



# Legacy of Caring

Spring 2007

## Rosa Miller Makes Giving

### To Hospital Campaign Her Mission



Rosa Miller

St. Joseph's Hospital in St. Paul, Minn., has always been a part of Rosa Miller's life. Today she sits on the board of directors for HealthEast Foundation, the philanthropic partner for HealthEast Care System, which includes St. Joseph's. Most recently, she gave HealthEast Foundation a significant gift in stock.

"I believe that HealthEast is an organization that has worthy projects and programs to benefit the community," Miller says. Miller, the vice president at 3M for the Latin America area, has served on the board of directors on and off for about 13 years, she says. She was originally asked to fill in for a director who was a 3M executive.

Becoming more involved with the hospital was an easy stretch for Miller. Her son Joseph was born there. She currently lives in White Bear Township.

As a board member, Miller is active on the Foundation's Finance Committee,

provides insights on issues in need of resolution and supports fundraising campaigns.

Miller's stock was donated to support the St. Joseph's Hospital Building on Our Mission Campaign. This will benefit patients through the major expansion and remodeling of the hospital.

"It is quite important to give back to the community," Miller says. "HealthEast is a very good, credible and honest organization to channel this 'giving back.'"

For more information on the Building on Our Mission Campaign for St. Joseph's Hospital, please call the HealthEast Foundation campaign office at (651) 232-4931. For information on giving opportunities for HealthEast hospitals and programs, call the HealthEast Foundation at (651) 232-4990 or visit [www.HealthEast.org/foundation](http://www.HealthEast.org/foundation).

**"I BELIEVE THAT HEALTHEAST IS AN ORGANIZATION THAT HAS WORTHY PROJECTS AND PROGRAMS TO BENEFIT THE COMMUNITY."**

**—ROSA MILLER**

# Gifts of Appreciated Securities: A Safe and Easy Way to Unlock Your Capital Gains



## Investing 101

- **THINK LONG TERM.** STUDIES SHOW THAT THOSE WHO HOLD ON TO THEIR STOCKS OUTPERFORM THOSE WHO TRADE OFTEN.
- **DO NOT BUY JUST BECAUSE IT IS "HOT."** TRENDS ARE TOO HARD TO PREDICT. IF A STOCK HAS SKYROCKETED, IT HAS A GREATER CHANCE OF PLUMMETING AT THE SAME SPEED.
- **REINVEST.** RATHER THAN SPENDING YOUR REGULAR DIVIDEND CHECKS, PUT THEM BACK INTO YOUR INVESTMENTS.
- **DIVERSIFY YOUR PORTFOLIO.** INVEST IN A MIX OF STOCKS AND BONDS THAT SPREADS YOUR RISK AMONG VARIOUS COMPANIES AND SECTORS AND REFLECTS YOUR INCOME NEEDS.

Are you sitting on your capital gains... locked in by the fear of a 15 percent tax bite? If so, you are one of a huge number of long-term investors who have seen their stocks grow over the years, while their dividends have shrunk dramatically.

We have good news, however. If you would like to help us while enjoying more tax savings, then read on. We will discuss strategies to make your capital gains work harder, because the dividend yield on S&P 500 stocks has recently averaged around 1.5 percent. For anyone who relies on those dividend checks for a comfortable lifestyle, that is not enough.

### Outright Gift of Stock

When you give us stocks you have held long term, you are entitled to a deduction at their full present fair market value, and you do not have to pay tax on your capital gains.

**Example:** Jack decides to give us stock now worth \$10,000 that cost \$2,000 and pays only a small dividend. When Jack itemizes his charitable contributions on this year's tax return, he can deduct the entire \$10,000—up to 30 percent of his adjusted gross income. As his federal marginal tax rate is 28 percent, his income tax savings is \$2,800. If instead he had sold the shares, he would pay a 15 percent capital gains tax of \$1,200 on his \$8,000 capital gain (\$10,000 minus

\$2,000). So, Jack saves \$4,000 (\$2,800 plus \$1,200) in taxes on his \$10,000 donation.

### Gift of Stock to Life Income Plan

Perhaps you are not inclined to part with any stock now. In fact, you would probably like to increase your income to keep up with rising expenses. You may own stocks that have increased in value over the years, but the dividends are disappointing. Still, you are reluctant to sell any of these highly appreciated equities because of the capital gains tax.

Here's an ideal solution: Use those low-yield stocks to fund one of our life income plans that will immediately boost your cash flow. You will not only escape up-front tax on the capital gains, but you will also receive a substantial income tax charitable deduction equal to the present value of the gift's remainder interest. After your lifetime, we will use the remainder for our crucial needs.

**Example:** Marjorie, 70, owns low-basis stocks valued at \$100,000 that pay annual dividends of only \$2,000, a 2 percent yield. She can use these stocks to fund a charitable remainder annuity trust that will pay her a lifetime annual payment of \$6,000, equal to 6 percent of the trust's initial fair market value. She will also qualify for an income tax charitable deduction of \$47,168\* that will reduce her income taxes for up to six years.

## Bequest of Stock

Under current tax law, the beneficiary's cost basis of any stock inherited through a will is "stepped up" to its date-of-death value. This means that when heirs later sell the stock, they pay capital gains tax only on the growth since the date of death. This makes a bequest of securities a valuable gift for family members and loved ones.

A bequest of stock can also be made to us through your will. Although lifetime gifts of stock are more beneficial to you from an income tax standpoint, making a gift through your will allows you to keep the stock for life—in case you need it at a later date.

The next time you assess your finances or update your will, consider whether a stock gift to us—structured in the most tax-advantaged way—may be right for you.

\*This example is based on quarterly payments and a 5.8 percent charitable midterm federal rate.

## Tax Savings From a Gift of Securities

	Give \$10,000 in Securities Directly
Fair market value of gift	\$10,000
Cost basis	\$2,000
Capital gain if otherwise sold	\$8,000 <i>avoided</i>
Federal capital gains tax if sold (\$8,000 × 15%)	\$1,200 <i>avoided</i>
Income tax savings in a 28% federal tax bracket	\$2,800
<b>Total tax savings</b>	<b>\$4,000</b>

## Bonus Offering!

Did you know that stocks offer six charitable benefits you may not have thought of before? To discover how your stocks can help others while you help yourself, send for our FREE brochure, *Donating Securities: Multiple Benefits for You*. Simply return the enclosed reply card.



# The Shades of Philanthropy

## HealthEast Foundation Legacy Society

The HealthEast Foundation Legacy Society recognizes individuals for their commitment to compassionate, quality health care through planned gifts and special contributions to HealthEast Care System. The Legacy Society is designed to provide opportunities for donors to stay connected with HealthEast and its programs. The dedication and generosity of Legacy Society members enable us to offer a vision of future programs that bring hope and health to our community.

For more information on the benefits of joining the Legacy Society, please call HealthEast Foundation at (651) 232-4990.

## MISSION

**HEALTHEAST FOUNDATION DEVELOPS PHILANTHROPIC SUPPORT, CONSISTENT WITH OUR JUDEO-CHRISTIAN HERITAGE, TO BENEFIT PATIENTS AND THE COMMUNITIES SERVED BY HEALTHEAST CARE SYSTEM.**

Everyone has a unique way of expressing gratitude to favorite charitable organizations and a different reason for giving.

No matter why you give to others, you are acting as a philanthropist. What is your reason for giving?

**It's the "right" thing to do.** When you are asked to make something for a bake sale or sponsor a school activity, you always help out. You give because you are a responsible person who feels morally obligated to do your part.

**It's a family tradition.** The organizations you support may be the same ones your parents and grandparents supported. Your family taught you the "why" of giving, and you want to perpetuate your family values.

**You want to give something back.**

Your giving is based on help you have received in the past. You may give money to scholarships at your alma mater or a hospital that helped you through a difficult time.

**You want to make a difference.**

You contribute to organizations that seek social change. You are generally a risk taker who gives more to make a greater impact.

**You feel called to give based on your religion.** Your philanthropy is based on religious principles. You generally give to faith-based organizations that reflect your ideals.

DO YOU WANT TO LEAVE A LEGACY FOR YOUR FAMILY, FRIENDS AND HEALTHEAST FOUNDATION?

Learn how to plan for tomorrow at our Web site, [www.HealthEast.org/foundation](http://www.HealthEast.org/foundation). Click on "Ways to Give" in the left-hand column. You won't find a more complete resource for estate and charitable planning anywhere else on the Web.

- Discover a virtual encyclopedia of information on how and what to give.
- Access hundreds of up-to-date articles on making the most of your charitable giving.
- Calculate your income tax deduction for charitable gifts.



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