



Deepening the impact of philanthropy at the University of Toronto

At U of T, gifts from donors have accelerated groundbreaking research and attracted talented new faculty members. Donor support is critical to student success, greatly expanding student financial aid and scholarships. Through the generosity of alumni and donors, the portion of our endowment devoted to student financial aid now exceeds \$1.6 billion, with our total endowment exceeding \$3 billion. The funding from these endowments is foundational to U of T's commitment to our students: our access guarantee states that no student offered admission is ever turned away for financial reasons.

With government funding for post-secondary institutions decreasing each year, and with tremendous pressures on the University's tightly constrained operating budgets, philanthropy is now even more essential to sustaining and expanding U of T's globally vital work. To meet this challenge, we have an ambitious plan through the Defy Gravity campaign to nearly double donations revenue in support of urgent student and faculty priorities that cannot be funded by current operating budgets.

To scale our philanthropic impact to the levels required to meet these essential goals and to advance our academic mission and aspirations, it is vital that we expand our capacity to raise, manage, and steward donations at the highest possible standard. We also must take care to reduce pressure on our mostly tuition-supported operating budget, as we fuel this ambitious and impactful growth in philanthropy.

That is why U of T has reintroduced an advancement investment model (AIM) that sets aside a very modest portion of endowment payouts and new expendable gifts to invest in fundraising and engagement growth and deepen the impact of philanthropy for our university community. Over the past 10 years, U of T has exceeded a 10:1 return on every new dollar invested in advancement in the form of additional donations to support student success, enable vital teaching and research programs, and enrich the experience we provide our learners and faculty.

Developed and enacted in 2024 with unanimous support from U of T's campaign leadership, the university's governance authorities, the president, the provost and principals and deans, U of T's advancement investment model is applied in one of two ways, depending on whether a gift is endowed or expendable:

- For endowment funds, the university applies an advancement investment assessment of **0.26 per cent from our 4% target annual endowment distribution** (beginning April 30, 2024), leaving the remaining 3.74% of distribution for the purposes of the fund. The assessment on annual endowment payouts is capped at \$25,000 per year.
- For expendable funds, the university applies a **2 per cent assessment on new expendable gifts** (beginning May 1, 2024). This assessment is capped at \$100,000.

At the same time, the strong performance of U of T's endowments has allowed us to increase the endowment payout by 17% over the last three years (2021 to 2024). This increase in payout ensures that beneficiaries of our endowments – students, faculty, and programs – receive a similar or slightly larger amount of annual support, compared to the three-year average prior to the implementation of AIM.



Ultimately, our students are the primary beneficiaries of this sustained and essential source of funding that enables U of T to deliver transformative education across almost every field of endeavour and gives students life-changing opportunities to pursue their ambitions.

U of T's advancement investment assessments are governed by the [Guidelines on Fundraising Strategy and Programs](#) for expendable gifts and the [Long-Term Capital Appreciation Pool Policy](#) for endowed gifts.