

ENDOWMENT STEWARDSHIP REPORT 2018

THE GEORGE
WASHINGTON
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WASHINGTON, DC



ENDOWMENT REPORT



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FROM THE VICE PRESIDENT

The origin of the word *philanthropy* is “love of humanity.” As donors to the George Washington University, you embody that ideal, and we are grateful for your generosity in helping us change the lives of the students we serve, accelerate research and discovery, and solve some of the world’s most complex challenges.

During the 2017-18 year, 27 new endowed funds were established, representing \$29.1 million in gifts and transfers¹, and bringing total Endowment assets to \$1.799 billion². Endowed gifts reflect donors’ interests and aspirations, and the impact they have touches all corners of the university. The beneficiaries—students and faculty representing programs from athletics to zoology—are as diverse as those making the gifts. Common to the creation of all endowed contributions, however, is a desire to forge lasting legacies that benefit current and future generations at GW and sustain us as an institution. Endowed funds yield enduring returns and perpetual impact, enabling us to take a long-term view and plan for the university’s future.

This year, we have focused our reporting on donor’s individual endowed funds. Information about the overall Endowment can be found in the university’s *2017-18 Financial Report*.

Thank you for entrusting us with your philanthropy and partnering with us as we advance our vision to become a preeminent, comprehensive, global research university. Your giving defines our past, our present, and our future, and we are honored by your support.

For GW,

A handwritten signature in black ink that reads "Donna Arbide". The signature is written in a cursive, flowing style.

Donna Arbide

Vice President for Development and Alumni Relations

¹ *Transfers comprise internal funds added to the Endowment, plus reinvestments of unspent payout.*

² *More than 40 percent of total Endowment assets is composed of real estate holdings.*



Philanthropy Enables Research in Action

“I want to thank Sanofi for supporting GW, the school, our department, and my work over the years to come. The potential is enormous. Fundamentally, we need to eat, we’re built to move, and we need to do both well to be able to thrive. To be at the forefront of that is amazing.”

JENNIFER SACHECK

Sanofi Professor of Prevention and Wellness
Chair, Department of Exercise and Nutrition Sciences
Milken Institute School of Public Health

Sanofi US, part of global biopharmaceutical company Sanofi, is committed to health care solutions from prevention to treatment and sees partnerships with organizations like GW as key to tackling complex health challenges and having meaningful impact in communities around the country and the world. Sanofi has supported research at GW over the past two decades, and establishment of an endowed professorship at the university further cements its commitment to a strong and rewarding relationship. The new professorship, in GW’s Milken Institute School of Public Health, is centered on increasing the nation’s focus on prevention and new treatment strategies in the management of chronic clinical conditions.

In April 2018, **Jennifer Sacheck** was installed as the inaugural Sanofi Professor of Prevention and Wellness. A college All-American rower, Dr. Sacheck is a nationally recognized expert in physical activity and nutrition, with a special focus on keeping children healthy and fit. She joined GW in January 2018 from Tufts University Friedman School of Nutrition Science and Policy, where she had been on the faculty since 2005.

As chair of the Milken Institute School of Public Health’s Department of Exercise and Nutrition Sciences, Dr. Sacheck’s contributions are already apparent. She has hired and is mentoring new faculty and is initiating research in physical activity, diet quality, and health among lower-income children and their families. One of her projects, funded by the National Institutes of Health and in collaboration with a former Tufts colleague, is aimed at improving children’s physical literacy and involves an innovative physical education curriculum for third- and fourth-graders to improve their competence, confidence, and motivation to be physically active for life.

Endowed positions are not only the highest honor bestowed on faculty, but they come with sought-after funds that can be applied to research, assisting graduate students, and other mission-critical academic endeavors. As illustrated by Dr. Sacheck, philanthropy is enabling GW to advance toward its vision of becoming a comprehensive global research university.

The Impact of Financial Aid

“This scholarship has impacted me immensely and has made my experience at GW even more profound. To the donors that made my scholarship possible, I simply say thank you. Thank you for providing a young black boy from rural Georgia with the opportunity to continue to pursue his dreams of making sure people that look like him have a chance to succeed in the political arena.”

**LARODRICK
HARRIS**

Graduate School of Political Management
MPA '18

Kelly J. Purcell, GSPM MA '00, was just 34 years old when she died tragically in a bicycling accident near her home in California. But her spirit, her energy, and her commitment to public service live on through the Kelly J. Purcell Credit Union Memorial Fund, established in 2006 by the California Credit Union League. Purcell was a tireless legislative advocate for credit unions in California and Nevada, and her colleagues created the endowed fund in her memory to provide annual scholarships to support future students in the master's in public management program at GW's Graduate School of Political Management. Students selected for the scholarship exhibit the qualities Purcell lived every day, including an extraordinary commitment to making a difference through political action.

No doubt Purcell would have found a kindred spirit in **LaRodrick “KeShawn” Harris**, the 2017-18 Purcell Scholar.

Born in rural Georgia to a mother who worked during the day and went to class at night, Harris's family instilled in him in the importance of education and a desire to use what he learned to help positively influence his community. After serving as the youngest campaign manager for a state legislative race in Georgia and as a regional field director for the Georgia NAACP, Harris came to GW, where he found “an institution full of people aspiring to reshape their communities and the world.”

Harris's goals are to one day run for office, to serve his community, and to be a beacon of hope for those still struggling to get ahead and stay ahead. GW, and specifically, GSPM, prepared him to effect positive change for everyday Americans through politics and legislation and provided him the tools necessary to change the world.

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Dorothy Moore

Angela

DOROTHY MOORE

Professor Emerita
Founder and Director of the Master's Degree Program in International Education, the Office of International Activities, and the Advanced Studies Program for Visiting Scholars
Graduate School of Education and Human Development

A Passion Becomes a Legacy

"I've been connected with GW for more than half my life. The university has provided me with so many interesting opportunities, and I feel good leaving a legacy at a great university that I have known and experienced firsthand for decades—so GW can grow from strength to great strength."

Professor Emerita **Dorothy Moore** took great pride in leading student groups to off-the-beaten track locales to explore and learn. So when China began "opening up" to visitors in the late 1970s, Dr. Moore's students challenged her to make a trip to that country happen. It wasn't easy, but in 1979, she led a group to China for a trip she describes as interesting and memorable. To this day, she keeps in touch with students from that voyage, as well as from other trips she led to destinations spanning from Inner Mongolia to the former Yugoslavia. "Not a week goes by," she says, "that I don't hear from a former student."

Dr. Moore's passion for international education was so great that she and her husband, the late Charles Moore, wanted to ensure it would live on at GW. Their leadership philanthropy created endowed funds that provide scholarships and support to GW students in international development studies and international education, in GSEHD and in the Elliott School for International Affairs.

Hundreds of individuals over the years have benefited from the sense of community, cross-cultural exposure, and diversity of thinking that Dr. Moore fostered in her programs and study-abroad experiences. She was always impressed by the caliber of her students—more than half of whom came from outside the United States. She is immensely proud of their achievements. One, for example, went on to become the minister of culture in South Korea.

Dr. Moore and her husband were prescient; the university is now firmly committed to providing all students with an education that is global in scope. The couple's endowed gifts are important to advancing that vision, and they create a legacy that will enable future generations of GW students to discover the world.

ENDOWMENT FREQUENTLY ASKED QUESTIONS

What is the difference between book value and market value of my fund?

A fund's book value, which is also sometimes referred to as principal or corpus, is the sum of all gifts and any reinvestments of unspent payout into the corpus. A fund's market value is what the fund is currently worth in today's market and includes the book value and all accumulated investment gains and/or losses, minus the allocation of payout.

How is GW's Endowment currently managed?

Strategic Investment Group, an Outsourced Chief Investment Office (OCIO) organization, manages the bulk of the non-real estate assets in the Endowment. Strategic Investment Group and GW work together with the Subcommittee on Endowment and Investments to establish investment policy targets and asset class ranges consistent with the specific financial needs and objectives of the GW Endowment. The policy targets are designed to meet our spending needs while protecting the long-term value of the Endowment.

Does GW charge any administrative fees to manage my endowment gift?

The only fees charged to the Endowment are the expenses directly related to the management of the Endowment, such as costs related to the OCIO, investment managers, and custodian fees. GW does not charge additional overhead or administrative fees to the Endowment funds. Costs of managing the Endowment are netted from investment income and are comparable to the institutional expenses of investment company funds.

When will an endowment begin generating payout that can be spent?

Once the initial gift has been received, the minimum required funding levels have been achieved, and all required paperwork has been completed, initial payout funds will become available within two months. Some exceptions may apply.

How is the amount of annual payout determined and then distributed?

The amount of payout allocated each year varies because it is based on the market value of the Endowment portfolio. The Board of Trustees reviews and approves the spending rate annually. The average spending rate for the past five years has been approximately 5 percent of the Endowment's average market value. Endowment payout is allocated monthly.

Will GW reinvest the annual payout to help my fund grow?

Accumulated unspent endowment payout may be reinvested into the corpus of the fund at the donor's request, if the fund does not meet minimum required funding levels, or at the discretion of the university, as long as reinvestment is not prohibited by the donor. Upon reinvestment the fund is allocated additional units and, therefore, earns additional payout.

What is an "underwater" endowment? Is there a policy for spending from underwater funds?

An endowment fund is "underwater" when its market value falls below the value of the original gift(s) to the university. Federal and state legislation provides guidance and authority to charitable organizations concerning the management and investment of funds held by the organization. In 49 states and the District of Columbia, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) governs the spending policies and protects the interests of donors who want to see their contributions used wisely. UPMIFA, adopted by the Council of the District of Columbia, took effect on January 23, 2008, and provides institutions with the legal authority to make prudent expenditures despite having endowment funds with asset value below their original value (underwater funds). GW currently follows UPMIFA's prudent spending guidelines.

What are the minimum endowment levels to establish a new, named endowed fund?

The minimum gift required to establish a named endowment fund is \$100,000. Endowment gifts can be pledged and paid over a period of up to five years. Please contact Jennifer Riordan, executive director of donor relations, at jriordan@gwu.edu or (202) 994-9432 to review your options for establishing an endowed fund.







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