

February 21, 2011

SWARTHMORE COLLEGE
2011-2012 BUDGET SUMMARY

- At its February 19 meeting, Swarthmore College's Board of Managers adopted a 2011–12 operating budget of \$115.2 million. A summary of Swarthmore's budget is attached.

- In December 2009, the Board of Managers adopted the recommendations of the Ad Hoc Financial Planning Group, which included a set of budget actions to respond to the impact of the economic recession and to adjust the budget to reflect the decline in the endowment. Several key principles guided the work of this group, and the budget plans reflected the preservation of the College's academic excellence, protection of need-blind admissions and accessibility for qualified students from all socioeconomic backgrounds, and provision of strong support for students. The budget actions were to be implemented over several years, but many of them have already implemented in the current year budget. A Board of Managers initiative provided additional gift support to the budget for the next three years to defer and hopefully avoid the remaining budget reductions which might affect central College priorities. Economic recovery is progressing, Swarthmore's endowment has improved, and the College is now facing a more favorable five-year projection than anticipated in the 2009 budget plan. If this recovery can be sustained, the Board of Managers agreed that the future budget reductions will likely not be necessary.

- The 2011–12 operating budget and the facilities and technology capital budgets are consistent with the recommendations adopted by the Board in December 2009.

- Student charges are increasing 3.4% to \$53,250. The components of charges are:

Tuition	\$40,816
Student Activities Fee	\$ 334
Room	\$ 6,200
Board	<u>\$ 5,900</u>
 Total	 \$53,250

- The Board of Managers is committed to need-blind admissions and a continued policy of meeting the demonstrated need of all aided students. In addition, it reaffirmed its 2007 decision and will continue loan-free financial aid awards to financially aided students enrolled next year. No changes were made to students' expected summer earnings contributions (\$2000 for first year students and \$2500 for upperclass students). Suggested term-time work remains at 7-8 hours per week. Scholarship expenses in the College's budget are estimated to increase 5%.
- The target for average on-campus enrollment will stay the same at 1420 students. The targets are 378 first year students and 15 transfer students for next fall. No further increases in the on-campus enrollment target are anticipated at this time.
- Spending from the endowment for the operating budget will increase next year, but it remains below the pre-downturn levels. The endowment recovered some in 2009-2010, and recovery continues this year.
- Faculty and staff salary increases next year are expected to meet compensation goals.
- Employee benefits costs are anticipated to increase due to continued pressure from health insurance premiums. The structural changes in the health benefits/benefit bank adopted in the current year will help control costs in the future.
- Most departments will have no increases in their non-compensation budgets. Additions were made only for unavoidable cost increases in existing programs.
- Funding for facilities capital spending next year will continue at a reduced level for the last of three years. In response to the current economy, it made sense to defer capital spending for a few years to reduce spending from the endowment. \$3.1 million in facilities projects were approved for 2011-12.
- About \$1.2 million in technology capital projects was approved for next year.

Swarthmore College
 2011-2012 Operating Budget *
 (\$ in millions)

	<u>2010-2011</u>		<u>2011-2012</u>	
<u>Average Enrollment</u>				
On Campus	1419		1420	
Foreign Study	80		79	
<u>Revenues</u>				
	\$	% of Total	\$	% of Total
Gross Student Revenues	\$76.5		\$79.0	
Less: Financial Aid	<u>-27.7</u>		<u>-29.0</u>	
Student Revenues (net)	\$48.8	45%	\$50.0	43%
Endowment Spending	47.6	43%	51.1	44%
Gifts and Grants	8.7	8%	8.9	8%
Other	<u>4.4</u>	<u>4%</u>	<u>5.2</u>	<u>5%</u>
Total	\$109.5	100%	\$115.2	100%
<u>Expenditures</u>				
Compensation	\$67.9	62%	\$70.4	61%
Departmental Expenses	23.3	21%	24.0	21%
Capital Expenditures	3.0	3%	5.6	5%
Debt Service	11.8	11%	11.8	10%
Utilities	<u>3.5</u>	<u>3%</u>	<u>3.4</u>	<u>3%</u>
Total	\$109.5	100%	\$115.2	100%

* Internal basis

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