

**Statement by David Miller
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Community foundations are nonprofit organizations set up to assist individuals, families, and businesses with their philanthropy. The first community foundation started in Cleveland more than 100 years ago, in 1914. The Denver Foundation is the oldest and largest community foundation in the Rocky Mountain region, having been established in 1925. Today, there are dozens of community foundations throughout Colorado, serving every part of our state.

One important role of community foundations is to house endowments for nonprofit organizations. The Denver Foundation plays this role—as do smaller community foundations throughout Colorado. The Denver Foundation currently is the steward for more than 40 different nonprofit organization endowments. We manage and invest these endowments on behalf of all types of nonprofit organizations in Colorado, including those that do work in education, health care, human services, economic development, the arts, and the environment.

Often, organizations have minimum amounts to set up accounts. At The Denver Foundation, we do the opposite for our nonprofit agency endowment funds: we have a maximum amount. Until recently, our maximum amount was \$5 million. (We just raised it to \$10 million.) The reasoning is that agencies with large endowments can hire their own high-quality investment managers. However, small nonprofits with an endowment of \$50,000 or \$100,000 usually do not have the expertise to manage their own endowment. That's

where The Denver Foundation and other community foundations can be of most help.

Having an endowment gives nonprofit organizations much-needed financial stability. Dollars from endowments are available every year. This particularly helps nonprofits during bad economic times when it is often the case that contributions are down and demand for services is up. We certainly saw this during the most recent recession.

It's very easy for a nonprofit to set up an endowment. The paperwork is minimal and can be handled in a matter of minutes. The fiscal discipline of creating an endowment not only gives a nonprofit more stability, it gives donors to that nonprofit more confidence in the long-term viability of the organization.

At The Denver Foundation we like to talk about the power of endowments by showing this equation and telling people we're really not bad at math: $8-11=30$. (Explain the Rothgerber bequest.)

Too often in our society, we are focused on the present. Many people want instant gratification. There are huge personal and national debts being passed on to our children and grandchildren. Another benefit of endowments is that they are a gift we can give to future generations. The founders of community foundations over the past century wanted to give future generations resources to meet future needs. Endowments are one of the greatest gifts we can pass forward to others.