

you're never too young YOU'RE NEVER TOO YOUNG TO MAKE A PLANNED GIFT

Lucy Thorpe has been a member of St. Paul's parish for more than 25 years. She began attending the church when she and her husband first moved to town, and she was a young mother who needed to make some friends. She found the other members of the congregation to be very welcoming and kind, and their generosity quickly made her new town begin to feel like home. The parish recently began to explore their options for starting a planned giving program, and Lucy was elected to chair the committee. While she was pleased with this new position, Lucy realized that one of the things she must do is create a planned gift for herself. She believed doing so would both help her to understand the process and types of gifts available and would also set a positive example for other members of the parish, as she encouraged them to consider making a planned gift themselves.

Lucy knew that the Episcopal Church Foundation could assist her in setting up the planned giving program. While she was speaking with one of the Foundation's field managers about the materials available, she decided to mention her own interest in making a gift. The difficulty, as Lucy explained, was that she was only 52 years old and if she created a charitable gift annuity, she would only receive an annual distribution that was 5.4% of her gift. This meant that if she donated \$10,000, she would receive \$540 per year. This concerned Lucy because she felt that her money could earn more if she invested in securities.

Luckily, the Foundation's field manager was able to offer another solution: a deferred charitable gift annuity. Lucy could make a donation to create a charitable gift annuity and elect not to receive payments until several years down the road, while

still receiving a charitable deduction this year—the year in which she made the gift. The field manager offered Lucy several examples. If Lucy funded a \$10,000 deferred gift annuity and waited until she was 60 to start receiving payments, she would receive a payout rate of 8.3% and an annual payment of \$830. If she waited until she was 70, she would receive a payout rate of 15.5% and an annual payment of \$1,550, more than double what she would receive if she began receiving payments immediately.

Lucy was pleased to hear about this option, but had a few questions. First she wondered if someone who was presently 60 would receive a payout rate of 8.3%. She discovered that the 8.3% rate is actually much higher than the rate of 5.7% that a present-day 60-year-old would receive. The field manager explained that this was because the money she donated to fund the annuity would be invested during the years she was not receiving payments and would hopefully grow to be a much larger amount than the original gift. Lucy also wondered what would happen if she died before she began receiving payments. The field manager explained that the whole of the gift would go to her parish. Relieved to find a solution that balanced her needs to make a gift but to also guarantee a substantial income, Lucy established her deferred gift annuity and used her story to motivate several other members of the congregation to create their own planned gifts. Thanks to Lucy's hard work, St. Paul's planned giving program is off and running!

To learn how you might benefit from your own planned gift, contact a planned giving committee member or the Episcopal Church Foundation at 800-697-2858 or www.EpiscopalFoundation.org for confidential advice.