



The Best Way to Raise Endowment Funds

Are you missing out on the biggest fundraising opportunities of all?

By Gail Perry & Andrea Kihlstedt

One question we hear a lot is: “What’s the best way to raise endowment funds?” Here are some simple endowment and planned-giving basics:

Outright cash gifts to endowment are relatively rare.

It’s simply more difficult to raise endowment money than any other type of gift.

Why? People with lots of money usually prefer to hold on to it and manage it themselves, rather than turning it over to you.

And if they do make gifts, they typically want to see their money create an immediate change for the better – not have their money stored away for you to control.

Bequests are the best way to raise endowment funds.

Hands down, most endowments are funded by bequests.

“Your biggest chances for bequests are from your small donors.”



This is the way organizations build their endowments, from lovely donors who put them in their wills. Then when the donor passes away, the organization becomes the lucky beneficiary.

Often donors will bequeath a small percentage of their estate to their favorite nonprofit. (I have my school and my church written into my will for a small remainder percentage. Do you have bequests in your own will?)

How do you get your organization included in someone’s will?

Here’s the challenge: Writing a new will isn’t something people do every day.

So your organization needs to be on top of your donor’s mind. You have to be a constant, pleasant presence, cheerfully reminding *all your donors* about this opportunity.

You need to be always gently reminding them: “Is xxx organization in your will?” *And* you need to be continually treating these donors with love and care.

Because if you’re not in touch with your full donor base – including smaller donors – then you may miss out on the biggest fundraising opportunities of all.

Who are the most likely bequest donors?

You'd be surprised. The top indicator of a bequest donor is longevity of giving.

That means your bequest donors just might be your small donors – who are probably not at the top of your radar screen.

So if you have someone who is giving you \$25 a year for 10 or more years, then you have a great chance of being in their will.

How do you secure endowment commitments?

1. In a campaign, set a modest goal for endowment – to be raised through cash, pledges, or irrevocable planned gifts.

This is for the occasional donors who are keen on building your endowment now. It's good to give them a place in your campaign.

But don't make the endowment goal too high unless you know a donor is planning a big endowment gift. Remember: This is the hardest money to raise!

2. Set non-financial goals for your campaign to encourage people to include your organization in their wills.

You might, for example, set a goal to get 20 people to include your organization in their wills and send you documentation.

I like having an official and specific goal like this – a certain number of bequest commitments that you're targeting to secure during your campaign. It will give your solicitors a great opportunity to talk about planned giving with appropriate donors when they solicit their more immediate cash gifts and pledges.

Bottom Line: Don't let the endowment idea scare you. It's not as hard as it might seem! 

*Gail Perry Group inspires nonprofits around the world with cutting-edge fundraising strategies and new tools to make fundraising more successful and more fun. Find smart strategies to help you raise tons of money at gailperrygroup.com. Andrea Kihlstedt (andreakihlstedt.com) is an expert on capital campaign fundraising. Her book *Capital Campaigns: Strategies that Work* is used in advanced fundraising courses worldwide.*

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