VANDERBILT CONTINUES TO GROW IN NEW AND IMPORTANT WAYS THANKS TO OUR ENDOWMENT SUPPORTERS WHO HAVE INVESTED NOT ONLY IN THE VANDERBILT THEY KNOW—BUT IN THE UNIVERSITY THEY DREAM WE WILL BECOME.

One of our earliest exemplars of this foresight is William M. Cartmell of Lebanon, Tennessee, who endowed one of Vanderbilt’s first scholarships through his will in 1876, just three years after the founding of the university. At the time, his bequest represented one-fortieth of the total university endowment. Over the years, the Cartmell Scholarship has supported and inspired countless students. One recipient of this scholarship, John Raymond “Matt” Carloss, BA’36, was so grateful for the opportunities he received that he and his wife, Viola Allen Sorrelle, BA’36, established a scholarship in return. Today, the Carloss Scholarship is a powerful example of the transformative and circular nature of philanthropy.

The vision and enduring legacy of our supporters like William Cartmell and the Carloss family continue to drive Vanderbilt’s success. When I walk across our campus, everything I see—from the people to the places—has in some way been made possible by generations of philanthropists who believed in Vanderbilt’s mission of education and research. Our endowment is the single most important financial underpinning for the university. This year, it reached $3.8 billion, with more than $185 million supporting students, faculty and academic programs.

Throughout the following pages, you will see a glimpse of the endowment’s power to make Vanderbilt such a special place. In the back of this brochure, you also will find more detailed information about the endowment as well as the annual financial report on your fund.

Your commitment to Vanderbilt is part of the university’s fabric, helping in immeasurable ways to foster hope, opportunity and positive change—now and forever. We are deeply grateful.

Susie S. Stalcup, Vice Chancellor for Development and Alumni Relations
November 2016
OUR STORY BEGINS

with a visionary gift. In 1873, Cornelius Vanderbilt gave $1 million to build and endow this university to reconnect a country torn apart by the Civil War. For more than 140 years, Vanderbilt has stewarded that original gift along with many others, growing a small, Methodist university into one of the world’s leading institutions for learning and research. Today, our alumni and donors continue to help shape Vanderbilt’s story. I hope you enjoy the enclosed reflections by a few of our benefactors and the personal stories of those who have been impacted through their generosity.

Nicholas S. Zeppos
Chancellor
SOME PEOPLE SHINE IN THE WORLD.

Lauren Pak | Littlejohn Undergraduate Research Award
박세빈 or Saebin. Meaning to “shine in the world.” That is the Korean name Lauren Pak’s father gave her 21 years ago. A lofty name, but one she has lived up to so far.

Pak was raised in southern California in a richly diverse neighborhood. At her high school, 70 percent of the student body spoke a language besides English at home. A product of her environment, she became fluent in Spanish, along with English and Korean. Growing up, she also learned the importance of service. Her mother, a psychologist, and her father, a pastor, are both leaders in the Korean community, their ministry and service spanning 27 years.

Pak explains how much she learned from her parents this way: “There’s a popular theory that the well-being of a person is made up of three dimensions: spiritual, which is what my dad taught me. Psychological, which is what I learned from my mom. For me, I’m really interested in the socio-political aspect of a person’s well-being. That’s what I’ve been exploring at Vanderbilt. Within this triangle, I’m able to bring together everything my parents taught me and apply it to what I’m passionate about. I see my life as a love letter to how I was brought up.”

Ultimately, these lessons have led Pak to pursue her interest in conflict resolution. “The human experience is something we all share,” she says. “Learning from others is one of the most powerful experiences you can have. That’s what conflict resolution is all about.”

So far, her interest in conflict resolution research has taken her to five continents—all but Australia and Antarctica. In South Africa, she investigated the country’s post-apartheid grassroots restorative work. In Bosnia-Herzegovina, she spent a semester studying the restorative capacity of religious figures for reconciliation despite divisions along ethnic-religious lines. And as an undergraduate research fellow for Vanderbilt’s Latin American Public Opinion Project, she published a cross-country report on perceptions of domestic violence.

Last summer, thanks to the Littlejohn Undergraduate Research Award, Pak traveled to South Korea to interview organizational leaders—from NGO directors to government officials—working on the “comfort women” issue. These women were forced to serve in military brothels during the Japanese occupation of Korea in the first half of the 20th century.

“Being able to apply my Vanderbilt education and put it into practice is such a valuable gift. I get to see the texts and theories I’ve been studying come to life. It means the world to me to know there are people who want to support that and who believe in me.”

Once she graduates from Vanderbilt, Pak plans to pursue a degree in international law in hopes of working for the United Nations someday. Her dreams are big, and so is her inspiration. “My success isn’t just mine alone,” she says. “It’s my mother’s. It’s my grandmother’s. But none of it would be possible without the opportunities Vanderbilt has given me. I never could have imagined the worlds it has opened for me.”

THE LITTLEJOHN FAMILY

It all started with a Latin American studies course Angus Littlejohn III, BA'07, took during his freshman year. “Professors from different disciplines would come in as guest speakers—from history, the arts, political science,” Littlejohn recalls. “They would all talk about how, over the summers, they traveled to different countries and studied firsthand their disciplines. It was very obvious how important these experiences were to them. You could clearly see the passion. I thought, how great it would be if students could have that same experience, all the while working closely with the faculty.”

Out of this idea grew the Littlejohn Undergraduate Research Awards, which Littlejohn says provide undergraduates with “live, interactive experiences.” By funding such activities in 2007, the Littlejohn family became early champions of experiential learning, now a top university priority known as Immersion Vanderbilt. The idea is to afford students outside-the-classroom opportunities to hone skills, turn ideas into action and make a difference.

Today, the fund is supported by both Littlejohn and his parents, Leslie and Angus Littlejohn Jr. “It’s amazing to see where people’s passion lies,” says Littlejohn III. “I see our support as legitimizing that passion, encouraging them to pursue it wholly and properly.”
SOME PEOPLE MAKE THE IMPOSSIBLE POSSIBLE.

Michael Goldfarb | H. Fort Flowers Chair in Mechanical Engineering
Doug Adams | Daniel F. Flowers Chair
Sankaran Mahadevan | John R. Murray Sr. Chair
Some people change the world through art. Others, through politics. Engineers change the world by making the impossible possible.

Think a paralyzed man can never walk again? Think a car can only be so energy efficient, only so safe? Think the unknown can’t be predicted?

Answers to these questions lie in the discoveries of three School of Engineering faculty members—each holds an endowed chair made possible by the Flowers family’s generosity. All three are pioneering innovators in their fields.

Michael Goldfarb, H. Fort Flowers Professor in Mechanical Engineering, creates intelligent devices to improve the quality of life for people with physical disabilities. His team’s lower-limb exoskeleton, which allows people paralyzed below the waist to stand up and walk, recently went to market.

“I just had the chance to meet a woman who had suffered a spinal cord injury and was wheelchair bound,” Goldfarb says. “She’s a lawyer, wife and mother and had previously lived a very active lifestyle. The exoskeleton was helping her recover her independence—even to plan a trip to Yellowstone with her family. It was so gratifying to meet her and to know that work that started at Vanderbilt is having such an impact.”

Doug Adams, Daniel F. Flowers Professor, conducts experiments in his 20,000-square-foot laboratory on airplanes, cars, wind turbines and other objects to discover key indicators of imminent failure. The results are so promising that the U.S. Department of Energy has tapped him and lab colleagues to join a national team who are responsible for developing lightweight composite materials capable of reshaping American manufacturing.

“Race cars are safe,” Adams says. “You walk away from race car accidents. Why is that? It’s because they are made of carbon fiber, which is strong. They’re fuel efficient. And lightweight. But those race cars are expensive. To make advanced composite materials in high-volume production settings like the automobile industry, we are going to have to make them rapidly and with high quality. That’s where Vanderbilt fits into this consortium.”

Sankaran Mahadevan, John R. Murray Sr. Professor (named for H. Fort Flowers’ son-in-law), also explores how different structures will behave under various conditions—searching for novel ways to make them safer and more reliable. How will a certain material perform in space versus on Earth? How will a car door work 10 or 20 years from now? How do you predict the performance of a new spacecraft, still in conceptual design? These are the kinds of questions that fuel the imaginations of Mahadevan and his team every day.

All three professors turn to the same word to summarize their feelings about being chosen for their respective chairs: proud. Says Adams, “It’s wonderful to receive this investment, but it’s also so meaningful to be part of the Flowers family’s legacy. Their family has been committed to Vanderbilt for generations. It’s a compelling story, and it’s rewarding to play a part in it.”
SOME PEOPLE BECOME PART OF THE SOLUTION.

Ariana Fowler | Allison A. Poarch Scholarship
ARIANA FOWLER, CLASS OF 2017

Ariana Fowler was not your typical child. “I read Forbes when I was a kid, which was weird,” Fowler says with a laugh and then quickly adds, “I hated recess, too.” But most importantly, she knew from a very early age that she wanted to help people.

As a young girl, she recalls driving with her mom around Dallas and seeing homeless people. “I remember being really confused as to why they were homeless,” she says. “My mom would explain to me, ‘They don’t have jobs’ or ‘They didn’t go to school.’”

So the business-minded Fowler came up with a plan. “I thought I’d just get really rich and then buy all the empty skyscrapers in Dallas,” she says. “I made this prototype of the skyscrapers, with each floor being some sort of homeless solution. First floor would be the entry, second floor would be a hotel, third floor would be a dining hall, fourth floor would be a school, fifth floor would be where they go to get jobs, and the sixth floor would be where they could find clothes.”

Over the years, her desire to help others intensified as she learned more about the world—and the problems of the people in it. But something was missing: the education she needed to become part of the solution. “Before I came to college I spoke from a place of passion,” she says. “Now I speak from a place of knowledge. I have data to back up my ideas.”

During her time at Vanderbilt, Fowler has been busy putting both her passion and knowledge into action. She co-chaired the Vanderbilt Speakers Committee, which brings intellectually stimulating speakers to campus. As a residential adviser and VUceptor, she mentored first-year students transitioning to college life. She also represented Kappa Kappa Gamma on the Panhellenic Diversity and Inclusivity Task Force. And she was elected president of the Vanderbilt Student Government.

Fowler could have brought her talents to any number of distinguished universities. But during her junior year in high school, she decided to apply to Vanderbilt early decision. She knew she would receive a superb education if she came. But there was another reason: Opportunity Vanderbilt, the university’s initiative to replace all need-based undergraduate student loans with grants and scholarships.

“I was raised by a single parent,” Fowler says. “My family didn’t have a lot of money. No one completed college. It’s what a lot of people would describe as ‘the cards aren’t in your favor’ situation. So when we got Vanderbilt’s acceptance letter, my mom broke down.”

Four years later, Fowler understands the full value of her scholarship more than she or her mother could have that day. “Opportunity Vanderbilt has changed my life. I can’t imagine where I’d be without it,” she says. “I wouldn’t have met the people I know or taken the classes I took. I wouldn’t have these amazing mentors. I owe all the experiences I’ve had to Opportunity Vanderbilt.”

THE POARCH FAMILY

In 2012, approximately five years after Allison Poarch, BS’07, graduated from Vanderbilt, her parents, Cindy and Donald Poarch, established a scholarship in her name.

The idea grew from two experiences that motivated Poarch and—by extension—her parents. As a fundraiser for YES Prep Public Schools, a nonprofit charter school system in Houston, Poarch got the chance to meet “many incredibly bright students with no financial means.” She saw their tremendous potential but also their lack of the same access to higher education that she’d had.

At the same time, Poarch was conducting admissions interviews for Vanderbilt’s Commodore Recruitment Program (CoRPs), which pairs alumni with prospective students. “I was completely blown away,” she says. “These students were brilliant, and I usually walked away having learned something new.” She realized that modest family finances posed obstacles for some of them as well.

Poarch shared her concerns with her parents, who had already established one Opportunity Vanderbilt scholarship. The result: the Allison A. Poarch Scholarship, which was awarded to Ariana Fowler in 2013.

“It is an honor to be connected with someone like Ariana, who is exceptionally talented, and to help give her the same opportunities that I had,” Poarch says. “Vanderbilt. That word goes far. It has the potential to open up many doors for you.”
If you would like to know more about Vanderbilt’s endowment, please contact the Office of Stewardship by email at stewardship@vanderbilt.edu or call (615) 343-8677. We look forward to hearing from you.
SOME PEOPLE
INVEST IN THE FUTURE.
giving.vanderbilt.edu
What is the endowment?
The role of Vanderbilt's endowment is to provide a permanent source of support for the university's students, faculty and programs. While current-use gifts support the university's immediate needs, only the endowment ensures long-term sustainability.

Vanderbilt's $3.8 billion endowment includes more than 2,600 individual funds, each one named and used according to the donor's restricted purpose. As with a mutual fund, these assets are pooled and invested collectively. When donors make endowed gifts, "shares" are purchased in the university's endowed pool. The value of the shares reflects investment returns after the annual endowment payout.

What is the payout?
Following the university’s guidelines, a portion of the endowment’s value is distributed monthly to support the donor-designated purpose. This distribution is known as the payout. Currently, the payout rate is five percent of each individual endowment’s average market value for the prior three calendar years.

Who manages Vanderbilt's endowment?
The university’s Office of Investments manages the endowment under the direction of the Vanderbilt University Board of Trust Investment Committee. Vanderbilt maintains a highly diversified investment portfolio designed to mitigate downturns in any one sector of the economy. The Board of Trust also periodically reviews the endowment's payout rate to ensure that the university’s current needs are met while also safeguarding the endowment’s future.

How did Vanderbilt's endowment perform this year?
At the end of fiscal year 2016 (June 30, 2016), Vanderbilt's endowment was valued at $3.8 billion. Though global markets did not fare well this past fiscal year, the payout rate is based on a three-year market average, which helps to minimize the impact of a single year’s performance.
What percentage of Vanderbilt's annual budget does the endowment fund?
In fiscal year 2016, endowment distributions comprised 13 percent of the university's operating budget. The remaining 87 percent came from government and nongovernment grants and contracts, student tuition and fees, and philanthropy.

What does Vanderbilt's endowment support?
The endowment provides a permanent source of support to advance the university's mission of teaching, research and service. See the Endowment by Use chart on the right for more information.

Why does Vanderbilt devote so much of its endowment to scholarships and financial aid?
Scholarships and financial aid constitute the largest category of endowment use. In fiscal year 2016, 65 percent of undergraduate students and 87 percent of graduate and professional students received financial assistance. In 2000, Vanderbilt began expanding financial assistance for undergraduates, ultimately launching Opportunity Vanderbilt in 2008, its bold initiative to replace all undergraduate need-based student loans with grants and scholarships. Scholarship support is a top priority for all undergraduate, graduate and professional schools.

Can I create an endowment through my estate?
Absolutely! The vast majority of testamentary gifts are directed for endowed purposes. Such gifts can become a donor's legacy at the university, benefiting students, faculty, programs or other special interests.