

St. Colman Parish Endowment FAQs

What is the St. Colman Parish Endowment?

The St. Colman Parish Endowment is a fund established at the Catholic Foundation exclusively for the use of St. Colman Parish. This fund is managed by the Catholic foundation and accrues interest over time. St. Colman parish is able to draw upon this interest in disbursements according to needs in the parish.

The Catholic Foundation, that's the Diocese, right? I want my money going to St. Colman, not anyone else.

No, the Catholic Foundation is not the Diocese of Columbus. This is a common misconception. While the foundation does work with the Diocese, it does not work for the Diocese. When you give to the St. Colman Endowment, those monies are for St. Colman and only St. Colman, forever. The Catholic Foundation was set up with this in mind. The Diocese can never "raid the piggy bank" so to speak. Once the money is in the endowment it is there for St. Colman only and cannot be used in any other way.

But, the Catholic Foundation gives grants to different parishes, will my money go to support that?

No. Those grants are separate and are from endowments set up specifically for them. Only if you give to those grants will your money go to support them. If you give for St. Colman, it's St. Colman's.

Are other parishes doing this?

Certainly, quite a few parishes have endowments with the Catholic Foundation. Many parishes have smaller endowments, generating between one and ten thousand dollars a year. Some parishes have much larger endowments. In Chillicothe, St. Mary's has an endowment of over three million dollars. This means that at five

percent, they could receive a \$150,000 disbursement every year while still growing the endowment. (Imagine what an endowment like that could do for St. Colman.)

How these endowments were funded, however, is a little different than what I am proposing. Most often these endowments are funded through estate planning. It is certainly good to leave a legacy behind in your estate and I encourage everyone considering estate planning to make a consideration for St. Colman. Funding the St. Colman endowment by giving here and now, on the other hand, is a way to give tangibly to the next generation. Not with huge lump sums, but a little at a time. It is something to which we can all give a little, and we can feel a little proud about it.

Do I give to the endowment instead of the offertory or the capital improvement fund?

No. The St. Colman Endowment is separate from the day to day and yearly needs of the parish. The endowment fund is meant for the future and will not be used until it is substantially funded. The parish still needs the continued generous financial support of all St. Colman parishioner.

Wait, you're asking for us to give more money. Is this the best time to be asking for people to give more?

Certainly, this has not been an easy year for anyone. For many, 2020 has been stressful and punishing, not the least of which is in our family budgets. Taking all of this into consideration, this is a multi-year project. We need to be in it for the long haul. Times will improve, then they will become hard again, probably several times before this project is complete. The idea here is that by giving in small increments over a long period, we can sustain the giving in lean times and be more comfortable giving in better times. Perhaps, some

will feel they are able to increase their giving to the endowment in those better time.

This year perhaps we can only give a little, next year it may be more or it might remain the same. Slow and steady wins the race. The important thing is that we are making some progress every year, through thick and thin, knowing we'll get there eventually. So we can begin now, and even if we have to begin small, we're still making progress.

Who is making this endowment? Who is managing it? When it is fully funded, how will we get the money?

The Catholic Foundation already has an endowment account open for St. Colman. The money we have in the fund is managed by the Catholic Foundation. The return is expected to be 7% every year, on average. The parish has a window of time every year to ask for a disbursement from the endowment. The disbursement can be up to 5% of the principal. The parish can choose to take all 5%, a lower amount, or to not receive a disbursement at all that year so the interest can grow. The 5% cap is to ensure that a parish is never eating into the principal and the fund is always growing. (In a more extreme emergency situation the parish can go over the 5%, but this must be approved by the foundation.)

So, what are the numbers?

Here are the specifics as to how I came to my conclusions. I estimated the needed offertory at \$300,000. This is in the ball park and is a nice round number. At a disbursement of 5%, the endowment would need to be at \$6,000,000, to cover the offertory figure. So, I was looking at different possibilities with a compound interest calculator and was trying to figure how we could get to that \$6 million figure.

There are 293 registered families at St. Colman, twelve months in a year, and the standard Netflix subscription is \$13.99. So, I figured: $\$13.99 \times 12 \times 293 = \$49,188.84$. If we take that figure and put it in to the compound interest calculator as the annual addition, set the interest rate to 7% and give it thirty-three years to grow we end up with a figure of \$6,259,711.02, more than enough to cover offertory in a single disbursement. And, the more people give, the faster we get there.

I know those seem like big numbers, but remember it's only \$13.99 a month, not a week, but a month, or less than \$3.25 a week. Like I said above, big, but do-able!

So, how do I give?

You can either give online or use the monthly envelopes specifically for the endowment.