



# BOSTON COLLEGE

November 20, 2008

Dear Members of the Boston College Community:

The turmoil in financial markets and the weakening of the larger economy in the United States and the rest of the world have raised widespread concerns, and I write to give a sense of current and potential effects on Boston College and how the University intends to respond.

The most immediate impact of the economic downturn on Boston College as an institution has been a decrease in our endowment, similar to what has happened to investment portfolios of other colleges and universities. This year our overall budget totals \$773 million, and approximately 10% of that amount comes from endowment earnings. While Boston College depends on investment income significantly less than many of our peers, the decline in our endowment certainly affects our revenue projections and must be compensated for in our budget process. Our cash position remains strong, and we will continue to maintain necessary liquidity.

Need for financial aid will increase as some BC families struggle with lost jobs and diminished home values. We want to be able to help as much as possible students and parents facing financial challenges, and I encourage them to contact our Financial Aid office to discuss options. It will be critical to have additional funds available for financial aid. To do so, all units at BC should take steps necessary to save at least 2% of their total general operating budgets this year; these funds will be placed in a reserve account to assist needy students as required during the upcoming semester and the 2009-2010 academic year.

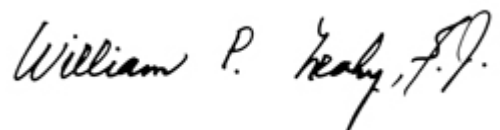
Work on the budget for our next fiscal year, which starts on June 1, 2009, has been underway for several months and will be ready for consideration by the BC Board of Trustees in March. Financial deliberations and choices will give priority to continuing Boston College's commitment to need-blind admissions, meeting full demonstrated financial need of accepted students, and pursuit of academic and student formation goals articulated in the Strategic Plan adopted by our Trustees in February, 2006. Specific decisions about tuition, board, and room for 2009-2010, salary increases, construction projects, and any limitations on hiring will be made in the next six weeks and will reflect careful monitoring of economic trends, the requirements of a balanced budget, and BC's long-range financial plan.

On October 11, Boston College launched its Light the World campaign. Thousands of alumni, parents, and friends pledged more than \$520 million during the campaign's quiet phase, enabling the University to set the goal of raising \$1.5 billion by 2015. Since mid-October, another \$15 million in commitments have been received, and many conversations about new pledges are underway. Our Light the World effort also seeks to increase the number of alumni and friends who give annually for current operations and expenditures, especially for financial aid. Boston College continues to enjoy much-needed and greatly appreciated support from numerous alumni, parents, and friends. It rejoices in and relies more than ever on their advice, loyalty, and commitment.

We members of the Boston College community are part of an endeavor that has endured for almost 150 years, that is blessed with strong foundations, a compelling mission, and enthusiastic supporters. I have no doubt that we will emerge from current economic circumstances a stronger and better institution of higher education and also ever faithful to our Jesuit, Catholic heritage.

Boston College is fortunate to have so many dedicated, caring people in its midst. As Thanksgiving approaches, it is especially appropriate that we pause and give thanks for all we have been given by God through members of our community.

Sincerely,

A handwritten signature in cursive script that reads "William P. Leahy, S.J." The signature is written in black ink and is positioned above the typed name.

William P. Leahy, S.J.  
President