GIFT PLANNING
at the Yale School of Management

THE FREDERICK W. BEINECKE 1909S
AND EDWIN J. BEINECKE 1907 SOCIETY
Secure your financial future and support the Yale School of Management’s mission to educate leaders for business and society.

At Yale SOM, we believe that the problems facing business and society require leaders with a nuanced understanding of an increasingly interconnected world. With your support, Yale SOM has moved into its transformative new home, Edward P. Evans Hall; expanded and added master’s degree programs; and helped to establish the Global Network for Advanced Management. A planned gift to the school will help the school, over the coming decades, to continue to expand the reach of its founding mission and to pursue its guiding aspirations: to be the business school that is most integrated with its home university, the most distinctively global U.S. business school, and the best source of elevated leaders for all sectors and regions.
THE FREDERICK W. BEINECKE 1909S
AND EDWIN J. BEINECKE 1907 SOCIETY
at the Yale School of Management

Put your assets to work in a way that allows you and Yale SOM to share in their benefits.

Give a gift that pays you back, providing dependable income for you and your family and offering current and future tax savings.

Leave a legacy: make a donation that costs you nothing during your lifetime.

The Yale School of Management exists in large measure due to the outstanding generosity of the Beinecke family. The school’s origins date to the 1960s, when William S. Beinecke ’36 B.A., ’86 LLDH served on a committee that determined that Yale should create a graduate school focused on the teaching of business and management. A bequest from William Beinecke’s father, Frederick W. Beinecke 1909s, was the basis for the establishment of the school.

Edwin J. Beinecke 1907, Frederick’s brother and William’s uncle, extended his family’s legacy of support by creating the Edwin J. Beinecke Professorship of Finance and Management Studies and by leaving a bequest to Yale SOM. For his part, William made his first planned gift to the school when he was in his 50s and recently made another gift to support the new Yale SOM campus, Edward P. Evans Hall.

The Yale School of Management owes a deep debt of gratitude to the Beinecke family, whose far-sighted planning, decades ago, continues to enrich the school. You have the opportunity to have the same kind of truly lasting impact. Please consider joining the Frederick W. Beinecke 1909s and Edwin J. Beinecke 1907 Society by designating Yale SOM as the recipient of a planned gift or bequest and investing in the school’s promising future.
The Beinecke Family:
Generations of Support for the Yale School of Management

Frederick W. Beinecke graduated in 1904 from Phillips Academy Andover and in 1909, with a degree in civil engineering, from the Sheffield Scientific School at Yale University. He worked for Bethlehem Steel Corporation, New York Central Railroad, and then Red Hook Light and Power Company before serving during World War I as a captain in the U.S. Army. After the war, he worked for the Texas Company (now Texaco) in New York; was president of a Studebaker automobile distributorship in New Jersey; founded a stock brokerage firm; was president of a department store; and ultimately served as president and chairman of the executive committee of the Sperry and Hutchinson Company, whose “S&H Green Stamps” were a widely recognized symbol of postwar prosperity.

Like his brother Edwin, Frederick chaired the Yale Library Associates; he left his notable collection of books and manuscripts on the American West to Yale, where it is housed in the Beinecke Library. He received the Yale Alumni Medal in 1959.

Edwin J. Beinecke graduated in 1903 from Phillips Academy Andover and entered Yale College. He left Yale after two years to join the George A. Fuller Construction Company as a timekeeper on the construction of the Plaza Hotel in New York City. Then, for more than 50 years, he served Sperry and Hutchinson—as a director, president, chairman of the board, and finally chairman—providing thoughtful leadership to the company throughout his association with it.

Edwin also amassed the world’s largest collection of books, manuscripts, letters, and other works about and by the Scottish author Robert Louis Stevenson—a collection now housed at the Beinecke Library—as well as a magnificent collection of German glassware and stoneware—now at the Corning Museum of Glass in Corning, New York. He served for many years as a member of the Yale Library Associates and as the organization’s chairman in 1949. He was awarded the Yale Alumni Medal in 1953.
An essential effort

Planned giving will be an increasingly essential part of support for Yale SOM as the school moves forward. It is so very appropriate that the Beinecke Society has been named in honor of Frederick W. Beinecke and Edwin J. Beinecke, the father and uncle of William S. Beinecke, who has been such an important part of the school’s history since its founding. I hope you will join me in designating Yale SOM as the recipient of a planned gift or bequest.

William H. Donaldson ’53 B.A.
Founding Dean and William S. Beinecke Professor of Management,
Yale School of Management

Williams S. Beinecke attended Westminster School and Phillips Academy Andover and in 1932 entered Yale, where he worked for his meals due to financial reversals his father suffered during the Depression. He graduated from Yale in 1936 and from Columbia Law School in 1940, then served in the U.S. Navy during World War II, earning a Bronze Star and attaining the rank of lieutenant commander. After leaving the service, he helped found the law firm Casey, Beinecke, and Chase. Between 1952 and his retirement in 1980, he served as general counsel, president, and chairman of Sperry and Hutchinson. He is also a retired director of Antaeus Enterprises, a family investment company, and chairman of the Prospect Hill Foundation, a family foundation that he and his late wife, Elizabeth, founded in 1959. In 2000, he published a memoir titled Through Mem’ry’s Haze.

His business acumen and philanthropic mindset have helped shape many parts of Yale University. A member of the Yale Corporation from 1971 to 1982, he was a key advocate for the establishment of a management school at Yale and has been a pivotal supporter of Yale SOM for the school’s entire history. He received an honorary degree from Yale in 1986 and was awarded the Yale Alumni Medal in 2000.
Become Partners Through Giving

You and Yale SOM share a common goal: forging a solid financial future. You have been careful about building your assets and providing for your family. You are also committed to Yale SOM’s mission to educate leaders for business and society. You can advance both of these worthy objectives at the same time with a planned gift to Yale SOM.

With a planned-giving strategy tailored to your own personal and financial situation, you can put your assets to work for any part of Yale SOM you choose — while realizing the following benefits:

- Leaving a meaningful legacy.
- Ensuring a secure income stream for you or a loved one.
- Achieving a savings on your income or estate taxes.
- Enjoying the peace of mind that comes from partnering with Yale’s sound financial management.
- Experiencing the satisfaction of helping to advance Yale SOM’s mission of educating leaders for business and society.

This booklet introduces the many planned-gift options available at Yale. If one of these strategies seems right for you, we invite you to contact us to learn more. We would be happy to provide detailed information to help you — and your professional advisors — arrange a gift that will work for you and for Yale SOM for years to come.
A desire to reciprocate

When my acceptance letter from SOM arrived more than 35 years ago, I knew I had been given an enormous but challenging gift. I didn’t fully appreciate the full value of that gift until I was immersed in the collaborative learning environment at Yale’s new management school. I learned new skills and explored “foreign” ideas in the course of my daily interactions with faculty, staff, distinguished visitors, and, most of all, my fellow students—many of whom I still rely on today. It was education in the best sense of the word!

Somewhere in the years since those days at the intersection of Prospect and Sachem, I had a strong desire to reciprocate. Initially, that came in the form of annual financial contributions and later in volunteer work for SOM and involvement in the Alumni Association.

Now, as my husband David and I set our priorities for end-of-life financial planning, we have made a bequest to SOM, to help other students benefit from the life-changing experience I had there.

Suzanne C. Francis ’80 MPPM
Build a Lasting Legacy

By including Yale SOM in your estate plans, you will be making a lasting contribution to the institution—one that will strengthen the school and touch the lives of countless faculty and students.

Making a bequest to Yale SOM allows you to manage your assets and meet your family’s financial needs during your lifetime. A charitable bequest may provide a tax deduction for your estate and, by supporting future generations of Yale SOM students and faculty, will have a profound impact on scholarship, teaching, and research at the school.

There are many ways to include Yale SOM in your estate plan. Any of the following mechanisms can support Yale SOM in general or a specific area of the school that interests you, and may qualify your estate for an estate tax deduction:

- Make a bequest of cash, securities, or other property.
- Designate a specific dollar amount, a particular asset, or a fixed percentage of your estate for Yale SOM.
- Leave all or a portion of your residuary estate to Yale SOM, after you have provided for your other beneficiaries.
- Name Yale SOM as a contingent beneficiary of your estate in the event that your other beneficiaries do not survive you.

A bequest may be for a percentage of your estate or for a specific amount. We suggest that you consider designating a percentage of your estate, which ensures that all of your beneficiaries, including charities, receive the proportion you intend, even if your estate changes in value.

DOCUMENTING YOUR BEQUEST

You may stipulate that your bequest be used for a specific purpose or, because educational activities and priorities change over time, you may wish to give Yale SOM the flexibility to use the funds where they are needed most.

We suggest the following language as a way to include a bequest to Yale SOM in your will:

**Sample bequest language**

I give (__________ dollars) or (a specific asset, such as securities, real estate, or other property) or (all) or (__________ percent of the rest, residue, and remainder of my estate) to the Yale School of Management in New Haven, Connecticut, (for its general purposes) or (for the following purpose:_________________________).
While unrestricted gifts allow the school to allocate funds to the areas of greatest need, you may designate your bequest for a particular purpose at Yale SOM—such as scholarship support, curriculum development, or faculty research. If you are considering a bequest with specific restrictions on its use, you or your legal advisor should discuss your plans with Yale SOM’s development office to ensure that the school will be able to fulfill your intentions. In order to ensure that the evolving educational needs of future generations of students are met, it is advisable to include the following language with restricted gifts:

In the event that at some future time, due to changed circumstances, in the judgment of the Yale Corporation, it becomes impractical to apply my bequest to the designated purpose(s), the Yale Corporation shall make such modifications as will appropriately recognize my interests in coordination with the school priorities.

Reflecting on rewarding careers

When we met at Yale SOM over 30 years ago, we were very far from thinking of retirement or estate planning. More recently, we’ve reflected on our good fortune—in going to Yale, in meeting each other there, and in the rewarding careers that have followed for both of us.

We established a charitable remainder trust at Yale because it allows us to fulfill several goals at once: a steady and growing source of income in retirement, support for Yale SOM’s endowment, and valuable lessons for our children in estate planning and giving back. And our confidence in the investment strategies employed by Yale made this an easy call.

We feel very lucky to be able to do this—luck created in large part because of our connection to Yale—and could not be happier to support Yale SOM through planned giving.

Jane Mendillo ’80,’84 MBA and Ralph Earle ’84 MBA
Secure Income with a Gift

A life income gift offers many benefits: dependable income for you and your family, current and future tax savings, and support for Yale SOM. Whether you are planning for retirement, for educational expenses of children or grandchildren, or for long-term care of loved ones, a life income gift can be an excellent way to balance many goals.

CHARITABLE GIFT ANNUITY
A charitable gift annuity is a type of life income gift that provides secure, predictable, fixed payments as well as capital gains and income tax savings.

You can establish a charitable gift annuity with Yale for a minimum gift of $10,000. You contribute cash or marketable securities in exchange for Yale’s promise to pay you—and, if you wish, your spouse or another annuitant—a fixed income for life. If you transfer appreciated securities, the payment of any capital gains tax may be spread over your life expectancy. You may also qualify for an income tax deduction in the year you make your gift. In most cases, you will receive a portion of your annuity payments tax free.

Your annuity rate will be based in part on your age at the time you begin receiving payments. You may choose to delay the start of your annuity payments for some period of time—an attractive option if you wish to provide a secure income stream for your retirement or for a loved one. A deferred-payment charitable gift annuity may also allow for higher annuity payments. Another alternative is a flexible deferred-payment annuity, under which you retain the option to select from a range of payment start dates.

CHARITABLE REMAINDER TRUST
A charitable remainder trust is a gift plan that allows for income for you and your loved ones, individual management of your gift, and increased support for Yale SOM.

If you are considering a significant gift to Yale SOM ($100,000 or more, depending on your age), a charitable remainder trust may be a good option. You irrevocably transfer assets—such as cash, marketable securities, or real estate—to a trustee who separately manages and invests them. You, another person, a bank, or Yale University may serve as trustee. The trust makes payments to you, you and your spouse, or another person; the payments may be for a fixed dollar amount (this is known as an annuity trust) or for a variable amount (this is known as a unitrust). The beneficiaries receive income for the rest of their lives or for a specified term. On the conclusion of that period, the trustee pays the trust principal to Yale SOM. Charitable remainder trusts may provide income, capital gains, and estate tax advantages and can be tailored to meet your personal and financial goals.

If Yale University serves as trustee, your gift will benefit from expert asset management, at low administrative costs, under the direction of the Yale Investments Office.
POOLED INCOME FUND
Another form of life income gift is a pooled income fund, which can provide a flexible way to diversify your portfolio. Yale University’s pooled income funds offer several investment yield and growth options, each with income and capital gains tax savings.

For a minimum initial gift of $10,000, you may contribute to a pooled income fund at Yale University. Such a fund combines and invests your gift with the gifts of others and pays an income stream to you, or your designated beneficiaries, for life. Pooled income funds essentially operate like a charitable mutual fund. Upon the death of the last beneficiary, your share of the fund transfers to Yale SOM.

Yale maintains three such funds—a growth fund, a balanced fund, and a stable fund—so you can choose the combination of investment yield and growth that is right for you. You can contribute cash or marketable securities to a pooled income fund and receive an income tax deduction in the year you make your gift. After your initial contribution, you can add to the fund in increments of $1,000 or more. If you transfer appreciated securities that you have owned for more than a year, you may well be able to increase your income without realizing any capital gain.

CHARITABLE LEAD TRUST
Just as a charitable remainder trust allows you to provide an income stream for yourself or a loved one, a charitable lead trust lets you generate an income stream for Yale SOM—while you preserve the underlying assets for your family. In addition, a charitable lead trust enables you to make a meaningful immediate contribution to Yale SOM, while receiving significant current or future tax benefits.

A charitable lead trust—generally established in an amount of $500,000 or more—lets you keep those assets in your family but provides income to Yale SOM for a specified period of time. You can create this separately invested, irrevocable trust by transferring cash, marketable securities, or income-producing property to a trustee you select. This trustee—a bank, one or more individuals, or a combination of institutional and individual overseers—manages the property and pays Yale SOM a periodic amount that may be fixed or variable.

When the period of the trust concludes, the trust assets revert to you or to persons you name, such as children or grandchildren. Depending on the terms of the trust, any asset growth that occurred within the trust may be distributed to the trust’s beneficiaries, free of any gift or estate tax. The financial and tax advantages of a charitable lead trust vary based on the type of trust you establish and your relationship to that trust.
Giving back to Yale

My dad has a saying: “You should give till it feels good.” And I have to say, it feels good to give back to Yale. It is a privilege to teach here. The chance to work with SOM students is invigorating—there’s always a heady mix of IQ, idealism, and passion.

And in the spirit of Individual Decision Making (IDM) or Decision Analysis and Game Theory (DAGT), I would be remiss if I didn’t mention what a great investment opportunity a Yale charitable remainder unitrust (CRUT) provides. Here’s my back-of-the-envelope computation: Let’s say you have a stock worth $100 with 100% appreciation. Selling the stock would provide after-tax cash of $83.60 (after taking account of 20% long-term capital gains, the 3.8% Medicare Investment Income Tax, and 9% state income tax). If your stock had 300% appreciation, then selling it would provide after-tax cash of $75.40. But donating the appreciated stock to Yale would give you a tax deduction on the order of 30% (depending on your age), which should lead to a tax savings of about $10. Thus the after-tax cost of giving $100 to Yale is between $73.60 (with 100%-appreciated stock) and $65.40 (with 300%-appreciated stock). And Yale pays 5% on $100, so your return is effectively 6.8% to 7.65%, depending on the appreciation. Furthermore, the value of my CRUT (and thus of my 5% payments) has increased quite substantially.

Annuities are the best hedge against living too long. With a Yale CRUT, you get long-life insurance and a great return, all while supporting the next generation and feeling good. Why wait?

Barry Nalebuff
Milton Steinbach Professor of Management
Make Strategic Use of Your Assets

You may have a strong desire to support scholarships, outstanding teaching, research, or some other initiative at Yale SOM—but find it a challenge to make a meaningful gift. If so, you may want to consider donating assets other than cash or publicly traded securities. For example, you may own property that is valuable on paper but whose full value you’ll never realize because it is illiquid or tax burdened. A strategic alternative is to donate that asset—be it a retirement plan, real estate, or other property—to Yale SOM. In many cases, you will enjoy immediate and future tax savings, as well as the ability to make a larger gift than you thought possible.

RETIREMENT PLANS
Retirement funds held in an IRA, 401(k), or other qualified retirement plan may offer a straightforward and tax-efficient way to make a generous gift to Yale SOM. If you have reached the age where you are eligible to or required to take distributions from such accounts, and the funds exceed your current income needs, making a gift to SOM can help to offset your tax liability, while providing support to the school.

Another option is to name Yale SOM as a beneficiary of your retirement plan. If these assets are left to children, grandchildren, or other heirs, as much as 70% or more of the bequest may be consumed by estate and income taxes. In contrast, Yale SOM will receive 100% of your charitable contribution. You should consult with your financial advisor to understand how this type of giving could benefit you and your family.

REAL ESTATE
Making a gift of a primary residence, vacation home, undeveloped land, or other property interest often offers a strategic way to support Yale SOM. Your donation can put the property’s full value to work to advance the school’s mission. What’s more, you may receive a charitable tax deduction equal to the property’s fair market value. In contrast, selling the property—and paying the capital gains tax on its appreciated value—would allow you to realize only a portion of its worth.

Another way to donate the value in a personal residence is to give Yale SOM a remainder interest. Under this arrangement, you may continue to use and enjoy your home, while you pay the taxes on it and maintain the property. Upon your death, or when you no longer need the residence, it will pass to the school. This type of gift has the potential to generate a significant charitable deduction at the time the gift is made.

Real estate may also be used to fund a charitable remainder trust.

TANGIBLE PERSONAL PROPERTY
Yale University has been the fortunate beneficiary of many generous gifts of personal property. You may wish to give books, archival material, works of art, musical instruments, jewelry, or collections—and receive tax benefits in return.
LIFE INSURANCE
If you own a life insurance policy and no longer need its protection, you can name Yale SOM as the beneficiary to receive the policy’s face value upon your death. In return, your estate may receive a charitable deduction.

PRIVATELY HELD BUSINESS INTERESTS
Many alumni and friends hold considerable assets in the form of privately held business interests. You can donate such assets—closely held or other non-publicly traded stock, interests in limited partnerships, or limited liability companies—as a way to support Yale SOM, while realizing tax advantages and other financial benefits.

DONOR-ADVISED FUNDS
For a minimum initial contribution of $5 million, Yale University offers donors the opportunity to participate in a donor-advised fund. This type of planned gift enables you to take advantage of Yale’s strong endowment performance, since all such funds are managed as part of the university’s endowment, while at the same time giving you the option to recommend that up to 50% of your gifts to the fund be distributed to other qualified charities. (Please inquire about special consideration for gifts of $25 million or more.)

Energized and Inspired
Yale SOM was critically important in my return to the workforce after my son started school. I was thoroughly energized and inspired by the professors, the courses, and, of course, my classmates. I will always be grateful for all that Yale gave me while I was studying there and for the support of the Yale community since I graduated in 1979—as well as for the professional opportunities I have enjoyed in the 35 years since I left SOM.

When I was asked, a few years after leaving SOM, to join the boards of directors of two publicly traded companies, I decided to donate my board fees to charities, since SOM had made those two directorships possible for me. One of those boards, which I served on for over 20 years, gave me, as a benefit, the opportunity to name as beneficiary of a life insurance policy any charity I designated. SOM is the rightful beneficiary, for the reasons I’ve stated.

As my husband and I review our estate plans, Yale SOM comes to the fore quickly. I want the SOM opportunities I was lucky enough to enjoy to be available in perpetuity to others. We decided to designate SOM as a key beneficiary in our will. I am so proud of the school and its graduates and feel so fortunate to be able to help help others.

I am particularly happy to be supporting this planned giving effort led by Bill Beinecke. I served on the Dean’s Advisory Board with Bill and got to know him through one of my employers. His life, work, and dedication to Yale have inspired me.

Ruth R. McMullin ’79 MPPM
Join the Beinecke Society

We invite you to join the Frederick W. Beinecke 1909S and Edwin J. Beinecke 1907 Society, an alliance of alumni, family, and friends who have included Yale SOM in their estate plans or made other planned gifts to the school. Donors who remember Yale SOM in this manner are supporting the aspirations of talented students and faculty from around the world. Offering you membership in the Beinecke Society is our way of thanking you for your foresight and generosity.

You are eligible for membership in the Beinecke Society if you have named Yale SOM as a beneficiary in your will or trust, established a life income gift, donated an IRA or other retirement plan, named Yale SOM as a beneficiary of a life insurance policy, or made some other form of planned gift. Information regarding the amount, nature, or designation of your bequest or gift is welcome but not required for membership.

As a member of the Beinecke Society, you will have the option to be acknowledged in listings of the membership. You also will have the opportunity to be considered a member of Yale Legacy Partners and to join your fellow members at special events hosted by both Yale SOM and Yale University.
We invite you or your advisors to contact us:

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We encourage you to visit us online at som.yale.edu/plannedgiving or www.yale.planyourlegacy.org.

CONTACT US FOR FURTHER INFORMATION
The benefits of these planned-giving strategies can open the door for you to make a meaningful gift to Yale SOM today. You can fund your contribution with a wide array of assets, and you can direct your support as you choose—to the school’s general purposes or to an area of particular interest to you.

If you would like to learn more, Yale SOM’s Development Office is ready to help in the following ways:

- Sharing more information about all of the available planned-gift options.
- Illustrating in detail just how a particular planned gift would work, including its potential tax and financial benefits.
- Preparing information tailored to your specific circumstances that you can share with your professional advisors.