I. Preamble

I have been asked by the Evangelical Council for Financial Accountability to address the topic of endowments from a theological perspective. The question is whether there are theological/biblical teachings that should guide the formation, accumulation, management and spending of endowment funds. The fact that the question is being asked is a good sign. For too long this particular financial practice has gone without much theological scrutiny among faith communities. Yet profound questions surround the whole industry of endowment keeping. Why should Christian institutions secure and keep endowments? Are there any restrictions on how the funds are raised, managed and spent? How do Kingdom values shape our policies regarding our endowments? What are the benefits and the temptations of endowments for Christian institutions? How does Scripture lead us in this matter? And are there limitations to the raising,
managing and spending of endowments that are significantly different from secular standards and procedures? My intent is to lay a foundation for a continuing discussion around these important issues. For this reason I have entitled this monograph, “Toward a Theology of Endowments.” I am pleased to provide one set of lenses to view these questions and offer possible responses as faithful stewards of God’s resources.

II. Definitions

We will begin with two simple definitions; an endowed gift from the perspective of the ministry supporter1 and an endowment fund from the institutional perspective.

An **endowed gift** is a financial asset donation made to a nonprofit group or institution in the form of investment funds or other property that has a stated purpose at the request of the ministry supporter.

An **endowment fund** is represented by cash, securities, or other assets held by a nonprofit organization to provide income for the maintenance of the nonprofit. Three types of endowment may be identified: permanent endowment, term endowment, and quasi endowment. **Permanent endowment** refers to amounts that have been contributed with restrictions by the ministry supporters that the principal be invested in perpetuity; income from those investments may also be restricted by ministry supporters. **Term endowment** is similar to permanent endowment, except that at some future time or upon the occurrence of a specified future event, those resources originally contributed become available for unrestricted or purpose-restricted use by the organization. **Quasi endowment** refers to resources designated by an entity’s governing board to be retained and invested for specified purposes for a long but unspecified period. The determination of whether gifts are recorded as permanent or term endowment is determined by the intent of the ministry supporter.

Nonprofit organizations can receive (reactive) and solicit (proactive) permanent and term endowment funds, and an entity’s governing board can designate unrestricted net assets as quasi endowment. From a purely financial standpoint, the case for each can be made easily. Capital, distinct from income, can be invested to produce a consistent return for the organization. When it does produce, it multiplies itself and represents faithful stewardship. There would seem to be no limits on the amount that might be raised and placed in an endowment. In purely financial terms, amassing, protecting, and investing capital is a fully justifiable and desirable work for a not-for-profit organization.

However, this paper will examine how a biblically informed theology of endowments might guide us in establishing and managing them, as well as accepting and soliciting funds for each of these categories. At the outset it is important to understand the distinction between the three and their unique mix of motivation and purpose on the part of both the ministry supporter and recipient.

---

1 We will use the term ‘ministry supporter’ instead of ‘donor’ as we believe it to be a more biblically accurate description of those who give to Kingdom work.
III. Why a Theology of Endowments

Before turning to our methodology we need to say a few words about the importance of considering a theology of endowments. Throughout human history, humanity has struggled with its relationship to money and possessions. For the Christian, our relationship to money is significant to our ability to be faithful disciples and godly stewards. We learn from Scripture and especially the teachings of Jesus that, while money is a neutral medium of exchange, powerful forces accompany it which, if left unchecked, will seek to control us. By understanding and acknowledging the spiritual forces behind money and possessions, we can ask the right questions with regard to how our money is earned, invested, given and saved. These forces that are so much at play at an individual level can exert an even greater influence in the life of an organization to whom a significant endowment is entrusted. Therefore it is critical that those of us who both give to and make decisions regarding endowment funds are also asking the right questions about how those funds are raised, invested and spent. We must recognize and acknowledge the forces within our institutions regarding the role of an endowment. A proper theology of endowments will not let us treat these funds in a spiritually-detached way but will call us back to Scripture to understand all that is in play when we deal with money. This is especially true with the quantities associated with an endowment fund. For these reasons, it is critical that every Christian organization that holds endowment funds or considers doing so takes seriously all that Scripture has to say about money, possessions and the spiritual forces behind them and develops and adheres to a clear, biblical theology of how those funds will be dealt with in the life of their own institution.

IV. Methodology

At the outset we must say a word about our theological methodology for this work. This methodology will be characterized by tension and direction.

A. Seeking Truth within Tensions

Scripture most commonly presents important theological truths in the form of a dialectic, or tension, between two seemingly opposing viewpoints. For example, the nature of God is depicted as both just and merciful, a God who calls and commands us to lives of holiness and righteousness while lavishing us with grace and forgiveness.

As God’s people, we are, as Luther put it, at the same time both saint and sinner. As such we are called to be in the world but not of the world, to hold one another accountable but never to judge, to step out in faith but also count the cost, and so on. These tensions abound in Scripture. They form the primary approach that guides us through the inspiration of the Holy Spirit, keeping us in balance in our Christian lives. The purpose of these tensions is to keep us from an overemphasis in any one area, which inevitably leads us off the path of obedience and discipleship. Grace without holiness leads to nominalism; holiness without grace
leads to legalism. Yet when held in tension, they provide Christians with a set of bearings that keeps us in the center of the path, and in the center of God’s will.

It would be safe to say that every significant doctrine of the church has been forged in the crucible of scriptural tension. Recognizing this foundational biblical approach, we will let it serve us in fashioning a theology of endowments, for clearly Scripture’s teaching on money and possessions carries the same tension.

B. Start with the Faithful Steward

A second commitment in our methodology is the consistent movement from what is known to what is less known. That is, we will affirm what we believe to be the clearest and most unequivocal teaching in Scripture, and from it we will move to the less definitive and more challenging components of this theology.

That will mean starting with our call to be faithful, godly stewards. This is one of the most primary vocations of the Christian life. From our creation in Eden, we are commanded and charged with the responsibility to be stewards of every area of our lives. That vocational indicative will be our consistent starting place as we consider what it means to carry out this high and holy calling through our work as both a contributor to and manager of an endowment fund.

The temptation we must avoid here is to reverse the order of our theological inquiry. We must not begin with questions around the financial, legal or practical aspects of an endowment fund and seek from there to understand what is required of us as stewards. If we get this process backward we will be standing on thin ice, reading back into Scripture what we believe or hope to be true in our life experiences. Instead we will work to keep Scripture as normative, especially as it illustrates for us the hard work of a faithful steward. Only from that solid foundation can we will ask the questions that need to be addressed with regard to endowments.

These two commitments, our call to be godly stewards, and our willingness to be instructed by Scripture, will shape the methodology for the development of a theology of endowments.

V. The Purpose of Endowments

Ministry supporters desire to establish endowments and nonprofit organizations seek to secure and maintain endowments for a wide variety of reasons. We will group these reasons into three general categories.

A. Guardianship and Protection

Ministry supporters make endowment gifts and organizations solicit endowment gifts for the purpose of guarding and protecting those things that are critical to carrying out their mission in a faithful manner. Here are some examples of this type of motivation.
Organizations whose missions rely on the acquisition and preservation of physical assets may establish endowment funds to provide them with the agility to make purchases and maintain current assets to carry out their missions. Conservancies, environmental organizations, landlocked institutions who want flexibility for growth, and museums are examples of organizations that seek such endowments.

- Organizations and institutions whose mission includes preserving a particular philosophical or theological viewpoint may establish endowment funds that ensure preserving these viewpoints in perpetuity. This may include restrictions on hiring only faculty or leadership who adhere to a certain code of ethics or statement of faith. In this way, both ministry supporters and the board ensure the preservation of a philosophy or theology critical to their mission.

- In a similar fashion, organizations and institutions whose mission includes maintaining certain traditions and cultures may also establish endowment funds for this purpose. Whether it is ethnic heritage, community pride or the like, such endowments guard and protect a value tradition for future generations.

The driving motivation behind all of these is the belief that without a substantial financial endowment, something precious that is enjoyed in the present will be lost in the future. Therefore organizations ask and ministry supporters give and in order to build a “war chest” of sorts to both further their mission (proactively) and guard against the erosion of the assets and values necessary to that mission (reactively).

B. Gratitude

Ministry supporters make gifts to endowment funds out of a sense of both gratitude and obligation. While these may seem to be at odds with each other, they are actually two sides of the same coin. This motivation for giving can be viewed in three ways.

- Reciprocation. A ministry supporter may give to an endowment fund as a way of giving back to an organization or institution that they believe played a seminal role in their success. Successful alumni give back to their educational institutions. Christians give to camping ministries because their own lives were changed by these ministries and so forth. In this way an endowment gift becomes a personal recognition of those who helped us along the way.

- Commemoration. Ministry supporters may also give to an endowment fund as a way of remembering a particular moment or action that had a significant effect on their lives. A veteran may give to a war memorial or a cancer survivor to a new hospital wing. In this way the ministry supporter intends that such a moment is both honored and remembered in perpetuity.

- Reconciliation. Oddly enough, a ministry supporter may also give to an
endowment in order to reconcile internal feelings of regret or remorse. Sacrificial giving can be a healing act. Women who have undergone an abortion may choose to endow a fund at a local crisis pregnancy center as a way of healing their own painful memories. Families may designate memorial gifts to an endowment fund for an organization that works to solve an issue that led to the loss of a loved one. In these ways endowment gifts help bring healing in the knowledge that funds were given to help cure whatever caused the original pain.

This category of motivations is driven by a personal need in the ministry supporter’s heart. Nonprofits oblige by providing endowment opportunities that align with this need and help the ministry supporters use their wealth in ways that minister to their spirit.

C. **Guarantee**

Finally, a ministry supporter may give to an endowment fund as a way to guarantee that future generations will benefit from the nonprofit’s work in the same way as the ministry supporter. This is akin to Guardianship and Protection but with some important differences. This type of giving can come in many forms, including the following:

- **Assurance of continuity.** A ministry supporter may seek to establish or further an endowment to assure that there is continuity of service between one generation and the next. Such endowments may focus more on supporting the ongoing operations of an organization and ensuring its ability to weather future financial downturns.

- **Access for future generations.** A ministry supporter may seek to establish or further an endowment to assure that the same opportunities are available to future generations. This is often the motivation for endowed scholarships which provide access to education or endowments that provide funding for the cost of attending camps, cultural events, spiritual retreats, etc.

- **Accountability for continued mission focus.** A ministry supporter may also seek to create a fund that helps hold the organization accountable for its adherence to its mission. These endowments commonly carry the wording “only if”, meaning that the funds are available the organization only as it demonstrates its continued allegiance to its organizational goals and values. In this way the ministry supporter is seeking to guarantee that an organization will not stray from its missional roots. The ministry supporter uses the power of money as the instrument of future accountability.

This category of motivations is driven by a ministry supporter’s desire to exert some control over the future of an organization whose mission has made a positive impact on his or her own life. The value supporters place on this experience drives them to use their wealth to ensure that similar experiences are available for future generations in the same form as they experienced. Nonprofits are willing to oblige
this motivation when they hold a similar value and a commitment for continuity between the organization’s current mission and practices and those intended in the future.

In each of these categories of motivation, we need to examine how our Christian faith informs and guides both the ministry supporter and institution so that the gift and its uses have integrity. And we need to recognize and address the temptations and traps that are present for both ministry supporters and institutions at each of these levels.

VI. Biblical Evidence

A brief look at the primary Scripture verses that speak of the accumulation and holding of assets for Kingdom work will bear evidence of a tension of perspective. This is a dynamic and instructive tension that should serve to keep us in balance regarding this issue and prevent us from running off the path in either direction. This is meant to be illustrative of the main biblical themes and not an exhaustive treatment of all relevant texts.

Planning and Preparation

The following texts show the scriptural theme of careful planning and the setting aside of excess assets in one period of time to provide for an expected future shortfall.

- Genesis 41:34-37 “Let Pharaoh appoint commissioners over the land to take a fifth of the harvest of Egypt during the seven years of abundance. They should collect all the food of these good years that are coming and store up the grain under the authority of Pharaoh, to be kept in the cities for food. This food should be held in reserve for the country, to be used during the seven years of famine that will come upon Egypt, so that the country may not be ruined by the famine.”

Joseph’s interpretation of Pharaoh’s dream led to the decision to hold back from the abundance in current years to stockpile food for the years of famine that Joseph predicted through the dream. This is an act of wise planning and stewardship but it must be remembered that it was a response to a particular event (Pharaoh’s dream) and not a normal practice on behalf of the Egyptians.

- Exodus 16: 4-5 “Then the LORD said to Moses, “I will rain down bread from heaven for you. The people are to go out each day and gather enough for that day. In this way I will test them and see whether they will follow my instructions. On the sixth day they are to prepare what they bring in, and that is to be twice as much as they gather on the other days.”

The children of Israel are commanded by God to be content with what He provides each day, except on the day before the Sabbath, on which they are forbidden to work (gathering food included). So to provide for the Sabbath, they can collect enough for two days. However, when some attempted to keep a portion from one
day to the next, they found that what they collected rotted and ruined the entire batch.

- Leviticus 25: 20-22 “You may ask, ‘What will we eat in the seventh year if we do not plant or harvest our crops?’ I will send you such a blessing in the sixth year that the land will yield enough for three years. While you plant during the eighth year, you will eat from the old crop and will continue to eat from it until the harvest of the ninth year comes in.”

God commands that a Year of Jubilee be observed every seventh year in which no crops are to be planted. God promises to provide such a bumper crop in the sixth year that the Israelites will have enough for not only the seventh year, but the eighth (year of planting) and ninth (first year of harvest). Clearly when God commands us to do something that seems to put our well-being at risk, He will supply fully for our needs.

- 2 Chronicles 31:2-15 “Hezekiah assigned the priests and Levites to divisions—each of them according to their duties as priests or Levites—to offer burnt offerings and fellowship offerings, to minister, to give thanks and to sing praises at the gates of the LORD’s dwelling. The king contributed from his own possessions for the morning and evening burnt offerings and for the burnt offerings on the Sabbaths, at the New Moons and at the appointed festivals as written in the Law of the LORD. He ordered the people living in Jerusalem to give the portion due the priests and Levites so they could devote themselves to the Law of the LORD. As soon as the order went out, the Israelites generously gave the firstfruits of their grain, new wine, olive oil and honey and all that the fields produced. They brought a great amount, a tithe of everything. The people of Israel and Judah who lived in the towns of Judah also brought a tithe of their herds and flocks and a tithe of the holy things dedicated to the LORD their God, and they piled them in heaps. They began doing this in the third month and finished in the seventh month. When Hezekiah and his officials came and saw the heaps, they praised the LORD and blessed his people Israel. Hezekiah asked the priests and Levites about the heaps; and Azariah the chief priest, from the family of Zadok, answered, ‘Since the people began to bring their contributions to the temple of the LORD, we have had enough to eat and plenty to spare, because the LORD has blessed his people, and this great amount is left over.’ Hezekiah gave orders to prepare storerooms in the temple of the LORD, and this was done. Then they faithfully brought in the contributions, tithes and dedicated gifts. Konaniah, a Levite, was the overseer in charge of these things, and his brother Shimei was next in rank. Jehiel, Azaziah, Nahath, Asahel, Jerimoth, Eliezer, Ismikiah, Mahath and Benaiah were assistants of Konaniah and Shimei his brother. All these served by appointment of King Hezekiah and Azariah the official in charge of the temple of God. Kore son of Imnah the Levite, keeper of the East Gate, was in charge of the freewill offerings given to God, distributing the contributions made to the LORD and also the consecrated gifts. Eden, Miniamin, Jeshua, Shemaiah, Amariah and Shekaniah assisted him faithfully in the towns of the priests, distributing to their fellow priests according to their divisions, old and young alike.”
This amazing story of generosity culminates in such abundance that Hezekiah stores up the surplus and appoints priests and assistants to distribute the abundance to those in need. When God’s people respond to God’s call, we can expect abundance, and out of that generosity can come the opportunity to set aside surplus for the needs of others, including future generations.

- Acts 4:32-35 “All the believers were one in heart and mind. No one claimed that any of their possessions was their own, but they shared everything they had. With great power the apostles continued to testify to the resurrection of the Lord Jesus. And God’s grace was so powerfully at work in them all that there were no needy persons among them. For from time to time those who owned land or houses sold them, brought the money from the sales and put it at the apostles’ feet, and it was distributed to anyone who had need.”

This text demonstrates the effect of the movement of the Holy Spirit on our use of assets. We learn that the early believers sold assets to make them available to meet the needs of the poor. Instead of holding onto income-producing assets (land, houses, etc.) they willingly sold them at the leading of the Spirit. There is clearly a time to liquidate assets and place them in the service of the Kingdom when we are so commanded.

Storing up Treasures

The following texts illustrate the theme of warning against the accumulation of resources where trust is transferred from God to what has been stored up by man.

- Luke 12: 15-20 “Then he said to them, ‘Watch out! Be on your guard against all kinds of greed; life does not consist in an abundance of possessions.’ And he told them this parable: ‘The ground of a certain rich man yielded an abundant harvest. He thought to himself, “What shall I do? I have no place to store my crops.” ’Then he said, “This is what I’ll do. I will tear down my barns and build bigger ones, and there I will store my surplus grain. And I’ll say to myself, ‘You have plenty of grain laid up for many years. Take life easy; eat, drink and be merry.’” But God said to him, “You fool! This very night your life will be demanded from you. Then who will get what you have prepared for yourself?” This is how it will be with whoever stores up things for themselves but is not rich toward God.”

Jesus contrasts the heart that seeks to store up treasures on earth to the heart that is rich toward God. Twelve verses later, Jesus challenges his followers to “Sell your possessions and give to the poor. Provide purses for yourselves that will not wear out, a treasure in heaven that will not be exhausted.”

- Matthew 6:19-20 “Do not store up for yourselves treasures on earth, where moths and vermin destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moths and vermin do not destroy, and where thieves do not break in and steal.”
There can be seen both a financial and a spiritual aspect to this statement by Jesus. ‘Treasures’ can include physical assets as well as hope, trust and reliance. In both cases, only what is stored in heaven will last and remain safe from everything and everyone that seeks to steal our joy and confidence.

- 1 Timothy 6: 17-19 “Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life.”

This powerful passage sums up biblical teaching on giving and the proper attitude toward riches, possessions and the source of our ultimate hope.

These representative Scriptures demonstrate the need for careful planning and appropriate provision in times of abundance for future lean years. They also declare the danger of placing our trust in our storehouses instead of in God. At certain times, God commanded his people to store assets from the abundance of one year to provide for a coming famine. However, it is dangerous to construct an overarching biblical teaching from these few stories, other than our need to pray and listen for God’s guidance and respond accordingly. When set against the strong warnings of reliance on our possessions and our tendency to shift our trust and hope to accumulated assets, it should be clear that even though there is a tension here, the force of Scripture lies in the polemic against serving the god of mammon and laying up for ourselves treasures on earth.

VII. Endowment Keeping as a Faithful Steward

Keeping true to our methodology and drawing from the biblical witness, we will begin with a look at the theology of our relationship to money and possessions. We will need to be brief here, and the reader can access more significant works on this issue. For our purposes we will point to three unequivocal themes in Scripture regarding our call to be faithful stewards.

1. One-Kingdom Lordship. We are called by God to live the life that is fully and completely devoted to serving only one Lord. The salvific work of Jesus Christ ushered in the new reality of the Kingdom of God. And as we give our lives over to the control of Holy Spirit in service of God, we become citizens of the one true Kingdom of God. This ‘giving-up’ is all-encompassing. There is no part of our lives that is not redeemed by Christ, and therefore not to be fully submitted to Him. This includes all four relationships in which we were created; our relationship to God, to ourselves, to our neighbors, and to God’s creation, including our time, talents and treasures. In God’s Kingdom there is only one Lord, and nothing in the entirety of our lives falls outside of the redemptive work of Christ. He is the Lord of it all.
2. Freedom. The fruit of this one Kingdom living is a sense of true freedom that only comes to the faithful steward who has submitted everything at every level to the one Lord. Whenever we are truly stewards, we are also genuinely free. This freedom is not a lack of responsibility but an absence of the bondage that comes from absolute ownership. It is freedom in knowing that everything belongs to God, and as we submit ourselves to Him, He will be responsible for the outcomes. In fundraising we believe that our role is to plant and water, but it is God and God alone who brings the increase (1 Corinthians 3:6). In a very real way, God is the one and only Fundraiser. We acknowledge this when we ask supporters to give prayerful consideration as to how they may respond to an appeal for funds. If we are being honest in that request, we are turning the giving decision over to the Holy Spirit working in the heart of the supporter. In this way we trust God fully to bring the increase for raising resources for Kingdom work. Development professionals who understand this as their calling experience the real freedom of what it means to be a faithful steward. They understand that their vocation is helping generate hearts that are rich toward God. Whenever we deal with money, whether asking, earning, spending, investing, or giving, the real test of our right relationship to money is the depth of freedom we experience in each one of these relationships.

3. Obedient and Joyful Response. If we serve only one Kingdom, submit everything we have and are to one Lord and experience the real freedom of the faithful steward, we will respond to God’s direction and guidance with obedience and joy. Obedience is the fruit of the acknowledgement of the Lordship of Jesus Christ in our lives. Joy is the product of a heart set free. Together, obedience and joyful response are the marks of the work of a godly steward.

Scripture teaches us that we are called to be One Kingdom people in service of only one Lord. Our primary vocation in this Kingdom is that of a faithful steward. As we live out that vocation, we will experience the freedom of a godly steward and we will respond with obedience and joy.

We will now consider the implications for how we give, build, and maintain endowments when each are carried out by a faithful steward. In doing so we must also consider the dark side of each of these characteristics and the impact they have on our handling of our steward responsibilities. Let’s begin with a positive look at what endowment-keeping looks like when carried out by faithful stewards.

1. Proclaiming Lordship over the Endowment. If our relationship to all created things is marked first and foremost by the absolute Lordship of Jesus Christ, then we must start with the acknowledgement that regardless of ministry-supporter intent, institutional need or even legal requirements, endowed funds in the hands of God’s people are ultimately under God’s Lordship. Affirming this statement will have profound effects on how we establish endowment funds and how we guide our ministry partners in their support of such funds.

2. Institutional Freedom from the Endowment. If our relationship to all created things is marked by a sense of genuine freedom in regards to those things, then we must
make a second definitive statement; both as individuals and as an institution, we stand in freedom in relationship to the funds entrusted to us in the form of an endowment. As stated above, this freedom does not exonerate us from the responsibilities of being a faithful and careful steward. It does and must, however, define the relationship we have with regard to these funds.

3. Obedient and Joyful Response to Endowment Spending. Finally, if our relationship to all created things is marked by our obedience and joyful response to the work God calls us to do, then we must measure and assess whether this is indeed the nature of our work with regard to the disposition of endowment funds entrusted to us. Faithful stewards, when led by God to do so, will spend and invest endowed funds with joy, not grudgingly but willfully and freely.

VIII. Challenges to Faithful Endowment Keeping

Now we come to the more challenging components of this theology. As much as we may be committed to living as One-Kingdom stewards, we are susceptible to the temptations that surround every aspect of money. Indeed the case can be made that here, perhaps more than any other place in our world, we struggle as Christians to be truly faithful stewards. It is with respect to money that we may know the least freedom and joy. For each of the three components listed above, there is a correlate that pulls at us from our defeated but not yet destroyed human nature. We must acknowledge and name this dark side for what it is if we are to know the victory that comes to the faithful steward. First, let’s consider the forces aligned with the dark side of money and how they impact us, recognizing that these impacts are felt by both ministry supporters and institutional leaders.

Two Kingdoms

In place of the life lived solely in the one Kingdom of God under the one Lordship of Jesus Christ, our sinful nature tempts us to consider building a kingdom of our own side by side with what we consider our spiritual kingdom. This second kingdom provides us an opportunity to exert control over some aspects of our lives. It is the opposite of submission and it calls to us from that original yearning from Genesis 2 that we can “be like God, knowing good from evil.” By giving in to this temptation, we create a divided loyalty in our hearts and in our actions. We assume the lordship of our own kingdom and use the assets in it for what we believe to be our own good. If we are honest with ourselves, we will admit that we are all kingdom builders. This results in significant consequences in our personal lives that carry over with equal or greater seriousness when transferred to our role as builders and keepers of endowment funds.

Bondage

In place of the freedom that comes from the heart of the faithful steward in the recognition that all things belong to God, the building of our second kingdom produces in us a sense of ownership of the things we place in that kingdom. With ownership and control comes bondage. Ownership places the responsibility squarely on our own
shoulders. As owners we protect with jealousy the things that we have, work feverishly to expand them, grow envious of those who have more, worry anxiously about losing them and despair over all that it takes to be lord of it all. When Christian institutions yield to the temptation to place their endowments in a second kingdom position, they will also lose their steward’s perspective and replace it with a sense of ownership and control over the endowment. The result will be the fruits of such a shift in allegiance.

Self Service

In place of the obedient and joyful response of the steward’s heart set free, second kingdom owners cannot help but act in ways that are ultimately self-serving. In this case the opposite of joy is not depression but selfishness. In building, protecting, and advancing our own kingdoms, we will act in self-serving ways at every level. We often attempt to hide our selfishness behind more noble words such as “good business,” “practical”, and “wise management.” However, if these are products of an ownership mentality produced by a two-kingdom approach to managing resources, they are simply window dressing for a deeper-seated selfishness on behalf of the institution and those who are commissioned with the care of its resources.

IX. Correlates to Faithful Endowment Keeping

Shifting Lordship

We described the first practice of faithful endowment keeping as Proclaiming Lordship over the Endowment. The correlate to this faithful practice is a shift in allegiance from the God who provides to the provisions themselves. One way to test an institution’s allegiance regarding its endowment is to ask the following three questions.

1. What would happen should the organization believe that God is saying to it, “I want you to enter into a time of greater trust in me and deeper spiritual growth. To accomplish this, I want you to disburse your endowment, investing all of it in your work, and then to trust me completely with your future?” It should not be too difficult to imagine such a word, since Scripture is replete with stories of God’s people being asked to set aside those things they trust in order to place all of their hope in God alone.

2. The follow-up question is perhaps even more challenging. Do you have the mechanisms in place to listen for and discern God’s will for the use of your endowment? If we are committed to placing everything, including our endowment, under the one Lordship of Jesus Christ, shouldn’t we be in concerted prayer in seeking God’s leading for how we invest and use that endowment?

3. The concluding question is this: If it was clear to your organization that God said such a thing, do you have the processes in place to respond obediently? We are being disingenuous if we say we are seeking God’s voice and the Spirit’s leading but have no mechanisms in place to act on what we hear.
Toward a Theology of Endowment Keeping
Page 14 of 22

There is a profound seriousness to these questions for one reason. If we hold endowments in perpetuity, we can be assured of one absolute fact; when Christ returns, He will find billions of dollars sitting in portfolios of Christian organizations, churches and institutions, and He will also find a world of unmet needs; poverty, hunger, abuse of every fashion, environmental degradation, relational brokenness, and millions who have never heard the Gospel of Jesus Christ. What will He say to those institutions that held on tightly to all endowed funds, releasing only the very minimum required by law while ministry needs went unmet?

On the other hand, Christ will find that thousands of Christian ministries and organizations will be failing to carry out their work because they did not help ministry supporters put to use the capital resources entrusted to them, and therefore the ministries had no reserves to weather difficult times. In an age of an unprecedented transfer of wealth, Christ will ask of us why we failed to minister to our supporters and left our ministries so vulnerable when God provided so abundantly for our future needs.

We will be held accountable to answer both questions as to why we stored up these billions of dollars when so much need was unmet, and why we failed to help our supporters invest their abundance appropriately. Especially since the very institutions entrusted to carry out God’s mission are the ones who have stored up God’s wealth or abdicated their responsibility to raise up faithful stewards! If we are to be faithful stewards of God’s resources, we must face these questions and find biblically sound answers.

The issue here is the extent to which we are committed to hear and obey the leading of the Holy Spirit. This involves both intentionality and capacity. Are we intentional in the way we seek the guidance of the Holy Spirit in all of our organizational decisions? Do we routinely undertake disciplines that prepare us to hear God’s voice, and do we have mechanisms in place to affirm what we hear in the counsel of the community? If we do, then do we ask if we have the institutional capacity to respond obediently to what we hear? Do we have the agility to change course according to the Spirit’s leading, whether a small heading adjustment or a complete shift in direction? When deciding to raise and hold significant assets for God’s Kingdom, we must be committed to listening fervently for the Spirit’s guidance and responding obediently regardless of where the Spirit directs. Anything less will relegate our endowment-keeping to just another form of kingdom building.

For institutions holding restricted assets in perpetuity, the legal entanglements of such funds may prohibit them from deviating from the original ministry supporter intent for the use of the funds. However, there is an opportunity to chart a new course for the institution with all new funds that are given or secured. This will likely require a new commitment to guide ministry partners in how they give. While the intent of the ministry supporter is inviolable, and while we always want to honor the way in which the Holy Spirit may be leading our supporters, we also carry the responsibility to speak openly and honestly with all potential ministry supporters regarding our own values of how money is given, accepted, invested and spent. Ministry supporters and institutional leaders can journey together to discern the leading of the Spirit and arrive at decisions
that honor God, fulfill ministry supporter intent and further the mission of the organization or ministry.

Every institution that holds endowment funds must address these questions and consider these implications. They will each need to find their own answers for how to respond to the question of accountability. Organizations and ministries must face these questions square-on with honesty and faith. They must seek to be guided by that same Spirit into forming endowment practices and policies that are ultimately faithful to the one Lord and Owner.

Institutional Bondage

We described the second practice of faithful endowment-keeping as Institutional Freedom from the Endowment. The correlate to this freedom is an attitude of such dependence on the endowment that it becomes the source of our trust. As our dependence on endowment funds grows, and our trust and hope for our future become associated with the health of the endowment, we will come under the bondage that such allegiance produces. In our private lives, when we place our trust and faith in anything material, it will begin to dominate us. We become anxious when it is threatened, fearful when it does not grow, and consumed with the work of enlarging and protecting it. This is a bondage that accompanies the shift from steward to owner. Institutions can experience this same bondage just as acutely as individuals. And ministry leaders can be overwhelmed by it.

In the fall of 2008 when the banking crisis hit, hundreds of Christian institutions saw their endowments lose significant value almost overnight. Those who had allowed this shift in trust to seep into their organizational culture suffered the most. The biblical admonition held true that whenever we place our trust in anything other than God, we will experience fear and anxiety. Hopefully we have learned from the recent crisis that, as followers of Jesus Christ, we must never place our trust anywhere else but in Him. Ministries and Christian organizations need to check their institution’s culture and work to unseat any such misplaced trust, replacing it with a single-minded commitment to trust God alone, especially with our handling of money.

Joyless Spending

We described the third process of faithful endowment keeping as Obedient and Joyful Response to Endowment Spending. The correlate to this process flows from the two mentioned above. If we allow an ownership mentality to seep into our handling of our endowment, followed by a shift in our trust from God to accumulating assets, what follows is a hording mindset. If the endowment is the locus of our trust, then spending it, any of it, can become an anathema to an institution. One of the greatest indicators of where you place your trust is the joy with which you can spend endowment funds when you are prompted to do so by the guidance of the Holy Spirit. If any spending of the endowment raises concerns rather than generates joy, it may have become a rival for your reliance and hope.
X. The Darker Side of Motivations

As stated earlier, endowments are established in three general categories. We categorized them under the headings of Guardianship, Guarantee, and Gratitude. In this section, we will look at the darker side of each of these motivations and offer some signs of caution for ministries that seek to be faithful in their work of endowment keeping.

1. The Endowment Effect - The Darker Side of Guardianship

Economist Richard Thaler conducted a now-famous experiment (1980) that resulted in a concept he called the *endowment effect*. The point of the findings is that people assign greater value to something they deem to possess than they would be willing to pay to secure the same object. Once a sense of possession or ownership is established with regard to any object, we will value it at a higher level than if we came to purchase or secure the object outright. Other terms for this include ‘status quo bias’ and ‘loss aversion.’ The endowment effect runs counter to traditional economic theory, but not to human nature as we understand it biblically. It is our fallen nature to seek to control and own. When we yield to that nature, our desire to possess and protect results in our valuing the things we own more than their market value.

In an important clarification of the effect, research by Jochen Reb and Terry Connolly of Singapore Management University concluded:

> The results suggest that the endowment effect may be primarily driven by subjective feelings of ownership rather than by factual ownership as such. In other words, it may require the development of a subjective sense of endowment, rather than a legal entitlement, for the reference point to shift. Once the reference point is shifted, loss aversion sets in and leads to higher valuations. In our experiments, this shift seems to have been triggered by possession, not factual ownership.

This is a red flag for everyone responsible for securing, managing, and spending endowed funds. We face the real threat of falling victim to ‘subjective feelings of ownership’ even when we know cognitively that we do not have actual ownership of these funds. An endowment committee that allows this sense of ownership to creep into its attitude toward its endowment is susceptible to the endowment effect, which will result in valuing an endowment beyond its actual worth.

The result of such an overvaluation is the temptation to hoard and protect funds that

---

were given with the intent of making a missional difference. When this endowment effect sets into an organization, the endowment fund can become a pseudo-idol. As such, it must be preserved and defended against all attempts to deplete it, even if such a ‘depletion’ means freeing up significant resources for Kingdom work. Discerning the leading of the Holy Spirit in such contexts becomes not only impossible, but the very desire to be led by the Spirit is often squelched altogether.

In their desire to be guardians and protectors of their endowments, Christian institutions must guard against this very real temptation. They must always keep the endowment in perspective, holding it loosely with regard to any feelings of absolute ownership. This requires constant prayer and a high level of accountability built into all three components of securing, managing and spending endowed funds.

2. Intergenerational Equity – The Darker Side of Gratitude

We stated earlier that one motivation for giving endowed funds is the supporter's desire to preserve or make available for the future what was valued in the past or present. Out of gratitude for the way an institution or ministry blessed a ministry supporter, he or she responds by seeking to ensure that the same opportunity is available for future generations. At face value, this seems a commendable act, but in a Kingdom of God perspective some concerns confront us. In locking up substantial funds for future use there are three assumptions that must be made: 1) the future has greater need of these funds than the present, 2) without the restricted funding set aside today, there will not be enough funding in the future to meet these needs, and 3) the need will be the same in the future as the present requiring that these funds be available to be spent in these ways. When put in these terms, several concerns should arise for followers of Christ.

First, endowed funds given in perpetuity to preserve or guarantee a program, project or activity are taken out of the system for current use to further that activity. That is, rather than significantly expand and support a work for impact today, funds are locked up to ensure that the same activity can be carried out in the future. The assumption is that the future beneficiaries of the funds are more needy than those in the present. This assumption must be tested and verified by both ministry supporter and recipient organization. Some organizations may find it unjustifiable if current needs are left unmet while large sums of money are safeguarded for future use. This question must be raised and carefully considered before establishing an endowed fund for such a purpose.

Second, there is an underlying denial of God’s ongoing provision in the attempt to ‘secure the future’ by setting aside significant resources today. If we believed that in every generation God would raise up the stewards necessary to fund His work in and for that generation, would we have any justification for holding endowed funds in perpetuity? Put another way, is our desire to hold such funds a testimony to our lack of faith in God’s ongoing, abundant and timely provision? We must guard against seeing our endowments as trusts for the future that replace the only real trust we are to have for the needs and opportunities we face each day.
Third, by laying up funds restricted to the continuance of certain programs, we assume they will continue to be at the heart of God’s unfolding will for the institution we are ‘blessing’ with our generous gift. Certainly a strong case can be made that endowed funds held in perpetuity will fund the core of the organization’s mission well into the future. However, we must always be willing to probe. Do the restrictions on the gift assume too much in believing that the future will look like the present? If we seek God’s guidance in strategic planning, we must be open to the possibility that in a rapidly changing world, the future may indeed not look much like the present. If our institution is led in a substantially new direction, will we be saddled with endowment funds that are not available to finance the new vision? This real possibility should motivate us to help ministry supporters achieve their giving intent in ways that serve both current and future priorities. For this reason boards may set limits on such funds per a formula that will prevent dependence upon the fund while still allowing space for ministry supporter intent. This may be in the form of a fixed amount or a percentage. In either case, the board should build in frequent opportunities to review and amend the policy to ensure flexibility and relevance to changing circumstances.

In all three scenarios, development professionals need to help lovingly guide and counsel well-meaning ministry supporters so that their final gift serves the institution and honors God. This requires an internal institutional commitment to set endowment policies that accomplish both goals.

3. Rainy Day Fund – The Darker Side of Guarantee

Finally, we looked at the motivation of guarantee whereby a ministry supporter wishes to help ensure an organization’s future by giving endowed funds today. Such funds are invested and provide a guarantee that in hard times the organization will survive. Often these funds are given as undesignated or treated as quasi-endowment by the organization, meaning that they can be used to fund operations in difficult financial times. These funds are often the most highly valued by endowment managers as they provide flexibility for the organization to use as needed when funds are needed the most.

Again, at face value this seems to be a fiscally responsible action both on behalf of the ministry supporter and the institution. It reminds us of Joseph’s action of storing up extra food during times of plenty to be used in times of famine; a directive he received from God and for which he was commended. Many an organization has been saved by tapping into such funds, to the honor and credit of future-minded ministry supporters. However, once again we need to think in Kingdom terms when seeking and handling such funds. Here are three words of caution, building on all we have said up to this point.

First, such a fund assumes that it will be God’s continuing will that the institution survive. This is a highly provocative statement, in part because most of us carry in our institutions an innate belief that we must survive at all costs because the Kingdom of God simply cannot prosper without us. Some organizations struggle
along at the brink of closure for years, never fulfilling their missions with any sense of excellence but believing to the end that closure would be a sign of failure to the detriment of God’s work in the world. So, well-meaning ministry supporters provide endowed funds to ensure that, regardless of missional impact or strategic effectiveness, their favorite organization will survive. If we believe that it may be God’s will at some point that our ministry cease to function and funds be diverted to other ministries, then we will proceed with caution when expending time and the energy to build up a large endowment to ensure our long-term survival. This is another area of tension since it is also good stewardship practice to develop an operating cash reserve to cushion against short-term financial downturns. Each institution will need to discern, through fervent prayer and careful planning, just how large such a reserve should be. The danger here is the motivation to develop a fund in order to continue operating regardless of what God may be saying to us. When we begin to rest secure in our assets, we will cease to live on that discerning edge where we remain open to the daily guidance of the Spirit.

Second, on the organizational side, the endowment effect or loss aversion causes many organizations to treat an endowment as sacrosanct. That is, it can never rain hard enough or long enough for the keepers of the rainy day fund to actually spend any of the fund. There are enough stories in the not-for-profit world of endowment managers who held on tenaciously to endowment funds meant for rainy days when it was pouring outside. The consequence is often that institutions will actually lay off personnel, cut back programs and curtail missional work before using any of the unrestricted funds set aside for lean times. Their reasoning is usually some version of the following: “If we spend it today, it won’t be there should we need it tomorrow.” The irony, of course, is that they will say the same thing tomorrow, and the day after that. The intent is never to touch the rainy day fund. That, they believe, is good stewardship, even while the organization erodes away. When the value of preserving the endowment outweighs the impact the endowed funds can have when employed by the organization, the endowment effect is in full force. Such organizations need to be reminded what King David did when the famine finally came.

When the famine had spread over the whole country, Joseph opened all the storehouses and sold grain to the Egyptians, for the famine was severe throughout Egypt. And all the world came to Egypt to buy grain from Joseph, because the famine was severe everywhere. Genesis 41: 56-57

Third, there remains the nagging concern over our trust in God’s provision for God’s work in God’s time. In difficult times we are called upon to look to God as our Provider and Deliverer. It is certainly true that ministry leaders can trust in God and look to Him to meet their needs while also setting aside a reasonable fund to offset times of financial shortfall. However, holding these two things together requires significant spiritual maturity, accountability and mechanisms in place that bear witness to the priority of reliance on God over human-centered control. To the extent that leaders are willing to engage these issues, struggle with these tensions, and be
open to change and the ongoing influence of the Holy Spirit, creative and faithful solutions will be found. It is only when we turn our back on Kingdom values in dealing with financial matters that we start down the path of accommodation and conformity to worldly standards under the guise of fiscal responsibility.

XI. Concluding Statements

In conclusion we will attempt some summary statements under three headings: what we must say, what we must not say and what we might say.

A. What We Must Say

If we seek to operate our ministries and organizations according to Kingdom principles, at a minimum we must acknowledge the following:

1. God is the sole source and provision for all we need to carry out our work.

2. God will supply our need as we need it in order to accomplish His will for our work.

3. God’s will for our organization may be to prosper it, test it, or close it, and we must be willing to respond obediently to each as we discern that will.

4. We need God’s daily guidance as we seek to live in the tension between wisely stewarding our resources and not storing up for ourselves treasures on earth; between preparing for times of famine and playing the owner of our assets; between setting aside capital that produces positive returns and hoarding capital to allay our financial fears.

5. If we are to be obedient in our leadership vocation, we must have mechanisms in place that enable us to discern God’s will and carry it out, including our securing, managing and spending our endowment funds.

6. Ministry supporters and the organizations they support share a common responsibility to further the mission of the organization in ways that bear witness to the Lordship of Jesus Christ and a commitment to know and do His will unequivocally;

7. We are stewards, not owners, of everything in life, including our institutions and the endowments they create and manage.

8. Governing boards and their endowment committees should regularly offer thanks to God for the blessings of those who gave, and humble pleas that they would “administrate aright” –not occasionally, but as a standard part of the agenda.
9. In serving as faithful stewards, organizations are right to use the vehicle of a separate, independent foundation as the keeper of the endowment. This legal entity provides its leadership with the ability to pursue endowment raising and investing in ways that are unencumbered by the daily pressures of the organization it serves. Even when governance is shared or controlled by the ministry, the structure of a foundation serves the stewardship intentions of faithful ministries.

B. What We Must Not Say

Based on what we have developed above, here are some statements of what I believe we must not say regarding endowments:

1. “Endowments are inherently unbiblical.” There are many uses of endowed funds that can build the Kingdom of God in faithful ways. It is not the funds that are dangerous, it is our attitude about how we use them that we must challenge and place before God.

2. “Financial planning shows a lack of faith in God.” We are called and commanded to be wise and careful stewards, which includes financial and strategic planning with excellence. This does not, however, exonerate us from daily reliance on God for both our vision and provision. As either or both change, we must be agile enough to reply with joyful obedience and without the encumbrances of financial decisions and endowed funds that tie our hands and restrict us from absolute alliance with that will.

3. “Finances are a ‘means to an end’ and should not be treated spiritually.” Hopefully we have dispelled this dangerous myth that seems to prevail in many Christian institutions. Jesus spoke more often about money that any other subject except the Kingdom of God, and most often He spoke of the two together. He reminds us that money seeks to be a rival to God Himself and if we are not constantly on our guard, it will seek to dominate us and destroy us. Yet money—all of it in every form—is always under the complete Lordship of God. It can only serve as a rival to Him if we grab it back and attempt to make it our own—as if we can actually seize ownership of anything from God. When we honor it as His and His alone, our use of it is a consecration, an act of worship. As ministry leaders, we are commissioned to use money wisely as stewards and steer clear of every encumbrance that would entangle us in the ownership bondage that wrong attitudes toward money produce. If money has this allure and power, then the amassing of money into endowments must be treated with the greatest of caution. When we approach this issue as stewards with spiritual maturity, prayer and systems of accountability, then our endowments can be employed to their fullest in service of the Kingdom of God. That is our challenge and our calling.
C. What We Might Say

Based on all we have said, here are some concluding statements we may choose to adopt in our organizations and ministries:

1. We will not create new or expand current endowments that serve within our organization as an alternative to our absolute trust in God for our daily provision.

2. We will prefer not to hold any future endowment funds in perpetuity, but will begin to guide our ministry supporters toward establishing funds that can be expended in a reasonable time frame for the work to which we are called.

3. We will build into our daily work the discipline and accountability to listen for the ongoing guidance of the Holy Spirit in the way we secure, manage and spend God’s endowment funds.

4. We will have in place the mechanisms to respond to God’s guidance for the endowment fund entrusted to us, whether that be to expand it, preserve it or spend it for His service.

5. We will help our ministry supporters make meaningful, faithful and obedient gifts to our work that align with Kingdom values and honor God as the sole Provider for our needs, both now and in generations to come.

6. We will commit to be faithful stewards in all of our dealings with money in our institution and ministry, constantly on watch for ownership tendencies and dedicated to growing spiritually as an organization with respect to our attitudes and actions around money and our endowment.

7. We will plan carefully and strategically for our future, but always be agile and ready to respond to God’s guidance, including the use of the funds entrusted to us.

As God’s people, let us be committed to saying boldly what must be said, disciplined in refraining from saying what must not be said, and openly willing to engage in dialogue within our institutions and among our ministry colleagues around the questions of what might be said. To God be the glory.