



AAUW ASHEVILLE SCHOLARSHIP ENDOWMENT, INC.

Celebrating Twenty-Two Years of Supporting Higher Education for Women in Western North Carolina

GEM Fund Annual Report

for Fiscal Years 2022 – 2023 and 2023 - 2024

submitted by Susan Ikerd, President

Board of Directors

- Susan Ikerd, President
- Lois Sutton, Treasurer
- Deborah Fulton-Helmer, Secretary
- Betsy Kirk, School Liaison
- Millie Massey, Legacy
- BA Schenk, Finance Chair
- Tina Garrett
- Jan Huskey
- Pat Ashe, AAUW Asheville President

The fiscal years 2022-2023 and 2023-2024 brought changes to our investment practices as well as the flow of donations to the GEM Fund. With the guidance of BA Schenk, recently appointed Finance Committee chair, the Board reviewed portfolio composition and moved the funds from Decker Wealth Management to Modera Wealth Management. The Finance Committee and the Board relayed a set of expectations to Modera regarding minimum returns expected and the types of investment funds that would result in stronger returns. Following these recommendations and actions the endowment holdings have shown an improved rate of return. The cadence of fundraising changed over this time as well. In the past, donations were primarily received during the annual spring fundraising drive. Recently, we solicited end of tax year gifts from our donors, which resulted in more mid-year donations in 2023 than in previous years. We also have received significant gifts in honor of family and friends, in remembrance of deceased members, and a large gift from a member's estate. Total giving for 2022-23 was \$60,976 and for 2023-24 \$55,909. These donations and improved endowment investment strategies enabled the Board to award a total of \$30,000 for each year (\$15,000 each for both UNC-Asheville and A-B Tech).

Continuing concerns about the pandemic resulted in a postponement of the 20th anniversary celebration to May 2023, with four GEM scholars in attendance. Hearing from them reinforced for all the importance of our mission and the commitment of all of our generous donors to the mission of the GEM Fund in supporting the education of women in our community whose education has been interrupted or delayed. It is through the donors' active participation and dedication that the GEM Fund continues in successful growth.

Committee Reports

Fundraising

Fundraising is multi-pronged, with a spring mail campaign and missives to donors throughout the year on the importance of GEM. We have also highlighted the Beatrice Rice Wells Legacy Society through a series of profiles written by Millie Massey for the AAUW Asheville newsletter. As a result, we received multiple gifts in honor of Ann Clarke Snell and Dr. Mary Powell, two long time members who passed away in 2023. We received a bequest from Dr. Powell's estate, the first of its kind since the establishment of the Legacy Society. We also reminded donors to think of GEM when managing their end of year tax planning and received donations as a result. The spring fundraising campaigns resulted in \$22,755 from 57 donors for 2022-2023 and \$12,855 from 49 donors for 2023 - 2024. Additionally, individuals contributed \$4,782 in 2022-23 and \$5,910 in 2023-24 to the "Birthday Dollars for Scholars" program. As noted earlier in this report, combined with gifts received throughout



the year, the total raised for 2022-2023 was \$60,976, and for 2023-24 was \$55,909. We again want to acknowledge the loyalty of our donors as the majority continue to be AAUW Asheville members.

Scholars:

Betsy Kirk completed her second year as the GEM scholarship liaison with our college/university partners and reports it continues to be very gratifying to see the results of our efforts. Based on discussions with Amanda Edwards and Leronica Casey from the A-B Tech Foundation, we were encouraged to consider more broadly the type of student for whom GEM Funds would be made available. Surveys of current A-B Tech students indicate that they consider themselves workers first and students secondarily and are most concerned about educational opportunities that would help them secure stable employment in Asheville/Buncombe County. As a result, the Board recommended that we expand access to GEM funding to certificates rather than provide funding exclusively for associate degree programs. We continue to have a collegial and informative relationship with the Office of Advancement staff and the Student Financial Aid Office at UNC Asheville. The university engaged a consulting firm to help reenroll students who have stopped out. This effort resulted in a large increase in eligible students for GEM funding. In the coming year, the Board will discuss increased funding to support these students. The gift agreement with UNC Asheville was updated to remove a dollar limitation on the award for any individual student and allow the university to determine the award based on student financial need. Both our school partners indicate that there are more students who qualify for GEM Funds than funding is available.

Donor Relations

The GEM Board continued to acknowledge the many generous contributors during the fiscal year. Tina Garrett ensured official thank you notes were sent to all donors and that, in the case of tributes of honored friends or loved ones, that notifications were sent as well. Susan sent individual notes to each donor who contributed \$500 or more throughout the year to thank them for their generosity and continued commitment to the GEM Fund's mission.

Communications and Publications

Susan Ikerd, GEM Board President published a report of GEM Fund activities in the monthly AAUW Asheville newsletter. A group of board members, led by Jan Huskey, designed all the materials and communications for the spring fundraising campaign.

Finance

This Annual Report noted changes to the GEM Endowment Fund portfolio investment manager and composition. BA Schenk provided to the board several tutorials regarding the historical portfolio holdings and the average rate of return. The portfolio consisted of 20% cash or cash equivalents, 20% bonds, and 60% stock funds. This mix is not unusual for long-term investment when there are no further monies to be invested. She reported that our average rate of return over the period of 2017 – 2023 was 4.2%, while various well-regarded stock funds (Fidelity and Vanguard 500 Index Funds) had returned 9% (10% if the time period was extended to the previous ten years). To optimize performance, the portfolio balance is now 20% bond funds and 80% diversified stock funds. The Board set an investment return goal of a minimum 7%. The rate of return since the move to Modera is difficult to specify because for the short time with the new firm and the transfers of monies from the checking account (operational funds) into the investment portfolio.

As of June 30, 2024, the GEM Fund included the following assets: \$478,558 in the investment portfolio of the Endowment Fund and \$46,259 in local banks. The Endowment Fund reflects internal transfers of funds temporarily held in the checking account of \$45,000 (January 2023) and \$40,000 (February 2024).

Summary

The GEM Fund historically held \$300,000 as our target endowment value because it would generate enough income annually for an assured future of scholarship funding for our two school partners, regardless of what annual funding would generate. Now that we have exceeded that, the questions in front of the Board relate to how



we can guard the endowment for the future and still maximize its value for the women we are supporting now. Options include increased funding to A-B Tech and UNC Asheville or adding a third school partner such as Western Carolina University. Our current partners have stated that they have identified students who meet the GEM criteria for whom we cannot currently provide scholarship funding. The Board continues to discuss expanding scholarship opportunities to programs which articulate between Western Carolina University and A-B Tech so that scholars can receive funding from the associate through the baccalaureate degree. These include nursing, education and social work, and are offered at the WCU Biltmore Park campus. As always, input from our donors is important in determining the future of the GEM Fund, and we encourage feedback to any of the Board members in this regard.

2022-24 GEM Board:

In May 2022 the GEM Board appointed the following GEM Board members and officers for the 2022-23 fiscal year; these members maintained their positions for the 2023-24 fiscal year as well:

- Susan Ikerd, President
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- Deborah Fulton-Helmer, Secretary
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