

Capital Challenges in Higher Education

And How to Win by Doing More with Less

Growing Needs

Deferred Maintenance

backlogs have hit **\$30B** from 2005 to 2017
Up **16%** for private, Up **24%** for public



Pension Obligations

from 2008 to 2015
61% higher state pension expenditures



Healthcare Costs

predicted for **2018**
5.5% increase in healthcare costs



Outpaced by Inflation

from 2007 to 2016
8% higher operating budgets
15% higher inflation



Shrinking Resources

Capital Costs

9% of college and university budgets now service debt



Funding Issues

2/3 of institutions saw decrease in total donors since 2007
\$9B decrease in state funding for public colleges from 2008 to 2017



Unsustainable Tuition Trends

281% rise in tuition vs. **13%** rise in median household income since 1973



Outmoded Approaches

60% of polled institutions say tuition discount rates put them at risk for losing net revenue per FTE



42 years is the average age of buildings

Deferring upgrades to older buildings adds volatility to budgets and risks student dissatisfaction.

What If You Could Improve Your Campus and Enable Savings?

WITHIN



Current Budgets

WITHOUT



Tuition Hikes



Reduction
in Force



Overdrawing
Endowments



Unrestricted
Gifts

For budget-neutral solutions that deliver upgrades students and donors can see, talk to ABM.

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