



Forum

FOR FINANCIAL PLANNING

FALL 2006

AN INFORMATIONAL AND EDUCATIONAL PUBLICATION OF ASHLAND UNIVERSITY, ASHLAND THEOLOGICAL SEMINARY AND THE ASHBROOK CENTER

From the Editor
Paul Ditlevson

Your Footprints

Everyone leaves footprints on the sands of time. Our prints are made by the imprints of our lives on others. A person is remembered for the weight of his or her character; for marks of accomplishment; for shapes of kindness; for length of compassion; for width of personal warmth; for generosity; for values.

And, when we leave positive impressions behind, we enhance the lives of our friends and loved ones. We give them footprints to follow.

Thoughtful estate planning is one means we have to make a print in the sand, to help others recall our priorities. For example, consider the effect of a plan that includes provision for family members and resources for charitable organizations like Ashland University.

An estate gift makes a positive statement. When you include us in the final disposition of your estate, you declare to your family and friends that you believe in and care about the mission of Ashland University, Ashland Theological Seminary or Ashbrook Center. Your parting gift becomes a clear declaration of your values. And, you have the opportunity to specifically designate how you would like the money to be spent.

An estate gift provides needed funding. Estate gifts provide that extra boost to the budget that can make the difference between program advancement and program retrenchment.

Estate gifts can be designated for a specific purpose or they can be unrestricted for use where needed most. When they fund endowments, that provides an ongoing witness to your friends and loved ones that you believe in the work of Ashland University.

An estate gift encourages imitation. There's something about a well-planned estate gift that influences others to "go and do likewise." As friends and family members plan their own estates, they may recall your generosity and thoughtfulness. Your gift may unlock resources for Ashland University from other estates.

Jump Into Our Pool *(For a Refreshing Surprise)*

We have a pool designed especially for friends of Ashland University. It's not a wading pool, a swimming pool or even a diving pool. You don't get wet. Nor do you need to wear a swimsuit.

Our pool is a special fund, a pooled fund that lets you make a gift to Ashland University, Ashland Theological Seminary or the Ashbrook Center and retain income for life. For example, let's say you are retired and living on a fixed income. You own 100 shares of stock worth \$5,000 and paid \$1,000 for this stock several years ago. While it has appreciated, it still produces zero dividends for you. So you're thinking of selling it and investing the money in something else that would supplement your retirement income. But the thought of paying tax on the capital gains has stopped you from selling.

Instead of selling this stock, let's say you transfer it to Ashland University's Pooled Income Fund. Since this is a charitable fund, Ashland University is able to sell the stock and bypass the capital gains tax. That's the first bit of good news.

The second bit is the benefit you will receive for the rest of your life. This contribution will be combined with other gifts in the pool and together these will be invested in stocks and bonds to produce income for all the participants. Thus,

each quarter the fund produces income, and you (and the others) will receive a check to use however you wish.

More good news: When you no longer need the income from the fund, the remaining amount of your initial gift will be released from the pooled fund and made available to support the purposes you designate.

Ready for more good news? By placing a gift in the pooled fund now (even though you retain lifetime income payments from your gift) you are in fact making a real gift to Ashland University, a deferred gift. This means you can claim a partial charitable income tax deduction upfront when you make the initial gift.

Many friends of Ashland University have discovered the benefits of participating in our pooled fund. Perhaps this is something that would work well for you. Fund contributions can be cash or securities of any amount of \$5,000 or more.

To learn more about the Ashland University Pooled Income Fund, use the response envelope inserted in the magazine. We'll send you information about investment performance, contribution instructions and other interesting material. If you want, we'll even contact you personally to answer any questions you may have. Although rates of return vary from year to year, our experience has never dipped below 6 percent and has provided pleasing and solid returns for our donors.

This is a wonderful way to use some of your assets not only to help yourself, but also to provide needed resources for Ashland University in the years ahead.



An Endowment Always Helps Create New Beginnings

Commencement is a day filled with the realization that some dreams have been fulfilled, others kindled. New worlds have been opened up for opportunities and achievement beyond one's wildest expectations. The course for future generations is ready to be designed and constructed. But it has taken more than work in the classroom to accomplish this goal!

Endowed scholarships play a unique role in enabling and sustaining the dreams of deserving students. Over 400 endowed scholarships help AU students focus on academics as the vast majority of students receive some type of financial assistance. Over 25 years ago, Dr. Glenn L. Clayton began a tireless drive to secure scholarship endowment for Ashland students, in order that the University might attract the best and brightest and at the same time they might receive the finest education possible with the least amount of debt. Almost without exception, those who have stepped forward in response to Dr. Clayton and "his team's" invitation to establish endowed scholarships have at some time received special gifts of encouragement themselves.



Dr. Glenn Clayton

The establishment of a scholarship endowment fund requires that we speak about dollars, goals and methods of giving. But the significance of endowment is found in the lives of young men and women whose dreams are enabled by philanthropy.

The experienced staff of the Ashland University development team can help you create a legacy through an endowed scholarship or other fund tailored to your personal goals, your family's needs and your philanthropic interest in helping Ashland University, Ashland Theological Seminary and the Ashbrook Center achieve its mission of educating students for service and leadership throughout the world.





Tip Line

1. The stock does not care what price you paid for it; a decision to sell should never be based solely on the price you initially paid. Make your decision on rational market conditions and pre-set strategies, not your emotions.
2. The market determines how high a stock will go, or how low it will go; the stock itself does not have an opinion. When a stock goes from \$50 to \$25, it does not necessarily mean it is now “cheap,” just like when a stock goes from \$25 to \$50, it does not necessarily mean that the stock is now “expensive.” Bottom-fishing and selling at the first sign of profits can both be very, very dangerous practices.
3. No matter what company you are buying, or what price you are paying, there is always some level of risk involved in buying stocks. Always make sure you are investing within your means and within your level of risk tolerance.
4. “Hot tips” from a friend, or a co-worker, are usually not the times you want to buy a particular stock. Make your own decisions based on collective research, forecast, projections, etc.
5. Employ some type of a risk management strategy. Whether it be using stop loss orders, limit orders, or even simply watching the stock manually and making appropriate decisions, protect your downside exposure to some degree. Stocks can and do go lower than you ever imagined.
6. There is never a reason to complain when “booking a gain” (i.e., selling a stock at a profit). Do not allow greed to make your decisions or control your emotions. If a stock goes up even further after you sold, that is far better than it going down while you own it.
7. While markets are efficient, stock prices often act irrationally. Do not confuse the two things.
8. The equity markets as a whole have provided the best historical returns (i.e., based on an index like the S&P 500). That does not mean that a particular stock or sector has (or will). Being in the stock market is not an excuse to ignore the disciplines of diversification or asset allocation.
9. Utilize a tax-strategy when it comes to making selling decisions. “Booking a capital loss” can often be a better economic move than stubbornly waiting for a gain to come.
10. As hard as it may be, try to avoid the temptation of “falling in love” with a company and letting that dictate your stock buying (and selling) decisions. The price of the stock may very well behave differently than the underlying performance of a company. Our personal feelings for the company’s product, heritage, personnel, etc. might very well be only some of the factors to consider when it comes to the wisdom of buying, holding, or selling.

Business Reform Magazine 3(6). Reprinted with permission from Business Reform, a bi-monthly magazine published by The Business Reform Foundation.

“There is a wonderful mythical law of nature that the three things we crave most in life — happiness, freedom, and peace of mind — are always attained by giving them to someone else.”

– Peyton Conway March

The information in this publication is not intended as legal or tax advice. For legal advice, please contact an attorney. For information about taxes, please consult an accountant. You may also call the Legacy Estate Programs Office at 419-289-5090 or email: pditlvs@ashland.edu.