

February 18, 2022

**MEMORANDUM**

TO: Virginia Tech Foundation Endowment Account Holders

FROM: Elizabeth A. McClanahan 

SUBJECT: FY 2022–2023 Endowment Payout

The endowment's payout is reviewed and adjusted annually to reflect the yearly change in the Consumer Price Index (CPI) and to ensure that endowment spending, as a percent of the three-year average of endowment values, falls within the approved range of 3.00%–4.40%, as set by the Investment Committee of the Virginia Tech Foundation Board of Directors.

I am writing to advise you that the endowment's unit payout will be increased for the upcoming 2022-23 fiscal year to \$1.48659 which is an approximate 1.58% increase over the current unit payout of \$1.46349.

Although the increase in the CPI over the past calendar year was 7.04%, the unit payout will only be increased by \$0.02310, or ~1.58%, to ensure that the payout stays within the upper boundary of the 3.00%–4.40% spending range. Accordingly, when measured against the current three-year average of endowment values, the new payout will be 4.40%.

Aggregate unspent income has increased over the last ten years from \$21.8 million in 2012 to \$32.8 million as of December 31, 2021. As you plan for FY22–23, please utilize account balances to the fullest extent possible to assure that the full benefit of endowments supporting university programs is realized. I encourage you to consider transferring unspent income, as appropriate, to endowment principal to help increase future payout distributions.

cc: Timothy D. Sands  
Cyril R. Clarke  
Christopher H. Kiwus  
John J. Cusimano

Terri T. Mitchell  
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Development Officers