

# AUGUSTANA COLLEGE

IN THIS ISSUE: GIFT ANNUITIES CHARITABLE REMAINDER TRUSTS BEQUESTS

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## The Key to Certainty in an Uncertain Economy

Even in uncertain times, there are simple things we can do to make our lives better, especially when it comes to our financial future. If you are tired of rolling over your CDs for minimal returns, or if the fluctuations of the stock market concern you, there are ways to create stability and predictability you may not have considered. The key is to know your choices and understand that there are some options that remain appealing.



If you are tired of disappointing CD rates, one idea for you to consider is a charitable gift annuity. A gift annuity provides fixed payments to you for life – at attractive rates. You can also choose to fund one that pays a fixed income to you and another person for life. Keep in mind these are not commercial annuities and offer benefits that commercial product don't provide. For example, in addition to the fixed gift annuity payments, you will receive an income tax deduction this year for part of the funding amount. You also have the peace of mind knowing what remains (after all the payments have been made) will benefit our organization.

If you want a little more control you might consider a charitable remainder trust. This special trust provides income to you for life. You can decide

whether to receive fixed payments or payments that vary with the performance of trust assets. Like a gift annuity there are income tax benefits and the satisfaction of knowing you have helped our organization further its good work.

The charitable gift annuity and charitable remainder trust are wonderful tools to help you plan your future. The fixed payments of the gift annuity and the investment options of the remainder trust are just the beginning. Both become even more attractive when you think about the income and capital gains benefits as well as the satisfaction of knowing your gift will help our organization. Contact us for a personalized illustration.

To receive weekly news by email, visit [www.augiegiving.org](http://www.augiegiving.org).

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# How to Save on Taxes

## As tax rates rise

You have saved all your life. You have invested and watched your wealth grow for years and now high taxes threaten to take away all of your hard work.

Don't let the dark shadow of the coming tax increases ruin your planning. Instead, do what you have always done. Educate yourself, think reasonably and get advice from those who can help you. As you think about how to protect your financial future, there is one tax-fighting tool you should know about.

A charitable remainder trust can help you beat higher taxes while giving you some additional benefits.

The charitable remainder trust is a special type of trust with special tax-fighting powers. When you fund it with an appreciated asset like stock or real property, the sale is capital gains tax-free. You can then reinvest those assets into the trust in a way that maximizes income for you. The trust can pay you (and/or others) for life at a fixed or variable rate. You get to decide which plan is best for you.

The charitable remainder

trust also provides you with income tax benefits, and as with other charitable vehicles, the trust assets will eventually go to our organization. What once helped you will one day help others. Ask us for an illustration and then talk with your attorney about the benefits you can expect with your goals and investments.



# Preserve Your Cash and Help Our Mission

We are fortunate that many people want to support our mission and we know you may share that passion.

With the uncertainties in the economy many of our friends have said they want to support us, but have had difficulty giving as they want to, or with the assets they planned to use.

We are grateful to all those who give to support us. If like others you want to give, but are not quite sure how, a charitable bequest may be just what you need to do. Include a gift to our organization in your will or trust. This is a perfect way to hold on to assets, income or other property today while knowing it will go to our organization tomorrow. With a bequest you keep everything, but don't have to hold back anything in your giving.

The possibilities are limitless. You can give a specific asset, such as a gold watch, property or a certain dollar amount. Or you might choose to give a percentage of your estate. You might also choose to give specific assets to friends and family and give the "remainder" to our organization. You can use what you have the way you want. If you don't have a will, talk with your attorney to see what you can do. You might save on estate taxes, but you will definitely help us help others. If you need assistance getting started, let us know.

## SAVVY LIVING

By: Jim Miller

Dear Savvy Living,

Can you write a column on volunteer vacations? My husband and I are interested in taking a service-oriented vacation this summer but could use some help.

If you're looking to do more on your vacation than relax in the sun or go sightseeing, volunteer service vacations – also known as “voluntourism” – are a great alternative that are growing in popularity. Here's what you should know.

### Voluntourism

Nowadays, you don't need to join the Peace Corps to travel to exotic destinations and serve others. Many organizations offer short-term volunteer projects both overseas and in the U.S. These service-oriented vacations last anywhere from a few days to a few months.

Common program themes include teaching English, working with children and teens, building and repairing homes and schools and assisting with community or environmental projects. In addition, volunteer vacations also give travelers the opportunity to experience another culture more fully and to

connect with the local people – much different than your run-of-the-mill sightseeing vacation.

Most volunteer vacation groups accept singles, couples and families and you don't need to speak a foreign language. Costs typically range from around \$700 to \$1,500 a week (excluding transportation, such as airfare, to travel to the service location). Fees typically cover pre-trip orientation information, room and board, on-site training, ground transportation once you get there, the services of a project leader and a contribution to the local community that covers materials related to the service project. Keep in mind that if the organization running your trip is a nonprofit, the cost of your trip, including airfare, may be tax deductible.

### Where to Look

While there are dozens of organizations that offer volunteer vacations, here are

some commonly used organizations:

- [Earthwatch.org](http://Earthwatch.org), 800-776-0188: A global nonprofit that offers one and two-week expeditions that focus on environmental conservation and field research projects all over the world.
- [Globeaware.org](http://Globeaware.org), 877-588-4562: Offers one-week volunteer vacations in 15 different countries.
- [Globalvolunteers.org](http://Globalvolunteers.org), 800-487-1074: Offers a wide variety of two and three-week service programs in 18 countries, including the U.S.
- [Roadscholar.org](http://Roadscholar.org), 800-454-5768: formally known as Elderhostel, they offer a wide variety of volunteer service programs both in the U.S. and abroad usually to the 50-plus traveler.
- [Habitat.org](http://Habitat.org), 800-422-4828: Offers a variety of house-building trips through its Global Village Program and RV Care-A-Vanners program.

Savvy Living is written by Jim Miller, a regular contributor to the NBC Today Show and author of “The Savvy Senior.” The articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics.