As Harvard's Muslim chaplain, Khalil Abdur-Rashid thinks of his work—including leading prayer each Friday, hosting seminars on Islamic ethics, and organizing community-building activities—as helping students to develop their “SQ,” what he calls their spiritual quotient. In the process, he often finds himself helping them navigate multiple cultural identities. He knows what that’s like firsthand: his Muslim-convert parents raised him within a Southern Baptist extended family (“We did Ramadan, and we did Christmas”). They were active in education and politics in Atlanta, where he began his career as a social worker, investigating child-abuse cases for the state of Georgia. Then, 9/11 and its aftermath pushed him to explore his faith more deeply. He went abroad to Yemen and Turkey to study Islamic law before landing in a Ph.D. program at Columbia in 2010. There he also served as a religious-life adviser, commuting nearly two hours daily from Coney Island, where he was imam of a Brooklyn mosque. When news broke in 2012 of Muslim students being surveilled by the New York City Police Department, Abdur-Rashid spoke out, and was named to the police commissioner’s advisory council as a consultant on policy changes. Some months later, when three Jordanian students were violently threatened by a bus driver for speaking Arabic, he called up City Hall to demand action. “I was born and raised in a family of grassroots activists,” he says. But, in that moment, “I saw ‘oak tree activism.’ Activism from the institutional level, top down.” That experience informs Abdur-Rashid’s perspective on his current role. “There has to be somebody at the table, in the room, to advocate for students’ needs, who’s connected with major institutions,” he says. “That is the profoundness, I think, of this position.”

—SOPHIA NGUYEN

Money Matters
The investment return on Harvard’s endowment assets during the fiscal year ended June 30, 2018, was 10.0 percent and the endowment’s value on that date reached $39.2 billion—up 5.7 percent ($2.1 billion) from $37.1 billion a year earlier. N.P. Narvekar, CEO of Harvard Management Company (HMC), which manages the assets, announced the results on September 28. The net appreciation in the endowment reflects those investment gains, minus distributions from the endowment to fund Harvard’s academic operations (by far the University’s largest source of operating revenue), plus gifts added to the endowment (of which there have been plenty during The Harvard Campaign: see facing page).

What Narvekar did not do was explain the results further. Reporting fiscal 2017 results last year—not long after he arrived with a mandate to overhaul HMC following years of investment returns below the University’s goal—he discussed restructuring of personnel and investment disciplines. But he did not provide any of the traditional details on the distribution of investments among different kinds of assets, returns by asset class, performance benchmarks, or long-term rates of return (see

—OSET BABÜR

Photograph by Jim Harrison

November - December 2018

Reprinted from Harvard Magazine. For more information, contact Harvard Magazine, Inc. at 617-495-5746
can be observed that:

As is well known, HMC, as an organization, and the endowment portfolio are still in the early stages of a multi-year transition, with much work ahead. Thanks to the exceptional team we have at HMC, we are confident in the direction of the organization and the long-term prospects for the endowment.

For those interested, further details of our organizational progress and investment returns will be available in the University’s financial report, next month.

Accordingly, further insights, if any, into the status of the transition and how far along Narvekar and the HMC board think it has progressed await publication of Harvard’s annual financial report. Until then, it can be observed that:

- HMC’s results mean that for the first time in a decade, the nominal value of the endowment has for two years running exceeded the then-peak value of $36.9 billion recorded in fiscal 2008, just before the financial crisis caused catastrophic losses. (None of these figures are adjusted for inflation, which has reduced its real value by several billion dollars during that time.)
- In a year that was generally favorable for investors, with broad indexes of U.S. stocks up 12 percent to 14 percent, and international equities appreciating about half that much, HMC’s return exceeded the 8.1 percent it reported in fiscal 2017. It is unknown whether restructuring and severance costs recorded during that year, and losses taken on certain assets disposed of or designated for sale, depressed the reported return then.

The fiscal 2018 return matches the Wilshire Trust Universe Comparison Service’s median return for large (over $500 million) foundations and endowments. Among peer institutions whose endowment portfolios are HMC’s nearest cousins in size and asset mix, Princeton reported a 14.2 percent investment gain and 8.8 percent growth in the value of its endowment; Yale, 12.3 percent and 8.1 percent; and Stanford, 11.3 percent and 6.9 percent. These data, and other schools’ returns—MIT (13.5 percent), Notre Dame (12.2 percent), University of Virginia (11.4 percent)—suggest that HMC’s returns remain 2 to 3 percentage points lower than those earned by its closest peers: the institutions with which Harvard competes for professors and students. Applied to an asset pool the size of Harvard’s endowment, that margin translates into at least hundreds of millions of dollars less in investment gains for the University during the year. Hence the rationale for the changes Narvekar is making—and the importance, for the University’s long-term financial and academic health, of their success.

- The 5.7 percent rise in the endowment’s value in part reflects a relatively restrained rate of distributing funds to support Harvard’s operations. Following a decline in the endowment’s value in fiscal 2016, the Corporation directed that deans budget for flat distributions per unit of endowment their schools own during fiscal 2018. (It has also outlined a “collar,” within which distributions will rise: 2.5 percent per unit in the current fiscal year, and between 2.5 percent and 4.5 percent in fiscal 2020 and 2021.) During a time of change in Harvard’s leadership—and possibly its strategy and priorities—and against a backdrop of political and economic uncertainty and wholesale change within HMC, this fiscal path hedges against any hiccups in the portfolio, while helping to re-

---

**The Campaign, Concluded**

Five years after the public launch of The Harvard Campaign, the University announced on September 20 that upon its conclusion this past June 30, the fund drive had attracted $9.62 billion in gifts and pledges. From the $2.8 billion in hand in September 2013, when the ambitious $6.5-billion goal was unveiled, alumni, foundations, parents, and others sustained an annualized pace of giving of more than $1.4 billion. According to the announcement, more than 153,000 households made more than 633,000 gifts.

The relatively anodyne announcement, in The Harvard Gazette (the sum raised appears in the sixth paragraph), at the thunderously successful conclusion of a colossal campaign, is consistent with the sotto voce communications during the past few years: a time of rising public concern about the costs and conduct of higher education; the enactment last December of a federal tax on elite institutions’ endowment income; and, locally, President Lawrence S. Bacow’s determination to focus on Harvard’s role in addressing major social challenges. In the announcement, he said, “It is...important that we lead by example as we seek to make the world a better place through our teaching and scholarship. We are enormously grateful to those who have supported us in this effort.”

The Gazette did not detail results by school or other specific outcomes (for a fuller report, see harvardmag.com/campaigntotal-18), beyond mentioning that $1.3 billion (13.5 percent of campaign proceeds) had been raised for financial aid, and that 142 professorships (new and existing) had been endowed.

Overall, some 42 percent of the gifts and pledges ($4 billion) were for endowments (see above); 35 percent was applied to various current uses; 11 percent was in the form of nonfederal support for research; 10 percent supported construction (for example, Smith Campus Center and Klarman Hall, see page 24; undergraduate House renewal; and the remade Kennedy School campus); and 2 percent was in the form of life-income funds.

---

Reprinted from Harvard Magazine. For more information, contact Harvard Magazine, Inc. at 617-495-5746
Yesterday’s News
From the pages of the Harvard Alumni Bulletin and Harvard Magazine

1933 Permission for a pacifist meeting of the Harvard Liberal Club on the Widener steps on Armistice Day is denied by President Conant because “the courtesies of the Yard have already been extended” to West Point cadets in Cambridge for the football game. (Army won, 27-0.) The Widener steps, he adds, are available between 9 and 9:30 a.m., as are Harvard buildings outside the Yard throughout the day.

1938 Complaints by patients of Stillman Infirmary about “class D detective stories” have prompted the hygiene department, University library, and financial office to pledge $100, with a promise of $50 each succeeding year, until Stillman’s literary offerings are more acceptable.

1948 In a University-wide straw poll conducted by the Crimson, challenger Thomas Dewey defeats President Harry Truman 1,897 to 833. Faculty members pick Dewey five to one. Undeterred, the Crimson endorses Truman.

1953 The Band, en route to the Columbia game, gives a 3 a.m. concert at Yale that is cut short by the arrival of 12 New Haven police cars. Band manager Peter Strauss ’54 and a colleague are booked for disturbing the peace.

1968 Fury erupts at a December 3 faculty meeting when philosophy professor Hilary Putnam introduces an anti-ROTC resolution. Unusually high attendance has forced the meeting to be held in Sanders Theatre: outside, 250 students hand out leaflets and shout, “ROTC must go.”

1988 The University’s Association of Black Faculty and Administrators calls for an affirmative-action plan, involving recruitment and a capital campaign, to ensure that blacks, Hispanics, and Native Americans comprise 10 percent of its faculties by 1990, the centennial of the College graduation year of W.E.B. Du Bois, who became Harvard’s first black Ph.D. recipient in 1895.

News Briefs

Admissions Litigation
As the University and Students for Fair Admissions—the litigant alleging that Harvard College discriminates against Asian-American applicants—girded for trial beginning October 15 (after this issue went to press), the U.S. Department of Justice weighed in, opposing the University’s position. In a statement of interest, the department, which has been challenging policies supportive of holistic admissions policies that take race into account, asserted, “Harvard has failed to carry its demanding burden to show that its use of race does not inflict unlawful racial discrimination on Asian Americans.” In a statement calling the Justice filing “deeply disappointing,” Harvard said of the department’s action, “This decision is not surprising given the highly irregular investigation the DOJ has engaged in thus far, and its recent action to repeal Obama-era guidelines on the consideration of race in admissions.” The case is seen as a possible precursor to yet another Supreme Court review of the use of affirmative-action criteria to diversify student bodies, consistent with a series of prior rulings that have upheld such practices within narrow criteria. (See “Litigating Admissions,” September-October, page 17, for background.)

Separately, Yale president Peter Salovey revealed in late September that the government is investigating it for discrimination against Asian-American applicants, too, suggesting a concerted federal assault on the use of race in admissions. He wrote “to state unequivocally that Yale does not discriminate in admissions against Asian Americans or any other racial or ethnic group.”

Sexual Assaults on Campuses
News reports in late August indicated that the U.S. Department of Education was

Illustration by Mark Steele

Reprinted from Harvard Magazine. For more information, contact Harvard Magazine, Inc. at 617-495-5746