Financial Highlights

**Total Revenues**
Total revenues increased by $46 million, or 11.4 percent, from last year to $451 million. Total revenues have risen at a compound annual growth rate of 8.9 percent for the past five years.

**MBA Program Revenues**
MBA Program revenues grew by $5 million, or 6.5 percent, to $82 million as a result of normal increases in tuition and fees and increased enrollment in the prematriculation programs and Immersion activities.

**Executive Education and Publishing Revenues**
Revenues from Executive Education and Harvard Business Publishing (HBP) increased by a combined $26 million, or 11.9 percent, to $245 million. Executive Education continued to see strong returns on investments in corporate relations and marketing, and further expanded its program offerings. HBP revenue growth was led by $11 million of increased eLearning and case sales, offsetting flat revenues in the Harvard Business Review and a decrease in press activity.

**Endowment Income**
Endowment income distributed for operations rose by $16 million, or 20.5 percent, the result of continued higher-than-usual increases in the endowment payout related to superior performance by Harvard Management Company. The increased distribution was used primarily to fund financial aid awards and faculty research.

**Operating Expenses**
Operating expenses increased by $43 million, or 12.8 percent, to $423 million, largely reflecting an increase in variable costs due to increased activity in Executive Education and HBP, as well as an 18.2 percent increase in total fellowship support.

**Cash from Operations**
Cash from operations decreased by $2 million to $28 million. Gifts from prior years, available to be spent pursuant to the donors’ specifications, added $41 million to the School’s cash flow, compared with $14 million dollars last year. The increase is attributable to the School’s $26 million share of a University-wide strategic recapitalization from the endowment, drawn from appreciation resulting from the Harvard endowment’s strong investment returns in recent years. Cash before capital activities thus increased by $25 million, from $44 million to $69 million.