



OFFICE OF THE PRESIDENT
BROWN UNIVERSITY

CELEBRATING FIVE YEARS OF

Building on

DISTINCTION

**BROWN UNIVERSITY
FINANCIAL REPORT
Fiscal Year 2019**

Brown University Summary

Fiscal year ended June 30, 2019

FINANCIAL (dollars in millions)	Fiscal Year 2019	Fiscal Year 2018
Principal Revenue Sources		
Tuition and Fees (net)	\$373	\$353
Grants and Contracts	\$201	\$190
Endowment Return Appropriated	\$154	\$152
Contributions	\$292	\$282
Total Investment Return	\$464	\$448
Principal Purpose of Expenditures		
Instruction and Departmental Research	\$347	\$339
Academic and Student Support	\$271	\$252
Financial Balance Sheet		
Total Assets	\$6,209	\$5,792
Total Liabilities	\$1,136	\$1,156
Net Assets	\$5,073	\$4,636
Fundraising		
New Gifts and Pledges	\$421	\$389
Cash	\$250	\$240
STUDENTS		
Enrollment		
Undergraduate Students	7,043	6,988
Graduate Students	2,629	2,541
Medical Students	585	566
Degrees Conferred		
Bachelor's Degrees	1,697	1,696
Master's Degrees	846	717
Doctor of Philosophy	225	208
Doctor of Medicine	128	120
Annual Tuition and Required Fees		
Undergraduate	\$55,556	\$53,419
Graduate	\$55,332	\$53,205
Medical	\$62,254	\$59,302
FACULTY		
Campus-based Faculty (all ranks)*	772	758
Medical School Faculty	614	626

*Campus-based faculty head counts include professor, associate and assistant professor, and lecturer, senior lecturer and distinguished senior lecturer.

Brown University Financial Report

Fiscal Year 2019

FROM THE PRESIDENT



In 2014, as Brown University kicked off the celebration of its 250th anniversary, we launched *Building on Distinction: A New Plan for Brown*. This ambitious strategic plan set forth a bold vision for elevating Brown to the next level of excellence over 10 years.

The Corporation of Brown University approved the plan in October 2013, and the values articulated in the document reflected that the University had reached an important inflection point in its distinguished history. We as a community determined that Brown has the talent and the capacity to make a tremendous impact in our region, the nation and the world. And we committed to achieving this through the distinctiveness of our education, research and commitment to service.

In recognition of reaching the midpoint of *Building on Distinction* in 2019, the opening section of this Brown University Financial Report is dedicated to highlighting the many accomplishments over the past five years that have contributed to fulfilling the plan's vision.

Brown has been steadfast in pursuing investments and aligning resources to build strength in the foundational areas of the plan. These include elevating our academics through investments in Brown's people and programs; developing the physical campus to provide the infrastructure to support world-class education, research and the community; and supporting the students, faculty and staff who live and work at Brown and are at the core of what we do every day.

We are sustaining this work through responsible stewardship of Brown's finances. The latter half of this annual report offers an overview of the University's financial statements, exceptional investment performance and success in fundraising for Fiscal Year 2019. As outlined in the Financial Statement Overview, Brown's net assets stood at \$5.1 billion for FY19, up 9.4% from FY18. The endowment and other managed assets generated \$467 million in investment gains, which represents a 12.4% investment return, far exceeding our aggregate benchmark among colleges and universities, which was 5.3%.

The endowment and other funds managed within the University's investment portfolio ended FY19 at an all-time high of \$4.2 billion. And as shown in the Endowment Report prepared by the Investment Office, the endowment provided \$165 million to the University and supported about 14% of Brown's annual operating budget.

In fundraising, the University's \$3 billion *BrownTogether* campaign reached the important milestone of surpassing the \$2 billion mark in FY19. Giving to Brown totaled \$420.6 million, exceeding the FY18 total by more than \$31 million, and making 2018-19 the single largest fundraising year in Brown's history.

The collective strength of Brown's budget operations and investment management, along with the generosity of our amazing donors, has allowed Brown to continue to support its highest aspirations. In the five years since the launch of *Building on Distinction*, we have added about 90 faculty members engaged in scholarship and teaching, invested \$528 million in capital projects and increased annual research expenditures by 29%, to \$196 million in fiscal 2019. We also awarded \$927 million in scholarship aid in that five-year period, aligned with our goal of keeping a Brown education affordable for talented students from all economic backgrounds.

Five years into the strategic plan, Brown is positioned to achieve a higher level of excellence as a university that brings together innovative education and outstanding research and scholarship. Throughout the next five years of *Building on Distinction*, we will build on our current momentum. We will sustain a community with the talent, leadership and diversity of thought and experience for rigorous inquiry. We will foster innovation, collaboration and discovery across fields of study. And we will continue our targeted investments in programs that provide community benefits, locally and globally. This is Brown's distinction.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christina H. Paxson'.

Christina H. Paxson
President, Brown University

HIGHLIGHTS FROM FIVE YEARS OF

Building on DISTINCTION

LAUNCHED 2014



- 1 **April 2014** | Institute at Brown for Environment and Society approved
- 2 **November 2014** | Launch of BrownConnect
- 3 **September 2015** | Hassenfeld Child Health Innovation Institute announced
- 4 **October 2015** | Kickoff of the \$3B *BrownTogether* campaign

- 5 **February 2016** | *Pathways to Diversity and Inclusion* action plan (DIAP) launched
- 6 **Spring 2016** | Native American and Indigenous Studies Initiative established
- 7 **September 2016** | The Undocumented, First-Generation College and Low-Income Student Center opens
- 8 **October 2016** | Data Science Initiative created

- 9 **September 2016** | Nelson Center for Entrepreneurship opens its doors
- 10 **March 2017** | Launch of the Brown Arts Initiative
- 11 **October 2017** | Opening of the Engineering Research Center
- 12 **October 2017** | Brown moves into South Street Landing

- 13 **April 2018** | \$100M gift names the Carney Institute for Brain Science
- 14 **September 2018** | Brown becomes "no-loan" with *The Brown Promise*
- 15 **October 2018** | Opening of Friedman Hall
- 16 **October 2018** | Black Alumni Reunion and recognition of the 1968 Walkout

- 17 **February 2019** | Brown sets net-zero goal for campus-wide sustainability
- 18 **April 2019** | Construction site work begins for new Performing Arts Center
- 19 **May 2019** | Expansion of the Watson Institute for International and Public Affairs (Stephen Robert Hall)

- 20 **June 2019** | Center for Lacrosse and Soccer topping off
- 21 **July 2019** | Opening of the Wexford Innovation Center, new home to the School of Professional Studies
- 22 **September 2019** | Endowment surpasses \$4B



FIVE YEARS OF Building on Distinction

Building Academic Strength

From brain science to biomedical engineering to the arts and humanities, Brown researchers are fueling discovery, solving global problems and confronting complex 21st-century challenges with a relentless focus on the greater good. And the University's innovative, student-centered teaching empowers students to advance their intellectual growth and go on to lead lives of action and purpose.

Since the 2014 launch of Brown's 10-year strategic plan, *Building on Distinction: A New Plan for Brown*, the University has advanced its investments in research and teaching to record levels, continuing its sustained drive for academic excellence. The world has taken notice. From economics and English to applied math and computer science, multiple academic programs are recognized among the top programs across the globe. And for three years running, students from Brown have earned more Fulbright scholarships than those from any other university in the nation.

New academic programs — including undergraduate concentrations and certificate programs, as well as offerings serving graduate and professional students — are adding strength to a brand of education that already has earned Brown a global reputation for innovation. And distinctive undergraduate efforts like the Engaged Scholars Program, individualized student-faculty research opportunities and Brown's new Wintersession offer students countless ways to cultivate critical thinking, independence and creativity through exposure to a rigorous curriculum.

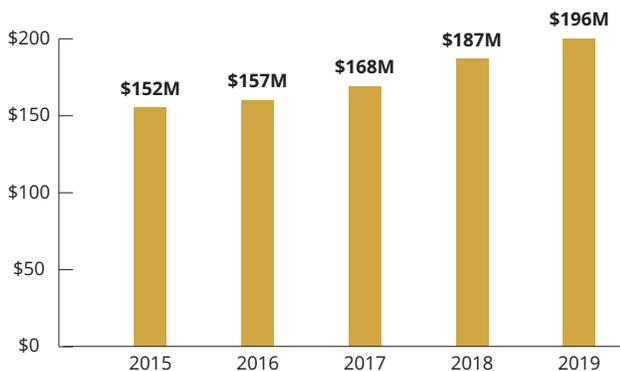
Based on its signature Open Curriculum, celebrating its 50th anniversary this year, Brown consistently earns top marks for schools where students are most engaged. The Wall Street Journal and Times Higher Education included Brown as the only Top 25 school in the nation to also land Top 10 honors for student engagement, based on how intellectually challenged students feel inside and outside of the classroom.

Underpinning much of Brown's academic success is a commitment to building a fully diverse and inclusive academic community in which people of a wide variety of perspectives and backgrounds contribute their knowledge and expertise to solving problems.

The number of faculty from historically underrepresented groups has increased by 34% since the 2016 launch of the University's ambitious diversity and inclusion action plan, *Pathways to Diversity and Inclusion: An Action Plan for Brown* (known as the DIAP). The plan has served as an apt companion to *Building on Distinction*, reflecting that Brown can only achieve its bold aspirations to reach the next level of excellence by cultivating a community that embodies the social and intellectual diversity of the world. Initiatives such as the Presidential Diversity Postdoctoral Fellowship Program and the Provost's Visiting Professors Program are bringing underrepresented scholars to campus — many of whom choose to stay, from early-career postdoctoral fellows to world-renowned faculty like physicist and National Medal of Science winner S. James Gates Jr.

Building a faculty home for scholars and practitioners who are at the frontiers of research and truly dedicated to teaching remains one of Brown's most important priorities. And growth among endowed chair positions — having established more than 75 new endowed chairs toward Brown's current goal of raising funds for 123 new chairs — is allowing the University to compete for and retain accomplished teachers and researchers who are fielding offers from multiple institutions.

Research Expenditures FY15 to FY19



Brown is building its stature as an academic powerhouse and leading research institution. In Fiscal Year 2019, Brown expended \$196 million in grant funding toward cutting-edge research across the humanities and the life, physical and social sciences. In the five complete fiscal years since the launch of *Building on Distinction*, Brown's research spending has grown by nearly 30%. And University scholars had secured a total of 301 grants of \$1 million or more through October 2019 in FY20. This includes the largest grant in Brown's history, \$53 million, in the area of population health.

While no report can capture the full impact of that work, the achievements included here highlight just a sampling of the many ways the Brown community is generating scientific breakthroughs, shedding light on social and cultural phenomena, and educating future generations of students who will make a difference in their communities, the nation and the world.

INNOVATING IN THE ARTS AND HUMANITIES

Through a wide range of initiatives and investments guided by *Building on Distinction*, Brown has strengthened its longstanding reputation as a leader in innovative research and teaching in the arts and humanities.

Two years ago, in recognition of its growing impact in promoting research and informed public dialogue on questions facing humanity, Brown's Cogut Center for the Humanities became an institute, joining a network of 21 humanities institutes advancing scholarship across the globe. The Cogut Institute's expanded mission focuses on enabling cross-disciplinary scholarship that tackles society's most pressing challenges in unique, original ways.

The institute's Collaborative Humanities Initiative, launched in 2017, inaugurated a series of undergraduate courses that draws from knowledge across multiple disciplines, divisions and schools. A planned Spring 2020 course, for instance, will incorporate faculty expertise in cognitive science, Italian studies and modern culture and media in a survey of the history of simulated reality. Graduate students, too, have even more opportunities to engage in study at the intersection of multiple fields: A \$1.3 million grant from the Andrew W. Mellon Foundation funded the creation of the first-of-its-kind certificate program in collaborative humanities, which enables graduate students to take part in team-taught collaborative research seminars led by pairs of faculty members from different fields.

Humanities work in the digital realm also is rapidly expanding, thanks to the launch of Brown's Digital Scholarship Initiative and major grants from the Mellon Foundation and the National Endowment for the Humanities. Scholars at

IMPROVING POPULATION HEALTH

This year, a \$53.4 million grant to Brown from the National Institute on Aging became the largest federal award in University history. Together with Hebrew SeniorLife, researchers from Brown's School of Public Health will lead a nationwide effort to improve health care and quality of life for people living with Alzheimer's and related dementias, as well as their caregivers. Professor Vincent Mor, co-leader of the collaboration, said that by funding a collaborative research incubator to support trial solutions across the U.S., the project will revolutionize the national research infrastructure needed to identify the best models of care delivery for people with dementia.



Brown are calling on cutting-edge technology to publish and preserve centuries-old texts, from handwritten papers from Timbuktu to ancient cuneiform tablets threatened by modern-day conflict in Syria. And humanities faculty members are working with the University Library to develop new born-digital scholarship, incorporating virtual reality, non-linear reading experiences and original music performances.

Another home of innovative scholarship at Brown is the Center for the Study of Slavery and Justice, which has grown under *Building on Distinction* from a nascent center to a powerhouse for scholarship on the trans-Atlantic slave trade, its legacies and ramifications for the present. Through the examination of slavery in seminars, research clusters and presentations across the globe, the CSSJ has advanced critical discussions on race, ethnicity and social justice at the national and international levels. Together with the Smithsonian Institution's National Museum of African American History and Culture, the CSSJ convenes the Global Curatorial Project, a group of curators from major museums spanning three continents seeking to improve upon curatorial practices for exhibitions on slavery and colonialism. The center is currently working with Firelight Media to produce a documentary that will chart the economic and human cost of the slave trade across the Atlantic basin. And the CSSJ's very creation — prompted by a 2006 report detailing the University's entanglement with the slave trade throughout its early history — has inspired other universities to examine their own ties to slavery, prompting national conversations about repair, reckoning, reconciliation and justice.

Another area of growing strength across the arts and humanities is the growing diversity of scholarly voices — from faculty and students to visiting speakers and performers. The Cogut Institute has hired six new faculty members who conduct groundbreaking cross-disciplinary work; among them are Peter Szendy, whose work lives at

the intersection of art, philosophy and economics, and Leela Ghandi, who explores the role of the humanities in global society.

Recognition of the experiences of underrepresented voices, in line with the goals of the *Pathways to Diversity and Inclusion* action plan, has been an area of increasing attention. Many arts and humanities programs across Brown — including Africana studies and Rites and Reason Theatre — convened in 2018 to recognize the 50th anniversary of the 1968 Black Student Walkout, when 65 students walked off campus to advocate for increased social, academic and financial support. At a special Black Alumni Reunion weekend, students performed the original play “Walkout!,” alumni and faculty led discussions, and several College Hill galleries mounted exhibitions that focused on themes of race, education and the modern legacy of slavery in the U.S.

Brown has also established the Native American and Indigenous Studies Initiative, which draws on existing strengths such as the Haffenreffer Museum of Anthropology, the John Carter Brown Library and the Department of American Studies. The initiative will get a major boost from a new \$750,000 Mellon Foundation grant to support the development of a formal NAIS concentration, expanding the number of faculty and courses focused on building understanding of the history and contemporary culture of indigenous peoples. Already, courses span the realms of history, performing arts, public health and environmental studies.

Recognizing that creativity and free expression are essential to a civil society and are core elements of the Brown experience, the University has also made substantial investments in the arts in the last five years. In 2016, the Brown Arts Initiative (BAI) launched, energizing and integrating arts scholarship and activity across campus. In collaboration with six academic departments and two



EXPLORING HUMAN EXPERIENCE

With a 2019 grant from the Andrew W. Mellon Foundation, Brown is advancing its foray into digital scholarship and bringing new life to research topics in the humanities. The grant will enable the Digital Publications Initiative, a partnership between the Library and the Dean of the Faculty, to develop up to five “born-digital monographs” — long-form, media-rich, interactive scholarly research. With features that can include video, interactive maps, 3D simulations and original music, these digital projects will open the world of humanities research to audiences across the globe and enrich the experience of engaging with scholarly research.

CULTIVATING CREATIVE EXPRESSION

Early in 2019, Brown and New York architecture firm REX unveiled plans for an academic and cultural building that is technologically sophisticated, highly flexible and adaptable to multiple art forms, yet intimate in scale and feel. Upon completion, the Performing Arts Center at Brown will become a one-of-a-kind space that promises to push the boundaries of innovation in art-making. Plans for the PAC, which will complement the adjacent Granoff Center for the Creative Arts, build on the launch of the Brown Arts Initiative, a campus-wide effort to make the University a vibrant laboratory for inventive arts practice and scholarship. Across campus, faculty, staff and students affiliated with the BAI are making the arts an integral presence in the curriculum and fundamental to cultivating creative expression, stimulating discovery and fueling innovative thinking.



affiliated programs in the performing, literary and visual arts, the BAI has already become a premier destination for arts exploration, supporting all that is experimental, forward-thinking and cutting-edge in the arts.

The BAI launched a three-year programming theme of Arts and Environment, fostering collaborations across disciplines. The theme has prompted, among other outcomes, an art exhibition exploring the ramifications of climate change on a local bird species, a talk by an acclaimed writer whose work explores the relationship between identity and environment, and a symposium that examined humanity's relationship to land through a cultural and social justice lens.

Brown made headlines in the arts community nationwide in 2018 upon announcing that the acclaimed Brown/Trinity Rep MFA programs would guarantee a tuition-free education for all incoming acting and directing students, beginning in the 2018-19 year. Removing a financial barrier to education for promising, talented students of all backgrounds will help diversify stories told on stage and encourage innovation and experimentation in art-making.

PURSUING BREAKTHROUGHS IN THE LIFE SCIENCES

From devising new ways to stem the tide of the opioid epidemic to discovering new treatments for Alzheimer's disease, researchers from the Warren Alpert Medical School, the Program in Biology and the School of Public Health are making a difference in people's lives in Providence and around the world. Strategic investments in faculty and research infrastructure over the past five years are bolstering Brown's

strengths in life sciences research and propelling scholars into an ever expanding array of high-impact projects.

A major *Building on Distinction* priority is to solidify Brown as a world leader in the study of the human brain. In April 2018, a \$100 million gift transformed the Brown Institute for Brain Science into the Robert J. and Nancy D. Carney Institute for Brain Science and established it as one of the best-endowed university brain institutes in the country. With 45 labs across campus and more than 130 affiliated professors in departments ranging from neurology and neurosurgery to engineering and computer science, the Carney Institute is further enabling the work of pioneering brain scientists across Brown's faculty.

One example is the BrainGate collaboration, which develops technology aimed at helping to restore the communication and mobility of people affected by neurological disease or injury. The BrainGate brain-computer interface enables patients to control computer cursors or robotic arms just by thinking about moving their own arms and hands. In 2017, BrainGate researchers showed that by connecting their BCI to electrical stimulators in the arm of a man with paralysis, he could control his arm and feed himself. In fall 2019, a research team led by assistant professor and Carney researcher David Borton signed a \$6.3 million contract with the U.S. Defense Advanced Research Projects Agency to develop and test an "intelligent spine interface" aimed at bridging the gap in neurological function created by a spinal cord injury. The project aims to build on Borton's prior work demonstrating that coordinated spinal stimulation can help restore function lost to spinal cord injury.



UNDERSTANDING THE HUMAN BRAIN

At Brown's Carney Institute for Brain Science, researchers are accelerating the pace of scientific discovery and informing therapies for some of the most devastating human diseases. They are also creating tools to transform how brain science research is conducted. Carney scientists have developed "mini-brains," for example — tiny but functional balls of neurons and blood vessels that provide a versatile test bed for studies of drugs, stem cell treatments or neurological injury. A separate team created a new technology that enables scholars to exploit the connections between pairs of neurons to make new neuroscience discoveries. And a third team is engineering ways for neurons to react to circuit malfunctions or disease states, and then to compensate for them by communicating with light. If successful, these efforts could revolutionize the ability of scientists to decipher, diagnose and treat diseases such as epilepsy, stroke, Alzheimer's or traumatic brain injury, all supported by a \$100 million gift announced in 2018 that will establish the Carney Institute as one of the best endowed brain institutes in the country.

Carney Institute researchers have also made substantial strides in the study of diseases like Alzheimer's and ALS. In 2016, Dr. Stephen Salloway co-authored a Nature paper showing significant reductions in amyloid plaques in the brains of people who received the drug aducanumab. In separate research, Nicolas Fawzi showed how genetic mutations upset the behavior of a key protein in ALS and Alzheimer's disease. Professor Kristi Wharton and Professor Robert Reenan's labs also continued a landmark collaboration with three other Brown research groups in conducting an innovative search for rare genetic variations that may suppress ALS.

The National Institute on Aging in 2019 awarded a five-year grant expected to total \$53.4 million to the School of Public Health and Boston-based Hebrew SeniorLife to lead a nationwide effort to improve health care and quality of life for people living with Alzheimer's disease and related dementias. The grant, which is the largest federal award in Brown's history, puts the University at the center of a massive collaborative research incubator evaluating interventions to improve outcomes for patients and aid caregivers.

Another area in which Brown researchers have made a significant impact is in battling the opioid epidemic. In 2015, Rhode Island Governor Gina Raimondo tapped three researchers from the School of Public Health — Dr. Jody Rich, Traci Green and Brandon Marshall — to be advisors to

a statewide opioid task force. Among their recommendations was a program to begin making medications for addiction treatment available to people who are incarcerated. A 2018 study showed that the program dramatically reduced post-incarceration overdose deaths and was associated with an overall drop in opioid fatalities statewide. The program has been hailed as a national model for battling the opioid epidemic, positioning Brown as a leader among U.S. research institutions confronting the crisis.

Meanwhile, the Warren Alpert Medical School has made great strides in establishing itself as a hub of translational science, shepherding breakthroughs in basic research to the point where they can make a meaningful medical difference for patients. The cornerstone of that effort, the Brown Institute for Translational Science, has experienced tremendous growth aided by a \$27 million gift from the Warren Alpert Foundation in 2016 and a \$50 million gift from Brown Chancellor Samuel Mencoff and Anne Mencoff in 2018. The institute is focused on collaborative study in five areas in which Brown's current faculty members excel: aging; genetics, genomics and personalized medicine; maternal child and developmental health; musculoskeletal and motion sciences; and respiratory diseases.

In 2016, a \$19.5 million grant from the National Institute of General Medical Sciences enabled Brown to establish Advance Clinical and Translational Research (Advance-CTR). Its

purpose is to advance discoveries in basic biology from the lab to clinical practice more quickly. Since then, Advance-CTR has funded more than 20 pilot projects addressing key health priorities in Rhode Island. Projects range from using nanotechnology to combat brain tumors to novel strategies to help people increase their physical activity. Overall, the grant portfolio in the Division of Biology and Medicine at Brown increased by 109% between 2013 (prior to the launch of *Building on Distinction*) and 2019.

Separately, a collaboration between the Warren Alpert Medical School, Brown's School of Public Health and leaders from both of the state's major hospital networks is making a tangible difference in health outcomes in Providence and around the world. Established in 2015, the Hassenfeld Child Health Innovation Institute aims to make a transformative impact in areas of urgency in child health, including autism, asthma and obesity. One Hassenfeld project identifies geographic hotspots for asthma and other environmentally mediated health conditions and examines neighborhood characteristics associated with those conditions. Another project focuses on preventing excess summer weight gain in children living in low-income communities through summer camps. And a recent study by Hassenfeld autism researchers identified risk factors for hospitalization among children with autism.

Anchoring all of these efforts is the strength of Brown's teaching in the life sciences, preparing the next generation of scholars and researchers who will advance knowledge and find treatments and cures for disease. Brown graduated its first class through its new Primary Care-Population Medicine program, the first of its kind across the country. Not only

is Brown the only school in the nation where a student can achieve both an M.D. and a master of science in four years, the program is unique in its combined focus on primary care (which focuses on individual patient care) and population medicine (which focuses on large groups of patients and the health care systems that impact their care).

In both the basic science and clinical departments of the Warren Alpert Medical School, Brown is meeting the goal of exposing more undergraduates and medical students to research. With funding from the Howard Hughes Medical Institute, the medical school launched a series of Course-based Undergraduate Research Experiences (CUREs) to give students exposure to addressing a question or problem of interest to the scientific community. In addition, the Alpert Medical School Summer Research Program which supports medical student research was renewed by the National Heart, Lung and Blood Institute and is offering summer research experiences for students for its 10th year. Because of this and other efforts, more than 400 students on average benefit from research experiences in basic science and clinical laboratories, with early figures reflecting significant growth in the coming year.

PIONEERING IN THE PHYSICAL SCIENCES AND ENGINEERING

On the morning of Oct. 4, 2016, the Brown community woke to the news that J. Michael Kosterlitz, professor of physics, had won the Nobel Prize. For Kosterlitz, it was long-overdue recognition of a theory that helped to launch

DECIPHERING DISEASE

A device to stabilize newborns tested for meningitis. Human tissue for post-heart attack repair. Diagnostic tools for diabetes, pulmonary fibrosis and back pain. Those are just three of the Brown faculty projects being funded by Brown Biomedical Innovations to Impact, a University initiative to help bridge the "valley of death" — the gap between federal funding for research and when private investors are willing to invest. Ultimately, BBII aims to translate promising discoveries into commercially viable product opportunities that benefit patients.



USING SCIENCE AND TECHNOLOGY TO IMPROVE LIVES

In 2016, an international team of scientists and neuroengineers co-led by Assistant Professor of Engineering David Borton showed that signals recorded from the brain by a brain-computer interface could be used to drive electrical stimulation of the spine below a spinal injury site. A study demonstrated that the system could restore leg movement in primates that had spinal injuries. Building on that work, Borton is now leading a research project — in Rhode Island Hospital and supported by the U.S. Defense Advanced Research Projects Agency — to develop and test an “intelligent spinal interface,” with the hope of restoring muscle control and sensation in human patients with spinal injury.



a revolution in the study of ultra-thin materials and exotic forms of matter. For Brown, it was a reminder on the world's stage of the University's excellence in the physical sciences.

During *Building on Distinction's* first five years, faculty in Brown's physical science departments and School of Engineering have produced groundbreaking scholarship that promises to improve lives, create a more sustainable world and shed light on the great mysteries of the universe.

Bolstered by a new, state-of-the-art Engineering Research Center, researchers in the School of Engineering continue to make leading-edge discoveries and develop new technologies to help meet 21st-century challenges. In recent years, Brown engineers have pioneered the development of perovskite solar cells, which promise to be efficient and inexpensive and could drastically expand the use of solar technologies. Biomedical engineers have developed an antibacterial coating for intravascular catheters that could one day help to prevent catheter-related bloodstream infections, the most common type of hospital-acquired infection. And material scientists have shown ways to make metals resistant to fatigue, the main cause of failure in engineered structures and devices, among many other discoveries.

In 2014, Brown established the Institute at Brown for Environment and Society to propel the University toward a leadership position in multidisciplinary research aimed at sustaining life on Earth. With Amanda Lynch, professor

of earth, environmental and planetary sciences, as founding director, IBES brings together a diverse and dynamic group of ecologists, climatologists, sociologists, economists, historians and other scholars who address complex environmental challenges from the multiple perspectives they require. IBES researchers are combining cutting-edge remote sensing techniques with insights from ethnography and other social science techniques to better understand how changing Arctic ice patterns affect people who live in the region. Geologists and sociologists have teamed to develop a new understanding of land use changes across the critical forest and savanna biomes in Brazil. Physicists and computational experts are working together to develop new insights that improve the accuracy and resolution of climate models.

The past five years have also yielded progress in the University's goals of building capacity and bolstering excellence in mathematical, computational and data sciences. In 2015, the National Science Foundation awarded ICERM, Brown's mathematics institute, a \$17.5 million renewal of its core funding. ICERM, led by Professor of Mathematics Brendan Hassett, brings together some of the world's best mathematical minds to explore topics in pure and applied mathematics, computer science and related disciplines. Scholars and researchers from across the globe come to ICERM for lectures, workshops, semester-long programs and other activities, making Providence a vibrant, worldwide hub of mathematics research.

In 2016, Brown launched the Data Science Initiative, which builds on established strengths in mathematical and computational sciences and a long history of data-related research across its core academic departments. Now led by Professor of Applied Mathematics Björn Sandstede, the initiative established a new data science master's program and outlined a research agenda aimed at developing new fundamental techniques for analyzing large datasets. Shortly after the DSI's launch, the National Science Foundation awarded Brown \$1.5 million as part of its Transdisciplinary Research in Principles of Data Science program. Brown was one of only 12 institutions nationwide to receive TRIPODS funding, which aims to develop new mathematical and computational tools for data-driven discovery.

Recognizing the ever-expanding role of computation in the modern world, the University announced in 2018 an expansion of the Department of Computer Science that will add 10 new tenure-track faculty and five lecturers to the department. The expansion — the largest in the department's 40-year history — will help to accommodate an explosion of student interest in computer science, which is now the largest undergraduate concentration at Brown.

Elsewhere in the physical sciences, researchers continue to push the frontiers of our knowledge of the universe around us. In 2018, Brown students and faculty built key components for the LUX-ZEPLIN dark matter detector, which will begin searching next year for the elusive particles

thought to account for most of the mass in the universe. Richard Gaitskell, professor of physics, oversaw the construction of two detector arrays, and Brown researchers will play key roles in the experiment, which is scheduled to switch on in South Dakota next year.

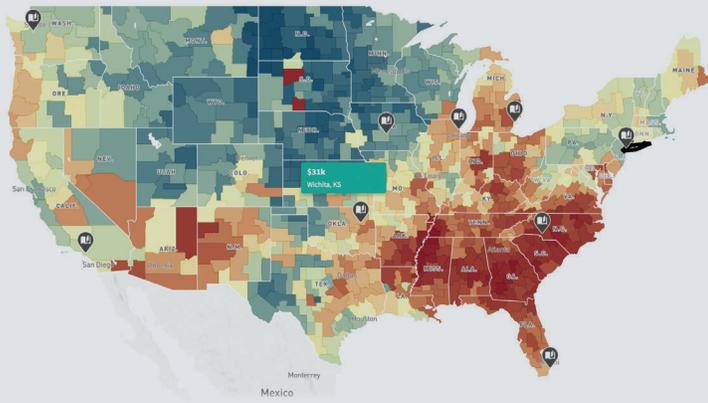
Across the ocean, in Geneva, Brown particle physicists and students continue to make critical contributions to the groundbreaking work at the Large Hadron Collider, the world's most powerful particle accelerator. In 2018, Professor of Physics Meenakshi Narain was tapped to lead the collaboration board for U.S. institutions participating in the CMS detector, one of the major large-scale experiments ongoing at the LHC. As a complement to her impact globally, Narain is also working to engage the local community in Rhode Island in the exciting scientific work happening at Brown, hosting thousands of Ocean State residents at the Big Bang Science Fair in the two years since its launch.

Research by Brown's planetary scientists continues to help NASA chart the course of solar system exploration. In 2018, NASA announced that its next Mars rover would land in Jezero Crater, a site first identified by Brown researchers as having once been home to an ancient lake. Brown students and faculty made the case for Jezero during the landing site selection process, and NASA administrators agreed that it would be an ideal place to search for evidence of past life on the Red Planet.



ADVANCING COMPUTATIONAL AND DATA SCIENCES

Brown researchers continue to push the boundaries of computation and data sciences. Human-robot collaboration is the current research focus for Associate Professor of Computer Science Stefanie Tellex, who makes robots that can help people at home and at work. One project involves teaching robots to retrieve objects, which could assist people with mobility challenges to access household items or workers to grab tools. Tellex and students developed an algorithm that enables robots to receive speech commands and information from human gestures to fetch desired objects. Then they expanded the system to navigate ambiguous situations where the robot isn't sure which object is desired. In those situations, the algorithm prompts the robot to do what a human might do — pause and ask for clarification. The work is one step toward better collaboration between humans and robots.



CREATING PEACEFUL, JUST AND PROSPEROUS SOCIETIES

Prospects for economic mobility among Americans are intimately linked to the neighborhoods in which they grew up, and Brown research in this area is making national headlines for its policy implications. Since 2018, new research and an accompanying interactive tool have illustrated in great detail precisely how neighborhoods shape lives. Developed by Brown economist John Friedman with colleagues at Harvard and the U.S. Census Bureau, the map-based Opportunity Atlas can trace the root of outcomes, such as poverty or incarceration, back to the neighborhoods in which children grew up. And Opportunity Insights, a new policy institute created by Friedman and colleagues, is translating the findings into solutions aimed at improving the lives of Americans in communities across the nation.

UNDERSTANDING AND ANALYSIS THROUGH THE SOCIAL SCIENCES

With the goal of establishing Brown as a leading center for scholarship that informs policy and practice, both at home and across the globe, the University has invested significantly in the social sciences — elevating its visibility as an institution analyzing and promoting solutions to many of society’s major challenges.

At the center of that work is the Watson Institute for International and Public Affairs, whose size and impact have grown markedly in the last five years. The institute has hired new faculty members, increased the number of affiliated faculty from across the University, become home to an undergraduate concentration, forged new external partnerships, enhanced its Master of Public Affairs Program and reinvigorated its regional studies programs, among other developments. Much of that work has been fueled by a \$50 million gift made in 2015 by a consortium of longtime Watson Institute supporters.

On a routine basis, new research by Watson-affiliated faculty is garnering global attention and making a direct societal impact. The Costs of War project, led in part by Professor of International and Public Affairs and Anthropology Catherine Lutz, tallies the human, economic and political costs of America’s wars, its reports catalyzing conversations in Congress about military spending. Frequent public polls conducted by the Taubman Center for American Politics and Policy add to the public discourse on topics as diverse as the cost of living, the value of democracy and the price of security. And social sciences research by countless Watson Institute faculty fellows investigates the root of wealth and racial and opportunity gaps across the globe, taking crucial steps toward addressing inequality.

The Department of Economics, another powerhouse in the social sciences at Brown, has begun a multiyear expansion, thanks to a \$25 million gift. More than half of the gift — \$15 million — will support the launch of the Orlando Bravo Center for Economic Research. It will enable Brown to expand the scope of its high-impact, data-driven research and to amplify its focus on training the next generation of economics researchers. The remaining \$10 million will fund the recruitment of world-class economics faculty.

Across the social sciences, the University continues to convene conversations that incorporate a wide variety of perspectives. In a series of “Across the Aisle” conversations in 2018, Watson Institute senior fellows Tom Perez, chair of the Democratic National Committee, and Michael Steele, former chair of the Republican National Committee, tackled divisive political topics to demonstrate the potential power of civil conversation in breaking down political walls. The Political Theory Project, led by Professor of Political Science John Tomasi, hosts a regular lecture series in which experts with contrasting perspectives present ideas and engage in discussion with one another. And “Earth, Itself,” a program based at IBES, brings together leaders in the humanities, arts and social and natural sciences for events, exhibitions and discussions that uncover new ways of understanding the Earth, climate change and environmental policy.

The last five years have also seen increased emphasis on bringing the perspectives of policymakers and practitioners to social science research. The Brown Policy Lab, launched in 2018-19, brings together experts from government, academia and community organizations to collaborate on research that could inform improvements to policies and programs. The Watson Institute’s military fellows program, brought to life with help from a \$1 million Carnegie Corporation grant, brought to College Hill mid-level military officers from across the U.S. who plan to serve in policy-related positions

in their careers. The program, which prepares military officers for policy work with a year of courses, seminars and projects, presents a key opportunity to build bridges between the U.S. military and the academic world.

New investments in other areas, such as Brown's Center for the Study of Race and Ethnicity in America (CSREA), are positioning Brown scholars nationally on issues at the center of critical challenges facing the country. CSREA has become a powerful force in generating new modes of thinking on nuanced issues, including structural racism, social inequality and immigration policy. An ongoing series titled "How Structural Racism Works," launched by CSREA in 2015, examines the origins and manifestations of racial discrimination in various areas of society, from education to criminal justice to wealth. And in 2017, the center collaborated with Brown's School of Public Health to present "Building Health Equity in an Unequal World," a series that brought health and race experts together for discussions that addressed, and explored solutions to, racial gaps in health.

These efforts and others are also providing students in the social sciences with opportunities to understand and address complex societal issues. At the Watson Institute, intimate seminars offered each semester give undergraduates rare opportunities to learn from leading practitioners in politics, media and academia. This year, for example, former CNN

president Jon Klein led a five-week seminar titled "News vs. Truth," where undergraduates learned how to detect fake news, debated the differences between news and opinion, and discussed the psychology behind what people believe and why they cling to those beliefs.

Outside the classroom, students in the social sciences are taking advantage of multiple new opportunities to connect with key change-makers and to lead their own change. The Brown in Washington Program, started in 2017 by the Watson Institute and the Swearer Center, pairs students with top public and nonprofit agencies in Washington, D.C., for a semester, giving them practical experience in the public policy sphere and a seat at the table in policy conversations that could affect millions of lives. And Hack for Humanity, launched in 2018 by the Humanitarian Innovation Initiative at the Watson Institute, calls on students to develop creative ideas for innovative programs and technologies that could improve the lives of those affected by disaster and conflict around the world, from Hurricane Maria in Puerto Rico to the Rohingya refugee crisis in Southeast Asia.

Across the social sciences, students and faculty are confronting big, global issues in security, economic development, climate change and more — and at the center of all that work is a social consciousness and a desire to benefit society.

SUSTAINING LIFE ON EARTH

Through Brown's Superfund Research Program, engineers, epidemiologists, pathologists and other experts are studying how toxicant exposures affect health. In recent years, a team of Superfund researchers, many of them fellows at the Institute at Brown for Environment and Society, have zeroed in on PFAS — chemicals used to make everything from food packages to fire-fighting foams that have made their way into water supplies nationwide. Superfund researchers have generated new insights into the health consequences of ingesting these compounds, showing for example that PFAS exposure is associated with increased body fat in children. Other researchers worked with the Rhode Island Department of Health to test water supplies across the Ocean State. Just as important, Brown researchers are investigating how toxicant exposures might be eradicated; a team led by engineering professor Kurt Pennell is developing novel strategies for capturing and eliminating the compounds.





CATALYZING ENTREPRENEURSHIP AT BROWN

Casper. 305 Fitness. Nantucket Nectars. Away Travel. RUNA. Virgin Pulse. Behind each of those names, you'll find an entrepreneur who learned the tools of the trade at Brown. While the University has long been fertile ground for creating ambitious solutions to challenges, the Nelson Center for Entrepreneurship, launched in 2016, is taking that to the next level. From small Explore grants and student-run Van Wickle Ventures to Breakthrough Lab and the Venture Prize, a range of venture support options encourages ideas for startups and propels students toward successful launches. Like the Open Curriculum itself, entrepreneurship at Brown transcends academic boundaries and empowers students to make a positive impact, regardless of their field and their ultimate career.

Building the Physical Campus

As a dynamic center for world-class teaching and research, Brown relies on a mix of facilities across its built environment, ranging from state-of-the-art laboratories to historic structures creatively adapted for present day use. What began in 1770 with just a single building has grown into a network of 252 buildings that extends across two Providence neighborhoods, all of which support the University's strategic goals.

As Brown has outlined a strategy for physical growth, its vision has been for two tightly linked, complementary campuses on College Hill and in Providence's Jewelry District. *Building on Distinction* pledged that College Hill would remain the core of undergraduate instruction, faculty research and student life activity, with the Jewelry District serving as a mixed-use environment with medical education, scientific research and administrative spaces that contribute to the economic and cultural vitality of Rhode Island. Today, Brown has a vital presence on both sides of a new footbridge spanning the Providence River. To the east is Brown's historic locale on College Hill, home not just to the University's long-standing buildings, but also a continually growing series of new and renovated spaces enabling fresh academic activity. To the west is a burgeoning Brown

presence in the Jewelry District, where more than 1,800 faculty, staff and students work and study on a daily basis in a reinvigorated neighborhood. The efforts in the Jewelry District have enabled transformational changes in both the district and on College Hill.

Brown is both the anchor tenant and the founding partner in the \$215-million development that opened in 2017 as South Street Landing (SSL). A partnership with private developers, fellow higher education institutions, the State of Rhode Island, the City of Providence and others transformed a long-abandoned power plant into a modern, mixed-use building. South Street Landing is the recent recipient of one of the nation's top awards for historic preservation, even as it has spurred a modern rebirth. With the Warren Alpert Medical School down the street, SSL is now bringing new life to a neighborhood that is increasingly a home for innovative academic and economic activity.

Brown has realized its two-part vision for SSL — to spur economic development in the Jewelry District and also to free space on College Hill for core academic activities. About 400 staff from almost a dozen administrative units across Brown relocated to SSL, helping to ensure that Brown could accommodate growth of burgeoning programs

South Street Landing,
opened in 2017



in fields including brain science, economics, education reform, data science, American studies and computational molecular biology, among others. In this way, public-private partnerships have been key to advancing the University's goal to build strength in education, research and scholarship, while maximizing Brown's impact on innovation, entrepreneurship and job growth in Rhode Island.

Brown's growth strategy for the Jewelry District played a predominant role in the decision by Wexford Science + Technologies — a key partner behind SSL — to invest in developing an innovation district in Providence. Over the last two years, a story similar to that of SSL has played out across the street at the Wexford Innovation Center, which celebrated its opening last summer. Built on formerly vacant land, the 191,000-square-foot center is now home to Brown's executive master's and biomedical master's degree programs and Division of Pre-College and Summer Undergraduate Programs. With Brown, the Cambridge Innovation Center and Johnson & Johnson are fellow anchor tenants.

Less than a mile away on College Hill, just steps from University Hall on the College Green, the transformative renovation in 2018 of the former Wilson Hall — renamed Friedman Hall — has energized and enhanced the innovative undergraduate teaching and learning central to the Brown experience. The historic facade of the venerable classroom building remains unchanged. Within the building's walls, however, the renovation is nothing short of dramatic. Not only is the building now fully accessible to students with physical disabilities, it is providing spacious, light-filled, adaptable classrooms, common areas and social spaces, all integral to Brown's close-knit undergraduate instruction.

A short walk across Simmons Quadrangle and the Sciences Park leads to the Engineering Research Center, which opened its doors in 2017. The 80,000-square-foot structure is home to specialized research facilities for nanoscale and biomedical engineering, along with two full floors of lab space designed to expand research in renewable energy, environmental engineering, advanced materials and other areas. Outside, a student-designed sundial, "Infinite Possibility," serves as a physical representation of the rigor of engineering work and the creative inspiration that produces the most cutting-edge solutions. Approximately 15 faculty research groups, 20 research associates and 80 graduate students now call the ERC home.

Nearby, two new buildings — the Applied Mathematics Building, completed in 2015, and Stephen Robert Hall, opened in 2019 — are enabling growth in academic programs for which Brown is widely known. Stephen Robert Hall marks a major physical expansion for the Watson Institute for International and Public Affairs and a linchpin in Watson's ambitious and ongoing work to create a more robust, inclusive and integrative community of scholars addressing global policy challenges. Both buildings serve students daily and are enabling expanded capacity for Brown researchers to make an impact through their scholarship.

On the corner of Thayer Street, the bustling commercial district that intersects College Hill, a complete renovation to the upper floors of 164 Angell St. — best known to date as home to the Brown Bookstore on the lower levels — has fostered cross-disciplinary collaboration and innovation. Formerly known as the Brown Office Building, the relocation of its former occupants to South Street Landing allowed a renovation that welcomed the Carney Institute for Brain Science, the Center for Computational and Molecular Biology, the Data Science Initiative, the Department of Education and the Annenberg Institute for School Reform. The former office building is now a lively hub for academic activity.





Nelson Center for Entrepreneurship

Across the street, a dedicated location at the brand new 249 Thayer St. is advancing the Nelson Center for Entrepreneurship’s mission to equip the next generation of entrepreneurs for lives of innovation and impact. Three floors of light-filled space, leased by the University for the long-term, are user-friendly, flexible in configuration and home to intimate meeting areas, which serve as co-working areas for student ventures and large event venues. Opened just this year, the new space is already one where innovative ideas are being inspired and brought to life.

Additional projects will open in the coming years. As part of *Building on Distinction’s* goal for new academic space to support the arts, construction is underway on a Performing Arts Center across from the Perry and Marty Granoff Center for the Creative Arts. The PAC is designed to inspire innovative new art-making, enable unprecedented artistic collaboration and serve as a hub for performance at Brown. With a radical, one-of-a-kind approach to spatial, acoustic and technical flexibility, the building will house a state-of-the-art main performance hall that can transform into any of five vastly different stage/audience configurations, and a suite of studios, rehearsal spaces and intimate performance venues that will serve as everyday academic resources for students and faculty.

To free space for the PAC, Brown relocated the historic Sharpe House, home to many — but not all — of the faculty in the Department of History. With the other half of the history department located in directly-adjacent Peter Green House, the Sharpe House relocation and a renovation unified the department and preserved a building that Brown has owned since the 1920s. It also made the department’s spaces fully accessible to community members with physical disabilities.

Not far away, Brown is advancing plans toward an integrated health and wellness center and residence hall. The center will bring together services and programs instrumental to students’ physical and emotional well-being — including Health Services, Counseling and Psychological Services, Brown Emergency Medical Services and the University’s health promotion program. It also is being designed to include a residence hall with beds for more than 150 students who share a deep commitment to sustaining healthy lifestyles, providing a much-needed addition to residential spaces for students who live on campus.

At Brown’s athletics complex, construction is underway for a championship-level Center for Lacrosse and Soccer. The facility will provide the men’s and women’s lacrosse and soccer teams with a central space for training, practice and competition — amplifying the student-athlete experience and advancing teams’ ability to succeed at the highest level. The project complements a series of upgrades to key athletics facilities in recent years, including at the Olney-Margolies Athletic Center, the Pizzitola Sports Center and Marston Boathouse.

All of these projects are informed by Brown’s long-term approach to campus master planning. This includes efforts to achieve a more sustainable campus to confront what scientists have declared an increasingly dire threat posed by global climate change. Early in 2019, Brown set an aggressive goal to cut campus greenhouse gas emissions by 75% by 2025 and to achieve net-zero emissions no later than 2040. The University is moving to wind and solar sources of electricity and making changes to its central power plant that will allow, over time, the ability to heat all buildings on campus with renewable energy sources.

Building on Distinction called for campus planning that advances Brown’s academic and co-curricular goals, and the strategy has served Brown well.



Performing Arts Center (artist’s rendering)

Building Community

At the heart of *Building on Distinction* are people — faculty, students, staff, alumni, parents and an extended network of friends who together form a global community connected physically and virtually to Brown. It's a community that discovers and learns, conducts research and teaches classes, recruits students and faculty, and also mentors, forms networks and serves as ambassadors and examples of the impact Brown University makes in the world.

A key element of Brown's strategic plan, therefore, has always been strengthening the resources and initiatives that make all of this possible. Investments in people, programs and facilities are ensuring that Brown remains "a place where ideas, passion and constructive irreverence lead to lives of purpose and positive consequence." Five years after the launch of *Building on Distinction*, the Brown community is stronger and more impactful than ever, leading by example and guided ever forward by its mission and core values.

The University has achieved this through a strategic focus on building the strong roots of its thriving academic and educational environment. That means 1) taking a thoughtful approach to the recruitment and retention of diverse and exceptional talent; 2) focusing on the many ways to support the individual and collective success of community members to ensure they thrive; 3) building connections among and between Brown's many constituencies, including the extended alumni and parent family, and Brown's home of Providence and Rhode Island; and 4) ensuring the sustainability of resources and excellence in business operations to firmly anchor Brown for generations of future success.

ATTRACTING AND RETAINING EXCEPTIONAL TALENT

As stated in *Building on Distinction*, Brown is a place that both appreciates and draws its strength from "the power of collaboration among individuals with different perspectives, backgrounds and areas of expertise." Because the individual and collective attributes of the people that make up the Brown community are core of its excellence, the University has been focused on recruiting the best and brightest from around the world.

Beginning with students entering in fall 2018, Brown became a "no loan" university, reducing financial barriers for the most talented students to choose Brown. Through *The Brown Promise* initiative, all loans packaged in financial aid awards for new and returning undergraduates now have been replaced with grants. The percentage of students accepting Brown's offer of admission has climbed from 58.6% before the elimination of loans, to 61.2% for the Class of 2022 and 62.3% for the most recently entered Class of 2023.

Ever attentive to issues of affordability, the University also has implemented a series of initiatives over the past five years that are making Brown's application process more fully accessible to undergraduate students from a full range of backgrounds. Brown now considers first-time, first-year undergraduate applicants who graduate from a U.S. high school and hold undocumented or DACA status (Deferred Action for Childhood Arrivals) as if they were U.S. citizens or permanent residents. Like first-time, first-year domestic students, undocumented and DACA applicants are considered under the University's need-blind admission policy, and Brown meets 100% of each student's demonstrated financial need upon matriculation.

In addition, Brown in 2018 eliminated the SAT essay and ACT writing test requirement for applicants, allowing students to take advantage of school-day testing rather than after-hours or weekend testing that can pose a hardship for some families, and also began to automatically waive the application fee for low-income students. Since 2014, the number of applications from students who are the first in their families to attend college has climbed 35%. Brown has been undertaking a set of initiatives also to expand access for veterans. New support for financial aid for undergraduate veterans and new recruiting efforts will seek to significantly increase the number of veterans applying to Brown each year. For the Class of 2023, a total of 38,674 prospective students applied to attend Brown, the University's largest applicant pool to date.

Brown has seen similar success in recruiting graduate and medical students. As noted in *Building on Distinction*, graduate and medical education are cornerstones of Brown's success. Doctoral students produce excellent scholarship, collaborate with faculty and make critical contributions to undergraduate education. Master's and medical students engage in research, advance knowledge and pursue careers that serve people and communities around the world. But for these students to be prepared to serve people and communities around the world, Brown's graduate and medical education must attract a diverse pool of exceptionally talented students.

In recent years, Brown has increased graduate stipends to ensure the University is competitive with the best programs in the country. Brown stipends among peers in the humanities and social sciences rank third when adjusted for cost of living, and the stipends rank fourth among peers in STEM fields. Since 2014, applications to graduate programs have increased by more than 26% and selectivity has remained at 10% for Ph.D. applicants. Nine of Brown's graduate programs are ranked in the Top 25 in their respective fields by U.S. News & World Report. The Warren Alpert Medical School has seen a 60% increase in applications over the past four years, and is ranked #9 in selectivity nationally. And 98% of the school's graduates successfully matched for residency during the most recent year, many at Top 20 institutions.

The strength of this community is the exceptional talent drawn from students, faculty and staff representing a full range of experiences, backgrounds and perspectives. Since *Pathways to Diversity and Inclusion: An Action Plan for Brown* (known as the DIAP) was launched in February 2016, Brown has achieved tremendous gains in cultivating a more diverse and inclusive campus. This has included increasing the proportion of newly hired and retained faculty from historically underrepresented groups (HUGs). By fall 2018, the number of Brown faculty from HUGs had increased 34.4% since the release of the DIAP. Specific efforts have included reviewing and updating recruitment practices, implementing data-driven strategies for faculty searches and enhancing training on unconscious bias for search committees. Other initiatives have focused on widening the pipeline of young scholars from diverse backgrounds through the Presidential Diversity Postdoctoral Fellowship Program and attracting distinguished senior scholars from HUGs for temporary appointments through the Provost’s Visiting Professors Program.

In fall 2018, 32% of all incoming graduate students identified as members of historically underrepresented groups, which is the largest-ever cohort. This compares to an overall student body that had hovered around 9% from HUGs since 2012. Among new doctoral students from the U.S., 31.5% identified as members of HUGs, which was an increase of 18% from the previous academic year. Similarly in fall 2018, Brown’s Warren Alpert Medical School welcomed its most diverse incoming class of first-year medical students through FY19, with 26% identifying as students from groups underrepresented in medicine.

For staff, new internships and partnerships with local community agencies have helped strengthen the range of experiences and skills across the institution. The representation of Brown staff members from HUGs was approximately 15.5% in fall 2018, an increase of nearly 20% from 2015. In student-facing departments, that increase has been greater — for example, 55% of new staff in the Division of Campus Life identify as HUGs. The excitement around Brown’s diversity and inclusion efforts has earned the University national headlines and has drawn exceptionally talented scholars – both students and faculty – from a full range of backgrounds to Brown for its commitment to inclusion.

SUPPORTING A THRIVING COMMUNITY

Another central focus of *Building on Distinction* is a commitment to ensuring that members of the Brown community are well-supported in everything they do. The strategic plan is explicit in the need to “provide members of this community with the opportunities and resources needed for success.”

For faculty, this has meant changes like the optional reduction in teaching loads in exceptional circumstances to support faculty engaged in large and complex research projects. It also has meant the introduction of programs like the “By Faculty for Faculty” lecture series hosted by the Office of the Provost, which provides opportunities for faculty to engage with each other and with the breadth of scholarship taking place across Brown. The similar “Faculty in Focus” lecture series for staff, co-sponsored by the Office of the Provost and President’s

SUPPORTING ROTC AND VETERANS

Students who aspire to military service and the veterans who have served in the armed forces contribute to the Brown community their distinct leadership and deep commitment to service. In 2019, the University announced need-blind admissions for undergraduate veterans beginning for students entering in 2020, along with a set of initiatives to increase access and financial support to more than double the number of undergraduate veterans. The initiatives build on years of expanded support, including restoring relationships with the Navy, Marines and Air Force in 2016, adding to Brown’s existing Army Reserve Officer Training Corps relationship.



AMPLIFYING THE STUDENT ATHLETE EXPERIENCE

Brown has a long-held commitment to the success of its scholar athletes. More than \$100 million in fundraising for Brown Athletics is funding state-of-the-art facilities for teaching, training and competition; top coaches who serve as teachers, mentors and community leaders; and equipment, travel and other forms of support for over 900 students who participate in Brown's 38 varsity teams. Investments in athletics reflect the desire by the University and an extended family of donors to ensure that students enjoy a well-rounded college experience, achieving their full academic and athletic potential. Just recently, Brown celebrated the Brown's women's soccer team winning the 2019 Ivy League Championship.



Staff Advisory Council, is designed to cultivate community by offering opportunities for staff to gather and engage with the academic life of the University by hearing directly from faculty about their research.

Other initiatives for staff have focused on professional development. University Human Resources launched Learning@Brown to provide the community with more access to opportunities, and various new leadership series support staff pursuing professional certifications and training. One of the most sustained initiatives has been a focus on climate among staff. Borne out of campus-wide climate surveys initiated in 2016 and 2018, the University launched a Staff Mentoring Program, Administrative Fellows Program and enhanced professional development opportunities on BEAR Day and Staff Development Day, among other initiatives. All of the efforts recognize that building a strong community means ensuring that Brown is a great place to work and study.

For students, Brown has established itself as a national leader in recognizing that successful educational experiences depend on resources provided outside the classroom. The University worked in partnership with undergraduate students to establish the Undocumented, First-Generation College and Low-Income Student Center (known as the U-FLi Center), the first of its kind in the country. The center

opened in September 2016 in Brown's Sciences Library. Its original mission of supporting first-generation and low-income students broadened to undocumented students after national policy discussions affecting children of immigrants intensified in 2016.

Since 2014, the University has launched initiatives to address a full range of challenges affecting students from all backgrounds. These include student hunger and food insecurity; costs for textbooks and course materials; the need for emergency funds; summer work requirements; and the need for enhanced support, gathering spaces and activities for students with shared cultural experiences and interests.

In addition, a flagship effort at Brown has been the expansion of opportunities for students to participate in summer internships and research opportunities. Brown in November 2014 launched BrownConnect, which is aimed at providing Brown first-year students, sophomores and juniors with increased support for summer internships, research and funding. The program takes advantage of digital technology to engage Brown alumni and families in connecting students to these opportunities. The initiative arose from President Paxson's pledge in January 2014 to ensure that all undergraduate students, regardless of financial need, have the opportunity to take part in an internship or research experience during their time at Brown. When the pilot

program launched in 2014, it offered 154 summer internship opportunities. Five years later, BrownConnect's opportunities have risen to about 900. By fall 2017, the digital platform had logged 12,187 unique users and 9,784 student emails sent to alumni — with a 90% response rate.

For graduate students, a focus has been strengthening support for their learning and professional growth. This has included a steady increase in graduate student support, both stipends and benefits, as well as workshops teaching effective performance, a parental relief policy to allow students to more easily travel to conferences and the creation of a Graduate Student Study Center. The Graduate School also developed doctoral certificates to allow secondary specialization outside the student's chosen Ph.D. field and established a task force on doctoral advising.

Preview days on campus for STEM graduate students of color, professional workshops, new fellowship programs to strengthen support and transition programs for doctoral training in biomedical and behavioral sciences are among a set of initiatives established to address the unique needs and experiences of graduate students of color.

BUILDING CONNECTIONS AMONG AND BETWEEN COMMUNITIES

The Brown community extends far beyond College Hill and Providence. Brown has continued to amplify the impact of its scholarship and research through sustained relationships with alumni, parents and friends, as well as its neighbors and partners in the city and state the University calls home.

Over the past five years, Brown has developed new ways to engage alumni and parents in the life of the University. The previously student-centered BrownConnect initiative expanded in summer 2018 to enable alumni to connect with each other to extend their professional networks, cultivate career connections and seek advice. New forms of digital engagement have included the News from Brown e-newsletter sent to all families beginning in 2015, as well as the Brown University Parent and Family newsletter launched in cooperation with the College and Division of Campus Life in winter 2017. These communications keep alumni and parents connected to the vitality of academic and campus life at Brown.

Also, Brown knows that opportunities for alumni, parents and friends to connect directly with each other and the campus help ensure they retain a more personal connection to Brown over the years. Events like the Celebration of Brown's 250th anniversary in 2014-15; the 125 Years of Women at Brown conference that took place in 2017; the Black Alumni Reunion and recognition of the 1968 Black Student Walkout in fall 2018; and the more recent Open Curriculum at 50 celebration

that kicked off in May 2019 bring together members of our community from across the country and around the world. The events are marked by celebration and reflection. True to Brown, they also bring together various constituencies of alumni, parents, friends — often with those who live and work at Brown — to imagine what lies ahead in Brown's future. Often, that future focuses on Brown's broader impact on society and the world.

STRENGTHENING COLLABORATIONS AND PARTNERSHIPS

While the Academic Strength section of this report details Brown's impact through education and research, *Building on Distinction* also notes that carefully chosen collaborations and partnerships with external organizations are more important than ever to universities. Through an increasing number of strategic projects, Brown has deepened its valued relationship with neighbors and partners in Providence and Rhode Island over the past five years, becoming an engine of economic innovation and production benefiting the city and the state.

The most ambitious of these efforts was the multiyear private-public partnership that transformed the long-vacant former South Street Power Station into a mixed-use development. It has helped bring new vibrancy to the city's Jewelry District, already home to the Warren Alpert Medical School. The relocation of 400 staff members to South Street Landing (SSL) created new ways of working for the more than a dozen newly co-located administrative units, and also strengthened ties to local governments and the other higher education institutions sharing the facility.

The foundation laid with SSL led to the nearby development of the Wexford Innovation Center, another public-private partnership, which broke ground just as Brown was preparing to move into SSL in 2017. Relocating the School of Professional Studies to a new home, Brown is an anchor tenant in the innovation center that opened in summer 2019, along with the Cambridge Innovation Center and Johnson & Johnson. The project is helping further fuel collaborative growth and economic development in the Jewelry District.

Other partnership efforts include a Brown and the Innovation Economy initiative launched in consultation with business, community and government leaders from across Rhode Island to expand the University's impact on economic growth across the Ocean State. There is also the expansion of local collaborations through the Nelson Center for Entrepreneurship and initiatives like Brown's TRI-Lab (Teaching, Research and Impact), which is working with community organizations, as well as iHub, a state-funded partnership led by Brown, the University of Rhode Island and two global startup accelerators to boost commercialization of research.



Most recently, Brown has begun working toward a strategic plan for partnering with the Rhode Island Department of Education in its efforts to reform the struggling Providence public schools. The University has capacity to share its expertise, research and technology platforms, in addition to committing financial resources. In recent years, Brown has spent more than \$800,000 annually on direct support to Providence school children in the form of after-school programs, summer education experiences on campus, college scholarships and more. During the 2019-20 academic year, Brown expects to announce its plans to further support the public schools.

ENSURING ECONOMIC SUSTAINABILITY AND OPERATIONAL EXCELLENCE

At the core of all the efforts described in this report is a commitment to maintaining a strong and sustainable financial base. To recruit faculty and students to College Hill, the University must be positioned to compete with universities with endowments several times as large as Brown's. Building excellence in scholarship and research and maintaining a strong physical campus relies on building resources for financial aid, faculty searches, campus infrastructure and the technology and systems of a modern campus.

Just as Brown's academics, physical campus and community have grown in strength since the launch of *Building on Distinction*, the University's overall financial position has become substantially stronger. The following sections of this annual Financial Report reflect Brown's approach to economic sustainability. Over the past five years, Brown's goals have been to eliminate structural deficits; reduce the endowment draw to the lower end of the policy band; increase fundraising, with a focus on endowed gifts in priority areas, unrestricted annual funds and bequests; operate an efficient organization that is "lean" on administration; become first-in-class in investment management; and increase research funding. As noted in the Endowment Report, record-breaking fundraising, a talented investment team and a concerted effort to reduce the endowment draw helped Brown's endowment grow from \$2.6 billion at the beginning of FY13 to nearly \$4.2 billion by the end of FY19.

For the next five years of *Building on Distinction*, the University is well positioned to meet the bold aspirations of the strategic plan — to reach a new level of excellence that Brown will build upon for generations to come. ■

EXCELLENCE FUELED BY INCREASES IN FUNDED RESEARCH

Brown has seen an acceleration in research expenditures in the five years since the launch of *Building on Distinction*. Researchers and scholars were awarded 301 grants of \$1 million or more from FY15 to FY20, as of Oct. 7, 2019.

This list represents just a small sampling of some of the largest grants received by researchers in individual research areas across Brown, from the life sciences and physical sciences, to the arts, humanities and social sciences.*

- \$53.4M to the School of Public Health from NIH's National Institute on Aging to create with Hebrew SeniorLife an Alzheimer's disease and related dementias research incubator
- \$20.2M to Advance Clinical Translational Research from the National Institute of General Medical Sciences for infrastructure to catalyze biomedical research and clinical trials
- \$17.6M to the Institute for Computational and Experimental Research in Mathematics (ICERM) from the National Science Foundation for five-year renewal as one of eight NSF-sponsored mathematics institutes in the U.S.
- \$12M to the Carney Institute for Brain Science from the National Institute of General Medical Sciences Centers of Biomedical Research Excellence (COBRE) to renew support for Brown's Center for Central Nervous System Function
- \$11.7M to the Center for Alcohol and Addiction Studies from the National Institute of General Medical Sciences COBRE for biological addiction research
- \$11.3M to Ecology and Evolutionary Biology from the National Institute of General Medical Sciences COBRE for computational biology
- \$677,839 to the Institute at Brown for Environment and Society from NASA for research on meltwater runoff in Greenland ice sheets
- \$10.7M to Molecular and Nanoscale Innovation from the National Institute of Environmental Health Science for study of toxicant exposures in Rhode Island
- \$10.7M to Molecular Biology, Cell Biology and Biochemistry from the National Institute on Aging for studying molecular mechanisms of aging
- \$7.4M to Neuroscience from the Office of Naval Research to study bio-inspired adaptive sonar
- \$836,523 to Political Science from the Regents of the University of Michigan for study of the consequences of the Common Core
- \$13.7M (total of two grants) to the Center for Statistical Sciences from the National Institutes of Health, first \$6.9M for five-year support for the ECOG-ACRIN Cancer Research Group's Statistics and Data Management Center at Brown, renewed in 2019 with additional \$6.8M
- \$6.5M to Molecular Biology, Cell Biology and Biochemistry from NIH's National Institute of Neurological Disorders and Stroke to study inhibition of virus infection
- \$13.3M (total of two grants) to the School of Engineering from the National Institute of Standards and Technology to allow Brown researchers to collaborate with NIST researchers and access NIST's specialized labs
- \$6.5M to the Center for Alcohol and Addiction Studies from NIH's National Institute on Alcohol Abuse and Alcoholism to study alcohol and HIV interactions
- \$6.3M to the Center for Gerontology and Health Care Research from the National Institute on Aging to study video education in nursing homes
- \$6M to the Graduate School from the National Science Foundation to fund the Graduate Research Fellowship Program
- \$5.9M to Applied Mathematics from the U.S. Army to study math theory and applications
- \$332,175 to Theatre Arts and Performance Studies from Northwestern University for dance in the humanities
- \$5.5M to the Center for Gerontology and Health Care Research from the National Institute on Aging to study caregivers and dementia

*Funding levels reflect total dollars over the funded period, in some cases for multiyear awards.

- \$1.7M to the Political Theory Project from the Charles G. Koch Charitable Foundation for general support
- \$1.5M to Institutional Diversity from the Andrew W. Mellon Foundation for Andrew W. Mellon Gateway Fellowships
- \$5.4M to Neuroscience from the National Science Foundation to study bioluminescence for brain control and imaging
- \$5M to the Mindfulness Research Center from the National Center for Complementary and Integrative Health to study mindfulness influences on health
- \$5M to the Haffenreffer Museum from the Andrew W. Mellon Foundation for cataloging and potential relocation
- \$303,690 to Judaic Studies from the Goldhirsh Yellin Foundation for inscriptions of Israel/Palestine
- \$5M to Education from the U.S. Department of Education to study high school exit examination implications
- \$10.8M to the Center for Alcohol and Addiction Studies from the National Institute on Drug Abuse for research on opioid treatment outcomes
- \$4.8M to Molecular and Nanoscale Innovation from the Office of Naval Research for modeling multiscale traumatic brain injury
- \$9M (total of two grants) \$4.4M first to the Rhode Island Innovative Policy Lab in Population Studies, then \$4.6M to the reconstituted Brown Public Policy Lab from the Laura and John Arnold Foundation for lab operations
- \$7.3M (total of two grants) to researchers in the School of Engineering from the Defense Advanced Research Projects Agency, \$4.2M for engineering a brain-computer interface and \$3.1M to develop an intelligent spine interface
- \$4.2M to the Center for Health Equity Research from the National Heart, Lung, and Blood Institute for improving nutrition and physical activity in home-based child care
- \$4.1M to Chemistry from the Defense Advanced Research Projects Agency to research storage of digital data in molecules
- \$4M to Molecular and Nanoscale Innovation from the National Science Foundation for research into low-cost, efficient solar cells as clean energy
- \$4M to Physics from the National Science Foundation for developing understanding of quantum systems to enable new quantum technologies
- \$14.3M (total of five grants) to researchers in Pathology and Laboratory Medicine from the National Institute of Allergy and Infectious Diseases, grants ranging from \$1.4M to \$3.4M, to study malaria vaccines, the flow of malaria parasites and malaria drug resistance
- \$3.2M to Computer Science from the Defense Advanced Research Projects Agency to build data exploration software that reduces false discoveries
- \$275,000 to Classics from the Arete Foundation for the Brown Greek Epigraphy and Law Project
- \$2.7M to Earth, Environmental, and Planetary Sciences from NASA-Goddard for the Rhode Island Space Grant Consortium 2015
- \$1.3M to the University Library from the Andrew W. Mellon Foundation to launch Brown's digital scholarship initiative
- \$2.7M to the Leadership Alliance from the National Institute of General Medical Sciences for expanded mentorship of biomedical science students and junior researchers from historically underrepresented groups
- \$1.4M to the Annenberg Institute for School Reform from the U.S. Department of Education to explore the role of youth leadership councils in developing competencies and civic engagement
- \$284,186 to Sociology from the National Science Foundation for mapping structures of entrepreneurial startup activities

FACULTY EARN PROMINENT RESEARCH AWARDS

Brown's Professor J. Michael J. Kosterlitz was awarded the Nobel Prize in Physics in 2016.

In addition, Brown faculty continue to earn the most prestigious awards for early-career scientists and scholars. From FY15 to FY20 to date:

- 4 have earned Presidential Early Career Awards for Scientists and Engineers
- 18 have earned National Science Foundation Early Career Development (NSF CAREER) awards
- 8 have won Alfred P. Sloan Foundation Research Fellowships

Financial Statement Overview

Letter from the Brown Finance Team

Brown ended Fiscal Year 2019 in strong financial health, having made significant improvements in our financial forecasting, budgeting and analysis abilities. The complex economic landscape and evolving challenges of higher education require increased focus on a clear financial strategy, cost discipline and advance planning to prepare for potential disruptive forces. Brown is methodically upgrading its ability to optimize the University's existing resources in order to serve all its stakeholders in a more efficient manner.

Brown's net assets are \$5.1 billion, an increase of \$437 million or 9.4% from FY18. Brown did generate a modest GAAP operating loss of \$25.4 million in FY19 (financials based on U.S. generally accepted accounting principles). The University is pursuing a number of initiatives to close this deficit going forward.

Total debt stands at \$788 million with an average maturity of 12 years and a 3.36% blended cost of capital. Our credit rating stands at AA+/Aa1 with Moody's and S&P respectively. The University also has significant financial flexibility with liquidity from financial assets and other liquidity sources of nearly \$1 billion within a 12-month time period.

It was only five years ago that Brown's net assets stood at \$3.85 billion. As Brown has worked during these last five years toward fulfilling the goals of the *Building on Distinction* strategic plan, the University added approximately 90 faculty members, invested \$528 million in capital projects, offered \$927 million in University scholarships and grew research expenditures from \$152 million in FY15 to \$196 million in FY19, a 29% overall increase. We were able to make all of these investments toward realizing the strategic goals of the University while also growing net assets by over \$1.2 billion. The drivers of this growth were the generosity of our donors, growth in grant revenue, a reduction in outstanding debt and top-quartile endowment returns.

Brown continues to take a long-term view with respect to our financial sustainability, making important decisions today for the sake of the institution's present and future. These are often the "hard choices" that many institutions avoid. For instance, the Brown Corporation's approval of the reduction in the endowment payout rate initially reduced the operating budget by \$15 million. However, reducing it below 5% (it currently stands at 4.85% for FY20) to allow for more compounded growth makes long-term fiduciary sense. Other difficult decisions include capping the undergraduate student body to maintain the uniquely Brown experience, embarking on a more comprehensive budgeting process and eliminating loans packaged in financial aid awards to make Brown more financially accessible to a broader constituency of students.

The University's balance sheet ending FY19 is in excellent condition. Despite the modest operating deficit, the University deployed the resources to support the key thematic areas of *Building on Distinction*, expanded *The Brown Promise* financial aid initiative and made tremendous progress on a number of significant capital projects. We look forward to continuing to support these University endeavors over the coming fiscal year. Further information regarding the financial position of the University and results are included in the following Review of 2019 Financial Statements, with the full audited 2019 Financial Statements, including footnotes, available for review online.



Barbara Chernow
Executive Vice President
Finance and Administration



Joseph Dowling
CEO of the Brown Investment Office
and Interim Chief Financial Officer

REVIEW OF 2019 FINANCIAL STATEMENTS

Following is a discussion of the Fiscal Year 2019 financial performance of Brown University. The University's financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) and audited by independent outside auditors from the firm KPMG LLP. GAAP financials have been summarized for presentation purposes in the charts and tables presented below.

Summary of GAAP Financial Statements

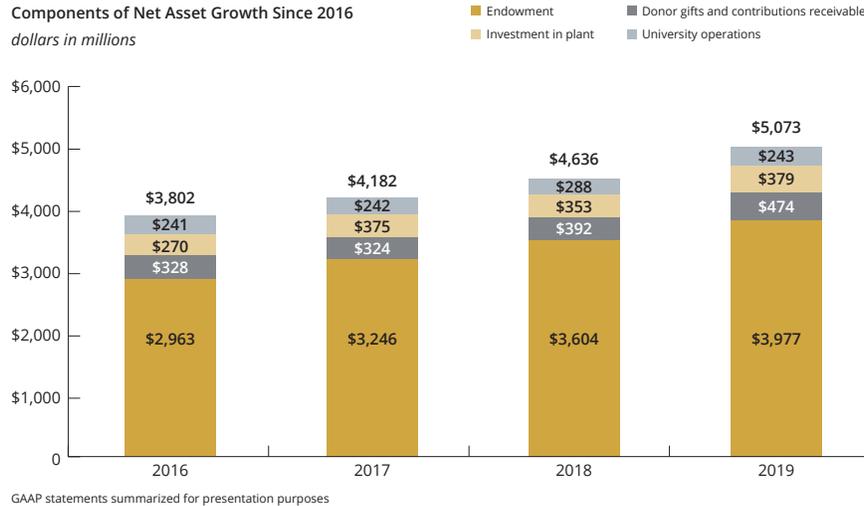
dollars in thousands

Balance sheet	2018	2019	% Change
Assets	\$5,791,966	\$6,209,293	7%
Liabilities	\$1,155,475	\$1,135,774	-2%
Net assets	\$4,636,491	\$5,073,519	9%
Total liabilities and net assets	\$5,791,966	\$6,209,293	7%
Statement of activities	2018	2019	% Change
Operating revenues	\$951,684	\$967,564	2%
Operating expenses	\$947,223	\$992,926	5%
Net operating activities	\$4,461	-\$25,362	n/a
Non-operating activities	\$445,316	\$462,390	4%
Total change in net assets	\$449,777	\$437,028	-3%
Beginning net assets	\$4,186,714	\$4,636,491	11%
Ending net asset balance	\$4,636,491	\$5,073,519	9%
Cash flow	2018	2019	% Change
Cash flows from operating activities	\$449,777	\$437,028	-3%
Adjustments	-\$534,829	-\$562,043	5%
Net cash used in operating activities	-\$85,052	-\$125,015	47%
Cash flows from Investing activity			
Additions to land, buildings and equipment	-\$92,142	-\$156,223	70%
Net investments	\$58,587	\$88,453	51%
Other	-\$62,288	\$41,935	n/a
Net cash used in investing activity	-\$95,843	-\$25,835	-73%
Cash flows from financing activity			
Gift-related activities	\$147,369	\$152,324	3%
Proceeds and payments on debt instruments	\$66,053	-\$35,789	n/a
Net cash used from financing activity	\$213,422	\$116,535	-45%
Change in cash	\$32,527	-\$34,315	n/a
Beginning cash balance	\$210,714	\$243,241	15%
Ending cash balance	\$243,241	\$208,926	-14%

GAAP financials summarized for presentation purposes

NET ASSETS

The University ended Fiscal Year 2019 with net assets of \$5.1 billion, an increase of \$437 million (9.4%), despite recording a modest operating loss of \$25.4 million. This marks the third straight year of substantial growth in net assets, with the cumulative change totaling approximately \$1.3 billion over the period. Endowment performance and gifts were the most substantial contributors. Net investment returns, after the endowment appropriation, totaled nearly \$300 million, while cash gifts were just below \$200 million.



OPERATING REVENUE

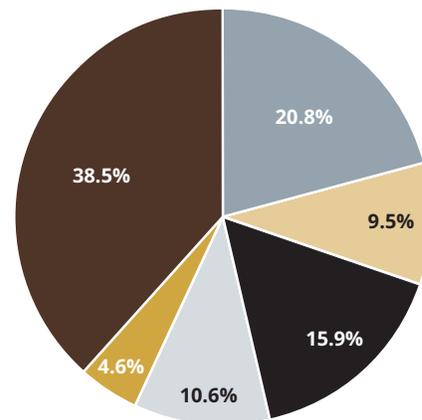
The University's total operating revenues grew by 1.7% to \$967.6 million in 2019, up from \$951.7 million in 2018. The relatively small change in total revenue was driven by growth in net tuition and grants tempered by only modest growth in the endowment return appropriated and auxiliary revenue, as well as a decline in contributions.

Gross tuition grew 5.7% (\$31.1 million) to \$581.9 million in FY19, while University scholarships grew by a slightly larger 5.8% to \$209 million. This marks the first time in the University's history that scholarships topped \$200 million, a milestone accomplishment consistent with the University's continued implementation of *The Brown Promise*. In aggregate, net tuition and fees grew by 5.6% year-over-year to \$373 million.

University Scholarships Paid
dollars in thousands



Components of Revenue
Total Revenue \$967,564
dollars in thousands



Net tuition and fees \$372,951	Grants and contracts \$200,909	Contributions \$92,244
Endowment return appropriated \$153,857	Sales and services of auxiliary \$102,712	Other income \$44,891

GAAP statements summarized for presentation purposes

Grants and contracts revenue from government and private sources increased \$10.7 million to \$200.9 million, a 5.6% increase over 2018. Brown improved in both the number and average size of awards. The percentage of revenue from federal funding sources such as the National Institutes of Health, the National Science Foundation and the Department of Defense increased by two percentage points to 89% in 2019. This increase translated into an improvement in the University's effective indirect cost reimbursement rate from 32% in 2018 to 34% in 2019.

Operating contribution revenue for current-use gifts declined by approximately \$20 million to \$92.2 million in 2019. In contrast, non-operating contributions, primarily related to gifts for buildings and new endowments, increased \$30 million over 2018 to \$199.3 million.

For 2019, the Corporation of Brown University had approved an endowment appropriation distribution reduction to 4.9% from the 5.07% rate in 2018. This payout rate is applied to the average market value of Brown's endowment over the most recent three-year period. This reduction was more than offset by investment gains and additional gifts, resulting in a modest \$2.2 million increase in endowment returns appropriated in 2019 versus 2018. This appropriation of \$153.9 million represents approximately 15.9% of the University's operating revenue.

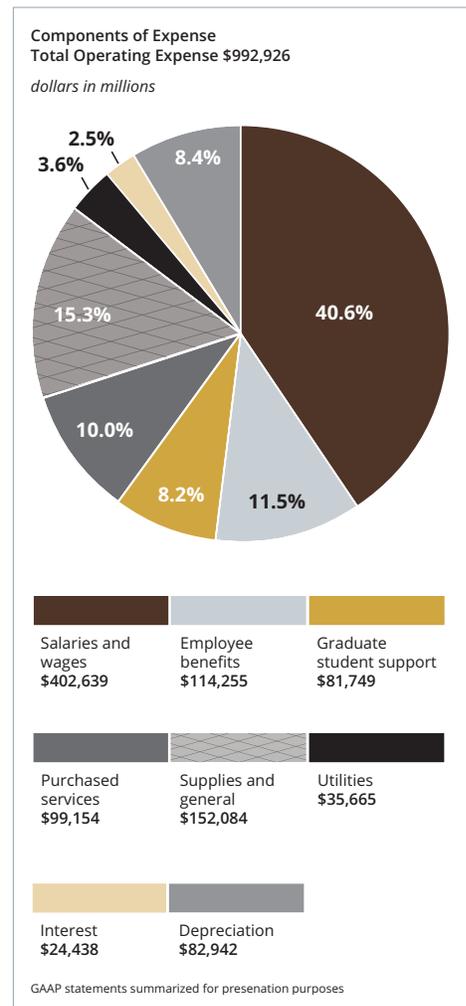
Auxiliary revenue increased by 2.7% to \$102.7 million for 2019. Housing, dining and student health fees constitute just over 80% of these revenues. The increase was driven primarily from an increase in available housing as well as a small improvement in occupancy.

OPERATING EXPENSES

Total operating expenses for the University increased 4.8% to \$992.9 million in 2019 from \$947.2 million in 2018. Salaries, wages and benefits expenses, which represent over 50% of the operating expenses of the University, grew by 6.5% to \$516.9 million. Graduate student support, including scholarships and stipends, increased by 8.1% to \$81.7 million. Non-compensation expenses grew at a lower rate than overall expenses, increasing by only 2.1% to \$394.3 million as a result of a reduction in one-time costs versus the prior year.

Total salaries and wages increased by 6.9%. The growth in compensation expense was a result of both additional faculty and staff positions as well as merit-based increases to compensation for existing employees. Faculty numbered approximately 1,010 full-time equivalents (FTEs) across the University. This net increase of approximately 25 FTEs was primarily in the Division of Biology and Medicine and the School of Public Health in support of the *Building on Distinction* strategic plan. The University was able to reduce the cost of benefits per employee slightly in 2019 as a result of favorable claims experiences, such that benefits expenses grew at a lower rate than the salary and wage costs.

Depreciation grew 6.1% to \$82.9 million as a result of approximately \$100 million of new capital assets being put into service in 2019. These new assets also contributed to a 14.5% increase in University-wide utilities expenses.



BALANCE SHEET

Fiscal Year 2019 ended with increases to both assets and net assets, as well as a decline in liabilities when compared to FY18.

Balance Sheet Summary

dollars in thousands

	2018	2019	% Change
Assets			
Cash and cash equivalents	\$243,241	\$208,926	
Accounts receivable and other assets	\$62,500	\$76,262	
Contributions receivable, net	\$217,634	\$277,443	
Other assets	\$122,749	\$86,814	
Investments	\$4,021,114	\$4,368,716	
Land, buildings and equipment, net	\$1,124,728	\$1,191,132	
	\$5,791,966	\$6,209,293	7%
Liabilities			
Accounts payable and accrued liabilities	\$106,288	\$89,562	
Liabilities associated with investments	\$60,128	\$24,423	
Other liabilities	\$149,569	\$172,462	
Retirement obligations	\$19,829	\$61,618	
Bonds, loans and notes payable	\$819,661	\$787,709	
	\$1,155,475	\$1,135,774	-2%
Net assets			
Without donor restrictions	\$1,078,110	\$1,125,901	
With donor restrictions	\$3,558,381	\$3,947,618	
	\$4,636,491	\$5,073,519	9%
Total liabilities and net assets	\$5,791,966	\$6,209,293	7%

GAAP statements summarized for presentation purposes

Investments

During Fiscal Year 2019, Brown's investments grew to \$4.4 billion. The endowment and other managed assets generated a 12.4% return. Additional information on the endowment can be found later in this report, in the endowment section prepared by the Brown University Investment Office.

Debt

Total bonds, loans and notes payable decreased from \$819.7 million in 2018 to \$787.7 million in 2019. The \$32 million decrease was driven by the retirement of the Series 2009 Taxable Bond. This bond was retired using a combination of cash flow and a refinanced commercial bank term loan. The paydown in debt and refinancing reduced the University's average cost of debt to 3.36% for 2019 and resulted in an 11% decrease in interest expense year over year. The University has maintained its current ratings of AA+ by S&P Global Ratings and Aa1 by Moody's Investor Services.

Capital Expenditures

Brown invested \$156 million in capital projects, building and equipment in 2019, compared to \$92 million in 2018. These investments have contributed to many significant projects including the following:

- The substantial completion of the transformational renovation of Freidman Hall (formerly known as Wilson Hall) on the College Green, as well as the renovation and expansion to a 31,000-square-foot facility for the Watson Institute for International and Public Affairs.
- The renovation of 164 Angell St., home of the Brown Bookstore, and new home to the Carney Institute for Brain Science, the Annenberg Institute for School Reform, the Data Science Initiative and the Center for Computational Molecular Biology.
- The completion of the new Engineering Research Center along Brook Street. This facility, designed to achieve a LEED Gold Rating, adds additional classrooms as well as core and high-tech research labs to the Barus and Holley building in the School of Engineering.
- Groundbreaking for the new state-of-the-art Performing Arts Center, which will be a transformative 80,000-square-foot facility dramatically expanding the capabilities for the creation and staging of experimental, collaborative and engaged performance work.
- The impressive physical relocation and ongoing renovation of Sharpe House, the longtime home of the Department of History, from its location on Angell Street to its new home on Brown Street.
- Groundbreaking for the new 22,500-square-foot Center for Lacrosse and Soccer, which will create a premier location for lacrosse and soccer that will enhance both the team and game-day experience.

SUMMARY

The exceptional generosity of Brown's donors and the unparalleled performance of the endowment contributed to the University's financial strength in Fiscal Year 2019. Our financial statement reflects a balance between advancing the University's goals for supporting academics and the campus community, and fulfilling the objective of ensuring Brown's long-term financial sustainability.

Endowment Report

Brown University Investment Office

INTRODUCTION

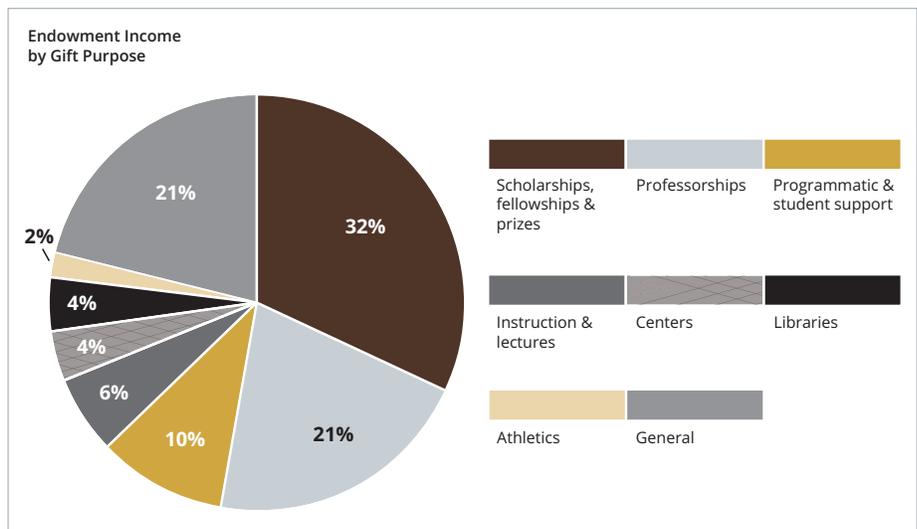
During the fiscal year from July 1, 2018, to June 30, 2019, Brown University's endowment and other managed assets generated \$467 million in investment gains, equating to a 12.4% return. The endowment's return was broad based across all asset classes, the product of the efforts of a group of world-class external investment managers. Fiscal 2019 results are excellent by every measure: a strong return on both an absolute and a risk-adjusted basis, and favorable when compared to the investment results of Brown's respected peers. After accounting for investment gains and gifts of \$98 million to the endowment, and after adjusting for spending and expenses, the endowment and other managed assets totaled \$4.2 billion. This represents an increase of 10.1% over the prior year and is an all-time high.

SUPPORTING THE UNIVERSITY

The endowment provided \$165 million to the University during the year, which represents 14% of the overall annual operating budget. More tangibly, this contribution is approximately \$16,000 per student in scholarships and prizes, endowed professorships, lectures, library resources, athletics facilities and more.

The annual contribution to the University represented 4.9% of the endowment. The level of spending is a product not only of the size of the combined pool of capital — the endowment does, in fact, comprise thousands of individual endowments — but of a formula that effectively smooths the payout by appraising its value over the prior 12 quarters, rather than at a particular point in time.

The endowment's approach to asset class diversification has a similar stabilizing effect on spending. Constructing a portfolio comprising investments with limited correlation reduces the volatility of the endowment. While forward investment returns are unpredictable, the endowment's investment program and spending policy are employed in part to create a more predictable stream of spending to the University. These policies are consistent with the stated mandate of the Investment Office: to protect and prudently grow the financial resource the endowment provides.



PERFORMANCE

The Investment Office evaluates the performance of the endowment annually, as well as assessing performance over 3-, 5-, 10- and 20-year periods. While any single year holds the possibility of being an outlier, and while a decade might be a more appropriate standard term for assessment, there remains the accompanying challenge of holding the executors of the investment program accountable for the achievement of the endowment's goals. A decade may be too short to determine success, but also is too long to pursue the wrong path.

The primary expectation that all University stakeholders should have is that the endowment's investment return exceeds the sum of the spending rate (4.9%) and a measure of inflation relevant to the needs of the University, which in this case is the Higher Education Price Index (HEPI) maintained by Commonfund. For FY 2019, HEPI totaled 2.7%. So in order to maintain both the size and purchasing power of the endowment, the return should top 7.6%. At 12.4%, this is the case for FY 2019, as well as for annualized results over 3-, 5-, 10- and 20-year periods.

Fiscal Year Annualized Returns

Annualized Returns as of June 30, 2019

	FY 2019	3 Year	5 Year	10 Year	20 Year
Brown endowment	12.4%	13.0%	8.5%	10.0%	8.6%
Aggregate benchmark*	5.3%	8.9%	5.6%	7.7%	N/A
70-30 MSCI ACWI/Barclays Global Aggregate	6.1%	8.7%	4.8%	8.1%	5.0%
70-30 S&P 500/Barclays US Aggregate	10.1%	10.7%	8.5%	11.6%	5.9%
MSCI All-Country World (ACWI)	5.7%	11.6%	6.2%	10.1%	4.9%
MSCI All-Country World (ACWI) ex-US	1.3%	9.4%	2.2%	6.5%	4.3%
S&P 500 Index	10.4%	14.2%	10.7%	14.7%	5.9%

Note:

*The Aggregate Benchmark performance is preliminary as of October 21, 2019.

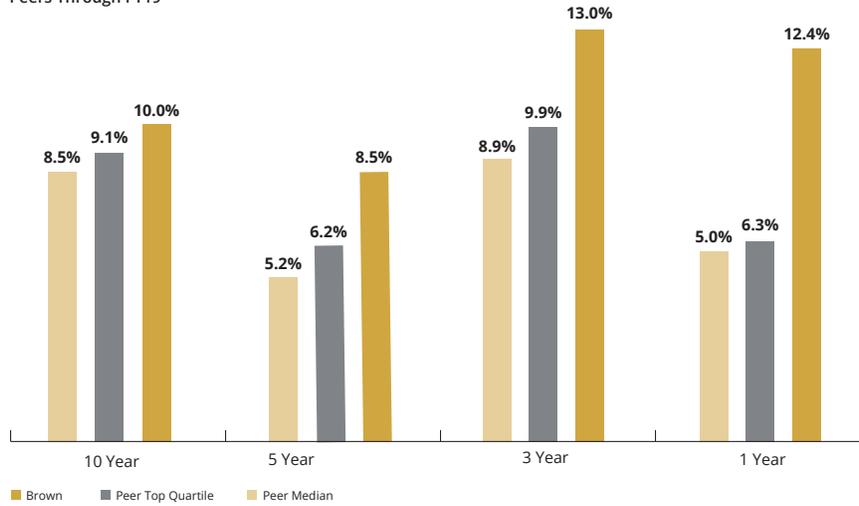
The Cambridge Associates College & University Universe includes data from 153 endowments as of October 21, 2019.

Additionally, the investment return should keep pace with market benchmarks, a hurdle that could be practically achieved utilizing a mix of low-cost index funds. Although countless such benchmarks exist, the most appropriate is a blend of global stock and bond indexes weighted 70% toward stocks (MSCI All-Country World and Barclays Global Aggregate, respectively). The endowment's return in all time periods (1-, 3-, 5-, 10- and 20-year) exceeds the return of a 70/30 portfolio, evidence that substantial value has been created and compounded through the model of utilizing a dedicated investment team overseen by an experienced Investment Committee.

A more demanding relative hurdle involves comparing the return of the endowment with pure equity indexes, such as the S&P 500 and the MSCI All-Country World (ACWI). These measures of the U.S. and global stock markets tend to be higher, but with accompanying increased volatility. So while the endowment has a bias toward equity instruments due to the need to invest for high returns, a portfolio diversified across asset classes is unlikely to consistently outperform stock markets — at least in positive years for stock markets. In FY 2019, however, the endowment's return exceeded both the S&P 500's return (10.4%) and ACWI's return (5.7%). This is an outstanding result, though it is not likely to be repeated very often in future years.

The Investment Office uses data compiled by Cambridge Associates of the returns generated by the endowments of colleges and universities to compare Brown's endowment performance to that of its peers. Brown is fortunate to enjoy certain resources and conditions — such as the favorable tax treatment afforded to non-profit institutions — that benefit the endowment in its pursuit of attractive risk-adjusted returns. Therefore, the University compares its endowment return to the returns of pools of capital with comparable resources and conditions. Brown's return at the end of the 2019 fiscal year ranks in the first quartile of returns available from Cambridge Associates for each of the periods measured (1, 3, 5 and 10 years).

Brown Performance Versus Cambridge Associates
Peers Through FY19*



*Cambridge Associates as of October 18, 2019

EMPLOYMENT OF RISK

When evaluating the returns generated by an investment manager, Brown’s investment professionals assess the level of risk that was used in generating that result. The endowment’s results should likewise be evaluated in the context of risk. Brown’s risk-adjusted return as measured by its Sharpe Ratio — which relies on volatility as an input — shows the endowment has been efficient in employing risk. On a trailing 5-year basis, the endowment’s risk-adjusted return ranks in the top 5% of the observable data. By this measure, the endowment’s return cannot be attributed to an excessive appetite for risk.

Brown’s investments strongly protected the endowment during the dramatic decline of the U.S. stock market during the autumn of 2018. The S&P 500 fell 19% from apex to nadir before recovering, or 13.5% if measured on a monthly basis. During this period, Brown’s marketable securities portfolio, which is effectively all of the assets on which a daily price is quoted, declined by approximately half this amount. The endowment’s outperformance during the year was achieved largely through protecting the downside when prices were falling.

The formula for achieving this result relies on a careful evaluation and application of traditional risk mitigation techniques. The primary concern is diversification, which is balanced against the benefits of concentrating the endowment’s capital in the most attractive investment opportunities. The second is careful attention to correlation; the benefits of diversification are achieved only when the investments that comprise a portfolio complement each other. The third is prudence and meticulousness in manager selection.

The formula is one that all capital allocators apply in fundamental endowment management. Where Brown may be unique, however, is in the degree to which the leadership of the Investment Office has intentionally instilled a culture best characterized as an “investor mindset.” The office is predominantly staffed by former practitioners of direct investing, and the Investment Office also makes extensive use of the experience of a network of engaged alumni professionals. As a result, the investment team approaches risk management as investors do: through diligence in underwriting, margin of safety in valuation and appropriate levels of skepticism in the face of conventional wisdom.

ASSET ALLOCATION

The distinctions between asset classes continue to blur. Large investment firms are likely to be taking public firms private and taking private firms public simultaneously. Private equity firms have hedge fund offerings and hedge funds make private venture capital investments. It is not uncommon for absolute return managers to hold equity positions for the yield, and credit positions for the capital gains.

Many of Brown’s investment managers no longer fit into a single asset class. This results not simply from the evolution of the investment business, but also from the qualities that the endowment emphasizes in the selection of investment partners.

Brown seeks managers that combine a competitive advantage with a market that is less than perfectly efficient. Brown emphasizes qualities in people and organizations such as integrity and durability that may not appear to have much to do with returns but are, in fact, prerequisites. Finally, the returns required to provide resources to the University and shield those resources from inflation necessitate investing for high returns, which results in a bias toward equity, whether public or private.

In summary, the Brown endowment portfolio is constructed to be a collection of complementary investments that have a high probability of achieving the financial needs of the University, rather than an allocation of asset classes. It may seem too subtle a distinction, but the difference is this: It is the people, opportunity, risks, duration, liquidity and valuation that matter in an investment; the asset class to which it is allocated is ultimately just a label.

Endowment Asset Allocation as of June 30, 2019

dollars in millions

Asset class	Market value	% of endowment
Public equity	\$873	21%
Absolute return	\$1,553	37%
Private equity	\$1,135	27%
Real assets	\$169	4%
Brown total risk assets	\$3,729	88%
Fixed income	\$387	9%
Hedges	\$6	0%
Cash & receivables	\$117	3%
Total endowment	\$4,239	100%

In Fiscal Year 2019, the endowment enjoyed a broad-based, positive return. The primary appeal of asset-class diversification is that asset classes are not perfectly correlated, and are furthermore difficult to forecast, so they compensate for each other when particular asset classes, inevitably and unpredictably, struggle. In the pleasant circumstance of FY19, however, each of the endowment's three large exposures — public equities, absolute return and private equity — generated strong results.

Public Equities: Approximately one-fifth of the endowment's capital is invested in public equities, predominantly with active managers. In each of the three substantial geographic categories — U.S., Global and Emerging Markets — Brown's managers exceeded the relevant benchmarks, net of all fees and expenses.

The S&P 500 returned 10.4% during Fiscal Year 2019, adding to a long stretch of productive returns from the index used most widely to represent the U.S. equity markets. The U.S. markets once again provided a higher return than International Developed (+5.7%) and Emerging Markets (+1.2%) bourses.

However, the stock markets experienced periods of marked turmoil, including the aforementioned 19% peak-to-trough decline during the autumn of 2018. This volatility exemplifies the advantage that accrues to investors with a long time horizon. Brown provided several trusted investment managers with additional capital to invest in the midst of the decline.

Absolute Return: Absolute return strategies represent the largest allocation in Brown's portfolio at nearly 37%. The absolute return portfolio generated a return in excess of the S&P 500 for FY19, a superb result considering that the aggregate net market exposure of the portfolio was approximately 50% lower than the market index. For this reason, it is relatively uncommon to compare the results of such a portfolio to the broader equity market, but in the endowment's case, the managers have exceeded even elevated expectations.

The endowment's absolute return managers employ significant heterogeneity in their strategies. The largest portion of managers execute strategies with varying degrees of market exposure focused primarily on equities, but the strategies also include exposures to financial assets all over the world including credit, interest rates, currencies, pre-IPO equity and more. Some of these managers conduct traditional, fundamental analysis while others employ systematic trading strategies enabled by computing power of significant scale. The unifying themes are that the managers are skilled, honest, have interests and incentives aligned with their investors, and have a demonstrable edge that increases the likelihood of earning excess returns in imperfectly efficient markets.

The composition of the absolute return portfolio further highlights the shifting nature of asset classes. In years prior, when fixed income instruments offered yields substantially higher for the underlying credit risk assumed, a robust allocation to fixed income was justified. With today's fixed income yields too low to meet the return requirements of the endowment, the endowment turns to market-neutral equity strategies. These are effectively arbitrage strategies: The managers endeavor to neutralize apparent risks

by matching long and short exposures across similar companies, thereby isolating the risks the manager is willing to assume. This approach represents roughly one-third of the absolute return portfolio, which, considering that market-neutral is intended to generate an approximately fixed return, makes the overall performance of the asset class for Fiscal Year 2019 even more notable.

Private Equity: Investments with managers that buy private companies make up the third broad category of Brown's asset allocation. This allocation comprises 27% of the endowment and is approximately equally weighted between venture investments, which are generally early-stage growth companies, and buyouts, which tend to be more mature businesses. The overall economic environment for private companies is precisely the same as that for public companies, so the correlation between the public equities asset class and the private equity asset class tends to be high. Evidence suggests, however, that the market for private companies is markedly less efficient than the public markets. This makes it an attractive asset class for Brown, as it has the potential for high returns, requires a long time horizon, and offers the possibility of outperformance — net of fees and expenses — by managers that meet Brown's core criteria of ability, integrity and alignment.

Both of the buyout and venture sub-asset classes generated strong returns during FY19, and in each case, Brown's portfolio outperformed the respective benchmarks, returning 18.2% in aggregate. Because of the aforementioned attributes of the private equity asset class, the endowment has increased its exposure steadily in recent years. More critically, however, the endowment has simultaneously increased the quality of investment management partners in the portfolio. While a single year is an insufficient time period to measure returns in private equity, in particular, the asset class contributed substantively to the portfolio return in FY19.

THE BROWN INVESTMENT PROGRAM

The investment program in place for Brown is rooted in the principle that investment decisions must be supported by sufficient relevant evidence that the probability of a successful outcome is high. Given the nature of financial markets, however, comfort with contrarian investment theses and agility in decision-making are also essential.

To enable this balance, Brown's Investment Committee sets intentionally wide ranges for asset allocation guidelines. This allows a flexible approach to portfolio construction. Perhaps more important, it also reinforces a core underlying principle of the investment program: Each investment is underwritten on the basis of its own, unique fundamental merits and drawbacks. The characteristics of an asset class — historical returns, for example, or incentive structures — do not automatically accrue to the investments that constitute that asset class. The characteristics of the asset class are the *product* of the investments that comprise it.

The Investment Office seeks to invest with managers that place a high value on the strategic component of partnering with Brown that goes beyond the provision of capital. A partnership with Brown brings a signaling effect, as it demonstrates at a bare minimum an ability to exceed the rigorous due diligence standards of the Investment Office. The Investment Office also is able to connect managers with best-in-class peers with disparate but complementary expertise.

IN CLOSING

Brown's investment program is implemented based on a sound, repeatable investment process. The essential features of that process at Brown are the following:

1. An unerring focus on Brown's competitive advantages, namely the permanent nature of the endowment's capital and the positive externality of an active and engaged Brown alumni and parent community;
2. The oversight provided by an empowered and informed Investment Committee;
3. The efforts of a committed team of professionals utilizing an investor mindset; and
4. The expertise of investment partners selected on the basis of ability and alignment.

Based on the strengths of this process, the endowment will continue to be invested in a diversified portfolio of productive investments of suitable risk. The liquidity will be sufficiently balanced to enable both a long-term investment horizon and a readiness to meet the University's financial needs. And the resource the endowment constitutes will continue to play an essential role in supporting Brown's mission of education, scholarship and research.

Report on Fundraising

Brown University Division of Advancement

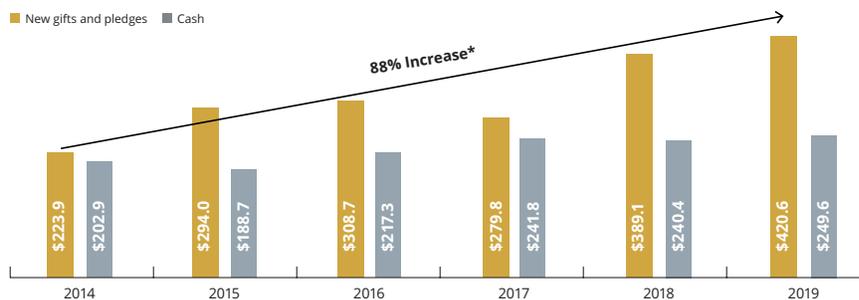
As the *Building on Distinction* strategic plan marked its midpoint in Fiscal Year 2019, the University's \$3 billion *BrownTogether* campaign also hit a major milestone. Three and a half years after its launch, the University's most ambitious fundraising campaign surpassed the \$2 billion mark.

Since Brown launched *BrownTogether* in October 2015 to build the investment needed for Brown to realize the goals in the strategic plan, the many ways the campaign is making an impact on the Brown community are transforming the campus every day. It's evident in the gleaming Engineering Research Center rising above Brook Street, the construction crews hard at work clearing a site for the cutting-edge Performing Arts Center across from the Granoff Center for the Creative Arts, and the researchers in the new space for the Carney Institute for Brain Science on Angell Street working toward cures for the world's most persistent and devastating neurological disorders.

And the investment is reflected in the dozens of faculty members in recently endowed professorships who are advancing research and scholarship to find solutions to urgent global challenges, in the new admissions and financial aid initiatives attracting talented, high-achieving students from an expanding range of socioeconomic backgrounds, and also in the new support for academic programs, campus facilities, wellness initiatives, athletics and more that are helping students thrive once they are on campus. Gifts from tens of thousands of donors are supporting research, teaching, learning and campus life at the highest levels of excellence.

In FY19 alone, with leadership support from alumni campaign co-chairs Joan Sorensen, Theresia Gouw, and Ralph Rosenberg, giving to Brown totaled \$420.6 million. This eclipsed by more than \$31 million the total reached in 2017-18, making it the single largest fundraising year in the University's history. This includes a record 18 donors with giving in the \$5 million+ range.

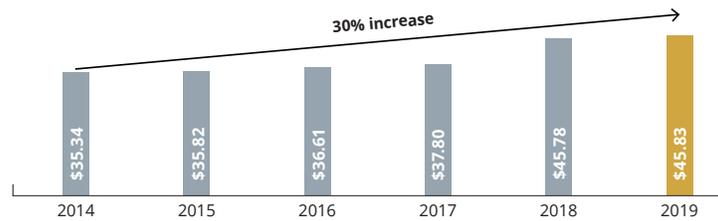
Fiscal Year 2019 Fundraising Results Comparison
dollars in millions



*New gifts and pledges

In addition, the Brown Annual Fund also set a new record, raising more than \$45.8 million. Reaching this goal was made possible in part due to an additional \$10.7 million in current-use support for *The Brown Promise*, the initiative launched in FY18 that removed packaged loans from all University undergraduate financial aid awards. In February, President Paxson announced yet another milestone: that the campaign surpassed the \$2 billion mark.

Brown Annual Fund Totals
Fiscal Year Comparison
dollars in millions



This strong show of support and donor generosity in FY19, as has been the case since the launch of *BrownTogether* in 2015, aligns with Brown’s plan to achieve new levels of excellence in Integrative Scholarship, Educational Leadership, Academic Excellence and Campus Development, the core areas in *Building on Distinction*. Among the year’s major fundraising efforts:

- A \$25 million gift will fund the creation of an economics research center at Brown, further strengthening one of the University’s premier academic departments and creating new opportunities for creative, collaborative scholarship that will benefit society.
- Donors contributed \$43.8 million to raise 12 endowed professorships, giving Brown the means to retain and recruit top scholars who are leaders in their fields, from data science to medicine.
- In addition to strengthening undergraduate financial aid and educational access through endowed scholarships and *The Brown Promise* initiative that eliminated packaged loans from undergraduate financial aid awards, donors also helped ensure innovation and excellence in graduate education through increased support.
- With major gifts to the Performing Arts Center, athletics and a new health and wellness center and residence hall, Brown moved a major step ahead this year in its efforts to cultivate a modern, state-of-the-art living and learning community that enriches student life.

As the *Building on Distinction* plan states, Brown has an ambition “to raise Brown’s stature as a leading university that unites innovative teaching and outstanding research...and continues to promote education and scholarship that provide immediate and long-term benefits to society.” *BrownTogether* is a catalyst for realizing that vision, and in FY19 generated historic levels of support that are keeping the University firmly on course to reach the \$3 billion campaign goal in 2022.

The following sections present more details on progress being made in the campaign’s key areas of focus: Our People, Education and Research, Campus and Community, and the Brown Annual Fund.

OUR PEOPLE

Goal: \$1.05 billion

Raised as of June 30, 2019: \$547 million

FY19 Highlights

A top priority of the *BrownTogether* campaign is raising funds to support our students and faculty through financial aid and endowed professorships. In FY19, through endowed scholarships and planned gifts, as well as current-use funding (see Brown Annual Fund section), donors helped elevate campaign totals for undergraduate financial aid to \$224.4 million.

In addition, Brown’s diversity and inclusion initiatives benefitted from the creation of the Brown Annual Fund Inman Page Council scholarship, which was launched during the fall 2018 Black Alumni Reunion and commemoration of the 50th anniversary of the 1968 Black Student Walkout. Donors contributed approximately \$150,000 to the scholarship fund, which will provide financial aid to an exceptional African American student. Alumni, parents and friends of the Department of Computer Science continued to generously donate to an endowed fund for the Undergraduate Teaching Assistant (UTA) program, increasing the number of UTAs by more than 10% over FY18.

Giving to graduate education also experienced growth, with the total raised during the campaign standing at \$35.4 million at the end of FY19. The School of Public Health received a gift in FY19 from an alumnus to establish graduate fellowships, which will help attract the best students to study public health at Brown and provide essential financial aid to reduce loan debt.

To help Brown continue to recruit and retain outstanding teachers and scholars, gifts of \$43.8 million funded 12 endowed professorships, bringing the total number of endowed professorships raised in this campaign to 74. These newly endowed faculty positions will help the University build on strengths in academic areas where it is well positioned to lead in research and discovery and have an impact across the campus in disciplines including biomedical research, computer science, data science, economics, engineering, international and public affairs, and public health.

EDUCATION AND RESEARCH

Goal: \$800 million

Raised as of June 30, 2019: \$768 million

FY19 Highlights

A transformative gift of \$25 million from the Bravo Family Foundation will establish the Orlando Bravo Center for Economic Research. The gift will provide funding to advance the top-ranked economics department's data-driven research, which will help generate new knowledge and deeper insight about social mobility, inequality and inequities in health care, income potential and education. In addition to advancing economics scholarship, the foundation's gift will also fund the recruitment and retention of top economics faculty and support training of the next generation of economics researchers.

Donor support for biomedical research at Brown has also been on the rise, with gifts in FY19 helping to drive innovation in medical education and research. A \$5 million gift to the Center to Advance Predictive Biology will support its focus on developing alternatives to animal testing. One study brought biology and engineering researchers together to create 3D human microtissues as an alternative to animal testing in an effort to examine how various chemicals affect humans, and to learn which are safe and which are toxic.

These gifts contribute to a thriving research enterprise at Brown, supported by earlier transformative gifts to the *BrownTogether* campaign. These include the \$100 million gift announced in 2018 to name the Carney Institute for Brain Science and advance discoveries and cures; the \$50 million gift also in 2018 to establish medical research funds and support for top medical scholars at Brown; and \$12.5 million announced in 2015 that created the Hassenfeld Child Health Innovation Institute, where faculty, students, staff and community partners are focusing on discovering and applying strategies to improve the lives of children and their families in Rhode Island, nationally and globally.

CAMPUS AND COMMUNITY

Goal: \$750 million

Raised as of June 30, 2019: \$503 million

FY19 Highlights

Giving to the new Performing Arts Center benefited from a number of significant gifts in FY19. As part of a \$31.6 million gift to the campaign for a range of essential priorities, John Atwater '83 and Diana Nelson are funding the creation of the building's lobby, which will serve as a central convening space on campus. Architectural renderings released during the year showcased a one-of-a-kind space for arts education, scholarship and performance.

Brown Athletics had a banner year in FY19, raising \$36.5 million — the largest total for athletics in a single fiscal year — and surpassing the \$100 million mark for total funds for athletics raised to date during the *BrownTogether* campaign. A highlight is donor funding for the new Center for Lacrosse and Soccer at Stevenson-Pincince Field, which broke ground in June 2019. The state-of-the-art center will provide training, practice and competition space for championship-level women's and men's teams competing in each sport. Scheduled for completion in February 2020, the Center for Lacrosse and Soccer will be one of the premier facilities of its kind.

Transformative lead gifts from the family of the late Duncan MacMillan '53 and from Barry Sternlicht '82 and Mimi Reichert Sternlicht '83 announced during the year will support a new center and residence hall that will integrate health and wellness services on the Brown campus. For the first time, Health Services, Counseling and Psychological Services, Emergency Medical Services and health promotions programming will be housed under one roof. Along with a wellness-focused residence hall, the center will position Brown as a leader in holistic health practices that focus on students' physical and emotional health and well-being.

BROWN ANNUAL FUND

Goal: \$400 million

Raised as of June 30, 2019: \$254 million

FY19 Highlights

The Brown Annual Fund has experienced healthy growth since the launch of the *BrownTogether* campaign, reaching an all-time high of just over \$45.8 million in FY19. It is providing critical, immediate-use funds for faculty-student collaborations; student research projects, internships and co-curricular activities; and financial aid. Building on the successful launch of *The Brown Promise*, generous members of the Corporation of Brown University issued a challenge to alumni, parents and friends to raise additional current-use funds to support the implementation of this financial aid initiative, with all gifts being matched up to \$5 million. The Brown community responded, and \$10.7 million was raised.

Individual giving days and reunion giving contributed to strong annual giving in FY19.

Giving Tuesday in November 2018 was one of the biggest annual giving days to date, with 4,592 donors making gifts totaling \$3 million. Pay it Forward Day in April 2019 also saw great results, with 3,512 donors contributing \$2.6 million in a single day.

Together, alumni in reunion years raised \$9.5 million for the Brown Annual Fund. Members of the Class of 1984 raised \$2.7 million in total, more than any other reunion class this year, and had the highest class participation during Giving Tuesday and Brunonians Pay it Forward Day for the fifth consecutive year. The Class of 1999 exceeded its overall goal, raising more than \$1 million and setting a personal class record with 32.8% class participation. The Class of 1954 set two new 65th Reunion records, raising over \$150,000, with four leader donors making gifts of \$10,000 or more.

Without doubt, the generosity of Brown's donors is helping to fulfill the bold aspirations of *Building on Distinction*. The campaign is supporting investments in people, innovative education and groundbreaking discovery and research, as well as campus infrastructure and new programs and initiatives that are contributing to Brown's strong community and vibrant campus life.

“Five Years of Building on Distinction”
Office of University Communications

Design
Office of University Communications

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Nicholas Dentamaro
Peter Goldberg
Justin Case Photography
Mark Turek
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Financial Statement Overview
Division of Finance and Administration

Endowment Report
Brown University Investment Office

Fundraising Report
Division of Advancement

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ABOUT THE COVER

A detail of “The Garden in the Brain” by Spencer Finch, an art installation in the Engineering Research Center that uses common construction materials to create patterns that range from striking to subtle. The ERC opened its doors in 2017, aligning with Brown’s goal of the *Building on Distinction* strategic plan to advance science and technology to improve lives.

Brown University **Financial Report** **Fiscal Year 2019**

Office of the President
Brown University
Box 1862
Providence, Rhode Island 02912
brown.edu/president