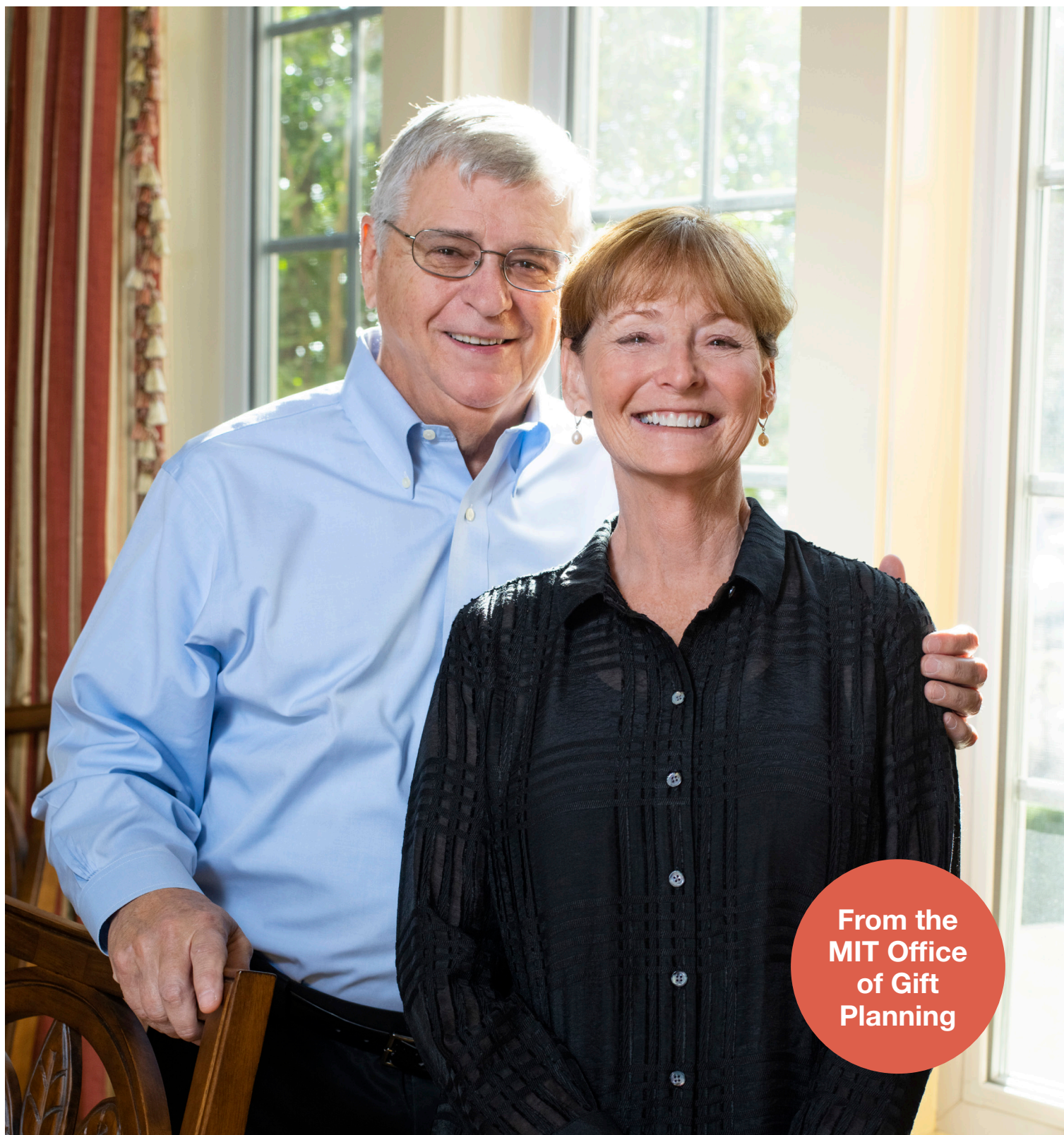


corridor

Fall 2020



From the
MIT Office
of Gift
Planning

Uniting as an MIT Community

Dear *Corridor* readers,

As an institution steeped in innovation, MIT has fast-tracked Covid-19 research, rapid testing, and deployment of personal protective equipment to health care workers. Science and solutions live and breathe at MIT, and the reach of our collective community extends well beyond campus. For more on how MIT is addressing Covid-19, visit now.mit.edu.

MIT has many strengths, one of them being the Institute's endowment, which is managed by the MIT Investment Management Company (MITIMCo). Powered by investment strategies that were designed to weather economic change, even change driven by a pandemic, the endowment is valued at \$18.4 billion as of June 30, 2020, with a rate of return of 8.3% for the fiscal year. MITIMCo's mission to ensure the Institute thrives for the long-term, in partnership with your support, steadies us.

Since March, we have heard from many of you with questions about the CARES Act, your existing planned gifts, and consideration of new gifts. We have been honored to work with you to good outcomes. Keep the questions coming!



Amy Goldman

While our website is full of information, we've learned that donors often find it most helpful to talk one-on-one via phone or email: 617.253.4082 or giftplanning@mit.edu.

Due in large part to your insightful questions, we are pleased to offer an online program on December 2 regarding the latest tax laws and charitable options. More details can be found on page 7. In the meantime, I hope you enjoy this latest issue, in which we focus on what remains steadfast even now: the tremendous impact of your generosity.

With gratitude,
Amy Goldman
Senior Director, MIT Office of Gift Planning

From the Katharine Dexter McCormick Society Co-chairs



Bob Johnson and Heather Cogdell at MIT

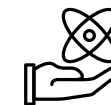
When we became co-chairs of the Katharine Dexter McCormick (1904) Society (KDMS) last year, we were eager to continue the important work of uniting and honoring individuals and families who make a bequest or life-income gift to MIT. While we could not meet on campus for our annual KDMS appreciation brunch and other events, one positive outcome was that we could include the many members who ordinarily would not travel to Cambridge. We could still come together and engage with our MIT family. Our first virtual KDMS appreciation event in September was a wonderful opportunity to gather online and learn more about the MIT Museum and its new home in Kendall Square. We are also delighted to have welcomed more than 100 new members this year, bringing our ranks to more than 1,800.

We could never have anticipated how drastically the world would change this year. But what has not changed is our admiration for our members' generosity and our excitement about what we as a community can accomplish together. Thank you for being a part of our community as we look to the future and MIT's continued work to make a better world.

Sincerely,
Heather Cogdell '89
Bob Johnson '63
KDMS co-chairs

Flexible Giving, Inspired by Students

James '72 and Muguette Alder



Jim Alder's 40th Reunion in 2012 marked a new era in his involvement with MIT. He began to volunteer as an educational counselor, and he and his spouse, Muguette, made their first planned gift to the Institute, a charitable remainder trust (CRUT). In 2019, the couple formed a new planned giving strategy and established an MIT Donor-Advised Fund to align with their changing priorities.

Getting to know MIT students.

A CRUT provides income to a donor and their beneficiaries, and when it terminates, the gift goes to a designated cause at MIT. The Alders directed their CRUT to undergraduate scholarships. "Supporting scholarships is especially important to me, as I had financial issues while at MIT," says Jim. "We established the CRUT wanting to donate to MIT and expecting to need additional income to support our retirement lifestyle."

Establishing a CRUT, like other planned gifts to MIT, welcomed the couple into KDMS. "From day one, everyone was so wonderful and welcoming toward us," says Muguette. "Hearing students' incredible stories at events like the annual KDMS member appreciation brunch is what made me want to get more involved with MIT." Getting to know MIT students in that capacity, as well as Jim's work as an educational counselor, inspired the Alders to also establish an endowed scholarship fund in 2015.

Evolving priorities.

As the Alders' engagement with MIT grew, they realized that their planned giving strategy needed to change. "We discovered that we don't need the additional income from the CRUT in retirement," says Jim. "Terminating the CRUT, as we did in 2019, provides MIT the money sooner to support undergraduate scholarships while giving us a one-time additional charitable tax deduction."

In 2019, the Alders also invested in a different planned giving instrument: an MIT Donor-Advised Fund (DAF). "Given our interest in continuing to support MIT, establishing a DAF was a logical next step," says Jim. "We will accumulate money in the fund over the next several years and watch that money grow through the MIT endowment's track record of returns. Our current plan is to use some of our fund to support other charities, but give most of it to MIT."

The importance of supporting MIT.

Beyond their planned giving strategy, the Alders' personal experience influenced their giving to MIT when they established a graduate fellowship in the Department of Brain and Cognitive Sciences in

"Given our interest in continuing to support MIT, establishing a Donor-Advised Fund was a logical next step." – Jim Alder

2017. "We have family members with brain-related medical conditions and understand the impact of these conditions both on individuals and society. We are optimistic there will be research breakthroughs in the near future, with MIT playing a key role," says Jim.

The Alders suggest that if others are considering a gift to MIT, a CRUT through the Office of Gift Planning is a great starting place—especially for scholarship support. "At MIT events, I love to hear from the students about their background, current activities, and future plans," says Muguette. Jim agrees: "Hearing from MIT students will tilt you pretty quickly toward the advantages and the value in the money you will donate, no matter what type of gift you make." ●

To learn more about Donor-Advised Funds, visit giving.mit.edu/daf.

COVER:
Jim and Muguette
Alder at home in
Boerne, Texas

A Legacy of Support for MIT Scholarships

Thomas Davis '84, SM '85
Elizabeth Beliveau Davis '84, MArch '88



Although Tom and Betsy Davis, now married 22 years, were MIT undergraduates at the same time, their relationship didn't begin until several years later. But that common undergraduate experience made their decision to establish the Tom and Betsy Davis Scholarship Fund a natural one. Tom and Betsy's support has already helped two students attend MIT, and thoughtful planning—with the help of the MIT Office of Gift Planning—has ensured that the fund will outlive them and support many more.

Supporting students.

"We knew we would need to pay for our children's college education, but realized we could help get more young people through school financially," says Tom. "Were we to pass away before our scholarship was completely funded, a bequest would bump up the total principal in the fund to complete it."



Tom and Betsy Davis at MIT

With their two children now in college, why fund scholarships for young people they don't know? "We both benefited from the generosity of others," says Tom. "Betsy had scholarships from MIT, and I had scholarships from other entities. Our undergraduate years were incredibly formative. To help others have that experience means a lot to us."

Celebrating the MIT experience.

Today, Betsy is associate director of facilities at Phillips Academy Andover, while Tom focuses on data-intensive work in supply chain management for a Palo Alto

consulting firm. Both have happy memories of their time at MIT. "There were moments in class where the waters parted somehow and you could see truth in its purest form," says Tom, "but some of the best moments for me happened while walking to and from school every day with friends." Betsy agrees: "Some of my dearest friends are MIT friends. When we reconnect, there's this bond and shared history of figuring out who you are and what you believe in by having intense conversations with really smart, engaged people."

Tom, who has met the two recipients of the scholarship fund in person, was inspired by the students' accomplishments. "If we can knock down the financial burden for them a bit, they'll be more focused on what they came here to do," says Tom. "To be exposed to all the things available at MIT and not take advantage of them because you're worried about money is not making the best use of those four years."

Achieving goals for the future.

Planned giving made sense to Tom and Betsy because it ensured that they could finish what they started. "For the longest time, I thought funding a scholarship was completely unattainable," says Tom. "We're just workaday engineers. Then I started looking at it and realized it was doable." He hopes others will follow suit. "Consider creating a scholarship fund! Build that fund over your lifetime and top it off with a legacy gift. You don't have to build a building to have an impact. Just think: 'I can help a couple of kids get through MIT.'"

"Funding a scholarship feels like an investment in the future for everyone," adds Betsy, "because the things students can do and the impact they can make with a little bit of assistance from us is incredible." ●

To learn more about how to make a bequest that supports scholarships or other MIT initiatives, visit giving.mit.edu/bequest-giving.

Starting an Income-Generating Gift Annuity



Joe Levitch '69 has given to MIT in a variety of ways, from mentoring and volunteering to establishing a scholarship fund and an athletics leadership program. Joe's charitable gift annuity (CGA), made through the Office of Gift Planning, is unique among the other ways that he supports the Institute. "The main reason for establishing the CGA was to create a predictable retirement income flow—something we all need at some point in our lives—with payout rates that are more attractive than most other alternatives," he says.

Besides additional income, he also names MIT endowment returns and tax advantages as key benefits to a CGA. "The CGAs are invested alongside the MIT endowment, whose expert investment team at MITIMCo continues to produce returns that exceed those of my commercial investment advisors, with less volatility. This benefits MIT and the student needs that I support since the MIT endowment's returns are likely to be greater than the value of my

personal investment accounts," he explains. "A CGA also allows me to enjoy tax advantages now while I still have an income tax liability and has the potential to reduce my estate taxes in the future."

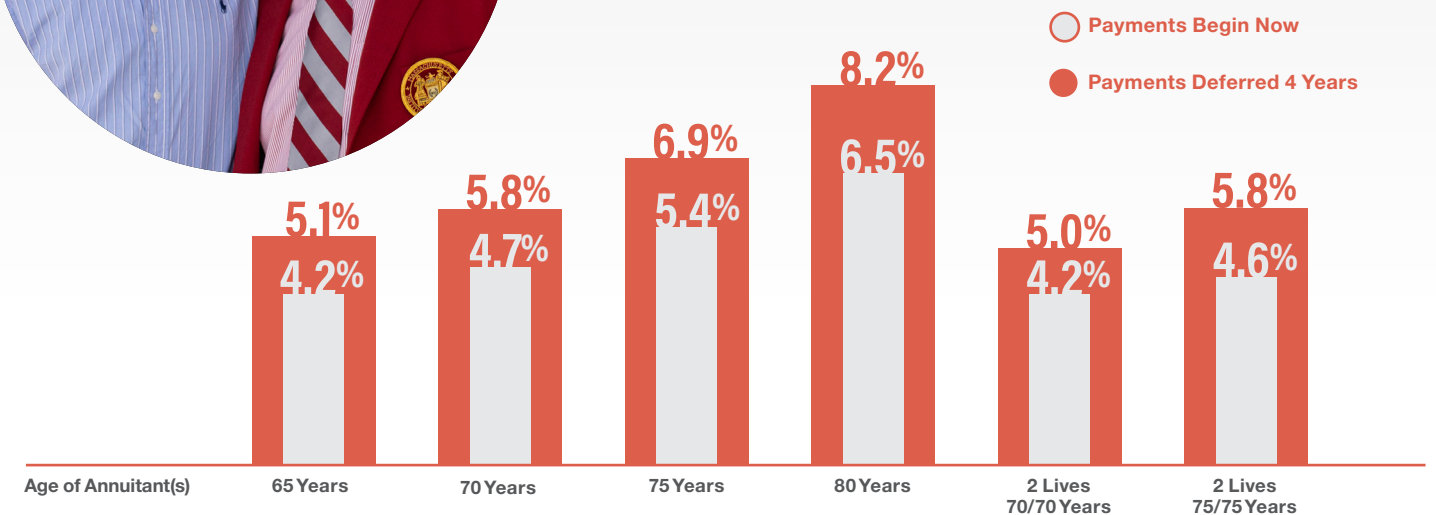
Life-income gifts are a cornerstone of planned giving at MIT, simultaneously providing income for donors while supporting the Institute. A CGA is an irrevocable gift that can be established with a gift of \$20,000 or more, and annuitant(s) must be at least 50 years old at the time that payments begin. The remainder of your gift becomes available to MIT for the purpose you have chosen when the annuity expires, whether it be scholarships, fellowships, research support in a specific area, or an unrestricted gift. If you are interested in creating a CGA, MIT's experienced gift planning team can answer your questions in a confidential discussion and provide you and your financial advisor with personalized gift calculations. ●

To learn more about gifts that provide income, visit giving.mit.edu/life-income.



Joe Levitch (right) met with Jason T. Necaise '20 (Course 8 and 18) at the 2019 Katharine Dexter McCormick (1904) Society brunch. Necaise is among the students who have received financial support from scholarships funded by Levitch.

Current Charitable Gift Annuity Rates



Q&A: Scholarships and Admissions Policies at MIT

Stuart Schmill '86

Dean of Admissions and Student Financial Services



Following Stuart Schmill's graduation from MIT, he spent a year working as a project engineer at General Motors before returning to the Institute in a professional role. Since then, he has served in a variety of positions, including director of crew; director of Parent, Student, and Young Alumni Programs in the MIT Alumni Association; and director of the MIT Educational Council. He became dean of admissions in 2008 and added Student Financial Services to his portfolio in 2016. Schmill spoke with the MIT Office of Gift Planning about MIT's distinctive admissions policies and gift planning's role in generating scholarship support.

What makes the admissions and financial aid policies at MIT different than those of its peer institutions?

SS: We are proud that MIT's undergraduate admissions and financial aid policies allow us to live our values. We are one of a small number of US

colleges and universities that make admissions decisions without regard to whether the student can afford to pay, and one of only five that can say this for both US and international students. Furthermore, we are one of a very small number of schools to offer completely meritocratic admissions policies: we grant no extra advantage for the children or grandchildren of MIT alumni. And, while we have

students with exceptional extracurricular talent, such as in athletics, every student meets the same high academic standards. Finally, we do not offer merit scholarships of any kind—the financial aid we offer to undergraduate students is based only on financial need. This allows us to use our funds most efficiently for the families that need aid the most.

How has the admissions process been affected by the Covid-19 pandemic?

SS: We are suspending our SAT/ACT requirement in the 2020–2021 application cycle and expanding the number of tests that can be used to demonstrate English proficiency. More generally, we are committed to upholding our longstanding general policy for disasters and disruptions, in which we remind students to focus first “on taking care of yourself, your family, your community, and your safety.” We do not penalize them for crises beyond their

control. These topics are outlined in more detail on the MIT Admissions blog.

What is the median amount of an MIT scholarship, and how are MIT scholarships funded?

SS: The median scholarship in the 2019–2020 academic year was approximately \$56,000, more than our nearly \$53,500 tuition and fees. Almost all of MIT scholarship funds come from philanthropy.

What are the main challenges that you and your team face?

SS: Maintaining need-blind admissions and full-need financial aid policies for all undergraduates is expensive—this is why policies such as ours are so rare. MIT has made this commitment, but the costs of maintaining our financial aid program are rising faster than our revenues. Securing our ability to maintain MIT's meritocratic principles and values will depend on the continued generosity of our alumni and friends as well as the commitment we make as a community.

What role can planned giving play in funding scholarships?

SS: Almost all of MIT scholarship funds come from philanthropy: Our scholarship support is so robust because of the generosity of our alumni and friends who make scholarship gifts in a variety of ways. A scholarship funded through a life-income or bequest gift will establish a lasting legacy for the donor while supporting MIT students who will go on to make their own mark on the world. Donors' foresight when planning their estate can help to ensure that we can support students today and into the future. ●

Visit betterworld.mit.edu/investing-in-students to learn more about scholarships. To read Schmill's blog posts about Covid-19, visit mitadmissions.org/blogs/author/stu.

You're Invited to *Corridor's* First Online Event



We are pleased to offer an online program on Wednesday, December 2, at noon ET featuring two top tax and estate planning attorneys, **Nancy Dempze** and **Brad Bedingfield**, partners with Hemenway & Barnes in Boston. At this virtual event, we will answer some of your questions about the latest tax laws, possible changes on the horizon, and timely charitable options.

As a recipient of *Corridor*, you will receive an email invitation with registration instructions. Registration is limited for this exclusive event. Please email giftplanning@mit.edu with any questions.

Plan Now for Year End



If you would like to make a gift before the end of 2020, now is the time to start the process. Consult our end-of-year giving timeline at giving.mit.edu/yearend for more details, or contact OGP with any additional questions.

October
Create a Plan

November
Finalize Your Plan with MIT and Your Advisors

December
Make Your Gift*

January–February
MIT Sends You an Acknowledgement of Your Gift

*Depending on the type of gift, it may need to be processed in early December. Please visit giving.mit.edu/yearend for details.

Sample Bequest Language

Below is suggested language to share with your advisor if you would like to include MIT in your will or estate plan.

I give [all of the residue of my estate OR an amount equal to X percent of the residue of my estate / thereof OR \$ _____] to the Massachusetts Institute of Technology (MIT), a Massachusetts nonprofit corporation, for its general educational and charitable purposes.

We can provide sample language if you prefer your bequest to be designated for a specific purpose. Contact us to learn more about bequests and how they could count towards the MIT Campaign for a Better World.

This information is provided for illustrative purposes only and should not be considered legal or financial advice. We encourage you to discuss these options with your advisor.

Contact Us

Making a planned gift to MIT enables you to meet your financial goals while achieving your charitable aspirations, bolstering MIT's world-changing programs while providing income to you and/or your beneficiaries.

Ready to start the conversation?
Contact us today!

OFFICE OF GIFT PLANNING
617.253.4082
giftplanning@mit.edu
giving.mit.edu/contact-ogp





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600 Memorial Drive W98-500
Cambridge, MA 02139-4822

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From the
MIT Office
of Gift
Planning

Inside this Newsletter

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Inspired by Students
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for MIT Scholarships
- Income-Generating
Charitable Gift Annuities
- Q&A: MIT Admissions
and Covid-19