When Milton Ritchie first set foot on campus in 1936, he was an 8-year-old African-American boy from West Oakland attending a Stanford football game on a YMCA trip. Ritchie, MS ’75, never could have guessed what a strong bond he would form with the university—or that he would choose to honor Stanford with a special gift some 70 years later.

The son of a postal worker and a housekeeper, Ritchie was raised during the Depression on the “wrong” side of town. But he excelled in school, and between 1946 and 1968, in addition to serving in the Army, he earned an undergraduate degree in chemistry from UC Berkeley and a master’s degree in public administration from the University of Southern California. Ritchie went to work for the Naval Air Weapons Station in China Lake, California. Throughout this period, he was one of the few African-Americans among his classmates and co-workers.

Ritchie’s research work took him back to Stanford a number of times, where he was impressed by the university’s emphasis on racial inclusion. One day, he learned that the daughter of one of his West Oakland neighbors was a Stanford student.

“It was obvious to me that increasing diversity was becoming a high priority for Stanford,” Ritchie says. Soon, nearly 40 years after his first visit to Stanford, Ritchie was on his way to campus as a graduate student, with a fellowship to study materials science and engineering. He brought his wife, Ethel, to Escondido Village. “I enjoyed the atmosphere,” she recalls fondly. She volunteered at the hospital and began a lifelong passion with quilt making.

After earning his master’s in 1975, Ritchie remained an active alumnus, giving to the School of Engineering and other programs and becoming a lifetime member of the Stanford Alumni Association. He joined Hughes Aircraft Company at its Santa Barbara research center, where his work focused on semiconductors in infrared devices.

In 1995, Ritchie’s bond with Stanford deepened when he received a letter from a student working with the Stanford Black Community Services Center (BCSC) to ascertain who Stanford’s first black graduate was. The question had been the topic of debate for many years.

By setting up a charitable gift annuity, Ethel and Mr. Ritchie, MS ’75, realized two goals at the same time—enhancing their retirement security and supporting Stanford.

(CoNTInuED On nExT PAGEx)
A photo of the 1891 interclass football team revealed the answer. There, in the front row, sat Ernest Houston Johnson, a previously unknown African-American student. In the quest for more information, the BCSC researcher thought Ritchie might know a relative of Johnson’s who had also attended Stanford in the mid-70s. Ritchie was intrigued, and after a few phone calls, he pieced together the biography of Stanford’s first black graduate, a member of its pioneer class.

Ritchie felt a kinship with Johnson and, with the help of the BCSC, he led a campaign to restore Johnson’s crumbling gravesite in Sacramento and honor the path he blazed at Stanford. Ritchie was also touched by Jane and Leland Stanford’s founding mission to “educate the children of California,” an ideal that came to life in Johnson’s story.

Inspired by what they had learned, Milt and Ethel Ritchie wrote another chapter in the story in 2005 with a generous gift to the university through a charitable gift annuity. A gift annuity is created when a donor transfers cash or securities to Stanford, in return for a fixed payment that continues each year for life, no matter how long the designated annuitant(s) may live. The donor benefits from a substantial income tax deduction and, if appreciated securities are contributed, will both minimize and defer capital gains tax that would otherwise apply at the time the asset is sold. When the annuitant dies, the remaining principal becomes a gift to the university.

The Ritchies appreciate the enhanced security their gift annuity provides: They can count on receiving quarterly annuity payments from the university like clockwork and rest easy knowing that their annuity investment is backed by Stanford, which has a triple-A credit rating. In 2009, the couple moved from Sacramento to Medford, Oregon. “Now that we’re living in a retirement community, the income from the gift annuity comes in especially handy,” explains Ritchie. They also enjoy knowing they are supporting Stanford.

“We are not a family particularly well-endowed with money, so a charitable gift annuity was a reasonable way to include a gift for Stanford in the balance of our other retirement investments,” says Ritchie.

Thanks to Milt Ritchie’s research, Ernest Johnson was inducted into Stanford’s Multicultural Hall of Fame, and his story has become a rich piece of university history. And with their gift in honor of the university’s long-standing commitment to diversity, Milt and Ethel Ritchie have found a way to create their own legacy at Stanford.

Good Counsel

Life Income Gifts: Supporting Stanford, Supporting Your Family

Perhaps you are considering making a gift to Stanford, but are concerned about giving up income-earning assets. Or maybe you are looking for tax relief or ways to increase cash flow. A “life income” gift could be the answer. From charitable gift annuities to remainder unitrusts, life income gifts allow you to support Stanford and provide for yourself and others at the same time. Here is how they work:

1. You transfer securities, cash, or other assets to Stanford.
2. You receive an immediate charitable deduction, as well as savings on capital gains and estate taxes.
3. Stanford pays an annual income to you and/or your designated beneficiaries. These payments continue for life, or for a term of up to 20 years, depending on the type of life income gift you set up.
4. Once the payments end, the remaining principal is put to work at Stanford supporting the things you care about—whether that’s a specific area of research, financial aid for students, another area of interest, or the university as a whole.

Milt Ritchie was instrumental in uncovering the story of Stanford’s first African-American student, Ernest Houston Johnson. Born in 1871 outside Roseville, California, Johnson (bottom left with the senior interclass football team) was the youngest of four children. His father, who had served as a valet for Union soldiers in the Civil War, enrolled him in a white grammar school—a bold move that soon paid off. The young man was accepted to Stanford and, after earning a bachelor’s in economics in 1895, he began studying at Stanford Law School. Tragically, he died of tuberculosis in 1898. He was buried with his Stanford diploma.

PHOTOS COURTESY OF UNIVERSITY ARCHIVES
Stanford offers various life income gift options; two of the most popular are outlined below. Each is suited to particular financial circumstances or goals. Please contact the Office of Planning Giving for more details and guidance about which is best for you.

### TYPES OF LIFE INCOME GIFTS

<table>
<thead>
<tr>
<th>Charitable Gift Annuity</th>
<th>Charitable Remainder Unitrust</th>
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<tbody>
<tr>
<td><strong>INCOME TO DONOR AND/OR BENEFICIARIES</strong></td>
<td><strong>INCOME TO DONOR AND/OR BENEFICIARIES</strong></td>
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<tr>
<td>Fixed payments can begin immediately or be deferred to a later date.</td>
<td>Varies according to annual value of trust assets</td>
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<tr>
<td><strong>UNIQUE CONSIDERATIONS</strong></td>
<td><strong>UNIQUE CONSIDERATIONS</strong></td>
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<tr>
<td>• Reduced and deferred capital gains tax for gifts of appreciated securities.</td>
<td>• No capital gains tax on transfer or sale of gift assets.</td>
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<tr>
<td>• Substantial portion of annuity payments may be tax exempt, depending on gift asset.</td>
<td>• All or a significant portion of payments will likely be considered taxable income.</td>
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<tr>
<td>• Deferring payments allows you to realize a tax benefit now and provide significant income for the future, often at a considerably higher annuity rate.</td>
<td>• Annual payments increase as trust grows, providing a potential hedge against inflation.</td>
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<tr>
<td>$20,000</td>
<td>$200,000†</td>
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† Additional requirements may apply.

### TAX TIPS

As Remember Stanford goes to press, Congress is still debating a number of important proposed tax law changes. Their decisions might affect income tax rates (including capital gains taxes), as well as gift, estate, and generation-skipping taxes. We remain optimistic that Congress will still pass legislation before year-end that would reinstate your ability to make charitable gifts directly from an individual retirement account (IRA) if you are over age 70 1/2.

For updates on this pending legislation, please visit Stanford’s Planned Giving Web site at [rememberstanford.stanford.edu](http://rememberstanford.stanford.edu).

### UPCOMING EVENTS

- **Thursday, March 17, 2011**
  Frances C. Arrillaga Alumni Center
  Sponsored by the Office of Development and Stanford Management Company
  For information, contact us at 650.725.4346 or FGSAdministrator@stanford.edu.

- **Tuesday, April 5, 2011**
  Founding Grant Society Luncheon
  Frances C. Arrillaga Alumni Center
  Sponsored by the Office of Planned Giving
  For information, contact us at 650.725.4346 or FGSAdministrator@stanford.edu.
CHARITABLE ESTATE PLANNING & TAX TIPS • FALL 2010

Remember Stanford
Creating a Legacy

YEAR-END TAX TIPS
Another tax year will soon draw to a close. To maximize your tax deductions for 2010, consider a gift to Stanford.

Make a gift online via credit card, wire transfer, or securities:
- Visit givingtostanford.stanford.edu, and click on Make A Gift Now.
- Make a credit card gift by phone Monday through Friday, 8 a.m. to 5 p.m. PST:
  - Toll-free (USA) 866.543.0243; International 001.650.724.0627
- Mail a check made out to Stanford University, or properly endorsed securities to:
  - Gift Processing, P.O. Box 20466, Stanford, CA 94309
- Be sure to include a note about how to direct your gift.

Set up an estate gift, life income gift, or a gift of real estate or other illiquid assets:
- Contact the Office of Planned Giving (contact information below)

IMPORTANT DEADLINES FOR 2010 TAX DEDUCTIONS
- Credit card gifts must be charged to the credit card no later than December 31, 2010. At Stanford, credit card gifts may be made by phone up to 10 a.m. PST on December 31; online up to 11:59 p.m. PST on December 31. Credit card gifts arriving by mail or fax must be received by 10 a.m. PST on December 31.
- Gifts made by check or securities that are sent via U.S. mail to Stanford must be postmarked on or before December 31. If you use a private delivery service such as FedEx, the check or securities must be delivered to Stanford on or before December 31.
- Gifts of securities through a brokerage account must be received no later than December 31, 2010. The time necessary to complete a transfer varies from broker to broker; Stanford recommends that donors check with their brokers by December 1 to ensure timely processing.
- Deeds to gifts of real estate must be delivered to the university no later than December 31, 2010.

STANFORD CHALLENGE
BEQUEST INTENTIONS GOAL

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<tr>
<td>1,500</td>
<td><strong>New Bequest Intentions</strong></td>
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<td>0</td>
<td><strong>Remaining to Achieve Goal</strong></td>
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2011 will be the final year of The Stanford Challenge campaign, and that includes a push to raise awareness of the importance of bequests. Stanford’s goal is to record 1,500 new bequest intentions to the university by the end of the campaign on December 31, 2011.

Since the launch of the Challenge in 2006, 1,300 alumni and friends have notified Stanford of their bequest intentions. Each of these represents a future scholarship, research fund, or other gift that will have an impact at Stanford in accordance with the donor’s wishes.

If you are thinking about making a bequest or would like to let us know about your existing plans, please contact the Office of Planned Giving at 800.227.8977, ext. 54358, or development-services@lists.stanford.edu.