

Establishing an Endowed Fellowship at MIT

DEFINITION OF AN ENDOWED FELLOWSHIP GIFT

An endowed fellowship gift is used to create a fund within the MIT endowment. The gift itself is not spent; rather, it is invested.

A portion of the investment return from the fund supports the fellowship in perpetuity.

A portion of the investment return is reinvested to grow the fund principal, protect against inflation, and ensure long-term stability. This is standard practice for endowed funds.

Donors receive an annual report on the financial performance of their endowed fellowship fund.

FELLOWSHIP ASSIGNMENT PROCESS

A school or department generally waits until an entire gift has been received to pair a student with a fellowship. Sometimes, however, a school or department chooses to name a student to the fellowship soon after the first payment is received and makes up the difference from elsewhere in its budget.

FIRST-YEAR GRADUATE STUDENTS

The flexibility that fellowships provide is often most useful during the first year of graduate study. This makes fellowships a valuable tool for recruiting outstanding first-year students.

There are exceptions to this first-year pattern. For example, in the Department of Biology, a training grant from the National Institutes of Health supports graduate students in their first three years of study. However, because it can take a student from four to six years to obtain publishable research results, fellowships are an important source of support for biology students in the later stages of their academic careers.

DONOR PREFERENCES FOR FELLOWSHIPS

Donors are encouraged to make the terms of an endowed fellowship as flexible as possible to allow MIT to use the funds broadly and effectively far into the future.

Donors may establish an endowed fellowship in their own names or in honor of an individual, family, or organization.

PLEDGING MORE THAN THE MINIMUM GIVING LEVEL

Endowed fellowships established at minimum giving levels do not generate enough annual income to cover the amount needed to fully support a student's graduate study. A school or department typically supplements the student's funding from its annual budget or from other donor funds designated for graduate student support. Departments without the resources to supplement funds in this way might pursue other strategies, such as allowing distributions to accumulate over multiple years before naming a fellow. Pledging more than the minimum giving level will provide additional income to meet MIT's fellowship commitments.

ADDING TO AN EXISTING FUND

Donors of endowed gifts are encouraged to bolster their existing fellowship funds to support a student more fully or to support multiple students.

FELLOWSHIP FUND ADMINISTRATION AND STEWARDSHIP

Fellowship support is most frequently administered at the department level and contributes directly to that department's budget. Each department may have its own practices that impact decisions, including how often fellowships are awarded and how they are stewarded. For fellowship funds administered in a school or department, donors may receive annual updates, including a letter from the department head and a profile or letter from the new fellow. Donors may also be stewarded through giving societies or events.

Fellowship support without designated donor preference for a department, a school, or the Schwarzman College of Computing may be administered centrally by the Office of Graduate Education or by the Office of the Provost. The Office of Donor Relations and Stewardship in Resource Development manages stewardship for centrally held fellowships. For these fellowships, donors receive an annual report including letter(s) from the student(s) receiving support from their fund.

For all endowed fellowships (both centrally and school administered), donors receive an annual financial report about their fund and an update on the MIT endowment.