PRIMER ON THE USH ENDOWMENT, 8/25/24

by Joe Rubin

We've been hearing more about our USH Endowment lately, for some excellent reasons. But as a member of the Endowment Committee, I also know that not everyone understands what our Endowment is, how it works, and why it matters. Those are important questions. Here's a super brief summary:

An Endowment is a fund that is invested and set aside for specific special purposes. People can contribute to our Endowment at any time, or leave money for the Endowment in their wills, or both. A reasonable amount of the investment earnings of the Endowment can and generally is used to help pay our operating expenses. The rest is held as kind of a self-funded insurance policy and annuity to help protect our long-term future. We're hearing more about it right now because a generous anonymous member recently gave us a gift of one million dollars, payable over 4 years, to increase the Endowment and to be used to encourage matching gifts by others to further support and grow our Endowment. The first installment of that gift, and other gifts and recent investment earnings, brought our current Endowment value to about $1.6MM. That sounds like a lot of money, and it would be a wonderful nest egg for many families, but when it's divided up by the number of members we have at USH, it's not so much per person at all.

The Endowment has been critical to the survival and health of USH many times over our nearly 200 years of existence. In addition to helping with ordinary expenses, it has been used for everything from keeping the congregation alive and bringing it back from near-oblivion after a 20 year hiatus in the 1800s, to building this amazing building, to finding a permanent fix to our leaking roof, to replacing a dying heating system, and helping us over rough patches of difficult or unexpected ministerial or other transitions.

In essence, the purpose of the Endowment is to help ensure the long term growth and survival of our congregation, and the larger it is, the better it can serve that function. Our Endowment, like most Endowments, is protected by a host of restrictions, including state law, and our own USH Constitution and Bylaws, to insure that it is prudently invested and used in ways that help USH, without jeopardizing the long term safety of the endowment. Within the rules and restrictions, it can be used for major capital expenses, such as the examples I just mentioned, for emergencies, and for special needs. It cannot simply be spent down for ordinary expenses. It belongs solely to our congregation. Its investment, by a professional management company, is supervised by the Endowment Committee, and all spending determinations are made by our elected Board, in consultation with the Endowment Committee, and subject to all of the laws and restrictions I mentioned. The Unitarian Universalist Association has no ownership or control of our Endowment.

If we think that USH is important enough that we would like to help ensure its existence for future generations, then increasing the Endowment is the most obvious way to support that goal. You'll be hearing more about all of this as the year goes on. Of course gifts to the Endowment are not a substitute for our sustaining annual pledges that keep us going every day.

Meanwhile, if you have questions about the Endowment, how it works, how it has been and can be used, and what legal protections surround it, you are welcome to contact any member of the Endowment Committee. Please remember that by helping to grow our Endowment you can help ensure our congregational health and long term survival, so we can be there for everyone's future.