Swarthmore by the Numbers: Budget Update
April 4, 2019 All-Staff Meeting

Greg Brown, Vice President for Finance and Administration
Budget and Campaign Goals: Changing Lives Changing the World

- Connecting the Liberal Arts
- Building an inclusive community
- Enhancing our social impact
- Creating vital spaces
### Cost of Educating a Swarthmore Student 2017-18

<table>
<thead>
<tr>
<th>Spending per Student by College</th>
<th>Full pay students (N=710)</th>
<th>Average Student (n=1615)</th>
<th>Average Aided Student (n=905)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$104,692</td>
<td>$65,774</td>
<td>$18,176</td>
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<tr>
<td></td>
<td>$38,918</td>
<td>$67,351</td>
<td>$86,516</td>
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<tr>
<td></td>
<td>$60,000</td>
<td>$37,341</td>
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<td>$40,000</td>
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<td>$20,000</td>
<td>$0</td>
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<tr>
<td></td>
<td>$0</td>
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</tbody>
</table>

**Spending Breakdown:**
- **Student Pays**
- **Subsidized by College**
2018-19 Approved Budget by Use: $174M

- Scholarships: 21%
- Faculty & Staff Compensation: 31%
- Employee Benefits: 27%
- Debt Service: 11%
- Other Uses: 10%
Swarthmore Operating Budget Allocations Over Time (000s)

- **Departmental Budgets**
- **Capital Expenditures**
- **Debt Service**
- **Benefits**
- **Staff Salaries**
- **Faculty Salaries**

<table>
<thead>
<tr>
<th>Year</th>
<th>Departmental Budgets</th>
<th>Capital Expenditures</th>
<th>Debt Service</th>
<th>Benefits</th>
<th>Staff Salaries</th>
<th>Faculty Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>$71,505</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2004-05</td>
<td>$92,578</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>2009-10</td>
<td>$106,106</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>2016-17</td>
<td>$154,287</td>
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<td>$0</td>
<td>$0</td>
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<tr>
<td>2017-18</td>
<td>$162,844</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2018-19</td>
<td>$173,899</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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</tbody>
</table>
Swarthmore Operating Budget Allocations Over Time

- Departmental Budgets
- Capital Expenditures
- Debt Service
- Benefits
- Staff Salaries
- Faculty Salaries
Budget Considerations

Expenditure Challenges

- Inflation
- Faculty & staff compensation
- Technology and program changes

- Compliance requirements
- Deferred Maintenance
- Achieving carbon neutrality by 2035
- Board limits on overall growth
Swarthmore Operating Budget Revenue Over Time (000s)
# Tuition, Room and Board

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>2000</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$4,700</td>
<td>$23,964</td>
<td>$52,190</td>
<td>$54,256</td>
</tr>
<tr>
<td>Room, Board and Fees</td>
<td>$2,380</td>
<td>$7,726</td>
<td>$15,350</td>
<td>$16,488</td>
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<tr>
<td>Total</td>
<td>$7,080</td>
<td>$31,690</td>
<td>$68,062</td>
<td>$70,744</td>
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</table>
Median Family Income and Swarthmore College Total Charges and Net Price

$54,379
$65,774
$27,066
$17,113
$20,125
$38,524
$11,977
$0

U.S. Median Family Income Ages 45-54
Swarthmore Total Annual Charges
Net Price averaged across All Students
Net Price for Aided Students

$90,119
$38,524
$17,113

<table>
<thead>
<tr>
<th>Financial Aid Budget</th>
<th>2000</th>
<th>2010</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid Budget</td>
<td>$12.6</td>
<td>$24.7</td>
<td>$45.6</td>
<td>$46.7</td>
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</table>
Swarthmore College Graduation Rates for Students Entering 2010-2012

Graduation rates for students entering Swarthmore College from 2010 to 2012, categorized by financial need:
- No Need: 100% Grad by 4 years
- Lower Need: 95% Grad by 4 years
- Moderate Need: 95% Grad by 4 years
- Substantial need: 90% Grad by 4 years
- High need: 85% Grad by 4 years
- Very high need: 85% Grad by 4 years

Legend:
- Grad beyond 6 years
- Grad >4 but by 6 years
- Grad by 4 years
2018-19 Approved Budget by Source - $174M

2018-19 APPROVED BUDGET BY SOURCE

- Endowment Distribution: 55%
- Net Student Charges: 37%
- Gifts in Support of the Budget: 3%
- Other Revenue: 5%

ENDOWMENT SUPPORT 2018-19

($ IN MILLIONS)

- Financial Aid: $45.6 (48%)
- Budget Support: $14.0 (15%)
- Plant Renewal and Replacement: $11.6 (12%)
- Debt Service: $23.2 (25%)
Historical Endowment Spending

Spending Rate By Fiscal Year

- 1986: 4.29%
- 1987: 4.60%
- 1988: 2.50%
- 1989: 2.75%
- 1990: 3.00%
- 1991: 3.25%
- 1992: 3.50%
- 1993: 3.75%
- 1994: 4.00%
- 1995: 4.25%
- 1996: 4.50%
- 1997: 4.75%
- 1998: 3.50%
- 1999: 3.25%
- 2000: 3.00%
- 2001: 2.75%
- 2002: 2.50%
- 2003: 3.00%
- 2004: 3.25%
- 2005: 3.50%
- 2006: 3.75%
- 2007: 4.00%
- 2008: 4.25%
- 2009: 4.50%
- 2010: 4.75%
- 2011: 4.00%
- 2012: 3.75%
- 2013: 3.50%
- 2014: 3.25%
- 2015: 3.00%
- 2016: 2.75%
- 2017: 2.50%
- 2018: 4.60%
- 2019 est.: 4.75%

Spending Rate
Since 1982, $1.25 billion has been withdrawn from the endowment to support the College.

$461 million in gifts has generated $3.4 billion in total value.
Budget Considerations

Revenue Challenges

- Freeze in enrollment growth
- Tuition increases above inflation
- Endowment volatility
- Preserving intergenerational equity
- Budget-supporting gifts
- Other sources
2019-20 Budget Calendar

- **November 20:** Budget Call letter distributed to financial managers
- **Early January:** All new position requests and modifications submitted to HR
- **January 22:** Deadline for non-personnel budget requests
- **February 22:** Board of Managers adopts the revenue budget
- **March-Early April:** Meetings to review budget requests
- **May 10:** Board of Managers adopt Operating and Capital Expenditure Budgets
- **July 1:** Start of the new fiscal year
Campus Building Age Profile

% of GSF by Construction & Renovation Year

Pre-War
- Built pre-1951
- Durable construction
- Older but lasts longer

Post-War
- Built 1951 - 1975
- Lower quality
- Needs more repairs & renovation

Modern
- 1975 - 1990
- Quick flash construction
- Low quality components

Complex
- Built post-1991
- Technically complex
- Higher quality
- More expensive to maintain or repair

- Sightlines Database - Construction Age
- Sightlines Database - Renovation Age
- Swarthmore

Biology, Engineering, & Psychology Building (BEP)

- New facility for primary use by Biology, Engineering and Psychology
- State of the art learning, teaching, and research spaces
- Largest building on campus (158,000 gross sq. ft)
- $126 million project, with $12 million devoted to enhance sustainability
- Phase 1 (laboratories and some classrooms) completion summer 2019
- Phase 2 (common areas, faculty offices) completion summer 2020
New Dining Facility and Community Commons at Sharples
Sharples Dining Hall: Building Renewal & Expansion

• Expanded capacity and dining options for students
• Revitalized space to enhance living, learning, and community-building
• New space for clubs, activities and events
• Net Zero Carbon Target to meet campus sustainability goals
Sharples Dining Hall: Building Renewal & Expansion

• Anticipated Project timeline:
  • 2019: Program review and preliminary design
  • 2020: Construction begins for dining improvements
  • 2022: New Dining facility opens
  • 2023 Renovation of existing Sharples as Campus Commons
• Estimated Cost: $40-45 million
Lang Music Building

- Replace plumbing, HVAC, entry glass and roof
- Repurpose Presser Room for Gamelan Semara Santi
- Restore Pipe Organ
- $9 million project
- $7 million from Langs + $2 million challenge match
- $500,000 raised to date
Martin Biological Laboratory: Repurposing, Addition(s) and Renovation

- Fall 2020: Biology Department moves to BEP Building.
- 2020-23: Renovation and expansion of space for academic use.
  - Remove Greenhouse addition
  - Construct new space
  - Updates to improve energy efficiency
  - Replace all of the building’s systems and connect it to the new hot water loop
Mertz Residence Hall Renovation and Renewal

- Summers 2019 & 2020
- Comprehensive systems and infrastructure work, including:
  - Windows
  - Roofing and insulation
  - Heating, Ventilation & Air Conditioning
  - Lighting
  - Room access
- Spruce up of rooms
- Additional apartment for residential life staff
Energy Master Plan (aka Roadmap to Zero)

- Replace campus-wide steam system (original system dates to 1910’s)
- Install a hot water loop for heating and cooling, minimizing the use of fossil fuels
- Establish energy resiliency on campus
- Expand use of on-campus renewables, including solar and geo-thermal
- Consider on-site power generation with Combined Heat and Power (CHP) units
Financial Dependencies

- Endowment Spending
- Financial Aid
- Controlling Operating Costs
- Strategic Infrastructural Improvement

Philanthropic Support