

Message from the President

I am pleased to submit Harvard University's financial results for fiscal year 2021.

Humanity has paid a hefty toll to the pandemic. Each of us has been affected in different ways, but all of us have had to contend with a world changed by a public health crisis. Through everything, Harvard has remained resilient—financially and otherwise—because of the remarkable efforts of members of our community.

For eighteen months and counting, we have placed the health and safety of people first. Facing declining revenues this past fiscal year, we took steps to control spending while developing and adopting new policies, providing frequent testing and robust contact tracing, and reimagining our shared practices and physical spaces to protect our students, faculty, and staff—an investment totaling more than \$83 million. We also continued to pay our idled employees and contract workers at a cost of nearly \$60 million. As a result, we were able to avoid the widespread layoffs that were common at so many other colleges and universities. I am pleased to report that almost all of these members of our community are now back to work. These measures also enabled us to continue our teaching and scholarship and to bring a limited number of students back to campus last year. At the same time, we increased support for undergraduate financial aid, making it possible for students to study at Harvard College without the added burden of concerns about affordability.

These necessary efforts directed inward were surpassed by extraordinary efforts directed outward. Since the earliest days of the pandemic, Harvard people have stepped up and stood out—working on the frontlines and saving lives in the ever-shifting landscapes of medicine and science, contributing to vaccination development and deployment, devising ways for learning and working to continue despite disruption, and addressing the profound racial, economic, and social inequities laid bare by the pandemic. Against this stunning backdrop,

individuals throughout the University have devoted themselves to meeting the challenge of climate change, to preserving and defending democracy, and to ensuring that higher education in America continues to attract and welcome the most promising individuals to our ranks. At a moment filled with so much doubt and frustration, Harvard has helped to give the world reason to hope. I cannot imagine a better use of our resources.

Ongoing investment in teaching, financial aid, the student experience, and research is made possible by the extremely generous support of our alums and other friends. During a time of disruption and uncertainty, our loyal donors answered the call. An increase in gifts for current use gave us the opportunity to direct funding to areas with the greatest need, and in ways that have made a real impact as we worked to address and abate the pandemic. Our provost, Alan Garber; our executive vice president, Katie Lapp; and I also succeeded in identifying one-time resources to assist our deans in providing more support across our Schools, a mechanism intended to ensure progress throughout the University.

As we continue to adjust to an unpredictable situation, strong financial stewardship has positioned Harvard and our entire community to accelerate progress. Rather than facing budget shortfalls, we can make significant investments that further our mission. Most importantly, we can rest assured that future generations of students, faculty, researchers, and staff will be able to pursue the opportunity and promise that are the hallmarks of our beloved institution.



Lawrence S. Bacow
PRESIDENT

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