

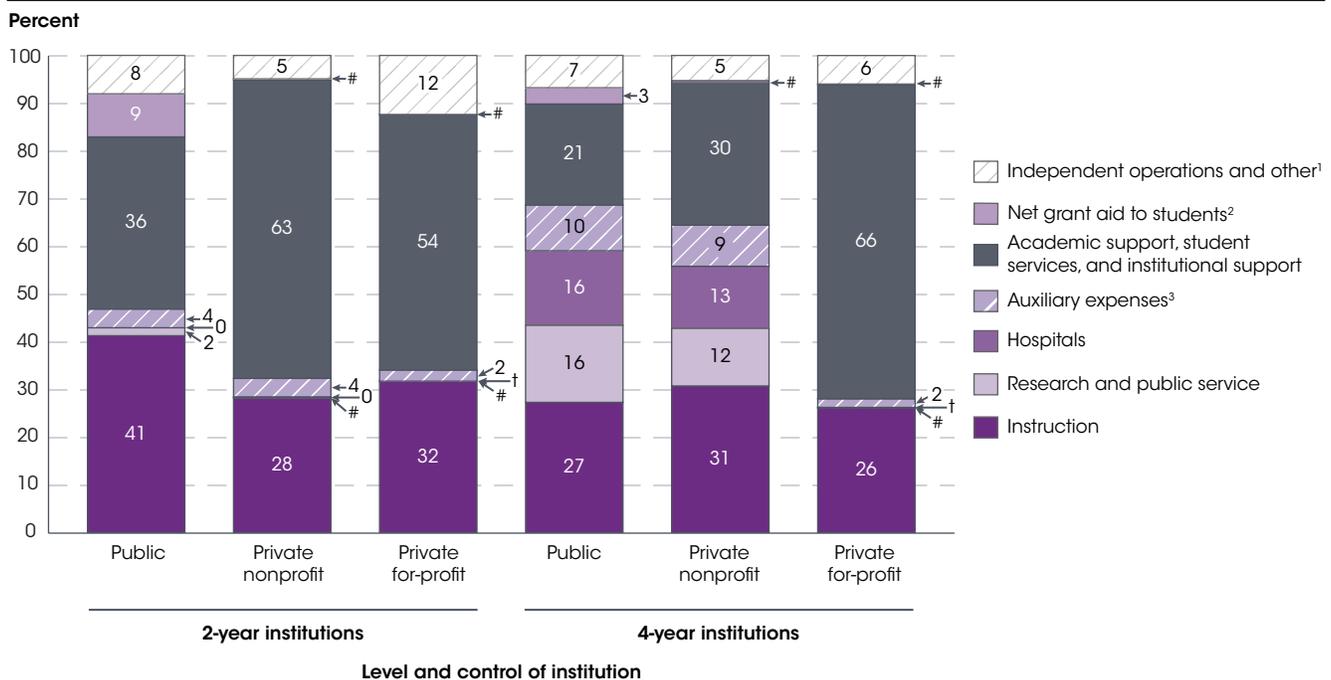
Postsecondary Institution Expenses

In 2017–18, instruction expenses per full-time-equivalent (FTE) student (in constant 2018–19 dollars) was the largest expense category at public institutions (\$10,870) and private nonprofit institutions (\$18,710). At private for-profit institutions, the combined category of academic support, student services, and institutional support expenses was the largest category of expenses per FTE student (\$10,480).

In 2017–18, degree-granting postsecondary institutions in the United States spent \$604 billion (in current dollars). Total expenses were \$385 billion at public institutions, \$207 billion at private nonprofit institutions, and \$12 billion at private for-profit institutions. Some data may not be comparable across institutions by control categories (i.e., public, private nonprofit, or private for-profit) 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. The missions of 2-year institutions generally focus on providing student instruction and related activities through a range of career-oriented programs at the certificate and associate's

degree levels and preparing students to 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, and many offer graduate-level programs as well. Research activities, on-campus student housing, teaching hospitals, and auxiliary enterprises can also have a substantial impact on the financial structure of 4-year institutions. In this indicator, expenses are grouped into the following broad categories: instruction; research and public service; academic support, student services, and institutional support; net grant aid to students;¹ auxiliary enterprises; hospitals; independent operations and other.²

Figure 1. Percentage distribution of total expenses for degree-granting postsecondary institutions, by level and control of institution and expense categories: 2017–18



† Not applicable.

Rounds to zero.

¹ For private for-profit institutions, hospital expenses are included in the "other" category. Expenses for independent operations are not applicable for for-profit institutions.

² For public institutions, includes scholarship and fellowship expenses, net of discounts and allowances. Excludes the amount of discounts and allowances that were recorded as a reduction to revenues from tuition, fees, and auxiliary enterprises, such as room, board, and books. For private nonprofit and private for-profit institutions, excludes tuition, fee, and auxiliary enterprise allowances and agency transactions, such as student awards made from contributed funds or grant funds. These exclusions account for the majority of total student grants.

³ Essentially self-supporting operations of institutions that furnish a service to students, faculty, or staff, such as residence halls and food services.

NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Although rounded numbers are displayed, the figures are based on unrounded data. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2019, Finance component. See *Digest of Education Statistics 2019*, tables 334.10, 334.30, and 334.50.

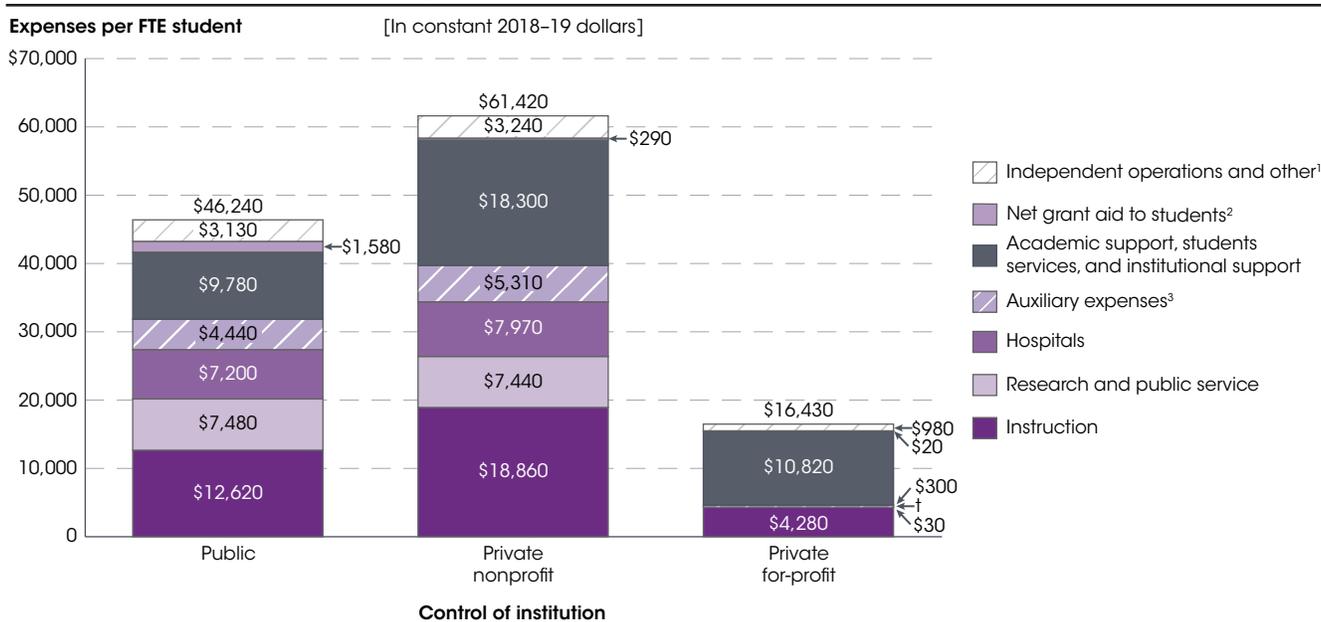
Instruction, including faculty salaries and benefits, was the largest single expense category at public 2-year (41 percent), public 4-year (27 percent), and private nonprofit 4-year (31 percent) degree-granting postsecondary institutions in 2017–18. At private nonprofit 2-year institutions and private for-profit 2- and 4-year institutions, the largest expense category was the combined category of academic support, student services, and institutional support, which includes expenses associated with noninstructional activities, such as admissions, student activities, libraries, and administrative and executive activities. These expenses constituted 63 percent of total expenses at private nonprofit 2-year institutions, 54 percent of total expenses at private for-profit 2-year institutions, and 66 percent of total expenses at private for-profit 4-year institutions.

In 2017–18, combined expenses for research and public service (such as expenses for public broadcasting and community services) constituted 16 percent of total expenses at public 4-year institutions and 12 percent of total expenses at private nonprofit 4-year institutions.

Combined expenses for research and public service were 2 percent of total expenses at public 2-year institutions and less than one-half of 1 percent of total expenses at private nonprofit 2-year institutions, private for-profit 2-year institutions, and private for-profit 4-year institutions.

In 2017–18, net grant aid to students constituted 9 percent of total expenses at public 2-year institutions and 3 percent of total expenses at public 4-year institutions. Net grant aid to students was less than one-half of 1 percent of total expenses for all other categories of institutional control and level. Hospital expenses were 16 percent of total expenses at public 4-year institutions, 13 percent of total expenses at private nonprofit 4-year institutions, and were zero percent at both public and private nonprofit 2-year institutions. For private for-profit institutions, hospital expenses are included in the “other” category. Auxiliary expenses ranged from 2 percent of total expenses at private for-profit 2- and 4-year institutions to 10 percent at public 4-year institutions.

Figure 2. Expenses per full-time-equivalent (FTE) student at 4-year degree-granting postsecondary institutions, by control of institution and expense categories: 2017–18



† Not applicable.

¹ For private for-profit institutions, hospital expenses are included in the "other" category. Expenses for independent operations are not applicable for for-profit institutions.

² For public institutions, includes scholarship and fellowship expenses, net of discounts and allowances. Excludes the amount of discounts and allowances that were recorded as a reduction to revenues from tuition, fees, and auxiliary enterprises, such as room, board, and books. For private nonprofit and private for-profit institutions, excludes tuition, fee, and auxiliary enterprise allowances and agency transactions, such as student awards made from contributed funds or grant funds. These exclusions account for the majority of total student grants.

³ Essentially self-supporting operations of institutions that furnish a service to students, faculty, or staff, such as residence halls and food services.

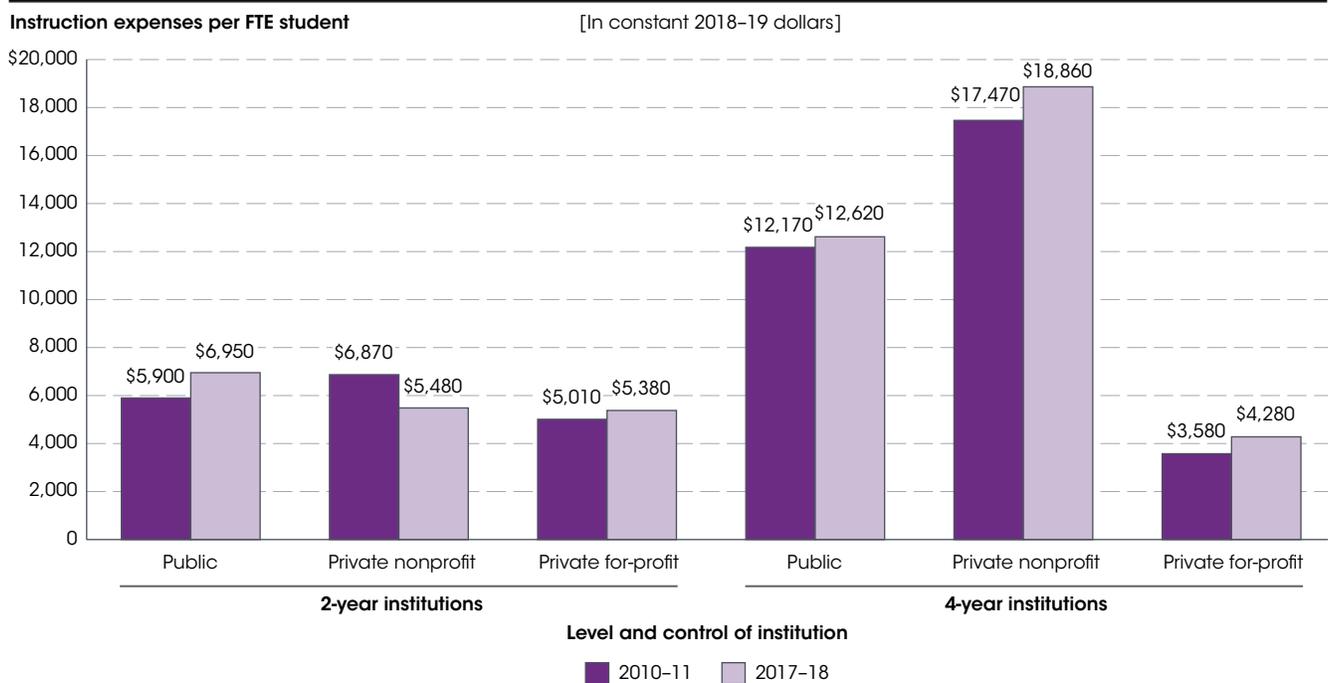
NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenses per FTE student in this indicator are adjusted for inflation using constant 2018–19 dollars, based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2019, Finance component; and Spring 2018, Fall Enrollment component. See *Digest of Education Statistics 2019*, tables 334.10, 334.30, and 334.50.

In 2017–18, total expenses per full-time-equivalent (FTE) student³ at degree-granting postsecondary institutions were higher at private nonprofit 4-year institutions (\$61,420) than at public 4-year institutions (\$46,240) and private for-profit 4-year institutions (\$16,430). For instruction expenses, private nonprofit 4-year institutions spent 50 percent more per FTE student (\$18,860) than did public 4-year institutions (\$12,620) and 341 percent more than did private for-profit 4-year institutions (\$4,280). Similarly, for the combined category of academic support, student services, and institutional support, private nonprofit 4-year institutions spent

87 percent more per FTE student (\$18,300) than did public 4-year institutions (\$9,780) and 69 percent more than did private for-profit 4-year institutions (\$10,820). Expenses per FTE student for the combined category of research and public service were much higher at public 4-year institutions (\$7,480) and private nonprofit 4-year institutions (\$7,440) than at private for-profit 4-year institutions (\$30). Among 2-year institutions, public institutions spent more per FTE student on instruction expenses (\$6,950) than did private nonprofit institutions and private for-profit institutions (\$5,480 and \$5,380, respectively).

Figure 3. Instruction expenses per full-time-equivalent (FTE) student at degree-granting postsecondary institutions, by level and control of institution: 2010–11 and 2017–18



NOTE: Full-time-equivalent (FTE) students include full-time students plus the full-time equivalent of part-time students. Expenses per FTE student in this indicator are adjusted for inflation using constant 2018–19 dollars, based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. 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 2012 and Spring 2019, Finance component; and Spring 2011 and Spring 2018, Fall Enrollment component. See *Digest of Education Statistics 2019*, tables 334.10, 334.30, and 334.50.

Between 2010–11 and 2017–18, the percentage change in inflation-adjusted instruction expenses per FTE student at degree-granting postsecondary institutions varied by level and control of institution. Among 2-year institutions, instruction expenses per FTE student were 18 percent higher in 2017–18 than in 2010–11 at public institutions (\$6,950 vs. \$5,900) and 7 percent higher at private for-profit institutions (\$5,380 vs. \$5,010). In contrast, at private nonprofit 2-year institutions, instruction expenses

per FTE student were 20 percent lower in 2017–18 than in 2010–11 (\$5,480 vs. \$6,870). Among 4-year institutions, instruction expenses per FTE student were 4 percent higher in 2017–18 than in 2010–11 at public institutions (\$12,620 vs. \$12,170), 8 percent higher at private nonprofit institutions (\$18,860 vs. \$17,470), and 20 percent higher at private for-profit institutions (\$4,280 vs. \$3,580).

Endnotes:

¹ For public institutions, includes scholarship and fellowship expenses, net of discounts and allowances. Excludes the amount of discounts and allowances that were recorded as a reduction to revenues from tuition, fees, and auxiliary enterprises, such as room, board, and books. For private nonprofit and private for-profit institutions, excludes tuition, fees, and auxiliary enterprise allowances and agency transactions, such as student awards made from contributed funds or grant funds. These exclusions account for the majority of total student grants.

² For private for-profit institutions, hospital expenses are included in the “other” category. Expenses for independent operations are not applicable for for-profit institutions.

³ Expenses per FTE student in this indicator are adjusted for inflation using constant 2018–19 dollars, based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis.

Reference tables: *Digest of Education Statistics 2019*, tables 334.10, 334.30, and 334.50

Related indicators and resources: [Education Expenditures by Country](#); [Postsecondary Institution Revenues](#)

Glossary: Constant dollars; Consumer Price Index (CPI); Control of institutions; Full-time-equivalent (FTE) enrollment; Postsecondary education; Postsecondary institutions (basic classification by level); Private institution; Public school or institution