July 2003

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A League of Their Own: Credit Quality of the Ivy League

Ivy League universities command superior market strength and substantial resource bases that should sustain strong credit quality

Summary

This special comment examines the credit factors that distinguish ten of the nation's most prestigious universities - the Ivy League (plus Stanford and MIT)[1] - from the vast majority of private higher education institutions. These include:

- Long histories of superior market strength. Ivy League universities receive so many freshman applicants such that all ten schools routinely accept fewer than a third of applicants, and half accept fewer than 15 percent of applicants;
- Substantial financial reserves amassed through stellar investment returns and fundraising throughout the late 1990s, although investment losses have more recently erased some of these gains; and
- Robust operations, driven by diverse revenue streams including strong funding for research activity.

Even with the challenges precipitated by the financial market downturn of the past three years, these ten institutions are still in stronger financial positions than they were in the early 1990s. Consequently, the Ivies are extraordinarily well situated to maintain credit quality through these turbulent times when compared to most other higher education institutions. However, this strength does not mean that the Ivies are assured of maintaining their current ratings if they fail to respond to today's challenges - volatile financial markets, a more difficult fundraising environment and growing debt burdens for campus facilities.

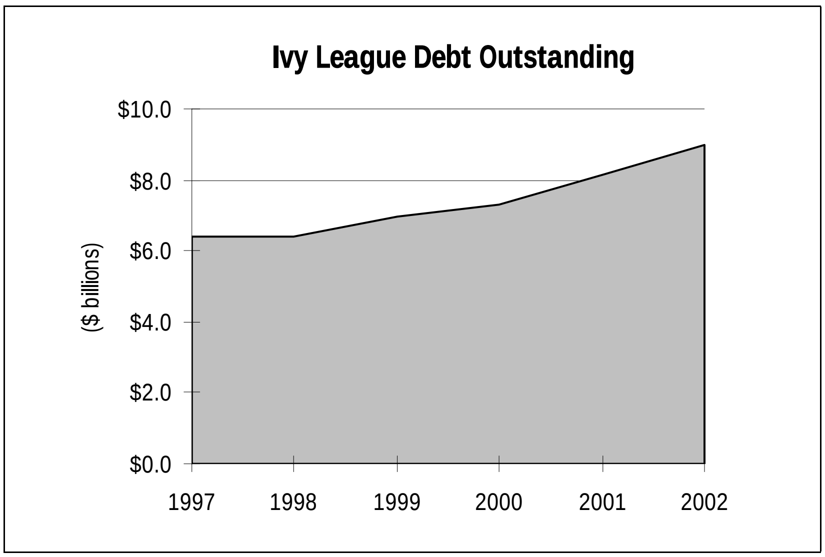
1. The "Ivy League" is officially the name of a Division I conference comprising eight of the nation's premier universities - Brown, Cornell, Columbia, Dartmouth, Harvard, Princeton, the University of Pennsylvania and Yale. In this special comment, we have also included Stanford and MIT in our analysis, due to their similarities to the eight traditional Ivy League institutions - most notably superior undergraduate and graduate student demand, substantial research activities, and large financial resources bases.

OVERVIEW OF THE IVY LEAGUE SCHOOLS

The Ivies' strengths relative to most higher education institutions are reflected in the current ratings on these institutions. Nine of the ten institutions are rated in the highest two rating categories of **Aaa** and **Aa1**. The **University of Pennsylvania** is rated **A1**, primarily due to its higher than average debt load and substantial exposure to the riskier healthcare environment through direct ownership of its teaching hospital, but it too enjoys an exceptionally healthy student market position and substantial financial resource base. Key financial strength ratios for the ten institutions included in this study are located on page 10 of this report.

Collectively, the Ivies Issue Billions of Debt

The Ivies are among the most significant issuers of debt in the private higher education sector. In 2002, their total debt outstanding exceeded $9.0 billion, accounting for more than one-quarter of all debt outstanding among Moody's rated private colleges and universities. Since 1998, Ivy League debt outstanding has grown an average of 9 percent annually, reflecting a strong pattern of new debt issuance for research, academic, and auxiliary facilities.



Even in the current environment, several of the Ivies are pursuing significant capital expansion plans, a large portion of which will likely be financed with debt. **Yale**, for example, has embarked on a $2 billion capital plan for plant renewal and improvements, a significant portion of which is expected to be funded internally through gifts and cash flow, as well as with debt. **MIT** is also in the midst of a major campus expansion plan including several new housing and academic projects.

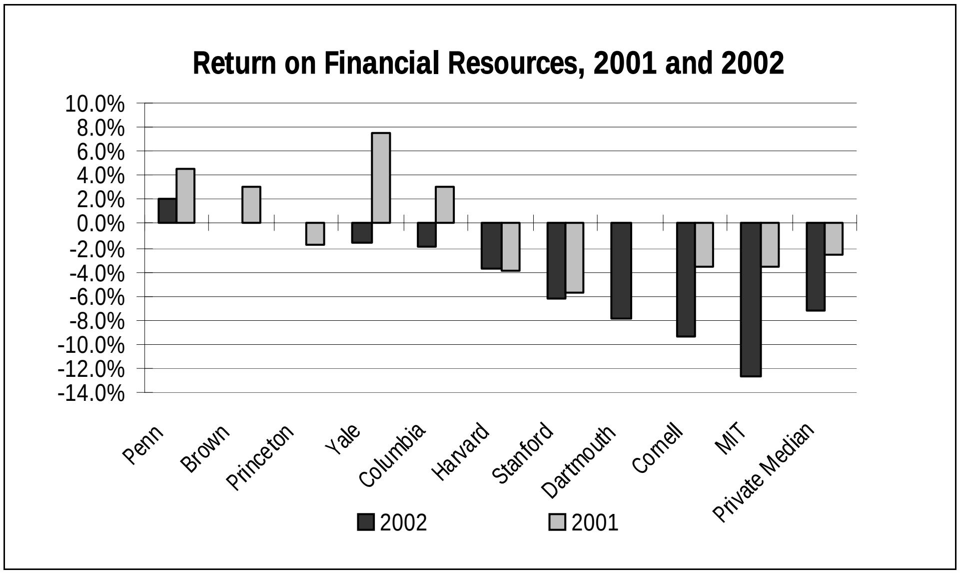
Balance Sheets Still Strong Despite Weaker Investment Returns, but Financial Markets Remain a Concern

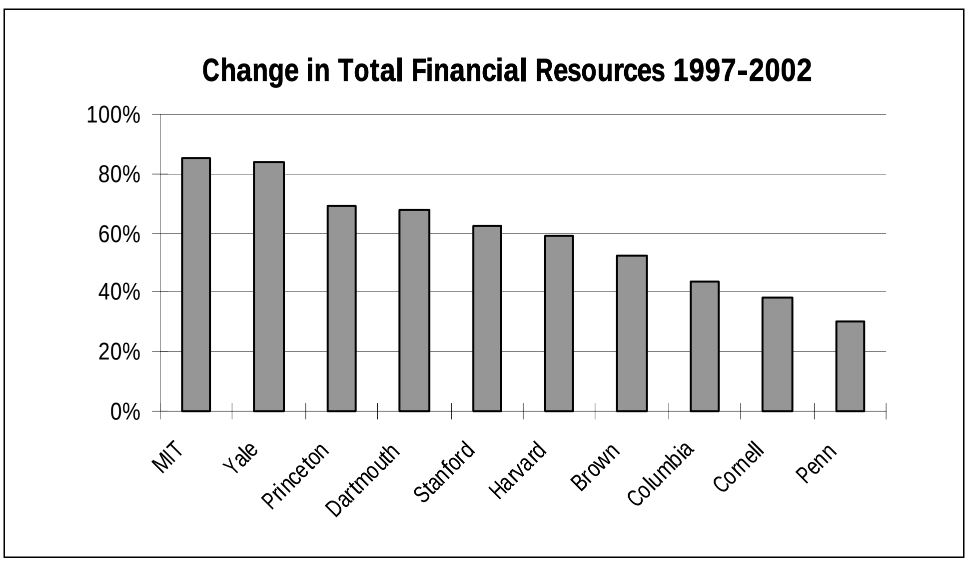
With their large resource bases and highly diversified investment strategies, the Ivies are much better able to weather current financial market volatility than many other higher education institutions. Throughout the late 1990s, strong trends in investment gains, private philanthropy, and retained operating surpluses enabled the Ivies to amass substantial expendable reserves. Several of the Ivies consistently grabbed headlines for garnering phenomenal investment returns, at times in excess of 40% as was the case for both **Yale** and **MIT**. This robust performance added considerable strength to the Ivies' already sizeable balance sheets.

Even in the volatile markets characteristic of today, the Ivies have fared better than most. With their relatively higher allocations to alternative investments, including absolute return funds, real estate, and other forms of alternative investments, which may be inaccessible to institutions with smaller endowments, these Ivies have given back less of the gains from the 1990s than the typical higher education institution. **Yale**, for example, reported a positive 9.2 percent investment return in fiscal year 2001 and a relatively flat 0.7 percent return in fiscal year 2002, compared with a median return of -3.6 percent in fiscal year 2001 and a -6 percent in FY2002 for all higher education institutions.[2]

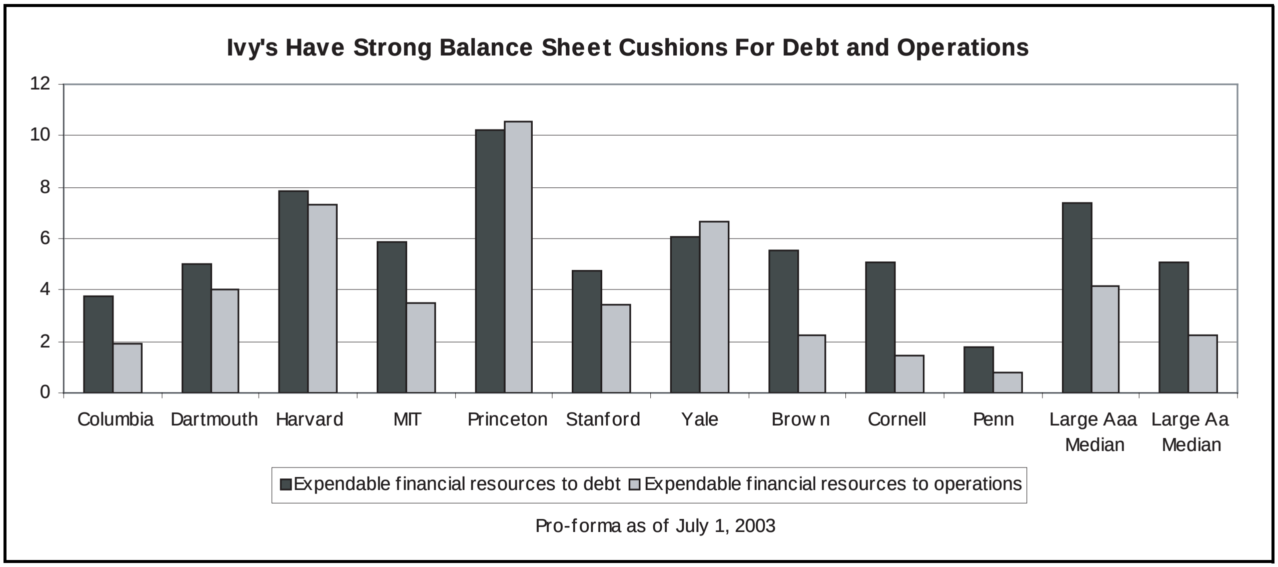
2. *Source: Yale and NACUBO Endowment Study*

However, the negative equity markets overall when combined with endowment spending have resulted in the second straight year of negative or flat returns on financial resources for most of the Ivies. Only **Penn** and **Brown** recorded a positive return on financial resources for both 2001 and 2002. Nonetheless, even with the weak returns of the past several years, the Ivies are still well ahead over a longer five-year timeframe due to the stellar returns of the late 1990s and continued fundraising strength, which have substantially boosted total financial resources since 1997.





Moody's expects that most of the Ivies will manage through this period of investment volatility and that weak investment performance alone is unlikely to lead to any credit deterioration. As the chart below illustrates, most of the Ivies have preserved a substantial financial cushion for debt and operations. Still, we believe that a protracted period of weak investment returns is the most significant credit challenge facing the Ivies. Should investment markets continue to produce negative returns, some of the Ivies may experience negative credit pressure.

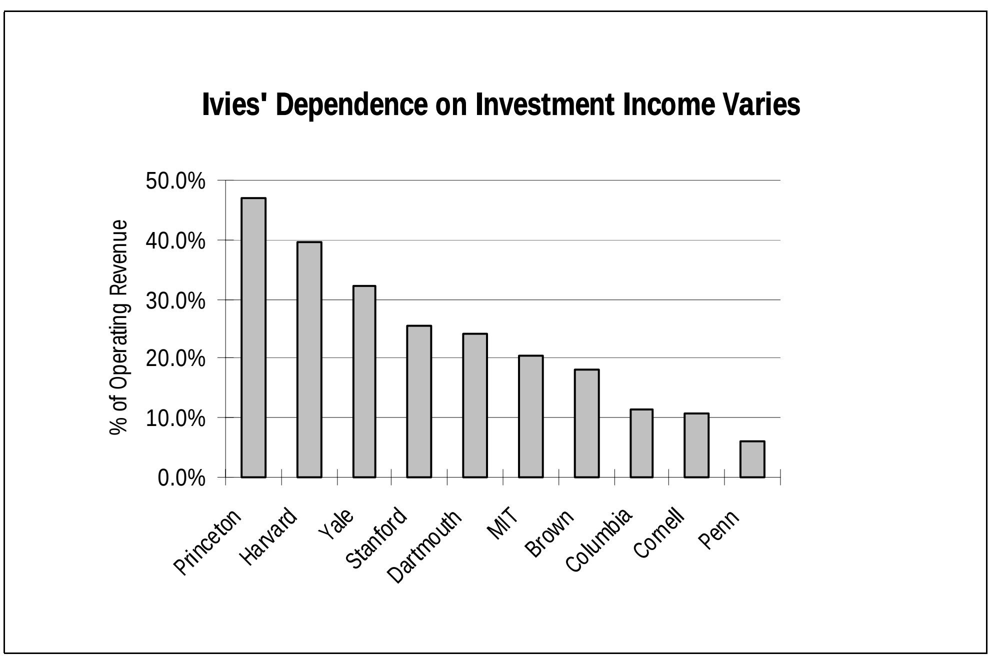


Another potential concern is that ongoing investment volatility may negatively impact the Ivies through its effect on fundraising. However, Ivy League institutions are among the strongest in the nation in their donor affiliation and history of philanthropic support. To date, we have not seen any significant decline in fundraising activities at the Ivies in the current economic environment, and we believe that donor commitment will remain exceptional over the long run. Indeed, seven of the ten Ivies actually reported an increase in giving in FY2002 of 10 percent or more.

Diverse Revenue Streams Drive Robust Operations, but Declining Investment Income may Trigger a Need for Cutbacks

Typically, the Ivies enjoy a very diverse revenue base with substantial income streams from investments, student charges, grants, and gifts, which helps to protect against a downturn in any one funding source. **Columbia** and **Stanford**, for example, do not receive more than 25 percent of their operating income from any one revenue source.

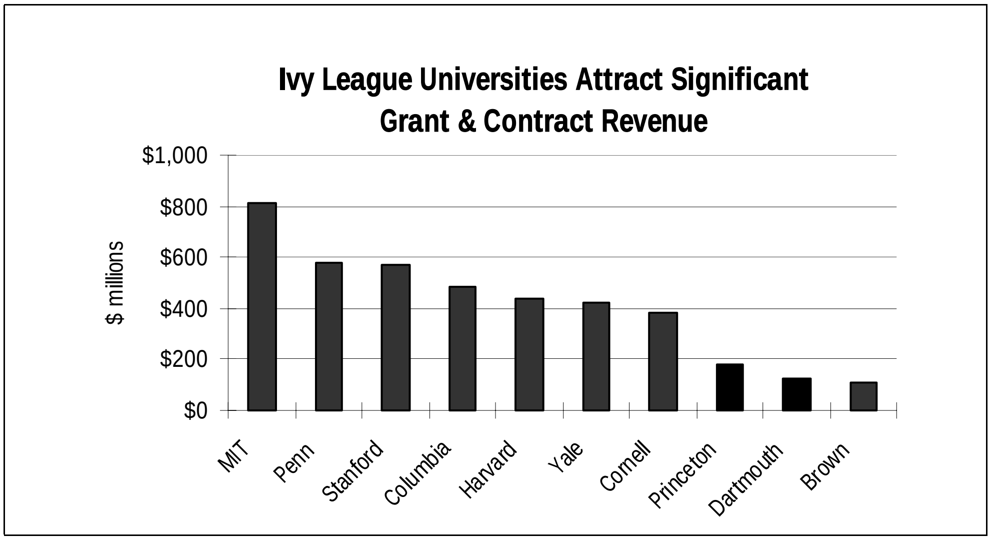
Certainly, the Ivies are now facing relatively more operating pressure than they were three years ago, as consecutive years of endowment losses begin to flow through endowment spending formulas and thereby contribute to a decline in operating revenue. **Harvard, Princeton**, and **Yale** are most dependent on investment income.



Despite the challenge of incorporating declining investment income into operating budgets, we do not expect that any of the Ivies will encounter severe operating stress, since in general operating performance is quite robust and affords each institution a great deal of flexibility to respond to external pressures. Also, many of the Ivies invested heavily in their academic programs throughout the 1990s, so we believe that they may be able to implement moderate expense reductions without negatively impacting the quality of their educational program.

Ivies Have Preeminent Research Programs

The Ivies, along with a few other large research-oriented universities, are clearly the leaders among private institutions in attracting research dollars. With the now accomplished federal push to double National Institutes of Health (NIH) funding, one of the largest sources of sponsored research for universities, the Ivies have enjoyed a significant run-up in their research activity over the recent past.



Even with a projected slowing of the rate of increase for federal research funding over the next several years, we are not expecting a sharp change in federal grant and contract activity at the Ivies at this time. The Ivies possess world-class research facilities and attract prestigious medical and other research faculty, so they should be able to at least maintain their relative market share of research dollars.

Also, many of the Ivies have diversified their sponsored research base over the past decade from federal research support through programs with industry and governments of other countries, which leaves them somewhat less vulnerable to a decline in federal research activity over the long-term. **MIT** is by far the group leader in terms of research dollar volume, and it is also the most reliant on research funding, with more than 50 percent of all operating revenue derived from grants and contracts.

Princeton, Dartmouth, and **Brown** all operate sizeable research programs, but these three institutions do not attract the same dollar volume of research grants as the other Ivies, particularly in the health sciences fields. Although **Brown** and **Dartmouth** both have medical schools, their programs are not research-intensive. **Princeton** does not have a medical school.

Ivies Have Varying Degrees of Exposure to Patient Care Revenue

Several of the Ivies have significant reliance on patient care revenue, which is more volatile than other revenue streams, but for most of the Ivies this risk is manageable since they do not own or operate their own hospitals. **Columbia**, **Cornell**, and **Yale**, for example, each derive about 14 to 15 percent of their revenue from patient care, but through relatively less volatile faculty practice plans rather than direct ownership of hospital facilities. **Dartmouth** receives about 6 percent of its operating revenue through patient care revenue. **Harvard** and **Brown** both have medical schools, but physician practices are not part of the universities. **MIT** and **Princeton** do not have medical schools.

The **University of Pennsylvania** is substantially exposed to the healthcare sector due to its ownership and operation of the University of Pennsylvania Health System, which accounts for more than 50% of the University's revenue. Historically, large operating deficits and high debt levels at the Health System have placed strain on the University's rating. In the past few years, however, the Health System has made substantial progress in stabilizing operations and liquidity, which has reduced the downward pressure on the Health System's and University's ratings. Moody's analysis includes the Health System's debt as direct debt of the University, although the Health System's debt is separately secured, because we believe it is highly likely that the University would support the Health System's debt in light of their close business relationship.

Stanford also owns its two hospitals, but these entities are largely managed and operated as self-supporting business lines with no subsidization from the University. Stanford has more recently reaffirmed the strategic importance of the hospitals, leading Moody's to believe there is a good likelihood that Stanford would provide some financial assistance should the hospitals enter a period of severe financial deterioration. Consequently, we have included the hospitals' debt as indirect debt of Stanford University.

Issues of Affordability Will Not Impinge Superior Student Demand

Due to their international reputations in research and teaching, each of the ten Ivies consistently attracts a deep, high-quality applicant pool to their undergraduate, graduate and professional programs. Each fall, so many freshman applications flood into Ivy League admissions offices that the median acceptance rate for these schools is truly exceptional at 14.6 percent. Even the least selective of the Ivies, **Cornell**, accepts only 28.5 percent of applicants, and still ranks among the most selective large private universities in the country.

Their superior demand statistics clearly point to the Ivy League institutions' ability to fill their incoming classes with the most qualified students. While Moody's is concerned that recent declines in household net worth could affect families' willingness to pay a premium for private higher education versus public education, we do not believe that this trend will affect the Ivy League or other highly selective institutions. The Ivies typically admit students on a need-blind basis, and have substantial endowments earmarked for financial aid. Moreover, the Ivies are frequently applicants' first-choice, as demonstrated by the exceptionally strong median matriculation rate of 62.8 percent. These indicators point to many students' willingness to pay a substantial price premium in order to obtain a degree from an Ivy League university.

Prestigious graduate and professional programs further bolster the Ivies' market strength. Even the smallest of the Ivies in terms of enrollment - **Brown**, **Dartmouth**, and **Princeton** - derive more than 20% of their student population from graduate and professional programs. However, the mix of graduate students varies widely at the Ivies. **Penn**, **Stanford**, **Columbia** and **Harvard**, for instance, each have large professional programs in law, medicine, and business, in which students typically pay full tuition, and which helps these universities generate substantial net tuition revenue per student. In contrast, several of the other Ivies have a heavier mix of graduate students in the arts and sciences. Students in these programs frequently pay little to no tuition. This is a key factor explaining **Princeton's** much lower net tuition per student of about $12,700, since it does not have any professional programs.

CREDIT SNAPSHOTS

Brown (Aa1)

Like all of the Ivies, Brown enjoys exceptional student demand, leading to powerful freshman selectivity of 17% and matriculation of 60%. In addition to its undergraduate program, Brown operates highly selective graduate and professional programs, including a medical school.

Brown trails most of the Ivies in terms of wealth. For example, its $220,916 total resources per student and 2.2x ratio of expendable resources to operations are below Aaa medians, but are still broadly consistent with a high-quality Aa1-rating. Brown's ability to close the gap with the other Ivies will depend partially on its ability to achieve a stronger level of fundraising. Private giving has averaged $80 million annually over the past three years, considerably stronger than in the past. The University has also managed through this period of equity market volatility with investment returns of 2.3% in 2001 and 0.9% in 2002, which are stronger than industry norms.

Brown has historically made very conservative use of debt financing, with expendable resources to debt a favorable 5.5 times. Although Brown is considering additional borrowing, we believe that the University should have sufficient remaining debt capacity at the Aa1 level to absorb this additional debt.

Cornell (Aa1)

Cornell is unique among the Ivies in that it operates sizable public colleges at its campus in Ithaca, New York, as part of its land grant mission. Cornell is by far the largest university in the nation operating such significant public and private programs together on one campus. Approximately one-third of Cornell's students are enrolled in publicly-subsidized four-year statutory programs which are legally part of the State University of New York.

During much of this decade, Cornell's freshman demand, although quite strong with selectivity of 28.5% and matriculation of 50%, has been significantly outpaced by other Ivy League institutions. Moody's believes that a main cause of the weaker comparative demand is the main campus' rural location in Ithaca, more than four hours from New

York City and six hours from Boston. We expect the next decade to show strengthening as the University embarks on a major effort to invest in new academic and student life facilities oriented toward undergraduates.

Private fundraising, a superior credit strength for Cornell, should enable the University to sustain a high level of capital investment over the next decade without a dramatic increase in leverage. Cornell raised $437 million in private gifts and pledges in fiscal year 2002, the most raised by any Moody's-rated private university that year. The University regularly ranks among the top five universities in total private gifts and pledges.

Columbia (Aaa)

Throughout the 1990s, Columbia thrived as New York City boomed and the University enjoyed dramatic growth in the number of applicants. The surge in demand continues to the extent that only 11.6% of freshman applicants to Columbia College, the main undergraduate program, were accepted in the fall of 2002. At the beginning of the 1990s, Columbia College was accepting one-third of applications. In addition to its undergraduate program, Columbia enrolls about 68% of its student body in diverse, selective graduate and professional programs.

Columbia is leveraged in its rating category, with expendable resources providing 3.8 times coverage of pro-forma debt following several large bond issues in FY2003, down from 4.3 times coverage as of the end of FY2002. This relatively high degree of leverage leaves the University somewhat more vulnerable to a protracted investment market downturn than the other Ivies.

In this context, positive investment returns and continued fundraising strength are important components of maintaining Columbia's Aaa rating. Current indicators do not yet point to a slowdown in private giving, and investment returns have also been favorable given prevailing market conditions, with a -2% return in fiscal year 2002.

Dartmouth (Aaa)

Dartmouth's total enrollment of about 5,600 full-time equivalent students makes it the smallest institution in the Ivy League, with 4,400 undergraduates and the remaining 1,200 students enrolled in its graduate and professional programs. Student demand is quite strong with freshman selectivity of approximately 21% and a robust 51% yield on accepted student. Although Dartmouth accepts students on a need-blind basis and then fully funds the need of admitted students, the College nevertheless generates a high, and rising, net tuition per student of $18,954 in 2002, up from $16,651 in 1998.

Like Columbia, Dartmouth is leveraged within the Aaa rating category. The College's debt burden rose significantly as a result of a $101 million debt issue in 2002, such that expendable financial resources cover total debt 5 times, down from a peak of 8 times in 2000. Yet, the College could still cover more than three years of operating expenses from its expendable financial resources even after paying off all its debt outstanding.

Moody's believes that the College has very limited additional debt capacity at the Aaa rating level in the absence of corresponding financial resource growth. Dartmouth's significant capital plans are expected to be mostly gift-financed, with very modest borrowing plans for the next two to three years. Fundraising has remained strong, thanks primarily to the College's well-established donor relationships. The College is in the silent phase of a new capital campaign that is expected to exceed $1 billion and is slated to end in 2009.

Harvard (Aaa)

With $20.2 billion in financial resources as of June 2002, Harvard enjoys the largest financial base of any U.S. university. Expendable financial resources provided excellent coverage of 7.9 times outstanding pro-forma debt and 7.3 times annual operations, very strong levels even for a Aaa-rated university. In fiscal year 2002, Harvard reported a 0.5% loss on the endowment portfolio in FY 2002, following a 2.7% loss in 2001. These results surpass industry norms, consistent with Harvard's track record of outperforming endowment benchmarks.

As one of the nation's most prestigious universities, Harvard attracts large numbers of applicants for admission to its undergraduate and graduate programs. Undergraduate student demand is extraordinary, with a 10.2% selectivity rate and 78.0% yield for fall 2002. With its large enrollment of professional and continuing education students, who typically receive little financial aid, Harvard has one of the highest levels of net tuition per student in the nation at $22,669, despite a generous financial aid policy for undergraduates and graduate students in the arts and sciences. Excluding professional development and continuing education, Harvard's net tuition per student is still a healthy $15,086.

Harvard is undertaking a large $1.9 billion capital program over the next several years, which it currently expects will require new debt of about $1.1 billion. However, past experience suggests that these plans are likely to slow and require less debt than currently forecast. New money long-term borrowings will be approximately $200 million every two years. Even with the significant increase in debt over the next decade, Harvard's capital ratios should remain comfortably within the Aaa range barring dramatic investment losses.

Massachusetts Institute of Technology (Aaa)

In our view, there is little threat to MIT's position as the nation's preeminent provider of technology-oriented education. Demonstrating this excellent market position are strong undergraduate and graduate student demand and high student quality. For undergraduates, only 16.2% of applicants were accepted last fall and over 56% chose to attend, making MIT one of the most selective institutions in the country. Graduate demand statistics are equally outstanding and reflect MIT's premier academic reputation in sciences and technology.

We expect that MIT will continue to achieve positive operating margins, but that the primary sources of revenue will shift in importance. Externally sponsored research grants are currently about half of MIT's revenue base, but their share of expenditures has steadily declined for the past decade or more and is likely to continue to fall gradually over the long-term, as distributions from the endowment and gifts (currently 20.6% of revenues) fund an increasing share of operations. This has the positive effect of reducing the Institute's vulnerability to a cutback in federal research funding.

MIT is in the midst of a major campus development and expansion plan, with several new housing, auxiliary, and academic projects. Borrowing for these projects is accompanied by a significant inflow of new gifts to provide endowment support for the programs housed in the new facilities. Also, a significant portion of debt service on the academic buildings will be funded from the federal government and other research sponsors through indirect cost recovery. Total debt is projected to peak at about $1.1 billion, a level which Moody's believes is consistent with the Aaa rating.

Princeton (Aaa)

Moody's believes the University's financial strength will remain the greatest among all large American universities on a per-student basis. Princeton's total financial resources at the end of fiscal year 2002 were over $8.3 billion, equating to well over $1.2 million per student, up 45% since 1998. Expendable financial resources, which exclude permanently restricted endowment gifts, cover debt and annual operating expenses over 10 times.

Princeton's illustrious reputation attracts outstanding student demand. More than most leading U.S. universities, Princeton is focused on undergraduate education, although its research programs are also superior. Princeton admitted fewer than 11% of first-year undergraduate applicants in 2002. Meanwhile, yield on admitted students has now risen above 70% and is second only to Harvard's. Thanks to its impressive endowment, Princeton's financial aid policies for undergraduates are the most generous in the country, with aid packages to eligible students having no loan component whatsoever.

The University's capital plans over the next five years total some $540 million, roughly half of which are likely to be debt-financed. Given the University's current resource levels and impressive track records in both fundraising and investment management, there is little doubt that it can accommodate this additional leverage while retaining its gilt-edge rating.

Stanford (Aaa)

Although not technically part of the Ivy League, Stanford is the premier private university on the West Coast, and one of the most prestigious universities in the nation. Like the Ivies, Stanford is highly selective and attracts a nationally and internationally diverse student population. Its undergraduate program is one of the most selective in the nation, admitting only 13% of its freshman applicants. Yield is also very high at 69%, a very close third behind Princeton and Harvard. It also has an exceptional array of graduate programs with impressive demand statistics.

Stanford has a broad range of prestigious and top-ranked research programs, which should contribute to ongoing steady support from a variety of sponsors. Stanford's grant and contract revenue from its research activities continued to post healthy growth, rising to $574 million in 2002, a nearly 10% growth over 2001. We expect the University's research activity will continue to increase given Stanford's new interdisciplinary program, BIO-X, ongoing significant government investment in medical research, and Stanford's investment in new science facilities. With the significant investment in plant, Stanford is relatively highly leveraged as compared to other Ivies with expendable financial resources covering total direct debt by 4.7 times.

Stanford also has healthcare exposure as the sole corporate member of two hospitals, Stanford Hospital and Clinics "SHC" (rated **A3**, stable outlook) and Lucile Salter Packard Children's Hospital "LPCH" (rated **A1**, positive outlook). These hospitals are independent organizations run by separate boards. The University's has managed both hospitals as self-supporting business lines, with no subsidization from the University's resource base. Given this policy, we believe the University's financial commitment to its hospitals is not open-ended. However, there is a good likelihood that Stanford would provide some financial assistance should the hospitals enter a period of severe financial deterioration, and we therefore include the hospital's debt as indirect debt in our financial ratios. When this debt is included, expendable financial resources cover comprehensive debt by 3.3 times. Favorably, in FY 2002 SHC and LPCH together posted a $54 million operating surplus, which Moody's believes is impressive after several years of high deficits on a combined basis since its re-absorption into the University after a failed merger with UCSF.

University of Pennsylvania (A1)

Although the University's student demand measures are consistent with other strong Aa-rated institutions, the University's A1 rating is lower than its peer institutions primarily because of a higher than average debt load (with or without the health system) relative to financial resources, lower investment returns historically that have suppressed endowment growth, and the risks associated with its health system.

As of June 2002, the University's debt outstanding topped $1.4 billion, of which more than $800 million was related to the Health Services division. The University's expendable financial resources cover debt by 1.8 times including the health system's debt and 4.2 times without the health system's debt, compared with an Aa median of 5.0 times and an A median of 1.5 times for large private institutions.

With 52% of revenues derived from its healthcare operations, the University will remain vulnerable to the challenges of healthcare, but the financial performance of its Health Services division has improved significantly in the past two years and has moderated the risk associated with this operation. The University of Pennsylvania Health Services (UPHS; rated A3) has made substantial progress in producing an operating profit, reversing a history of large operating losses, stabilizing liquidity and implementing more consistent financial practices and more stringent financial controls. In 2001, the University began exploring various alternatives to restructure its relationship with the health system. To date, the University has not pursued a restructuring alternative.

Yale (Aaa)

Strong investment returns, a steady stream of gifts, and a prudent spending rate have fueled Yale's impressive endowment growth, continuing even in the fiscal years ended June 30, 2001 and 2002, with returns of 9.2% and 0.7%. These returns stand in sharp contrast to the investment declines that most endowments have experienced over this period, and reflect the highly diversified nature of Yale's investment portfolio, with only about 15% allocated to domestic equities and specific holdings that have significantly outperformed the market.

We believe that Yale will maintain prudent levels of balance sheet leverage, even as it implements a major borrowing program to fund capital improvements to address the University's accumulated deferred maintenance inventory and need for new facilities in medicine and the sciences. Current plans call for total capital spending of over $2 billion over the next ten years. A significant portion will be internally funded from gifts and internally generated funds, with the balance financed with debt.

Undergraduate students comprise slightly under half of Yale's total enrollment, and graduate enrollment is heavily weighted toward Ph.D. and other programs where students typically receive generous financial aid awards as well as stipends for living expenses. Yale's high enrollment in heavily discounted graduate programs, combined with Yale's "need-blind" undergraduate financial aid policy, contributes to overall net tuition per student of $15,144 for fiscal year 2002, which ranks near the bottom of Ivy League universities. However, net tuition provides only 11% of revenues, an exceptionally low level for a private university that does not directly own a hospital.

Key Ratios

Based on FY2002 financial data and fall 2002 enrollment data
Debt calculations only are pro-forma as of July 1, 2003

Institution	Rating	Total Direct Debt	Total Financial Resources	Total Revenue	Total Gift Revenue
Columbia University	Aaa	$956,046	$5,197,534	$2,020,311	$295,691
Dartmouth College	Aaa	$396,545	$2,523,253	$497,364	$70,322
Harvard University	Aaa	$2,171,947	$20,156,036	$2,526,112	$354,803
MIT	Aaa	$911,843	$6,656,485	$1,634,145	$236,580
Princeton University	Aaa	$718,882	$8,320,849	$862,698	$193,411
Stanford University	Aaa	$1,368,372	$9,709,168	$1,949,048	$351,716
Yale University	Aaa	$1,573,240	$10,908,079	$1,528,960	$223,536
Brown University	Aa1	$162,456	$1,693,098	$420,705	$72,178
Cornell University	Aa1	$518,648	$3,819,510	$1,840,054	$437,373
University of Pennsylvania	A1	$1,434,118	$3,971,003	$3,360,161	$296,393

Institution	Enrollment	Selectivity	Matriculation	Net tuition per student*	Total tuition discount
Columbia University	20,028	11.6%	63.5%	$18,523	27.0%
Dartmouth College	5,611	20.5%	51.1%	$18,954	32.5%
Harvard University	18, 308	10.2%	78.0%	$22,669	25.9%
MIT	10,042	16.2%	56.8%	$15,500	48.4%
Princeton University	6,681	10.9%	73.5%	$12,674	50.6%
Stanford University	13,317	12.7%	69.2%	$17,186	32.0%
Yale University	11,159	13.0%	64.7%	$15,146	35.4%
Brown University	7,664	17.0%	59.6%	$17,846	31.1%
Cornell University	19,575	28.5%	50.0%	$16,975	28.8%
University of Pennsylvania	19,098	21.0%	62.1%	$24,464	19.9%

Institution	Expendable financial resources-to-debt	Expendable financial resources-to-operations	Total financial resources per student	Average operating margin	Return on financial resources
Columbia University	3.8	1.9	$259,513	8.9%	-1.9%
Dartmouth College	5.0	4.0	$449,698	6.0%	-7.8%
Harvard University	7.9	7.3	$1,102,567	14.2%	-3.7%
MIT	5.9	3.5	$662,864	7.7%	-12.7%
Princeton University	10.2	10.6	$1,245,450	20.6%	0.0%
Stanford University	4.7	3.4	$729,081	7.0%	-5.7%
Yale University	6.0	6.7	$977,514	6.3%	-1.5%
Brown University	5.5	2.2	$220,916	4.9%	0.1%
Cornell University	5.1	1.5	$195,122	5.4%	-9.4%
University of Pennsylvania	1.8	0.8	$207,928	1.7%	2.0%

** Net tuition per student ratios may not be directly comparable among institutions because of differences in accounting for students in continuing education and executive education programs*

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