

# OBERLIN

COLLEGE & CONSERVATORY

Oberlin College Board of Trustees

January 3, 2018

Dear Oberlin community,

Happy New Year! I hope you had wonderful holidays.

Oberlin's trustees gathered in early December for our board meeting.

At our October meeting, our discussions about Oberlin's finances often led us to talk about two other issues: the state of Oberlin as a community (what some refer to as 'campus climate', an admittedly fraught phrase); and how Oberlin projects itself to the rest of the world. That's why we decided to devote a good chunk of our December meeting to these two issues – and the intersection between them.

Ben Jones and Meredith Raimondo led us through the discussion. Vice President Raimondo made it clear that we have hard work ahead to make the Oberlin community as healthy as possible, by widening discourse on campus and encouraging challenging conversations. This is, after all, the essence of a residential liberal arts education. But it is also good for the community. It is inoculation against the feelings of alienation and isolation that are common among the current generation of college students (and past ones too). It will help with admissions and retention. Perhaps most importantly, it will impart the skills that are, apparently, in such short supply in the world today.

The challenge that Oberlin and schools like it face is that we have to do this work while the rest of the world watches. Vice President Jones convinced us that we have less control than in any previous era over how Oberlin is perceived by the rest of the world, given the ubiquity of social media and the digital yellow journalism ready to pounce on anything that can be sensationalized. (I'm sure that even this note will be fodder for someone hoping to cast us in a poor light.) I like the way Jim Reische, Williams' communications director, put it in a recent New York Times piece: "for all of the supposed liberating power of their digital devices, (students) might as well be wearing ankle monitors."

As usual, we reviewed the budget and approved two financial resolutions, one on next year's student charges and another on the capital maintenance budget.

We also took a thorough look at the state of the endowment. The endowment has performed well, thanks to the great work of the investment office and Investment Committee. Nevertheless, it remains the case that almost one out of every four dollars we spend comes from the endowment; and that filling this gap without eating into the endowment's purchasing power requires the endowment to deliver returns in excess of 5% year in and year out. The endowment did more than well enough this year, mostly because of the strong performance of stock markets. But no one seriously expects this to continue indefinitely.

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It is the combination of these two numbers – our structural deficit as a proportion of our endowment – that matters to me. If we had twice our endowment or half the structural deficit, annual returns would only need to be 2-3% to fill the deficit comfortably. Instead of fretting about a market slump that could erode our endowment’s purchasing power, we could watch it grow organically, giving us resources to boost salaries, meet more financial aid needs, and upgrade our campus.

There’s not much we can do about endowment returns – we’re at the mercy of the market gods – so we have to tackle the structural deficit. That’s why the Board’s Financial Sustainability Task Force spent time with President Ambar reviewing measures to reduce next year’s deficit and to restore long-term balance to our budget.

Trustees had a breakfast with faculty serving on Board committees and a dinner with student-athletes and coaches. Some of us also took student-led tours of campus, while others met with students in the student-trustee forum. President Ambar and I held our regular Saturday morning session with campus press (WOBC, The Grape, Oberlin Review) and with the Student Senate’s communication director.

I went to the concert Friday night, a happy reminder of Oberlin’s treasures. The orchestra sounded fantastic under maestro Jimenez’s energetic baton. The program featured a fascinating piece by the Conservatory’s very own Elizabeth Ogonek, who is also composer-in-residence with the Chicago Symphony Orchestra, and by the great Christopher Rouse, class of 1971. There was also a piece by someone named Brahms. And I got to sit with the gang from Kendal at Oberlin, another treasure.

It was a joy to be reminded that all I had to do was walk through Finney’s doors and find a seat. I live a subway ride away from Lincoln Center. Getting through those doors to hear the same music requires subway fare plus quite a few more dollars.

Thanks for everything you do for Oberlin.

Chris Canavan ‘84  
Chair, Oberlin College Board of Trustees