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Campaign focus: Why the endowment matters

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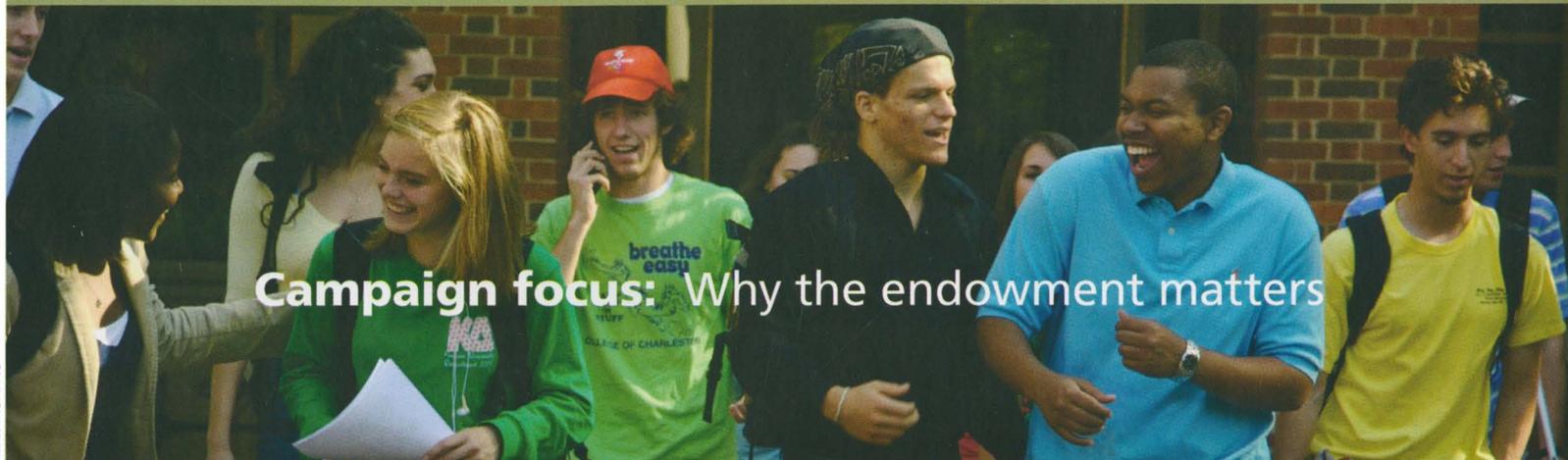
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Because Furman Matters.



Campaign focus: Why the endowment matters

The primary emphasis of the four-year, \$400 million “Because Furman Matters” comprehensive fund-raising campaign is the university’s endowment.

But just what is an endowment, and why is it important?

An endowment is a pool of assets, held in perpetuity. The income generated from the investment of the assets serves as a funding source to support various aspects of a Furman education. As of June 30, 2007, Furman’s endowment had a market value of approximately \$545 million.

Gifts to the endowment may be designated for anything from strategic initiatives to scholarships, professorships, academic programs or facilities. They may also be undesignated, which allows the board of trustees and the president to apply them to the area of greatest need or opportunity.

The principal of the endowment is intended to remain intact. Each year a portion of the income generated from the investment of endowment assets is used to support various areas; at Furman the average amount spent annually is 4.5 percent of the endowment’s total market value.

Oversight of the university’s endowment assets is handled by an investment committee consisting of trustees, administrators, alumni and friends of the university. Furman’s Department of Financial Services provides additional direction and supports the annual external audit of the endowment.

One of the most telling statistics regarding a university’s ability to support and nurture its people and programs is its endowment per student. Through fiscal year 2006, in comparison to a set of 21 peer institutions, Furman’s endowment per

student of \$182,761 ranked 15th — well behind such schools as Richmond, Davidson, Oberlin and Wake Forest, among others.

Which is why “Because Furman Matters” matters so much.

A few examples of how an endowed fund might work:

> **An endowed scholarship** is the most important way to ensure that deserving students have access to a Furman education. An endowed scholarship may be created with an initial gift of \$20,000 if there is the intent to increase the fund to \$100,000 or more, either through a pledge or estate plan. The donor may designate the award to support any group, such as low-income students, students on study abroad programs, or students from certain geographic areas. A donor may also make a gift of any amount to existing endowed scholarship funds.

> **An endowed professorship** underwrites the work and salary of a senior-level professor in the field of the donor’s choice. It may be designated for a single department or as a rotating professorship among several departments.

> **Because excellent teaching** is at the heart of a Furman education, an endowed teaching fund can strengthen students’ learning experiences by underwriting such expenses as classroom improvements, technology, and other items that support the teaching-learning process.

By focusing on the endowment during the campaign, Furman is working to mitigate its dependence on tuition and fees. Currently, only 27 percent of total financial aid awarded each year is supported by the endowment and annual

gifts. The remainder is funded by the annual operating budget, most of which is provided by tuition income. (Tuition and required fees for 2007-08 total \$31,560.)

The catalyst for the “Because Furman Matters” campaign was the multi-million-dollar bequest from John D. Hollingsworth, Jr. ’39, the Greenville businessman who left his estate to the Hollingsworth Funds, Inc., when he died in 2000. He directed that 45 percent of the annual net income from the Hollingsworth Funds assets go to Furman each year, with the rest of the money to benefit other Greenville County non-profits.

The estate is managed by its own board and does not fall under the discretion of Furman or the university’s board of trustees. As of June 30, 2007, interest from the Hollingsworth bequest represented just under \$130 million of the total market value of Furman’s endowment. The Hollingsworth legacy, through the Hollingsworth Scholarship Program and other initiatives, will increase over time, since the annual distribution to Furman is expected to grow dramatically in coming years.

Furman is now seeking other transforming gifts that will provide similarly lasting benefits and allow the university to fully support the education of any qualified student. For more information contact Wayne King, director of donor relations, at wayne.king@furman.edu or by calling (864) 294-3716.

— PHIL HOWARD

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On the Web: www.becausefurmanmatters.com.