Do Well by Doing Good

Heinz College alumnus Thomas Moore's gift to Carnegie Mellon brings current and future benefits.
During his long career, Tom Moore has assisted many people to make better investments that helped them have happy retirements.

The Heinz College alumnus, who graduated in 1986 with a master's in public management (MPM), began his career as an annual and planned giving fundraiser for Carnegie Mellon. Later, he moved on to a 20-plus-year career as a financial and investment planner with PNC Bank, Morgan Stanley and Greycourt & Co., advising individuals and charities in the areas of investment planning, gift planning and estate planning. (He also was an adjunct professor at Heinz College in the MPM program for a period.) Yet, as his own retirement approached, Tom found himself looking for the best way to make charitable gifts to his undergraduate and graduate alma maters while generating reliable retirement income for himself and avoiding negative tax implications.

“I am very aware that people are hardwired to make major mistakes with their investments,” said Tom.

He wanted to avoid taking a trip down the wrong investing road himself as he approached retirement. As part of his retirement strategy, Tom worked with Carnegie Mellon to establish a charitable gift annuity (CGA), a contract between a Tom and CMU that allows him to make a sizable gift of cash, securities or other assets and, in return, receive a partial tax deduction for the gift and a fixed stream of income for the rest of his life.

“A CGA basically acts like a bond,” says Tom. “With this CGA, we found a sweet spot at age 71 where I receive a payout from the CGA that is greater than any reputable bond available right now. CGAs are smart and personalized, and a very easy process at CMU.”

Aside from its financial positives, a CGA provides another important benefit — it allows donors to support an organization about which they care. For Tom that was Heinz College.

Tom attended Heinz College as a part-time evening student, but he still connected deeply to Dick Cyert, then president of CMU; Al Blumstein, past dean of the Heinz School; his fellow students; and CMU as a whole. He even served as president of the Heinz School Alumni Association for a period. He has many fond memories of the time he spent at CMU and the relationships he made there.
“I had so much fun at Heinz,” says Tom. “I love it to this day.”

Today, Tom is retired and living in Pittsburgh’s Squirrel Hill neighborhood, but still keeps active and connected to CMU, attending as many Osher Lifelong Learning Institute classes as he can and keeping in touch with many friends and colleagues from CMU.

“Every time I am on campus crossing the quad, I see the 27-year-old Tom Moore walking around,” says Tom. “I want to tell him that everything you were scared of worked out okay!”

Higher Rates, Bigger Benefits

Give your retirement income a boost while supporting the charities you love — such as Carnegie Mellon — with a charitable gift annuity (CGA). On July 1, for the first time since 2012, CGA payout rates increased, making a gift in this way an even smarter option than it was before!

How does it work?

You make a gift to Carnegie Mellon, part of which is tax deductible. Then you receive fixed annuity payments each year from the university for the rest of your life. Any remaining gift amount after the end of your life will then go to support CMU. CGAs can be funded with gifts of appreciated securities, avoiding capital gains taxes on those securities in the future.

For more information

To discuss if the tax-smart, incoming-generating CGA is the right option for you, contact the Office of Gift Planning at 412-268-5346 or askjoebull@andrew.cmu.edu.
Increase the Impact of Your Giving

When giving a charitable gift to Carnegie Mellon, a $5,000 check and $5,000 in appreciated securities have the same charitable deduction. However, if you use publicly traded stocks, bonds or mutual fund shares that you have held for a year or longer to make that gift, you can transfer those securities to CMU without paying capital gains on the appreciation. What does that mean to you? With the markets at all-time highs, you can make a larger donation than you could with cash and receive a larger tax benefit.

When giving with appreciated securities, buying low and “selling” high can benefit both you and Carnegie Mellon. The Office of Gift Planning can help you explore this giving option and discuss next steps.

Contact the Office of Gift Planning at 412-268-5346 or askjoebull@andrew.cmu.edu to learn more.
IRAs: Get as Good as You Give

You give to make an impact on organizations like CMU that matter to you, but thanks to a qualified charitable distribution, your giving can have positive tax implications for you as well!

If you are 70 1/2 years or older, by donating directly from your IRA account, you can transfer up to $100,000 a year without paying tax on the transaction. It also reduces the amount you must take in required distributions.

Giving in this manner also helps reduce your adjusted gross income, which determines how much of the social security benefit is subject to income tax and the amount of Medicare premiums in the following year.

Be sure to talk with your tax advisor to understand how a qualified charitable distribution can affect your individual tax situation.

Contact the Office of Gift Planning at 412-268-5346 or askjoebull@andrew.cmu.edu for more information.