

TO: President's Budget Advisory Committee

FROM: Jeff Hamrick, Vice President for Finance and Administration

DATE: October 25, 2023

SUBJECT: Second meeting of fiscal year 2023.

For our meeting on October 26, 2023, the President's Budget Advisory Committee will review market data intended to place Whitman College's tuition and pricing practices in context, and to provide some information about the college's overall market position. We will hear Vice President Adam Miller's early thinking about goal-setting for fiscal year 2025 in light of the college's fall 2023 matriculation and retention outcomes. Provost Alzada Tipton and I will spend some time discussing faculty and staff compensation, and then I will review proposed fiscal year 2025 budget parameter planning ranges. Finally, we will review a baking of these conversations (and the related budget parameters) into a five-year forward-looking model of the college's operating budget, and discuss challenges and opportunities.

Peer Comparison Dashboard. The dashboard compares the college to eleven other schools ("the Panel of 12") — Carleton, Colby, Davidson, Dickinson, Franklin and Marshall, Kenyon, Macalester, Occidental, Reed, Rhodes, and Union. The peers constitute a selection of similar liberal-arts-focused undergraduate institutions. The dashboard is split between five broad categories: Admissions, Enrollment, Academic Program, Finance, and Outcomes. Each category shows the college's current data, last year's data, and trailing five-year high/low data. The categories also compare Whitman to the median of the comparison schools along with a peer score. Some data is several years old due to lags in available information from peer schools. Key observations from the dashboard include:

- Similar to peer schools, Whitman's enrollment decreased marginally in 2022-23. Whitman is the smallest of the peer schools and is 27% smaller than the panel median. Both Whitman and Reed have traditionally been the two smallest schools in the peer group.
- The college is not as strong in the marketplace as many of its peers, with fewer applications, a higher rate of admission, and a lower yield rate.
- The college has a high number of international students compared to peer schools. The percentage of Pell eligible students and percentage of students of color are comparable.
- The student/faculty ratio remained steady at 9.4 and is similar to the panel median.
- The college's tuition and fees are the second lowest in the peer group.
- Similar to other peer institutions, the college's endowment dropped in fiscal year 2022, but endowment per capita is very strong comparatively. This endowment per capita helps offset the college's smaller enrollment and lower tuition and fees.
- The college's outcomes are comparable or strong compared to the peer schools. Its retention rate (i.e., rising sophomore return rate) and six-year graduation rate almost returned to normal levels following the pandemic. The average debt per student is the second lowest among peer schools and 19% lower than the panel median.

2023 Panel of 19 Benchmarking Report. This benchmarking report is meant to help assess the most recently available data in evaluating the college's tuition and pricing structure among peer institutions. The Panel of 19 Schools are listed in the report. All of the Panel of 12 Schools are included, plus seven (7) additional schools with which the college frequently competes for students, even though they may not be as focused on undergraduate liberal arts education. Key observations from this report include:

- The college's tuition and fees increased at a marginally higher rate this year than the average school in the peer group, but is still 7% below the median.
- The college has a strong endowment per capital that is 16% above the panel median. This strength helps offset the college's smaller student enrollment.
- The college accepts a significantly higher percentage of applicants than most of the peer schools which is an indication that its position in the marketplace is not as strong or may reflect perceived concerns, possibly held by prospective students, about its location.

Tuition Pricing History. Although the college's tuition increase for fiscal year 2024 was slightly above its panel peers, over the past three years the college's tuition increases have been below the panel median.

Room and Board Pricing History. The college's room charges are consistently far below peer institutions (34% lower this year), while board charges are marginally above its peers (2.4% higher this year). The combined room and board charges are 12% below peer schools. Following the pandemic, the college raised room and board charges less aggressively than peer schools.

Compensation for Faculty and Staff. Provost Tipton and I will discuss the attached salary comparison data for faculty and staff, with a view towards proposed fiscal year 2025 budget parameter planning ranges.

Fiscal Year 2025 Proposed Budget Parameter Planning Ranges. At its supplemental November meetings, the Board of Trustees will be asked to approve a set of planning assumptions for the President's Cabinet to use in developing the fiscal year 2025 operating budget. The attached proposed assumptions are recommended by the President's Cabinet and are intended to be broad enough to provide reasonable flexibility in finalizing the budget. At our meeting on October 26, the committee will discuss the ranges so that the committee's inputs can be considered by both the President's Cabinet and the Board of Trustees.

Preliminary Modeling of the Operating Budget, for Fiscal Year 2025 and Beyond. Attached is a five-year forward-looking budget model that uses the current fiscal year (2024) as the base year. The key drivers of the model are enumerated in the first page of the model summary.

The model does not include potential new expenses beyond the following: (1) faculty and staff compensation increases; (2) financial aid increases; and (3) life cycle funding increases. The model does reflect currently-planned revenue increases (as, or if, applicable) from tuition, room, board, endowment income, and annual fund gifts.

Preliminary results suggest an operating surplus of approximately \$1 million for year 1, i.e., fiscal year 2025, which could be used to change any of the assumptions in the model or to provide new funding

for top strategic priorities or other increases in operating expenses. The President's Cabinet, and the Vice President for Finance and Administration, have considered the following issues when developing this very preliminary sketch of a budget for fiscal year 2025:

- While many folks would like to see lower tuition increases, that goal must be balanced by the need to fund meaningful salary increases in an environment which, up until very recently, has been characterized by high rates of inflation. Lower tuition increases must also be balanced against the need to fund the college's top strategic priorities, or priorities related to student and employee health, safety, and wellness.
- While this year's matriculating class is large, talented, and diverse, it was drawn to the college, in part, by a 61.1% discount rate. This discount rate was materially in excess of the budgeted discount rate of 53.5%. Most recent analyses conducted by the President's Cabinet suggest that if the college were to try to aggressively pull back on its discounting for fiscal year 2025, it would risk a substantial shortfall in its matriculating headcount and overall headcount goals.
- Philanthropy, as well as prudent management of the college's approximately \$733 million endowment, will be two ingredients essential to managing these higher discount rates.
- The projected future endowment returns are guided by advice from our investment consultant, as well as the Investment Committee's long experience with managing the college's endowment. Note that the endowment's recent peak valuation begins influencing the budgeted endowment payout for fiscal year 2025, resulting in support in excess of \$37 million. However, the nearly immediate downturn in the endowment's valuation will negatively impact endowment support levels to the tune of approximately \$1 million in both fiscal year 2026 and fiscal year 2027, before recovering to previous levels in fiscal year 2028.
- The Division of Finance and Administration will definitely **not** recommend that the President's Cabinet provide \$1 million in incremental base-budgeted support for new initiatives for fiscal year 2025. Rather, the recommendation is that the President's Cabinet limit itself to funding some additional one-time initiatives (and, again, very few base initiatives), so that deeper budget reallocations do not have to be contemplated for fiscal year 2026.

In summary, the college will probably continue to struggle with growing net tuition revenue. The five-year budget model does show some challenges in the out years (e.g., fiscal year 2026 and beyond), which will have to be addressed by some combination of better-than-expected endowment returns, stronger-than-anticipated philanthropy, and budget reallocations.

Whitman College Peer Comparison Dashboard Indicators 2022/23*

Admissions			
Category Peer Score		5	
Applications			
5 Year High	Peer Score		
5,497	5		
Current			
5,497			
5 Year Low	Last Year	Peer Median	
4,823	5,155	8,348	
Admit Rate			
5 Year High	Peer Score		
59%	5		
Current			
48%			
5 Year Low	Last Year	Peer Median	
48%	59%	33%	
Yield			
5 Year High	Peer Score		
17%	5		
Current			
13%			
5 Year Low	Last Year	Peer Median	
11%	16%	21%	
Avg SAT			
5 Year High	Peer Score		
1,385	4		
Current			
1,385			
5 Year Low	Last Year	Peer Median	
1,330	1,345	1,415	
Top 10% HS			
5 Year High	Peer Score		
52%	5		
Current			
40%			
5 Year Low	Last Year	Peer Median	
40%	43%	62%	

Enrollment			
Category Peer Score		3	
Student FTE			
5 Year High	Peer Score		
1,532	N/A		
Current			
1,449			
5 Year Low	Last Year	Peer Median	
1,318	1,519	1,977	
% Female			
5 Year High	Peer Score		
59%	4		
Current			
56%			
5 Year Low	Last Year	Peer Median	
56%	56%	54%	
Students of Color			
5 Year High	Peer Score		
26%	4		
Current			
25%			
5 Year Low	Last Year	Peer Median	
23%	25%	28%	
% Int'l Students			
5 Year High	Peer Score		
12%	2		
Current			
12%			
5 Year Low	Last Year	Peer Median	
8%	10%	10%	
% Pell Grant			
5 Year High	Peer Score		
16%	3		
Current			
16%			
5 Year Low	Last Year	Peer Median	
12%	14%	17%	

Academic Program			
Category Peer Score		3	
Student/ Fac Ratio			
5 Year High	Peer Score		
9.4	3		
Current			
9.4			
5 Year Low	Last Year	Peer Median	
8.2	9.4	9.5	
% Not Tenure-Track			
5 Year High	Peer Score		
32%	N/A		
Current			
32%			
5 Year Low	Last Year	Peer Median	
22%	28%	N/A	
Classes Under 20			
5 Year High	Peer Score		
76%	3		
Current			
70%			
5 Year Low	Last Year	Peer Median	
68%	71%	71%	
Off-Campus Study			
5 Year High	Peer Score		
53%	N/A		
Current			
30%			
5 Year Low	Last Year	Peer Median	
0%	22%	N/A	
Faculty of Color			
5 Year High	Peer Score		
22%	4		
Current			
22%			
5 Year Low	Last Year	Peer Median	
17%	22%	28%	

Finance			
Category Peer Score		3	
Tuition/ Room Board			
5 Year High	Peer Score		
72,420	1		
Current			
72,420			
5 Year Low	Last Year	Peer Median	
63,800	69,360	78,234	
Net Tuition Revenue			
5 Year High	Peer Score		
31,352	4		
Current			
29,286			
5 Year Low	Last Year	Peer Median	
26,020	26,020	33,626	
Discount Rate			
5 Year High	Peer Score		
48.0%	3		
Current			
47.3%			
5 Year Low	Last Year	Peer Median	
37.9%	48.0%	45.1%	
Gifts (thousands)			
5 Year High	Peer Score		
29,980	5		
Current			
29,980			
5 Year Low	Last Year	Peer Median	
10,399	11,507	22,819	
Endowment/ Student (thousands)			
5 Year High	Peer Score		
639	2		
Current			
441			
5 Year Low	Last Year	Peer Median	
379	639	331	

Outcomes			
Category Peer Score		3	
Retention Rate			
5 Year High	Peer Score		
91%	4		
Current			
88%			
5 Year Low	Last Year	Peer Median	
72%	90%	90%	
6-Year Grad Rate			
5 Year High	Peer Score		
90%	3		
Current			
90%			
5 Year Low	Last Year	Peer Median	
86%	89%	86%	
Student Satisfaction			
5 Year High	Peer Score		
95%	N/A		
Current			
86%			
5 Year Low	Last Year	Peer Median	
84%	91%	N/A	
Avg Student Debt			
5 Year High	Peer Score		
25,356	1		
Current			
19,217			
5 Year Low	Last Year	Peer Median	
18,328	19,205	23,832	
Alumni Giving Rate			
5 Year High	Peer Score		
32%	2		
Current			
25%			
5 Year Low	Last Year	Peer Median	
25%	27%	21%	

US News Rank			
5 Year High	Peer Score		
48	4		
Current			
46			
5 Year Low	Last Year	Peer Median	
38	48	35	

*Peer Score based on following rank in comparison panel:

- Rank 1-2 = Score 1
- 3-5 = Score 2
- 6-8 = Score 3
- 9-11 = Score 4
- 12-13 = Score 5

* Peer Comparison Panel includes Carleton, Colby, Colorado College, Davidson, Dickinson, Franklin and Marshal, Kenyon, Macalester, Occidental, Reed, Rhodes, Union, and Whitman
 * All finance and outcome indicators are based on 2021-22 data with the exception of tuition room/board, retention rate, 6-year grad rate, and US News Rank which are all 2022/23
 * Alumni Giving % and gifts are based of FY 2021 peer comparison

Whitman College Dashboard Legend/Definitions

Admissions

Example		
Highest figure over past five years 5 Year High 5%	Trend from previous year to current year Current 5%	Peer Score based on page one ranking criteria Peer Score 3
Lowest figure over past five years 5 Year Low 1%	Previous year's figure Last Year 4%	Median figure among comparison panel. Peer Median 3%

Applications - First-time, first year students who applied including early decision in the fall of the fiscal year.

Admit Rate - Percentage of first-time first-year applicants admitted including those wait-listed and subsequently admitted.

Yield - Percentage of first-time first year admitted students who subsequently enrolled.

Average SAT - As reported by IPEDS the average of the 75% percentile and 25% of critical reading and math sections of SAT of first-year first-time enrolled students.

Top 10% of High School - First-year first-time enrolled students % who ranked in the top 10% of their high school class (for those students that ranking data was available).

Enrollment

Student FTE - Whitman FY FTE enrollment compared to peer fall FTE undergraduate student enrollment. A peer score was intentionally not included with this indicator.

% Female - Percentage of students enrolled in the fall of the fiscal year who are female.

Students of Color - Percentage of students describing themselves as Hispanic/Latino, American Indian or Alaska Native, Asian, Black/African-American, Pacific Islander, or two or more races enrolled in the fall of fiscal year.

% Int'l Students - Percentage of international students enrolled in the fall of the fiscal year.

% Pell Grant - Percentage of enrolled students receiving Pell Grants.

% Living on Campus - Percentage of enrolled students living in college-owned/operated housing including fraternities and interest houses in the fall of the fiscal year.

Academic Program

Student/Faculty Ratio - Ratio of total FTE Student enrollment to total FTE instructional faculty in fall of the fiscal year based on data provided in Common Data Set.

% Not Tenure-Track - Number of FT non-tenured faculty as a percentage of FT faculty at Whitman as of fall of fiscal year. Tenured faculty at Whitman includes both tenured and tenure-track faculty. Does not include sabbatical replacements.

Classes under 20 - Percentage of courses offered for credit not including individual instructional classes (i.e. thesis research/music instruction) that are below twenty students.

Off-Campus Study - Percentage of juniors participating in a study abroad program. Includes only a semester study abroad program or longer. Peer institution statistics are not available for this data point on an annual basis.

Faculty of Color - Percentage of full-time faculty of color in fall term (includes international).

Finance

Tuition Room/Board - Gross total tuition/fees/room/board per student.

Net Tuition Revenue - Student charges accounting for discount rate.

Discount Rate - Gross tuition discount after accounting for institutional aid received by student.

Gifts in thousands - Total face value of gifts in thousands during the fiscal year.

Endowment/Student - Amount of endowment valued as of June 30th of the fiscal year divided by the number of FTE students in the fall of that fiscal year.

Outcomes

Retention Rate - Retention Rate for 1st year students.

6 - Year Grad Rate - Percentage of students graduating within six years of initial enrollment.

Student Satisfaction - Percentage of students describing their experience as Satisfied/Good or above, in surveys provided to graduating seniors. These surveys include the HEDS Senior Survey, HERI College Senior Survey, and the National Survey of Student Engagement. These surveys are not completed every year by all institutions in the College's peer group so a peer score is not obtainable.

Avg Student Debt - Avg amount of student debt principal at graduation.

Alumni Giving Rate - % of solicited alumni giving to the College during the fiscal year.

US News Rank - Rank of the institution according to the US News and World Report in the most recent publication.

2023 Panel of 19 Benchmarking Report

Institution	US News ¹ Rank	Undergraduate ¹ Academic		2023-2024 ³ Est Net Tuition	Percent ² Tuition Increase from 2023	Tuition Discount Rate	Endowment 4 per Student	Accept ¹ Rate 2023	SAT 25th ¹ to 75th Percentile †
		Reputation Index	2023-2024 ² Tuition						
Bowdoin College	9	4.5	64,304	34,305	5.5%	46.65%	1,269,647	9%	1460 - 1560
Carleton College	9	4.3	65,043	35,963	4.5%	44.71%	535,077	17%	1430 - 1550
Colby College	25	4.1	66,600	46,526	4.8%	30.14%	496,221	8%	1430 - 1540
Colorado College	29	4.0	67,458	42,185	4.5%	37.46%	370,356	16%	1270 - 1460
Davidson College	16	4.3	60,050	27,473	5.1%	54.25%	676,443	17%	1350 - 1500
Dickinson College	46	3.5	62,900	27,139	2.6%	56.85%	270,379	35%	1260 - 1426
Franklin & Marshall	35	3.6	68,180	37,168	3.9%	45.49%	184,061	36%	1300 - 1440
Kenyon College	39	3.9	69,030	38,584	4.2%	44.11%	276,326	34%	1370 - 1520
Lewis & Clark	93	3.3	62,350	31,549	5.2%	49.40% *	88,886	69%	1260 - 1400
Macalester College	27	4.1	64,678	28,952	4.3%	55.24%	374,258	28%	1370 - 1520
Middlebury	11	4.3	64,800	42,934	4.5%	33.74% *	421,248	13%	1410 - 1540
Occidental College	35	3.8	62,850	37,128	4.8%	40.93%	291,656	39%	1360 - 1510
Pomona	4	4.5	61,906	36,628	5.3%	40.83%	1,563,312	7%	1480 - 1560
Reed College	67	3.7	66,710	40,154	3.5%	39.81%	472,360	31%	1320 - 1500
Rhodes College	56	3.6	54,082	19,787	4.0%	63.41%	195,993	54%	1315 - 1450
Union College (NY)	45	3.4	66,105	33,489	3.9%	49.34%	239,130	47%	1310 - 1490
University of Puget Sound	89	3.3	59,310	31,144	3.5%	47.49% *	202,449	83%	1170 - 1390
Willamette	75	3.2	48,000	25,563	10.3%	46.74% *	138,644	81%	1230 - 1420
Whitman College	48	3.4	61,070	32,192	4.9%	47.29%	440,501	48%	1293 - 1473
Average	40	3.8	62,917	34,151	4.7%	45.99%	447,734	35%	1336 - 1487
Median	35	3.8	64,304	34,305	4.5%	46.65%	370,356	34%	1320 - 1500
Whitman College Percent difference from median	48	3.4	61,070	32,192	4.9%	47.29%	440,501	48%	1293 - 1473
	-27%	-12%	-5%	-7%	0.4%	0.63%	16%	-14%	-2% -2%

1) U.S. News & World Report, 2023 issue based off academic year 2022/2023 data. (Rank - 5 highest)

2) Verified with each institution.

3) Tuition discount rate from 6/30/22 financial statements applied to 23/24 actual tuition to estimate 23/24 net tuition. (*) Rate is undergraduate/graduate combined

4) NACUBO Endowment Study 2022 based off June 30, 2022 endowment values.

2023 Tuition Pricing History Panel of 19

Panel of 19	2021/2022	2022/2023 % Inc	2022/2023	2023/2024 % Inc	2023/2024	3-YR Cum. % Inc	3-YR Avg. % Inc
Bowdoin College	57,776	5.5%	60,952	5.5%	64,304	15.2%	5.1%
Carleton College	59,850	4.0%	62,244	4.5%	65,043	10.3%	3.4%
Colby College	61,220	3.8%	63,520	4.8%	66,600	12.0%	4.0%
Colorado College	61,596	4.8%	64,554	4.5%	67,458	11.2%	3.7%
Davidson	55,000	3.9%	57,150	5.1%	60,050	10.3%	3.4%
Dickinson	58,158	5.4%	61,326	2.6%	62,900	8.2%	2.7%
Franklin & Marshall	63,216	3.9%	65,652	3.9%	68,180	12.0%	4.0%
Kenyon	63,030	5.1%	66,240	4.2%	69,030	26.2%	8.7%
Lewis & Clark	56,970	4.0%	59,250	5.2%	62,350	13.7%	4.6%
Macalester	60,288	2.9%	62,040	4.3%	64,678	10.6%	3.5%
Middlebury	59,330	4.5%	62,000	4.5%	64,800	11.1%	3.7%
Occidental College	56,576	6.0%	59,970	4.8%	62,850	12.3%	4.1%
Pomona	56,284	4.5%	58,818	5.3%	61,906	13.8%	4.6%
Reed College	62,420	3.3%	64,450	3.5%	66,710	10.6%	3.5%
Rhodes	50,600	2.8%	52,000	4.0%	54,082	10.6%	3.5%
Union	61,308	3.7%	63,603	3.9%	66,105	12.1%	4.0%
University of Puget Sound	55,390	3.5%	57,330	3.5%	59,310	15.2%	5.1%
Willamette	43,500	0.0%	43,500	10.3%	48,000	-9.9%	-3.3%
Whitman	55,560	4.8%	58,200	4.9%	61,070	22.1%	7.4%
Average	57,793	4.0%	60,147	4.7%	62,917	12.0%	4.0%
Median	58,158	4.0%	61,326	4.5%	64,304	12.0%	4.0%
Whitman	55,560	4.8%	58,200	4.9%	61,070	8.9%	3.0%
Percent difference from median	-5%	0.8%	-5%	0.4%	-5%	-3.1%	-1.0%

* Some institutions provided Covid related discounts on tuition during the 2020/2021 year

2023 Room and Board History - Panel of 19

Institution	Room	% Inc Room	Room	Board	% Inc Board	Board	Total	Total
	2022-2023	2022-2023	2023-2024	2022-2023	2022-2023	2023-2024	2022-2023	2023-2024
Bowdoin College	8,050	5.4%	8,488	8,722	0.0%	8,722	16,772	17,210
Carleton College	8,439	4.5%	8,820	7,551	4.5%	7,890	15,990	16,710
Colby College*	8,500	4.8%	8,910	7,830	4.9%	8,210	16,330	17,120
Colorado College	8,376	3.0%	8,628	6,000	10.0%	6,600	14,376	15,228
Davidson	7,950	3.1%	8,200	7,800	5.1%	8,200	15,750	16,400
Dickinson	8,220	3.4%	8,500	7,718	3.7%	8,000	15,938	16,500
Franklin & Marshall	8,900	12.7%	10,026	6,140	3.5%	6,356	15,040	16,382
Kenyon	5,600	4.5%	5,850	8,010	6.9%	8,560	13,610	14,410
Lewis & Clark	8,186	4.0%	8,514	6,348	2.2%	6,488	14,534	15,002
Macalester	7,518	5.0%	7,894	6,482	9.3%	7,088	14,000	14,982
Middlebury College*	9,900	5.1%	10,400	7,900	3.8%	8,200	17,800	18,600
Occidental College	9,864	4.8%	10,338	7,466	9.3%	8,162	17,330	18,500
Pomona	11,146	5.2%	11,730	8,212	5.3%	8,644	19,358	20,374
Reed College	8,290	4.9%	8,700	7,660	6.0%	8,120	15,950	16,820
Rhodes	7,516	5.0%	7,892	4,780	5.0%	5,018	12,296	12,910
Union	8,685	3.9%	9,027	7,083	3.9%	7,362	15,768	16,389
University of Puget Sound	7,700	13.8%	8,766	6,730	5.1%	7,070	14,430	15,836
Willamette	7,000	12.9%	7,900	6,480	15.4%	7,480	13,480	15,380
Whitman College	6,260	2.9%	6,440	7,960	3.0%	8,200	14,220	14,640
Average	8,216	5.7%	8,685	7,204	5.6%	7,598	15,420	16,284
Median	8,220	4.8%	8,628	7,551	5.0%	8,000	15,750	16,389
Whitman College	6,260	2.9%	6,440	7,960	3.0%	8,200	14,220	14,640
% difference from Median	-31%	-1.9%	-34.0%	5.1%	-2.0%	2.4%	-11%	-12%

*Comprehensive fee



RESOURCES COMMITTEE

Jeff Hamrick, Vice President for Finance and Administration

10.26.2023

Faculty Compensation Report

The operating budget approved by the Board of Trustees for fiscal year 2024 features a 3% merit increase pool, as well as a 1% equity adjustments pool, for faculty members. In general, most faculty members saw a merit increase of approximately 3% effective for the September 2023 pay period; in other words, that pool supported cost of living increases. In general, the pool for equity adjustments is used by the Division of Academic Affairs to fund promotions and to address compression and inversion issues created by hiring in new faculty at salaries that are nationally competitive. However, for fiscal year 2024, the equity adjustments pool was treated comparably to the merit increase pool.

Every year, the college's Office of Institutional Research studies how Whitman's average salaries for full, associate, and assistant professor compare to similarly-situated institutions of higher learning. This list includes Colby College, Carleton College, Occidental College, Colorado College, Davidson College, Union College, Franklin and Marshall College, Reed College, Macalester College, Dickinson College, Kenyon College, and Rhodes College.

For fiscal year 2023, the average salary among full professors (n = 44) at Whitman College was \$122,000. Similar statistics for associate professors (n = 60) and assistant professors (n = 17) were, respectively, \$95,500 and \$82,600.

The unfavorable gap between the college's average assistant professor salary and the median average assistant professor salary within the aforementioned peer group was 1.0%. That same unfavorable gap, analyzed for associate professors rather than assistant professors, was 1.3%.

For full professors, the unfavorable gap was wider, at 7.3%. However, Whitman College's population of full professors includes a number of individuals on [salary continuation plans \(SCPs\)](#). In general, these individuals have workloads that are reduced by approximately 80%, but with salaries that are only reduced by 50%. Because many of the college's peer institutions do **not** have salary continuation plans available for their full professors nearing retirement age, there is a classic "apples to oranges" comparison problem between the salaries of Whitman College full professors and the full professors at similarly-situated institutions of higher learning. Note that full professors on SCPs **are removed** from the calculations for the average full professor salary. However, one can argue that the existence of Whitman College's salary continuation plan encourages full professors to retire earlier than they otherwise would, **naturally biasing the average full professor salary statistics downwards**. So, the apparent unfavorable gap of 7.3% for full professors must be taken with a pinch of salt.

Fundamentally, the President's Cabinet recognizes that, even as rates of inflation attenuate, faculty salary increases have not kept pace with inflation over the past several years. It also recognizes that faculty-student partnerships form the heart and soul of the college's curricular enterprise, and that maintaining a robust program of compensation for faculty members is essential to the college's future. For that reason, faculty salary increases will factor heavily into management's recommendations related to the formation of the college's fiscal year 2025 operating budget.

Analytic Panel Salary Comparison, 2020-21 to 2022-23

Comparative Salary Data, Professor

School	2020-21		2021-22		2022-23	
	N	Average	N	Average	N	Average
Colby	68	146,000	64	149,100	55	155,800
Carleton	98	141,300	104	139,900	111	148,500
Davidson	84	134,700	81	141,200	82	147,500
Occidental	72	133,600	66	136,300	64	142,900
Colorado	57	140,400	61	140,100	60	142,300
Union	77	131,100	82	133,000	78	138,300
Macalester	78	126,600	78	127,800	77	130,900
Reed	80	127,100	82	128,000	84	129,000
F + M	77	123,600	76	120,800	78	122,100
Whitman	43	115,500	43	116,500	44	122,000
Dickinson	56	111,400	58	111,300	57	112,300
Kenyon	69	103,900	69	99,300	65	109,900
Rhodes	43	106,400	37	105,800	74	102,900

Comparative Salary Data, Associate

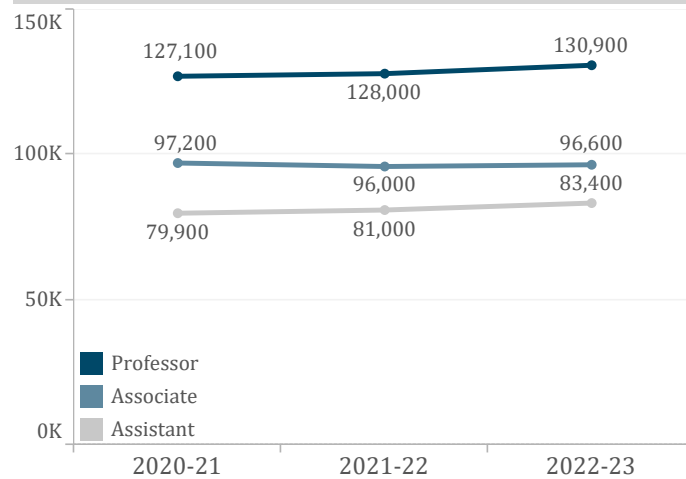
School	2020-21		2021-22		2022-23	
	N	Average	N	Average	N	Average
Colby	58	105,800	62	108,700	64	115,100
Carleton	52	107,200	51	107,900	46	114,600
Occidental	49	97,600	47	105,100	44	108,200
Colorado	59	105,100	62	104,900	72	106,300
Davidson	41	98,200	43	102,500	46	105,700
Union	59	99,400	61	98,500	54	105,300
F + M	69	97,200	71	96,000	68	96,600
Macalester	44	95,100	44	96,000	45	96,100
Whitman	57	89,200	60	89,300	60	95,500
Reed	39	93,500	40	94,000	26	95,400
Kenyon	51	80,500	51	82,200	53	91,700
Dickinson	85	88,300	82	88,600	82	90,400
Rhodes	70	78,500	76	82,700	58	84,400

Analytic Panel Salary Comparison, 2020-21 to 2022-23

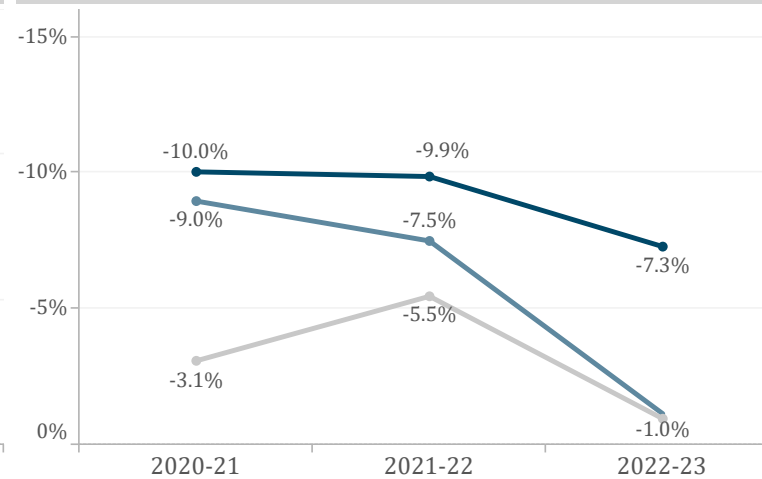
Comparative Salary Data, Assistant

School	2020-21		2021-22		2022-23	
	N	Average	N	Average	N	Average
Colby	73	88,100	76	89,800	82	93,800
Carleton	44	88,500	47	89,300	49	92,700
Occidental	33	83,600	28	88,100	30	90,800
Colorado	62	86,400	65	86,300	54	87,700
Davidson	46	79,900	46	83,200	46	85,900
Union	32	78,300	29	79,000	38	84,000
F + M	46	81,900	39	82,100	26	83,400
Reed	24	80,300	16	80,100	25	83,200
Macalester	35	79,800	33	81,000	34	82,900
Whitman	33	77,500	21	76,800	17	82,600
Dickinson	43	77,900	48	78,700	56	81,900
Kenyon	52	71,000	61	70,100	58	72,400
Rhodes	70	65,500	68	64,100	32	66,500

Median



Whitman % Difference From Median



Whitman College

Staff Salaries and Market Analysis 2023

This report presents a history of staff salary budget increases, and an analysis of staff salaries in effect for fiscal year 2024, relative to market data. For this analysis, we look at the compensation ratio, which is essentially the current salary for a position as a percent of market data for similar positions. Last, there is an ongoing discussion on the impact of State of Washington minimum wage increases, the exempt salary threshold, local market wage trends and other anticipated challenges.

Recent History of Staff Salary Increases

	Total Salary Increase Pool	Merit Increase Pool	Equity Increase Pool
Jul-14	3.00%	1.50%	1.50%
Jul-15	3.50%	2.00%	1.50%
Jul-16	3.00%	2.00%	1.00%
Jul-17	2.25%	2.00%	0.25%
Jul-18	2.25%	2.00%	0.25%
Jul-19	4.50%	3.00%	1.50%
20-Jul	Salaries Reduced		
Jul-21	Salaries Restored to 2019 Levels		
Jul-22	6.50%	Graduated Equity	
Jul-23	4.00%	3.00%	1.00%

2023 Overview

At its spring 2023 meeting, the Board of Trustees approved staff salary increases of 4.0% effective July 1, 2023. After reviewing the current market conditions, several trends were identified.

→ State of Washington minimum wage continued to rise significantly, and at a higher rate than the budgeted salary increase of 4.0%. The minimum wage increased 8.6% in January 2023. It increased more than 28% between 2020 and 2023.

→ Local compensation trends continued to exert pressure on the college to build local applicant pools and offer competitive salaries, particularly for support, skills trades, administrative, and entry-level positions.

→ Wage compression for mid-level positions also continued to exert pressure on the college, as proportionately more resources are directed to relieve pressures along lower-compensated positions.

→ The State of Washington exempt salary threshold further redefined the work of mid-level professionals on campus. About 37 more staff were reclassified to non-exempt status as the 2023 threshold climbed to \$65,484 in January 2023. The new threshold for January 2024 is \$67,724. Non-exempt employees now constitute about 73% of staff positions. Projections are that within a few years, only a few positions will be exempt from State of Washington wage and hour laws. This situation has created new pressures on the college's wage budgets, to satisfy wage and hour rules, including overtime and travel pay.

For the fiscal year 2024 staff salary review (i.e., for those salaries effective July 1, 2023), Cabinet officers awarded individuals a merit-based increase of 3% overall. An additional 1% was prioritized to address the most significant equity and promotion needs across staff positions. Areas addressed with equity adjustments included the following:

- reclassifying the instructional laboratory technicians to a new and more highly-compensated survey position (see below) and adjusting their compensation upward;
- addressing skilled trades positions to be competitive with the Bureau of Labor Statistics data for the Walla Walla metropolitan area;
- creating pay equity between part-time and full-time assistant coaches;
- internal promotions; and
- mid- and senior-level individual market equity adjustments replaced the prior year’s focus on entry-level wages closest to minimum wage.

The lowest regular starting salary at Whitman was raised to \$17.54, impacting a cascading series of positions in the compensation structure. Minimum wage, as of January 2024, will be \$16.28. The majority of students are paid minimum wage for their work on campus.

Market Survey Data.

For this report, the college continues to use a matching standard that includes some blended or weighted calculations for a small number of positions. The college compared about 80% of all staff positions. The data source for exempt and non-exempt surveys comes from the College and University Professionals in Human Resources (CUPA) compensation surveys, filtered for selected peers, i.e., peers listed on the Panel of 19 (see appendix). CUPA survey data is based on salaries as of October 2022. Whitman College data is based on salaries as of the start of fiscal year 2024.

While all positions are subject to an annual salary review, we use these matched positions to assess Whitman’s position relative to the external market.

Cumulative Staff Compensation Ratios

(The Compensation Ratio is the Whitman median salary as a percent of the median matched survey data.)

EXEMPT	July 2017	July 2018	July 2019***	July 2020	July 2021	July 2022	July 2023
EXEMPT median of salaries as a percent of targets (excluding Budget Officers) ***	96.4%	99.0%	94.8%	Salary freeze & reductions	93.22%	95.6%	95.8%
NONEXEMPT							
Median of Salaries as a percent of targets***	102.6%	103.01%	94.14%	n/a	95.21%	98.1%	96.8%

*** The median is calculated from the individual salaries of all the matched positions, i.e., those above, below, and at the market target.
 *** In 2019, the target was redefined to 100% of median. For prior years, the target was 90% of median.

Local market forces continue to impact competitive salaries

Because of local market pressures, the college also conducts a local compensation survey of other employers in the Walla Walla area. The survey covers eleven common positions such as custodian, payroll coordinator, executive assistant, landscape technician, and security officer. The salaries for many of these positions are impacted by the rising minimum wage in the State of Washington. While the primary compensation analysis the college uses is based on national CUPA data from peer institutions, this secondary comparison shows some comparative information with respect to the local survey.

The State of Washington's minimum wage is driving compensation increases greater than at our survey panel of peer institutions.

For example, focusing on the custodian position, the Whitman average is 105% of CUPA median for custodians, but only 90% of the local survey data. The comparison to the local median is 15% lower than the CUPA compensation ratio. This suggests that hiring competitively in our local market may require more attention to local wages than the CUPA wage data. Similar trends are recognized in a number of job groups with localized recruiting pools.

Comp ratio for benchmark positions	Whitman Median	CUPA Median	CUPA comp ratio	Walla Walla local survey	Walla Walla Comp ratio
Custodian	\$18.14	\$17.66/hour	105%	\$20.03	90%

Anticipated Fiscal Year 2025 Challenges

- State of Washington minimum wage will continue to increase relative to the Bureau of Labor Statistics Consumer Price Index for urban wage earners and clerical workers. It is likely the annual CPI increase (i.e., rate of inflation) may exceed the staff salary increase for fiscal year 2025 and minimum wage may encroach on those in positions with lower hour pay rates.
- Student employee wages will continue to create additional wage compression for Whitman staff.
- Persistent worker shortages require attention to more competitive compensation in order to increase the likelihood of successful retention and recruitment.
- The State of Washington's exempt salary threshold, which is linked to the state's minimum wage, will increase at least yearly through 2028 to a level currently projected to be \$92,560, and will then continue beyond that level in ways that are linked to minimum wage increases. If an employee's salary is below the new threshold, they cannot be exempt from the State of Washington's overtime rule. Employees will need to report weekly hours worked, and will be paid overtime for work in excess of 40 hours per week. The college will be developing new responses to work schedules, work hours, and overtime demands to respond to this shift. Equally important is managing the employee experience as they make this transition, so that they remain engaged and retain a sense of being valued.

Conclusions:

These issues portend a challenging period for the college in terms of hiring, retaining, and motivating Whitman employees. Wage compression caused by minimum wage, plus competitive labor market wage growth, and a shortage of workers due to alternate employment opportunities, retirements, and lifestyle changes are the current reality. A salary increase pool with enough funding to address merit increases, promotional advancements, and market equity adjustments will be one important tool to addressing these challenges.

Panel of 19 Survey Participants

Bowdoin College
Carleton College
Colby College
Colorado College
Davidson College
Franklin and Marshall College
Kenyon College
Lewis and Clark College
Macalester College
Middlebury College
Occidental College
Pomona College
Reed College
Rhodes College
Union College
University of Puget Sound
Whitman College
Willamette University

FISCAL YEAR 2025 PROPOSED OPERATING BUDGET PARAMETER PLANNING RANGES

	FY24 Budget	Proposed FY25 Planning Range
Budgeted Total Enrollment (Forecast: 1,505) (10 students = \$219,000)	1409	1500 - 1550
Target Matriculants (FYFT and Transfers) (Actual Fall 2023: 465)	435 FTE	435 - 450 FTE
Net Operating Revenue* <small>*Defined as tuition revenue less Whitman scholarships, plus revenues from auxiliary operations, including unrestricted student fees</small>	\$93,722,000	\$95,500,000 - \$98,000,000
Net Operating Revenue Contingency (Target: 1.25% of budget)	\$1,025,000	\$1,190,000 - \$1,225,000
Tuition Increase (1% = \$398,000)	4.90% \$61,070	3.00% - 5.00% \$62,900 - \$64,120
Average Net Tuition Per Student** (over all students)	\$29,100	\$26,800 - \$27,400
Total Net Tuition** (over all students)	\$40,981,300	\$41,652,000 - \$42,460,000
Discount rate	54%	55.5% - 58.3%
Unfunded discount rate	27%	28.2% - 31.7%
Funded discount rate	27%	24.1% - 27.6%
Average Net Tuition Per Student** (over matriculants)	\$28,400	\$24,900- \$25,500
Total Net Tuition** (over matriculants) (0.50% = \$134,000)	\$12,087,600	\$10,858,000 - \$11,456,000
Discount rate	61.2%	58.5% - 61.5%
Unfunded discount rate	30.4%	31.0% - 34.0%
Funded discount rate	30.8%	26.5% - 29.5%
<small>**Excludes federal support.</small>		
Endowment Payout	5.0% \$35,065,526	5.0% \$37,139,298
Annual Fund Gifts	\$3,000,000	\$2,000,000 - \$2,500,000
Life Cycle Contributions	(0.49%) \$2,419,000	(0.50%) \$2,474,000
Merit/Promotion Salary Pool for Faculty (1% = \$237,000)	3.00%	1.50% - 2.50%
Equity Salary Pool for Faculty	1.00%	0.50% - 1.0%
Merit/Promotion Salary Pool for Staff (1% = \$277,000)	3.00%	1.50% - 2.50%
Equity Salary Pool for Staff	1.00%	0.50% - 1.0%
Fringe Benefits Rate (i.e., OPE) (0.50% = \$197,000)	35.5%	35.0% - 36.0%
Room Increase (1% = \$47,000)	3.0%	2.0% - 4.0%
Board Increase (1% = \$53,000)	3.0%	3.0% - 5.0%
Budget reallocations.	\$346,0000	Not anticipated, but depends on new budget initiative proposals approved.

Whitman College
Budget Model Summary



Greater than baseline > ■
Less than baseline > ■

	23/24 Approved		24/25 Estimated		25/26 Estimated		26/27 Estimated		27/28 Estimated		28/29 Estimated
ASSUMPTIONS											
Tuition Charge	61,070		63,510		66,050		68,690		71,440		74,300
Tuition Charge Increase +/- .25%	4.94%	▲ ▼	4.0%	▲ ▼	4.00%	▲ ▼	4.00%	▲ ▼	4.00%	▲ ▼	4.00%
Total Student Enrollment Forecast	1,409		1,550		1,502		1,546		1,524		1,523
Budgeted Total Student Enrollment	1,409		1,550		1,502		1,546		1,524		1,523
Entering New Students +/- 5	435	▲ ▼	435	▲ ▼	435	▲ ▼	435	▲ ▼	435	▲ ▼	435
Overall annual discount rate	52.39%		57.29%		59.80%		62.14%		62.70%		63.32%
New Student Discount Rate +/- .25%	53.50%	▲ ▼	61.50%	▲ ▼	62.00%	▲ ▼	62.50%	▲ ▼	63.00%	▲ ▼	63.50%
Assumed Endowment Growth +/- .5%	-18.10%	Actual	10.67% Actual	▲ ▼	7.00%	▲ ▼	7.00%	▲ ▼	7.00%	▲ ▼	7.00%
Unrestricted Endowment Gifts +/- \$500,000	2,000,000	Actual	2,000,000 Actual	▲ ▼	2,000,000	▲ ▼	2,000,000	▲ ▼	2,000,000	▲ ▼	2,000,000
The Whitman Fund Gifts +/- \$50,000	3,000,000	▲ ▼	2,400,000	▲ ▼	2,400,000	▲ ▼	2,400,000	▲ ▼	2,400,000	▲ ▼	2,400,000
Faculty Salary Change +/- .25%	4.00%	▲ ▼	3.50%	▲ ▼	3.00%	▲ ▼	3.00%	▲ ▼	3.00%	▲ ▼	3.00%
Staff Salary Change +/- .25%	4.00%	▲ ▼	3.50%	▲ ▼	3.00%	▲ ▼	3.00%	▲ ▼	3.00%	▲ ▼	3.00%
Fringe Benefit Rate - OPE +/- .25%	35.50%	▲ ▼	35.00%	▲ ▼	35.00%	▲ ▼	35.00%	▲ ▼	35.00%	▲ ▼	35.00%
MODELED SURPLUSES / (DEFICITS)	0		979,974		(3,819,634)		(5,582,538)		(6,095,754)		(6,513,380)

Whitman College
Budget Model Summary

	23/24 Approved	24/25 Estimated	25/26 Estimated	26/27 Estimated	27/28 Estimated	28/29 Estimated
REVENUES						
Tuition & Fees	86,069,884	98,460,944	99,197,666	106,228,259	108,874,497	113,137,788
Institutional aid	(45,088,532)	(56,404,414)	(59,315,626)	(66,014,298)	(68,259,767)	(71,637,912)
Net tuition revenue	40,981,352	42,056,530	39,882,040	40,213,961	40,614,730	41,499,876
Endowment support	35,065,526	37,139,298	36,104,292	36,081,756	37,546,718	38,665,199
All other revenues	17,674,934	17,458,466	17,855,133	18,265,770	18,690,902	19,131,068
TOTAL REVENUES	93,721,812	96,654,294	93,841,464	94,561,488	96,852,349	99,296,144
EXPENSES						
Tenure and tenure track faculty compensation	14,147,528	13,925,690	14,316,992	14,731,196	15,173,698	15,625,452
Non-tenure track faculty compensation	4,457,484	4,613,496	4,751,901	4,894,458	5,041,292	5,192,530
Staff compensation	22,015,272	22,845,807	23,506,810	24,212,014	24,938,375	25,686,526
Fringe benefits on all compensation	14,124,831	14,172,723	14,600,601	15,045,111	15,496,224	15,962,577
All other expenses	38,976,696	40,116,604	40,484,795	41,261,247	42,298,515	43,342,439
TOTAL EXPENSES	93,721,812	95,674,320	97,661,098	100,144,026	102,948,104	105,809,524
MODELED SURPLUSES / (DEFICITS)	0	979,974	(3,819,634)	(5,582,538)	(6,095,754)	(6,513,380)
Net change to / (from) baseline	0	0	0	0	0	0
SENSITIVITY						
Change staff and faculty salary pools by 1%		513,634	1,065,578	1,655,909	2,286,286	2,958,801
Change tuition charge by 1%		398,894	724,350	1,085,012	1,455,088	1,852,875
Change student FTEs by 10		219,318	425,839	639,094	858,022	889,724
Change incoming student discount rate by 1%		267,558	523,746	788,547	1,054,743	1,110,169
STRESS TEST SCENARIOS						
Maintain discount rate of 61.50% for all years			136,891	414,621	841,120	1,426,088
Decline in incoming students of 50 for a total of 250 for all years		(1,096,587)	(2,129,197)	(3,198,467)	(4,290,108)	(4,449,623)