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To the editors:

Mike Spector and Shelly Banjo's article, "Donors Find Gift Annuities Can Stop Giving" (May 12), presents a distorted view of the role gift annuities play in philanthropy and is potentially damaging to Americans and the charities they support. Such reporting also damages the Wall Street Journal's reputation as a source of accurate information about the risks and benefits of financial decisions.

The couple featured in this article had a gift annuity with a charity that lost a \$6 million lawsuit (for practices unrelated to offering gift annuities) that bankrupted the organization. The article implies that charities go bankrupt with regularity, and that charities will have trouble making payments for other vague reasons. Neither contention has any basis in fact. Although laws differ from state to state, and some states offer even stronger protections for annuitants, the minimum expectation in every state is that charities will pay their guaranteed annuitants using every dollar they have, regardless of the market value of endowment or reserve levels.

Especially in current times when everyone is cautious about spending, saving, and giving money, it is unfortunate that the Wall Street Journal chooses to sensationalize a method of giving that is historically very safe, and that enables donors to increase their philanthropy. Readers of the Wall Street Journal should be aware that many thousands of annuities have been successfully completed to the benefit of donor and charity. The Partnership for Philanthropic Planning represents 10,000 philanthropic planners who work for charitable organizations or as legal and financial advisors to donors. All of these planners are angry today about this unbalanced reporting.

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