

## Letter to NEF Supporters Introducing Planned Giving

You have made a choice—for which the Near East Foundation is most grateful. You have been one of our loyal supporters for years. You have made possible the extraordinary achievements which have helped millions of people since the Near East Foundation was founded in 1915. Prejudice maybe, but we think you have your priorities straight in a world where a staggering \$900 billion is spent annually on defense and only \$50-60 billion on aid.

In this new year of 2005, the Near East Foundation welcomes your participation in a very special way in the celebration of our 90<sup>th</sup> anniversary as the oldest international development organization in the United States. In short, I am writing you about PLANNED GIVING, which is briefly described in the adjacent box. Please take a quick read and you will see Planned Giving is neither mysterious nor formidable. Rather, it is a way of making a contribution to the Near East Foundation that is tailored to your particular financial objectives and needs, and which can provide you with practical tax and income benefits in the here and now. Many charitable organizations have aggressively and successfully—for all involved—encouraged Planned Giving. Indeed, statistically 24 percent of charitable bequests are gifts of financial assets and one in 14 is funded with real estate.

As you well know, the Near East Foundation's commitment is for the long term. And we are very grateful that you have shared our patience, focus and ambitious goals through the years. We see Planned Giving as an effective way for you to help secure the Near East Foundation's future work and guarantee that your contribution will continue long past the time you are around to write a check for our annual appeal. As another deeply committed NEF supporter, Vartan Gregorian, president of the Carnegie Corporation, once said:

*“NEF is not a charitable institution. It is a philanthropic one. It invests, it welcomes investors. It builds. Its aim has always been ‘to help people help themselves’...It provides people know-how, wants to endow them with hope, to assist them in their struggle against poverty, disease, hunger and injustice. That is the mission of NEF.”*

**PLANNED GIVING is part of estate planning. It is a way of meeting your personal financial goals while at the same time making a substantial contribution to the Near East Foundation.**

**Planned Giving also can provide you with important benefits by allowing you to fulfill your philanthropic interests today, while making a gift that will both have a long-term impact and provide opportunities to reduce your personal taxes.**

**Planned Giving allows you to:**

- realize personal financial goals;
- reduce taxes;
- protect your family;
- protect your assets;
- have your family remembered;
- realize your personal philanthropic goals;
- maximize or supplement your income;
- maximize the benefits to your estate and beneficiaries.

**If this interests you, we suggest you discuss the idea with your accountant and lawyer—and with the Near East Foundation.**

And that takes time.

You are a member of the select group that has invested in the Near East Foundation for the long haul. You are responsible for the solid level of support that not only has sustained all our efforts and activities, but given us the experience and expertise to make new leaps. NEF is both seasoned and fresh. I would like to take just a moment to tell you about two extraordinary recognitions the Near East Foundation received over the past few months alone validating that claim.

On December 15<sup>th</sup> I was privileged to fly to Tunis to accept the 2004 AGFUND International Prize for Pioneering Development Projects for 2004, for NEF's enhancing nursing as a career in Upper Egypt. We were selected for that honor from among 83 competing projects in 32 countries and three continents—clearly a significant recognition. In October I was in Southern California where over 600 people, including a long list of dignitaries, stood and applauded presentation of the 2004 Freedom Award by the Armenian National Committee of America, for the Near East Foundation's "longstanding history of aiding the Armenian people and others in their darkest hours."

That same month the Near East Foundation signed multi-year, multi-million dollar contracts with the Jordanian government for our largest project ever, consolidating our 15 years experience building/strengthening community-based organizations. We are going to help sustain their traditional community services, while simultaneously encouraging income-generating projects. The previous month, in September, we received a Middle East Partnership Initiative (MEPI) grant from the US Department of State to continue our primary education reforms in the High Atlas Mountains of Morocco, providing literacy and basic math skills that have enormous impact on the Berber people who live there, particularly woman and girls.

This past summer the Near East Foundation was awarded a grant for agricultural development of reclaimed desert land west of Lake Nasser, the largest fresh water reservoir in the world and a both unique and fragile environment under increasing stress. This is but the first phase and the project has the potential to become the largest ever implemented by the Near East Foundation in agricultural development for Egypt. You have heard about our work in Mali since the 1980s, but over the past year we have been preparing a most exciting initiative, indeed, the most far-reaching in the entire history of the Near East Foundation's development work in Africa. A likely 15-year undertaking, it would support local governance in West Africa's huge Niger River Basin, which involves nine countries and over 100 million people. We plan to begin incrementally in three countries—Mali, Guinea and Benin.

None of this would have been possible without your financial support year after year. Clearly you think we have been doing something right—and we have! And your confidence and investment in NEF clearly is shared and affirmed by the new ground we are breaking and cutting-edge projects we have undertaken. As always, they will

take time to accomplish, but all together--we will get there. I am reminded of what Jan Egeland, the United Nations emergency relief coordinator, recently said:

*“There is a fundamental problem with our global approach. We give enough for people to be kept alive, but we don’t give enough for the displaced to return to their homes, for the homeless to build their homes, and for those without livelihoods...to build their small livelihoods up again.”*

Your support of the Near East Foundation shows you appreciate Egeland’s point. You have contributed to our work with refugees in places like Sudan and to people impacted by AIDS in Swaziland and Lesotho. You have made possible our pioneering microcredit programs in many countries for many years, an approach you will be hearing a great deal about in this the UN-designated “International Year of Microcredit.” You have provided the wherewithal for our very difficult work in the West Bank, which is just about to significantly expand, thanks to our visionary and courageous staff there.

The U.N.’s Egeland also made a point worth repeating about the West Bank that sadly is applicable so many other places. Where people are marginalized, he said, “You get rising tension...that will produce more frustration and more violence, more extremism.” An opinion echoed by Britain’s Chancellor of the Exchequer Gordon Brown, “Poverty is a breeding ground for discontent. There is a sense of injustice. We have got to act....”

I am writing this letter because I know you are a person of action. In this our 90<sup>th</sup> year, the Near East Foundation is reaching out to our core supporters like you with the many opportunities Planned Giving provides--to give to NEF while receiving income or retaining an interest during your lifetime; to include NEF in your will or living trust; or as a beneficiary in an outside trust arrangement, retirement account or life insurance policy. The back side of this letter offers a few main points for your review. These are just some of the possibilities Planned Giving encapsulates.

Hopefully this letter has gotten you thinking about Planned Giving and the Near East Foundation. If the possibility interests you, call me for a chat at (212) 867-0064 ext. 16. Seems to me NEF’s 90<sup>th</sup> anniversary year provides a particularly good time for a wise and substantial gift, that will make the world a better place, better for the next generation, for your family and the larger human family too. Thank you for reading this letter and I look forward to hearing from you--soon I hope--and seeing you often at the special events being planned in celebration of our 90<sup>th</sup> year.

With every best wish for 2005,

Ryan A. LaHurd, Ph.D., President

cc: Andrea M. Couture, Development Officer

## **SOME PLANNED GIVING POSSIBILITIES FOR YOUR CONSIDERATION**

**WILLS and BEQUESTS**—gifts transferred after death...may be cash, marketable securities, property or a percentage of the donor's estate...can reduce federal transfer tax...include:

**GENERAL BEQUEST**...leaving a charity a specified dollar amount.

**SPECIFIC BEQUEST**...leaving a designated asset such as stocks, real estate and tangible personal property.

**RESIDUARY BEQUEST**...residue or percentage of residue of an estate paid to a charity after all debts, taxes, expenses and other obligations are satisfied.

**PERCENTAGE BEQUEST**...leaving a percentage of an estate.

**CONTINGENT BEQUEST**...a charity receives all or a portion of an estate if primary recipients die before the donor.

**RESTRICTED BEQUEST**...limited to support a specific objective/program.

**LIFE INSURANCE**—can be a paid-up life insurance policy or a single premium policy...or a life insurance policy where premium payments are still being made...or a new policy with future premiums potentially deductible. **CHARITABLE GIFT ANNUITIES**—in return for a transfer of cash or other property, a charity pays a fixed sum of money at stated intervals measured by one or two lives.

**LARGE CAPITAL GIFTS**—cash, stock and/or mutual funds...cash gifts may offer up to a 50 percent tax deduction against adjusted gross income, and property up to 30 percent. **TANGIBLE PERSONAL PROPERTY**—artwork, furniture, clothing, jewelry, cars are examples. **REAL ESTATE**—may be a contribution of property as an outright gift, a life estate, a bequest, or part of a bargain sale.

**RESTRICTED and CONTROL STOCK**—federal securities laws place restrictions, including a one-year holding period, regulation of the amount of securities sold within a three-month period, and notice of sale. **CLOSELY HELD STOCK**—generally not publicly traded. **MUTUAL FUNDS**—do not have the marketability issues of restricted and closely held stocks.

**ENDOWED FUNDS**—cash, stocks or other assets donated for income. **RETAINED LIFE ESTATE**—donor keeps possession during his/her lifetime. **DONOR-ADVISED FUNDS**—investment account of cash or securities earmarked for charitable giving with amounts and timing of grants determined by the donor.

**SPLIT-INTEREST GIFTS**—have two interests--up-front and remainder interests... a donor may be entitled to portion of income with the remainder to charity...includes:  
**POOLED INCOME FUND**...a trust where a number of donors “pool” their gifts together, with the charity the remainder interest.  
**CHARITABLE REMAINDER TRUST**...specified payout to one or more beneficiaries for a fixed term, with remainder interest to charity...tax-exempt.  
**CHARITABLE LEAD TRUST**...fixed payout to a charity for a period of time, with the remainder interest distributed to other beneficiaries.