

Factors at Randolph-Macon Woman's College leading to the change to become the Coeducational Institution: **Randolph College**

1960's

1987

1990

1993

1994

**300 +
Women's
Colleges**

**1987 Stanford Univ. & Cambridge Assoc.
"Analytical Frameworks for Long-Range
Planning at Colleges and Universities"
Sets an industry standard of Financial Equilibrium**

**Discounting at RMWC
begins**

**84
Women's
Colleges**

The College is charged with maintaining an institution of excellence while maintaining **Financial Equilibrium**.

Some have asked, why couldn't RMWC be the last woman's college standing?

The fact is the College IS strong financially. Factors beyond the College's control in the areas of increasing enrollment challenges and financial aid/discounting rates have led to increased endowment spending rates. The focus then is to correct these by raising enrollment and by decreasing the discounting and the endowment spending rates.

Should the Board of Trustees elected to have stayed the course and remained a woman's college, the college would have only been able to sustain this financially for about 10-15 years, and it would have had to sell even more works of art to boost the endowment to do so. Selling the art is necessary to boost the endowment. If the College had a transformational gift of \$80-\$100M, it would not have to make this decision.

The changes the BOT and the College ultimately decided were based upon

**A LONG RANGE VISION FOR
FINANCIAL STRENGTH AND
ACADEMIC EXCELLENCE.**

1980 to 2005 Only 5 Balanced Budgets in 25 years
2004-05 was 2nd consecutive balanced budget
(see page five for additional financial detail)

**Kathleen Gill Bowman arrives and executes Strategic Plan
over her 12-year tenure from 1994-2006**

To Achieve and Maintain **Financial Equilibrium** positioning RMWC for the future

- limited potential growth from traditional revenue sources
- further expense reductions likely to jeopardize the institution

Tenets of Financial Equilibrium

1. Current Income greater than Expenses
2. Projected Income Growth greater than projected Expense Growth
3. Spending from Endowment at or below level that preserves its real purchasing power
4. Budgets need to provide for Renewal and Replacement (upkeep) of Physical Assets (building, technology, etc.)

"We are not an institution in financial crisis. We have the financial resources and talent to sustain us for quite some time. But, given the market forces ... the Board's wisdom in engaging in long-term planning now, with the College in a position of strength, rather than waiting 8 to 10 years with the risk of our market position deteriorating and our resources deployed in unwise directions. Many institutions have made that mistake. Your *alma mater* will not." -- Kathleen Gill Bowman President's Report 2005 (distributed Jan. 2006)

Factors at Randolph-Macon Woman's College leading to the change to become the Coeducational Institution: Randolph College

“As an editorial comment, let me say that I am personally dismayed by some of the current societal trends, but as a College community we must nonetheless confront their reality.” -- Bowman President's Report 2005

Decline in Demand for Women's Colleges / Demographic Changes

- Majority of students looking for large, public, co-educational and professionally-oriented institutions
- 2005 -- Top Ten “Overlap” Institutions were Co-ed
- Nearly half of College's applicants said they preferred co-education
- 17-year old high school students believe their empowerment has already occurred. Admissions staff at women's colleges routinely hear from high school counselors:
 - they “don't have any students who ‘need’ a women's college,”
 - women's colleges are for those who require special attention and emotional support to get through college
- general public has very little understanding of what a liberal arts education means:
 - some think it occurs only in the arts and humanities, rather than in the sciences....
 - others think that a liberal education is politically skewed to the left. “...education directed toward alternative methods, often political in nature.”
- Prevailing demographic movement is toward cities (see note below)
- To a 17-year old student, lure of a university campus is very powerful
- College Costs have risen dramatically
 - Students pay only about 1/3 of what it costs to educate them
 - Parents bargain for the “best deal”/bottom line drives their decision. Some fax offers from other institutions and ask, “Can you beat this?”
- In the early 1990's, the Federal Government changed its definition of “need” in awarding financial aid allowing institutions to use financial aid to shape their student bodies and reduce cost to the customer. The reality of this change has produced lower net fee revenue for private colleges.
- Had adverse impact on lower- and middle-class students: merit aid providing huge discounts for families who could well afford to pay the full bill.
- Wealthy send children more to public institutions now.
- Lower- and middle-income families now have access to private liberal arts colleges due to tuition discounting.

NOTE: In 2008 it was reported that that families making over \$100K had an increase in financial aid by 400%, whereas traditional scholarships for lower incomes grew substantially less, more in the 11-30% range.

Accomplishments of Kathleen Gill Bowman

- increased diversity
- new majors Environmental Studies, American Culture
- strengthened Asian Studies, Global Studies
- developed Susan F. Davenport Global Leadership Program
- established vigorous program of student/faculty research
- endowed professorships to bring international scholars to campus
- October 2003 College honored nationally as exemplar of successful globalization
- Strengthened athletics:
 - New soccer and softball field
 - New recruiting strategies for scholar-athletes
 - Improved coaching staff
 - Added wellness component
 - Began design of new fitness center to replace PER

Physical Plant Improvements

- brought state-of-the-art technology to classrooms, residence halls, library and student social spaces
- converted Pines House to magnificent art studios
- transformed:
 - 23 Classrooms
 - Leggett Building
 - Smith Hall Theater
 - Presser Recital Hall
- created major public programs that have raised the College's profile regionally and nationally:
 - Pearl S. Buck Award
 - Annual Symposium
- Capital Campaign of \$100M by June 2006

Major political and cultural paradigm shifts toward globalization were well under way during the 1990s and were part of the college's strategic plan.

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2000	2001	2002	2003	2004	2005	2006	2007	2008
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Enrollment Ratio: 9:1 8:1 10:1 **Goal: 11:1**

Enrollment 2008: 180 (47men; 150 freshman)

Enrollment Goal: 1,100 Students by 2014-15
(expectation that men will be 30%)

61
Women's
Colleges

**August 14, 2006 College Announces
Co-ed and Global Honors Strategic Plan**
(based on 2 years of research including external market research,
[financial modeling and studies of other women's colleges](#))

55
Women's
Colleges

Enrollment Challenges

From Jolley Bruce Christman '69 Letter October 24, 2005

- Public Universities more appealing
- Small liberal arts colleges are struggling to make their case to students who are anxious about 'the job' after college
- 3% of women taking SAT indicate interest in woman's colleges
- RMWC alumnae and friends face many requests for their philanthropic resources
- RMWC not in a metropolitan area

NOTE: In the spring/early summer of 2008 it was reported that the world population now had more people living in cities than in rural areas for the first time.

From RMWC On the Move August 19, 2006

- Number of women's colleges down 80%
- Those able to pay tuition is very small, students receiving financial aid 90%
- Enhancements alone will not generate sufficient increases in enrollment/tuition income needs
- 7 of top 10 colleges our students also consider are co-ed
- Virtually all transfers are to co-ed colleges

Only after extensive study and feedback did the College consider coeducation.

The Plan

"...to advance the rigor and richness of its academic traditions in a program that provides new emphasis on global education and hands-on experiences through methods of learning usually associated with university honors programs – and to offer this program to men as well as women."

Students will "continue to take responsibility for their own learning, ...they will ask 'how does this matter in the global context?'" – Dr. Coulter

"Our plan is to become a nationally recognized coeducational college where gender equity is a hallmark of our culture."

Dr. Leslie Miller-Bernal, co-author *Challenged by Coeducation*

- unable to find any college that did not emerge stronger
- without exception, all enjoyed increased enrollment
- improved selectivity of quality students
- stronger finances
- 3rd way of emphasizing community and
- a stronger sense of gender equality

The Financial Challenge

There are a variety of factors that contribute to managing a college institution including first and foremost enrollment, which creates the first-line of income: tuition. The practice of financial aid, referred to below as the discount rate, affects the amount of actual tuition income. Additional revenue sources come from investments and the endowment. Investments are impacted by the market and the endowment is impacted by the spending rate. Spending from the endowment is done to balance operational costs. For about the past 25 years, maintaining a financial equilibrium has been impacted by a variety of factors. The stability of the financial institution is good, but all of the factors combined, based on past and projected performance over the long-term, the financial picture going forward would in fact be detrimental to the continued operations of the college and that is why the college looked at the best-case scenario for future success.

The Current Endowment is \$153

The spending rate is calculated by the amount of operational need relevant to the size of the endowment. Spending rates have averaged around 7.5% for the better part of 10-20 years. Back during the time when investments were contributing to the endowment at a much higher rate, this spending rate was not as big of a concern. However, the size of the endowment has not grown relative to growth of operational costs and the decline of tuition income due to discounting and a steady but flat enrollment.

In order to be solvent and keep the endowment steady, the industry-standard spending rate should be between 4 to 5%. The goal of the college is to bring the spending rate down to 5% by the year 2010. In order to boost the endowment and to achieve guidelines from SACS, the college needs a significant infusion into the endowment which will subsequently reduce the spending rate proportionally. This is why the art is being sold; to boost the endowment and provide the financial stability needed going forward. A transformational gift of \$80-\$100M, would remove the need to sell the art.

So you say, we have all this money..., well it's like having a swimming pool. The pool is full of water and you can still swim in it, but there is a leak and you have to add water a couple of times a week because of the leak, evaporation, and swimming. The same is true here for the college. They have a full pool but there are leaks. The vision for sealing the leaks and creating strength is to boost the endowment by a major infusion of dollars and to increase enrollment by providing an avenue for more students to come to the college by going coeducational. Every institution that has moved from single sex to coeducational has been successful in raising enrollment which equals a raise in tuition revenue. Likewise as you can see from the chart below, the college has already significantly lowered the discount rate for first year's and it is expected to decrease even further this year.

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
First-year Discount Rate:	63.6%	62.7%	66.9%	68.7%	68.5%	55.1%	Number not available but there is another significant decline
Investment Return:		June 30 th , '04	June 30 th , '05	2006	2007	2008	
		17.9%	6.7%	12.4%	17.6%	-4%	

Going Forward

Noticeable Changes on Campus in 2007-2008

1. **Vibrancy of Campus Spirit** - Students are enjoying the campus, they are respectful, responsible adults. There is an on-campus excitement that is noticeable in comparison to previous years.
2. **Drop in the Discount Rate** of First Year Class – this signifies a drop in need of students attracted to the college, over 20% drop in 2 years
3. **Current Gold Key Guides** – students are aiding with recruitment efforts; there is an excitement from them that is energizing and helpful.
4. **Number of Inquiries has gone up tremendously:** In 2006 there were 8000 inquiries, 14,000 in 2007, and 21,000 this year.
This represents the highest interest we've had to date of students who are willing to consider the College.

Former Presidents:

William Quillian (1952-1978)
Robert Spivey (1978-1987)
Linda Lorimer (1987-1993)

Did not agree with the decisions of the college, however, collectively they issued an open letter urging everyone to let go and join the College to ensure its continued honor and excellence.

February 2007

Global Markers

Now

- International students
- Flags of their nations
- Quillian international professor teaching and giving public lectures

Future

- center for international news
- More global awareness in our 100- and 200- level courses
- New intercultural communications course
- International newspapers in readily accessible places
- Students studying abroad in all parts of the world who return to present their experience in helpful ways to the rest of the community

Renovations 2007

Cheatham Dining Hall
Skeller
Norfolk House
Presser Hall

Additions

Gourmet Coffee Bar
On-Campus Convenience Store
"Main Grounds" Bistro
Student Lounge, 4th Main
Laundry & Study Space,
Basement Moore
Muriel Zimmerman Casey
Alumnae House

March 2007

- 2 out of 3 students in the class of 2010 were in the the top 25% of their high school class.
- Research shows these 3 factors will attract more and better quality students:
 1. coeducation
 2. international focus
 3. significant academic rigor
- The Honor System is featured prominently in recruitment materials:
"... to ensure that enrolling students both understand and accept this important responsibility. We expect to remain a community of trust."
- Athletics:
 - Men: basketball, cross country, riding, soccer, tennis and lacrosse
 - Women: basketball, field hockey, riding, soccer, softball, swimming, tennis, volleyball, lacrosse
 - Old Dominion Athletic Conference, 2nd largest conference in NCAA Division III

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