



The Fidelity Investments Charitable Gift Fund has caught the attention of the IRS, which is concerned that the fund may be more like a bank than a foundation, according to the Wall Street Journal.

Double-digit growth

Educational investments continue to grow

The 1990s continue to be a decade of investment success for colleges and universities. Stocks, bonds, real estate and other institutional investments grew at a double-digit pace last year.

BY SEAN BAILEY

College and university endowment assets now exceed more than \$150 billion in value, according to a study released by the National Association of College and University Business Officers.

The survey results reflect continued growth in endowment funds and continued success in investing those assets for colleges and universities.

In fiscal year 1997, the average rate of return of investments grew to 20.4 percent, up from an average return rate of 17.2 percent in 1996.

The study says 1997 was the sixth time the endowment investments grew by double digits in the 1990s. The study excluded pledges and working capital.

The results of the 1997 NACUBO Endowment Study come from a survey of 640 colleges and universities, with 498 respondents, a 77 percent return rate.

The study is considered the indus-

try standard for measuring performance of institutional management of college and university endowments.

Individual institutions had investment rates of return from as low as 6.8 percent to a high of 46.9 percent, according to the study.

"We're all experiencing phenomenal growth," says Wayne Coon, chief investment officer for Emory University. "I don't think there's been a three-year span in history where the rate of return was this high The last decade has been unbelievably good, but some day we are all likely to go back to a more normal return."

The study says expenditures from the endowments remained at 5.7 percent.

Investment patterns also reflected little change. According to the study, 89.2 percent of the assets included in the study were in marketable securities such as stocks, bonds and cash.

Only five percent were in nonmarketable securities such as real estate, venture capital and oil and gas investments. The remaining assets were invested in other investments.

Endowments normally include stock, cash and real estate received as gifts by the institutions. Earnings typically fund a range of needs including scholarships, new construc-

1997 NACUBO Endowment Study

Here is a list of the top 10 U.S. university endowments, with their 1996 totals, 1997 totals and the percentage change. The 1997 totals represent the 12-month period ended June 30.

Institution	1996	1997	% change
1. Harvard University	\$8,811,785,000	\$10,919,670,000	23.9
2. University of Texas System	\$5,697,150,000	\$6,709,945,000	17.8
3. Yale University	\$4,853,010,000	\$5,742,000,000	18.3
4. Princeton University	\$4,467,000,000	\$4,940,900,000	10.6
5. Stanford University	\$3,779,420,000	\$4,473,825,000	18.4
6. Emory University	\$3,013,112,000	\$4,273,543,000	41.8
7. University of California	\$2,572,492,000	\$3,133,252,000	21.8
8. Massachusetts Institute of Technology	\$2,476,630,000	\$3,045,756,000	22.9
9. Columbia University	\$2,558,090,000	\$3,038,907,000	18.8
10. Texas A&M University	\$2,458,043,000	\$2,951,463,000	20.0

Source: National Association of College and University Business Officers.

tion and expansion of educational facilities, educational programs, and other operating expenses.

Investments by the institutions did not fare as well as the Standard

and Poor's 500 Stock Index over the same period, which had a 34.7 percent return. However, the institutions included in the study did exceed the Lehman Brothers Aggregate Bond

Index, which grew by 8.2 percent.

The study is available to the association members for \$60 and non-members for \$85. Call: 202-861-2560.

Application deadline is March 9 Federal program to support after-school care for children

With millions of dollars in funding from the Charles Stuart Mott Foundation, the 21st Century Community Learning Centers program promises to have real impact on the lives of young people.

BY RACHEL MUIR

A U.S. Department of Education pilot program will distribute \$40 million this year to establish before- and after-school day-care programs at public schools across the nation.

"These grants will help expand programs where kids can go after school and feel safe and get proper instruction and supervision for their homework and other needs," said U.S. Secretary of Education Richard Riley at the announcement of the grant program.

The 21st Century Community Learning Centers program will award grants to approximately 300

rural and inner-city public schools in partnership with local communities to provide youth with expanded learning opportunities in a safe, drug-free environment.

The grants, ranging from \$35,000 to \$200,000, will fund homework centers, mentoring in basic skills, drug and violence prevention, recreational activities and services for children with disabilities. The deadline for grant applications is March 9 and announcement of awards is scheduled for mid-May.

In January, a proposed five-year, \$1 billion expansion of the grant program got a significant boost — a pledge of up to \$55 million from the Charles Stuart Mott Foundation.

"The 21st Century Community Learning Centers program goes to the core legacy of the Mott Foundation, building off our earliest work to encourage and train communities and schools to work together to address community needs and stu-

dent achievement," says William S. White, the foundation's chairman, president and chief executive officer. White was joined by President Clinton, First Lady Hillary Rodham Clinton and U.S. Secretary of Education Richard Riley for the announcement of the gift.

"We are determined to help Americans succeed in the workplace, to raise well-educated healthy kids, and to help Americans succeed at the toughest job of all, that of being a parent," said President Clinton. "And the Mott Foundation has gone a long way toward helping us. I thank them."

The Mott Foundation money will support the achievement of four goals: integrating learning into after-school programs; expanding access to quality, extended learning programs; ensuring program availability among low-income and hard-to-reach populations; and developing innovative mod-

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Triangle Community Foundation boosts assets

Research Triangle Park

Assets of the Triangle Community Foundation in Research Triangle Park have passed the \$50 million mark, growing to \$51.6 million.

The foundation, which announced the milestone to its board of directors in February, says in its recently released annual report that its assets grew to \$45 million in the 12 months ended June 30, 1997, from \$34 million a year earlier. Those assets are held in 266 individual funds.

The increase in the most recent fiscal year was generated through contributions from 1,228 individuals, companies and organizations and a 20.9 percent investment return on the foundation's endowment funds.

The foundation was created in 1983 with an initial contribution of \$1,000 and has the mission of supporting private philanthropy in Wake, Durham, Orange and Chatham counties.

In its most recent fiscal year, it made grants of \$3 million to nearly 400 nonprofits in the arts, health, human services, education, the environment and other fields.

Total administrative and fundrais-

ing costs at the foundation represent only 3.3 percent of contributions.

The foundation also has made progress in an initiative called the Catalyst Project, that aims to help triple — to \$3 billion from \$1 billion — the community's permanent philanthropic resources over the next 20 years. The report says the initiative already has resulted in more than \$32 million in current and deferred gifts to nonprofits in the region.

The project does not aim to build the foundation's assets but rather to encourage "all forms of permanent philanthropy": family and corporate foundations, endowments of individual nonprofits and permanent charitable funds at the foundation.

The project involves an effort by the foundation to "convey the message of philanthropy to five key groups who exercise particular influence over the region's resources": entrepreneurs, professional advisors, major public and private companies, charitable organizations and financial institutions.

For a copy of the report, call (919) 549-9840.

BRIEFLY

V Foundation names president

Benjamin B. Kirtland, assistant director of athletics for development at the University of Connecticut, has been named president of the V Foundation for Cancer Research in Cary. Kirtland, who oversaw the UConn

Athletic Development Fund and the 4,000-member UConn Club, succeeds Keith Inman. Inman has been named assistant vice president at the Health Sciences Center at the University of Louisville.

Executive directors leaving

Megg Rader has resigned as executive director of Artspace and Patsy Fyfe has resigned as executive director of Playspace, both in Raleigh. Both are leaving to spend more time with their children.

UNC-TV begins drive

UNC-TV, the 11-station network broadcasting service of the University of North Carolina Center for Public Television, hopes to raise \$2.5 million during Festival '98, its annual telethon scheduled for Feb. 26-March 29. That's \$300,000 more than last year's goal.

Lilly Endowment nation's largest

The Lilly Endowment has surpassed the Ford Foundation to become the nation's biggest private foundation. The \$12.7 billion-fund's growth has been fueled by the growth in the stock value of pharmaceutical maker Eli Lilly and Co., which founded the endowment.

Belarus court reduces fine

A tax court in Belarus reduced a fine levied by the government against the Soros Foundation from \$3 million to \$28,000. The foundation was accused of violating its tax-exempt status by getting involved with political activities.