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# SEI and Association of Governing Boards of Universities and Colleges Unveil New Data on Foundation Investment Landscape

## Joint Study Addresses Investment and Operational Priorities, Policies, and Governance

OAKS, Pa., March 3, 2022 /PRNewswire/ -- SEI® (NASDAQ:SEIC) and the Association of Governing Boards of Universities and Colleges (AGB) today introduced new research providing insight into the college- and university-affiliated foundation operational and investment landscape.

The study, which was unveiled at [AGB's Foundation Leadership Forum](#), found that nearly half of foundations anticipate a better rate of investment return in 2022. Additional key findings include:

### Operations

- One-in-two (51%) foundations with \$100m or less in assets have an approximate annual operating budget (excluding gifts/grants/endowment spent by institution) of \$1 million or less.
- Over half (57%) of foundations noted that they manage "real estate acquisition, development and/ or management," while just over half (51%) also are responsible for alumni relations.
- Foundations unanimously (100%) listed an endowment / administrative management fee as a revenue source for their annual operating budget, and six-in-ten (60%) included "gift fees" as well.

### 2022 investment outlook

- Nearly four-in-ten (38%) foundations expect inflation to increase by over 2% in 2022.
- Almost two thirds (64%) of foundations have an investment return objective between 7.0% and 8.25% in 2022, though roughly a third (27%) set their investment return objective *below* 7.0%.

### Asset allocation

- Nearly a third (32%) of foundations said they plan to increase their use of alternatives this year, with private equity, private real estate, and venture capital being the most popular alternative asset classes.
- Only one-in-three foundations (34%) said they either invested in sustainable strategies last year or plan to do so in 2022.
  - Sustainable investing integration (65%) was the most popular sustainable approach, significantly outpacing impact investing (14%), as well as positive and negative screening (14% and 7% respectively).
  - Domestic equity and private equity were the primary asset classes in which sustainable investing approaches were implemented.
  - Two-in-five (41%) foundations have experienced some level of pressure from students to increase sustainable investing consideration.

### **Investment management provider**

- More than half of foundations (54%) utilize an outsourced chief investment officer (OCIO) partner, while roughly a third (34%) work with an investment consultant.

### **Mary Jane Bobyock, Managing Director, Nonprofit Advisory Team for SEI's Institutional Group, said:**

"Our research provides a valuable status report, with detailed, cross-referenceable data, on how foundations are addressing key industry priorities. It underscores their crucial need for a high-quality investment, governance, and operational infrastructure capable of supporting their complex and ever-evolving needs. We are thrilled to continue to partner with AGB to deliver this critical insight for college- and university-affiliated foundations and ultimately support their ability to drive improved investment outcomes amid a volatile market environment."

SEI and AGB have been strategic partners since 2013. SEI provides investment management services to 447 institutional investors, including over 180 nonprofit organizations and representing more than \$34 billion in assets.\* SEI works with 42 higher-education institutions in managing their endowments.\*

*\*As of Dec. 31, 2021*

[Read the full research report here.](#)

### **Methodology**

In late 2021, SEI and AGB conducted a survey of 130 institutionally related foundations. Results were garnered from participants' responses about their operations and investment management strategies.

### **About SEI's Institutional Group**

SEI's Institutional Group provides clients with a variety of solutions aligned with their investment implementation preferences. As one of the first and largest providers of outsourced investment management services, SEI's Outsourced CIO (OCIO) platform supports institutional investors who delegate investment management decisions through a flexible implementation model. SEI's Enhanced CIO (ECIO) platform supports internal investment teams through SEI Novus, a global portfolio intelligence tool and SEI's comprehensive investment processing, shadow accounting, and data and workflow

management offerings. More than 480 institutional clients utilize these integrated solutions worldwide as of Dec. 31, 2021. For more information, visit [seic.com/institutions](https://seic.com/institutions).

### **About SEI®**

SEI (NASDAQ:SEIC) delivers technology and investment solutions that connect the financial services industry. With capabilities across investment processing, operations, and asset management, SEI works with corporations, financial institutions and professionals, and ultra-high-net-worth families to solve problems, manage change and help protect assets—for growth today and in the future. As of Dec. 31, 2021, SEI manages, advises, or administers approximately \$1.3 trillion in assets. For more information, visit [seic.com](https://seic.com).

### **About AGB**

The Association of Governing Boards of Universities and Colleges (AGB) is the premier membership organization that strengthens higher education governing boards and the strategic roles they serve within their organizations. Through AGB's vast library of resources, educational events, and consulting services, and with 100 years of experience, 40,000 AGB members from more than 2,000 institutions, systems, and foundations are empowered to navigate complex issues, implement leading practices, streamline operations, and govern with confidence. AGB is the trusted resource for board members, chief executives, and key administrators on higher education governance and leadership.

AGB is not affiliated with SEI or its subsidiaries.

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