

Cryptocurrencies

US endowments join crypto rush by building bitcoin portfolios

Universities and charities pile in as prices rally on Donald Trump's promise to make America a digital assets 'superpower'



Donald Trump's promise to promote crypto has sparked a rally in digital assets © Bloomberg

Sun Yu in New York

Published FEB 9 2025

US foundations and university endowments are ramping up their exposure to cryptocurrencies to join the digital assets rush prompted by President Donald Trump's promise to make the nation the world's "bitcoin superpower".

Crypto has far outperformed other asset classes over the past five years despite its high volatility, with many who have stood on the sidelines now jumping in for fear of missing out on the runaway price jumps.

The one-year-old University of Austin is raising a \$5mn [bitcoin](#) fund, the first of its kind among the country's endowments and foundations, for its \$200mn endowment.

In October, Emory University in Georgia became the first college endowment to disclose holdings of bitcoin exchange traded funds. The \$4.8bn Rockefeller Foundation is considering increasing exposure to [cryptocurrencies](#) if their user base becomes more diversified after investing in crypto venture funds two years ago, according to its chief investment officer.

“We don’t have a crystal ball on how cryptocurrencies will become in 10 years,” said Chun Lai, the foundation’s chief investment officer. “We don’t want to be left behind when their potential materialises dramatically.”

Cryptocurrency venture funds are reporting an influx of capital from endowments and foundations that until a few years ago were on the sidelines.

Pantera Capital, a leading venture fund focused on digital assets in California, has since 2018 seen an eight-fold increase in the number of endowment and foundation clients.

Leading US endowments and foundations were among the first institutional investors to embrace cryptocurrencies. Yale University’s endowment invested in two cryptocurrency venture funds in 2018 when bitcoin prices were less than a tenth of today’s level.

Britt Harris, former chief investment officer of the \$78bn University of Texas/Texas A&M Investment Management Company, said the nation’s largest university endowment under his leadership made “a small amount of experimental” investment in cryptocurrency venture funds in the early 2020s as a “potentially attractive future strategy”.

“You need to walk before you run,” said Harris, referring to the logic behind the pilot investment.

While most endowments and foundations were sceptical during the first few years of the launch of cryptocurrencies, they have in recent years become more receptive to the investment with digital asset prices rising through the roof. This has raised alarms.

“I have significant concerns about institutional investors getting into what is essentially a purely speculative financial asset and one that doesn’t provide very much hedging relative to other risky assets,” said Eswar Prasad, a professor at Cornell University.

“Bitcoin seems to move up and down with the prices of other risky assets such as equities, but it’s much more volatile.”

An index tracking the 10 most valuable cryptocurrencies compiled by Bitwise Asset Management gained 64 per cent per year over the past five years. That compared with 14.5 per cent for US equities, the next best performing asset.

Franklin Bi, a general partner at Pantera Capita, said there had been a “huge shift” in interest in digital assets from endowments and foundations that until five years reported “minimal participation” in the space.

While cryptocurrencies still face significant challenges ranging from a lack of adopters to policy uncertainty, some endowments are convinced of digital assets’ value in the long run.

Chad Thevenot, senior vice-president for advancement at the University of Austin, said the endowment would hold the crypto portfolio it announced in May for at least five years.

“We think there is long-term value there, just the same way that we might think there is long-term value in stocks or real estate,” said Thevenot.

As the crypto boom carries on, some allocators see potential to ramp up their digital portfolio.

Lai of the Rockefeller Foundation said he would consider increasing exposure to cryptocurrencies, which account for a “low single-digit” percentage of the total portfolio, if their user base became “broadened and deepened.”

“The crypto space is associated with the artificial intelligence space and the level of digitalisation of the economy,” said La. “[Cryptocurrencies] can be useful if the economy becomes more digitalised.”

Others, such as Brian Neale of the University of Nebraska Foundation with no exposure to cryptocurrency, are more cautious, as he did not plan to enter the field until more of his established peers jumped in and the regulatory framework became clearer.

Neale said he did not see cryptocurrency as an “institutionally investable” asset class due to its low adoption rate among allocators.

He also called on more regulatory clarity, such as guidance on crypto investments from the Securities and Exchange Commission, to standardise the industry.

“I think this administration has the power to move things in that direction,” he said.

“But I don’t think just the president of the United States issuing his own cryptocurrency is really going to be the catalyst that it’s going to move things to the mainstream,” he added, referring to the [memecoin](#) Trump announced in January.

[Copyright](#) The Financial Times Limited 2025. All rights reserved.
