

Building a financially sustainable future for your institution



Recent economic and regulatory changes have combined with enrollment trends to exacerbate financial sustainability challenges for academic institutions across the country. Whether they're assessing fiscal and capital plans or addressing the decrease in public funding, today's universities and colleges need new solutions to overcome these challenges successfully.

47% of Finance staff at U.S. universities believe the current business model is **unsustainable**¹

17% Public funding allocated per higher education student dropped by an average of **17%** nationally between 1991-2016²



In Indianapolis, Indiana, Crossroads College³ is currently working to address its own financial sustainability challenges. With annual enrollment numbers fluctuating, Crossroads' concerns mirror the sentiments of many CFOs and business decision makers at other institutions.

Like more than **80%** of higher education decision makers, the CFO at Crossroads is concerned about:²

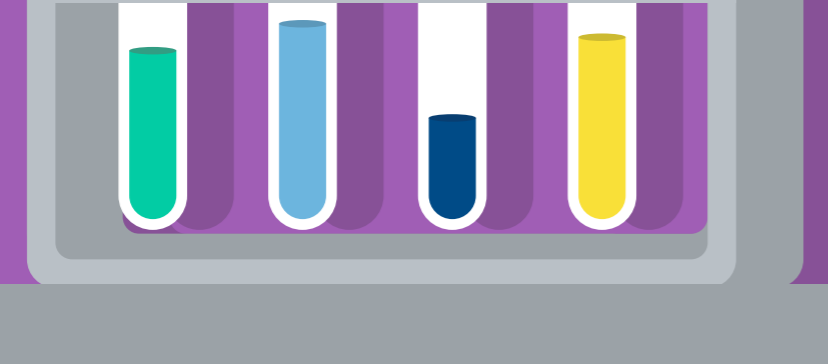
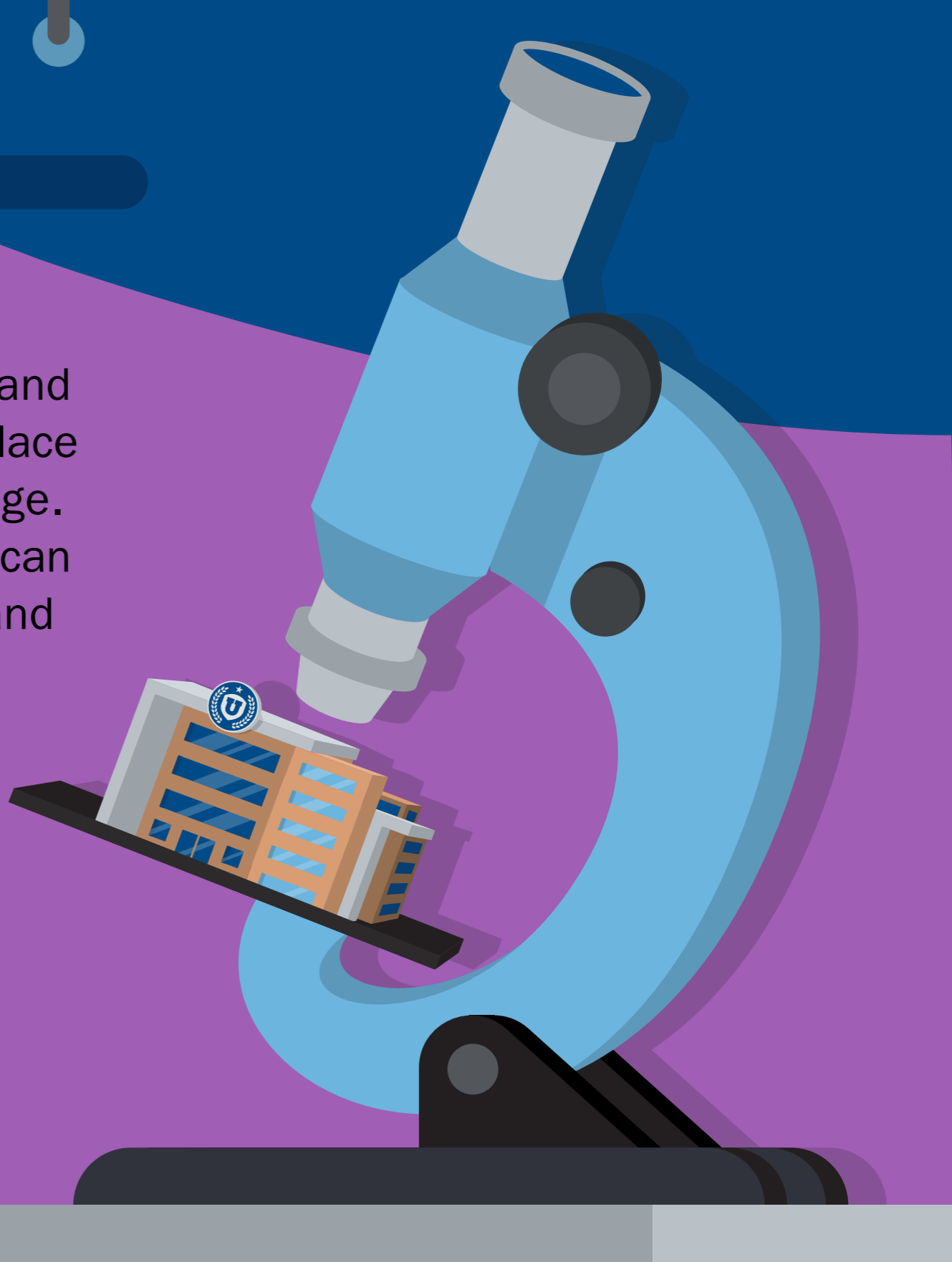
- Having ample funds to make competitive, need-based financial aid offers to undergraduates. **The university takes great pride in offering above-average support and resources to its students.**
- Enrolling their college's target number of undergraduates. **Every year, the university misses its enrollment goals, leading them to explore growth options.**



An institution's endowment used to be considered a consistent and reliable resource.

Today's 10-year average endowment returns are **below 5%**, yet **65%** of institutions raised their spending by a median of **6.5%**—a percentage well above inflation rates⁴

Approaching endowments with fresh eyes and putting more effective financial policies in place can help institutions like Crossroads College. With this in mind, colleges and universities can better align funding with current realities and plan for the future more effectively.



Crossroads College is hoping to renovate existing campus buildings over the next five years, requiring them to increase their fundraising goals.



Though charitable giving is currently strong for well-known universities, fundraising can be more challenging for smaller institutions. In fact, approximately **28%** or **\$12.2 billion** in donations are limited to colleges and universities that rank in the top 20 in the nation.²



Thanks to a modern fundraising strategy, leadership at Crossroads is re-imagining the college's sustainability strategies and discovering new partnership opportunities. Some tips for reenergizing your organization's fundraising efforts include:

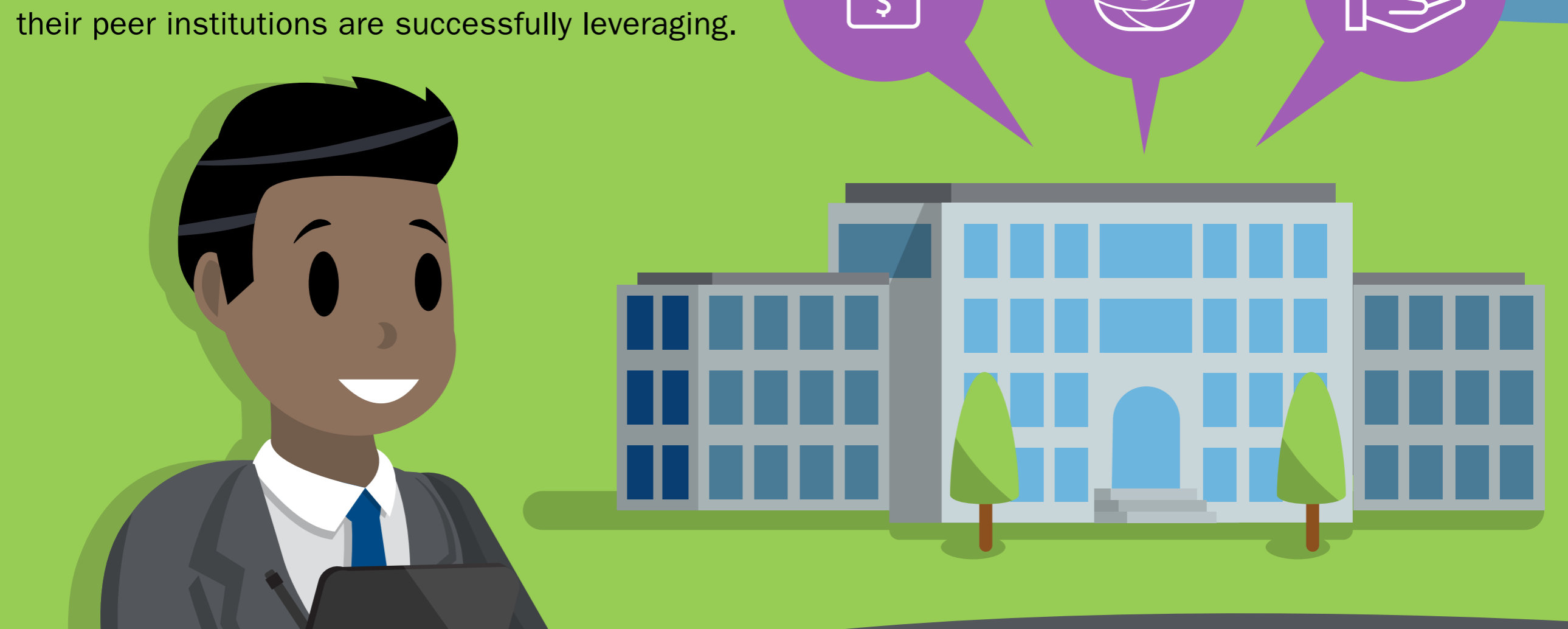
Cultivating a broader range of donors
In addition to their workshopping alumni, the university is building lasting relationships with local business owners and partners that reflect their values.



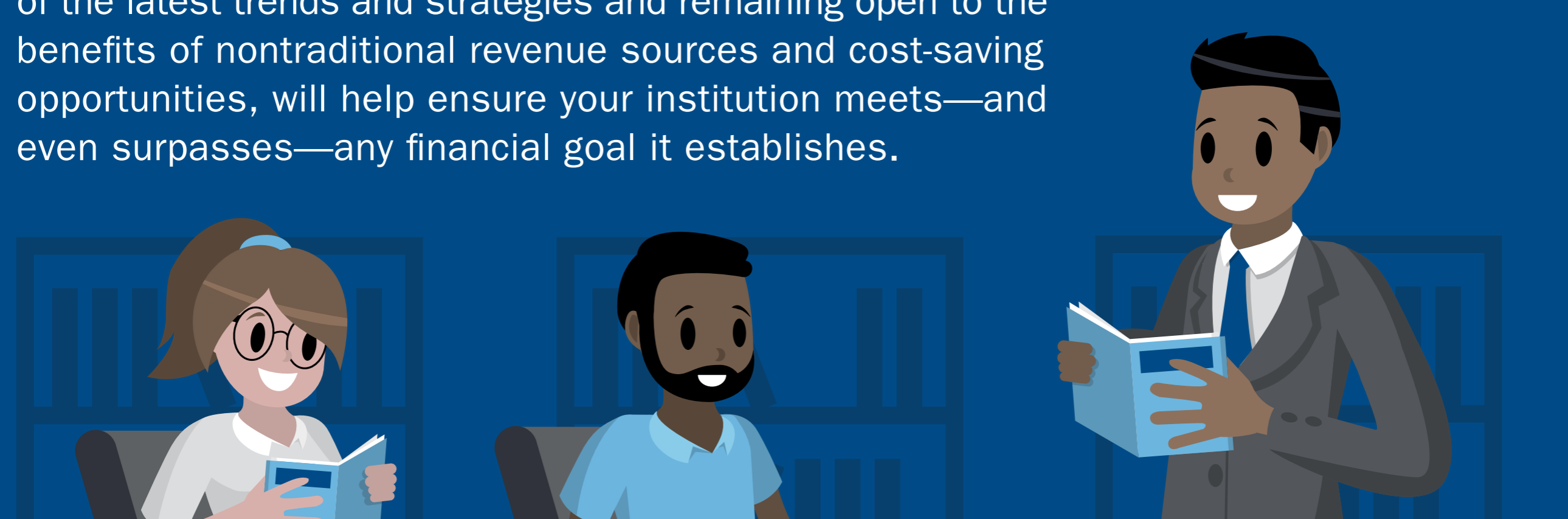
Understanding your donor base better
This year, the university has begun sending out annual surveys to their donor base to gather information about their preferences and priorities.



Implementing a more strategic approach
The university has also launched a benchmarking initiative to research innovative fundraising strategies their peer institutions are successfully leveraging.



Regardless of size or industry, a university's long-term success relies heavily on their financial sustainability. Staying aware of the latest trends and strategies and remaining open to the benefits of nontraditional revenue sources and cost-saving opportunities, will help ensure your institution meets—and even surpasses—any financial goal it establishes.



For more tips and insights to drive financial sustainability at your institution, **download the Organizational sustainability: Financial strategies for the future report today.**

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