Creating a Legacy

As a graduate student in physics, Bruce McCaul, MS ’63, PhD ’69, did more than study lasers with world-class scientists. He also played for the Neutrinos, “a very successful intramural team” named for matter-penetrating subatomic particles. The team did well in the rankings, but only because they pursued “some of the more obscure sports—we were really strong in horseshoes,” Bruce recalls, laughing.

Now, Bruce and his wife, Karen Pope McCaul, ’63, MA ’64, are giving a new generation the chance to excel. Along with Bruce’s sister, Margaret T. McCaul, they have made life income gifts that are already helping both graduate and undergraduate students at Stanford.

The opportunity to make a significant gift came after the McCaul siblings inherited highly appreciated stock held by their late father, mechanical engineer Edward McCaul. The McCauls wanted to receive some financial benefit from their inheritance, but the tax consequences of selling the stock outright would have been daunting.

So when Bruce heard from friends about the benefits of using appreciated assets to create a life income gift with Stanford, he and Karen decided to establish a charitable remainder unitrust with their shares. The trust provides them with income during their lifetimes, and then the remaining assets will be used to fund the McCaul Family Undergraduate Scholarship. Margaret created her own charitable remainder unitrust, which pays a life income to her. The remainder will fund the McCaul Family Graduate Fellowship for physics students.

As the beneficiaries of the unitrusts, the McCauls receive annual payments during their lifetimes.

Unitrusts give benefits today, support students far into the future
Bruce, Karen, and Margaret are not only providing for themselves—they are also helping students. Because of the purposes they selected, the McCauls’ gifts were eligible for matching funds available at that time from Stanford. That meant the scholarship and fellowship funds were established immediately with the matching money, allowing students to receive support during the McCauls’ lifetimes and giving the McCauls the chance to hear from students about their gifts’ impact. (Gifts for certain purposes may qualify for matching funds; for more information, contact the Office of Planned Giving.)

Also appealing to the McCauls is that their trusts are invested by Stanford Management Company with the Stanford endowment. “Stanford has a fabulous track record, and we trust them,” Bruce says. Karen concurs: “To have Stanford take over the management of the funds was very rewarding.” They were also able to take advantage of a charitable tax deduction for a portion of the gifts.

Today, the McCaul funds support Alicia Salcedo, ’14, an undergraduate chemical engineering major from Fair Oaks, Calif. (see accompanying story), and TianMin Liu, PhD ’17, a physics graduate student from China.

“It’s really fun to be able to interact with a scholarship recipient now, instead of imagining a recipient in the future,” says Bruce.

Supporting graduate students has been equally satisfying. “Education is so important for young people’s lives—and for the world,” says Margaret, a longtime San Franciscan and alumna of Smith and the University of Michigan.

Bruce and Karen know first-hand how life changing a Stanford education can be. Karen, one of the first Stanford undergrads to study abroad in France, was so inspired by her experience that she decided to enter the field of education and became a French teacher. Bruce’s Stanford doctoral training led to a career in laser technology. In 1990, he founded Oxigraf, a company that uses lasers to measure oxygen levels for medical and aerospace applications.

The Palo Alto couple has stayed involved at Stanford over the years. With the Stanford Mothers’ Club, Karen helped raise funds for full tuition scholarships while the couple’s daughters, Elizabeth Beasley, ’90, and Catherine Medin, ’91, were students. She also has served as class correspondent for the class of 1963 and on reunion campaign committees. Bruce now serves on the board of the Stanford Alumni Association.

The family looks forward to continuing their relationship with the university through the students supported by the McCaul family funds—a new generation of young people whose lives will be forever changed by their Stanford experience.
the asset, invests the proceeds, and makes annual payments to the income beneficiary(ies). Annual unitrust payments are variable, based on a specified percentage of the fair market value of the unirust assets, valued at the beginning of each year. Donors usually name themselves as the income beneficiaries for their lifetimes, though it is also possible to name others, with the trust assets later passing to Stanford.

Because unitrusts are tax exempt, the sale proceeds generally are not subject to capital gains tax. The unirust therefore has more capital to invest after the sale than the donors would if they had sold the asset without establishing the unirust. The opportunity for increased income is usually the primary motivation for creating a unirust. The charitable income tax deduction the donors receive for a portion of the gift is also a consideration.

One advantage of naming Stanford as trustee of a unirust is that you decrease your own asset management responsibility. When Stanford serves as trustee, the charitable trusts are managed by Stanford Management Company, a division of the university that also manages the endowment. There are a number of investment options, including investment with the university’s endowment, the option chosen by the McCauls.

For those who would like to take care of themselves and take care of Stanford with a future gift, a charitable remainder unitrust may be a good option to explore. For more information, please contact the Office of Planned Giving.

Salcedo is doing just that at Stanford. She uses special equipment for taking notes and completing coursework—equipment that can be costly. But the McCaul Scholarship tuition support helps offset the extra expense. “The McCaul family is the reason that I was able to go to Stanford,” says Salcedo, who plans to work in the fields of energy or environmental sustainability after graduation.

This fall, Salcedo carried a special memory back to campus: her late grandfather’s dreams for her. As he battled cancer last year, he encouraged her “to succeed and to thrive at Stanford.” With the help of her scholarship and her commitment to learning, that is the dream she’s pursuing today.

The first McCaul Family Undergraduate Scholarship (see cover story) was awarded to Alicia Salcedo, ’14, who is pursuing a degree in chemical engineering. Salcedo has become a mentor to other young people who, like her, are visually impaired, as a volunteer for Survive or Thrive, a student-run program in Los Angeles for high schoolers with visual impairments. The goal of the workshops she holds with students is to empower them to become more independent. She explains, “We encourage students to go to college—we want to help them be able to succeed.”
Remember Stanford

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Recent Estate Gifts

Stanford is grateful to the generous alumni and friends who have remembered the university in their estate plans. The following is a sampling of recent estate gifts:

ANN HAYES HALLOCK, ‘63, left her estate and a retirement account to Stanford, which together totaled more than $1.32 million. Her gift established the Ann Hayes Hallock Law School Loan Repayment Assistance Fund and the Ann Hayes Hallock Leukemia Research Fund.

MILTON LEAR, ’38, made bequests of $1 million to support scholarships at the School of Medicine, $20,000 to the Buck/Cardinal Club, and $20,000 to The Stanford Fund for Undergraduate Education.

PAMELA ANN RYMER, LLB ’64, bequeathed nearly $2.23 million to establish two endowed funds in her name. The Judge Pamela Ann Rymer Law Scholarship Fund supports law students.

RUTH B. SPANGENBERG, AM ’65, left $100,000 to create the Karl R. Spangenberg Memorial Fund in the School of Engineering, in honor of her late husband, a Stanford electrical engineering professor.

THOMAS E. STEPHENS, a friend of the university, left a portion of his estate valued at more than $284,000 to Stanford. The gift will be used to support lymphoma research at the School of Medicine.

CARL R. WENZ, Jr., MBA ’61, bequeathed $10,000 to the Graduate School of Business.