

## **Worcester Polytechnic Institute FY23 & FY24 Consolidated Financial Statements:**

In FY24, WPI's total net assets increased from \$799.3 million to \$850.2 million, representing a growth of \$50.9 million or 6.4%. This increase is primarily driven by non-operating activities, which contributed \$56.0 million, offsetting a decrease of \$5.1 million from operating activities.

Net tuition and fees rose by \$5.9 million, a 2.9% increase from \$201.9 million in FY23 to \$207.9 million in FY24. This growth results from a combination of factors, including a 3.5% increase in undergraduate tuition rates and a strategic adjustment to the first-year undergraduate discount rate, which increased from 47.9% to 51.8% in FY24. The total undergraduate full-time equivalent (FTE) enrollment grew to 5,226, up from 5,058 last year, reflecting the University's efforts to balance rate increases with enhanced discounts to attract and retain students.

Auxiliary revenues increased from \$41.3 million in FY23 to \$44.1 million in FY24, reflecting a 6.0% growth. This increase is primarily attributed to a rise in housing revenue, which grew from \$23.5 million to \$25.0 million, representing a 6.4% increase that includes over \$300K from additional summer housing. Dining services revenue rose from \$17.0 million to \$17.7 million, a 3.9% increase. Operating income from contributions decreased from \$8.9 million in FY23 to \$8.0 million in FY24, a decline of \$0.9 million or 9.8%. This reduction reflects shifts in donor activity and classification based on restrictions specified by the donors.

The return on investments improved, with net gains increasing from \$63.1 million in FY23 to \$72.1 million in FY24, representing an increase of \$9.0 million or 14.2%. This improvement was driven by strong market performance, as the endowment's total return on the managed portfolio rose to 11.3% from 9.7% in the previous year. Operating investment income remained relatively stable at \$19.1 million, while gains on investments were slightly lower at \$53.0 million compared to \$53.4 million in FY23. Overall, the consistent performance of the endowment and investments has contributed positively to the University's financial position.

Operating expenses rose from \$355.4 million in FY23 to \$361.1 million in FY24, reflecting a modest increase of 1.9%. A significant driver of this change was the increase in wages and benefits, which rose from \$190.5 million to \$217.3 million, marking a rise of \$26.8 million or 14.1%. The most notable change in functional expenses occurred in Sponsored Research, which saw a substantial jump to \$64.3 million, up from \$53.3 million, representing an increase of \$11.0 million or 20.6%. This rise reaffirms our commitment to growth and investment in research initiatives. Interest expense also decreased, falling from \$12.7 million to \$10.6 million, a reduction of \$2.1 million or 16.9%, directly attributable to the bond repurchase program that effectively lowered the University's interest obligations.

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