Yesterday’s News
From the pages of the Harvard Alumni Bulletin and Harvard Magazine

1914 Lionel de Jersey Harvard ’15, the only member of the founder’s family ever to attend the College, speaks at exercises held at the Harvard statue on November 25 commemorating the 310th anniversary of his ancestor’s birth.

1924 In the largest presidential straw vote taken at Harvard to date, faculty and students give Calvin Coolidge a landslide victory over John Davis (Democrat) and Robert La Follette (Progressive).

1934 The “dial method of signaling” for telephones has arrived, and the old exchanges University and Porter have been replaced by Kirkland, Trowbridge, and Eliot. Unfortunately, note the editors, that requires dialing “Eli” to speak with Harvard parties on the Eliot exchange.

1944 Enrollment figures for the term beginning November 1 are roughly 1,800 for civilians and about 5,500 for military men.

1954 After 311 years of being run by hand, the principal bell in Memorial Church that calls students to prayers and class will soon be operated electronically. The editors report that there will be no detectable difference for listeners.

1969 The Faculty of Arts and Sciences approves a spring-term experiment in coeducational living in which 150 volunteers from Adams, Winthrop, and Lowell will move north to the Quad, and an equal number of Radcliffe students will take their places in the Houses.

1974 FBI agents recover almost half the ancient Greek and Roman coins stolen from the Fogg Art Museum the previous year. The approximately 3,100 coins are found buried in a bowling-ball bag in a rural wooded area in Lincoln, Rhode Island. In a second find, 843 coins are discovered in a Montreal bank’s safe-deposit vault.

1999 WHRB has begun broadcasting over the Internet, which will make its forthcoming January reading- and exam-period Orgy® offerings available to listeners far from Cambridge.

2009 The editors report that 17 of Harvard’s 114 varsity football players are wearing new helmets intended to help insulate their brains from sudden movements during impact that can result in concussions.

natural resources and emerging markets at the end of fiscal 2018.

Until the University issues its report, the factors contributing to the 4.3 percent rise in the endowment’s value cannot be known precisely. But a rule-of-thumb estimate suggests that beginning from the 539.2-billion value at July 1, 2018:

- the investment return during fiscal 2019 boosted the endowment by roughly $2.6 billion;
- the distribution of funds to pay for University operations (the largest source of revenue for the schools and administration, about 35 percent of income in recent years) decreased the endowment by roughly $1.9 billion; and
- gifts for endowment increased its value by perhaps $1 billion—a large sum, but plausible given pledges outstanding from The Harvard Campaign and continued, apparently robust, philanthropic support.

Compared to the very strong results in fiscal 2018, other institutions reported a much tamer performance in the most recent period. Among the perennial leaders in endowment returns, MIT earned 8.8 percent on investments in fiscal 2019 (down from 13.5 percent the prior year), the University of Virginia, 5.8 percent (vs. 11.4 percent); and Yale, which eschews nearly all stocks and bonds (strong performers during the past fiscal year), 5.7 percent (down from 12.3 percent). Stanford reported a 6.5 percent return (down from 11.3 percent).

Endowment managers and deans face two challenges in the current environment. First, for institutions like Harvard that aim to distribute investment earnings equivalent to roughly 5 percent of the market value of the endowment each year, a 5 percent to 6 percent investment return yields little, if any, net growth in the value of the underlying principal (excluding gifts received). Were such results to persist, the real value of the endowment, and thus the academic expenses it could support, would be eroded by inflation. The Higher Education Price Index for fiscal 2019 was 2.6 percent. Thus, investment returns of 6.5 percent, and distributions equal to 5 percent of market value, mean the endowment’s future purchasing power is reduced by more than 1 percent.

Second, Harvard and similar institutions therefore typically aim for long-term endowment investment returns of about 8 percent, allowing for the