



*Today's Needs
Tomorrow's Dreams*

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News Release

Foundation Funds Secure

Carman – December 11, 2008 – The recent focus on the losses some Foundations are experiencing due to stock market woes has the Carman Area Foundation hastening to reassure donors and recipients that CAF funds are secure.

“We are not invested in the marketplace” stated Foundation Treasurer Richard Dyck. “Carman Area Foundation funds are invested in secured fixed-income investments, and as a result we have escaped the losses to our capital fund that some Foundations have experienced.”

That’s not to say that the current economic downturn will not affect Foundation investments. Declining interest rates are going to take a bite out of the returns the Foundation can realize on its investments, at least in the short term.

“Revenue Canada requires us to grant a minimum of 3.5% of the total in our capital fund every year,” said Foundation Chair John Carley. “We have always been able to invest at high enough rates to meet that 3.5% requirement, and still have some interest left over to pay our expenses and continue to build the capital fund.” With declining interest rates, the Foundation is going to have to work hard to maintain the 3.5% granting level and still cover expenses.

However, the advantage of a Foundation is that it manages funds in perpetuity, which means that it has many years to recover from downturns in the investment climate, and a long future to benefit from stronger investment returns.

So today the Foundation, is looking at ‘business as usual’ for the upcoming year, and grant application forms will be available early in the new year.

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“Your gift is never spent or used up, it goes on giving forever.”