

# The Seeds of Endowment

A gift of endowment to the community foundation is similar to a perennial. It is everlasting and perpetual.

As an illustration, a fund established in the Ottawa County Community Foundation for \$10,000 can designate a charitable recipient to receive an annual grant. Using an average return on investment of 8.5%; considering a contribution back to the Foundation for management of 1%; and annual grant payout of 5%; after 15 years that fund will have paid out more than \$10,000 in grants to the charity. The balance of the fund would be about \$15,500; all with no additional gifts to the principal.

At the end of 25 years, the fund will have paid more than \$19,000 in grants to the charity and have a balance of \$18,600. And after 50 years, that fund will have granted more than \$51,000 to the charity, and have a balance of nearly \$35,000; all from an original gift of \$10,000.

That is the power of endowment.

