



## Frequently Asked Questions about the External Financial Analysis, February 11, 2022

### **“Why did the Whitman Chapter of the American Association of University Professors (WCAAUP) commission an external financial analysis?”**

This independent external financial analysis was commissioned in response to the College’s 2020-21 Financial Sustainability Review (FSR) and questions about its initiation. Prior to the FSR, the Whitman community had been told time and again that the College was in “strong financial health.” At the outset of COVID-19, the College made steep cuts to employee salaries and benefits in response to a \$3 million dollar budget deficit due to a drop in enrollment. Months into the pandemic, the FSR was initiated with the rationale that it would address **both** the short-term budget gap **and** prepare for the so-called “demographic cliff” in 2026. The WCAAUP questioned that rationale. The chapter was also concerned about the ensuing cuts made to the academic program, staffing, and much-needed student services relative to other areas of the College.

### **“What are some of the key findings of the external financial analysis of Whitman College?”**

- Between 2020-21 alone, there was an astonishing increase in Whitman College’s endowment which rose from approximately **\$654 million in 2020 to \$934 million in 2021**. (Slide 6)
- Whitman's credit rating was ranked as “Excellent” by Moody’s credit agency, very close to meeting the criteria for the highest rating of “Exceptional.” (Slide 32)
- Whitman received \$3.9M in Higher Education Emergency Relief Funds (HEERF). **\$2.2M of this amount was fully discretionary**. \$1.7M went to Student Aid. (Slide 42)
- “The cuts that were made in 2021 fell most heavily on instruction, and most lightly on administration (institutional support).” (Slides 60, 61)
- Since 2017, Whitman has seen a dramatic drop in the salaries of its faculty at all ranks relative to the Panel of 13. No comparable data about staff salaries (not in administrative positions) are available.

### **“The GoFundMe campaign calls the final report an ‘external financial analysis.’ I’ve also heard some people call this an ‘audit.’ What’s the difference?”**

This report should not be considered an audit, or an assessment of a single annual budget. It is a broader analysis of the financial situation of Whitman College over the previous 4-5 years based on the publicly reported statements released by the College and required by law a 501c3. It compares Whitman to our peer institutions with an assessment of endowment performance, tuition discounting, enrollment, and most importantly, administration and instructional spending to ascertain how the administration has prioritized its resources since 2015.

### **“Who did the analysis?”**

Dr. Howard Bunsis, Professor of Accounting at Eastern Michigan University. Dr. Bunsis holds a Ph.D. from the University of Chicago and a J.D. from Fordham Law School and is a Certified Public Accountant. Dr. Bunsis has performed numerous analyses of college finances in the wake of the COVID pandemic and has previously held various administrative positions in the American Association of University Professors.

**“Who contributed to the GoFundMe campaign?”**

The \$5000 cost for the analysis was raised via GoFundMe and **our goal was met in less than a week**. Donors included faculty, staff, alumni, current students, community members, and many who wished to remain anonymous.

**“What is the WCAAUP’s position on the analysis?”**

The chapter is deeply troubled by findings that show that cuts made as a result of the FSR were not necessary in light of the financial strength of the College. We are also troubled by the disconnect between that financial strength and the crisis rhetoric that was deployed in 2020-21 by the administration and absorbed by the Whitman community, enabling a swift implementation of austerity measures. Our goal is to see the damage to our academic program, staffing, student services, and campus climate repaired, and thereby help Whitman provide a rigorous liberal arts education of the highest quality to its students.

**“What’s next?”**

At this stage, and in the interests of transparency, we invite the community to review the [summary of the analysis](#) and [slides excerpted from the final report](#). The [final report](#) is also accessible. Please submit questions or comments to the WCAAUP (via [reynolmm@whitman.edu](mailto:reynolmm@whitman.edu)) in anticipation of a meeting with Dr. Bunsis to be scheduled in the coming weeks.