



CUNY Investment Pool - Spending Deliberations

Fiscal Year 2017

Committee on Fiscal Affairs
Subcommittee on Investments

April 4, 2016

Overview

1st

- 4 Similarly Situated Fund Categories

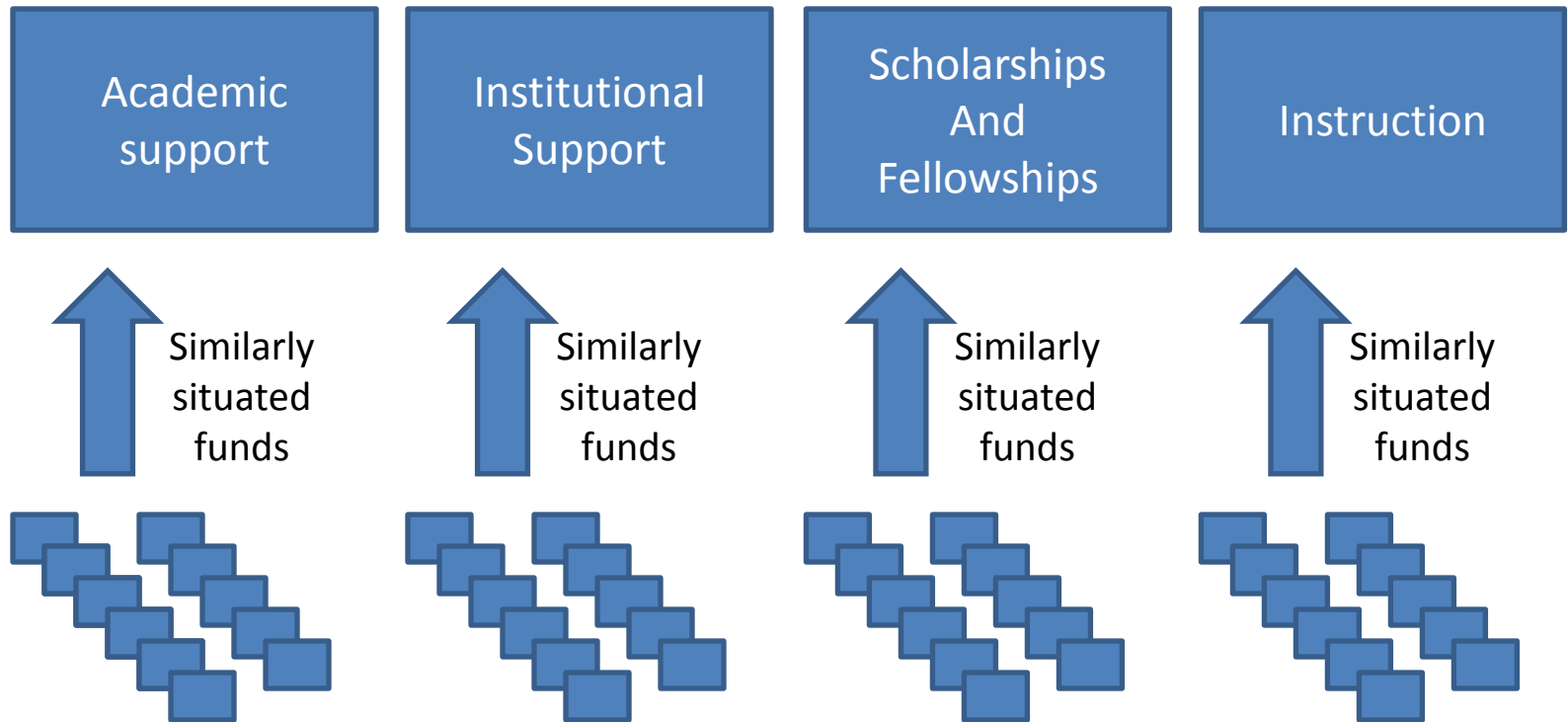
2nd

- 8 Prudence Factors

3rd

- Deliberate on Prudent Spending Rate

4 Similarly Situated Fund Categories



8 Prudence Factors

1.

• Duration & Preservation of the Endowment Fund

Universal

2.

• Purposes of the Institution & the Endowment Funds

Factor Specific

3.

• General Economic Conditions

Universal

4.

• Possible Effects of Inflation/Deflation

Universal

5.

• Expected Total Return from Income & Appreciation

Universal

6.

• Other Resources of the Institution

Universal

7.

• Alternatives to Expenditure of the Endowment Fund

Special

8.

• The CUNY Investment Policy

Universal

Spending Deliberation Process

1st

- Factor 2: Purpose of Institution & Endowment Funds by Category

2nd

- Factor 7: Brief Review of Factors Applicable to Exigent situations

3rd

- Universal Factors: Discuss Jointly for all 4 Fund Categories

Factor 2: Factors Specific to the Institution & Endowment Fund



Scholarships & Fellowships

- 68% Total Spending
- Long-term funds/donor-designated
- Key part of support endowment offers
- Attract, retain, provide access

Academic Support

- 17% Total Spending
- Long-term funds/donor designated
- Key part of support endowment offers
- Supports professional, technical, educational programs

Institutional Support

- 7% Total Spending
- Long-term funds/donor-designated
- Key part of support endowment offers
- Supports work-study for those not qualified for federal programs

Factor 7: Factors Applicable to Exigent Situations

1.

- Duration & Preservation of the Endowment Fund

2.

- Purposes of the Institution & the Endowment Funds

3.

- General Economic Conditions

4.

- Possible Effects of Inflation/Deflation

5.

- Expected Total Return from Income & Appreciation

6.

- Other Resources of the Institution

7.

- Alternatives to Expenditure of the Endowment Fund

8.

- The CUNY Investment Policy

Joint Discussion – Universal Factors

- Other Resources
- CUNY Investment Policy

- Duration & Preservation of Endowment Funds

Scholarships
&
Fellowships

Academic
Support

Instruction

Institutional
Support

- Expected Total Return

- General Economic Conditions
- Possible Effects of Inflation/Deflation

Spending Decision

5.0%

4.5%

Risk of Pool
Depletion

% Average Pool
Spending

New
Deliberation if
Crisis

Economic
Conditions

Lower Expected
Returns

Pool Net
Withdrawals

Reversible If Too
Conservative

