

NOT-FOR-PROFIT SURVEY SERIES

AN INSIDE LOOK

Not-for-Profit Endowments

Accurate information about your industry is often the key to assessing your own operations. We've created a series of trend spotlights specifically for not-for-profits—including higher education—to look at decisions other groups are making as well as industry trends.

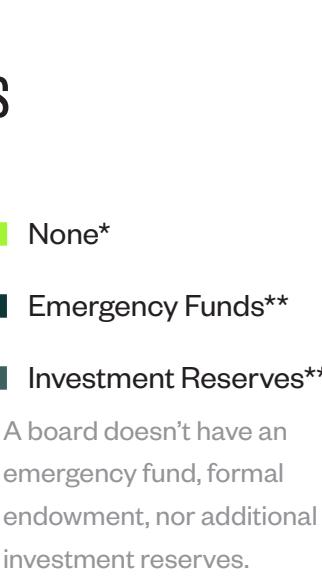
The first foray includes insight from 462 organizations across the nation and focuses on endowment spending policies related to the size and types of endowments.

WHO HAS ENDOWMENTS?

HIGHER EDUCATION



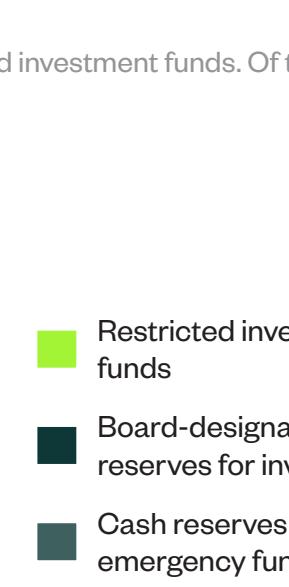
ARTS & CULTURE



YOUTH PROGRAMS



HOUSING & SHELTER



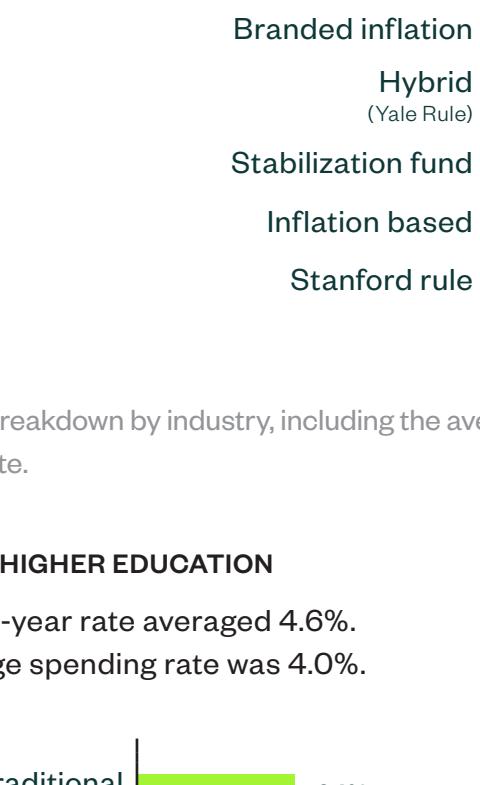
COMMUNITY FOUNDATIONS



RELIGIOUS ORGANIZATIONS



ORGANIZATIONS WITHOUT ENDOWMENTS

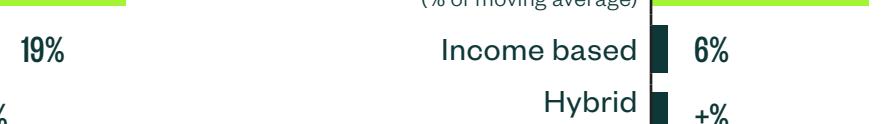


Legend:
None*
Emergency Funds**
Investment Reserves***
* A board doesn't have an emergency fund, formal endowment, nor additional investment reserves.
** This is a cash reserve.
*** Additional reserves set aside by the board for investment.

PERMANENTLY RESTRICTED INVESTMENT FUNDS

Nearly half of respondents reported having permanently restricted investment funds. Of those, 44.8% had endowments of less than \$5 million.

TYPE OF INVESTMENT FUND HELD BY RESPONDENTS



SIZE OF RESTRICTED INVESTMENT FUND HELD

Under \$5 million

\$6–\$10 million

\$11–\$25 million

\$26 million–\$50 million

\$51 million–\$100 million

\$101 million–\$500 million

\$501 million–\$1 billion

Over \$1 billion

Respondents from each industry: higher education (41), foundations (37), charitable organizations (269), arts and culture (22), and associations (11).

SPENDING MODELS

The most common endowment spending model was the traditional spending model utilizing a moving average with 61.5% of organizations that use it. Of those using this model, the three-year rate averaged 4.8%.

Traditional (% of moving average)

Income based

Other

Branded inflation

Hybrid (Yale Rule)

Stabilization fund

Inflation based

Stanford rule

Traditional (% of moving average)

Income based

Hybrid (Yale Rule)

Stabilization fund

Inflation based

Stanford rule

Traditional (% of moving average) 62%

Income based 16%

Other 13%

Branded inflation 3%

Hybrid (Yale Rule) 3%

Stabilization fund 2%

Inflation based 1%

Stanford rule 1%

Traditional (% of moving average) 86%

Income based 5%

Hybrid (Yale Rule) 5%

Stabilization fund 1%

Inflation based 1%

Stanford rule 1%

Traditional (% of moving average) 71%

Income based 19%

Hybrid (Yale Rule) 1%

Branded inflation 3%

Stabilization fund 1%

Traditional (% of moving average) 88%

Income based 6%

Hybrid (Yale Rule) 1%

Stabilization fund 1%

Traditional (% of moving average) 100%

Income based 1%

Hybrid (Yale Rule) 1%

Stabilization fund 1%

CONTACT US

If you have questions about the survey results or methodology, please email surveys@mossadams.com.

