Endowment Fund: Frequently Asked Questions

1. What is an endowment fund?

An endowment fund is a permanent, self-sustaining source of funding. It is made up of charitable gifts that are invested, and a portion of the earnings is used each year to support the mission of our organization. The principal remains intact, allowing the fund to generate support forever.

2. Why is an endowment important?

An endowment provides financial stability and long-term sustainability. It ensures that our organization can weather economic ups and downs, invest in future growth, and continue serving our mission for generations to come.

3. How is an endowment different from annual giving?

Annual gifts typically support immediate needs, such as programs and operations. Endowment gifts are invested, with only a portion of the earnings used annually—creating a legacy of ongoing support.

4. How are endowment funds managed?

Endowment funds are professionally managed according to an investment policy approved by our Board of Directors. We focus on responsible, diversified investments to balance long-term growth with preservation of capital.

5. Can I designate how my endowment gift is used?

Yes. You can choose to support the general endowment or restrict your gift to a specific program or purpose that aligns with your passions and our mission. We're happy to help tailor a fund that meets your intent.

6. What is the minimum gift to create a named endowment?

Typically, a named endowment can be established with a gift of $25,000 or more. This amount can often be pledged over time or through a planned gift (such as a bequest).

7. How does the organization use earnings from the endowment?

Each year, a portion (usually 4–5%) of the fund's average market value is distributed to support programs, scholarships, services, or operations, depending on the donor's intent and organizational priorities.

8. What happens to the original gift I give to the endowment?

Your original gift is never spent—it is invested permanently. Only the earnings (within board-approved limits) are used annually, ensuring your gift continues to support our work far into the future.

9. Can I include the endowment in my estate plans?

Absolutely. Many donors choose to support our endowment through wills, trusts, or beneficiary designations. These planned gifts can leave a powerful legacy without affecting your current finances.

10. How will I be recognized for an endowment gift?

We are grateful for every endowment donor. Recognition can include listing in our Legacy Society, inclusion in annual reports, or naming opportunities, depending on your preferences and the size of your gift.

11. What is the difference between the Annual Campaign and the Endowment

The YMCA's Annual Campaign and Legacy Club (Endowment) serve different but complementary purposes. The Annual Campaign supports our mission **today**—providing scholarships, programs, and outreach services that impact lives right now. It helps us meet immediate needs in our community.

The Legacy Club, on the other hand, helps secure our mission for **tomorrow**. Gifts, whether given today, or through a planned gift in the future, are invested and the earnings provide a steady, dependable source of income for future generations. It's how we ensure that the Y will always be here, strong and ready to serve.

When you support both, you help meet urgent needs **now** while also building a foundation that lasts **forever**.