

CREDIT OPINION

17 October 2025



Send Your Feedback

Contacts

Sanjay Motwani +1.212.553.2105
Analyst
sanjay.motwani@moodys.com

Nicole Addalli +1.212.553.4143
VP-Sr Credit Officer
nicole.addalli@moodys.com

Emily Raimes +1.212.553.7203
Associate Managing Director
emily.raimes@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653
Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

Grinnell College, IA

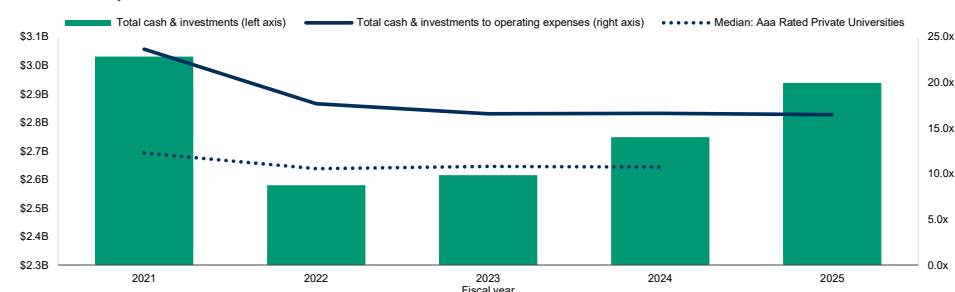
Update to credit analysis

Summary

[Grinnell College's](#) (Aaa stable) credit quality reflects its exceptional financial flexibility, supported by its sizable endowment and disciplined financial management. Total cash and investments rose to \$2.94 billion as of June 30, 2025, providing superior coverage over both debt and expenses relative to peers. Operating performance remains very good, though margins narrowed slightly in fiscal 2025 relative to the prior year, driven by rising expenses. Based on early budget estimates, we expect fiscal 2026 performance will remain steady. Total enrollment softened through fall 2025, partly due to government policy shifts affecting international enrollment and retention. Still, Grinnell's excellent market position remains anchored by its national reputation as a highly selective liberal arts college, drawing students from across the country. Other offsetting credit considerations include a small operating base, a heavy reliance on investment income, smaller philanthropic support relative to peers and the potential for limited net tuition revenue growth because of its need blind and loan-free enrollment management model.

Exhibit 1

Grinnell's significant financial resources allow for exceptional financial flexibility relative to other Aaa-peers



Source: Moody's Ratings

Credit strengths

- » Strong overall wealth, with over \$2.9 billion of total cash and investments in fiscal 2025, much of which is unrestricted, supporting the college's mission and strategic investments
- » Robust monthly liquidity with 2,424 monthly days cash on hand
- » Exceptional financial policy and strategy, with prudent expense management and a three-year average EBIDA margin of 28%
- » Excellent student demand stemming from Grinnell's national academic reputation with a competitive need-blind admissions policy and no student loan initiative

Credit challenges

- » Heavy reliance on investment income, at 65% of total operating revenue for fiscal 2025, underscoring the importance of effective endowment management and long-term planning
- » Highly competitive market for students with other very selective private liberal arts colleges
- » Weaker philanthropic support compared to Aaa-rated peers

Rating outlook

The stable outlook reflects Moody's expectations that Grinnell will maintain strong annual operating performance, excellent student demand and consistent growth in wealth. It additionally assumes no material increase in debt.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Notable balance sheet weakening including a material decline in liquidity
- » Sustained thinning of operating performance with EBIDA margins below 20% and weakened debt service coverage over multiple fiscal years
- » Substantial increase in debt that results in outsized financial leverage relative to total adjusted debt compared to other Aaa-peers

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Grinnell College, IA

GRINNELL COLLEGE, IA

	2021	2022	2023	2024	2025	Median: Aaa Rated Private Universities
Total FTE Enrollment	1,730	1,732	1,738	1,759	1,641	10,415
Operating Revenue (\$000)	150,183	187,835	196,293	202,759	202,836	2,419,112
Annual Change in Operating Revenue (%)	-6.9	25.1	4.5	3.3	0.0	6.6
Total Cash & Investments (\$000)	3,031,580	2,579,720	2,614,884	2,748,481	2,938,467	18,506,228
Total Adjusted Debt (\$000)	221,470	217,975	214,325	210,824	206,792	1,915,308
Total Cash & Investments to Total Adjusted Debt (x)	13.7	11.8	12.2	13.0	14.2	7.2
Total Cash & Investments to Operating Expenses (x)	23.7	17.7	16.6	16.6	16.5	10.7
Monthly Days Cash on Hand (x)	2,032	1,392	864	978	2,424	582
EBIDA Margin (%)	27.8	33.2	30.0	28.8	24.1	17.7
Total Debt to EBIDA (x)	5.3	3.5	3.6	3.6	4.2	5.8
Annual Debt Service Coverage (x)	3.6	6.5	5.9	5.9	4.4	3.7

Source: Moody's Ratings

Profile

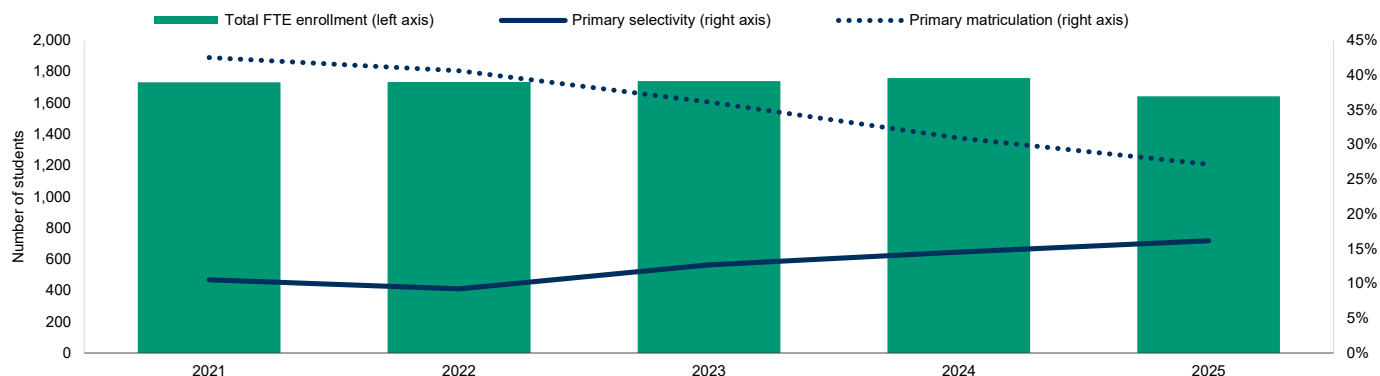
Grinnell College is a small private, not-for-profit college located in Grinnell, IA. In fiscal 2025, Grinnell generated operating revenue of \$203 million and enrolled 1,641 full-time equivalent (FTE) students in fall 2025. The college is highly selective while committed to financial access, being both need-blind and meeting 100% of an accepted student's demonstrated need.

Detailed credit consideration

Market profile

Grinnell College will maintain its strong market position anchored by its national reputation as a highly selective and nationally renowned private liberal arts college. The college continues to distinguish itself as one of the few institutions in the US that meets fully demonstrated need and offers need-blind, no-loan and test optional policies. Total enrollment declined in fall 2025, partly due to the graduation of a slightly larger than usual senior class and weaker international enrollment and retention due to the more restrictive federal policy stance on international students. International students represented roughly 19% of total enrollment on average over the past five years. Favorably, overall student demand remains very good, as evidenced by strong selectivity and retention. The college also maintains a broad geographic reach for its applicant pool, and currently enrolls students from 48 states. Grinnell's ability to invest in its academic programming and facilities, underpinned by its substantial financial resources, will be key to sustaining its competitive advantage over time.

Exhibit 3

The college's excellent brand and strategic position is reflected in its favorable selectivity and matriculation

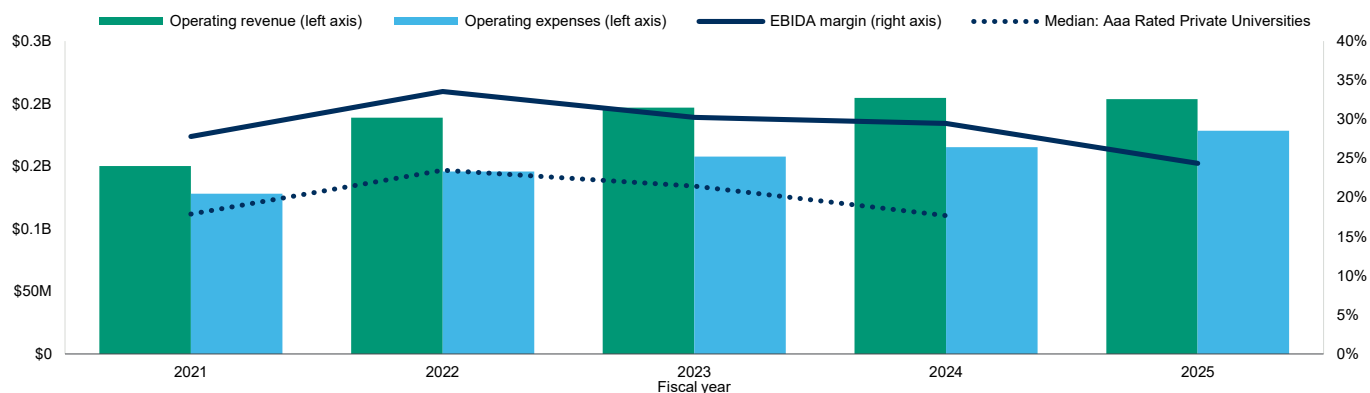
The data is for the fall of each academic year.

Source: Moody's Ratings

Operating performance

Grinnell's exceptional financial policy and strategy, supported by an experienced management team, will continue to produce strong annual operating results. EBIDA margins remained strong at 24%, but narrowed slightly in fiscal 2025, partly due to an 8% rise in expenses. The college remains highly reliant on investment income, which accounted for 65% of total revenue in fiscal 2025. This reliance underscores the importance of investment performance to long-term budgeting, especially given limited prospects for net tuition revenue growth due to Grinnell's no-loan and need-blind policies. As a result, the college may face increased exposure to investment market volatility over time. Favorably, Grinnell has a demonstrated track record of growing its endowment and prudently managing its spend rate. The college also maintains ample operating reserves and liquidity, positioning it well to weather unexpected revenue disruptions.

Exhibit 4

Grinnell's exceptional operating performance outpaces Aaa peers

Source: Moody's Ratings

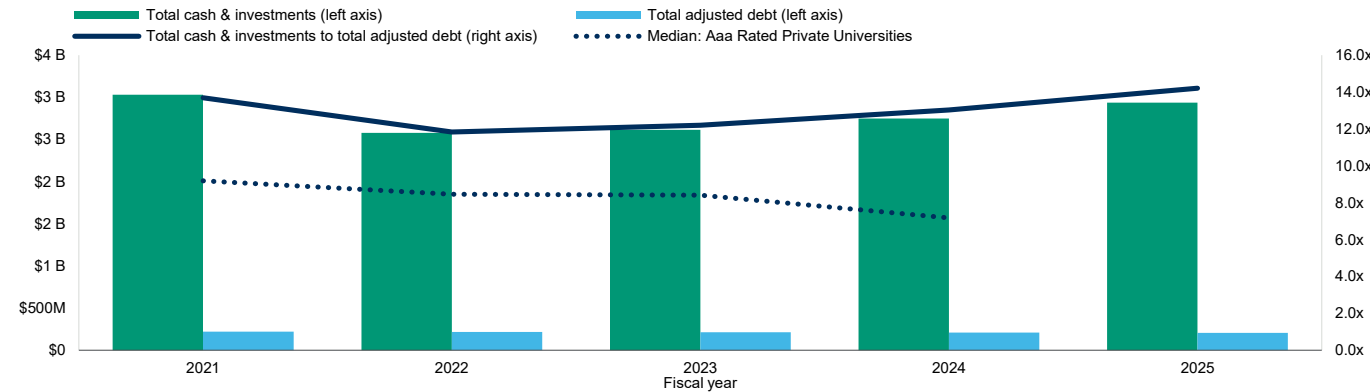
Financial resources and liquidity

Grinnell's financial resources are expected to remain a key credit strength, providing exceptional flexibility to support operations, strategic initiatives, and long-term planning. While about 59% of the endowment is in illiquid assets, the college maintains excellent flexibility, with a superior 2,424 monthly days cash on hand. This marks a significant improvement in liquidity compared to the prior year, driven by strong investment returns and a shift in certain funds to a one-month lock-up period from six months, enhancing near-term access. Recent legislative changes exempting institutions with fewer than 3,000 tuition-paying students from the federal endowment tax further enhance Grinnell's ability to preserve the purchasing power of its endowment. Disciplined fiscal management is expected to support continued resilience amid market and sector pressures.

Leverage

Grinnell's leverage profile will remain very manageable because of its exceptionally strong balance sheet and operating performance. Debt affordability is solid, with debt to EBIDA of 4.2x in fiscal 2025, stronger than most peers. The college updated its campus master plan, outlining several major capital projects anticipated over the next decade. These include renovations to student housing and academic facilities, as well as new construction aligned with strategic priorities. Given its substantial financial resources and history of internally funding capital investments, Grinnell is well positioned to execute its long-term facilities plan without compromising financial flexibility. The college reported no new debt plans.

Exhibit 5
Grinnell's leverage profile is very manageable as sizable wealth provides broad coverage of outstanding debt

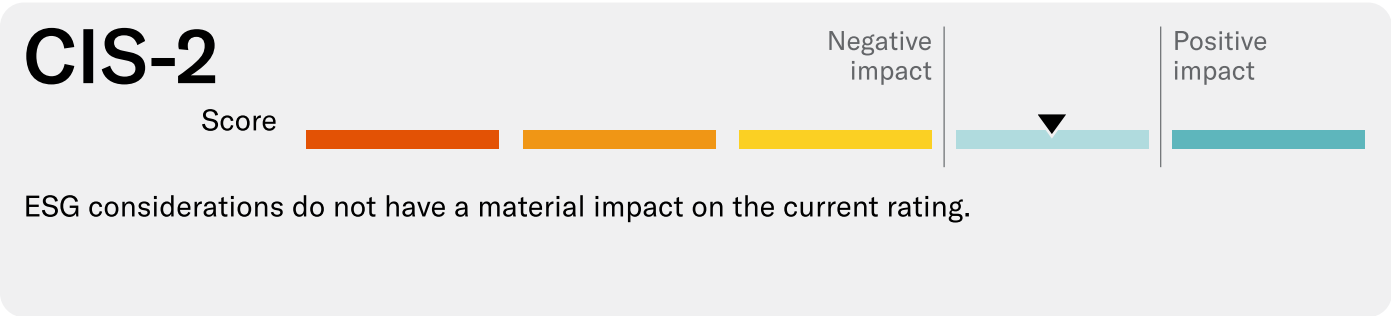


Source: Moody's Ratings

ESG considerations

Grinnell College, IA's ESG credit impact score is CIS-2

Exhibit 6
ESG credit impact score

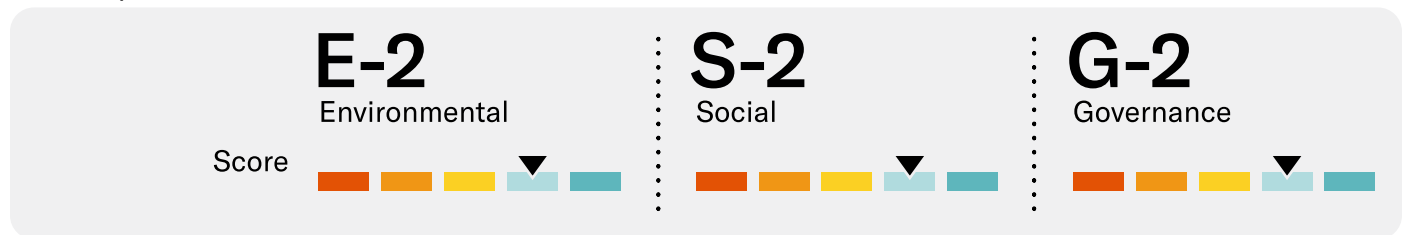


Source: Moody's Ratings

Grinnell College's ESG credit impact score (**CIS-2**) indicates that ESG considerations are not material to the rating at this time. A solid national brand, vast wealth, and excellent financial management and strategy partially mitigate the college's ESG risk exposures.

Exhibit 7

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Grinnell College's exposure to environmental credit risks is (**E-2**). The college's location in Grinnell, Iowa exposes it to extreme storm and rising temperature risks, but other physical climate risks are low. Grinnell has an extensive emergency notification network on campus to warn its community of weather events ahead of time. The college has a sustainability plan to expand its renewable energy usage, improve building energy efficiency standards and water management systems, and develop better sustainability course offerings for its students.

Social

Grinnell College's exposure to social credit risks is (**S-2**). Despite operating in the demographically challenged Midwest and competing against other elite liberal arts colleges, Grinnell's substantial wealth and policy of meeting full demonstrated needs largely mitigates its exposure to social risks. Positive customer relations are supported by its generous financial aid policy, as well as excellent outcomes for its students. Unlike a majority of the sector that faces headwinds from human capital risks, Grinnell's exposure is mitigated by its robust resources, as well as its stature as an employer of choice in rural Iowa.

Governance

Grinnell's exposure to governance credit risks is (**G-2**). The college has a history of exceptional operating performance because of its conservative endowment spend policy and expense containment effort, supporting strong management credibility and financial management. Adding additional support to positive financial management is a history of strong balance sheet management with a relatively low debt burden and very high liquidity. As with a majority of the sector, Grinnell's large board introduces board structure risk. Favorably, the board's diversity and composition of alumni, donors, and civic leaders provide strong oversight of the college.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The principal methodology used in this rating was [Higher Education Methodology](#) published in August 2021. The Higher Education Methodology includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, financial policy and strategy, and operating environment on a qualitative basis.

The two notch distinction between the scorecard indicated outcome and the assigned rating reflects Grinnell's exceptional wealth and liquidity that provide robust financial flexibility.

Exhibit 8

Grinnell College, IA

Scorecard Factors and Sub-factors	Value	Score
Factor 1: Scale (15%)		
Adjusted Operating Revenue (USD Million)	203	A
Factor 2: Market Profile (20%)		
Brand and Strategic Positioning	Aa	Aa
Operating Environment	A	A
Factor 3: Operating Performance (10%)		
EBIDA Margin	24%	Aa
Factor 4: Financial Resources and Liquidity (25%)		
Total Cash and Investments (USD Million)	2,938	Aa
Total Cash and Investments to Operating Expenses	16.5	Aaa
Factor 5: Leverage and coverage (20%)		
Total Cash and Investments to Total Adjusted Debt	14.2	Aaa
Annual Debt Service Coverage	4.4	Aa
Factor 6: Financial Policy and Strategy (10%)		
Financial Policy and Strategy	Aaa	Aaa
Scorecard-Indicated Outcome		Aa2
Assigned Rating		Aaa

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Source: Moody's Ratings

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1458979

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454