Leading by Example

Shirley and Don Rose have been loyal patrons of the Alley Theatre since 1969, but unlike most planned giving donors, their introduction to theatre didn’t occur until their college years. Don, a graduate of Sam Houston State University, explained, “We were not exposed to the arts as kids. In the small central Texas town where I grew up, cowboys and Western movies were all that we had and the entertainment emphasis was on Friday nights.” Shirley, who moved to Houston from Mississippi at age 11, saw her first play as an undergraduate. She developed her own interest in theatre after seeing a few University of Houston productions. As a young married couple, their shared interest in the performing arts expanded to include music, ballet and opera performances. Later on, they became more involved by serving on various boards of arts organizations.

Shirley joined the Alley Board in 1987; just a couple of years before Gregory Boyd was named artistic director. During her 24-year tenure, Shirley has served on various committees but her primary interest has always been education. Since 1989, she has served and/or chaired the Alley’s Education Committee (now known as the Education and Community Engagement Committee) whose efforts engage more than 33,000 individual students each year. Ironically, this committee oversees the programs and activities that expose young people to theatre – the cultural opportunities that she and her husband did not get to experience when they were young. Shirley’s passion for education is fueled by her background: a doctorate in education and a distinguished career that includes eight years as superintendent of the Harris County Department of Education, where she served the county’s 24 school districts.

Shirley and Don Rose
Nina Vance Legacy Society Members

(continued on next page)
Shirley and Don Rose (continued from page 1)

Of the Alley’s education programs, she is particularly proud of HYPE (Houston Young Playwrights Exchange) in which students, from ages 13 to 19, submit plays (no more than 10 minutes in length) to the Alley. Six finalists are selected to spend six weeks developing their scripts in an intensive workshop with Alley Education staff and guest artists. The workshop culminates with a weekend of staged readings by professional actors on the Alley’s Neuhaus Stage. Shirley remarked, “How the program has grown since its inception 15 years ago to where it is now is amazing. It’s one of our true stars.”

Playwrights are of particular interest to Shirley and Don, and they think the Alley has an outstanding tradition of attracting some of the best: Horton Foote, Edward Albee and Rajiv Joseph to name a few. They appreciate the diversity and really enjoy the opportunity to hear them speak at Alley events and to gain insight into their personalities, writing styles and views. Another attribute of the Alley they value is the resident acting company. “We’ve had the wonderful opportunity to see these young artists mature on stage. It’s great to see these actors do a comedy and then a serious drama … to see how they can stretch themselves as actors and realize these plays.” A particular highlight for them – or as Shirley states, “one of those moments that you have in the theatre that you always remember” – was Jeffrey Bean’s title role performance in Cyrano de Bergerac. Another is the late Bettye Fitzpatrick’s performance as the Stage Manager in Our Town.

While in the process of reviewing their wills last summer, Shirley and Don wanted to do something for the Alley in addition to their annual gift. “We don’t consider ourselves wealthy, but we love the Alley and wanted the institution to be part of our legacy. When we heard of the Nina Vance Legacy Society, we knew that’s what we wanted to do.” They chose to name the Alley as a beneficiary in their IRA. As Don noted, “One advantage of donating an IRA is that the gift will go directly to the Alley and not pass through a will, which will take time to be settled.” In addition, as explained on the next page, an IRA is usually a good choice to leave a charity because it’s one of the most heavily taxed assets when left to heirs.

The Alley Theatre is honored to welcome Shirley and Don Rose as its newest members of the Nina Vance Legacy Society. We hope they serve as an inspiration for others to follow their lead by providing a legacy of support to an institution that has played an important role in their lives.

“I regard the theatre as the greatest of all art forms, the most immediate way in which a human being can share with another the sense of what it is to be a human being.” – Oscar Wilde
Providing a Legacy . . . from Your Retirement Plan

Suppose you owned an asset upon which was fastened a warning label: “70% tax due upon death.”

Shocking? Impossible? Not if the asset is your IRA or other retirement account. A combination of estate taxes and income taxes can virtually confiscate your savings, leaving little for your heirs.

Note: Many of these taxes can be postponed when retirement assets pass to a surviving spouse who then establishes a “rollover IRA.” But an expensive visit from the tax collector lies ahead, for married and unmarried people alike, when death benefits from retirement savings pass to other relatives.

What Are Your Options?

- Leave the retirement plan savings to family members – who might keep as little as 30 cents on the dollar. However, children may, with proper planning, be able to “stretch out” distributions from retirement accounts over many years, which prevents income taxes from being owed all at once.

- Leave the retirement account to a worthwhile cause or institution – such as the Alley Theatre – and preserve most or all the funds free from tax. With this option, a donor can give a charity their heavily taxed retirement assets and leave more favorably taxed property to family.

- Leave a portion of the retirement account to heirs and the other to charity. The custodian can provide the appropriate forms so that the account can be “divided” or even create separate accounts.

How to Make a Gift

It’s simple to pass an IRA or other retirement account to the Alley Theatre. Just request a beneficiary designation form from your plan administrator. The gift, which is usually expressed as a percentage, is revocable and more than one charity can be named a beneficiary. (If you have a spouse, his or her written consent may be required.)

Perhaps consider the Alley Theatre as a contingent beneficiary and give your heirs the right to “disclaim” (declare) any death benefits. Heirs who understand the severity of taxes may decide it is best to have retirement assets pass to a worthwhile cause and divert the gift to benefit a non-profit organization such as the Alley Theatre.

Make the Most of Your IRA

IRAs play an important role in the financial lives of millions of workers and retirees, and the Alley Theatre has a newly updated publication, Maximize Your IRA, that describes many of the planning possibilities available to IRA participants.

IRAs come in various shapes and sizes – traditional IRAs, Roth IRAs that provide tax-free payouts, spousal IRAs for husbands and wives who are not in the work force, and rollover IRAs that are helpful when a person changes jobs or retires from a company with a qualified retirement plan, such as a 401(k).

People who participate in IRAs encounter important questions: What types of investments should I keep in my IRA? What investments are more appropriate outside my account? What factors enter into my choice of beneficiaries for my IRA? What can I do to minimize income taxes and other taxes that may come due on my IRA?

Maximize Your IRA covers these and other topics. This guide also discusses why your IRA might be the ideal estate planning vehicle for donating heavily taxed assets to a charity such as the Alley Theatre.

For a FREE copy of Maximize Your IRA, simply return the enclosed card in the envelope provided or call our office. We’ll also be happy to provide you with more information on gift planning. There is, of course, no obligation.
Five Steps to a Better 2012

Consider the following as you try to improve your planning in the new year:

1. Check your credit score – Consumer organizations advise people to review their credit report every year or two, particularly before making a large purchase like a house or a car. This makes it possible to correct any inaccuracies before applying for credit and/or to catch any fraudulent activity using your identity. If your score seems surprisingly low, check for inaccuracies in the credit report that generated the score. The only authorized source for the free annual credit report that's yours by law can be found at www.AnnualCreditReport.com. The Fair Credit Reporting Act guarantees you access to your credit report for free from each of the three nationwide credit reporting companies – Experian, Equifax and TransUnion – every 12 months.

2. Review your portfolio – Fluctuations in the markets may have thrown your investments out of balance. It might be time to harvest some gains, shed losers or diversify your holdings. Ask your financial advisor to analyze your portfolio in light of the market and your overall risk tolerance.

3. Contribute the maximum – Contributing to your IRA early in the year rather than waiting until the deadline date allows funds more time to grow tax-deferred – or tax-free, in the case of a Roth IRA. The limit is $5,000 for 2012, with a $1,000 catch-up contribution for those age 50 and older. If you’re over age 70½ and still working, you’re not eligible to fund a traditional IRA, but you might be able to contribute to a Roth IRA. Consult your advisors.

4. Ask Social Security for an estimate – Social Security is no longer sending out estimates of future benefits, but you can get the information directly from the Social Security website: www.socialsecurity.gov. This may be helpful knowledge when planning for retirement.

5. Review estate planning documents – Examine your will and/or living trust to ensure that they still reflect your wishes for disposition of your estate. To make a small change, you may need only a “codicil.” This is simply an addendum that will preserve most of the provisions of your existing will.

If you would like to make a bequest for the future of the Alley Theatre, our legal name is Alley Theatre and our Tax ID number is 74-1143076.