

# Financial Strategy in an Economic Downturn



**ELGIN ACADEMY**  
**2009-2010**

# Background

- 449 Students Preschool– 12<sup>th</sup> grade in Suburban Chicago
- 80 employees
- 18 acres
- Endowment \$7 M as of June 2009
- Operating Budget \$7 M
- Annual Giving \$800 K
- Financial Aid \$1.3 M
- Tax-Free Bond Debt \$11.5 M

# Enrollment Trend



- 09-10 449
- 08-09 438
- 07-08 477 (merger)
- 06-07 390
- 05-06 388
- 04-05 418
- 03-04 409
- 02-03 398
- -1-02 409
- 00-01 355

# Tuition Trends



## Tuition (09-10) :

12 <sup>th</sup> Grade	\$19,280
8 <sup>th</sup> Grade	\$17,140
3 <sup>rd</sup> Grade	\$13,340

## Ave. tuition increases:

07-08 to 08-09	4.9%
08-09 to 09-10	3.8%

# Compensation Trends



**Positions:** no new hires  
lay-offs (2 FTE), attrition (6 FTE)

## **Salaries:**

Previous pattern: approx. 4%

09-10: no raises (across-the-board); plan modest bonus  
on 6-30-10 (if budget targets achieved)

10-11: planned 2% increase (across-the-board)

## **Benefits:**

Health/Life/Disability--no change

Pension—contribution reduced from 5% to 0%,  
(planned restoration @ 3-5% in 2011-2012)

# Giving Trends



**Capital Campaign: completed successful  
\$4.5 M campaign in 2008**

**Annual Fund: no change/slight increase**

**Special Events: no change/slight decrease**

# Communication Strategy



## Faculty Staff Meetings in Feb., June, and Aug. 2009:

- Budget analysis
- Staffing analysis
- Aggressive strategy and strong budgets for:
  1. student retention and recruitment
  2. marketing
  3. fundraising

Letters to Parents (Spring 2009)– full disclosure