

FROM INDEBTED AMERICA TO ENDOWED AMERICA

“A quantum change from socio-political fracture to socio economic healing. An Endowed America, using Section 664 and Social Secharity, means the financial future is assured for individuals and their families, and necessary non-governmental organizations are operating efficiently and fully funded. This requires a quantum change from \$30 trillion in Federal debt to \$30 trillion in NGO endowment.”

*Les Winston
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1. Indebted America. – 2022.

America is now \$30 trillion in Federal debt. This debt causes problems in America. At the top are inflation, greater interest payments, tax hikes, spending cuts, and a decreased ability to respond to crises. A portion of the deficit spending, which leads to the debt, arises because our federal government grants tax dollars to support non-governmental organizations it is not supposed to support. This use of tax dollars is inefficient and inappropriate. Ideally, the Federal government should adhere to its constitutionally mandated powers and not try to solve the social problems of America's greater community.

To Americans, this might seem to be anti-NGO. It is not. Rather, it is pro-NGO. Increasingly, over the years, NGOs have tended to rely more on grants from Federal, state, and local governments. Unfortunately, these sources of funding are less dependable than an endowment, leaving NGOs incapable of accurately budgeting and not knowing if their programs and services can continue to meet the needs of Americans.

Here is what is ironic. There is a solution that was enacted by Congress in 1969 and is cited as Section 664 of the Internal Revenue Code of the United States. Over fifty years ago, this solution was intended to create endowment to be the source of sustainable funding for NGOs today. Unfortunately, it never worked that way. That is because Americans know little about Section 664. Other laws enacted by Congress, Section 401K, and Section 529, are widely known, and used. Every American knows about 401K. A lot of Americans know about 529 plans. So why not Section 664?

Endow America Network Foundation, a 501(c)(3) organization, believes there are at least three reasons why Americans do not use Section 664 as they do Sections 401k and 529:

1. Section 664 has been grossly under promoted and remains little known and understood by Americans.
2. There are not enough professional advisors qualified to properly implement this section of the code for the benefit of Americans, and
3. There have been no real proponents to bring Section 664 to the attention of Americans.

In fact, it is these three reasons that gave rise to the Endow America Network Foundation and the Council of Professional Philanthropic Advisors.

An important purpose of the Endow America Network Foundation is to increase the public's understanding and use of Section 664. To this end, the foundation created the name *Social Secharity*, which blends Social Security and charity and defines Section 664 and other similar sections of the Internal Revenue Code. The foundation is committed to making *Section 664 and Social Secharity* as well known and accepted as 401k and 529. The public uses 401k and 529 of the tax code because they are familiar terms and people know what they do.

Another purpose of the foundation is to give the public access to a growing resource of professional

philanthropic advisors by using a search engine on www.socialsecharity.org.

2. **Voluntary *Section 664 and Social Secharity* Provides Solutions to the Problems of an Indebted America.**

The *Section 664 and Social Secharity* tools, in use for over 50 years, are primarily charitable trusts, pooled income funds, and charitable gift annuities. Benefits from using these *Section 664 and Social Secharity* tools include: 1) tax savings, 2) income and retirement planning, and 3) they create philanthropic remainders. They are used for one, two, or all three of these problem-solving objectives, and anyone can voluntarily create their own *Section 664 and Social Secharity* account. Case studies can be found on www.socialsecharity.org

For purposes of the quantum change from an indebted America to an Endowed America, the philanthropic remainder is the most important benefit of *Section 664 and Social Secharity*. This occurs at the end of a *Section 664 and Social Secharity* income beneficiary's life when the remainder in their *Section 664 and Social Secharity* account will go to the non-governmental organization(s) they previously chose including, but not limited to those in the fields of education, healthcare, social services, religion, the arts, etc. These remainders will become part of America's endowment held by non-governmental organizations. This is in stark contrast to what happens to one's Social Security account upon death and all the Social Security tax dollars previously taken by the Federal government. For more on the comparison of benefits see the link [Social Security vs. Section 664 and Social Secharity on \[www.socialsecharity.org\]\(http://www.socialsecharity.org\)](#).

As we discussed earlier, non-governmental organizations receive grants from government. To obtain this grant of tax dollars requires lobbying, in one form or another. As a result, the process is inequitable, inefficient, inconsistent, and costly. An important part of the quantum change from an indebted America to an Endowed America is to gradually reduce and eliminate government grants to non-governmental organizations. This will happen over time, when more *Section 664 and Social Secharity* remainders create endowments that enable non-governmental organizations to operate efficiently and to do so in perpetuity.

How will **voluntary** *Section 664 and Social Secharity* produce a solution to the problems of an indebted America? The approach is simple. It is estimated that government provides \$1 trillion to support non-governmental organizations each year. To replace \$1 trillion of government support, using an average return of 3.33%, it would require \$30 trillion to be held in endowments by non-governmental organizations.

In 2020, it is estimated that there is about \$1.8 trillion held in endowments for all non-governmental organizations registered in the USA. To reach \$30 trillion, where will the additional endowment funding come from?

3. **The Growing Use of *Section 664 and Social Secharity*.**

As more individuals become familiar with **voluntary** *Section 664 and Social Secharity*, they will seek professional philanthropic advisors who will instruct and guide them in using these tools to assure their own financial future and the financial viability of the non-governmental organizations they choose to endow.

The factors that will increase future use of *Section 664 and Social Secharity* tools include:

- The vast wealth transfer from the oldest to the next generation over the next 30 years offering the opportunity to plan by using a significant amount of noncash assets.

- The Endow America Network Foundation’s campaign to increase the number of accredited professional philanthropic advisors trained to work with the public; and
- The benefits of feeling good by doing good for America.

If the current \$1.8 trillion in endowments is supplemented by an average of 10% per year in *Section 664 and Social Secharity*, it will become \$28.8 trillion by 2050. Historically, **voluntary** *Section 664 and Social Secharity* has been used by older Americans. Based on higher mortality, it is estimated that only \$16.3 trillion of the \$28.8 trillion will have matured to become charitable endowment funds for community services.

Based on this estimate, using **voluntary** *Section 664 and Social Secharity* alone will be insufficient to reach \$30 trillion in endowments held by non-governmental organizations. To assure the \$30 trillion goal is reached, it would benefit all Americans to add **mandatory** *Section 664 and Social Secharity*.

1. **Mandatory *Section 664 and Social Secharity* EDUCATION Will Benefit All Americans.**

The Endow America Network Foundation is suggesting a two-part solution to begin **mandatory** *Section 664 and Social Secharity* EDUCATION now. This two-part solution can be a bold step to supplementing Social Security for citizens of each participating State.

Part one is to add the Section 664 and Social Secharity EDUCATION to the financial literacy courses being offered by participating States.

Part two of the solution comes from a completely different place. It requires the help of our youngest adults. In return, it will do a great deal to help these young adults become successful and to lead fulfilling lives. Upon turning age 18, the individuals State of residence shall hire the young adult. The terms of hire shall be for a two-year period, the first four months of which shall be a “honeymoon training period.” After this initial training, there will be choices as to what the next 20 months will be for the trainee. It could be in an environmental service; helping to build the nation’s infrastructure; Peace Corps service; learning a trade; in a branch of the military; or other form of local, state, or national service. This two-year period following high school is a broad, educational, and flexible process that also will provide credits to higher education. As we have witnessed, most young people do not know exactly what kind of work they are suited for or that they desire to perform. Even college-bound 18-year-olds are uncertain about their future. Mandatory community service gives them more time to mature their thoughts on the next phase of their lives, whether it be moving on with higher education or working in a field or profession for which they received training and experience during their two years of mandatory service.

In addition, the State will have the 18-year-old create a **mandatory** *Section 664 and Social Secharity* trust account for the young adult in service. This assumes that the young adult in service has not created a trust already. Payroll deductions will go into this account in addition to a Social Security account. This trust account will continue for the rest of their lives and will:

1. Allow unlimited amounts to be put in along with payroll deductions.
2. Allow the young adult to have a growing financial investment interest in the success of America.
3. Allow for income if disabled or over age 50.
4. Allow for greater flexibility in the amount, recipients, and timing of income distributions.
5. Allow for the eventual endowment of the non-governmental organization(s) of their choice; and
6. Allow for required annual distributions to non-governmental organization(s) of their choice

5. Endowed America in the Year 2050.

As a result of the work of the Endow America Foundation, and other institutions, the number of professional philanthropic advisors has been increased from 2,000 to 135,000. Through the efforts of these advisors in the use and benefits of *Section 664 and Social Secharity* devices, the following has been created:

Local non-governmental organizations, endowed by **voluntary** and **mandatory** *Section 664 and Social Secharity* accounts, are efficient and fully funded without governmental support. Schools, hospitals, youth services, social service organizations, cultural amenities, and other non-governmental organizations have been able to plan better and to grow their services to meet the continually changing needs of the community. This differs with decades preceding 2020 when non-governmental organizations were dependent on government grants for their financial support. Historically, government grants were not always distributed equitably for reasons of socio-economic geographic location, and they were not dependable due to the whims of political winds that constantly changed.

Today, in 2050, community services have become endowed at the local level. As a result of **voluntary** and **mandatory** *Section 664 and Social Secharity* our Federal government's role in social services has been reduced. In addition to phasing out grants for community services, there have been incremental and gradual funding changes to Social Security, Medicare, Medicaid, and other social support programs.

Here are other major accomplishments:

- Federal government has eliminated \$28 trillion in national debt by eliminating the need to support NGOs
- The current value of matured charitable endowments from **voluntary** *Section 664 and Social Secharity* is \$16.3 trillion nationwide.
- The current value of income endowment for donors from **voluntary** *Section 664 and Social Secharity* is \$12.5 trillion. This will mature to charitable endowment in coming years.
- The current value of income endowment from **mandatory** *Section 664 and Social Secharity* held by 18- to 46-year-olds is \$13.7 trillion nationwide. This will continue to grow and mature to charitable endowment in coming years.
- Total directed contributions from young adults for current community service use over 28 years is \$1.595 trillion

Now, through the foundation's initiative, an Endowed America is an equitable America, a just America, a safer America, and a more prosperous America. All of this is thanks to the "first generation" that participated in *Section 664 and Social Secharity* starting in 2022.

By beginning their community service and **mandatory** *Section 664 and Social Secharity* at age 18, this "first generation" has helped solve America's greatest financial and social problems.

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