



**Vice President for Administrative Services**

**To:** Deans  
**From:** Arnold B. Combe  
**Date:** April 10, 2009  
**Subject:** Endowment Payout Rate for Fiscal Year 2010

The economic downturn has forced the University of Utah, along with institutions across the country, to closely monitor its endowment payout rate. Earlier this spring an “interim spending policy for endowments” established a 3% payout rate for the second half of the 2009 fiscal year, with some very limited exceptions.

A special task force led by Senior Vice President Pershing and including representation from the deans recently met to review the fiscal situation and establish the payout rate for the 2010 fiscal year. This collaboration yielded a decision to keep the rate for 2010 at 3%. You should use this rate in developing budgets that include endowment earnings.

Endowment payout decisions involve a careful balancing of short term needs and donors’ expectations that the economic value of endowed funds will be preserved over the long term. We recognize that any reduction in the payout rate is painful for colleges and departments. Please be assured that the payout rate was determined very carefully considering your current needs and our collective responsibility to ensure endowed funds benefit future generations the same as they have benefited past generations and now benefit us.

If you have questions regarding the spending rate, please call Jonathan Shear, the University’s Chief Investment Officer at (801) 581-5949.

*Arnold B. Combe*

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