

4 ways to help improve organizational sustainability

Traditional revenue sources are under pressure



Declining enrollment

1.3 million fewer higher education students enrolled in 2017 than in 2010.¹



Steep tuition discounts

Average private college tuition discount rate at 44%.²



Reduced public funding

17% drop in national average state appropriation per public higher education student between 1991–2016.³

Endowments can augment revenue shortfalls, but...

Spending levels may threaten sustainability

The amount an endowment needs to earn in order to maintain its purchasing power⁴

7.4%

The actual long-term 10-year average endowment return⁵

<5.0%

Success factors for endowment management and governance



1. Leading with strong governance



2. Adopting responsible investing



3. Establishing a sustainable investment policy



4. Aligning asset allocation with spending policy

Click [here](#) for more information about enhancing endowment management and governance.



¹ U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 303.25. Total fall enrollment in degree-granting postsecondary institutions, by control and level of institution: 1970 through 2017.

² NACUBO, Press Release: Private College Tuition Discounts Hit Historic Highs Again, May 15, 2017.

³ The Commission on the Future of Undergraduate Education, The Future of Undergraduate Education: The Future of America, 2017.

⁴ NACUBO, 2016 NACUBO-Commonfund study of Endowments Press Release: Educational Endowments Report -1.9% Return for FY2016 as 10-Year Return Falls to 5.0%, January 31, 2017.

⁵ NACUBO, 2017 NACUBO-Commonfund study of Endowments Press Release: Educational Endowments Report Decline in 10-Year Return Despite 12.2% Return for FY2017, January 25, 2018.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities products.

©2019 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY

BUILT TO PERFORM.

CREATED TO SERVE.