annual distribution and additional returns to maintain real future purchasing power. Academic plans and long-term budgets that assume such returns over time are vulnerable if they cannot be achieved sustainably. Given persistently low interest rates, some of the largest public pension funds have reduced their assumed rates of return to 7 percent or so.

Both HMC and Harvard are considering what long-term rate of return the investment managers can be expected to earn. A lower expected return would have obvious implications for the academic operations the endowment supports. For example, income derived from the endowment accounts for about half of the Faculty of Arts and Sciences’ operating funds. If Harvard’s current expected long-term endowment returns are too high, given the investment outlook (and the labor-intensive processes of teaching and research do not somehow overcome habitual inflationary pressures), the effect on a faculty like FAS from lower future distributions could be enormous.

As if these problems did not loom large enough, fiscal 2019 was the first year in which Harvard, and a few dozen well-endowed peers, incurred the federal excise tax on endowment earnings enacted in late 2017. At last estimate (not updated for U.S. Treasury guidance on how the tax will work, nor for HMC’s latest results), the University faced a tax bill of $40 million or more—effectively, a reduction in the investment returns available to distribute to the schools, at a time when realizing planned-for rates of return already appears daunting. A detailed report on HMC’s initial announcement of results appears at harvardmag.com/endowment-19. Check back at www.harvardmagazine.com for analysis of the University’s annual financial report, expected toward the end of October. ~J.S.

News Briefs

How Harvard Handles Harassment

In the wake of the charges of persistent sexual harassment brought against Jorge Dominguez, former Madero professor for the study of Mexico and Harvard’s first vice provost for international affairs, a committee will review factors that inhibit reporting of such misconduct and deter an effective response. President Lawrence S. Bacow announced the committee on September 6, appointing Susan Hockfield, MIT president emerita; Kenji Yoshino, Warren professor of constitutional law at New York University and a past president of Harvard’s Board of Overseers; and Vicki Magley, professor of psychology at the University of Connecticut, whose research focuses on individual and organizational coping with sexual harassment and interventions to address workplace incivility. Bacow asked them to examine:

• What characteristics of organization or culture might have inhibited those who had suffered (or were aware of) misconduct from reporting it?
• When misconduct was reported, were there characteristics of our organization or culture that inhibited an effective response?
• How do we vet candidates for leadership positions to assure that we are aware of any allegations of misconduct, including sexual harassment, and how might we do this?

They will conduct interviews and review materials and policies this fall, as they “examine factors that may undermine our University’s ability to prevent or address incidents of sexual harassment,” Bacow wrote. But they will not “re-investigate[e] the allegations, nor [review] the investigation of those allegations. In addition, we are not asking the committee to review the behavior or decisions of individual members of the Harvard community in regard to the Dominguez matter.” The committee will issue a report to the University community.

Additional details appear at harvardmag.com/harassment-reporting-issues-19. The decision to remove Dominguez’s emeritus status and Harvard privileges was reported in May at harvardmag.com/dominguez-19.

Epstein Exposure

In a September 12 message to the community, President Lawrence S. Bacow revealed that Jeffrey Epstein—accused of being a serial sexual predator who continued to prey systematically on underage women even after a 2008 plea arrangement for sex offenses, and who died in prison, reportedly by suicide, while awaiting trial on further charges—had cumulatively donated $8.9 million to Harvard. The gifts include $6.5 million in 2003 to support a research program on evolutionary dynamics (previously disclosed); and $2.4 million in miscellaneous other current-use gifts. As of the date of his note, Bacow wrote, Harvard had found no gifts after Epstein’s guilty plea—and “[W]e specifically rejected a gift from Epstein following his conviction in 2008.” The University continues to examine its records, he wrote; it is also investigating further Epstein’s appointment as a visiting fellow in psychology in 2005. The unspent balance of $86,000 from the gifts will be directed to organizations that “support victims of human trafficking and sexual assault”—an unusual step reflecting Epstein’s “repulsive and reprehensible” crimes. Bacow has convened a working group to examine how the University vets donors, and on September 20, general counsel Diane E. Lopez wrote to the community, asking for help (anonymously, if preferred) in identifying information on “Jeffrey Epstein’s donations or other interactions” across the decentralized University. Separately, The Harvard Crimson reported that while Epstein helped arrange the major gift that paid for construction of Harvard Hillel’s building, completed in 1994, he did not himself donate the funds.

Explore More

The Harvard ArtLab, a flexible space in Allston dedicated to artistic collaboration across disciplines, opened in late September. Flutist and professor of the practice of music Claire Chase called it a place “to gather and make noise together and ideate and argue and create a community.” Read more at harvardmag.com/artlab-opens-19.

Sports in the Spotlight

Faculty of Arts and Sciences (FAS) dean Claudine Gay has chartered a comprehensive review of Harvard athletics, aiming to “engage our community to learn about our student-athlete experience, the culture
of our programs, and the structure of our department. This important work will inform strategic planning for Harvard Athletics over the coming decade, drawing on the proud history, traditions, and the values of athletics at Harvard.

The study is explicitly supportive: Gay wrote about “setting our aspirations for the support of athletics at Harvard”; and the effort is overseen by a committee who will be well positioned to make the case for resources for the program. Members include: Bob Scalise, Nichols Family director of athletics; Jack Reardon, senior adviser for alumni affairs and development, a past director of admissions and of athletics, and former executive director of the alumni association (and a current director of this magazine); College dean Rakesh Khurana; FAS dean for administration and finance Leslie Kirwan; and FAS’s new dean for development, Armin Afsahi. They will be assisted by Mercer consultants.

Although Gay’s note touched on “the culture of our programs” (see 7 Ware Street, page 5), the context is on strategic planning: presumably investments in the extensive athletics facilities (some recently refurbished, but many aging), particularly as Allston campus development nearby or on some of those venues proceeds; and in programs and the connection between athletics and other undergraduates. In an interview apart from the September 5 announcement, Gay expressed admiration for student athletes’ tenacity, commitment to their teammates, and immersion in and exposure to leadership—and her interest in seeing those lessons and experiences shared across the undergraduate body.

A report on the committee’s findings is expected in the spring. Whether it considers the weighty matters of staffing, personnel, or the consideration of athletics in admissions, fans will have to wait and see. Further details are available at harvardmag.com/ath-review-19.

Who Gets In
Fretting—or boasting, or litigating—about who is admitted to Harvard and other selective institutions is a major industry. But now the issue surrounding the community’s composition has broadened in an ominous way.

In July, President Lawrence S. Bacow wrote to U.S. Secretary of State Michael Pompeo, J.D. ’94, and Acting Secretary of Homeland Security Kevin McAleenan to “share my deep concern over growing uncertainty and anxiety around issues involving international students and scholars.” While supporting “the fundamental role of your agencies in ensuring that those who come to the United States do so with appropriate and honest intentions that meet the goals and requirements of our laws,” he pointed to visa delays that increasingly impede the arrival of international students and scholars. “While supporting the work of illuminating the world through word and deed, and we must continue to affirm and safeguard the values that underlie the finest traditions of this extraordinary nation, especially in turbulent times. I hope you will take up that important work with me in the coming months.”

Indeed, in mid September, Harvard joined 600-plus colleges and universities—under the auspices of the American Council on Education—in writing to the leaders of the U.S. Congress, urging permanent protection for undocumented immigrant students (the “Dreamers” remaining in the country under the Deferred Action for Childhood Arrivals program). Bacow also signed a letter to the Massachusetts congressional delegation, from 42 presidents of institutions in the Commonwealth, urging action to reverse visa delays and other heightened barriers to foreign-born students and other participants in higher education here.

on our campus,” he wrote, “find themselves the subject of scrutiny and suspicion in the name of national security, and they are reconsidering the value of joining our community in the face of disruptions and delays.” Acknowledging public officials’ “necessary obligation to weigh issues of national security, I profoundly hope they will do so with full recognition of the ways that our country’s universities greatly benefit from the presence and participation of talented people from around the world, and the ways that U.S. national interests are served by a system of higher education whose strength rests on a willingness to transcend barriers, not erect them.”

Writing personally, as the son of refugees from the Holocaust, he turned to those today, who like “countless people from different parts of the world have long looked to [this country’s] shores with hope—for the chance to learn, for the chance to contribute, for the chance to live better and safer lives.” On their behalf, he continued, “I am disheartened by aspects of the proposed new criteria for people seeking to enter our country. They privilege those who are already educated, who already speak English, and who already have demonstrable skills. They fail to recognize others who yearn for a better future and who are willing to sacrifice and work hard to achieve it.”

In remaining open to talent from any source, Bacow concluded, “Harvard is, indeed, no island. We must devote ourselves to the work of illuminating the world through word and deed, and we must continue to affirm and safeguard the values that underlie the finest traditions of this extraordinary nation, especially in turbulent times. I hope you will take up that important work with me in the coming months.”

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