

What is the Endowment? And What it Does for You!

Lance Hansen (ID), NEAFCS Treasurer

Endowments play a crucial role in various organizations' financial stability and long-term sustainability, particularly in the nonprofit and educational sectors. An endowment is a financial asset donated to an institution, stipulating that the principal amount remains intact. At the same time, its investment income is utilized to support the organization's activities and mission. Here's how our endowment benefits NEAFCS members:



- **Financial Stability:** Endowments provide a stable and reliable source of income. Unlike donations or grants, which can fluctuate from year to year, endowments offer a consistent revenue stream. This stability allows the Endowment Committee to make plans on how many grants and scholarships can be provided each year to our members.
- **Flexibility:** As our endowment grows, our organization will have more flexibility in terms of how it can utilize the generated income. Whether it's funding scholarships for members, offering small grants, or used to provide more resources to our members, these are just a few ideas on what future we can offer by donating to the endowment.
- **Investment Growth:** Endowments are typically invested in diversified portfolios aimed at generating returns over the long term. As these investments grow, so does the income generated from the endowment, providing organizations with additional financial resources to expand their impact and reach.
- **Legacy Building:** Endowments allow donors to leave a lasting legacy by supporting causes and organizations they care about deeply. By establishing an endowment, donors can ensure that their contributions continue to make a difference for generations to come.
- **Risk Mitigation:** Endowments are a buffer against economic uncertainties and market fluctuations. By maintaining a diversified investment portfolio, organizations can mitigate risks associated with volatility in financial markets, safeguarding their financial stability and ability to fulfill their mission.

We all play a part in growing our endowments, which is critical in supporting the long-term sustainability and growth of NEAFCS. All contributions, regardless of size, will help ensure that many more generations of FCS professionals will have the same opportunities we have had as members of NEAFCS. Through the prudent management and strategic allocation of resources, our endowment helps fulfill the mission of NEAFCS. It makes a lasting impact on our members and the people we serve across the nation.

If you have questions or concerns for the endowment committee, contact the endowment chair, Terri Mayhew. Her email is mmayhew1@nycap.rr.com

