Statement on the Economy

October 13, 2008

Dear Friends and Colleagues,

At two meetings in the past week – one for our faculty and the other for all our employees – I commented on the troubling financial climate as it affects Hamilton.

The economy was, of course, also the subject of discussion at the October meeting of the Hamilton Board of Trustees. Given the volatility of the situation, we are unlikely to know the full impact of the market turmoil for some time. However, we know with certainty that dramatic changes in financial conditions will present challenges for us.

Educating and serving our students – both current and future – and helping to ensure the security of our employees remain paramount.

Thus, as I have stated before, current economic difficulties make more emphatic the need to increase our financial aid budget. Fortunately, Dean of Admission and Financial Aid Monica Inzer had the foresight last spring to recommend creating a financial aid emergency fund, which was used this fall to help families struggling to keep their children enrolled. And our Board has voted to allocate to the endowment $1 million from last year's budget surplus, to be used for financial aid.

I well understand that the economy personally affects each and every one of Hamilton's employees. I can assure you that the College is in a secure financial position overall. While the downturn affects our endowment, our investments are diversified. We are carefully monitoring the funds in which our necessary operating cash is held – and all of these funds are liquid, allowing the College to cover essential expenses.

This does not mean business as usual, however. There are many reasons for prudence. To mention just one: economic conditions have a large potential impact on philanthropic giving to the College. Fortunately, we have just completed an ambitious capital campaign, which is providing resources for facilities, programming and endowment, and has further strengthened our financial position. Nevertheless, with a $6 million goal for the Annual Fund as a crucial part of this year's operating budget for financial aid and student programs, our colleagues in Communications and Development are working closely with trustees and volunteers to ensure that Hamilton remains a priority for the charitable giving of our alumni.

There will undoubtedly be some belt-tightening, and I am in conversation with trustees and senior staff about measures to be taken that might affect expenditures, hiring and planned projects. I will be back in touch when there is news about these matters.

But, as I said, we are in a strong position and the College is resilient. Through prudent management of our resources, we will continue to thrive – as we have for close to 200 years.

Sincerely yours,

Joan Hinde Stewart