

corridor

Strategies from the
MIT Office of Gift Planning

Spring 2018



Planned giving donors
Ani Chitale ScD '68 and
his spouse, Suzana Naik,
at their home in Ashland,
Massachusetts

A Passion for Connecting

Ani Chitaley ScD '68 and Suzana Naik



A conversation with Ani Chitaley about his involvement with MIT quickly reveals his deep fondness for the Institute. Five decades after completing his doctorate in mechanical engineering, he remains closely connected to MIT and its wider community of faculty, students, and alumni.

Chitaley, who currently runs an investment management consultancy, has had a varied and successful career in engineering, investment management, and entrepreneurship that he says was only made possible by his MIT education.

Chitaley has long given back to MIT through modest annual donations and “intellectual involvement” such as hosting knowledge-sharing seminars and attending classes and other events on campus. By 2007, his thinking about the Institute’s role in his life crystallized, and so he decided to become more focused in his support of MIT through planned giving. A gift annuity that will support the mechanical engineering faculty was a reflection of his gratitude for the role MIT

has played in his life. “Just three years at MIT created an invaluable and powerful foundation for my life,” says Chitaley. “Not just in my professional life, but as a foundation for a way of living.” Chitaley hopes that his gift will play a part in helping MIT continue to innovate new ways of thinking for future generations of students and faculty. Choosing a gift annuity was also a wise investment for Chitaley, as it will provide a fixed annual income for life.

Underpinning his enthusiasm for MIT is a lifelong passion for learning and technology. “I love dabbling, and I love technology,” he says. “That’s all I’ve ever wanted to do with my life.” When Chitaley was in high school, the Sputnik

ABOVE: Ani Chitaley and Suzana Naik support MIT through a gift annuity and outright gifts.

satellite launch had him and his generation “looking toward the sky and to the stars.” And as a young graduate student studying mechanical engineering at the Indian Institute of Technology (IIT) Bombay, Chitaley learned about MIT and dreamed of one day studying at the Institute and making the US his home. Thanks to a research assistantship from MIT, Chitaley’s dream became a reality, and he was part of the first wave of Indian science and technology students who came to the US for advanced studies.

Although his degree from IIT Bombay was not recognized in the US, Chitaley had no hard feelings about redoing some masters-level courses at MIT. Instead, he was enthusiastic because his MIT coursework exposed him to an entirely new way of thinking. “The whole-systems thinking I learned at MIT became so fundamental to my goals and intellectual growth that I still use it for everything I do,” says Chitaley. “It literally has become part of every cell in my body.”

After completing his doctorate in 1968, Chitaley pursued several careers in India and the US before ultimately deciding on investment management. In the early 1980s, he revisited his fascination with the space age as an aerospace engineer and consultant with Booz Allen Hamilton, creating solutions to complex problems using the systems thinking approach he learned at MIT.



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In one recollection, Chitaley describes solving a problem with the ablative insulation on NASA’s space shuttle fuel tank while consulting with Martin Marietta (now Lockheed Martin). His mathematical model revealed that proportioning the ingredients by volume, and not by weight, was the right way to ensure consistent results—a simple solution to a seemingly complex problem that he says was made possible only by the MIT approach.

He later brought his expertise to investment management, joining Fidelity Investments’ mutual fund division. There he



Chitaley visits MIT’s campus regularly to attend faculty and student events, which keeps him connected to the community.

was tasked with a number of challenges, including revamping and improving the performance of the trading floor operations. Once again, Chitaley drew on lessons learned at MIT to solve the challenge. “The basis of my thinking came from a systems control course that I had taken at MIT,” he explains. “We created an industry-leading solution that saved Fidelity’s mutual fund shareholders almost a billion dollars by way of higher-quality trades.”

Based in the Boston area, Chitaley enjoys returning to campus frequently to meet with faculty and students whose work interests him. Family ties have also kept him close to MIT. His son, Raaj Chitaley, is a 1995 graduate, and his first wife, Shubha, who passed away in 2006, once worked as a technician at the MIT Nuclear Reactor Laboratory. Chitaley credits his second wife, Suzana Naik, a senior corporate finance executive, with encouraging him to continue to explore creative ways to give back to MIT.

Looking forward, Chitaley and Naik have multiple other areas of interest with MIT. They would like to help create a way for MIT alumni and students to connect and collaborate intellectually, “to keep MIT firmly in the hearts of alumni, worldwide.” The couple would also like to get involved with other student research for interdisciplinary projects in orthotics/robotics research to assist people with mobility challenges.

“We want to continue supporting MIT in whatever way we can,” says Chitaley. “If you look at the Institute’s contributions to society, human life, and global economics, they are priceless.”

Coming Full Circle

Bonny Kellermann '72



Bonny Kellermann, an alumna and employee, uses planned gifts to help make her desire to support students a reality.

Like her MIT career, Kellermann's giving has evolved over the years. She began with small gifts upon graduation that increased as her income allowed. An unexpected small inheritance after her mother's passing in 2008 planted the seed in her mind to set up a scholarship fund to honor her parents. Just as they had supported her as a student, the planned gift would continue to provide support for Kellermann. She supplemented the inherited funds with money that she had been setting aside monthly into a mutual fund account. By donating this money to a charity, she did not have to pay capital gains, and the ultimate purpose of the fund was clear. "Because of my previous work in the admissions office, I'm painfully aware of how many students want to come to MIT but can't afford to without scholarship support," says Kellermann.

Kellermann chose to establish a charitable remainder unitrust (CRUT), a deferred gift annuity, and a bequest intention to make her desire to help students a reality. Named in honor of her parents, the Rae and Alex Kellermann Scholarship Fund will help support MIT students who might not otherwise be able to afford to attend MIT. Kellermann knows how advantageous a CRUT is to both the Institute and the donor. Over time, she says, she expects to get more back than she put in, yet the principal will still grow to serve the ultimate purpose. "It's mutually beneficial," she says. "Because I get the stream of income, I was able to afford to make a gift that was a substantial portion of my annual income. And because of the opportunity to invest alongside the MIT endowment in the CRUT, I expect the amount of income that I receive to grow over time."

For Kellermann, supporting students and the community she adores comes naturally. "I love being at MIT," says Kellermann. "And I love that so many people are focused on how their efforts can make the world better."

BONNY KELLERMANN changed her major eight times as an undergraduate at MIT—ultimately graduating with an SB in political science—but her commitment to giving back to MIT and its students has never wavered. As an alumna, involved community member, donor, and employee (40-plus years in a number of administrative and leadership roles), Kellermann holds a unique position in the MIT community. This perspective allows her to see a broad spectrum of institutional needs along with the impact and benefits of the different ways of giving. After decades of supporting the Institute through outright gifts, Kellermann chose planned gifts to help provide scholarships for students—and income for herself.

Reinvesting for the Future

Sarangan Chari SM '90 and Gina Spagnoli

WHEN CHEMIST-BY-TRAINING SARANGAN CHARI decided to make a midlife career switch to the world of finance, he knew he would need to reinvest in his education. The business novice found just the place to do that at the MIT Sloan School of Management. “What I learned at Sloan applied directly to the job I secured in finance after graduation,” says Chari, “and it was a huge influence on my career over the next couple decades.”

After his Sloan experience, Chari started giving back to MIT with annual outright gifts. Eventually, he and his spouse, Gina Spagnoli, established planned gifts in the form of a charitable remainder unitrust and two charitable gift annuities. Their CRUT funded the Srinivasa Chari Fellowship, named after Chari’s grandfather, an educator in India. “He strongly believed in the value of education and he would actively solicit talented students to apply to

college,” says Chari. “If they couldn’t afford it, he would pay out of his pocket so they could stay.”

Chari and Spagnoli’s CRUT is invested alongside the MIT endowment, and they have chosen the option to reinvest the dividends back into their trust. Chari explains: “We think it’s the best thing to do. It would be hard for an individual to match the kind of returns that the MIT endowment makes, so it doesn’t make sense for us to take the income right now. No one can see the future, but I certainly hope that this gift helps MIT retain its position as one of the top academic institutions in the world.”

For more information about charitable remainder trusts at MIT, visit giving.mit.edu/CRT.

KDMS: Brunch and Brains

MIT’S ANNUAL KATHARINE DEXTER MCCORMICK SOCIETY (KDMS) appreciation brunch was held last September at the Samberg Conference Center on campus. This multigenerational event had 165 attendees—and an astonishing range of class years, from 1948 through 2021. The highlight of the event was a presentation about the human brain by Professor John Gabrieli PhD '87, the Grover Hermann Professor of Health Sciences and Technology and Cognitive Neuroscience and director of the MIT Integrated Learning Initiative. Gabrieli provided updates on the Institute’s use of neuroimaging to inform education and hosted a lively Q&A session.



John Gabrieli speaking at the KDMS annual brunch

BECOME A KDMS MEMBER

Have you already included MIT in your estate plan?

Let us know! We would love to welcome you to the Katharine Dexter McCormick Society. Please contact the Office of Gift Planning or fill out and return the reply card included with this newsletter.

If you would like more information about joining KDMS or have questions about including MIT in your estate plan, please contact us. We would be happy to have a confidential discussion with you regarding your intentions.

Our next KDMS appreciation brunch will be held on September 23, 2018.

Q&A: Gift Planning to Help the MIT Mission

Israel Ruiz SM '01



Israel Ruiz, MIT's executive vice president and treasurer

ISRAEL RUIZ, executive vice president and treasurer, is MIT's chief financial officer, and he is responsible for leading all of the administrative and financial functions at the Institute. Ruiz talked with the MIT Office of Gift Planning to answer a few questions about how a planned gift helps support MIT's education and research mission.

How does planned giving help support MIT's mission to advance knowledge and educate students?

IR: Planned giving is an essential source of funding that ensures the future sustainability of MIT. In particular, unrestricted planned gifts allow MIT to strategically focus on its core activities, including scholarship support and campus renewal. In fiscal year 2017, 18.2% of MIT's philanthropic support came from planned giving.

Why should someone consider supporting MIT with a planned gift?

IR: A planned gift offers the opportunity for donors to maximize the impact of their giving with options that fit their current stage in life. In addition to supporting MIT, planned gifts offer benefits to the donor, including being

ANNOUNCING THE MIT DONOR-ADVISED FUND

MIT is now offering a Donor-Advised Fund (DAF) to alumni, friends, and supporters of the Institute. The DAF program allows MIT donors to establish a charitable account maintained and managed by MIT from which donor-advised distributions can be made from time to time to MIT, as well as to other charitable organizations. A donor-advised fund may be opened with a gift of \$1 million or more. MIT will accept gifts of cash and marketable securities and, at its discretion, may accept other types of assets.

Learn more about the MIT Donor-Advised Fund at giving.mit.edu/donor-advised-funds. For a confidential discussion, contact **Amy Goldman**, Director of Gift Planning, at 617.715.2932 or goldmana@mit.edu.

REUNION GIFTS

Do you know that planned gifts may count toward Tech Reunion? Life income gifts made during this fiscal year (July 1, 2017, through June 30, 2018) will be counted towards your class gift at face value.

Documented bequests may also count as a bequest pledge for your class reunion if you are celebrating your 40th Reunion or higher and if your bequest supports MIT's core needs: unrestricted, undergraduate scholarships, graduate fellowships, and professorships. Like other pledges, the bequest pledge will count as a reunion gift only if you also make an outright gift during this fiscal year.

Please contact **Bonny Kellermann '72**, bonnyk@mit.edu or 617.253.9722, for more information on how planned giving can augment your class gift and support the MIT Campaign for a Better World.

able to plan now for a future legacy on campus. Another advantage to this type of gift is that a life income gift—a charitable gift annuity or charitable remainder trust—can provide income to the donor and/or their beneficiaries. A planned gift is a terrific vehicle for just about anyone who wishes to support the mission of MIT.

What makes MIT stand out as a philanthropic choice for a life income gift?

IR: A life income gift offers a unique opportunity to invest alongside the MIT endowment. Last fiscal year, the Institute's pooled investments returned 14.3%, growing the endowment to \$14.8 billion (excluding pledges), and charitable remainder unitrusts benefited from this strong investment performance. Gift annuities are invested alongside MIT's endowment and the Institute's long-term investment pool, and they can provide a stable income source. MIT stands to gain in the future due to our prudent investment strategies for the endowment. At the end of fiscal year 2016–2017, MIT's 10-year endowment return stood at 7.6%, outperforming the 30 largest college and university endowment pools.

What impact will the MIT Campaign for a Better World have on the Institute?

IR: The Institute's future depends upon the current philanthropic support of our alumni and friends. The MIT Campaign for a Better World has already raised \$4 billion towards our ambitious \$5 billion goal. MIT's strong financial foundation has made it possible to realize significant achievements that will extend the Institute's global impact and pave the way for groundbreaking discovery and innovation in areas ranging from basic scientific research to human health. Because of the generosity of our donors, we are able to further progress in education, including financial aid and digital learning. The Campaign is also aimed at meeting the core needs of our community, including a number of significant capital renewal and construction projects that are essential to enabling the Institute's education and research mission, such as MIT.nano, a new undergraduate residence hall in West Campus, and major developments in Kendall Square. This is the Campaign that will propel the Institute to continue its service to the world, and every gift in support of this effort will make a difference.

SAMPLE BEQUEST LANGUAGE

Below is suggested language to share with your advisor if you would like to include MIT in your will or estate plan.

I give [all of the residue of my estate OR an amount equal to X percent of the residue of my estate / thereof OR \$ _____] to the Massachusetts Institute of Technology (MIT), a Massachusetts nonprofit corporation, for its general educational and charitable purposes.

We can provide sample language if you prefer your bequest to be designated for a specific purpose. Contact us to learn more about bequests and how they could count towards the MIT Campaign for a Better World.

This information is provided for illustrative purposes only and should not be considered legal or financial advice. We encourage you to discuss these options with your advisor.

CONTACT US

For more information about planned giving, or to speak with someone in our office:

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