



Bequests: Back to Basics

Bequests are a powerful and simple way of remembering Cato and other favorite charities. Making a bequest is simple: you need only insert a straightforward clause into your will that says you give Cato

- a specific amount of cash or specific assets. For example, “I give \$100,000 to the Cato Institute”; or

- all or part of the residue of your estate. Residue merely refers to what is “left over” after payment of expenses and gifts of specific sums. For example, your will might say, “I give the residue of my estate to the Cato Institute.” Or it could say, “I give 25 percent (or some other percentage) of the residue of my estate to the Cato Institute.”

In addition to providing vital support to Cato, a properly structured bequest benefits your estate in the form of an estate tax charitable deduction. One caveat: since estate taxes are not imposed on all estates due to a variety of limitations and exclusions, your lawyer can advise as to whether an estate tax charitable deduction would be helpful for you. You should also be aware that we are living through a brief anomaly, namely the one-year repeal (2010 only) of the estate tax. However the estate tax is scheduled to come back with a vengeance in 2011 and, although there are calls for reform or repeal of this

“death tax,” most pundits predict that the estate tax will be around in some form for years to come.

So, going forward, bequests will continue to provide a lifeline for Cato and other charities, as well as shielding many estates from the imposition of estate taxes.

You may be thinking that you would like to be more precise about how Cato should use your bequest. Our examples so far have assumed that that your bequest will simply make a gift to “Cato,” allowing us to decide how best to put your funds to work. Be assured that we welcome your input and directions. For example, you might prefer to specify that your bequest be used to support the work of a particular Cato Center or program.

These are exciting times at Cato as we begin our \$50 million capital campaign. That campaign will position Cato for the future—or, as we like to say, “Liberate the Future.” With your support, we can continue to stem the tide of statism. Your support need not be limited to current contributions. We welcome bequests as well as bequests designated for our capital campaign.

For more information about bequests or other planned gifts, please contact Cato’s director of planned giving, **Gayllis Ward** at (202) 218-4631 or gward@cato.org.