

**PRESIDENTIAL
PERSPECTIVES**



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2009/2010 SERIES: **LEADERSHIP IN THE GREAT RECESSION**

CHAPTER FIVE

**STRATEGIC GROWTH FOR
CHALLENGING TIMES**

Strategic Growth for Challenging Times

Dr. Ronald A. Crutcher : President, Wheaton College in Massachusetts

Throughout the past decade, Wheaton College in Massachusetts has enjoyed a continuous upward trajectory. The college has grown significantly on every measure of academic quality: the academic accomplishment of its students; the programs and resources available to its students; and a national reputation for academic innovation and excellence. Most impressively, Wheaton students have earned more than 200 national scholarships since 2000. Among these are 3 Rhodes, 3 Marshalls, 49 Fulbrights, 17 French Government Teaching Assistantships, 7 Watsons, and 6 Trumans.

The college's growing strength testifies to the clarity of its commitment to a liberal arts mission and education that is intellectually rigorous, interdisciplinary, and connected to the concerns of the wider world. Additionally, this growth has been fueled by increasing the size and quality of the applicant pool with corresponding improvements in admissions selectivity; increasing net student revenue as a result of modest growth in student enrollment, comprehensive fee increases well above inflation, and a stable financial aid rate; maintaining steady growth in endowment as a result of successful fundraising and solid investment performance; and achieving significant growth in annual giving and support for capital projects and programs.

New approaches will be needed to advance the college over the next decade. We face significant new challenges that arise, in large part, from the rapid growth in the cost of high-quality private education, which has outstripped many families' ability to afford it. This reality, exacerbated by the global economic recession, has significantly increased the need for financial aid to ensure access to a Wheaton education.

Strengthening student enrollment and retention are critical to advancing academic quality and financial vigor.

These challenges are complicated by the relative wealth of peer institutions with whom we compete for students and faculty. Vigorous fundraising will be necessary to strengthen the college, but it will not provide a quick fix, nor is it likely to alter Wheaton's fundamental disadvantage in endowment resources. For the foreseeable future, the college will continue to depend on net tuition revenue for the majority of its operating funds. Thus, strengthening student enrollment and retention are critical to advancing academic quality and financial vigor. Wheaton plans to do just this, in ways that build on the college's strengths, making the most of the accomplishments of the past decade.

Strategic Planning Background

The college's strategic plan, *Wheaton 2014: Transforming Lives to Change the World* (www.wheatoncollege.edu/planning), is designed to capitalize on the institution's historic strengths, including its collaborative and creative community and innovative curriculum. The plan is a product of collaboration managed by a steering committee of students, faculty, staff, and alumni and alumnae, who in 2004 were charged by the president to lead a comprehensive review of the college's mission and goals; strengths; and the opportunities and challenges ahead. The resulting plan includes a new mission statement for the College:

Wheaton College provides a transformative liberal arts education to intellectually curious students in a collaborative, academically challenging residential community that values a diverse world.

It also describes the community's vision for 2014, as follows:

Wheaton College develops global citizens prepared to lead in a complex world. (This means that our graduates are empowered and impassioned about and have the competencies, skills, and experiences to promote change locally and globally—in their schools, churches, communities, or in an institution, business, or foundation.) Its transformational learning environment prepares graduates to live purposeful lives, be engaged in their communities, be scientifically and technologically literate, and act effectively to promote change.

The college set course to achieve this vision by focusing on three strategic priorities supported by a set of milestones: leading with connections, reaching beyond, and demonstrating success. Together they serve as a framework to allocate resources and inform a major comprehensive campaign.

1. **Leading with connections**—The Wheaton education embodies a web of connections across disciplines, academic and experiential learning, and lines of difference. This includes the construction of the new science center, which has been designed to facilitate interdisciplinary study and encourage small-group collaborations.
2. **Reaching beyond**—Wheaton is dedicated to extending student opportunity and success and enhancing the college's reach and reputation. The college's efforts to enhance the diversity of students, faculty, and staff and improve student financial aid programs are specific tactics tied to this goal.
3. **Demonstrating success**—Wheaton focuses on student learning and development and change and provides evidence of institutional effectiveness. The ongoing assessment of Wheaton's curriculum, which is overseen by faculty and required by faculty legislation, seeks to address this goal, which is inspired by growing public demands for accountability in higher education.

The Board of Trustees approved the plan in October 2006. Since then, annual meetings of the Planning and Priorities Committee and the President's Council, as well as routine reports and discussions during Board meetings, facilitate ongoing reviews of our milestones and outcomes for this plan and ensure that it is a central part of campus thinking. During the 2009–10 academic year, a new committee, the Planning and Priorities Committee, will replace the President's Coordinating Council (PCC) as the faculty, staff, and student body charged with advising the President's Council and the Board of Trustees on the strategic direction of the College.

Impact of the Global Recession

The economic crisis that began last fall has affected every sector of the economy, including higher education. For Wheaton, the effects of the global recession emerged quickly. The college's endowment had lost 30 percent of its value by December 2008 (21 percent of its value by end of the fiscal year on June 30, 2009); however, some endowed funds have decreased below their original contributed value. These losses resulted in nearly \$1.5 million less revenue for our operating budget this year and for some time to come.

Additionally, the downturn makes fundraising far more difficult. For example, while the college realized and exceeded its goal in annual giving this past year, total philanthropic contributions to the college were down sharply, after two straight record-breaking fundraising years. Many supporters of the college may not be positioned to make commitments to Wheaton until the economy has improved substantially. At present, the pace of recovery is uncertain; it is likely to be a long-term process.

At the same time, the college cannot look to increasing its comprehensive fee (tuition, room, board, and other fees) substantially to offset revenues from endowment and philanthropy. Prior to the downturn, Wheaton, as well as all of higher education, already faced a challenge in that the cost of private colleges had grown 10 times faster than the consumer price index over the past 20 years. Already straining to maintain access to higher education, Wheaton now faces an economy in which many prospective students and their families may find the college out of reach.

Given the present situation, Wheaton has invested more in financial aid. In fact, the 2010 fiscal year budget allocated \$2.3 million more for student scholarships. This allocation provided critical support amid the economic difficulties besetting so many college students and their families. Indeed, this commitment appears to have played a critical role this fall in reaching our target enrollment for first-year students (the class of 2013).

The combination of decreasing revenue from endowed funds, the need to limit tuition increases, and the necessity of allocating a greater percentage of gross revenue to financial aid required substantial cuts in the operating budget for this fiscal year. Operating expenses were reduced by \$3.6 million through a variety of measures, including the establishment of a salary and hiring freeze, the implementation of personnel and non-personnel reductions in excess of \$2 million, and a \$2 million reduction in funding for facilities maintenance. Current budget projections indicate that the college will need to reduce its operating budget even further over the next three years.

Adapting to New Circumstances

While Wheaton's strategic plan continues to guide us, the realities of the economy and its impact on the college require careful adjustments to the plan. Indeed, we have substantively revised the financial assumptions used in the financial framework to support the original plan. These adjustments to the plan intend to focus the community on a set of interrelated strategies that will do the most to improve the quality of the student academic and living and learning experience in an attempt to strengthen student recruitment and retention, our primary source of revenue.

At our most recent Board meeting, a decision was made to delegate a small group of Board members to work with the provost, my chief financial officer, and me. Our task will be to develop a comprehensive financial plan that is integrated with the strategic plan through 2014. The financial plan will be integrated with four top priorities:

- A new science center
 - Increased financial aid
 - Improvements that have an impact on the quality of the student experience (such as, housing)
 - Development of a new faculty salary plan
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This is the work ahead of us as an institution. We will focus our deliberations on the trade-offs that will be necessary as we commit to funding our top priorities. This will not be simple, but I am confident that we will be up to the challenge. I am looking forward to working together with my colleagues to strategically manage Wheaton's growth during these challenging times.

Dr. Crutcher acknowledges the assistance of his colleagues on the President's Council as well as Mike Graca, assistant vice president of communications.



About the Author

Dr. Ronald A. Crutcher became the seventh president of Wheaton on July 1, 2004; he was inaugurated on April 16, 2005. Since coming to Wheaton, Dr. Crutcher has led a strategic planning process that has engaged the entire college community in envisioning the components necessary for continued leadership in the liberal arts for the twenty-first century. The strategic plan, *Wheaton 2014: Transforming Lives to Change the World*, was unanimously approved by the Board of Trustees in October 2006 and is now being implemented.

A recognized leader in the field of higher education, Dr. Crutcher currently serves on the Board of Directors for the American Council on Education (ACE), the primary umbrella organization for all higher education institutions. He also serves as co-chair of LEAP (Liberal Education and America's Promise), the Association of American Colleges and Universities' (AAC&U's) national campaign to demonstrate the value of liberal education. He is past chair of the AAC&U's board.

A Phi Beta Kappa graduate of Miami University, Dr. Crutcher pursued graduate studies at Yale University as a Woodrow Wilson and Ford Foundation Fellow. In 1979, he was the first cellist to receive the Doctor of Musical Arts degree from Yale. The recipient of a Fulbright Award, he is fluent in German and studied music in that country.
