

# 2025 NACUBO-Commonfund Study of Endowments



# Summary observations from the 2025 NACUBO-Commonfund Study of Endowments

657

colleges, universities, and education-related foundations completed the FY25 survey

\$944.3 billion

of endowment assets represented in the FY25 survey

\$33.4 billion

total amount spent from survey respondents' endowments in FY25

\$253.6 million

median endowment size for FY25 survey respondents

90%

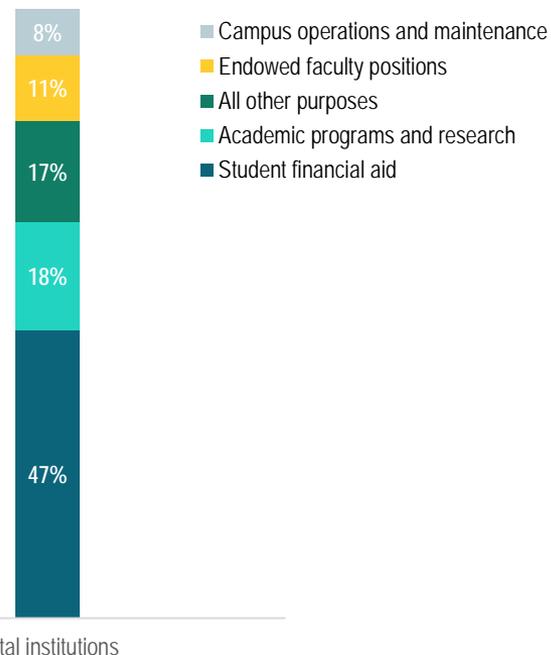
of schools that participated in FY25 also participated in the FY24 study

**The Survey was conducted from September 3 through December 12, 2025, and covers the 2025 fiscal year (July 1, 2024 – June 30, 2025).**

# Endowment spending: Both spending \$ and spending rates increased again in FY25

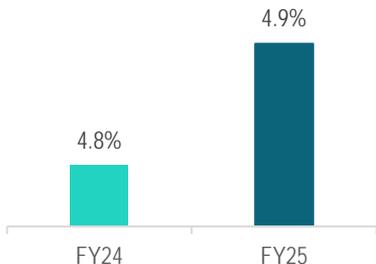
Participating institutions withdrew a total of \$33.4 billion from their endowments in FY25, a nearly 11 percent increase over the \$30.1 withdrawn in FY24 – 83.5 percent were distributions within the institution’s spending policy and 5.3 percent were special appropriations above the normal spending policy. Institutions’ average annual effective spending rate increased moderately to 4.9 percent from 4.8 percent in FY24. By purpose, the largest share of spending in FY25, 47.4 percent, went to student financial aid, a level that was nearly three times more than the 17.7 percent spent on academic programs and research.

**Spending Policy Distributions by Purpose**

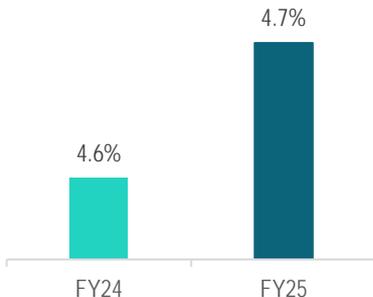


## Spending rates and withdrawals from endowment

**Average Annual Effective Spending Rates**



**Policy Rates**



**Total Withdrawals (\$ billions)**



# Gifting: Decline in gifting

Despite a decline in gifts in FY22 to FY23, in FY24 there was a turnaround as gifts grew nearly 21% year over year. But, in FY25 gifts again declined. The average new gift to endowment in FY25 was \$22.6 million compared with last year's \$24.8 million.

Total new gifts to endowment in FY25 were just under \$14.0 billion, compared with FY24's total of \$15.4 billion – a 9.2 percent decline year over year. Some institutions saw significantly steeper declines than others: those with assets under \$50 million reported a decline of 26.1 percent. The largest participating endowments reported an 18.1 percent decline.



**Change in total endowment size from FY24**

**+7.5%**

Respondents to this year's survey reported a collective endowment size of \$944.3 billion as of June 30, 2025, up from the \$878.2 billion reported for FY24.



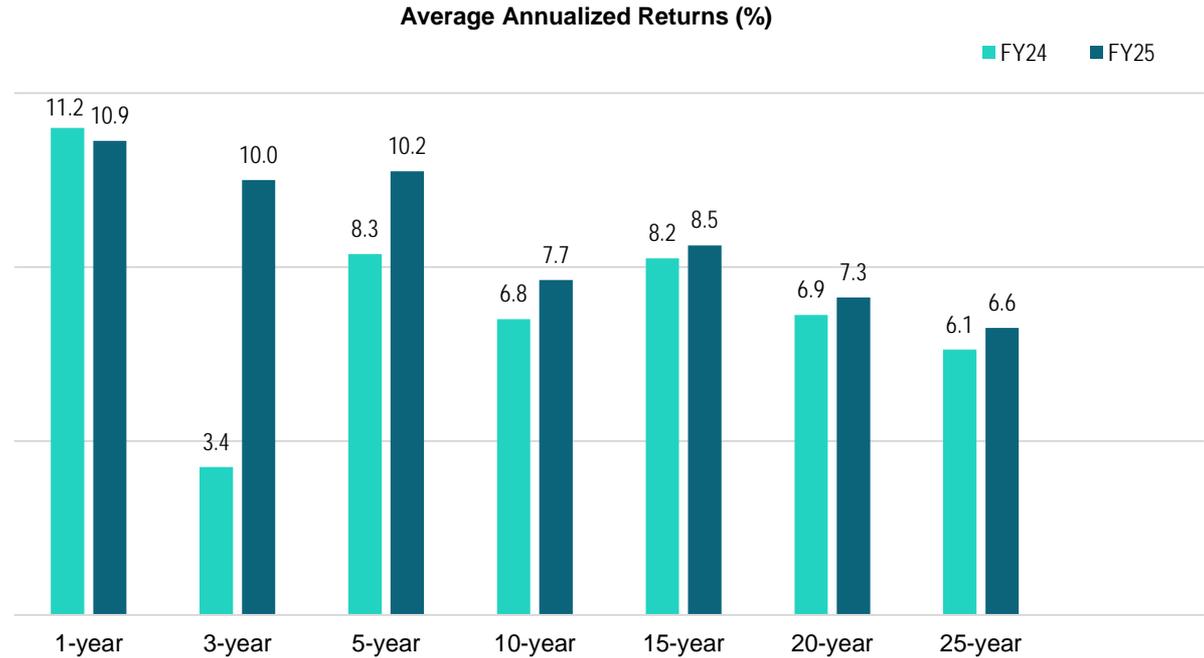
**Change in total gifts received from FY24**

**-9.2%**

Respondents to this year's survey received a total of nearly \$14.0 billion in gifts, down from the \$15.4 billion received in FY24.

# Investment returns: Long-term mission support despite uncertainty and volatility

Despite periods of uncertainty and bouts of volatility during FY25, portfolio diversification—across both asset classes and strategies—delivered returns that supported the long-term missions and ongoing operations of endowed colleges and universities. Many of the same forces that drove FY24 performance remained in place: a generally sound U.S. economy, positive employment data, moderating inflation, and, most notably, continued investor enthusiasm for all things AI. The key difference was that FY25 unfolded against the backdrop of a presidential election.



# Return objectives: Unique to each institution

If an institution of higher education aspires to maintain the purchasing power of the investment pool over time, then assumptions must be made about the long-term spending rate from the endowment, the anticipated rate of inflation and investment management costs.

The conventional approach for many endowments is to set CPI or HEPI +5% (i.e., inflation plus a spending/distribution percentage) as a return target. Often, there may be other unique variables for organizations which can influence their return targets and those should also be considered.

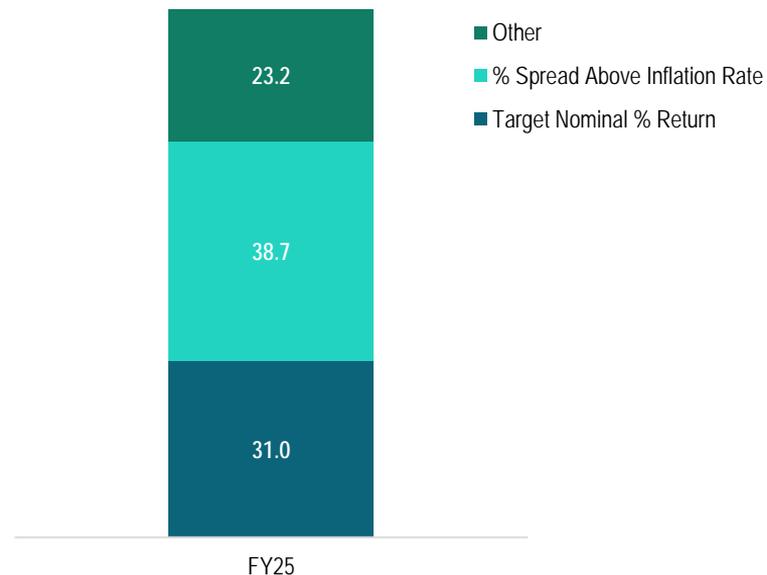
**Average target nominal return for FY24**

**7.3%**

**Average spread above the rate of inflation for FY24**

**4.9%**

**Method Used to Define Return Objective (%)**

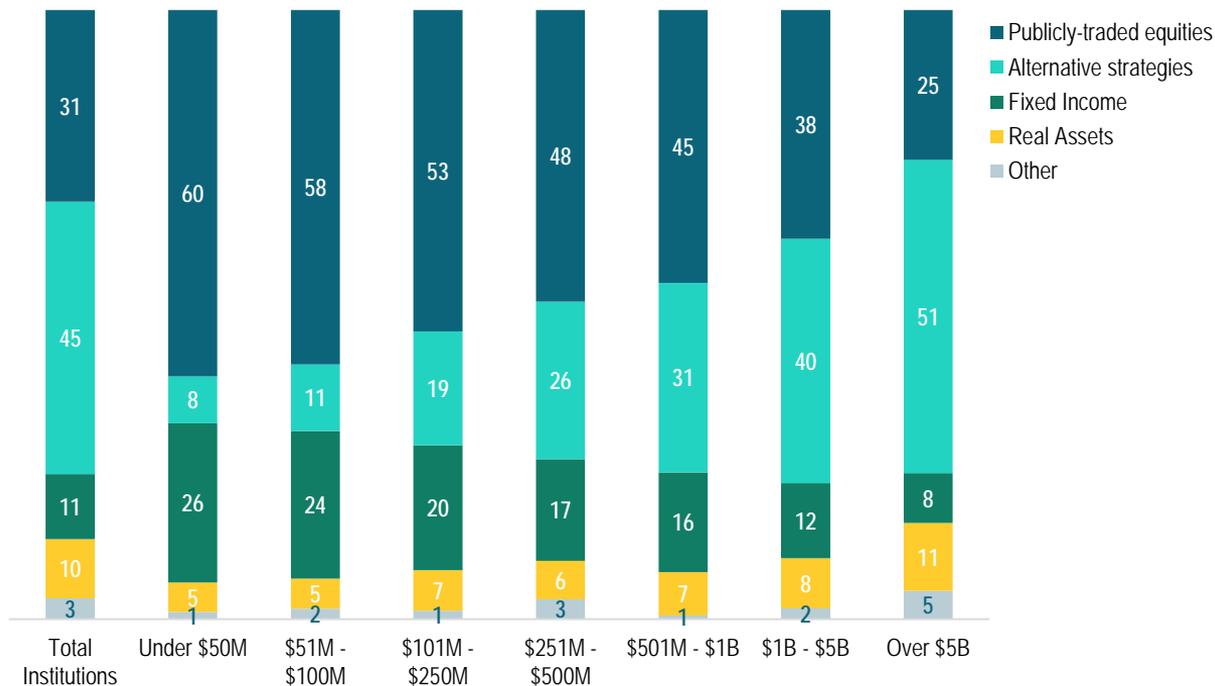


# Asset allocation: Private equity, marketable alternatives and U.S. equities led other strategies

Asset allocation across the different strategies did not reflect material changes from FY24 to FY25 (measured on a dollar-weighted basis).

The comparatively level returns reported for FY25 across the various size segments—as noted, only 130 basis points separating high from low—may be attributed to good performance across asset classes and strategies. U.S., non-U.S. and global equities along with emerging markets posted the best gains but private strategies were not far behind.

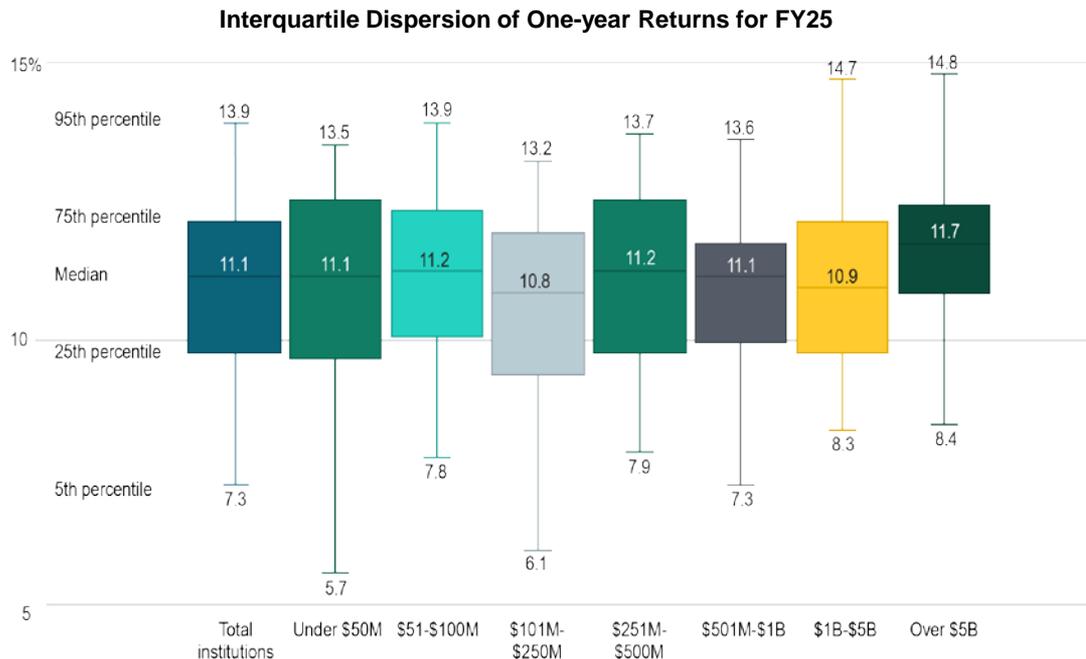
Dollar-Weighted Asset Allocations by Size of Endowment for FY25 (%)



SOURCE: 2025 NACUBO-COMMONFUND STUDY OF ENDOWMENTS

# Returns dispersion: Interquartile dispersion tighter in FY25

The interquartile dispersion of returns in FY25 was even tighter than it has been in the past few years. For all Study participants in FY25, the dispersion was just 2.4 percent compared with 3.1 percent in FY24. Among the size cohorts, the greatest dispersion between the 75th and 25th percentiles was among institutions with endowments under \$50 million and those with assets \$251 and \$500 million at 2.8 percent; the smallest was 1.6 percent among institutions with assets over \$5 billion.

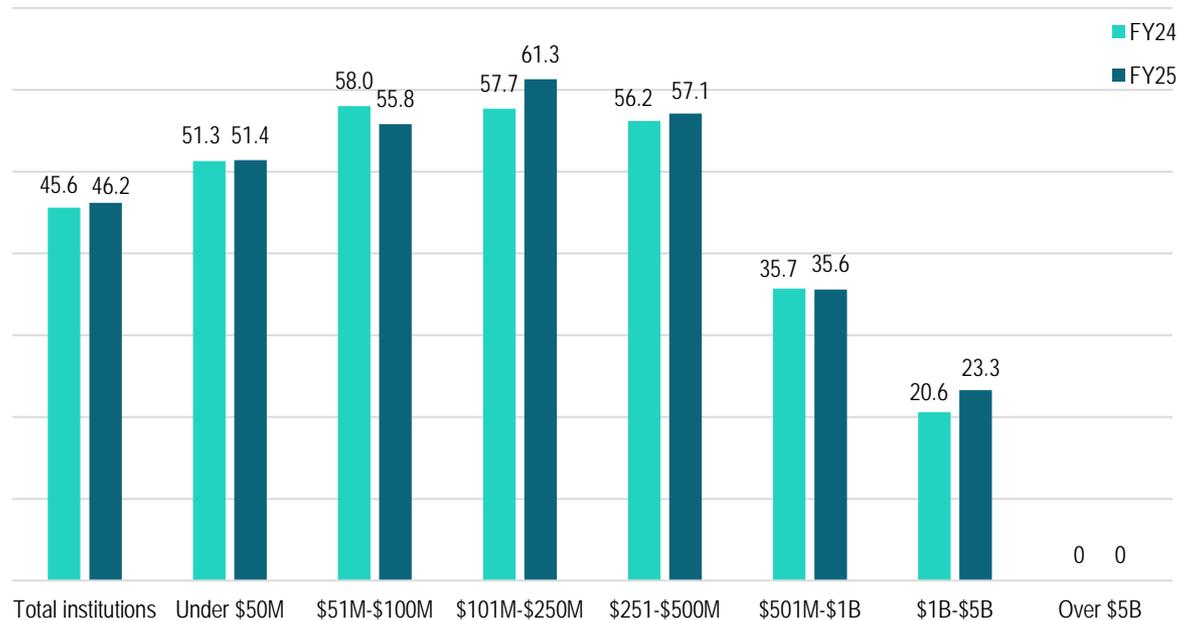


# OCIO Use: Most common amongst smaller institutions

The use of external resources—principally, consultants and outsourced chief investment officer relationships—remains widespread (while showing moderate growth in usage rates in recent years). The share of institutions using an OCIO declined as asset levels rose with usage rates peaking across the three size cohorts with assets ranging from \$51 million to \$500 million.

While smaller to mid-sized organizations are more likely to outsource, their larger counterparts generally have the resources and staffing to perform the function internally or enhance internal resources by retaining a consultant.

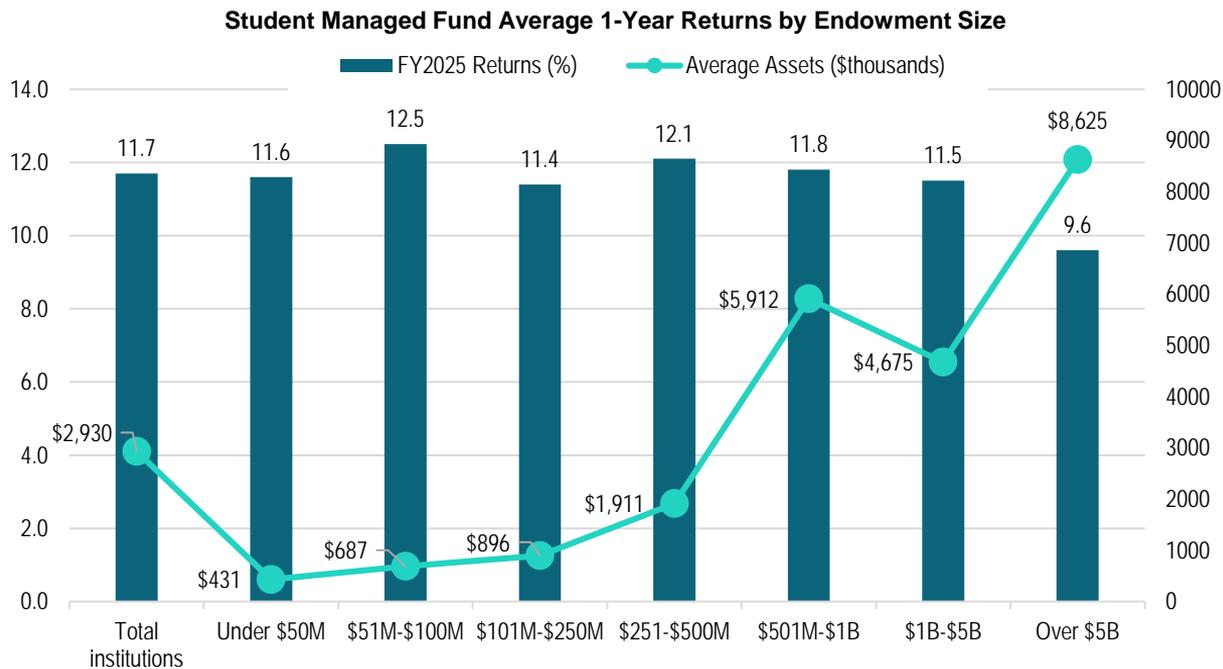
Institutions Using an OCIO for Investment Management (%)



# Student managed endowments: A unique way for students to get investment management experience

The primary benefit of maintaining a student-managed fund is the educational opportunity it offers by providing a hands-on enhancement to classroom learning. They are usually structured quite differently than the bulk of the endowment and are unlikely to include certain asset classes, such as private strategies.

Students managed a portion of endowment funds at 35.5 percent of responding institutions in FY25, totaling \$653.4 million in cumulative assets.



SOURCE: 2025 NACUBO-COMMONFUND STUDY OF ENDOWMENTS

## 2025 | Q&A





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## Keep exploring the survey results



Scan the QR code to  
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this year's survey.

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