Endowments

In 2016–17, the 10% of students enrolled in the private doctoral universities with the highest endowments per student benefited from endowments averaging $1.22 million per full-time equivalent (FTE) student. The median endowment per FTE student in this sector was $63,500.

In 2016–17, the 10% of students at the wealthiest private nonprofit bachelor’s colleges benefited from endowments averaging $600,100 per FTE student. The average for the second 10% of students was $218,800.

In 2016–17, the 10% of students at the wealthiest public research universities attended institutions with average endowment assets of $120,200 per FTE student. The average for the second 10% of students was $50,300.

Also Important:

- The four private doctoral universities with the largest endowments—ranging in size from $23.4 billion to $37.1 billion—hold 21% of all endowment assets ($528.1 billion) and 29% of the assets in the private nonprofit sector ($387.3 billion).
- The 2017 Tax Cuts and Jobs Act imposed a new tax on the endowment income of private nonprofit institutions with endowment assets exceeding $500,000 per student and enrolling at least 500 students. In 2016–17, about 30 institutions were in this category.
- Average expenditures are higher for graduate students than for undergraduates, so endowment differences between doctoral universities and bachelor’s colleges overstate the differences in the subsidies available to undergraduate students from endowment income.
- By law, the principal of some endowment funds must be preserved in perpetuity and restricted endowment funds can only be used to support purposes specified by the donor. Institutions have more flexibility over the use of unrestricted endowment funds.
- From 2000–01 through 2017–18, the average percentage of their endowment values that institutions spent each year fluctuated between 4.2% and 5.1%. The average spending rate was 4.4% in 2016–17 and 2017–18.

NOTES: The value of endowment assets is as of the end of FY17. Based on data for 189 public doctoral, 255 public master’s, 94 public bachelor’s, 112 private doctoral, 379 private master’s and 399 private bachelor’s institutions in the United States that offer undergraduate degrees or certificates. The average endowment per student for each decile is calculated by ordering the institutions in the sector by assets per student and dividing the students in the sector into deciles. Total assets in institutions enrolling 10% of students in the sector are divided by the number of students in those institutions.

SOURCES: NCES, IPEDS 2017 Finance data; calculations by the authors.