

December 17, 2008

Dear Parents:

When Mrs. Holton founded our school in 1901, she insisted that Holton offer an Open Door that welcomed students into a place that felt like home. Mrs. Holton believed that a school should feel like a family. During these challenging economic times, it is more important than ever that we embrace our community as a family; and a family takes care of its members in good times and bad.

First, we can reassure you that Holton-Arms remains a strong institution that will continue providing the best possible education for your daughters. Endowments everywhere have lost value, and ours is no exception. However, because of the forethought and wise management of past and current administrations and Boards of Trustees, we still benefit from a larger endowment than most of our peers. In addition, our facilities are in excellent condition due to recent investments in the physical plant. Generous donors to our Annual Fund contribute more than \$1 million to our operating budget; we have already passed the \$500,000 mark this year. And, despite the economy, our admissions applications are running 14 percent ahead of last year.

With the economy in mind, the Board of Trustees met last Wednesday and approved a tuition increase for next year at the lowest percentage increase in more than twenty years. Specifically, tuition will rise \$950 per student, or an average 3.41 percent. The value of the education your daughter receives continues to increase in an ever-changing and challenging world. The accomplishments of our students demonstrate the benefits of a strong program that builds confident, competent young women, ready to lead and to serve their community.

Holton-Arms has a long tradition – dating back to the Depression – of helping families facing financial challenges. Continuing in this tradition, the Board approved an increase in financial aid of up to 31 percent, or \$700,000, over the 2008-09 budget. This increase will allow us to meet anticipated financial aid needs and cover the \$950 tuition increase for all our financial aid families. To ensure that families know their awards at the same time that they receive their contracts, we are making our financial aid decisions for 2009-10 earlier this year. Finally, we are instituting a 12-month payment plan. *Please* do not hesitate to contact us if you are concerned about meeting your financial obligations to Holton.

Our faculty truly makes Holton the outstanding school it is. We want to make sure that even during these challenging times, we provide our teachers with at least a modest raise, as the economic environment is challenging for them, too. Moreover, many of our more senior faculty members face the reality of sharply reduced retirement funds.

To maintain our commitment to financial aid and our high standards of academic and extra-curricular excellence, Holton is doing our share of belt-tightening. Senior administrators have accepted minimal raises (below the percentage that faculty will receive). We are suspending sabbaticals for next year. We have reduced our capital budget for next year by more than 5 percent. Last year, we cut our operating budget across the board by 3 percent, and we will freeze our operating expenditures at this same level for this year and next. Following the energy audit the school conducted last year, we entered into a multi-year advanced energy purchase plan that is already saving up to \$250,000 over what we normally would have budgeted. Our investments to “green” the school are also netting cost savings on an ongoing basis in areas such as water consumption. As we formulate next year’s budget, we are looking for additional opportunities to save money without adversely affecting student programs.

With declining endowment and increased demands for financial aid, **we need the support of our families, alumnae, and friends more than ever.** History shows that even during recessions, enrollment holds strong and giving increases at independent schools. In addition, the education of the leaders and global citizens of the next generation has never been more important for the future of the nation and the world. We know that Holton provides that education. We hope that you will find a way to be as generous as possible to this wonderful school during this challenging time.

Please know that we are here to answer questions and assist you in any way we can. In the meantime, we wish you and yours a healthy and happy new year.

Sincerely,



Kimberly *Hoffman* Samperton, '73
Chair of the Board of Trustees



Susanna A. Jones
Head of School