



**NAROPA UNIVERSITY**  
**OFFICE OF THE PRESIDENT**

**Naropa and the Economy**

August 19, 2009

Dear members of the Naropa community,

As we begin a new academic year, we want to update you on the impact that the worldwide recession is having on Naropa University.

Last December, we reported that Naropa—as of that time—had done well financially. We had not encountered many of the issues that other colleges and universities had already begun facing. Indeed, at that time, the only impact had been a decline in our endowment value. Because of sound financial planning and good relationships with our financial institutions, we had not experienced any problems with our debt financing, liquidity or similar issues.

We have continued to monitor the economy, its effect on higher education and its potential impact on Naropa. Like other colleges, Naropa University is concerned about the influence of the recession on fall student enrollment. Taking a proactive approach, we reduced our enrollment projections to account for the economic downturn. Concurrently, financial aid was increased in order to help in the recruitment and retention of students. We also anticipate that increases in the size of Pell grants will help. At this time, we believe that fall student enrollment will be very close to projections. Enrollments in our summer programs have exceeded expectations.

At the same time, implementation of the new strategic plan titled “Deliver Distinction with Excellence” is proceeding. Both an enrollment plan and academic plan have been developed, presented to the trustees and approved. We were fortunate to have some funds available from bequests and other sources to facilitate the implementation of the plan. In addition, we were able to increase the wage rates for our work-study students. We have made investments in areas that will strengthen our academic quality, support student recruitment and retention, and eventually increase our revenues.

The above mentioned reduction of enrollment projections for this fall did, however, make it more challenging to balance our operating budget for the 2009/2010 fiscal year. Difficult decisions were required. In order to protect the jobs of all employees, it was necessary to reduce Naropa’s contribution to the employee retirement plan to zero.

The remainder of the budget was balanced by reductions in operating budgets. Throughout the decision-making process, we worked to maintain academic quality and minimize the impact on students.

Current wisdom in higher education suggests that colleges with a distinctive mission will be poised for greatest sustainability. Given Naropa's unique mission, the implementation of our strategic plan, and our ongoing emphasis on good financial and university planning, we believe that we are positioned for continued and improved success. Naropa University is committed to providing an exceptional academic experience—one that prepares its graduates for a lifetime of leadership and learning. This unwavering commitment will continue to drive our budgeting priorities.

Sincerely,

Stuart C. Lord, President  
Sue Evans, VP-Finance