Career Social Worker gives back to school

Sarah (Sally) Flagg Haake, MSW ’62, experienced the length and breadth of social work during her career. Haake, from St. Charles, Mo., credits her MU social work degree with her success. She said, “I had a very satisfying career from 1962 to 2004.”

After graduation, Haake began work on a demonstration project in Webster Groves, Mo. Now married and with two careers to consider, Haake and her family did not stay in one place for long. First came a move to Chattanooga, Tenn., where she was a psychiatric social worker with the Moccasin Bend Psychiatric Hospital. Next, she moved to Alabama taking a similar position with the Mobile Mental Health Clinic. The opportunity to work with adoptions for children evacuated from Vietnam took her north to Pontiac, Mich., where she also served as a school social worker.

Returning south to Texas, Haake joined forces with Human Affairs International in the Dallas area serving as a social worker in their Employee Assistance Program. While in Dallas, Haake said she experienced the most satisfying job of her varied career, working with adoptions at the Presbyterian Children’s Home and Service Agency. She interacted directly with birth mothers and with mothers who had to emancipate their children, but the majority of her work was with older children.

“I had a wonderful career in social work. I want to assist others to obtain a degree if they have the heart for working in the field of social work.”

Sally Haake, St. Charles, Mo., receives her Social Work Crescent for her recent charitable gift annuity supporting the School of Social Work.
Flexibility key to best plans

Volatile markets now and in the future present steep challenges for financial planning. According to a recent article by financial advisors Jeff Lydenberg and Jeffrey Frye, “For the first time in seven years, the stock market didn’t end the year ahead of where it started.”

The ups and downs of the market may be manageable for many investors, but is unsettling for retired persons with such investments. Lydenberg and Frye agree that flexibility and risk reduction are the keys to good planning in today’s financial environment. They said protecting principal and relying on income from investments are priorities for retirees, but market instability can negatively affect both dividends and bond yields: “As such, planned gifts offering a combination of steady payments and generous income tax charitable deductions are going to best suit donors in times of volatility, especially planned gifts that offer the least risk and the most flexibility.”

Risk reducing planned gifts

Donors wanting to reduce risk may find respite through a charitable gift annuity. A Mizzou charitable gift annuity offers a fixed payment guaranteed to last for life. The older the annuitant, the higher the rate, topping out at 9% for the oldest annuitants.

These fixed payment are not tied to the investment performance of the donated assets, according to Lydenberg and Frye. They said, “The charity is contractually obligated to make the payments so the annuity payments are insulated from volatility. The older the annuitant, the higher the payment, but once payments begin there is no adjustment. In a high inflation economy, the value of a fixed payment would be eroded over time as the cost of goods and services increase. In an economy such as we are experiencing now, due to low inflation, the purchasing power of the fixed annuity payments is much less affected by increasing prices of goods and services.”

Shifting assets such as stock to a charitable gift annuity offers donors a low-risk alternative with better income. For the same reason, donors may want to fund charitable gift annuities with assets that produce little or no income. At the University of Missouri, a charitable gift annuity can be funded with cash or with securities such as publicly-held stock. The charitable remainder unitrust offers an alternative gift vehicle for the MU donor wanting to convert real estate into a stream of income.

Accomplishing more through flexible planning

Bequest and beneficiary designations offer the ultimate in flexibility, according to Lydenberg and Frye who said: “The combination of market volatility and the desire to access principal makes the gift...
vehicle of choice a revocable gift that is only effective at the death of the donor. Such a gift can be expressed as a percentage of the assets remaining at the donor’s death. The size of the gift fluctuates with the size of the donor’s estate at death.”

Family and other priorities are not ignored or neglected through good bequest and beneficiary designation planning. Heirs may be provided for first, or with a portion of the estate without negating philanthropic goals.

**Conclusion**

Lydenberg and Frye agree that volatility of investments will continue to be a major concern for the time being. Planned gift solutions that offer maximum flexibility like bequests and beneficiary designations are attractive to donors concerned about outliving their resources. They also said, “Gift annuities offer reliable fixed payments at attractive rates that can reduce the impact of volatility on a donor’s income. Charitable remainder trusts can offer ways to diversify portfolios and minimize capital gain tax consequences at the same time.”

For more information on how to create a planned gift, contact the MU Office of Gift Planning, 1-800-970-9977, or email: giftplanning@missouri.edu. Information in this article is for educational purposes. Consult your tax and legal advisors about the best way to create a charitable gift to MU.

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**The Permanent Charitable IRA Rollover**

In December 2015, the President signed into law the charitable Individual Retirement Account (IRA) rollover. After years not knowing from one year to the next if it would be approved, now donors can confidently incorporate the charitable rollover in their financial and philanthropic plans. Congress left the provisions of the charitable IRA rollover in place. This article reviews those provisions and suggests planning opportunities for those eligible to take advantage of the charitable IRA rollover.

- **Donor must be 70 ½ years of age or older to take advantage of the charitable IRA rollover.** In the first year an IRA holder must make Required Minimum Distributions (RMD), donors can make a rollover directly to their favorite charities like the University of Missouri.
- **Donors can give up to $100,000 annually.** Donors can do as many rollovers to as many qualified charities as there are ways to divide $100,000 in a given year.
- **Charitable IRA rollovers can only be done from an Individual Retirement Account (IRA).** Many people have other kinds of retirement accounts, typically a 401k or 403b account. For example, if a donor with a 401k wants to take advantage of this law, the donor must first roll the 401k into an IRA. Then, the donor can make a charitable rollover from his or her IRA as long as all other requirements are met.
- **No “quid-pro-quo” allowed.** Contributions do not qualify if the donor receives anything in return for the gift.
- **Nor can donors use the charitable IRA rollover to create gift annuities.**
- **Not all charities can receive charitable IRA rollovers.** The University of Missouri is a qualified charity.

**Incorporating the charitable IRA rollover into your financial and philanthropic plans**

At age 70 ½, IRA owners must begin making Required Minimum Distributions (RMD) from their retirement accounts. This creates problems for some donors who don’t need the income and who are concerned RMD may increase taxes.

If you are a donor with a pledge to the University of Missouri, consider using some or all your RMD to make annual pledge payments. Making charitable IRA rollover distributions can fulfill part or all of your RMD.

For the donor with RMD that will create significantly higher taxes, one planning method is to reduce the size of the retirement account. The RMD is calculated annually on the size of the account. Use the charitable IRA rollover to reduce assets in your IRA accounts. Your charitable rollover will help make future taxes on RMD more manageable, and even eliminate taxes on the RMD in the years you make rollovers in excess of the RMD amount. Remember, rules allow up to a total of $100,000 each year through a charitable IRA rollover to one or more qualifying nonprofit organizations.

Your charitable IRA rollover gifts to the University of Missouri count toward Jefferson Club membership as well as other University, School and College recognition societies.
in the foster care system. She also conducted workshops and counseled adoptive families, which included moderating panels of birth mothers who helped prepare families to receive children placed for adoption. Haake said, “We found that this helped adoptive families understand the situations of birth mothers and why children were being placed for adoption.” Later she would become Social Services Director for the Psychiatric Institute of America, Fort Worth, Texas, working with acute care children and adults with addiction-related disorders.

In 1991, Haake moved to St. Louis, Mo. to take a position as a psychiatric social worker with Personal Performance Consultants, now Magellan Behavioral Health, where she worked until her retirement in 2004.

Haake made a gift to create a charitable gift annuity that will one day provide scholarships for MU School of Social Work students. A charitable gift annuity provides a lifetime income at a rate based on the age of the annuitant. The gift creating the annuity remains invested until after the lifetime of the annuitant at which time it is available for use by the School of Social Work.

Haake said she made her gift to help young people and help the social work profession. She said, “I had a wonderful career in social work. I want to assist others to obtain a degree if they have the heart for working in the field of social work. Student loans and the economy make it difficult to go into the field and I was lucky enough to be able to make this gift. I want to assist students to earn their MSW, which is essential now for the practice of social work.”