

The Juniata Endowment Frequently Asked Questions

What exactly is “the endowment?”

Juniata’s endowment is actually a collection of more than 530 individual endowments, including more than 320 scholarship funds, 27 professorships, and numerous endowed program funds that support learning resources as various as lectures, library acquisitions, internships, and the Baker Institute. Endowed funds have varying degrees of restrictions, since donors specify the uses of the proceeds that result from the endowments they create.

Are endowed funds able to survive changes in the economy?

Juniata preserves the original gift in its endowment in perpetuity, spending only a portion of the annual income (usually around 5 percent) and returning any other earnings to the principal as a hedge against inflation. Thus, **the benefactor who makes an endowment gift today knows it will support its intended purpose far into the future.**



How important are endowed funds?

The College depends on endowment contributions—funds that continue to generate income year after year—to ensure affordability for our students, to provide greater ability to attract and retain great faculty, and to **strengthen the vital and defining programs that have made and will continue to make Juniata distinctive.**

How is an endowment different from annual giving?

Annual giving supports priority needs—and at Juniata, that principally means the Juniata Scholarship Fund—whereas endowed giving ensures funds are available for long-term strategic impact. While Juniata Scholarship Funds are spent as they are received, supporting scholarships for talented students with need, endowed funds are invested as described above.

Is it either/or—annual giving vs. endowment?

Most donors who establish endowments also support annual needs. Think of it this way: for most people, establishing an endowment is their legacy to the College, particular to their life experience and connected to the strategic advancement of the College. Annual gifts to the Juniata Scholarship Fund support a common priority of all Juniatians: helping to make a difference in the life of a student today while keeping education affordable.

Some Juniata Scholarship Fund donors have already made plans to endow their annual gift through their estate planning or deferred pledges. (If you’re doing the math, a \$50,000 gift to the endowment would ensure a yearly scholarship of \$2,500 that would last forever.) Both annual and endowed giving are critical to Juniata’s future.

How do I establish an endowment?

Individuals have several options for establishing endowments, but the key process is the same. A donor provides capital to invest so that the yield from the investment is sufficient to cover the purpose. For instance, the average Juniata scholarship is \$2,500. To establish an endowed scholarship equal to that requires a principal investment of \$50,000, so that it will yield, at 5 percent of a 12-quarter moving average, about \$2,500 to use for the scholarship.

The individual can provide the capital various ways. People can provide cash outright, transfer stocks or appreciated securities, name the College as the beneficiary of a will, trust, retirement assets or an insurance policy, make gifts of real estate, and more.

Do I need to fund my endowment all at once?

No. You may pledge to make payments for up to five years to fund an endowment. Endowments do not pay out to designated purposes until they are fully funded.

Can I add to my endowment later?

Yes. Individuals can make gifts to add value to the principal at any time. Others also may add to your endowment, and often do so as anniversary gifts, birthday gifts, retirement congratulations, and the like. You can also make plans in your estate intentions to add value to any existing endowments.

If I make plans to establish an endowment at Juniata in my will, why does the College need to know of my intentions?

Strictly speaking, we do *not* need to know what's in your will. That's your business. However, to the extent that we can provide advice or recommend options for estate planning, let your intentions be known to inspire others, or make plans that will effect the future based on what we know of your intentions, it is helpful to all concerned if we discuss your estate plans with you. This also allows the College to discuss with donors whether there are duplications or pre-existing resources that satisfy the need.

How does the College use the money generated by the endowment?

Many endowments are established by donors who provide stipulations regarding their use. For instance, a donor may indicate that her scholarship is to support students from rural backgrounds, or a professorship is for a historian. Those stipulations, recorded in writing and signed by the donor and representatives of the College, are termed "guidelines," and are kept as reference and instruction in perpetuity. Others provide support through unrestricted endowment, giving the College flexibility for addressing future priorities. Unrestricted endowment provides the College great flexibility in addressing future opportunities, and is one of the most helpful gifts a person can make.

Why are guidelines useful?

Endowment guidelines ensure your gift will be used exactly as you want. It outlines general or specific criteria and may include background information on why your gift is important to Juniata. Thus, even as staff of the College may come and go, the **legal agreement guiding your endowment remains and ensures the your intent is honored.** A development officer can assist you in drafting the guidelines.

Who decides how the funds are invested and managed?

Juniata's Trustees have an Investment Committee that oversees the investment and management of the College's endowment, and does so with input and oversight from professional investment managers with diversified investment strategies. As well, the College contracts for regular audits to ensure proper stewardship of the funds entrusted to Juniata.

How do I know my gift is having an impact on the College and its students?

That's our responsibility, and one we take very seriously. Juniata's advancement office will provide you updates annually on the performance of the endowment and the specific uses to which your fund was put, we will also make sure you have the chance to learn about the students and faculty affected by your generosity. **If you ever have questions, of course, contact us.**

Can I name my endowment?

Yes, and we encourage you to do so! Naming your endowment after your family, a respected faculty person or coach or a business provides a personal connection for the recipient of your endowment gift and allows us to tell your story to future generations of students, faculty, and staff.



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