

Making the Cases for Endowment Giving

Dirk Bird

Several years ago, I was sitting in shul with my oldest son who was 15 at the time. He was wandering through the depths of his fertile imagination during the sermon when the rabbi said something about legacy. Suddenly, my son perked up and said, "Legacy...planting seeds in a garden that you never get to see grow." Welling up with pride, I turned and looked at him prepared to fully acknowledge that he a) was paying attention in shul and b) had uttered such poignant words. Sensing that this was coming, he preempted me by saying, "Dad, it's from *Hamilton*." Regardless, the message stuck. When we leave a legacy gift, we are taking a leap of faith by investing in something for those who we will never meet and making an impact that we will never see.

As Jewish communal leaders, we have a shared, sacred obligation to ensure that future generations have the resources to shape the future of our Jewish world and ensure our Jewish communities flourish. Each one of us is the beneficiary of those who came before us, who shaped the community that we inherited and steward today, and it is now our turn to give to others what we have all been given. When it comes to legacy giving and endowment development, lay leadership in general and board leadership in particular must play a central role in pushing our organizations to elevate legacy giving.

All of our organizations benefit every year from donors who created legacy gifts: endowments that support our programs, services and operations. Contributions from endowments are a critical source of ongoing annual funding that helps to make possible much of the vibrant, diverse Jewish experience from which we benefit today. A robust culture of philanthropy puts legacy giving at its core.

When engaging board leadership in the process of understanding why this work is so critical, it is important to understand our current philanthropic landscape in the Jewish community. On one hand, shifts in philanthropic giving and an aging donor base mean that current annual fundraising levels are likely unsustainable. On the other, the opportunity to make legacy giving a priority is particularly timely as many donors (as a direct impact of a global pandemic) are more connected to their values and are actively thinking about the legacies that they want to leave. Therefore, we must engage in a different conversation with our donors to ensure that we have the resources that will enable our communities to remain strong and vibrant for generations to come.

In order for legacy giving and endowment development to become a priority for our communities, our boards must take a proactive approach to holding themselves and their professional partners accountable for engaging donors in conversations about their philanthropic legacies. There are three primary case elements that should guide the process of understanding and internalizing the driving forces behind this work: the business case, the moral case and the relational case.

The Business Case

Organizations should view endowment development through the lens of organizational sustainability. Creating a culture of legacy giving is sound business, and can lead to potential outcomes such as:

- Mitigating risk that is associated with an aging donor base
- Diversifying overall revenue streams
- Developing targeted resources for specific programs and services
- Alleviating pressure on the annual fundraising as the sole source of funding
- Leading to financial flexibility in the future if core dollars are protected via securing permanent resources

- Demonstrating long-term investment/planning in the community

The Moral Case

Early in the pandemic, as nonprofits were facing severe financial shortfalls, Jewish School Management president Dr. Bruce Powell made the [powerful argument](#) that endowments are a moral imperative. As leaders, we have the opportunity and obligation to provide the next generation of communal leaders with the same kinds of opportunities—and safety nets—previous generations left for us. As board members, imagine the impact that you can have on your institutions and your communities if one of your core values is to take steps today that empowers leaders of tomorrow.

The Relational Case

Putting the donor at the center of our work is critical. This does not simply mean doing what the donor wants us to do. Rather, it necessitates a fundamental shift in our outlook, focused on the unique connection that relationship development and donors play in your work. This requires organizations to move away from transactional fundraising and embrace a relational approach to donor engagement. Our donors need to see us as partners in helping them achieve their philanthropic goals and share their philanthropic values. This approach demands that we take the time to understand their passions and the change they want to make in the world.

When we take the time to engage donors in conversations about legacy/endowment, we:

- communicate their unique value as a human and as a donor
- provide the opportunity to protect their investment in our programs and services
- empower them to create ripples through their philanthropy and values legacy example
- deepen relationship with donors and strengthen their connection to our work. (Donors are more likely to increase giving once a legacy gift has been established.)

Homework

As with anything in life that requires planning, organizational leaders must do their homework to understand the case elements that are unique to their organization. This includes the following:

- What is the current contribution from endowed gifts into our organization?
- Does our organization set goals for legacy gift development?
- Is it an expectation that every member of the board will have a legacy conversation during their term?
- Do we ask our donors if they have included our organization in their charitable gift planning?
- Do we know how many donors have done this?
- What percentage of major donors (to be determined by the organization) have made a legacy gift?

A legacy gift is a fundamental act of faith. We do not know what is going to happen in the future, so legacy gifts require a belief in the future of the Jewish people. Such gifts are more than monetary; when we transfer our assets, but not our values, then we rob the next generation of these beautiful visions for our community. By sharing in what we believe, about what we care the most, and from what and whom we have learned and grown, we galvanize an unbreakable connection between the past and future.

As organizational leaders, you have the power to build cultures of philanthropy that put legacy and endowment at the core of our relational work and continue building these intergenerational bonds.

Dirk Bird is vice president for Planned Giving & Endowment and managing director of Total FRD (financial resource development) at the Jewish Federations of North America.

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