

Endowing your Pledge

2/18/2020

Presenter: Karl Mattison. Karl is the Chair of the Stewardship Committee for the National Capital Presbytery and serves as VP for planned giving resources at the Presbyterian Foundation.

A stewardship webinar of



National Capital
PRESBYTERY
MISSIONAL • PASTORAL • PROPHETIC

BEING RECORDED:

This will be recorded and provided to attendees after the presentation.

QUESTIONS & ANSWERS

Please use the Q&A box to ask questions. The host will post these questions to the speaker after the main presentation is complete.

A faint, light blue background illustration. It depicts a hand holding a small plant with several leaves. The plant is growing out of a pile of coins or small stones. The entire scene is set against a dark blue background.

Endowing Pledges

from faithful givers in the church

AGENDA

Endowing Your Pledge

1

WHAT

is it?
&

WHY?

2

HOW

does
someone
do it?

3

WHO

is this
for?

4

NEXT

Steps



WHAT ENDOW your PLEDGE

- ✓ Perpetual Support
- ✓ A Fund
- ✓ Protected Corpus
- ✓ Regular Income

- ✓ Annual Gift Income
- ✓ During Life or Testamentary
- ✓ Distributes In Perpetuity

ENDOWMENT: HOW BIG?

- Can be any size (usually above \$25,000 makes it worth the effort).
- Distributes 4-5% per year. (Let's assume 4%)
- The distribution target often determines the fund size:
 - To distribute \$1,000/year, a fund might start at \$25,000
 - To distribute \$2,000/year, a fund might start at \$50,000
 - To distribute \$4,000/year, a fund might start at \$100,000

Managing Endowment

The trustees of an endowment are guardians of the future against claims of the present. The task in managing endowment is to preserve equity among generations.

- James Tobin



WHY

Not because of the church's need.

But because of the giver's opportunity.

WHY



- ✓ We still care – even in our absence.

WHY



- ✓ We still care – even in our absence.
- ✓ It's our turn.

WHY



- ✓ We still care – even in our absence.
- ✓ It's our turn.
- ✓ Give an adaptive gift - always.

WHY



- ✓ We still care – even in our absence.
- ✓ It's our turn.
- ✓ Give an adaptive gift - always.
- ✓ Weather the storms.

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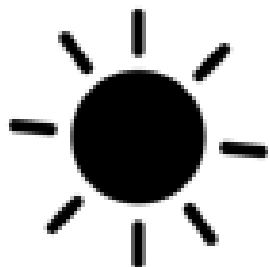
NEXT

Steps

A faint, light blue background illustration. On the left, a small plant with several leaves grows out of a pile of coins. On the right, a hand is shown holding a coin, with another coin visible below it. The entire scene is set against a dark blue background.

HOW

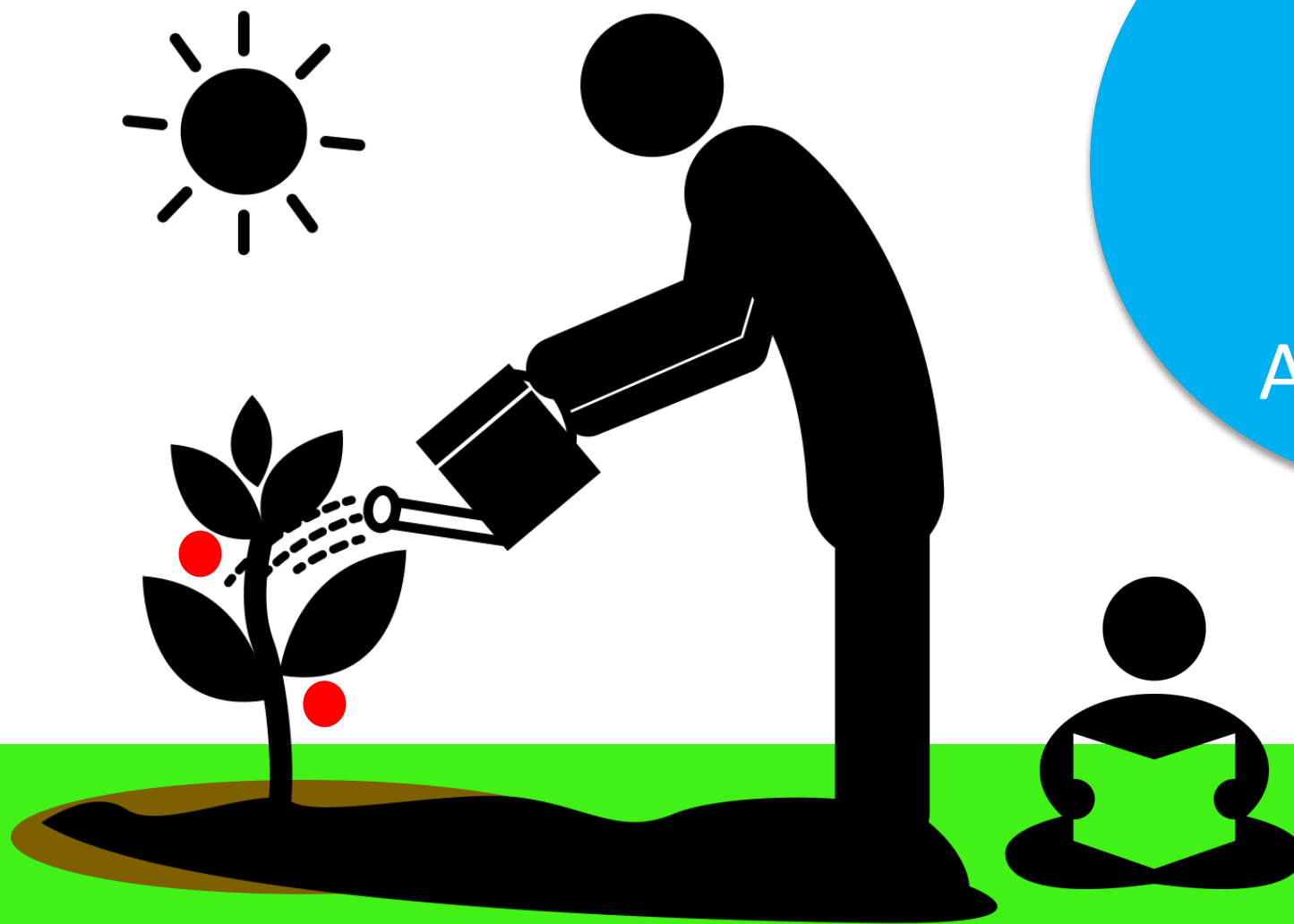
A hypothetical scenario.



Set Up
Endowed
Pledge

Charitable
Contribution
(hypothetical)
\$100K





\$100K
GROWS
&
GIVES
ANNUALLY



\$100K
GROWS
&
GIVES
ANNUALLY

PAID OUT
\$426,000




GREW TO
\$225,000

PAID OUT
\$426,000



IMPACT
INSIDE
OTHERS



CONTINUES
ON IN
PERPETUITY

WHAT IF...



\$100,000 GIFT
in 1980
NET BENEFIT

\$100,000
1980

\$225,000
\$426,000
ENDOW



1981

35 years

2015

\$100,000

Spend Now



\$225,000

2015 Value

\$426,000

Distributions

\$100,000

ENDOW



1981

35 years

2015

\$25,000
Spend Now



\$56,000
2015 Value

\$151,000
Distributions



\$25,000
ENDOW



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WHO
... would be interested?

Not specifically for the wealthy

Average estate \$180,000



WHO

... would be interested?

Available for Anyone, but...

- ☒ Top Givers
- ☒ Long-Time Members
- ☒ Leaders
- ☒ No Heirs
- ☒ Memory of Loved-One
& Heirs

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Steps

Next Steps

For Church

- ✓ Learn how you will do it

For Givers

WHERE will the fund be housed?:

- 1) Church?
- 2) Presbyterian Foundation?
- 3) Other?

Next Steps

For Church

- ✓ Learn how you will do it
 - ✓ Talk about it
 - ✓ regularly
-
- ✓ Olanda Carr: Ministry Relations Officer at the Presbyterian Foundation



ENDOW PLEDGE



KNOWING YOUR VISION

Once you've decided whom to approach, it's important to articulate what you see as the future of your church. You'll need to tell the future story of the church. You're appealing not only to their love for the church today, but also to their confidence that the church should and will continue to be here for generations to come. What hopes, dreams, and vision has God given you and your elders for the congregation's future?

Be ready to share all those aspirations. You'll need to show what can be accomplished – with their help.

WHY THE FOUNDATION?

The Presbyterian Foundation has centuries of experience helping donors fund their churches and related ministries. We were established in 1799 and opened our first permanent endowment in 1821. It still provides funds for mission today! We currently steward more than 7,000 endowments for congregations across the country, and ministries around the world.

Our Ministry Relations Officers (MRO) are experts in planned giving, church funding, and sustainability. They are available to walk with you throughout this process, and to help you tend to your congregation's financial health and well-being.

Call us today at 800-858-6127 or visit presbyterianfoundation.org/mro to learn more.



WELCOME TO THE ENDOW YOUR PLEDGE PROGRAM

process of creating an endowment, and discuss possible gifts.

ASK MEMBERS OF YOUR CONGREGATION TO ENDOW THEIR PLEDGE

Each Sunday from the pulpit, the hard truth is that some of your funds will run out much longer. This is true in nearly every congregation. Only 10 percent of the funding for a church is typically provided by

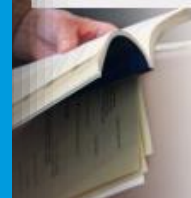
you and for those top donors in your congregation,

Your Pledge is a concept that can bring peace of mind. Once achieved, it can leave you freer to minister in important ways that are impactful and important to your congregation.

GIFT SCENARIOS

Congregation members need to set up a fund with 20 times their annual pledge to ensure that their pledge will go on forever. We've provided the chart below to help you envision how much is needed.

ANNUAL PLEDGE	X 20	MINIMUM ENDOWMENT
\$ 5,000		\$ 100,000
\$10,000		\$ 200,000
\$25,000		\$ 500,000
\$50,000		\$1,000,000



Next Steps

For Church

For Givers

✓ Consider impact and legacy

An endowment fund can be established:

- in your own name
- as a legacy in memory of a loved one
- or in the name of the mission you choose to support

Additional gifts to the fund can be accepted at any time from you or those wishing to support your chosen mission or ministry — allowing family and friends to contribute as well.

Next Steps

For Givers

- ✓ Consider your impact and legacy
- ✓ Consider assets most helpful to fund endowment*

Retirement assets

Will / Trust

Life Insurance

Etc., etc., etc.

Next Steps

For Givers

- ✓ Consider your impact and legacy
- ✓ Consider assets most helpful to fund endowment*
- ✓ Consider giving now or after your lifetime*
- ✓ Share the story

* Work with your professional advisors

END PLEDGE

MAKE YOUR



ENDOW YOUR PLEDGE

that you can help in the effort to secure our church's future. Some of the
ed for you here.

est way is to establish an endowment that provides an annual payout equal to
ou can set the terms and any restrictions on the endowment and determine
d it. Typically, a gift of approximately 20 times your current pledge would create

means of establishing this gift is to leave it in your estate plans. The endowment
upon your death and begin paying out shortly thereafter.

to establish this endowment now, or build up to an endowment over several
in the past five years allows charity-minded donors to donate up to \$100,000
vidual Retirement Account (IRA) if you are 70.5 years of age or older.

OPTIONS FOR GIFTS

Another option that appeals to many is leaving the proceeds from a life insurance policy to fund
an endowment. A \$1 million life insurance policy, for example, would provide an annual payment of
\$42,500 under the Presbyterian Foundation's current spending formula.

Gifts of appreciated securities may offer the benefits of reduced tax liability while furthering a
charitable goal. Using appreciated securities that you have held for over one year to make a
charitable gift may avoid the long-term capital gains tax and possibly allow you to deduct the full fair
market value of the stock. To achieve this result, shares must be transferred to the charity, not sold,
redeemed or exchanged. If they are sold from your account, the gift becomes a cash gift rather than
a gift of securities and you will personally realize the capital gains.

There are other planned giving options that will achieve a similar outcome. The Presbyterian
Foundation offers expertise in planned giving and will work with you and your pastor or other
church staff throughout the process.

Planned Giving Round Table
sponsored by NCP Stewardship Committee

Bradley Hills Presbyterian Church
6601 Bradley Blvd., Bethesda, MD

Date: March 18, 2020

Time: 9:30am – 12:00pm

Pastries and Coffee provided

Agenda:

9:30 – Welcome

Introductions:

Name/Church/Planned Giving Status (2 min. each)

10:00 – Presentations

Special Report: Giving USA's *Leaving a Legacy*

A new look at today's planned giving donors.

Research on what motivates a planned gift, how to reach donors,
what donors expect, when donors are most likely to make a gift,
etc.

Presenter: Karl Mattison

Re-energizing a planned giving program

Assessing a program's status and planning a way forward.

Presenter: Aaron Sirilia, Business Administrator, OPMH

11:15 – General round table discussion

Sharing materials

Sharing experiences

Resources

Q&A



National Capital
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Next Up
In 4 weeks