



And the Stewie Goes to ...

...'Splainin Endowments

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[Tambrea Hurst](#)

Coordinator, Communications, Marketing, and Donor Relations
University of Central Florida Foundation, Inc.

How to Explain Endowments Well

How many of your family members, friends, or neighbors (who are not fundraisers) know what endowment in perpetuity and endowment funds are? Not too many, we would guess. It seems that our profession has some 'splainin to do. This catch phrase came down to us from the *I Love Lucy Show* wherein Lucy, she a native English speaker, and Desi, he a native Spanish speaker, have frequent and comedic misunderstandings due to language and cultural differences. During the golden age of television, this was funny, but in today's competitive world, we are losing donations whenever we speak about endowment in dry terms that decidedly do not enlighten or enthuse our prospective benefactors.

We in the biz will probably be pretty comfortable with this explanation from

[Investopedia](#):

Endowments provide ongoing benefits for those that receive them by earning a market rate of interest while keeping the core endowment principal intact to fund future years of scholarships, or whatever efforts the donor sought to fund. In some cases, a certain percentage of the assets are allowed to be used each year, so the amount pulled out of the

endowment could be a combination of interest income and principal. The ratio of principal to income would change year to year based on prevailing market rates.

But what does this explanation have to do with mission and impact? It is a bit dry—where is the human element, where is the story? Would it influence you to pull out your checkbook to dash off a check to a charity?

We at the University of Central Florida Foundation were looking for best practice examples of how to explain endowments. I posted a query to the ADRP listserv to ask our peers to share their current practices for endowment information pieces to explain to donors what an endowment is and how the college and our students benefit in perpetuity from the gift.

Our goal was to work with our communications team to develop a piece that explains endowments in simple terms, sort of like “Endowment 101” or “Endowments for Dummies.”

Here are links to the great samples of current practices in explaining endowments that were shared by our peers. I hope these can help you do the best possible job of educating and inspiring your prospects to become endowment donors.

[North Carolina Endowment Piece](#)

[ASU Foundation Endowment Piece](#)

[Louisville Endowment Piece](#)

[Maryland Endowment Piece](#)

[Seattle Children’s Hospital Endowment Piece](#)

[Stanford Endowment FAQ](#)

[University of Southern California Endowment Piece](#)

Do you deserve a Stewie? Please e-mail details of your Stewie adventures with best and current practices to either one of the Stewie co-editors, [Robin Good](#) and [Pam Havens](#).