

Endowment Committee Annual Report 2020

Chairperson: Ed Grabenhofer

Treasurer: Diane Martling

Endowment Fund Committee Members: Kathleen Likens, Don Lawler, Pastor Jon Pedersen
2 current open positions

Thank you to the many members and families of our congregation who provide support to Shepherd of the Hill as they make offerings and gifts to embolden the glory and grace of God. A gift to the Shepherd of the Hill Endowment Fund continues far beyond the time the gift is given. These gifts can include bequests, planned gifts, wills, estate plans, and charitable gifts.

The endowment investment for our congregation is in the ELCA Endowment Fund Pooled Trust-Fund A. Shepherd of the Hill retains ownership of the invested funds and gets quarterly statements. Fund A is diversified, making it a very secure investment with a consistent rate of return, all of which provides the best opportunity to financially support charitable distributions to ministries (i.e. local/regional and national/worldwide, leadership development, and property needs (non -budgeted)). Since its inception the Fund A return has averaged 4.5%.

How do endowment funds work over timeframes? As an example, \$10,000 given today will earn another \$10,000 every generation (24 years) if the average rate of return is 3%, with the original \$10,000 still invested going forward. Likewise, at a 4.5% average rate of return, a gift of \$10,000 given today will harvest the same amount every 16 years. As of September 30th, 2020, the endowment fund is at \$42,231 (principal amount = \$38,700). So, for every generation going forward, there is a hope that the earnings plus interest (at 3% average rate of return) of the current \$38,700 allows for distributions of \$1,612 per year.

2020 was a challenging year for us all. Due to financial market conditions for most of the year, the Endowment Fund did not have funds to be distributed, nor did it have any requests for distribution.

As part of our Congregational meeting in January of 2021 the only task from the committee is to have our by-laws changed to reflect us as a Ministry Team, not just a Committee. We look forward to new application requests for distributions this year and finally being able to grant them, based on the need. Here is to 2021 being different then 2020, and more in person so that we can see what we are doing is helping the community at large.

Blessings,

Edward Grabenhofer, Chair

Shepherd of the Hill Endowment Fund Committee Members

