

The ASWU Endowment

What Is It & Where Did It Come From?

The ASWU Endowment was created in 2001 as a one-time investment in the Willamette University Endowment Fund after a surplus carry-over in the amount of \$33,000 during the fiscal year 2000-2001. In 2001, past ASWU VP of Finances Andrew Cockrell encouraged the Finance Board to make a fiscally responsible investment of the windfall into the Willamette Endowment in trust for the student body. The Finance Board recommended the allocation of the \$10,000 in 2001 to the Endowment as a starter investment—as part of a visionary look at the long-term financial status of the student body. This endowment investment was to be the first step in a journey of designing the financial stability and sustainability of student activities and organizations at Willamette University.

The ASWU Endowment is an investment by the associated students in the Willamette University Endowment Fund. The WU Endowment is professionally managed and consistently overachieves the aggregate economy due to its diversified investments. In both recent bull and bear economies, the Willamette Endowment has consistently outpaced and outperformed the market and its indices. Additionally in all market conditions, Willamette's Endowment has seen better returns than most other similar funds. The Endowment has investments in US and foreign equities, domestic and foreign currencies, domestic real estate, and other diverse market holdings. The associated students' Endowment enjoys the same rate of return, diversity, and purchase power as the University Endowment. On the management-side, the ASWU Endowment will function less as a typical endowment may, and more as a quasi-endowment or revolving fund (beneficiaries of typical endowments only spend a portion of the annual return or interest their principal monies generate).

In addition, the ASWU Finances Recycling Program was implemented in 2001, a four-quarter financial management project to "re-use" and increase employment and utilization of student body funds. The Recycling program proved to be a great success in the first year, filtering \$3,000 back to student clubs and organizations in one session and more effectively using the students' fee money. ASWU only carried over \$8,000 that year to the 2002-2003 financial year. The 2002-2003 school year saw a decreased use of the Recycling Program, only filtering \$7,000 over three sessions back to student organizations and clubs and producing a \$30,000 carry-over to 2003-2004. This product was admittedly not only the result of decreased Recycling activity, but also a large remainder in the Willamette Events Board account that is transferred back to the ASWU General Fund at the end of each financial year.

Current VP of Finances, John Turner, recommended an additional \$10,000 endowment investment be made from the \$30,000 carry-over, and the Finance Board endorsed the recommendation in 2003. However, the Finance Board and the ASWU Senate placed an allocation stipulation on the investment, that before the check was cut to the University, legislation would be formulated and passed to establish long-term goals and operational mechanisms for the future management of the ASWU Endowment.

The current efforts to research, discuss, and draft endowment legislation stem from the campaign to clearly define the future investment and operational purpose of the Endowment, the long-term

feasibility and sustainability of that investment, and goals to promote wise future use and financial management of this investment made in trust for the undergraduate student population.

Rainy Day Fund vs. Capital Investment Account

What constitutes a rainy day for ASWU? And who would decide what a rainy day is? The concept is just too vague in application to ASWU. "The fact of the matter is it's always stormy here," says Finance Board member Justin Lynn ('06). Student organization and club requests have consistently outpaced available revenue by a ratio of at least 2 to 1. Additionally, the number of clubs requesting funds has dramatically increased over the past 5 years from 40 to 79. Student life continues to enhance its vibrancy with the addition and development of each club and event. However, this trend only seems to be leading toward further increases in the number of activities and demand upon a continually limited supply of funds. Over the past 3 years, ASWU has been unable to fund or partially fund essential capital investments like (SOME RESEARCH HERE...stages for the Lu'ua and Wallapalooza, computers for The Chrysalis, software and uniforms for the Dance Team, etc.). Additionally, large capital investments made by ASWU over the past few years have proven controversial. Large capital purchases require a good bit of capital up-front, and these large sums can take a large portion of the student fee pie out of the picture, hindering the achievements and successes of organizations and events on campus. But capital investments and purchases should not have to be controversial *prima facie*. Current operations are not sustainable and hinder the growth and vibrancy of student activities at Willamette University. ASWU desperately needs a source of money to fund essential capital investments. The answer is the ASWU Endowment.

Purpose

"The purpose of the ASWU Endowment is simply to expand what ASWU and student organizations and clubs on campus are able to accomplish," says Finance Board member Tyler Reich.

"The Endowment is not made to benefit one club, interest, club, person, group, or time period, but is established to benefit the Willamette campus, community, and future of the associated students," remarked Weston Eiler, Finance Board member.

The purpose of the ASWU Endowment is simply to empower student organizations and enable the dreams and vision of students at Willamette. The Endowment could purchase stable stages for the Hawai'i Club's annual Lu'au Celebration, finance the purchase of lights and SFX equipment for ASWU Sound, help buy the necessary equipment for the Wire's future move to a low or high power public FM station, or fund the construction of a student organization resource room in a new Student Center.

The Endowment is not a process to be laden with red tape and administrative headache. The money is not kept hidden away from students. The Endowment fund is an effort to ensure the longevity of student activities and clubs at Willamette. Furthermore, our motto, "Non Nobis Solum Nati Sumus" will be lived out through the future administration of the Endowment as students investing in the future of students.

Current student activities cannot begin to be creative when it comes to planning their purchases and activities calendar due to the severe limitation of fee collections and the budget process. This does not have to be the case. Student organizations, clubs, activities, and events should thrive and prosper, with the only limitations being feasibility, acceptability, and prudence.

The Future

The ASWU Endowment brings a future laden with possibility to student organizations at Willamette. Student activities will be able to plan for the long-term and ensure their success and survival, rather than operating and programming from one budget cycle to the next. Organizations will no longer need to hope for a string of good fortune when making reasonable, organized, and thoughtful capital requests. Student life will be enhanced, enriched, and enabled through the Endowment, as future generations discover the meaning of "Non Nobis Solum Mati Sumus."