

## Standard & Poor's, Moody's upgrade Tulane University credit rating

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Both Standard & Poor's and Moody's upgraded the university's credit rating, an endorsement of Tulane's current financial standing and future outlook. (Photo by Rusty Costanza)

Despite the historic challenges presented by the global pandemic and the recovery from Hurricane Ida, Tulane's credit rating continues to improve, a reflection of its ongoing dedication to financial sustainability.

In November 2021, Standard & Poor's announced that Tulane's credit rating was upgraded from 'A' stable to 'A+' stable. Additionally, the university's credit rating of A2 was upgraded this month by Moody's from A2 stable to A2 positive.

"This achievement is an impressive reflection of the focus and discipline of the entire Tulane team," said Board of Tulane Chair Carol Lavin Bernick. "Working together, their commitment will continue to strengthen the university, its culture and its standing."

The high ratings are an endorsement of Tulane's current financial standing and future outlook. They are the result of a successful financial strategy implemented after an extensive review and revamping of the university's fiscal practices, investments and opportunities. Under this strategy, Tulane ended years of deficit spending and built a financial culture of empowered leaders, rigorous planning and effective execution.

"Our commitment to financial sustainability has allowed the university to invest in a number of vital academic, research and student-focused initiatives while also empowering us to navigate formidable challenges," Tulane President Michael Fitts said. "We have made significant progress in strengthening our financial position in a short period of time."

Patrick Norton, Tulane's senior vice president and chief operating officer, also attributed the new ratings to improvements in the university's creditworthiness through years of restrained financial policy, strengthening of its brand position, its focus on institutional resilience and its long-term commitment to financial stability.

"We will continue to improve our financial standing so we can further enhance the student experience and support our faculty and staff in carrying out the critical Tulane mission of interdisciplinary teaching and research," Norton said.

"The 'A+' rating reflects our view of Tulane's extremely strong enterprise profile and adequate financial profile," Standard & Poor's wrote. "We base the extremely strong enterprise profile on Tulane's enrollment and demand metrics, a sizable endowment and solid fundraising. The financial profile reflects a track record of solid operations, adequate balance-sheet metrics compared with the rating and medians, and relatively high overall debt levels."

In their credit overview, Moody's stated, "The revision of the outlook to positive acknowledges Tulane's disciplined revenue growth and operating performance. Enhanced financial stewardship is yielding notable gains in unrestricted liquidity while also funding growth initiatives. The improved financial policy, management credibility and track record under Moody's ESG framework is a key driver of the rating action."

Standard & Poor's and Moody's issue credit ratings for the debt of public and private companies and other public borrowers such as governments and governmental entities.