

HIGHER ED *by the Numbers*

Critical Questions Trustees Must Ask



AMERICAN COUNCIL OF TRUSTEES AND ALUMNI
Institute for Effective Governance®

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ACTA's **Institute for Effective Governance**® (IEG), founded in 2003 by college and university trustees for trustees, is devoted to enhancing boards' effectiveness and helping trustees fulfill their fiduciary responsibilities fully and effectively. IEG offers a range of services tailored to the specific needs of individual boards, focusing on academic excellence, academic freedom, and accountability.

ACTA's **How Colleges Spend Money** website is built specifically for college trustees, policymakers, and other higher education decision-makers. The site is designed to equip the people who oversee colleges and universities with the tools to perform their own analysis of higher education spending trends, and create benchmarks in comparison with other institutions.

HIGHER ED

by the Numbers

Critical Questions Trustees Must Ask

College and university trustees often come from the business or civic community, appointed or elected to serve because of their deep experience overseeing complex enterprises. But higher education institutions do not operate under a typical corporate model. The deliverables they produce (teaching, learning, and scholarly research) have intangible benefits that are difficult to quantify, and even their language of business operations is unlike that of any other sector. Nonetheless, governing board members have a fiduciary duty to ensure that the institution is stewarding its resources efficiently and appropriately to its mission. Below are questions that trustees should ask their administrative leadership to fulfill this responsibility, why they are important, and specific examples of how leaders have improved their institutions.

Applicants

For a college admissions department to craft its next class, colleges must have a healthy pool of applicants to choose from. For better or for worse, the yield rate, or how many students who are accepted enroll, plays a role in many college rankings, making it important for admissions departments to be strategic when accepting students. Many factors influence whether a college-bound student applies: application fees, requirements including additional essays and test scores, and tuition

and financial expectations. However, there is often an information gap between institutions and students, especially low-income students. Studies have found that some students don't apply to prestigious schools, believing them unaffordable, even though in many cases they would qualify for some aid, suggesting that institutions could increase their pool of potential students to pick from.

- What are your institution's application requirements?
- What other schools are applicants also applying to?
- Are the other schools that students apply to public or private colleges?
- What schools do applicants typically choose if not your institution?
- How many applicants does your institution accept? How has this changed in the past 15 years?
- How has the number of applicants changed in the past 15 years?*
- What percentage of accepted students choose to enroll (yield rate)?* How does this compare to other institutions?

*Data found in IPEDS

Example: *The City University of New York increased applications through a partnership with local New York City high schools to waive application fees for some students and create the CUNY Net Price Calculator, which helps students better understand*

*how much college will cost before applying.¹ One study found that dropping tuition can especially help to increase applications to **regional institutions**.²*

Enrollment

For a college to be sustainable, institutions must keep undergraduate enrollment at or above previous levels. Since 2011, total college undergraduate enrollment has been falling, but not all institutions have seen their enrollment numbers drop. In fact, colleges typically fall into two camps: those who have lost students since 2011 and those who have gained students since 2011. Colleges can expect another shift in 2026 as the number of high school graduates falls. Colleges that experience enrollment declines are much more likely to close, and students attending a college when it closes are much less likely to earn a degree than students who attend an institution without disruption.

- Has enrollment changed in the past 15 years?*
- What strategies (if any) has your college used to increase enrollment?
- When broken down by demographics (race, gender, Pell Grant status, high school GPA, and SAT), how has enrollment changed in the past 15 years?

*Data found in IPEDS

Example: *Idaho created a scholarship for students who attend an in-state public school immediately after graduation, leading to an **11% increase in in-state enrollment**.³*

Students are more likely to attend a college if they know what they will pay in four years: something the University of North Carolina (UNC) System has used to increase enrollment. The UNC System capped fee increases at 3% per year and kept in-state tuition frozen for seven years.⁴ The system also expanded dual-enrollment programs for high schoolers and expanded direct admission for some UNC System schools for high schoolers who meet a GPA threshold.

Tuition

For many students, the cost of a degree plays a large role in deciding where to attend. Trustees face the difficult decision of setting a tuition that encourages students to attend while still keeping the institution in good financial health. Since many students do not pay the full sticker price, it can be easy to ignore concerns about rising tuition, but ACTA has found sticker prices and net prices to be positively correlated. It is the trustees' responsibility to ensure that both full tuition and the average discounted tuition remain manageable. Even after a student lands on a college, finances continue to play a role in retention and graduation rates: [A 2024 study](#) found that “financial challenges” were the top reason an at-risk student considered leaving school, above life changes and academic challenges⁵

- What price is the median student paying? How does this compare to other schools students typically apply to?
- What is the income breakdown of the parents of applicants? Of those who attend?*

- How does tuition compare to the median household income of the state? Of other states that students tend to hail from?
- What is your institution's average discounted tuition?
- How does your institution's tuition compare to that of your peer institutions?
- What is your institution's average per-student debt payment?^
- How many students default on their loans?^

*Data found in IPEDS

^Data found in College Scoreboard

Example: *Prestigious institutions, including MIT and Harvard, made headlines when they announced free tuition for students whose families make under a certain threshold and have continued to raise that threshold to include more families.⁶ But other institutions without large endowments have still found ways to help students by using tuition freezes. The University of Connecticut and Texas A&M University announced in 2025 that they would continue their tuition freezes into the next school year.⁷ Trustees for Purdue University approved the institution's 14th year of a tuition freeze in 2025.⁸*

Room & Board

Students who live on campus often have higher GPAs and are more likely to graduate than those who do not, likely due to access to resources and stronger ties to the college community. By offering affordable on-campus room and board options compared to nearby offerings,

colleges can influence the campus community and improve student outcomes.

- What is the typical cost for a shared room in a nearby house or apartment building? What is the typical cost of a one-bedroom apartment?
- How have on-campus room and board costs changed in the past 15 years?*
- What proportion of students are part-time?

*Data found in IPEDS

Example: *The University of California–Berkeley and the University of California–Santa Cruz are both working to build more on-campus housing for undergraduate students.⁹ The University of Texas built its first new graduate housing in 40 years to help students find a place to live and began offering on-campus housing scholarships to students.¹⁰*

In some cases, especially for universities in urban areas, the biggest hurdle to building more housing on or near campus is regulations or local residents who push back against more housing. But for some institutions, the increase in amenities has meant more expensive dorms, even if there are enough of them.

Financing

Trustees owe it to the faculty, students, and alumni to run a financially stable institution. To do this, trustees must understand the financial situation that they have inherited. By understanding their institution's debt load, assets, and endowment, trustees can make appropriate spending decisions.

Institutions must also look beyond tuition revenue. Between COVID-19, the demographic cliff, and the loss of federal funds during the Trump administration, institutions have learned, or will learn, that they must rely on other forms of revenue besides tuition dollars.

- What is your institution's current endowment?*
- What is your institution's reserve ratio (net assets divided by expenses)?*
- What is your institution's current level of debt?*
- What is your college's tuition discount rate?*
- What share of your institution's endowment is made up of restricted funds?

*Data found in IPEDS

Example: *Johns Hopkins University invested in its research infrastructure and faculty across the institution's medical, public health, and nursing schools. The school also cut costs by increasing the student-to-faculty ratio.*¹¹

*Other institutions have learned the hard way. The University of Chicago discontinued some university programs and laid off hundreds of staff after two years of deficits.*¹² *These deficits resulted from overspending on new buildings and technology, and taking on too much debt. But even after getting their finances under control, students and faculty protested.*

Curriculum

Many colleges face the temptation to adjust their degree requirements to attract students. But given an



institution's public duty to educate its students, a weak curriculum can degrade its reputation. One tool to help build out a curriculum is ACTA's What Will They Learn?® website. The site reviews college core curricular requirements and evaluates institutions on both what courses are required and the quality of the courses for colleges with a stated liberal arts mission. Colleges receive a grade on an "A+" through "F" scale.

As college tuition rises, data show that more students choose STEM majors and other lucrative fields over the humanities and liberal arts. But institutions that have a liberal arts mission must hold the line. A liberal arts education is consistently tied to critical thinking skills, intellectual flexibility, and civic engagement. Students who graduate from college without learning how to think will be unprepared for the world, both in and out of their careers, and can reflect poorly on their alma mater. Curricular requirements can help students major in their preferred field of study while building a strong intellectual foundation.

- What is your institution's What Will They Learn?® score?
- How does your institution's What Will They Learn?® score compare to its peers?
- What are the requirements to graduate?
- What credits does your institution allow to transfer?
- How often do students' credits transfer?
- What community colleges are students transferring from?

- What are the most popular degree programs?
- Does your state higher education board have a transfer portal or other tools for students?

Example: *To score a high grade on ACTA's What Will They Learn?[®] score, institutions must require students to take Composition, Literature, intermediate-level Foreign Language, U.S. Government or History, Economics, Mathematics, and Natural Science to earn a bachelor's degree. Simply offering the courses is not enough.*

One school, New College of Florida, proves that institutions that take their score seriously can improve their grade quickly. In only one year, the college improved its "F" rating to a "B+" by fully reconstructing its general education program.¹³ The institution replaced its previous curriculum with a structured curriculum centered around thought and practical knowledge. The college is the only public college in Florida to require all students to take a Literature class to graduate.

Programs

As college becomes more expensive, students may focus less on educational value alone and more on how much money they can earn after graduating, and how quickly. Business and healthcare majors have grown in popularity as students choose stable and lucrative career paths.

Universities have also adjusted their programming, sometimes to their students' detriment. Colleges often cut foreign languages and humanities classes first, as small classes are expensive to run. But this can lead to faculty leaving and potential students turning

elsewhere, making an institution even worse off.

To avoid this, institutions can use program data, salary information, and economic trends to offer students a wide and appropriate number of majors and classes and, if possible, work with other nearby institutions to provide more class opportunities to students.

- What are the most and least popular majors?
- How has enrollment in majors changed over the past 10 years?
- What are the most expensive programs to run? Class size, professor salary, and equipment requirements all play a role.
- How can your institution work with nearby institutions to expand possible majors?

Example: *The State University System of Florida created its own set of dashboards, MyFloridaFuture, to help students find their expected salary by major, institution, degree level, and time frame.¹⁴ Students can also learn about typical loan amounts for those taking on debt. Boards can follow Florida's example by providing students and their families with accurate, easy-to-use data so they can make better decisions about their choice of major or school.*

Some schools have found that partnering with other institutions allows them to expand the classes they can offer. Students at Carnegie Mellon and the University of Pittsburgh can cross-register at both institutions, and consortia such as the Claremont Consortium in Southern California¹⁵ or the Five College Consortium in Western Massachusetts offer even more cross-registration opportunities.¹⁶

Campus Climate

Students learn best when they can explore their ideas in and out of class freely, without fear of retribution from professors, the administration, or other students. This requires a school to support a culture of free expression through policies and disciplinary procedures. How free are students on your campus to speak their mind?

- How does the Foundation for Individual Rights and Expression (FIRE) rank your school's free speech policy?
- Does your school have institutional neutrality?
- Has your school adopted the Chicago Principles on Freedom of Expression?
- Does your institution meet ACTA's Gold Standard for Freedom of Expression™?
- How diverse are the student body's political viewpoints?

Example: *In 2024, the University System of Georgia's Board of Regents adopted new regulations to strengthen the system's academic integrity.¹⁷ The new regulations rule that "[University System of Georgia] institutions shall remain neutral on social and political issues unless such an issue is directly related to the institution's core mission" and encourage professors to exercise their First Amendment rights. The school system's student orientations will now promote "civil discourse, open inquiry, robust debate, intellectual diversity, and respect for others."*

The University System of Georgia explained in a statement that these changes are intended to provide an environment where students can freely share their ideas and thoughts while receiving a high-quality higher education.

Graduation

At many colleges, the majority of students do not graduate in four years, leaving many students worse off than before: in debt but without a degree. Sadly, the national four-year graduation rate for first-time, full-time freshmen is less than 50%. Tackling a low graduation rate and keeping students in class can have major impacts on both an institution and a student's trajectory. At the same time, a low four-year graduation rate alone does not necessarily show the full picture: Many engineering schools have low four-year graduation rates but high six-year graduation rates, as students often need four and a half or five years to complete all classes.

- What is your institution's graduation rate, both four- and six-year?*
- What are the graduation rates of peer institutions?*
- How have graduation rates changed in the past 10 years?*
- How often do students who stop their studies return?
- If a student does not graduate in four years, what are the typical reasons?

*Data found in IPEDS

- How do graduation rates differ among students by income level? Other demographics?*

Example: *A Wake Forest University study found that one of the strongest signs that an undergraduate student will graduate in four years is a sense of belonging at the institution.¹⁸ These findings have been replicated across different types of institutions and have inspired some leaders to provide more intentional support for first-year students.*

One institution, the City University of New York, created an entire program dedicated to helping low-income students graduate, called the Accelerated Study in Associate Programs (ASAP), eventually doubling the graduation rate for program members compared to the institution's general population.¹⁹ The ASAP program provides financial support, including tuition and textbook costs as well as transportation benefit cards, but also personalized academic advising to keep students on track. City University has continued to expand the program to those in the bachelor's cohort, and other colleges have created their own version of the ASAP program.

Studies have also found that living on campus and taking a full course load are correlated with graduating on time, suggesting that institutions can help students feel a sense of belonging in many ways.

After College

A growing purpose of college for many students, for better or for worse, is to gain a high-paying job.

College alumni often signal to applicants what their future may look like, and a strong alumni network can

show applicants that they enjoyed their time and show graduates what to expect after earning their degree. Leaders can also use the alumni network and career services to signal to students that the institution is dedicated to helping students even after graduation

- What percentage of graduates find employment or enter higher education six months after graduating?
- Do most graduates stay in the area? Where do most graduates move?
- What is the typical career outcome for the most popular degree programs?
- Do graduates feel prepared for the workplace?
- What are the most common careers graduates find themselves in?
- What proportion of alumni donate?
- What are the average wages 5 and 10 years after graduation?
- How do wages compare to the average debt load?
- How many years does it take the average student to pay off their loans?

Example: *Institutions are expanding their career centers to help students find jobs immediately after graduation.²⁰ St. Paul's Bethel University created a Career Commitment program, providing alumni with career assistance after graduation. But career preparation at the university begins before graduation: While in college, students must show they are applying for jobs, meet with*

a career counselor, and participate in an internship to be eligible for the program. Students are offered a spot in a tuition-free graduate course if they are still unemployed six months after graduation.

Colleges can also work directly with employers to create employment opportunities for students. Dakota State University (DSU) partnered with the National Security Agency (NSA), which provides training and mentoring and gives DSU students opportunities to work with NSA researchers.²¹ The University of South Florida's hospitality school saw an increase in students after the school began partnering with local hotels where students can intern while still in school.²²

Next Steps

Visit HowCollegesSpendMoney.com

ACTA's "How Colleges Spend Money" website (HowCollegesSpendMoney.com) provides trustees with the ability to benchmark their college or university's spending practices against those of peer institutions. Using data from the U.S. Department of Education, board members can examine trends such as administrative cost per student, tuition as a percentage of state median household income, or average salary of administrators—and compare against peers of their choosing. Visit HowCollegesSpendMoney.com or e-mail info@GoACTA.org for more information.

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from across the country. Drawing on a broad network of higher education experts, IEG also offers a wide range of services including orientations and retreats, board management seminars, institutional assessments, and presidential searches and evaluations, at little or no additional charge. To learn more, go to GoACTA.org or call 202-467-6787.



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