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SEI Releases White Paper on Spending Best Practices for Nonprofit Organizations

White Paper Showcases Spending and Investment Strategies for Foundations and Endowments

OAKS, PA -- (Marketwired) -- 06/26/13 -- [SEI](#) (NASDAQ: SEIC) today released a white paper on the current spending landscape and best practices for nonprofit foundations and endowments. As part of the research for the paper, 260 U.S. nonprofits participated in a quick poll to determine the current spending and hurdle rates being used by the industry. The poll found that the majority (79 percent) of nonprofit organizations use a moving average formula and an average spending rate of 4.8 percent. Participants reported an average long-term portfolio return objective or hurdle rate of 6.95 percent.

"An increasing number of conversations at nonprofit organizations are focused on finding the right level of spending in the face of lower expected returns and higher demands for the use of endowment assets," said [Mary Jane Bobyock](#), Director of Nonprofit Advice, [SEI's Institutional Group](#). "Since spending drives hurdle rates and hurdle rates drive strategic asset allocation decisions, it's no wonder that an effective spending strategy is a top priority for investment committees that have a fiduciary responsibility to safeguard these assets."

The white paper highlights several case studies of best practices, which nonprofits can apply to help guide them in building an effective spending strategy. The paper suggests that one way to be sure a nonprofit organization has chosen the best spending methodology moving forward is to map out past performance and spending to see where shortfalls might have occurred. Another example shows how different spending calculations can be applied to determine potential shortfalls in selecting the best methodology for current and future years. And a third analysis demonstrates the value of shocking different spending scenarios with an extreme drop in markets to estimate what the spending results might be and the potential impact on the long-term health of the portfolio.

"Spending varies significantly from organization to organization, from year-to-year, and by different methods, so it's imperative to partner with your investment provider to integrate your specific needs as you build your portfolio and monitor its progress on a regular basis," Mary Jane said.

To request a copy of the white paper, please e-mail: SEIResearch@seic.com.

About SEI's Institutional Group

SEI's Institutional Group is the first and largest global provider of outsourced fiduciary management investment services. The company began offering these services in 1992 and today acts as a fiduciary manager to approximately 450 retirement, nonprofit and healthcare clients in seven different countries. Through a flexible model designed to help our clients achieve financial goals, we provide asset allocation advice and modeling, investment management, risk monitoring and stress testing, active liability-focused investing and integrated goals-based reporting. For more information visit: <http://www.seic.com/institutions>.

About SEI

SEI (NASDAQ: SEIC) is a leading global provider of investment processing, fund processing, and investment management business outsourcing solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of March 31, 2013, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers \$495 billion in mutual fund and pooled or separately managed assets, including \$206 billion in assets under management and \$289 billion in client assets under administration. For more information, visit www.seic.com.

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