

HARVARD PORTRAIT

sources of revenue.” For instance, increased financial-aid spending has meant that “undergraduate net tuition actually has declined on an inflation-adjusted basis during the past decade at an average rate of 5 percent.” Excluding the national economic-stimulus program, “federal sponsored research revenue has had an inflation-adjusted compound annual growth rate of only 2 percent since 2002, and non-federal sponsored research has fared worse. Meanwhile...benefits expense has more than doubled in the past decade to \$476 million in fiscal 2012.”

The near-term response has been retrenchment: tighter staffing and attempts to rationalize information technology, purchasing, and the decentralized libraries structure. But Shore and Rothenberg call that merely a prologue to “an even more fundamental examination of our activities with the goal of more crisply prioritizing what we do and what we are willing to forgo.”

The future. Sketching the need for a new economic model for Harvard and other private research universities, they observe:

We are challenged by volatility in the capital markets due to our endowment dependence and disproportionately fixed cost structure. We depend considerably on [federal] funding of biomedical research at a time when the government’s projected deficits and accumulated debt create enormous pressure to reduce such discretionary dollars. The University’s sizable campus requires significant annual funding to maintain and still more funding to address deferred maintenance.

Turning to matters at hand, they term the increase in employee-benefit costs “unsupportable...relative to actual and expected growth” in revenue. Harvard is now addressing those costs largely by effecting changes in healthcare benefits (co-insurance and deductibles rose during calendar 2012), and by increasing the share of premiums borne by higher-paid employees in calendar 2013.

In a sign of the rising pressures, disagreements about compensation and healthcare costs have caused a public, contentious breach with the Harvard Union of Clerical and Technical Workers, the University’s largest union; at press time, the parties had not negotiated a successor to



Ann Forsyth

“After walking to work my whole life, I’ve become this new, middle-aged cyclist,” says Graduate School of Design professor Ann Forsyth. Raised on a farm in Australia, she has built a career on making sprawling urban areas healthier: improving walkability, green space, food sources, and affordable housing. The author of *Reforming Suburbia* and *Designing Small Parks* says there has been “a snobbiness about the suburbs, a perception among designers that they are full of affluent people who can be left to their own devices.” But growth of the burbs and their immigrant populations means “there are often more poor children there now than in the core cities,” making Forsyth’s work even more relevant. This spring, she’ll lead GSD students in a hands-on project to help redevelop downtown Malden, a working-class city north of Boston. She is also working with Harvard’s business and law schools to improve other struggling communities. Forsyth left the farm for college in Sydney, marrying her talents in science and art in an architecture degree. Desiring broader societal impact, she switched to urban planning, earning a master’s at UCLA and a doctorate from Cornell, where she was a professor before joining the GSD last May. She has also taught at the University of Minnesota and UMass Amherst, among other places, moving homes about 28 times in three decades. Now she has settled in Arlington, near the bike path into Cambridge. “Making more sustainable and healthy communities is a matter of balance—helping people make choices that help the wider community in the longer term,” she says. “As a researcher, I not only talk the talk, I ride the ride.”