Yale University Alumni Fund Board
“The Endowment Question”
AGENDA

1. Introductions
2. Why do you give?
3. What are the facts?
4. A working example
5. Let’s practice
6. Takeaways and next steps
WHAT WE SOMETIMES HEAR

“Yale has such a big endowment. Why do you need my gift?”
ESTIMATED VALUE OF YALE’S ENDOWMENT

$41 Billion
WHY DO YOU GIVE?

- Impact on me
- Being grateful for the experience
- Pay it forward
- Want to continue excellence in education
- Help give back to next generations of students
- Education saves the world
- Makes me feel a continuous connection
- A lifelong relationship—not just 4 years
- Investing in next generation of leaders
- Support the epicenter of groundbreaking research
- Yale is a great institution—300 years of intellectual pursuit
- It takes resources and continued support to preserve Yale as a prevailing power
- Protect the values of education
- e.g., the library
- A great and important institution to survive in perpetuity
- Not everything is covered by the endowment
- Investing in Yale is investing in the forefront of everything
- Giving flexibility and the ability to experiment
- Supporting New Haven
- Yale is one of a very few institutions that can influence world affairs in a profound way
- Funding expansion, e.g., expansion of Yale Art Gallery; putting art at people’s fingertips
WHAT ARE THE FACTS?

• The increasing endowment helps support diverse needs of university

• There’s a commitment to diversity at Yale College and grad school level

• The story is complex! The amount of restricted assets hinders deployment to meet immediate needs (80% restricted)

• It’s surprising to see how much is spent every year; we need more unrestricted funds

• We give a lot of financial aid and an increasing percentage of students receives it

• We have the best managers in the world, yet valuations fluctuate (9 years)

• General inflation (net return) is something we have to overcome

• It takes a lot of money to keep Yale running at the level of a great university
HOW CAN WE RESPOND?

Here’s a framework that may help

✓ **Acknowledge**: “I hear that from time to time…”
  ✓ Ask questions
  ✓ Listen
  ✓ Seek to understand

✓ **Educate (don’t debate)**: “Many alumni don’t realize…”
  ✓ Stay calm, reserve judgement
  ✓ Share what you know and believe

✓ **Offer an example**—maybe your own: “The reason I give to the Alumni Fund even given the size of the endowment is…”
  ✓ Someone who gives anyway and why

✓ **Ask a question**: “I’ve heard your perspective and shared some of what I know/believe. Given our conversation, would you be open to considering a gift?”
What are our key takeaways?

• 80/20% (restricted/unrestricted) is enlightening

• People have other demands on their philanthropic dollars and we should recognize that; if people can still give something, they may come back

• Sustaining Yale’s legacy requires this level of endowment*

• It took a decade to recoup after the financial crisis—it takes that long!

• Giving has to help during good/bad times

• Less than 50% of the financial aid budget is covered by the endowment; there’s real need
Any questions, please reach out:
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