

The Sustainable Endowment: 10 Principles To Make Your Foundation or Non-profit Last For Decades

James E. Demmert

Rick Benzel, Editor

New Insights Press (Apr 8, 2019)

Hardcover \$24.95 (174pp)

978-0-9995801-4-1

The Sustainable Endowment is a helpful and inspirational financial how-to guide for nonprofit leaders.

James E. Demmert's useful book *The Sustainable Endowment* is directed at nonprofits with advice to take charge of their financial futures.

Arguing that the world's financial picture has changed significantly and that nonprofit boards can no longer "set and forget" their asset allocations and endowment funds in various monetary funds, but must take a more active role in money management, the book places the contemporary market in historical context. Charts and graphs help to explain the impact that fees and hidden costs have on an organization's bottom line. The text calls on nonprofit leaders to engage with their financial data down to granular details and empowers them to make difficult decisions about specific stocks.

The text is focused on managing and growing endowment funds. It uses a mixture of practical and inspirational advice aimed at nonprofit leaders, written in a way that laypeople can understand. Its tools and ideas include having a committee manage funds and advanced notions of asset allocation and risk management.

The text is organized around ten principles and moves from setting up the right foundation through to drafting spending policies, selecting stocks, and using stop-loss orders. Each technique builds upon those before it, and the text moves in a logical fashion. Chapters begin by recalling the high points of those previous, helping to cut through to the book's main ideas.

Textbook-like and with occasional personal asides, the book takes the time to define its key terms, ideas, and topics, including the notion of SMART investors—an acronym that stands for Strategic, Modeling, Attention, Reliability, and Trust. Its complex material is presented in a useful way. Its design is attractive and professional and its advice is credible and approachable.

Effective in encouraging nonprofits to consider how much money is needed for sustainability, the book raises thoughtful questions like how to consider an asset allocation, hire an expert, and determine how much it's safe to spend from the endowment each year. Thoughtful insights and analyses related to financial trends provide important context for considering how to invest. It references techniques and formulas but leaves out the fine points of related calculations. Dense and difficult financial material is presented in an educational, if not expert-making, way.

A good starting point for nonprofits hoping to secure their legacies, *The Sustainable Endowment* is a helpful and inspirational financial how-to guide for nonprofit leaders.

JEREMIAH ROOD (June 20, 2019)

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