

# A PROFILE IN GIVING:

## DAVID LOCKWOOD: *It's Never Too Late to Give*



**D**avid Lockwood, a professor from East Lansing Michigan, chose to remember Cato very generously in his will. He did so, despite the fact that he never signed on as a Cato Sponsor during his life. His generosity speaks to the fact that Cato was an important part of his life.

David Lockwood's example serves to illustrate the point that there is no "correct formula" for giving and that it is never "too early or too late" to give. Donors occasionally get the impression that they are obligated to give sequentially—first as lifetime sponsors and later as testators who make a gift to Cato under their will. The truth is quite to the contrary: Cato is interested in whatever mode of giving that works best for you.

A bequest is a simple and flexible way of ensuring a legacy for Cato. While bequests can take many forms, there are three basic ways of making a bequest. We will give brief examples of these three basic forms in order to give you a sense of how bequests work.

Leaving the residue of your estate to Cato, after making bequests to other individuals (or organizations), is a simple and effective form of bequest. To make such a gift, your will would say something to the effect of: "I give the residue of my real and personal estate to the Cato Institute." This residuary gift was the form of bequest used by David Lockwood.

It is also possible to leave a fixed percent-

age of your estate to Cato. If you choose to use this method, your will would include phrasing such as "I give 30 percent of the residue of my estate to the Cato Institute." Please bear in mind that the percentage given can be as high or low as you wish—30 percent, 50 percent or whatever.

Finally, you have the option of making a specific bequest to Cato, that is, of leaving Cato a specific amount of cash or specific property. Under this scenario, your will would say something like "I give the sum of "\$100,000 to the Cato Institute." Or it could say, "I give 500 shares of XYZ stock to the Cato Institute."

Charitable bequests are deductible for estate tax purposes. Unlike income taxes and their hodgepodge of percentage limitations, there is no limit on deductibility for estate tax purposes. This broad deductibility often gives rise to the comment that "you can choose to give your estate to Uncle Sam or to charity." This bit of popular wisdom holds true provided your estate is sufficiently large to be subject to estate taxes.

Cato is deeply grateful for Professor Lockwood's magnificent bequest. His friends and family can be assured that his legacy will fight the good fight for liberty.

For more information about bequests and other planned gifts, contact Cato's director of planned giving, **Gayllis Ward**, at 646-717-2080, email [gward@cato.org](mailto:gward@cato.org).