

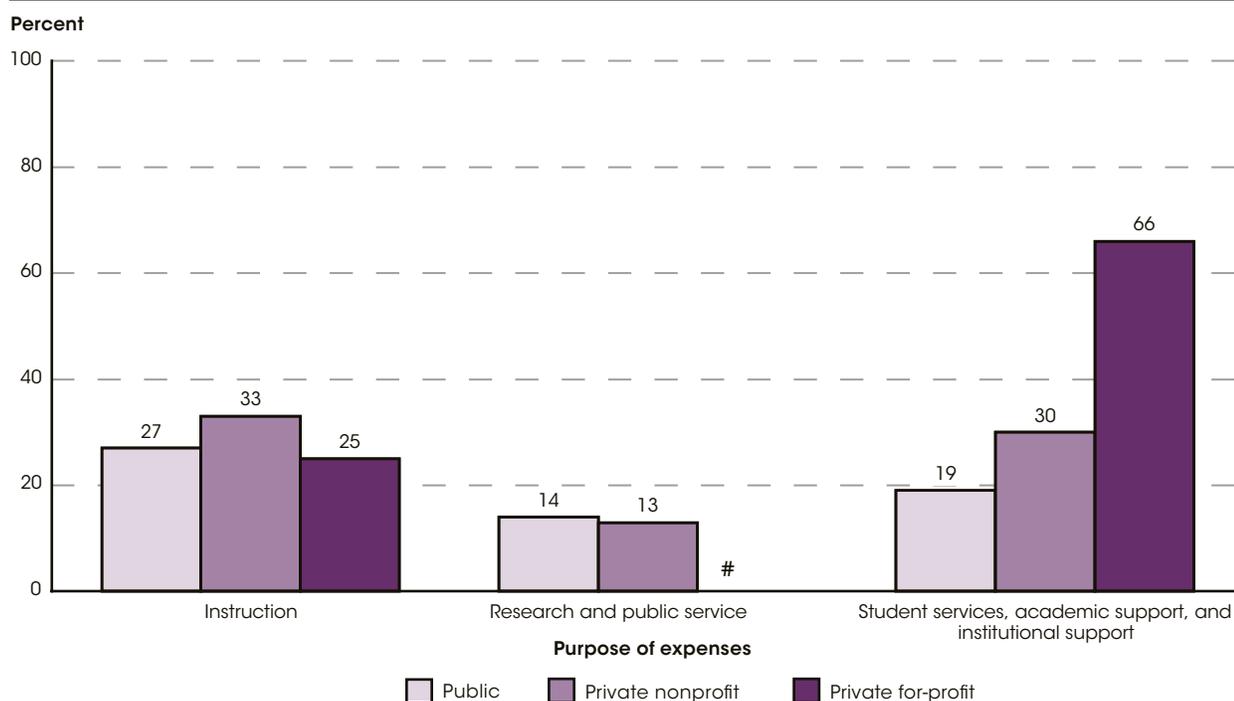
Expenses of Postsecondary Institutions

In 2010–11, instruction expense per full-time-equivalent (FTE) student, in constant 2011–12 dollars, was the largest expense category at public (\$7,413) and private nonprofit institutions (\$15,568). At private for-profit institutions, instruction expense was the second largest expense category, at \$3,534 per student; expense on student services, academic support, and institutional support was the largest expense category, at \$9,279 per student.

In 2010–11, total expenses were \$296 billion (in current dollars) at public postsecondary institutions, \$153 billion at private nonprofit institutions, and \$23 billion at private for-profit institutions. Some financial data may not be comparable across institutions by control

categories because of differences in accounting standards. Comparisons by institutional level (i.e., between 2-year and 4-year institutions) may also be limited because of different institutional missions.

Figure 1. Percentage of total expenses at degree-granting postsecondary institutions, by purpose of expenses and control of institution: 2010–11



Rounds to zero.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2012, Finance component. See *Digest of Education Statistics 2012*, tables 412, 414, and 416.

Instruction, including faculty salaries and benefits, is the largest expense category at public and private nonprofit postsecondary institutions and the second largest category at private for-profit institutions. In 2010–11, the percentage of total expenses spent on instruction was 27 percent at public institutions and 33 percent at private nonprofit institutions. At private for-profit institutions, instruction constituted 25 percent of total expenses; but student services, academic support, and institutional support, which includes expenses associated with admissions, student activities, libraries, and

administrative and executive activities, was the largest category, at 66 percent. At public and private nonprofit institutions, expenses on student services, academic support, and institutional support are available as separate categories. Combined expenses on student services, academic support, and institutional support made up 19 percent of total expenses at public institutions and 30 percent at private nonprofit institutions. Other relatively large categories at public institutions (i.e., those accounting for 8–10 percent of expenses) were research, hospitals, and institutional support. At private

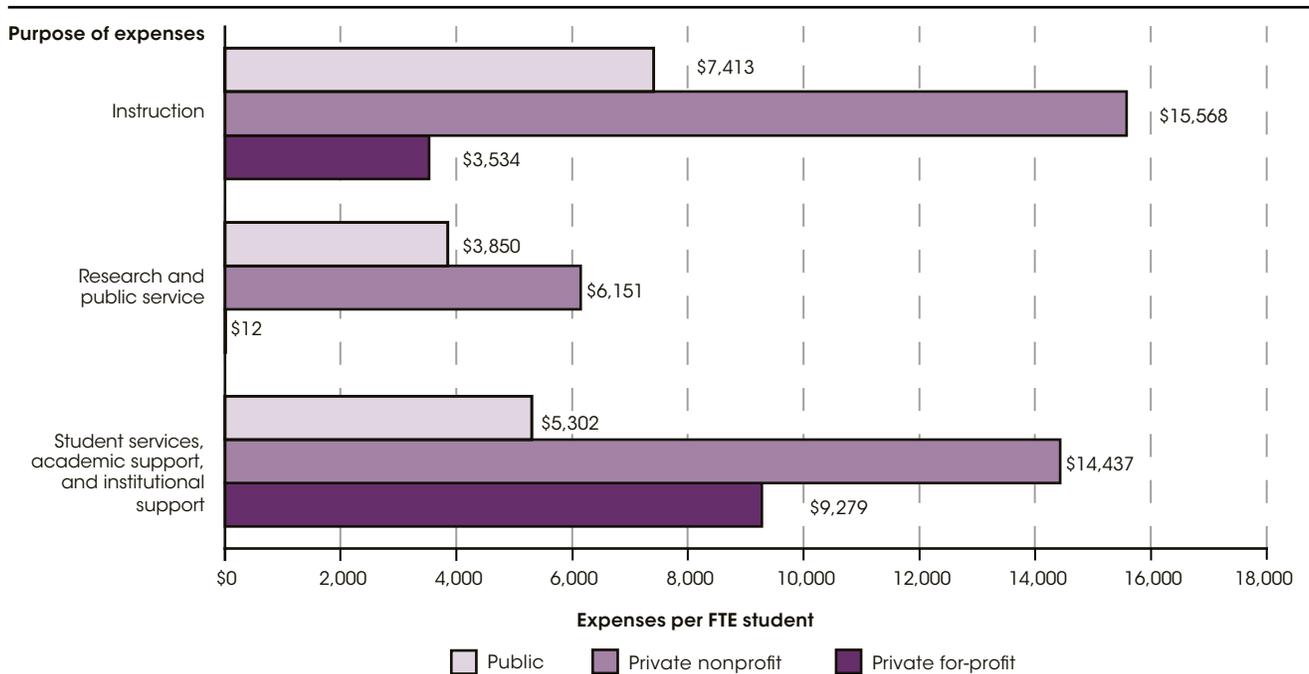
For more information, see the Reader's Guide and the Guide to Sources.

nonprofit institutions, some of the other large categories (i.e., those accounting for 8–13 percent of expenses) were institutional support, research, auxiliary enterprises (i.e., self-supporting operations, such as residence halls), hospitals, academic support, and student services.

In 2010–11, across all levels of postsecondary institutional control, 2-year institutions spent a greater share of their total expenses on instruction than 4-year institutions did.

The percentage of total expenses at public institutions for instruction was 35 percent at 2-year institutions, compared with 25 percent at 4-year institutions. At private nonprofit institutions, instruction accounted for 34 percent of total expenses at 2-year institutions and 33 percent at 4-year institutions; at private for-profit institutions, the percentage of total expenses on instruction at 2-year and 4-year institutions were 32 and 23 percent, respectively.

Figure 2. Expenses per full-time-equivalent (FTE) student at degree-granting postsecondary institutions, by purpose of expenses and control of institution: 2010–11
[In constant 2011–12 dollars]

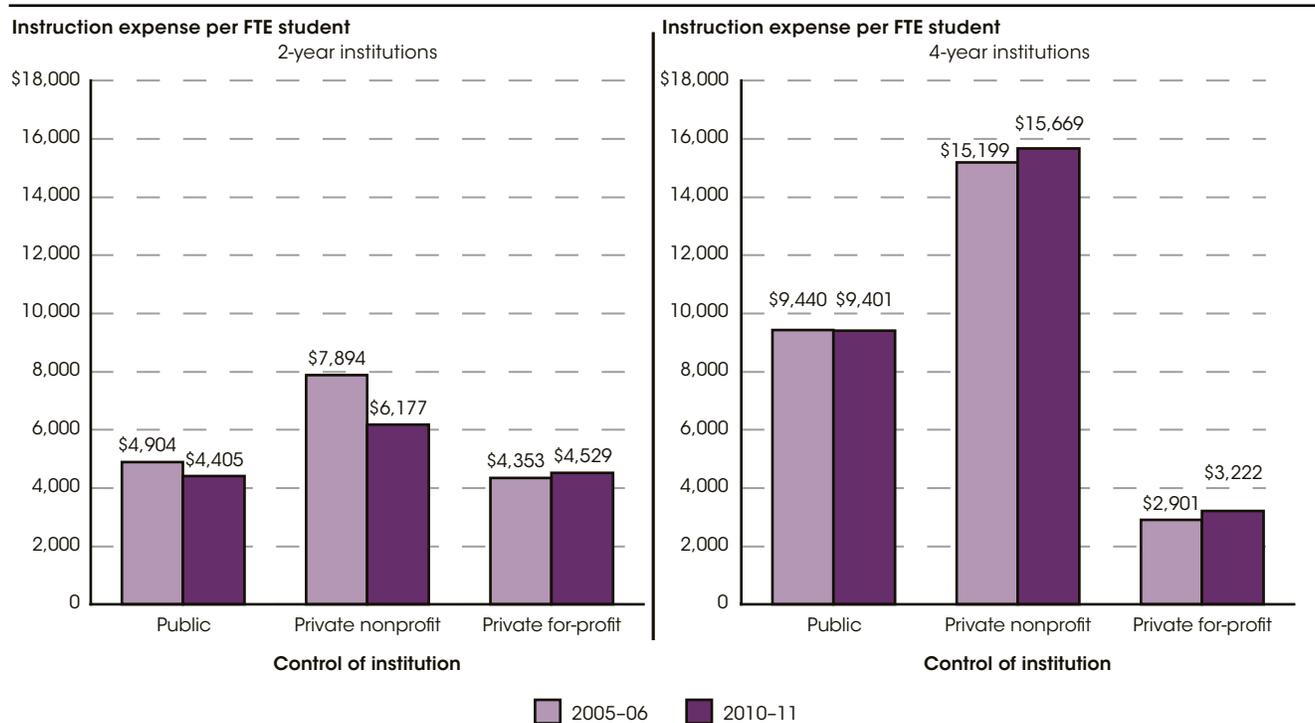


NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenses per FTE student are reported in constant 2011–12 dollars, based on the Consumer Price Index (CPI).
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2011, Enrollment component; and Spring 2012, Finance component. See *Digest of Education Statistics 2012*, tables 412, 414, and 416.

In 2010–11, total expenses per full-time-equivalent (FTE) student were much higher at private nonprofit postsecondary institutions (\$47,779) than at public institutions (\$27,656) and private for-profit institutions (\$14,111). Expenses per FTE student are reported in constant 2011–12 dollars, based on the Consumer Price Index (CPI). Private nonprofit institutions spent more than twice as much per student on instruction (\$15,568) as public institutions did (\$7,413). A similar pattern was found for most other expense classifications, such as student services, academic support, and institutional support (a total of \$14,437 for private nonprofit

institutions vs. \$5,302 for public institutions). Expenses per FTE student for public service, such as expenses for public broadcasting and community services, were an exception to this pattern, with public institutions spending more than private nonprofit institutions (\$1,108 vs. \$706). Expenses per student for instruction were more than twice as high at public institutions as at private for-profit institutions (\$7,413 vs. \$3,534), but expenses per student for student services, academic support, and institutional support were higher at private for-profit institutions (\$9,279) than at public institutions (\$5,302).

Figure 3. Instructional expenses per full-time-equivalent (FTE) student for instruction at 2-year and 4-year degree-granting postsecondary institutions, by control of institution: 2005-06 and 2010-11
[In constant 2011-12 dollars]



NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenses per FTE student are reported in constant 2011-12 dollars, based on the Consumer Price Index (CPI).
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2006 and Spring 2011, Enrollment component; and Spring 2007 and Spring 2012, Finance component. See *Digest of Education Statistics 2012*, tables 412, 414, and 416.

Expenses per FTE student for instruction have shown varying patterns of change between 2005-06 and 2010-11 at the different postsecondary institution types, after adjusting for inflation. At public 4-year institutions, instruction expenses per FTE student were less than 1 percent lower in 2010-11 than they were in 2005-06, and these expenses were 10 percent lower at public

2-year institutions. At private nonprofit institutions, instruction expenses per FTE increased by 3 percent at 4-year institutions but decreased by 22 percent at 2-year institutions. At private for-profit institutions, expenses per FTE student for instruction in 2010-11 were higher than they were in 2005-06 for both 4-year and 2-year institutions (11 and 4 percent higher, respectively).

Reference tables: *Digest of Education Statistics 2012*, tables 412, 414, 416

Glossary: Consumer Price Index (CPI), Full-time-equivalent (FTE) enrollment, Private institution, Public school or institution, Revenue, Tuition and fees