Penn Launches “Making History: The Campaign for Penn”

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the support of endowed professorships across the institution—the campaign will have a significant impact on our recruitment and retention of world-class faculty.

Q. What is the atmosphere right now in the philanthropic world? Speaking more broadly, is it a good time for Penn to be launching such a large campaign?

A. I think philanthropy in the U.S. is at an all-time high. Over the last three years, Penn has enjoyed record-breaking success, which is critical going into a campaign. Our alumni and friends are responding very well to the messages that each of the schools and centers and the University are putting forward, and that ranges from annual giving to the kind of significant commitments you normally see in a campaign to legacy gifts from our Harrison Society members. Our annual giving across the institution is setting records on every front. People might sometimes say, ‘Well, in a $3.5 billion campaign, where does my $500 fit into all of that?’ But if you look at the support we’ve enjoyed in the last year, for example, and you take gifts ranging in size from $1 to $100,000—and I know that is a fairly broad range—there are over $105,000 gifts amounting to almost 25 percent of our total fundraising. I think people are engaged. They are supporting Penn both now and for the long term through legacy and endowment gifts that will mature in the future. The trajectory of the institution is so positive. In most cases, that’s really the key piece. If people believe in our mission, our goals, our direction and the outcomes of the campaign, it will be a resounding success.
Penn Launches “Making History: The Campaign for Penn”  
Q & A with John Zeller, Vice President for Development and Alumni Relations  
By Tim Hyland  
On October 20, 2007, Penn publicly launched “Making History: The Campaign for Penn,” a $3.5 billion fundraising effort. More than $1.6 billion has already been raised toward that goal and the campaign is off to a fantastic start. I sat down with John Zeller to learn more about it.

Q. Something this big, I imagine, has been in the works for years. Can you give us the background on how this campaign came to be?  
A. Much of the planning for the campaign began in 2001 as people around the University started to outline the priorities of the institution for the transition of the presidency. With President Gutmann’s arrival in July 2004, the process really accelerated. We eventually identified the highest, core priorities of the University and each of the schools and centers. And we realized that was going to require about $2.5 or $2.6 billion, in full-time students whose earned income is less than half their support, the age increases to 24. Dr. Garnick will do “whatever it takes” to support PENN Medicine. To that end, he and his wife, Bobbi, created a deferred charitable gift annuity. “I wish I could give so much more. I am perplexed why everyone who can give back to PENN Medicine doesn’t.”

DONOR PROFILE
Marc B. Garnick, M’72, INT’73
“Whatever It Takes”  
Marc B. Garnick, M’72, INT’73 has become one of the School of Medicine’s most devoted advocates. “The School provided me with the tools for establishing a professionally meaningful life and a livelihood for my family. You just cannot put a value on that.”

Tax Law Update  
The start of 2008 brought with it a wide range of tax law changes, some automatic and some as a result of recent legislation. Increased “Kiddie Tax.” In 2007, a child’s unearned income over $1,700 was taxed at the parents’ marginal rate until the year the child turned 18. In 2008, the age increases to 19 and the threshold increases to $2,800. In 2009, for full-time students whose earned income is less than half their support, the age increases to 24. This provision is designed to stop families from shifting appreciated assets to their children to take advantage of the 0% rate on capital gains described below.

Reduction in Capital Gains Tax and Dividends Tax Rates for Low Income Tax Payers: Prior to 2008, long-term capital gains from the sale of assets held longer than one year were taxed at a maximum rate of 5% for sellers in the 10 or 15% tax brackets. In 2008, the 5% maximum rate drops to zero percent through 2010. Similarly, in 2009, the special 5% maximum rate on dividends for taxpayers in the 10 and 15% tax brackets drops to zero percent through 2010.

Retirement Savings: The maximum contribution amounts to retirement plans are:

<table>
<thead>
<tr>
<th>Type</th>
<th>Under Age 50</th>
<th>Age 50 or Older</th>
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<tr>
<td>IRA</td>
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<tr>
<td>Roth IRA</td>
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Expired Provisions: Many favorable provisions expired at the end of 2007. At the time we went to press, no extenders had been passed by Congress, but several have gained consideration. Please see your tax preparer for the latest information. Expired provisions included: IRA Charitable Rollover: This provision allowed individuals age 70 ½ and older to transfer up to $100,000 directly from an IRA account to charity in 2006 and 2007 without recognizing it as income. Mortgage Insurance Premiums: The special itemized deduction for mortgage insurance premiums paid on mortgages taken out after 2006.

State and Local Sales Tax Deduction: The opportunity for itemizers to choose to deduct their state sales tax payments instead of deducting their state and local income taxes.

Educators’ Deduction: This deduction for up to $2,500 of teachers’ classroom supplies.

Nontaxable Combat Pay Allowed for Earned Income Credit: The election to include nontaxable combat pay in the calculation of earned income for the earned income credit.

Tuition and Fees Deduction: The deduction for up to $4,000 of college tuition and fees.