

# DEVELOPING ENDOWMENTS TO FUND YOUR MINISTRY

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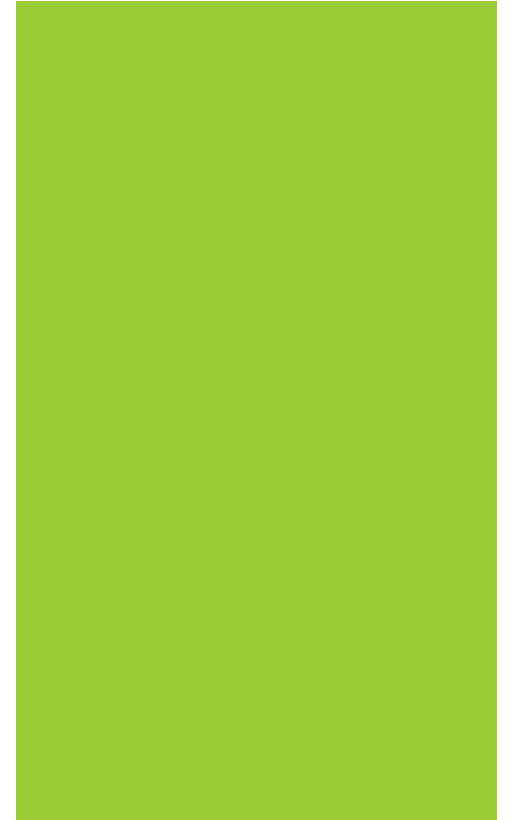
“A society grows great  
when old men plant trees  
whose shade they know  
they shall never sit.”

Greek Proverb

# WHAT IS AN ENDOWMENT?

Fund where the original gift amount will never be spent but instead be invested and earnings will be used to support your mission

Permanent / Term / Quasi



# THE FOREVER VALUE OF ENDOWMENTS

This example shows how endowments grow over time, even as they generate annual grants.



## THE POTENTIAL

## Enter An Initial Gift: \$

CALCULATE

Term	Market Value (7.5% Growth Rate)	Admin. Fees (1.00% Fee Rate)	Annual Grants (5.0% Gift Rate)	Total Grants
5 years	\$28,027	\$274	\$1,096	\$5,237
10 years	\$31,422	\$307	\$1,228	\$11,107
15 years	\$35,227	\$344	\$1,377	\$17,689
20 years	\$39,492	\$386	\$1,544	\$25,068
25 years	\$44,275	\$433	\$1,731	\$33,340

BREAK IT DOWN

# ARE WE READY?



Financial stability



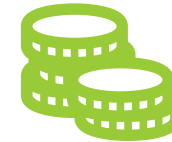
Reserves for short-term or immediate needs, i.e., unbudgeted operational shortfalls (3-6 months)



Trusted fiscal management



Balance of addressing current needs and preparing for an unknown future



Accept the reality of declining money value



Commit to ongoing fundraising



# DREAM IT

What will the fund(s) support?

- Unrestricted
- Field of Interest Ministry (Mission & Outreach)
- Education/Scholarship
- Facilities & Maintenance

# STRUCTURE IT

## Investment Strategy

- Aggressive/Conservative

## Purpose(s)

- Restricted/Unrestricted

## Spending Policy (protect the bag)

- Fixed percentage 4-5%
- Floor/Ceiling
- Delayed draws?

What Ministry Leadership/Committee will have governance over the endowment





# FUND IT

Initial Transfer

Leadership Gifts

Periodic transfers

Capital Campaign

Fundraising

- Gift acceptance policy - **cash, stocks, IRA / 401k**, real estate, personal property, life insurance, bequests or other assets
- Stewardship & Accountability

# MANAGE IT

How involved do you want to be in the investment strategy?

- Total control vs. choice of investment portfolios

Bank/Asset Management Firm/Community Foundation

- Shop and compare investment returns, minimums and fees
- Added features like accepting/processing different gift types, supporting planned gifts and fundraising infrastructure (donation pages, donor acknowledgement & stewardship)
- Sub-accounting services (track funds for specific purposes)
- Professional Support & Resources – Legal, Educational

“And Isaac dug again the wells of water which had been dug in the days of Abraham his father...”

Genesis 26:17-25

Any  
Questions