

ENDOWMENT FINANCIAL REPORT



UNIVERSITY of MARYLAND
BALTIMORE

UMB FAST FACTS

6,931

NUMBER OF STUDENTS
ENROLLED IN
FALL 2022

STUDENT DEMOGRAPHICS

67% IN STATE

33% OUT OF STATE

73% FEMALE

27% MALE

19% AFRICAN AMERICAN

47% MINORITIES

\$217.6
MILLION

Amount of money
UMB raised for
endowment funds
during its
Catalyst Campaign
from 2013-2022.

\$15.81
MILLION

New gifts and pledges
to endowed
funds in 2022

1,413

NEW TRANSACTIONS
TO ENDOWED FUNDS
IN 2022

1,118 NUMBER OF INDIVIDUAL FUNDS THAT MAKE UP THE UMB
ENDOWMENT PORTFOLIO, EACH ESTABLISHED BY A
DEDICATED AND GENEROUS DONOR OR GROUP OF DONORS

TUITION RATES PER UMB PROFESSIONAL SCHOOL* / 2022-2023 SCHOOL YEAR

SCHOOL	RESIDENT TUITION	NON-RESIDENT TUITION
DENTISTRY (DDS)	\$46,354	\$86,235
LAW (JD)	\$34,301	\$50,630
MEDICINE (MD)	\$38,573	\$68,249
NURSING (DNP)	\$26,820	\$44,051
PHARMACY (PharmD)	\$28,352	\$45,836
SOCIAL WORK (MSW)	\$15,443	\$33,369

Source: UMB Student Financial Services

*Rates reflect amounts due for full-time students
and do not include additional fees.

Students, faculty, and staff contribute more than 2 million hours of service annually to citizens throughout Maryland, providing programming that improves health and wellness, advances justice, promotes economic development, and strengthens families and communities.

UMB HAS 90 DEGREE AND CERTIFICATE PROGRAMS:

6 professional
practice doctorates

16 research and
scholarship doctorates

31 master's degrees

3 bachelor's degrees

24 post-baccalaureate
certificates

6 postdoctoral
certificates

4 certificates of
advanced study

\$470.84
MILLION

Market value of
UMB's endowment
as of
Dec. 31, 2022

\$18.02
MILLION

Total income from
the endowment
available for schools
to spend on
July 1, 2023,
with 57 percent
designated
by donors to
support students

2,506 TOTAL DEGREES AWARDED
IN FISCAL YEAR 2022 (JULY 1, 2021-JUNE 30, 2022)

AVERAGE DEBT OF UMB STUDENTS / MAY 2022 GRADUATES

SCHOOL	AMOUNT, UMB DEBT ONLY	AMOUNT, UMB AND PRIOR DEBT	PERCENTAGE OF GRADUATES WITH DEBT
DENTISTRY (DDS)	\$305,358	\$316,262	77%
LAW (JD)	\$121,680	\$139,825	68%
MEDICINE (MD)	\$184,683	\$198,103	52%
NURSING (DNP)	\$128,565	\$144,449	59%
PHARMACY (PharmD)	\$165,745	\$174,499	89%
SOCIAL WORK (MSW)	\$58,655	\$78,751	57%

Source: UMB Student Financial Assistance and Education

TERMS AND DEFINITIONS

ENDOWED FUNDS — Gifts accepted subject to the requirement that the principal be maintained and invested to create a stream of income. Endowed funds are intended to exist in perpetuity. Only a portion of the earnings are expended to benefit the program or activity designated by the donor.

HISTORIC GIFT VALUE — The sum of the original contributions that established an endowment fund, any subsequent donations to the fund, and any accumulations made as a result of directions in the memorandums of understanding or other gift agreements that govern the administration of the fund.

MARKET VALUE — Sum of all contributions plus realized and unrealized earnings less distributions, fees, and assessments at a particular moment in time; typically tracked based on the last business day of the quarter.

SPENDABLE INCOME — Funds made available from accumulated investment earnings to be used for the specific purpose designated by the donor.

ABOVE-WATER FUNDS — Funds where the market value exceeds the historic gift value by at least the calculated spendable income and fees.

AT-RISK FUNDS — Funds where the difference between the market value and historic gift value is less than the calculated spendable income and fees.

UNDERWATER FUNDS — Funds where the market value is less than the historic gift value.

SAFE ASSETS — Investments with little to no principal risk. These assets are cash, U.S. Government securities, and prime market funds. This portion of the portfolio is in place to provide capital preservation and stability during volatile periods as well as to facilitate spending and capital call requirements. Maintaining safe assets minimizes the risk of becoming forced sellers of assets during moments of market stress.

INTERMEDIATE ASSETS — Private, finite life investment vehicles whose term is generally longer than public risk assets, but shorter than private risk assets. Since there is modest illiquidity within these investments, they seek to earn returns above market lending rates, but not as high as private risk assets. Many strategies within this asset class have a credit or contractual yield orientation, with lower correlations to public equity markets. These include strategies such as direct lending, distressed lending/sales, and niche credit opportunities. In many cases, collateral is attached to these investments and/or they seek a higher priority of payments within a stressed or distressed environment. They offer idiosyncratic return/risk profiles that are generally more predictable and consistent, thereby aiming to reduce overall portfolio risk in tandem with earning attractive returns.

PRIVATE RISK ASSETS — The illiquid portion of the portfolio, serving as the primary return enhancement over broad public equity markets. Because of the long-term nature of the endowment's capital, the portfolio can hold illiquid investments that may take years for profit realization. While the use of capital is sacrificed during this time frame, these investments are held to higher hurdles of performance, as they are expected to earn a significant return premium over public market equivalent investments. These investments seek to invest in the debt and/or equity of businesses as well as physical assets. A wide variety of strategies is utilized across varied geographies, sectors, and liquidity profiles, so as to achieve market and vintage year diversification.

PUBLIC RISK ASSETS — These are primarily liquid investments. These investments are traded in liquid markets/exchanges. Within this section of the portfolio, a number of uncorrelated objectives across equity and credit managers and instruments are sought. Orientations vary as they seek growth, value, momentum, inflation protection, and/or catalyst-driven events. Some of these investments will track closely to market indices, with a goal to earn or exceed the benchmark return, but with less risk than the benchmark. Other investments will not closely follow a market benchmark, as they seek to offer broad diversification for the aggregate portfolio, while still earning high-risk adjusted returns, and while muting general equity market volatility when possible.

UPMIFA — Uniform Prudent Management of Institutional Funds Act, passed by the Maryland General Assembly in April 2009. These are the statutes under which endowed funds are invested in the state of Maryland.

UMB — University of Maryland, Baltimore

UMBF — University of Maryland Baltimore Foundation, Inc.

USM — University System of Maryland

USMF — University System of Maryland Foundation

COMMON TRUST — Common Trust of the University System of Maryland



“The Gyi Memorial Scholarship has provided me with the financial support to expand my educational journey and explore my passions within the Pharmapreneurship Pathway program. Being the recipient of such a prestigious honor has given me the confidence to share my innovative ideas directed toward expanding health care access to those of all backgrounds. This support has also allowed me to motivate and inspire others in pursuit of their own interests within Pharmapreneurship as we work to transform the way health care is delivered.”

Belinda Tamrakar
School of Pharmacy, PharmD Class of 2024
Felix A. Khin-Maung-Gyi Memorial Scholarship for Pharmapreneurship Recipient

“Receiving the Honorable William H. and Madeline W. Murphy Scholarship and the Diversity and Inclusion Scholarship gave me the opportunity to fulfill my lifelong dream of being an attorney. I worked hard to save for law school, but cost was a factor that heavily weighed upon me. These scholarships gave me peace of mind, and I am forever grateful.”

Junior Dufort
School of Law, JD Class of 2023
The Honorable William H. and Madeline W. Murphy Scholar
Diversity and Inclusion Scholar

“The research I've been involved in during physical therapy school has largely focused on improving the health and well-being of older adults, so I am excited to pursue a clinical career that aligns with my research interests. My career aspiration is to not only practice physical therapy, but also to teach future generations of health professionals. Attending UMB and taking advantage of opportunities to get involved in leadership, research, teaching, and science communication has inspired me to pursue this goal of becoming an educator.”

Joanna Ye
School of Medicine, DPT Class of 2023
Donald J. Hobart Scholar



“I would not have been able to thrive as I have without the Kathryn Patchen Freer Endowed Scholarship. Receiving a scholarship gave me time to dedicate to myself and my well-being, which enabled me to maintain my enthusiasm toward this nursing program and my future career.”

Katie Stone
School of Nursing, BSN Class of 2023
Kathryn Patchen Freer, MSN, BSN '74 Scholar

“Being a recipient of scholarships is a great honor that encourages me to continue striving for the best in my educational and professional endeavors. I am very appreciative of the recognition.”

Wongelawit Tadesse
School of Dentistry, DDS Class of 2023
Dean's Scholarship for Leadership & Excellence Recipient
Baltimore Alumni Chapter, Alpha Omega International Dental Society Scholar

“Scholarship support helped offset my tuition expenses, reducing the financial burden of the MSW program on my family at a time when my husband and I have two kids in preschool and I gave birth to a third baby who needs child care too. It also made me feel like the University, its alumni, and my community were all rooting for me on my journey to become a social worker serving children and families in Maryland.”

Jamie Rosen
School of Social Work, MSW Class of 2023
Alumni Association Scholar

M.J. Tooley and Ron Huffman Demonstrate the Importance of Endowment Giving

M.J. Tooley, who contributed 36½ years of service to the University of Maryland, Baltimore (UMB) and the Health Sciences and Human Services Library (HSHSL), cherishes the years she spent as a seemingly permanent fixture on campus. Tooley was fortunate to experience tremendous personal and professional growth throughout her tenure, which spanned from 1986 until her retirement in December 2022 as associate vice provost and dean of HSHSL. Her impressive trajectory mirrored — and played a critical role in — the tremendous advancements made throughout the library and across the broader University.

In anticipation of Tooley's retirement, she and her husband, Ron Huffman, graciously established the Tooley/Huffman Professional Development Endowment for the HSHSL. This fund allows the library faculty and staff and UMB to stay up to date with advances in information access and knowledge management through the funding of professional development and programming now and in future generations. They both have reflected on what the creation of this endowment means to them:

“Knowledge, information, and data underpin everything at a university like UMB. The HSHSL team must keep up to date with the complex and evolving world of health information. Whether it is data, open access, health literacy, research support, or myriad other information challenges, continuing education and intellectual growth are the currency on which the HSHSL operates. This endowment not only supports library faculty and staff learning, but it can support library-sponsored programming for UMB as well. It's important to encourage lifelong learning and make sure these learning opportunities happen.”

— M.J. Tooley, **MLS, AHIP, FMLA**



“My grandfather immigrated to the United States as a teenager with only two years of formal education. Although lacking in formal education, he was a gifted mechanical engineer. I have fond memories of working with him in his shop, with the conversation always turning to the importance of education. He instilled in me the importance of education being the key to a better life. ‘They can take away your job, but they can never take away your education.’ When M.J. proposed the idea of an endowment for educational purposes for the library, there was no hesitation. The endowment represents a path to help others with their educational pursuits while honoring the memory of my grandfather.”

— Ron Huffman, **MAS**

We at UMB are incredibly grateful to M.J. and Ron for exemplifying the importance of paying it forward. For more information on UMB's Health Sciences and Human Services Library, visit www.hshsl.umb.edu.

The University of Maryland, Baltimore (UMB) fosters a culture of innovation and discovery where our members are continually advancing novel ideas that will improve health care, life sciences, equity and justice, and human and social services. Individual endowment funds are the vehicles that continue to sustain this perpetual thirst for knowledge and couple it with a commitment to transformative public service. They provide essential, timeless, and permanent support to the extraordinary UMB faculty and students throughout our six professional schools and interdisciplinary Graduate School. The UMB endowment portfolio is composed of 1,118 funds with a market value of \$470.84 million (as of Dec. 31, 2022).

Managing the Endowment

Philanthropic funds to benefit UMB are managed in one of three endowment pools — the University of Maryland Baltimore Foundation (UMBF), Common Trust of the University System of Maryland (Common Trust), and University System of Maryland Foundation (USMF).

The UMBF Board of Trustees manages and sets the yearly spending rate for the majority of the funds that encompass the UMB endowment portfolio. Ever mindful of the need to balance current university requirements with the future needs of our students and faculty, the board’s oversight ensures that gifts are invested prudently and endowment proceeds are used according to the donor’s intended purpose.

To maximize growth and broaden investment possibilities, UMBF pools its endowment with funds from the other University System of Maryland institutions by contracting with USMF for investment services. The investment committee at USMF establishes investment allocations, selects investment managers, and monitors results.

Endowed funds that are not managed by UMBF are held by the Common Trust and USMF. Common Trust and USMF funds are part of the pooled endowment managed by the USMF Investment Committee.

Investment Policy and Performance

The primary investment objective is to generate returns sufficient to meet spending requirements while preserving the purchasing power of the endowment over time. To this end, the USMF Investment Committee manages endowment assets in accordance with the following principles that — regardless of cyclical ebb and flows in capital markets — ensure the long-term health and viability of the pool:

Time Horizon: On the one hand, the endowment’s investment time horizon should be infinite, because the institution is expected to exist in perpetuity. On the other hand, the purpose of the endowment is to provide a steady and sustainable distribution of funds, which means that large fluctuations in endowment market value over short time periods are highly undesirable. In setting asset allocation policy, the committee carefully considers both of these conflicting time horizons.

Spending: The ideal endowment spending policy considers intergenerational equity, whereby the current needs of the institution are not sacrificed in the interests of the future, nor future needs sacrificed to those of the present.

Diversification: By allocating funds to asset classes whose returns are not highly correlated over time, the committee is able to mitigate some of the volatility inherent in equities and thereby provide greater stability in spending distributions than might be possible with a more concentrated portfolio. Although such diversification means the endowment may not reap all of the benefits of equity bull markets, it also helps avoid the full brunt of bear markets. No more than 5 percent of the fund’s assets may be invested with one investment fund and no more than 10 percent of the fund’s assets may be invested with one investment manager. The committee may, however, make exceptions in special circumstances.

Endowment Spending

Several factors determine the spending rate set for each endowment pool (UMBF, Common Trust, and USMF). Broad factors such as actual market returns, projected future returns, and inflation are considered, along with more fund-specific factors like the variance between market value and historic gift value and the length of time the individual funds have been in existence.

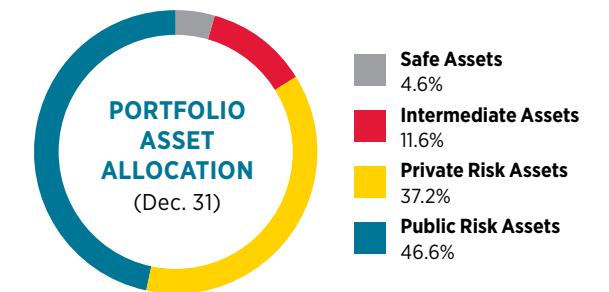
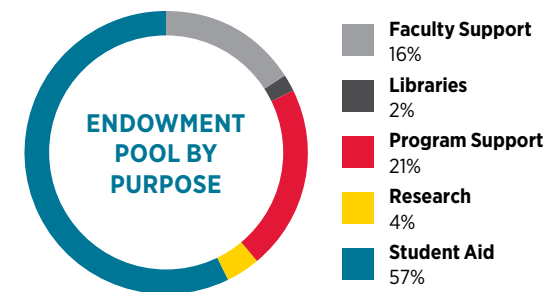
Spendable income calculations are based on the prior Dec. 31 market value of each fund. The results allow for full spending from funds that are above water and limited spending from funds classified as at-risk or underwater. This fiscal year, the total amount of spendable income is \$18.02 million.

ENDOWMENT MARKET VALUE as of Dec. 31 (in millions)

	2018	2019	2020	2021	2022
UMBF	\$210.37	\$247.16	\$268.25	\$326.42	\$318.81
COMMON TRUST	\$111.02	\$122.88	\$126.45	\$145.32	\$133.04
USMF	\$16.27	\$17.65	\$18.12	\$20.88	\$18.99
TOTAL	\$337.66	\$387.69	\$412.82	\$492.62	\$470.84

TOTAL SPENDABLE INCOME (in millions; available to spend on July 1)

2023 (FY2024)	\$18.02
2022 (FY2023)	\$17.70
2021 (FY2022)	\$14.61
2020 (FY2021)	\$14.02
2019 (FY2020)	\$11.93



UMB Endowment Portfolio: Areas of Support

Because of caring and compassionate donors like you, the UMB endowment portfolio can sustain the University's vital work — now and in future generations — by a variety of avenues, including faculty support, libraries, program support, research, and student aid.



SEVEN SCHOOLS, ONE MISSION

At the University of Maryland, Baltimore, we remain steadfast in our mission to improve the human condition and serve the public good of Maryland and society at-large through education, research, clinical care, and service.

School of Medicine

founded 1807

School of Dentistry

founded 1840

School of Nursing

founded 1889

School of Social Work

founded 1961

Carey School of Law

founded 1824

School of Pharmacy

founded 1841

Graduate School

founded 1918

CORE VALUES

Respect and **Integrity**

Well-Being and **Sustainability**

Equity and **Justice**

Innovation and **Discovery**



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