

# Babson College FY21 Audited Financial Summary

For fiscal year 2021, Babson College experienced another successful year of financial strength due to robust operating performance and investment returns. Despite the on-going challenges presented by the COVID-19 pandemic, Babson closed the year with a \$2.9M operating surplus. Underlying the financial results was the fundamental strength of the Babson community in response to the COVID-19 pandemic. The continued resiliency and creativity of the campus community allowed the College to continue to move forward and carry out daily operations as well as continuing to progress on key initiatives outlined in Babson's strategic plan. In addition, the College ended the fiscal year with total assets surpassing \$1 billion for the first time in College's history.

Total net tuition, fees, and room and board, contributions (expendable gifts and pledge payments), and auxiliary revenues declined by \$5.6M due to the decentralization of student housing, and restrictions on travel. In FY21 the college's endowment spend draw was returned to 4.5% from the 5% endowment spend draw in FY20. The College also received \$4.2 in Higher Education Emergency Relief Funding ("HEERF"), with approximately \$1.8M distributed directly to students in the form of emergency grants.

Total Operating expenses reduced by \$6.2M, the result of numerous strategic financial decision engineered to strengthen the economic foundation of the College in response to the impact of the COVID-19 pandemic. These decisions included introducing a series of cost cutting measures to overcome the \$7.3M in COVID operating expenses incurred during the fiscal year.

A few key performance highlights for the fiscal year included:

- The continued generosity of Babson College's donors and friends continue to support our mission-raising an annual recording of \$38 million in gifts and pledges, including federal & foundation grants during the year.
- College Endowment Assets ended the year at \$701.5 million, representing a year over year increase of more than \$212 million in investment returns.
- As a result, net assets of the College increased by roughly \$225M for the fiscal year totaling \$865 million and contributed to continuing balance sheet strength by growing net assets at an annual growth rate of 35% in FY 2021.

## Babson College Financial Facts

- The College's endowment value as of June 30, 2021, was \$701.5M vs. \$489.7M at June 30, 2020.
- The total net investment return on the endowment for the fiscal year ended June 30, 2021, was 43% as compared with 6% for June 30, 2020.
- Contribution and grant revenues for the fiscal year ended June 30, 2021, were \$37.9M, as compared to \$49.1M at June 30, 2020.
- Bonds outstanding (both taxable and tax-exempt) as of June 30, 2021, and June 30, 2020, amounted to \$162.3M and \$170.2M, respectively.

- Total net assets as of June 30, 2021, and June 30, 2020, were \$864.8M and \$639.8M, respectively.