

# *Foundation Focus*

Winter 2008



A publication of the Laurel Lake Retirement Community Foundation



# From the Chairman

With the election season behind us, it's refreshing to change our focus to friends, family and the excitement of the holidays. During this busy season, remember to take time to give thanks, remember loved ones, renew friendships and worship. This is traditionally the season for charitable giving as we naturally remember those less fortunate, favorite charities and worthwhile medical and health related causes. Charitable giving through a contractual agreement, such as an annuity or a trust, affords the donor several advantages in an uncertain economic time. Once established, a remainder trust or gift annuity will provide the donor(s) a guaranteed income stream for life, an income tax deduction

and capital gains tax advantage at the time of the gift, and eventually a residual benefit to the donor's designated charity. Please contact the Laurel Lake Foundation Office for additional information about this valuable planning option.

Best wishes for a blessed and happy holiday,

*John Sharp*

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# SMART OPTIONS for Year-End Giving

The Laurel Lake Foundation is happy to work with donors and their advisors to achieve year-end financial and philanthropic goals. Below are tips for taking advantage of the benefits of year-end giving.

## Giving Cash

Contributions are deductible up to 50% of your adjusted gross income if you itemize deductions. If you give more, you can carry deductions forward up to five more years. The date of the gift is the date of the postmark on the envelope, or the day you hand-deliver your cash or check.

## Giving Securities

If you donate long-term appreciated stock, you gain two ways - your gift is deductible at fair market value and you avoid capital gains tax. Your deduction is limited to 30% of your adjusted gross income, but can be carried forward up to five more years. If you choose to give depreciated stock, sell it first, use the capital loss, and then give the cash. If you donate mutual funds, be sure to allow plenty of time - three weeks or more for the funds to be transferred before the end of the year.

## Creating A Life Income Gift

If you want to make a gift, but also retain an income stream, a life income gift is a smart choice. You receive a partial charitable tax deduction and cash flow at a higher rate than many current investments. See Page 5 for a list of current gift annuity rates.

## Think About Real Estate

Real estate, including vacation property, can be a smart gift providing you with a charitable tax deduction on the appraised value, capital gains tax benefits and an opportunity to turn illiquid property into cash flow through a simple gift annuity.

## Consider a Lead Trust

Today's low interest rate environment makes it possible to make a substantial future gift to your family at minimal gift or estate tax while making annual distributions to charity. Talk with your advisor to see whether this is a smart choice for you and your family.

## What About Life Insurance Policies?

A gift of insurance can provide an easy, economical and tax-wise option to support the Laurel Lake community. Outdated policies that are no longer serving their original purpose can provide an immediate or future gift through the simple transfer of ownership and beneficiaries.

## Legacy Planning - Impacting the Future

You can provide for the future needs of Laurel Lake through a simple codicil to your will. You may direct your gift to a program or area of the community which is important to you such as resident or employee education or the beautification of Laurel Lake's campus. Legacy gifts provide you with the opportunity to share the value of philanthropy with friends and family who will recall your generosity when planning their own estates.

The Laurel Lake Foundation is a partner with **LEAVE A LEGACY®**, an initiative of charities and financial professionals working together to create awareness of the importance of including charities in a will or estate plan.



# Making Wishes Come True...

The following projects will expand opportunities for resident programming and recreation, enhance resident life in Laurel Lake's Crown Center, increase the beauty and security of our community and support Laurel Lake's commitment to strategic "greening" priorities.

If you would like to learn more about any of these projects or how you can help support them, please contact Barbara in the Foundation Office at (330) 655-1435.

## THE "GREENING" STRATEGY:

Gallery Hall Lighting

Front Commons Lighting

Outdoor Lighting

## COMMUNITY ROOM RENOVATION PROJECT

Carpeting

Lighting

Audio Visual Equipment

Entrance and Folding Doors

## LAUREL LAKE PUB FURNISHINGS

## COMMONS DECOR

Seasonal Florals & Accessories

## EASTWOOD & WESTWOOD ATRIUM PORTICO ENTRY

## CROWN CENTER PORTICO ENTRY

## CROWN CENTER RESIDENT ROOM FURNISHINGS

Replacement beds, wardrobes, night stands, televisions and dressers for 30 resident rooms.

## SPIRITUAL LIFE SERVICES

Seasonal & Holiday Flowers for Serenity Chapel

## STAFF EDUCATION FUND

Supporting employees as they continue their education at local colleges and universities

## Living A Legacy

A public forum co-sponsored by the Laurel Lake Foundation and Daniel Lauletta, Certified Financial Planner of Ameriprise Financial featured well-known Cleveland media personality and master teacher of executive communications, Larry Morrow on November 10, 2008. The audience of residents and community members were entertained as Mr. Morrow recalled the many interesting people and life experiences that influenced his beliefs, values and ultimately his life legacy. These personal reflections challenged the audience to examine the legacy they create through their investments in family, careers, church, volunteer work, military service and charity.



As we face the many challenges of life and are bombarded with information such as the current ups and downs of the market, the latest tax-saving strategies and the current estate planning techniques, it is easy to lose site of our true purpose and intentions. A life that extends beyond ourselves is one that speaks clearly of our values and chooses to leave the future a little better for the loved ones and friends who follow us - that is a legacy that will be remembered.

# Rescuing Lost Income With a Charitable Gift Annuity

Plummeting interest rates have the attention of everyone today, particularly senior adults. Investments that were once earning 5% or 6% are a thing of the past. Everyone is asking, "How can I maintain my income?" There has never been a better time than now to consider a charitable gift annuity to benefit Laurel Lake.

One strategy many older adults are considering to increase income and obtain peace of mind is taking a portion of assets and acquiring charitable gift annuities to restore lost income. The fixed high rates of return can replace losses over time while providing an opportunity to make a significant future gift to support our community. If you make your gift now, you can receive your first check December 31<sup>st</sup> and continue receiving checks every quarter for your lifetime.

If you would like to discuss a charitable gift annuity or learn about other deferred giving options, please contact Barbara Boyce in the Foundation Office at 330-655-1435. You can receive a personalized gift annuity proposal that will provide all the information you need to make an informed decision including rates, income tax deductions and capital gains tax savings on gifts of \$10,000 or more. You may also choose to use our interactive website to obtain a personalized proposal at [www.laurellake.com](http://www.laurellake.com). and select *Foundation* followed by *Creating a Legacy*.

## Charitable Gift Annuity - One Life Rates

<u>AGE</u>	<u>RATE</u>	<u>AGE</u>	<u>RATE</u>
65	5.70	80	7.60
70	6.10	81	7.80
71	6.20	82	8.00
72	6.30	83	8.30
73	6.50	84	8.60
74	6.60	85	8.90
75	6.70	86	9.20
76	6.90	87	9.50
77	7.00	88	9.80
78	7.20	89	10.10
79	7.40	90 & up	10.50

# IRA ROLLOVER BILL IS EXTENDED

## A Wise Choice for Giving

Assets held in IRAs are not only subject to income tax when withdrawn during one's lifetime or by survivors, but they may also be subject to estate tax if left to loved ones other than a spouse. For that reason, IRAs may be a good choice for charitable giving. The IRA Rollover bill applies to gifts made in 2008 and 2009 and is retroactive to January 1, 2008.

An individual may choose to make charitable distributions from their IRA in any amount up to \$100,000. Individuals who are required to take IRA withdrawals or those who have experienced limitations on tax benefits, will find the new law of particular interest this year. Ohio donors have an added tax savings as direct transfers from an IRA to charitable organizations are exempt from both state and federal tax.

### Example:

Margaret, age 81, is concerned that at her death the combination of income and estate taxes could consume the majority of an IRA that was funded through assets from her husband's retirement plan. She decides to use her IRA to make a tax-free gift to the Laurel Lake Foundation in 2008 and 2009 to take full advantage of the new income and estate tax savings. As a result, the charitable gift is recognized at its full value and her remaining assets will be transferred to heirs at with less lost to taxes.

# *Keys to a Sharp Mind promoting lifelong learning and cognitive fitness for senior adults*



It is not surprising that the *Keys to a Sharp Mind* project has provided some of the most popular programming at Laurel Lake over the past two years. Educational and cognitively stimulating programs are selected based on the results of periodic resident surveys to determine topics of interest and select activities appropriate to the knowledge and skill levels of program participants. Music, art, poetry, literature, history and more intensive offerings such as creative writing are examples of program topics selected from the most recent participant surveys.

Paula Hartman-Stein, clinical psychologist and Project Director for the *Keys to A Sharp Mind* program, has successfully recruited top experts and teachers from the Cleveland and Akron communities to present programs that are intellectually challenging, timely and of great interest to program participants. As a result, attendance has remained extremely high providing valuable data for monitoring memory, mood, cognitive function and overall quality of life of participants over time. This unique research study will be used in the development of future "brain healthy" programming at Laurel Lake and in other independent retirement living settings.

*Keys to a Sharp Mind* is funded with a generous 3-year grant from The Reinberger Foundation.

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*the Laurel Lake Foundation.*



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# GROWING A YOUNG PHILANTHROPIST

Practicing philanthropy is an excellent way to teach children how society works, what needs exist in that society, and what role an individual—even a child—can play in meeting those needs according to a recent article in *Wealth* magazine. Claire Costello, director of Philanthropic Advisory Service at the Citigroup Private Bank, offers her “glib” yardstick for determining when to start educating. “As soon as your child learns the word ‘mine,’ it is time to introduce the concept of charity,” she says. “It’s never too early—but it can be too late.” Waiting until a child is approaching adulthood pits the parents’ desire to instill a philanthropic bent against big-picture forces like college, career and peer relationships.

After 30 years in the industry, Deutsche Bank Private Wealth Management director Michael J.A. Smith believes he is witnessing a seismic



*Habits of the Heart students knitting hats for the Neonatal Unit at University Hospitals.*



*Seniors and students meet at their first board meeting.*

change in giving. “Parents want to involve their kids, and they are looking for tangible ways to do this,” he observes. “Multiple phenomena are driving this development, including the exposure given to wide-ranging philanthropic efforts by titans such as Ted Turner, Bill Gates and George Soros, fostering “a greater sense of urgency, a sense of a world at risk, and a sense that there is something that can be done about it.”

***Habits of the Heart: A Youth Education Program in Philanthropy*** is providing local youth with an opportunity to experience the value and rewards of caring, giving and serving in their community. Beginning in September 2007, the 7th grade class at Hudson’s Seton Catholic School participated in a 9-month service learning initiative designed to teach the fundamentals of leadership and philanthropy and assist students in identifying and participating in service projects within their community. At the end of the school year, students were interviewed and eight were selected to participate on a grant making board with eight Laurel Lake resident mentors. The philanthropy board began meeting in September 2008 and agreed upon a name - *Seniors & Youth: Partners in Philanthropy*. Board members proceeded to develop grant guidelines and issued a call for proposals from the Hudson community. Fourteen organizations responded and were asked to present brief presentations in November. The seniors and students then determine which projects will receive funding and grant awards are announced in December.

This project is unique in its design and the only intergenerational grant-making board currently in Northeast Ohio. A grant from the Burton D. Morgan Foundation funded the initial project and awarded an additional grant this year to help continue the program. If you can help with a financial gift or as a volunteer mentor, please contact Barbara Boyce at (330) 655-1435.



## 2008 Annual Tribute Tree

*“Stewardship is... a forward path, a privilege, a way, a choice, a helping hand, a promise, a responsibility, a thank you, a commitment, a gift, a connection to each other, a little bit of you for God.”*

Anonymous

It is during the Christmas season that we celebrate and express our gratitude for life, our loved ones and our belief in a better and brighter tomorrow. It is an opportunity to reach beyond ourselves and invest in the lives of others in response to the blessings we have received.

A year-end tribute gift this holiday season is an expression of caring for friends, loved ones and for our Laurel Lake community. Each gift will be recognized with a personalized holiday card and a hand carved cardinal ornament that will be displayed on the Tribute Tree throughout the holidays before it is sent as a keepsake of your gift to the one you choose to honor, or to you.

The Tribute Tree will be displayed in Laurel Lake’s front commons as it becomes filled with red Northern Cardinals representing the many people in our lives who are deserving of our love and honor. Please join us this year in supporting the many programs and needs of the Laurel Lake community while paying tribute to one or more special people in you life.

*Thank you!*



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