Prompt Inquiry
a project of the Ishmael Policy Institute

WORKING PAPER NO. 2026-08 LEGACY HIGHER EDUCATION

SLU Spent Like a Rich University, Grew Like a Poor One

Saint Louis University's investments earned about what the average endowment earned. The endowment still barely outgrew inflation over twenty-five years, because the university spent roughly all of its real return, year after year, to run the institution.

RESEARCH QUESTION

Why did Saint Louis University's endowment barely outgrow inflation from 2000 to 2025: its investment returns, its spending, or its fundraising?

Prompted and verified by **Patrick Ishmael**, Founding Prompter, for Prompt Inquiry, a project of the Ishmael Policy Institute. Drafted with AI assistance (Claude and Mia) under the prompter's direction.

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ABOUT THIS PAPER

Research brief

RESEARCH QUESTION

Why did Saint Louis University's endowment barely outgrow inflation from 2000 to 2025: its investment returns, its spending, or its fundraising?

METHOD AND SOURCES

The study's "How the numbers were built" section explains each figure; "Gaps and estimates" marks every estimate. Sources are listed in full, with links where available, at the end of the study.

STARTING VIEW

In his words, from the study's "How this started" note: "if they're just spending growth on unproductive programs that aren't driving even indirect endowment gains or protection, SLU is becoming just a mediocre university living on previous money with no arc to being anything more."

OPENING PROMPT

Not saved as a prompt at the time. The study's own account of how it started gives the question: "Patrick, who studied at Saint Louis University as an undergraduate and a law student, thought the endowment's growth since 2000 did not add up."

AI TOOLS AND VERIFICATION

Primary agents. Claude (Claude by Anthropic): research, analysis, figures and drafting; **Mia** (Muse by Meta): research brief, coordination and checks.

Contributing agents. None on record for this study.

Verification: the prompter is responsible for verifying the evidence this study rests on. Its sources and data are published so any reader can check the findings.

HOW THIS STARTED

Patrick, who studied at Saint Louis University as an undergraduate and a law student, thought the endowment's growth since 2000 did not add up. His working view, in his words: "if they're just spending growth on unproductive programs that aren't driving even indirect endowment gains or protection, SLU is becoming just a mediocre university living on previous money with no arc to being anything more." He asked for that view to be tested, not assumed. Section 9 does so and separates what the evidence supports from what it cannot reach.

HOW THIS STUDY WAS MADE

Patrick Ishmael prompted this study and verified it. Claude drafted it and ran the analysis under his direction. The research was gathered by Mia, an AI agent, in seven rounds from SLU's audited financial statements, NACUBO's endowment studies, peer universities' statements and news coverage. Before building the page, Claude checked a sample against the original documents: SLU's fiscal 2025 audited endowment note (balances, composition, the $115.0 million draw, the 6.5% policy rate, the operating results), SLU's 12.4% fiscal 2025 return, NACUBO's 10.9% average return and 4.9% average spending rate, and the accreditation team's wording on the spending rate. All matched. Claude also re-ran the growth and counterfactual arithmetic from the published inputs and got the same results.

The question

Saint Louis University's endowment is the pool of invested money the university keeps to support itself over the long run, drawing on it each year to help pay its bills. In June 2000 it was worth $926 million. Twenty-five years later it was worth $2.02 billion. That sounds like strong growth. But the same money left untouched in the stock market would have grown to several times as much, and after inflation the endowment is barely larger than where it started.

Patrick, a graduate of the university, asked why. Did SLU invest the money badly? Did it spend too much of it? Did it raise too little? And what does the answer say about where the university is headed?

Three things decide how fast an endowment grows: what its investments earn, how much the university takes out each year, and how much new money donors add. This study tests each in turn against SLU's audited financial statements, the national study of college endowments, and peer universities, then looks at how the pattern played out under three presidents and tests Patrick's own view. Two terms recur. *Real* growth means growth after inflation. The *draw*, or spending rate, is the share of the endowment the university takes out each year.

What we found

The investments were not the problem; the spending was. SLU's endowment earned about what the average endowment earned, but from 2000 to 2025 it grew only 0.6% a year after inflation, last among sixteen comparison schools, largely because the university drew from it at a higher rate than its peers to fund current operations.

0.6% a year
real growth, June 2000 to June 2025: $926 million to $2.02 billion, or about $1.08 billion in 2000 dollars. After higher-education inflation, essentially zero.

6.12% spent
of the endowment in fiscal 2025 ($115.0 million), against a 4.9% national average. The board's policy rate that year was 6.5%.

12.4% return
in fiscal 2025, against a 10.9% national average. SLU beat the average in 2023, 2024 and 2025 and led it by about half a point a year over five years.

16th of 16
on real growth since 2000 among the comparison schools, though 3rd of 27 US Jesuit universities on size.

77th → 100th
in the U.S. News national ranking, from the 2006 edition to the 2027 edition (SLU), after a low of 106th in 2019. The list has grown and the method changed in 2024, so the fall is indicative.

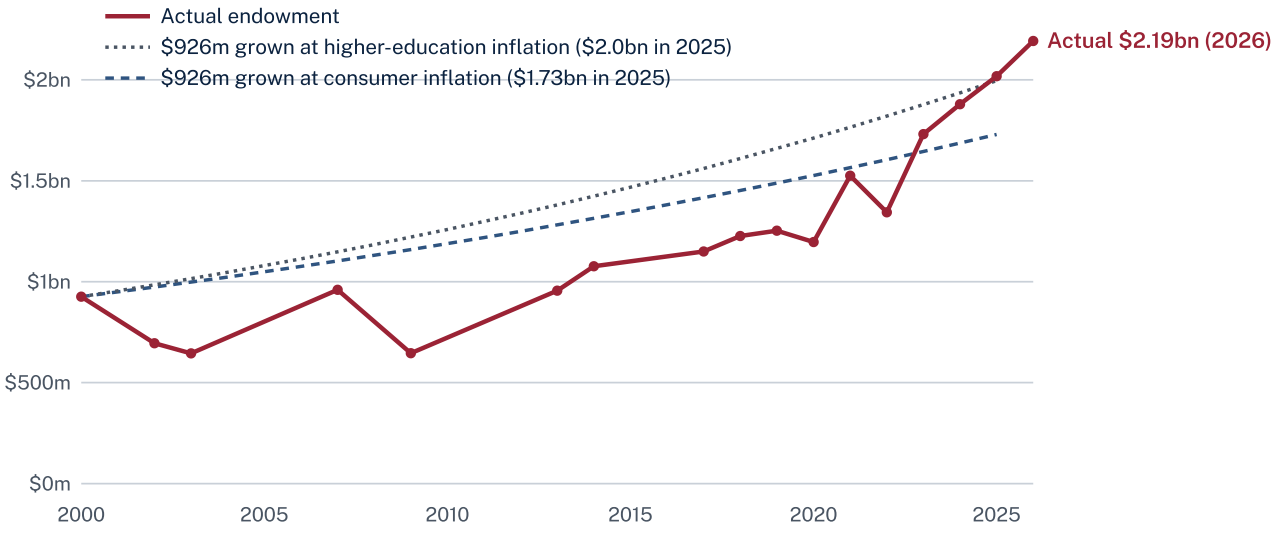
56% → 75–85%
of applicants admitted, from the fall 2020 class to the classes of 2022 through 2024, after SLU went test-optional. A higher admit rate means a less selective school.

Among Jesuit universities, SLU's endowment is the third largest, but of the sixteen with verified figures for both 2000 and 2025 it grew the least after inflation: 0.6% a year, against a typical 3.1%. It also spent more heavily than its peers, about 6% of its value each year, and leaned on that money for about 17% of its annual budget. Over the same years its standing slipped: U.S. News ranked SLU 77th to 82nd among national universities in the mid-2000s and between 96th and 106th since 2014, and the share of applicants it admits rose from a little over half to three-quarters or more.

FIGURE 1

The endowment against inflation

Endowment market value at June 30, selected years, against $926 million grown at the 2000–2025 average rate of consumer prices (2.5% a year) and of the Higher Education Price Index (3.1% a year).



Reading it: by 2025 the endowment was about 17% above where consumer inflation alone would have carried it, and level with higher-education inflation. The 2023 jump includes $306.6 million moved in from the sale of SLUCare.

1 · RETURNS

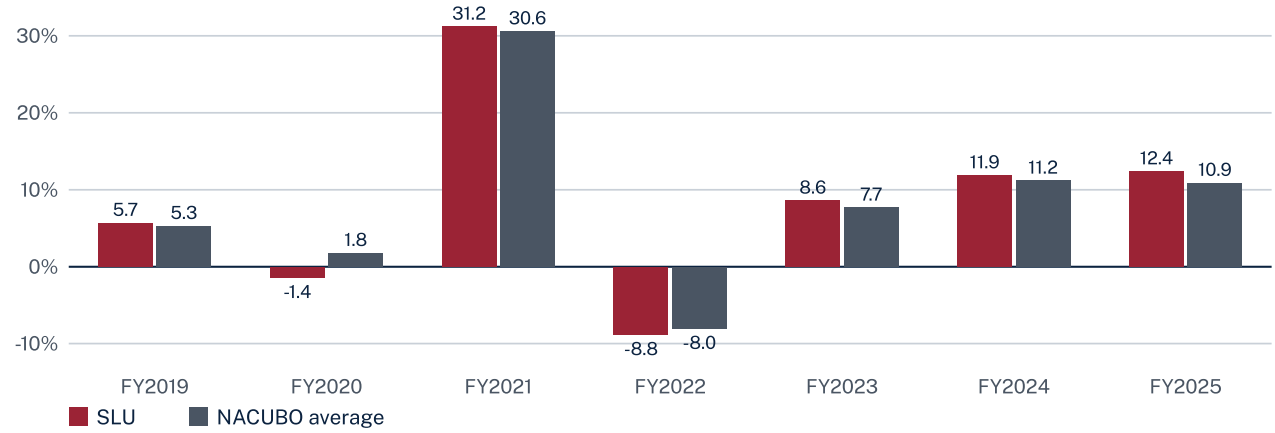
The investments did about as well as the average endowment

The plainest way to test underperformance is to compare SLU's annual returns with the average college endowment's, from the NACUBO-Commonfund study. On the years where SLU's returns are published, the two track closely.

FIGURE 2

Returns: SLU against the average endowment

Annual return, fiscal years ending June 30. SLU figures are its published annual returns; the average is from the NACUBO-Commonfund study.



Reading it: compounded over these seven years, SLU's returns multiplied the money by 1.703 and the average endowment's by 1.711. The gap is too small to matter.

TEST	RESULT
One year, fiscal 2025	SLU 12.4% vs 10.9% average: ahead by 1.5 percentage points
Three years, 2023–2025	about 11.0% vs 10.0% a year: ahead (researcher calculation)
Five years, 2021–2025	about 10.3% vs 9.8% a year: ahead by about half a point (researcher calculation, compounding the returns in Figure 2)
Ten years	Unknown: SLU publishes no annualized returns, and its 2016–2018 annual returns were not found
Against a 60/40 mix of global stocks and US bonds (60% MSCI ACWI, 40% Bloomberg Aggregate, as calculated by PFM)	tied in 2025; about 0.35 points a year behind over 2023–2025
Weakest years	2020 (−1.4% vs +1.8%) and, modestly, 2022 (−8.8% vs −8.0%)

There is one more comparison people often reach for: what the money would have earned in the stock market. A diversified endowment, SLU's or anyone's, compounds more slowly than an all-stock index. Compounding the national average's annual returns gives about 6.0% a year from

2000 to 2025, against about 8.0% for the S&P 500 over the same fiscal years. That gap is the price of diversification, which every endowment pays, not something SLU did wrong.

Against peers and a simple portfolio. Few Jesuit universities publish their returns. The one that does, Creighton, earned 12.5% in fiscal 2025 and 11.2% in 2024, essentially the same as SLU's 12.4% and 11.9%. Against a plain mix of 60% global stocks and 40% bonds, SLU tied in 2025 and trailed slightly over three years (about 11.0% a year against 11.35%). The average endowment did the same, because public stocks did most of the work in those years and endowments hold large shares of private funds, whose values lag public markets. Over twenty-five years SLU's return, by the researchers' estimate about 6.5–7.0% a year, sits at or just above the national average. What SLU did not earn is the 9%-plus ten-year returns of the very largest endowments.

2 · SPENDING

SLU spent more of its endowment than its peers, and the money ran the university

Three different numbers all get called "the spending rate." The *policy rate* is what the board sets, as a percentage of the endowment's average value over the previous twelve quarters. The *effective rate* is dollars actually spent divided by the endowment's value at the start of the year, which is how the national study measures it. A third figure, investment return designated for operations, is slightly broader. This study uses the effective rate to compare with the national average.

FISCAL YEAR	SLU POLICY RATE	SLU EFFECTIVE RATE	NATIONAL AVERAGE (EFFECTIVE)
2002	5.75% (plus SLU2000 funding)	8.2%	5.0%
2003	5.75% (plus SLU2000 funding)	6.8%	5.1%
2019	5.0%	4.63%	4.5%
2020	5.0%	4.74%	4.6%
2022	5.0%	4.08%	4.0%
2023	5.0%	5.80%	4.6%
2024	4.9%	4.86%	4.8%
2025	6.5%	6.12%	4.9%
2026	6.25%	5.57%	not yet published

SLU's policy rate was above the national average in every period since 2000. On an effective basis the excess came in bursts: very large in 2002 and 2003, during SLU2000, a five-year plan for faculty, scholarships, technology and campus buildings, described as a $100 million initiative and funded with $36 million from the endowment's appreciation and $60 million in new bonds, according to SLU's 2002 accreditation self-study; near zero from 2008 to 2013; and large again in 2023 and 2025. Measured against other groups the 2025 excess shrinks or grows: 0.4 points above religiously affiliated schools (5.7%), 0.7 above private nonprofits (5.4%), and 1.6 above endowments of SLU's size, $1 billion to $5 billion (4.5%). The national study's percentile distribution is not public, so this study does not say what share of schools spend 6% or more.

Where the money went. The draw supports the operating budget; that is its purpose. In fiscal 2025 the endowment draw covered 16.3% of SLU's operating expenses and in 2026, 18.1%, against a national average of 15.2%. The two largest size groups, endowments of $1–5 billion and over $5 billion, covered about 18–19% between them (Chief Investment Officer, on the NACUBO-Commonfund study), so SLU's share was ordinary. The difference is that SLU needed a far higher rate to get there. Its endowment is only about 2.9 times its annual operating expenses ($2.02 billion against $705 million), so an above-average rate buys only an average share of the budget. In 2024 salaries and benefits came to 121% of tuition revenue, and 114% in 2025.

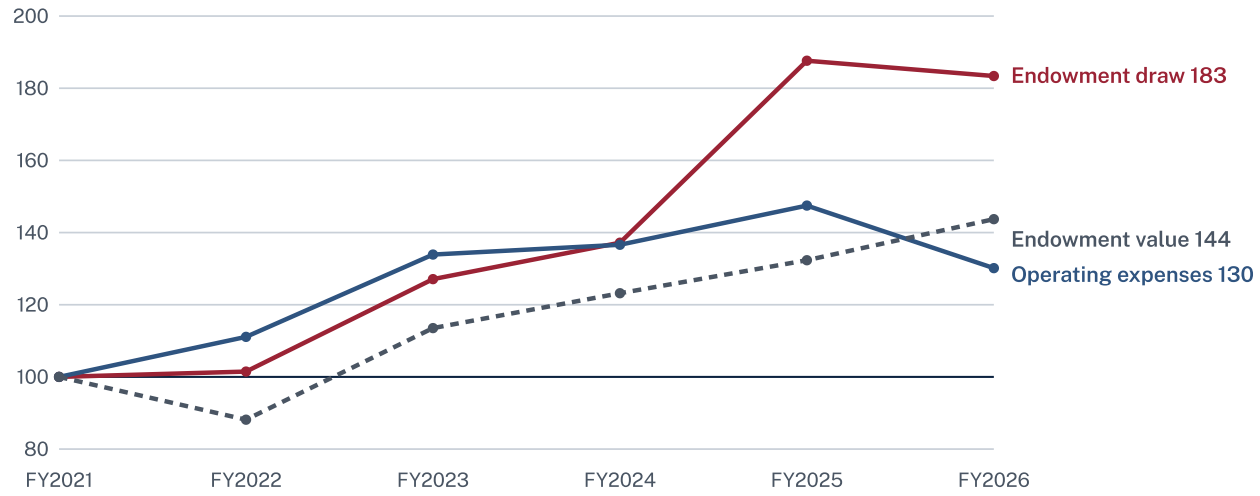
INSTITUTION OR GROUP	SHARE OF OPERATING BUDGET PAID BY THE ENDOWMENT	NOTE
Saint Louis University	16.3% (2025); 18.1% (2026)	at a 6.12% spending rate
National average	15.2% (2025)	NACUBO-Commonfund
Endowments of $1–5 billion and over $5 billion	about 18–19% between the two groups (2025)	SLU's size group
Princeton	about 65% of revenue	spending rate 5.37%
Harvard	about 37–40%	lower rate on a much larger endowment
Notre Dame	about 35–40%	lower rate on a much larger endowment
Yale	more than 33%	lower rate on a much larger endowment
Stanford	about 21–22%	lower rate on a much larger endowment
Seattle University	about 9% of revenue	
Gonzaga	4.9% of budget	

Spending grew faster than the endowment. The draw was $57–62 million a year from 2019 to 2022, then rose to $77.9 million in 2023, $84.1 million in 2024 and $115.0 million in 2025: almost double the 2019 figure, while the endowment grew about half. Operating costs rose with it. Salaries and benefits held roughly flat after the SLUCare sale ($376 million in 2023, $367 million in 2025), so most of the increase came in supplies, repairs, utilities and other costs. Tuition revenue did not keep pace: $307 million in 2024, $322 million in 2025 and $303 million in 2026.

FIGURE 3

Spending against the endowment, fiscal 2021 to 2026

Index, fiscal 2021 = 100. Endowment draw is dollars appropriated from the endowment; operating expenses exclude patient care, so the years before and after the July 2022 SLUCare sale can be compared; endowment value is at June 30.



Reading it: from 2021 to 2026 the draw rose 83% and operating expenses 30%, while the endowment grew 44%. At the 2025 peak the draw was up 88% and expenses 47%, against 32% growth in the endowment; expenses then fell 11.7% in 2026. The 2021 and 2022 expense figures are Claude's subtraction of patient-care costs from SLU's audited totals, and part of the 2022–2023 rise may reflect how costs were sorted around the sale; treat those two years as approximate.

What SLU said the money was for. The board approved the fiscal 2025 budget with "a temporary increase to our endowment spend rate" to support "continued investment in critical growth areas." The items the university named were recurring costs, not capital projects: a 3% raise pool, student support, "resources for our growing international student population," more institutional financial aid, "heavy investment in faculty and graduate research," and "unanticipated expenses" in research support infrastructure. The bet behind them was enrollment. SLU had enrolled 1,400 new international graduate students in fall 2023, most paying $36,000 or more in tuition; it budgeted for 1,300 in fall 2024 and enrolled about 300, which its chief financial officer attributed to fewer visas being issued. By September 2024 the university described the higher rate as buying "a period of time to phase in strategic reductions to expenses," and its CFO said SLU needed to "change some permanent behavior in terms of our expense control." No published outside analysis of the decision was found; news coverage relayed the university's explanation.

The 2025 increase closed a gap. SLU ran a $56 million operating deficit in fiscal 2024. In 2025 it posted a $9 million surplus as the amount designated for operations rose from $88 million to $120 million; without the higher draw, 2025 would very likely have been another deficit year. The Higher Learning Commission's accreditation team recorded the terms in December 2025.

The team noted that the board, which historically approved a rate not to exceed 5.0%, approved spending rates of 6.5% and 6.25% for fiscal 2025 and 2026 "with the stipulation that these rates will not continue and the administration must reduce institution-wide expenses and increase net tuition revenue."

Against SLU's own rule. SLU's investment policy sets the goal of preserving "the real (inflation-adjusted) purchasing power of the pooled endowment while providing an increasing stream of real funding," with a return objective of the spending rate plus inflation plus 1–2%. Spending of about 5% against an estimated real return of roughly 4–4.5% left nothing for real growth; measured against higher-education inflation, it spent more than the real return. A 6.5% rate would need about 9–10% nominal returns to meet that objective, against a 25-year national average of 6.6% a year (the simple average of annual returns; compounded, about 6.0%). On this evidence the shortfall is a spending decision by the board, not an investment failure. SLU's policy rate never exceeded 7%. The effective rate did, reaching 8.2% in fiscal 2002, when the twelve-quarter average lagged the market decline. Some states presume an appropriation above 7% imprudent under the uniform endowment law; whether Missouri adopted that presumption was not verified.

The cost, roughly. Holding SLU's actual returns and gifts constant, spending at the national average rate instead of its own would have left the endowment at about **$2.37 billion** in June 2025 rather than $2.02 billion: roughly $350 million more, within a range of $250–450 million. This is an estimate. It assumes a lower draw would not have changed enrollment, gifts or operating decisions, and part of the early excess was the deliberate SLU2000 plan. Treating all $100 million of the plan as endowment spending and removing it brings the figure to about $200 million; since only $36 million came from the endowment, the true adjustment is smaller. Even at $2.37 billion, SLU's real growth would have been about 1.3% a year, still below every school in the comparison set.

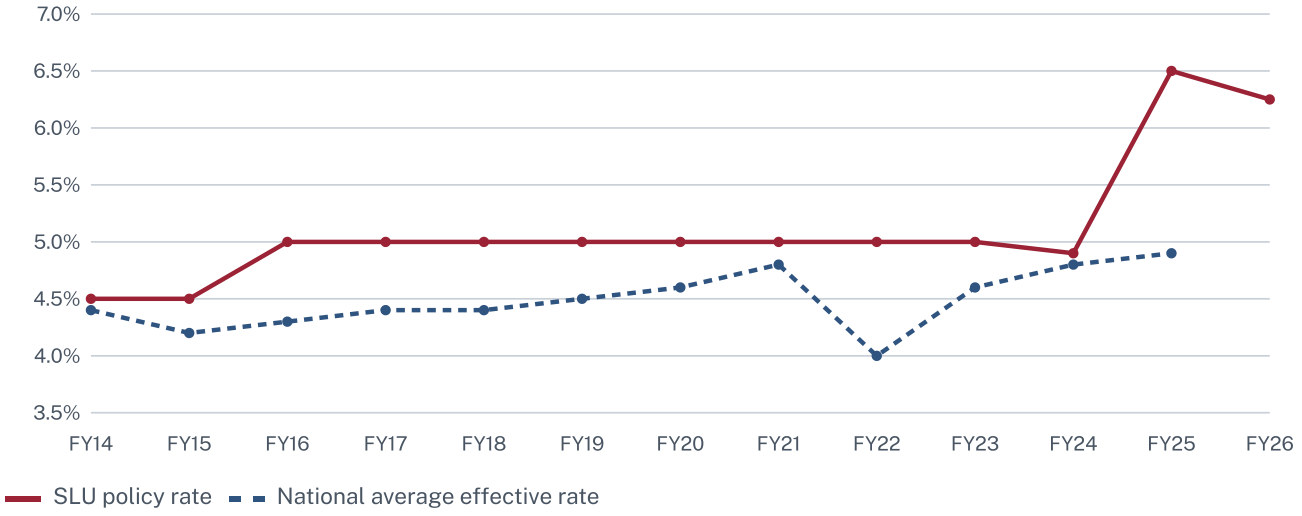
When the pattern changed

The spending did not change when Fred Pestello arrived on July 1, 2014. His first year ran on the same 4.5% rate set in the interim year. The changes came in 2016, in 2023 and, most sharply, in 2025:

FIGURE 4

SLU's policy rate against the national average, 2014–2026

Board-approved policy rate (percent of the 12-quarter average value) against the NACUBO all-institution average effective rate. The national figure for 2026 is not yet published.



Reading it: two steps up, each described at the time as temporary: 2016 and 2025. The 2016 step lasted eight years. The policy rate and the national effective rate measure slightly different things, so the gap is indicative.

MOMENT	WHAT THE RECORD SHOWS	CHANGE IN PATTERN?
2015, Pestello's first year	Policy rate unchanged at 4.5%; operating result about break-even; draw $41.6 million (3.9% effective)	No
2016	Policy rate 4.5% to 5.0%, approved as a "temporary, three-year increase" for budget shortfalls; operating losses of $16.7m (2016) and $9.2m (2017) anyway; rate held at 5.0% through 2023	Yes, policy
2023	SLUCare proceeds ($306.6m) added to the endowment while SLUCare left the operating budget; draw rose from 6.6% to 12.2% of expenses with the policy rate unchanged	Yes, structure
2025	Policy rate 4.9% to 6.5% after a $56.3m deficit and after a planned return to 4.5% had begun; draw up 36.7% in one year	Yes, the largest
2026	6.25%, the second year of a two-year increase approved before Feser took office; who set it was not established	Partial step down

In SLU's own words: "In FY16, we increased the endowment spend from 4.5% to 5.0% to help navigate challenging budget times… In FY24, we will reduce the endowment spend from 5.0% to 4.9%. We plan to continue to reduce the rate incrementally year by year, until we return to our prior, more sustainable spend rate of 4.5%" (President Pestello, May 11, 2023). In 2016 the chief financial officer expected the increase to be needed for about two years. A year after the 2023 message, the 2025 budget instead relied on "a temporary increase in the endowment spend rate," to 6.5%. No source found explains the size of that increase, made in a year that ended with an $8.8 million operating surplus.

Peers held their rates. Several comparable universities changed presidents or faced the same shocks in these years, and none was found to have raised its spending rate:

PEER	WHAT HAPPENED	SPENDING POLICY
Marquette	Michael Lovell took office July 1, 2014, the same day as Pestello	Formula unchanged
Loyola Chicago	Two presidential changes, 2016 and 2022	"Maximum 5%" wording identical in every statement checked, 2017–2025
Notre Dame	New president, June 2024	Payout rose by a planned 6% a year; no rate change
Villanova; Georgetown; Santa Clara	–	Formulas unchanged across the years checked
Duquesne	–	4.25%, flat 2020–2025, through COVID and inflation
Fordham	–	In 2023, 18 individual funds opted for 6.5%; the university-wide rate was not found

Year-by-year effective rates were not found for most peers, and their operating pressures were not compared one for one with SLU's, so this contrast is real but limited.

A ratchet, not a spiral. The record supports a narrow version of the "vicious cycle" idea and rejects the broad one. Twice a temporary increase did not return to the earlier level, and both increases were made to support operations. But the endowment did not shrink into ever-higher spending: it fell in only three years of 2016–2026, the two highest effective rates came on a growing base, no draw on board-designated principal beyond the policy was found, and no borrowing to

cover operations was found. Much of the jump in the draw's share of the budget after 2022 reflects SLUCare leaving the budget, which cut expenses by a third. Whether 6.25% steps down toward 4.5%, or whether 6% becomes the new normal the way 5.0% did after 2016, is the open question.

3 · THE COUNTERFACTUAL

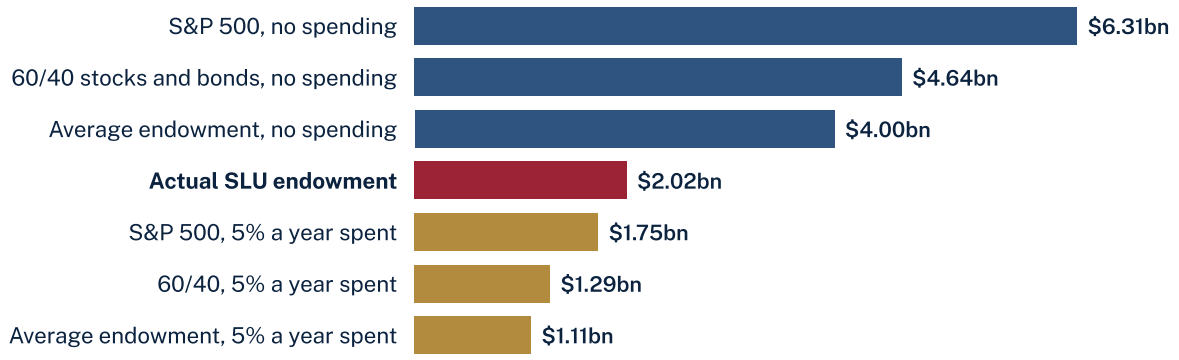
"It should be much bigger just from market returns"

A common intuition is that $926 million in 2000 should have become several billion on market returns alone. It would have, if nothing had been spent. The chart shows the same starting sum carried forward three ways, first with no spending and then with a 5% annual draw.

FIGURE 5

What the market alone would have done

$926 million invested on June 30, 2000, carried to June 30, 2025 three ways, with nothing spent and with 5% spent each year. Estimates by the researchers from fiscal-year (July–June) returns.



Reading it: the "should be much bigger" comparison only holds if a university spends nothing. With a 5% draw, the rate SLU used for most of the period, every path ends below what SLU actually has. Every path uses fiscal-year returns ending June 30: the S&P 500 total-return index (Yahoo Finance, ^SP500TR, month-end June values); for the 60/40 mix, 60% of that and 40% Vanguard Total Bond Market Index Fund (VBMFX), which tracks the Bloomberg U.S. Aggregate and runs slightly below it after fees, rebalanced each year; and the national average endowment return (NACUBO). The 60/40 here is a U.S. mix, not the global 60/40 in the summary table.

The actual endowment beat every 5%-draw path because new money came in: the $306.6 million SLUCare transfer and, by implication, about $0.6 billion of gifts over two decades (an estimate). Carried to June 2026, the S&P path with a 5% draw reaches about $2.03 billion, roughly $160 million below SLU's actual $2.19 billion.

Where the compounding leaked. Three market shocks hit hard. From the 2000 peak to June 2003 the endowment fell about 32%, while the university was also drawing heavily (about 14% of the 2000 balance spent across fiscal 2001 and 2002). From 2007 to 2009 it fell about 33%; SLU's estimated 2009 return of about −22.7% trailed the national −18.7%. In 2020 SLU lost 1.4% while the average gained 1.8%.

4 · WHAT THE ENDOWMENT IS

Two-thirds of it is the board's to designate

At June 30, 2025, only $685 million (34%) of the $2.02 billion was donor-restricted endowment. The other $1,333 million (66%) was quasi-endowment: money the board has designated to function as endowment and could, in principle, undesignate. The quasi share jumped from $803 million in 2022 to $1,159 million in 2023, when $306.6 million from the July 2022 sale of SLUCare to SSM Health was moved in. That sale brought $292 million in cash plus $72.5 million for real estate and a $249.3 million gain; SSM also pays $15 million a year for thirty years to support mission and research. It was the largest one-time addition of the period, and about a third of the 2020–2025 increase.

JUNE 30	ENDOWMENT	NOTE
2000	$926 million	
2002	$695 million	dot-com decline
2003	$645 million	low point
2007	$960 million	pre-crisis peak
2009	$646 million	financial crisis
2013	$956 million	
2014	$1,077 million	
2017	$1,150 million	
2018	$1,226 million	
2019	$1,253 million	
2020	$1,197 million	pandemic year (−1.4%)
2021	$1,525 million	strong market (+31.2%)
2022	$1,344 million	decline (−8.8%)
2023	$1,731 million	includes SLUCare transfer
2024	$1,879 million	
2025	$2,018 million	12.4% return
2026	$2,192 million	

SLU describes the decade from 2014 to 2024 as an 88.3% increase. The shape matters: flat near $1.2 billion through 2020, a pandemic-era spike and give-back, then a step up in 2023 that was mostly the SLUCare money. From June 2022 to June 2025 the endowment grew $675 million, and the audited roll-forwards show where it came from:

FISCAL 2023–2025	AMOUNT
Investment returns	+$570.5 million
Transfers into board-designated funds, $306.6 million of it SLUCare proceeds	+$331.4 million
New endowment gifts	+$40.5 million
Spent on operations	−$277.0 million
Other changes, net	about +$9 million
Net change, $1,344 million to $2,018 million	+$675 million

Market returns and a one-time asset sale did the work; new gifts added less than a sixth of what was spent. Attribution is approximate because money moves in and out during each year.

5 · HOW IT IS INVESTED

Heavy in private funds, then a sharp shift in 2026

SLU does not publish target weights for its investments or a benchmark to judge them against. Its audited statements say only that the pooled endowment is spread across equity, alternative and fixed-income investments to produce “the highest risk adjusted return,” with the objective of earning the spending rate plus inflation plus 1–2%. Without a stated benchmark, SLU’s results cannot be tested against its own plan. What the statements do show is the actual holdings:

HOLDING (SHARE OF TOTAL INVESTMENTS)	JUNE 30, 2025	JUNE 30, 2026
US stocks	$590m (29%)	$840m (38%)
International stocks	$97m (5%)	$117m (5%)
Bonds, cash and real-estate securities	$296m (15%)	$359m (16%)
Alternative equity funds	$510m (25%)	$373m (17%)
Private equity and private credit	$376m (19%)	$368m (17%)
Private real estate	$94m (5%)	$82m (4%)

HOLDING (SHARE OF TOTAL INVESTMENTS)	JUNE 30, 2025	JUNE 30, 2026
Real assets	$59m (3%)	$57m (3%)
All private and alternative funds	51.4%	40.1%
Total investments	$2,023m	$2,195m

Private and alternative funds rose from about 36% of the pool in 2020, by S&P Global's count, to just over half in 2025, then fell to 40% in a single year while US stocks rose by about $250 million. SLU has not explained the shift. It could reflect sales, redemptions, reclassification or simply public markets rising faster than private valuations; no motive should be read into it without a source. SLU also had about $294 million of commitments to private funds not yet called at June 2025 and $304 million at June 2026, roughly 14–15% of the endowment. The money is managed by a small in-house treasury team using outside managers, not by an outsourced investment office. No reporting was found alleging investment losses, unusual fees or wrongdoing, and SLU's credit ratings stand at A1 from Moody's and AA– from S&P.

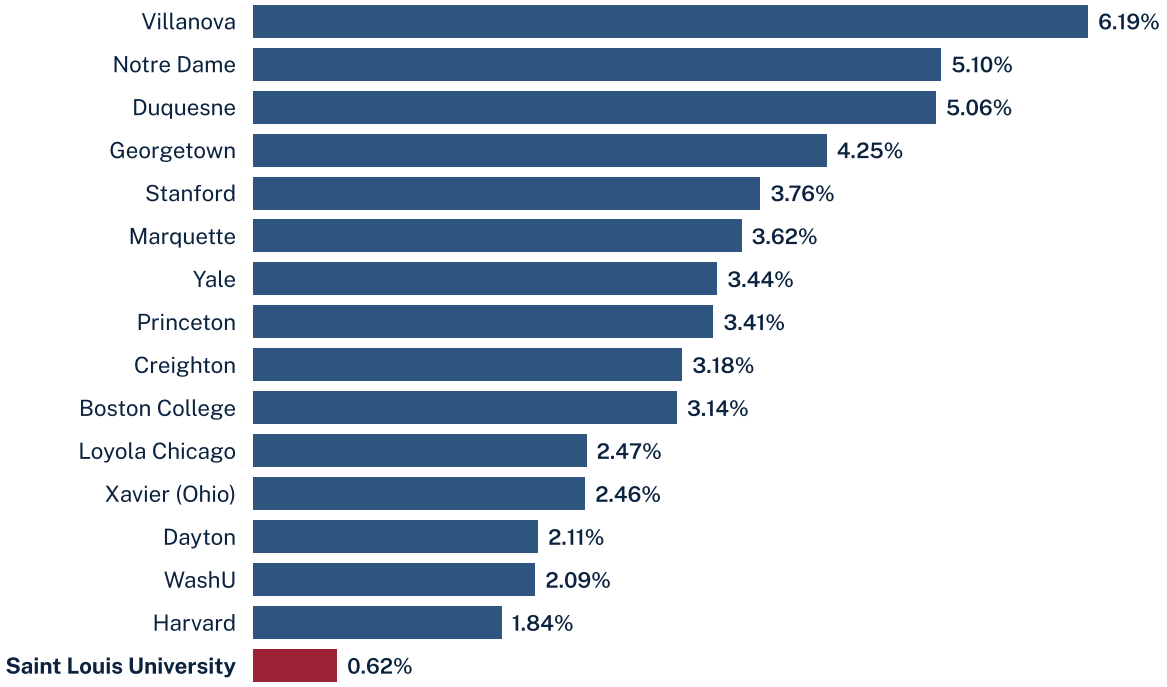
6 · AGAINST OTHER UNIVERSITIES

Large among Jesuit schools, last on growth

FIGURE 6

Real growth, 2000 to 2025, sixteen universities

Growth in endowment value per year after consumer inflation, June 2000 to June 2025. A purposive set: SLU's Jesuit and regional peers plus several of the largest endowments. Duquesne and Loyola Chicago use their audited 2025 endowment totals ($640.9 million and $1.18 billion), which are lower than the totals reported for them to NACUBO.

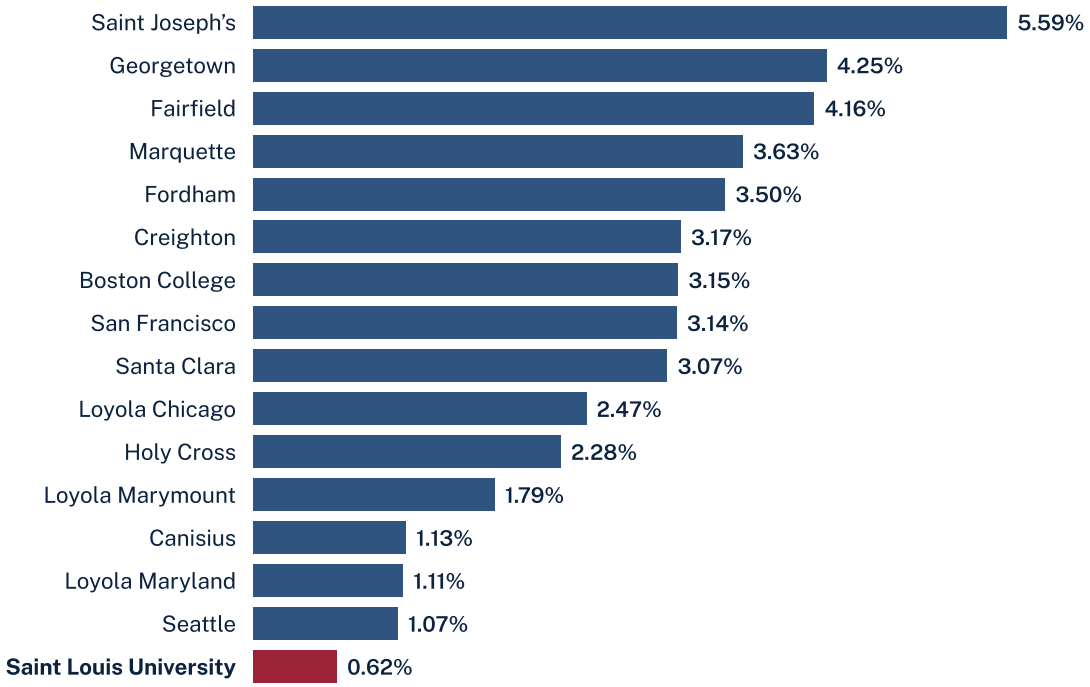


Reading it: SLU is last, 1.2 points a year below the next school, Harvard. The median is about 3.3% a year. This figure deflates by June-to-June consumer prices and Figure 7 by the annual average, so a few schools differ by 0.01 point between the two. Sixteen schools chosen for comparison are not a national distribution, so this does not place SLU in a percentile of all universities.

FIGURE 7

Real growth, 2000 to 2025, Jesuit universities

Growth in endowment value per year after consumer inflation, June 2000 to June 2025, for the 16 US Jesuit universities with verified values at both dates. Of the 27 US Jesuit universities, Gonzaga, Regis, Rockhurst, Spring Hill and Detroit Mercy have no 2000 value on record, and several smaller schools could not be verified for 2025.



Reading it: the Jesuit median is about 3.1% a year. SLU, third-largest by endowment among the 27, is last on growth. Several of these schools report slightly different endowment totals to NACUBO than in their own statements; NACUBO's figures are used.

Size and wealth per student. SLU's $2.02 billion is the third-largest endowment among the 27 US Jesuit universities, behind Boston College ($4.24 billion) and Georgetown ($3.95 billion), and 48th among US private institutions. Per full-time student it held about $145,000 in fiscal 2024, against $267,000 at Boston College, $207,000 at Georgetown and a Catholic-school benchmark average of $160,000.

JESUIT UNIVERSITY	ENDOWMENT, FISCAL 2025	ENDOWMENT PER FULL-TIME STUDENT, FISCAL 2024
Boston College	$4.24 billion	$267,000
Georgetown	$3.95 billion	$207,000
Saint Louis University	$2.02 billion	$145,000
Santa Clara	$1.67 billion	$184,000
Loyola Chicago	$1.18 billion	–

JESUIT UNIVERSITY	ENDOWMENT, FISCAL 2025	ENDOWMENT PER FULL-TIME STUDENT, FISCAL 2024
Marquette	$1.13 billion	–
Creighton	$0.87 billion	–
Gonzaga	about $0.50–0.58 billion	–
Xavier (Ohio)	about $0.30 billion	–
Catholic-university benchmark average	–	$160,000

Size against the budget. SLU's endowment is 2.86 times its annual operating expenses. That is small beside the wealthiest universities but not unusual for its peers, and it does not by itself explain the spending rate: Villanova and Loyola Chicago run on endowments of similar relative size and spend about 4.5–5%. At the 4.5% rate typical of SLU's size group, SLU's draw would have been about $85 million, roughly 12% of its 2025 expenses. Reaching 17% on an endowment this size takes a rate above 6%.

INSTITUTION	ENDOWMENT AS A MULTIPLE OF ANNUAL EXPENSES OR REVENUE	BASIS
Princeton	about 12.9× revenue	estimated from its published 65% budget share
Notre Dame	about 11× budget	estimated from 35–40% share
Harvard	about 8.4× revenue	estimated from about 37% share
Yale	about 7× revenue	estimated from more than a third
Stanford	about 4.6× expenses	estimated from 21–22% share
Saint Louis University	2.86× expenses	audited: $2,018m ÷ $704.6m
Duquesne	1.84–2.17×	two definitions of its endowment
Villanova	about 1.78×	approximate

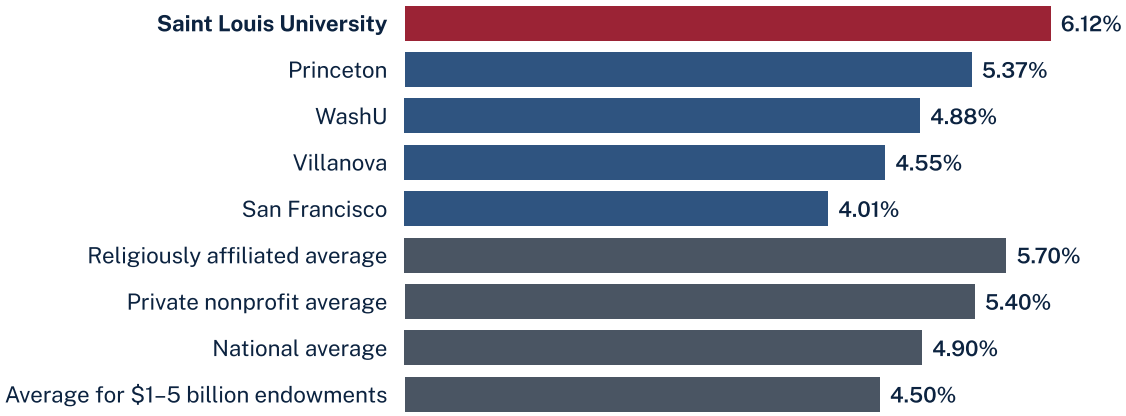
INSTITUTION	ENDOWMENT AS A MULTIPLE OF ANNUAL EXPENSES OR REVENUE	BASIS
Loyola Chicago	1.68–1.97×	two definitions of its endowment

Spending. SLU's 6.5% policy rate and 6.12% effective rate in fiscal 2025 were the highest in force among the comparison schools. Princeton was closest at 5.37% effective; Harvard's 5.0–5.5% and Yale's 6.5% are targets and caps, not rates in force. Peers of SLU's size typically cap spending at 5% (Villanova, Creighton, Loyola Chicago) or lower (Duquesne, 4.25%). Most schools that fund a larger share of their budgets from the endowment, such as Princeton, Harvard and Notre Dame, do it at lower rates on endowments many times their budgets. A full ranking of Jesuit spending rates is not possible: individual rates for 24 of the 27 were not published.

FIGURE 8

Spending rates, fiscal 2025

Effective spending rate: dollars spent from the endowment divided by its value at the start of the year. Schools in blue; national and group averages from the NACUBO-Commonfund study in gray. WashU and Villanova rates are researcher calculations from their statements.



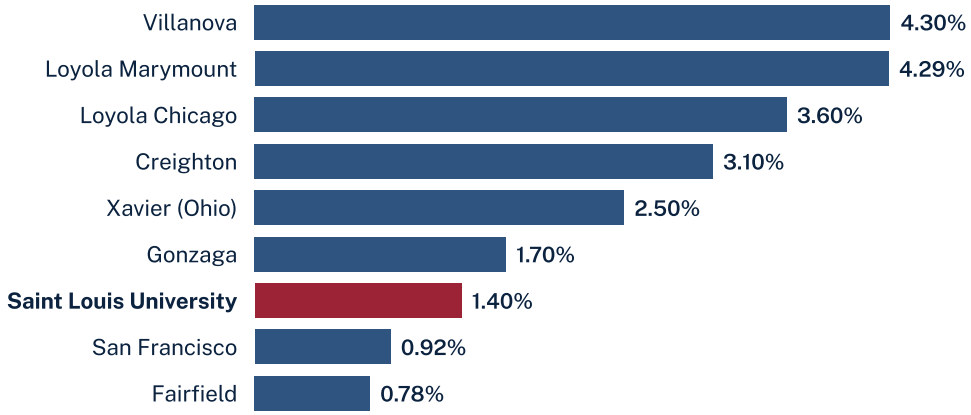
Reading it: SLU's rate was the highest found at any comparison school and above every group average. Harvard (5.0–5.5%) and Yale (6.5%) publish targets and caps, not rates actually in force, so they are not shown.

Gifts. In fiscal 2025 new gifts to SLU's endowment equaled 1.4% of its starting value, against 4.3% at Villanova, 3.6% at Loyola Chicago and 3.1% at Creighton. That puts SLU low among Jesuit peers but not lowest (Fairfield 0.78%, San Francisco 0.92%), and a single year is noisy. Combined with its spending, SLU began each year about 4.7 points behind before any investment return, against roughly 0.3 points at Villanova.

FIGURE 9

New gifts to the endowment, fiscal 2025

Gifts added to the endowment during the year as a share of its value at the start of the year.



Reading it: SLU is low but not lowest. A single year of gifts is noisy, and SLU's own figure depends on definition: $26.0 million in its endowment roll-forward, $20.1 million counting only gifts restricted to permanent endowment.

The campaign that bypassed the endowment. SLU can raise money. Its Accelerating Excellence campaign, public from 2018 with a $500 million goal, closed in 2022 at $604 million, with 98 gifts of $1 million or more and 281 new endowed scholarships and awards. Record fundraising years included $119.4 million in 2019 and $139 million in 2022. But little of the recent giving reached the endowment:

FISCAL YEAR	NEW GIFTS TO THE ENDOWMENT	SHARE OF THE ENDOWMENT
2022	$13.2 million	1.0%
2023	$9.3 million	0.5%
2024	$5.2 million	0.3%
2025	$26.0 million	1.3%
2026	$5.4 million	0.2%

Villanova, Loyola Chicago and Creighton each added new endowment gifts of roughly 3–4% of their endowments in fiscal 2025, against SLU's 1.3%. Most gifts went to current use, buildings and other purposes; the amount directed to the endowment was not disclosed. No successor campaign had been announced. Campaign scale is where the gap with the top Jesuit schools is clearest: Georgetown's most recent campaign raised $3.15 billion and Boston College's $1.6 billion, with a $3 billion campaign under way. Campaign totals cover different periods and are counted differently, so the comparison is about order of magnitude.

7 · BY PRESIDENT

Three presidencies compared

Each fiscal year runs July 1 to June 30, and a president is credited only with years fully in office.

	LAWRENCE BIONDI, S.J. (1987–2013)	FRED P. PESTELLO (2014–2025)	EDWARD J. FESER (FROM 2025)
Stated goal	“The finest Catholic university in our country”; by one account, the U.S. News top 50	“A global Jesuit university”: mission-focused, research-driven; help “unify our city”	Close the budget gap
Endowment	$188m (1990) to $926m (2000) to $956m (2013)	$1,077m (2014) to $2,018m (2025)	$2,192m (2026)
Growth after inflation	About 14% a year 1990–2000 (about 10% without the hospital sale); −2.1% a year 2000–2013	About 3.2% a year, 2015–2025	one year: +8.6% nominal
Main drivers	1990s markets, the 1998 hospital sale (about $260m), two campaigns; then two crashes	SLUCare sale proceeds ($306.6m), the 2021 market, the $604m campaign	Market returns
Spending rate	5.75% of a 12-quarter average by 2001–02, plus $36m for SLU2000; then 5.0%; 1990s rates not found	4.5% (2015); 5.0% from 2016, a “temporary” increase that held eight years; 4.9% (2024); 6.5% in the final year	6.25% (inherited)
Campus	113 to 268 acres, 62 to 131 buildings; about $850m invested	Two residence halls, science and engineering center, Midtown projects; SLUCare sold	Expenses cut 11.7%
Bond debt	$207m (2000) to $255m (2013)	$255m to $449m (peak $527m, 2019)	–
Entering students (average ACT)	22.7 (1987) to 26.1 (2003)	27.6 (2014) to 28.1 (2017); test-optional after 2020; admit rate about 57% to 70–85%	–

	LAWRENCE BIONDI, S.J. (1987–2013)	FRED P. PESTELLO (2014–2025)	EDWARD J. FESER (FROM 2025)
U.S. News rank	Best-value list 24th (2000); national 81st (2005), 77th (2006), 92nd (2013)	101st (2014), 96th (2016), 105th (2024–25)	102nd (2026); 100th (2027 edition, SLU)
Research	Sponsored research $8.96m (1986–87) to $51m (2012)	R1 label under Carnegie's new 2025 definition (R2 under the prior standard)	–
Operating budget	No deficit found in these records	Deficits in 5 of 10 years, 2016–2025, including $16.7m (2016) and $56.3m (2024); $8.8m surplus (2025) with the 6.5% draw	About break-even (2026)

The table covers Biondi's whole presidency. William R. Kauffman served as interim president for 2013–14 and cut the policy rate to 4.5%, the only real cut in the series. It stayed at 4.5% for Pestello's first year, 2015; the board raised it to 5.0% in 2016 as a "temporary, three-year" measure to cover budget shortfalls, and it stayed at 5.0% through 2023. The 2025 increase to 6.5% came after a planned step back toward 4.5% had begun (4.9% in 2024). Figures for 1987–89 were not found, and SLU has published two different values for the 1987 endowment ($93 million and $141 million) without saying which measure each is.

Biondi's first decade. In the 1990s the endowment grew almost fivefold, from $188 million in June 1990 to $926 million in June 2000, and its rank by endowment size among U.S. colleges and universities rose from 67th to 49th (35th in 1998, right after the hospital sale). Part of that was the February 1998 sale of the university hospital to Tenet for $300 million; about $260 million of the proceeds went into an endowment the board directed be spent "in perpetuity" on education in the health professions. Even without that money, the endowment grew about 10% a year after inflation in the 1990s, helped by strong markets and the $221 million "Promise for the Future" campaign, completed in 1997. Across 1990–2013 the endowment grew about 4.6% a year after inflation (about 3.2% without the hospital money), so Biondi's full record on the endowment is far better than his last thirteen years alone. These rates are Claude's calculations from NACUBO's published values and the June consumer price index.

The loss of real value came in Biondi's last thirteen years, despite returns that, by the researchers' estimates, beat the national average in most years from 2003 to 2013, and despite three fundraising campaigns; his tenure also included more than $840 million of campus investment. Under Pestello real growth resumed, but roughly a third of the 2020–2025 increase came from the SLUCare proceeds and about a third from the 2021 market rally; the $604 million Accelerating Excellence campaign (2018–2022) raised money across the university, only part of it for the endowment; 2014–

2020 was flat in real terms. In his first year Feser cut operating expenses 11.7% ($705 million to $622 million) and ran an essentially break-even budget. If the spending rate is not reduced after fiscal 2027, as the accreditation team stipulated, that will become a decision of his administration.

What the Biondi years built. An endowment-only view leaves out the campus. Under Biondi the Midtown campus grew from 113 acres and 62 buildings to 268 acres and 131 buildings, with an estimated $850 million invested in improvements and expansion, including the Doisy Research Center (2007) and Chaifetz Arena (2008). Little of it came from the endowment. SLU2000, the five-year plan begun in 1999 and described as a $100 million initiative, was funded with $96 million: "$36 million to be taken from appreciation in the University endowment, and $60 million in new bond funding," according to SLU's 2002 accreditation self-study. The rest of the building was financed mainly with bonds, tax-increment financing and gifts.

SLU's balance sheets show the result at book value: what the buildings and land cost, less depreciation, not what they would sell for. SLU's campus is tax-exempt, and the city assessor does not estimate market value for exempt property, so no market figure exists; land in particular is carried at what SLU paid, in some cases decades ago.

JUNE 30	LAND, BUILDINGS AND EQUIPMENT (NET BOOK VALUE)	NOTES AND BONDS PAYABLE	ENDOWMENT	TOTAL NET ASSETS	BASIS
2000	$321m	$207m	$926m	$1,102m	tax filing
2004	$357m	$193m	$702m	$1,064m	tax filing
2007	$545m	$288m	$960m	$1,321m	tax filing
2011	$559m	$272m	$880m	$1,412m	audited; net assets from tax filing
2013	$563m	$255m	$956m	$1,533m	tax filing
2017	$683m	$411m	$1,150m	$1,623m	audited
2019	$723m	$527m	$1,253m	$1,725m	audited
2023	$729m	$472m	$1,731m	$2,245m	audited; after the SLUCare sale
2025	$721m	$449m	$2,018m	–	audited

On this measure the Biondi years look different. From 2000 to 2013 the endowment lost about a quarter of its real value, but the net book value of SLU's land, buildings and equipment rose by about $240 million while bond debt rose by about $50 million, and the university's total net assets on its tax filings grew from $1.10 billion to $1.53 billion, roughly keeping pace with inflation. Part of the wealth the endowment did not keep went into the campus, financed more by borrowing and gifts than by the endowment itself. Whether that campus was worth what it cost is a separate question these figures cannot answer. Figures for 2008–2010 and the audited statements for 2013–2015 were not found.

How each president described the goal. Biondi stated his aim plainly: to make SLU "the finest Catholic university in our country." His 1987 inaugural address called for "the very best professors and the most gifted and dedicated students," his motto on spending was "No money, no mission," and by one account he aimed for the U.S. News top 50. Pestello framed SLU as "a global Jesuit university — one that is mission-focused, student- and patient-centered and research-driven," working with St. Louis "to reimagine, transform and unify our city." His tenure began weeks before the 2014 campus occupation that ended in the Clock Tower Accords, thirteen commitments "to foster belonging and justice on campus and beyond"; the accomplishments he listed on leaving were R1 status (a label SLU gained when Carnegie changed its definition in 2025; see below), the SSM Health partnership, record enrollment, Midtown development and the campaign. The change in stated aims is real: from national rank and the "finest" Catholic university toward mission, inclusion and the city. The records here do not show whether that change caused the financial pattern, which began under Biondi, and research standing rose under Pestello.

Was Biondi the stronger steward and fundraiser? It depends on which years count. Measured from 2000, Pestello comes out ahead: Biondi's endowment was flat from 2000 to 2013, his two crashes were far deeper, and Pestello raised more money a year. But that window leaves out Biondi's strongest decade. From 1990 to 2000 the endowment grew almost fivefold, from $188 million to $926 million, and its rank by endowment size among U.S. colleges rose from 67th to 49th; about $260 million of that came from the 1998 hospital sale, and the rest cannot yet be split between markets and gifts. Annual giving roughly quadrupled over his tenure, from $15.6 million in 1987 to $66 million in 2007, and his 1997 campaign was at the time one of the largest completed by a Catholic university. Pestello raised more in dollars, even after inflation; Biondi grew the fundraising operation more from where he found it. In years without a crash, the two eras' endowments grew at essentially the same pace. Gifts to the endowment itself cannot be compared across the full Biondi era because those records were not found:

MEASURE	BIONDI	PESTELLO	WHICH ERA COMES OUT AHEAD
Endowment growth, whole tenure	7.3% a year nominal, 4.6% after inflation (1990–2013)	6.3% nominal, 3.2% after inflation (2015–2025)	Biondi, driven by the 1990s, when the endowment grew almost fivefold
Matched years (2000–13 vs 2015–25)	0.25% a year nominal; −2.1% after inflation	About 6% a year faster	Pestello, but the window leaves out Biondi's strongest decade
Market crashes	−30.3% (dot-com) and −32.7% (2008–09); seven years each to recover	−4.4% (COVID) and −11.9% (2022); one year each	Not comparable crashes
Growth in non-crash years	About 12.4% a year	About 12.5% a year	Tie
Total net assets	2.6% a year (2000–2013)	4.1% a year (2015–2025)	Pestello
Total fundraising	Annual giving $15.6m (1987) to $66m (2007), about fourfold; three campaigns, $639m, including $221m (1997), then among the largest completed by a Catholic university	Above $65m in five known years, peak $139m (2022), roughly double his early years; one campaign, $604m in about 8 years	Pestello on dollars raised; Biondi on growth from where he started
Gifts to the endowment	Not found for most years; $18.9m a year in 2009–13	$12.6m a year, 2016–2025	Cannot be settled for the whole era
Campus	113 to 268 acres; 62 to 131 buildings	Two residence halls, science building	Biondi

Each era also had one asset sale of about $300 million feeding the endowment: the 1998 hospital sale under Biondi and the 2022 SLUCare sale under Pestello, each about a third of its era's endowment growth.

8 · WHERE THE MONEY WENT

Raised for current use, and the endowment was not refilled

Three things are easy to confuse. The $604 million campaign counted pledges and bequest intentions for all purposes over about eight years; gifts to the endowment count only cash given to the permanent fund. The endowment draw is not a pool of money set aside for projects; it is operating revenue, spent along with tuition, mostly on people. And the endowment's growth came from investment returns and one asset sale, not from gifts. Here are the two eras where the full flows can be built from SLU's filings:

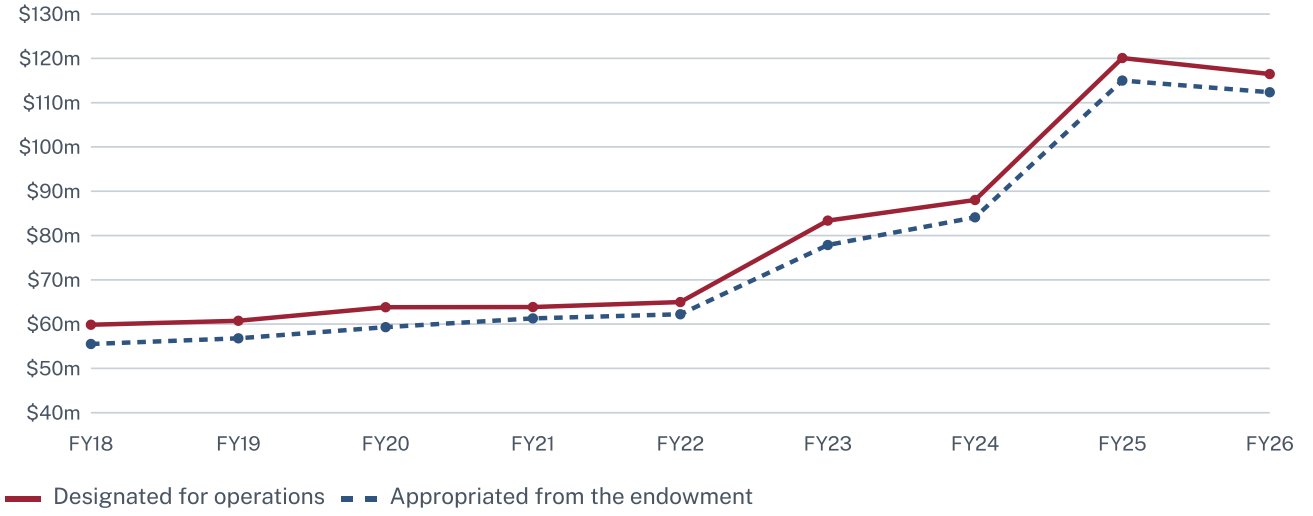
	BIONDI, FISCAL 2009–2013 (TAX FILINGS)	PESTELLO, FISCAL 2016–2025 (AUDITED)
Investment returns	+$149.3m	+$1,083.2m
Gifts to the endowment	+$94.4m ($18.9m a year)	+$125.6m ($12.6m a year)
Spent from the endowment	−$167.6m (about $33.5m a year)	−$677.9m ($67.8m a year)
Transfers in	–	+$369.8m, including SLUCare $306.6m
Other	–	+$24.5m
Net change	+$76.1m	+$925.1m
Gifts as a share of spending	56%	18.5%

Under Pestello, returns covered spending 1.6 times over; gifts covered 18.5% of it. The SLUCare transfer alone was 2.4 times all ten years of gifts. The Biondi window is shorter and uses tax filings, so it is a guide, not a matched comparison.

FIGURE 10

The draw, in dollars, 2018–2026

Endowment assets appropriated for spending (endowment note) and investment return designated for operations (statement of activities, a slightly wider measure), $ millions.



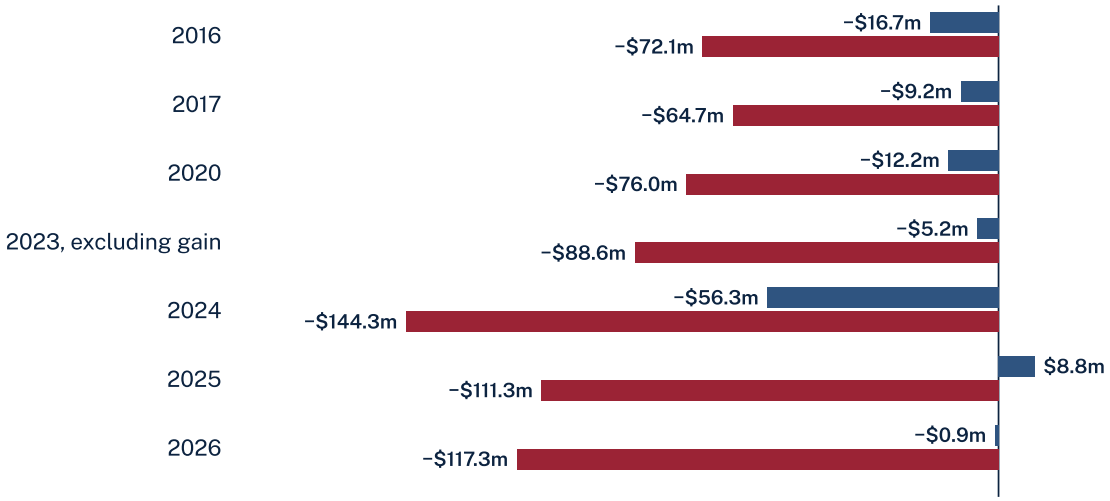
Reading it: flat for five years, then two steps: 2023, when the SLUCare proceeds enlarged the base, and 2025, when the rate rose to 6.5%.

What the draw paid for. SLU's tax filings put about 81% of 2017–2025 endowment spending under "other expenditures for facilities and programs" and 17% under grants and scholarships. That is a tax-form category, not a finding that 81% went to buildings, and the audited statements never assign the draw to particular expenses: it enters the operating budget, where salaries and benefits were 52–71% of all spending. In 2025 the increase in the draw (+$30.9 million) went almost entirely to that "facilities and programs" category, not to scholarships. What the draw did, plainly, was keep the budget near break-even:

FIGURE 11

Operating results with and without the draw

Reported operating result, and the same result with the designated draw removed and nothing else changed, $ millions. 2023 excludes the one-time $249.3 million gain on the SLUCare sale. A mechanical comparison, not a forecast.



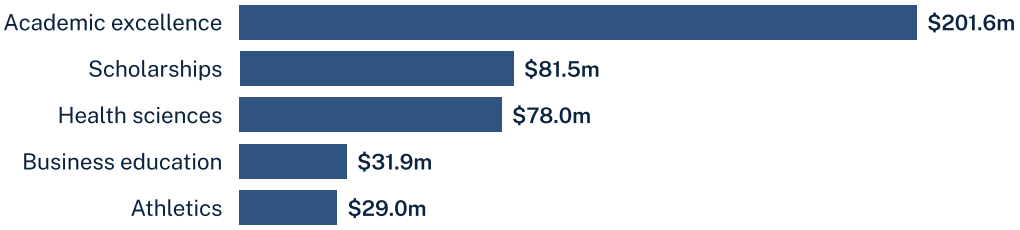
Reading it: blue is the reported result, red the result without the draw. In every deficit year the draw was larger than the deficit, in most of them three to six times larger. 2016 and 2017 draw figures are under an older presentation and approximate; the 2020 draw and result were not checked against that year's audited statement and are also approximate.

The campaign. Accelerating Excellence raised $604 million against a $500 million goal. The last published dollar breakdown, at June 2020, shows where it was pointed:

FIGURE 12

Where the campaign money was pointed, June 2020

Share of the $422.1 million raised by June 30, 2020, the last dollar breakdown SLU published. The split is by purpose; none of the lines is "permanent endowment."



Reading it: 47.8% academic excellence, 19.3% scholarships, 18.5% health sciences, 7.5% business, 6.9% athletics. No split was published for the final $181.9 million.

Of 416 new scholarships and awards, 281 were endowed; SLU published counts, not dollar values, for those and for 36 endowed positions. The $50 million Sinquefield gift funded research operations, and the $50 million science and engineering building was financed with bonds. Neither this campaign nor Biondi's set a target for the endowment, and a scholarship match launched in 2013, "Go Further," was paid from the endowment to encourage current-use gifts. Giving was concentrated at the top:

GROUP	AMOUNT	SHARE OF THE $604M
Trustees	$102m	16.9%
Campaign co-chairs Chaifetz and Sinquefield (before the public launch)	more than $80m	more than 13%
Sinquefield gift (2018), for research operations	$50m	8.3%
Faculty and staff (3,077 donors)	$14.7m	2.4%
Gifts of $1m or more (98)	dollar total not published	–

No breakdown of the $604 million by type of donor was published. In the one year with such figures, 2025, alumni gave $12.4 million and other individuals $15.3 million; bequests were a record $36.5 million or more. Alumni participation was about 14–16% under Biondi and about 12–13% by 2015; no later figure was published.

The SLUCare money. The 2022 sale produced $316.2 million in cash, of which $306.6 million went into two board-designated endowments; where the remaining $9.6 million went was not found. The accounting gain of $249.3 million was counted in 2023 operating revenue; without it, 2023 showed a $5.2 million operating loss. The new School of Medicine endowment now funds work SLUCare used to support, which is one reason the draw rose in 2023. The board-designated share of the endowment rose with it:

JUNE 30	BOARD-DESIGNATED (QUASI) ENDOWMENT	SHARE OF THE ENDOWMENT
2016	$669.6m	63.6%
2022	$803.4m	59.8%
2023	$1,159.3m	67.0%
2025	$1,333.2m	66.0%
2026	$1,440.7m	65.7%

Board-designated money can be redesignated by the board; donor-restricted money cannot. Original donor gifts were $411.6 million of the $2.19 billion in 2026, about 19%.

Debt and buildings. Interest cost $179.7 million over 2016–2025, small next to the draw. Debt peaked at $526.9 million in 2019 after $144.4 million of new bonds and has since fallen by scheduled repayment. Two residence halls, the science building, the Jesuit Center and an athletics

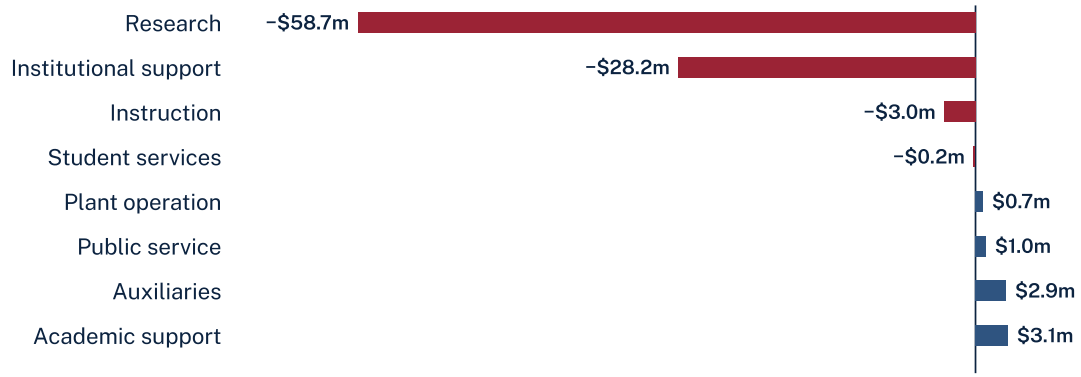
center cost about $201 million; only the athletics center is documented as fully gift-funded.

The first year after Pestello. In 2026, expenses fell $82.2 million, gifts to the endowment fell to $5.4 million, and the draw fell to $112.4 million, 18.1% of expenses, still the highest share of the decade (the amount appropriated from the endowment, the same basis as earlier years; SLU's separate line for investment return designated for operations was $116.5 million; audited statements, Note 9). The cut was mostly the reversal of a one-year research spike, not payroll:

FIGURE 13

Where the 2026 cut came from

Change in operating expenses by function, fiscal 2026 against 2025, $ millions (audited).



Reading it: total expenses fell $82.2 million. Most of it was research supplies and services ($75.2 million to $17.1 million), reversing a one-year spike in 2025 that the statements do not explain. Salaries across the university fell $11.9 million (3.2%).

The new administration has frozen merit increases, limited hiring and begun to reduce staff through attrition; larger cuts, including a review of 29 programs, are planned for 2027. No source found says the endowment money was wasted, and this study does not say so. It paid for instruction, scholarships, research and buildings.

9 · PATRICK'S QUESTION, TESTED

"Living on previous money"

Patrick's view has three parts: that the endowment's growth does not add up, that the spending went to unproductive programs, and that SLU is becoming a mediocre university with no arc upward. The evidence speaks to them unevenly.

The table gathers the measures of standing and selectivity used below. Ranks are by edition year; test scores are for the class entering that fall; admission rates are by admission cycle. Rates for 2015–2020 and 2022–2023 come from a secondary compilation of SLU's Common Data Set; 2021 was checked against SLU's own filing.

YEAR	U.S. NEWS NATIONAL RANK (EDITION)	ENTERING CLASS AVERAGE ACT (FALL)	SHARE OF APPLICANTS ADMITTED
1987	–	22.7	–
2000	–	about 26.1	–
2001	–	26.4	–
2005	81st	–	–
2006	77th	–	–
2008	82nd	–	–
2009	80th	–	–
2012	90th	–	–
2013	92nd	–	–
2014	101st	27.6	–
2015	99th	–	63%
2016	96th	–	65%
2017	96th	28.1	65%
2018	94th	–	58%
2019	106th	28 (SAT 1269)	58%
2020	97th	test-optional	56%
2021	103rd	test-optional	70%
2022	103rd	test-optional	85%
2023	105th	test-optional	81%
2024	105th	test-optional	75% (2024–25)
2025	105th	test-optional	–
2026	102nd	–	–

What the evidence supports

- **The growth does not add up, in the sense he meant.** Real growth of 0.6% a year is last in every comparison set assembled here, against a Jesuit median of about 3.1%. The cause is the spending rate, not the investments.
- **Admission has become far less selective since 2020.** SLU admitted about 56–58% of applicants from 2018 to 2020, then 70% in 2021, 85% in 2022, 81% in 2023 and 75% for the 2024–25 cycle (secondary compilations of SLU's Common Data Set and federal data; 2021 checked against SLU's own filing). SLU went test-optional over the same period, and only about a third of recent entrants submitted an ACT score, so recent test averages cannot be compared with earlier ones.
- **A slide in rank.** U.S. News ranked SLU 81st among national universities in its 2005 edition, 77th in 2006, 82nd and 80th in the 2008 and 2009 editions, 90th and 92nd in 2012 and 2013, 101st in 2014, 99th in 2015, 96th in 2016 and 2017, 94th in 2018, 106th in 2019, 97th in 2020, 103rd in 2021 and 2022, 105th in 2023, 2024 and 2025, and 102nd in 2026. The direction is down by roughly twenty-five places over two decades. Two cautions: the list has grown, and U.S. News overhauled its method for the 2024 edition, so ranks from different years are not strictly comparable.
- **Flat size.** Total enrollment was 17,047 in 2015–16 and 17,059 in 2024–25.

What cuts against it

- **Entering students got stronger through 2019.** The average ACT of SLU's first-year class rose from about 26.1 in fall 2000 and 26.4 in 2001 to a record 27.6 in 2014, 28.1 in 2017 and 28 in 2019, according to SLU and its student newspaper. Undergraduate enrollment also grew, from 5,329 in 1996 to 7,267 in 2024, though more students is not by itself a sign of strength.
- **A new research label, from a new definition.** SLU was classified R2 ("high research activity") under Carnegie's earlier method, including the 2021 edition, and its predecessor category before that. It became R1 in 2025 when Carnegie replaced its relative, multi-measure index with two fixed thresholds ($50 million in research spending and 70 research doctorates a year); 42 institutions moved up at once. The label reflects the change in definition at least as much as any change at SLU, so it is weak evidence of an upward arc.

- **Some spending has traceable results.** The SLU Research Institute was founded in 2018 on a $50 million gift; the Accelerating Excellence campaign raised $604 million from 2018 to 2022; the operating budget moved from a $56 million deficit in 2024 to a surplus in 2025 and break-even in 2026.

What the evidence cannot reach

- **"Unproductive programs" is not established.** No source names the programs the endowment draw paid for, what they cost or what they produced. What is established is an association: the highest spending rate in the comparison set coincided with the weakest real growth. Whether the money was spent well or badly is a separate question these records do not answer.

The short version. SLU has spent like a rich university and grown like a poor one: at the top of its peers on spending, average on returns, below average on gifts, and last on real growth. Over twenty-five years that is the difference between an endowment that roughly doubles in real terms, as the median peer's did, and one that barely kept up with inflation. The record on standing runs the same way. Over the years SLU spent heavily and its endowment stood still, its U.S. News rank fell by roughly twenty-five places and it went from admitting a little over half of its applicants to three-quarters or more. No source shows that the spending caused that slide; the two happened together, and other forces, from a growing ranking list to test-optional admission, were at work. The one gain in standing, the R1 research label, came from Carnegie's change in definition rather than from meeting the old standard. On the evidence here, SLU has not shown the upward arc its endowment was meant to fund.

10 · THE CASE AGAINST THE PESTELLO TENURE

The strongest case, stated from the record

This section makes the strongest case against Fred Pestello's stewardship of the endowment, using only facts stated and sourced above. It is an argument, not a balance sheet: the evidence on the other side (returns at or above average, a record campaign, the logic of the SLUCare sale, modest deficits by sector standards) is in the sections above and is not repeated here.

1. **The temporary increase that lasted.** In 2016 the board raised the rate from 4.5% to 5.0% as a "temporary, three-year" measure. It stayed eight years. In 2023 Pestello committed in writing to step back to 4.5%; within a year the rate was 6.5%, the highest in the modern record, in a year that ended in surplus.
2. **$604 million raised; $125.6 million endowed.** Over ten years, gifts to the endowment covered 18.5% of what was drawn from it. The campaign set no endowment target, its largest gift funded current research, and the Go

Further match spent endowment money to encourage current-use giving. The endowment was not the ask.

3. **The campaign raised costs the endowment then had to cover.** The Sinquefield gift recruited or retained 54 researchers, the campaign added 19 centers and institutes, and research spending doubled in 2025. Salaries and programs outlast the gift that started them. The 6.5% rate and an 18.7% draw on the 2026 budget are where that arithmetic ends.
4. **SLUCare: an income stream exchanged for a draw.** The sale put $306.6 million into the endowment but turned a practice that supported itself into an endowment that must be spent to do the same job. The designated draw rose from $65.0 million to $83.4 million in the first year, and 2023 still showed a loss without the accounting gain. $9.6 million of the cash has no published destination.
5. **The permanent base thinned while the total grew.** About two-thirds of the endowment is now board-designated money the board can redesignate. The largest addition of the decade was an asset sale, not a gift.
6. **Peers did not do this.** Marquette's president started the same day and its formula did not change; Loyola Chicago and Duquesne held their rates through every shock. No named peer was found to have raised its rate in any downturn. SLU raised its rate twice in one presidency.
7. **The long-run result.** From 2000 to 2025 the endowment grew about 0.6% a year after consumer inflation and essentially nothing after higher-education inflation: last of sixteen comparison schools and last of sixteen Jesuit universities with verified figures, while third of 27 Jesuits in size. Pestello did not create this pattern, but with a record campaign, a $306.6 million windfall and mostly strong markets, his tenure was the chance to break it, and it did not.
8. **The handoff.** In the first year after the tenure, gifts to the endowment were $5.4 million, the draw was 18.7% of the budget, tuition fell $19.5 million, and expenses had to fall $82.2 million. The accreditors recorded that the 6.5% and 6.25% rates "will not continue."

What this case does not claim. No source says the money was wasted, and the investments were not mismanaged. The deficits the draw covered were real. Two facts remain unexplained rather than suspicious: the reason for the 2025 jump to 6.5%, and the $9.6 million SLUCare residual. The case rests on the documented record alone: a rate that ratcheted, a campaign aimed at current spending, a converted clinical practice, a thinner permanent base, and twenty-five years of real growth spent.

11 · WHAT THIS STUDY COULD NOT SETTLE

Gaps and estimates

- **No long-run return.** SLU publishes no 10-year or 25-year annualized return, and its 2016–2018 annual returns were not found. Any 25-year return figure for SLU is a back-of-envelope estimate, not a published number.
- **No percentile for spending.** The national study's distribution of spending rates is behind a paywall, so there is no public way to say what share of schools spend 6% or more. No median rate is published either.
- **Peer spending is mostly unpublished.** Individual 2025 spending rates were found for only 3 of the 27 Jesuit universities.
- **Fiscal 2026 is partly estimated.** The 2026 return of about 13.7% is the researchers' calculation from the audited roll-forward, not a figure SLU published; the same method gives 11.9% for 2025 against SLU's published 12.4%, so the published 2026 figure could be higher. National 2026 averages will not be out until February 2027.
- **Estimates, not published figures:** the $350 million cost of above-average spending; cumulative spending of about $1.6–1.8 billion from 2001 to 2026; cumulative gifts of about $0.6 billion; SLU's returns from 2003 to 2016, which were inferred from balances.
- **Fees and benchmarks.** SLU's investment fees are not disclosed, and it publishes no target allocation or policy benchmark, so its return cannot be tested against its own benchmark. Nothing suggests fees were unusual. The reason for the large 2026 shift out of private funds and into US stocks is not stated.
- **Peer data gaps.** 2000 values were not found for Gonzaga, Regis, Rockhurst, Spring Hill and Detroit Mercy; 2025 values for nine Jesuit schools are 2024 figures. Several schools report different endowment totals to NACUBO than in their own statements (Duquesne, Loyola Chicago, Gonzaga, Harvard); this study uses NACUBO's, except that Figure 6 uses audited totals for Duquesne and Loyola Chicago, and Loyola's $1.18 billion in Figure 7 is the NACUBO directory figure, not the $1.37 billion in some compilations of the NACUBO list.
- **Two definitions of gifts.** SLU's 2025 endowment gifts are $26.0 million in the roll-forward but $20.1 million in contributions restricted to permanent endowment; the difference was not resolved.

- **The size-cohort figure.** The 18–19% share of operating budgets is verified for the two largest size groups together ($1–5 billion and over $5 billion); the $1–5 billion group's own figure is not public. An earlier 20.1% figure for that group (AGB) could not be reconciled with NACUBO's summary and is not used.
- **Whether the high rate ends.** The accreditation team stipulated that the 6.5% and 6.25% rates will not continue; SLU's 2027 policy rate had not been published.
- **Test scores after 2020.** With testing optional, published ACT and SAT figures describe only the students who chose to submit them (about 36% for the ACT in 2024–25), so there is no comparable measure of entering students' preparation after 2019.
- **Early rankings.** The earliest U.S. News national rank found for SLU is from the 2005 edition, published in 2004. Ranks for 2000–2003 were not found.
- **Coverage of news.** No reporting was found alleging endowment losses, unusual fees or wrongdoing, beyond coverage of the 2001–2002 market decline. Search coverage of paywalled newspapers is incomplete.
- **Missouri's version of the endowment law.** Whether Missouri adopted the optional presumption that spending above 7% is imprudent was not verified. SLU's policy rate never reached 7%, but its effective rate was 8.2% in fiscal 2002.

12 · METHOD

How the numbers were built

Fiscal years end June 30. Dollars are nominal unless called real. Real growth deflates by the Consumer Price Index (June 2000 to June 2025, about 2.5% a year) or, where stated, the Higher Education Price Index (about 3.1% a year). Growth rates are compound annual rates between the two endpoint balances, so they include spending and gifts as well as returns. The 2000 values come from NACUBO's 2001 study and the matching federal table; 2025 values for other schools are NACUBO's fiscal 2025 figures. The inflation paths in the first chart grow $926 million at those average rates and are illustrations, not year-by-year index values. The counterfactuals compound published annual index returns; with a draw, 5% of the starting balance is removed after each year's return. The spending-cost estimate compares SLU's spending with the national average rate period by period and compounds the difference at the 25-year national return; method and sensitivities are in the research package.

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DISCLOSURES

Disclosures and citation

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Question from Patrick Ishmael, a Saint Louis University alumnus.

ABOUT THE PROMPTER

Patrick Ishmael is the founder of the Ishmael Policy Institute and Prompt Inquiry's Founding Prompter and Editor. He has spent most of his career in and around Missouri public policy. He worked on political campaigns, and from May 2011 to January 2024 he worked at the Show-Me Institute, a Missouri public policy organization, where he wrote on state and local government and testified before Missouri legislative committees. Today he is a financial advisor and a Missouri attorney. He holds honors degrees in finance and political science from Saint Louis University and a law degree from Saint Louis University School of Law. Several of the questions he revisits here began as his own student work there.

This bio is the prompter's disclosure. It is the same on every study he leads.

Legacy study. First published as a Special Project on The Ishmael Record (patrickishmael.com), November 16, 2026, before this charter was adopted. It is republished as it was made, except that its notes on who did the work now match this site's byline, and a few passages were corrected or clarified. Against the current publishing standard it lacks the opening prompt, because that requirement did not exist when it was made. It has not been reconstructed after the fact. Patrick Ishmael verified it for republication. Its versioning begins at 1.0, and any later change is recorded in the change log.

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