

A Couple of Explanations of This 'Endowment' Thingy Everyone Keeps Talking About

Having just been slapped with a tuition increase of almost a grand, it is not surprising that people have Clark's money on their minds.

Tuition is merely one place Clark gets dough. Another is government grants, which are generally funneled straight into specific academic departments (only fitting, since those departments are the ones who have to fill out all the lousy government forms). A third is random gifts from weird old alumni (said gifts often specified toward a building, exhibit, or some such).

Unfortunately for Jim Collins and the rest of the Business Office, these three sources carry contingencies, caused mostly by the fact that someone else has to give the money. Well, colleges like Clark want some money of their own, dammit. Fortunately for them, someone created the Endowment.

A college's endowment, as explained to the right, is money the college keeps in a high-interest (if they have any brains at all) bank account. It is not like a rainy day fund, though it can serve as a parachute when students finally abandon the school in great quantities. No, the principle point of an endowment is the interest. For a serious school with a serious endowment, the interest can reach millions of dollars a day. At Clark, the interest accumulates to \$3 million per year.

As of the last day of 1995, Clark's endowment was \$83.3 million. This probably sounds like a lot, but it has to cover the expenses tuition doesn't: increasingly competitive Academic departments, increasingly mobile faculty, employee salaries, alumni relations, marketing, public relations, legal, and, oops, almost forgot: student services.

NEXT TIME: The Clark Fund and Why It's Evil! RM
[figures courtesy Danielle Cove]

AT RIGHT: Bard College is a comparably-sized school. They are going through their own little endowment intrigue right now. Perhaps this Editorial from their student-run paper will be helpful in getting perspective. At the least, it'll make you wonder where exactly the phrase "endowment" came from...

How well is Bard endowed

by Richard Stern

Persons about the campus have been discussing the miracle cash gift that Bard College recently recieved. Estimated at 42 million dollars, this infusion of capital is exactly what the school has been waiting for in order to build its, to date, rather disappointing endowment. Yet what an endowment actually means escapes most students. Conversations about the New York Times article that reported the gift seem to center on all the new "stuff" that the college will be able to purchase for the campus community with these well deserved funds. Persons from all walks of Bard life are stepping forward with their hands out wanting a piece of what President Botstein and Board of Trustees have. Sadly, however, they won't see a dime.

Endowments are not spent, rather, they are accumulated. As one student put it, "They sit around and collect interest and only the people upstairs know why."

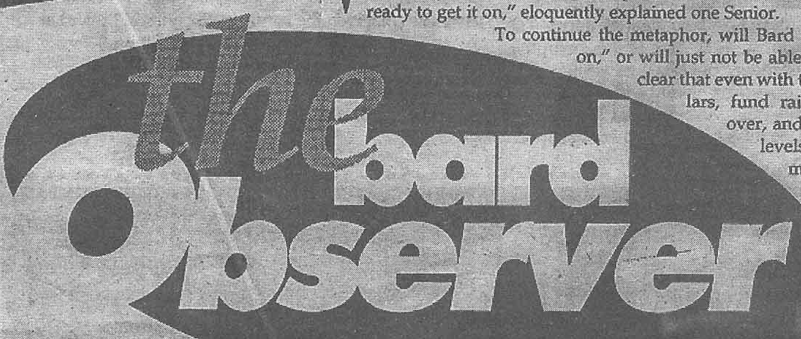
Students at Bard all want more money to be spent on campus life, faculty salary and overall campus employment. Hearing that 42 million dollars will be put into a vault and not spent until some far off date is not what most students are expecting.

"Whether it is a professor not earning as much as they could at another school, or Servicemaster not being able to cope with keeping dorms clean because they're understaffed, the school needs to spread some cash around," argued one anonymous first year student.

While saying that the money will just sit around is an understatement, and depending on one's perspective, not true. A college's endowment adds strength to the institution, and over a period time will greatly improve campus life. Schools like Vassar, Skidmore, and Union all have endowments that have made their schools far more financially solvent than Bard. It is their large endowments give them lower tuitions than students have at Bard, and ultimately, more campus resources.

"A school's endowment is kind of like the size of it's penis. If it is large, the school feels secure in its ability to satisfy. Bard has had a small dick for years and now it has sprouted three more thick inches. We're ready to get it on," eloquently explained one Senior.

To continue the metaphor, will Bard be able to "get it on," or will just not be able to get it up. It is clear that even with the 42 million dollars, fund raising is far from over, and that endowment levels now are suited much more for heavy petting rather than hard core collegiate sex.



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