



## Wondering where your money goes when you give to Duke? 3 things to know about Duke University's endowment

Understanding the Duke University endowment can feel overwhelming—and there's good reason. With the current endowment approaching nearly \$13 billion, it's easy to assume Duke can pay for whatever it needs. But the university's endowment comes with lots of specific rules for how your money can be used.

[\*\*Read on to learn three important things to know about Duke University's endowment.\*\*](#)

1

### Duke almost never gets "mad money" gifts that can be used for anything.

The Duke University endowment is made up of around **5,800 individual endowment gifts**. Each was given to Duke by someone with some idea of what Duke ought to do with it, and the majority of the gifts come with restrictions detailed in the donor agreements. They're for an endowed professorship, or financial aid, or the biological sciences—something specific. Only the interest earned by investing the initial gift can be spent.

And because Duke also plans to be around forever, it has to manage the **university endowment** as if it will be. So that means it tries to earn in the 4.5%-5.5% interest range every year. That allows enough earnings to help run the university but also reinvest enough to keep the endowment growing.

2

### The university endowment and The Duke Endowment are two separate entities.

**The Duke Endowment** began with the famous \$40 million James Buchanan Duke set aside in 1924 to create Duke University and support many other schools, hospitals, and charitable enterprises; it's a nonprofit based in Charlotte that is completely separate from the university. The current Duke Endowment is worth \$5.6 billion and has given away more than \$4 billion in grants.

It is separate from the **university endowment**, which is made of those nearly 6,000 individual donor funds mentioned above. Together, those individual endowments were worth \$12.7 billion at the end of fiscal 2021. And, because the university endowment is managed to earn interest, it got about a \$643 million payout in fiscal 2021. This made up about 22 percent of the university's \$3 billion annual budget.

The university budget gets another 7% from annual giving and other philanthropy; 16% from tuition and fees; 39% from research funding (from government and other sources) and 16% from various other sources.



3

**To keep the endowment growing, Duke will need to continue to grow its core donor base and encourage unrestricted giving.**

The beginning of Duke's rise to prominence came in the 1970s, so most of the university's core donors are about a decade younger than those of peer schools. Given that people amass wealth as they age, the university is hopeful that as Duke's core donors age into their prime giving years, the university endowment will continue to grow. Many donors include an institution in their estate planning, and estate gifts are more likely to be unrestricted—or in other words, used for anything the university needs.

Within those unrestricted funds, university planners make decisions every year about priorities, such as the sciences, climate, anti-racism and more. Responding strategically to needs and desires, Duke never runs out of new goals and pursuits.

More, unrestricted endowment funds often support other philanthropic gifts that, while enormously generous, contain hidden costs.

Think of a building. If you win the lottery and want your name on a building at Duke, it's going to cost you at the very least \$20 million. But also Duke needs to heat and cool that building, to furnish and equip it, to maintain it, and to fill it full of professors, researchers and students every year. That's where unrestricted giving can help.

**And so the question for you:**

How do you help the university that has, if not everything, then \$13 billion towards everything? You give them choice, and the capacity to respond. Inviting more core donors to make unrestricted gifts of all sizes is one way universities across the nation are doing this—and it's high on Duke's fundraising checklist for the future. Best of all, core donors don't have to be a certain age. Any alum can make an unrestricted donation and drive Duke forward in new, diverse giving areas that matter to them.

Learn how you can have an impact at Duke: [alumni.duke.edu/socialequity](http://alumni.duke.edu/socialequity)