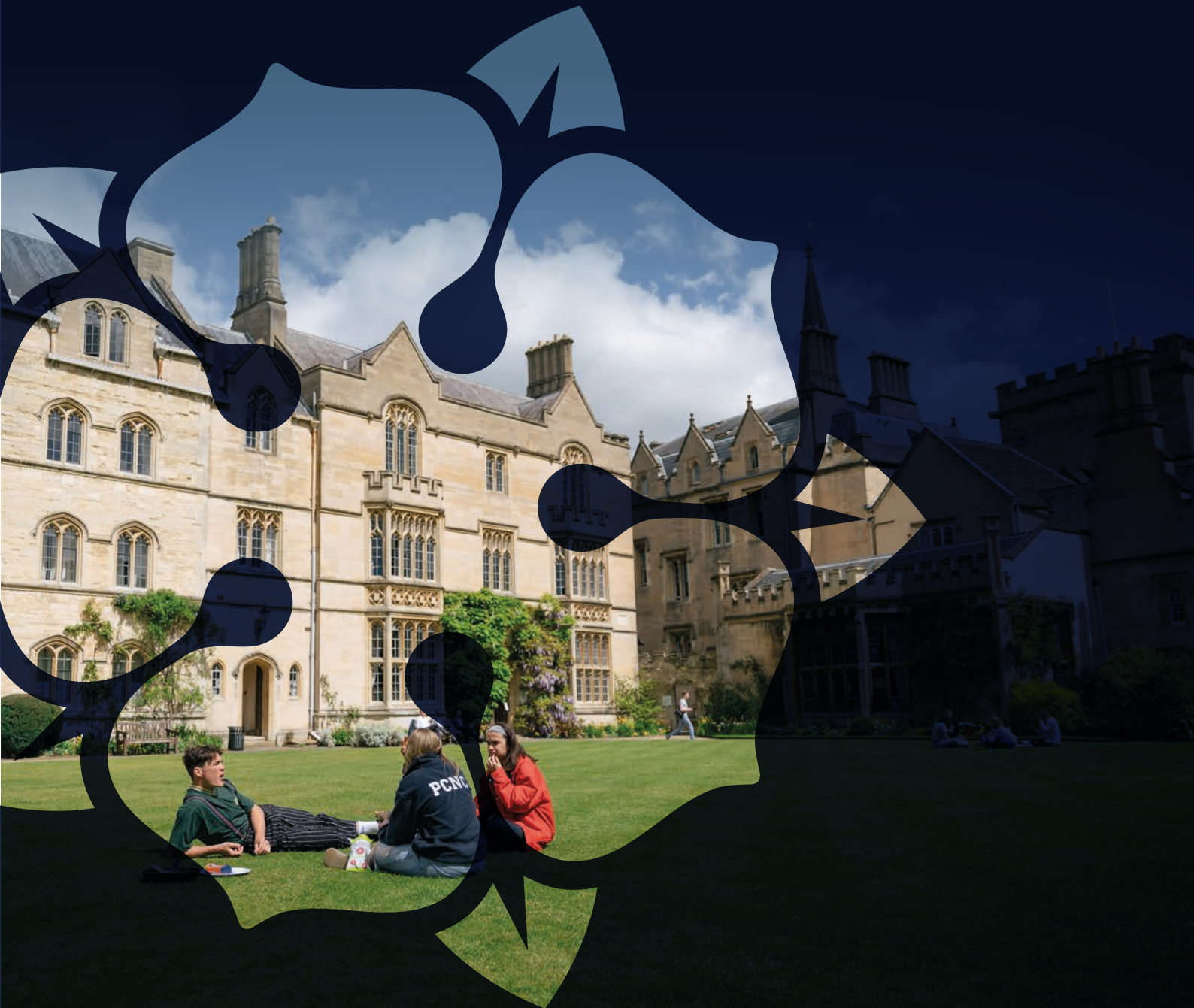




PEMBROKE
COLLEGE OXFORD

The Pembroke Endowment



How is the College funded?

Pembroke is funded through earnings on our long-term endowment, academic income including student fees, student rents and catering, conferences, and donations. Because of the restrictions on the conference business due to student occupancy, and on academic income due to the fact that we do not set our own tuition levels, the College is severely restricted as to how it can increase income.

Meanwhile, expenditure for the College, like for all businesses, grows with inflation and we have the added expense of the need to maintain our historic estate and ensure that infrastructure remains fit for purpose. This means that the size of our endowment and ability to secure charitable gifts are critical, as is tight cost containment.

An endowment is a pool of long-term investments from which a college draws down a set amount (in most cases 3-3.5%) to fund ongoing costs (the “Drawdown Rate”). The capital of the fund has been built up over hundreds of years and is retained for the support of the college for hundreds of years yet to come. Any excess earnings over the agreed Drawdown Rate are reinvested into the endowment to offset future inflation. Obviously, the larger the endowment, the more resources available on a sustainable basis to achieve the College’s strategic objectives and the better we are able to plan for future developments and initiatives.

Pembroke’s investment decisions are made with the advice of a highly qualified committee made up of alumni and other experts. Pembroke’s budget is overseen by the Bursar, as advised by a Finance and Planning Committee and the Remuneration Committee. These committees are made up of College Fellows and qualified advisors including alumni.

How does Pembroke’s endowment compare to other colleges?



Between 2004 and March 2020, Pembroke’s endowment grew from £23m to £65m and, with assertive conferencing and fundraising operations, and careful husbanding of resources, the College had a balanced, but tight, budget. This is a fantastic achievement and a testament to the generosity of alumni and friends of the College, as well as to the sound management practices under which the College has functioned for the last 15 years. However, due to the disruptions and demands of the pandemic, by 21-22 we will have lost at least £1.1m. As the Covid vaccine is distributed we can return to normal business, but it will take several years to regain ground lost. The value of the endowment is now £58.8m.

It is worth considering that as a world’s leading university we are considerably less well-endowed than our competition. Outside the UK, the top five universities in the world charge an average tuition of £37,000 per year and have an average endowment per student of £1.3 million. For Pembroke and Oxford, fees for UK and EU nationals, which make up approximately 70% of the student body, are capped at £9,250 which must be shared by the colleges and University. At Pembroke, the endowment per student is £130,000, 1/10th of its competitors on the world stage. Even if one includes the amount of endowment held by the University, the per student sum is only an additional £270,000.

Why don't fees cover teaching without the need for endowment?

Tuition fees are charged at £9,250 per undergraduate home student of which Pembroke received £4,444 per student in 17-18. On average, it costs something like £20,000 per student per year to deliver tuition in the College environment so fee income must therefore be augmented by earned income (conferences, student rents), fundraising (the Annual Fund and project support) and endowment income (as noted above, significantly less than comparator universities). Current generations therefore benefit greatly from the generosity of current and previous benefactors.

What would it take to:

- Fully endow:
- The College's current budget: an additional £350m
- All our Academic expenditure: £100m
- All unfunded Humanities Fellowships: £22m
- All unfunded Science, Technology, Engineering and Maths Fellowships: £9m
- Upkeep on a quad: £10-15m

How are unrestricted gifts used?

Unrestricted gifts to the College are the most powerful way to support the College.

Since it is impossible to predict what challenges the College might face in the future, such gifts are especially valuable. They will be allocated by the Governing Body to wherever the need is greatest when they are received. Please note, it is possible to qualify for naming with unrestricted gifts of an appropriate size. Where a name appears doesn't have to reflect how the money was spent. For example, a £20,000 gift to the general endowment or Annual Fund would allow a donor to name a student room anywhere in the College's main site.