Benfactors are Recognized and Learn about Caltech’s Endowment

On March 12, Caltech hosted a luncheon at the Athenaeum for two important support organizations: the Torchbearers of Caltech and President’s Circle Associates.

President Jean-Lou Chameau introduced the luncheon speaker—Caltech Chief Investment Officer Sandra Ell—and welcomed the groups, warmly expressing “thanks to all of you, not only for being here, but for being among the strongest supporters of Caltech.”

Ell spoke about the incredible challenges involved in managing the Institute’s endowment through this severe recession. Because nearly 20 percent of Caltech’s operating budget comes from the endowment’s payout rate, her office’s work to maximize returns and minimize losses makes a real difference to education and research. Ell described how her team, along with the Board of Trustees, anticipated recent downturns and acted swiftly to preserve endowment principal.

Alumnus and Trustee Ted Jenkins closed the event, thanking his fellow Torchbearers and President’s Circle Associates for supporting Caltech’s efforts to solve the most challenging, fundamental problems in science and technology. “I know that the PC members’ and the Torchbearers’ support is beneficial to Caltech. A significant fraction of Caltech’s budget comes from the endowment and gifts. Our support adds to Caltech’s prominence, and Caltech’s excellence gratifies us as supporters.”

The Torchbearer legacy society recognizes members for their decisions to include Caltech in their wills or to create planned gifts. To learn more, or to establish membership if you have supported Caltech research and education in these ways, please visit http://torchbearers.caltech.edu or call 626-395-2927.

The Associates have sustained Caltech programs since the group’s inception in 1926. All members enjoy benefits such as exclusive programs with Caltech faculty and access to the Athenaeum and Caltech’s athletic facilities and libraries. Benefactors are Recognized, continued on back page.

A Generous Gift, continued inside

Fred Maloney’s relationship with Caltech has come full circle. While completing graduate studies in electrical engineering, he attended a course on economics that sparked a lifelong interest in investing. Fred’s success with stocks gave him the opportunity to support the Institute through several generous contributions—he made gifts to the Alumni Fund and established charitable remainder trusts that supported the restoration of the undergraduate South Houses and still provide financial aid to deserving students. Fred’s Caltech education helped him fulfill his aspirations. Now, his support helps new generations of students get their start with a Caltech education.
A Generous Gift from a Surprising Source

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took such an interest in Caltech.

A Michigan native, Earl spent most of his life in California. His parents moved the family west during the Great Depression, and in order to help out, Earl worked full time through high school as a machinist. Despite his lifelong interest in machinery and in maximizing precision in all aspects of his life, Earl ultimately found his greatest success in real estate, a passion he cultivated into a lucrative career.

Earl moved his own family to the coastal community of the South Bay—a region of Los Angeles County that has become a sought-after place to live and work. His arrival in the South Bay was perfectly timed, as the area was still in early development and the real estate market ripe with opportunity. Real estate excited Earl, particularly the intricacies of foreclosures and the opportunities they provided. He applied the same approach to real estate as he did to machinery, emphasizing accuracy and thoughtful work. The care he took combined well with his love of people and talking, and Earl found success. He made the South Bay his home, knew its properties and people like the back of his hand, and, when he needed a break, went ocean fishing nearby in his 36-foot boat.

Earl passed away in September of 2006. His gift to Caltech from Spain, where he completed his undergraduate studies at the University of Seville. As a member of the GALCIT program, Francisco is enjoying his experiences at Caltech, from conducting research to life in Pasadena. He is very thankful for the support provided by individuals like Earl and amazed by their generosity. Without the Earl K. Seals Fellowship Fund, he says, continuing his graduate work would be much tougher. Earl’s valuable support, entrusted to Caltech, will help Francisco and many other talented students for as long as Caltech exists.

Francisco studied under a professor of aeronautics and engineering Earl Seals would have enjoyed—Sergio Pellegrino, a renowned structural engineer whose group develops strong, lightweight materials that deploy, extend, inflate, and travel predictably in extreme environments. His work has contributed enormously to designs for satellites and for balloons that carry telescopes into the upper atmosphere.

Earl’s daughter, Charlotte, thoughtfully shared many details and stories about her father for this article and knows that he would have loved to receive a Caltech education. Earl believed in Caltech so much, Charlotte shared, that “in his opinion, Caltech would be the savior of the country.” It was Earl’s belief that Caltech, with all its talent, could extend its tradition of outstanding science to come up with solutions for a number of the nation’s dilemmas.

“In his opinion, Caltech would be the savior of the country.”

Tired of Man
Consider Cl

With tax season upon us, it’s time to consider your tax strategies for the new year. If you are looking for a way to reduce your tax liability, consider using a Charitable Retirement Trust (CRT) to save on taxes and make a difference.

The Charitable Retirement Trust (CRT) allows you to transfer your assets to a trust for a charitable purpose and then enjoy the income from the trust for a specified period of time. At the end of that period, the trust assets are transferred to charity.

An Example

You purchased a property years ago for $1 million today, and it is currently worth $5 million. If you sell it, you will pay capital gains tax on the difference between the original purchase price and the current market value. A CRT could be a great option for you.

Did You Know?

If you hold stocks and enjoy tax savings, you may have recently received a letter from your financial advisor about a Charitable Retirement Trust (CRT). CRTs offer several advantages over other charitable giving options.

Recognize this Alumnus?

This alumnus first learned about Caltech in an unusual way—his grandfather’s church. As a little boy, he heard Robert Millikan address the congregation about science and gion. Little did he know that one day, as part of an innocent prank, he would accidently drop a water bomb from the top of Throop Hall onto this revered Caltech icon!

Though he was a member of an award-winning chemistry team and valedictorian of Long Beach Wilson High, he knew cut short by Army service in World War II. When he returned, Caltech welcomed him back. Altho he focused in applied chemistry, he relished the humanities, especially history, philosophy, and literature.

Caltech is integral to his story: after earning a BS in Applied Chemistry, he worked for four years in the ChE lab, co-author widely recognized papers, and met his wife, Phyllis, on campus. His time at Caltech paved the way for a 35-year career...
Charitable Alternatives Offering Tax Savings  

season upon you, you may find yourself planning for the future with the help of personal advisors on all legal, tax, or financial issues related to gift or personal matters. If you own business property or investment real estate such as rental property, you may want to upgrade or change business and investment properties, Section 1031 of the Internal Revenue Code allows you to exchange your property for another and defer paying the capital-gains tax as this “1031 like-kind exchange” meets certain conditions.

### \textbf{The Remainder Trust Alternative}  

When you are tired of managing business and investment real estate or you’d like to convert your property to liquid income for yourself and make a gift to Caltech, you may elect a Charitable Remainder Trust (CRT). In this alternative, you gift the property to Caltech and take care of selling it and investing the proceeds in a diversified portfolio. This trust provides you with income for your lifetime or for a specified number of years, and after that period, you can also choose to distribute the assets to someone you designate or to a charitable organization of your choice. The CRT allows you to exchange your property for another and defer paying the capital gains tax.

### \textbf{CRT vs. 1031 Exchange}  

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<th>Comparison of Benefits</th>
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<td>Capital Gains Tax Savings</td>
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<td>Guaranteed Income for Life</td>
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<td>Gift for Charity</td>
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<td>Income Tax Deduction</td>
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### \textbf{Save the Date: Alumni Weekend}  

Caltech’s alumni reunions take place May 14–17 this year, with Seminar Day on May 16. All alumni are invited to campus for an exciting Seminar Day program featuring numerous faculty talks. In conjunction, bachelor’s degree alumni with class years ending in four and nine will celebrate their reunions. To learn more about this special weekend, visit alumni.caltech.edu/reunions. Via our secure website, makeagift.caltech.edu, alumni can make a gift on behalf of their class in support of the Reunion Gift Campaign.

### \textbf{Contact Us}  

For more information about the stories featured in this issue of Techniques, or for other questions about deferred gifts, please contact the Office of Gift Planning:

- **Nichole Baker, CFP, CSPG, Director**
- **Susan Lee, Esq, Assistant Director**
- **Daniel Disimile, CFP, Manager of Trusts and Bequests**
- **Natalie Piega, CSPG, Trust and Bequest Coordinator**
- **Frank Bernal, Planned Giving Assistant**
- **Rosanne Lombardi, Administrative Coordinator**

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E-mail: giftplanning@dar.caltech.edu  
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Benefactors are Recognized and Learn about Caltech’s Endowment

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President’s Circle members enjoy all of these benefits, as well as special programs and opportunities to travel globally with Caltech researchers. To learn more about the Associates and the benefits of membership, please visit http://associates.caltech.edu or contact the Associates office at 626-395-3919.

If you are a Torchbearer or President’s Circle member and would like exclusive access to a recording of President Chameau’s remarks and Ell’s presentation, please call 626-395-2927.

Torchbearer Steven C. Frautschi, Professor of Theoretical Physics, Emeritus, President’s Circle members Barbara Gee and Toni Perpall, and Torchbearer Mie Frautschi

Please help protect the environment by switching from the paper Techniques to an electronic version sent directly to your inbox. The office of gift planning aims to support Caltech’s leadership in sustainability by sending email newsletters, an eco-friendly option that minimizes waste and saves money. To take advantage of this new opportunity, simply fill out and return the self-addressed reply card or e-mail us at giftplanning@dar.caltech.edu. Please include the email address at which you would like to receive Techniques.

RECOGNIZE THIS ALUMNUS?

THROOP, ACS

He started Tech in ’42, but detoured to spend 3½ years in the Army, ETO. Active in Chem Club, ACS, Thoop club, and Musicale, his hobbies include carpentry and classical records. Immediate plans are to work in industry.

Class of ’49

Please Visit Our NEW Website!

New features include:
- Supporter spotlights
- Interactive gift-planning tools and calculators
- Features on upcoming events
- Links to videos of talks given at Caltech

www.giving.caltech.edu/gp