

July 2020

What about the endowment?

Several participants in the Budget 101 session raised questions about drawing down the college endowment as an emergency measure to avoid deep cuts. Setting aside legal and logistical issues, the possibility of drawing down the endowment raises difficult questions about trade-offs between present and future needs. What can a peer school comparison offer as we grapple with those quandaries?

In absolute terms, Whitman’s endowment is just over the median. But, as with the compensation question, absolute numbers tell only part of the story. Particularly when thinking about whether the endowment can be used to offset budget cuts, we want to know about the endowment size relative to annual expenses.

Whitman’s endowment is somewhat large relative to its yearly expenses, when compared to peer schools.

Method: These graphs draw on IRS 990 (2017) lines 15 and 18, endowment figures from: National Association of College and University Business Officers and TIAA, “U.S. and Canadian Institutions Listed by Fiscal Year (FY) 2019 Endowment Market Value and Change* in Endowment Market Value from FY18 to FY19” (2020) <https://www.nacubo.org/-/media/Nacubo/Documents/EndowmentFiles/2019-Endowment-Market-Values--Final-Feb-10.ashx?>

Caveat: These graphs use 2017 budget data and 2018 endowment size for all colleges.



