

# Gift Strategies

HARVARD UNIVERSITY PLANNED GIVING NEWS



SPRING 2015



ALASDAIR HALLIDAY AB '82

## ON WEALTH, FAMILY, AND PHILANTHROPY

Alasdair Halliday AB '82, philanthropic advisor and director of principal gifts for Harvard University Planned Giving, shares his thoughts on the challenges of family wealth, the benefits of giving charitably as a family, and how philanthropic advising can benefit members of the Harvard community.

### Q: What is philanthropic advising?

Philanthropic advising is a relatively new area in the broader field of wealth advising, and it can mean a number of things. As Harvard practices it, it's about helping individuals and families sort through questions they're facing at the intersection of wealth, family, and philanthropy.

Anne McClintock, who is the executive director of University Planned Giving, and I lead that work for Harvard. The conversations we have with Harvard families give us a unique perspective from which to observe and learn—and we draw on that perspective, as well as the science and literature around family dynamics, to help others in the Harvard community.

### Q: What types of issues do you address in family wealth conversations?

Let me say upfront that many people find it hard to understand why wealth would present challenges to families, but the challenges are

CONTINUED ON PAGE 2

SITY OF THE CLASS OF 1959 IS A GIFT TO  
THE HARVARD BUSINESS SCHOOL COMMU  
TO MAKE OUR COMMUNITY COMPLETE  
AND REMIND US OF OUR  
HIGHER PURPOSE AND IDEALS

## PIONEERING ALUMNA PLACES TRUST IN HBS AND HMS

For Marlene Krauss MBA '67, MD '79, making planned gifts to Harvard Business School (HBS) and Harvard Medical School (HMS) is more than just a tax-wise financial investment; it's an investment in the two Schools that helped shape the course of her life.

The first person to earn both an MBA and an MD from Harvard, Krauss has used her business and medical training to great effect as cofounder and managing director of KBL Healthcare Ventures, a venture capital firm dedicated to investing in early-stage and commercial-stage health care companies. Among her many investment successes was Summit Technologies, the developer of the first laser to be approved by the FDA for LASIK refractive eye surgery.

"I've always thought it is hard to invest in biotech or medical technology without understanding how they're used or the science behind them," says Krauss, a board-certified ophthalmologist. "Because of the two degrees, I can picture how a device functions in



MARLENE KRAUSS MBA '67, MD '79

the OR and understand the innovation on which a biotech company is based. I also understand the market potential and growth and earnings trajectory of a company."

In appreciation of her HBS experience, Krauss established a trust at the School with a focus on supporting women in business. "The Business School was a defining experience for me," says Krauss, who was one of only 11 women in her class. "Women coming out of college in 1965 really had no career prospects at all, let alone the kind of prospects an HBS degree could give me. For me, that education was life changing, and I'm so thankful for it."

CONTINUED ON PAGE 4

ABOVE: INSCRIPTION ON THE WALL AT THE ENTRANCE OF THE CLASS OF 1959 CHAPEL AT HBS  
PHOTO: ROSE LINCOLN/HARVARD UNIVERSITY (HU)

ALASDAIR HALLIDAY PHOTO: JULIETTE LYNCH/HU  
MARLENE KRAUSS PHOTO: COURTESY OF MARLENE KRAUSS

## ON WEALTH, FAMILY, AND PHILANTHROPY

CONTINUED FROM COVER

very real. For example, wealthy parents with young families may worry that the money is going to undermine their children's ambition or financial responsibility or independence. Wealth can also erect communication barriers within families, especially around money. That can lead to issues with trust and also make it harder to educate children about how to handle money. So you may end up with a situation where, through your attorney's good work, your assets are well prepared for the children, but, because of these risks, the children are not well prepared for the assets.

The good news is that wealth can also bestow enormous blessings, some of which can help guard against the challenges.

### **Q: How do these issues intersect with philanthropy?**

There are a number of ways philanthropy can play a role in all of that. First, it can be one of the blessings I mentioned that help protect against some of the risks of wealth. Conducting philanthropy as a family can open up lines of communication as they learn to collaborate and talk together about their principles—about why it's important to help others, which causes to support, and other things.

Family philanthropy can also help family members learn about money management and due diligence in a safe environment. And, of course, it cultivates qualities like generosity, gratitude, and empathy, all of which guard against a sense of entitlement.

Some of the charitable instruments through which people give to Harvard and other institutions can help families on a more

technical level. For example, there are giving arrangements that transfer wealth to family members as a stream of income that may be less vulnerable to financial irresponsibility or lawsuit than a lump-sum gift. Other arrangements transfer wealth to children some years in the future when they may be better prepared to receive it responsibly. In the interim, the money is used to generate income for charity, which results in two great benefits—a big reduction in gift tax, and the opportunity to involve the recipients in family philanthropy.

For families that don't wish to take on the management responsibilities and expense of a private foundation, a donor advised fund, which can be set up at an institution like Harvard, is an alternative that provides many of the same benefits.

### **Q: What kinds of challenges and opportunities does a family business present from the standpoint of financial planning?**

As with family philanthropy, a family business can provide opportunities for family cohesion and identity, and for the development of capabilities in rising generations—all of that, of course, subject to cautions about being unduly prescriptive or protective with regard to the career paths of family members.

And yes, passing a family business from one generation to the next can be challenging inasmuch as the wealth contained in the business is more than just a dollar amount. It's also a business concern, the success of which depends on the decisions of family owners and perhaps family managers. The income may also sustain many family

members. All of that can greatly complicate the task of sharing a family business between different generations and branches of the family tree, and with new members as they marry into the family. There are charitable gift vehicles that can be helpful to parts of that process.

### **Q: What is the significance of practicing philanthropic advising at Harvard, which has played such an important role in the field through the pioneering work of your predecessor, Charlie Collier MTS '73?**

It's a privilege for Anne and me to follow in Charlie's footsteps at Harvard, and we're blessed in so many ways as a result of his work. First, by the chance to learn from Charlie, who's been enormously generous in passing along what he learned in 30 years of practice. And beyond that, we've been able to grow a culture—both at Harvard and at Harvard Management Company, which oversees the University's endowment—that understands the significance of the intersection where wealth, family, and philanthropy come together.

We've built a set of services around that understanding that allows us to provide extraordinary benefits to the Harvard community. Whether it's providing access to world-class expertise in planning with everything from public stocks to privately held businesses, pre-IPO shares, carried interest, and other complex assets; or sharing insights about a challenging family wealth issue; or providing a platform for families to do the rewarding work of guiding their own rising generation and sending great human beings out into the world.



# H THE HARVARD CAMPAIGN

Visit [campaign.harvard.edu](https://campaign.harvard.edu) to learn about The Harvard Campaign and the School campaigns.



## DESIGNING A MULTIDISCIPLINARY FUTURE AT THE GSD

Bart Voorsanger MArch '64 sees a future in which architecture, urban planning, landscape architecture, and design studies increasingly intermingle. To ensure that students at Harvard's Graduate School of Design (GSD) are at the forefront of these intersections, Voorsanger established the Voorsanger Fellowship Fund through a trust designed to stimulate the connections between these design disciplines.

Voorsanger, the founding partner and principal of Voorsanger Architects PC in New York City, understands the value of connected multidisciplinary design. His firm works on projects ranging from small residential interiors to multimillion-dollar residential and institutional buildings, many of which involve collaborations within other design disciplines.

"The future of design is this absolute multidimensional world of integrating design disciplines. We're all overlapping, and there are fewer barriers between them," he says. "Harvard has an ambitious, kaleidoscopic mix of professional talent at the Graduate School of Design that will not only contribute to the quality of the students' educational experience but will also sustain a level of excellence and reputation to assure the future of significant design contributions in the public realm."

The Voorsanger Fellowship Fund will support four top-performing students, one from each of the GSD's disciplines—architecture, urban planning, landscape



PHOTO: PAUL PORTER/BRANYC.COM

BART VOORSANGER MARCH '64

architecture, and design studies—who hold "great promise for making a significant contribution to these fields."

"I want to give the dean the capacity to identify four superb future professionals in these four areas of design and design scholarship and to enrich the experience for the fellows and the School," says Voorsanger. "I want to give him or her the ability to assemble a team that will have a deep influence on those around them."

Voorsanger believes that creating synergies and producing outcomes across disciplines is vital to the mission of the GSD. A stipulation of the fellowships is that the four Voorsanger Fellows come together annually to present to the GSD community in the connected fields of their study.

Voorsanger's ultimate wish is that the fellows be able to focus on their passion for their work unhindered by concerns about student loan debt. "The GSD has continued to excel in both the art and practice of architecture, which are two very different things, keeping them in a state of colloidal excellence," he says. "It's really extraordinary, and I hope my gift will inspire other architects and those who love design to support the GSD and encourage the best to come to Harvard."

Regarding that last point, there's a growing body of evidence that giving to others is a gift to ourselves—that it can provide benefits in many aspects of our own lives, including health and relationships.

What Anne and I do helps people in the Harvard community experience that as they support the remarkable work Harvard does across so many fields—medical research, education, policymaking, sustainability, religion, law, public health, engineering, entrepreneurship, and on and on.

It's a privilege to be able help families who are standing at that crossroads of wealth, family, and philanthropy, and I can't imagine a better place to do it than Harvard.

### **Q: What is the one piece of advice you hope to convey to all families who come to you for philanthropic guidance?**

Well, at the risk of overstaying my welcome, I'm going to offer two.

First, encourage family members to find and follow their own paths—in careers, in relationships, and in other matters at the core of identity. It's important for individuals to separate from the family while remaining part of it. Giving people permission for that through words and actions can be an expression of great love.

And second, talk. Find the courage to have challenging conversations. Even in the face of fierce disagreement and strong emotions, be present and respectful, try to understand each other...and talk.



THE YARD OUTSIDE HOUGHTON LIBRARY

PHOTO: KRIS SNIBBE/HU

## PIONEERING ALUMNA PLACES TRUST IN HBS AND HMS

CONTINUED FROM COVER

In April 2013, Krauss joined hundreds of fellow HBS alumnae at the W50 Summit, part of the School's yearlong celebration of the 50th anniversary of women being admitted to the full-time MBA program.

“The Business School was a defining experience for me.”

—MARLENE KRAUSS

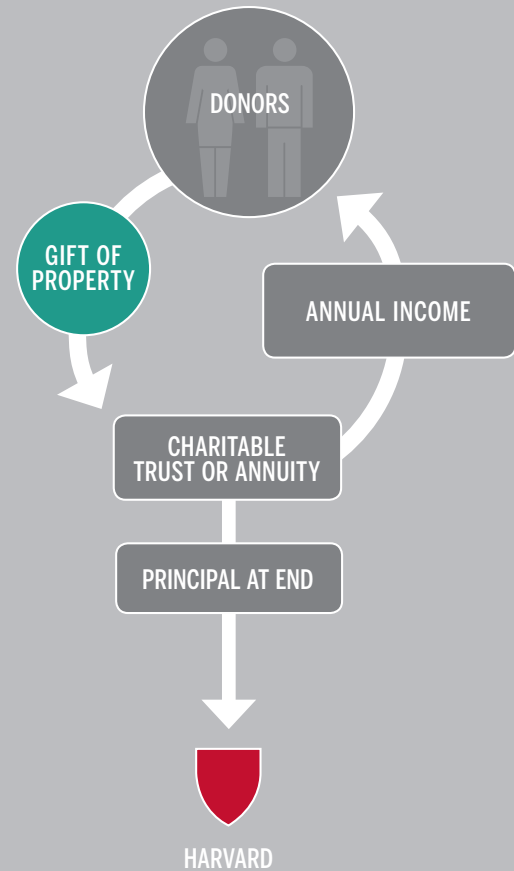
“It was the best weekend of my life,” she says. “To revisit what a pioneering spirit I had was very emotional for me. Throughout the weekend, people kept coming up to me, saying, ‘Look at what you did. You are a role model.’ It was a very affirming time.”

In addition to her trust at HBS, Krauss also has a trust at Harvard Medical School. She hopes this trust will make her a role model in terms of giving to HMS. Krauss, who serves on the School's Advisory Council on Education, feels strongly about supporting HMS, particularly the Family Van, a public health outreach program that increases access to health care and improves the health status of residents in Boston's most underserved communities.

“Medical education is extremely expensive, and Harvard Medical School can use all the help it can get from alumni to benefit the next generation of doctors and their patients,” she says. “I feel that it is very important to help support the School.”

## GIFTS THAT GENERATE INCOME

You can make a gift that Harvard will invest to pay you and/or another person income for life or a term of years. In most instances, you can avoid capital gains taxes on gifts of appreciated stock or real estate. Also, you can save on income taxes from the charitable deduction.



## We can't thank you enough.

### YOUR BEQUEST MAKES A DIFFERENCE.

If you have already included Harvard in your estate plans, please let us know. We would like to thank you for your generosity and make sure the purpose of your gift is understood by the University.

Please contact us by mail (Harvard University Planned Giving, 124 Mount Auburn Street, Cambridge, MA 02138), by phone at 800-446-1277, or by email at [pgo@harvard.edu](mailto:pgo@harvard.edu) for assistance.



### MEET THE UNIVERSITY PLANNED GIVING TEAM

(From left) Kara Morin, Anne McClintock, John Christel, Ernesto Fernández, Jane Verrill, Mary Abbott, Alasdair Halliday, Tanya Rotolo, Edward Mills Jr. (now at Harvard Business School), and Stephanie Strenta; (on page 5) Carly Patane

PHOTO: TONY RINALDO

“It’s the combination of doing something for Harvard, helping yourself and your family with financial and tax planning, and having Harvard standing behind you. That’s a powerful concept.”

— JAMES F. ROTHENBERG AB '68, MBA '70

CHAIR OF THE BOARD OF DIRECTORS, HARVARD MANAGEMENT COMPANY; CHAIRMAN, CAPITAL GROUP COMPANIES INC.

## HARVARD UNIVERSITY GIFT ANNUITY RATES

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DONOR MAKES A GIFT TODAY AT CURRENT AGE...	...AND ANNUITY BEGINS IMMEDIATELY AT THIS RATE*...	...OR WAITS 5 YEARS BEFORE ANNUITY BEGINS AT THIS RATE*
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65/65	4.8	6.8
70	6.0	8.5
70/70	5.3	7.5
75	6.7	9.8
75/75	5.9	8.3
80	7.7	11.1
80/80	6.5	9.6

\* ANNUITY RATES CURRENT AS OF APRIL 2015



PHOTO: JULIETTE LYNCH/HU

## STAFF ANNOUNCEMENTS

### NEW ADDITION

Carly Patane (left) joined the University Planned Giving team in 2014. She is a graduate of Dickinson College and holds a degree in political science. Prior to joining University Planned Giving, she worked in public relations in the fashion industry. Among Carly’s many interests are soccer, photography, sharing a love of music with her dad, and cooking for friends and family.

### CONGRATULATIONS

It is our pleasure to announce that Edward (Ted) Mills JD '93 has become the director of gift planning at Harvard Business School, effective December 2014. Previously senior associate director of University Planned Giving, Ted brings 15 years of experience in gift planning and major gift fundraising to his new role. Ted graduated from the University of Virginia and received his JD from Harvard Law School. Congratulations, Ted!

# UNIVERSITY PLANNED GIVING EVENTS

## A VIEW TO THE FUTURE: A CELEBRATORY LUNCHEON

NEW YORK CITY, OCTOBER 22, 2014

Our annual University Planned Giving meeting and luncheon at the Harvard Club of New York City brought together close to 200 Harvard alumni and friends who have provided for the University in their long-term charitable plans. Guests were treated to remarks by Paul J. Finnegan AB '75, MBA '82, treasurer of Harvard University, and a presentation by Rebecca Henderson PhD '88, the John and Natty McArthur University Professor and the co-director of the Business and Environment Initiative at Harvard Business School.

1. TRUDA C. JEWETT EDM '83, ARTHUR (BUGS) BAER AB '54, MBA '58, AND PAUL J. FINNEGAN AB '75, MBA '82

2. RONAY A. MENSCHEL

3. CATHERINE A. GELLERT AB '93 AND MARY CROMBIE GELLERT HRP '57

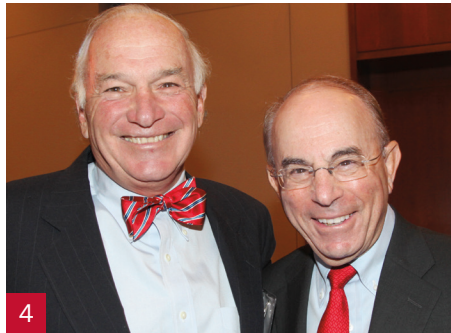
4. W. CHRISTOPHER MORTENSON JR. AB '68 AND EDMUND A. HAJIM MBA '64

5. RITA GAIL JOHNSON AB '84, MBA '88

6. RICHARD L. MENSCHEL MBA '59

7. DAVID LEE AB '88, MBA '92 AND THOMAS H. MAHONEY AB '73

8. REBECCA HENDERSON PHD '88



## UPCOMING UPG EVENTS:

A VIEW TO THE FUTURE  
CELEBRATORY LUNCHEON  
NEW YORK CITY  
OCTOBER 22, 2015  
HARVARD CLUB OF NEW YORK CITY

### DINNER AND DISCUSSION ON FAMILY, FINANCE, AND PHILANTHROPY

WASHINGTON, D.C., DECEMBER 3, 2014

Members of the Harvard community enjoyed dinner and interactive presentations at the Willard InterContinental in Washington, D.C. The reception was hosted by William B. Dockser AB '59 and Sandra Dockser, Hon. Barbara H. Franklin MBA '64, and David B. Ottaway AB '62 and Marina S. Ottaway.

1. BRICKSON E. DIAMOND MBA '99
2. DAVID B. OTTAWAY AB '62
3. FREDERIC R. KELLOGG AB '64, LLB '68, GSAS '69 AND THOMAS J. RECKFORD AB '64, HBS '66
4. SARAH CAROTHERS AND SOFIE M. F. GEEROMS LLM '99
5. DEBORAH GELIN AB '79, MBA '83
6. ALASDAIR HALLIDAY AB '82 AND WILLIAM B. DOCKSER AB '59
7. VICTORIA SCHOENBERGER



IF YOU ARE INTERESTED IN RECEIVING MATERIALS OR SPONSORING A PROGRAM IN YOUR AREA, PLEASE CONTACT UNIVERSITY PLANNED GIVING AT 800-446-1277 OR [PGO@HARVARD.EDU](mailto:PGO@HARVARD.EDU).



# HARVARD

## University Planned Giving

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### HOW TO REACH HARVARD'S PLANNED GIVING PROFESSIONALS

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Philanthropic Advising	617-495-4647	Alasdair Halliday
Harvard University 124 Mount Auburn Street Cambridge, MA 02138-5795	800-446-1277 pgo@harvard.edu alumni.harvard.edu/give/planned-giving	
Business School	617-495-5218	Edward Mills Jr.
Harvard College, GSAS	617-495-4352	Peter Kimball
Harvard T.H. Chan School of Public Health	617-432-8071	Judi Taylor Cantor
Law School	617-496-9265	Charles Gordy
Medical School	617-384-8449	Mary Moran Perry

University Planned Giving professionals can help you develop gift plans for any part of the University:

- Harvard University President's Fund
- Harvard College
- Graduate School of Arts and Sciences
- Business School
- School of Dental Medicine
- Graduate School of Design
- Divinity School
- Graduate School of Education
- School of Engineering and Applied Sciences
- Extension School
- Kennedy School
- Law School
- Medical School
- Harvard T.H. Chan School of Public Health
- Radcliffe Institute for Advanced Study
- Harvard Art Museums
- Harvard Museums of Science and Culture
- Memorial Church
- American Repertory Theater
- Arnold Arboretum

