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 power
  - The actual long-term 10-year average endowment return
  
<table>
<thead>
<tr>
<th>Spending levels</th>
<th>Endowment needs to earn</th>
<th>Average endowment return</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4%</td>
<td>&lt;5.0%</td>
<td></td>
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</tbody>
</table>

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.

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