

Financing a Senior College

Maine Senior College Network

Osher Lifelong Learning Institute, University of Southern Maine

May, 2002

Revenue Sources for Startups:

Startup Seed Money = \$5,000 from state legislative appropriation for the Senior College initiative.

Typical Membership Fee Statewide = \$25 per year (100x25 = 2500)

Sample Course Registration Fee =	\$50 (first course in the semester, includes books and/or materials for course) (75x\$50=\$3750)
	\$25 (second course in the semester, includes books and/or materials for course) (35x\$25=\$ 875)
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	\$4625

Typical Expense Categories for Startups

Open House(s)

- Name tags
- Printing (copying) and mailing flyers and brochures
- Mailing letters/proposal forms to prospective faculty
- Refreshments

First Semester and Beyond

- Administrative costs (which might include staff time, contribution to office space, telephone, copying, etc. This will depend on agreements made between the University "campus" and the local group)
- Name tags
- Course brochures
- Course materials
- Postage for brochures and newsletters (bulk rate), and correspondence
- Supplies
- Advertising – newspaper, radio/TV
- Travel for Board members or MSCN delegates to meetings, etc.
- Parking Decals
- Miscellaneous

(over)

Some Notes on Finances

Typically the “direct costs” for startups do not exceed \$2500. With volunteers doing much of the work administrative costs usually do not start adding up until there is revenue from registrations to begin to cover them.

Besides being a great place to live, Maine is a great place to start a Senior College. No other state in the country provides seed money to groups of seniors interested in starting an Institute for Learning in Retirement or ILR (the generic name by which this kind of program is commonly known). In 1999, the Maine state legislature voted an appropriation to support the “Senior College Initiative.” This appropriation goes to the University of Southern Maine annually via the Chancellor’s Office of the University System. Each new Senior College group receives \$5000 in seed money from that appropriation to cover the initial “startup” costs. Once all possible Senior College groups are up and running, funds will be available from the appropriation to cover the costs of running the Maine Senior College Network coordinating office, as well as providing small project grants to local Senior College groups.

But getting back to financing a Senior College, the amount of income available will be determined by the size of the group and amount of tuition charged for the courses. All of the groups around the state are currently (May, 2002) charging \$25 annually for membership, which allows members access to brochures, newsletters and other member activities. The amount of tuition charged for each course varies greatly from a low of \$6.00 to a high of \$50.00 (including book and materials). The majority of groups charge between \$25 and \$50 per course for 4-8 week courses.

A “rule of thumb” used by the national Elderhostel Institute Network states that Institutes should shoot for a minimum of \$100 per year per member in revenue from memberships and course registrations combined. This amount provides for the typical annual needs of a well-functioning ILR group. Our brief experience with Senior College budgets in Maine seems to bear this out.

When thinking about setting tuition prices, take into consideration the anticipated number of the members (the potential amount of membership revenue), likely registrations for classes, anticipated expenses for administration, and what the local economy will bear. *Caveat:* Setting the fees too low initially can create a difficult situation later.

The Director of OLLI can help with these deliberations and can give you information from other groups around the state.