

## **“PERPETUAL” AND “LIVING” ENDOWMENT**

**“Perpetual” endowment** represents assets controlled by a non-profit organization, which can provide a reliable source of annual revenues based on prudent investment of those assets. For example: A \$1 million “perpetual” endowment should be able to generate at least \$50,000 in annual revenues for an organization’s general operations.

**“Living” endowment** represents ongoing annual gifts from donors, and while certainly a less reliable source of revenues than from “perpetual” endowment, nevertheless represents a *return on investment* measuring donors response to the organization’s investment in its mission, financial stewardship and donor relations. For example: \$50,000 in annual gifts from donors would represent the return on investment from \$1 million in assets controlled by the organization.