

TURNING ANNUAL GIFTS INTO AN ENDOWMENT FUND

Several years ago, I was responsible for helping launch the Alexis de Tocqueville Society for the United Way of America.

For the first time, individuals were being asked, in an organized way, to give \$10,000 to the United Way in their community for annual support. In past years, it was almost entirely a corporate culture of giving.

Back in 1984, there was virtually nothing given by individuals. Today, United Way generates \$514 million from over 25,000 individuals in 400 communities.

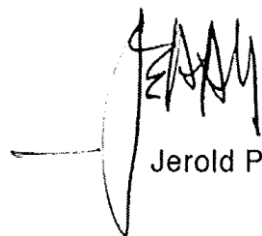
There has been a problem, however. Getting a person to renew their \$10,000 gift each year is actually not the problem. The challenge is getting them to increase their gift.

In order to provide a break-through, we thought of having individuals endow their annual gift. In order to endow \$10,000, you provide an endowment of \$200,000.

Here's the lesson. Think about asking the constituency of your organization to endow their annual gift. It's easy to figure.

Think about a 5% return which would be about right in today's world. Take the amount of the gift, let's say \$20,000 a year (or \$1,000 a year, or whatever amount) and multiply it by 20. Now you've got the figure that you can ask a person for the endowment to match their annual giving.

You can say something such as this: "You have been such a very good friend and supporter of our organization. We would like you to consider perpetuating the gift you have been making each year so that it provides support to our organization and those we serve for years and years to come. Your gift will continue in perpetuity."



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