

THE 2015 INSIDE HIGHER ED SURVEY OF
**College & University
Business Officers**

Conducted by Gallup®

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THE 2015 *INSIDE HIGHER ED* SURVEY OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS

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Workday Student Recruiting



Recruiting is one of the most important activities that higher education engages in. It is extremely important for recruiters to identify, recruit, and cultivate the right students.

The right student is different for every institution and the cost of recruiting just one undergraduate student is high. A college may spend this money even when a student chooses to go somewhere else, or accepts but doesn't complete a degree—perhaps because it wasn't a good match from the beginning.

It's a big problem, and the only way it can be solved is with better data. In conversations with both customers and prospective customers, we've heard time and again about the pressures school administrators face to back up their decisions with good information, and the solution lies in finding ways to use both their own data and external data sources to recruit students. Using a data-driven approach, institutions can better target and recruit students that are more likely to accept their admissions offers and persist at institutions to achieve their desired academic outcomes, whether it be a professional certificate or a four-year degree.

Our Workday Student team is constantly thinking about the power of data and the best and easiest ways to get it into the hands of higher education. Workday Student Recruiting helps our customers leverage data to better create and manage recruiting campaigns and strategies, and also analyze their spend on campaigns. They can use it to gauge campaign effectiveness based on quantifiable data about specific targeted students, and then track progress against their institutions' strategic objectives.

We're continuing to do a lot of work in this area to help customers solve recruitment challenges and meet admissions goals, by gaining insights from the historical data in their student systems combined with data from admissions applications and outside sources, such as the National Student Clearinghouse. With this robust information, an institution could answer a variety of questions about the students it's been recruiting and those who are successful at its institution. For example: What's the average GPA or academic index of successful students? Where are they coming from? How much is it costing to reach them? Institutions could then use all these data points to start targeting the right students—maybe it's women for their STEM programs or piano prodigies for their music departments—as well as to determine who is most likely to persist and succeed in their programs. This is exciting stuff we've been working on, and I'm looking forward to sharing more about it in the near future.

Modern technology approaches, including advanced analytics capabilities, are essential for helping institutions make sure they are pursuing the right students based on cultural fit, students' goals, and institutional objectives. The more institutions succeed at finding these meant-to-be students, the more they'll be able to make a difference across the entire spectrum of institutional and student success, from recruitment and revenue to student satisfaction and job placement.

Sincerely,

Liz Dietz

Vice President, Workday Student

For more information on Workday Student Recruiting visit www.workday.com/student

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FOREWORD

Inside Higher Ed's fifth annual Survey of College and University Business Officers examines how these campus leaders perceive and address the fiscal and budgetary challenges and issues currently facing higher education institutions in the U.S.

Some of the questions addressed in the study are:

- How do business officers perceive their own institution's future in light of the financial struggles of institutions like Sweet Briar College?
- What is the financial landscape of higher education in the U.S. and at the business officers' own institutions?
- How do business officers assess the sustainability of their institution's

financial models over the next 5 to 10 years?

- What financial issues are business officers more focused on than they were five years ago?
- What cost-cutting strategies do CFOs say their institutions are implementing this year?
- Do business officers believe senior administrators, trustees and faculty members are realistic about the

financial challenges confronting their institutions?

- What indicators do institutions use to gauge their financial health?
- To what extent do institutions share information about their financial health?
- What debt management strategies are institutions prioritizing?
- Are institutions considering or using a "shared services" model of operations, and in what areas?

SNAPSHOT OF FINDINGS

• The vast majority of chief business officers surveyed, 81 percent, do not believe their institution is at risk of shutting down in the foreseeable future. (The question was posed in the wake of Sweet Briar College's announcement – since reversed – that it would close.) But 19 percent believe their own institution may have to shut down in the coming decades or sooner.

• A slight majority of business officers (56 percent) say that media reports of a financial crisis for higher education are

accurate.

• Fifty-seven percent of business officers say extensive information about their institution's financial health is made public, including 74 percent of those at public institutions and 35 percent of those at private institutions.

• Three-quarters of business officers use agreed-upon financial indicators to assess their institution's health, with the most common of these being financial ratios and a bond-rating benchmark.

• More business officers are confident

about the sustainability of their institution's financial model over the next five years (64 percent) than over the next 10 years (42 percent).

• Forty-five percent of business officers say their institution has significantly changed its budget model in the past four years. Another 16 percent plan to significantly change their model in the near future.

• Four in 10 business officers say their institution has moved to a shared services model of operations in one

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*Based on total new institution sales of higher education student information systems during the 2009 – 2014 period.

or more areas, with this model most likely to be used in payroll, information technology, accounts receivable and accounts payable.

- Enrollment management, the overall affordability of attending school and government mandates are issues business officers commonly agree they are focusing more attention on now than five years ago.

- To meet financial challenges, business officers are most likely to be employing strategies of increasing overall enrollment (82 percent) and

launching new revenue-generating academic programs (70 percent). CFOs are least likely to be outsourcing more academic programs (4 percent), revising tenure policies (14 percent), cutting funding for intercollegiate sports (15 percent) and shifting more teaching to senior faculty (19 percent).

- Business officers are much more likely to believe senior administrators (88 percent) and trustees (79 percent) understand the financial challenges their institution faces than to believe faculty members (32 percent) do.

- Sixty-one percent of CFOs agree that new spending at their institution will come from re-allocated dollars rather than increased net revenue.

Half of business officers do not believe their institution can make additional and significant spending cuts without hurting quality.

- Most business officers (75 percent) say their institution has an appropriate amount of debt, while 13 percent say their institution has too much debt, and 12 percent say their institution should take on more.

METHODOLOGY

The following report presents findings from a quantitative survey research study that Gallup conducted on behalf of *Inside Higher Ed*. The objective of the study was to learn the practices and perceptions of college and university chief business and financial officers related to fiscal and budgetary issues and challenges.

Gallup collected 403 Web surveys from chief business and financial officers (and some other top financial and business executives), representing 199 public institutions, 183 private institutions and three institutions from the for-profit sector.

Gallup researchers and consultants

developed the questionnaire in collaboration with Scott Jaschik and Doug Lederman of *Inside Higher Ed*. Specialty colleges — namely, Bible colleges and seminaries— and institutions with enrollment of less than 500 were excluded from the sample.

Gallup conducted the surveys in English from Tuesday, May 26, through Tuesday, June 9, 2015.

Email invitations were sent to 2,936 potential respondents, and reminders were sent throughout the survey period to respondents who had not completed the questionnaire. Each institution is represented only once in the sample.

Some sectors do not have data

reported because of low sample sizes. Sector groupings are determined based on the 2010 Carnegie Code for the institution, where available.

The survey is an attempted census of all chief business officers using the most comprehensive sample information available.

However, gaps in coverage of the sample, along with the participation rate, mean the results from this sample represent the views only of those who participated in the survey and cannot, with a high degree of confidence, be projected to the broader population of chief business officers.

In addition to coverage error, question

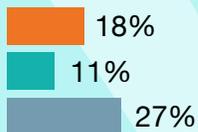
The 2015 Inside Higher Ed Survey of College & University Chief Business Officers

● All ● Public ● Private Nonprofit

% My institution is unlikely to shut down at any point in the foreseeable future.



% My institution is unlikely to shut down in the near term, but may have to in the coming decades.

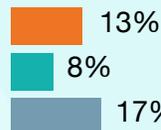


% My institution may have to shut down within the next five years.



Would you say your institution — has too much debt, an appropriate amount of debt, or would you say that your institution should take on more debt than it has now?

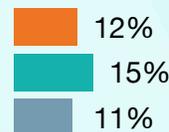
% Too Much



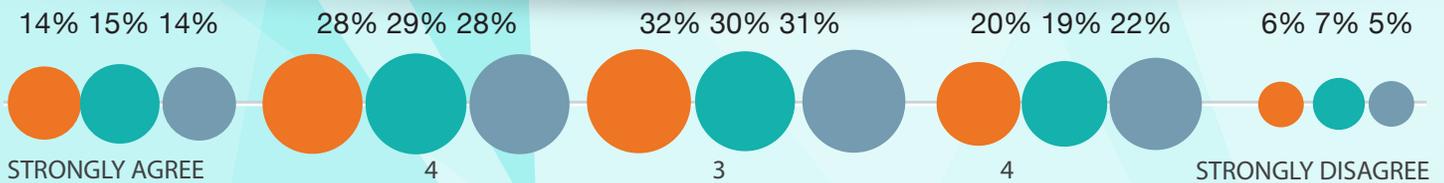
% Appropriate Amount



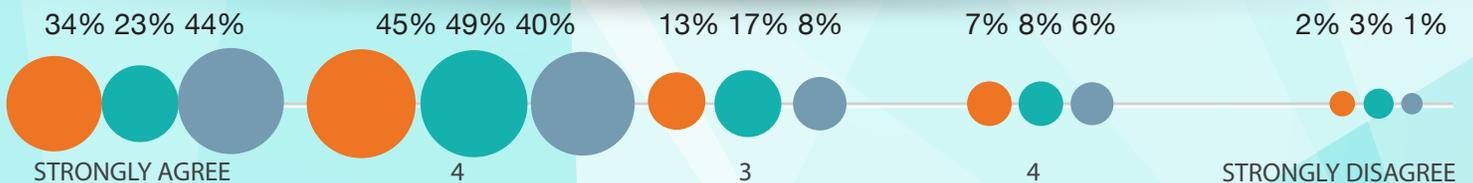
% Should Take on More



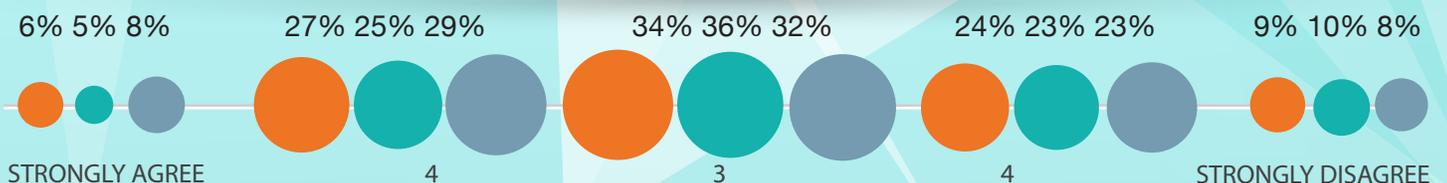
I am confident about the sustainability of my institution's financial model over the next 10 years.



Trustees are aware of and understand the financial challenges confronting my institution.



Faculty members are aware of and understand the financial challenges confronting their institution.



wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Data are not statistically adjusted (weighted). In some cases, reported frequencies may not add up to 100% because of rounding. All frequencies are reported on the basis of respondents who had an opinion, excluding “Don’t know” and “Refused” responses, unless otherwise specified.

TOTAL PARTICIPATION BY SECTOR

	ALL INSTITUTIONS BY SECTOR				PUBLIC				PRIVATE NONPROFIT		
	ALL	PUBLIC	PRIVATE NONPROFIT	FOR-PROFIT*	DOCTORAL	MASTER'S	BACC.*	ASSOC.	DOCTORAL/MASTER'S	BACC.	ASSOC.*
Total n	403	199	183	3	36	55	16	82	91	68	6

*Data are not reported for these groups because of small sample size.

DETAILED FINDINGS

FINANCIAL HEALTH OF INSTITUTIONS

Chief business officers who responded to the survey are generally divided on the accuracy of media reports that suggest there is a financial crisis in higher education. Over all, 56 percent believe that description to be accurate, and 44 percent inaccurate. There is little difference by type of institution, with the possible exception of public doctoral institutions, whose business officers tilt more toward saying the descriptions are inaccurate.

TABLE 1

In your opinion, do media reports suggesting that higher education is in the midst of a financial crisis accurately reflect the general financial landscape of higher education in this country or not?

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/MASTER'S	BACC.
% Yes	56	56	54	44	60	59	52	55
% No	44	44	46	56	40	41	48	45

One of the major developments in higher education the past year was the decision of Sweet Briar College to announce that it was closing because of the financial challenges it faces. Although Sweet Briar subsequently announced (after the survey closed) that it would remain open for at least the 2015-16 academic year, other colleges have announced they will close, including Marian Court College in Massachusetts. Most business officers surveyed, 81 percent, do not expect their institution to be facing a similar fate in the

foreseeable future. But roughly one who expect they may have to shut down likely than those at public institutions in five see that as a possibility in the in the next five years. Business officers to think a shutdown is possible at their coming decades, including 1 percent at private nonprofit institutions are more institution.

TABLE 2

As you may know, Sweet Briar College in Virginia recently announced that it would shut down due to financial challenges. Which of the following best applies to your own institution?

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% My institution may have to shut down within the next five years.	1	0	1	0	0	0	2	0
% My institution is unlikely to shut down in the near term, but may have to in the coming decades.	18	11	27	0	9	12	20	38
% My institution is unlikely to shut down at any point in the foreseeable future.	81	89	72	100	91	88	78	62

Slightly more than half of business financial information publicly is much Nearly all business officers say the officers (57 percent) say extensive more common among those working full governing board gets extensive information about their institution's at public institutions (74 percent) than information about their institution's financial health is made public. Sharing private institutions (35 percent). financial health.

TABLE 3

Is extensive information about your institution's financial health made public?

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Yes	57	74	35	77	84	64	43	28
% No	43	26	65	23	16	36	57	72
Do you share extensive information about your institution's financial health with your full governing board?								
% Yes	94	92	96	80	96	94	94	97
% No	6	8	4	20	4	6	6	3

Most business officers (77 percent) say health. ratios, which 92 percent of those who their institution relies on an agreed-upon The most common indicators used use a predetermined set of indicators set of indicators to assess its financial to assess financial health are financial say they rely on, and a bond-rating

benchmark, employed by 72 percent. more commonly reported by those at other measures, though the survey did
 Only about half say they use the federal private rather than public institutions. not specify what those other indicators
 financial responsibility score, which is Eighty percent of CFO's report using are.

TABLE 4

Does your institution have an agreed-upon set of indicators that it uses internally to gauge its financial health?								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Yes	77	71	84	77	67	68	86	79
% No	23	29	16	23	33	32	14	21

TABLE 5

Does the set of indicators your institution uses to gauge its financial health include ... ? (NOTE: Based on those whose institution uses an agreed-upon set of indicators)								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Financial ratios								
% Yes	92	88	95	*	91	82	99	90
% No	8	12	5	*	9	18	1	10
A bond-rating benchmark								
% Yes	72	71	69	*	75	46	73	64
% No	28	29	31	*	25	54	27	36
The federal financial responsibility score								
% Yes	52	32	68	*	31	40	67	69
% No	48	68	32	*	69	60	33	31
Something else								
% Yes	80	81	81	*	87	80	74	88
% No	20	19	19	*	13	20	26	12

* Sample size too small to be reported

BUSINESS AND FINANCIAL MODELS

Business officers are not strongly confident in the long-term sustainability of their financial models.

When asked about their institution's financial sustainability over the next 5 and 10 years, the majority of chief business officers (64 percent) are confident in the sustainability of their

institution's financial model over the next five years, but less than half (42 percent) are confident in the model over the next 10 years. Around one in four business officers (26 percent) strongly agree that they are confident in the financial model over the next five years, with only about half as many (14 percent) strongly

agreeing that they are confident in their model over the next 10 years.

All of those numbers are slightly higher than in *Inside Higher Ed's* 2014 survey of business officers, when 62 percent of CFOs expressed confidence in their business model over five years and 40 percent did so over 10 years.

TABLE 6

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
I am confident about the sustainability of my institution's financial model over the next five years.								
% 5 Strongly agree	26	29	23	34	20	32	21	25
% 4	38	37	39	63	35	32	44	32
% 3	22	17	27	0	24	13	26	28
% 2	12	15	9	3	15	22	7	15
% 1 Strongly disagree	2	3	1	0	7	1	2	0
I am confident about the sustainability of my institution's financial model over the next 10 years.								
% 5 Strongly agree	14	15	14	20	13	13	14	13
% 4	28	29	28	34	24	32	26	28
% 3	32	30	31	43	29	27	32	32
% 2	20	19	22	3	27	20	22	22
% 1 Strongly disagree	6	7	5	0	7	9	5	4

Less than half of business officers, 45 percent, say their institution has significantly changed its budget model in the past four years; responses are roughly similar by type of institution.

An additional 16 percent — representing 38 percent of those who have not already changed their model — say their institution plans to change its model in the near future.

Only one in four respondents to the survey (24 percent) say their institution uses a Responsibility-Centered Management model or some variant of it.

TABLE 7

Has your institution significantly changed its budget model in the past four years?								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Yes	45	45	46	49	40	41	46	47
% No	55	55	54	51	60	59	54	53
Does your institution plan to significantly change its budget model in the near future? (NOTE: Based on those whose institution has not changed its budget model in the past four years)								
% Yes	38	37	38	*	*	*	35	*
% No	62	63	62	*	*	*	65	*
SUMMARY: Changes in budget model (NOTE: Based on full sample)								
% Changed in last four years	45	45	46	49	40	41	46	47
% Plan to change in near future	16	16	15	29	20	9	13	18
% Neither	39	39	39	23	40	50	41	35
Does your institution use a Responsibility-Centered Management (RCM) (or RCM variant) budget model?								
% Yes	24	23	25	23	9	26	30	16
% No	76	77	75	77	91	74	70	84

* Sample size too small to be reported

Colleges and universities have discussed implementing shared services models because of their potential cost-reducing advantages among departments.

Fewer than half of business officers (43

percent) report their institution is using a shared services model of operations. Those working at public institutions report using a shared services model more frequently (54 percent) than do those employed by private nonprofit

institutions (30 percent).

An additional 13 percent of all business officers (23 percent of those not currently using a shared services model) say their institution is considering using a shared services model.

TABLE 8

As you may know, some institutions are moving to a "shared services" model where functions that have previously been performed at the department or unit level are instead performed in central divisions, sometimes in offsite locations. Is your institution currently using a "shared services" model of operations to provide support to various colleges or departments?

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Yes	43	54	30	51	55	49	35	26
% No	50	41	62	46	44	41	58	65
% Don't Know/No answer	7	6	8	3	2	10	7	9
Is your institution considering moving to a "shared services" model of operations in the future? (NOTE: Based on those whose institution is not using a shared services model)								
% Yes	23	28	19	53	32	17	27	12
% No	52	46	57	41	60	38	56	58
% Don't Know/No answer	25	26	24	6	8	45	17	30

SUMMARY: Use/Consideration of "shared services" model (NOTE: Based on full sample)

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Using	43	53	30	50	55	49	35	26
% Considering	13	13	13	25	15	9	18	9
% Neither	44	34	57	25	31	43	47	65

Regardless of whether or not their institution intends to implement a shared services model or has already done so, 36 percent of business officers agree that faculty members at their institution support a shared services model of operations. Twenty-three percent of CFOs disagree, and 41 percent give a neutral response.

TABLE 9

Faculty at my institution supports a "shared services" model of operations.								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% 5 Strongly agree	7	5	11	0	7	9	12	7
% 4	29	26	36	23	21	34	28	57
% 3	41	43	34	54	41	37	40	21
% 2	18	17	16	23	21	11	16	14
% 1 Strongly disagree	5	8	2	0	10	9	4	0

In the areas measured in the survey, business officers are most likely to report their institution is using a shared services model for accounting services, including payroll (34 percent), accounts payable (32 percent), accounts receivable (30 percent), as well as for information technology (30 percent), human resources (29 percent) and risk management (29 percent). They are least likely to share secretarial and clerical services (10 percent). Shared services are more common in public institutions than at private nonprofit institutions in every area.

TABLE 10

(Asked of those currently using a shared services model) Please indicate whether your institution has adopted a shared services model, is considering adopting a shared services model, or is not considering adopting a shared services model in each of the following areas.*
 (Asked of those considering using shared services model) Please indicate in which of the following areas your institution is considering adopting a shared services model.**
 SUMMARY: Combined results (based on full sample); ranked by % using in this area

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Payroll								
% Using in this area	34	41	25	37	49	29	28	25
% Considering for this area	10	11	8	14	11	13	9	6
% Not considering for this area	11	13	9	23	9	15	14	4
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Accounts Payable								
% Using in this area	33	38	25	42	35	33	29	22
% Considering for this area	9	10	8	6	16	8	9	6
% Not considering for this area	14	19	10	28	18	16	14	6
% Not considering any shared services at all	44	34	57	25	31	43	47	65

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Information Technology								
% Using in this area	31	35	24	15	41	35	30	22
% Considering for this area	14	20	8	44	20	11	10	7
% Not considering for this area	10	11	9	15	7	10	11	6
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Accounts Receivable								
% Using in this area	31	34	25	36	31	32	28	25
% Considering for this area	9	11	7	6	16	9	8	4
% Not considering for this area	16	21	12	33	22	16	17	6
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Human Resources								
% Using in this area	29	35	23	26	36	31	26	22
% Considering for this area	11	14	7	29	17	9	9	6
% Not considering for this area	15	16	12	18	15	17	16	7
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Risk Management								
% Using in this area	29	35	22	31	37	32	27	18
% Considering for this area	10	10	9	11	13	7	9	10
% Not considering for this area	17	21	12	33	19	17	17	6
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Procurement								
% Using in this area	29	37	17	36	34	33	20	15
% Considering for this area	15	15	15	28	21	9	18	16
% Not considering for this area	12	13	10	11	13	15	14	4
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Marketing and Communications								
% Using in this area	28	29	24	28	28	32	28	22
% Considering for this area	11	16	5	28	11	12	7	3
% Not considering for this area	17	21	13	19	30	12	18	10
% Not considering any shared services at all	44	34	57	25	31	43	47	65

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Facilities Management								
% Using in this area	26	28	23	19	25	33	26	24
% Considering for this area	11	15	7	25	20	5	10	1
% Not considering for this area	19	23	13	31	24	19	16	10
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Grants – Pre- and Post-Award								
% Using in this area	23	29	17	22	35	25	22	14
% Considering for this area	12	16	7	22	13	20	11	3
% Not considering for this area	19	21	17	31	22	11	18	17
% Not considering any shared services at all	44	34	58	25	31	44	48	65
Academic Support, Including Library and Technology Labs								
% Using in this area	23	24	21	14	26	30	24	19
% Considering for this area	9	12	6	20	13	5	7	4
% Not considering for this area	24	29	16	40	30	22	20	12
% Not considering any shared services at all	44	34	57	25	31	43	47	65
Secretarial and Clerical Support								
% Using in this area	10	12	7	9	7	14	9	7
% Considering for this area	12	14	10	23	13	11	12	9
% Not considering for this area	34	41	25	43	49	32	30	19
% Not considering any shared services at all	44	34	57	25	31	43	47	65

*Response options included: Yes, have adopted a shared-services model; Considering adopting a shared-services model; Not considering adopting a shared-services model. **Response option included: "Select all that apply"

CHANGES IN FINANCIAL FOCUS

Colleges and universities are continually looking for ways to become more profitable and financially viable in a challenging financial landscape. To assess how they are meeting these challenges, the survey asked business officers to say how much they agreed or disagreed that they are devoting more

attention to a set of 17 different issues affecting revenue and costs.

Of these, business officers are most likely to agree that they are focusing more attention now than five years ago on enrollment management (88 percent), federal and state government mandates (80 percent) and the overall affordability

of attending college (79 percent).

Roughly three-quarters say they are devoting more attention to improved maintenance of campus infrastructure (75 percent), market limits on the ability to raise fees (75 percent), increasing net tuition revenue (74 percent) and risk management (72 percent).

Business officers are least likely to agree that they are paying greater attention to improving their credit/bond rating (35 percent), increasing faculty teaching load (44 percent) and recruiting full-pay students (46 percent).

TABLE 11

Again, using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.
My institution is focusing more attention on the following issues now than it did five years ago:

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Enrollment management								
% 5 Strongly agree	58	57	60	54	65	51	60	57
% 4	30	32	25	31	25	39	22	32
% 3	9	8	12	9	7	6	14	7
% 2	2	2	1	3	0	4	1	0
% 1 Strongly disagree	2	1	3	3	2	0	2	3
Federal and state government mandates (general)								
% 5 Strongly agree	33	36	29	38	35	35	30	30
% 4	47	49	45	47	45	54	42	47
% 3	15	11	19	12	15	9	20	18
% 2	4	3	6	0	5	1	8	5
% 1 Strongly disagree	1	1	1	3	0	1	0	0
Overall affordability of attending the school								
% 5 Strongly agree	35	29	39	26	31	24	42	35
% 4	44	45	44	49	46	48	42	47
% 3	16	19	12	20	15	20	12	13
% 2	5	6	4	6	7	6	3	4
% 1 Strongly disagree	1	1	1	0	0	1	1	0
Market limits on the ability to raise fees								
% 5 Strongly agree	37	35	37	46	40	28	38	34
% 4	38	36	39	31	34	39	42	37
% 3	16	15	18	11	15	18	16	21
% 2	8	12	4	6	9	14	2	7
% 1 Strongly disagree	2	3	2	6	2	1	1	0

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Improved maintenance of campus infrastructure								
% 5 Strongly agree	29	35	23	41	36	34	20	28
% 4	46	42	49	35	35	45	46	46
% 3	21	18	24	18	25	17	29	24
% 2	4	5	3	6	4	4	5	1
Increasing net tuition revenue								
% 5 Strongly agree	42	37	45	57	42	24	46	47
% 4	32	34	33	29	37	31	34	34
% 3	19	21	17	14	12	34	18	15
% 2	4	6	2	0	8	8	0	3
% 1 Strongly disagree	3	3	3	0	2	3	2	1
Risk management								
% 5 Strongly agree	28	23	33	26	19	23	34	30
% 4	44	45	43	50	57	38	47	42
% 3	23	25	21	15	20	35	16	24
% 2	4	5	3	9	2	4	3	3
% 1 Strongly disagree	1	1	1	0	2	1	0	0
Cost of providing health care insurance and benefits								
% 5 Strongly agree	30	31	31	21	23	35	38	26
% 4	37	34	40	32	38	30	39	38
% 3	26	27	25	29	28	29	22	31
% 2	5	7	3	12	9	6	1	3
% 1 Strongly disagree	2	2	1	6	2	0	1	1

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Profitability of academic programs								
% 5 Strongly agree	26	24	30	14	22	27	36	15
% 4	39	41	35	46	51	34	35	40
% 3	21	22	20	20	16	25	18	24
% 2	11	10	12	11	9	13	10	13
% 1 Strongly disagree	3	3	3	9	2	1	1	7
Recruiting transfer students								
% 5 Strongly agree	30	31	31	23	49	10	30	36
% 4	34	34	35	51	31	32	43	29
% 3	23	23	21	11	16	37	18	20
% 2	8	8	7	11	2	13	7	8
% 1 Strongly disagree	5	4	6	3	2	8	2	8
Limiting student debt								
% 5 Strongly agree	21	23	17	14	24	25	17	16
% 4	39	41	37	57	38	36	39	33
% 3	29	24	35	23	27	25	37	33
% 2	9	10	9	6	11	12	7	15
% 1 Strongly disagree	2	1	2	0	0	3	1	3
Returns on endowment investments								
% 5 Strongly agree	20	15	23	18	14	19	21	24
% 4	32	28	36	38	35	20	35	40
% 3	32	33	30	32	29	32	32	28
% 2	13	19	9	6	20	22	12	6
% 1 Strongly disagree	3	5	1	6	2	7	0	1

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Cost of intercollegiate athletic programs								
% 5 Strongly agree	20	22	17	27	24	15	18	17
% 4	32	33	27	48	34	25	29	25
% 3	30	28	35	15	34	35	34	37
% 2	13	10	16	6	6	13	14	19
% 1 Strongly disagree	5	7	4	3	2	13	5	2
Cost of providing retirement benefits								
% 5 Strongly agree	19	23	13	12	23	27	17	9
% 4	31	34	30	24	40	29	21	33
% 3	34	31	38	44	23	33	44	38
% 2	13	10	17	15	11	8	17	17
% 1 Strongly disagree	3	3	2	6	2	3	1	3
Recruiting full-pay students								
% 5 Strongly agree	19	17	20	20	21	18	20	18
% 4	27	27	28	37	25	22	26	32
% 3	28	30	25	37	26	27	31	17
% 2	20	24	17	3	26	31	16	21
% 1 Strongly disagree	6	2	10	3	2	3	7	12
Increasing faculty teaching load								
% 5 Strongly agree	12	16	9	9	21	17	10	6
% 4	32	39	24	44	34	41	28	22
% 3	31	26	37	35	30	18	40	35
% 2	16	15	18	9	13	18	19	18
% 1 Strongly disagree	8	5	12	3	2	6	3	19

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Improving credit/bond rating								
% 5 Strongly agree	7	4	10	6	0	4	11	10
% 4	28	28	27	37	32	28	29	27
% 3	40	39	40	43	47	34	43	35
% 2	19	23	17	9	19	24	13	22
% 1 Strongly disagree	6	6	6	6	2	10	5	7

Of 18 possible strategies aimed at maintaining institutional financial health, the most common that financial officers say they will implement in the coming academic year are increasing overall enrollment (82 percent agree that their institution will do this), launching new

revenue-generating academic programs (70 percent) and exploring collaboration opportunities for academic programs with other institutions (62 percent).

Business officers are least likely to agree that their institution will in the coming academic year consider

outsourcing more academic programs (4 percent), revising tenure policies (14 percent), cutting spending for intercollegiate athletic programs (15 percent) or shifting more undergraduate teaching to senior faculty members (19 percent).

TABLE 12

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements. My institution will implement the following strategies in the 2015-2016 academic year:

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Increasing overall enrollment								
% 5 Strongly agree	48	52	44	37	51	57	43	42
% 4	34	33	35	40	36	32	36	35
% 3	9	10	8	14	13	8	10	5
% 2	4	4	4	9	0	3	3	6
% 1 Strongly disagree	4	1	8	0	0	1	7	12
Launching new revenue-generating academic programs								
% 5 Strongly agree	31	26	37	31	29	21	44	32
% 4	39	42	35	46	40	43	34	32
% 3	18	20	15	17	19	23	16	12
% 2	8	9	8	6	10	8	6	13
% 1 Strongly disagree	4	3	5	0	2	6	1	10

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Exploring collaboration opportunities for academic programs with other institutions								
% 5 Strongly agree	25	31	19	21	25	34	18	15
% 4	37	41	33	41	48	40	32	36
% 3	22	18	24	21	13	19	26	26
% 2	12	10	15	18	12	5	16	14
% 1 Strongly disagree	4	1	8	0	2	1	7	9
Enrolling more full-pay students								
% 5 Strongly agree	15	13	19	17	12	14	16	20
% 4	24	27	20	40	31	18	22	18
% 3	34	38	31	29	35	38	35	29
% 2	19	18	20	11	14	26	21	20
% 1 Strongly disagree	7	5	10	3	8	4	6	12
Exploring collaboration opportunities for administrative services with other institutions								
% 5 Strongly agree	14	17	10	12	17	14	8	14
% 4	25	26	22	29	30	20	22	26
% 3	28	26	30	26	30	28	27	32
% 2	24	22	26	21	19	25	31	21
% 1 Strongly disagree	10	9	11	12	4	14	12	8
Eliminating underperforming academic programs								
% 5 Strongly agree	13	13	12	3	13	21	12	11
% 4	25	27	24	15	30	29	27	20
% 3	25	24	25	27	17	25	26	27
% 2	25	25	24	39	30	18	24	25
% 1 Strongly disagree	12	10	15	15	11	8	11	17
Reducing administrative positions								
% 5 Strongly agree	13	14	14	6	23	13	12	16
% 4	24	26	21	23	28	24	28	15
% 3	20	20	19	23	15	24	17	25
% 2	27	25	28	40	17	20	28	25
% 1 Strongly disagree	16	15	18	9	17	18	16	18

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Lowering the tuition discount rate								
% 5 Strongly agree	12	8	15	6	14	6	18	16
% 4	23	22	22	19	21	25	23	24
% 3	32	32	33	39	26	30	32	33
% 2	21	27	16	26	26	30	18	18
% 1 Strongly disagree	13	11	13	10	12	9	9	9
Shifting from a classroom-based to a Web-based model of instruction								
% 5 Strongly agree	7	9	6	14	5	10	8	3
% 4	27	34	20	31	31	37	23	15
% 3	35	34	34	29	36	35	37	27
% 2	21	18	24	20	24	14	25	24
% 1 Strongly disagree	10	5	16	6	4	5	7	31
Promoting early retirement for faculty								
% 5 Strongly agree	11	11	10	12	17	6	15	6
% 4	22	18	26	18	20	15	27	29
% 3	26	25	27	26	22	25	28	28
% 2	23	25	19	24	17	30	17	22
% 1 Strongly disagree	19	21	18	21	24	23	13	15
Shifting more undergraduate teaching to part-time or non-tenured faculty								
% 5 Strongly agree	8	7	8	3	6	11	10	5
% 4	22	28	16	33	33	21	18	11
% 3	35	40	29	39	44	39	26	31
% 2	23	19	28	24	13	24	28	32
% 1 Strongly disagree	12	6	20	0	4	6	17	21
Increasing teaching loads for full-time faculty								
% 5 Strongly agree	7	9	4	0	11	13	6	2
% 4	19	21	17	27	21	18	18	18
% 3	28	28	29	30	26	23	26	28
% 2	26	28	22	30	32	28	26	22
% 1 Strongly disagree	20	15	28	12	9	19	24	31

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Outsourcing more administrative services								
% 5 Strongly agree	5	7	3	9	8	8	3	3
% 4	20	24	15	32	21	16	17	12
% 3	34	29	40	26	36	29	40	45
% 2	26	24	27	26	25	22	25	31
% 1 Strongly disagree	15	16	14	6	11	25	15	9
Promoting early retirement for administrators and staff								
% 5 Strongly agree	7	6	8	9	2	5	11	3
% 4	15	15	14	15	22	11	13	18
% 3	26	25	28	24	22	29	29	31
% 2	30	29	30	29	28	30	29	32
% 1 Strongly disagree	22	25	20	24	26	25	18	15
Shifting more undergraduate teaching to senior faculty members								
% 5 Strongly agree	4	5	4	0	6	11	6	2
% 4	15	15	16	18	15	13	16	18
% 3	39	42	35	32	44	47	33	39
% 2	27	26	26	47	25	11	33	16
% 1 Strongly disagree	15	12	19	3	10	18	12	25
Cutting spending for intercollegiate athletic programs								
% 5 Strongly agree	4	5	4	0	4	10	2	3
% 4	11	14	8	9	19	8	8	8
% 3	31	33	31	33	31	39	30	31
% 2	31	29	32	21	33	31	31	34
% 1 Strongly disagree	22	19	26	36	13	12	28	23
Revising tenure policies								
% 5 Strongly agree	3	5	2	0	4	7	1	4
% 4	11	13	10	13	10	13	12	9
% 3	19	14	24	9	16	13	22	29
% 2	29	28	26	34	28	31	32	21
% 1 Strongly disagree	38	40	37	44	42	36	33	38

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Outsourcing more academic programs								
% 5 Strongly agree	1	2	1	3	0	1	1	0
% 4	3	2	3	3	0	3	6	1
% 3	19	20	20	12	11	29	21	21
% 2	38	35	39	47	40	26	36	46
% 1 Strongly disagree	39	42	36	35	49	42	36	31

KEY ISSUES SURROUNDING THE FINANCIAL CHALLENGES INSTITUTIONS FACE

Colleges and universities continually face financial challenges. Financial officers believe this message is apparent to many senior administrators and trustees, but perhaps not as apparent to faculty. Eighty-eight percent of business officers agree that senior administrators are aware of and understand the financial challenges confronting their institutions. Seventy-nine percent agree that trustees understand these

challenges.

But more disagree (42 percent) than agree (32 percent) that faculty members are aware of and understand the financial difficulties their institution is facing.

Business officers are also not very positive about faculty responses of to efforts to address budget challenges — 33 percent agree that faculty members have been supportive of such measures,

and 33 percent disagree.

To this end, business officers generally agree (59 percent) that greater transparency in campus decision-making will result in better financial decisions.

Business officers are more likely to disagree (50 percent) than agree (27 percent) that their institution can make significant spending cuts without hurting quality.

TABLE 13

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Senior administrators are aware of and understand the financial challenges confronting my institution.								
% 5 Strongly agree	47	46	48	34	45	48	44	57
% 4	41	39	42	40	40	39	47	32
% 3	8	10	7	20	9	9	8	7
% 2	4	5	3	6	5	4	1	3
% 1 Strongly disagree	0	1	0	0	0	1	0	0

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Trustees are aware of and understand the financial challenges confronting my institution.								
% 5 Strongly agree	34	23	44	23	17	28	38	47
% 4	45	49	40	31	54	54	43	41
% 3	13	17	8	31	17	10	10	6
% 2	7	8	6	14	10	4	9	4
% 1 Strongly disagree	2	3	1	0	2	4	0	1
Colleges should focus on financial issues (not ethical or political ones) when deciding how to invest endowment funds.								
% 5 Strongly agree	29	24	33	38	32	9	28	42
% 4	30	34	26	34	28	38	30	21
% 3	24	25	24	22	22	35	22	24
% 2	12	11	13	6	10	13	15	9
% 1 Strongly disagree	5	6	4	0	8	5	4	4
Greater transparency in campus decision-making will result in better financial decisions.								
% 5 Strongly agree	26	25	26	29	13	33	28	26
% 4	33	32	31	31	41	28	27	35
% 3	23	23	25	26	26	23	26	21
% 2	14	15	12	14	17	13	16	11
% 1 Strongly disagree	4	4	6	0	4	2	4	8
I was well-informed about campus issues (including the campus culture and budget issues) before accepting the job of CFO at this institution.								
% 5 Strongly agree	25	27	23	29	31	20	26	20
% 4	25	26	23	29	28	26	21	24
% 3	20	23	16	21	17	29	13	23
% 2	19	16	24	15	13	17	29	21
% 1 Strongly disagree	10	8	13	6	11	9	12	12
My institution makes efficient use of technology resources and services.								
% 5 Strongly agree	11	12	8	12	11	13	7	9
% 4	36	35	38	26	40	41	44	31
% 3	34	32	36	32	27	28	31	40
% 2	16	16	15	26	15	14	14	21
% 1 Strongly disagree	4	5	3	3	7	5	3	0

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Our current tuition discount rate is unsustainable.								
% 5 Strongly agree	14	6	21	3	10	2	22	22
% 4	19	21	18	12	17	22	17	25
% 3	29	28	27	24	29	37	26	31
% 2	28	34	24	42	27	33	28	17
% 1 Strongly disagree	11	12	10	18	17	6	7	6
Faculty members have been supportive of efforts to address the budget problems confronting their institution.								
% 5 Strongly agree	6	5	8	6	5	4	7	9
% 4	27	25	29	38	16	24	28	29
% 3	34	36	32	38	44	31	30	32
% 2	24	23	23	18	20	28	28	22
% 1 Strongly disagree	9	10	8	0	15	14	7	7
Faculty members are aware of and understand the financial challenges confronting their institution.								
% 5 Strongly agree	6	5	8	6	8	2	7	9
% 4	26	25	26	17	23	27	19	35
% 3	27	25	28	26	23	25	26	28
% 2	29	33	26	43	30	32	36	15
% 1 Strongly disagree	13	13	13	9	17	14	12	13
Sustainability efforts at colleges and universities have provided significant financial benefits.								
% 5 Strongly agree	8	9	6	6	11	10	8	3
% 4	22	23	19	26	11	26	22	15
% 3	36	32	41	29	20	40	36	49
% 2	28	30	28	29	48	23	28	25
% 1 Strongly disagree	6	6	6	9	9	1	6	7
My institution can make additional and significant spending cuts without hurting quality.								
% 5 Strongly agree	5	5	6	3	9	4	7	6
% 4	22	18	26	20	19	22	29	26
% 3	23	21	24	23	19	22	19	29
% 2	33	35	33	37	31	29	40	21
% 1 Strongly disagree	17	21	12	17	22	23	6	18

PERFORMANCE AND PROGRAM EVALUATION

College and university business decisions about six different program areas. Responses were generally tepid and similar across the different areas, ranging from 32 percent agreement to 42 percent. The highest level of agreement came in regard to evaluating which academic programs should be eliminated or enhanced.

TABLE 14

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.

My institution has the data and information it needs to make informed decisions about:

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Which academic programs should be eliminated or enhanced								
% 5 Strongly agree	10	10	9	9	9	12	9	6
% 4	32	33	31	26	42	32	29	34
% 3	20	20	22	24	18	21	31	9
% 2	31	29	31	32	27	29	22	48
% 1 Strongly disagree	7	7	6	9	4	6	8	3
Performance of administrative technology								
% 5 Strongly agree	7	7	6	3	7	9	5	6
% 4	32	31	34	29	35	28	40	31
% 3	34	34	36	37	31	33	31	43
% 2	22	22	18	23	20	25	16	18
% 1 Strongly disagree	5	5	6	9	6	5	8	1
Efficacy of specific academic programs and majors								
% 5 Strongly agree	8	8	8	0	11	9	6	7
% 4	29	30	28	26	36	30	32	25
% 3	29	29	31	34	24	32	33	27
% 2	27	27	26	31	25	23	21	36
% 1 Strongly disagree	7	6	7	9	4	6	8	4
Performance of academic technology								
% 5 Strongly agree	6	5	6	0	7	6	4	6
% 4	31	29	34	26	30	30	36	34
% 3	37	37	37	46	39	33	33	42
% 2	22	24	18	20	22	27	19	16
% 1 Strongly disagree	5	4	5	9	2	4	8	1

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Performance of each administrative unit on campus								
% 5 Strongly agree	6	5	7	0	7	5	4	9
% 4	29	30	29	31	27	30	33	29
% 3	36	36	35	43	33	35	34	38
% 2	26	25	26	26	29	26	24	22
% 1 Strongly disagree	4	4	3	0	4	4	3	1
Performance of individual faculty members								
% 5 Strongly agree	6	6	6	0	7	9	5	3
% 4	26	24	27	18	24	27	29	28
% 3	28	30	29	30	33	24	26	32
% 2	28	31	25	39	29	31	24	26
% 1 Strongly disagree	11	9	13	12	7	9	16	11

SPENDING

Six in 10 business officers (61 percent) from reallocated dollars rather than agree that new spending at their an increase in net revenue. That is up uses an analytical framework to make institution in the coming years will come from 57 percent in 2014. Meanwhile, spending decisions; 26 percent disagree.

TABLE 15

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement.

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
New spending at my institution in the coming years will come from reallocated dollars rather than an increase in net revenue.								
% 5 Strongly agree	26	28	23	11	31	37	30	15
% 4	35	36	34	33	40	34	38	30
% 3	21	18	23	22	15	18	13	39
% 2	16	16	18	28	15	11	14	15
% 1 Strongly disagree	3	2	3	6	0	0	4	1

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
My institution uses an analytical framework to make decisions on spending.								
% 5 Strongly agree	9	10	8	3	11	9	9	7
% 4	30	31	28	44	22	37	29	28
% 3	35	30	41	22	36	27	42	41
% 2	20	22	17	28	22	21	16	18
% 1 Strongly disagree	6	7	5	3	9	6	4	6

DEBT MANAGEMENT

Most business officers (75 percent) believe their institution has an appropriate amount of debt, with the rest equally divided between saying their institution has too much debt (13 percent) and believing their institution is

in a position to take on more debt (12 percent).

The vast majority of chief business officers at private and public institutions believe their institution has the right amount of debt.

However, whereas public institutions tilt more toward saying their institution should take on more debt, those working at private institutions tilt more toward saying their institution has too much debt.

TABLE 16

Would you say your institution — has too much debt, an appropriate amount of debt, or would you say that your institution should take on more debt than it has now?								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% Too much	13	8	17	6	12	8	17	21
% Appropriate amount	75	77	72	80	73	76	77	71
% Should take on more	12	15	11	14	14	16	7	9

A slight majority of chief business officers (52 percent) agree that their institution has increased the use of debt to finance projects; 30 percent disagree.

Similarly, 49 percent disagree that their institution has underutilized debt as a financing strategy.

Forty-nine percent of the responding

business officers also disagree that debt service has a significant impact on their institution's tuition rates or spending levels.

TABLE 17

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement with the following statements.

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
My institution has increased the use of debt to finance projects.								
% 5 Strongly agree	17	13	21	27	12	11	24	20
% 4	35	35	33	45	42	29	36	30
% 3	18	19	18	15	21	18	18	20
% 2	16	15	18	9	12	21	15	23
% 1 Strongly disagree	14	19	10	3	14	21	8	8
My institution has historically underutilized debt as a financing strategy.								
% 5 Strongly agree	10	13	8	6	14	17	7	8
% 4	19	21	17	24	21	20	18	17
% 3	23	24	22	18	17	30	20	26
% 2	25	24	23	21	31	22	20	26
% 1 Strongly disagree	24	18	29	30	17	11	36	24
Debt service has a significant impact on our tuition rates and/or spending levels.								
% 5 Strongly agree	8	4	12	6	7	2	10	18
% 4	19	18	20	21	19	19	19	24
% 3	24	20	26	21	24	21	29	18
% 2	31	34	29	45	33	27	30	35
% 1 Strongly disagree	18	24	13	6	17	32	12	5

College and university business officers were asked to estimate how much debt their institution is currently carrying. The median level of debt is roughly \$25 million, with 52 percent of officers saying their institution is above that mark and 48 percent below. Nine percent of campus CFOs said their institution has no debt. At the other end of the spectrum, 26 percent say their institution has \$100 million or more in debt.

TABLE 18

About how much debt is your institution currently carrying?								
	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
% No debt	9	14	4	0	7	25	0	3
% <\$500,000	2	2	1	0	0	4	1	0
% \$500,000 to <\$1 million	3	6	1	0	5	9	0	2
% \$1 million to <\$2.5 million	3	5	1	0	5	5	2	0
% \$2.5 million to <\$5 million	3	6	1	0	2	9	1	2
% \$5 million to <\$10 million	9	9	8	0	5	17	6	11
% \$10 million to <\$25 million	19	17	22	6	14	19	19	27
% \$25 million to <\$50 million	13	7	19	3	14	4	20	20
% \$50 million to <\$100 million	13	9	18	3	23	3	19	18
% \$100 million to <\$250 million	12	9	16	31	9	1	17	15
% \$250 million to <\$500 million	5	6	3	19	12	0	4	3
% \$500 million to <\$1 billion	5	7	2	25	2	4	3	0
% \$1 billion or more	4	3	3	13	2	0	7	0

HIGHER EDUCATION ENDOWMENTS

In the past year, colleges and universities have seen increasing pressure to adopt new policies regarding endowments and holdings related to social or political causes.

Despite this pressure, business officers believe their current institutions' holdings should not submit to the

pressures. Twenty-two percent of business officers agree that political and social issues surrounding investments should be taken into account, but 50 percent disagree.

On specific issues, 84 percent disagree and 65 percent strongly disagree that higher education institutions should sell

holdings in companies that conduct business in or with Israel. In addition, 76 percent disagree that higher education institutions should sell holdings in fossil fuel companies, with half (53 percent) of business officers strongly disagreeing that holdings in fossil fuel companies should be sold.

TABLE 19

As you may know, the last year has seen increased pressure on colleges to adopt new policies regarding endowments and related social or political causes.

Using a five-point scale, where 5 means strongly agree and 1 means strongly disagree, please indicate your level of agreement.

	ALL INSTITUTIONS BY SECTOR			PUBLIC			PRIVATE NONPROFIT	
	ALL	PUBLIC	PRIVATE NONPROFIT	DOCTORAL	MASTER'S	ASSOC.	DOCTORAL/ MASTER'S	BACC.
Higher education investment managers should consider political and social issues surrounding particular holdings when making investment decisions.								
% 5 Strongly agree	5	9	3	0	9	8	3	2
% 4	17	18	17	9	23	20	17	15
% 3	28	25	27	25	19	31	28	29
% 2	22	21	24	19	28	15	24	18
% 1 Strongly disagree	28	27	29	47	21	25	28	35
Higher education institutions should sell holdings in fossil fuel companies.								
% 5 Strongly agree	3	6	1	0	7	9	2	0
% 4	4	4	4	0	2	2	5	0
% 3	16	14	20	13	14	17	15	21
% 2	23	25	20	26	33	19	21	18
% 1 Strongly disagree	53	51	56	61	44	54	56	61
Higher education institutions should sell holdings in companies that conduct business in or with Israel.								
% 5 Strongly agree	1	3	1	0	2	4	0	2
% 4	1	1	1	0	0	2	1	0
% 3	14	13	16	13	9	18	14	14
% 2	19	20	17	13	30	12	18	16
% 1 Strongly disagree	65	63	66	74	58	65	66	69

DEMOGRAPHICS

WHAT IS YOUR AGE?	%
Under 30	--
30 to 39	4
40 to 49	16
50 to 59	47
60 to 69	31
70 and older	3
WHAT IS YOUR GENDER?	%
Male	71
Female	29
HOW MANY YEARS HAVE YOU SERVED AS THE CHIEF BUSINESS OFFICER AT THIS INSTITUTION?	%
Less than 6 months	3
6 months to less than 3 years	31
3 years to less than 5 years	15
5 years to less than 10 years	23
10 or more years	28
HOW MANY YEARS HAVE YOU SERVED AS THE CHIEF BUSINESS OFFICER AT ANY INSTITUTION?	%
Less than 6 months	2
6 months to less than 3 years	11
3 years to less than 5 years	11
5 years to less than 10 years	21
10 or more years	55
WHAT TYPE OF HIGHER EDUCATION INSTITUTION DO YOU WORK FOR?*	%
Public (four-year)	33
Private Nonprofit (four-year)	44
Community college	22
Private Nonprofit (two-year)	1
For-profit institution	1

*Note that sector data reported in prior tables are driven by database values and not this self-reported demographic data

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