

Annually Funded Scholarship vs. Endowed Scholarship vs Virtual Endowments

Annual scholarship funds provide immediate impact for students, and are typically used within the academic year in which the funds are received. They may be named, and broad criteria selected to guide awarding. Term funds start at \$5,000 annually at Seton Hall Law. Donors may make an outright gift or choose to make pledges up to five years in length in support of annual scholarships, to ensure their support is available to recipients for the duration of their educational experience.

Endowed scholarship funds are an especially meaningful way to create a long-standing and impactful legacy at Seton Hall Law. Endowed funds are invested and awards made from interest earned, and exist in perpetuity. Donors have the opportunity to name the fund and select broad criteria by which the scholarship should be awarded. At this time, endowed scholarships begin with a minimum contribution of \$50,000, and may be established through an outright gift or a pledge over a three to five year period. Many donors who consider establishing an endowed scholarship fund during their lifetime also consider supporting the fund through their estate in order to maximize their impact.

Virtual Endowments blend the concepts, in that they lead to a long-standing commitment and legacy, but start with annual support. Virtual Endowments are also named and cover broad criteria for awarding. In a Virtual Endowment, a donor has committed to a deferred funding of a scholarship at the current endowment minimums. The donor then will annually agree to "Virtually Award" that endowment based on the current endowment spending rate of 4.5%. The Virtual Endowment would require a revocable Estate commitment of \$50,000 and an annual funding of the Endowment at \$2,500 annually for a period of not less than 5 years.

*The minimum to endow a scholarship may change over time

**Minimum Funding level. The amount of the award is deducted from the gift each year until the fund is depleted.

*** \$50,000 is documented deferred pledge, with \$2,500 commitment for at least 5 years.

Type of Scholarship	Annual	Endowed	Virtual
Amount of Gift	\$25,000	\$50,000*	\$50,000 (\$2,500)***
Interest Earned	None	4.5%	None
Duration	Temporary	Perpetuity	Blended
Naming Opportunity	Yes	Yes	Yes
Impact	\$5,000**	\$2,250	Varies
Pledge Option	Up to 5 years	Up to 5 years	5 year minimum
Charitable Deduction	Yes	Yes	Yes