



## College of Communication, Media, Design and Information

UNIVERSITY OF COLORADO **BOULDER**

Thank you for your interest in establishing an endowed scholarship at the College of Communication, Media, Design and Information (CMDI).

### Establishing a Scholarship

Scholarships help CU Boulder ensure that deserving students can pursue an education, regardless of their backgrounds. As state funding has decreased and tuition has risen, it has become more important than ever that CU Boulder provide impactful financial support to make higher education as affordable as possible.

The most popular way to establish a scholarship is with an endowment. This allows a donor to have a perpetual impact while also establishing a personal or family legacy. Endowments are held by the University of Colorado Foundation and are invested as part of CU's long-term investment pool. Under the Foundation's current spending policy, 4% of the endowment principal is used each year to fund the endowment purpose.<sup>1</sup>

The minimum gift required to establish an endowment at the CU Foundation is \$25,000, which can be given over up to five years.<sup>2</sup> A \$25,000 endowment supports an annual award of approximately \$1,000. Once an endowment is established, donors may give additional annual gifts or estate gifts to grow the endowment principal and/or the annual award.

Endowments do not start producing awards until at least \$25,000 in gifts is received, so an endowed scholarship created through a five-year pledge will not be awarded until the year after the final pledge payment. Some donors choose to give an additional \$1,000 per year as part of their initial pledge to allow CU Boulder to award the scholarship immediately, which would increase the pledge required to \$29,000, as follows:

<i>Date</i>	<i>Principal</i>	<i>Distribution</i>	<i>Total</i>
Year 1	\$5,000	\$1,000	\$6,000
Year 2	\$5,000	\$1,000	\$6,000
Year 3	\$5,000	\$1,000	\$6,000
Year 4	\$5,000	\$1,000	\$6,000
Year 5	\$5,000	\$ 0	\$5,000

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<sup>1</sup> The value of the endowment principal is measured on a 3-year rolling average each December 31. The total charged annually to each endowment is 5.5%, which is a 4% distribution for the fund's purpose plus a 1.5% annual assessment that is used to fund CU Advancement operations. Historically, endowments have grown over time even without additional donations because average investment growth has exceeded 5.5%.

<sup>2</sup> CU Boulder will be increasing the endowment minimum gift to \$50,000 on January 1, 2026.

## **Scholarship Creation Process**

Donors establishing scholarships choose a name for their scholarship and set the criteria used to award it. Criteria may include many things, including academic area of study, career aspirations, background, etc. At CMDI, we encourage donors to consider making the criteria very broad to allow maximum flexibility and ensure a large pool of eligible students each year. An example of broad criteria would be to make a scholarship available to “undergraduate students at the College of Communication, Media, Design and Information who demonstrate financial need.” Another example of broad criteria would be to make a scholarship available to “undergraduate students at the College of Communication, Media, Design and Information in the Department of Environmental Design or Journalism.”

Donors have the option of making scholarships based on need, merit or both. For scholarships, “merit” refers to academic performance and is based on a holistic review of the student’s application. “Need” refers to specific criteria determined from a student’s Free Application for Financial Student Aid (FAFSA) form. Currently, around 35% of CU Boulder students qualify for need-based awards. Some donors choose not to make scholarships strictly need-based because that can exclude some students from middle-income families who are struggling with the cost of higher education.

Once a scholarship is established and awarded, donors receive biographical information about their student recipient each year. CMDI holds an annual scholarship event via Zoom where donors can meet their scholarship recipients in breakout rooms. Many donors and recipients choose to keep in touch for years.

## **Conclusion**

Thank you for your interest in supporting CMDI students. Please contact me if you have any questions or would like to proceed with the creation of a scholarship.

With gratitude,

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