I write to report on Harvard University’s financial results for fiscal 2013.

The past year was one of renewal and advancement. We formally launched the program to renovate our undergraduate Houses and saw the completion of the program’s first project, as Old Quincy was transformed into Stone Hall in time to welcome students back to campus this fall. The Common Spaces initiative reached a milestone with the reconstruction of the Science Center Plaza, and significant progress was made in the building of a new art museum that, when it opens in Fall 2014, will increase access to our treasured collections and tie the resources of the museums more directly to teaching and learning in the classroom.

We also continued to move ahead with our new vision for Harvard’s presence in Allston as the City of Boston approved our plans for development across the Charles River, including sites in Barry’s Corner and on the Business School and Athletics campuses. The faculty of the School of Engineering and Applied Sciences has begun to articulate its vision for the Science Building that is at the center of our long-term plans for a more integrated, expansive and lively campus in Allston that will encourage innovation and foster connections on both sides of the river.

The first course offered by HarvardX went online in September of 2012 as we continued to expand the boundaries of teaching and learning beyond our campus; by March there were more than one million people around the world enrolled in courses through edX, the joint venture in digital learning launched with MIT. Our commitment to the arts was underscored as two American Repertory Theater productions moved from our theater to Broadway, while in Harvard’s labs exciting breakthroughs were reported in the search for more effective treatments for diabetes, ALS and heart disease.

But all of this occurred at a time of seismic shifts for American higher education. At the same time that our faculty are reimagining the pedagogical experience in light of advances in technology, a faltering economy has raised questions in the public’s mind about the value of a college education and every revenue stream upon which institutions of higher learning depend has come under pressure. Harvard has not been immune to these trends and we have to adapt.

Looking to the future, we launched the Harvard Campaign with the goal of raising $6.5 billion in new funds for the University over the next five years. The campaign is intended to support our most important priorities, enabling us to address the changing nature of knowledge, the rise of new technologies and the increasingly global context of higher education, as well as to advance our future in Allston and invest in financial aid for our students and resources for our faculty.

But the campaign is not a panacea for the significant challenges that we face. We will need to meet those challenges by acting thoughtfully and decisively as a community; we will adapt where circumstances demand it; and we will remain steadfast in defending the values that make Harvard an essential contributor to the pursuit of knowledge in the world.

Sincerely,

Drew Gilpin Faust
President

November 8, 2013