



UVA'S ENDOWMENT SUPPORTS EXCELLENCE



AS A PUBLIC INSTITUTION, UVA's mission is to educate students who have earned a place in the class based on their academic merit, regardless of their financial situation. The University is consistently lauded by national publications as one of the nation's best values in higher education. It has also been commended for graduating students on time with lower-than-average debt coupled with higher-than-average earning potential.

AN ESSENTIAL SOURCE OF PERMANENT SUPPORT

Philanthropic gifts have a profound effect on the quality of education, research and patient care at the University, and they enhance affordability for our students. Donors may restrict gifts to a particular school, department, program or scholarship or leave gifts unrestricted to meet general University needs as they arise. Many gifts are set aside in the University's endowment with the intention that the core principal itself will not be expended but will remain invested to provide future investment returns. Spending from the endowment's investment return is essential to provide a reliable, predictable and sustainable source of professorships, scholarships and fellowships. This spending also supports resources for students and faculty that enhance education, research and patient care at UVA.

This year, the spending from the endowment's investment return will provide 11.2% of UVA's Academic Division budget, the equivalent of \$8,600 per student. For the last 10 fiscal years, spending from the endowment has increased, becoming a vital funding stream.

ACADEMIC DIVISION BUDGET 2017-18: \$1.7 BILLION

- General Fund (tax dollars): \$145.2 million (8.5%)
- Tuition & fees: \$586.6 million (33.1%)
- Portion of income from conferences, study abroad and other special programs: \$13.7 million (0.8%)
- Medical Center support for the School of Medicine: \$63.6 million (3.7%)
- Externally-sponsored research: \$351.9 million (20.5%)
- Endowment distribution: \$191.9 million (11.2%)
- Expendable gifts: \$151.5 million (8.8%)
- Auxiliary Services (e.g. Housing, Dining, Parking, Printing): \$230.3 million (13.4%)

INVESTING RESPONSIBLY TO ENSURE STEADY GROWTH

As of June 30, 2017, the University and its related foundations had \$6.4 billion in endowed funds. The University of Virginia Investment Management Company (UVIMCO) manages the vast majority of these funds. UVIMCO's 20-year annualized investment return of 11.0% has generated a steady stream of reliable funds used to both support current UVA activities and grow the endowment principal to provide for future needs. Our investment team carefully maintains a diversified portfolio to manage the effects of market volatility and protect the endowed funds entrusted to us by alumni, parents and friends.

79% OF ENDOWED FUNDS INCOME IS RESTRICTED BY DONORS WITH A SPECIFIC INTENT FOR THE FUND'S USE

21% OF ENDOWED FUNDS INCOME IS UNRESTRICTED AND AVAILABLE TO MEET EMERGING NEEDS AND HIGHEST PRIORITIES

SPENDING TO SUPPORT EXCELLENCE & AFFORDABILITY

Over the last five years, UVA's effective spending rate on its endowment averaged 4.6%, well above the national average of 4% for all public institutions.¹ The difference between the long-term investment return and the spending rate is re-invested so the endowment will provide a sustainable level of support after inflation to students, faculty and patients in the future. The balance between spending and re-investing is an important decision as we consider inter-generational equity: how much to spend today versus how much to preserve for future students.

DOLLAR-BY-DOLLAR, HOW WE SPEND THE ENDOWMENT DISTRIBUTION



95 cents of every dollar spent from the endowment distribution supports the University's excellent student experience, which means the University doesn't have to pass these costs along to students in the form of tuition and fees.



1,703 STUDENTS

Since 2006-07, an average of 1,703 students have benefited from endowed scholarships each year, with an average of 1,251 of them receiving need-based scholarships. These students have received nearly \$110 million in scholarships, of which nearly \$88 million was awarded based on financial need.



\$650 THOUSAND
SCHOLARSHIP GIFT
IN 1929



\$6.4 MILLION
FROM THIS SCHOLARSHIP IN
THE LAST DECADE

One of the University's oldest endowed scholarships was created in 1929 with a gift just over \$650,000. Because the gift was invested as part of the University's endowment and grew over time, it continues to benefit students today. In the last ten years, over 600 students have received more than \$6.4 million in scholarship grants from this fund, thanks to the generosity of these donors almost 100 years ago.

¹NACUBO, Business Officer, December 2016.