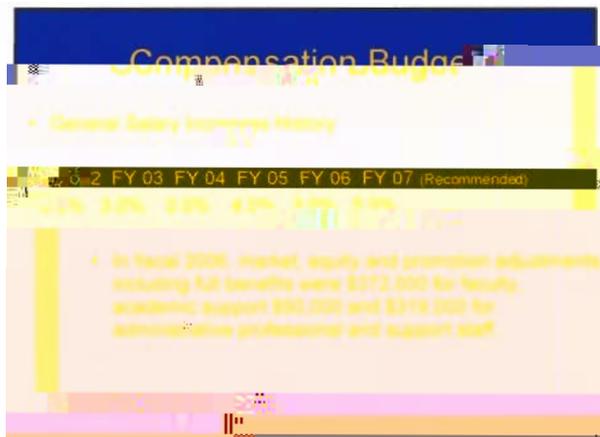
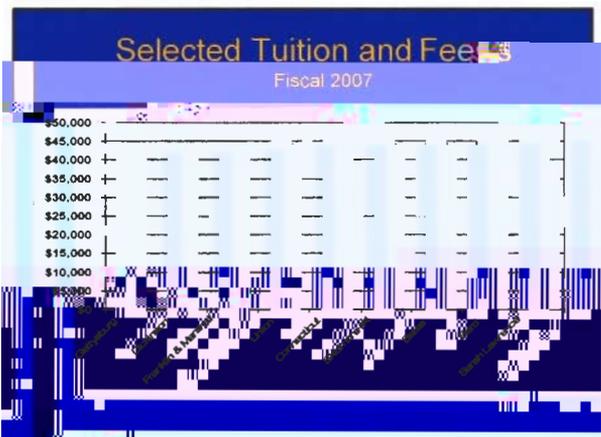


Peer Endowments

Prior Year Data

College	Total	Per Student
Skidmore College	\$100,000,000	\$10,000
Yale University	\$200,000,000	\$15,000
Harvard University	\$300,000,000	\$20,000
Stanford University	\$150,000,000	\$12,000
MIT	\$180,000,000	\$14,000
UC Berkeley	\$120,000,000	\$9,000
Georgetown University	\$90,000,000	\$7,000
Northwestern University	\$110,000,000	\$8,500
University of Michigan	\$130,000,000	\$10,000
University of Wisconsin-Madison	\$100,000,000	\$8,000
University of Texas at Austin	\$140,000,000	\$11,000
University of California, San Diego	\$160,000,000	\$12,500
University of Washington	\$120,000,000	\$9,500
University of Pennsylvania	\$170,000,000	\$13,000
University of Michigan-Dearborn	\$80,000,000	\$6,000
University of Michigan-Flint	\$60,000,000	\$4,500
University of Michigan-Rochester	\$40,000,000	\$3,000
University of Michigan-St. Joseph	\$20,000,000	\$1,500
University of Michigan-Westland	\$10,000,000	\$750



Faculty Salaries

Fiscal 2006

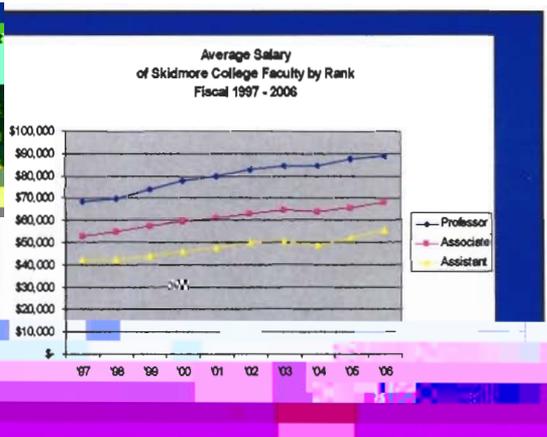
Rank	Average	Rank	%	Continuing	Median*
Full	\$89,023	15	1.5%	3.8%	92%
Associate	68,676	12	4.2%	4.5%	95%
Assistant	55,991	11	6.2%	10.0%	99%

GSA for fiscal 2006 was 3.0%

Ranking and median for Full was # 14 and 94% in '05

Ranking and median for Associate was # 12 and 95% in '05

Ranking and median for Assistant was # 11 and 99% in '05





Basic Guidelines for our Budget Process

Conditions for financial equilibrium

- Balance budgets annually
- Balance projected income and expense
- Preserve human resources value
- Preserve the useful life of physical plant
- Preserve the purchasing power of the endowment

Item	Assumptions 2007
Inflation	3.0%
Tuition/Fee Increase	5.9%
Student Enrollments (NFE) <i>Incr 6%</i>	2,280*
Endowment Total Return	6.0%
Endowment Spend Rate	3.0%
Financial Aid Allowance	6.4%
Annual Gifts	\$5.8 million

Proposed Budget

Item	Assumptions 2007
Salary Pool Increase*	3.0%

*Plus selected market, equity and promotion adjustments per third year or four year compensation plan (based on 2007 General Compensation Survey)

The previously scheduled second phase of employee cost sharing for medical insurance is deferred again to the following year.

Proposed Budget

Academic Initiatives

Four newly budgeted faculty positions
Math & Computer Science, Sociology & Social Work, Philosophy &

Conversion four adjunct to full-time contract faculty positions

Other new academic positions: technical support for art, academic environmental safety officer and chemical stock keeper.

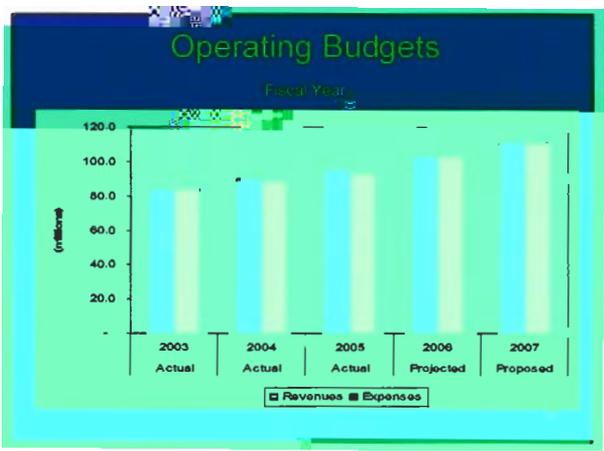
Increased support for research projects for full-time post research support for Louise Burson

Funding for First Year Experience and Developmental Studies

Proposed Budget

2007

- New initiatives to support the academic support unit
- Other academic support issues (SRT/OTAs)
- New initiatives to provide for women's leadership cohort and diversity
- New academic position for new Chang Hall Program
- Summary of New Initiatives
- Total New Initiatives \$7.6M (6.5% of 2006 and 6.6% of 2007)



Operating Revenues

in millions

Revenues:	Estimated 2006	Proposed 2007	Increase on Estimated
Financial Aid	23.0	23.0	0%
Fee Waiver/Tuition	46.7	46.3	-1%
Other Tuition	12.2	12.2	0%
Room/Board	17.1	17.1	0%
Income/Students	10.7	11.7	10%
Gifts	5.6	5.8	5%
Grants	2.3	3.1	35%
Other	1.3	1.3	23%
Total	\$ 103.2	\$ 111.5	8%

Operating Expenses

in millions

Expenses:	Estimated 2006	Proposed 2007	Increase on Estimated
Compensation	\$ 63.4	\$ 68.1	8%
Services/Supplies	20.8	21.6	4%
Debt	3.7	3.6	-1%
Capital	6.7	7.0	4%
Utilities	5.2	5.5	4%
Library	1.1	1.2	3%
Other	2.3	3.1	35%
Total	\$ 103.2	\$ 111.5	8%

Operating Budget - Summary

in millions

	Estimated 2006	Proposed 2007	% Change
Operating Revenues	\$ 103.2	\$ 111.5	8%
Operating Expenses	\$ 103.2	\$ 111.5	8%
Excess of Revenues over Expenses	\$ 0	\$ 0	0%
Enrollment Over Plan - Net Tuition	\$ 3.2	\$ 0	-100%

- ## Summary
- Challenges
 - Financial markets volatility
 - Fundraising environment difficult
 - Significant investments required in facilities and technology

Sustaining Financial Health

- Control growth rates of expenses and selectively reduce certain programs and services while maintaining the integrity of our mission
- Improve fundraising capacity from alumni and other supporters
- Improve retention including balancing enrollments between semesters
- Annual review of all new programs and regular review of established programs
- Balance budgets annually