

Report of the NU Graduate Workers Research Committee



As we look back on 2020, a year with record unemployment and financial ruin for many, it is clear that the ultra-wealthy had a banner year. Despite claims from the university that it too was struggling financially, an analysis of university finances for the fiscal year places Northwestern firmly in the camp of those who came out on top in 2020.

Corporate power, and the corporatized university in particular, relies on an air of impenetrability and expertise. By portraying the rank and file of the university as simply incapable of grasping the nuance of its wealth, demands made to control that wealth can be more easily dismissed. We see this in the vague references by administrators to donor restrictions placed on portions of the endowment and the illiquidity of certain assets, which are commonly cited in response to demands to better fund student and worker well-being. It is critical to the mission of empowering workers that this mystique is eliminated, a goal which we aim to accomplish with the [2020 NUGW report on university finances](#).

By every relevant metric, Northwestern University increased its wealth during 2020, according to data found in the university's [annual financial report](#). Compared to the previous year, the university increased its cash on hand by \$250 million, grew its unrestricted endowment funds by \$90 million, and increased its net assets by over \$400 million. Perhaps most shocking is that, after months of claiming an anticipated budget shortfall, the university ended fiscal year 2020 with a surplus of \$83.4 million. We especially note that the decrease in salaries, wages and benefits paid to service workers, likely due to the firing of hundreds of staff members, only saved the university \$12.1 million compared to 2019.

The story of Northwestern's finances in 2020 is perhaps best told through a timeline of emails from President Morton O. Schapiro to the community at large. On [January 9th, 2020](#) he announced via email that, thanks to the community working together "to seek focused growth and efficiency in daily operations," the university ended fiscal year 2019 with a \$66.5 million budget surplus. That same year, according to pg. 38 of the [university's 2019 financial report](#), the salaries, wages, and benefits of support staff were cut by \$15.5 million from their 2018 level.

FINANCIAL HIGHLIGHTS



\$798M → **\$887M**
2019 2020
Research funding increase

\$10.8B → **\$11.1B**
2019 2020
Endowment increase

Just three months later, with the COVID-19 pandemic surging worldwide and many of the university's operations transitioning to online, it seemed as if the "unprecedented period of growth" referenced by Schapiro in January had come to an end. In an [April 16th email](#) on the "Financial Implications of COVID-19," a bleak picture was painted of the university's finances to justify the levying of austerity measures, including hiring and salary freezes, as well as restrictions on discretionary spending of schools and units. By the time a [May 11th](#) email was sent, a number had been attached to this outlook: \$90 million, representing the anticipated budgetary shortfall for the fiscal year.

The May 11th email also marked the public announcement of the furlough of "about 250 staff members." (The exact number, [249 staff members](#), is one below the threshold of a "mass layoff" set by the Illinois WARN act, which would have required the university to provide 60 days of advanced notice to the laid off workers.) More layoffs were to follow, with Compass Group laying off [230 staff members](#) in July and [100](#) in September. The prediction of a \$90 million shortfall was repeated by Schapiro on August 5th, in an email that announced 87 more staff layoffs. When the fiscal year ended just 26 days later, the university finished not with the predicted \$90 million shortfall, but with a surplus of \$83.4 million. As we have shown in [our financial report](#), this is more than enough to provide funding extensions to graduate workers and compensation to laid off employees. While it was recently announced that Compass Group would [reinstate 97%](#) of their laid off staff members, it appears to be well within the means of the university to also provide compensation for the time during which they were laid off.

NUGW stands in steadfast solidarity with workers and students at every level of the campus organizing to make control of the university's finances community-oriented and worker-friendly. Were it not for the efforts of the rank and file members of UNITE HERE Local 1, the union representing Compass workers on campus, we likely would not have known about the university's decision to [renege on its promise](#) to compensate dining workers for the spring quarter. When the university failed to take care of its service workers, Students Organizing for Labor Rights stepped in by raising tens of thousands of dollars to provide relief to laid off workers. Fossil Free NU has shown us that meeting the financial demands of workers and divesting from fossil fuels are not mutually exclusive goals. A public [petition divest from law enforcement and invest in Black lives](#) garnered over 8,000 signatures, with organizers coalescing under the umbrella NU Community Not Cops to demand police abolition. Our tale of 2020 in Morty's emails would not be complete without mention of his [racist response](#) to these protests.

The university administration seems to hide behind financial hardship when it is convenient and to brandish economic triumphalism when it is necessary to calm its donors. In a recent email, President Shapiro claimed that "Despite the economic pressures, Northwestern was able to solidify its position among the country's top 10 research universities in 2020." However, the university's success should not be measured, negatively or positively, by its financial holdings, but rather by how those holdings are used. Northwestern has the opportunity to lead the way out of this pandemic, but it can only do so if it abandons austerity and dedicates itself to its own stated mission of really supporting current and future generations of scholars.

EXCELLENCE

\$83.4M BUDGET SURPLUS

\$226M INCREASE IN CASH ON HAND

\$1.1B IN LIQUID ASSETS

\$400M GROWTH IN NET ASSETS

7.1% GROWTH IN INVESTMENT PORTFOLIO

Numbers from Northwestern's "Report of the Senior Vice President for Business and Finance," 2020



8000+

Petition signatures calling for NU's divestment from law enforcement and investment in Black lives

1600+

Attendees at FMO's State of the Black Union w/ Angela Davis

0.6%

size of Northwestern's "Racial Equity and Community Partnership Grant Program" relative to the 2020 budget surplus

DIVERSITY AND EQUITY

81 %

of laid off Compass group workers are Black or Latinx

28 %

of NUPD field stops in Evanston were of Black pedestrians, despite Evanston’s population being 16.6% black

Northwestern meets

<100 %

of 1968 Bursar’s Takeover demands



NUPD Budget

RESEARCH

86

Days between re-opening labs and providing on-campus, asymptomatic testing

0

Years of additional funding provided to graduate workers

0

Capacity limits in Feinberg lab spaces since December 18, 2020



COVID-19 RESPONSE



\$ 12.1M

decrease in salaries, wages, and benefits paid to support staff compared to 2019

536

cumulative positive COVID-19 tests throughout the Fall

\$ 80,000+

raised by Students Organizing for Labor Rights for laid off service workers

2

months without an online case tracker for on-campus COVID-19 cases

By attending virtually

0 %

was the reduction of the expected family contribution to tuition offered to students on financial aid