



# University of Massachusetts Foundation

2020 Endowment Report





## Dear friends,

For the University of Massachusetts, and no doubt each of you, 2020 has been an unprecedented year of challenges, sacrifice, and self-reflection. This year will shape the future of this university for years to come, but its full impact on UMass is not yet known. What is clear is that students, faculty, and staff across the system continue to work tirelessly in support of the university's core mission to provide a world-class, accessible, and affordable education.

As you will read, in fiscal year 2020, despite volatility, the endowment grew to \$922 million and distributed \$31 million in spendable income in support of the five campuses. Of that, more than \$7.3 million was designated for student financial aid. As the university community faces these extraordinary times together, the long-term investment horizon and the perpetual nature of endowed funds are now more important than ever.

In March, heeding the guidance of state and federal public health experts, all five campuses of the university shifted to an all remote teaching and learning model for the remainder of the semester. Our UMass faculty, students, and staff performed brilliantly under challenging circumstances and transitioned 75,000 students online in a matter of days while maintaining the continuity and quality of our top-ranked academic programs. Today, most students and faculty are still teaching and learning remotely as the world continues to navigate the most significant public health crisis of our time.

Then, on May 25, we witnessed yet another brutal example of the continued racial inequity that our nation grapples with through the murder of George Floyd. It is a deeply painful—but important—watershed moment that forces us all to reckon with our nation's long history of racial injustice and to assess how each of us can use our own time, talent, and resources to build a more inclusive and equitable future.

The students featured in this year's report embody the best of the University of Massachusetts and underscore the vital role that UMass plays as a force for transformative and equitable world-class education. It brings me great pride as president to know that we have engaged young leaders, like these students, who are taking an active role in creating a better and more just world for us all. I hope you feel the same.

Sincerely,

Martin T. Meehan  
UMass Lowell '78  
President, University of Massachusetts



## Dear fellow alumni and friends,

I hope that you and your family and friends are safe and healthy.

I am pleased to be able to share with you the *University of Massachusetts Foundation Endowment Report* for the year ending on June 30, 2020. The endowment completed the fiscal year with a gain of 3.3 percent, benefitting greatly from our established and steady internal investment

operation as well as our ability to take advantage of previously laid-out plans to capitalize on severe market dislocations.

More important than the one-year return, the endowment generated an annualized ten-year return of 6.3 percent. Our investment approach and objectives have evolved with the creation of the Investment Office three years ago. Our ten-year results meet our top goal of generating long-term returns in excess of the draw on the endowment.

The impact of the COVID-19 pandemic, which led to global economic upheaval, varied widely across sectors, proving beneficial for a range of industries, like technology providers, supermarkets, home products companies, and internet retailers, as they provided essentials during the lock downs. Other sectors did not fare so well—including the hospital management industry, travel and leisure, and dining, to name a few.

With the support and oversight of the Investment Committee, the Foundation investment team continues to concentrate on generating long-term results in service to the university's current and future needs. In order to achieve these results, the team must be laser-focused on identifying talent, be willing to take on some short-term volatility to realize longer-term success, and must work diligently to ensure that UMass is a sought-after partner to exceptional investment managers. Since updating the Foundation's Investment Policy Statement in November 2018, we have partnered with roughly fifteen new investment managers who, in our view, are among the top in the world.

While the events of 2020 will impact us for years to come, the UMass Foundation Board remains committed to ensuring support for the mission of the University of Massachusetts throughout this uncertain time and beyond.

Thank you for all that you do for the University of Massachusetts.

Sincerely,

Edward H. D'Alelio  
UMass Boston '74  
Chair, UMass Foundation Board of Directors and Investment Committee

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# Endowment Overview

As of June 30, 2020, the University of Massachusetts endowment totaled \$922 million and generated a return of 3.3 percent for the fiscal year. Consisting of 2,480 individual funds with varying purposes, the endowment supports the students, faculty, and academic programs at all five campuses of the University of Massachusetts.

Over the past 30 years, UMass's endowment assets have increased from \$9 million to \$922 million while earning an average investment return of 6.4 percent.

Forty percent of endowment assets (\$368 million) support the Amherst campus. The Medical School holds a quarter of total assets (\$229 million) as do the combined endowment totals of the Lowell (\$103 million), Boston (\$92 million), and Dartmouth (\$59 million) campuses. Five percent of endowment funds are designated in support of more than one campus and other system endeavors through the President's Office. In addition to the campus and system-specific endowment funds, the UMass Foundation also holds endowment funds for the Edward M. Kennedy Institute, which make up approximately three percent, or \$24 million, of the total.

## ENDOWMENT ASSETS

(in millions)



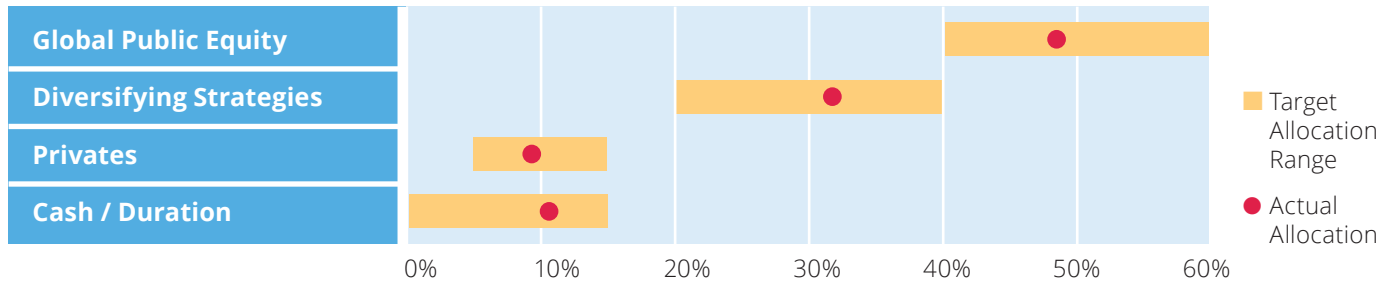
## INVESTMENT PERFORMANCE

Annualized returns as of June 30, 2020

1 Year	3 Year	5 Year	10 Year	Since Inception (7/1/1987)
3.3%	5.8%	5.1%	6.3%	6.4%

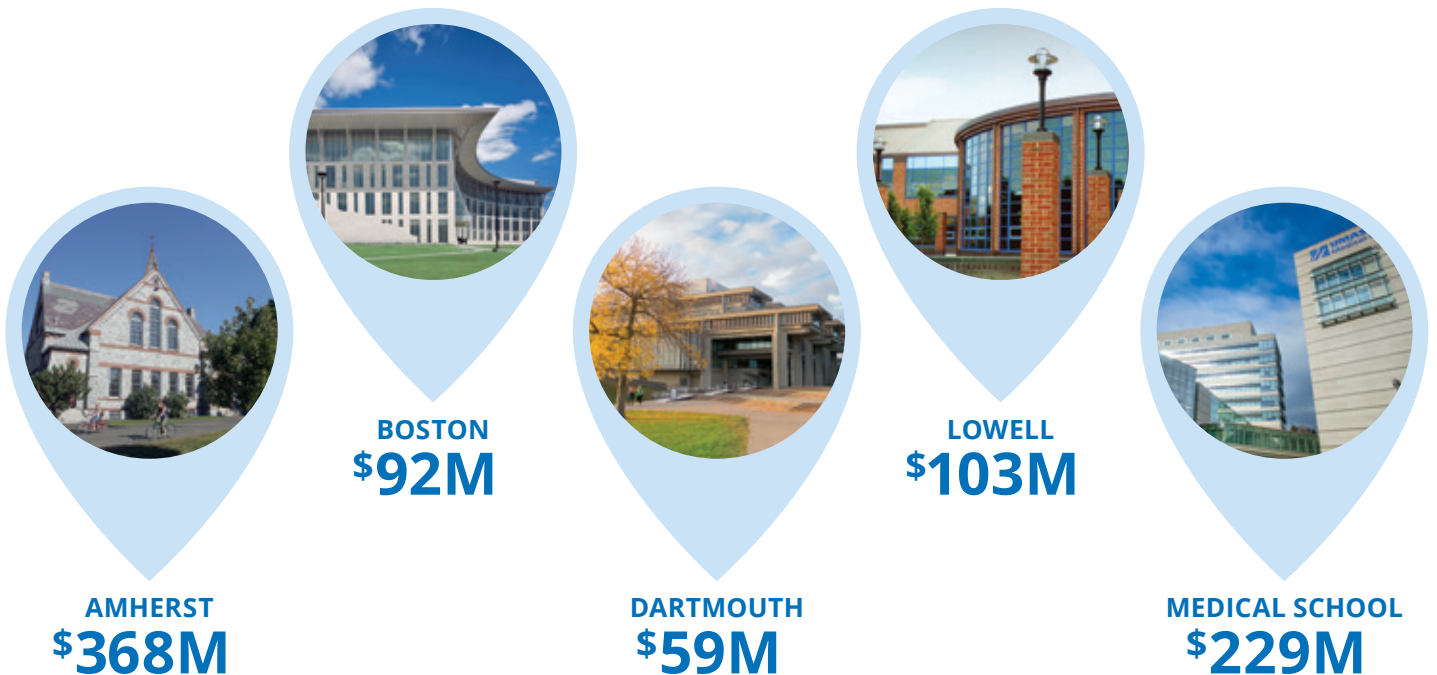
## ASSET ALLOCATION vs. TARGET RANGE

As of June 30, 2020



## ENDOWMENT BY CAMPUS

(in millions)



# Endowment Support

Twenty-five percent of the endowment supports student financial aid, a key priority area for each of the campuses, and one that enables UMass to attract exceptional and deserving students and provide them with the highest quality academic experience while lessening their financial burden. Additionally, more than one in five endowment dollars supports the university's outstanding faculty, often in the form of endowed professorships and chairs, which offers UMass the ability to attract and retain the foundation for the university's academic and research excellence: our outstanding faculty members. Endowed funds also support specific academic areas, research, athletics, libraries, and a variety of other donor-designated purposes. The university's quasi-endowment and other unrestricted endowment funds do not have a specified purpose and enable the campuses to direct those distributions to the areas of greatest need. Quasi-endowment funds are university monies that the university chooses to treat as endowment for the long-term.

## ENDOWMENT DISTRIBUTION

(in millions)

**\$31**  
Million



In fiscal year 2020, the endowment distributed \$31 million in spendable endowment income in support of the five campuses, which included more than \$7.3 million in student financial aid. Since 2011, the endowment has provided more than \$235 million in revenue back to the campuses, which directly and reliably supports some of our university's most gifted and deserving students, our talented and engaging faculty, and countless other key institutional priority areas.

**ENDOWMENT  
BY PURPOSE**



# Endowments: Frequently Asked Questions

## What is the UMass Foundation?

Since 1950, the mission of the University of Massachusetts Foundation, Inc. has been to foster and promote the growth, progress, and general welfare of the five campuses of the University of Massachusetts. The Foundation is a Massachusetts Chapter 180, not-for-profit 501(c)(3) corporation exempt from federal taxes. Serving the five campuses of the university, the Foundation is overseen by a Board of Directors, and its goals are to serve as a depository for philanthropic funds to segregate them from public funds; manage and allocate the Foundation's assets in a prudent and flexible manner; and foster stability, growth, and a long-term perspective on the needs of the university. The Foundation also supports UMass fundraising programs.

## Why does the endowment matter?

For the five campuses of the University of Massachusetts, the endowment provides a vital and permanent, self-sustaining source of funding that creates stability, flexibility, and opportunity today and into the future. By design, endowment gifts are invested in perpetuity with the goal of providing a predictable level of support each year to UMass for the purposes specified by the donors.

The endowment is fundamental to the long-term financial stability of universities, public or private, large or small. A solid endowment base is crucial to the growth and success of UMass, and this type of investment secures future funding for the education of our students, the academic excellence of our faculty, and the strength of our programs.

## How do endowments work?

Endowments are created with a minimum philanthropic investment of \$25,000—either as an outright gift paid over time, or through a bequest from a donor's estate. Once established, an endowment is held permanently and is managed and invested by the University of Massachusetts Foundation, Inc. The endowment's principal continues to grow and produce income in perpetuity for designated purposes.

## What is the goal of the endowment?

The UMass Foundation's chief investment officer, in partnership with the investment committee, invests the university's endowment. The overarching goal is to invest the funds in a manner that balances the needs of the university for both current and future generations by maximizing total return while at the same time minimizing risk.

Endowed funds held by the UMass Foundation are managed as long-term investments. Individual endowment funds are pooled together and invested as one portfolio. The growth of the endowment comes from two areas: investment returns (less annual distributions) and additional gifts. For the endowment to exist in perpetuity, the investment return must out-pace two primary threats to growth: the spending rate and inflation.

## How is the endowment payout determined?

Consistent with leading institutions, the Foundation's spending rate policy determines how much of each endowment is distributed each year. For 2020, the spending rate policy was four percent of each fund's 12-quarter average balance, on a one-year lag. The spending rate policy is set by the investment committee of the UMass Foundation and reviewed annually.

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# MAKING AN IMPACT: Endowment Support In Action

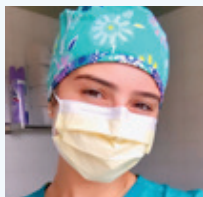
## *A permanent legacy of student support at UMass*

Endowment donors at the University of Massachusetts not only make an impact on today's students, but will also support countless generations of future scholars. Endowment funds are particularly important during times of economic uncertainty, providing a reliable source of funding that helps students continue to pursue their dreams. Across the five-campus UMass system, endowed scholarships strengthen students' education and future career prospects. In this year's Endowment Report, we highlight two such endowed funds— **The Paul English Scholarship at UMass Boston**, and **The Harry and Charlena Seymour Scholarship for Diversity at UMass Amherst**.

There are many endowed funds at each UMass campus that support students.

### UMass Lowell

Phi Psi, Gamma Chapter, National Textile Fraternity and Prof. Albert T. Woidzik Student Assistance Fund



Sarah Grainger '21

The Phi Psi Gamma Student Assistance Endowed Fund was established in 1976 by Richard T. Fifield '50 (Lowell Textile College) exclusively for students with financial need

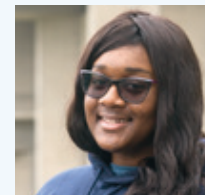
to honor deceased members of the fraternity and beloved Lowell Textile professor Albert T. Woidzik. Last spring, nursing major Sarah Grainger '21, a member of UMass Lowell's Honors College and the women's track and field team, benefitted from this fund. As a patient care technician at Melrose-Wakefield Hospital, Sarah cared for many COVID-19 patients and feared exposing her family to the virus. With funding from the Phi Psi Gamma Fund, UML could provide Grainger with isolated housing on campus. As the pandemic raged in Massachusetts, Sarah cared for many elderly patients with COVID-19 while continuing to live and study safely throughout the spring and summer.

"Support from the student assistance fund helped me keep my friends and family safe by providing me with housing on campus that allowed me to isolate myself after completing multiple shifts inside the COVID ICU at my workplace as a nurse's aide," says Grainger. "I am beyond grateful for that opportunity."

### UMass Dartmouth

John A. Freeman Scholarship Fund

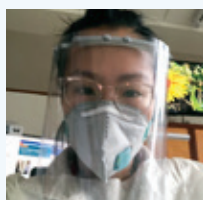
John Freeman '58 understands the challenge for students who pay their own tuition. "My father died when I was in high school, so I had to work to make it through college," Freeman said. He established the John A. Freeman Scholarship Fund to provide financial assistance to junior or senior electrical engineering majors who are also Fall River residents. "I'd like to think that I am making a difference to those who might have similar situations or are going through hardships while trying to make college a reality." Sakinyah Howard '20, a two-time recipient of the Freeman Scholarship, worked 20 to 30 hours a week to cover her tuition balance, yet somehow also found time to immerse herself in campus life. Sakinyah was president of the student branch of the Institute of Electrical and Electronics Engineers, treasurer of the Society of Women Engineers, and a member of the National Society of Black Engineers. Sakinyah's electrical engineering design project with MIT Lincoln Laboratory created a wearable system that monitors muscle movements while exercising to improve form and prevent injury.



Sakinyah Howard '20

### UMass Medical School

Class of 1978 Reunion Scholarship



Emily Chin '23

Established by alumni in honor of their 35th reunion, the Class of 1978 Reunion Scholarship provides need-based financial support for School of Medicine students. Emily Chin '23, and Class of 1978 Reunion Scholarship recipient, found a way to support health care workers during the spring surge of the pandemic. Chin produced hundreds of plastic face shields for health care workers, a labor of love inspired by her late grandmother, Yuk Yip Wu, who died at age 95 from COVID-19 on April 10, 2020.

Chin says she was able to be with her grandmother when she was sick and realized firsthand the importance of PPE for health care workers. Using a three-dimensional printer on loan from her partner's architecture firm, RODE Architects, Emily was able to produce nearly 15 per day. "I think one of the more important things UMass has taught me is to be an active and reliable member of the community," she said. "I feel strongly about contributing and helping my fellow health care workers serve other people in need."

# MAKING AN IMPACT: Endowment Sup

## UMass Boston

### The Paul English Scholarship

In 2020, the Department of Computer Science at UMass Boston announced the creation of The Paul English Scholarship fund. **Paul English '87, '89** is one of UMass Boston's most successful computer science alumni who, in 2004, co-founded KAYAK.com, the highly popular travel metasearch engine, and he also created a series of similarly successful tech ventures. As a student at UMass Boston decades before, and a recipient of merit scholarships that helped him earn his undergraduate degree, English experienced what he calls "eye-opening" diversity on the university's harbor campus and developed a lifelong passion for advancing diversity, equity, and inclusion. Mr. English partnered with UMass Boston and the department of computer science to create this endowed scholarship aimed at providing talented and ambitious computer science and information technology majors with financial assistance and unique career mentoring opportunities. Specifically intended for students with financial need who demonstrate academic achievement, the scholarship will support generations of talented students who can improve their own lives and their communities through careers in tech. In its first year, five exceptional students received The Paul English Scholarship.



"To me, the study of computer science is a study of managing cognitive resources; doing more with less effort. I dream of augmenting the capability of human beings with the power of technology to free up the mind for creativity and the making of revolutionary ideas. My current research interests are in machine learning and the computational study of the brain. I have grown up under the poverty

line and it is only because of the ongoing tremendous support from the University of Massachusetts Boston and, this year, The Paul English Scholarship, that I am able to pursue my research without financial worries and to afford the materials that have made my work and studies possible." — **Yahiya Hussain '21**

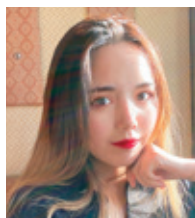


"The Paul English Scholarship provides me with a security net and is allowing me to enroll in an extra semester of classwork to continue my education without worrying about the cost of tuition. The award will also set me off on the right path with managing costs of living, such as rent, food, and transportation, following my graduation from UMass Boston. I hope to find employment as a software engineer in fields that

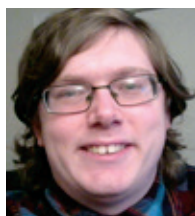
benefit human well-being, such as bioinformatics." — **Joyce Quach '21**



"Success usually comes to those who are too busy to be looking for it, and The Paul English Scholarship allowed me to have a semester free of financial worries. Because of the boost provided by this scholarship, I will be able to graduate on time. Post-graduation, I plan on creating a startup with some of my peers." — **Shujaullah Ahsan '23**



"After my graduation, I will attend graduate school to earn a master's degree in business analytics. In my future career, I plan to join a large Internet company as a business analyst to understand and analyze users' behavior. In the long run, I aspire to help firms develop a closer relationship with clients and guide business decision-making. On the one hand, I want to devote myself to helping firms know how to satisfy customers' needs as possible; on the other, I hope to help clients self-design their needs. Mr. English has inspired me; I am grateful to have this opportunity and I feel very honored to have received this scholarship." — **Meichang Ma '21**



"In times like these, this scholarship support is the difference between being able to pursue my education or not. Without this funding, I would be choosing between academic necessities, including the new costs of going online, and what it costs to stay alive." — **Vincent Livant '22**



## UMass Amherst

### The Harry and Charlena Seymour Scholarship for Diversity

The Harry and Charlena Seymour Scholarship for Diversity at the School of Public Health and Health Sciences was founded to increase the diversity of the student body, particularly among students who have been historically underrepresented in higher education because of their race, ethnicity, gender, or economic status. The scholarship also aims to foster a greater awareness and understanding of multicultural issues in communication disorders by infusing the curriculum with information about linguistic and cultural diversity, including diverse speakers, faculty development programs, and by supporting student and faculty research. In 2020, two students received the scholarship: **Deanna Corinne Serra**, who completed her bachelor's degree in communication disorders in May 2020 and is now pursuing her master's degree in speech-language pathology, and **Maguate "Maggie" Mbengue**, a graduate student pursuing her doctorate degree in audiology.



"My specific interests include augmentative and alternative communication, early childhood education and development, and autism spectrum disorder. Before attending UMass Amherst, I worked full-time as a paraprofessional for Northampton Public Schools and volunteered as a Play Space Leader for Horizons for Homeless Children. In the future, I intend to work as a school speech and language

pathologist who specializes in the treatment of clients with autism spectrum disorder." — **Deanna Serra '24**



"I'm interested in tinnitus and would like to explore multidisciplinary methods for finding promising management and treatment methods, perhaps involving psychotherapy. My goal as an audiologist is to also provide audiological services to people in countries lacking such care, for example Senegal, where my family is from. Outside of school, I love to draw, crochet, and learn foreign languages. I speak

Wolof, French, and some Spanish and German. Scholarships and financial aid helped me tremendously in reducing undergraduate loans and the stress that comes with them. It is with immense gratitude that I accept this scholarship, which is helping me start off on my own on the right foot as a graduate student, and which will help me reach my fullest potential, become an audiologist, and make a positive impact in the field and the world." — **Maggie Mbengue '25**

"SCHOLARSHIPS AND FINANCIAL AID HELPED ME TREMENDOUSLY IN REDUCING UNDERGRADUATE LOANS AND THE STRESS THAT COMES WITH THEM. IT IS WITH IMMENSE GRATITUDE THAT I ACCEPT THIS SCHOLARSHIP, WHICH IS HELPING ME START OFF ON MY OWN ON THE RIGHT FOOT AS A GRADUATE STUDENT."

— *Maggie Mbengue '25*

“UMass will help determine the kind of future Massachusetts will have and the kind of people we will be... making the Commonwealth a place where everyone works for the common good and everyone has a chance to move forward in life and succeed.”

— UMass President Martin T. Meehan



University of Massachusetts

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