



Carolina changes everything

2017-2018 Endowment Report



UNIVERSITY OF SOUTH CAROLINA

10 YEARS OF TRANSFORMATION

The University of South Carolina has enjoyed unprecedented growth and achievement since Harris Pastides took over as its 28th president on Aug. 1, 2008.

DURING PRESIDENT PASTIDES' LEADERSHIP:



One-third of all current alumni received their degrees.



The South Carolina Honors College was named **best in the nation**.



Freshman applications reached a record high of **more than 38,000**.



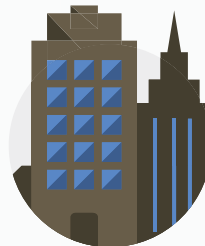
The Darla Moore School of Business earned the **No. 1 ranking** for undergraduate international business every year.



The African-American graduation rate has risen to more than double the national average, **better than 97 percent of universities nationally**.



Financial awards for student scholarships and fellowships increased **more than 80 percent, to \$17.4 million**.



The university entered **partnerships with Boeing, Fluor, IBM and Siemens** to drive innovation and create jobs.



The university produced more patents annually than **99 percent** of all universities in the world.

SYSTEMWIDE FALL ENROLLMENT

Includes USC Columbia, Aiken, Beaufort, Upstate, Lancaster, Salkehatchie, Sumter and Union

UNDERGRADUATE

42,394

GRADUATE

6,922

PROFESSIONAL

1,814

TOTAL

51,130



91%

Since 2008,
when Harris Pastides
became president,
USC's endowment has
grown by 91 percent.

Dear Friends,

It's been an exciting, productive year at the University of South Carolina. On Aug. 1, I celebrated my 10-year anniversary as university president. Looking back, I am amazed — though not surprised — at the incredible transformation that's happened at our institution.

We have weathered difficult storms of all kinds, yet still fostered profound growth and development. Our enrollment growth is up more than 23 percent as we expand our role as South Carolina's leading university, with more than 51,000 students on eight campuses in 19 locations. This growth has been matched by incredible physical development, including new business and law schools, athletics facilities and other innovative centers. Additionally, we have 47 nationally ranked programs, including the No. 1 undergraduate and graduate international business programs and the No. 1 honors college. These successes are only a few out of many, yet none would be possible without your generous support.

One of my proudest accomplishments over the past 10 years was the Carolina's Promise campaign, through which \$1 billion was raised! This campaign funded many key university initiatives, such as scholarships, academic programs and new facilities. Also, this spring we established our first Give 4 Garnet day of giving on April 18 — uniting all alumni, parents, friends, students, and faculty and staff members on one day, in one voice, to make an investment in the future of Carolina. Through the generosity of more than 5,400 members of the Carolina community, we raised a total of \$3.7 million in 18 hours and 1 minute, a time frame to honor the year of our founding.

I was proud to welcome home the McNair family in hosting the McNair Scholars 20th anniversary celebration event in February. I was also proud to proclaim Saturday, May 12, 2018, as Dodie Anderson Day in recognition of her significant contributions to the university, on the occasion of her 90th birthday.

None of this progress would be possible without devoted support from so many: our Board of Trustees, my executive leadership team, deans of the university and our incredibly generous donors, whose many gifts continue to drive our university. Please join me in remembering our dear friend Russ Meekins, the former executive director of University Foundations, and in welcoming Jason Caskey, who has joined our university family as president and CEO of University Foundations.

My sincerest thanks to you for your ongoing support as we propel our great institution forward to new possibilities.

Sincerely,

Harris Pastides
President



Dear Loyal Supporter,

I would like to begin by introducing myself as the new president and chief executive officer of the University Foundations. I began my duties Aug. 1, 2018, and am excited to be in this role! A graduate of the Moore School of Business, I have spent the last 28 years in public accounting. During the past 12 years, I led the financial service practice at a large regional CPA firm. It is my hope that, with the skills I learned in banking and in the financial service industry, I can continue to enhance the growth of the foundations and support the overall mission of the university.

Before I begin our report, I would like to recognize Russ Meekins, my predecessor. As you may know, Russ passed away in December 2017. Russ was a dear friend to the university and to so many of you. I hope to follow in his footsteps by continuing to build lasting relationships with our loyal supporters. Please read more about Russ and his ongoing legacy on page 7 of this report.

We are excited about the continued growth of the University of South Carolina system endowment. As of June 30, 2018, our endowment was \$809,937,293, as compared to \$770,781,793 in the prior year. The largest component of our endowment is our combined pool of investments. Our investments totaled \$576 million as of June 30, 2018. Our rate of return on the investments for the year ending June 30, 2018, was 9.4 percent, and our five-year return rate was 9.1 percent. In addition to our investments, we were able to recognize the earnings on some of the real estate owned by the University Foundations.

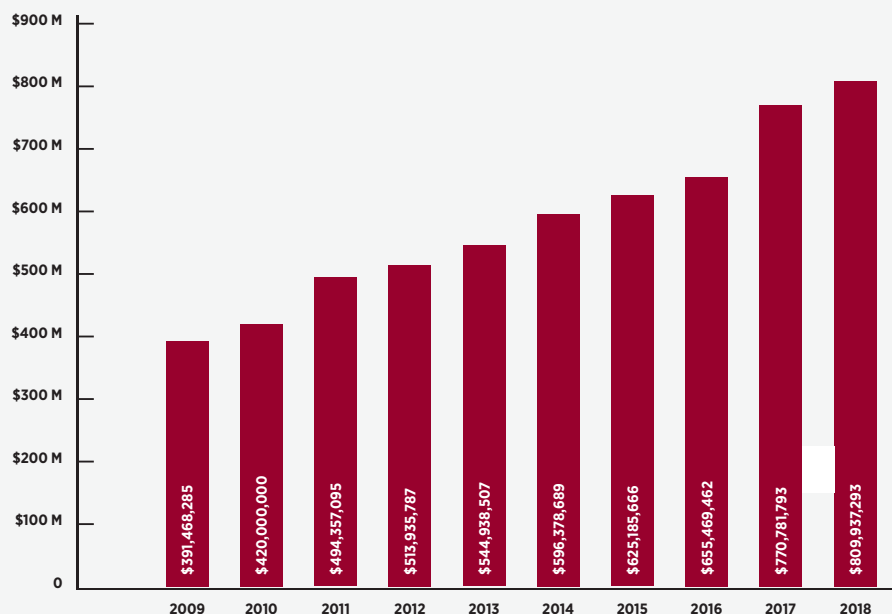
I would like to thank our Board of Directors and staff for their hard work and commitment, especially during the challenges we faced in the past year. Their unflagging efforts and dedication reflect their care and support for the university.

Finally, I would like to thank all our loyal supporters. Your investments in our Foundations support and serve the University of South Carolina system, and the endowment continues to fund the overall mission of the university. Thank you for making a difference in the lives of our students — now and in the future.

R. Jason Caskey

R. Jason Caskey, CPA
President and Chief Executive Officer
University Foundations

THE UNIVERSITY OF SOUTH CAROLINA'S ENDOWMENT





Above: Yahya Muhammad and his wife, Shahidah Abdullah
Left: Rasheed Muhammad and his wife, Regina

HRSM alumnus honors father with new scholarship fund

Growing up as a young boy in New Jersey, Rasheed Muhammad (1995, retail management) often spent Saturdays sitting at the counter of his father's seafood market, where his father taught him the art of customer service and entrepreneurship at a young age.

"It sounds funny now, but I have vivid memories of sitting at that counter, maybe 5 years old, and my job was to ring the bell every time a new customer came in," he recalls happily. "I couldn't wait for that next customer to come in, so I could ring the bell."

Muhammad and his wife, Regina, have established The Yahya Muhammad Endowed Scholarship Fund, named after Muhammad's father, to honor his USC mentors and his alma mater. The fund will provide scholarships for USC students majoring in retailing.

Today, Muhammad is senior vice president of the Sports and Entertainment Specialty Group for SunTrust Bank Private Wealth Management. He credits the support and lessons of mentors who helped him find his way and realize his full potential.

In addition to Muhammad's father, the scholarship honors retired faculty member Katherine "Kitty" Strickland. Strickland launched the fashion merchandising program at USC and had a profound impact on Muhammad. She took pride in helping students find internships and build the foundations of their careers. She retired in 2006.

"Kitty was one of my favorite teachers. She called me after class one day and told me, 'You have an uncanny ability to think outside the box and operate on the edge. You are a

strategic thinker, and you know how to be efficient in your pursuits,'" Muhammad remembers. "Those words really impacted me and empowered me to speak more freely and feel confident about my ideas."

Muhammad began his career following a somewhat traditional path for a retailing major. He landed an internship with Rich's department store while still in school and completed the company's executive training program before moving to Atlanta for a full-time management role with the company.

While living in Atlanta, he saw a job opportunity for a retail position with a bank. From there, his financial advising career took off. A musician at heart, Muhammad launched a new specialty group focused on clients in the sport and entertainment sector. He built a strong client roster in Atlanta, then moved to Los Angeles three years ago to expand the company's West Coast branch.

"When I was in school, I thought my career needed to follow a prescribed pattern. I believed it needed to be chronological and follow a typical progression," says Muhammad. "Kitty made me believe that I could make my own destiny, that I could look at any job description, reshape it, achieve the goal and keep soaring."

"I am in a great position to give back, and I wanted to honor my dad, who turns 86 years old this year, and Kitty, too. I wanted them to know what they mean to me," said Muhammad. "The program has grown a lot since I was there. ... I feel that my career embodies what this college is, and I want this scholarship to grow and help students for years to come, the way my mentors have helped me."

10-YEAR MILESTONES

CarolinaLIFE benefits students, future teachers, community

A few powerful words changed Ronald Parker's life. "My parents said, 'Ronald, you may have a disability. But a disability doesn't have you. You are more than your disability,'" says Parker, who received specialized instruction for learning difficulties growing up. He is now a junior in the College of Education's CarolinaLIFE program.

Founded 10 years ago by parents looking for postsecondary options for their children, CarolinaLIFE offers an inclusive college experience for students with diverse learning needs. Students take courses related to their professional field of interest while learning skills for employment and independent living.

CarolinaLIFE also provides professional development for future educators, who teach courses and serve as academic, employment and personal development coaches. In addition, CarolinaLIFE is a pipeline of employees for local businesses and school districts.

"The vast majority of our graduates have full-time jobs and live independently, which benefits our communities," says Anthony Plotner, program director and associate professor. "We believe all students can thrive at the university with the correct amount of support."

That support includes giving CarolinaLIFE students work experience through internships inside and outside the university. Parker, who played high school football and grew up cheering for USC, got an internship with the Gamecock football team.

Mac Watson, one of six students accepted into CarolinaLIFE this year, gained fame on social media last spring in a video recording his enthusiastic reaction to his admission letter.

"My goal is to get a job and be independent," says Watson, who hopes to intern with Athletics. "I am excited to be a Gamecock student and to learn new things. I am excited to start my life."



Gamecock Guarantee opens doors for first-generation S.C. students

Ten years ago, Gamecock Guarantee started helping students like Lyric Swinton, a high-achieving S.C. student with no way to pay for college.

"Even the enrollment deposit was going to put us in a deep hole," says Swinton, now a USC junior majoring in sport and entertainment management. Then a letter arrived from Carolina saying Gamecock Guarantee "would pay for my education for four years. My mom and my grandma were so happy!"

Gamecock Guarantee covers tuition and technology fees for first-generation, low-income S.C. students admitted as freshmen, opening doors for bright students without the resources to attend college. They meet standard admissions requirements, but to be eligible for financial assistance, their family income can be no more than 150 percent of the poverty level.

The average family income for a freshman in Gamecock Guarantee is \$17,637. Of the most recent cohort who earned degrees within four years, 38 percent graduated with no student loan debt.

"For over a decade, our Gamecock Guarantee program has provided an important pathway for first-generation students to attain a college degree," USC President Harris Pastides says. "By removing financial hurdles, we are opening paths for more of South Carolina's most academically talented students to achieve the future of their dreams."

Now a student leader, Swinton was the only student invited to speak at the 2018 TEDxUofSC event. She plans a career in diversity and inclusion.

In addition to institutional funding, Gamecock Guarantee is sustained by gifts from supporters. The recently established Dr. Aisha S. Haynes Endowed Scholarship Fund is one example. Haynes, assistant director of USC's Center for Teaching Excellence, recently established the fund for first-generation, low-income seniors at USC, to help them complete their degrees.

RUSSELL H. MEEKINS

Meekins scholarship fund establishes legacy of beloved alumnus, former University Foundations director



Macy Cope

Being named the first recipient of the Russell H. Meekins Carolina Scholar Endowed Scholarship is an honor Macy Cope does not take lightly. The South Carolina Honors College freshman has big dreams, and the financial assistance this scholarship provides will help her achieve them.

“Really, the scholarship means the world to me,” said Cope, 18, a graduate of Lexington High School. “It will allow me to go after my dream career, unhindered by debt. I will work especially hard to honor Mr. Meekins’ memory.”

The Meekins fund was initiated in January 2018 to honor the memory of the late Russ Meekins, a well-loved and widely respected member of the USC family who died in December 2017. By June, it had garnered a total of \$336,648, thanks to the generosity of more than 100 donors who wanted to create this special legacy in Meekins’ name at the university he loved. The exceptional response generated an endowment that was ready to offer its first scholarship for the fall 2018 semester.

Meekins was devoted to USC, first as a student and later through the University Foundations, where his work continues to make a lasting impact. A native of Conway, he was the first in his family to attend college and earned degrees at USC in accounting and finance before going on to obtain his CPA license. In 1997, he became chief financial officer of University Foundations, rising to executive director in 2013 and continuing in that role until his passing. Meekins was instrumental in the development of many noteworthy projects at USC, including the Inn at USC, the Children’s Center at USC, the Gamecock baseball stadium and 650 Lincoln student housing. He continues to be admired and remembered as a dedicated family man, great friend and lifelong Gamecock.

“Russ worked hard and creatively. He loved his alma mater and shared in our vision and drive to create one of the best research universities in the country,” USC President Harris Pastides said.



Russ Meekins and his wife, Joanna

Susie H. VanHuss, secretary/treasurer of the University Development Foundation Board, said, “Russ understood and lived the foundations’ sole mission: to help USC achieve its mission. His priorities were first students, next faculty and then the time-consuming investments and physical assets. His enviable legacy is validated by the tremendous outpouring of support for the Russell H. Meekins Carolina Scholar Endowed Scholarship — now a reality.”

Cope received the Meekins scholarship as part of the Carolina Scholars Program, which attracts many of the state’s most outstanding students to USC through aid provided by generous private support. Stipends help pay for costs such as tuition, fees, books, and room and board.

Ranked in the top 3 percent of her high school graduating class, Cope was singled out by the scholarship selection team as “a mature, determined and kind young lady with a remarkable passion for international affairs.” Her high school studies in law, policy and history inspired an interest in a foreign-policy career, and she was attracted to USC’s top-rated Honors College and international business program.

“The opportunities for internships and to study with great professors are what motivated me to come here,” says Cope, who is pursuing studies in international business, economics and French and has plans for graduate studies in law or international affairs. “It was too awesome to pass up.”

Gifts to the Russell H. Meekins Carolina Scholar Endowed Scholarship Fund can be made online at give.evertrue.com/sc/russ-meekins or by checks made payable to “USC Educational Foundation,” noting the name of the fund on the check, and mailed to: USC Office of Gift Processing, 1027 Barnwell St., Columbia, SC 29208.

What is an endowment, and why is it so important?

An endowment is an investment in the future of the University of South Carolina. It is a permanent fund that provides annual income for the university to fund leading-edge research and vital support for students, faculty and staff members, and programs. Endowments are the most lasting way a donor can give. They forever benefit the mission of the university and ensure excellence in perpetuity.

The many ways of giving

As the benefactor of an endowed fund, you are aware of the great impact your fund has had on University of South Carolina students and faculty and staff members. Your generosity has affected the lives of many, and for that, we are extremely thankful. To ensure that future generations can continue to receive the wonderful benefit of your generosity, we offer the following vehicles to help grow your endowment.

Cash

New gifts may be added to your fund by anyone at any time. Honorary and/or memorial gifts may be directed to your fund to increase the principal. Gifts may also be made directly to the annual spendable amount to increase the benefit for any given year(s).

Matching gift

Many companies have matching-gift programs that increase the overall impact of your personal gift. For more information, please visit matchinggifts.com/sc.

Real estate and personal property

Gifts of appreciated real estate and property, such as antiques, collections, art and books used for our educational mission, also carry the beneficial tax treatment.

Bequest

One of the most common types of planned gifts is a bequest. A bequest can help reduce taxes in large estates. For more modest estates, a bequest gives you the flexibility of keeping your assets during your life while also determining how they will be used upon your death.

Charitable gift annuity

Another often-used gift-planning instrument is a gift annuity. Part gift and part annuity, the charitable gift annuity is a contract between the University of South Carolina Educational Foundation and the donor, by which the foundation promises to pay a fixed annuity to the donor or donor/spouse for life in exchange for cash or appreciated property. The minimum amount to create a gift annuity is \$50,000. Payout rates are capped at 7 percent.

Charitable remainder trust

For larger life-income gifts, this trust permits a donor to make a gift of appreciated assets, avoid all capital gains taxes that would come with a sale and receive a payment stream for life.

Retirement plan

Because of favorable tax treatment, the retirement plan has become a popular savings tool. It is also the most efficient way of making a gift at death. Just request a change-of-beneficiary form from your plan administrator.

IRA rollover gift

If you are 70 ½ years old or older, consider making a gift of up to \$100,000 from your IRA. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.

What is the impact of an endowment?

It has been shown that schools with larger endowments are able to do more to help their students through their collegiate years.

An endowment can provide:

Academic excellence – The Student Success Center empowers students to achieve their academic and personal goals. Support of \$250 helps provide tutoring, skill development and academic goal-setting.

Study abroad – A new passport costs about \$150 or more, and our students need passports to travel abroad. Europe and Asia are popular study-abroad destinations.

Scholarships and fellowships – About 88 percent of USC system students receive some type of scholarship or financial aid.

Professorships and chairs – A larger endowment allows us to lure star professors, which, in turn, helps provide a better education for our students.

When an endowed fund is fully established, the estimated annual spendable amount, based on today's marketplace, is as follows:

Endowment	Annual Spendable Amount
\$10,000	\$425
\$25,000	\$1,062
\$100,000	\$4,250
\$250,000	\$10,625
\$500,000	\$21,250
\$1,000,000	\$42,500

FOR MORE INFORMATION

General questions or to update contact information:

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