Morehouse College Announces Cost-Restructuring Plan to Address Budget Gap and the Impact of COVID-19

ATLANTA— Morehouse College President David A. Thomas announced Monday that the institution will implement a reduction in force, furloughs, and pay cuts as part of a cost-reduction plan to offset an anticipated fiscal year 2020-2021 budget deficit and anticipated impact of the pandemic.

The cost-reduction measures, prompted by a budget shortfall first announced in September 2019 combined with the anticipated impact of the pandemic on enrollment, will impact the earnings or job responsibilities of every Morehouse employee, both faculty and staff members, Thomas said.

In its fiscal year 2020-2021 planning assumptions, the College has estimated a potential 25 percent decline in enrollment as a result of COVID-19 – in line with the decrease it experienced after the Great Recession.

In the first phase of the reduction, 54 part-time and full-time employees will be furloughed for two months and 13 full-time employees will be terminated effective June 1.

One hundred-ninety-four exempt full-time employees will face pay cuts effective June 1, which will extend to at least Dec. 31, 2021. Faculty and staff members who earn more than $55,000 annually will receive a pay reduction of 10 to 15 percent, depending on their income levels. President Thomas’ salary will decrease by 25 percent, a cut that he volunteered to receive.

Non-exempt employees and those whose jobs are funded by federal grants, however, will not be affected by the pay cuts.

Both non-exempt and exempt employees, nevertheless, could be asked to absorb additional job responsibilities due to the cutbacks. In addition, merit increases, hiring, and non-essential purchasing, and travel will be suspended. The College will also significantly curtail the hiring of temporary and contract employees.

Thomas said that the cuts are necessary for the future stability of Morehouse, the nation’s only historically black college focused on educating men. The first phase of the reduction plan will save the College $3.4 million. Academic programs will be evaluated for consolidation by a faculty-led team in the next phase of the plan. Changes will not affect the quality of instruction or student services, Thomas said.

“This is a pivotal moment for all of higher education,” Thomas said. “Those who can adapt to this new normal will thrive, while those who continue to look backwards will struggle to survive. Since even before the Great Recession, the business model of most higher education institutions has been under pressure by changing student demographics, rising costs, and the many choices technology has provided students on how to learn.”
Thomas continued, “While these cuts address the expected budget shortfall caused by structural issues and COVID-19, we have the opportunity to reinvent how we address the market and educate future generations of Morehouse Men.”

“Our immediate focus will be to bring our faculty and staff back together to chart a course through the opportunities presented by this new reality we’re all in. It will require an entrepreneurial spirit and innovation in order to diversify and grow our revenue streams – while upholding our mission and celebrating the traditions and people that make Morehouse unique.”

In the wake of the pandemic, Morehouse canceled in-person instruction for its 2,200 students and gave them time during Spring Break to evacuate the campus. The College transitioned to online instruction on March 23 and is operating virtually until further notice.

About Morehouse College

Morehouse College is the only historically black college focused on educating men. Founded in 1867, the College is the nation’s top producer of black men who go on to receive doctorates. Morehouse is also the top producer of Rhodes Scholars among HBCUs with five Morehouse Men receiving the honor. The College was recently named on the list of U.S. institutions that produced the most 2019-20 Fulbright Scholars, the nation's flagship international educational exchange program. Prominent alumni include: Martin Luther King Jr., Nobel Peace Prize Laureate; Dr. David Satcher, former U.S. Surgeon General; Shelton “Spike” Lee, award-winning American filmmaker; Maynard H. Jackson, the first African American mayor of Atlanta; and Jeh Johnson, former U.S. Secretary of Homeland Security. Morehouse currently has more than 17,000 alumni in 14 countries. For more information visit www.morehouse.edu.

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