



Why Not Having an Endowment Fund Leads to Not Having an Endowment

An elderly woman who was a life-long member of a small Episcopal congregation recently informed the vestry that she had received a large inheritance and would like to make a significant gift to the church. She wanted the gift to provide resources for the church for generations to come; however the church did not have an endowment fund.

A vestry member from another church called to say that a major donor to their capital campaign was ready to give another major gift to the church, but he wanted to see an endowment structure in place before he made the gift.

Two stories, one problem. Both were small churches. Perhaps they thought they were too small to have an endowment fund. Or perhaps they thought the vestry would deal with a major bequest when the time came. In both cases, the churches quickly established endowment funds and built the structure to receive and manage legacy gifts.

But consider the fact that it was the *donor* who asked the church for a way to make a legacy gift to the church. Think of the other potential donors who may not have been as persistent, or who were never asked to make a legacy gift.

Recently an Episcopal bishop asked the Episcopal Church Foundation to help him develop simplified endowment structure documents for churches. His goal: to make sure that every church in his diocese, no matter the size, and no matter if they have any endowment funds at all, has an endowment structure in place ... just in case.

Colleges, universities, hospitals, museums, and dozens of non-profit organizations target the members of your congregation with regular mailings and other contacts encouraging them to make a bequest in their will or a life income gift to their cause. It is tough to compete if your church can't explain how a legacy gift to your church will be used, invested, spent, and managed over time.

Failure to establish an endowment fund commits two sins at once. You squander the chance to gather resources for the ministries of your church in perpetuity; and you deny your members the opportunity to make a meaningful legacy gift to the church that has meant so much to them over the years.