



October 18, 2019

The Honorable Emanuel Cleaver
U.S. House of Representatives
2335 Rayburn House Office Bldg.
Washington, D.C., 20515

The Honorable Joyce Beatty
U.S. House of Representatives
2303 Rayburn House Office Bldg.
Washington, D.C., 20515

The Honorable Marcia L. Fudge
U.S. House of Representatives
2344 Rayburn House Office Bldg.
Washington, D.C., 20515

The Honorable Henry C. Johnson, Jr.
U.S. House of Representatives
2240 Rayburn House Office Bldg.
Washington, D.C., 20515

The Honorable Gregory W. Meeks
U.S. House of Representatives
2310 Rayburn House Office Bldg.
Washington, D.C., 20515

The Honorable Terri A. Sewell
U.S. House of Representatives
2201 Rayburn House Office Bldg.
Washington, D.C., 20515

Representatives Cleaver, Beatty, Fudge, Johnson, Meeks, and Sewell:

I write today in response to your inquiry into diversity in endowment management on October 10, 2019. NACUBO welcomes this opportunity to illustrate how our association, which represents more than 1,900 member institutions, has highlighted the importance of female- and minority-owned asset management firms' active participation in the management of college and university investment assets. In fact, our association is keenly focused on the importance of diversity in asset management positions, as well as diversity in the business officer profession as a whole.

I am pleased to see that the Knight Foundation's research into this important subject has come to your attention. Not only are we aware of this research, we have taken active steps to highlight the findings for our member institutions. On April 22, 2019, we released an [episode](#)¹ of our podcast series, *NACUBO In Brief*, featuring Mr. Juan Martinez, vice president, CFO, and treasurer of the Knight Foundation, who discussed the findings of the report and stressed the need for diversity in asset management. Further, Mr. Martinez is scheduled to speak directly to our member institutions, and the broader asset management community, at NACUBO's upcoming [Endowment and Debt Management Forum](#).² In that session, I will personally be speaking with Mr. Martinez and others on the topic of socially responsible asset management and investment (SRI).

¹ Episode available at: <https://www.nacubo.org/Conferences-and-Workshops/NACUBO-Podcasts/NACUBO-In-Brief/2019/Episode-32-Diversity-in-Portfolio-Ownership>

² [NACUBO 2020 Endowment and Debt Forum, February 5-7, 2020.](#)



Additionally, we recently reiterated the importance of this practice in a September [webcast](#)³ for our member institutions, *Seeing SRI in Context: Emerging Strategies for Socially Responsible Investing in College Endowments*. Earlier this year, our monthly publication, *Business Officer Magazine*, ran “[Seeing SRI in Context](#).”⁴

As you noted, the *2018 NACUBO-TIAA Study of Endowments* (NTSE) included a question concerning diversity and inclusion in institutional hiring policies. We asked this question for the first time to bolster our efforts to highlight the need for greater diversity in college and university asset management with solid analytical backing. This question will continue to be included in future surveys, building up a statistically sound data repository that will enable NACUBO to better ascertain market trends in this area and to respond to our member institutions accordingly.

NACUBO believes our continued research will help investment managers identify how to engage in SRI and environmental, social, and governance (ESG) investing while upholding their fiduciary responsibilities. In terms of endowment management best practice recommendations, it is incumbent upon us to reinforce compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the legal guidelines for investment decisions and endowment expenditures of all nonprofit and charitable organizations, including colleges and universities. UPMIFA requires that endowment investment and spending decisions preserve the purchasing power of the principal over the long term. As studies like the NTSE and the Knight Foundation’s demonstrate, the legal obligation to UPMIFA and a commitment to SRI can coexist. We are strongly optimistic that you will see progress in investment in diversely-owned firms, bolstered by this research.

Our work on diversity, equity, and inclusion extends well beyond our professional development services related to investment management. This year, NACUBO released a new [Strategic Blueprint](#)⁵ that includes a commitment to developing a sector-wide initiative to strengthen diversity, equity, and inclusion principles in the higher education business community.

We are building that initiative on a strong foundation. NACUBO strives to regularly include content in our conferences that focuses on race, gender, and diversity awareness and inclusion. At recent NACUBO events, speakers have included:

- Michele Norris, journalist and founder of The Race Card Project (NACUBO Annual Meeting, 2017)
- Wes Moore, author of *The Other Wes Moore* (five NACUBO Leadership Series events in 2017)
- Erin Gruwell, author of *The Freedom Writers Diary* (NACUBO Annual Meeting, 2018)

³ Webcast available at: <https://www.nacubo.org/Events/2019/Seeing-SRI-in-Context-Emerging-Strategies-for-Socially-Responsible-Investing-in-College-Endowments>

⁴ [Business Officer Magazine, March 2019](#)

⁵ [NACUBO Strategic Blueprint](#)



- W. Kamau Bell, author, writer, and host of *United Shades of America* (NACUBO Annual Meeting, 2018)
- Beverly Daniel Tatum, author of *Why Are All the Black Kids Sitting Together in the Cafeteria* (five NACUBO Leadership Series events in 2018)
- Clarence Page, political commentator and author of *Culture Warrior Reflections on Race, Politics and Social Change Selected Columns* (NACUBO Annual Meeting, 2019)

Further, our annual meetings regularly include highlighted convenings for college and university business officers from historically black colleges and universities, female business officers, and LGBTQ business officers to identify and address issues and concerns in higher education administrative operations.

NACUBO is also committed to our own internal diversity because it enriches and strengthens how we advance our mission, just as it does for institutions of higher education. We are fully focused on equality and believe deeply in diversity of race, gender, sexual orientation, religion, ethnicity, and national origin, among other characteristics that make us each unique. Our goal is to be a workplace where a diverse mix of talented people want to come, stay, and do their best work.

We welcome future discussions and collaboration with you on this topic. Please feel free to reach out to Megan Schneider, senior director of government affairs, (202.861.2547, mschneider@nacubo.org) to discuss this important issue further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Susan Johnston', written in a cursive style.

Susan Whealler Johnston
President and CEO

About NACUBO

NACUBO, founded in 1962, is a nonprofit professional organization representing chief administrative and financial officers at more than 1,900 colleges and universities across the country. NACUBO works to advance the economic vitality, business practices, and support of higher education institutions in pursuit of their missions.