

# Financial and Operations Overview

In the face of numerous challenges on the international, national, and local levels, we are pleased to report that the Institute's endowment, net assets, and Campus operating revenues increased in Fiscal 2025 over 2024 levels, driven by strong philanthropic support and positive net investment returns.

## Over the past year, we saw:

- Caltech respond to the catastrophic wildfires of January 2025 through not only the power of resilience and community, but also its signature brand of basic research, such as [measuring](#) air particulates around Altadena and determining what levels of potential dangerous chemicals entered the environment because of the blaze.
- the dawn of a new [partnership](#) between Caltech and Meta to develop smart wearable devices. Meta has renovated and opened a research lab on campus and is investing in a variety of research projects at the Institute through a grant-making fund.
- the largest array of entangled [qubits](#), the basic units of quantum computing, ever realized. Caltech researchers created a 6,100-qubit array, besting previous attempts that numbered in the hundreds of qubits.
- the [discovery](#) that crucial currents in the Atlantic Ocean will be less affected by climate change than previously thought, helping to answer a long-standing but important question in climate science.
- new possibilities in how AI can amplify basic science, from safer and more effective breast cancer screening [technology](#) to [aircraft](#) that could adjust to turbulence on the fly thanks to machine learning.
- the [biggest and most distant black hole flare](#) ever detected, discovered by the US National Science Foundation (NSF)-funded Zwicky Transient Facility (ZTF), based at Caltech's Palomar Observatory, and the Caltech-led Catalina Real-Time Transient Survey, which is also funded by NSF.
- "an ultrasound of the Earth": a [new method](#) to study our planet's structure deep beneath the surface, achieved by measuring how seismic waves from earthquakes are reflected.
- scientists identify [genes](#) that control a zebrafish's ability to regenerate heart cells, which may offer clues to how the human heart someday could be regenerated after suffering damage.

Caltech's integrated research and education mission—advancing science and engineering through discovery—guides our work, shapes our financial management strategy, and drives our continued progress.

The following sections provide additional details regarding Caltech’s fiscal year 2025 Balance Sheet and Statement of Activities. The financial statements include the accounts of the Institute’s main campus and satellite facilities (“Campus”) and those of the Jet Propulsion Laboratory (“JPL”), which is managed under a cost-reimbursable contract with NASA.

## Summary of Key Financial Highlights (10-Year Trend)

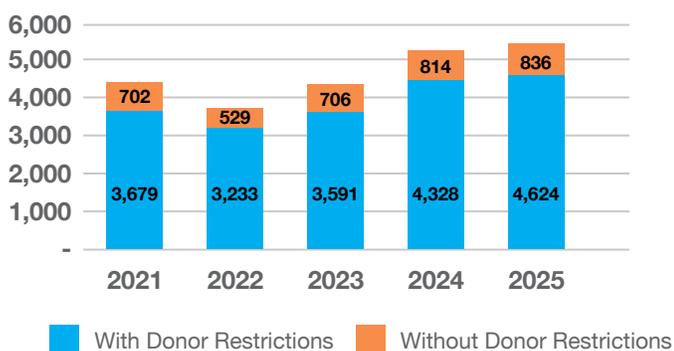
<i>in millions of dollars</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues	2,562	2,895	3,290	3,371	3,354	3,146	3,310	3,629	3,533	3,241
Operating Expenses	2,513	2,938	3,336	3,373	3,341	3,146	3,305	3,558	3,526	3,274
Results of Operations	49	(43)	(46)	(2)	13	-	5	71	7	(33)
Net Assets	2,628	3,041	3,206	3,195	3,278	4,381	3,762	4,297	5,142	5,460
Endowment	2,217	2,641	2,907	2,987	3,086	4,022	3,391	3,598	4,229	4,357
Net Borrowings	1,256	1,249	1,242	1,176	1,668	1,624	1,580	1,617	1,595	1,635

## Balance Sheet

The discussion in this section highlights key elements of Caltech’s financial position, including net assets, investments and borrowings.

### Net Assets

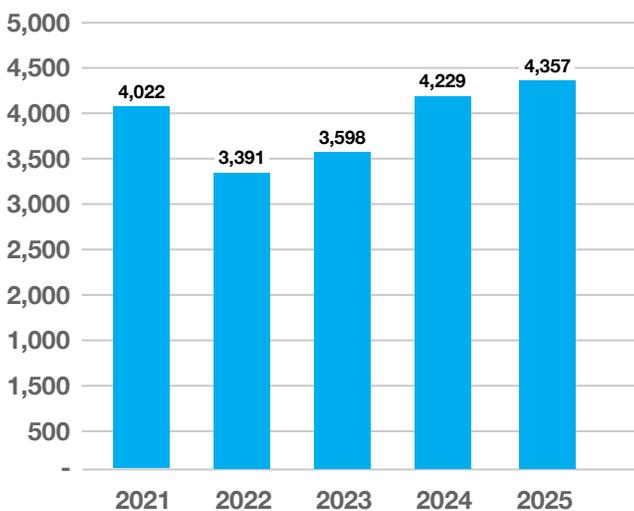
\$ in millions



Total net assets increased by 6.2 percent from fiscal year 2024, to nearly \$5.5 billion. Net assets are presented in two distinct categories to reflect the nature of any donor-imposed restrictions. Net assets with donor restrictions increased primarily due to positive net return on donor-endowed pooled investments and new donor-endowed gifts and pledges. Net assets without donor restrictions increased primarily due to philanthropic support and investment return in excess of endowment spending.

### Endowment Investments

\$ in millions



Endowment assets are the largest component of investments. As of September 30, 2025, the market value of endowment investments was nearly \$4.4 billion, or 83.4 percent of the Institute’s \$5.2 billion in total investments.

The financial statements include both realized and unrealized gains and losses on investments, as well as dividends and interest income, net of investment expenses. These components, plus new donor-restricted gifts, less the distribution of endowment payout to support current-year operations, led to a slight increase in the market value of endowment investments in fiscal year 2025.

## Borrowings

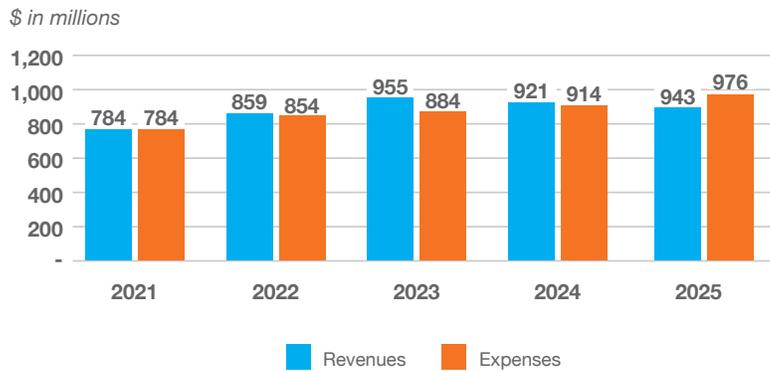
In fiscal year 2025, borrowings increased \$40.3 million, or 2.5 percent, due to increased use of short-term credit facilities to bridge fund construction projects in advance of scheduled payments by donors according to capital gift agreements.

Caltech’s financial strength is reviewed periodically by both Moody’s Investors Service and S&P Global Ratings. As of the close of fiscal year 2025, the Institute maintained “Aa3” and “AA-” ratings, respectively.

## Statement of Activities

JPL’s direct costs and the full reimbursement of those costs from NASA are equal and therefore do not affect net assets. For fiscal year 2025, JPL revenue and expense were approximately \$2.3 billion. Further detail regarding Campus revenues and expenses is presented below.

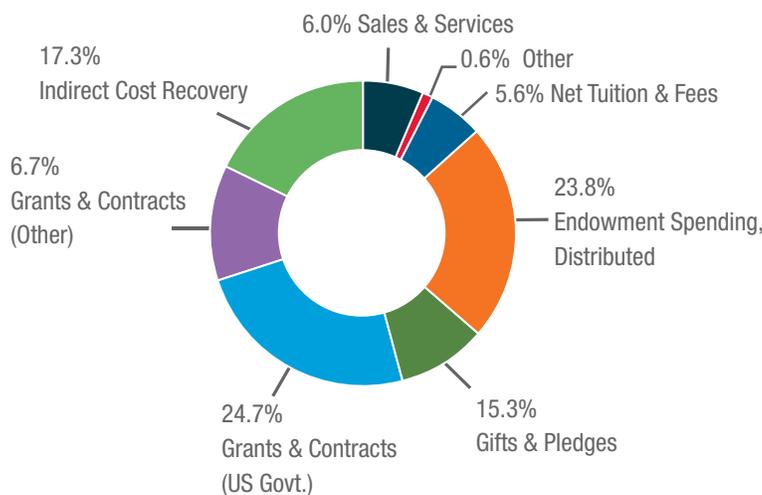
## Campus Revenues and Expenses



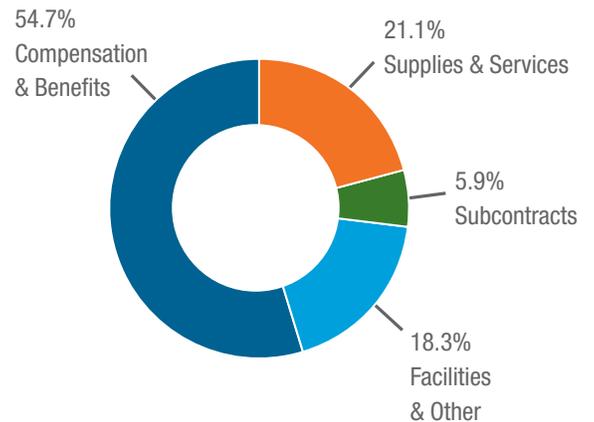
Caltech ended fiscal year 2025 with a small operating deficit of \$33.3 million. Increases in both gift revenues and endowment spending distributed to operations (“payout”) drove an overall increase in revenues. Although Campus federal grant and contract revenue in fiscal 2025 increased by \$10.9 million, other Campus direct grant revenue declined by nearly \$50 million following the completion of a significant construction project in fiscal 2024. Increased federal grant and contract activity and inflationary factors were the primary causes of an increase in expenses.

The components of Campus operating revenues and expenses for fiscal year 2025 are displayed in the following charts:

### Campus Revenues



### Campus Expenses



## Non-operating Changes Summary

Non-operating changes drove a \$351.2 million increase in net assets in fiscal year 2025. Investment return in excess of endowment spending increased net assets by \$204.8 million and capital and endowment gifts and pledges increased net assets by \$146 million.

## Conclusion

The tragic Eaton Fire and significant uncertainties over the regulatory and funding environment surrounding education and research challenged our community in unprecedented ways in 2025. We are grateful for the resilience and commitment of our community members and to Caltech's alumni, trustees, and friends for their generosity and strong support in difficult times.

Respectfully submitted,



Charles E. Lane  
Vice President and Chief Operating Officer



Sharon E. Patterson  
Chief Financial Officer and Treasurer