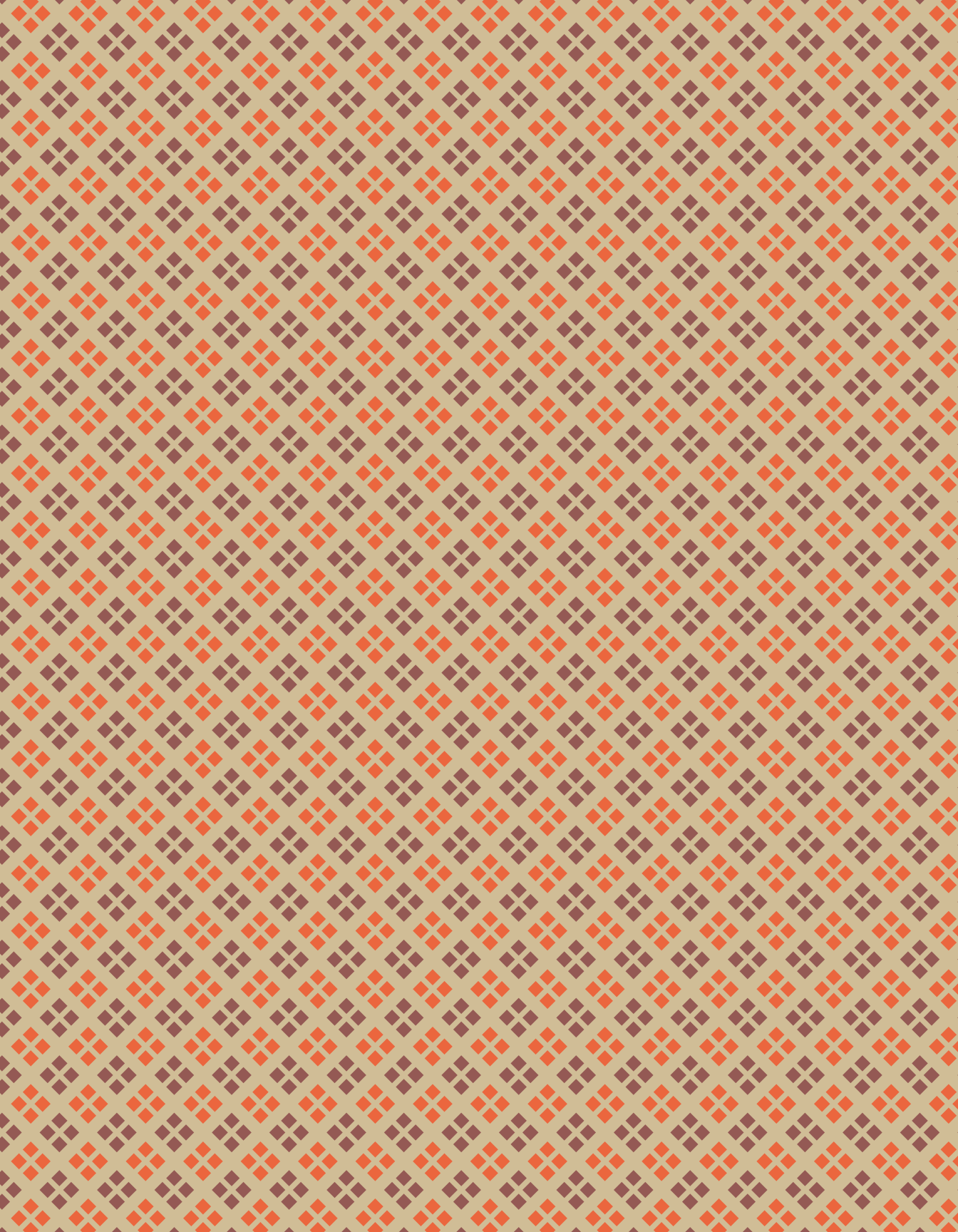


IT'S WORKING

2019 Report
for Alumni & Friends

ST. JOHN'S COLLEGE



You told us that you care deeply about St. John's College but that a lot needed to change. You said that tuition was too high. You were concerned about student support and worried that our rigorous Program, which changes lives so profoundly, was sometimes undertaken at the expense of life balance or mental and emotional health. You felt that students were too often left to their own devices to assemble the pieces of their post-graduation plans. You told us all of this and more. We heard your concerns and we acted to help fill the gaps that you identified. And then we took a leap of faith. We asked you to partner with us so we could lift those goals from the written page to the real world, a process not unlike the one we demand of our students. You accepted that partnership ... **and it is working.**

Dear Alumni & Friends,

We learn by questioning deeply held assumptions.

That's what history's greatest thinkers did when they put long-standing ideas to the test, often breaking through boundaries that few dared to breach. It's what we encourage our students to do when we ask them to challenge those very same thinkers.

A college that champions that kind of intellectual risk-taking should be willing to accept its own share of scrutiny.

We did; and we asked for your help in bringing clarity to our challenges. You answered, and we listened, revising many long-standing assumptions in the process. And we are confident that this partnership is taking St. John's to an even better place.

The annual report you have before you will therefore be celebratory, and justifiably so. We have made significant progress. We've had to embrace changes that were challenging in many ways. We've had to dig deep and make sacrifices. It has not been easy. It has not been comfortable.

But it is working.

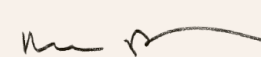
Those of us who come to St. John's every day see it working. We see it in the surging number of applications from high school students who want to attend Summer Academy. We see it when students share the news that their resumes are getting attention, that prospective employers are eager and curious to know more about a St. John's education.

We see it when students share their excitement over intellectual accomplishments, like surviving their first Don Rags or successfully presenting a senior oral. We see it in their faces when they row down College Creek or make it to the top of Atalaya Mountain.

Perhaps most strikingly, we witness it in the feedback we hear from our colleagues in higher education, when they tell us that our bold move to reduce tuition is garnering significant new attention for St. John's. Look no further than the decision made by *Education Dive*, a leading education news publisher, to name us "Four-Year College of the Year."

Now is not the time for complacency, however. We still have much more to accomplish together. The headwinds facing higher education are growing stronger. So let's celebrate—and let's keep going.

Gratefully,



Mark Roosevelt
President, Santa Fe



Pano Kanelos
President, Annapolis

A lot changed at St. John's in 2019.

*(Our tuition went down.
Our enrollment went up.)*

Yet much remained the same.

*(Our unwavering commitment
to the integrity of the Program.)*

It's working, and others are noticing.

THE WALL
STREET JOURNAL

THE WASHINGTON
POST

INSIDE
HIGHER ED

SANTA FE
NEW MEXICAN

U.S. NEWS &
WORLD REPORT

THE
GUARDIAN

THE HILL

INSIDE
PHILANTHROPY

NPR

THE NEW
YORK TIMES

THE BALTIMORE
SUN

ALBUQUERQUE
JOURNAL

EDUCATION
DIVE

LOS ANGELES
TIMES

BALTIMORE
BUSINESS JOURNAL

THE CHRONICLE OF
HIGHER EDUCATION

BUSINESS
WIRE

AMONG THE EXTENSIVE MEDIA COVERAGE WE RECEIVED IN 2019, ONE DISTINCTION STANDS OUT FROM THE REST:

St. John's College named "Four-Year College of the Year"

By *Education Dive*, a leading K-college education news publisher

The 2019 Dive Awards recognize the top innovators and disruptors in higher education. In particular, St. John's College was chosen because of the aggressive actions we took to reduce tuition, implement the new financial model, contain administrative costs, and reduce debt.

Furthermore, *Education Dive* notes that by exhibiting fiscal restraint while maintaining our focus on students, we have distinguished St. John's from a slew of institutions that have simply reduced tuition without making structural changes.

Winners were chosen by the editors of *Education Dive* based on thorough and independent research, reporting, and analysis. This is important to note, because it means they weren't basing their decisions on what we told them. They investigated for themselves. They looked at what we've done, what we continue to do, and what we've overcome. They scrutinized us as diligently as we've scrutinized ourselves.

WHY WE WON

How did our nation's third oldest college become the most innovative college in America?

- ♦ Tuition reduction
- ♦ New philanthropy-driven financial model
- ♦ Our resistance to passing trends
- ♦ Our commitment to our academic Program rather than lavish facilities and fancy amenities
- ♦ Fiscal restraint, including our ongoing efforts to reduce debt and contain administrative costs

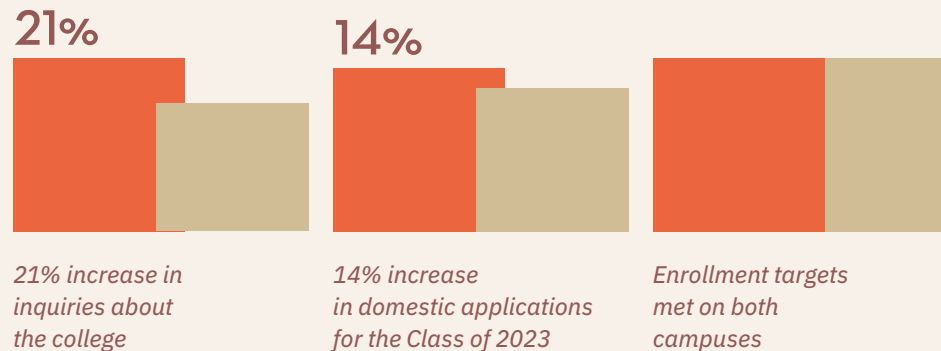
"The people and organizations that win the Dive Awards are trailblazers and leaders in their markets."

Davide Savenije
Editor-in-chief of *Education Dive's* publisher, Industry Dive

ADMISSIONS & ENROLLMENT ARE UP!

You told us quite clearly what we could do to attract more students to St. John's: bring tuition back down to earth; place it within closer reach of average families; make our cost structure clearer and more transparent to families; and simplify the archaic and Byzantine process of tuition discounts.

We acted on your concerns with a dramatic tuition reset that reduced our price tag by one-third, and this fall we welcomed the first incoming class to benefit from this new model. Despite a competitive environment in which 64 percent of our peers in the Small Colleges Consortium saw enrollments decline, we bucked the downward trend and achieved an increase in applications and enrollment.



IT'S WORKING

Summer Academy, our program for high school students and our most reliable pipeline for new Johnnies, achieved its highest participation ever. Applications surged by more than 50% and attendance grew by more than 40%.

An early-admissions option for the Class of 2024 will allow prospective Johnnies to apply to St. John's months ahead of the traditional schedule, bringing us in line with the best practices of other top liberal arts colleges.

79% of January freshmen returned for sophomore year in Santa Fe—a dramatic turnaround from previous years, when retention for this cohort hovered around 50%.

Consistent with our commitment to accessibility and affordability, tuition will remain frozen at \$35,000 for the 2020–2021 school year.

THIS TURNAROUND IS THE DIRECT RESULT OF YOUR FEEDBACK, YOUR GUIDANCE, YOUR PARTNERSHIP, AND YOUR GENEROSITY.

WE STILL FACE SIGNIFICANT HEADWINDS.

Beginning in 2026, the number of high school students will start to decline as children born during the 2008 recession reach college age. The decline will be steep, with an estimated 15 percent drop in the college-bound population.

Census information tells us that this cohort will not only be smaller, it will also include more students who are the first in their families to attend college and more students from financially disadvantaged communities.

We know what is coming, and we're taking steps to deal with it. We took the first step—a huge step—with our tuition reset.

But tuition costs are still a roadblock for many students. This makes the success of our capital campaign, retention initiatives, and enrollment strategies all the more important.

Through the Freeing Minds campaign, we're growing our endowment in preparation for the challenges ahead. This will help us to create more affordable pathways to St. John's and keep our distinctive education accessible to students from a wide variety of backgrounds.

CLASS OF 2023

- ◆ 92% receive some form of financial aid from the college
- ◆ 29% students of color
- ◆ 23% Pell Grant recipients
- ◆ 14% first-generation students
- ◆ Students represent 43 states and 14 countries

CHARTING A PATH TO ST. JOHN'S IN A HISTORICALLY UNDERSERVED REGION

In fall 2019, the Santa Fe campus welcomed our inaugural cohort of Southwest Scholars, who came to St. John's via a new donor-funded pilot program designed to recruit Johnnies from the American Southwest, namely Arizona, Colorado, New Mexico, Oklahoma, Texas, and Utah.

Students who matriculate from partnering high schools receive an annual \$5,000 scholarship to attend St. John's in Santa Fe for four years. In addition, one high school junior per year from each participating school will receive a full-tuition scholarship to our Summer Academy in Santa Fe.

Teachers at participating schools will also be eligible for an annual half-tuition scholarship to attend the Graduate Institute over the course of four summers, and one teacher per year will receive a full-tuition scholarship to attend Summer Classics. These educators will then promote St. John's and serve as advocates for our distinctive pedagogy within their own schools.

The Southwest Scholars Partnership is part of a targeted effort to spend our admissions dollars more wisely while assisting students in a region that has traditionally been underserved by liberal arts education.

Already 20 schools have signed agreements to become Southwest Scholars partners, which will allow us to deepen our relationship with the faculty, administration, and students at each of these schools.

GREAT THINKERS AREN'T FENCED IN BY GLOBAL BORDERS

Thanks to an anonymous alumni gift in 2019, students who come to St. John's through the Davis United World College Scholars Program are guaranteed a full-tuition scholarship.

Having already earned an International Baccalaureate diploma at select high schools around the world, Davis Scholars are intellectual adventurers—at home in discussion-based classes and comfortable with diverse perspectives. Classic Johnnie qualities.

This partnership is especially significant because the number of international students attending schools in the United States is declining precipitously. We are already seeing signs of this emerging trend at St. John's. While our domestic applications were up 14 percent—a remarkable accomplishment considering that applications were *down* nationwide—we saw fewer applications from international students.

The partnership with UWC will not only aid in our long-term strategy to attract more international students, but will also yield immediate financial benefits. Each Davis Scholar who enrolls at St. John's arrives with \$10,000 in funding from the Davis Foundation. Once we have enrolled 40 Davis Scholars, that figure increases to \$25,000.

We currently have 17 Davis Scholars enrolled at St. John's and are diligently reaching out to students at participating schools.

LIFE OUTSIDE THE SEMINAR

A St. John's education can only be realized face-to-face, among a community of co-learners who support one another inside and outside the classroom—and who feel equally supported by the college.

That means ensuring that each campus offers a safe and welcoming environment: one where every student is valued; every voice is heard; and mental, emotional, and academic challenges are treated with the care and concern that they warrant.

This has not always been a priority for St. John's, and alumni voices alongside our student retention rates have long told the story.

Things needed to change.

Enhancing the student experience has moved to the top of our priorities. Although much work remains to be done, we have taken decisive steps to create a campus environment where students want to live, study, work, play ... *and stay*. For all four years.

*To see student life in action,
follow our campus Instagram accounts.*

@sjcannapolis

@sjcsantafe

IT'S WORKING

Both campuses dramatically broadened student access to on-campus mental health services, adding:

- ♦ More individual and group counseling
- ♦ More student support groups
- ♦ Expanded hours of availability

Both campuses are in the pilot phase of a student advising program aimed at improving retention rates while further strengthening the bonds between students and tutors.

All employees are now required to complete Title IX training on the prevention of sexual misconduct. In addition, students are required to complete Get Inclusive training, which empowers them to foster a safer and more welcoming environment.

Community life continues to thrive on the Annapolis campus. A third of the student body participates in the Fine Arts Program, while half are active in intramural sports, ranging from basketball to handball to Ultimate Frisbee.

The Outdoor Program, which takes students into the rugged Southwest wilderness, has experienced substantial growth in Santa Fe, with the Freshmen Wilderness Orientation program reaching its highest participation ever.

Peer-to-peer student support services are on the rise. For example, the new student-led Math Lab in Santa Fe routinely attracts 20–30 students a week.

THE VIRTUOUS CIRCLE

Raising retention rates on both campuses is the college's newest strategic initiative, which, if successful, will bring mutually reinforcing gains on multiple fronts.

National rankings improve

Increase Retention

When we provide students with a campus where they feel heard and supported, we increase the likelihood that students will complete the journey from convocation to graduation.

1

Increase Total Enrollment

When students want to stay and do stay, our total enrollment figures increase along with our rankings in the national press and respected college guides.

2

Net tuition revenue increases

Increase Graduation Rate

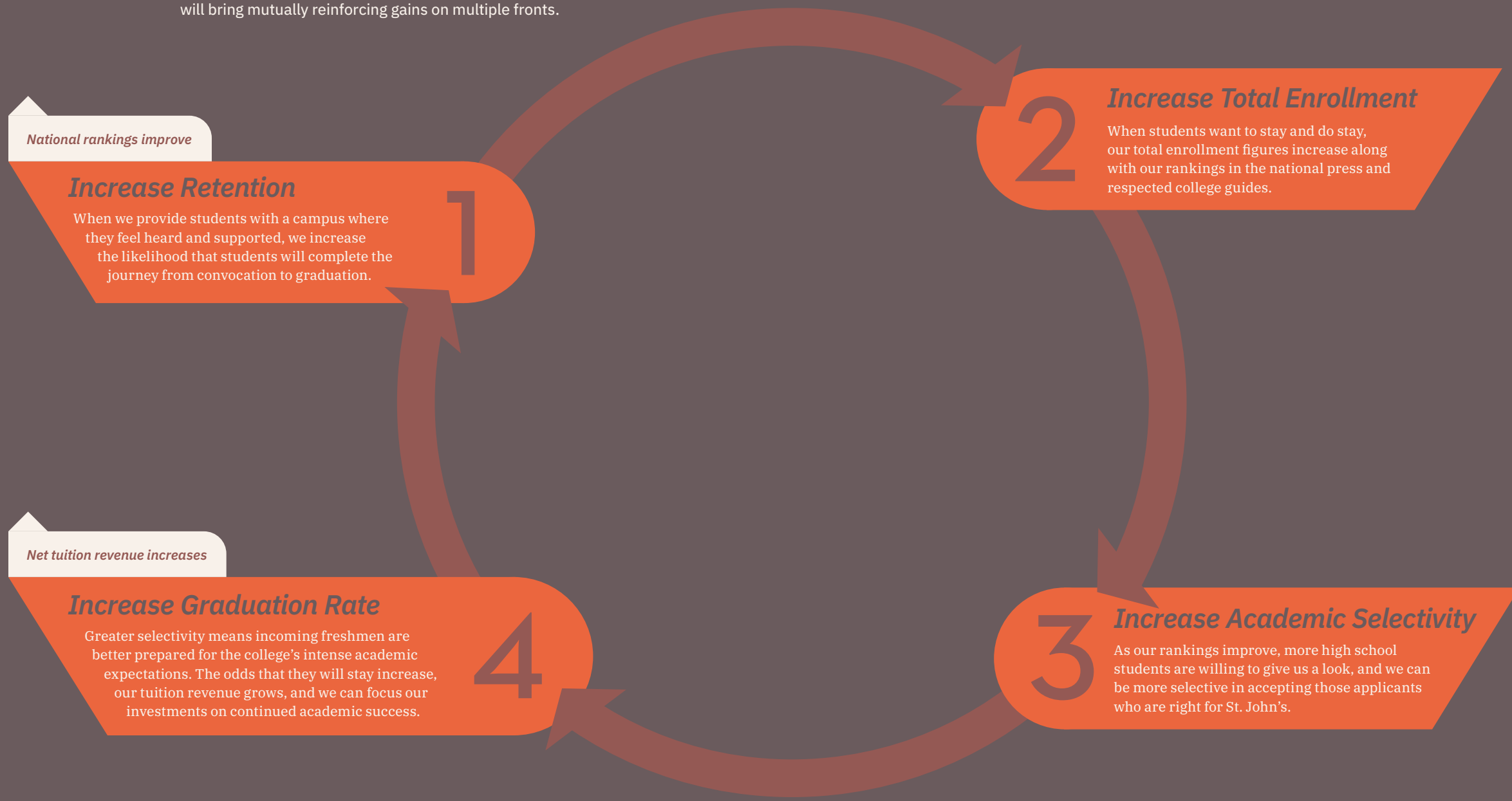
Greater selectivity means incoming freshmen are better prepared for the college's intense academic expectations. The odds that they will stay increase, our tuition revenue grows, and we can focus our investments on continued academic success.

4

Increase Academic Selectivity

As our rankings improve, more high school students are willing to give us a look, and we can be more selective in accepting those applicants who are right for St. John's.

3



STEPPING INTO THE FUTURE

Through a variety of initiatives on both campuses, we are preparing students to carry the lessons of the Great Conversation into their post-graduation lives.

We recognize that this is an area where we have not always provided sufficient support and services.

So we have made this a priority. Resume workshops, mock interviews, networking events, and other initiatives are helping students to explore their options, assemble a plan, and convey the richness and breadth of their St. John's education in ways that employers and graduate schools can understand and appreciate.

Students are telling us ... it's working!

Internships give students a taste of real-world work experience while fellowships enable them to dive deep into areas of potential post-graduate study.

"I feel more prepared to work at and cherish my senior year—and less filled with dread about what lies beyond."

Dorothy Diaz-Sullivan (A20) Fellowship
University of Massachusetts Boston

"I learned that scientific research requires that one constantly be asking questions for which there is no known answer."

Lillian Scanlan (A20) Internship
University of Buffalo

"Here, in the same building in which Galileo worked, my peers and I asked each other the most crucial questions known to any student of the Liberal Arts: What is beauty? What is love?"

Madeleine Pugsley (SF22) Fellowship
Rome Institute of Liberal Arts

"I came to the realization that the satisfaction that comes from work comes from being able to identify a human problem and play your part to solve it."

David Adah-Ogoh (SF22) Internship
Global Rights: Advocates for Sustainable Justice

IT'S WORKING

Through donor support, St. John's awarded internships and fellowships to approximately 100 students this past summer.

More than 70% of Johnnies pursue post-graduate study at universities as wide-ranging and prestigious as Harvard, Oxford, Princeton, and Carnegie Mellon.

100% of Johnnies who have applied to law school in the last three years have been accepted.

50% of Santa Fe students are participating in TELOS, a four-year life-skills curriculum aimed at helping Johnnies to prepare for post-graduation success.

St. John's is in the top 4% of colleges producing PhDs in the humanities, journalism, business, science, and engineering.

Recent graduates have secured positions with such influential organizations as Google, NPR, Reuters, and the MD Anderson Cancer Center.

Led by alumni volunteers in Annapolis, the Center for Entrepreneurship in the Liberal Arts guides students through the process of launching start-up enterprises.

INCREASED TRANSPARENCY BETWEEN THE COLLEGE AND OUR ALUMNI HAS LED TO INCREASING TRUST.

St. John's has worked diligently in recent years to increase communication between our alumni and college leadership. Our goal has been to acknowledge past missteps while shining a light on new opportunities. Throughout this work, we have been guided by the belief that our alumni and friends would respond to our increased openness and rise to the challenge of helping safeguard our future. Today, trust between the college and our alumni has grown significantly, thanks to a number of communications initiatives, which have included:

Our 2017 Annual Report, which opened a frank and hard-hitting discussion about the college's financial challenges. It also previewed the coming capital campaign and made the case for why alumni involvement was so crucial.

Our 2018 Annual Report, which recapped our *Freeing Minds* campaign launch, previewed the alumni-developed brand launch, and laid out a vision for the future.

Our 2019 Annual Report, which shares how well our partnership with you is working, while also outlining the economic and demographic challenges ahead.

Increased collaboration between our Board of Visitors and Governors (BVG) and our alumni. Efforts include four years of highly detailed post-meeting email updates by the BVG and a combined annual meeting of the BVG and the Alumni Association Board.

Alumni surveys, focus groups, JohnnieCasts, and JohnnieTalks on: Tuition pricing, campaign development, visual identity, campus culture, academic and mental health support, and career services.

INCREASED TRUST BETWEEN THE COLLEGE AND OUR ALUMNI HAS LED TO INCREASING SUCCESS.

Our transparency and communications initiatives have paid off, as our community has stepped up to help steer our ship through a number of strong headwinds. Not only are major gifts coming in at record rates, our small and mid-sized donor pool has been inspired and activated. We have seen record alumni participation in a number of areas, including:

Volunteerism

247 alumni are actively serving St. John's as volunteers.

Class Giving Challenges

Alumni are increasingly challenging their classmates to giving challenges—and then meeting those challenges.

Annapolis Homecoming

346 alumni came back to celebrate, an increase of 25%.

Armillary Sphere

The Santa Fe Class of 2004 reached its fundraising goal and presented the Santa Fe campus with the only functioning armillary sphere of its kind in the world.

SJC Connect

Our online alumni networking site topped 3,700 users.

WHAT IS DRIVING OUR PROGRESS?

YOUR PARTNERSHIP.

YOUR GENEROSITY.

\$212.1M RAISED* TOWARD A \$300M GOAL FOR THE FREEING MINDS CAMPAIGN.

In the fall of 2018, St. John's publicly launched the *Freeing Minds* campaign, aimed at keeping the most rigorous education in America accessible and affordable. We challenged you to help raise \$300 million to address three priorities that are critical to meeting the needs of current and future Johnnies: the financial stability of the college, the growth of our endowment, and improvements to our campus.



WINIARSKI FAMILY FOUNDATION CHALLENGE

The Winiarski Family Foundation will continue to match new and additional gifts to the campaign with a dollar-for-dollar contribution to the St. John's endowment until the \$50M match is reached.

\$21.9M

MATCHED*

FY19 ANNUAL FUND: ANOTHER EXCEPTIONAL YEAR

\$3.3M

RAISED WITH GOAL EXCEEDED BY MORE THAN \$500,000

\$1M

RAISED FROM GIFTS UNDER \$5,000 FOR THE FIRST TIME EVER

25%

INCREASE IN DONOR PARTICIPATION

GIVING TUESDAY: MORE RECORDS BROKEN

25%

INCREASE IN TOTAL RAISED

48%

INCREASE IN DONORS

\$125,821

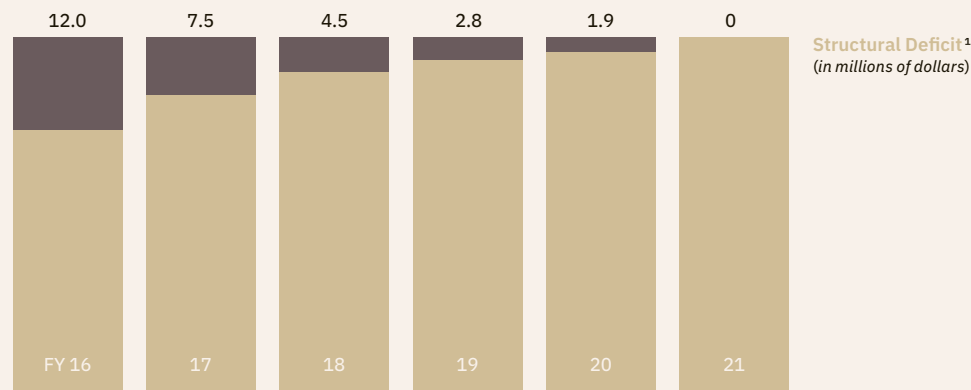
RAISED FROM 532 DONORS

* As of December 31, 2019.

IN TWO YEARS, OUR STRUCTURAL DEFICIT WILL BE GONE.

As the chart below indicates, the college continues to operate with a deficit.

It is important, however, to view this in perspective: In 2016 our deficit stood at \$12 million, the unfortunate consequence of increased expenses and lower student-derived revenue. We acted aggressively to forestall a worsening situation and reverse course. Today our deficit stands at \$2.8 million, substantially below our \$3.9 million deficit goal for 2019. The college remains on track to achieve a balanced budget by FY2021, contingent upon our continued fiscal prudence, modest enrollment growth, and an improved rate of student retention—as well as continued support for the *Freeing Minds* campaign.

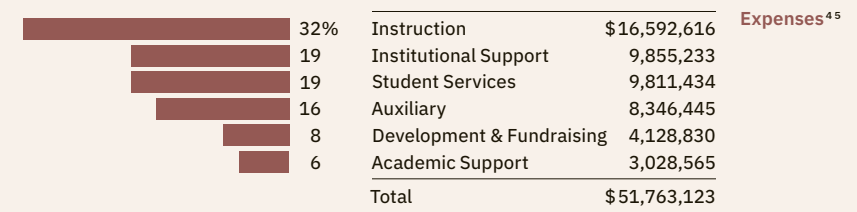
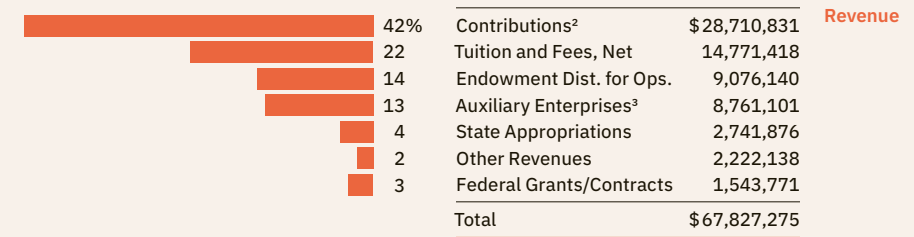


1. Based on an approximate annual operating budget of \$46M. Fiscal years 2020 and 2021 are projected.
 2. Includes cash and pledge commitments received within the fiscal year (7.1.2018–6.30.2019). Includes \$13.6M from The Winiarski Family Foundation pledge matching grant.
 3. Auxiliary Enterprises: Room and board comprise the majority of this line item.
 4. Includes college-wide depreciation and post-retirement medical expenses of \$3.61M and \$3.97M, respectively.
 5. Instruction: Tutors, Laboratories, Lectures, Community Programs, GI Tutors, Summer Tutors, January Freshman Tutors, Study Abroad, Mellon Grants; Institutional Support: College-wide Operations, Treasurer's Office, Information Technology, Public Safety, Human Resources, President's Office, Office Services; Student Services: Career Services, Internships, Health Services, Counseling, Assistant Deans, Admissions, Graduate Admissions, Registrar, Student Activities, College Activities, Athletics, GI Council, Student Polity; Auxiliary: Dining Hall, Conference Services, Bookstore, Print Shop Depreciation; Development & Fundraising: Alumni Office, Development Office, Board of Visitors & Governors, Communications, Website, Advancement Services, Events; Academic Support: Dean's Office, Library, GI Office.

IF WE HAVE A DEFICIT, WHY IS THERE A SURPLUS?

Although our audited financial statements indicate a surplus, we continue to operate with a deficit. The primary reason for this discrepancy is that our audited financial statements include forms of income that are not immediately available for use. Multi-year pledges to the *Freeing Minds* campaign constitute the most prominent example. These commitments, while exceptionally generous and important, do not directly benefit our operating budget until the pledges are fulfilled and cash is received.

Despite our existing (but improving) deficit, our financial statements paint a much rosier picture for the college. Amid a nationwide trend of declining student-derived revenue, we achieved a net increase. This result is partly due to the boost in applications and enrollment resulting from increased media attention and our tuition reset, along with a small reduction in the number of students seeking financial aid. The increase might be modest, but in the current climate, it is nevertheless a strong indicator that our new philanthropy-driven financial model is steadily moving St. John's to a position of greater strength.



WHAT'S ON OUR MINDS NOW?

A message from the Board of Visitors and Governors

Dear Alumni & Other Friends,

Yes, we have come a long way.

As you've seen in this report, we've achieved remarkable progress in several areas through innovative problem-solving. Enough, in fact, to earn us the title of Four-Year College of the Year. St. John's College, the third oldest college in the nation, is now seen as an industry disruptor!

But there are challenges ahead. In particular, demographic challenges: we can no longer count on growth in the college-age population to continue. It is estimated that by the year 2029 the college-bound population will have shrunk by 15 percent.

Small liberal arts colleges are perhaps the most vulnerable. Many of our peer institutions have already fallen by the wayside, shutting their doors after decades, even centuries, of educating students. Demographic realities are indifferent to tradition.

So what do we do with the wind at our face? How do we keep this college on the path to success in the next twelve months? By focusing our energies on five primary areas:

- 1 Improved retention rates.** Supporting struggling students and enhancing the campus experience are among our most important priorities. St. John's will never be ideal for everyone. The Program is not intended to be easy. Some students will leave. But we can and will do more to maintain a supportive infrastructure. Doing so will raise our retention rates and yield benefits for the college as well as the students.
- 2 Admissions growth.** To keep our enrollment up, we cannot assume that those who need us will find us. We have to go to them. Southwest Scholars and our partnership with United World College Davis Scholars

are important avenues of outreach and will become even more so in the years ahead.

- 3 The Graduate Institute.** We must commit to the growth of our Graduate Institute, which is less dependent on a specific demographic cohort. This will be an area of significant focus over the coming year.
- 4 Campus improvements.** Campus improvements must proceed, along with deferred maintenance projects that, if left unaddressed, will only worsen.
- 5 Endowment growth.** Finally, we must continue to grow our endowment, which is inarguably the bedrock of our future and the primary means by which a St. John's education becomes accessible to students who cannot otherwise afford us.

How will we accomplish all of the above? We will communicate regularly and honestly on our progress. We will continue to listen to your input. We will need your support! Besides the obvious (your generosity), we need your assistance to communicate the value of the Program to prospective students, parents, and opinion leaders. With your active support we can overcome the national demographic decline by connecting with a few hundred qualified new students each year, ensuring our campus populations stay robust. We will continue to push forward in partnership and with thanks to all our supporters.

Gratefully,



Ron Fielding
Chair



Pam Saunders-Albin
Vice Chair

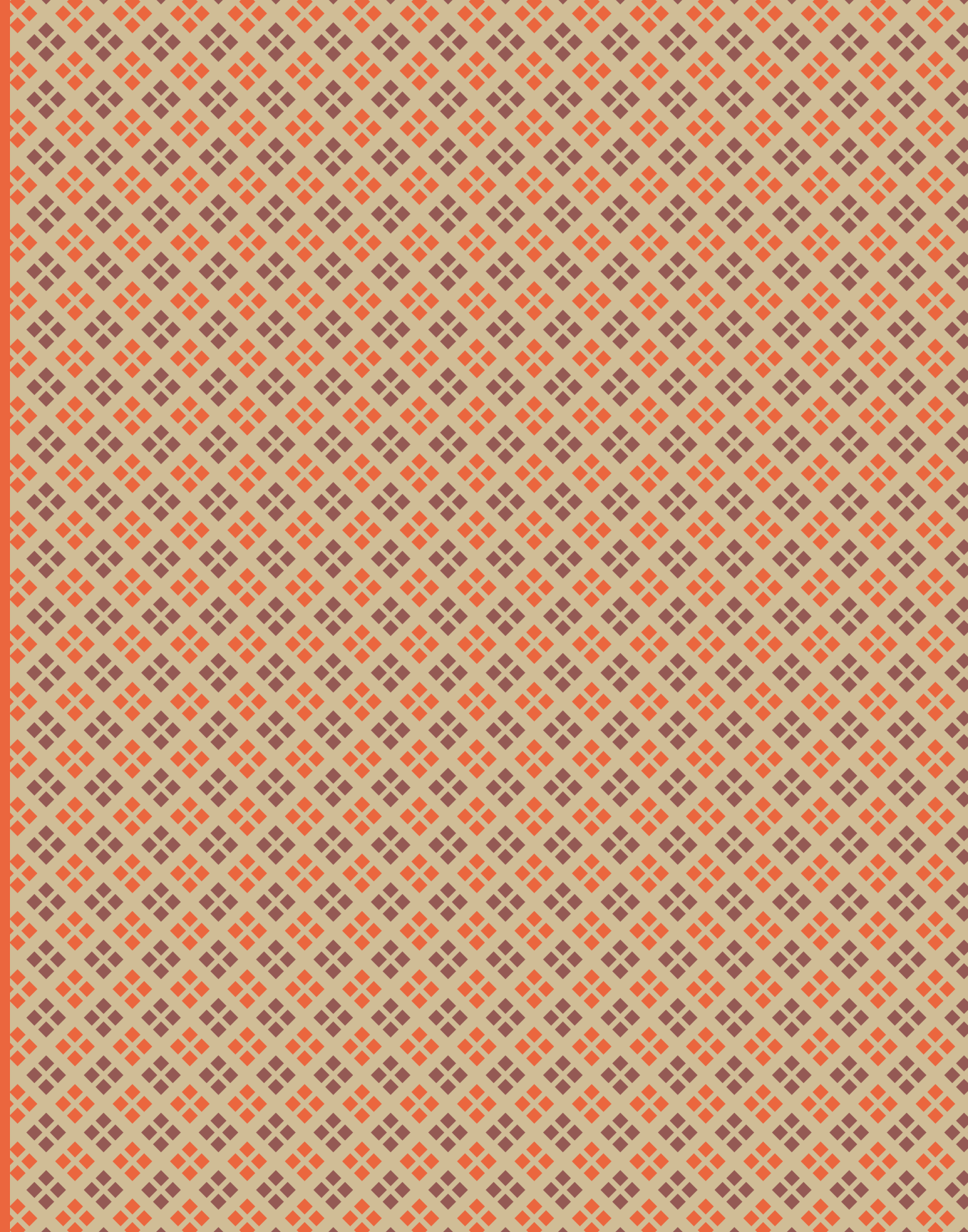


ST JOHN'S College

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Santa Fe, New Mexico 87505
505-984-6000

FREEINGMINDS.SJC.EDU





PARTNERSHIP

FREEINGMINDS.SJC.EDU