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President Georgia Nugent on Masking and Financial Gains in 2021

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WGLT Sound Ideas Interview with IWU President Georgia Nugent, February 25, 2022

Jon Norton: 2021 was a good year for finances at Illinois Wesleyan University in Bloomington. The endowment grew by more than 30 percent costs were down and pandemic aid helped a lot. That's according to University president Georgia Nugent who speaks now with WGLT's Charlie Schlenker. Nugent begins by saying unlike Illinois State University and Heartland Community College her campus will hold off on ending mask mandates for just a little bit.

Georgia Nugent: I am more cautious. I would like to see what the result of that is. So if it's steady state after that fine. If both in McLean County and on campus there is a sudden surge after tossing masks then I would like to have been on the cautious side. We will actually continue the masking protocols that we now have. We will have a relevance surveillance-testing day on March 9th at that point I feel we would have a sense we would have data about what the outcome of the mask mandate being lifted is. Interestingly our spring break begins on March 11th. So the students actually the student senate has indicated that they would be happier not lifting the mandate until we come back from spring break and potentially even a little bit after that. The reason being that every time we have returned from a break we have seen some size of a surge. So for the moment were holding steady but I fully assume that we will at some relatively near point begin move to what many of our sister institutions are doing probably retaining for a while masking in close environments like the classroom and not in more ventilated less populated environments like walking around campus and so forth.

Charlie Schlenker: What about testing or vaccination requirements at some point does Illinois Wesleyan treat this like it does all other childhood immunizations and say it's not just if you don't vaccinate you test but you must vaccinate to be on campus

Nugent: I think that probably the case you are absolutely right there is an analogy there other diseases or other issues for which we require vaccination at this point I do not see us requiring boosters in the course of this academic year what will happen in the coming academic year I can't predict at this point I think it's very likely that we will begin to see these boosters as just a normal process like you get a flu shot or whatever

Schlenker: Um, according to a study an annual study on endowments the average one year return last year was 30.6% that up from 1.8% the year before in peak pandemic we can throw out the variance I guess Illinois Wesleyan was just over that at 31 percent the value of the endowment at IWU went from \$198,000,000 to \$260,000,000 so what are you gonna do with that (Nugent laughs).

Nugent: well were not going to go on a spending splurge (laughs) we are thrilled but the endowment is not a rainy day fund it not uh a budget of which we now spend that extra 30% the way our endowment works and its pretty typical for college and universities we spend aprox. 5% to support our ongoing operations this one is extraordinary but obviously you can have volatility in the market so were talking about 1% to 30% typically it's much more reasonable than that, but to smooth out that volatility the approximate 5% we spend is based on the rolling average of what the returns have been over the past

four years. So while it's wonderful that the endowment overall has increased substantially that spending will be tempered and the amount of the endowment the capital there is tended literally to last in perpetuity, so it's a fund out of which we spend very cautiously

Schlenker: the Illinois Wesleyan endowment is about 160,000 per student, to chop the numbers slightly differently. Is that where you want to be long-term? What's the goal?

Nugent: all of us would like to be as high as possible on the front we don't partially target or focus on endowment per student the purpose of the endowment is to support all operations of the university so as you said on way you can slice and dice that is endowment per student you might look at endowment per faculty worker endowment per number of classes what have you but overall the endowment is simply tended to support all of our activities I would say uh I should put a caveat in there much of our endowment or any colleges endowment is what we called restricted that is the donor has indicated it should be spend for this purpose and this purpose only and very often that is a scholarship so a good deal of our endowment is ear marked specifically for financial aid

Schlenker: more than half of higher ed institutions 60% are boosted in endowment spending last year because of increased student needs caused by the pandemic so they may have departed from that four year rolling average what did IWU do

Nugent: yeah that's an interesting question to uh place us against the larger context our endowment spending actually went down the federal stimulus we received largely covered the extra expenses that we had for COVID we made the decision early on that we wanted to bring our students back on campus as soon as we could be we decided that the safest way to do that would be to have every student a single room we can't accommodate that in our existing facilities so we actually spend about a million dollars to house our students in one of the hotels in Normal so that obviously was a big bump in our expenses but it was covered by the stimulus money because it was directly related to covid the stimulus monies that were received by colleges and universities were typically split 50/50 by things that could cover overall expenses overall covid expenses of the college and monies that went directly to our students for their expenses so in our case because much of the covid expense was covered and we had virtually no travel we didn't have events our expenses went down dramatically so we actually had a very successful year financially and definitely didn't increase our endowment spending.

Schlenker: theres another national trend affecting how you decide spending on student aid though uh and that's the national enrollment trend uh in which falling enrollement may pressure institutions including places like Illinois Wesleyan to increase student aid spending from endowments over the long haul whats your thinking about that are you going to need to do that

Nugent: I would not see it through that lense we spend what we spend from our endowment we think of the overall support from the endowment and then within that package if you will the question for us is how to allocate the monies that we have for financial aid so in that area we have made some changes so were very conscious for example of wanting to diversify our student body so we are directing a bit more aid for example geographic areas that are likely to be more diverse like Chicago land um so its within the exsisting envelope that we are making some different decisions in aid allocation

Norton: That's Illinois Wesleyan University president Georgia Nugent. She spoke with WGLTs Charlie Schlenker.