

HOW TO ENDOW A PLEDGE

OUR RETIREMENT:

In all likelihood, each of us are setting aside money in a company sponsored 401-K Plan, an Individual Retirement Account (IRA) and/or some other form of supplemental savings to plan for the "Golden Years." Collectively, along with Social Security, these will be the primary sources to fund our retirement.

In the course of planning to retire, the most basic of questions and often times the most important question is --- **how much is enough?**

In order to provide a high probability your investible estate (stocks, bonds, short term cash) will support you during your retirement years, a financial planner would suggest one consider a **4% payout** of investible assets. The 4% payout would be funded by interest and dividends plus the harvesting of some portion of the appreciation and/or principal in your portfolio.

Starting with the end in mind, if you divide the average of your final five years' salary at retirement by 4% and you will arrive at an estimated amount of investible assets needed to support you in your retirement years. A second and comparable method is multiple your final year's wages by 25.

For example, if your final five-year average = \$100,000: $\$100,000 / .04 = \$2,500,000$ or $25 \times \$100,000 = \$2,500,000$

ENDOW YOUR PLEDGE:

This methodology for your retirement holds true for the endowment of your annual pledge. In order to support, sustain and grow the programs of our church, **if you divide your annual pledge by 4%**, you will arrive at a suggested amount for you to consider as a bequest from your estate to endow your annual pledge. Likewise, you may multiple your annual pledge by 25 and arrive at the same amount.

For example, if you pledge \$1,000 annually: $\$1,000 / .04 = \$25,000$ or $25 \times \$1,000 = \$25,000$

ENDOWMENT: THE GIFT THAT "KEEPS ON GIVING"

Our endowment is truly the gift that keeps on giving! Each year The First Presbyterian Foundation makes a distribution to the church that is generated from the interest, dividends and capital gains from these investments.

One important way to view our annual endowment distributions is "annual pledges made by our deceased members."

By endowing your pledge, you can honor those who have gone before us and be a source of inspiration for those who come after us. It is our opportunity to leave a legacy of our faith in Jesus Christ and to support His unending work through the programs of our church.