



March 18, 2026

To: Mayor and Members of Council

Fr: Kristin Appelget, Assistant Vice President, Community and Regional Affairs

Re: Background Material for your March 23, 2026 Meeting with President Eisgruber

In advance of your annual meeting with President Eisgruber on March 23, I am pleased to share the attached report highlighting University contributions to the Princeton community. Additionally, I have also included with this report President Eisgruber's annual State of the University letter.

In October 2025 the new Princeton University Art Museum opened and welcomed more than 22,000 people from that campus, community and beyond during a weekend of events that marked this milestone. Since that opening weekend there have been more than 200,000 visits to the museum in just five months - nearly matching prior *annual* visit totals. We were delighted that TIME Magazine recently named the museum as one of the World's Greatest Places of 2026, and we look forward to continued excitement, strong attendance, and the positive ripple effects this momentum brings to local merchants.

Also this year, colleagues from across campus will join with community partners to highlight the important role that Princeton played in the founding of our nation. Lectures, exhibits and tours are scheduled throughout 2026 in partnership with other community organizations, and we are planning to open the Faculty Room in Nassau Hall during the first weekend of October in coordination with other community-led events planned for that weekend to celebrate America250. We are pleased to have this opportunity to raise awareness of the important role that Princeton – the town and the campus – played in our nation's founding.

In addition to financial commitments, as reflected in the attached report there are many tangible and intangible ways the University contributes to the well-being of the community through teaching, research and civic engagement. We are pleased to welcome members of the community to campus to enjoy cultural, athletic and educational activities.

We appreciate our continued collaboration and partnership with elected and appointed officials and staff at the Municipality of Princeton, and look forward to continuing to work together in the coming year to advance mutual interests that benefit the campus and community.



Contributions to Princeton: Overview

Voluntary contributions to Municipality of Princeton

For decades, Princeton University has made voluntary contributions to the Municipality of Princeton. In January 2024, the University announced contributions intended to be made over five years including \$28.2 million in unrestricted funding to the municipality and an additional \$11.35 million to support specific projects related to mass transit, infrastructure repairs and improvements, acquisition of emergency equipment, costs related to fire department personnel, construction of municipal facilities, and emergency housing.

The 2024 framework also includes contributions totaling \$300,000 over three years to Housing Initiatives of Princeton to provide rental housing assistance, \$500,000 over five years to 101:Fund to support college scholarships for low-income Princeton High School graduates attending schools other than Princeton University, and up to \$10 million to a non-profit fund to provide property tax relief to eligible low and middle-income residents.

Tax and sewer payments

The University is the largest property taxpayer in both the municipality and Mercer County, paying \$9.5 million in property and sewer taxes for properties in the Municipality of Princeton in 2025.

Police, fire and emergency services

The University provides significant support for police, fire and emergency services in the community. The University Department of Public Safety (DPS) has a staff of 159 including sworn officers, non-sworn security officers, fire marshals, supervisory, dispatch and administrative staff. DPS operates 24 hours per day/365 days per year, and works in close collaboration with the municipal police department.

The University has supported the Fire Department with annual financial contributions and major capital gifts as well as by allowing its employees to serve as volunteers with the department during their paid work hours. Currently 15 University employees are associate members of the Princeton Fire Department, providing critical daytime support to the paid and volunteer members of the department.

Over many years the University has supported the Princeton First Aid and Rescue Squad (PFARS) through annual contributions, major capital gifts and in-kind services such as summer housing and telecommunications support.

The University collaborates regularly with the municipality and Mercer County to support emergency communications systems, including allowing cell equipment to be installed on its buildings, reducing the need for monopoles in town.

Contributions to important community organizations/initiatives

Apart from its contributions to the municipality, Princeton University remains committed to supporting initiatives that enrich the quality of life in Princeton. The University has a long history of support for affordable housing. Over the years, the University has made cash and in-kind contributions to an array of local projects and nonprofit organizations.

The University has made, and continues to make, substantial in-kind and financial contributions to the Princeton Public Schools. In 2023 Princeton University announced that it intended to make over five years restricted and unrestricted contributions totaling more than \$14.6 million to the Princeton Public Schools.

Private roads and transit system maintained by the University and used by the public

The University owns approximately five miles of private roads in the Municipality of Princeton, such as Faculty Road and College Road, which are open to the public. The University maintains them at its own cost, including providing snow removal. The University also operates the all-electric TigerTransit bus system, which is free and open to the public, and opens most campus parking lots and garages for community use on evenings and weekends.

Education and outreach

As an educational institution, Princeton University offers numerous programs that welcome community members or are aimed primarily at area residents. Students at local high schools, including Princeton High School, can take coursework at the University; many different University initiatives provide tutoring to public school students; and the University runs a preparatory program for economically disadvantaged students in the area. The Community Auditing Program, popular with Princeton residents, provides participants the opportunity to attend University classes for a modest fee. Thousands more attend hundreds of free public lectures offered each year at the University.

The Princeton University Art Museum, Richardson Auditorium and other campus venues host a wide variety of campus and community-based arts programs. The Lewis Center for the Arts, Princeton University Concerts, University Chapel, Music Department and various student groups offer performances that are open to the public year-round. The University owns the Garden Theater, which is operated by the non-profit Renew Theaters, and the Matthews and Berling Theaters that are operated in cooperation with the non-profit McCarter Theatre Center.

Volunteer activity and civic engagement

Princeton's mission of teaching and research has an emphasis on service, and students volunteer with more than a dozen local community organizations. Some of this activity begins before they even take their first class at Princeton, through Community Action. The University has a long history of working with numerous organizations that seek to meet the needs of local residents and create a fully inclusive and supportive community.

The following pages provide detailed information on these and other contributions by the University to the community.

Contributions to Princeton

- **Voluntary payments (calendar year basis)**
 - In 2025, Princeton University made voluntary contributions to the Municipality of Princeton totaling \$5.9 million to the Municipality of Princeton.
 - This includes a \$5.4 million unrestricted contribution, \$300,000 to support municipal mass transit initiatives, and \$200,000 to support costs related to career personnel for the Princeton Fire Department
 - In 2025, Princeton University made a voluntary contribution of \$2.93 million to Princeton Public Schools.
 - This includes a \$500,000 contribution to priorities identified in the district’s recent strategic planning process
- **Taxes paid (calendar year basis)**
 - In 2024, Princeton University paid \$9.5 million in property and sewer taxes to Princeton; Princeton University is the largest taxpayer in Princeton
 - Of the \$9.5 million property and sewer taxes paid, \$3.2 million went to the Princeton Public Schools
- **The town’s AAA bond rating is partially based on the presence of Princeton University**
 - In rating the municipality, Moody’s notes that Princeton University “anchors the local economy, is the municipality’s largest taxpayer, and makes significant contributions to the municipality’s budget annually.”¹
- **Contributions to community organizations/initiatives in 2025 included:**
 - 101:Fund
 - Housing Initiatives of Princeton
 - Princeton First Aid and Rescue Squad
 - Princeton Arts Council
 - Princeton Public Library
 - Princeton Nursery School
- **Community resources**
 - Garden Theater
 - The theater is owned by the University and operated by a separate non-profit organization, Renew Theaters
 - Labyrinth Books
 - The University helps to ensure there is an independent bookstore in Princeton
 - Nassau East
 - The University owns and manages properties around 185 Nassau Street which house a variety of local businesses
 - Princeton Station
 - The University owns and maintains the Princeton Station complex that is served by the NJTransit Princeton to Princeton Junction “Dinky” rail line
 - The Garden Theater, Labyrinth Books, Princeton Station and the commercial and

¹ Moody’s Investors Service, Rating Action, Municipality of Princeton, NJ, 20 January 2026

residential properties at Nassau East are all tax-paying properties.

○ **Police**

- The Princeton University Department of Public Safety (DPS) and Princeton Police Department (PPD) command staff meet to review issues and plan for upcoming town and/or University events.
- Throughout the year PPD and DPS assist each other in criminal investigations and non-criminal cases.
 - Aside from routine collaboration and information sharing, PPD occasionally assists DPS with criminal incidents occurring in or around the university, where DPS retains primary jurisdiction. These cases typically involve serious offenses such as sexual assault, robbery, aggravated assault, theft, and motor vehicle theft. In 2025, PPD assisted in eight such criminal incidents.
 - PPD and DPS assist each other by providing services when additional assistance is requested. Police cooperation reports document non-criminal incidents in which DPS assisted PPD within PPD's jurisdiction. These typically involve welfare checks, injured or intoxicated individuals, assistance with motor vehicle incidents, and occasional missing person calls, among others. In 2025, DPS completed 76 police cooperation reports.
- Collaborative training
 - PPD is invited to participate in, at no charge, DPS sponsored in-service training held on campus.
 - In spring of 2025, PPD officers attended Crisis Intervention Training (CIT) hosted by DPS on campus. This cooperative 40-hour course was offered through the CIT New Jersey Center of Excellence, and held in cooperation with the Mercer County Prosecutor's Office, the Mercer County Division of Health, and the CIT-NJ Training Unit.
 - In the spring of 2025, DPS hosted an Active Shooter Incident Management course led by instructors from the NJ Office of Homeland Security and Preparedness.
 - In June, 2025, an active-threats tabletop exercise was held, facilitated by members of the Mercer County Rapid Response Partnership. In addition to DPS personnel, sworn officers and dispatchers from PPD, West Windsor Police, and Plainsboro Police participated. Representatives from Princeton EMS and Princeton OEM were also present.
 - In winter of 2025, PPD provided DPS with training and access to their Wrap Reality Virtual Reality (VR) Simulator to deliver active shooter and de-escalation training to DPS staff.
 - PPD extends an invitation to utilize their firing range to DPS.
- Upon request, DPS provides mutual aid to PPD for staffing large community events, protests, and demonstrations. In 2025, DPS and PPD collaborated during the May Day protest, which began on campus and concluded in town.
- DPS makes its portable vehicle barriers available to PPD in support of their operations, upon request. DPS and PPD also participated in a joint training session on barrier deployment in May, 2025.

- During 2025, DPS collaborated with PPD on three community events off-campus: Community Night Out, Trunk or Treat, and the HiTOPS Princeton Half Marathon.
- University staff participate in Princeton’s Local Emergency Preparedness Committee (LEPC)
- **Emergency Communication Systems**
 - Mercer County’s countywide public safety communications systems continue to be supported at Fine Hall
 - Equipment and antenna support for PPD, PFARS and PFD is located at Fine Hall
 - University technical resources support PPD on an as-requested basis with radio communications-related questions or issues around operations or new equipment
- **Princeton Fire Department (PFD)**
 - PFD Associate Member Program: University staff serve as PFD volunteers during the weekday from 8am to 4pm for which they are compensated by the University.
 - The program currently has 15 members in active status.
 - Members responded to 28 calls in 2025. These responses were with full crews of at least three members.
 - Members logged a total of approximately 150 hours in program activities that included response, training, and meetings.
 - DPS leadership has regular meetings with PFD leadership and the director of Emergency and Safety Services to discuss collaboration, operations, response and emergency management.
 - PFD responded to incidents on campus 108 times in 2025
 - Engine 66 from the Princeton University-managed Princeton Plasma Physics Laboratory (PPPL) responds regularly to Princeton for fire calls as mutual aid to the PFD. Those responses break down as follows:
 - PPPL Engine 66 responded to Princeton for fire calls 131 times
 - 71 of the 131 calls were to University facilities
 - PPPL Ambulance 166 responded to Princeton for EMS calls 10 times
 - 3 of the 10 calls were to University facilities
 - PFD came to campus 14 times in 2025 for training. Training included walk-throughs at new University facilities.
- **Princeton First Aid and Rescue Squad (PFARS)**
 - DPS leadership has regular meetings with PFARS leadership to discuss collaboration, operations, response and emergency management.
 - University students are active volunteer members of PFARS.
 - The University makes available parking on campus, with accessible power, for a PFARS ambulance to facilitate response by student volunteers.
 - The University hires, and compensates, PFARS for stand-by requests at University events.
 - PFARS responded to the campus 566 times for EMS calls
- **Cell towers**
 - There are eight wireless cell towers serving the community located on University buildings
- **Public Roads**
 - The University maintains approximately five miles of roads in Princeton used by the public. In 2025 the University contributed \$257,200 to the Municipality of Princeton to fund part of the municipality’s University Place Sidewalk Improvement project

- **Transportation**
 - TigerTransit is “free and open to the public” and annually provides more than 820,000 passenger rides
 - TigerTransit operations utilize 17 all-electric buses
 - TigerAccess, a point-to-point reservable service for individuals with temporary or permanent disabilities, continues to provide about 20 rides per day and is available to the University community and campus visitors.
 - Princeton University participates in the Mercer County Coalition of Coordinated Transportation, a gathering of representatives from local municipalities, the Greater Mercer Transportation Management Association, and NJTransit. The Coalition is part of an effort to coordinate Human Service Transportation and public transportation services in Mercer County.
 - The TigerTransit network includes real-time, next-bus arrival screens at 13 stops. This information is also available through TripShot and the University’s mobile apps.
 - The University has a fleet of 20 Enterprise Carshare vehicles on campus as part of a broader suite of programs and services designed to support car-free life at the University. The program provides between 850 and 900 trips per month during the academic year.
 - The University continues to restrict operation, charging, and storage of all PEVs (e.g. electric scooters). The University is currently reviewing the existing policy and considering an expansion of the current PEV definition to include all classes of electronic bicycles, or e-Bikes.
- **Resource Recovery Program (formerly known as Surplus Equipment Program)**
 - Access provided for area nonprofit organizations to the University Resource Recovery Program. Items provided free of charge to area nonprofits for their organizational use.
- **Education outreach**
 - Princeton High School (PHS) students who have exhausted coursework at the high school can take classes at the University; coordinated by PHS guidance department.
 - Tutoring for Princeton Public Schools students through Community House programs
 - Princeton Science Outreach facilitates programs with local K-12 school districts, non-profit organizations, and community stakeholders
 - Princeton Plasma Physics Laboratory (PPPL) hosts *Science on Saturday* lectures in the winter months
 - Cotsen Children’s Library’s free community programs, public gallery, annual writing contest, escape rooms and other resources are available for children up to age 17. Collections, activities, and educational resources are also available virtually.
 - Lectures with notable speakers are open to the public throughout the year
- **Community Auditing Program**
 - Approximately 40% of the program participants are from Princeton
 - The program includes special courses and lectures designed especially for auditors including courses presented in partnership with McCarter Theatre and Princeton University Concerts
- **Cultural offerings**
 - Princeton University Art Museum, new museum opened October 2025
 - Free admission to the public, seven days a week
 - Wide variety of free educational and family programming, including collections tours and art making for all ages

- Over 21,000 visitors during 24 Hour opening weekend
 - Over 125,000 visitors during first two months of opening
 - Operates the Art Museum Store on Palmer Square
- Art@Bainbridge gallery
 - Four exhibitions during 2025, including two featuring local/regional artists
- Campus Art
 - Regular free public tours of campus art led by students or Museum docents
- Theaters
 - McCarter Theatre Center owned and financially supported by the University; operated by a separate, independent non-profit
 - Theater Intime provides academic year programming open to area residents in Hamilton Murray Theater
 - Additional theater, dance and visual arts programming available at other locations on campus, including the Jimmy Stewart Theater at 185 Nassau Street
- Musical Performance
 - Performances at Richardson Auditorium and Taplin Auditorium, many open to the public at no charge, featuring both Princeton University students and professional touring musicians.
 - Summer Carillon Concerts at the Graduate College
- Chapel
 - Weekly “After Noon Concert Series” organ concerts: a weekly opportunity for the Princeton Community to enjoy performances at the Princeton University Chapel by various local, national, and international organists.
 - Monthly “Jazz Vespers” service: an inclusive experience of poetry, music, and quiet centering.
 - Special performances sponsored by the Chapel Music program including organ concerts and performances featuring the University Chapel Choir and visiting musicians
 - Veterans Day Observance Program in Princeton Chapel held in coordination with Spirit of Princeton
 - Monthly “Sound Journey” event offers composed and improvised music for meditation, contemplation, and prayer.
- Princeton University Concerts
 - Hosts annual music series featuring classical music performed by international professional musicians in Richardson Auditorium and across campus
 - Admit All ticket access program provides heavily discounted or free tickets to low-income communities, including those who receive government assistance or live in subsidized housing
 - Partnership with Interfaith-RISE to bring local refugee families to family concerts
 - The annual “Music & Healing” conversation/concert series and related online video series has fostered conversations about the role of the arts in times of personal and sociopolitical crossroads, including a community creative writing prompt.
 - Programming also includes Live Music Meditation series – free and open to the public; “Meet the Music” family concerts, including programs for neurodivergent audiences; “Do-Re-Meet: Social Events for Music Lovers”; and the Annual Chamber

Jam inviting amateur musicians in the community to play music together. In 2025, this was hosted for the first time as a Dance Jam, inviting audiences to learn choreography to the music following a concert, facilitated by the American Repertory Ballet.

- Partnership with the Princeton University Library to bring visiting performers to the Scheide Library Special Collections to engage with historic musical manuscripts
- Music-related film screenings at the Princeton Garden Theatre
- Book discussions co-hosted by the Princeton Public Library, discussing books related to the topics, repertoire, and musicians represented in the PUC series
- Free online library of music videos and conversations with musicians, and a “Collective Listening Project” of over 60 playlists curated for the public by prominent musical figures
- Princeton University Library (PUL)
 - PUL holds two free, open to the public exhibitions annually in the Milberg Gallery, located within its flagship Firestone Library.
 - The fall 2025 exhibition, “Forms and Function: The Splendors of Global Bookmaking” welcomed more than 4,000 visitors while the spring exhibition – “The Most Formidable Weapon Against Errors: The Sid Lapidus ’59 Collection & the Age of Reason” attracted more than 3,969.
 - Additionally, PUL holds exhibitions in its Mudd Library Gallery, Mendel Music Library, Stokes Library, and Cotsen Children’s Library.
 - PUL continues to collaborate regularly with Princeton Public Library (PPL), including a partnership around the 100th Anniversary of the publication of “The Great Gatsby – where PUL and PPL co-hosted a special session of its All Access Book Club on “The Chosen and the Beautiful,” a retelling of “The Great Gatsby” by Nghi Vo.
 - 2025 was also the third year PUL joined the PPL as a co-sponsor for the February 14, Library of Congress’ Douglass Day Transcribe-a-thon in which participants meet to transcribe materials from the Library of Congress.
- **Community events on campus**
 - Four campus blood drives held in partnership with the American Red Cross
 - Veteran’s Day Ceremony in Princeton Chapel hosted in coordination with Spirit of Princeton
 - Princeton Human Services’ Teen Leadership Retreat
- **Worship**
 - Community members participate in Chapel services on a regular basis and on special occasions.
 - Community members also participate in services by religious groups associated with the University through chaplaincy programs and the Center for Jewish Life
- **Athletics**
 - Tickets to athletic events on campus are free or low-cost
 - Princeton student-athletes undertake numerous volunteer efforts through the Princeton Varsity Club and as teams including the popular “Reading with the Tigers” program at Princeton elementary schools, and a mentorship program with students attending Johnson Park Elementary School

- **Campus Dining**
 - Staff from Campus Dining produce and serve a holiday meal in December at Cornerstone Community Kitchen.
 - Excess box lunches were donated to Cornerstone Kitchen following Commencement.
 - Campus Dining hosted two community Iftars during Ramadan.
 - Campus Dining chefs participate at the University Farmers Market, providing free samples of healthy, sustainable treats from local farms.
 - Campus Dining donated a Charlie Cart “mobile kitchen” to the Princeton Public Library.
 - Beginning in Fall 2022, the University partnered with local dining establishments to launch Pay with Points. This initiative allows students and employees to use their dining plan on campus and at 18 restaurants in town. From January 2025- December 2025, the university community spent more than \$369,000 at local businesses.
- **Service and Civic Engagement**
 - Through the Program for Community-Engaged Scholarship (ProCES) faculty and students integrate community engagement into their academic liberal arts experience by partnering with community organizations and community leaders in more than 80 Princeton University ProCES courses during the academic year.
 - In 2025 ProCES courses and programs included locally-based partnerships with: Sustainable Princeton, Princeton Farmers’ Market, Solidaridad, Penn Medicine Princeton Health, Zufall Clinic, the Princeton Mobile Food Pantry, Princeton Public Library, Historical Society of Princeton, Ying Hua International School, Witherspoon Jackson Historical and Cultural Society, Morven Museum & Gardens, Cornerstone Community Kitchen, YWCA Princeton’s English as a Second Language program, Municipality of Princeton, Princeton Community Japanese Language School, Arm in Arm, Kidney Disease Screening and Awareness Program, Princeton Community Homes, Princeton Community Housing, Committed and Faithful Princetonians, and Not In Our Town Princeton.
 - The Community Service Interclub Council (CSICC), a collaborative initiative of the eating clubs, coordinates volunteer activities undertaken by the clubs with numerous local organizations
 - The Pace Center for Civic Engagement undertakes a wide variety of programming in the local community including:
 - Community Action: More than 660 first-year and transfer students led by 130 upperclassmen partnered with approximately 60 campus and community partners in the Community Action (CA) program.
 - Fern Spruill, a long-time member of the Princeton community and former Community Partner-in-Residence, led CA students on tours of the community, introducing the history of the Black community in Princeton.
 - Students with a focus on sustainability partnered with Sustainable Princeton and Send Hunger Packing Princeton.
 - Students focusing on healthcare partnered with Bayard Rustin Center for Social Justice, Penn Medicine Princeton Health, Send Hunger Packing Princeton, and Princeton Health and Human Services.

- Students interested in youth development programming partnered with the Princeton Nursery School, Princeton Health and Human Services, and Princeton YMCA.
 - Community House: Student-driven mentoring programs provide academic and social-emotional literacy support services to the youth in the Princeton area.
 - Academic Success Today, a collaboration between Community House and Princeton's Department of Human Services, matches Princeton University student mentors with local youth participants at Princeton Middle School
 - Students volunteer at Princeton Nursery School, supporting the efforts of Princeton Community Health Connections, which serves to organize and execute interactive activities in Princeton community centers or schools regarding important health topics.
 - Community House coordinates monthly conversations with community partners to understand the current educational challenges and more effectively support youth in the community.
 - Student Volunteers Council (SVC): Supports student-led projects and volunteering groups with local nonprofit organizations.
 - CONTACT Princeton provides student volunteers to answer phone calls for a local crisis hotline and the national suicide hotline throughout Mercer County, including the Princeton community.
 - SVC continued to support the local Princeton community through the time, skills, knowledge, and commitment of Princeton University student volunteers. Organizations supported include: Penn Medicine Princeton Health program, Princeton First Aid and Rescue Squad (PFARS), Kidney Disease Screening and Awareness Program (KDSAP), Arm-in-Arm Princeton Food Pantry at Nassau Presbyterian Church, Princeton Alzheimer's Buddies at Maplewood at Princeton Assisted Living, Ballet & Books mentorship with the YMCA.
 - Summer Service Internships: Students participated in funded summer service internships in the Princeton community, engaging in hands-on, community-based experiences that connect learning with action and develop critical thinking, leadership and collaboration skills.
 - RISE (Recognizing Inequities and Standing for Equality) interns learned from and completed projects with Art Against Racism, Bayard Rustin Center, Lambent Data, and the Watershed Institute.
 - PICS (Princeton Internships in Civic Service) hosted interns with the following Princeton-based organizations: the Afghan Education Student Outreach Project, Center for Supportive Schools, Centurion, Housing Initiatives of Princeton, Institute for Citizens and Scholars, Princeton AlumniCorps, and the Princeton University Press
- **Community Engagement**
 - The Office of Community and Regional Affairs participates in community events throughout the year including Community Night Out, Trunk or Treat and Porchfest
 - In partnership with the Municipality of Princeton Human Services Department the Office of Community and Regional Affairs coordinates with campus colleagues to support the Back to

School Backpack Drive and supports local organizations with donations from the annual Hire Attire Clothing Drive

- The Princeton University Farmers' Market held in both the fall and spring brings local farm and food vendors to campus, giving small businesses the opportunity to sell their products to the campus and local community
- In 2025 the Office of Community and Regional Affairs partnered with Princeton Public Library to offer two author talks that were free and open to the public:
 - Dean of the College Michael Gordin discussed the Princeton Pre-Read *On the Fringe: Where Science Meets Pseudoscience* on September 16
 - Princeton University President Christopher L. Eisgruber discussed his new book *Terms of Respect: How Colleges Get Free Speech Right* on October 20

President's Annual "State of the University" Letter 2026: From Growth to Focus

by Christopher L. Eisgruber
Feb. 2, 2026

Ten years ago, Princeton University's Board of Trustees published a [strategic framework](#) to guide the institution into the future. As I prepared this annual letter to the community—the tenth in a series that began in 2017—I reread the framework and the mission statement included in it.

I was struck by how well the mission statement expresses the spirit of this University. The statement affirms Princeton's commitments to "world-class excellence across all of its departments," to "free inquiry," to "exceptional student aid programs ... that ensure Princeton is affordable to all," and to "welcome, support, and engage students, faculty, and staff with a broad range of backgrounds and experiences, and to encourage all members of the University community to learn from the robust expression of diverse perspectives."

Our community's dedication to these values has helped Princeton navigate issues foreseen in the strategic framework, such as the growing importance of technology to research universities and the world, and others we never imagined, such as a global pandemic that forced us to suspend the residential programs we cherish.

The strategic framework and the values expressed in it have shaped a period of remarkable, mission-driven growth. As I describe in the paragraphs that follow, those values will be equally crucial in the months and years to come, when changed political and economic circumstances require that we transition from a period of exceptional growth to one defined by steadfast focus on core priorities. That shift is necessary for multiple reasons, including because it will help Princeton to stand strong for its defining principles and against rising threats to academic freedom.

A Period of Historic Growth

The publication of Princeton's strategic framework in 2016 laid the foundation for a historic ten-year investment in people, program, and place. We have expanded the undergraduate student body, created a new transfer program focused on military veterans and community college students, improved undergraduate financial aid and graduate fellowships, launched new academic programs and strengthened existing ones, and invested boldly in facilities that support Princeton's academic and cocurricular programs.

The pace of construction on campus over the past five years has been among the fastest in the University's history, culminating in a joyous ribbon-cutting phase that has spanned the last two academic years. As I noted in last year's letter, we were "in the midst of an 18-month period in which the

University will open more than a dozen substantial new facilities and spaces that enhance the University's mission." This period of remarkable growth is now nearly complete.

Among these recent openings are several buildings along Ivy Lane: Briger Hall, which houses the High Meadows Environmental Institute, the Department of Geosciences, and the Department of Ecology and Evolutionary Biology; new buildings for the Omenn-Darling Bioengineering Institute and the Department of Chemical and Biological Engineering; and a Commons with a library and convening spaces.

Princeton's commitments to the physical and mental well-being of our community are manifest in the new Frist Health Center, the Class of 1986 Fitness and Wellness Center, and the Wilkinson Fitness Center in the Meadows Neighborhood. The Meadows Neighborhood is also the site of new housing that meets a critical need of our graduate student body, a racquet center that contains one of the largest convening spaces on campus, and Cynthia Lynn Paul '94 Field, home to Princeton's softball team.

The most energetically celebrated opening was that of the [Princeton University Art Museum](#), which received enthusiastic reviews from the international press as well as the campus community. I wrote in last year's letter that I expected the Museum to be "dazzling." I would now upgrade that assessment to "magical." If you have been inside, you know what I mean—and if not, a magnificent treat awaits you!

The Museum will bring people to Princeton who might otherwise never have visited Central New Jersey. Even more important, the Museum will transform the educational experiences available to everyone on campus. In the past, students might have graduated from Princeton without ever entering the Museum; few if any will pass it by in the future. The Museum's exhibits will inspire at least some students to explore courses and subjects they might otherwise have overlooked. Nor need one be a student or faculty member to benefit from the Museum: its spaces of learning, beauty, and serenity are free to all.

The 2016 strategic framework, the campus plan published in 2017, and other planning initiatives laid the foundation for the recently finished facilities and the programmatic investments that accompanied them. Bringing these projects from conception to completion required skill, imagination, persistence, and hard work. I am grateful to the Princetonians throughout our community who ensured that new initiatives and facilities were thoughtfully designed, adequately resourced, and carefully constructed.

I want to add special thanks to everyone who participated—as volunteers, donors, or staff—in the recently concluded [Venture Forward campaign](#). Venture Forward was a marvelous success by any standard; its fundraising totals were higher than any previous Princeton campaign. But Venture Forward avoided setting dollar targets: it focused on mission rather than numbers, and it emphasized engagement as well as giving.

Venture Forward's positive impact on Princeton will be felt for generations. The additional students we have welcomed, the aid packages and graduate fellowships that we have improved, the professorships that we have added, the ribbons we have cut, and the new beginnings that we have celebrated: none of these would have been possible without the time and generosity dedicated to Princeton by loyal alumni and friends, and I am grateful to all of them.

From Growth to Focus

In this year and years to come, Princeton will continue to invest in its campus and its community of scholars and students. Hobson College remains on schedule to finish in 2027, and we are in the early stages of construction for Eric and Wendy Schmidt Hall, which will house the Department of Computer Science and related programs, and a new quantum science facility.

As I said in last year's letter—quoting Princeton's seventeenth president, William G. Bowen—Princeton is always under construction. The University must evolve to meet new challenges and extend the frontiers of knowledge.

Princeton will continue to build, but more slowly in the years to come. I expect that observation will disappoint some readers, but it may come as a relief to others who had to wend their way around multiple construction projects on the central campus over the past five years.

The change that I am describing, however, goes beyond the pace of construction. It will affect everyone on campus. Princeton will continue to evolve, but in the future it will more often have to do so through efficiency and substitution rather than addition. That will be a major change for most Princetonians, in comparison to not only the past five years but the last three decades.

The principal cause for this transition is economic. It results from lowered expectations about the University's future endowment returns. To explain the change, I need to provide some detail about how Princeton's endowment supports its operating budget.

As I emphasized in last year's letter, the endowment operates like an annuity, not a savings account. The University spends around 5 percent of its endowment each year to support almost every aspect of its operations, including financial aid, graduate stipends, faculty and staff salaries, research equipment, construction projects, and building maintenance. (This year, the spend rate from the endowment is about 5.35 percent.)

The University's reliance on its endowment has grown dramatically over time. Endowment payout provided about 15 percent of the University's operating revenue in 1985. In 2016, when the Board published the University's strategic framework, the endowment supplied 55 percent of Princeton's operating revenue. Ten years later, that number stands at 65 percent.

Endowment dependence is mostly an enviable blessing, not a burden. It dramatically reduces our reliance on tuition and fees, thereby making both undergraduate and graduate education more affordable. The endowment also lessens the University's exposure to variations in other revenue sources over which we have less control. But for Princeton's financial model to succeed, the University must be able to sustain expenditures from the endowment indefinitely, for as long as the University exists. Endowment returns must be enough (on average) to cover the University's payout *and* keep up with inflation.

For example, if the University spends 5 percent per year, and if salaries and other costs rise by 3 percent per year, the University's investment earnings must exceed 8 percent per year on average to preserve the purchasing

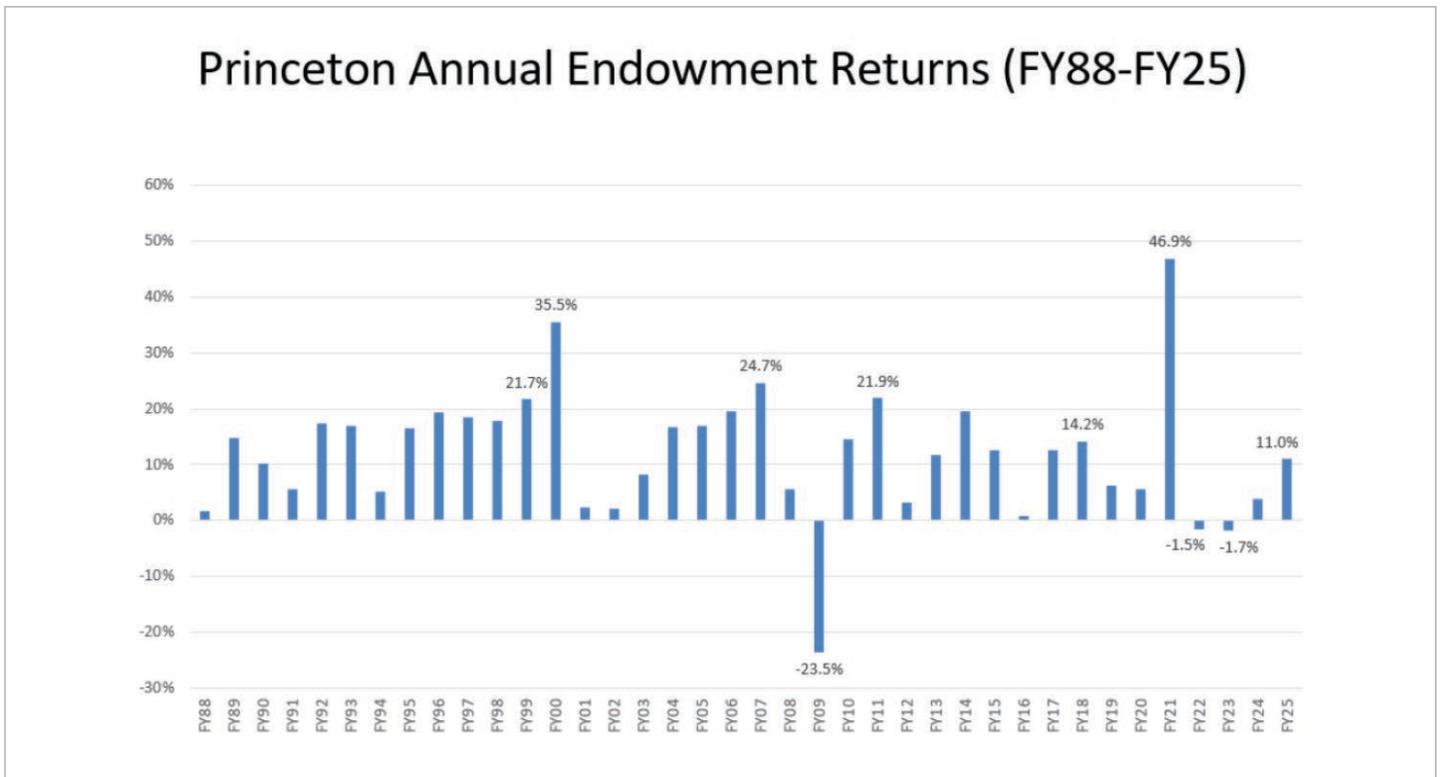
power of the endowment. If average earnings are higher, then that margin of return after payout and inflation can support new growth. That is the fortunate position that Princeton has enjoyed for more than three decades.

Declining Long-Term Return Expectations

Princeton needs to transition from *growth* to *focus* because long-term rates of return are steadily declining across university endowments. This decline has been hard to see because returns have been volatile. In other words, returns have not been a steady 8 percent or 10 percent; instead, they have been all over the map.

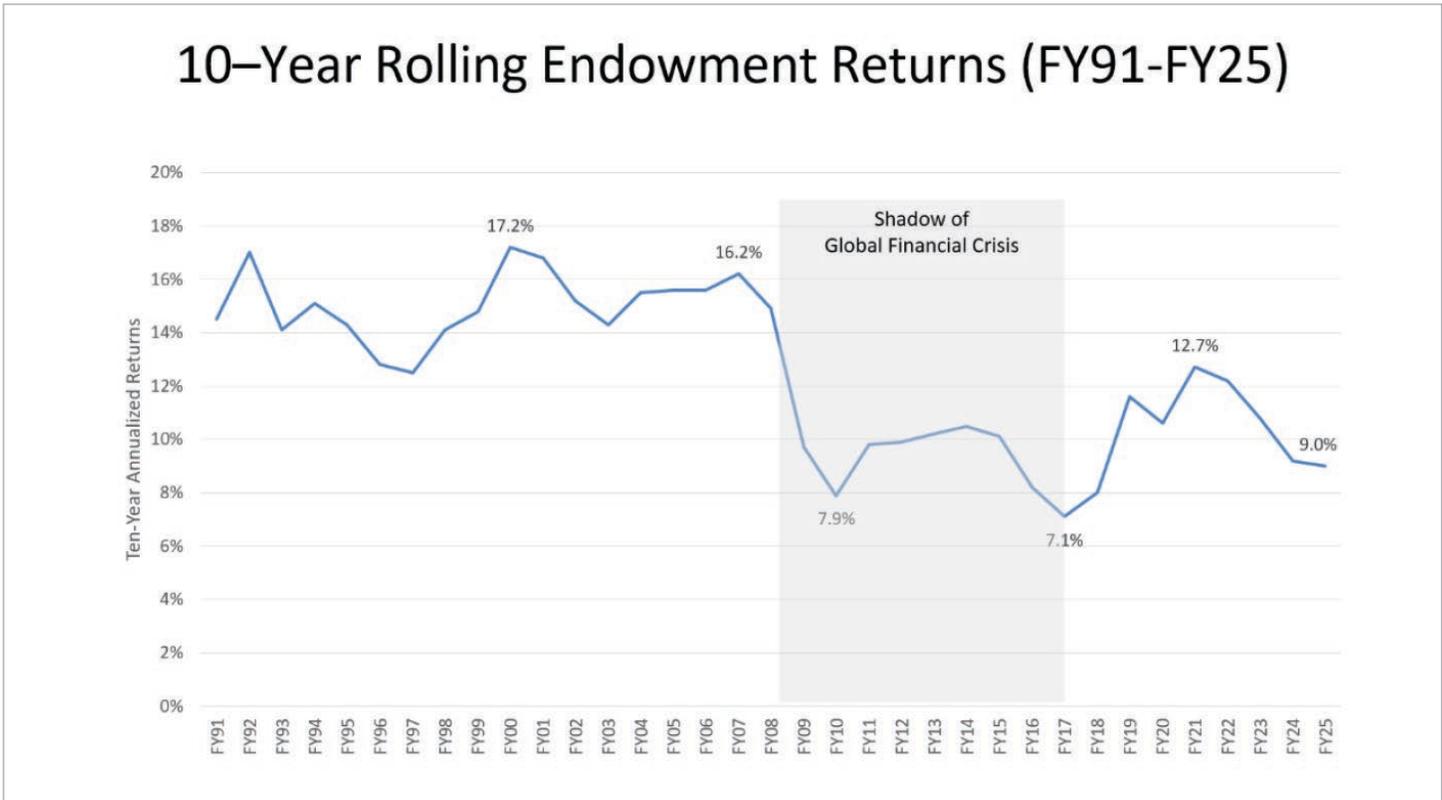
This volatility is immediately apparent from Graph 1, which shows Princeton's annual endowment returns since 1988. For example, in FY21 the University reported a 46.9 percent return, the highest in its history. It appeared that the University's financial model might have reached a new (and positive) inflection point.

Returns in the three years following FY21 were, however, among *the worst* that the University has had. For the first time, the University experienced consecutive years with negative returns; the three-year average over FY22-FY24 was the second worst in more than four decades, better only than the returns in the years surrounding the Global Financial Crisis in 2008-09 (and not by much).



Graph 1 - View an [accessible version](#) of this chart.

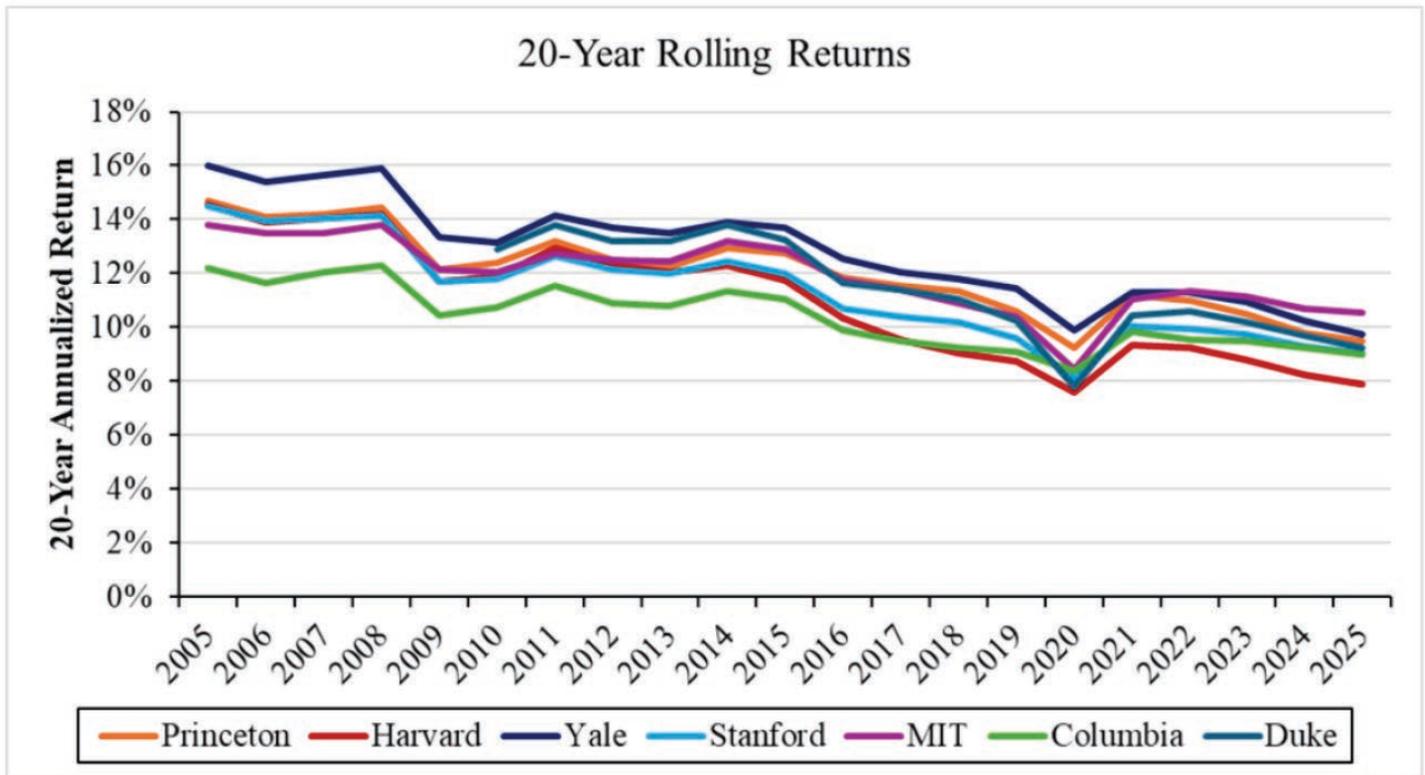
To see long-term trends, we need to look at multiyear averages rather than single-year results. Graph 2 shows ten-year rolling averages for Princeton's endowment returns. The ten-year average still jumps around significantly but, despite that volatility, the picture looks different (and less favorable) after the Global Financial Crisis (GFC) than before it.



Graph 2 - View an [accessible version](#) of this chart.

For example, the unprecedented 46.9 percent return in FY21 lifted the ten-year average to 12.7 percent. That number was the *highest* of the post-GFC period, but it was close to the *bottom* of the range for the ten-year average during the seventeen years from FY91 to FY08. Nevertheless, the 12.7 percent average briefly provided some reasons for optimism about the long-term future.

If we take an even longer view by moving from ten-year to twenty-year rolling averages, a much clearer pattern emerges. Graph 3 displays those averages at Princeton and several peers with large endowments. The twenty-year averages slope downward across all the universities. The top of the range today is below the bottom of the range in 2005.



Graph 3 - Data for fiscal years ending June 30

One of Princeton's most famed economics teachers explained this trend in a *Wall Street Journal* column published last July. Burt Malkiel, the Chemical Bank Chairman's Professor of Economics, Emeritus, described how universities have benefited from investment in long-term, illiquid assets.

When universities first adopted this strategy in the late 1980s, relatively few investors were willing to take on such illiquidity. Universities therefore had access to unusually attractive investment opportunities. Their success, however, spurred competition from others. More investors now chase a limited set of opportunities, and returns are therefore declining.[1]

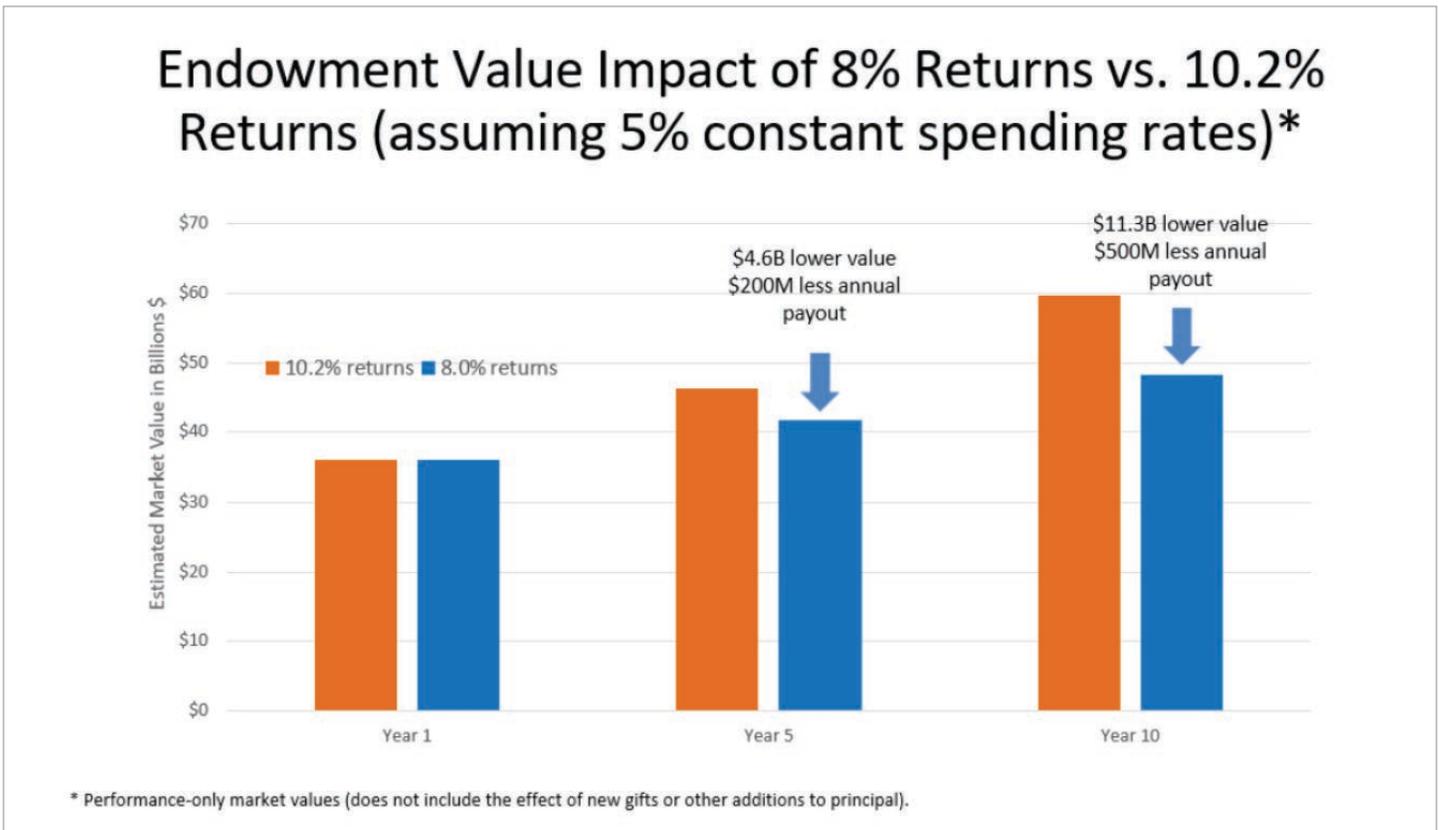
Strong Foundations and Hard Choices

We have great confidence in the investment team at the Princeton University Investment Company (Princo), and Princo remains committed to generating high long-term investment returns. We believe, however, that the decline in long-term returns will persist because—for the reasons that Professor Malkiel describes, among others—they reflect changing market fundamentals, not specific investment choices. Princeton has therefore adjusted its long-term return assumptions downward to 8.0 percent; as recently as three years ago, we were using a 10.2 percent long-term assumption.

This change makes a huge difference to how we think about growth at Princeton. A 10.2 percent return rate can support growth in addition to covering payout and typical rates of inflation. An 8 percent return rate will require us to get the payout rate down below 5 percent even to cover payout plus inflation.

Many readers will be familiar with the powerful effects that compound interest can have on retirement accounts. The same math applies to endowments. The difference between a 10.2 percent and an 8 percent return rate is therefore very

consequential. Graph 4 provides a schematic illustration of the impact. Over a ten-year period, a 2.2 percent reduction to expected returns would amount to a cut of more than \$11 billion—a reduction that exceeds the University’s last two capital campaigns *combined*.



Graph 4 - View an [accessible version](#) of this chart.

This illustration is highly simplified. When our financial and investment teams model budgetary scenarios, they incorporate market volatility, inflation, new gifts to the endowment, and other factors. They project statistical ranges of possibilities, not single points.

The simplified illustration nevertheless suffices to suggest the character of the changes we must make. The \$11 billion difference between the orange bar and the blue bar represents the endowment-driven capacity for growth that Princetonians have experienced for more than three decades, and which is unlikely to recur going forward.

I want to be clear about this: Princeton continues to enjoy formidable financial and other strengths. We will sustain our commitments to excellence in teaching and research, to affordability and access, and to academic freedom and our other defining values. We will continue to seize new opportunities, though our ability to do so will be even more dependent on philanthropy than it has been in the past.

We will, however, need to pursue our mission more efficiently, including through thoughtful decisions about when to eliminate or reduce existing programs. As we emerge from a period of rapid growth, we will have to look for areas where we can consolidate or cut, both to offset rising costs (including salaries and benefits) and to support the investments required for teaching and research excellence.

In sum, Princeton has strong financial foundations and excellent opportunities, but we must nevertheless make some hard budgetary choices in the months and years to come. We will be making these changes, moreover, not in response

to some dramatic, verifiable event—like the negative returns of 23.5 percent experienced during the Global Financial Crisis—but because of long-term trends and projections.

Could we be wrong about the projections? Of course we could. As Yogi Berra is said to have declared, “It’s tough to make predictions, especially about the future.” This topic is no exception to the great sage’s wisdom.

I can, however, say three things with certainty. First, even the 8 percent assumption we are now using might be considered aggressive. We could be wrong in either of two directions: we might be too pessimistic, but it is also possible that we are being too optimistic.

Second, as I noted earlier, Princeton’s economic model now depends more heavily than ever on the endowment. That dependence increases the costs of undue optimism about endowment returns. If our spend rate becomes too high, the University would have to make large budget cuts rapidly, which would involve (among other actions) large-scale layoffs. We are better off making hard choices now to reduce the likelihood of even more painful actions later.

Third, we face political threats to our financial model along with the economic ones that I have discussed thus far. These challenges relate both to our endowment and our research funding, which is the University’s second largest source of revenue. Indeed, the endowment and sponsored research grants together account for 83 percent of Princeton’s revenue. Over the past year, we asked units across the University to make 5-7 percent cuts to their budgets so that we could maximize support for key priorities amidst uncertainty about federal funding, endowment taxes, and other federal policies.

That initial round of reductions was spread across the University. The long-term endowment trends described in this memorandum are likely to require more targeted, and in some cases deeper, reductions over a multiyear period. Such choices will allow the University to evolve through substitution rather than addition; they will also add to Princeton’s capacity to deal with further policy challenges or economic headwinds that may arise.

We expect that budgetary and operational changes will begin in the coming months and occur over a multiyear period. As always, we will be guided by the values and principles set out in the University’s mission statement and strategic framework, including Princeton’s commitment to maintain world-class excellence across the arts and humanities, the social sciences, the natural sciences, and engineering. Planning will be led by Provost Jen Rexford and Executive Vice President Katie Callow-Wright; they will provide information and seek input through the ordinary administrative and governance processes of this University, as well as through memoranda to the community and town halls or other gatherings.

Standing Strong for Academic Freedom

Princeton and other universities have over the past year faced a variety of threats to research funding, the immigration status of community members, free speech, academic freedom, diversity and inclusion programs, and our endowments.

Addressing these issues has been a major priority for the University and for me personally. I stepped up my work with the Association of American Universities, met more often with Washington policymakers, and sought out opportunities to

communicate publicly about the principles that define this University and other great research institutions. We are in a crisis, and universities have an obligation to speak up.

While all of the issues that I have mentioned are important, universities and their leaders have a special responsibility to [defend academic freedom](#), which is crucial to the excellence of research and teaching. The principle is sometimes conflated with free speech, but academic freedom is distinct from free speech and even more directly connected to the core mission of universities.

Academic freedom enables researchers and teachers to pursue truth and advance knowledge in their fields and disciplines. It protects scholarship and teaching from interference by government officials, university administrators, donors, and anyone else who might want to substitute their will, preferences, opinions, or judgments in the place of academic standards.

People sometimes misunderstand academic freedom as allowing professors to say or do whatever they like. That is a mistake. Academic freedom does not insulate scholars from evaluation or accountability. On the contrary, it depends upon and presupposes a rigorous system for evaluating the quality of research.

Scholars' work is and must be judged all the time: when they submit articles for publication, when they seek appointment or promotion, and when they apply for funding from the government or other sponsors.

The point of academic freedom is not that scholars should be free to say what they like; it is instead that scholarly work should be evaluated through the good-faith application of academic norms and standards, not on the basis of what somebody in power—at the university or outside it—would like to hear.

The connection to academic standards, and to scholarly responsibility, explains why academic freedom is simultaneously distinct from free speech and more fundamental to what universities do.

Free speech rights permit everyone to express opinions, regardless of how those opinions were derived or how qualified the speaker is to pronounce them. They govern controversies like the ones about outside speakers and campus protests at colleges across the nation that have attracted so much attention in recent years.

Academic freedom, by contrast, recognizes the right and the responsibility of scholars to investigate questions and express judgments about matters within the scope of their learning and fields of research.

Free speech and academic freedom are complementary principles; both are essential to the life of a great university. It is academic freedom, however, that ultimately guarantees faculty members here and elsewhere the freedom to seek knowledge even when doing so may anger officials, disrupt industries, upset orthodoxies, or inflame controversies.

Research universities depend upon the capacity to pursue uncomfortable truths and publish controversial ideas. American universities have become world leaders in no small part because they have insisted on academic freedom and because our governments have, for the most part, respected it. If universities cede that right, they compromise not only their own missions but also the vital contributions they make to our country's health, culture, prosperity, and security.

I have accordingly been heartened by the strong support that Princeton faculty, students, staff, and alumni have given to academic freedom and higher education as part of our [Stand Up for Princeton and Higher Education](#) initiative. Your voices make a difference.

I am grateful for your partnership on academic freedom and so many other issues. You have strengthened this University at a time when its mission and values are more important than ever. Continued engagement and collaboration will be essential as we confront the challenges that I have described in this letter.

Finally, I promised in last year's letter to publish annually data that we collect through periodic surveys of our students and which helps us track progress toward our goals. The most recently updated data is available as an [appendix](#) to this letter.

I look forward to working with you as we build upon recent progress and carry forward this University's mission of scholarship, teaching, research, and service.

[1] Burton G. Malkiel, "Diminishing Returns for University Endowments," *The Wall Street Journal* (July 6, 2025).

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