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

- Academic support
- Institutional Support
- Scholarships and Fellowships
- Instruction
8 Prudence Factors

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
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
- Expected Total Return

Scholarships & Fellowships

Academic Support

Instruction

Institutional Support

- Duration & Preservation of Endowment Funds
- General Economic Conditions
- Possible Effects of Inflation/Deflation

CUNY Investment Policy

Scholarships & Fellowships

Academic Support

Instruction

Institutional Support

- Duration & Preservation of Endowment Funds
- 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