XII

Imperative

Achieve a $2 billion endowment
TO SUSTAIN A STRONG STUDENT SCHOLARSHIP PROGRAM, to create excellence in academic and student life programming, to provide support for key academic chairs and professorships and to enable the other imperatives of this 10-year vision, Baylor will build an endowment with a corpus of $2 billion by 2012. Through successful fund-raising, shrewd asset management and responsible stewardship, Baylor will develop endowed resources on par with some of the nation’s top-tier universities.

PROGRESS SUMMARY

IMPERATIVE GOALS

We are making progress, although we believe a fund-raising campaign with heavy emphasis on gifts earmarked for endowment would greatly enhance our progress toward achievement of Imperative XII by 2012.

In September 2010, President Ken Starr announced the first fundraising priority of his Baylor presidency — the $100 million How Extraordinary the Stories: The President’s Scholarship Initiative. The focus is on building a robust scholarship program that will help recruit to Baylor some of the best and brightest young minds, provide access to those with need, attract the most talented student-athletes and extend opportunities for students who can benefit from academic enrichment opportunities beyond the borders of Baylor’s campus in Waco.

Endowments across the country continue to contend with challenging economic conditions. The NACUBO-Commonfund Study of Endowments indicates the value of endowments rose 11.9 percent for 2010. This was not enough to regain pre-recession value levels. Moreover, endowments did not perform as well as the overall stock market. The median endowment level was $88 million in fiscal 2008 and stood at $72.9 million in fiscal 2010.

While strides have been made, particularly through fiscal 2008, in the value of the endowment, the effects of the economy can be seen in the fiscal year 2009 and fiscal year 2010 ending market values. The market value of the University endowment is $872 million as of May 31, 2010. [Fig. 12.1]
The National Association of College and University Business Officers (NACUBO) rank of total endowment has been increasing since fiscal year 2003. Baylor achieved a national rank of 72nd in fiscal year 2010. [Fig. 12.2]

The endowment per student full-time equivalent (FTE) has been increasing. There was a slight decline in fiscal year 2010 to $59,516; however, the NACUBO ranking of endowment per FTE among private universities increased to 164 — the best rank that Baylor has to date. [Figs. 12.3 and 12.4]