



Photo Credit: Judy Wilkinson

OAKLAND MUSEUM
of CALIFORNIA

Volunteers for the
45th White Elephant Sale.

REMARKABLE WOMEN OF OMCA!

The Oakland Museum of California family includes many devoted individuals who have been key to our success in celebrating the art, history, and natural sciences of California. For more than 35 years, the Bay Area community has been enriched by the efforts of those who offer their talents as docents, guild and advisory committee members, trustees, and volunteers.

In this issue of *Smart Giving* we celebrate the women. It would be impossible to name them all here, but one very visible group is the Oakland Museum Women's Board. From its founding 50 years ago to today, the Women's Board has been a major and consistent force in the Museum's success.

Alpha Mae Beamer, an early member, recalls that the Women's Board was supporting the Oakland Art Museum when it came time to build the "new" museum. The first bond attempt failed and there was no money to pass another. So, the women gathered together and held the first official White Elephant Sale. They made \$7,500, which financed the second bond. Then the women, along with other Museum leaders, got the bond passed. "It sounds easy, but believe me it wasn't," laughs Tayloe Churchill, a founding member.

In the early years, the sale location changed from year to year—the old Five and Dime, JC

Penney, and Jackson Furniture hosted early sales. Today the Women's Board owns their own 96,000-square-foot warehouse.

"I remember when two or three people came to us and said, 'You know this is ridiculous to have another one of these. We've gotten all the rummage anyone ever had—we've sold it.' So next time we made more money," recalls Joyce DaMert, another founding member.

"What happens during the sale is quite remarkable," says current Women's Board President Mary Perry Smith. "Volunteers mark their calendars 'WES' during January and February, year after year, because of the friendships they have built while working together to sort and price rummage." Their work has resulted in \$10,634,410 in funding for the Museum. Remarkable indeed!

It is clear that the Women's Board includes some savvy women who know how to plan for success and make a lasting impact. We all know planning is important—that's especially true when it comes to estate planning. Several ideas in this issue may help you discover ways to establish financial security and your own legacy at the Museum.

INSIDE: How to provide for yourself and loved ones and still make a gift of a lifetime.

YOUR WILL... THE FIRST STEP IN PLANNING

*Matching the “who”
and the “what”
of your plans.*

The process of reviewing your plans for the future need not be overwhelming. You may find it helpful to begin by spending some time organizing your intentions. This can help simplify what may otherwise become a confusing process.

A good place to begin is with two lists: “People” and “Property.”

The “who” of your plans

People—your family and other loved ones—constitute the first list. With the passage of time, events such as births, marriages, and deaths can change the make-up of families.

Be sure to list each person for whom you wish to provide:

- Your spouse, children, or other family members
- Close friends and associates

Many also choose to include their charitable interests in the same category as the people in their lives.

AVOIDING A TAX TRAP

Are you aware that funds remaining in your IRA or certain other retirement accounts can be subject to estate tax rates of 47% or more?

And did you know that, unlike other assets, after payment of estate taxes your loved ones may also be liable for income tax on those amounts? The combined impact of estate and income taxes can actually absorb up to 65% of retirement assets.

That is why many choose to use retirement funds to make charitable gifts through their estates and leave other, less heavily taxed assets to heirs.

A gift of this type can usually be accomplished by completing a relatively simple change of beneficiary form, available from your plan administrator.

The “what” of your plans

Next, list property you own or are likely to own in the future. Include pertinent information about:

- Your home(s) and other real estate
- Securities (stocks, bonds, mutual funds)
- Other investment assets
- Pension plans and retirement accounts (including IRAs)
- Life insurance policies
- Savings accounts and certificates of deposit
- Personal property (household furnishings, automobiles, jewelry, antiques, art)
- Inheritances you expect to receive

Along with your assets, make a list of debts, or liabilities. When you have completed this list, subtract the liabilities from your assets to arrive at your net worth.

It is also a good idea to list the income, if any, produced by each category of property.

Next, compare your properties to the “People” list. Some properties should obviously be given to certain people. Of the remaining assets, consider how you wish to distribute them—by percentages to different recipients, by specific amounts of cash or property, or in other ways.

Once you have an idea of how you would ultimately like to match your property with the people in your life, your attorney and other advisors can help you determine which tools are best for accomplishing your goals.

Now that tax law changes make it possible for many to leave more property to loved ones free of estate tax, you may wish to reexamine the role of charitable gifts as part of your will and other long-term financial plans.

Other ways to give

A number of popular tools enable you to complete gifts in the near term while retaining income for life or another period of time for you and/or a spouse or other loved one. In so doing, you can avoid capital gains tax that would otherwise be due on the sale of the donated assets, enjoy a charitable tax deduction that can immediately reduce income tax, and still minimize or eliminate estate taxes just as if the gift were arranged as part of the settlement of your estate.

Income for life

Nora and Tom Clark have included charitable gifts through their wills. They have recently

been told that under current law they may no longer be subject to estate taxes.

In consultation with their advisors, they decide to transfer assets that have increased in value—but which yield little income—to make an eventual charitable gift while they receive generous income payments for the remainder of both of their lives.

In this way they avoid payment of capital gains tax that would have been due on a sale of the stock, and are entitled to a charitable income tax deduction that will serve to eliminate tax on a large portion of their income. A percentage of the payments they receive each month will be taxed at rates lower than that paid on other income.

Whatever funds ultimately remain will be used by Nora and Tom's charitable beneficiaries. They are very pleased with their gift and its financial benefits.

THE BENEFITS OF GIVING

Put plans in motion today that will ease tax burdens in the future.

Married couples often make wills that provide for trusts to manage assets for the benefit of a surviving spouse for his or her lifetime. Known as a "marital deduction trust," this plan typically results in elimination of tax at the death of the first spouse while providing income for the surviving spouse for the remainder of his or her life.

Access to assets in the trust can also be arranged if needed. Such plans can provide for professional management of funds and other safeguards for the benefit of the spouse.

What if you would like to make charitable gifts as part of your estate plan but want to first assure economic security for your spouse? Your will can serve to create a marital trust for the benefit of your surviving spouse for life, while directing that all or a portion of what remains at the death of the spouse is devoted to charitable use.

In this way, your will can actually "work twice." First, it helps assure the financial well-being of your spouse, then it works again to direct the ultimate distribution for charitable purposes of your choosing.

HOW YOUR WILL CAN WORK TWICE

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A LASTING LEGACY: HELEN NOVY

Helen Novy found tremendous pleasure in helping the Museum acquire works of art and supporting its art programs. Although Helen passed away in 2003, her legacy lives on. Helen's interest in art led her to join the Women's Board at the start of the campaign to build the Museum, and later she served on the new Museum's Board. Helen and her late husband, Frederick, didn't stop there. As the Museum prepared to open, they created The Dr. and Mrs. Frederick G. Novy, Jr., Art Fund.

Since the Fund was established, it has helped purchase 16 pieces for the Museum's art collection. In addition to the acquisition fund, Helen established a separate endowment to support art education programs. Helen oversaw these funds for nearly 30 years after her husband's death. Today, their daughter, Susanna MacDonald, a history docent, carries on the tradition, continuing to add to the endowments and direct gifts to Museum projects she knows her parents would value, such as the current *Sculpture by Bruce Beasley* exhibition.

It doesn't take enormous wealth to make an enduring impact. Many Museum friends—such as those listed to the left—share the same public spirit and participate in the future of the Museum by making plans to support it through their estate plans. If you have made plans for a life income gift or a bequest from your will, life insurance, or retirement plan please let us know so that we may thank you and include you in special **Heritage Society** events throughout the year. Phone Linda Larkin at (510) 238-2918 for more information.



Heritage Society member and Women's Board President Mary Perry Smith (right) with a volunteer cashier at the 2005 White Elephant Sale.