

BUILDING FOR THE FUTURE

GIFT PLANNING OPPORTUNITIES AT THE UNIVERSITY OF CHICAGO | SPRING 2016

Never-ending Odyssey



PHOTOGRAPHY BY STEVEN MECKLER

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Enduring journey

A builder at heart makes education work for others through a gift for Odyssey Scholarships.

Danielson hikes outside his home in Tucson (above), where he also studies binary star systems with his custom-built telescope and camera (cover).

Sheldon Danielson, AB'66, wants to be remembered for making it work. For this retired polymath, "it" could be anything from electronics to mechanics, glassblowing, motorcycles, optics, seismographs, or software.

"In the early days, building stuff that worked exercised my technological green thumb," says Danielson, who could solder by age seven and had an amateur radio license by the time he was 15. "Yet however satisfying making it work was, my greatest joy came from seeing it used."

A few years ago, he realized he could help make education "work" for others in the form of a bequest intention to the University of Chicago to support Odyssey Scholarships, which meet the financial needs of low-income students. "It is my desire to help people get the intellectual tools that hard times have denied them," says Danielson, who, with an en-

thusiasm for ancient Greece, found the name of the scholarships—dubbed for the anonymous donor known as Homer whose gift started the program—to be a serendipitous connection.

"Education is the central pillar of civic and cultural life, without which democracy cannot succeed," says Danielson. "We have the responsibility to do whatever we can to prevent the guttering candle of civilization from fading entirely, and this is the route I have chosen."

Danielson's career computerizing scientific measurements began during a 14-year stint in Hyde Park, where he immersed himself in music, broadcast radio, mountain climbing, and occasional motorcycle racing.

Entering the College in 1952, he spent much of his time working at WUCB, an unlicensed AM radio station in the basement of Burton-Judson Courts, for

which he designed and built nearly all the electronics himself. He took a break from his studies to work at the Enrico Fermi Institute before becoming chief engineer at WFMT, Chicago's classical music station.

Returning to school to finish his AB in physics, he also returned to the Fermi Institute, where he was responsible for carrying out chemical reactions in a vacuum.

After graduating he moved to the University of Washington, where he maintained and computerized a couple of mass spectrometers, then transformed the university's electronics shop "from a place that fixed hot plates into a center where new equipment could be designed and built that did not exist elsewhere."

More recently he's become "an accidental capitalist." In 1995, along with a chemist colleague from the University of Washington, he formed PhotoSense LLC, a venture that eventually led to an interlude in Colorado. PhotoSense, he says, "perfected new methods for measuring oxygen dissolved in matrices as diverse as paint, wastewater, and jet fuel." After collaborations with NASA and the US Air Force, the company moved on to licensing its technology for use in water-purifying plants around the world.

He is most proud of his final project before retiring in 2007, a calibration system for the oxygen-sensor material his company developed. Essentially a nonambulatory robot, he says, "it uncomplainingly makes thousands of measurements, free of operator intervention or imprecation."

An amateur astronomer and musician, since the '70s Danielson has been recording data from earthquakes with a homemade seismograph, "keeping an ear to the bosom of Mother Earth and an eye on the heavens." With thousands of hours of records from earthquakes as far away as Chile and Nepal, he's turned the data into audible sound and has partnered with a professor at the University of Arizona who will turn that sound into music.

"Music is one of the highest—yet most mysterious—achievements of the human species, fully on par with mathematics and cosmology," says Danielson. "If music can survive, perhaps there's hope for the rest of us."

Planning for your business— and for charitable giving



Estate planning expert Neil Kawashima, AB'93, offers advice on coordinating your business and charitable plans.



In many situations, a family business will be the largest financial asset in the owner's estate.

If you're a business owner with philanthropic goals, consider coordinating your succession and charitable planning, suggests Neil Kawashima, AB'93, a partner in the Chicago office of McDermott Will & Emery LLP.

Business succession planning involves deciding who should own and control a business following the current owners and decision makers, says Kawashima, an expert in estate and gift planning and business succession planning who also focuses on philanthropic matters. The transfer can occur on a specific date, such as a retirement, or after an event, such as a death.

Business owners who want to coordinate charitable giving along with planning for business succession typically consider their family goals first and then consider how to provide for charity. Owners should contact the appropriate advisers early in the

process. Advisers will take into account the business structure (corporation, S corporation, partnership, LLC), the anticipated liquidity stream from ownership of that property, income and death tax considerations, and whether a charity would have the ability to dispose of the interest in the business if it were contributed.

It is important to distinguish "ownership" from "control," Kawashima says. In the first instance, an individual or select group of individuals may ultimately oversee and make decisions about a business, but the economic benefit would pass to a broader class of owners. In contrast, an owner may want to transfer an interest in the business to charity but have a select group of individuals retain control. In these situations, advisers work to reconcile an owner's charitable goals with restrictions on business ownership by certain charities. They must

analyze governance issues, corporate law issues, tax planning, and family dynamics.

While the process can be complex, it also can be rewarding, Kawashima says. "I have been involved in successful situations in which owners of private businesses know that they will be selling their business in the near future and contribute an interest in their business to a charitable organization or a specialized charitable trust prior to the sale." When the sale occurs, the donor receives an income tax charitable deduction for his or her contribution and avoids capital gains tax on the contributed interests. This type of charitable planning also can be combined with wealth transfer planning to avoid or reduce death taxes.

Charitable giving is a personal subject, and every situation is different. Contact your advisers and the Office of Gift Planning for advice.

IRA charitable rollover permanently extended

The Protecting Americans from Tax Hikes (PATH) Act of 2015 has permanently extended the IRA Charitable Rollover provision. The law allows individuals 70.5 or older to transfer up to \$100,000 tax-free from an IRA directly to the University or another charitable entity. If you need more information or are preparing to make a direct transfer charitable gift from your IRA, please contact the Office of Gift Planning at **866.241.9802** or **giftplan@uchicago.edu**.

RELATED GLOSSARY: A FEW GIFT PLANNING TERMS TO KNOW

Beneficiary designation A person or legal entity designated to receive the proceeds from an estate, trust, retirement account, life insurance policy, or transfer on death accounts.

Power of attorney A legal document that authorizes someone to represent or act on another's behalf in private affairs, business, or other legal matters.

Trust An arrangement that allows a third party, or trustee, to hold assets on behalf of a beneficiary. Trusts can be revocable or irrevocable, allowing for assets to potentially avoid probate and estate taxes.

Quiet giver

A former University secretary leaves an unexpected gift.



Longtime Hyde Park resident Patricia Hume led an unassuming life. So when Hume, a former departmental secretary in the dean's office of the Division of the Social Sciences, died at age 87 in 2014, it was a surprise when several gifts surfaced from her estate. In addition to providing for some family members, Hume included the Social Sciences Division and Vassar College as major beneficiaries in her will.

Born in Connecticut and raised in Ann Arbor, Michigan, Hume graduated from Vassar before settling in Illinois in 1947. For decades Hume, who worked for Nobel Memorial Prize-winning economist George Stigler, PhD'38, lived in a co-op apartment on 56th Street. She regularly attended the opera and had memberships to local museums. Volunteering for 10 years as an assistant librarian and a docent at the Oriental Institute, she also worked on publications and provided office assistance with museum archives.

Hume appreciated that she had an excellent education—at the University High

School in Ann Arbor and at Vassar—that subsidies and financial awards made possible. "She often immersed herself in her environment and worked toward some knowledge goal or personal goal," says her nephew Tom Henze. "That fits very well with what should happen in an academic institution, which is probably why she worked at the University of Chicago for decades."

Complementing her Oriental Institute work, Hume took several trips abroad, including trips to Egypt, Kenya, Tanzania, and Turkey. Along with her interest in travel, she had a passion for bird-watching, wrote and read frequently, and enjoyed films. Her father, Cyril Hume, was a screenwriter, and she was especially proud of his film *Forbidden Planet*.

Hume was a private person who made a lot of decisions on her own, including one to donate her brain to research at Northwestern University's Feinberg School of Medicine.

She grew her nest egg by living modestly and planning appropriately. "There was an element of amazement that she accumulated a good deal of money in her lifetime," says Henze, "but she did not spend it lavishly."

Hume had once casually mentioned to Henze that she planned to include education in her estate plans, but she didn't elaborate. "She just wanted to make sure she had enough [money] to live out her life the way she wanted," he says. "Philanthropy was something that she wanted to do when she no longer needed the funds."

Henze was not surprised at his aunt's decision to remain silent about her planned gifts. "I don't know exactly how she felt about personal recognition. I think that she just did it. It was her attitude toward a lot of things—she cared about her own assessment rather than someone else's. She had her own personal standards and interests and lived by those."

FAQ Estate Planning 101



Kristin Smith

Associate Director
Office of Gift Planning

Why is estate planning different from simply drafting a will?

A will is a public document that is part of an estate plan. An estate planning attorney can identify common issues and in some cases create trusts that detail more private wishes that may be sensitive to you or your heirs. Some of those issues might include blended families, predeceased beneficiaries, family drug or alcohol problems, complicated family relationships, and Medicaid planning opportunities.

An overall estate plan includes documents beyond a will, like powers of attorney for property and health care, a living will, a revocable trust, beneficiary designations, instructions to retitle assets, and possibly irrevocable trusts.

What is one thing you wish people knew about estate planning?

Once your estate plan is in place, don't forget about it. Verify that it reflects your intentions. Small changes can be easy to make and inexpensive to maintain.

What are some tips to get started in planning an estate?

Create a plan for your digital assets. Make a list of your important passwords and online accounts, and find a safe place to store it—either on paper or in a central location that allows entry into your digital life. Such assets include online banking, social media, rewards points, and file storage accounts. Discuss these items with your attorney so that provisions are included in the power of attorney for property, will, and trust that enable fiduciaries to have access to those accounts.

Keep your beneficiary designations up to date. Make sure that you designate beneficiaries for all of your retirement accounts, and keep those designations

current. If you get divorced, have a child, or lose a loved one, you may unknowingly create unintended heirs or designate someone who is already deceased.

Remember that beneficiary designations trump whoever else may be mentioned as receiving that asset in a will or a trust.

Stay current on titling or retitling assets. Assets like cars or real estate do not have designated beneficiaries. Talk to your attorney to make certain your assets are titled to maximize the benefits of your estate plan. Keep the original titles in a safe place.

Maintain a list of your assets and be organized. By keeping good files, you can reduce stress at a time of grief and minimize family conflict when estate responsibilities kick in. Your executor can focus on what is important when settling your estate.

For more assistance, contact the Office of Gift Planning at 866.241.9802 or giftplan@uchicago.edu.

IN MEMORIAM

The Office of Gift Planning recognizes the following individuals who made significant contributions to the University through planned gifts. Their legacies of generosity and commitment to academic excellence live on through the programs they supported.

The following individuals left unrestricted bequests to the University:

- **Betty Morgan Baker**, friend of the University
- **Max E. Gilmore**, PhD'21

- **Elliott B. Hochman**, MD'69
- **Richard D. Schafer**, PhD'42
- **Alan R. Stiles**, SB'41, PhD'46

Aileen Newsome Chitwood, whose husband, **Julius R. Chitwood**, AM'54, graduated from the Graduate Library School, left a bequest to support the Library.

Ayako Hamamoto, friend of the University, left a bequest to the Library to support the collection of Japanese language materials.

Eleanor M. Kuyatt, friend of the University, left a bequest in memory of her father to support research in the Department of Pediatrics.

Winifred Martin, friend of the University, funded two charitable remainder trusts and left a bequest to support the Humanities Division.

Richard W. Mintel, SB'60, PhD'65, a professor in biochemistry who earned a Quantrell teaching award,

left a bequest to support a Rockefeller Chapel organ recital series.

Constance Perin, AB'50, AM'72, named the University as beneficiary of her IRA and left a bequest to endow Odyssey Scholarships.

Donald F. Steiner, MD'56, SM'56, former member of the faculty, left a bequest to establish a professorship and support research in the Biological Sciences Division.

OFFICE OF GIFT PLANNING STAFF

866.241.9802 | giftplan@uchicago.edu

Denise Chan Gans, Senior Director; **David L. Crabb**, JD'63, Senior Philanthropic Advisor; **Heather R. McClean**, LAB'93, Director; **Genevieve Hughes**, Associate Director; **Kristin Smith**, Associate Director; **Brenda Lee Johnson**, Marketing Manager; **Kristine Panicola**, Marketing Specialist; **Caroline Beetley**, Executive Assistant

TIP: UNRESTRICTED BEQUESTS ALLOW THE UNIVERSITY TO USE THE FUNDS WHERE THEY ARE MOST NEEDED.



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Phoenix Society: It's as simple as a checked box.



When you notify us that you've included a gift to the University in your estate plan—by checking a box on a response card, telling a gift officer, or providing a written statement—it is known as a bequest intention. This notification alone qualifies you for lifetime membership in the Phoenix Society. You may also choose to share further details, such as the amount, purpose, and structure of the gift, essentially documenting your gift.

The University of Chicago is grateful for the bequests it receives from alumni, faculty, and other friends.

Become a member today. Visit phoenixsociety.uchicago.edu.

In this issue

BUILDING FOR THE FUTURE | SPRING 2016

Enduring journey A builder at heart makes education work for others.

Quiet giver A former University secretary leaves an unexpected gift.

Tandem plans Advice on planning for your business and for charitable giving.