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A Report from Williams 2007 Excerpt: Financial Highlights*

Page 1 of 4

Now entering its final year, The Williams Campaign is funding a comprehensive strategic plan to sustain and advance Williams as a national model for undergraduate education. Thanks to tens of thousands of gifts from alumni, parents, and friends, we are well on our way to achieving this goal.

What a Difference Four Years Have Made

Campaign giving has enabled the College to hire 30 additional professors, reducing its student-faculty ratio from 8:1 to 7:1. Many courses are now small and intimate: 75 percent now enroll 19 or fewer students, versus 59 percent in 2000. Tutorials — Williams' educational "gold standard" — have tripled from 20 in 2001 to 60 today. More than half of the members of the Class of 2007 took at least one tutorial before graduating; one in four took two or more. Students have more experiential opportunities, enabling them to apply classroom learning in a wide variety of fieldwork settings. Rigorous new requirements in writing and quantitative reasoning complement new interdepartmental and team-taught classes, which expose students to problems that transcend individual academic disciplines.

Vastly expanded need-based aid to middle- and upper-middle income as well as lower-income students makes Williams more affordable to a wider range of outstanding students. In November, the College eliminated loans from all financial aid packages and replaced them with grants; as I write this, Williams is one of four American colleges to have done so. The College now aids families with

incomes ranging from below poverty level to over \$190,000. Close to 35 percent of our aid recipients are from families with incomes below the U.S. median (\$54,000) — and 35 percent are from families in the top U.S. income quintile.

Extending need-based aid to international students means that Williams undergraduates now better reflect an increasingly global society. International applications jumped from 429 in 2001 (before international need-blind admissions) to 1,098 in 2007. The 93 international students admitted this year had some of the highest academic ratings of all our applicants.

New residential life initiatives help all students bridge class years, interests, and backgrounds through a broad array of extracurricular activities. A new residential life program — the first in a generation — which brings together students of different ages, interests, and backgrounds and supports them in creating a broad array of extracurricular activities with each other.

Acclaimed new spaces support a great undergraduate experience. The '62 Center for Theatre and Dance is a highly effective teaching facility as well as a magnificent performance space. The new Paresky Center gathers the entire Williams community — students, profes-

sors, and staff — under one roof. Paresky also creates new opportunities for student leadership through centralized, accessible, highly functional space for College Council, *The Record*, new residential neighborhood governance, and community service.

Spending Gifts Responsibly

Williams' trustees take very seriously the responsibility of stewardship and therefore allocate Williams Campaign contributions to operations and capital expenditures with discipline and thoughtful care. (See Figure 1.) In 2006–2007, Williams spent 57 percent of its \$161.3 million operating budget directly on students and faculty — the heart of Williams' endeavor. These core educational expenditures are enhanced by spending on athletics, the libraries, the art museum, and health services. They have all increased over the past few years to fuel our strategic plan, renewing Mark Hopkins' educational vision in ways that equip our students to lead effectively in an increasingly complex and challenging world.

Indeed, since FY2001 the College has reduced the share of student charges in operating income from 62 percent to less than 52 percent. Williams spent \$103,000 last year on each student,

while charging those whose families can afford to pay full tuition and fees \$42,650 — 42 percent of the College’s full cost. And now more than half of Williams families do not pay full tuition and fees.

Williams makes up the difference, in part, by paying keen attention to day-to-day expenditures — making sure improvements are responsibly implemented and can be sustained. For example, the College has committed to holding non-faculty staffing levels constant and holding growth in non-personnel expenses to a minimum. The extraordinary goals we have set for reducing Williams’ greenhouse gas emissions (see www.williams.edu/resources/sustainability) will require substantial initial investments, but the long-term benefits to the College — and the planet — will be more so.

Thanks to Dave Coolidge and his extraordinary team of investment advisors (see p. 13), Williams’ \$1.89 billion endowment strengthens our ability to absorb unanticipated expenses. Yet we can only spend a small fraction of the endowment each year if we are to preserve its long-term value, so sustained philanthropy to the College through The Williams Campaign is essential. In addition to leadership gifts for the specific initiatives described above, Williams benefits from one of the nation’s most successful annual giving programs (the Alumni Fund and the Parents Fund), which contributed \$12.5 million and supported nearly 8 percent of last year’s operating budget.

Climbing Farther

By continuing our efforts over the next 12 months, we can, as President Schapiro has said, “fund a strategic plan

that over six years has grown more ambitious and more powerfully effective for students and professors. And we can do so without shifting the financial burden to students’ families and still leave Williams in a position of strength to respond to future challenges and opportunities.”

Fulfilling the strategic plan means securing funding for the Stetson-Sawyer project — a truly historic initiative highlighted in this report. It also means securing our increased financial aid commitments. Eliminating debt by increasing direct scholarship grants and extending support to international students have doubled Williams’ financial aid budget, from \$15 million in FY2001 to \$30 million in FY2008. And as Williams expands need-based aid, demand continues to grow. A full 52 percent of the Class of 2011 qualified for need-based aid; the average annual

Figure 1: Revenues to Support the Operating Budget FY2005–2007

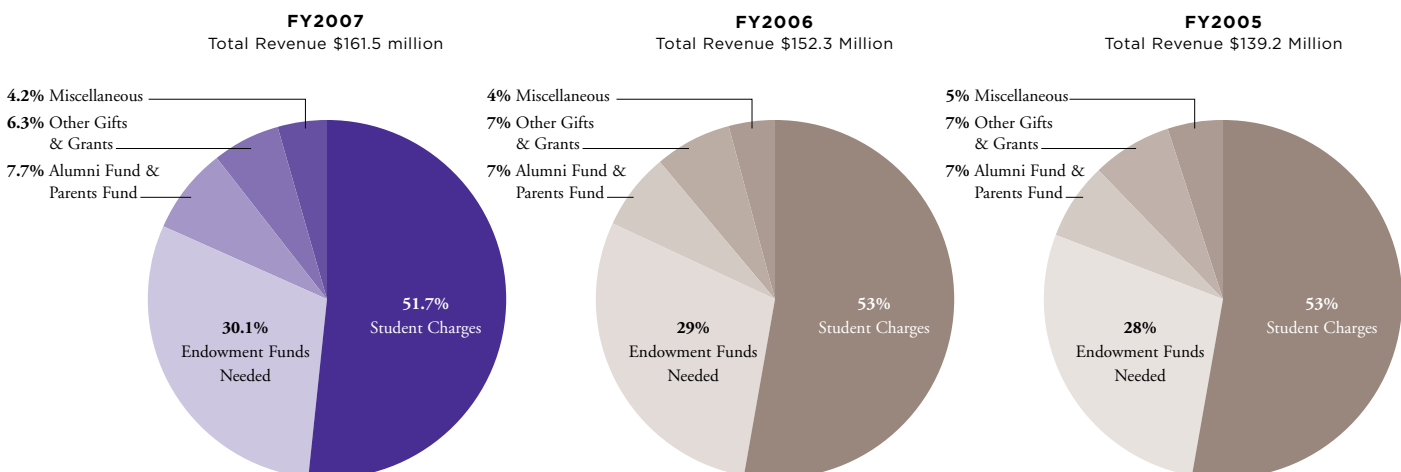


Figure 2: Operating Expenditures FY2004-2007

	OPERATING EXPENDITURES (\$1000s)					GROWTH RATES	
	FY2007	% OF TOTAL	FY2006	FY2005	FY2004	1-YEAR	3-YEAR*
Core Activities	\$91,527	56.7%	\$86,618	\$78,028	\$74,279	5.7%	7.2%
Undergraduate Instruction/Research	51,440	31.9	49,675	44,687	41,772	3.6	7.2
Scholarships & Fellowships	26,797	16.6	24,532	20,990	19,408	9.2	11.4
Student Room & Board	13,290	8.2	12,411	12,351	13,099	7.1	0.5
Other Activities	69,789	43.3	65,664	61,168	58,013	6.3	6.4
Facilities	12,215	7.6	11,226	10,061	8,527	8.8	12.7
Administration	9,764	6.1	9,225	8,920	8,704	5.8	3.9
Technology	7,529	4.7	7,211	6,817	6,685	4.4	4.0
Alumni Relations & Development	7,584	4.7	7,291	6,633	6,882	4.0	3.3
Student Services	8,283	5.1	7,600	7,008	6,624	9.0	7.7
Athletics	6,189	3.8	5,633	5,227	5,121	9.9	6.5
Libraries	6,029	3.7	5,969	5,512	5,247	1.0	4.7
Auxiliaries	4,241	2.6	4,215	3,954	3,430	0.6	7.3
Graduate Programs	2,572	1.6	2,519	2,361	2,232	2.1	4.8
Museum	2,481	1.5	1,922	1,958	1,900	29.1	9.3
Security	1,499	0.9	1,503	1,433	1,366	-0.3	3.1
Health Services	1,403	0.9	1,350	1,284	1,295	3.9	2.7
TOTAL	\$161,316	100.0%	\$152,281	\$139,196	\$132,292	5.9%	6.8%

*compounded annually

Note: Effective FY2003, \$1.8 million of Facilities expenses reported outside of operating budget as capital renewal; \$1.8 million has been removed from Facilities expenses in FY2000, FY2001, and FY2002 to facilitate comparison. Effective FY2005, \$750,000 of Facilities expenses reported outside of operating budget as capital renewal.

Figure 3: Capital Budget Expenditures FY2003-2007

	CAPITAL BUDGET EXPENDITURES (\$1000s)					5-YR AVG
	FY2007	FY2006	FY2005	FY2004	FY2003	
Renovation, Repair and Adaptation	\$11,026	\$12,028	\$10,607	\$8,675	\$13,450	\$11,157
New Construction	32,873	24,305	40,057	33,019	21,679	30,386
TOTAL Spending on Capital Projects	\$43,899	\$36,333	\$50,664	\$41,694	\$35,129	\$41,543

financial aid package for each of these students is \$31,252. As a result, Williams' dedicated financial aid endowment supports only 55 percent of annual aid expenditures, down from 60 percent in 2002, for example. To endow only part of these new commitments—our \$1.8 million annual cost of eliminating loan requirements—would take \$36 million.

Williams also seeks to sustain closer faculty-student interaction and new curricular initiatives through additional endowed professorships; programmatic support for tutorials, interdisciplinary, and experiential courses; and dedicated programming funds for the '62 Center. Sustained funding for all of Williams' new residential-life initiatives is also essential.

Inspired by extraordinary support—and, more importantly, deeply aware of essential initiatives yet to be fully realized—we will press forward with the campaign until its original completion date of December 2008.

Your college enjoys the support of the most loyal alumni body of any college in the world. The best measure of this loyalty is support for our Alumni Fund,

which since the inception of The Williams Campaign has contributed \$59 million from 74 percent of our alumni.

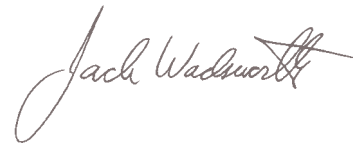
I have had the personal privilege of supporting Williams in many ways since graduating in 1961. Of course, I am most proud of my 15-year service as a trustee, first elected to a five-year term by the alumni in 1976, then appointed to serve for 10 years beginning in 1998. This will be my last year. I will have chaired the Budget and Financial Planning Committee for five years. It was a challenge to succeed Joe Rice '54, who set a very high standard, and I am very pleased to hand the chairmanship to my esteemed colleague, Bill Simon '73. Bill has already served Williams with distinction as a trustee for 10 years and brings a tremendous depth of financial experience to this important position.

In closing, I am pleased to leave the chairmanship and the College in positions of strength. It has been especially rewarding to work first with Cappy Hill '76 and Tom Kohut, and now Bill Lenhart as successive Williams provosts. It is indeed a tribute to their financial

and business acumen that my job has been so satisfying. It must also be said, that serving under two of Williams' greatest Presidents, John Chandler and Morty Schapiro, has been a real honor. Finally, I will miss this job but, Bill, I'm just up the road!

And thanks to the readers of this report for your steadfast support of Williams College.

Sincerely,



JACK WADSWORTH, CLASS OF 1961