A Letter to Our Community

Our responsibility to you—to our region—is to use our assets wisely in support of your deep commitment to the vital work which ensures a vibrant, just, and thriving community for every citizen. And we are continuously empowered to serve the community because of your efforts.

Your gifts fueled our work this past year ("Who Gave?", page 8). Your nonprofit’s story taught us about the critical issues in our region ("What Did We Support?", page 8). Your college experience underscored the true impact of our awards ("Western Mass Complete", pages 4-5). You helped us understand the complex challenges that stand in the way of a diverse and flourishing arts community ("ValleyCreates", opposite).

As we look with hope to the future of our community, we look to you. We have so much to learn, build, protect, and create for our Valley—together. Thank you for your ongoing wisdom, generosity, connection, and for joining us in this endeavor.

Sincerely,

KATIE ALLAN ZOBEL
President and CEO

ELIZABETH H. SILLIN
Trustee Chair

PAUL MURPHY
Trustee Vice Chair

Remembering David Starr: CFWM Charter Trustee

This past June we were deeply saddened by the passing of David Starr, founding member and Charter Trustee of CFWM. His focused devotion profoundly benefitted the many people, organizations, and causes he supported in and around the Springfield community for over 40 years.

David’s early vision of the vital role that CFWM could play in our region served as a beacon for our first decade and beyond. David promoted donor advised funds (DAFs) to local philanthropists, emphasizing their authentic local connection and unique ability to support our region for the long term. He invested many hours in deep discussions with area nonprofits, creating trust and building excitement around this new funding model for the region. David made the early and significant growth of CFWM possible through his perseverance and tireless work.

David served on our first Distribution Committee for nine years and chaired the Marketing Committee for many more. During his years of active service to CFWM, David demonstrated, year in and year out, that even with a demanding career, making time for the community was an obligation he enjoyed.

We are enormously grateful for the legacy that will endure because of David’s extraordinary dedication, generosity of spirit, and outstanding service.

Sincerely,

KATIE ALLAN ZOBEL
President and CEO

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Trustee Chair

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ValleyCreates: Strategies to Date

We launched ValleyCreates to help strengthen and connect the arts ecosystem in the Valley through funding, trainings, and opportunities to come together—all focused on creating meaningful change through the arts.

In January 2019, we hosted an interactive, day-long “Co-Creator” event, connecting over 70 arts organizations to brainstorm and engage with each other, and introduced our collaborative planning grant opportunity. We funded a total of $60,250 for nine projects and most, if not all, will be seeking funding for the next step—implementation grants—in early 2020.

Online Regional Arts Hub

Our third strategy is to invest $56,000 in planning grants for the creation of an Online Regional Arts Hub to enhance connectivity and visibility in our creative sector. We envision the Hub as a sustainable resource for both arts organizations and arts consumers. Through 2019, several groups used their planning grants to build out concepts that include deep community engagement, and in 2020 the Hub will go live for our region.

Creative Commonwealth Partnership

In 2017, the Barr Foundation (Boston, MA) tapped and funded CFWM and four other Massachusetts community foundations to join the Creative Commonwealth. Creative Commonwealth is rooted in the belief that artists and arts organizations inspire, challenge, and bring communities together. Similarly, Barr brought together these five community foundations to learn from and share different approaches to promoting and sustaining our region’s arts sector.

We are pleased to announce that in September of 2019, the Barr Foundation awarded an additional $9M of funding to CFWM to support this work over the next three years.

This understanding prompted us to develop the following core strategies to begin addressing these challenges—and to support both arts organizations and individual artists from every part of our community.
Can We Do Better for Our Region’s Students?

Access to higher education is vital to creating thriving, equitable communities. Since 1992, CFWM has grown our now robust Scholarship and Interest Free Loan program, connecting generous donors with thousands of local college-bound students. Year after year, we’ve invigorated and inspired by these students’ positivity, drive and personal stories—and we’re immensely honored to have played a part in getting them to college.

But what we haven’t known is how our scholars are faring in the long-run. Are they graduating? If so, how long does it take? If not, why are they leaving school? Our questions about college completion for our students were galvanized by these parallel national trends:

FACT: 2/3 of all new jobs will require a 4-year degree. However, only 1/3 of adults in our region have attained this educational goal. We need to build a more educated and skilled workforce for our region’s long-term economic growth and viability.

FACT: Shifting US demographics has created complex needs for college students. The overall student population now hails from more diverse socioeconomic backgrounds, raising new considerations for ensuring accessibility and completion.

FACT: College completion has become a critical issue. Higher enrollment isn’t creating more college graduates, as many leave school with the intention to return, but never do. This trend, known as “stopping out,” has become even more common at community colleges.

FACT: The cost of college has increased alarmingly over the last few decades. When it comes to paying for college, the playing field isn’t the same as it was years ago. In addition, the purchasing power of Federal Pell Grants has plummeted, further reducing financial aid for the students who need it most.

FACT: More and more students are enrolling in college. Many young people recognize that new job opportunities require a bachelor’s degree. They understand that a college degree is key to an economically stable life.

FACT: When students don’t finish college, they’re more apt to struggle financially, and less likely to thrive and contribute to their communities. Students who drop out or drop out of college see 25% of their paychecks go to college loan repayment, yet they don’t have the economic benefit that comes with the credential. In fact, they’re paying for a credential that they may never receive.

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1970s College enrollments have doubled since the 1970s
1990 College expenses are 400% higher in 2019 than in 1990.
2019

$43 Million CFWM SCHOLARSHIPS & INTEREST-FREE LOANS (AWARDED TO OUR REGION’S COLLEGE-BOUND STUDENTS) 2000-2018

Since 1992, CFWM has provided consultation to dozens of colleges and universities working toward improving student success.

The issue of college completion matters here in this region. Despite the many large structural challenges, we also learned more about a range of seemingly small barriers that face students every day. We were encouraged to learn about the multiple strategies colleges and universities in Western Mass were using to improve student success and help students reach the finish line.

We Convened:
Ten local colleges and universities enthusiastically joined us in this endeavor, diving into the last eight years of their student data on CFWM scholarship awardees. We gathered information on the resources and systems in place at these schools, and collected findings from national research and articles.

We Discovered:
1. Most of our students rely heavily on scholarships and aid to make college possible.
2. Our students are doing better compared to peers with similar financial need and race / ethnicity, as judged by first-second year retention, four-or-six year graduation rate, or GPA.
3. More than ever, students need more time to complete degrees. More students are working full time while in school and taking a reduced course load. Many are balancing school, work, and family responsibilities.
4. Financial roadblocks are complex and range from systemic to administrative. From annual tuition hikes to $20 unpaid fines, finances create barriers that result in “stopping out,” especially for high-need, first-generation students.
5. Schools are working hard to keep students enrolled. Every institution in the Western Mass Completes initiative has recognized this need, and is dedicated to improving retention and completion.

We Learned:
1. Ten local colleges and universities working toward improving student success.
2. Financial roadblocks are complex and range from systemic to administrative. From annual tuition hikes to $20 unpaid fines, finances create barriers that result in “stopping out,” especially for high-need, first-generation students.
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We Will Do Better:
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What will happen in Phase 2?

Learning in Action
Early in 2020, we’ll continue to work with all college partners and delve deeper into why our awareness are flourishing. We want to uncover what makes the difference in their outcomes, and how we and our partner colleges can replicate those factors to help others access and attain their educational goals, which can help create a more skilled and educated workforce for our community.

Next Steps / 2020 Phase 2 Elements
➔ Gather and analyze additional data
➔ Develop joint strategies with college partners
➔ Listen and learn directly from students

For data citation and to follow our work with Western Mass Completes, please visit westernmass completes.org

Becky Packard, PhD is a CFWM Trustee and Professor of Psychology and Education at Mount Holyoke College. A national leading expert in research on factors that contribute to higher education persistence, Dr. Packard led the Western Mass Completes study. As a first-generation college graduate herself, Packard is especially appreciative of how the numerous contexts of home, school, community, and work need to come together to support the educational progress of students. Dr. Packard has held multiple leadership roles at Mount Holyoke, including Associate Dean of Faculty, and she has provided consultation to dozens of colleges and universities working toward improving student success.

“For the first time in my life, I feel like I’m making a difference. It’s incredibly rewarding to see students’ faces when they get their degrees.”

What happened in Phase 1?

We Discovered:
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3. More than ever, students need more time to complete degrees. More students are working full time while in school and taking a reduced course load. Many are balancing school, work, and family responsibilities.
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What will happen in Phase 2?

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**Total Assets**

$153.2 Million

\[ \text{Gross Contribution Received} \times \text{Total Distributions} \]

$12.7 Million

\[ \frac{\text{Total Assets}}{\text{Number of Funds}} \]

$7.3 Million

\[ \frac{\text{Total Distributions}}{\text{Number of Funds}} \]

$9.5 Million

**Investment Commentary**

CFWM’s Global Growth Portfolio generated a 4.3% return net of investment-related fees in fiscal year 2019. Over the past 10 years, the Global Growth Portfolio has grown from roughly $36.0 million to $95.0 million. This investment pool has been developed by CFWM’s Investment Committee as the primary investment vehicle for funds invested for the long-term. Its objective is the generation of maximum long-term total returns within levels of risk determined to be prudent by the Foundation Trustees. CFWM believes that a multi-asset class portfolio, consisting of many different types of investments from around the world, best fulfills that objective. We invest in publicly traded US and international equities and US bonds almost exclusively using low-cost indexed mutual funds. The Global Growth Portfolio’s investment management fees exceeded the Wilshire Trust Universe Comparison Service (Wilshire TUCS) median—a compilation of large institutional investors’ investment returns net of all fees, conducted by Wilshire Associates. The investment results relative to competing portfolios have been favorable for all periods measured over the past 10 years. CFWM’s 10-year return of 10.1% ranked comfortably in the top half (1.0% annualized above the median net of fees) of the Wilshire TUCS. Assets at fiscal year-end were invested in 45% US Equity, 24% Non US Equity and Emerging Markets, 29% Fixed Income, and 2% Alternative Investments.

**Statement of Financial Position**

ASSETS 2019 2018

- Cash and money market funds $5,383,763 $4,829,928
- Investments $140,990,956 $134,077,529
- Assets held under charitable trusts $3,460,507 $3,269,077
- All other assets $3,361,962 $3,951,293
- Total Assets $153,197,188 $146,127,827

LIABILITIES 2019 2018

- Accounts payable and accrued expenses $172,399 $233,306
- Liability under unitrust agreements $1,783,449 $1,738,675
- Agency funds $15,879,797 $10,095,315
- Total Liabilities $17,835,645 $12,067,296

NET ASSETS 2019 2018

- Without donor restrictions—undesignated $36,383,763 $35,775,917
- Without donor restrictions—Board designated $1,354,253 $1,456,446
- Total Net Assets $38,738,016 $37,232,363

**Finance Highlights**

- ASSETS BY FUND TYPE
  - 3% Agency Designated
  - 26% Education
  - 10% AGENCY ADVISED
  - 37% DONOR DESIGNATED
  - 19% DONOR ADVISED
  - 10% UNRESTRICTED
  - TOTAL (609 FUNDS) $176,813,783

- SCHOLARSHIPS & INTEREST-FREE LOANS AWARDED
  - $2.2 Million

- GRANTS AWARDED
  - $7.3 Million

- TOTAL DISTRIBUTIONS
  - $9.5 Million

- TOTAL ASSETS
  - $153,197,188

- PLUS BANK OF AMERICA TRUST ASSETS (3 FUNDS)
  - $23,616,595

- TOTAL (609 FUNDS) $176,813,783

**Comparative Returns for Global Growth Portfolio**

<table>
<thead>
<tr>
<th>Year</th>
<th>CFWM</th>
<th>Wilshire Trust Universe Median*</th>
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<tr>
<td>1 year</td>
<td>4.3%</td>
<td>3.4%</td>
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<tr>
<td>2 year</td>
<td>7.1%</td>
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<tr>
<td>3 year</td>
<td>7.2%</td>
<td>5.4%</td>
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<tr>
<td>5 year</td>
<td>5.8%</td>
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<tr>
<td>10 year</td>
<td>10.2%</td>
<td>6.9%</td>
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</tbody>
</table>

*Net of fees
Who Gave?
Our contributors hail from a wide variety of places in and outside our region and align in their philanthropic mission: to support the Pioneer Valley.

Total Donors: 1,341
Gross Contributions: $12.7 Million

TOTAL CONTRIBUTIONS BY COUNTY

- Hampden: 405 Donors, $1,932,898 (30%)
- Hampshire: 364 Donors, $3,846,963 (37%)
- Pioneer Valley: 490 Donors, $6,136,085 (30%)
- Franklin: 82 Donors, $1,016,477 (6%)

TOTAL INDIVIDUAL DONORS BY COUNTY

- Hampden: 405 Donors
- Hampshire: 30% (364 Donors)
- Pioneer Valley: 40% (490 Donors)
- Franklin: 31% (82 Donors)

How Many Students Did We Help?
For over two decades, we’ve helped thousands of Pioneer Valley students reach their educational goals with scholarships and interest-free loans from over 146 scholarship funds.

Students Awarded Scholarships: 687
Totaling $1,446,839

Students Awarded Interest-Free Loans: 243
Totaling $729,000

*First-generation college students are the first in their immediate families to attend college.

What Did We Support?
Donor generosity is directed to support nonprofits and other initiatives that enrich and sustain our region.

Competitive Grants: $1,932,898
Dedicated Gifts: $4,583,144
Designated Grants: $1,398,065

Nonprofits by County:
- Hampden: $726,948
- Hampshire: $777,590
- Franklin: $220,000
- Outside Pioneer Valley: $214,000

How Did We Get It Done?
Giving time and expertise, our dedicated volunteers are the eyes, ears and heart of CFWM, and are essential to our decision-making.

Active Volunteers: 181
10% Franklin
25% Hampshire
67% Hampden
8% Outside Pioneer Valley

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Please visit communityfoundation.org/2019 for complete lists of our contributors.
Principle photography by Erin Long
Cover: CFWM volunteers and artist Colleen McVake work on community murals for Fresh Paint Springfield, June 2019.
OUR MISSION

The Community Foundation of Western Massachusetts seeks to enrich the quality of life of the people of our region by:

→ Encouraging philanthropy

→ Developing a permanent, flexible endowment

→ Assessing and responding to emerging and changing needs

→ Serving as a resource, catalyst and coordinator for charitable activities

→ Promoting efficiency in the management of charitable funds