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Michigan Tech

Michigan Technological University

A Financial and
Charitable Gift Planning Guide

Foresight

Alumnus helps Tech gird for the future

Larry Watson, '51 and '58, is a retired businessman who has realized success, stewardship, and a meaningful life. All three are behind his financial support of Michigan Tech.

"I like seeing Michigan Tech grow," he says. "It's satisfying to see it do well. Tech's reputation is as good, or better, than it's ever been. You like to think you had a small part in that."

Not a small part by any means. Besides over thirty years of annual support, Watson and his wife, Joanne, established a charitable gift annuity with the Michigan Tech Fund in 2003, funding it with appreciated securities.

"A gift annuity is a good arrangement," he says. "It's an excellent way to enhance our income while living—and still help the University after we're gone. We also like the income tax advantages."

Is it gratifying to be able to help? "Very definitely," he says.

A native of Battle Creek, now from Portage, Michigan, Watson came north for college. He heard about Tech from a high school counselor whose grandfather was one of Tech's first graduates. "She talked up Michigan Tech," Watson recalls. He studied at the Sault Ste. Marie campus for two years and then came to Houghton. Upper Michigan, he says, "was a great place to live and go to school."

Always interested in the outdoors, Watson aspired to be a forester. After graduating in 1951 with a degree in forestry, he served two years in the US Army Corps of Engineers and then found work in Lower Michigan as a land surveyor.

He says Tech prepared him well for the workaday world. The highlight of his education was the forestry summer camp: Camp Pori, which was a former CCC camp turned German POW camp, near Mass City. Rustic and remote, it

included a cook house and barracks—spartan living conditions combined with extensive field work. "It was a beautiful way to spend a summer."

While his heart was in the bush, the jobs weren't. So he returned to Tech and earned another bachelor's degree in 1958, in civil engineering.

He then started working for a firm that ultimately became Ingersoll, Watson & McMachen Inc., of Kalamazoo, Michigan. He spent the rest of his career there, retiring in 1994 as a principal and president. The firm, still in existence, specializes in land use, land planning, and the design of subdivisions. His work was a creative undertaking, Watson says. "It's something I loved to do, and I think I was pretty good at it."

Civil engineering proved to be "a good way to make a living," and he translated that opportunity into prominence in his field. Along with

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other industry and community involvement, he was a member of the Michigan Land Surveyors Society and a trustee of the group's foundation, which created the first and only museum of surveying in the US. Founded in the late 1970s, the museum is located in Lansing.

Watson is a straightforward man. He sums up his life simply: "I was honest and did my best. That's all you can hope for." He describes his career in a similarly understated fashion: "I enjoyed my work and I was proud of the things I did."

What did it take to succeed? "A certain amount of luck, and I liked what I was doing." What compelled him? "Try to make a living and raise kids."

Watson left Tech with two diplomas—and a wife, the former Joanne Mitchell of Hancock, who was a nurse. "A very good partner," Watson says. They have two children: a daughter, Kathleen, and a son, Tom, also a graduate of Tech.

Now that he has more leisure time,



Larry, class of 1951 and 1958, and Joanne Watson

one of his enthusiasms is his wood shop, where he does wood turning (bowls and such). "I make a lot of shavings," he says.

The couple likes to cruise America's rivers on a seven-hundred-foot barge,

a vessel that is essentially a floating hotel, a mini-cruise ship. The outings match his nature. "It's informal and down to earth," he says. "A bunch of nice people."

Are you tired of riding the stock market roller coaster?

A dependable source of lifetime income is just one of several reasons why charitable gift annuities appeal to donors like Larry and Joanne Watson.

With a charitable gift annuity, the Michigan Tech Fund will send you a payment every quarter, or annually if you wish, for the rest of your life. The amount will be the same every time. While the economy may rise or recede, your payment will remain the same. You can count on it because it is backed by the full assets of the Michigan Tech Fund.

The amount of the annuity payment is determined in advance and depends on several things, including your age and the amount you give to establish the arrangement. For example, if you're 75 years old, you'll receive more than a 65-year-old who gives the same amount.

Also, the IRS favors these arrangements and will provide you with a charitable income tax deduction. It's one way the government encourages the private sector to support charitable organizations.

While these arrangements are popular with many of our older donors, charitable gift annuities, with deferred payment schedules, can also work well for younger donors. The longer the deferral period, the

higher the annuity payment. And, even though you elect to defer the annuity payments for several years, a federal income tax deduction is available for the year in which you make the gift.

Another benefit: For the rest of your life, you can enjoy the satisfaction that your charitable gift annuity will someday provide Michigan Technological University with needed financial resources to advance its mission of preparing students to create the future. Furthermore, you can designate the remainder amount of your gift annuity to support the department or program of your choice.

To learn more

For a copy of our free brochure, *12 Ways a Charitable Gift Annuity May Benefit You*:

- Call our Office of Gift Planning at 906-487-3325,
- send an email to giftplan@mtu.edu, or
- return the enclosed card.

We also would be happy to prepare a personalized illustration showing how a gift annuity can benefit you.

IRA charitable rollover extended—an easy way to make a cash gift to Michigan Tech

On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008, which extends the IRA Charitable Rollover for both the 2008 and 2009 tax years. If you are age 70½ or older, you may donate any amount up to \$100,000 per year from your IRA to qualified charities without federal tax impact. It's an easy way to make an end-of-year gift. Just ask your IRA custodian to transfer a portion of your required minimum distribution directly to the Michigan Tech Fund. For more information, call our Office of Gift Planning at 906-487-3325 or send an email to giftplan@mtu.edu.

Flu shots: facts and fiction

Dear Savvy Senior,

What are the facts on flu shots? Do they really help that much and can a flu shot actually give you the flu?

—Skeptical Senior

Dear Skeptical,

A flu shot doesn't guarantee you won't get the flu (influenza), but it does lower your risk. And if you do happen to get sick, you probably won't get as sick as you would without it. Here are the facts and fiction on flu shots.

Flu facts

Each year 5 percent to 20 percent of the US population gets the flu, more than 200,000 people have to be hospitalized for it, and around 36,000 will die because of it. Here are some key facts to know:

- While there's no foolproof way to prevent the flu, your best protection is a flu shot or the inhaled FluMist (FDA-approved only for healthy people ages 5 to 49) every fall. It's especially important for kids under 5, adults over 65, and anyone with medical conditions such as asthma, bronchitis, or heart disease.
- Some studies done over the past year have indicated that the flu vaccine may not work as well in people over 70, but the evidence is not conclusive. Most health experts still highly recommend an annual flu shot for seniors, noting that even if the studies are correct, some protection is better than none.
- Most people who get the flu shot have no reaction to it, but up to 25 percent may have some redness and slight swelling at the site and around 5 percent may experience a slight fever, chills, and headache within 24 hours.
- You need to get a flu shot every year because the flu virus mutates from year-to-year.
- People who are allergic to eggs or latex, have a history of Guillain-Barré syndrome, or have had a severe

reaction to a flu shot in the past should not get a flu shot without consulting their doctor first. People who are ill with a fever should wait until their symptoms pass.

Flu fiction

One of the most common misperceptions is that a flu shot will give you the flu. But the truth is that the vaccine is made from killed influenza viruses so it's impossible to get the flu from a flu shot. Some other common misconceptions:

- "Flu is just a bad cold." This is fiction. Although it's considered a respiratory infection, it affects the entire body, causing high fever accompanied by body aches, headaches, nausea, and dehydration.
- "You can get the flu from wet hair or cold weather." Not true. You get the flu by coming into contact with someone who is infected.
- "The flu shot is only for high-risk people." False. People at high risk

definitely need the vaccination but those at low risk also should get the shot to help keep the flu from spreading.

- "If I haven't had the flu by December, it's too late." False, again. Flu season can extend through May.

Savvy tips: You can get a flu shot at your doctor's office, local clinic, or various other locations. Medicare Part B pays for flu shots, but if you're not covered, there are plenty of places that offer them for free. To locate a vaccination site, call your county health department, the CDC information line at 800-232-4636, or visit www.flucliniclocator.org.

Savvy Senior is written by Jim Miller, a regular contributor to the *NBC Today Show* and author of "The Savvy Senior" book. The articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics. Jim invites you to send your senior questions to: Savvy Senior, PO Box 5443, Norman, OK 73070.

Tech students invest wisely



Mark Malekoff



Tony Hellenbrand

In an economy that is at best anemic, Michigan Tech students, working with more than \$1 million of real money, aced an international investment competition by achieving an incredible 13-percent return.

It was the third time over eight years, and the second consecutive year, that Tech won the award in the value category, one of six competitions.

The campus investment group traveled to the University of Dayton's Redefining Investment Strategy Education (RISE) Forum in April. More than 2,000 students from 267 universities in 50 nations compete.

"We were really excited," says Mark Malekoff, a 2008 graduate and one of a team of eight to participate in Tech's Applied Portfolio Management Program (APMP). "I was there last year when we won, and for us to win again this year was great, especially the way the market has been."

The competition is judged by risk-adjusted returns. Almost prophetically, the student team steered away from the financial sector and concentrated in energy and health care.

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Michigan Tech's McNair Society

Named after Fred McNair, president of the University from 1899 until 1924, the McNair Society honors alumni and friends who leave a legacy for Michigan Tech by providing for a planned gift or a bequest through their estates. We welcome the following new members to The McNair Society:

James '73 and Michele Bernier
Thomas '78 and Susan Chamberlain
Michael '74 and Kathryn Crampton
Gerald '66 and Judy Davison
Michael S. Hedtke
Barbara and Frank (dec) Herveat
Peter '65 and Jacqueline Sohlden
John '74 and Helen Sullivan

Michigan Tech is grateful for their foresight and generosity. Please notify our Office of Gift Planning if you have provided for the future of the University through your estate and have not previously informed us. We would be pleased to recognize you, too, as a member of the McNair Society.



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Visit us online!

Did you know that up-to-date gift planning information is available through Michigan Tech's website to assist you in creating a plan that is right for you? Visit www.mtulegacy.org and look ahead to your financial future. Try our gift calculator, or view a personalized web presentation that shows the income and tax benefits of a charitable gift annuity, or another gift plan of your choice, using your assets and property values. For a printed copy of a personalized gift plan illustration, send an email to giftplan@mtu.edu or call the Office of Gift Planning at 906-487-3325.

Students invest continued from page 3

APMP is a student-driven initiative. Tech's team is part of a 6-credit, two-semester class. They have an advisory board, but they make the ultimate decisions.

Dean Johnson, an associate professor in the School of Business and Economics, is the faculty advisor.

He lists some of the characteristics of Michigan Tech's strategy compared to that of other schools: a yearlong commitment instead of just a few months; a small team with intensive participation, as opposed to a large team with lukewarm involvement; the tasking expectations of the advisory board; and the next year's team shadowing the current year's team to get a sense of the challenge and the work. As well, the SBE supports the investors by subscribing to the Bloomberg Machine, which provides exhaustive financial reports.

Eight years ago, Tech had \$50,000 for students to work with; now students have more than \$1 million. Most of the money comes from the donations of alumni and friends.

The student team enjoyed not only success but also bragging rights. Tony Hellenbrand, a graduate in business administration from Madison, Wisconsin, appeared in late August on CNBC's "Squawk on the Street," an interview on the floor of the New York Stock Exchange, in which, like his team's investments, he excelled.

Meanwhile, Malekoff is back home in Grand Prairie, Alberta. He earned a bachelor's degree in business administration, with a concentration in finance, and is an entrepreneur, a lifelong ambition.

The APMP regimen informs his work as a business analyst. "A lot of what we did was evaluate companies," he explains. "I got a feel for what's out there. It was close to a real-world experience."

He aspires to succeed financially so that he can use the money to help raise the level of education in poor countries. He says that it's up to the people who have been given advantages "to use them to help others."