

Institutional Financials Brief: St. Catherine University

Compiled by Elizabeth Dunens, December 2020

INTRODUCTION

This brief draws from interview data with University leaders, Integrated Postsecondary Education Data System (IPEDS) data, and research on women's colleges to present a high-level snapshot of St. Catherine University's financial performance over the past two decades. Beginning with an overview of the institution, the report then examines St. Kate's recent financial and enrollment data. This is followed by an exploration of possible factors associated with the institution's successful navigation of the challenges of 2020. The brief closes with a summary of findings and recommendations for the University going forward.

ST. KATE'S AT A GLANCE

Founded in 1905 in St. Paul, Minnesota, St. Catherine University's mission is to **educate women to lead and influence**, and its vision is **to be respected globally for educating women who transform the world**.

St. Kate's educates at all degree levels through valuing and integrating the liberal arts and professional education within the Catholic intellectual tradition, emphasizing scholarly inquiry and social justice teaching as lived by its founders, **the Sisters of St. Joseph of Carondelet**. The University welcomes a rich diversity of students, with a baccalaureate college for women at the heart of the University, and graduate and adult colleges for women and men. Committed to excellence and opportunity, St. Catherine University develops leaders who act with integrity.¹



STUDENTS²

- 1,732 College for Women students pursuing bachelor's degrees
- 618 College for Adults students pursuing bachelor's degrees
- 803 College for Adults students pursuing associate's degrees
- 1,248 Graduate College students pursuing certificate, master's, and doctoral degrees
- 35% of undergrad/assoc. students identify as first-generation
- 37% of undergrad/assoc. students identify as students of color



PROGRAMS OF STUDY³

- College for Women: 60+ majors/minors
*2018-19 Tuition & Fees \$40,984 (Average net tuition \$20,172)*⁴
- College for Adults: 17 associate/flexible bachelor's degree programs*
- Graduate College: 27 degree programs, certificate/master's/doctorate*
* *Open to students of all gender identities*



FACULTY & STAFF⁵

- 295 ranked faculty members, 83.4% of whom identify as women
- 473 staff, 71% of whom identify as women
- Student to faculty ratio 11:1⁶

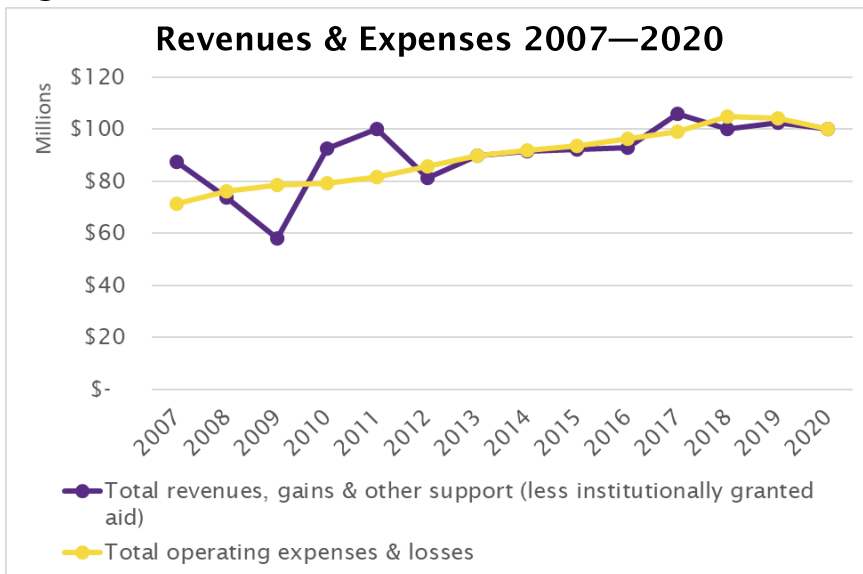


ST. CATHERINE
UNIVERSITY

FINANCIAL OVERVIEW

In 2018, Moody’s Investors Services assigned St. Catherine University the rating “Baa1–stable,” noting as strengths its combination of diverse (associate, graduate, online) and niche (Catholic College for Women) market offerings, along with its recent, highly–successful restructuring of debt.⁷ At the same time, the firm acknowledged that “the university operates in an extremely competitive environment for student market share in the Midwest.”⁸ As a tuition–dependent institution, the University is well aware of the challenge this presents. Furthermore, given its Catholic, Liberal Arts, and Women’s College identities, St. Kate’s is not unfamiliar with the work of maintaining enrollment, living within its means, and evolving to meet changing markets in a way that continues to honor the legacy and mission of the Sisters of St. Joseph.

Figure 1.

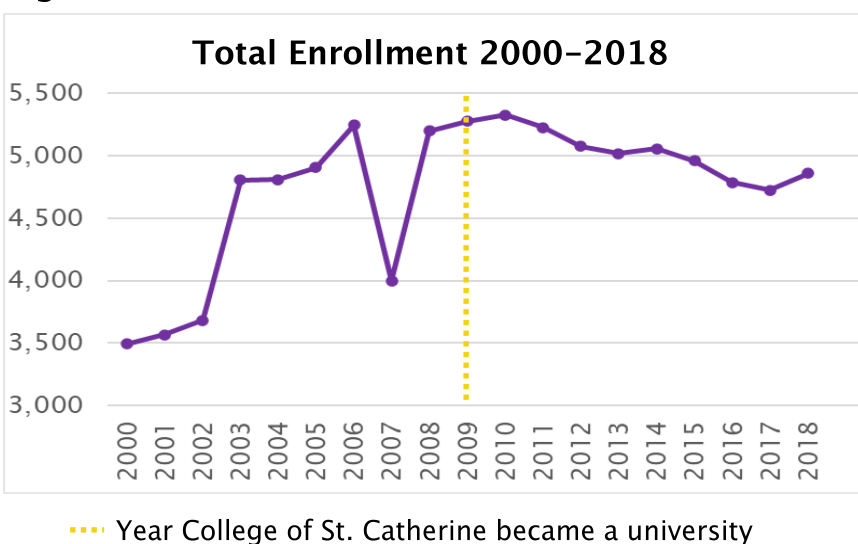


As seen in Figure 1, apart from an initial post–recession dip in revenues, St. Catherine’s has a history of evenly matching its expenses with revenue. Although there is some variation in revenue year to year, from 2007 to 2020 revenues generally increased and seem to have settled around the \$100 million mark (total after institutionally–granted aid is deducted).

Enrollment, on the other hand, has been more varied. As Figure 2 illustrates, prior to 2009, enrollments ranged from 3,492 in 2000, to a peak of 5,246 in 2006, and experienced a significant (–24%) decline in 2007. Since the institution’s 2009 transition from the College of St. Catherine to St. Catherine University—which included the addition of a co–educational Graduate School—enrollments have been relatively stable, staying within a range of 4,724 and 5,328 students across its College for Women, College for Adults, and Graduate School. While the overall declining pattern is a bit troubling, it also reflects larger enrollment declines experienced by the nonprofit private sector of higher education.⁹ When comparing St. Kate’s total enrollments with those of other Women’s College Coalition (WCC) institutions, it falls within the top 25 percentile (Appendix B). Granted, within this pool are institutions that operate solely as women’s colleges without

Source: Moody’s Analytics, St. Catherine University’s reported financials.

Figure 2.



Source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

NAVIGATING FISCAL CHALLENGES OF 2020

“Strategy is all about two things: Number one, having a good plan, thinking around the corner. And the second and bigger component is luck, because you can’t ever predict the future. So we’ve been lucky—I won’t even say lucky. I’ll say the Sisters of St. Joseph somehow talk to the universe and take care of these things for us.”

- Angela Riley, '84, MBA, EVP, CFO, Treasurer & Corporate Secretary

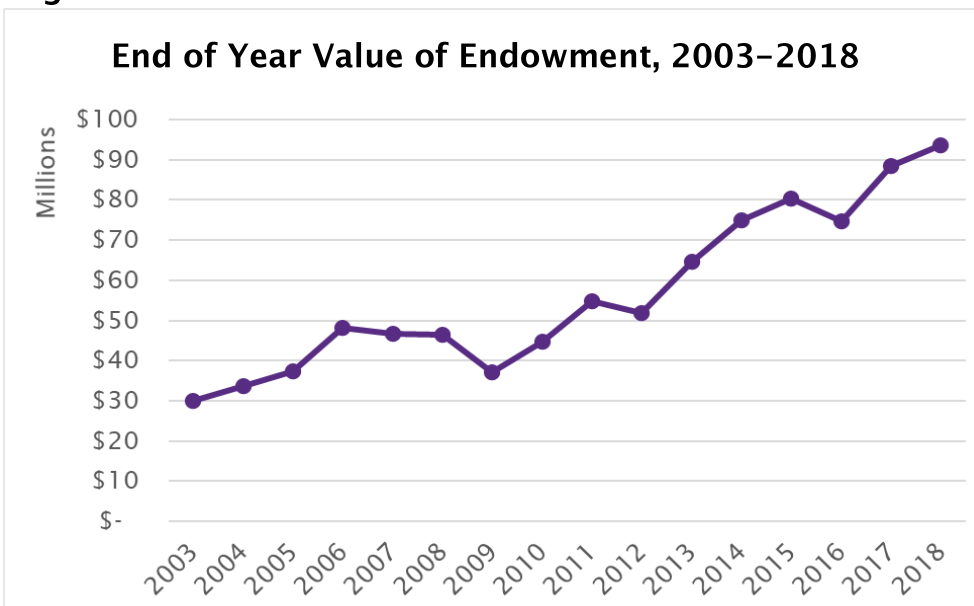
Like the rest of American Higher Education, St. Catherine University did not foresee the multiple challenges that 2020 would bring. A recent survey completed by the Chronicle of Higher Education reported notably difficult consequences for small, private, nonprofit institutions, including: greater than 5% tuition revenue losses, endowment value losses, and layoffs. St. Kate’s has not been immune to these. According to EVP Angela Riley, St. Kate’s had to furlough 40 employees for a time and pause 403b employee matching to make up for steep losses related to COVID-19 (i.e., student housing refunds, hundreds of thousands of dollars spent on masks, sanitation, equipment, cleaning, etc.). Nonetheless, St. Kate’s seems to have weathered the storm better than some peer institutions, in large part due to the following recent strategic decisions that happened to be incredibly timely.

co-ed graduate programs, so it is not exactly an ‘apples-to-apples’ comparison. Yet it does seem to affirm the University’s strategic decision to expand degree offerings past their College for Women. One can imagine what the trajectory of enrollments might have been had St. Kate’s not ventured into graduate education. As University Trustee Brenda Grandstrand Woodson '80, JD, reflected,

“We feel like we’re in a healthy place, in a strong position. Would we like to see enrollment numbers going up? Yes, and without dropping standards of student admittance. ...But I think the foresight of the university in having different paths of learning – the graduate program, the associate program, the College for Adults, the College for Women. I think it has been a great strategy.”

Although the institution is below the median endowment per FTE among WCC institutions (Appendix B), it is above the median for total endowment assets. Endowment growth since 2003 has been especially impressive. Despite both interviewees noting fundraising as an area the institution could improve, St. Kate’s endowment increased threefold over 15 years (Figure 3). Furthermore, the institution is making impressive strides toward a 2023 Capital Campaign goal of \$130 million, with \$76 million raised as of March 2020.¹⁰

Figure 3.



Source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Note: Endowment data not available before 2003.

1) Condensing to a Single Campus

The decision in 2017 by recently appointed President ReBecca Roloff to close St. Kate's Minneapolis campus and integrate all Minneapolis-based programs, employees and students with the St. Paul campus was not without pushback, especially from faculty. Yet, financially speaking, it was a clear choice that President Roloff's cabinet and the Board supported. Impending capital improvements loomed on the horizon, and with shifts in Minneapolis-based programming and enrollments, use of the space was far from efficient. What was not realized at the time, however, was how prudent this decision was in preparing for 2020. Not only has this saved the university millions of dollars in repairs, the university has only needed to worry about COVID-related expenses for *one* campus. As part of the integration, significant upgrades were made to St. Paul campus labs to accommodate multiple programs formerly based in Minneapolis. EVP Riley shared regarding these upgrades which included virtual lab tools, *"we had a vision [with integration], but had no idea it was going to make the difference of operating or not operating [in Pandemic]."*

Additionally, St. Kate's Minneapolis campus was located in the region of the city experiencing significant property damage from protests in response to George Floyd's death at the hands of Minneapolis police. With the campus transition complete, the University avoided what could have been a complicated situation for its property and employees.

2) Restructuring Debt

Early into President Roloff and EVP Riley's leadership, it was apparent that the institution's financial structures and practices needed to be reevaluated. Among these was St. Kate's debt. According to EVP Riley,

"When I came on board, it was lots of little pieces of debt with all competing covenants with different requirements, different tracking, different everything...and 60% of it was variable rate interest in an all time, low interest rate environment...even our fixed interest rates were too high."

In 2018, the University was able to restructure its debt with no financial covenant reporting or compliance requirements, lower interest rates, and the first five years of debt interest only. According to EVP Riley, this

"allowed [St. Kate's] to leverage spending on the front end, as hitting an academic master plan developed and we were getting the pivots we needed to make done, and give us some breathing room...so basically we bought ourselves five years of flexibility, not knowing that the pandemic was going to land."

3) Establishing Multiple Revenue Streams

As previously mentioned, St. Kate's College for Women is not its only academic track nor the only institutional revenue stream. EVP Riley outlined four active revenue streams: The College for Women, The College for Adults, The Graduate School, and the Occupational Therapy Assistant Online degree program, which St. Kate's developed in partnership with Orbis Education. According to Riley, in addition to these four economic streams, St. Kate's also has a *"micro fifth stream, which someday [post pandemic] will be profitable: the O'Shaughnessy."*

4) IT Infrastructure Redesign

Under the leadership of VP & CIO Jean Guezmir, over the past four years St. Kate's has undergone an extensive redesign of its underlying IT infrastructure. While EVP Riley noted this as costing "a ton of money and energy," when the pandemic hit, St. Kate's was "able to almost overnight flip to a fully online mode." Initially the initiative encountered resistance from some faculty and staff; however, once the pandemic hit and online was the *only* option, this *"external threat move[d] people that I never thought would embrace this. And it really was 100% the faculty and administration all working together."*

Strategic Responses During 2020

In addition to pre-2020 strategic decisions that mitigated financial and operating issues this year, St. Kate's leadership also has made strategic choices *during* 2020 that appear to

have produced positive outcomes for the institution.

1) Proactively Refunding Students

When students were sent home due to the pandemic, St. Kate's leadership elected to refund students for on-campus room and board. While this was a considerable amount of money to cede, leadership recognized the risk potential of not doing this for the institution's reputation. According to Riley,

"we thought, if we don't do this now, then the reputation in the marketplace will forever be that somehow we took advantage of students."

As it turned out, other local institutions like the University of Minnesota that did not opt to reimburse students experienced extreme pushback and ultimately had to reverse their decision because of stakeholder reactions.

2) All Hands on Deck Approach to Retention and Enrollment

As a tuition-dependent institution, enrollment is essential to institutional survival. During a year that has "more than one-third of prospective college students...reconsidering higher education in light of the coronavirus pandemic," St. Catherine University doubled-down on retention and enrollment efforts. As Riley described,

"And so from day one of the pandemic, we put every resource at the university possible—all of Student Affairs, all of Athletics, all of Admissions, Student Accounts, Global Studies, everybody—our job now is to find and keep students. We redeployed huge amounts of energy to landing a class, and we haven't fallen off the edge of the Earth because of those efforts."

3) Furloughs and 403b Pause Instead of Layoffs

While this report is unable to assess faculty and staff attitudes toward the institution at this time, choices regarding layoffs as described by leaders interviewed seemed very much in keeping with institutional values and

Kate's was unable to avoid furloughs, especially of O'Shaughnessy staff, the University negotiated with their insurance to continue medical benefits to these employees during furlough. Through actions such as furloughs and pausing 403b benefits, St. Kate's has prevented employee layoffs, with likely benefits to campus climate and ongoing employee relations.

2021 AND THE YEARS AHEAD

A series of strategic choices, in combination with a community commitment and perseverance that would do the Sisters proud, have well-positioned St. Kate's for 2021 and the years ahead. This is not to say that enrollment and revenue generation will not continue to be challenging. Yet current leadership is well aware of this, and has already made progress over the past four years to improve enrollment and recruitment practices and fundraising efforts. As St. Kate's looks ahead, this brief offers the following recommendations for institutional consideration, generated from interview data and secondary research on women's colleges.

1) Leverage Current Social and Political Conditions for Marketing

Following the 2016 election of former President Donald Trump and the rise of the #MeToo movement, multiple women's colleges experienced a rise in applications and enrollments which they speculated was related to a national climate that made attending an all women's institution more attractive to young women.^{13 14} Since 1980, women have not only matched the number of men pursuing and attaining bachelor's degrees, they have eclipsed them and for over a decade held the majority.¹⁵ Yet, while enrollment rate increases have been experienced by co-ed colleges, women's colleges have not experienced these increases to the same degree.¹⁶ The recent boon to admissions left many women's colleges with "much more confidence in...drawing attention to the women's college ethos."¹⁷ Yet it also left them with the question of how to capitalize on the "new momentum [and turn it] into a permanent enthusiasm."¹⁸ In the wake of a year that

featured the election of the nation's first female vice president, a contentious presidential race, and a pandemic that has been disproportionately "hard on women,"¹⁹ current environmental conditions may again be ideal for the value of women's colleges to resonate more clearly to prospective students. As Trustee Woodson reflected,

"If we can't capitalize in this environment, where women are really being called upon to take charge and we have now elected a woman vice president...I would like to be known as an institution that trains strong women leaders with high integrity and a high sense of social justice. And I think that should be so sellable. Unfortunately, the market may be there for someone my age, or with wisdom. And when we're marketing to 16 and 17 year old girls who may have some different ideas and don't yet have the perspective. I think it takes a mature young woman who realizes the value of what she can achieve going to a single sex college."

Furthermore, Woodson also noted the institution's history of being humble, almost to a fault from a marketing perspective:

"The number one thing I would like to see is that in 10 years St. Kate's has the recognition that it deserves. And I mean that nationally. I think it has a strong regional recognition. But I think that the school is so humble. When you look at leaders, when you look at judges, when you look at elected officials, I mean, the number of St. Kate's grads out there doing amazing things in the world is high, and I just feel like we are this little gem that likes to keep ourselves humble...The mission and the founding of the school, that was kind of built on that."

St. Kate's is already very thoughtful in articulating its mission, purpose, and strengths as a women's institution, even for its non-female-identified populations in the Graduate School. However, it might be prudent for the upcoming admissions cycle for the institution to reevaluate its marketing strategy, specifically for its College for Women. Namely, it should explore opportunities for leveraging current

conditions and its successful track record of preparing women leaders to more boldly communicate its value to prospective students as the future generation of female leaders and changemakers.

2) Continue Endowment Growth

As already discussed, St. Kate's has achieved impressive growth of its endowment over the past few decades. While 2020 has presented fiscal challenges which are likely to continue into 2021, it is important that the institution keep its eye on the endowment so that a long-term loss of momentum doesn't occur. As institutional leadership is well aware of, the endowment is not only beneficial for financial stability of the institution, it also bears consequences for institutional rankings and competitiveness. Long-term, it would behoove St. Catherine's to maintain its dedication to and progress toward its 2023 Capital Campaign. Furthermore, akin to admissions marketing, recent national events may also have created a unique window of opportunity with especially favorable conditions for the value of investing in women's institutions. As EVP Riley shared, while recognizing the hardships of 2020, St. Kate's has also *"taken every advantage a pandemic brought,"* and this kind of strategic approach will be essential to St. Kate's not only surviving, but *thriving* in the years to come.

REFERENCES

- ¹ [Mission and Vision | St. Catherine University \(stkate.edu\)](#) Note, modified slightly for 3rd person tense agreement.
- ² [Why St. Kate's | St. Catherine University](#) Note: Based on 2019 student data.
- ³ [Academic Programs | St. Catherine University \(stkate.edu\)](#)
- ⁴ [College Navigator – St Catherine University \(ed.gov\)](#)
- ⁵ [Why St. Kate's | St. Catherine University](#)
- ⁶ [St. Catherine University – Profile, Rankings and Data | US News Best Colleges](#)
- ⁷ [Research: Rating Action: Moody's assigns Baa1 to St. Catherine's \(MN\) proposed revenue bonds; outlook stable – Moody's](#)
- ⁸ Ibid.
- ⁹ [A glimpse at the difficult choices some Women's Colleges are making in order to survive COVID-19 – The COVID-19 Analyzer \(northwestern.edu\)](#)
- ¹⁰ [St. Catherine University Launches LEAD & INFLUENCE: The Campaign for the Next Level of Excellence with \\$130 Million Goal | St. Catherine University \(stkate.edu\)](#)
- ¹¹ [Colleges Grapple With Grim Financial Realities \(chronicle.com\)](#)
- ¹² [More than a third of prospective college students are reconsidering higher education \(insidehighered.com\)](#)
- ¹³ [Women's colleges see boost in yield in wake of 2016 election \(insidehighered.com\)](#)
- ¹⁴ [Why enrollment at women's colleges is on the rise | EAB](#)
- ¹⁵ Goldin, C., Katz, L.F., & Kuziemko, I. (2006). The homecoming of American college women: The reversal of the college gender gap. *Journal of Economic Perspectives*, 20(4), 133–156.

¹⁶ [The Truth About Women's Colleges | Women's College Coalition](#)

¹⁷ [Women's colleges see boost in yield in wake of 2016 election \(insidehighered.com\)](#)

¹⁸ [There's a Newfound Enthusiasm for Women's Colleges. But Can They Keep It Going? \(chronicle.com\)](#)

ACKNOWLEDGEMENTS

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This brief was written by Elizabeth Dunens, M.A., a Ph.D. student in the Higher Education Division at the University of Pennsylvania's Graduate School of Education. The document served as a final assignment for Dr. Jason Presley's Fall 2020 course, *The Economics of Higher Education*. Questions should be directed to: edunens@upenn.edu.

Appendix A. Comparison of Women's College Coalition (WCC) 36 Member Institutions' 2018 Enrollment & Endowment Data

Institution	2018 Total Enrollment	2018 End of Year Endowment Assets	2018 Endowment Asset per FTE Enrollment
Wellesley College	2,534	\$2,105,212,000	\$774,545
Smith College	2,903	\$1,875,092,651	\$611,178
Bryn Mawr College	1,690	\$897,236,000	\$518,634
Mount Holyoke College	2,335	\$777,739,103	\$334,799
Spelman College	2,171	\$389,406,802	\$175,884
Scripps College	1,071	\$362,045,500	\$341,552
Barnard College	2,562	\$345,097,000	\$129,250
Agnes Scott College	1,030	\$229,425,820	\$240,488
Simmons University	6,082	\$194,859,386	\$30,910
Saint Mary's College	1,611	\$194,387,661	\$124,607
Mills College	1,257	\$191,278,617	\$158,737
Hollins University	805	\$186,334,766	\$207,039
Meredith College	1,905	\$113,533,181	\$56,344
Cottey College	271	\$111,273,341	\$418,321
St Catherine University	4,859	\$93,559,626	\$22,864
Converse College	1,380	\$81,159,977	\$50,037
College of Saint Benedict	1,782	\$78,104,901	\$37,695
Sweet Briar College	337	\$74,817,347	\$258,884
Texas Woman's University	15,518	\$72,159,002	\$5,446
Salem College	842	\$60,673,349	\$68,947
Wesleyan College	765	\$59,959,209	\$105,748
Bay Path University	3,444	\$50,579,339	\$16,390
Stephens College	756	\$49,502,230	\$64,624
Brenau University	2,842	\$47,903,922	\$18,994
The Sage Colleges	2,633	\$36,976,981	\$17,279
Notre Dame of Maryland University	2,371	\$36,113,417	\$21,070
Mary Baldwin University	1,902	\$34,370,618	\$20,643
Cedar Crest College	1,596	\$30,623,441	\$19,272
Alverno College	1,851	\$29,962,845	\$20,425
Trinity Washington University	1,782	\$29,158,011	\$19,008
Moore College of Art and Design	397	\$27,441,223	\$70,725
College of Saint Mary	1,168	\$19,771,087	\$17,313
Columbia College	1,276	\$18,991,481	\$14,078
Judson College	268	\$15,388,964	\$54,186
Brescia University	1,015	\$13,513,494	\$16,223
Bennett College	534	\$13,114,789	\$29,874

**Data sourced from NCES IPEDS 2018 data. Institutions ordered from largest to smallest total endowment reported at end 2018.*

Appendix B. Descriptive Statistics for WCC Member Institutions' 2018 Enrollment/Endowment Data in Comparison with St. Kate's 2018 Enrollment/Endowment Data

2018 Total Enrollment	
Mean	2,154
Median	1,650
Range	15,250
Minimum	268
Maximum	15,518
Quartile 1	972
Quartile 2	1,651
Quartile 3	2,412
Quartile 4	15,518

<i>St. Kate's in top quartile</i>	4,859
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2018 Endowment Asset per FTE Enrollment	
Mean	\$141,445
Median	\$55,265
Range	\$769,099
Minimum	\$5,446
Maximum	\$774,545
Quartile 1	\$20,137
Quartile 2	\$55,265
Quartile 3	\$183,673
Quartile 4	\$774,545

<i>St. Kate's below median, in Q2</i>	\$22,864
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2018 End of Year Endowment Assets	
Mean	\$248,521,308
Median	\$73,488,175
Range	\$2,092,097,211
Minimum	\$13,114,789
Maximum	\$2,105,212,000
Quartile 1	\$33,433,824
Quartile 2	\$73,488,175
Quartile 3	\$194,505,592
Quartile 4	\$2,105,212,000

<i>St. Kate's Above median, in Q3</i>	\$93,559,626
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