



Trends in College Spending

Where does the money come from?

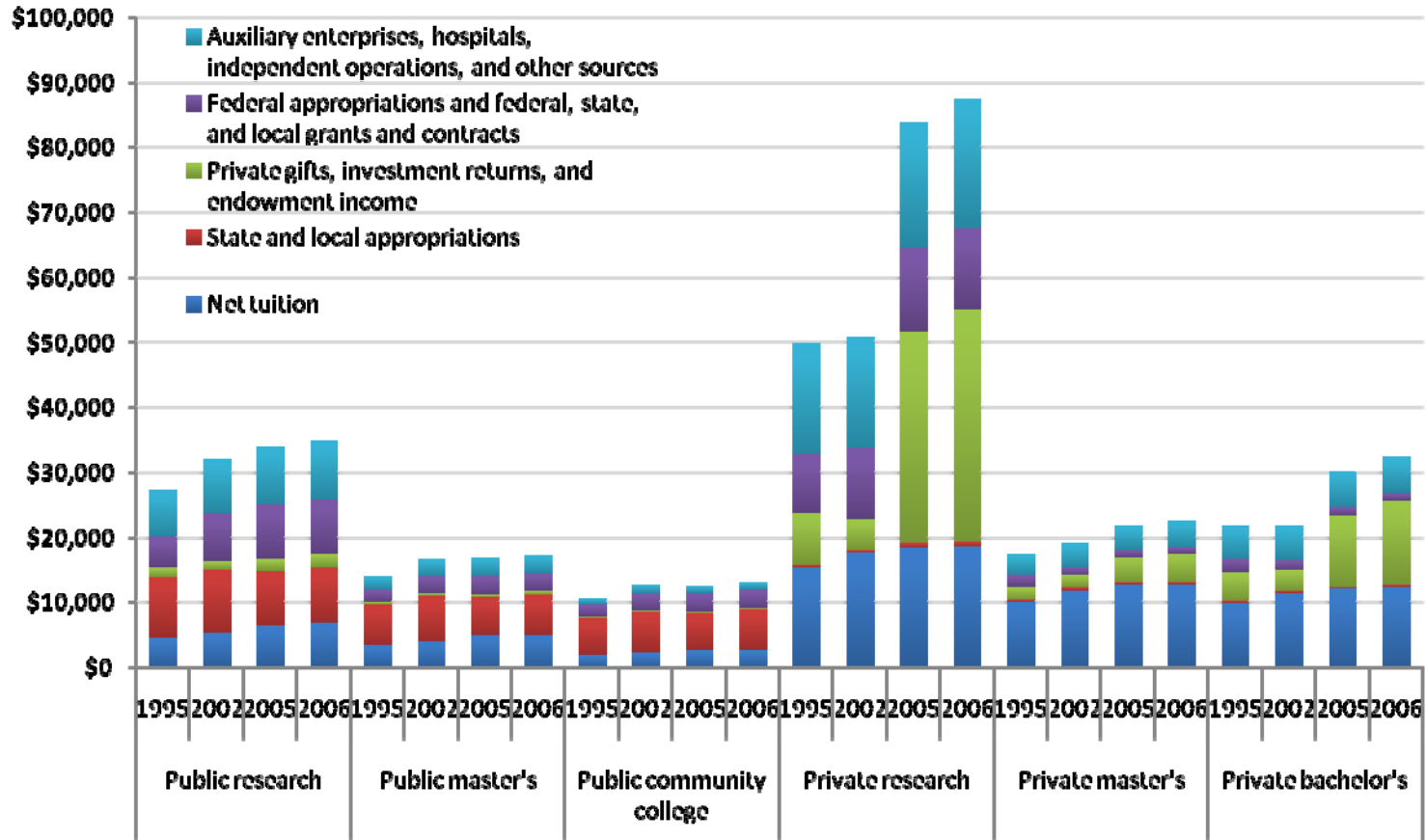
Where does it go?

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Presentation to AFT
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TRENDS IN REVENUE/FTE 1995 – 2006

Theme: Privatization of finance continues. Biggest growth among publics in tuition; among privates, in PIE (private gifts, investment and endowment income) followed by tuition.



WHERE THE MONEY GOES

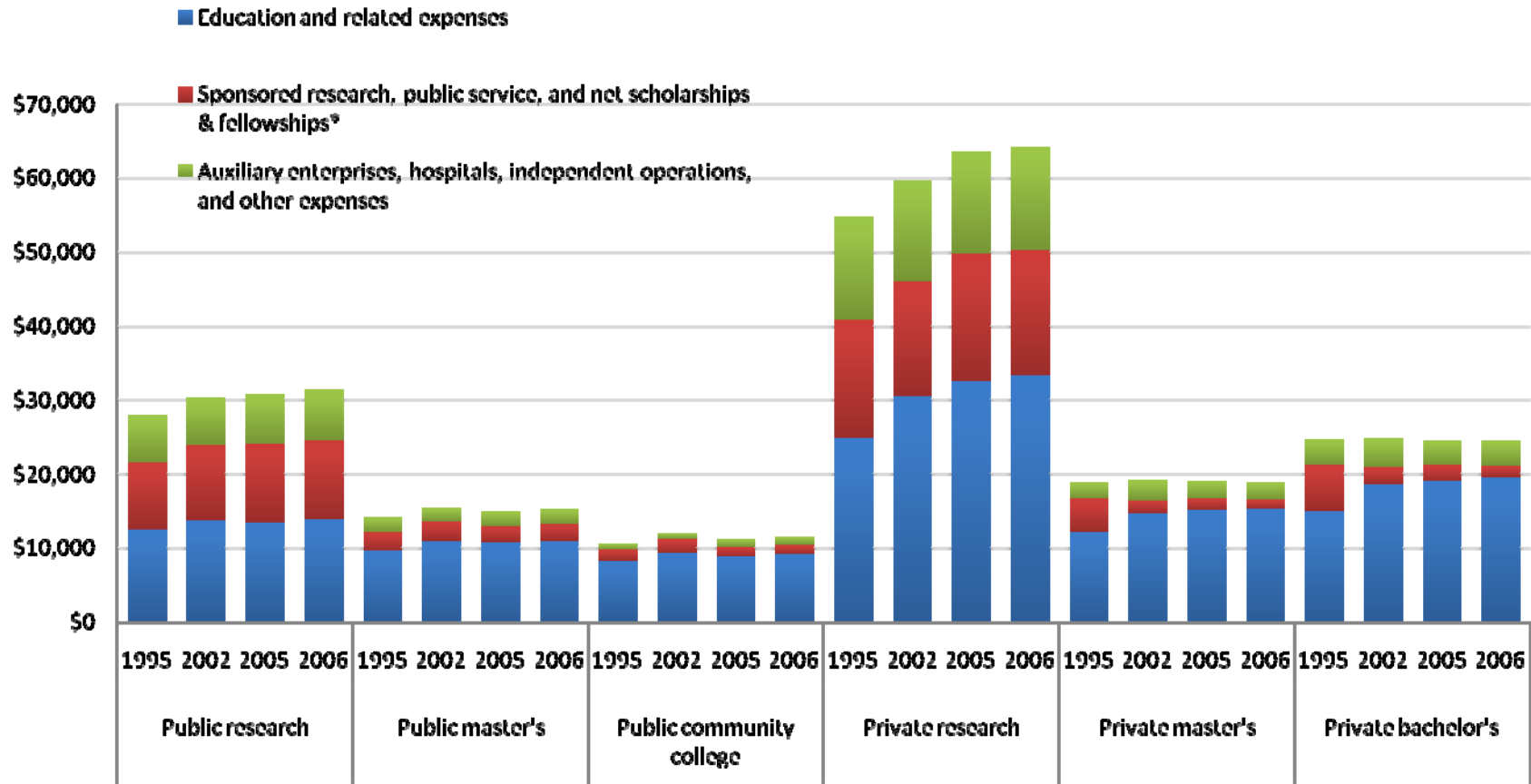
How much goes to core academic/educational programs?

Snapshot of spending and changes in spending by standard categories, and also organized by:

- Education and related expenses (E&R)
 - Instruction, student services, and educational share of academic & institutional support and Operations and Maintenance (O&M)
- Education and general expenses (E&G)
 - E&R plus sponsored research and public service
- Total operating expenses
 - All of the above plus auxiliary enterprises and hospitals
 - (self-supporting revenue-producing activities like dormitories, bookstores, some but not most of intercollegiate athletics, clinics and hospitals)

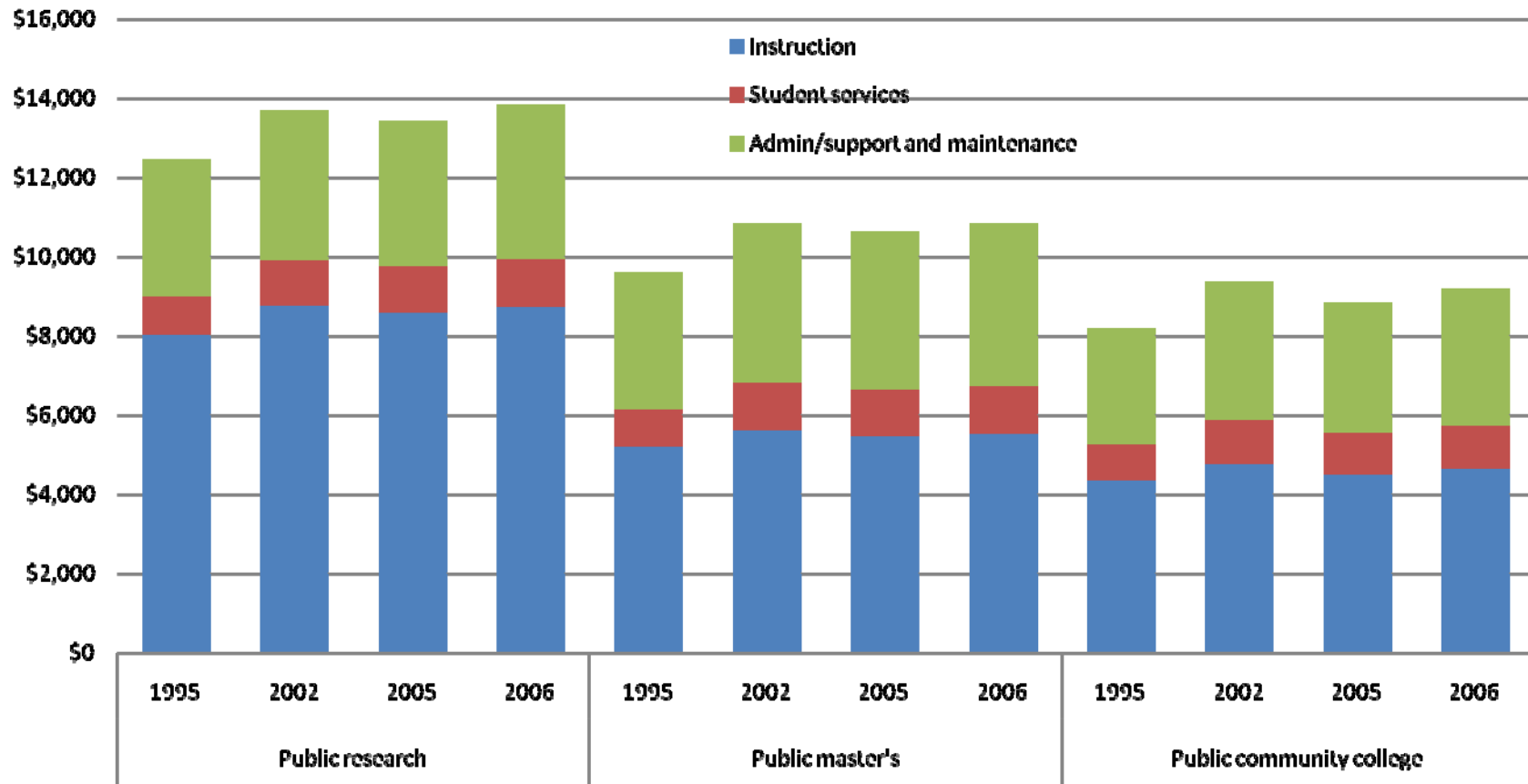
WHERE THE MONEY GOES: E&R, E&G AND TOTAL

Focus on the "top line" significantly overstates resources that pay for the core academic program



SPENDING WITHIN E&R OVER TIME, PUBLICS

Overall costs quite steady since 2002; Instructional share is down, biggest increase in support/admin/maintenance



TUITION INCREASES AND SPENDING

Are tuitions going up because spending is increasing?

**Portion of tuition increases attributable to increased spending...
calculated by comparing**

- Sticker price increase to...**
- E&G spending increases, to get**
- “What if” tuition had increased only enough to accommodate
E&G spending increases**

TUITION INCREASES AND SPENDING, PUBLICS

	Public research			Public master's			Public community college		
	2002	2006	% Change	2002	2006	% Change	2002	2006	% Change
In-state average tuition for FT-Ugs	\$4,486	\$5,825	29.8%	\$3,652	\$4,710	29.0%	\$2,218	\$2,619	18.1%
Education and general spending per FTE student	\$23,812	\$24,411	2.5%	\$13,417	\$13,141	-2.1%	\$11,060	\$10,416	-5.8%
<i>If tuition increased only at spending rate (2002-2006)</i>		\$4,599			\$3,574			\$2,087	
<i>% of tuition increase attributed to increased spending</i>		8.4%			0			0	

TUITION INCREASES AND SPENDING, PRIVATE NON-PROFIT

	Private research			Private master's			Private bachelor's		
	2002	2006	%Change	2002	2006	%Change	2002	2006	%Change
In-state average tuition /FT Ugs	\$23,497	\$26,468	12.6%	\$16,429	\$18,571	13.0%	\$17,162	\$19,301	12.5%
Education and general spending per FTE	\$45,647	\$49,801	9.1%	\$15,773	\$16,037	1.7%	\$19,999	\$20,373	1.9%
<i>If tuition increased only at spending rate (2002-2006)</i>		\$25,635			\$16,704			\$17,483	
<i>% of tuition increase attributed to increased spending</i>		72.0%			12.8%			15.0%	

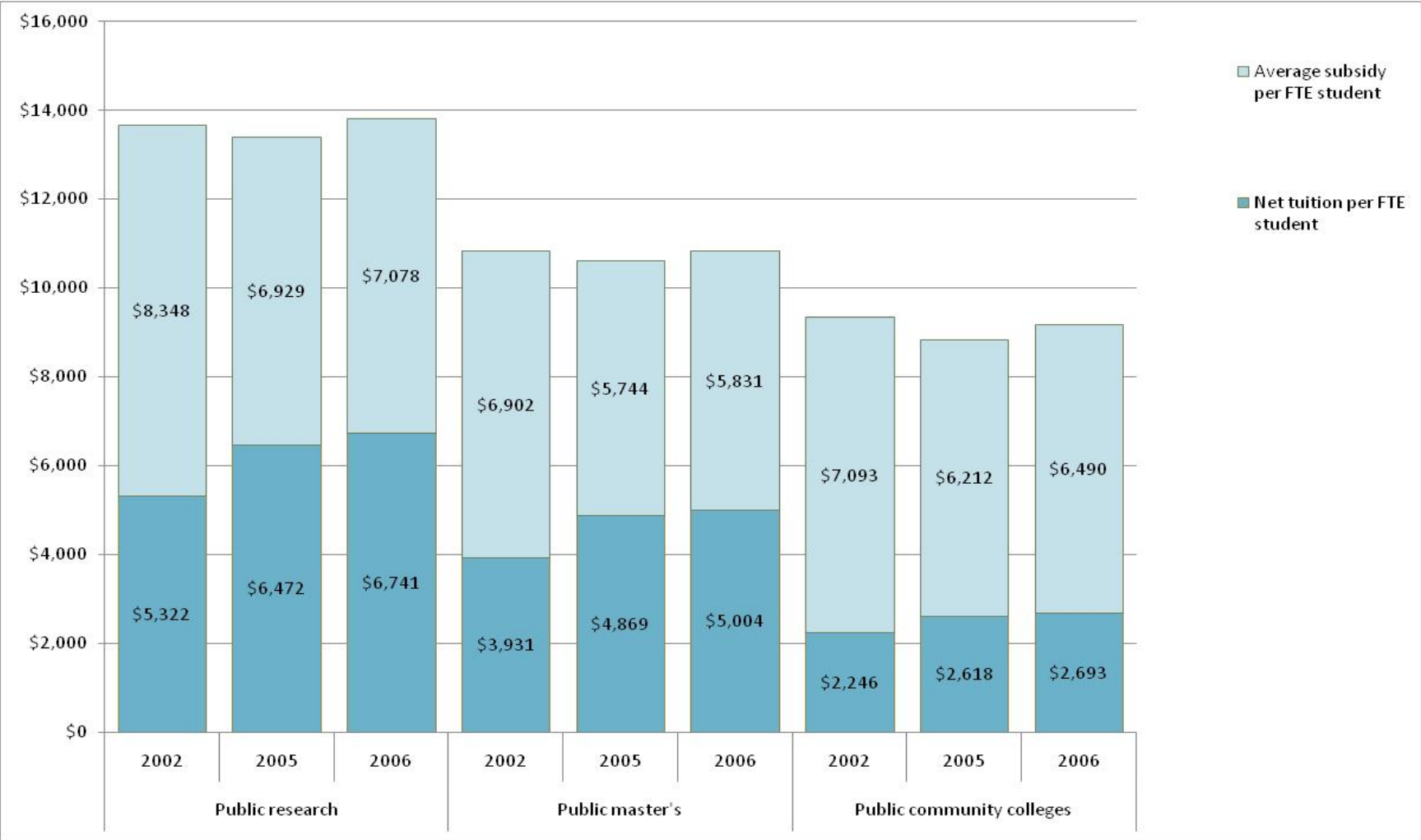
COST/PRICE/SUBSIDY

What proportion of E&R costs are paid by students, and what by the institution/state?

- **Cost: Average E&R spending per student**
- **Price: Proportion of cost paid from net tuition revenues**
- **Subsidy: Proportion of cost paid from institutional revenues (Cost less price)**

SHIFT IN SUBSIDY SHARE OF COSTS, 2002-2006, PUBLICS

The student share of costs is increasing everywhere – although students in public research universities on average still get the largest subsidy among public institutions



COST/PRICE/SUBSIDY REDUX: PUBLICS, 2002-2006

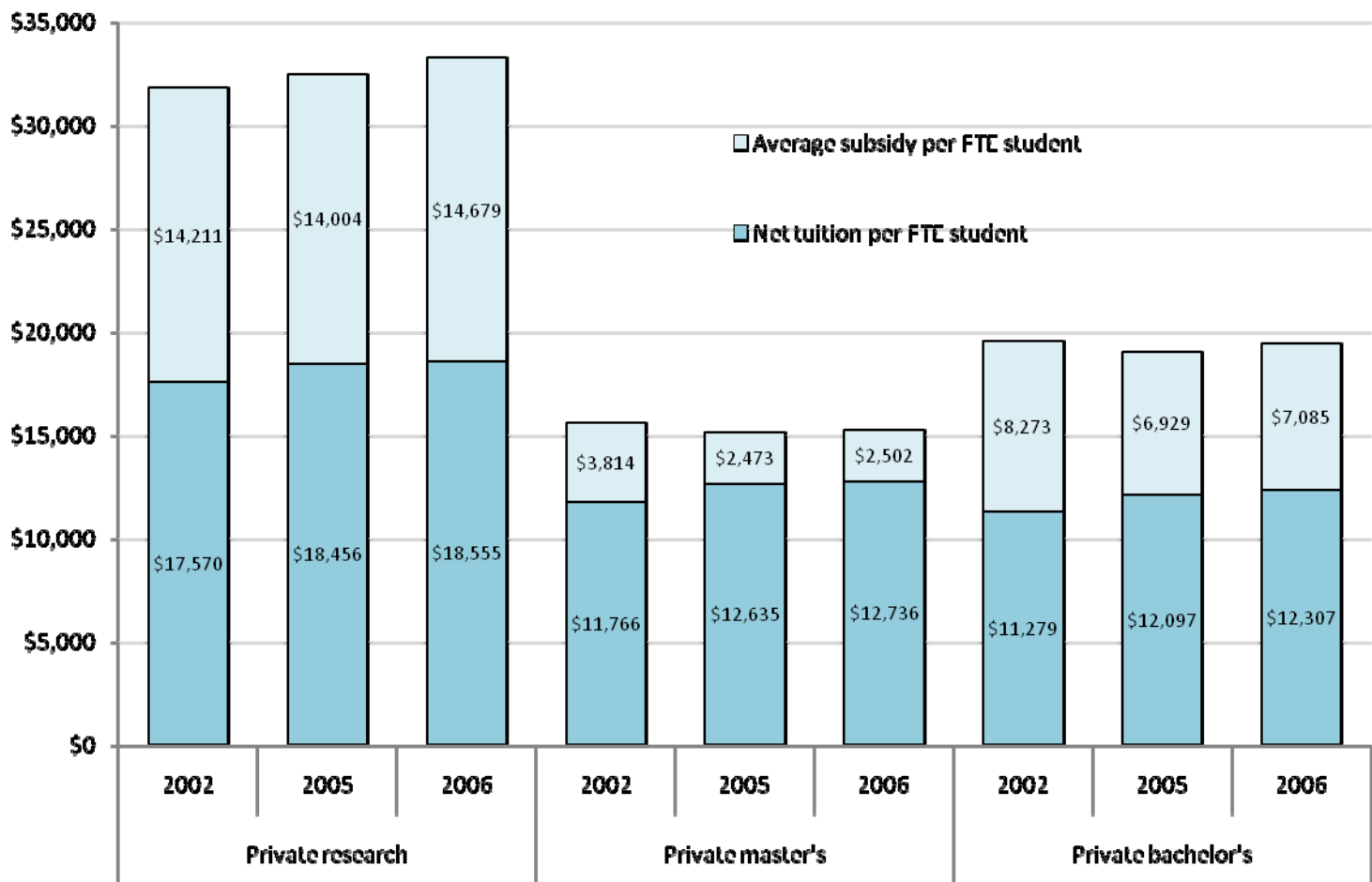
	Public research			Public masters			Community Colleges		
	2002	2005	2006	2002	2005	2006	2002	2005	2006
Student share of costs	39%	48%	49%	36%	45%	46%	24%	30%	29%
State Subsidy	\$8,348	\$6,929	\$7,078	\$6,902	\$5,744	\$5,831	\$7,093	\$6,212	\$6,490
Net tuition	\$5,322	\$6,472	\$6,741	\$3,931	\$4,869	\$5,004	\$2,246	\$2,618	\$2,693
Total E&R	\$13,670	\$13,401	\$13,819	\$10,833	\$10,613	\$10,835	\$9,339	\$8,830	\$9,183

State/student subsidy shifts – national averages

- Research universities: average loss of subsidy 15%
(\$1,270/student between 2002-2006)
 - Replaced w/tuition revenues averaging \$1,419 per student
 - Resulting in real increases in spending of 2%
- Master's institutions: average loss of subsidy 15%
(\$1,071/student between 2002-2006)
 - Replaced w/tuition revenues averaging \$1,073 per student
 - Resulting in no change in E&G spending
- Community colleges: average loss of subsidy 9%
(\$603/student between 2002-2006)
 - Replaced with \$447 in tuition revenues
 - Resulting in real reductions in spending

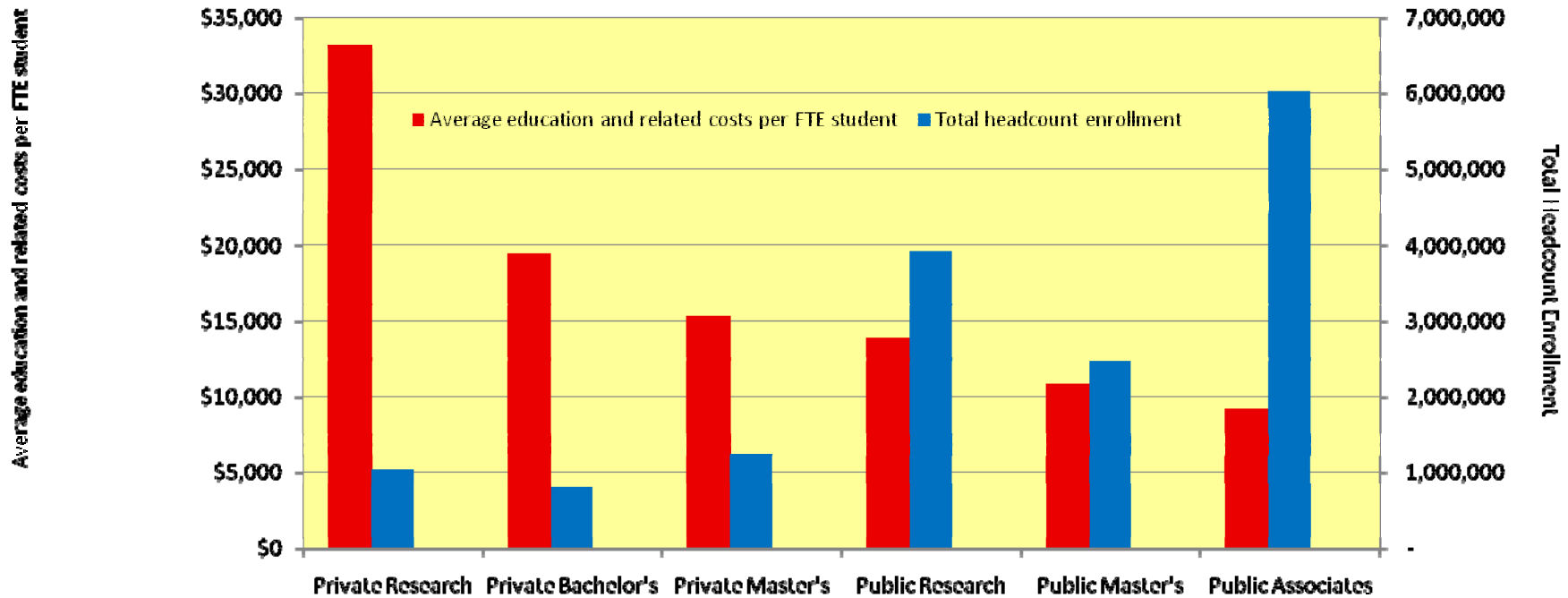
SHIFT IN SUBSIDY SHARE OF COSTS, PRIVATE NON-PROFIT, 2002-2006

Even after discounts, students pay the majority of costs – and close to full costs in private master's institutions



WHERE THE MONEY GOES, WHERE THE STUDENTS ARE ENROLLED: E&R SPENDING PER FTE STUDENT/ENROLLMENTS

Averages are misleading: there is significant stratification between institutions in access to revenues, with the majority of students enrolling in institutions spending \$10,000 or less per student



ABOUT THE REPORT

- Released January 15, 2009
- Full report on the Delta website:
<http://www.deltacostproject.org>
- Includes:
 - [Full Report](#) (PDF)
 - [Executive Summary](#) (PDF)
 - [Presentation Summary](#) (PDF)
 - [Recommendations for Action](#) (PDF)
 - [Frequently Asked Questions](#)
 - [State Data](#)

For more information, visit the Delta Project website, at:

<http://www.deltacostproject.org>

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