

**SBR Introductory Remarks**  
**ACE / TIAA-CREF Institute Roundtable**  
**Financial Data in Higher Education: Setting the**  
**Groundwork for Sustainability and Innovation**  
**September 9, 2015**

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Good morning, everyone. I'm Stephanie Bell-Rose, head of the TIAA-CREF Institute. Welcome to today's roundtable discussion, which is being jointly hosted by the Institute and the American Council on Education. I'm delighted all of you could join us.

The title of the roundtable is "Financial Data in Higher Education: Setting the Groundwork for Innovation and

Sustainability.” I’d like to take a minute to unpack that a bit and offer some thoughts to help focus our conversation.

Let’s begin with sustainability, which for our purposes means an institution and its goals can thrive in the present and into the future. As we all know, there are many threats to sustainability – threats that exist across all types of colleges and universities. Some threats are sector specific, and others are unique to a particular institution.

In all cases, however, planning for sustainability is critical, as it allows the institution to “do more mission,” in the words of author Peter Brinckerhoff, an expert on nonprofit management.

“Doing more mission” in higher ed means, among other things, educating more students and educating them well. Today more than ever that requires innovation – tapping new technologies, creating appropriate faculty workforce models, advancing creative pedagogical strategies, serving an increasingly diverse student body, and more. As we all know, none of this happens without incurring costs. But not enough is known about how specific innovations can impact costs and in turn, sustainability.

For example, we know from the Delta Cost Project that in all higher ed sectors, the growth rate of instructional expenditures has been less than that of almost all other categories of expenditures. Some suggest that instructional expenditures have not grown rapidly because

faculty salary increases have barely kept up with inflation, and institutions have substantially increased the use of full- and part-time nontenure track faculty. The data also show that costs for administration and student services have increased significantly relative to instructional costs.

Administrative costs have risen for many reasons, including government regulations and reporting requirements, as well as the ever-increasing complexity of running a high-quality academic institution.

But such broad generalities do little to inform the strategic decisions leaders face when trying to address financial sustainability and mission-driven innovation. Which brings us to today's discussion.

We want to surface your perspectives on the most critical threats to sustainability and how presidents and other campus leaders can address those threats without compromising innovation. We also want to assess whether leaders have the information they need to make critical strategic decisions. And if they don't, what might be done to improve the available data.

It was not difficult for the Institute to find partners interested in advancing insights, knowledge and practical suggestions on these topics. But we are very pleased to have awarded a grant to ACE to support today's roundtable, and we are grateful to ACE President Molly Corbett Broad for her leadership and to Louis Soares,

ACE Vice President of Policy Research and Strategy, for his hands-on involvement in planning this event.

The importance of the issues at hand is also underscored by the involvement of the National Association of College and University Business Officers (NACUBO), the American Institutes for Research (AIR), and the National Center for Higher Education Management (NCHEMS).

Each of these organizations authored background papers for today's discussion, bringing forward fresh perspectives and ideas to consider. We thank them for these valuable contributions.

Today's discussion also has relevance for an important initiative being led by NACUBO, called the Economic

Models Project, which Bob Shea will touch upon later. Roger Ferguson, TIAA-CREF's CEO, is serving as an advisor to the project, and the Institute will contribute analyses of data and trends related to faculty costs.

Collaborations like these among like-minded organizations and higher education thought leaders is what the TIAA-CREF Institute is all about: building and sharing knowledge on critical issues. For those who are not familiar with us, the Institute promotes financial security and organizational effectiveness in the education, nonprofit and public sectors. We conduct and commission academic research...host convenings of scholars, leaders and policymakers...collaborate on projects with premier organizations...and produce communications that make our work accessible to as many people as possible.

To learn more about us, please visit our website – [tiaa-crefinstitute.org](http://tiaa-crefinstitute.org). There you will find a wealth of information to inform your thinking on strategic and operational issues of interest to higher ed leaders. You'll see on our website not only in-depth academic papers, but also research overviews, video interviews, infographics and more.

And speaking of Institute communications, I want to mention that following today's event the Institute and ACE will jointly produce a proceedings document that captures the rich insights expressed by participants. This document, however, will not attribute any comments to any individual; it will reflect only aggregate-level input, as we want everyone to feel comfortable speaking candidly and "off the record."



So with that, I think we are ready to get started. Let me thank you all once again for making time to participate in today's roundtable and being part of this important discussion. To borrow from the name of an ACE leadership program that the Institute supports, we are much more effective at "moving the needle" when we work together.

And now it's my pleasure to turn the floor over to my co-host for the day, ACE President Molly Corbett Broad.

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