Hofstra University
Financial Analysis

May 2026

Dr. Bonnie Fox Garrity

foxgarrity@gmail.com

AAUP National Financial Analyst

and Retired Professor of Business, D'Youville University

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Orientation

Fiscal Year (FY)

- September 1 to August 31 each year
- FY25 = Fiscal year 2025 = September 1, 2024, to August 31, 2025
- We are in FY26 and data will be available in Spring 2027

Negative numbers

- Numbers in ( ) are negative
- ($500,000) = $-500,000

All data are publicly available, and most are reported by the administration

A note about BudgetS

- Budgets are planning tools that are built on assumptions
- They are often built on conservative estimates of student enrollment and revenue from various sources
- Budgets are not reality

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Conclusions (1 of 2)

Hofstra's financial position is strong

- change in net assets have been positive in 5 of the past 6 years
- net assets reached a new high in FY24
- financial ratios are strong
- unrestricted revenue is greater than expenses in 5 out of 6 years
- cash flow from operations has been positive in 5 out of 6 years
- the bond ratings are strong

Endowment

- the endowment reached a new high of $925 million in FY24
- it appears that there was at least one large transfer of funds into the endowment from the institution

Enrollment

- positive signs for the future include recently growing enrollment and increasing net tuition and fees
- however, there are questions to address about Fall 2026

Conclusions (2 of 2)

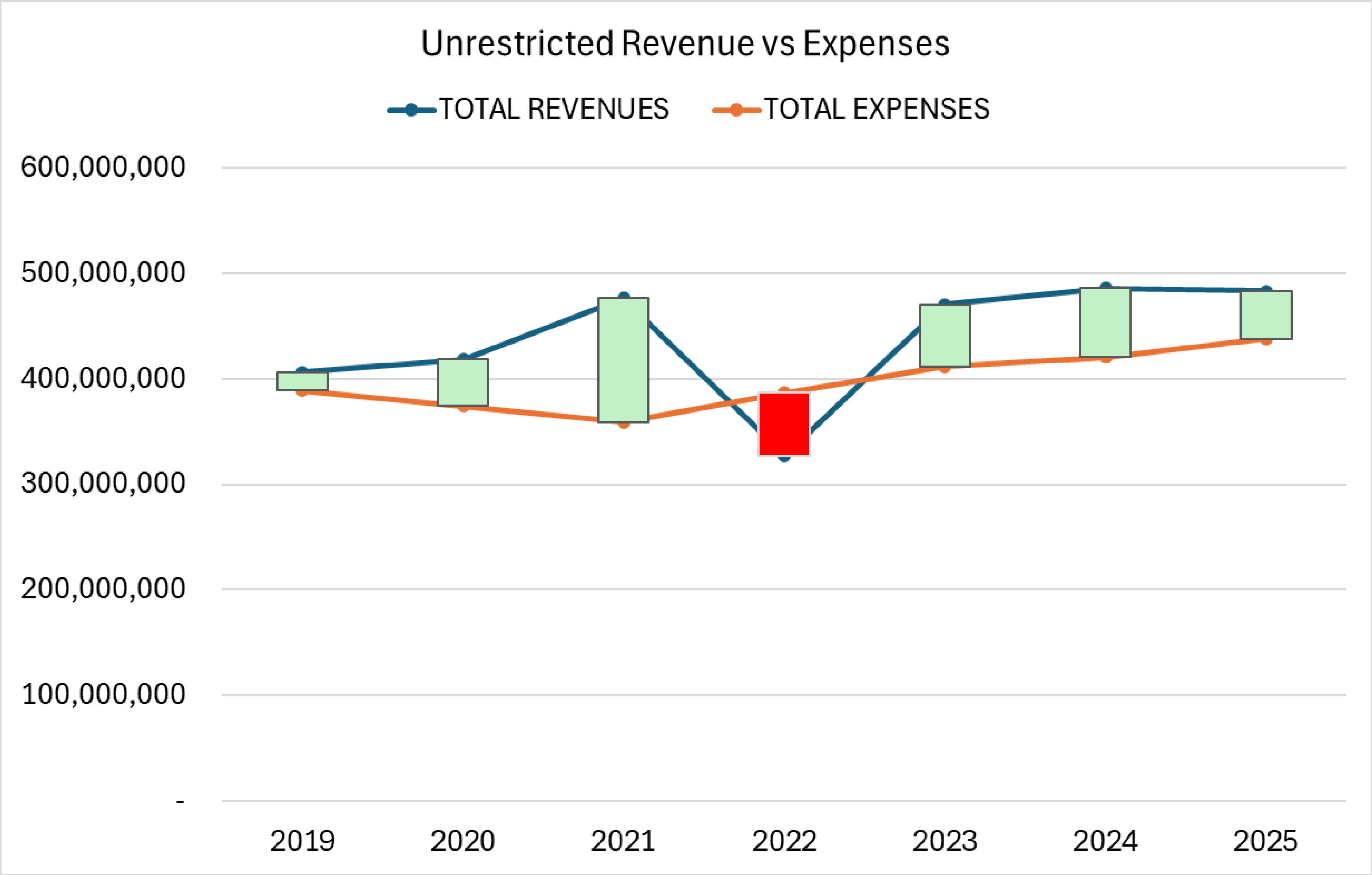
Staffing and Salaries

- unequal changes in spending on salaries in various functional areas
- number of full-time faculty has remained relatively steady for the past several years. However, the number of librarians has declined
- average faculty salaries have lost substantial buying power in the past 5 years due to salary increases that did not keep up with inflation
- each 1% raise for all of the instructional faculty at Hofstra University would cost approximately $1 million
- The cost to provide a reasonable wage increase to restore buying power relative to inflation for the faculty would be a relatively small investment for a financially strong and healthy institution
- The faculty serve the core mission of the institution, to educate students. Therefore, an investment in faculty is an investment in the education of the students

Agenda

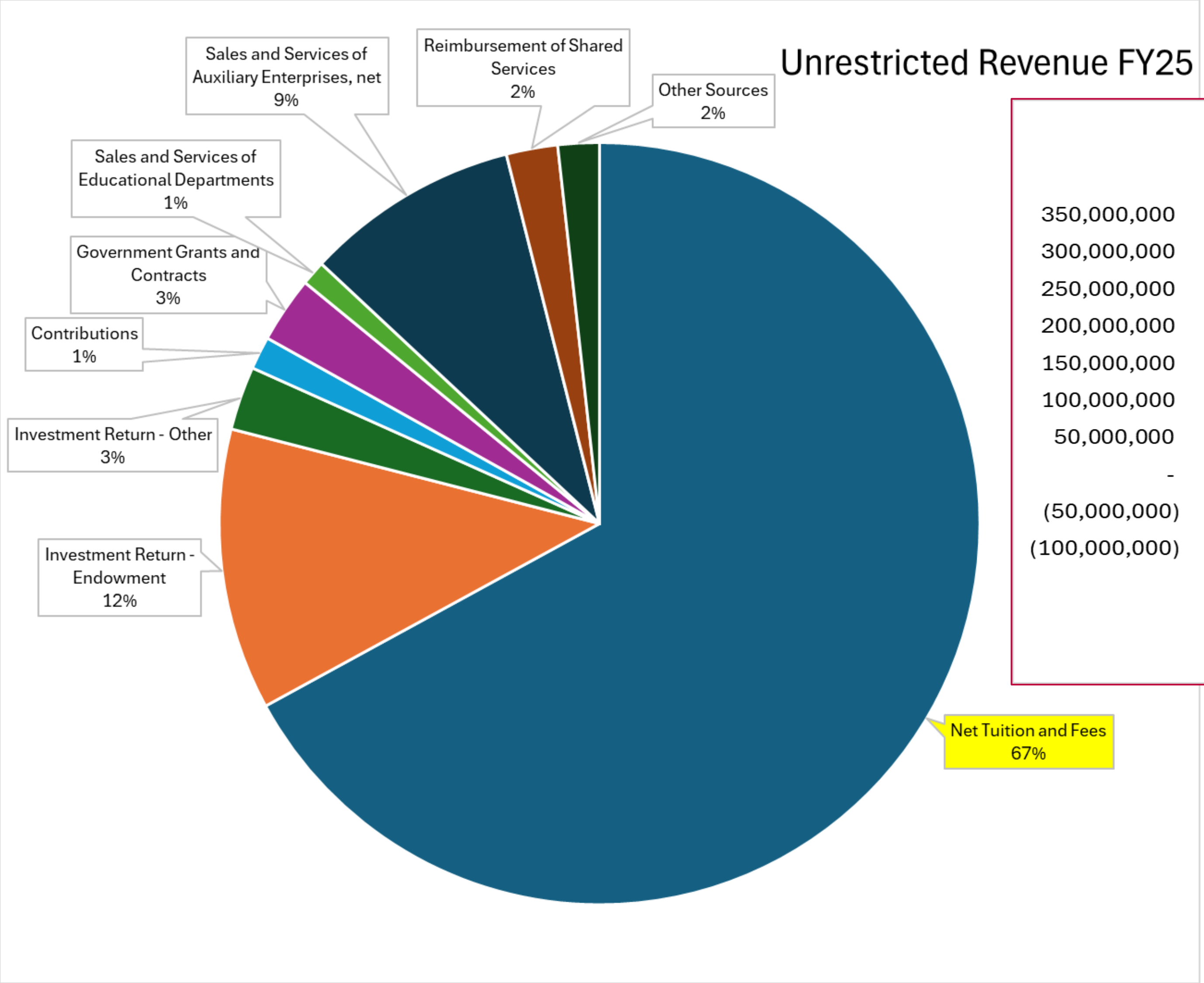
- Financial Position of the Institution
  - Revenue and Expenses
  - Assets and Liabilities
  - Operational Cash Flow
- Endowment
- Bonds and Bond Rating
- Athletics revenue and expenses
- Enrollment ?
- Staffing levels and total salary outlays
- Faculty Salaries
- Senior Admin Salaries

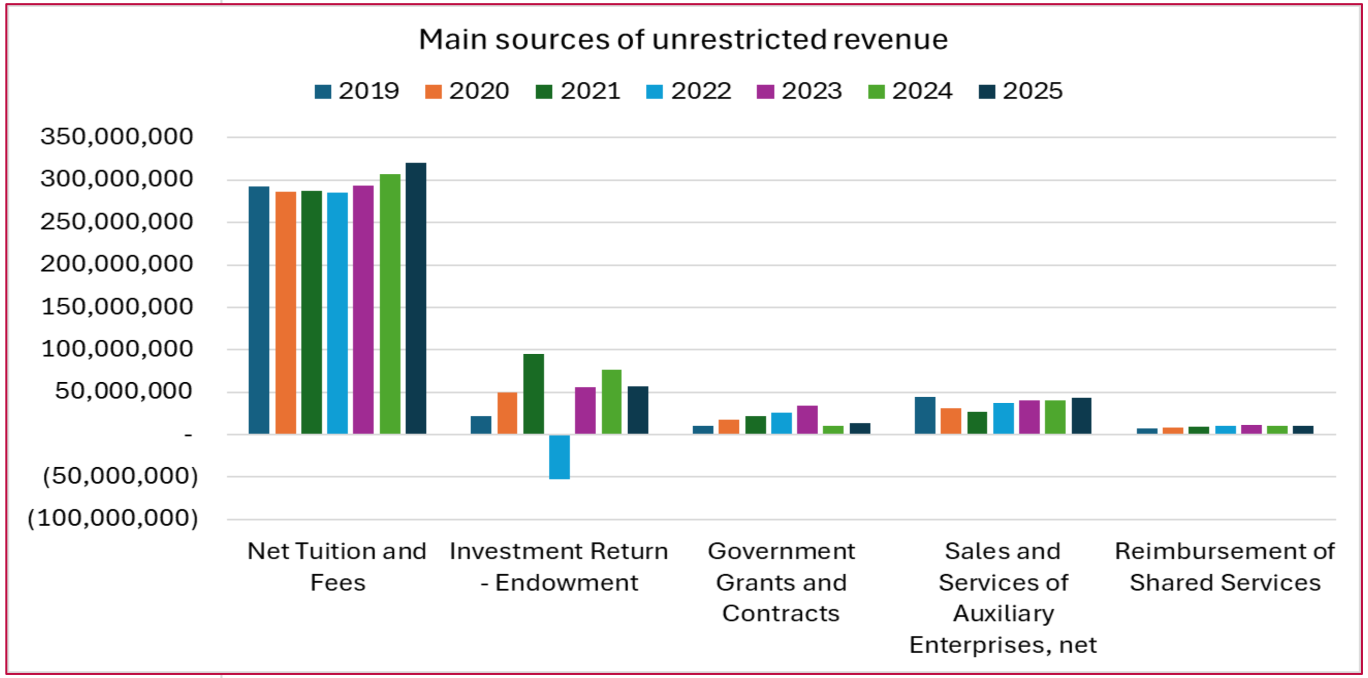
Financial Position of the Institution



Revenues – Expenses = Change in Net Position

- Ideally the unrestricted revenue is higher than the expenses in most years
- The green and red boxes represent the annual change in unrestricted net assets
- In FY25 the green box is $45.5 million
- FY21 and FY22 are anomalies at most institutions due to highly unusual market returns





Net tuition and fees have increased

Investment returns FY22 was a market-related decline

Government grants were up in FY21 to FY23 with Covid-relief funding

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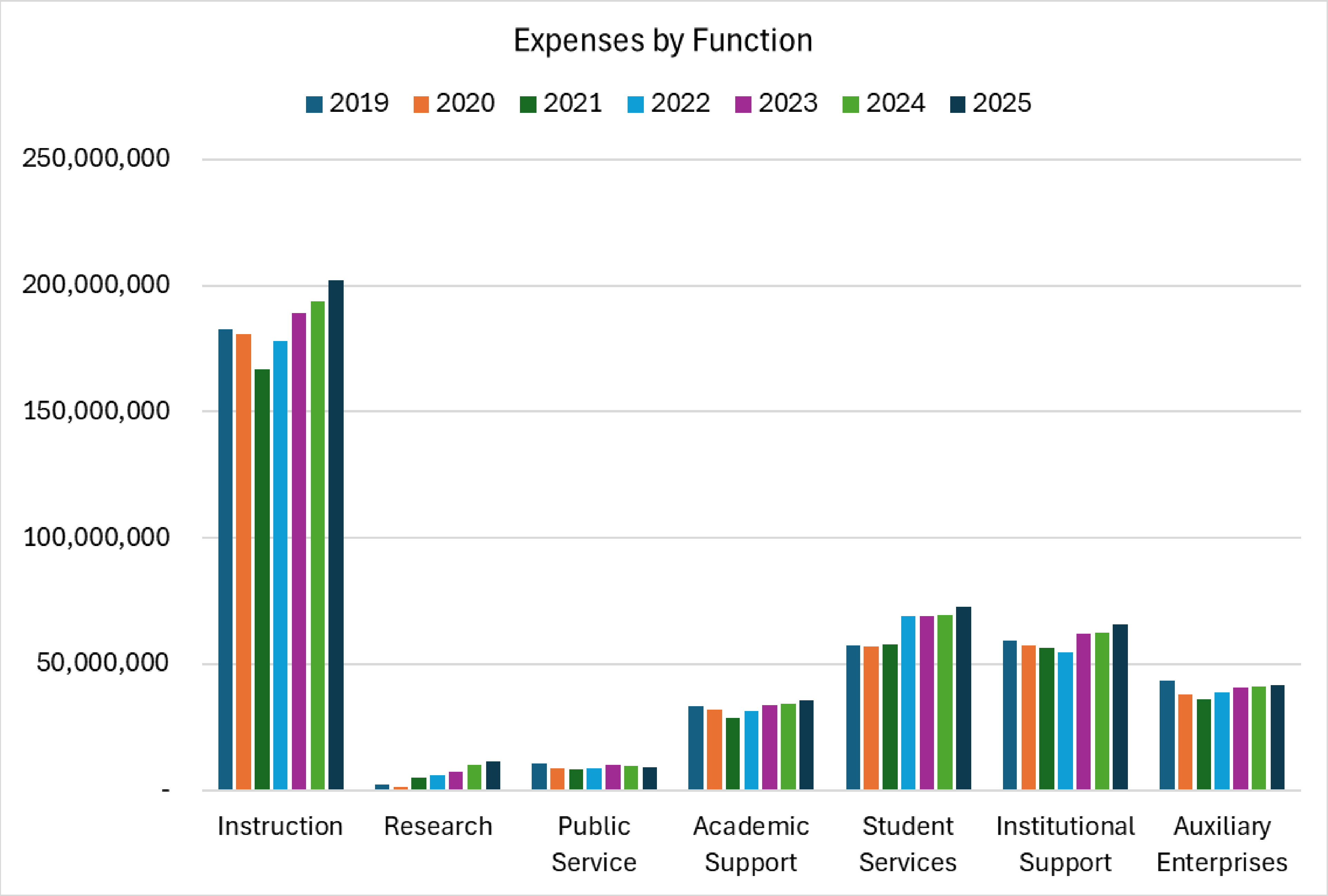

Athletics is included in student services at Hofstra

FY25 instruction expenses were 46% of total expenses

Source: audited financial statements

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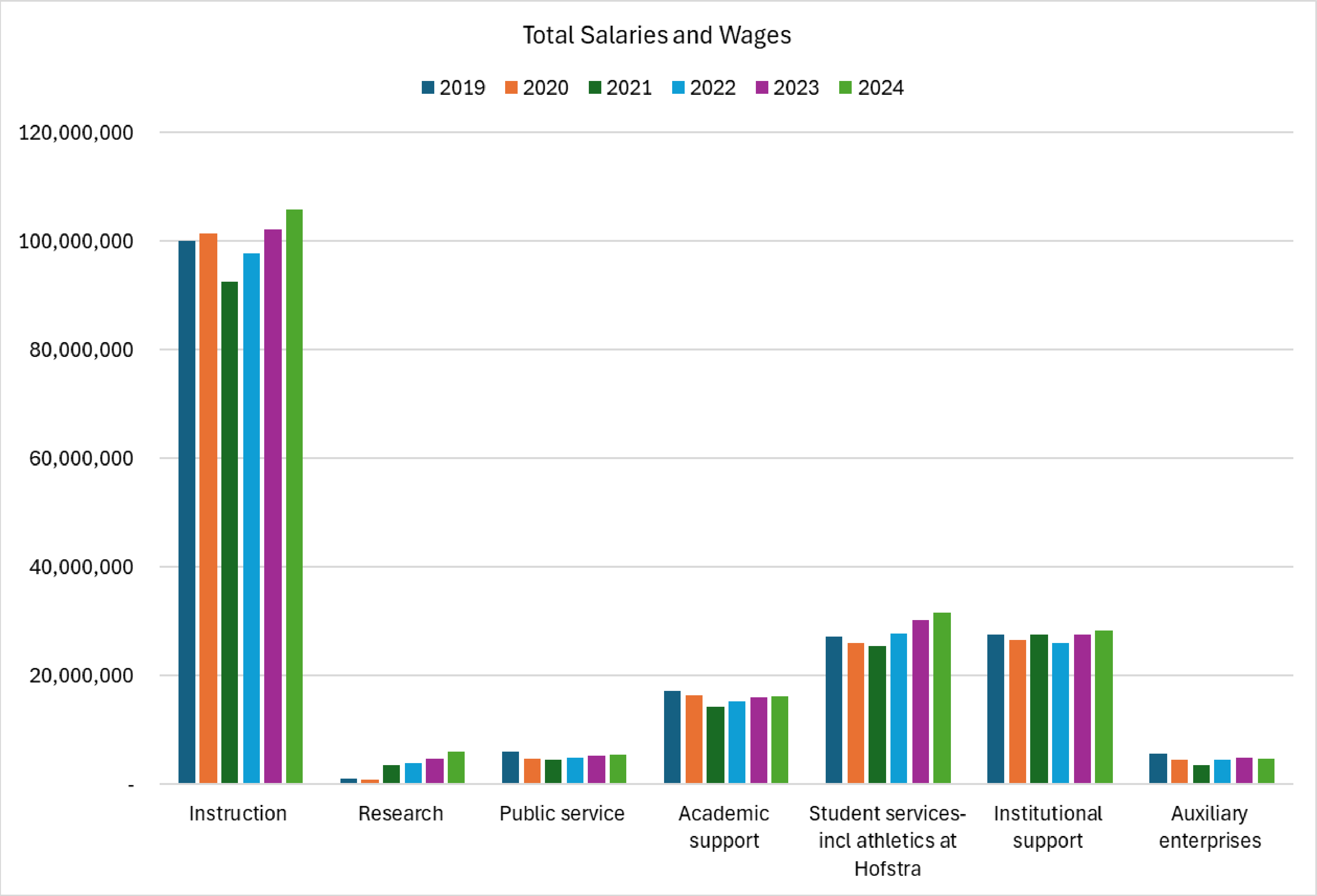

Full-time and part-time employees

Athletics is included in student services at Hofstra

Source: IPEDS

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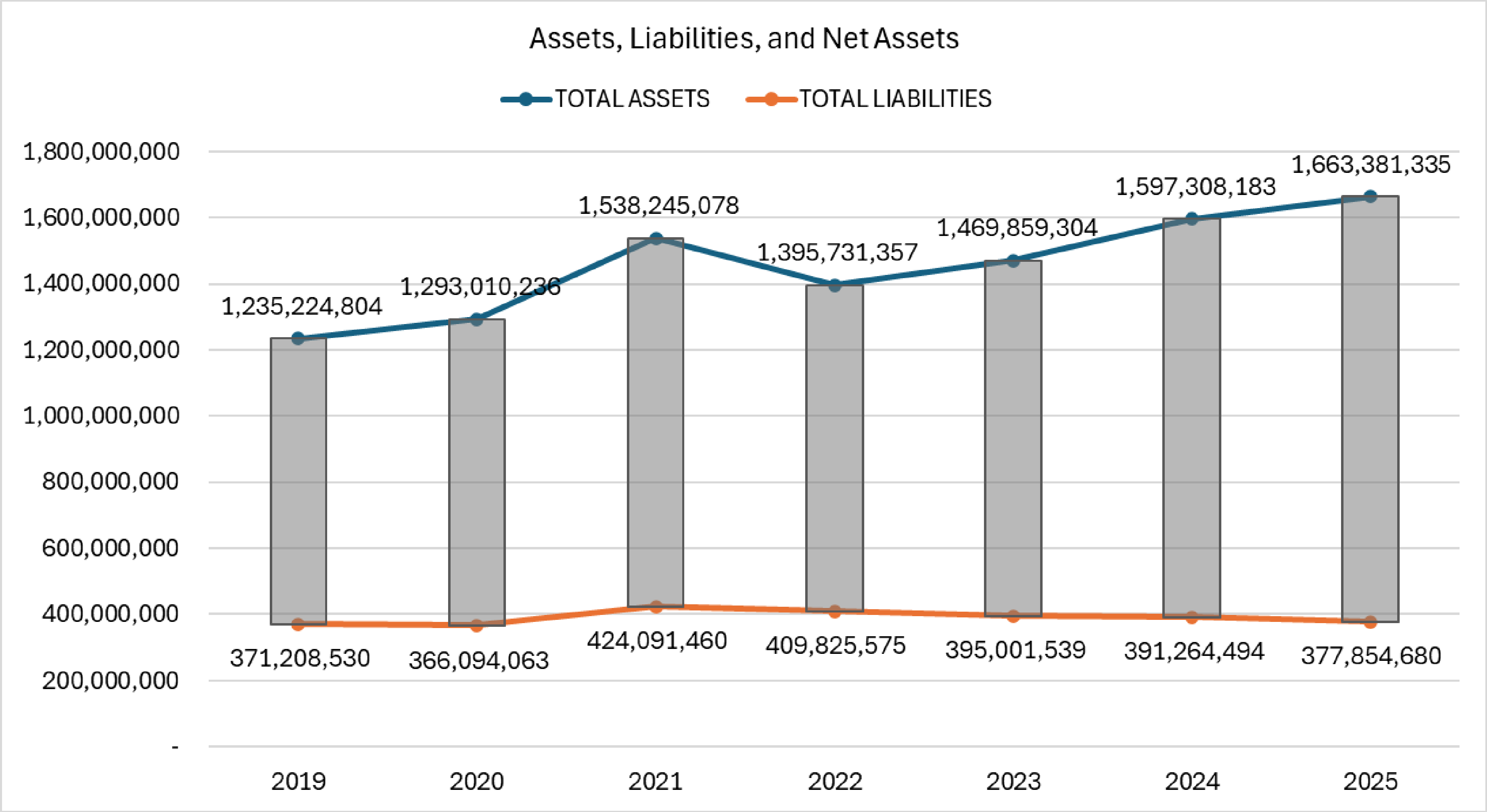

These values include the endowment

Example:

Asset = value of your house

Liabilities = value of your mortgage

Asset – Liability = home equity

At a university Assets - Liabilities = <u>Net Assets</u>

Growth in net assets is positive

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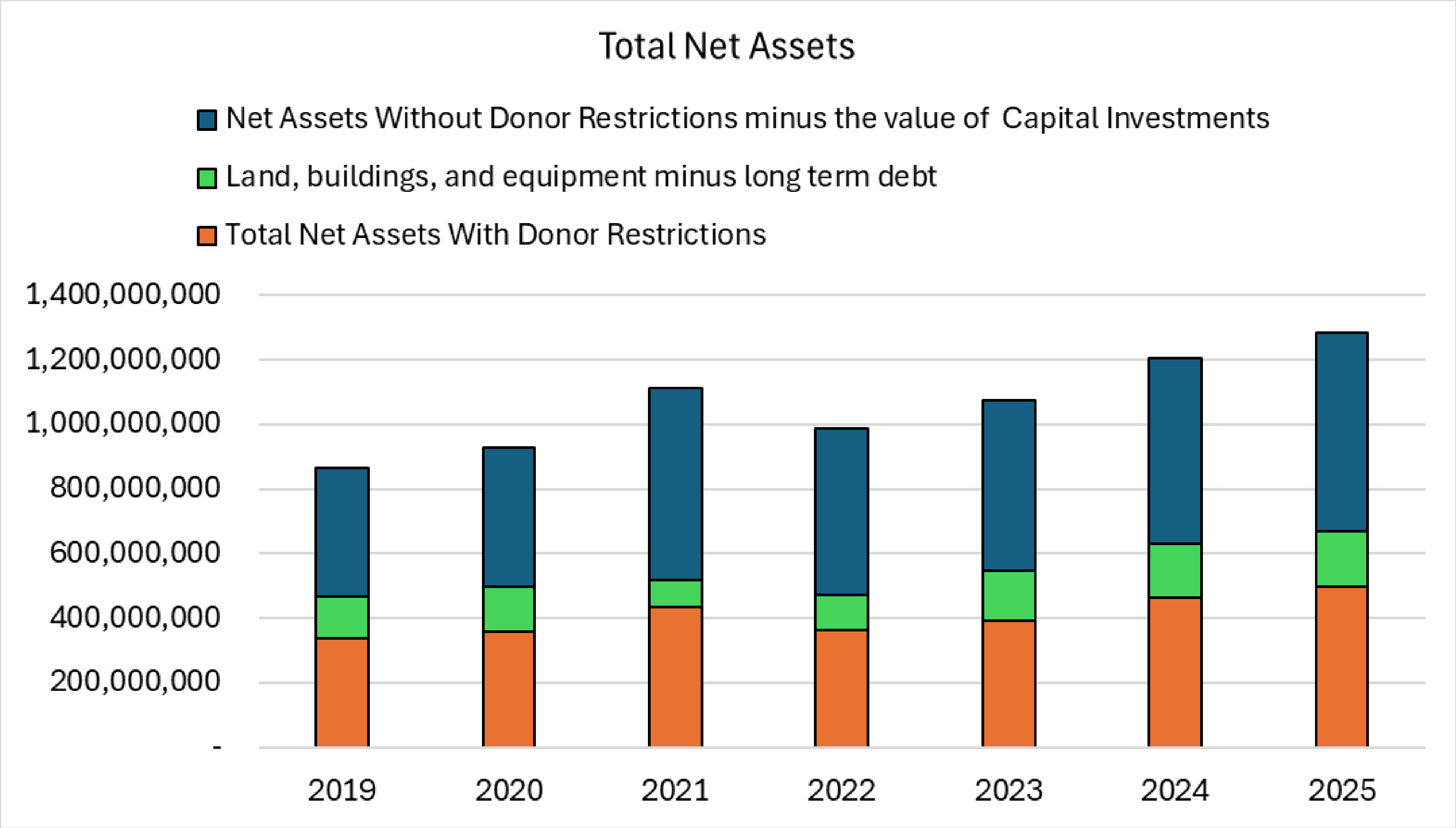
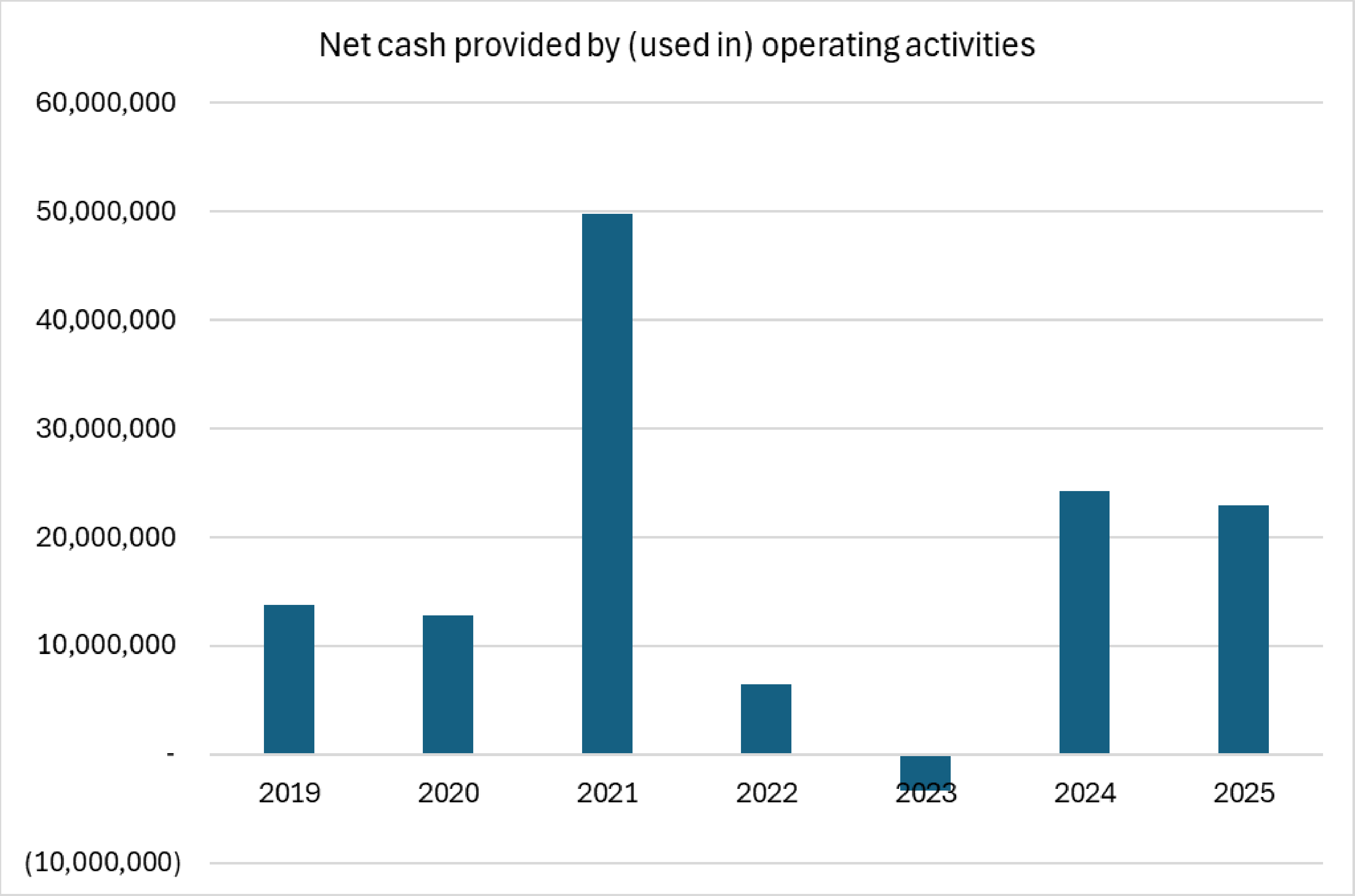


Funds without donor restrictions are the most flexible

The trends of growth in net assets and growth in funds without donor restrictions are both signs of good financial health



Operating cash flow in includes tuition and fees, contributions, government grants, some investment returns, room and board, etc…

Operating cash flow out includes payments for salaries, benefits, suppliers and interest

Positive operating cash flow is a sign of a financially healthy institution

Financial Position of the Endowment 👍
NAV Investments 👎

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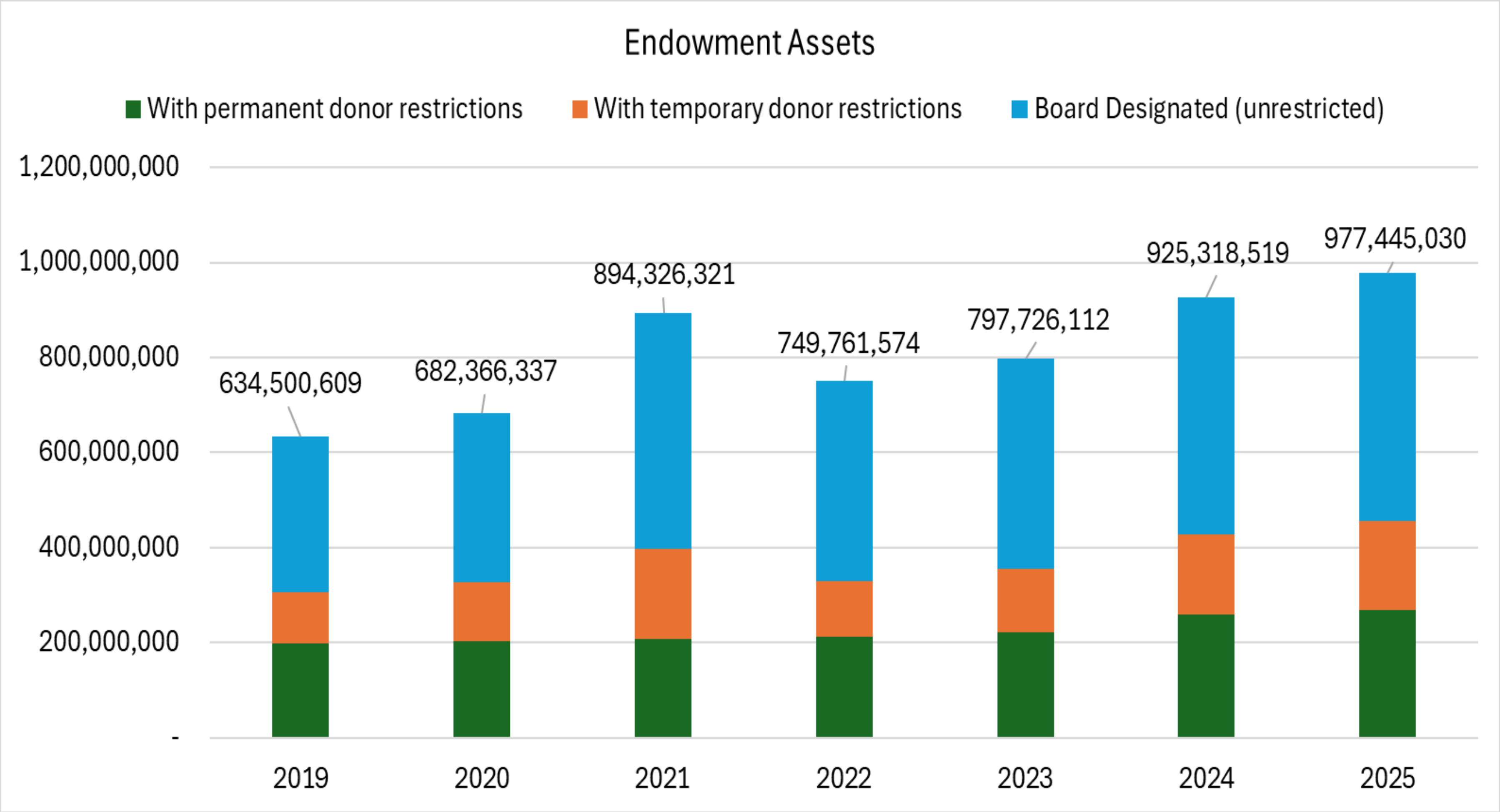
The Endowment



Provided $39.7 million of support to the institution in FY25

The large increase in value in FY21 and decline in FY22 is common at most institutions and was partially caused by fluctuating market conditions during the pandemic.

Transfers are on the next slide

The general trend of growth is positive

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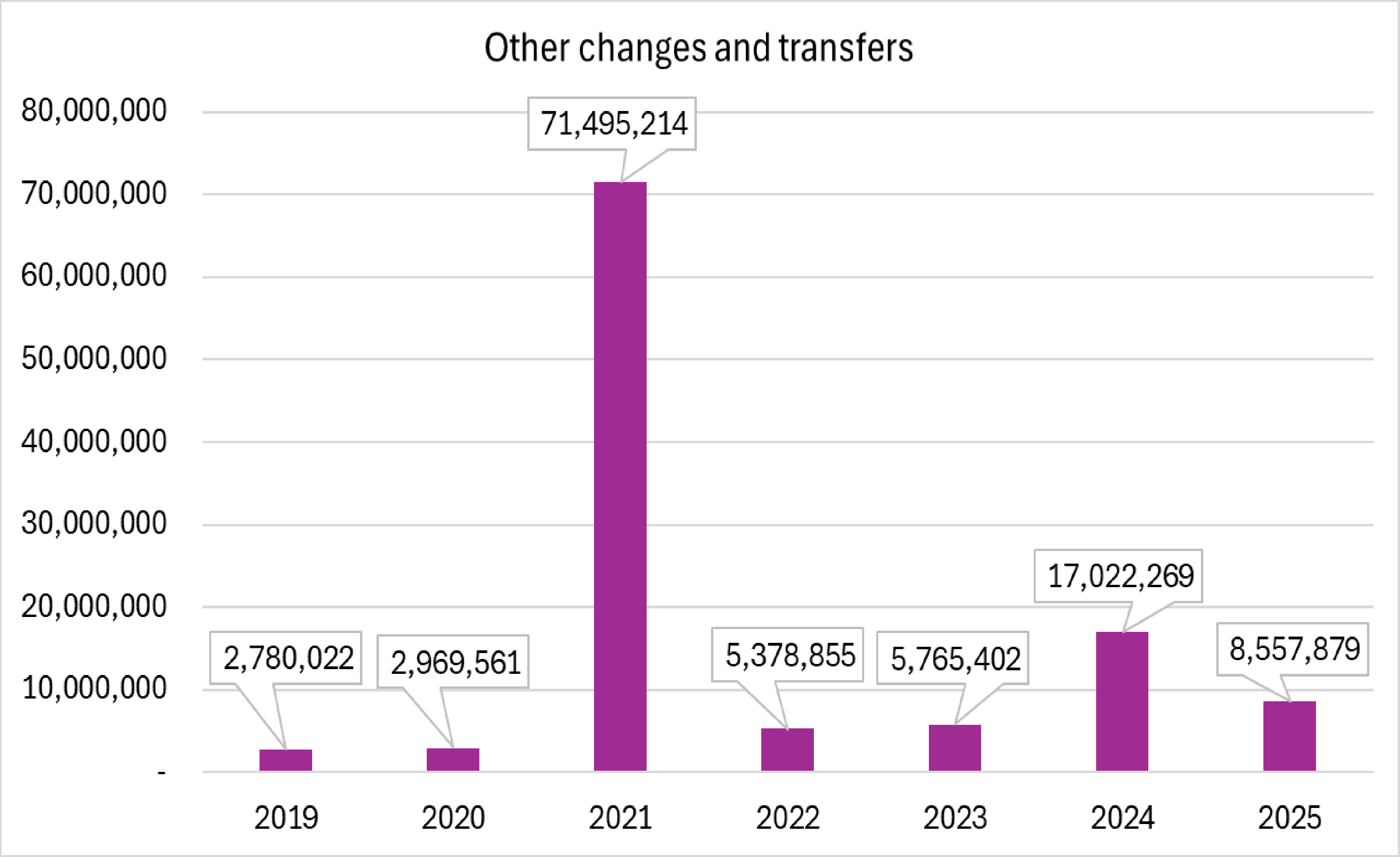

The Endowment

Other changes and transfers include institutional funds added to the endowment.

This practice raises questions of intergenerational justice for students (FY21 16th highest - just above Harvard)

The FY21 transfer happened when spending on full-time instructional salaries declined by $2.4 million and total spending on full-time and part-time wages for instruction dropped by $8.8 million from the previous year.

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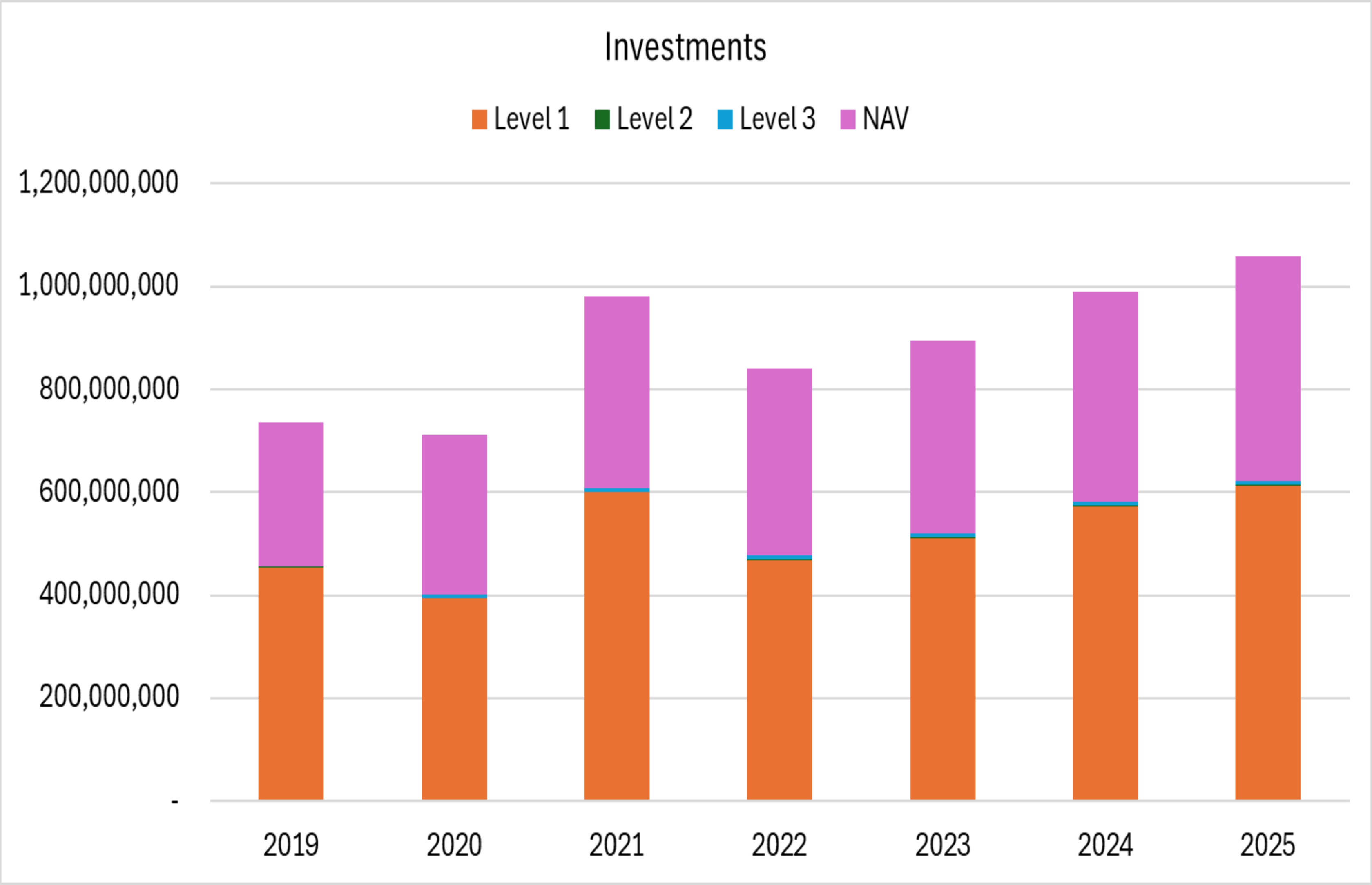
Investments

Category	How value is determined	Examples
Level 1 (Least risk)	Valued according to readily observable market pricing	Publicly traded stock, mutual funds, Treasury Bills
Level 2	Do not have regular market pricing, but can be priced based on inactive markets	Interest rate swap
Level 3	Asset values based on models and unobservable inputs (not actively traded)	Mortgage-backed securities, private equity shares, complex derivatives, distressed debt
Net Asset Value (NAV) (Most risk)	Non-marketable securities value estimated by the investment manager	Private equity, venture capital, hedge funds, distressed securities



NAV Assets FY25

$437.4 million in NAV assets

Including:

- $163 million in hedge funds
- $89 million in private equity and distressed debt

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Bonds and Bond Rating

Bonds and Ratings

- $183 million of outstanding bonds.
- Ratings: upper medium grade debt. This is a strong indication of the strong financial health of the institution.
- Moody's has assigned a grade of A2.
- S&P affirmed A rating outlook stable in December 2025.
    - *"The stable outlook reflects S&P Global Ratings' opinion that Hofstra will likely maintain positive operations and solid financial resources relative to the rating category. We also expect its demand metrics will be at least stable. At the same time, we understand the university does not have any definitive near-term debt plans, lending further credit stability."* *https://www.spglobal.com/ratings/en/regulatory*

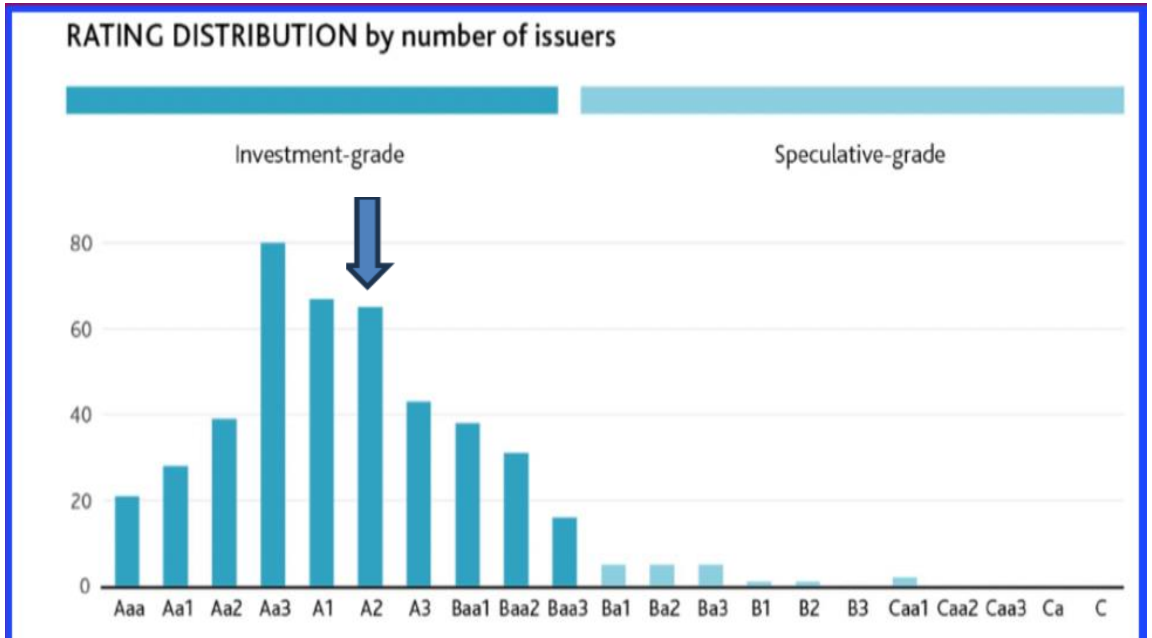
Credit Rating Scales by Agency, Long-Term

Hofstra Univ

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	
C	D	D	In default
/			
/			

"Junk"

WOLFSTREET.com



Includes four-year public universities and private universities

Source: Moody's Investors Service

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Athletics

Athletics expenses reported on the EADA website

Hofstra does not reveal information in Knight Newhouse database

Athletics	2019	2020	2021	2022	2023
athletic student aid	8,805,653	9,489,968	9,858,627	10,368,783	10,926,466
total expenses	22,393,355	22,525,671	25,291,104	28,037,692	29,620,086
total revenue	22,393,355	22,525,671	25,291,104	28,037,692	29,620,086

Revenue is any money used to pay for team expenses

This may include student fees and institutional support

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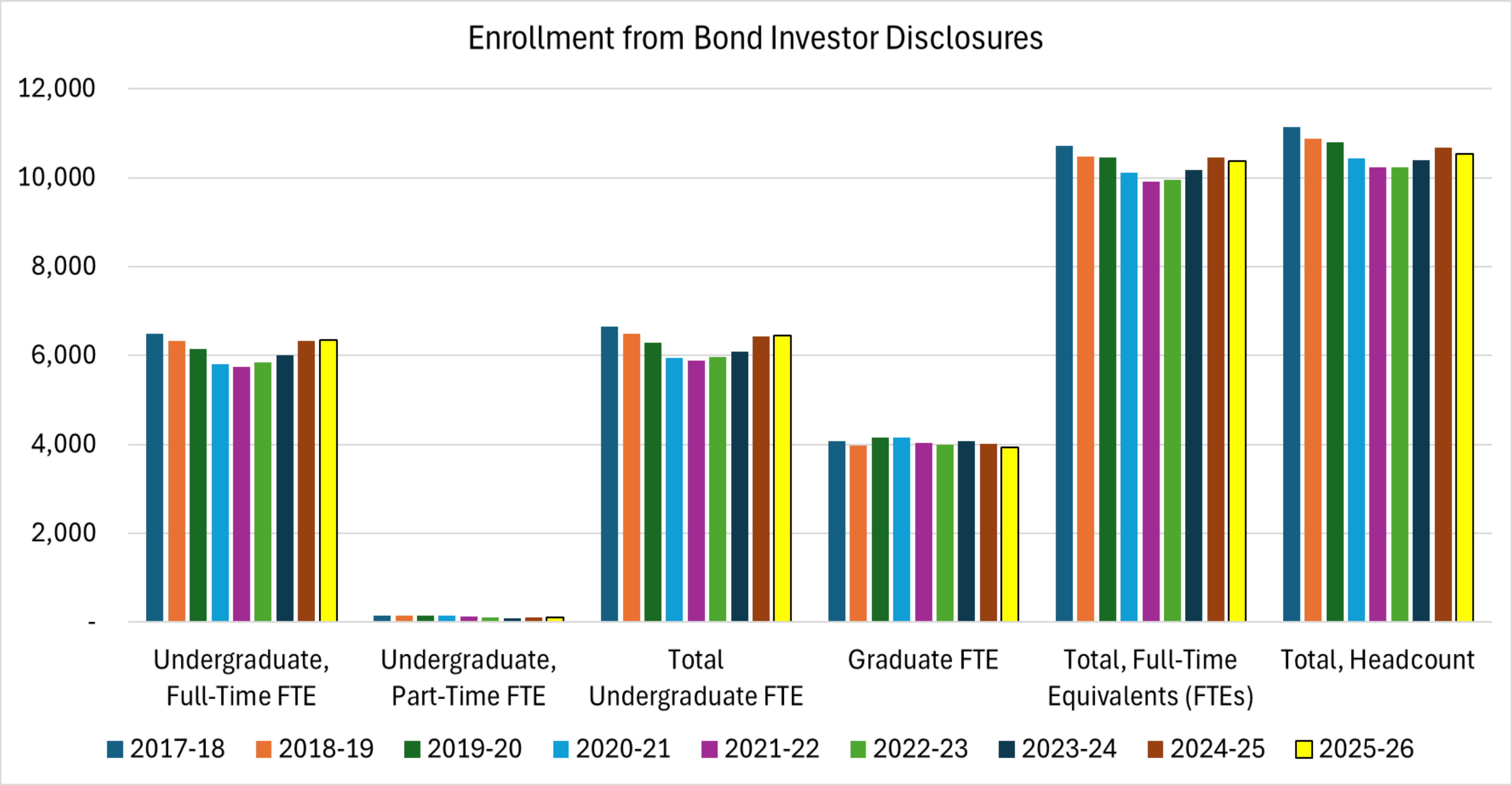
Enrollment

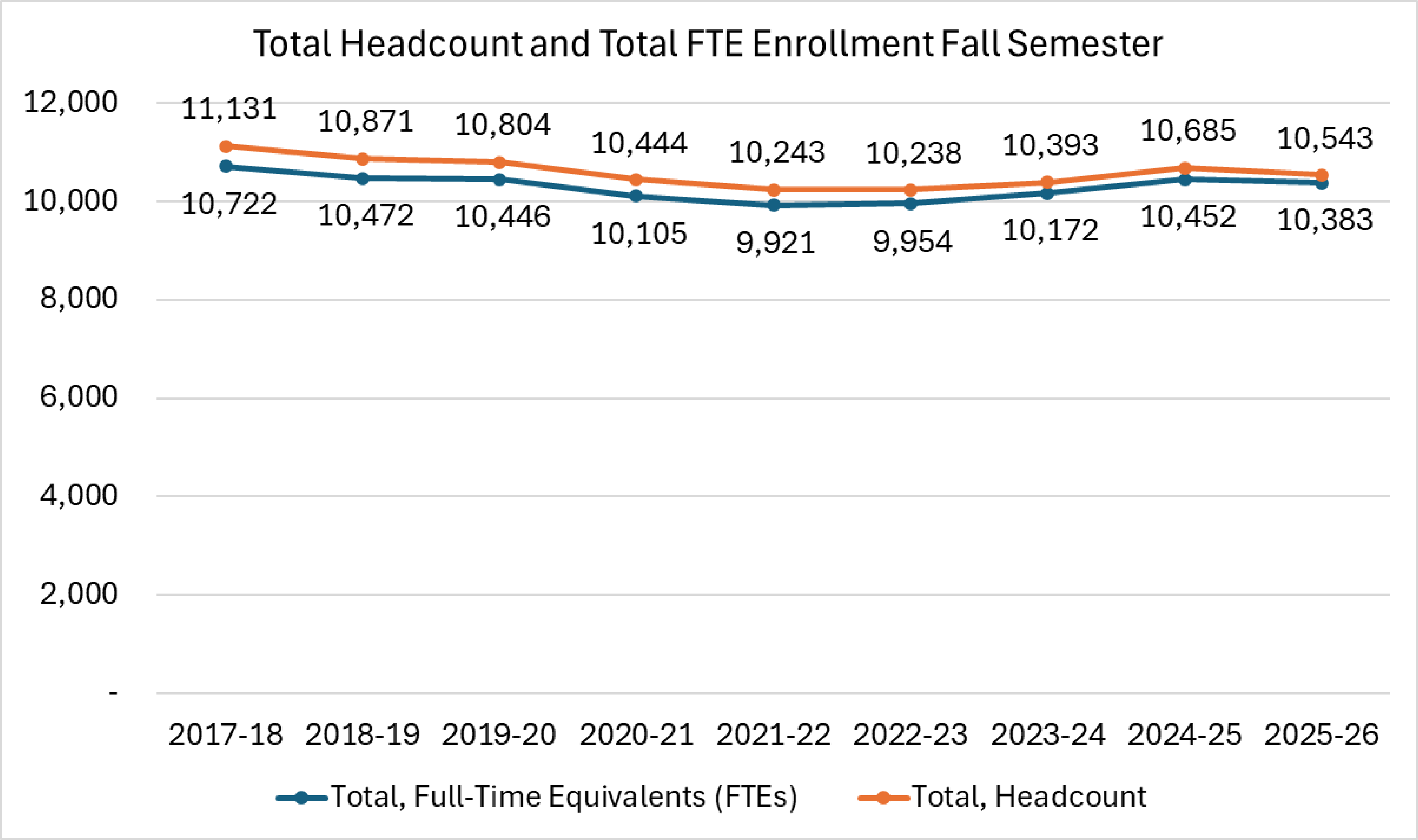
Enrollment

- What have we been told about the future?
  - Concerns about not being on target for first year deposits
  - How are other institutions doing? Is this common or unique to Hofstra?
- What is the target?
  - First year enrollment equal to Fall 2025?
  - How was this target determined?
- What data do we have?
  - Past enrollment trends
  - Past revenue and expenditures
- What would this mean to the institution's finances?
  - What is the link between enrollment and revenue and expenses?


Enrollment from Bond Investor Disclosures
12,000
10,000
8,000
6,000
4,000
2,000
-
Undergraduate, Full-Time FTE
Undergraduate, Part-Time FTE
Total Undergraduate FTE
Graduate FTE
Total, Full-Time Equivalents (FTEs)
Total, Headcount
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26

Data for the graph on the previous slide

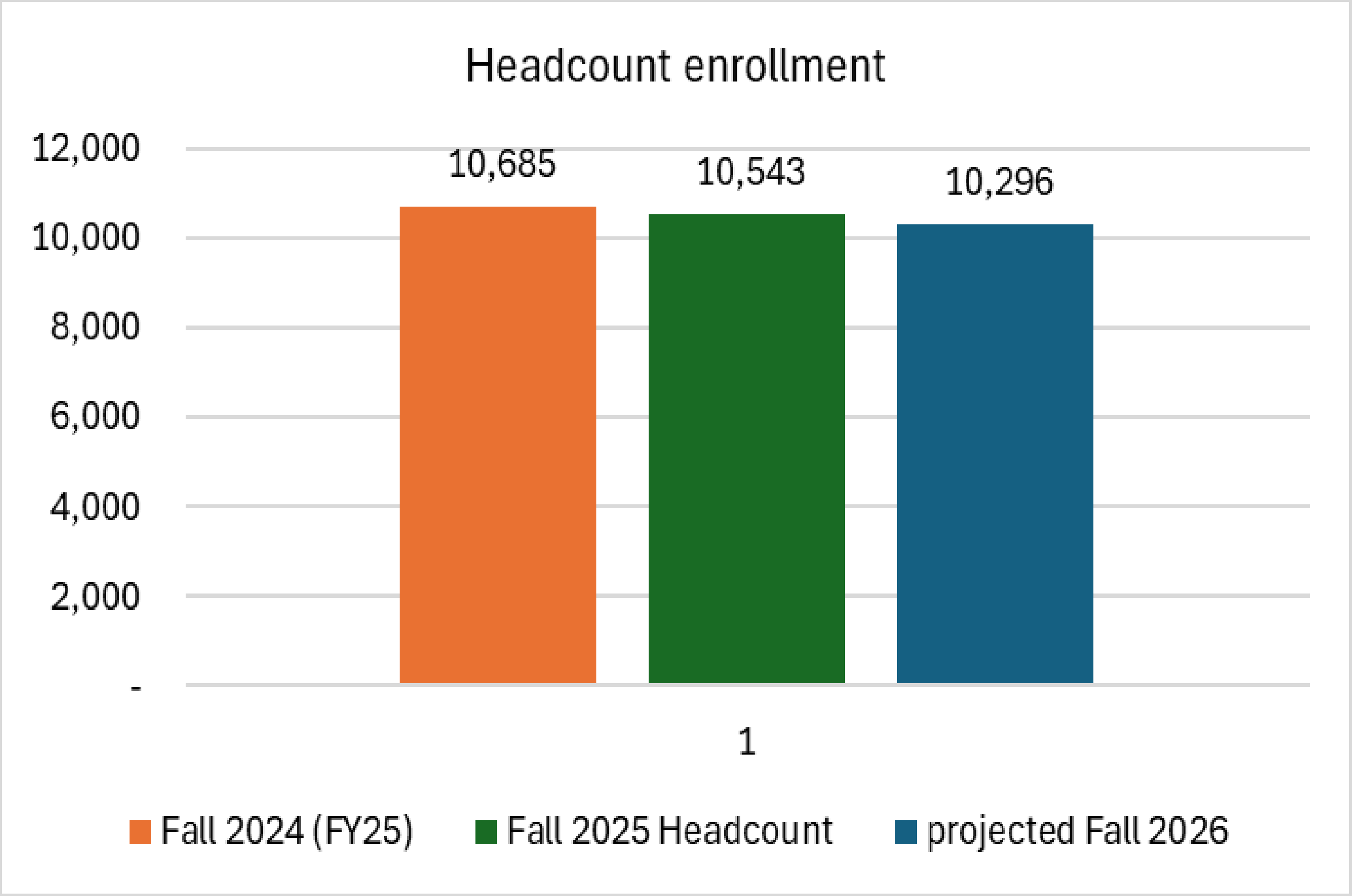
	Fall Semester								
Full-Time Equivalents (FTEs)	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Undergraduate, Full-Time FTE	6,494	6,329	6,156	5,806	5,747	5,842	6,001	6,327	6,350
Undergraduate, Part-Time FTE	150	159	142	141	131	119	95	107	107
Total Undergraduate FTE	6,644	6,488	6,298	5,947	5,878	5,961	6,096	6,434	6,457
Graduate FTE	4,078	3,984	4,148	4,158	4,043	3,993	4,076	4,018	3,926
Total, Full-Time Equivalents (FTEs)	10,722	10,472	10,446	10,105	9,921	9,954	10,172	10,452	10,383
Total, Headcount	11,131	10,871	10,804	10,444	10,243	10,238	10,393	10,685	10,543


Total Headcount and Total FTE Enrollment Fall Semester
12,000
10,000
8,000
6,000
4,000
2,000
-
11,131
10,871
10,804
10,444
10,243
10,238
10,393
10,685
10,543
10,722
10,472
10,446
10,105
9,921
9,954
10,172
10,452
10,383
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26
Total, Full-Time Equivalents (FTEs)
Total, Headcount

Enrollment Changes

- Headcount enrollment

	Fall 2024	Fall 2025
• UG	6,581	
• Grad	4,104	
• Total	10,685	10,543



- If we assume that ¼ of the UG headcount was first-time students that would have been 1,645 in Fall 2024
- A 15% decline in first time students would be -247 students or a total headcount of 10,296 (Fall 2025 headcount - 247)
- This would be a 2.3% enrollment decline

	Fall	Fall	Estimated Fall
	2024	2025	2026
Fall Headcount enrollment			
UG	6,581	-	
Grad	4,104	-	
Total	10,685	10,543	10,296
percent change		-1.33%	-2.34%
	Fiscal Year	Fiscal Year	Fiscal Year
	2025	2026	2027
Net Tuition and Fees	320,956,373		
Net Auxiliary Revenue	43,605,498		
Total Student Revenue	364,561,871		
2.34% of student revenue			8,533,559
Total Unrestricted Revenue PROJECTED FOR FY27	483,632,530		475,098,971
assuming nothing else changes impact on total revenue			-1.8%
Decline in Revenue			(8,533,559)

First year students (25% of UG Fall 2024)	1,645
15% decline	247
Fall 2025 enrollment	10,543
minus the 15% estimated decline	10,296
Total percent decline in enrollment = 247/10543	2.34%

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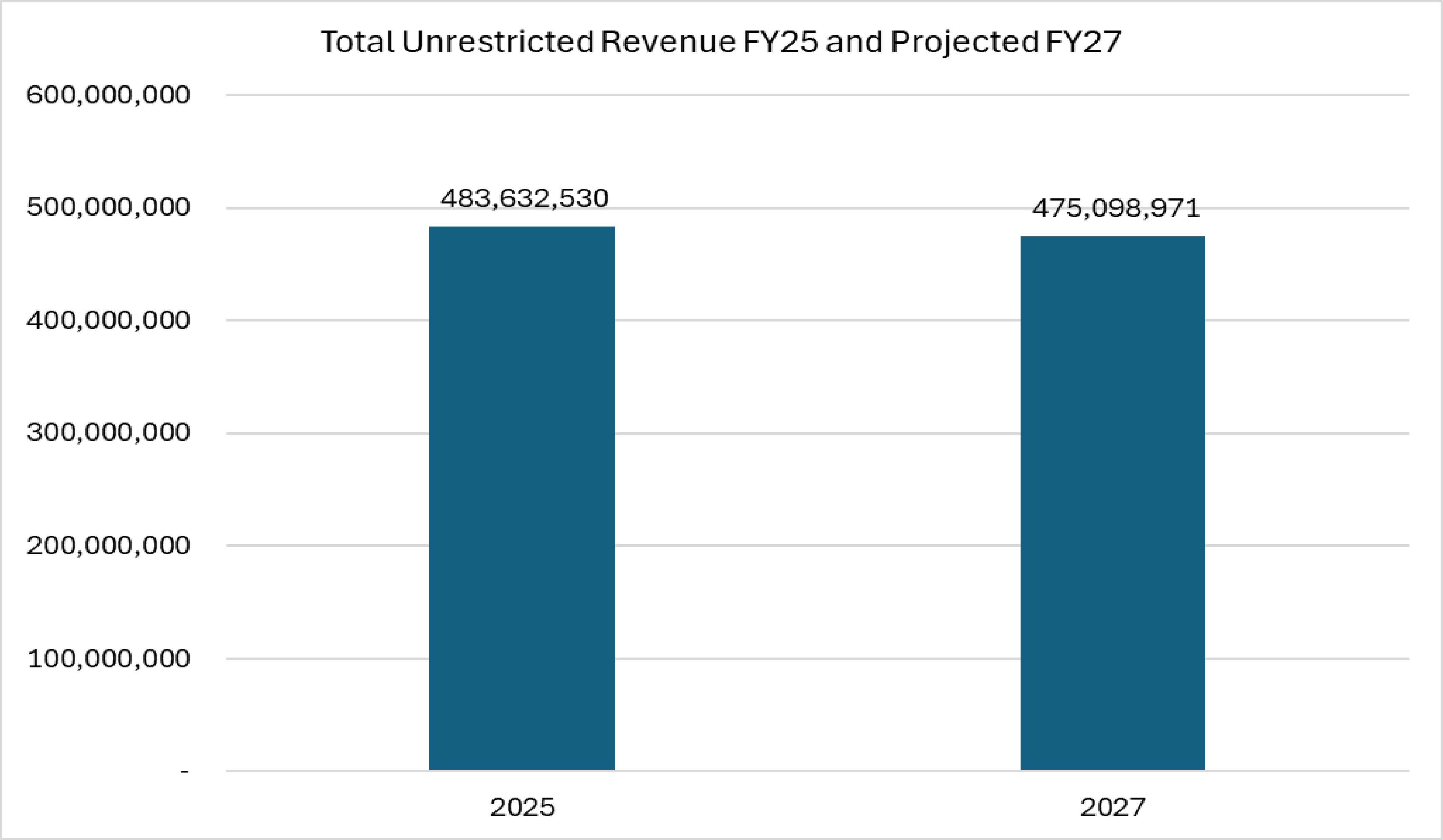

Total Unrestricted Revenue FY25 and Projected FY27
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
483,632,530
475,098,971
2025
2027

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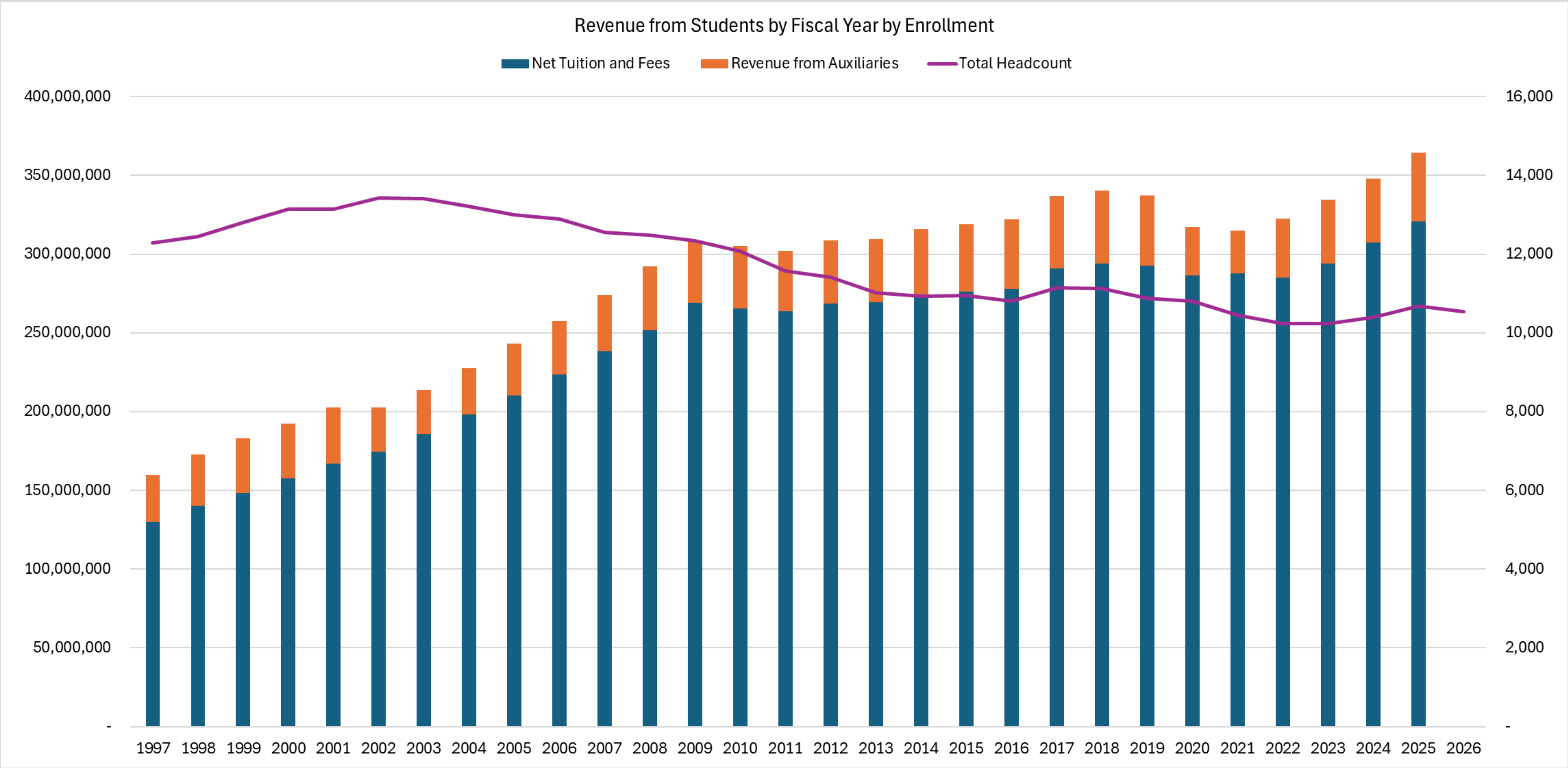

Enrollment declined in FY20 and FY21, likely due to Covid restrictions but increased in 2023 and 2024

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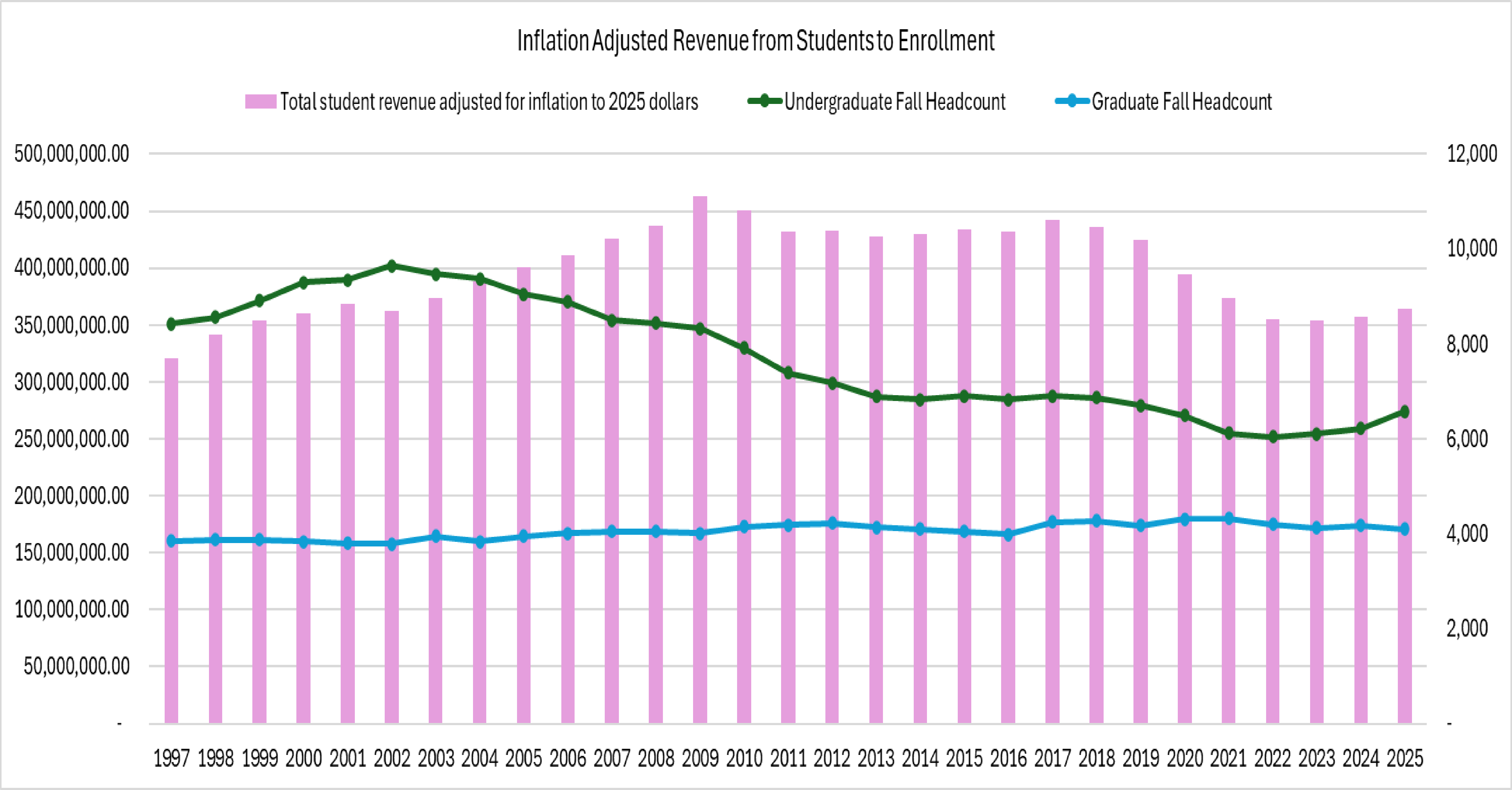

Inflation Adjusted Revenue from Students to Enrollment
Total student revenue adjusted for inflation to 2025 dollars
Undergraduate Fall Headcount
Graduate Fall Headcount
500,000,000.00
450,000,000.00
400,000,000.00
350,000,000.00
300,000,000.00
250,000,000.00
200,000,000.00
150,000,000.00
100,000,000.00
50,000,000.00
-
12,000
10,000
8,000
6,000
4,000
2,000
-
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

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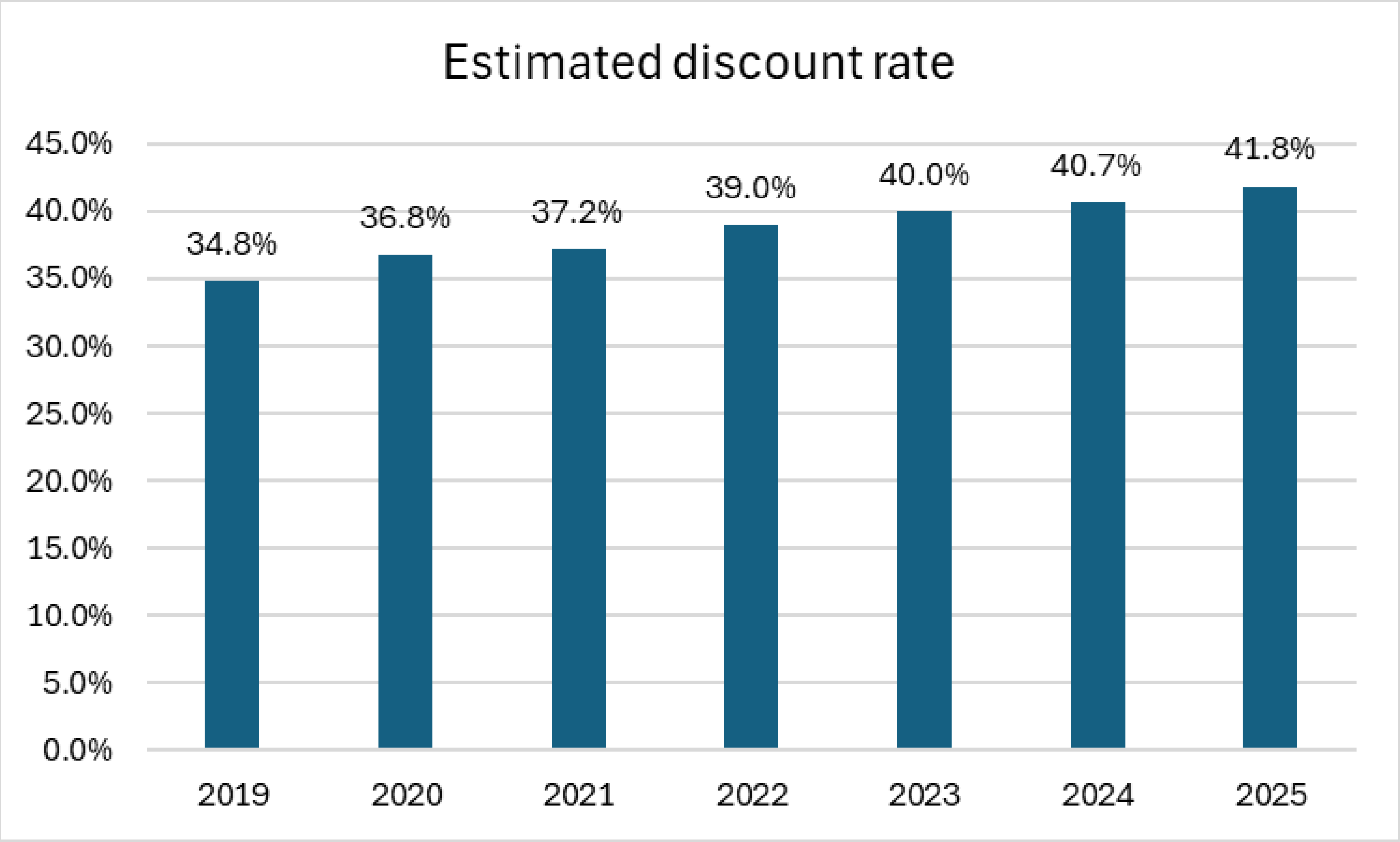
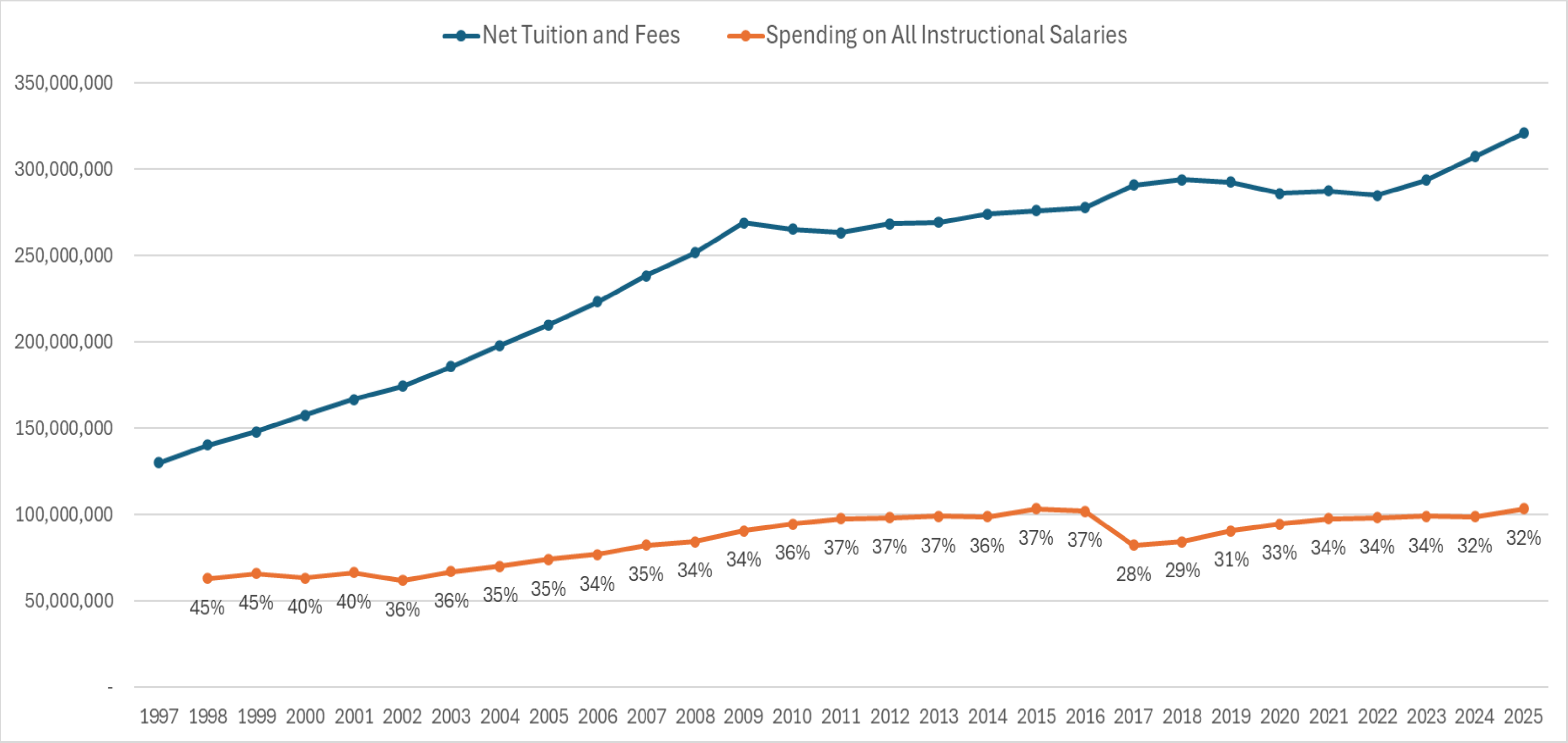
Estimated Discount Rate

Source: audited financial statements

	2019	2020	2021	2022	2023	2024	2025
Tuition and fees	449,067,097	452,706,650	457,937,805	467,184,269	489,513,369	518,124,206	551,781,734
Scholarships	156,262,479	166,491,491	170,383,969	182,060,663	195,726,180	210,666,952	230,825,361
Net Tuition and Fees	292,804,618	286,215,159	287,553,836	285,123,606	293,787,189	307,457,254	320,956,373
Estimated discount rate	34.8%	36.8%	37.2%	39.0%	40.0%	40.7%	41.8%




Net Tuition and Fees
Spending on All Instructional Salaries
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
45% 45% 40% 40% 36% 36% 35% 35% 34% 35% 34% 34% 36% 37% 37% 37% 36% 37% 37% 28% 29% 31% 33% 34% 34% 34% 32% 32%

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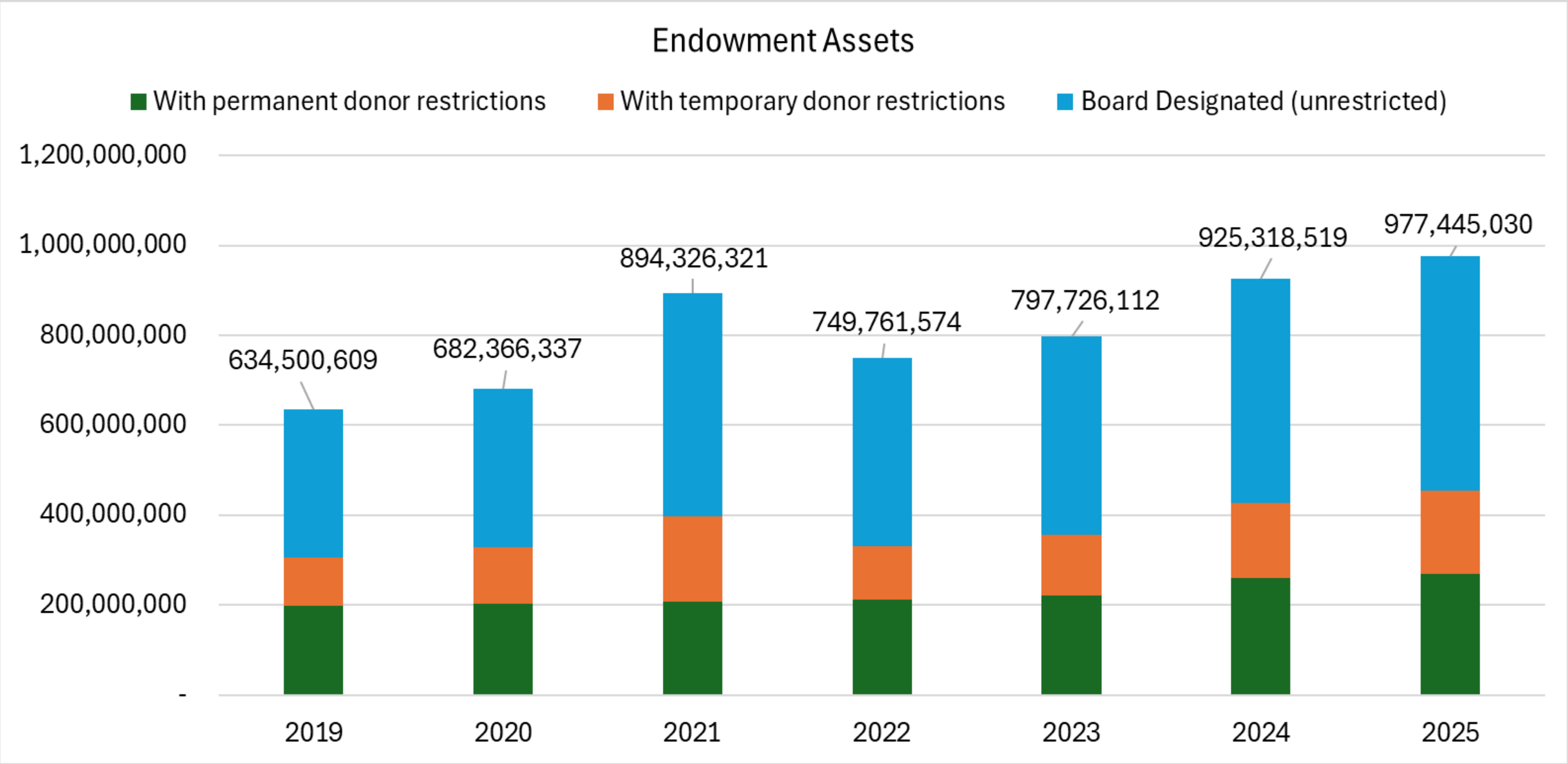

Endowment audited financial statements	2019	2020	2021	2022	2023	2024	2025
Investment return appropriated	(24,485,751)	(27,068,651)	(29,280,139)	(31,163,165)	(37,722,402)	(38,559,069)	(39,718,771)
Other changes and transfers	2,780,022	2,969,561	71,495,214	5,378,855	5,765,402	17,022,269	8,557,879
Endowment net assets, year end	634,500,609	682,366,337	894,326,321	749,761,574	797,726,112	925,318,519	977,445,030
Approx appropriation rate	3.9%	4.0%	3.3%	4.2%	4.7%	4.2%	4.1%

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Staffing Levels and
Total Salary Outlay Changes for Full-time Employees

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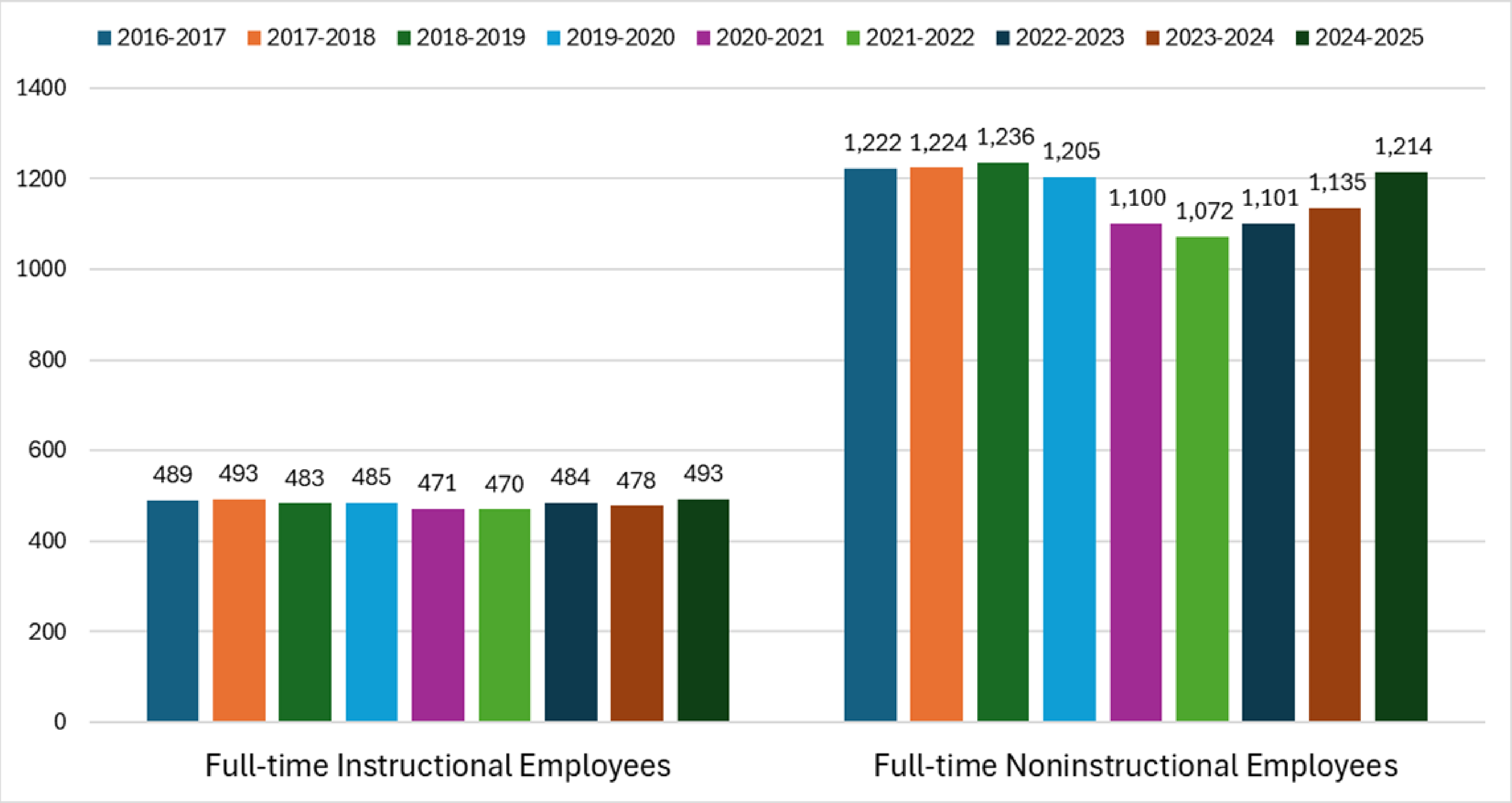
Full-time Employees Instructional and Noninstructional



Full-time noninstructional employees declined during the pandemic but have returned to pre-Covid levels.

Full-time instructional employees also declined during the pandemic and have returned to pr-pandemic levels

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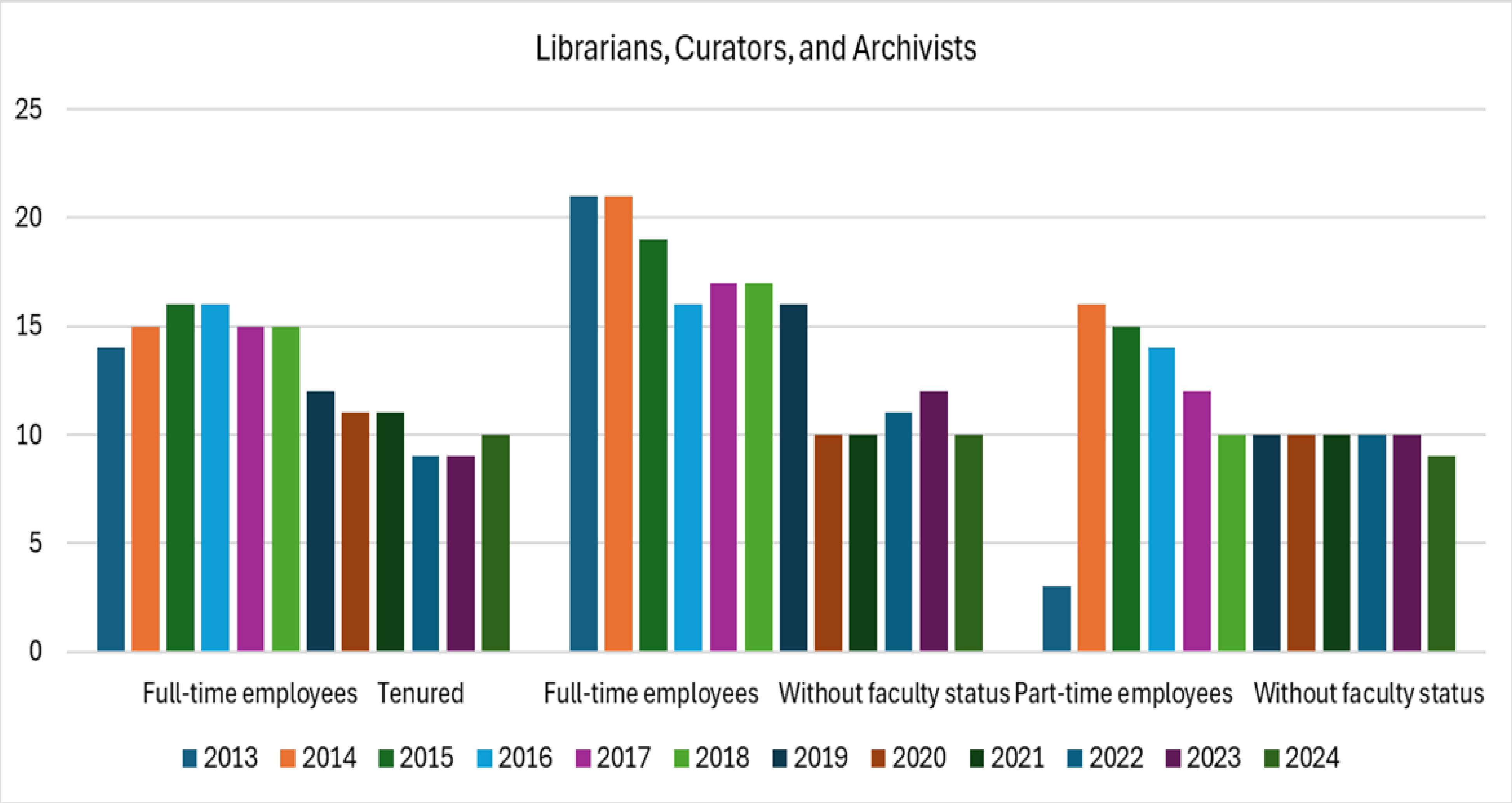
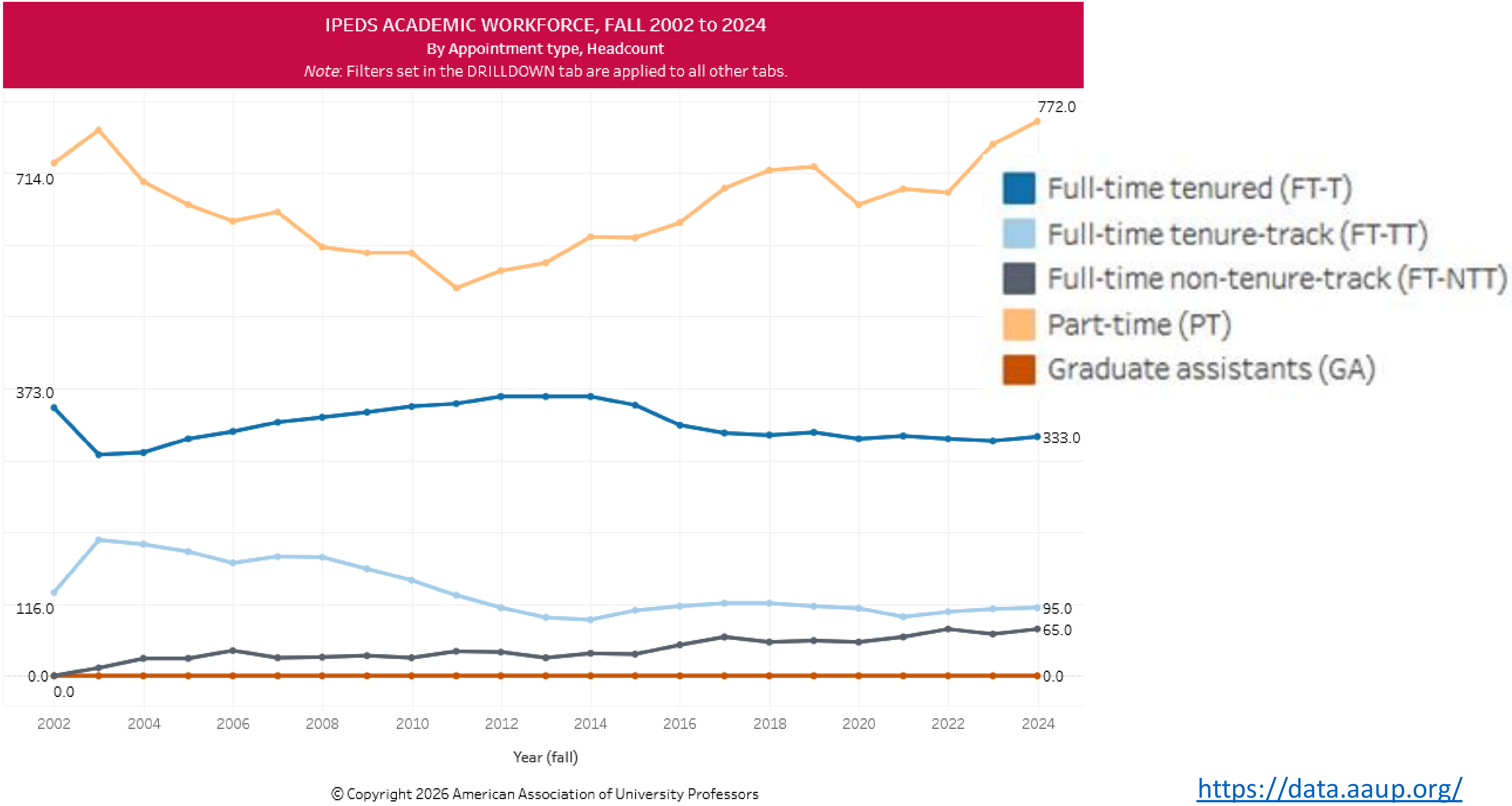


The number of librarians, curators, and archivists have declined in all three categories:

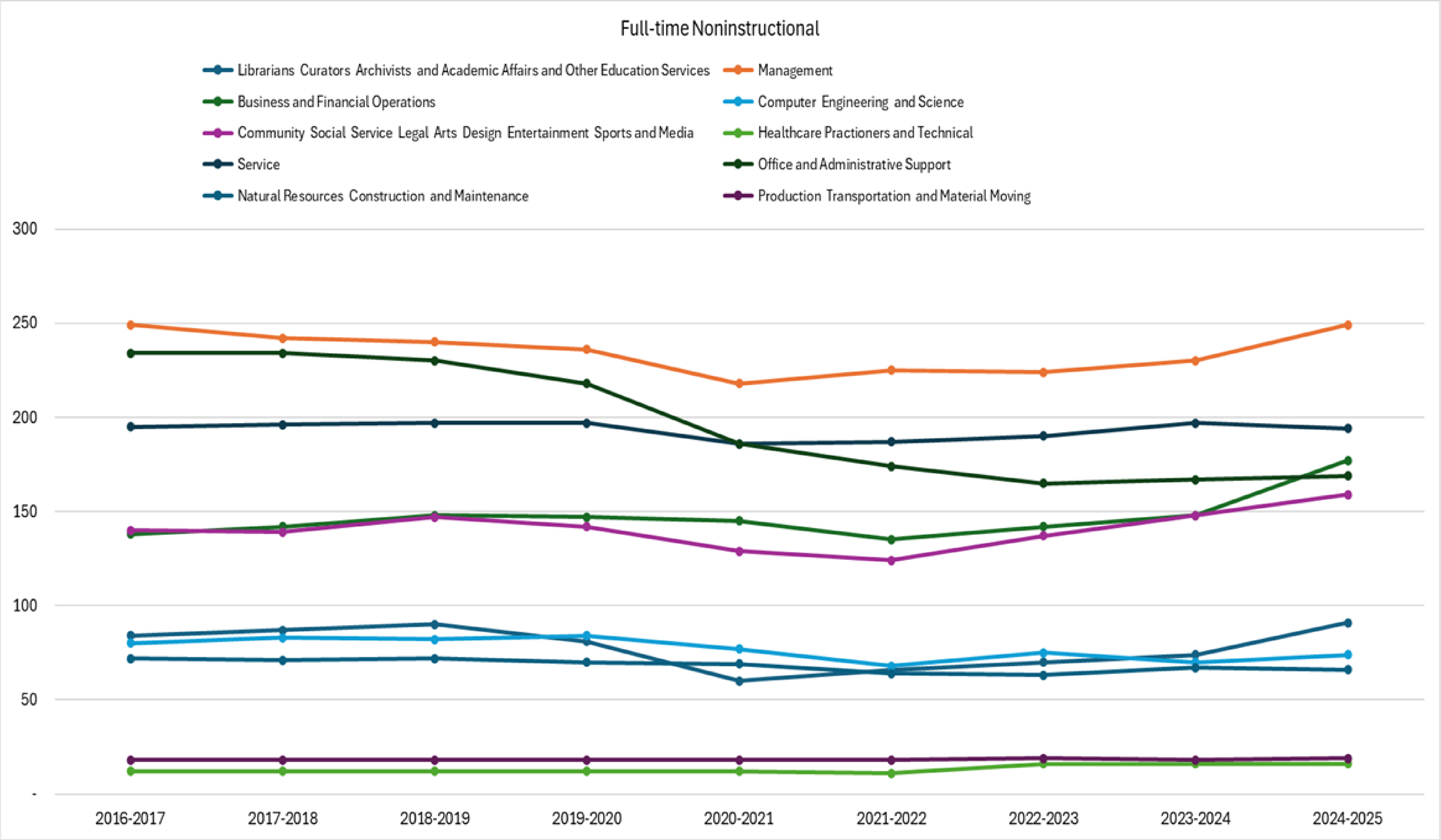
Full-time tenured

Full-time without faculty status

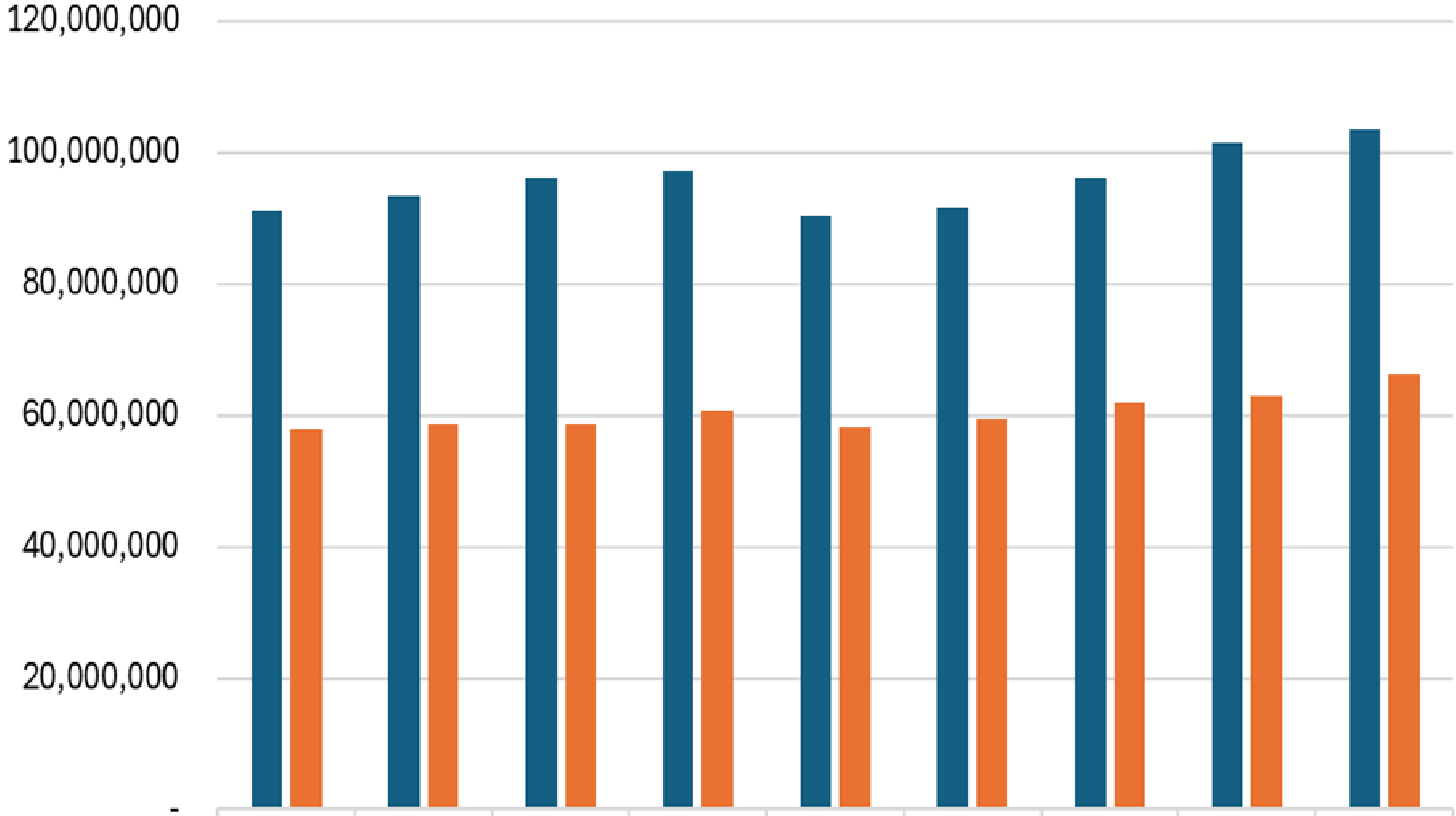
Part-time without faculty status



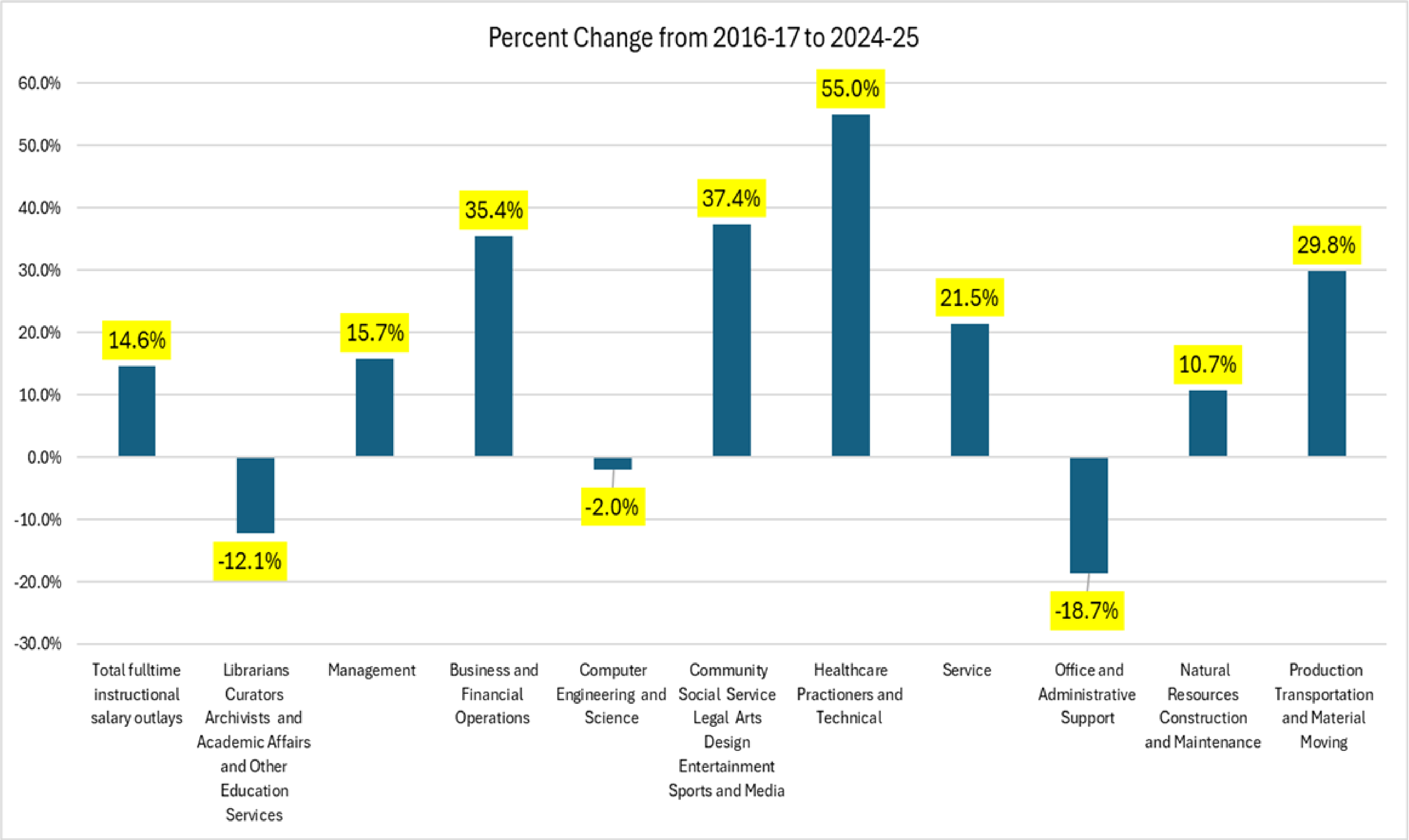
https://data.aaup.org/


Full-time Noninstructional
Librarians Curators Archivists and Academic Affairs and Other Education Services
Management
Business and Financial Operations
Computer Engineering and Science
Community Social Service Legal Arts Design Entertainment Sports and Media
Healthcare Practioners and Technical
Service
Office and Administrative Support
Natural Resources Construction and Maintenance
Production Transportation and Material Moving
300
250
200
150
100
50
-
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025

Total Salary Outlays for Full-time Instructional and Noninstructional Employees



	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Total full-time non-instructional salary outlays	91,100,751	93,264,914	96,132,176	97,200,539	90,191,582	91,633,006	96,032,081	101,445,457	103,493,563
Total full-time instructional salary outlays	57,902,217	58,686,068	58,693,429	60,629,888	58,199,179	59,509,451	61,863,363	62,881,211	66,336,768



The total salary outlays for full-time employees have changed from 2016-2017 to 2024-2025.

Instruction salary outlays have increased by just 14.6% in 8 years. These values are not adjusted for inflation.

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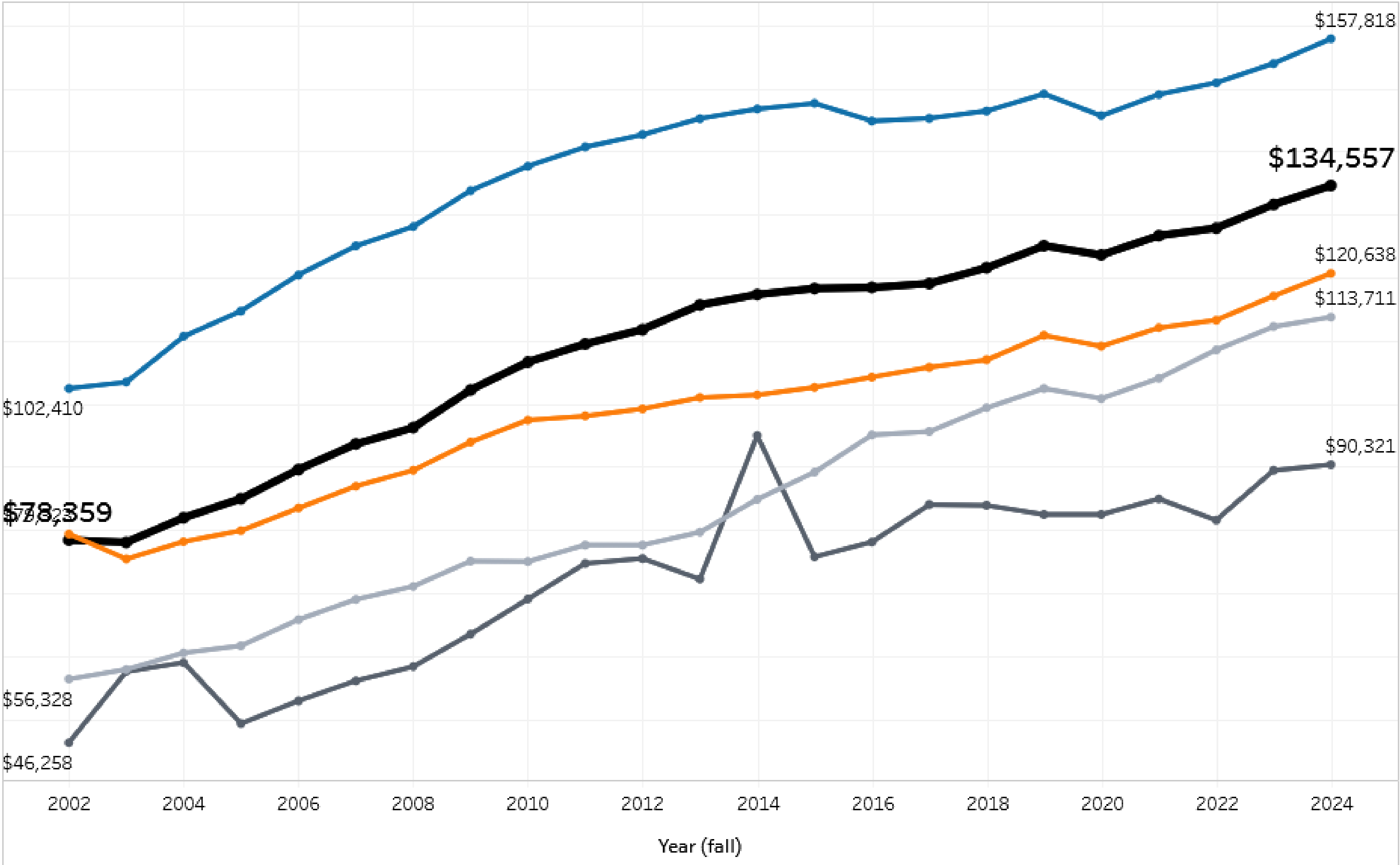
Faculty Salaries

IPEDS FULL-TIME INSTRUCTIONAL STAFF SALARIES, FALL 2002 to 2024

Average salary, equated to a 9-month contract, by academic rank, Unadjusted (dollars)

Note: Filters set in the DETAIL worksheet are applied to all other worksheets.



Year (fall)

2002 2024

Inflation adjustment

- PCE (December 2024 dollars)
- R-CPI-U-RS (December 2024 dollars)
- Unadjusted (dollars)

Worksheet title (Edit to customize)

IPEDS FULL-TIME INSTRUCTIONAL STAFF

Categories

Academic rank

Selected categories

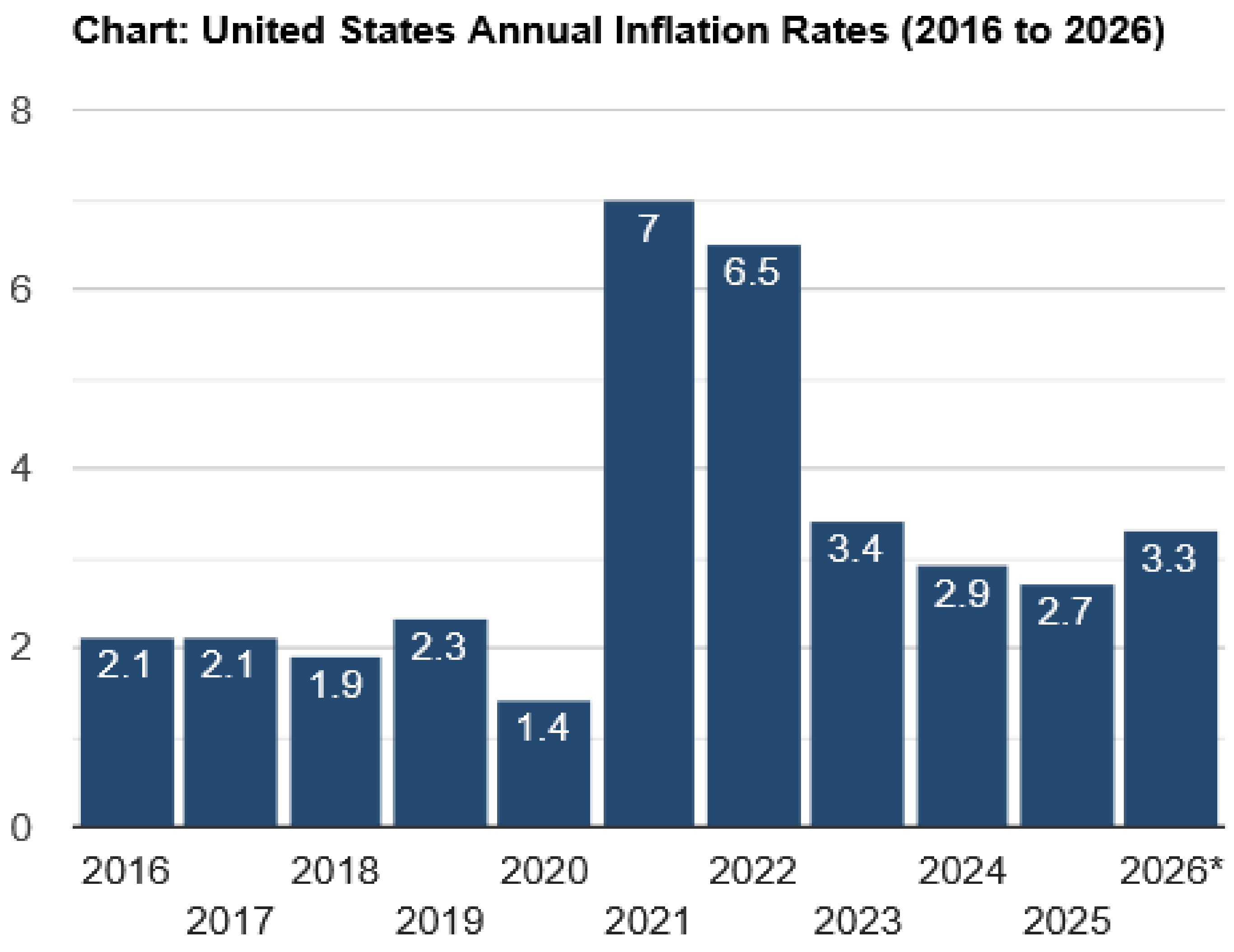
- Professor (PR)
- Associate professor (AO)
- Assistant professor (AI)
- Instructor (IN)
- All categories combined

Academic rank

(All)

Gender

(All)



https://www.usinflationcalculator.com/inflation/current-inflation-rates/

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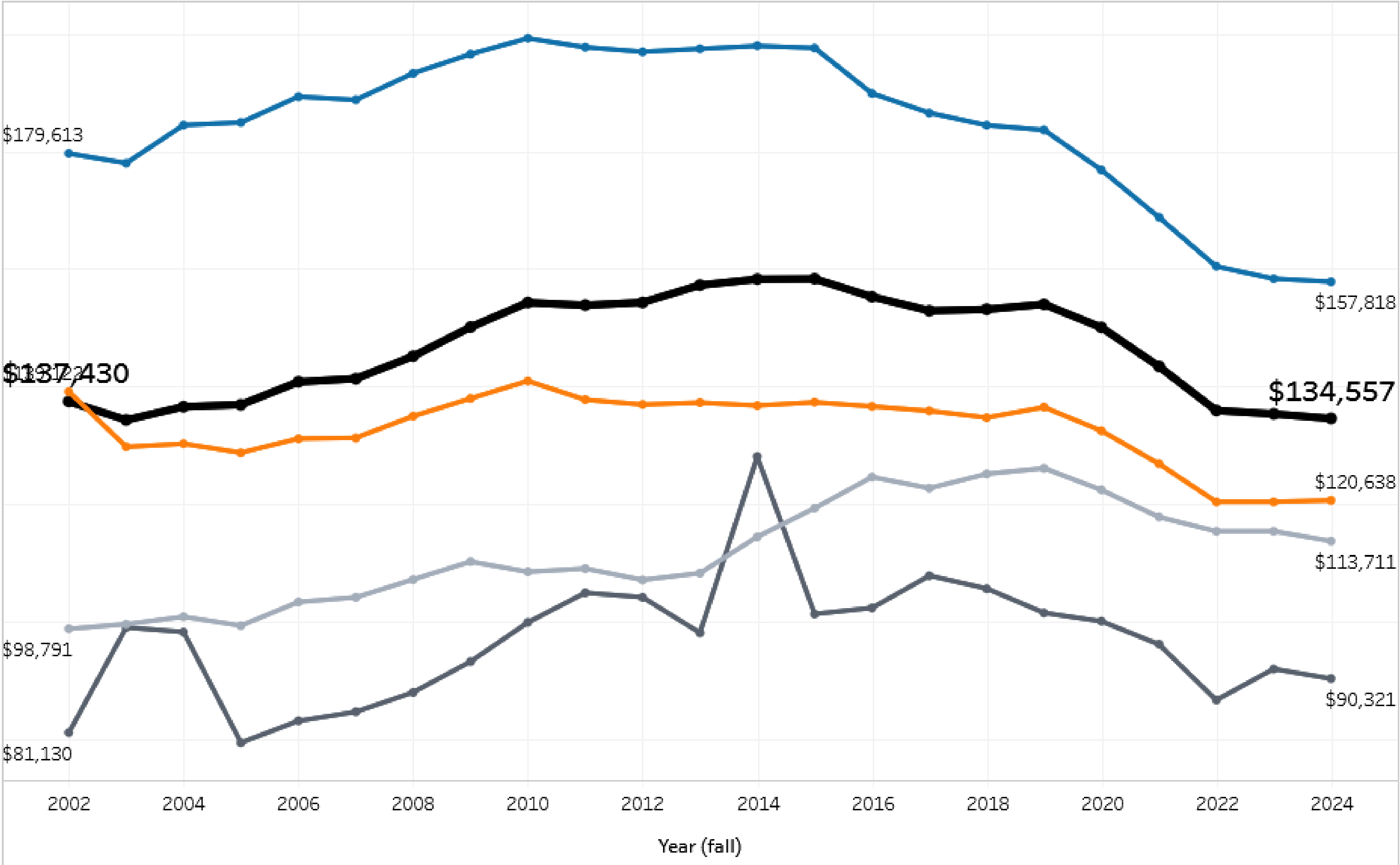
IPEDS FULL-TIME INSTRUCTIONAL STAFF SALARIES, FALL 2002 to 2024

Average salary, equated to a 9-month contract, by academic rank, R-CPI-U-RS (December 2024 dollars)

Note: Filters set in the DETAIL worksheet are applied to all other worksheets.



Year (fall)

2002 2024

Inflation adjustment

- PCE (December 2024 dollars)
- R-CPI-U-RS (December 2024 dollars)
- Unadjusted (dollars)

Worksheet title (Edit to customize)

IPEDS FULL-TIME INSTRUCTIONAL STAFF

Categories

Academic rank

Selected categories

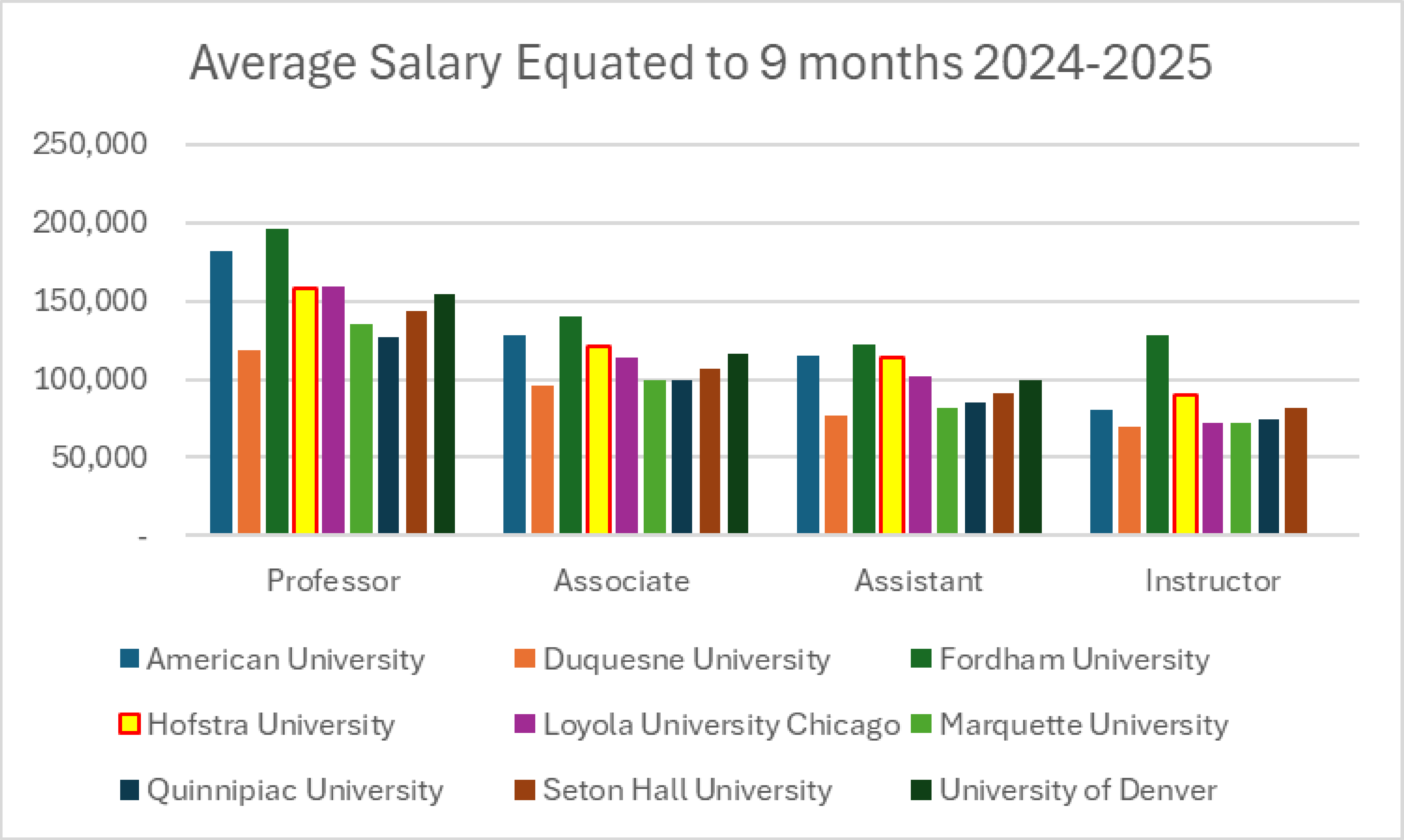
- Professor (PR)
- Associate professor (AO)
- Assistant professor (AI)
- Instructor (IN)
- All categories combined

Academic rank

(All)

Gender

(All)



Average Salary Equated to 9 months 2024-2025
250,000
200,000
150,000
100,000
50,000
-
Professor
Associate
Assistant
Instructor
American University
Duquesne University
Fordham University
Hofstra University
Loyola University Chicago
Marquette University
Quinnipiac University
Seton Hall University
University of Denver

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PART-TIME FACULTY PAY PER COURSE SECTION, AY 2024–25

Average (weighted mean), by FCS institution name, Unadjusted (dollars)

Note: Filters set in the DRILLDOWN worksheet are applied to all other worksheets.

FCS institution name	Headcount	Avg.	Min.	Max.
Grand total	3,233	$4.7K	$1.4K	$10.7K
Duquesne U	502	$4.4K	$4.4K	$4.4K
Hofstra U	772	$1.9K	$1.4K	$5.3K
Loyola U Chicago	747	$7.3K	$6.7K	$10.7K
Quinnipiac U	600	$4.9K	$4.6K	$5.3K
Seton Hall U			$3.6K	
U Denver	612	$5.0K	$4.5K	$6.0K

Hofstra reported data to the AAUP Faculty Compensation Survey for 2024-2025. The average pay for part-time faculty per course is well below peer institutions.

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PART-TIME FACULTY BENEFITS, AY 2024–25

Medical and retirement benefits, by FCS institution name

Note: Filters set in the DRILLDOWN worksheet are applied to all other worksheets.

FCS institution ..	Medical	Retirement	Headcount
Duquesne U	No	No	502
Hofstra U	Some	No	772
Loyola U Chicago	No	No	747
Quinnipiac U	Some	Some	600
U Denver	No	No	612

Part-time faculty benefits are not consistently offered.

Total Compensation	2019	2020	2021	2022	2023
President			547,138	1,069,188	1,295,560
Former President	1,892,675	1,725,943	2,050,003		
Provost				275,041	645,951
Fmr Provost/SVP to 7/21	566,647		733,332	640,917	
SVP Finance/Treasurer	721,177	620,307	751,921	820,911	851,575
SVP for Development (VP 19-21)	514,239	476,241	558,166	595,038	604,088
SVP for Enrollment (VP 19-21)	405,384	364,806	440,890	550,783	603,062
SVP Legal Affairs				478,079	547,343
Fmr SVP Legal Affairs (VP 19-20)	655,115	569,399	686,556	607,981	
VP for Athletics	370,295	418,367	470,109	533,938	555,566
VP for Facilities (until 8/24)	383,336	350,373	408,251	415,094	
Fmr VP Info Tech	346,874	354,586	349,404	248,785	
VP for HR				246,677	319,362
VP for Univ Relations (to 1/23)	410,131	423,474	489,540	442,088	
VP for Marketing and Comm					286,919
Fmr SVP Pln/Adm to 8/21	664,940	575,858	677,849	576,054	
Fmr SVP Student Affairs	414,040	351,914	362,793	301,346	
Head Men's Basketball Coach				469,222	911,403
FMR Head Men's Basketball Coach	558,210	545,713			
Int prov to Dean, School of Business			458,780	557,596	478,874
Dean, School of Law (until 6/23)	432,180	427,602	475,417	466,839	453,495
Dean, School of Engineering	461,423	521,115	525,418	538,255	550,605
Dean, School of Nursing			401,688	458,044	
Dean, School of Medicine					716,368
FMR Dean of the School of Medicine	710,756	723,538	730,865		

Calendar year W-2 compensation from the 990 IRS filings

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Percent change from previous year	2019	2020	2021	2022	2023
President				143.8%	4.4%
Former President		1.5%	-33.4%	-100.0%	
Provost					102.3%
Fmr Provost/SVP to 7/21		1.1%	0.0%	-0.2%	-100.0%
SVP Finance/Treasurer		2.6%	4.9%	11.0%	3.4%
SVP for Development (VP 19-21)		1.5%	2.6%	6.4%	2.2%
SVP for Enrollment (VP 19-21)		0.9%	7.0%	29.5%	10.1%
SVP Legal Affairs					10.3%
Fmr SVP Legal Affairs (VP 19-20)		2.1%	2.7%	5.2%	-100.0%
VP for Athletics		1.5%	2.7%	12.8%	3.9%
VP for Facilities (until 8/24)		1.5%	0.8%	8.3%	37.9%
Fmr VP Info Tech		1.9%	2.6%	-28.4%	-100.0%
VP for HR					23.8%
VP for Univ Relations (to 1/23)		1.0%	1.3%	2.2%	-100.0%
VP for Marketing and Comm					
Fmr SVP Pln/Adm to 8/21		1.8%	0.0%	-0.3%	-100.0%
Fmr SVP Student Affairs		-26.1%	35.8%	-16.1%	-100.0%
Head Men's Basketball Coach					86.3%
FMR Head Men's Basketball Coach		1.8%	-100.0%		
Int prov to Dean, School of Business				6.7%	0.4%
Dean, School of Law (until 6/23)		-1.4%	4.5%	2.8%	-49.2%
Dean, School of Engineering	.	1.5%	1.0%	3.2%	3.2%
Dean, School of Nursing				17.9%	-100.0%
Dean, School of Medicine					
FMR Dean of the School of Medicine		1.8%	1.0%	-100.0%	

Percentage change from the previous year

Many positions had increases of approximately 1 to 2% in 2020, followed by larger increases in 2021.

In 2022 some positions had double digit increases and others had 2% to 8% increases. In 2023 there were 7 positions with a 100% pay decrease, suggesting a large amount of turnover in senior level positions in 2022.

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$1,057,888

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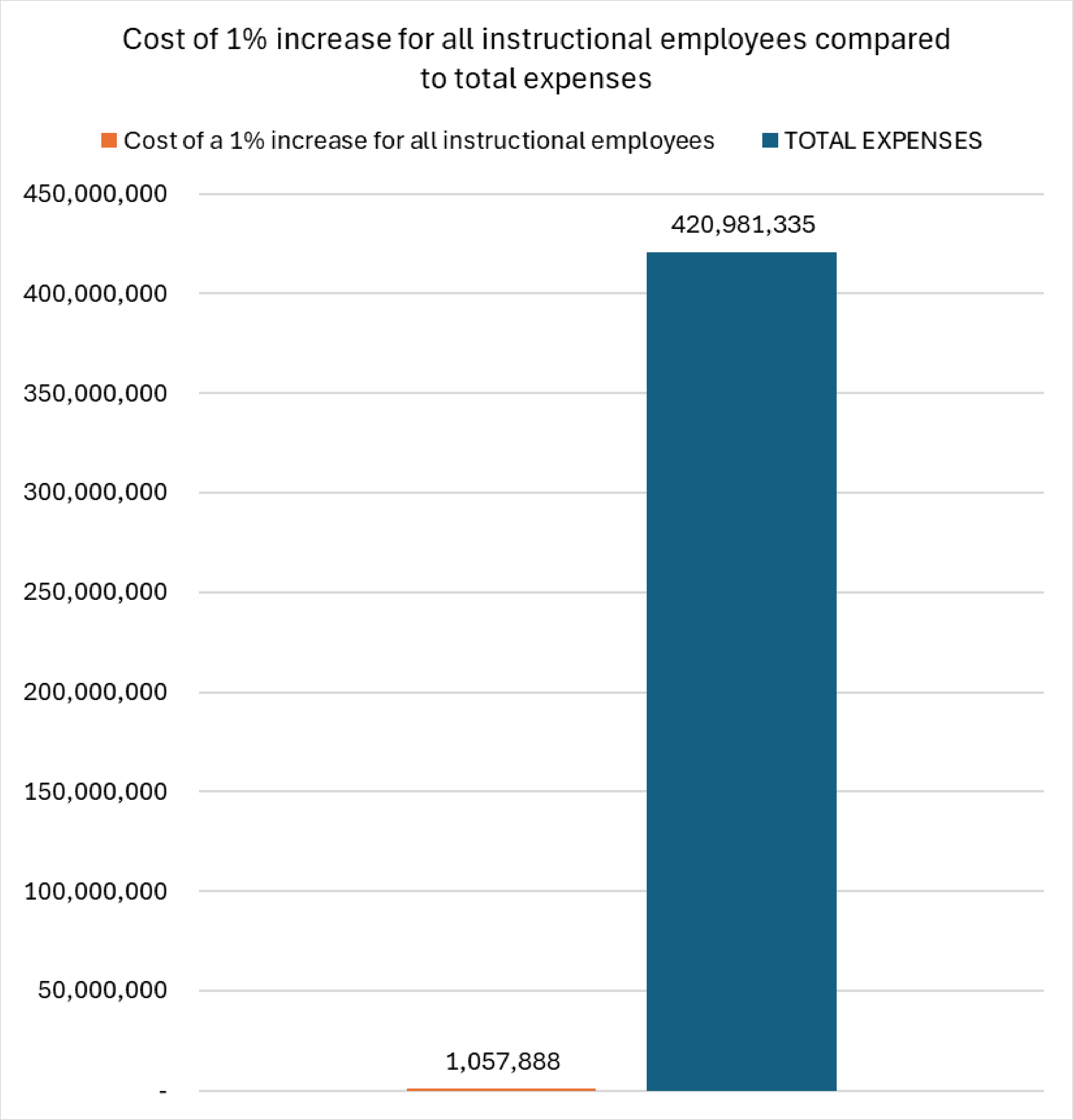

Each 1% increase in total salaries and wages for all instructional employees reported for 2023-2024

$1,057,888

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Conclusion

Conclusions (1 of 2)

Hofstra's financial position is strong

- change in net assets have been positive in 5 of the past 6 years
- net assets reached a new high in FY24
- financial ratios are strong
- unrestricted revenue is greater than expenses in 5 out of 6 years
- cash flow from operations has been positive in 5 out of 6 years
- the bond ratings are strong

Endowment

- the endowment reached a new high of $925 million in FY24
- it appears that there was at least one large transfer of funds into the endowment from the institution

Enrollment

- positive signs for the future include recently growing enrollment and increasing net tuition and fees
- however, there are questions to address about Fall 2026

Conclusions (2 of 2)

Staffing and Salaries

- unequal changes in spending on salaries in various functional areas
- number of full-time faculty has remained relatively steady for the past several years. However, the number of librarians has declined
- average faculty salaries have lost substantial buying power in the past 5 years due to salary increases that did not keep up with inflation
- each 1% raise for all of the instructional faculty at Hofstra University would cost approximately $1 million
- The cost to provide a reasonable wage increase to restore buying power relative to inflation for the faculty would be a relatively small investment for a financially strong and healthy institution
- The faculty serve the core mission of the institution, to educate students. Therefore, an investment in faculty is an investment in the education of the students

QUESTIONS?

Bonnie Fox Garrity

foxgarrity@gmail.com

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