



## Endowments Maximize Your Giving Power Forever



*Endowment funds ensure that a cause, organization, or program you care about receives steady financial support — forever.*

### **About Endowment Funds**

An endowment fund is a charitable fund that provides a stable annual income to its beneficiary, while maintaining — and often growing — the original value of the investment dollars in perpetuity. Donors or a board of directors can set up endowment funds to support a specific organization, program or cause. Many organizations rely on endowment income to supplement their annual income streams as a reliable way to help ensure their long-term stability.

An endowed fund is like an apple tree. Every year, the tree bears apples, which are harvested. But the tree itself remains strong and able to provide fruit year after year. Similarly, an endowment fund provides an annual distribution, much like an annual apple harvest, while its original investment remains whole, so distributions can be made each year.

### **How Endowment Works**

When you make an endowment gift, the dollars are invested in perpetuity to ensure that your gift will always maintain its buying power and maximize  
*(continued on reverse)*



## Endowments

### Maximize Your Giving Power Forever *(continued)*

#### How Endowment Works *(continued)*

generous distributions every year. JCF has hundreds of named endowment funds, each with a specific purpose and beneficiary. A percentage of each fund’s assets is granted to your chosen beneficiary on a regular basis.

#### Example of the Power of Endowment in Action

Frank Kavitsky z”l left a legacy gift of \$1.2 million in 1998 to the Foundation that has provided remarkable support every year. His legacy will continue for generations because he entrusted the Foundation with a planned gift before he passed away. His endowed fund has granted out nearly \$1 million to the **Jewish Federation of Greater Hartford**, and his fund’s balance is now \$1.5 million — \$300,000 more than his original gift — thanks to smart investment choices.

#### Sample Endowment Calculator\*

Here is an illustrative example of how a \$10,000 gift could grow over the next 10 years.

<b>\$10,000 over 10 years</b>			
<b>Years Invested</b>	<b>Fund's Annual Growth</b>	<b>Grant Dollars Available Annually</b>	<b>Fund Net Value</b>
1	\$700.00	\$400.00	\$10,200.00
2	\$714.00	\$408.00	\$10,404.00
3	\$729.00	\$417.00	\$10,612.08
4	\$743.00	\$425.00	\$10,824.32
5	\$758.00	\$433.00	\$11,040.81
6	\$773.00	\$442.00	\$11,261.62
7	\$789.00	\$451.00	\$11,486.86
8	\$805.00	\$460.00	\$11,716.59
9	\$821.00	\$469.00	\$11,950.93
10	\$837.00	\$479.00	\$12,189.94

#### Make Your Endowment Gift

Our expert staff is here to help you. Please contact Kathryn Gonnerman, VP of Philanthropy, at 413-475-0415 or [kgonnerman@jcfhartford.org](mailto:kgonnerman@jcfhartford.org).

\*The illustration should not be relied upon as endowment fund advice. The investment projections, outcomes and other information here are hypothetical in nature and do not reflect actual investment results. Projections assume annual return of 7%, administration fees of 1.00% and an annual distribution rate of 4.0%. Formulas assume one distribution per year.