



November 17, 2008

Dear Alumni and Friends of Syracuse University,

I want to take this opportunity to update you on how the global economic crisis is affecting Syracuse University, and describe the efforts we are taking at this time.

Like most colleges and universities, we have and continue to face a series of financial challenges in several key areas: increasing demand from students and families for financial aid; the effect of the investment markets on our endowment; and the overall rising costs of doing business.

While we face these challenges from a position of strength, the external environment requires us to take action to help ensure that the positive momentum we have built continues in the years ahead.

That is why last month we began to carefully examine our central administrative units – those non-academic units outside of the schools and colleges – to identify savings that could be directed to our most critical priorities and support continued academic momentum in our schools and colleges. During this process we consulted University-wide constituencies including our academic deans, senior administrators, and University Board of Trustees.

Last week I reported to the campus that we have identified a range of strategies that will reduce central administrative costs by \$8 million in the current fiscal year increasing to \$11 million next fiscal year. This will be accomplished through a strategic reduction in unit operating budgets, elimination of vacant positions, and limited job consolidation. Next year, we expected to realize new cost-savings through several additional actions: a salary freeze for senior administrators, academic deans, and me; a reduction in planned borrowing; a freeze in non-academic unit operating budgets; and new energy efficiency measures to promote sustainability and reduce costs.

It is a strong testament to our collaborative spirit that I can report that this effort will allow us to continue to support our most important priorities.

For example, building on our long-standing reputation as a place of access and opportunity, we will provide more SU financial aid to students and their families who we know are facing their own economic challenges. This coming year we will reduce the loan burden for low-income students and increase aid to middle-income

students. We will also dedicate new resources to address emerging financial concerns of returning students, which have been intensifying over the past year.

We will continue to conduct strategic faculty hiring and provide salary increases for faculty next year. In addition, we will protect lower-paid staff by providing salary increases next year on a sliding scale commensurate with salary level.

Critical academic building projects will continue to move forward, such as the renovation of Bowne Hall, which will be the new home for the interdisciplinary biomaterials faculty cluster, and the construction of a new vivarium in the Life Sciences Complex.

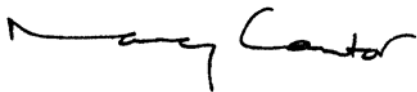
We will continue to create exciting opportunities for our students and faculty to engage the world—locally, nationally and globally. For example, the Technology Center being created by JPMorgan Chase will come on line this spring in its initial location at Lyman Hall. It will provide a unique opportunity for faculty and students from the seven different colleges involved in this collaboration to work side-by-side with new technology employees of JPMorgan Chase.

And as we continue to build external support for SU, we are fortunate that the \$1 billion Campaign for Syracuse University publicly launched last year has recently topped the \$600 million mark. This provides a strong foundation for future fundraising. In the current economic environment it will be especially important to work with donors to extend their giving capacity through flexible gift arrangements and planned giving.

Clearly, the current global financial crisis has created an environment that is unpredictable and volatile. That is why we have taken these steps to secure our fiscal position, but prudence requires that this remain a dynamic process as the future unfolds. Over the next several months we will vigilantly monitor our situation and be prepared to take additional action should the fiscal environment significantly change.

As a result of all of the unprecedented support of our alumni and friends, and the hard work and dedication of the SU faculty and staff, the University is solidly positioned to maintain our trajectory of faculty excellence, student support, and engagement with the world.

Cordially,

A handwritten signature in black ink that reads "Nancy Cantor". The signature is written in a cursive, flowing style.

Nancy Cantor
Chancellor and President