NEW REPORT DOCUMENTS FINANCIAL RESILIENCE OF SMALL AND MID-SIZED COLLEGES

(WASHINGTON, DC) A new report from the Council of Independent Colleges (CIC) documents the extraordinary resilience of small and mid-sized colleges and universities in the face of the 2007–2009 recession and declines in the number of high school graduates. The Financial Resilience of Independent Colleges and Universities puts to rest the myth that most small to mid-sized private colleges and universities will not survive.

This research report analyzes data from 14 years of benchmarking reports prepared for CIC members as the Key Indicators Tool (KIT) and the Financial Indicators Tool (FIT). The analysis is guided by methodology developed by Salluzzo, Prager, Tahey, and Cowen in Ratio Analysis in Higher Education (1999).

Key findings include:

- Data spanning 14 years (2000–2014) show that a large majority (88 percent) of small and mid-sized private colleges and universities have maintained or improved their financial standing, no small feat through the 2007–2009 recession.

- While some institutions have experienced dramatic ups and downs, most have shown significant improvement in key financial indicators, including the Composite Financial Index (CFI), since the recession.
The long-term financial resilience of small and mid-sized independent colleges is determined by more than institutional attributes, such as geographic region, size, or financial resources.

Factors beyond the data analyzed, such as strong institutional leadership, may be the most important in determining the financial health of an institution.

“Many private colleges and universities have adapted—and continue to adapt—to economic and demographic challenges, by creating new, innovative programs, reducing expenses, and creating new sources of revenue,” said CIC President Richard Ekman. “I hope this study will put to rest the image of the ailing private college and help readers understand the impressive resilience of these institutions.”

“This report reinforces the TIAA Institute's commitment to research focused on the financial well-being of institutions in the higher education sector. The results reveal that most independent colleges and universities are financially stable and adapting to challenges,” said Stephanie Bell-Rose, head of the TIAA Institute. “This kind of research is key to deepening understanding of critical financial sustainability challenges and opportunities facing our nation's colleges and universities, and helps to inform strategic decisions of those at their helm.”

Four of the college presidents whose institutions were included in the study are available to talk with media representatives about their institution’s financial experience during years covered by the study.

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The **Council of Independent Colleges** (CIC) is an association of 767 nonprofit independent colleges and universities, as well as state-based councils and other higher education affiliates, that works to support college and university leadership, advance institutional excellence, and enhance public understanding of independent higher education’s contributions to society. CIC is the major national organization that focuses on services to leaders of independent colleges and universities and state-based councils. CIC offers conferences, seminars, publications, and other programs and services that help institutions improve educational quality, administrative and financial performance, student outcomes, and institutional visibility. It conducts the largest annual conferences of college and university presidents and of chief academic officers. Founded in 1956, CIC is headquartered at One Dupont Circle in Washington, DC. www.cic.edu

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