

LEGACY GIVING

GIFT PLANNING NEWSLETTER | WINTER 2019

BENNINGTON
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MARY FANELLI, FORMER PARENT

Mary Fanelli, mother of Elizabeth “Beth” Chaisson ’86, recently established a Charitable Gift Annuity (CGA) with Bennington College. A CGA is a simple contract between you and Bennington in which you make a gift of cash, securities or possibly other assets. You are able to take a partial tax deduction for the donation and receive a guaranteed fixed stream of income from Bennington for the rest of your and possibly another person’s lifetimes.

We spoke with Mary about her selection of a CGA, and what motivated her to make this gift to Bennington.

People have a variety of reasons for establishing a CGA. What motivated you?

After graduating from Mount Holyoke in 1995, I worked in the major gifts area of their development office and learned quite a bit about charitable gifts and their

benefits to both the donor and the college. When I inherited money after retirement, an annuity seemed like a sound investment. It also provided a way for me to give back to Mount Holyoke for supporting me through my undergraduate work and to Bennington College for the impact it made on Beth’s life.

Were you an older student at Mount Holyoke?

In 1957, I matriculated for one year at the University of Massachusetts, and then went to Katharine Gibbs in Boston to complete their one-year program. I married my high school sweetheart, had four children, and



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became a homemaker for many years. My youngest daughter was at Mount Holyoke and told me about a program they have for women who would like to finish their education—Frances Perkins Scholars. I decided to go back to college at 52, and she and I graduated together in 1995. I fell in love with learning. It was an awesome experience and gave me a true appreciation of a liberal arts education.

What about your daughter Beth's experience at Bennington inspired you to give to the College?

I was impressed at the flexibility that Bennington allowed students in choosing a course of study. Beth chose Bennington in 1982 intending to become an architect. Bennington gave her an opportunity to express herself in a way she would not have been able to at a conventional type of college. Getting full evaluations, rather than grades for each course, was also very impressive. While interning in the summer with the New York City Department of City Planning, Beth discovered her love of land use planning. She returned to Bennington in 1988, made city planning the focus of her Field Work

Term and graduated with a concentration in Philosophy and Architecture. I am proud to say that she was a stay-at-home mom for many years and raised two terrific children. In between, she also worked part time teaching English as a Second Language to adults and helped found a non-profit organization, GreenWheaton. Like many Bennington graduates, she is multifaceted.

In addition to establishing the CGA, you continue to give annual gifts to the Bennington Fund. What makes Bennington a philanthropic priority for you?

For one thing, the financial aid given to Beth when she was at Bennington was significant. As a recent divorcee, I was most grateful at the time for the college's support. More importantly, education is at the top of my list for charitable giving. There is nothing as valuable as a liberal arts education to cultivate and satisfy a curious mind. It prepares you for just about any field of work. And at Bennington, students must be independent and have a goal in mind in order to complete their undergraduate

studies in this environment. I can see why graduates are so successful in their endeavours.

What impact do you hope your philanthropy at Bennington has?

My gifts to both Mount Holyoke and to Bennington were funded by inherited money that gave me the opportunity to fund a gift that I would normally not have been able to afford. Today, even though my income is moderate in retirement, I make sure that some of my charitable donations go to the colleges that gave me and my family a liberal arts education.

What would you say to invite someone else to establish a CGA at Bennington or include Bennington in their estate plans?

I certainly would advise any parent or student to choose a charitable gift annuity as a way of giving back to Bennington and supporting the education of other students. Bennington is unique in its approach to learning, and those students, who are motivated and can learn independently, receive an education that they could not find elsewhere.

CHARITABLE GIFT ANNUITY – A GIFT TO BENNINGTON THAT PAYS BACK

With a charitable gift annuity, Bennington pays you and/or another person a fixed income for life in exchange for a gift of cash or stock. After payments are complete, the balance of your original gift will be applied to the purpose you have chosen at Bennington.

Benefits

- Receive a fixed income - Savings, CDs, or long-term appreciated stock aren't generating much interest or dividends and the increased rates from a charitable gift annuity, based on the ages of the annuitants, may provide more. A charitable annuity is a popular strategy for increasing retirement income.
- Tax Savings – you receive an immediate income tax deduction in the year you make your gift for a portion of your gift and may avoid or defer capital gains tax.
- Establish a gift with as little as \$10,000
- Options – you can begin to receive payments immediately or at a determined date in the future.
- Support the area of Bennington most meaningful for you.

Sample Annuity Rates for Gift Amount of \$25,000

Age	Payment Rate	Annuity	Deduction
60	4.7%	\$1,175	\$7,631
66	5.2%	\$1,300	\$8,809
72	5.8%	\$1,450	\$10,428
78	6.8%	\$1,700	\$11,860

Bennington College does not provide financial or tax advice. We advise you to seek your own legal and tax advice in connection with gift and planning matters

**Please note that this information is for illustrative purposes and is not intended as tax or legal advice. Rates are subject to change and are based on rates recommended by American Council on Gift Annuities.*

Example

Linda Baker is a 71 year-old widow. She would like to make a significant gift to Bennington College, but she is dependent on the income produced by her investments. One of these investments is stock in XYZ Widget Corporation that she and her late husband purchased many years ago for \$3,000.

Her stock is now worth \$10,000 but provides little income - about \$126 after tax. Linda is reluctant to sell her XYZ Widget stock to reinvest in higher yielding assets because she will have to pay \$1,400 in capital gains tax. This would leave her with just \$8,600 to reinvest.

Linda is pleased to learn that she can make a significant gift to Bennington College and increase her cash flow by giving her XYZ Widget stock to Bennington in exchange for a gift annuity. She can also avoid and defer capital gains taxes, and will receive an income tax deduction that may provide additional tax savings.

	Tax result	Cash flow before tax	Cash flow after tax (37% tax rate)
Linda keeps her stock	None	\$200	\$126
Linda sells and reinvests for 4.0% yield	Owes \$1,400 capital gains tax	\$344	\$217
Linda funds a 5.7% gift annuity	\$4,043* income tax deduction Avoid tax on \$2,830* of capital gain	\$570	\$447

**Deduction amount and capital gains tax avoided may vary depending on the timing of the gift.*



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A gift to Bennington
that pays back

AS CITIZENS OF THIS DEMOCRACY, YOU ARE THE
RULERS AND THE RULED,
THE LAW-GIVERS AND THE LAW-ABIDING,
THE BEGINNING AND THE END
ADLAI E. STEVENSON