marian Fitts Sternkopf

Class of 1942
Anonymous
Jean Barnes
Ruth Turner Crosby H'92
Marcia Corey Hanson

Class of 1943
Elizabeth Gorton Collier
Gertrude Baninger Duquette
Ann Preuss Gillerlain
Priscilla Spence Hall
Patricia Bixby McHugo
(d) Eleanor Millard Parsons
and E. Spencer Parsons
Janet Reid Richards

Class of 1944
Jean Campbell
Carol Hill Hart
Gloria Boyd Major-Brown
(d) Jane Maynard Robbins
and Clesson Robbins

Class of 1945
Jane A. Dittrich
Eugenia Cooney Glow
Theresa Bergeron Hoyt
Susan Slocum Klingbeil
Janet Eaton Maynard

Class of 1946
Joan Walker Runge

Class of 1947
Beverly Tucker Bowen
Anne Alger Ehrlich
Jean Morgan Koenitzer
Margaret Beach Otis
Linda Koempel Tompkins

Class of 1948
Nancy Larsen Bailey
and James Bailey
Frances Lee Osborne
Alice Johnson Thornton
Cecelia (Bubbles)
Davenport Weidmann
Irma Lipsitt Wolfe

Class of 1949
Nancy Lawson Donahue
Joyce Brandt Francis
Jewell Ward Ganger
and (d) Jon L. Ganger
Jane Wadhams Hazen
Janet White MacLure
Sarah Taylor Murray

Class of 1950
Anonymous
Joan Antun Rednor
and (d) Charles Rednor
Ariel Leonard Robinson
Marni Nahigian Sarkisian

Class of 1951
Jo-Ann Vojir Massey
and Dwight Massey
Joan Howe Weber

Class of 1954
Anonymous

Class of 1955
Anonymous
Nancy Goodman Cobin
and Howard Cobin
Genevieve G. Harold
Bobbie R. Jennings
Joy Stewart Rice

Class of 1956
Anonymous
Anonymous
Nancy Shook Bender
Margaret Schwingel Kraft

Class of 1957
Marcia James Carthaus
Nancye Van Deusen Connor
and Philip J. Connor
Caroline Killam Moller

Class of 1958
Anonymous
Marsha Singer Marshall
and Richard Marshall
Judith George Stephens

Class of 1959
Joan Sycle Norwitz

Class of 1960
Sheila Gordon Stein

Class of 1961
Elizabeth C. Hood
Laura T. Jensen
Geraldine Weidman Wight

Class of 1963
Anonymous
Kay Ingrid Pinkham
Margo Hicks Waite

Class of 1967
Susan B. Lillywhite

Class of 1968
Judith Lipkins Ness
Ann Sterner Tyler

Class of 1969
MaryAnn Mitchell Beaver

Class of 1974
Rena Berke

Class of 1983
Pell (Rusty) Kennedy
Katharine Urner-Jones

Class of 1987
Anonymous

Friends
Anonymous
Calvin R. Carver
Thomas E. J. de Witt
and Margaret E. Ward
Professor Sylvia B. Goodman
Mervin and Rosalind D. Gray
Robert U. Johnsen Family
Arthur P. Menard
Donald and Charlotte Winslow
Kyo Yamawaki

Dear Alumni and Friends,

It is my pleasure to present the latest issue of *Perspectives on Planning.*

In this issue we feature gift annuities—a way of saving taxes now, increasing your spendable income, and establishing a base level of payments that you cannot outlive. In addition, they can help Lasell College further its mission.

I would welcome the opportunity to talk with you about your goals and objectives and design a gift plan that can benefit both you and Lasell.

I look forward to the opportunity to serve you.

Sincerely,

Katharine Urner-Jones '83
Director of Development
(617) 243-2223
kurnerjones@lasell.edu
www.lasell.edu

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How Much Is Required for a Gift Annuity?

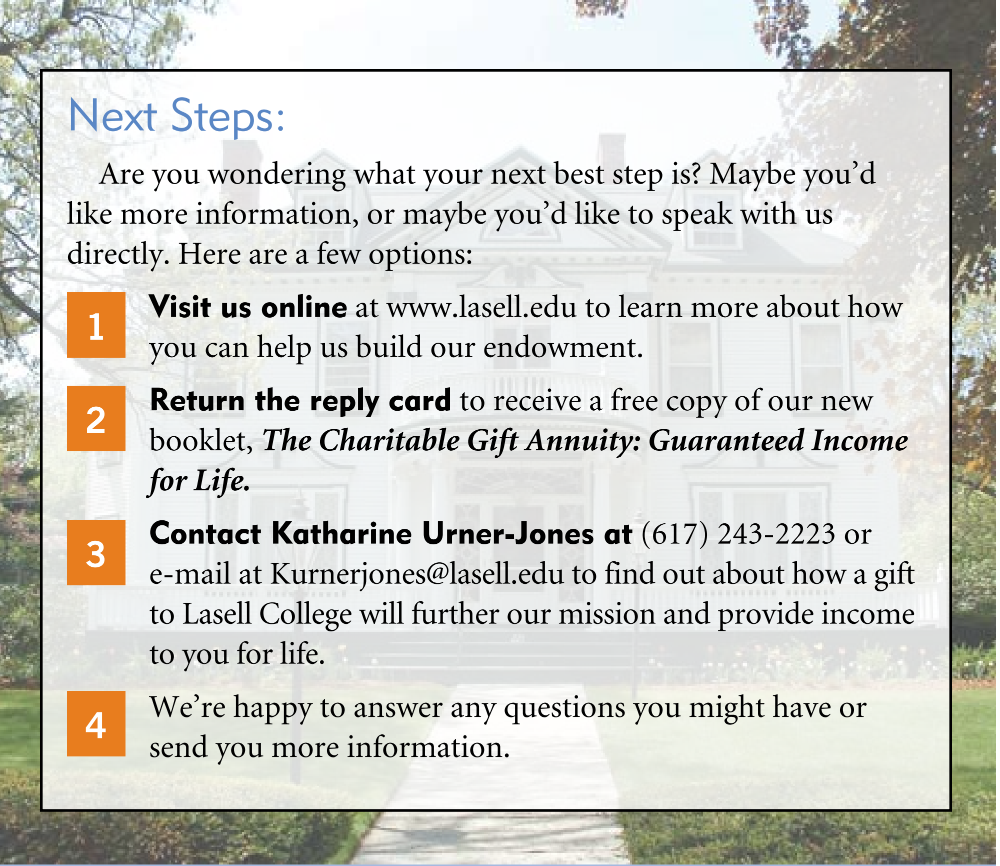
The minimum required for a gift annuity at Lasell is $10,000. There is no maximum contribution level, but you should always retain sufficient assets under your control to cover extraordinary expenses. In most cases, annuities are funded with either cash or securities.

How Does Lasell Benefit from a Gift Annuity?

After satisfying the payment obligation to the beneficiary(ies) of your gift annuity, we use the remaining portion of your contribution for charitable purposes. As with other gifts to Lasell, you can designate the purpose for which your contribution is used. Annuity gifts help secure our future and make long-range planning possible.

Do Gift Annuities Have Disadvantages?

A gift annuity does not protect you against inflation. While your payments never decrease, which is good when interest rates fall and stocks drop in value, if prices rise your payments will have less purchasing power.



Next Steps:

Are you wondering what your next best step is? Maybe you'd like more information, or maybe you'd like to speak with us directly. Here are a few options:

1. **Visit us online** at www.lasell.edu to learn more about how you can help us build our endowment.
2. **Return the reply card** to receive a free copy of our new booklet, ***The Charitable Gift Annuity: Guaranteed Income for Life.***
3. **Contact Katharine Urner-Jones at** (617) 243-2223 or e-mail at Kurnerjones@lasell.edu to find out about how a gift to Lasell College will further our mission and provide income to you for life.
4. We're happy to answer any questions you might have or send you more information.

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney for applicability to your own situation.

LASELL COLLEGE

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