the power of the human spirit

Amy Shao is a living example of the power of the human spirit and what can be achieved despite significant health obstacles. And with the help of a scholarship from Abilities United, she is able to receive much needed aquatic therapy that has made a huge difference in her life.

In 1988, Amy was 23 years old and starting her adult life as a young professional at a prestigious Silicon Valley company. Recently married, life was wonderful and full of possibilities. At least until an appointment with an ophthalmologist uncovered 35% vision loss and a brain tumor.

She bravely went through brain surgery and endured six weeks of radiation. Six months later, the tumor began to grow again. She endured more surgery that did not eradicate the tumor but, unfortunately, left Amy paralyzed on her right side. Additional chemotherapy was used to finally rid her of the tumor, but it worsened the paralysis. Doctors told Amy she had only two years to live, but she did not give up. In 1989, she returned to her prior job using only her non-dominant left hand, working until 2002 when she lost her job in a round of layoffs. She applied for disability from Social Security and qualified.

Fast forward to 2012. Amy has beaten the cancer and her health has stabilized. Clearly it is Amy’s strong will that has enabled her to overcome the dire prognosis. But she also gives a lot of credit to the services she has received from Abilities United’s Aquatic Services, made available to her through a scholarship. To make use of the pool, Amy rides to and from the pool on her motorized wheelchair each day, a one-hour round trip. “The pool is soothing and makes me relax because of the 93-degree temperature. I am eager to come each day.”

According to Rho Olaisen, DC, MPH, director of Aquatic Services, “Water’s buoyancy allows people in wheelchairs to move more freely. It is well known that people in wheelchairs can have major issues with digestion and must work to prevent problems through body movement.” Rho continues, “The water’s hydrostatic pressure improves circulation and supports venous return. This is especially important among people in wheelchairs as they traditionally have much lower circulation than those who move freely on land.” Rho concludes, “A person in a wheelchair is rarely seen as a person in their own right, but rather as a person with a disability. In the pool, everyone is equal.”

With aquatic staff encouragement and a personal commitment, Amy has been able to stabilize her health and has lost 30 pounds. “The staff is very

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prepare now for a better tomorrow

Planning for your future, including financially secure retirement years, has never been more important than it is today. With the current climate of fluctuating investment values, increased health care costs and longer life expectancies, retirement planning is a topic that understandably receives a great deal of attention. However, many discussions overlook the ways careful planning can enable you to enhance your own financial security while you also support your charitable interests, such as Abilities United.

A look back

Over the years, a number of different retirement planning methods have grown in popularity. Along with Social Security, Congress has provided various opportunities for tax-favored savings for the future. Individual Retirement Accounts (IRAs), for example, have evolved a great deal since their creation in the 1970s. Once a planning vehicle used by a relatively small number of people, the IRA has become one of the primary ways to help ensure economic security in retirement years.

Moving forward

If you are retired, or if you are planning for retirement in coming years, you are no doubt keeping a watchful eye on economic indicators to see how they may affect your circumstances. With so much economic uncertainty, it may seem as though charitable giving could negatively impact your future financial security.

Thankfully, this need not be the case. Through careful planning, you will find that retirement funds can provide an untapped source from which to make charitable gifts now and in future years. Read on to learn how gifts from retirement plans may benefit you and your loved ones.

what are your goals?

With thoughtful retirement planning, you may find you can:

• Help assure a healthy financial future for you and your loved ones.
• Benefit from significant tax savings.
• Enjoy increased income, asset management and other economic advantages.
• Arrange what may be your charitable “gift of a lifetime” as part of your long-range planning.

friendly and ensures that we have the right tools in the pool. They are always encouraging and happy with my successes,” Amy says.

When considering a gift in your estate plans, consider leaving a scholarship to Abilities United. Scholarships are vital to people like Amy, who do not have the financial capacity to pay for the warm-water therapy or exercise that is needed to regain or maintain their health.

For more information about setting up a scholarship, contact Carol Lillibridge at 650-618-3328 or carol@abilitiesunited.org.
Many tax benefits are associated with IRAs and similar retirement planning opportunities. Generous income tax deductions are allowed for amounts contributed to such plans. Over time, the funds also build up on a tax-free basis.

When it comes time to withdraw funds from retirement accounts, however, these funds are fully taxable. For most people, a portion of IRAs and certain other retirement accounts must be withdrawn beginning at age 70½, regardless of whether the funds are needed for living expenses.

Possible multiple taxation

One thing many people do not realize is that any amounts remaining at death in a qualified plan, such as a conventional IRA or 401(k), may be subject to heavy taxation. Not only can these funds be subject to estate taxes, but retirement assets will also be subject to income tax.

Example: Mrs. Smith has accumulated $650,000 in her IRA and has directed that her nieces will split whatever remains in the account when she passes away. When added to the value of her home, investment accounts and other assets, Mrs. Smith’s total assets are more than she can pass to her loved ones free of estate tax. As a result, the funds remaining in her IRA could be subject to a maximum federal estate tax rate as high as 35 percent. Additionally, her nieces will have to pay income tax on the amount they receive net of the estate tax that is paid. They could pay federal tax at rates up to 35 percent on the amounts they receive. Because of this double taxation, there could be a relatively small percentage of each dollar left for her nieces.

A better plan

Assuming Mrs. Smith would also like to make charitable gifts to Abilities United as part of her plans, it may make sense for her to fund these gifts using all or a portion of her IRA proceeds. She could then direct that other assets be left to her family.

In that case, the charitable portion of her IRA passes free of tax. The amounts left to her nieces could still be subject to estate tax, but unlike funds received from Mrs. Smith’s IRA, her nieces would not face an additional income tax on the amount they received. This simple change could result in an increase in the amount inherited by her family.

Remember, too, that even if Mrs. Smith’s estate were not subject to estate tax, it would still be preferable to make gifts from her IRA to charity at death and leave her nieces other assets that would not be subject to income tax.

By designating your charitable interests as final or remainder beneficiary of your IRA, you can arrange your “gift of a lifetime.”

It’s easy to do and may be arranged so as not to diminish the financial security you have built for yourself and your loved ones.

Check with your plan administrator for instructions.
making a dream come true

In 1963, Heloise and Howard Stewart met Betty Wright in their search for swim lessons for their daughter Mimi, who had cerebral palsy. Her physical therapist recommended the therapeutic support provided by aquatic therapy. Soon Mimi was a new student at Betty Wright’s pool, originally located in her Barron Park backyard in Palo Alto. Mimi did so well under the loving but disciplined instruction of Betty Wright that Mimi’s sister, Sue (at age 13), became a teacher after earning her Junior Life Saving Certificate.

Both Sue and Heloise, now a spry 92-year-old, reminisce warmly about how the pool created a unique spirit of community involvement. “Patients and families were involved; we all felt like family. That kind of community spirit was priceless.”

But who was Betty Wright and how did she engage the Stewart family and other community members?

Heloise describes Betty Wright as a Palo Alto legend. “She taught thousands of local children how to swim. She loved working with all children, welcoming disabled children, including Mimi, into the existing swim groups. She instilled confidence and responsibility in both her swim students and volunteer staff. She matched the teachers to the needs of each child, expecting the teachers to maintain careful records on their students’ progress.”

As the classes grew in size, a larger pool was needed and, in 1966, plans were developed for a new public pool that eventually became the Abilities United Betty Wright Swim Center. “Betty needed help raising funds for the new pool,” says Heloise, “so we decided to sign a promissory note for the $5,000 to launch the fundraising campaign to get it built.”

To raise funds Howard recruited the Key and “S” Clubs at Cubberley and Palo Alto High Schools to create a three-year paper drive. Every Saturday, 15-30 students worked on paper routes. Howard provided route leadership. Heloise was the organizer and provided Saturday lunches for the students. After three years, the Stewarts and students together raised $15,000. The state provided a matching grant while the Wedde Guild, a local philanthropic group, provided the first matching gift. The pool opened in 1969.

Remembering their deeply satisfying experiences with Betty Wright and Abilities United, Heloise and Howard Stewart left a gift to Abilities United in their estate plan. Heloise recalls, “The pool and C.A.R. (now Abilities United) were at the center of our family life for eight years. We all believed in Betty and helped to make her dream come true.”

Thank you Heloise and your family for believing in the abilities of all individuals and for your help to make the dreams of future participants of Abilities United come true.

For more information about how gift planning can advance your values beyond your lifetime, contact:

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To have your name removed from our mailing list, please contact us at the address above.