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Statement by President Bahls on the Impact of the Nation's Financial Crisis on the College

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Statement by President Bahls on the impact of the nation's financial crisis on the college

October 6, 2008

The financial crisis on Wall Street is having an impact on almost everyone in America, including America's colleges and universities. It is increasingly clear that Augustana College is not immune from the crisis. This situation will challenge each of us at the college to work together, as a community, to provide the best quality education for our students in a time of potentially shrinking resources.

We are seeing evidence of the crisis in these ways at Augustana:

- **Substantial increases** in our interest rates on our variable interest rate debt due to tightening credit markets.
- **Reduction in value of our endowment**, due to declines in the value of the stock market.
- **Concerns about the impact of the recession** on students and their families.

The college has several policies in place to help it through a short-term economic crisis.

- **Strengthened Financial Position over the Past Five Years.** Four factors have combined to strengthen Augustana to meet the current financial challenges and to continue to attract highly qualified students: a) the college is at record enrollment, having increased from 2275 students to 2531 students over the past five years; b) because of the value and prestige of an Augustana degree, placement rates into jobs and graduate schools have remained very strong; c) graduation and student retention rates are very high, far higher than state schools; and d) gifts and grants to the college have doubled to more than $10 million over the past five years and we have raised more than $92 million in our capital campaign. As a result, Augustana has the strength to weather a downturn in the economy.
- **Conservative Budgeting.** The college budgeted for a 2% contingency fund in recent years, to provide a financial cushion in times like this.
- **Early announcement of smaller tuition increases.** To assure our students’ families that the college is sensitive to the economic conditions, the Board determined that the tuition increase for the next year will be the smallest percentage in 25 years (3.9%). The Board, as well as the Cabinet, believes that an earlier statement of a lower increase will provide some assurance to current and future students that the college is taking steps to remain affordable. Holding tuition increases to the smallest level in 25 years is possible because of the strengthened financial condition of the college.

Though Augustana’s financial resources may be strained by the nation's economic crisis, our human resources are not. We enjoy record enrollment, record graduation rates and record diversity. It is clear to me that we are a community of committed and imaginative people who care about each other and our students. Working together, I have no doubt that we will preserve and strengthen this wonderful college.
Accounting
African Studies
Anthropology
Art
Art History
Asian Studies
Biochemistry
Biology
Business Administration
Chemistry
Chinese
Classics
Communication Science & Disorders

Communication Studies
Computer Science
Creative Writing
Economics
Elementary Education
Engineering
Engineering Physics
English (Literature)
English Writing
Environmental Management & Forestry
Environmental Studies
Ethics
French

Geography
Geology
German Studies
Greek
Graphic Design
History
International Business
Japanese
Landscape Architecture
Latin
Library and Information Science
Mathematics
Mass Media Journalism & Mass Communication

Music
Music Education
Music Performance
Neuroscience
Non-Profit Leadership Development
Philosophy
Physics
Political Science
Pre-Dentistry
Pre-Law
Pre-Medicine
Pre-Music Therapy
Pre-Nursing
Pre-Occupational Therapy

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Secondary Education
Sociology
Sociology (Social Welfare)
Spanish
Theatre
Women's & Gender Studies