

Advancing Philanthropic Support for Public Education

The Public Higher Education Endowment Incentive Program Report 2023

An Investment in the Commonwealth

For public education to thrive, it needs strong public support. At the University of Massachusetts, that support is growing thanks to the steadfast dedication of our Governor and the bipartisan commitment of our Legislature.

Since 1997, the Public Higher Education Endowment Incentive Program has been a durable cornerstone of support that has transformed philanthropic giving across the university community. The opportunity to enhance their gifts has encouraged thousands of donors to donate more than \$154 million to the university, leveraging \$84 million in state matching funds.

Thanks to the investment management team at the University of Massachusetts Foundation, these endowed funds have now grown to more than \$479 million.

In FY2023 alone:

- 42 percent of state matching funds were allocated to student support
- Endowment funds matched by the PHEEIP provided more than half of the \$9.6 million the foundation distributed for student aid
- More than 220 donors across the five campuses received a match from the PHEEIP

WHAT IS THE PHEEIP?

In 1996, the Massachusetts Legislature established the Public Higher Education Endowment Incentive Program (PHEEIP). Under the program, the Commonwealth of Massachusetts contributes \$1 in appropriated state matching funds for every \$2 raised from private donors to support endowment gifts.

Together, the generosity of private donors and public support for state matching funds, combined with investments, have contributed one-third of the university's total endowment.

"The PHEEIP contributed \$10 million in public funds to UMass last year, building on prior year contributions, which have generated more than \$154 million in private support over nearly three decades. Every one of those supporters, whether they're giving \$15 or \$15 million, is integral to the University of Massachusetts mission. These contributions are cherished, and we are all fully committed to the well-managed stewardship of them."

- Marty Meehan

President, The University of Massachusetts



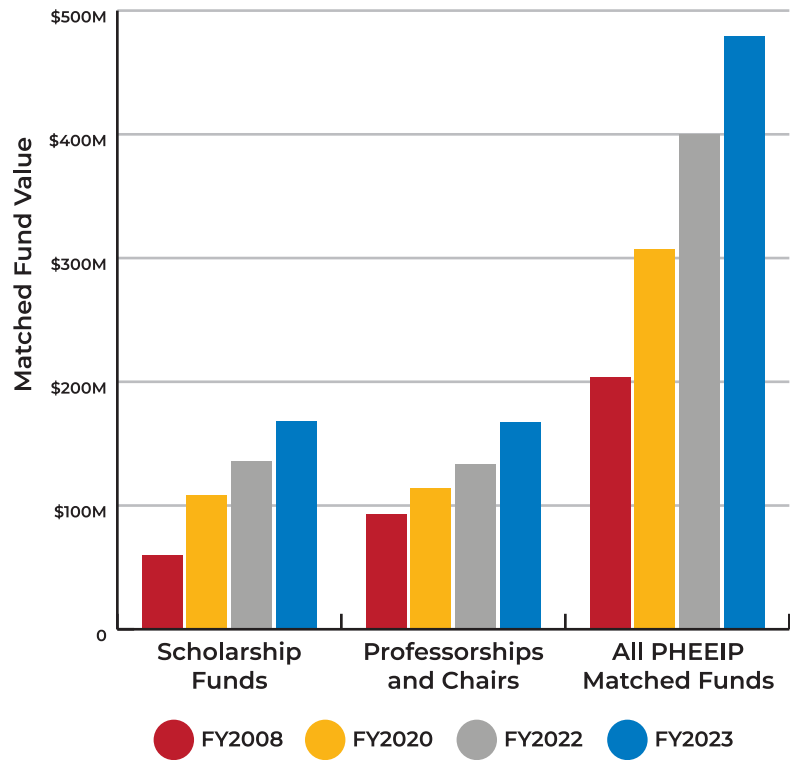
Allocation Strategy and Impact

Funds from the PHEEIP for UMass are divided among the campuses according to a percentage equal to their share of endowment assets held at the UMass Foundation. This provides each campus with a powerful tool throughout the year to encourage donors to build the university's endowment. As a result, the value of endowed funds matched for a range of university purposes has increased significantly since 2008.

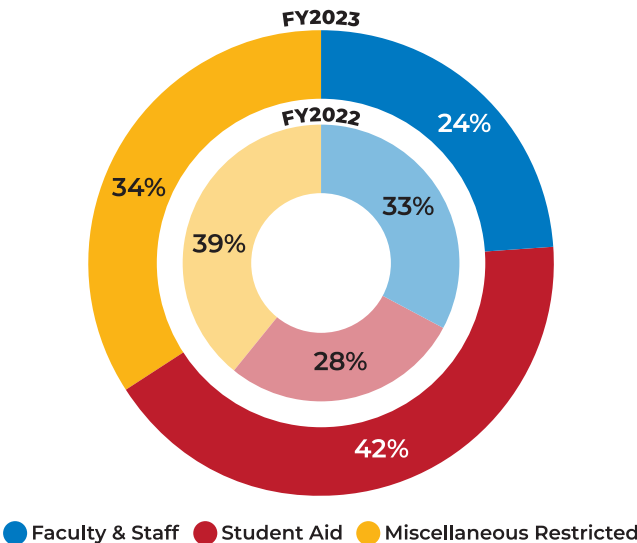
More than one quarter of the foundation's total endowment is now designated for student financial aid, increasing access and minimizing the financial burden for many of the more than 74,000 students who enroll across our five campuses each year. In 2023, donors directed a higher percentage of their gifts to funds for student aid than in the prior fiscal year.

Last year, UMass in-state students received 81% of university-generated financial aid. Those who graduate, roughly 20,000 annually, go on to join the ranks of nearly 330,000 alumni who call the Commonwealth home and who make our culture and communities more vibrant.

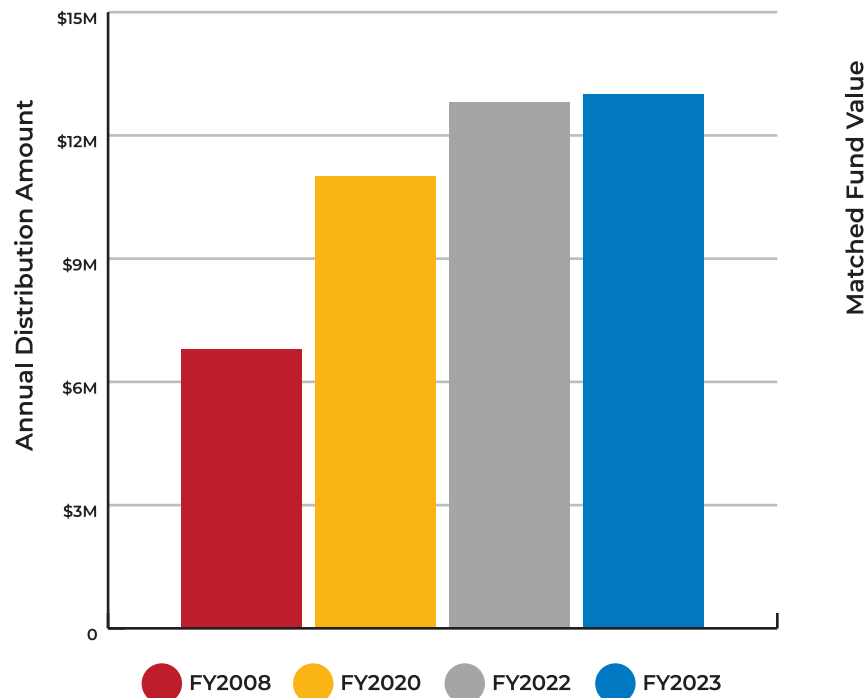
Growth by Fund Type



PHEEIP Matched Gift Allocation



PHEEIP Matched Funds Distribution to Campuses



Honoring a Trusted Colleague and STEM Education at UMass Dartmouth



To honor their colleague's retirement, faculty and staff of the UMass Dartmouth College of Engineering surprised Karen Payton by creating a scholarship in 2021 to mark her more than 30-year career in the electrical and computer engineering department.

"I was flattered and so honored," said Payton, who was a long-standing donor through the payroll deduction program. "It was important to me to find a way to fully endow this scholarship so that I would be able to support many more students over time."

Payton's fellow faculty member John Buck reached out to former students and colleagues for additional contributions to grow Payton's scholarship from current use to endowment. This fiscal year, thanks to a contribution from Payton and matching PHEEIP funds, the Karen L. Payton Scholarship became fully endowed.

The scholarship supports an electrical and computer engineering major who is a member of the Society of Women Engineers.

"As women engineers, we are sometimes the only female in a class of 30 men," Payton said. "I want to encourage more women to study engineering and help to remove some of the financial obstacles."

So many students need a little extra support, especially first-generation students, to get from point A to point B. I want to do anything I can to help them be successful."

About UMass Dartmouth

- #2 for social mobility in Massachusetts
- 57% of students are first-generation
- Top 25% of online Bachelor's programs nationwide
- \$82M active research portfolio focused on critical issues to the regional economy and health, including renewable energy, sustainability, cybersecurity, and marine technology
- Generates \$618M in economic activity, supporting 3,000 external jobs



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