



## The Langley School Endowment

A foundation for today. A promise for the future.

At Langley, we know that when we invest in children's intellectual, social, and emotional development during their earliest years, their learning is deeper and more lasting—and their outcomes improve substantially as they grow up. In the same way, when you invest in Langley's endowment today, you help ensure that our school remains at the forefront of preschool through eighth grade education now and for many generations to come—even as our operating budget continues to grow.

**We Are Langley: The Next Generation Campaign** seeks to increase the endowment to a total of at least **\$10 million**. This will enable us to continually and fully fund **innovative programming**, keep tuition affordable while offering assistance to **deserving families**, and attract and retain the **best teachers** by compensating them at a level that truly recognizes their extraordinary work.

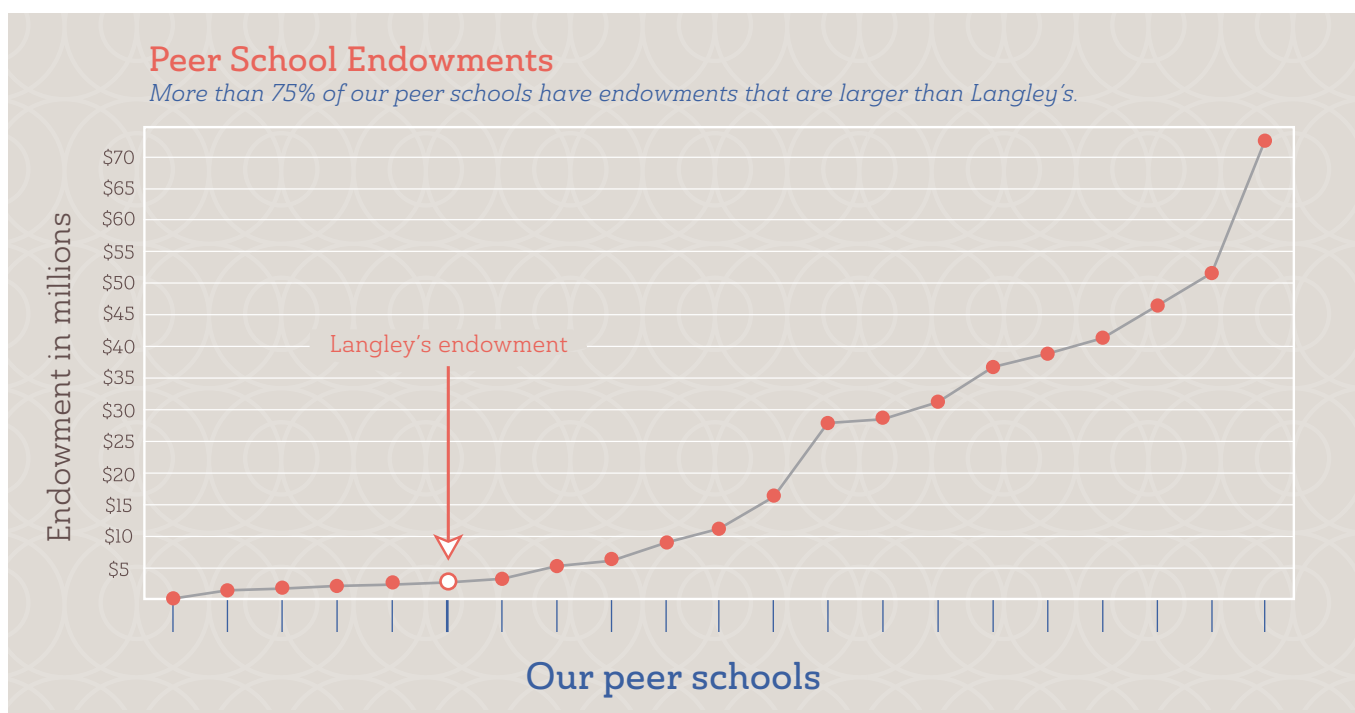


# Benefits of giving to the endowment

## 1 Strengthened curriculum and national reputation: the “right-sized” endowment relative to peers

The current endowment of \$4.6 million has supported the school at the rate of approximately 0.8% of our operating budget. With the impressive growth in our programs and reputation over the past several years, we now have the opportunity—and the responsibility—to strengthen our curriculum, our community, and our national leadership position by significantly increasing our endowment’s size.

**Langley’s endowment is currently one of the smallest relative to our peers.** In order to keep pace with the group and increase our competitive positioning both locally and nationally, our endowment needs to grow to support our school’s expanding list of capabilities and offerings. The financial flexibility of a larger endowment ultimately enables us to continue to innovate without cutting programs, limiting curriculum, or making outsized increases in tuition.



Data from NAIS 2017-2018 DASL Survey

## 3 Thoughtful management and responsible stewardship: a partnership with Brown Advisory

The Langley endowment is managed by a local team at Brown Advisory, a global private and independent investment management firm with **25 years of experience providing investment solutions to nonprofits**. Brown Advisory manages \$4.6 billion for nonprofit organizations and oversees \$68 billion in total assets as of September 2018.

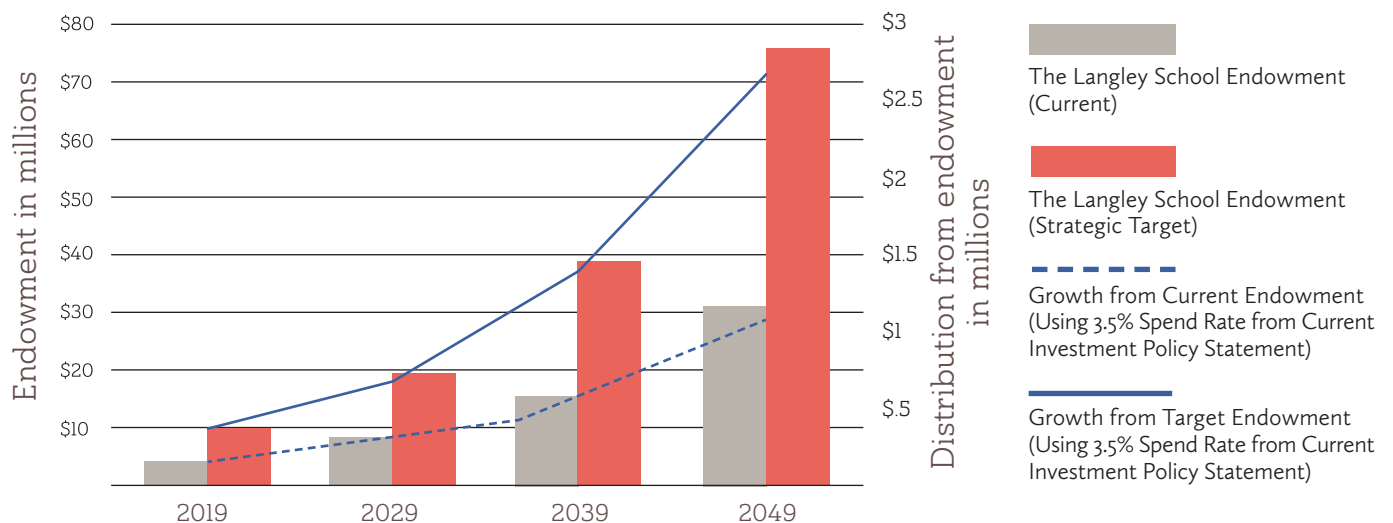
## 2 Increased impact and long-term support: the power of tax-free compounding

A gift for today addresses and underwrites the current needs of our teachers and programs. And a gift to the endowment can grow tax-free over time, assuring that future needs can be met. Through the power of compounding, a donation's purchasing power can increase meaningfully without suffering a "tax drag."

The Rule of 72 is the best practice in the industry for estimating the number of years required to double the invested money at a given annual rate of return. The rule says that the years required to double investment =  $72 \div$  compound annual interest rate. For example, if the endowment generates a 7% annual return, **your gift to the endowment today will have approximately doubled in 10 years.**

Gift of \$10,000  $\rightarrow$   $\frac{2019}{\$10,000}$   $\rightarrow$   $\frac{2029}{\$19,672}$   $\rightarrow$   $\frac{2039}{\$38,697}$   $\rightarrow$   $\frac{2049}{\$76,123}$

The chart below assumes the school's endowment compounds at a 7% rate of return annually. The power of compounding is amplified the larger the "base" from which the endowment grows. **Distribution from endowment supplements our annual operating budget** by funding opportunities such as teacher compensation, programming for students, and scholarships.



The management of the endowment is governed by an Investment Policy Statement that clearly defines our mission, investment objectives, performance expectations, risk tolerance, liquidity needs, fulfillment of fiduciary responsibilities, and other critical governance issues.



## The time is now. The power is yours.

At this pivotal moment in Langley's remarkable history, there's no better time to commit to our school's present and future. And there's no better way to maximize the value of your contribution than by supporting our endowment.

**We are Langley. And so are you.**

Please contact the Development Office at (703) 848-2785 or [thenextgeneration@langleyschool.org](mailto:thenextgeneration@langleyschool.org) to discuss questions, ideas, and plans.

