



Hamilton

January 28, 2010

Dear Friends,

This semester, with Professor John H. O'Neill, I am teaching a seminar on the early modern European novel. We have taught together before, with great pleasure, and I anticipate similar satisfaction this time around: how could it be otherwise when I share with an experienced and dedicated teacher and a group of Hamilton College juniors and seniors the pleasures of reading astonishing, living works of European literature?

I use the word "living" advisedly. The first novel on our syllabus, *La Princesse de Clèves* (a favorite of mine, which I mentioned a couple of years ago in an *Alumni Review* column), is a 1678 story by Marie-Madeleine de Lafayette about marriage, passion and intrigue, about controlling the body politic and mastering one's heart. It has long been canonical, but it acquired particularly iconic status in France last year, after President Nicolas Sarkozy made disparaging remarks about having "suffered" over the *Princesse*, doubting the value of making it required reading. The response was extraordinary: students and teachers in universities all over France undertook marathon readings in streets, town squares and train stations, sporting pins that announced "Je lis [I am reading] *La Princesse de Clèves*." And so the fictional princess, more than 300 years after she emerged from the imagination of a middle-aged Frenchwoman, has come to symbolize the usefulness and vitality of literary study and, by extension, of the liberal arts.

In our seminar, and all across Hamilton, we feel that vitality and excitement as second semester classes get under way and students set about exploring the meaning of literature, the arts, the sciences and the social sciences with distinguished teacher-scholars. During the period under study in my seminar, discerning patrons sometimes helped make it possible for composers and writers to create their music, poems, plays and prose. You today play an analogous role in your support of the College. I am proud of the vital intellectual inquiry in which our students and faculty engage, and grateful to you for helping ensure the financial stability that makes possible such inquiry.

A year ago, as the nation and the world reeled from the worldwide financial crisis, I wrote twice to assure you that Hamilton was in a strong position from which to address the economic turmoil and the future. Indeed, as the 2008-09 fiscal year came to a close, the Hamilton College Board of Trustees felt confident enough to approve two major construction projects: the replacement of the playing surface on Steuben Field and the long-anticipated renovation and expansion of Emerson Hall into a student activities center. The dazzling new field helped to attract large numbers of spectators to last fall's home football games and is ready to host lacrosse this spring, and the new student activities center is on track to open in August.

Despite continuing uncertainty about the economy, our fiscal position is strong. Enrollment is at record levels, due in part to the College's increasingly high rate of student retention; the endowment is growing again (although it is still well below its historic high); applications for admission have increased 4 percent from a year ago to the third highest total on record; and alumni support for Hamilton's students and faculty through the Annual Fund is on pace to meet this year's goals. All of these factors led Moody's Investors Service earlier this month to reaffirm Hamilton's Aa2 rating with a stable outlook. In making its assessment, Moody's cited Hamilton's "continued favorable market position," "robust operating performance," "conservative fiscal practices," "nearly fully fixed rate debt portfolio" and "healthy liquidity position," and noted that the age of Hamilton's physical plant compares favorably with its Aa2-rated peers.

Hamilton's Vice President for Administration and Finance Karen Leach and her colleagues deserve much of the credit for the rating agency's ability to assert that "good fiscal management practices contribute to the strong operating results." Karen and her staff benefit from the advice of the Faculty Committee on Budget and Finance and its chair, Professor of Economics Chris Georges; the Trustee Committee on Budget and Finance and its chair, Joel Johnson '65; and the Trustee Committee on Investments led by Henry Bedford II '76. There are, of course, many other trustees and alumni volunteers working with Admission and Financial Aid, the Physical Plant, Investments, and Communications and Development, among other offices and divisions, whose loyalty and generosity to Hamilton and its students help to explain this favorable assessment.

But Moody's also reminded us that future challenges could include a "decline in financial resources resulting from investment losses," "possible pressure on [the] student market position," and "continued reliance on one-time funding sources for plant renewal." Indeed, we have seen, despite the many good signs, a not unexpected decline in net assets. As Moody's pointed out, and as we are well aware, we will continue to face fiscal challenges, but we have exceptional opportunities before us, in the intersecting areas of admission, annual giving and reputation.

At the Board of Trustees' quarterly meeting in December, a strong consensus emerged that Hamilton should affirm its mission as a college of opportunity by becoming fully "need-blind" in admission. A need-blind college pledges to admit students without considering their ability to pay. In other words, we would provide the opportunity of a Hamilton education to those students whose strengths and ambitions seem most suited to us, whatever their family circumstances. We are not far off from that practice, since Hamilton currently admits about 95 percent of its first-year class without regard to the ability to pay; an applicant's financial status can become a factor in decisions about the remaining 5 percent. Need-blind admission was identified as a long-term objective in the Hamilton College Strategic Plan we adopted a year ago, and Dean of Admission and Financial Aid Monica Inzer and her staff have tried over the past two enrollment cycles to determine what it would take to construct a strong first-year class without any consideration of the family finances of applicants. Their analysis indicates that it would require approximately \$2 million more in the annual financial aid budget.

Fewer than three dozen colleges and universities in the U.S. are need-blind *and* promise, as Hamilton already does, to meet the full demonstrated need of each enrolled student. As you might imagine, these are among the most highly esteemed and endowed colleges in the country. While I believe that Hamilton belongs on that list, let me be clear: our desire to become need-blind is born not of ambition to identify ourselves with any particular set of peers, but of a strongly felt imperative to align Hamilton's admission practice with its own educational mission. We were founded nearly 200 years ago as a school of opportunity and transformation. The challenges of the current economy, so hard on families and on educational institutions, are reasons not to move away from that historic mission, but to reaffirm it. Our challenge is to develop a financial plan that is sustainable over the long term, protects our favorable financial rating, and takes into account the need for new arts facilities that have also been identified as a priority. While we anticipate that our endowment eventually will rebound, any financial plan will unquestionably require that we continue to find economies, assess and reprioritize current spending, and raise new dollars.

As we settle in to the semester, we are close to achieving the trustees' goal of admitting students with regard only to their talents and their promise. From Madame de Lafayette to Moody's, from mission to admission, our College flourishes and, with your good will and loyalty, will continue to do so.

Sincerely yours,



Joan Hinde Stewart