

# How Healthy is Your Endowment Fund?

## For the record

HOW healthy is your congregation's endowment fund/foundation?

Congregational endowment funds or foundations exist in a greater number of Wisconsin ELCA congregations than one would expect. However, the number of such funds or foundations that suffer from a lack of contributions is also greater than one would expect. The issues that need to be addressed in any given congregation in order to promote growth of an endowment are complex, and not easily placed in a one-size fits all formula. However, common themes are present where congregations are struggling to grow their endowment. So what are the more common problems found in churches where their endowment fund or foundation needs attention? Typically one or more of these five circumstances exist:

- 1. The endowment plan or foundation fails to define the categories from which charitable beneficiaries will be selected.* Failure to designate appropriate categories in which mission outreach will be accomplished does little to encourage congregation members to contribute to the fund/foundation.
- 2. The mission outreach function of the fund/foundation is not specifically defined, and therefore cannot be stated in a brochure or similar publicity piece.* Having a defined mission is important to attract the support of those whom the church wishes to make generous gifts to the future work of the church.
- 3. The endowment committee or board is "stacked" with too many finance-oriented individuals who may wish to concentrate on investing*

*and conserving the fund.* The more stewardship and evangelism oriented the committee/board members, the better.

4. *There is no repeatable plan of annual promotion in place.* If there is a plan, this encourages regular promotion even though the personnel of the fund/foundation change over time.

5. *There is no provision for a portion of undesignated gifts to the church being automatically transferred to the endowment plan/foundation.* A permanent council resolution can avoid congregation disputes on how to use significant undesignated gifts, while providing greater funding of the endowment.

If your congregation needs a no cost endowment health check-up, please be sure to contact us.

It is surprising that in the wealthiest country on earth, close to 70 percent of adults die without a will. We all hear somewhere or other that we need a will. However, church is not the place where we often hear that said.

Considering the number of funerals in their church each year, some pastors wonder why there are not more will bequests to their church. As the congregation grows and ages the number of funerals each year increase, and while memorials to the church are common, will bequests are not. If family members think the deceased member would have wanted gifts made to the congregation at their death, why didn't the member name the church in their will? One obvious reason is that many church members die without a will. Another reason is that even the most faithful churchgoers have not been regularly asked or reminded to put the church in their will.

The conclusion? We need first to encourage our members to make and update wills or living trusts. Secondly, we need to continually encourage members to put the church in their will. Third, we need to

give members good reasons why they should remember the church in their estate planning. How do we do these?

Consider having a line in the church service bulletin and the monthly newsletter that asks "Have you named \_\_\_\_\_ Lutheran Church in your will or living trust?" Perhaps an annual written wills survey at Sunday services where members anonymously tell 1) whether they have a will or living trust, 2) whether they have a bequest to the church in their will or living trust and 3) whether they will consider a bequest to the church will encourage wills awareness. Publicizing bequests to the congregation in a celebratory manner should encourage others to leave will bequests. Making sure there is regularly publicized endowment fund/foundation will be a big help in encouraging wills and will bequests.

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