



ST. JOHN'S PREP

SPRING 2012

Tomorrow

PARTNERS IN OUR FUTURE

A Family Commitment to St. John's

Rich & Mary Ellen Iorio

Rich Iorio '77 sees a direct connection between his education at St. John's, the financial assistance that made it possible, and his career as an orthopaedic surgeon. With his 35th reunion this year, Rich vividly recalls the influence of his teachers and the Xaverian Brothers, with their steadfast faith and high expectations for students.

Brother DiMarchi became a catalyst for Rich's interest in math and science (Rich jokes that he still has his trusty slide rule). Larry O'Neill sparked his interest in politics, and Brother Linus and Coach Glatz taught him to balance athletics with academics. "I fell in love with the place because of men like them. They made it fun and cool to be good at anything – academics, sports, drama, math," Rich says.

Thirty-five years later, Rich and his wife, Mary Ellen, feel grateful that their son, Alex '13, is having the same kind of experience today. Mary Ellen recalls attending Homecoming when Alex and their daughter, Elizabeth, were young. After witnessing the energy of the faculty, students and alumni, she knew that St. John's was a special place, and she felt at home right away.

Mary Ellen shares Rich's affection for St. John's, and they have been committed together in their efforts for the Prep. For many years Rich served as a class agent, Alumni Association president, and member of the Next Challenge Campaign Committee. He received the Distinguished Alumnus

Award in 2002, and he has been a member of the Board of Trustees since 2006. Active with the PREP Parent Council, Mary Ellen will be co-president next year. Both serve on the Sustainability Committee.

Rich grew up in Peabody. His father, Gerald, was director of musical education for the City of Revere. His mother, Lee, stayed at home to raise



Rich and his sister Karen. She was an "inspirational mother" according to Rich. From early on, Gerry and Lee saw St. John's as the best school for Rich. "My family and I will always be indebted to St. John's for the academic scholarship I was awarded, which made attending the Prep so much easier for us financially," he says.

Rich credits St. John's with providing the educational foundation and passion for science that took him to undergraduate school at Harvard University and medical school at Boston University. And now, after 20 years as director of Adult Reconstruction at Lahey Clinic, he will become chief of the Adult Reconstruction Service and the first William L. Jaffe Professor of Orthopaedic Surgery at New York University/Hospital for Joint Disease in the fall.

Rich and Mary Ellen feel strongly about the importance of increasing the endowment at St. John's. With this in mind and in honor of his parents, they established the Gerald A. Iorio Music Fund. They also funded the Gerald A. and Lena C. Iorio science classroom in Brother Benjamin Hall, and they have included St. John's as a beneficiary of their estate.

"We can't think of a more worthwhile philanthropic endeavor than giving time, effort and resources to St. John's Prep."

"I think it is important for children of all economic backgrounds to have an opportunity to succeed through education. The power of a Catholic education, with its emphasis on personal responsibility and morals, is important in today's world. I feel the Prep gives its students more than an education in letters and numbers; the Prep helps to instill a sense of community, integrity and charity in its students. I am hopeful that our contributions will help the Prep continue its unique mission for future students in years to come," Mary Ellen says.

"We can't think of a more worthwhile philanthropic endeavor than giving time, effort and resources to St. John's Prep. We continue to reap far more reward in return than we have invested," Rich adds.



A Message from the Office for Institutional Advancement

Quite often I meet with alumni and parents who ask me what the greatest needs are at St. John's. In most instances they have already decided to make the Prep a priority for their charitable giving, and they are wrestling with how the gift should be used. St. John's has an ongoing need in two distinct areas – the endowment and annual giving.

The Prep's endowment is like a savings account for the school, designed to exist in perpetuity and allow St. John's to take modest distributions each year. These distributions, currently 4%, help to offset budget expenses such as tuition assistance and faculty development. Donors who establish endowment funds typically work with the school to determine the best use for the income from their gift. For example, the fund that Mary Ellen and Rich Iorio '77 established, the Gerald A. Iorio Music Fund, benefits the music program. Many of the funds are designated for tuition assistance, while some are completely unrestricted.

Gifts to the Fund for St. John's, the Prep's annual giving program, are used to subsidize the regular operating budget. In order to maintain a balanced budget, it is critical to reach the annual goal set for the Fund for St. John's. Annual giving supports academics, tuition assistance, faculty development, campus ministry, athletics, and extracurricular enrichment.

The impact of all donations to St. John's can be seen in every aspect of the Prep experience, from the academic offerings and talented faculty to the programs that enrich the lives of our students. I encourage you to consider supporting St. John's. We appreciate your generosity.

Debra Marino
 Director of Planned and Major Gifts
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Charitable Gift Annuities

Despite all we have seen with the ups and downs in the economy, a charitable gift annuity is still a great way to make a gift to St. John's while you receive a fixed income in return and enjoy the benefit of a charitable deduction and possible tax-free income.

Charitable Gift Annuity: How It Works

1. You transfer cash, securities, or other property to St. John's.
2. You receive an income tax deduction and may save capital gains tax. St. John's pays a fixed amount each year to you or to anyone you name for life. Typically, a portion of these payments is tax-free.
3. When the gift annuity ends, its remaining principal passes to St. John's.

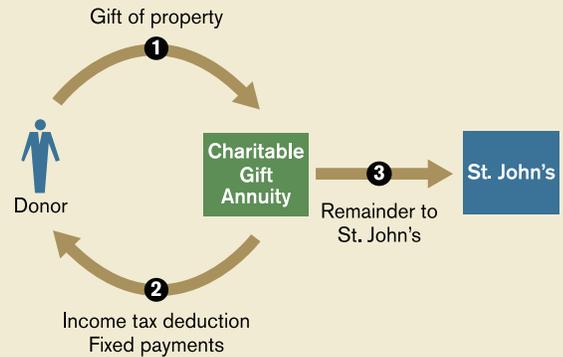


Illustration courtesy of PC Calc Incorporated

Charitable gift annuities are easy to set up with a simple agreement between the donor and St. John's. These annuities are secure because the investment is backed by the assets of the school. A donor simply transfers either cash or appreciated securities, and using a calculation based on the annuitant's date of birth, a fixed payout begins either immediately or at an agreed upon later date. A portion of the income may be tax-free. The donor receives a charitable deduction in the year of the gift and it can be spread out for up to five years, as long as the maximum amount is deducted each year. The longer the payout is deferred, the higher the payout rate will be. Charitable gift annuities can be funded with either cash or appreciated securities. The charity receives the principal at the end of the annuitant's lifetime, and the gift will be used as specified by the donor. Charitable gift annuities present an opportunity to make a gift to St. John's while being guaranteed a fixed income later in life.

Sample calculations for a \$10,000 charitable gift annuity funded with cash

Age(s)	Payout Rate	Annual Income	Tax-Free Portion	Charitable Deduction
Single-Life Annuity				
65	4.7%	\$470	\$361	\$2,811
70	5.1%	\$510	\$403	\$3,582
75	5.8%	\$580	\$469	\$4,186
80	6.8%	\$680	\$560	\$4,731
85	7.8%	\$780	\$668	\$5,461
Two-Life Annuity				
65 and 65	4.2%	\$420	\$325	\$1,918
70 and 70	4.6%	\$460	\$363	\$2,548
75 and 75	5.0%	\$500	\$404	\$3,384
80 and 80	5.7%	\$570	\$470	\$4,026
85 and 85	6.7%	\$670	\$567	\$4,608

For additional information about charitable gift annuities, please contact Debra Marino at 978.774.6727 x358 or dmarino@stjohnsprep.org.

Gifts of Appreciated Securities

When most people think about making a gift to St. John's, they think about writing a check, but for many people a gift of appreciated securities can be the best option. If you have an asset, such as publicly traded stock or mutual funds that have increased in value over time, you may find that it makes more sense to give that asset rather than cash. Giving appreciated securities may allow for an immediate income tax deduction for the fair market value of the securities on the date of the transfer, regardless of what you originally paid for them; it may also allow you to avoid long-term capital gains tax. These assets can be used for an outright gift or to fund a charitable gift annuity.

Gift of Appreciated Securities: How It Works



1. You transfer securities to St. John's Prep.
2. St. John's sells your securities and uses the proceeds based upon your wishes.

Giving Cash vs. Appreciated Securities

Example: Giving cash

Patrick Sullivan makes a gift of \$10,000 cash. He is in the 35% income tax bracket. Patrick itemizes his deductions so he has reduced his taxes by \$3,500 (\$10,000 x 35%). The net cost of his gift is \$6,500 (\$10,000 minus \$3,500).

Example: Giving appreciated securities

Patrick Sullivan makes a gift of \$10,000 of publicly traded stock purchased ten years ago for \$2,000. He is in the 35% income tax bracket, and just like with a gift of cash, he reduced his taxes by \$3,500. In addition, he has avoided paying the capital gains tax he would have paid if he had sold the stock rather than giving it to St. John's.

If Patrick had sold the stock he would have realized an \$8,000 long-term capital gain. Patrick is in the 20% capital gains tax bracket so he would have paid \$1,600 (\$8,000 x 20%) in capital gains tax. He avoided the capital gains tax by giving the stock to St. John's. The net cost of Patrick's gift has been reduced from \$6,500 to \$4,900.

To learn more about making a gift of appreciated securities and the steps that need to be taken, please visit www.stjohnsprep.org/securities. If you have questions, please contact Debra Marino, director of planned and major gifts, at 978.774.6727 x358 or dmarino@stjohnsprep.org.

Planned Giving Advisory Committee Welcomes New Members

St. John's is pleased to introduce three new members to the Planned Giving Advisory Committee, a group that works closely with Debra Marino, director of planned and major gifts, to strengthen the planned giving program.

Vice president of investments at Stifel Nicolaus & Company, Inc., a broker-dealer firm, **Daniel L. Fitzgerald '73** has been a member of the Board of Trustees at St. John's since 2006. A graduate of Providence College with a master's in international management from the Thunderbird School of Global Management, he previously spent 25 years at Smith Barney, Inc. A member of the Boston Economic Club and the Danvers Fish & Game Club, he lives in Marblehead.

Co-founder and first vice president of Graystone Consulting Team in Danvers, **Matthew P. McLaughlin '89** has spent much of his 17-year career helping institutions and individuals meet their retirement planning challenges. A Cornell University graduate and supporter of the Francis Ouiment Scholarship Fund and Mary Cariola Children's Center Charities, he lives in Andover with his wife, Meg, and their three children.



New Advisory Committee members (l to r): Matthew P. McLaughlin '89, Daniel L. Fitzgerald '73, and Tyler DeStefano '03.

Tyler DeStefano '03 is a financial representative at Living Legacy Financial Group, where he provides clients with a wide range of comprehensive financial strategies. He is a graduate of St. Michael's College and an active member of the St. John's Prep Alumni Association, the Danvers Kiwanis Club, and Saint Richard Parish. He and his wife, Rachel, live in Danvers.

Dan, Matt and Tyler join co-chairs Paul Hennessey '52 and Thomas Leonard '54, and committee members Paul Ahern '58, Edward Cahill '71, Mark Gudaitis '84, Gerald Donovan '86, and Jeffrey Woolf P'11.



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Tomorrow
PARTNERS IN OUR FUTURE

**St. John's
Preparatory School**

72 Spring Street
Danvers, Massachusetts
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www.stjohnsprep.org

For information on making
a planned gift to St. John's,
please contact Debra Marino,
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SPRING 2012



1 A Family Commitment



2 How It Works



3 New Committee
Members

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CELEBRATING THE SPIRIT OF PHILANTHROPY AT ST. JOHN'S PREP

An Evening with the Headmaster

**Friday, October 19 at the John F. Kennedy
Presidential Library and Museum**

All members of the 1907 Society, the Prep's
planned giving recognition society, are invited to
join us for an evening celebrating the generosity
of the many donors who support St. John's. If
you are not currently a member of the 1907
Society but have included St. John's in your estate
planning, please notify Debra Marino, director of
planned and major gifts, at 978.774.6727 x358
or dmarino@stjohnsprep.org. We will be sure to
include you on the invitation list. We look forward
to this special evening.