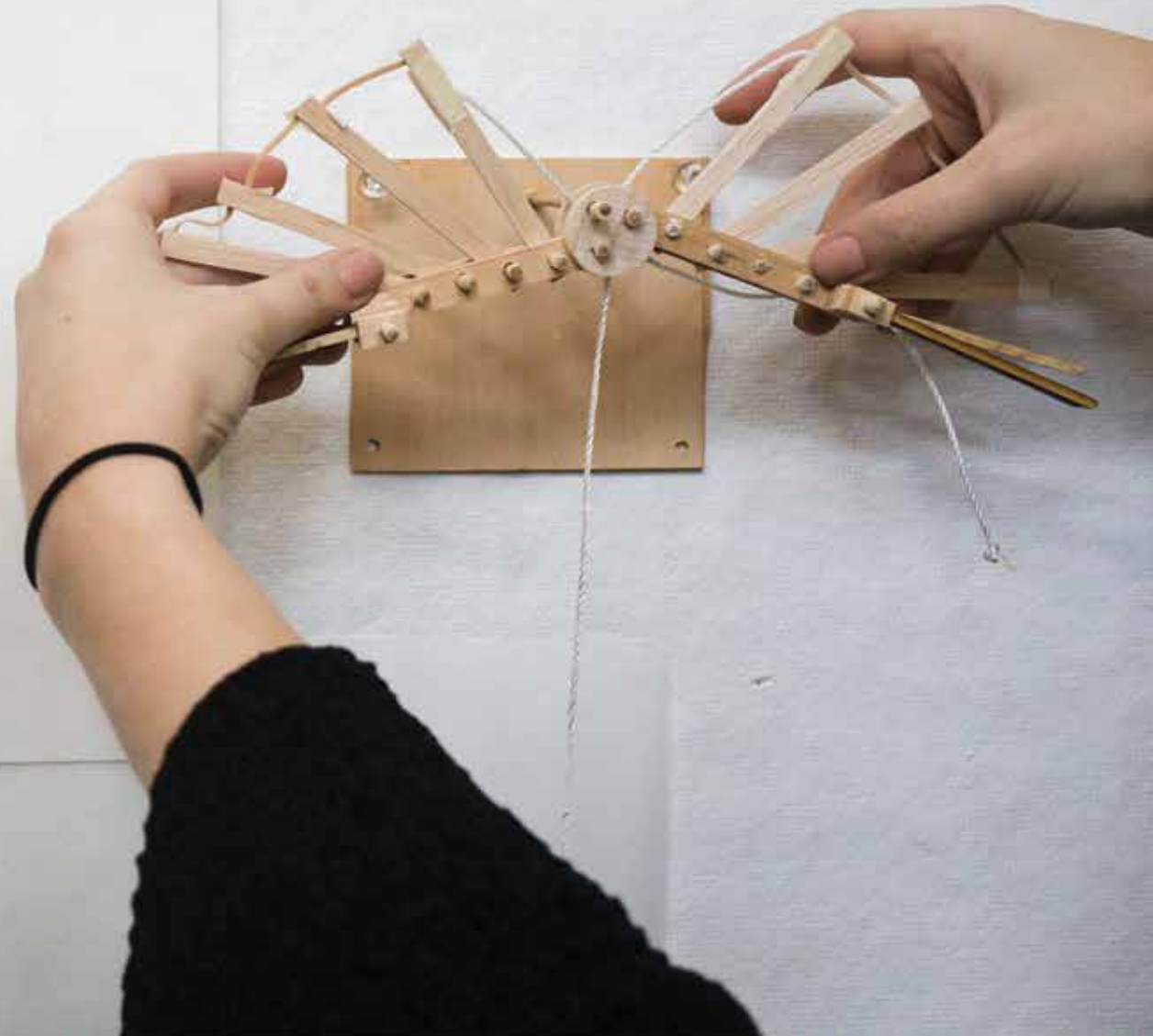
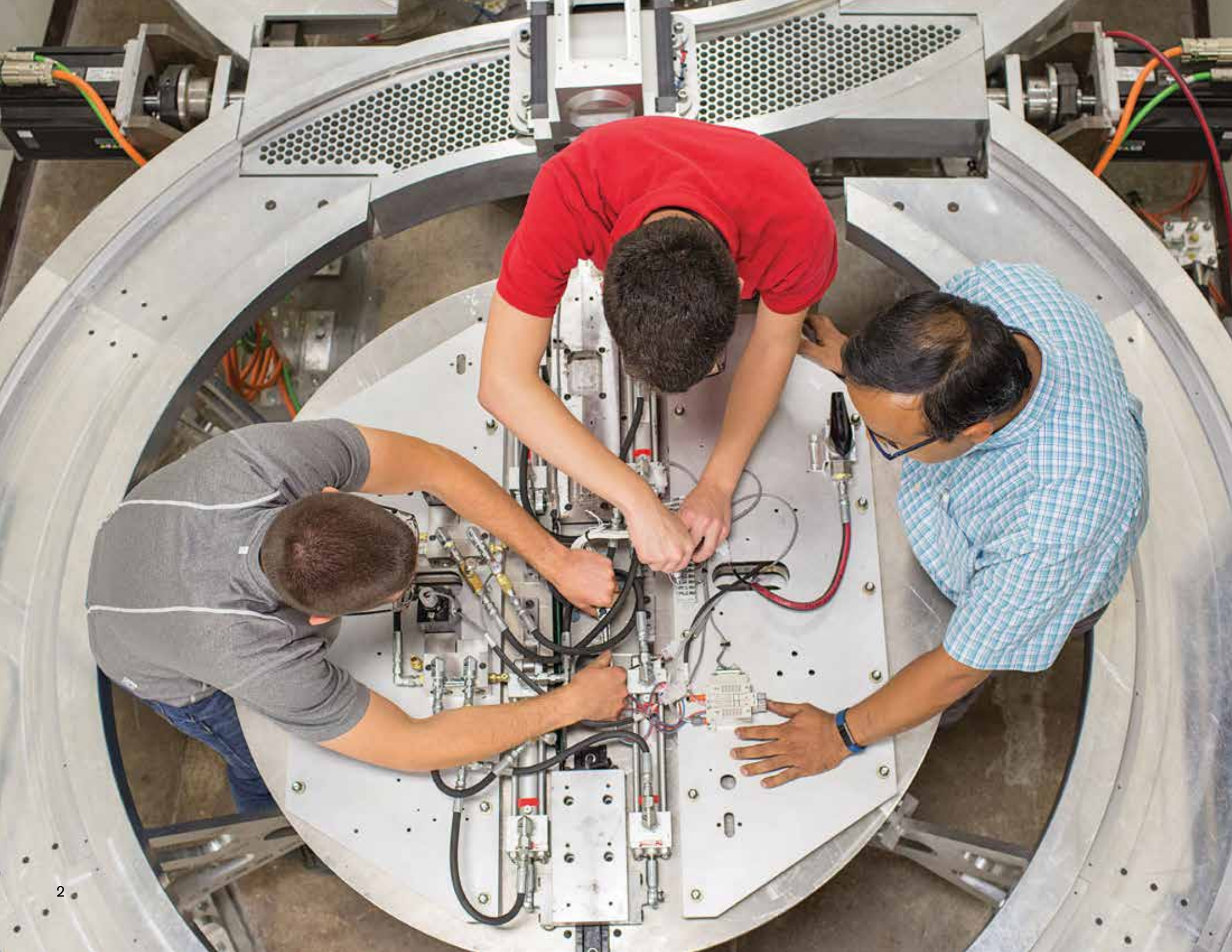


2019-2020

PLANNED GIVING REPORT



LEHIGH
UNIVERSITY



Dear Alumni and Friends,

Support of the university comes in many different forms, and one of the most valuable is generosity to Lehigh through planned giving vehicles. For me, these vehicles have been a way to ensure Lehigh University — an institution about which I am truly passionate — will continue to grow, even beyond my lifetime. At the same time, they have allowed me to plan my estate in a way that fulfills my own financial needs.



I encourage you to reach out to Lehigh's exceptional professionals in the Office of Planned Giving to learn about tax-wise ways you can manage and protect your estate, while at the same time supporting an institution you greatly value. This team of professionals can help you connect your personal passions with the needs of Lehigh and its students and discover which planned giving options might be right for you.

As a scholarship student who benefited personally from the generosity of someone I did not even know, I can testify to how rewarding it is to provide young people with the opportunity for success and a gratifying life. I hope you will take this opportunity to join me in making great things possible for Lehigh students.

Thank you for your dedication and commitment to Lehigh.

Sincerely,

Mike Caruso '67
Chair, Tower Society

Cover: *Arms, Wings and Mechanical Things* is the theme for the first project in Professor Anthony Viscardi's ARCH 343 studio. To begin, students observe and compare the differences and movement between a human arm and the wings of birds, bats, or insects. Later, their observations inspire the design of simple devices, like lamp arms, car jacks, umbrellas, and drawing instruments.

Left: Arindam Banerjee, professor of Mechanical Engineering and Mechanics, inspires students to explore renewable energy solutions by giving them the opportunity to contribute to research that seeks to make a real difference in the world.

Dear Alumni and Friends,

Happy anniversary! We are excited and proud to be celebrating the 30th year of the Tower Society and the incredible impact our members have had on Lehigh University and its students.



We missed gathering in person this fall, but we look forward to convening the Tower Society when we are able to do so safely. In the meantime, we are pleased to share with you this report for the 2020 fiscal year ending June 30, 2020.

In the pages that follow, we walk you through some of the many ways that we partner with individuals and families to offer tax-wise opportunities to support Lehigh. In addition, we feature the story of Roy Cravzow '61, whose creative partnership with our team has utilized multiple planned giving vehicles that will eventually create a wonderful endowed chair in the College of Arts and Sciences.

Since the Tower Society's inception, Lehigh has received more than \$129 million in life income gifts and more than \$200 million in realized bequest dollars. These gifts created endowed scholarships, fellowships, and faculty chairs that are essential to delivering the Lehigh experience to our students.

These numbers are impressive, but it's even more remarkable to think about the effect these funds have had on Lehigh students. Doors have been opened. New opportunities have been created. Passions have been ignited, and lives have been changed — all because of you.

Thank you for all that you do for Lehigh and for our students.

With Kindest Regards,

Lorraine Wiedorn '84G '13P '17P
Assistant Vice President for Planned Giving





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Planned Giving Overview

One of the most popular ways to make a gift now, without reducing your income, is through Lehigh's Planned Giving Program. The following types of life income gifts are offered to help you provide meaningful support to Lehigh while also addressing your personal financial goals and plans.

Charitable Gift Annuity

Lehigh offers both immediate and deferred payment annuities. A person who enters into a gift annuity agreement with Lehigh is accomplishing two goals — making a gift to Lehigh and securing a fixed income for life. In the case of a deferred payment annuity, the person agrees to wait one or more years before life income payments start in return for a somewhat higher rate of return than the immediate annuity offers.

Lehigh bases its gift annuity rates on those established by the American Council on Gift Annuities, a national organization of charities that issue gift annuities. The council reviews rates periodically, at which time rates may be changed for new gift annuities.

The annuity rates are lower than those offered by insurance companies, but donors have the satisfaction of obtaining a charitable tax deduction for part of the value of the gift as well as doing something of lasting benefit for the university.

The rates have been computed to produce a "residuum," or gift to Lehigh at the expiration of the agreement, which is on average 50 percent of the amount of the initial contribution. The rates are based on actuarial studies of mortality experience among gift annuitant lives and consideration for the income rate expected from the invested reserve funds.

Beneficiaries receive monthly annuity payments for life according to the terms of a simple contract. These payments are fixed and guaranteed by the revenues and assets of the university. Information may be found online at plannedgiving.lehigh.edu.

Pooled Income Fund

Lehigh's pooled income fund is an irrevocable trust fund which operates similarly to a mutual fund. Your contributions are pooled under the trusteeship of Lehigh. All income earned by the fund in each quarter is paid out to the participants in pro rate shares. All dividends and interest must be paid out to life beneficiaries. The terms of the gift are irrevocable, and Lehigh ultimately receives the principal.

Charitable Remainder Trusts

These gift vehicles have separately invested portfolios, each of which is individually managed by Lehigh or by a trustee chosen by you. These include charitable lead trusts and charitable remainder trusts.

A charitable remainder trust pays the life income beneficiary a percentage of the fair market value of the trust assets, as revalued annually. This fixed percentage, no less than 5 percent (as dictated by the IRS), is determined jointly by you and Lehigh's Treasurer's Office at the time that the trust agreement is prepared. Income is paid on a quarterly basis.



Planned Giving Total Assets Under Management

Fiscal year ending June 30, 2020

TYPE OF GIFT	MARKET VALUE	NUMBER OF PARTICIPANTS
Charitable Gift Annuities	21,615,227	239
Pooled Life Income Funds	9,693,623	32
Charitable Remainder Unitrusts	7,831,044	16
Charitable Lead Annuity Trusts	5,502,754	1
Funds Held in Trust by Others	4,233,185	12
TOTAL PLANNED GIVING ASSETS	\$48,875,833	300

Startup Academy is a unique summer internship program in which students learn about the entrepreneurial process by immersing themselves in the vibrant innovation ecosystem of San Francisco, as they experience the exciting, and often messy, realities of a startup. Students gain practical experience by spending 40 hours a week interning with early to mid-stage startups, developing their entrepreneurial mindsets and skill sets.

Realized Bequests

Fiscal year ending June 30, 2020

The Office of Planned Giving recognizes the following individuals who have provided for Lehigh through their estates and whose bequests we received in fiscal year 2020. Their visionary gifts support a strong tradition of philanthropy at Lehigh and are invaluable to future generations of students. We are forever grateful for the programs they have supported through their generosity.

In fiscal year 2020, the following bequests were received for restricted purposes.

Eleanor C. Bloecher 1944W
The Bloecher-Cresswell Scholarship

Raymond J. Coates 1959
Raymond J. Coates '59 Endowed Research Fund

John H. Corson 1943
John H. Corson Class of 1943 Endowment Fund in the College of Engineering and Applied Sciences

Robert J. Gill 1944
Robert J. Gill '44 Endowed Fund for Linderman Library

Virginia Hale 1930W through the Bernard R. Hale 1930 Trust
Bernard R. and M. Virginia Hale Endowed Scholarship

Dale Heffelfinger 1970
Dale R. Heffelfinger '70 Scholarship Fund

Walter R. King 1913
O-Driscoll-King Scholarship Fund

Wilbur C. Knerr 1950
Wilbur C. Knerr '50 Endowed Scholarship Fund

William S. McConnor 1941
William F. McConnor '14 and William S. McConnor '41 Endowed Fund for the P.C. Rossin College of Engineering

William McMorris, Jr.
Mining Engineering and/or Metallurgy

Richard R. Rohrbach 1950
The Richard Rohrbach '50 Endowment Fund

Edward W. Shipley 1945
Mary Ellen and Edward W. Shipley Endowed Athletic Partnership Fund and Mary Ellen and Edward W. Shipley Endowed Scholarship Fund

Virginia Saussaman 1939W
John D. Saussaman '39 Endowed Scholarship Fund

Charles B. Tillson 1937
Madalyn F. and Charles B. Tillson, Jr. Loan Fund

The following individuals left unrestricted bequests to the university.

Ronald L. Biamonte 1969

Charles H. Carter 1941

Richard V. Concilio 1956

Marie Deach

Ruth Anne Herterich 1952W

Philip Newman, Jr. 1954

Walter R. Smalley 1950

Lehigh rewards creativity, leadership, and innovation. Our commitment to excellence and intellectual curiosity is matched by our commitment to creating a diverse and inclusive community.





Roy Cravzow '61:

HONORING PROFESSORS WHO CHANGED HIS LIFE

For Roy Cravzow '61, coming to Lehigh just made sense. He wanted to be far enough away from home in Long Island, New York, to get that “going away to college” feel, but near enough to not have to fly home for holidays. He liked that Lehigh was strong in business, the arts, and his initial major, engineering. Little did he know that taking a Spanish class in his first year would change the entire trajectory of his life.

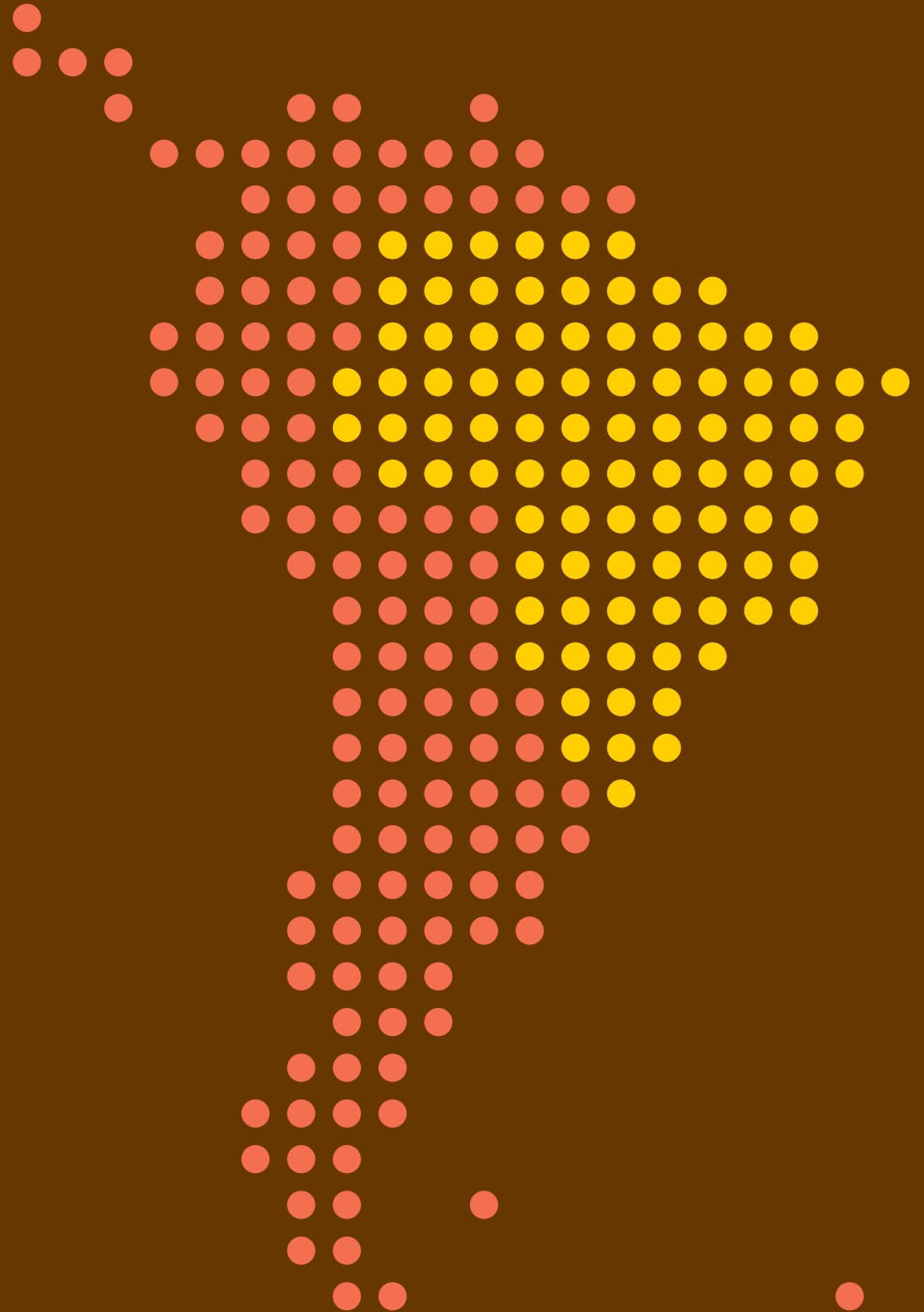
That class was taught by a newly arrived romance languages professor, Victor Valenzuela, who became an advisor, mentor, and lifelong friend. At Valenzuela's encouragement, Cravzow earned a bachelor's degree in Spanish at Lehigh. He also earned a master's in Spanish and a Certificate in Latin American Studies from Columbia University. There he met another life-influencing professor, Gregory Rabassa, who would become his dissertation advisor and dear friend.

A switch in concentration to Portuguese, a doctorate in comparative literature (Portuguese) from City University of New York, and a Fulbright fellowship to Brazil all led Cravzow to a career as an adjunct professor of Spanish and Portuguese at Queens College in New York from 1968 through 1989. In 1974, using the knowledge of Brazilian culture that he learned from Valenzuela and Rabassa, Cravzow began an industrial export business serving clients in Brazil that he was still running until the COVID-19 pandemic recently curtailed operations.

Honoring the memory of the two professors who so influenced him led Cravzow to create his first charitable gift annuity in 2010. Subsequently, he established 13 gift annuities and has also made a generous bequest provision. Between the residuum of the annuities and his eventual bequest, a permanent endowment fund to be known as the Rabassa/Valenzuela Endowed Chair in Latin American Literature and Culture will be established.

Cravzow appreciates the steady income stream his annuity provides, as well as the generous tax deduction he receives in the year he makes the contribution.

“It’s a win-win for everybody. When I found out about the charitable gift annuity program, I thought it was great,” Cravzow said. “The deciding factor was that, between the gift annuity program and a confirmed bequest, I could make a plan to fund an endowed chair at Lehigh. Without Lehigh and Professor Valenzuela, who led me to meet Professor Rabassa, I wouldn’t have enjoyed these lifelong relationships and the success I achieved in my two interrelated careers.”



Gift Annuity Disclosure Statement

This disclosure statement is intended to provide basic information regarding the gift annuities issued by Lehigh and is not intended to serve as legal advice. We encourage you to consult with your own legal and/or financial advisor about the applicability of such a gift in your own situation.

- **Description of a Gift Annuity** | A gift annuity is a simple contract between the donor(s) and Lehigh University (hereinafter “Lehigh”). In exchange for the donor’s(s’) contribution(s), Lehigh promises to make fixed payments for life to one or two annuitants [usually, but not necessarily, the donor(s)]. The amount paid is based on the age(s) of the annuitant(s), in accordance with Lehigh’s rate schedule.
- **Not a Commercial Investment** | The act of establishing a gift annuity with Lehigh is not, and should not be viewed as, an investment. Rather, it is a way to arrange for annuity payments while making a charitable donation. In this respect, a gift annuity issued by Lehigh is different from a commercial annuity. While both types of annuities make payments that are usually partially tax-free, the charitable donation aspect of establishing a gift annuity may result in additional tax benefits that are not available when purchasing a commercial annuity. These tax benefits include a current federal income tax charitable deduction (if you itemize your deductions) and possible future estate tax savings.
- **Gift Annuity Rates** | The gift annuity rates paid by Lehigh are those suggested by the American Council on Gift Annuities, which is a national organization of charities that has been in existence since 1927. These rates have been calculated so as to provide attractive payments to the donor(s) and/or other annuitant(s) and also to result in a significant portion of the contribution remaining for the charity. Because a charitable gift is involved, the rates are lower than those available through commercial annuities offered by insurance companies and other financial institutions.

- **Assets Backing Annuity** | The annuity payments are a general obligation of Lehigh, and they are backed by all of our assets (subject to security interests). As of June 30, 2020, the market value of our total invested funds exceeded \$1 billion. We also maintain a gift annuity reserve fund valued at more than \$12 million in accordance with the laws of the states in which we issue gift annuities. Assets received by Lehigh for gift annuities are managed internally, in a conservative and disciplined manner. If Lehigh should ever fail financially, individuals entitled to receive annuities will qualify as general creditors of Lehigh.
- **Governance** | Responsibility for governing Lehigh, which was established in Pennsylvania in 1865, is vested in a board of trustees. Common investment funds managed by our organization are exempt from registration requirements of the federal securities laws, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). This information is provided to you in accordance with the requirements of that act.

Points to Remember

- A contribution for a gift annuity is irrevocable.
- The right to annuity payments may not be assigned to any person or organization other than Lehigh.
- The gift date is the date when you actually transfer assets. In the case of cash, it is the date you mail or deliver a check. In the case of an electronic transfer of securities, it is the date they are received into the account of Lehigh. If you have certificates, it is the date they are properly endorsed and mailed or delivered.
- The gift annuity is governed by applicable state laws.



The College of Arts and Sciences provides numerous opportunities for hands-on or experiential learning.

Description of Reserve

Gifts to the annuity program are invested in accordance with state requirements. The assets held generate income to distribute to beneficiaries and provide a reserve of capital, if needed, to make up the difference between the income earned and the required distributions.

Upon the termination of the life interests covered by a given contract, a proportionate share of the entire reserve is applied to the purpose outlined in the original gift annuity agreement. At maturity, the contract balance is invested in the endowment fund.

Lehigh has completed applications for all states with annuitants and all state requirements for registration of gift annuity programs. At June 30 each year, Lehigh performs an internal review of our gift annuity reserve compared to the total reserve assets to the present value of the reserve's liabilities. Our reserve assets at June 30, 2020, are well in excess of the present value of its liabilities.



Board of Trustees

Finance Committee Fiscal Year 2020 Members

Jordan Hitch '88 '20P '21P (Chair)
Former Managing Director
Bain Capital

Jeffrey Bosland '88 '22P
Senior Managing Director
Cerberus Capital Management LP

Robert L. Brown III '78
Retired Partner
PricewaterhouseCoopers LLP

Mark V. Mactas '74
Retired Chairman and Chief Executive Officer
Willis Towers Watson

Sarat Sethi '92
Managing Partner
Douglas C. Lane & Associates

Frank E. "Ted" Walsh III '88
Partner
WR Capital Partners

Investment Subcommittee Fiscal Year 2020 Members

Sarat Sethi '92 (Chair)
Managing Partner
Douglas C. Lane & Associates

Jeffrey Bosland '88 '22P
Senior Managing Director
Cerberus Capital Management LP

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Graham Capital Management

Edward Ramos '89
Former Chief Investment Officer
Cornerstone Capital Management

Gregory G. Stahl '92
Chief Investment Officer
Dock Street Capital LLC

Frank E. "Ted" Walsh III '88
Partner
WR Capital Partners

In a typical year, Zoellner Arts Center hosts more than 240 events and performances in Baker Hall.

Contact Us



**Office of
Planned Giving**
(610) 758-4749

Please share with the Office of Planned Giving any questions or comments you may have about the information within this report. Our planned giving team can also help explore the different gift options available to integrate your passion for Lehigh with your personal financial goals and plans.

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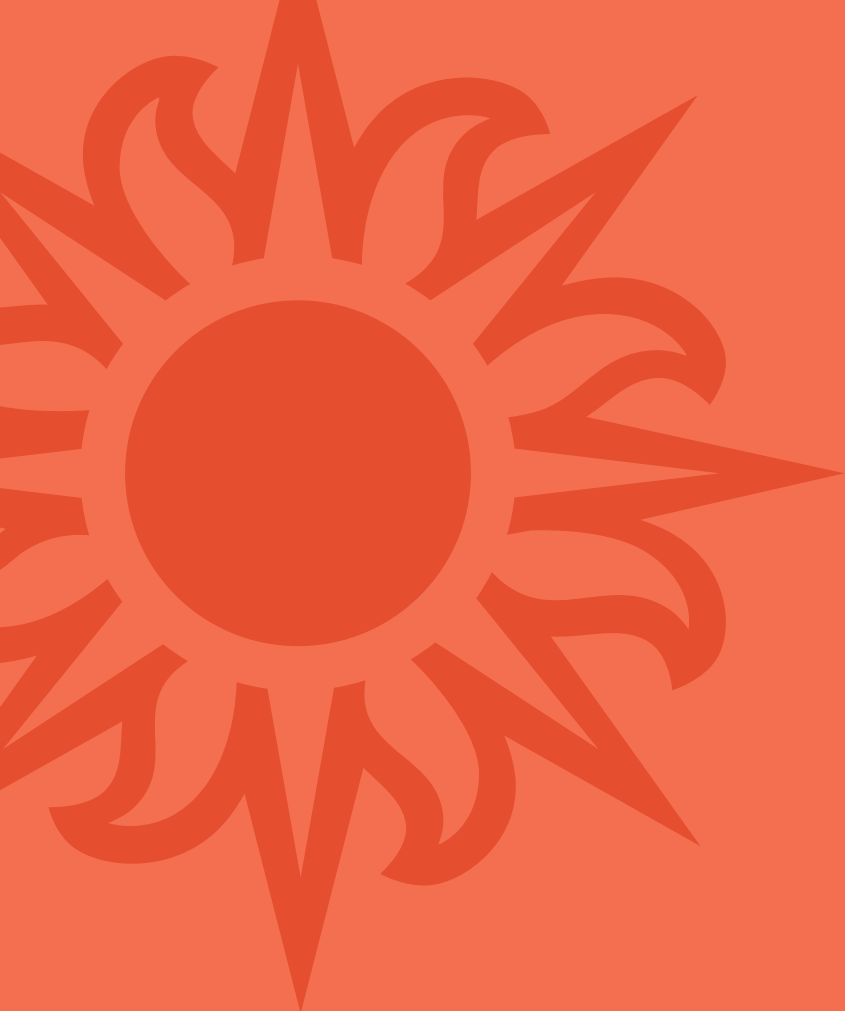
Kimberly Sretchen
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For more information:

**Planned Giving Website and
Online Gift Calculator**

PLANNEDGIVING.LEHIGH.EDU

A practical guide to assist you in gift planning is available online at plannedgiving.lehigh.edu. This useful site features an easy-to-use Online Gift Calculator that enables users to receive fast, accurate, and confidential calculations on charitable deductions. The Online Gift Calculator allows users to determine their personal planned gift deductions and gift annuity taxation amounts.



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