What is Endowment Giving

The power of endowment giving is that it will continue giving ample annual grants in perpetuity to your favorite charity. This principal is prudently invested in order to support annual grants and administrative fees forever.

EXAMPLE

This example shows endowment giving and growth for a fund started with a $100,000 gift.

Sample Endowment Established at MARION COMMUNITY FOUNDATION

	Growth of the Endowment	Grants Available
Initial Gift	$100,000	
Year 1	122,016	$4,881
2	128,777	5,151
3	127,369	5,095
4	114,847	4,594
5	116,208	4,648
6	127,605	5,104
7	114,179	4,567
8	129,765	5,191
9	138,956	5,558
10	147,857	5,914

Growth of the Endowment Fund = **$47,857**

Grants from the Endowment Fund = **$50,703**

This illustration shows how an endowment fund will grow **at the same time** it awards grants to the community.

It represents the **power of endowment giving** and grant-making.

Many factors, such as additional gifts, market fluctuations, and grant spending impact the exact fund growth.

The chart is for illustration purposes only.

Giving

Our spending policy at Marion Community Foundation allowed this fund, in 10 years, to grant $50,703 to charity. Speding is based on 4% of the fund's average value over the previous 12 quarters.

Growth

Equally important, is our investment policy. By working closely with our local financial advisors and professional investment advisory group, the fund grew to be worth $147,857 in that same time.

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Non-Endowed Fund Options

If you prefer to not create a permanent endowment fund, you can establish a non-endowed scholarship or grant fund. In this type of fund, some or all of the fund's principal is paid annually for grants or scholarships. You could give a one-time gift, for example, of $10,000 and direct that $1,000 scholarships be awarded annually until the fund is depleted.

Or, you could decide to contribute a specific amount, say, $1,000, each year and direct that $1,000 to be paid in the current year for scholarships or grants. This is what is known as a "pass-through."

A third choice is to blend an endowed fund with some non-endowed gifts. This might be a good option if you want to start awarding scholarships or grants immediately, but you currently don't have the ability to contribute an amount to reach the fully endowed level. In this scenario, you could create an endowed fund with an initial gift of $1,000 and the intention of building a permanent endowment. In addition, you contribute another $1,000 as a "pass-through" donation to be awarded in the current year for scholarships or grants. In subsequent years, you decide how much to contribute to your endowed fund to build the principal and add additional pass-through amounts for current-year scholarship or grant awards. Once the principal reaches the required endowment minimum ($12,500 for grant funds and $25,000 for scholarship funds), annual awards will be paid from the endowment in accordance with our spending policy, and you can decide whether to continue making pass-through contributions.

Note: *Non-endowed funds must maintain a minimum of $1,000/year. Administrative fees are $250 or 2% of the amount donated, whichever is greater.*

For You.

Marion Community Foundation helps charitable-minded people, like you, achieve long-term philanthropic objectives by creating tax-deductible, named endowment funds.

For Marion.

These funds support numerous Marion area non-profit programs, organizations, and individuals through grants and scholarships.

Forever.

Because of our prudent investment policy and the endowed nature of these funds, grants & scholarships in your name will continue forever.

Through **Marion Community Foundation** you can create a **named endowment fund** *to support local causes you are passionate about, such as:*

- **Arts, History & Culture**
- **Animal Care**
- **Childen, Families & Seniors**
- **Community Development**
- **Education**
- **Faith-Based**
- **Food, Shelter & Support**
- **Health & Wellness**
- **Parks & Environment**

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