



Endowment Accelerator Guide to Setting Endowment Goals

As a program of the Harold Grinspoon Foundation (HGF), JCamp 180's mission is to strengthen the long-term organizational effectiveness and financial sustainability of nonprofit Jewish camps to ensure our community's future and connection to Judaism.

Why Permanent Endowment?

JCamp 180 and the Harold Grinspoon Foundation believe that a permanent endowment should be an essential piece of Jewish camps' financial model for a sustainable future. That is why we have created the ***Endowment Accelerator Matching Grant***.

Building or growing your permanent endowment is a powerful strategy to assure your camp's long-term financial growth and stability, helping to assure that your special brand of Jewish camp experience is available to future generations of Jewish children and young adults.

Why Set Goals?

To embark on a strategic and successful endowment-building initiative, your camp will need to set a fundraising goal for your permanent endowment fund in the first stage of your endowment-building journey. As a permanent investment vehicle, your fund will continue to grow each year, even if you are not actively adding gifts to it. However, setting an initial goal is important to create excitement in your community, convey urgency to your donors, and establish milestones to keep your team's work moving forward and measure your success.

There is no magic formula to determine what your camp's endowment goal should be. Rather, you should consider your camp's current operating budget, revenue mix, long-term financial goals, and the readiness of your donor base to determine a goal that is both strategic and realistic.

Below are three different approaches you might take when determining your camp's endowment goal. You may find that one of these options suits your needs, or you may draw from all three to set a goal that feels right for your camp.



Option 1: Double Your Operating Budget

Many financial experts suggest that your endowment should be twice your annual operating budget. So, if your camp's operating budget is \$1 million, you should aim to build a \$2 million endowment.

This may be a lofty goal for long-term fundraising. This may seem far out of reach, especially for smaller camps and those who are just at the beginning of their endowment journeys. For camps with a healthy endowment that is generating annual income and growth, doubling your operating budget may feel like a good goal to aspire to.

When considering a long-term aspiration like this, it will be important to set incremental milestones. Perhaps your camp can imagine having a \$2 million endowment in five or even ten years from now. In that scenario, try to set goals for how much you aim to raise in years one, two, and three of your endowment-building initiative that will set you on this path.

And remember that focused legacy giving efforts can move you closer to your aspirational goal, as many donors' largest gift to camp will be their after-life legacy.

Option 2: Determine Your Desired Annual Distribution

A permanent endowment will be invested for long-term growth and income, and a portion of the income each year (called a distribution or withdrawal) will support camp's operations and programs. Income from your annual endowment distribution is part of a healthy mix of your organization's operating revenue. Knowing you can count on this distribution each year can take pressure off other revenue streams, such as tuition, rental income, grants, and annual fundraising.

To determine a goal for your endowment-building initiative, consider how the annual distribution generated from your endowment fund fits into your overall revenue mix. What distribution amount (or percentage of your budget) would represent a significant contribution to your annual operating budget? You can then work backwards to determine how large your endowment fund's principal would need to be to generate your desired distribution.

Another approach to goal setting is to choose a particular camp program or activity to be fully or substantially funded by endowment income each year. Such goals could include using endowment income to fully fund your financial aid program or a "wow" factor addition to camp's facilities and equipment each year.

Tip: You can ask your JCamp 180 Relationship Manager for help accessing your camp's JEDI Revenue Dashboard to understand your current revenue mix in comparison to other similarly sized camps.



Example of expected distribution and growth from \$100,000 endowment fund:

Year 1 Fund Principal:		\$100,000
7% Return on Investment (ROI):		\$7,000
How ROI is Divided	4% Distribution:	\$4,000
	1% Investment Fees:	\$1,000
	2% Reinvested for Growth:	\$2,000
Year 2 Fund Principal:		\$102,000
4% Distribution:		\$4,080
Year 20 Fund Principal*:		\$148,595
4% Distribution:		\$5,943

Example of expected distribution and growth from \$5 million endowment fund:

Year 1 Fund Principal:		\$5,000,000
7% Return on Investment (ROI):		\$350,000
How ROI is Divided	4% Distribution:	\$200,000
	1% Investment Fees:	\$50,000
	2% Reinvested for Growth:	\$100,000
Year 2 Fund Principal:		\$5,100,000
4% Distribution:		\$204,000
Year 20 Fund Principal*:		\$7,429,737
4% Distribution:		\$297,189

**Note: This amount is calculated based solely on a 7% ROI. Your fund principal should also significantly grow year over year from new gifts and realized legacy commitments, leading to a much higher Year 20 Principal. You can also experiment with [this free endowment calculator](#) to input your camp's specific goals and expected returns.*

Option 3: Assess the Readiness of Your Donor Base

To ensure the goal you are setting for your endowment-building initiative is achievable, consider starting from the ground up and collecting the most likely sources of funding available across camp's constituents.

Start by making a list of the groups of people who are most likely to want to help build your permanent endowment (e.g., board members, alumni, current camp parents and grandparents) and then list the top individuals in each group (those with most capacity and inclination to participate). Use existing information on donor history and knowledge of your community of donors and friends to estimate potential gift amounts to your endowment-building initiative. It's also a good idea to estimate your team's capacity to engage prospective donors in giving conversations in the first, second, and third years of your initiative.



You can use JCamp 180's [Target Audience Worksheet](#) to learn more about who makes a good prospect for endowment giving and how to build your list of priority donor prospects.

Also consider additional income sources your camp has available to add to your permanent endowment fund, such as operating surpluses, excess reserve funds, unrestricted bequests, or windfall revenue from the sale of property or another asset.

Taken together, you can consider the potential for giving among your community, your team's capacity to engage in these conversations with donors and prospects, and other income sources available to build your permanent endowment fund to determine a goal that is achievable in the coming years.

Endowment Accelerator Matching Grant Structure:

If your camp is participating in HGF's ***Endowment Accelerator Matching Grant***, keep in mind that this grant provides \$1 in matching funds for every \$3 your camp raises into your permanent endowment fund, for up to \$40,000 in gifts made between January 1, 2024, and December 31, 2027.

If you are new to endowment fundraising and concerned about your potential success, consider setting a simple initial goal of at least \$160,000 (your raised gifts plus HGF's match) into your permanent endowment fund by the end of 2027 to capture the full matching grant.