INTRODUCTION

Resource Sufficiency: The Operating Reserve Ratio

The Operating Reserve Ratio measures the sufficiency and flexibility of financial resources by comparing expendable net assets to total expenses. In other words, the total available resources that an institution could spend on operations are divided by the total expenses for the year. This ratio represents the portion of a year the institution could meet financial obligations with assets readily available. For example, if funds that could be spent equaled four million dollars and total expenses equaled two million dollars, the ratio would be 2.0. In this scenario, an institution could operate at the same level for two years with no additional revenue before all the expendable resources would be depleted. If the reverse were true, and funds that could be spent were two million dollars and total expenses over the year were four million, the ratio would be 0.5. Under this scenario an institution could operate for six months without additional revenue.

The baseline for financial strength for the Operating Reserve Ratio is 0.4 (reserves to cover 40 percent of a year, or 4.8 months), indicating sufficient cash for short-term needs, facilities maintenance, and contingency reserves. A ratio below 0.15 (15 percent of a year, or 1.8 months) indicates possible short-term borrowing and insufficient reserves for reinvestments. A ratio of 1.0 or greater indicates reserves available to cover at least one year of expenses with no additional revenue.

Debt Management: The Debt to Expendable Equity Ratio

The Debt to Expendable Equity Ratio measures the ability of an institution to manage debt adequately, indicating whether the

FIT Score Range	Strategy
8 to 10	Commit additional resources to advance mission
6 to 7	Encourage innovation to achieve mission
4 to 5	Implement initiatives to promote sustainability
2 to 3	Perform a thorough review of institutional effectiveness
-1 to 1	

Small differences in FIT Scores, for example, between 3.1 and 3.5, may not be meaningful, while larger differences, such as between 3.2 and 5.2, indicate different strategies for achieving missional objectives. Institutions with identical scores can have very different futures depending on the extent to which substantial investments in mission-critical objectives are made to sustain performance. A very low FIT Score may indicate financial distress and inadequate resources to accomplish missional objectives effectively. A very high FIT Score may indicate that an institution's resources are not being deployed effectively, suggesting unrealized opportunities to advance mission.

FORMAT AND ANALYSES

Individually Customized. A customized FIT report has been prepared for each CIC member institution. The institution's unique data are plotted against national and regional backdrops. The four core ratios and the FIT Score are presented in the same manner as the indicators in CIC's Key Indicators Tool with a few exceptions. There are no regional charts by financial resources, enrollment, size, or Carnegie classification for the four ratios; there are two extra worksheets, one showing the impact of the standard measure for each ratio on the FIT Score and one showing the 25th, 50th, and 75th percentiles for the entire national group of institutions with brief strategy descriptions.

FIT Trends. This section at the front of the FIT report provides a summary or dashboard-type presentation of the indicators in the FIT. This feature was developed in response to requests from CIC member presidents for summary charts that can be used in presenting benchmarked trend data to key constituents, such as trustees. This page contains a series of compact charts and graphs showing the trend line for your institution compared to the national and regional medians.

Medians versus Means. The FIT uses median values (identical to the 50th percentile). The advantage of using median values instead of the mean (or average) is that the median is less influenced by high or low extremes, thus providing a more meaningful mid-point for comparative purposes. Only institutions with complete data for all six years of the report are used in calculating group medians and percentiles.

Four Types of Comparisons. Explanations of the types of comparisons made in the report are found below. These criteria are identical to those used in CIC's Key Indicators Tool (KIT).

1. Region: Each institution is located in one of the six regional categories as outlined below. (Note: the regions vary slightly from those used in IPEDS.)

2. Financial Resources Quartile: Each institution was placed in one of four quartiles based on an institution's financial resources. The financial resource measure was calculated by converting two, equally weighted KIT indicators, Net Tuition Revenue per Student and Endowment Assets per Student. An average of the three most recent years for this calculation is used to create a percentile rank of all institutions in the dataset. The institutions were then assigned to a national and regional

ABOUT THE DATA

The FIT contains data from over 850 four-year, private, not-for-profit colleges and universities in the United States belonging to the six 2021 Carnegie Basic Classification categories that represent 95 percent of CIC's membership: Baccalaureate-Diverse, Baccalaureate-Arts & Sciences, Master's-Smaller, Master's-Medium, and Master's-Larger, and Doctoral/Professional Universities. The number of institutions included in each chart and table vary somewhat due to incomplete data for some institutions. For each indicator, only institutions with complete data for all years of the comparison are included.

Public Sources. As with the KIT, all FIT data are taken from the Integrated Postsecondary Education Data System (IPEDS), the major national source of public information on postsecondary institutions provided by the U.S. Department of Education's National Center for Education Statistics.

Separate Financial Entities. Some private colleges and universities have foundations or other entities that contribute revenue, incur expenses, and/or house assets that need to be considered as part of the overall financial operations of the institution. Since it is important to capture a consolidated view of an institution's financial position, CIC asked that member colleges and universities identify foundations or other entities whose financial information is not contained in the financial information reported to IPEDS.

Institutional Aid. The guidelines for IPEDS stipulate that institutions follow NACUBO's Financial Accounting and Reporting Manual (FARM) when reporting financial information. These guidelines state that unfunded institutional aid in the form of tuition discounts should not be included in either total expense or total revenue amounts (FARM, paragraph 442). The assumption is that these guidelines were followed for the expense and revenue data in this report.

Missing or Incorrect Data. In cases where data from IPEDS were missing, institutions were contacted to supply the necessary information to CIC. In addition, data retrieved from IPEDS occasionally do not agree with institutional records. Data from IPEDS were not altered nor were missing values imputed unless corrected information was received directly from a participating institution. The data items used in an institution's analysis are shown on the DATA worksheet (p. 30). Institutions are encouraged to review their data contained in this report and submit missing or corrected values to CIC for inclusion in future FIT reports. When institutional data is missing in a table, Microsoft Excel defaults the missing value to a zero on the chart.

Projection Tool and Appendix. A Projection Tool and an appendix are provided at the end of the report. The DATA worksheet (p. 30) allows an institution to project its scores through 2024-2025 by inserting relevant values in the yellow cells. An additional column permits experimenting with various scenarios. Ratios are automatically calculated once data are entered. The PROJECTION worksheet (p. 32) charts the added data, displaying the impact of the four ratios on the FIT Score in a similar manner to the STANDARD MEASURES worksheet (p. 24). APPENDIX (p. 33-34) explains in detail the sources of the data, as well as the formulas for all calculations used in the report.

THE COUNCIL OF INDEPENDENT COLLEGES

Resource Sufficiency: Operating Reserve Ratio

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
NATIONAL MEDIAN	0.64	0.65	0.59	0.58	0.88	0.70
MID EAST MEDIAN	0.67	0.70	0.65	0.62	0.93	0.70
DAEMEN	0.47	0.54	0.49	0.47	0.57	0.57

Debt Management: Debt to Expendable Equity Ratio

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
NATIONAL MEDIAN	1.11	1.13	1.07	1.01	1.58	1.35
MID EAST MEDIAN	1.11	1.19	1.06	1.07	1.64	1.35
DAEMEN	0.77	0.92	0.80	0.78	1.02	1.08

Asset Performance: Change in Net Assets Ratio (%)

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
NATIONAL MEDIAN	6.4	4.2	1.4	0.5	17.7	-3.3
MID EAST MEDIAN	6.5	4.4	1.5	0.1	16.7	-5.1
DAEMEN	2.8	7.6	-9.3	-1.1	11.2	1.9

Operating Results 6.8 8082r7.6 (i)7.6 (n)-2.3 5ieo R<404 re W n BT 0 g 0 Tc 0 Tw 12

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
NATIONAL MEDIAN	4.2	2.8	1.1	-0.2	13.1	-1.4
MID EAST MEDIAN	4.0	2.3	0.5	-0.1	9.3	

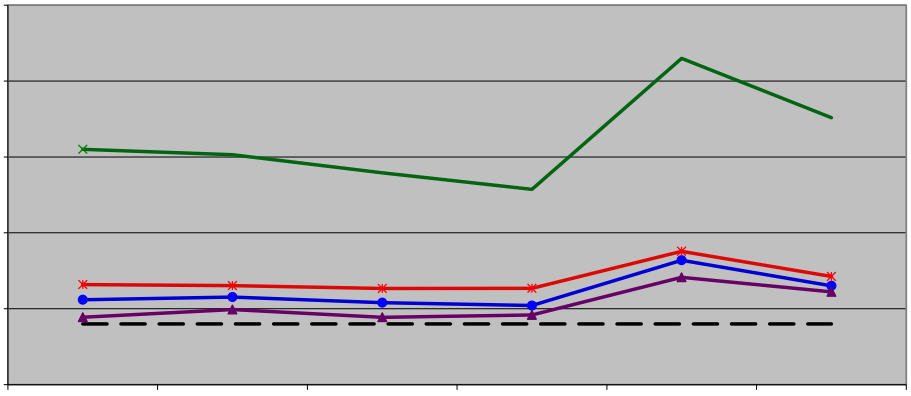
OPERATING RESERVE RATIO: BY CARNEGIE CLASSIFICATION

DEFINITION: Measures financial strength by comparing expendable net assets to total expenses. The ratio represents the portion of a year the institution could meet financial obligations with assets readily available. A ratio of .40 is considered the baseline for financial strength.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DAEMEN	0.47	0.54	0.49	0.47	0.57	0.57

CARNEGIE
Doc/Research

NATIONAL: BY CARNEGIE CLASSIFICATION (n=823). This chart displays the median values of the ratio by year for the Carnegie baccalaureate (BA), master's (MA), and Doctoral/Professional level classifications and the national median.

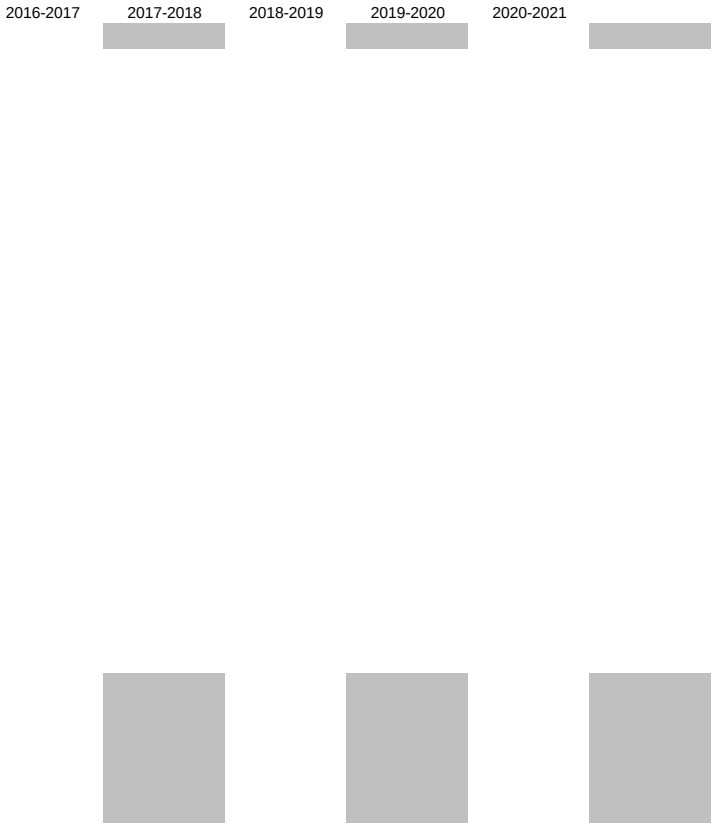


	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Doctoral (132)	0.56	0.58	0.54	0.52	0.82	0.65
MA-Large (141)	0.66	0.65	0.63	0.63	0.88	0.71
MA-Small/Medium (201)	0.44	0.49	0.44	0.46	0.71	0.61
BA-Arts & Sci (186)	1.55	1.51	1.40	1.29	2.15	1.76
BA-Diverse (163)	0.37	0.42	0.36	0.35	0.56	0.43
National Median	0.64	0.65	0.59	0.58	0.88	0.70
DAEMEN	0.47	0.54	0.49	0.47	0.57	0.57

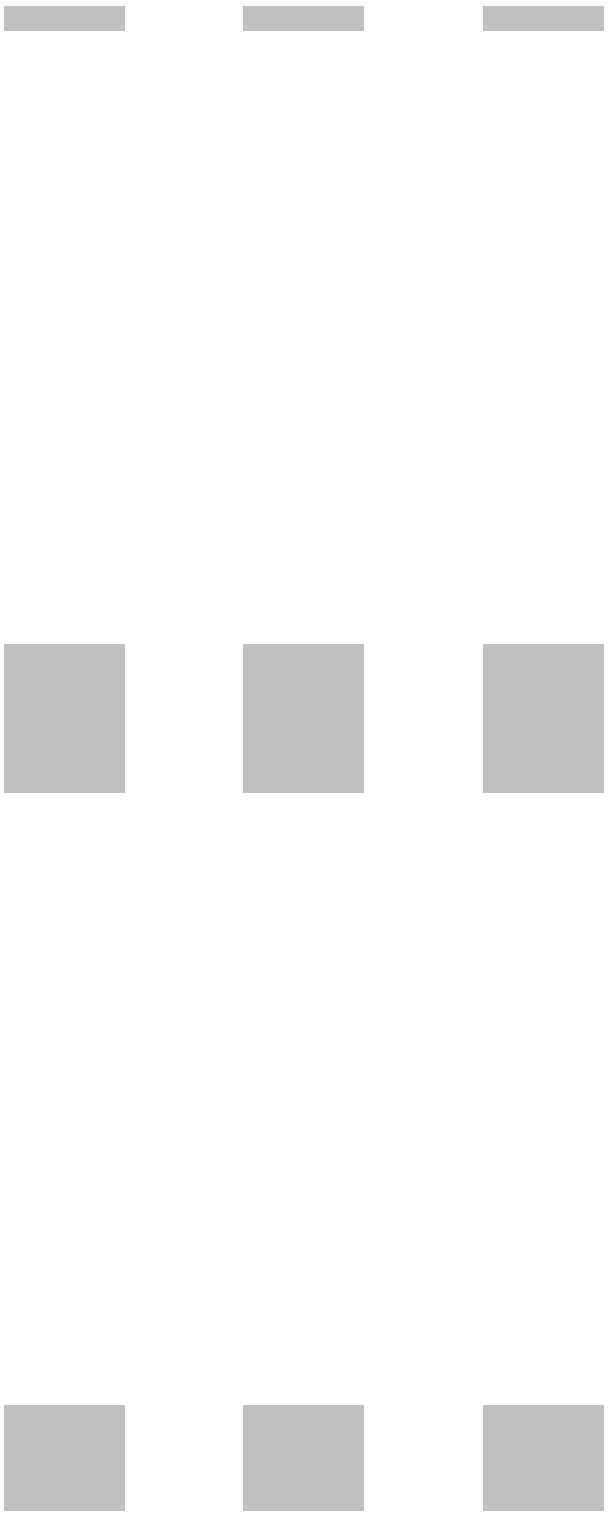
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DAEMEN	0.77	0.92	0.80	0.78	1.02	1.08

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	CARNEGIE
DAEMEN	0.77	0.92	0.80	0.7(N)9D 89 >>BD2<</MCID 89 >>BDC			7.715 0 Td [(0.)-12.7 (92)]TJ EMC /95<</MCID 89 >>BDC 7.715 0 Td [(0.)-1

CHANGE IN NET ASSETS RATIO (%): BY CARNEGIE CLASSIFICATION



OPERATING MARGIN RATIO (%): BY REGION



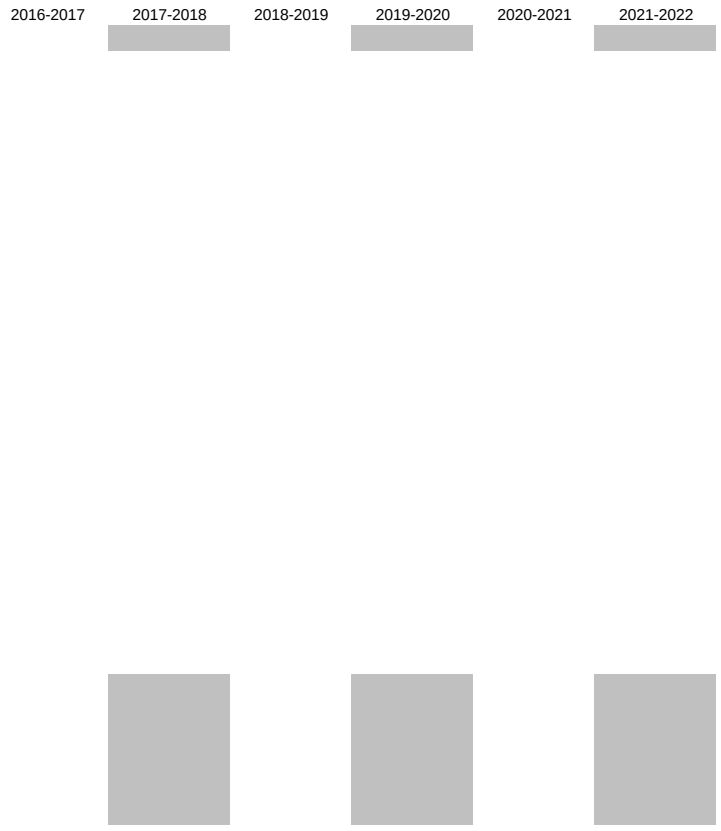
OPERATING MARGIN RATIO (%): BY FINANCIAL RESOURCES AND BY SIZE

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
DAEMEN	1.0	4.4	-7.8	-2.8	5.0	1.8	3

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
Quartile 1 (top)	10.0	6.3	2.4	-1.3	20.3	-3.9	
Quartile 2	3.4	3.3	0.5	-0.6	11.7	-1.7	
Quartile 3	3.0	0.8	0.3	-0.7	9.8	-0.5	
Quartile 4 (bottom)	2.5	1.2	1.5	1.3	10.3	1.0	
National Median	4.2	2.8	1.1	-0.2	13.1	-1.4	ENROLLMENT
DAEMEN	1.0	4.4	-7.8	-2.8	5.0	1.8	SIZE
							2,001-3,000

2006-2007	2007-2008	200	ENROi2	16.84 re W n.02 T59 12.17 >BDC 2 MC 31.1</MCID 1316 >>1DC

OPERATING MARGIN RATIO (%): BY CARNEGIE CLASSIFICATION



FIT SCORE: STANDARD MEASURES

		2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Operating Reserve Ratio	*35%*	3.5	4.1	3.7	3.5	4.3	4.3
Debt to Expendable Equity Ratio	*35%*	1.8	2.2	1.9	1.9	2.4	2.6
Change in Net Assets Ratio	*20%*	1.4	3.8	-4.0	-0.5	5.6	1.0
Operating Margin Ratio	*10%*	0.8	3.4	-4.0	-2.2	3.9	1.4
	FIT Score	2.2	3.3	0.8	1.6	3.9	2.7

FIT SCORE: NATIONAL PERCENTILES

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

NATIONAL (n=821). In addition to the national median, or 50th percentile, this chart shows the 25th and 75th percentiles.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
75th Percentile	6.1	5.8	5.1	4.9	8.2	5.3
National (50th Percentile)	3.8	3.6	3.1	3.1	6.3	3.4
25th Percentile	1.9	1.8	1.4	1.3	4.2	1.5
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

PERFORMANCE STRATEGIES

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Range	Strategy
						8 to 10	Commit additional resources to advance mission
						6 to 7	Encourage innovation to achieve mission
						4 to 5	Implement initiatives to promote sustainability
2.2	3.3			3.9	2.7	2 to 3	Perform a thorough review of
		0.8	1.6			-1 to 1	Implement significant institutional changes to achieve mission
						-4 to -2	Assess Department of Education compliance and institutional long-term viability

FIT SCORE: BY REGION

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DAEMEN	2.2	3.3				

FIT SCORE: BY FINANCIAL RESOURCES

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	NATIONAL	REGIONAL
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7	3	4

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
Quartile 1 (top)	6.4	5.8	5.0	4.6	8.3	4.9	
Quartile 2	3.8	3.9	3.2	3.1	6.6	3.2	
Quartile 3	3.0	2.7	2.0	2.2	5.1		3.1

FIT SCORE: BY ENROLLMENT SIZE

DEFINITION: The FIT Score is a m eas(8)}-/MCID 472 >>BDC 0.003 Tw 13.851 1e8 (eas(8)o851 0E4Tw t 0E4Tw h)-1.62.6 (0s(8)}-/MCID 472 >>BDC 0.003 Tw 13.851 1e80E4

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	ENROLLMENT SIZE
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7	2,001-3,000

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
>3,000 (167)	4.5	4.1	3.7	3.4	6.5	3.9
2,001-3,000 (147)	4.6	4.4	3.7	3.7	7.2	4.2
1,000-2,000 (281)	3.7	3.7	3.0	3.0	6.5	3.3
<1,000 (226)	3.0	2.7	2.3	2.5	5.1	2.4
National Median	3.8	3.6	3.1	3.1	6.3	3.4
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
>3,000 (38)	4.6	4.6	4.0	3.9	6.7	3.4
2,001-3,000 (38)	4.4	4.1	3.5	3.8	6.8	4.1
1,000-2,000 (50)	3.6	3.2	2.9	2.5	6.3	2.6
<1,000 (21)	2.8	1.9	1.3	2.1	4.8	1.7
National Median	3.8	3.6	3.1	3.1	6.3	3.4
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

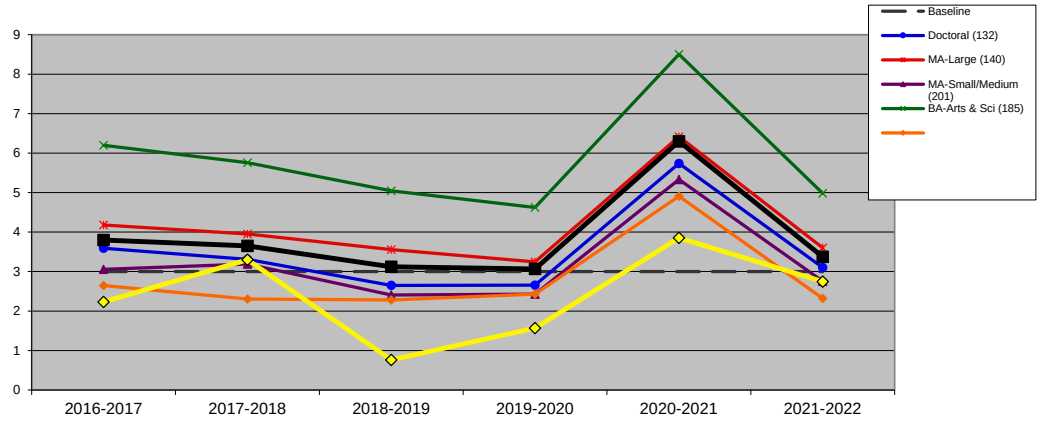
FIT SCORE: BY CARNEGIE CLASSIFICATION

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial health.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

CARNEGIE: Doc/Research

NATIONAL: BY CARNEGIE CLASSIFICATION (n=821). This chart displays the median values of the ratio by year for the Carnegie baccalaureate (BA), master's (MA), and Doctoral/Professional level classifications and the national median.



	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Doctoral (132)	3.6	3.3	2.6	2.7	5.7	3.1
MA-Large (140)	4.2	4.0	3.6	3.2	6.4	3.6
MA-Small/Medium (201)	3.1	3.2	2.4	2.4	5.3	2.8
BA-Arts & Sci (185)	6.2	5.8	5.0	4.6	8.5	5.0
BA-Diverse (163)	2.6	2.3	2.3	2.4	4.9	2.3
National Median	3.8	3.6	3.1	3.1	6.3	3.4
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

MID EAST REGION: BY CARNEGIE CLASSIFICATION (n=147). This chart displays the median values of the ratio by year for the Carnegie baccalaureate (BA), master's (MA), and Doctoral/Professional level classifications and the national median.

	2006-2007 2016-2017	2007-2008 2017-2018	2008-2009 2018-2019	2009-2010 2019-2020	2010-2011 2020-2021	2011-2012 2021-2022
Doctoral (26)	3.1	3.0	2.0	2.7	4.9	2.1
MA-Large (37)	3.9	4.0	3.7	3.4	6.7	3.1
MA-Small/Medium (34)	3.1	2.9	1.6	1.5	4.9	2.4
BA-Arts & Sci (36)	6.4	5.5	5.0	4.6	8.1	4.4
BA-Diverse (14)	2.7	2.5	2.1	2.6	4.6	1.6
National Median	3.8	3.6	3.1	3.1	6.3	3.4
DAEMEN	2.2	3.3	0.8	1.6	3.9	2.7

INSTITUTIONAL DATA AND CALCULATIONS BY YEAR*

Daemen University

CALCULATED FIELD

DATA ENTRY FIELD

FIT SCORE

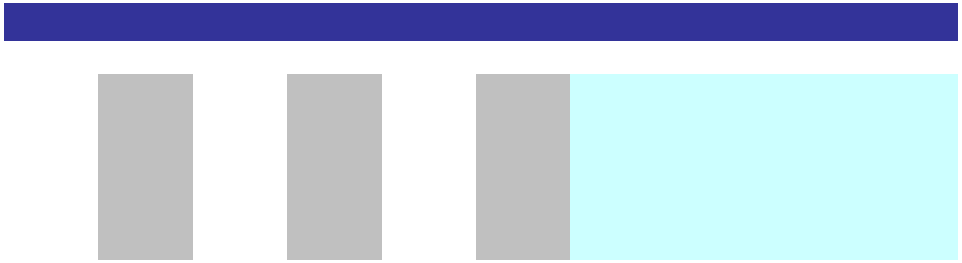
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	SCENARIO
2.2	3.3	0.8	1.6	3.9	2.7				

OPERATING RESERVE RATIO

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	SCENARIO
$35,437,962	$37,639,361	$33,843,836	$32,431,193	$35,225,726	$36,244,242				
$8,004,776	$9,079,313	$8,264,824	$9,082,064	$10,966,811	$10,766,995				

+ Total unrestricted net assets EOY

+ Te Tc 0.05 Tw 4.2 -0 0 48.9 (n)-28.8 (et)-49.7 (DC 8.2[($94)]TJEMC /P .4)-28.8 (et)-49.7ed net assets EO



DATA SOURCES AND CALCULATIONS FOR THE RATIOS AND FIT SCORE

All data elements come from IPEDS Finance: Private not-for-profit institutions: Assets and liabilities

BOY = beginning of year; EOY = end of year

OPERATING RESERVE RATIO

DATA ELEMENTS	SOURCE
Total unrestricted net assets (EOY)	Total unrestricted net assets
Total temporarily restricted net assets (EOY)	Temporarily restricted net assets
Property, Plant, and Equipment (EOY)	
Debt related to Property, Plant, and Equipment (EOY)	Debt related to Property, Plant, and Equipment
Total Expenses	Total expenses

RATIO CALCULATION

STANDARD MEASURE CALCULATION

Operating Reserve Ratio	SOURCE
Total	

STANDARD MEASURE CALCULATION

Operating Margin Ratio / .013

FIT SCORE

CALCULATION WITH DEBT

FIT Score = (Operating Reserve Ratio standard measure x .35) + Debt to Expendable Equity Ratio standard measure x .35) + (Change in Net Assets Ratio standard measure x .20) + (Operating Margin Ratio standard measure x .10)

CALCULATION WITHOUT DEBT

FIT Score = (Operating Reserve Ratio standard measure x .55) + (Change in Net Assets Ratio standard measure x .30) + (Operating Margin Ratio standard measure x .15)