

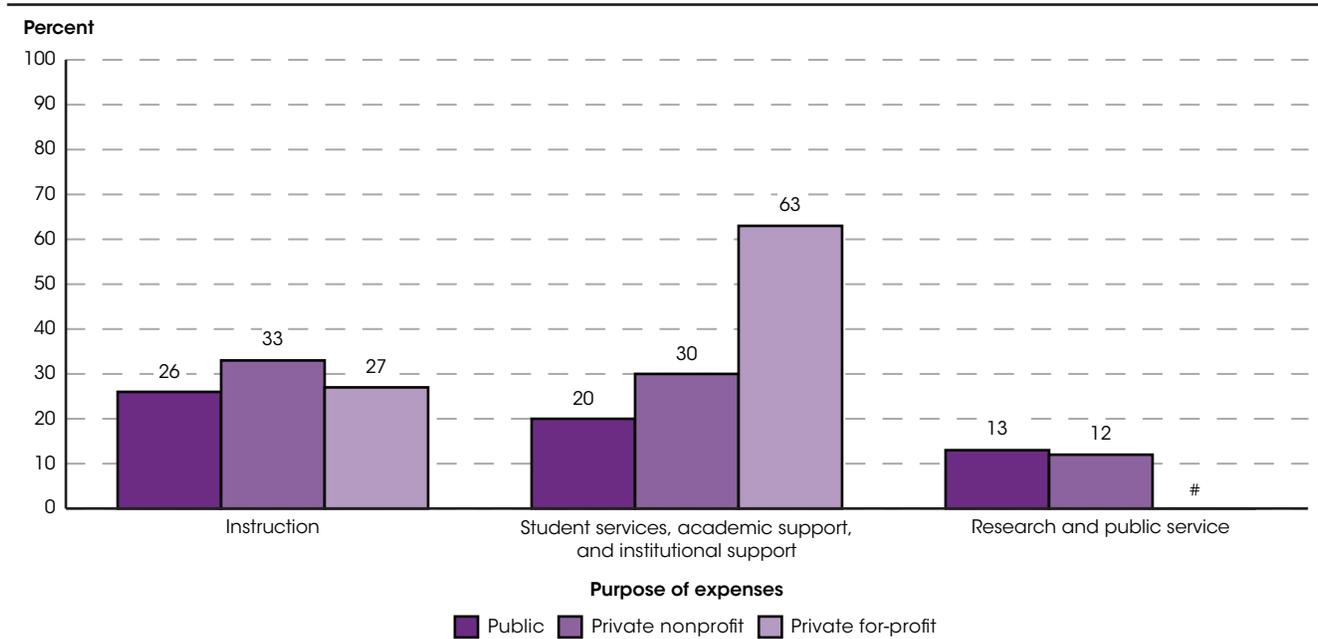
## Postsecondary Institution Expenses

*In 2013–14, instruction expenses per full-time-equivalent (FTE) student (in constant 2014–15 dollars) was the largest expense category at public institutions (\$8,070) and private nonprofit institutions (\$17,003). At private for-profit institutions, instruction expenses per FTE student was the second largest expense category (\$5,266).*

In academic year 2013–14, postsecondary institutions in the United States spent approximately \$517 billion (in current dollars). Total expenses were nearly \$324 billion at public institutions, \$173 billion at private nonprofit institutions, and \$21 billion at private for-profit institutions. Some data may not be comparable across institutions by control categories (i.e., public, private nonprofit, and private for-profit) because of differences in accounting standards followed. Comparisons by institutional level (i.e., between 2-year and 4-year institutions) may also be limited because of different institutional missions. The instructional missions of 2-year institutions generally focus on student instruction and related activities that often include providing a range of career-oriented programs at the certificate and associate’s

degree levels and preparing students for transfer to 4-year institutions. Four-year institutions tend to have a broad range of instructional programs at the undergraduate level leading to bachelor’s degrees. Many 4-year institutions offer graduate-level programs as well. Also, research activities, on-campus student housing, teaching hospitals, and auxiliary enterprises can have a substantial impact on the financial structure of 4-year institutions. In this indicator, expenses are grouped into broad categories, including instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, depreciation, scholarships and fellowships, auxiliary enterprises, hospitals, independent operations, interest, and other.

**Figure 1. Percentage of total expenses at degree-granting postsecondary institutions, by purpose of expenses and control of institution: 2013–14**



# Rounds to zero.

NOTE: Degree-granting institutions grant associate’s or higher degrees and participate in Title IV federal financial aid programs.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2015, Finance component. See *Digest of Education Statistics 2015*, tables 334.10, 334.30, and 334.50.

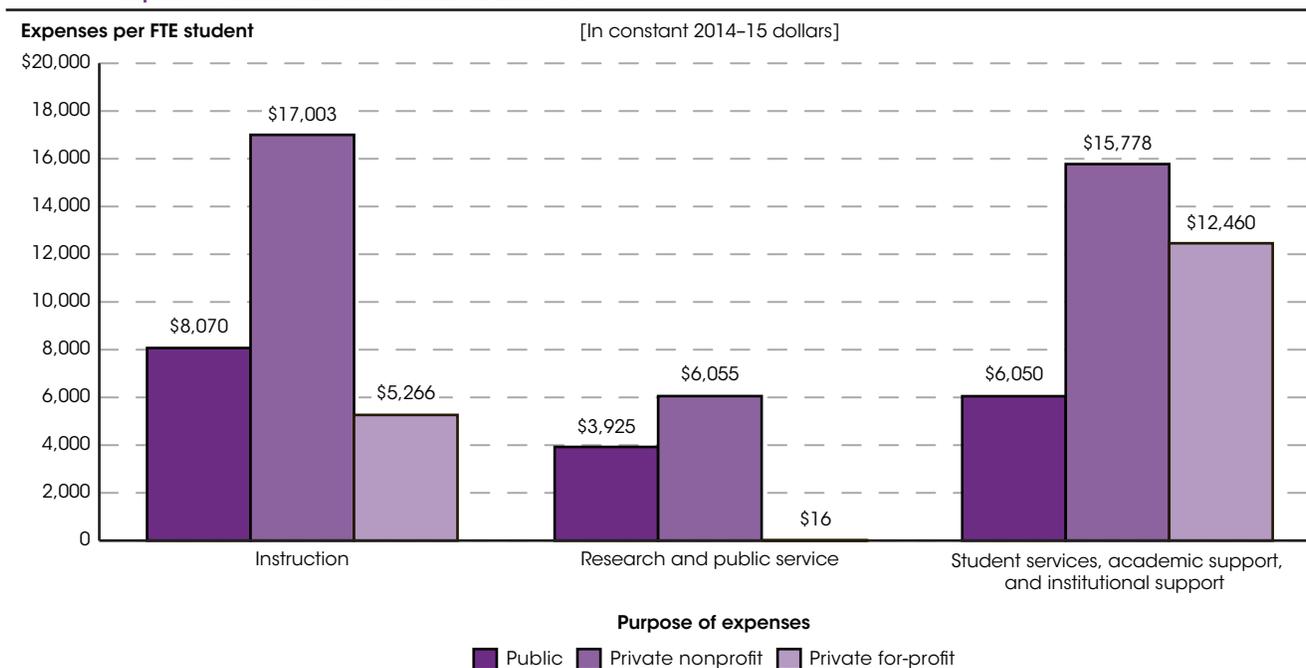
Instruction, including faculty salaries and benefits, is the largest single expense category at public and private nonprofit postsecondary institutions. In 2013–14, instruction accounted for 26 percent of total expenses at public institutions, 33 percent of total expenses at private

nonprofit institutions, and 27 percent of total expenses at private for-profit institutions. The largest expense category at private for-profit institutions in that year was for the combined expenses of student services, academic support, and institutional support (63 percent), which includes

expenses associated with admissions, student activities, libraries, and administrative and executive activities. By comparison, student services, academic support, and institutional support made up 20 percent of total expenses at public institutions and 30 percent of total expenses at private nonprofit institutions. Combined expenses for research and public service constituted 13 percent and hospitals constituted 11 percent of total expenses at public institutions. At private nonprofit institutions, research and public service combined, hospitals, and auxiliary enterprises (i.e., self-supporting operations, such as residence halls) constituted 12, 10, and 9 percent of total expenses, respectively.

In 2013–14, across all types of postsecondary institutional control, 2-year institutions spent a greater share of their total expenses on instruction than did 4-year institutions. 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 36 percent of total expenses at 2-year institutions and 33 percent at 4-year institutions; at private for-profit institutions, the percentages of total expenses for instruction at 2-year and 4-year institutions were 32 and 25 percent, respectively.

**Figure 2. Expenses per full-time-equivalent (FTE) student at degree-granting postsecondary institutions, by purpose of expenses and control of institution: 2013–14**



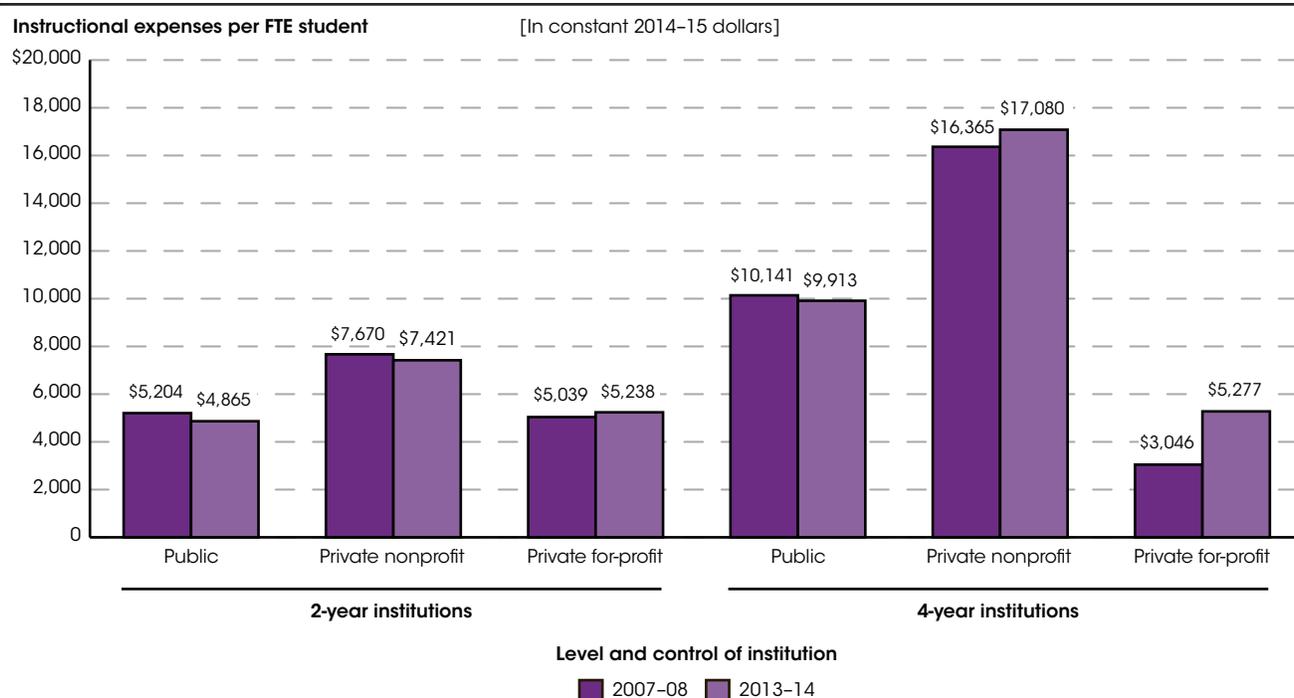
NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenditures per FTE student are reported in constant 2014–15 dollars, based on the Consumer Price Index. Degree-granting institutions grant associate’s or higher degrees and participate in Title IV federal financial aid programs.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2015, Finance component; and Spring 2014 Fall Enrollment component. See *Digest of Education Statistics 2015*, tables 334.10, 334.30, and 334.50.

In 2013–14, total expenses per full-time-equivalent (FTE) student were higher at private nonprofit postsecondary institutions (\$51,736) than at public institutions (\$30,502) and private for-profit institutions (\$19,654). Expenses per FTE student in this indicator are adjusted for inflation using constant 2014–15 dollars, based on the Consumer Price Index (CPI). Private nonprofit institutions spent more than twice as much per FTE student on instruction (\$17,003) as public institutions (\$8,070) and more than three times as much as private for-profit institutions (\$5,266); the amount spent at public institutions was also higher than the amount spent at private for-profit institutions. Expenses per FTE student for research and

public service (such as expenses for public broadcasting and community services) followed the same pattern, with private nonprofit institutions spending more than public institutions (\$6,055 vs. \$3,925) and private for-profit institutions (\$6,055 vs. \$16). Similarly, for the combined expenses of student services, academic support, and institutional support, a total of \$15,778 per FTE student was spent at private nonprofit institutions, which was higher than the amount spent at private for-profit institutions (\$12,460 per FTE student), which was, in turn, higher than the amount spent at public institutions (\$6,050 per FTE student).

**Figure 3. Expenses per full-time-equivalent (FTE) student for instruction at degree-granting postsecondary institutions, by level and control of institution: 2007–08 and 2013–14**



NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenditures per FTE student are reported in constant 2014–15 dollars, based on the Consumer Price Index. Degree-granting institutions grant associate’s or higher degrees and participate in Title IV federal financial aid programs.  
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2009 and Spring 2015, Finance component; and Spring 2008 and Spring 2014, Fall Enrollment component. See *Digest of Education Statistics 2015*, tables 334.10, 334.30, and 334.50.

Changes in inflation-adjusted instruction expenses per FTE student between 2007–08 and 2013–14 varied by postsecondary institution control and level. At public 4-year institutions, instruction expenses per FTE student were 2 percent lower in 2013–14 (\$9,913) than in 2007–08 (\$10,141), and at public 2-year institutions, these expenses were 7 percent lower in 2013–14 (\$4,865) than in 2007–08 (\$5,204). At private nonprofit 4-year institutions, instruction expenses per FTE student

were 4 percent higher in 2013–14 than in 2007–08 (\$17,080 vs. \$16,365), but at private nonprofit 2-year institutions, they were 3 percent lower in 2013–14 than in 2007–08 (\$7,421 vs. \$7,670). At private for-profit 4-year institutions, instruction expenses per FTE student were 73 percent higher in 2013–14 than in 2007–08 (\$5,277 vs. \$3,046), and at private for-profit 2-year institutions, they were 4 percent higher in 2013–14 than in 2007–08 (\$5,238 vs. \$5,039).

**Reference tables:** *Digest of Education Statistics 2015*, tables 334.10, 334.30, and 334.50

**Related indicators:** Postsecondary Institution Revenues

**Glossary:** Constant dollars, Consumer Price Index (CPI), Control of institutions, For-profit institution, Full-time-equivalent (FTE) enrollment, Nonprofit institution, Postsecondary education, Postsecondary institutions (basic classification by level), Private institution, Public school or institution, Tuition and fees