

President's Office

The Current Economic Situation, Admissions, and Endowments

Dear Centenary Friends:

Our students and faculty have returned from their annual Mardi Gras break refreshed and ready to complete the spring semester.

It seems an appropriate time for reflection. All of us are feeling the effects of the current economic downturn. I write to you to let you know how we are working to protect and sustain the College's operations.

As you would expect, much of our February meeting of the Board of Trustees focused on current economic uncertainties. I want to reaffirm the principles and priorities I spoke of in my December letter, stressing again our confidence in the creativity of Centenary people, the unflagging value of our mission, and the consistent strategies we will use to address both the challenges and the opportunities that lie ahead.

I hope that the campus and the community will see that we are responding responsibly and that the Centenary education that we all know and value will continue. We may not be able to conduct business as usual, but we will continue to provide a quality educational experience with great access to an exceptional faculty. Our challenge is to confront the new economic realities and intelligently adapt ourselves to them.

Recent swings in the financial markets have been dramatic, and no one knows how long they will take to settle. However, well-endowed institutions like Centenary will weather the financial storm better than others. We are fortunate that our leaders, past and present, have been good stewards of the endowment—growing it with reasonable risk and saving money during good economic times. However, like every other organization whose operations are funded in part by long-term investments, we have lost some wealth during this unforeseen economic crisis.

Our College's endowment has seen a decrease in value coinciding with the fall-off in the global equity markets. Our endowment is down about 20 percent, which is in line with benchmarks. Losing at this rate corresponds to the losses other institutions are experiencing nationally and locally, as indicated in a recent Shreveport *Times* article.

Rest assured, Centenary is taking all available steps to ensure that the College remains financially strong. We are taking steps to implement \$1.5 million in budget reductions—pulling back on discretionary funds and travel money. A number of vacated faculty and staff positions will go unfilled. Students and faculty are looking for ways to make the campus “greener” and therefore more efficient. We are working diligently to accomplish these operating reductions with minimum impact on our core academic mission.

However daunting the news may seem, there is good news on the horizon. We have seen donations to the college increase. We have initiated the quiet phase of the comprehensive

campaign, *Fulfill the Promise*, which is off to a very good start. Thus far, we have received more than \$32 million in gifts and pledges, with more than \$18 million of this total given this fiscal year. In addition, Centenary has been granted \$1.5 million from the state for endowed professorships and \$1.5 million at the federal level toward a new science facility and increased campus security. We have also seen an increase in applications for next year's first-year class, reaching 1,564, an increase of more than 35 percent from this time last year.

Students have seen a huge improvement in Student Life this year as well. The fall retention rate was 95 percent from fall to spring, an increase of 2 percent. Student satisfaction is up in part because of renovations in the residence halls and athletic facilities. Greek membership was up this fall, now at 30 percent of the total student body. This year's Homecoming was a huge success. Attendance at all activities was at an all time high, with a newly energized school spirit.

During this latest Board of Trustee meeting, tuition for the next academic year was discussed. Realizing that some of our students and their families are already stretching hard to afford a first-rate education, the Trustees approved a modest 3.9 percent increase for next year, with an increase in student fees, including funding a totally wireless campus. We are committed to doing all we possibly can to support our students as we always have, both by controlling costs and by continuing to offer financial aid that meets the demonstrated needs of all who are offered admission to Centenary.

As I complete my last few months as President of Centenary, I am confident that the Trustees, faculty and administrative staff are as committed as ever to ensuring that, both in the short and long term, Centenary will continue to offer the finest liberal arts education possible. We will continue to be responsive to our students and to the needs of our community. We will fulfill our mission. In the next year or the next 10 years, our priority will be the same as it has always been: maintaining the greatness that is Centenary College

I appreciate all that you have done this year and in the 18 years that I have served as your President. Given the resources at our disposal and the continued support of the Centenary community, I am confident we will ride through these troubled waters of economic uncertainty, and we will position Centenary to emerge on the other side stronger than ever.

Regards,

Kenneth Schwab
President, Centenary College