Comparators and Financial Indicators

for Athens State University

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Executive Summary

This report focuses on two primary tasks for Athens State University (ASU). The first task was to identify a set of institutions that may be used by ASU for the purpose of comparison on selected financial and student metrics. To do this, institution-level data from the Carnegie Commission and from the Integrated Postsecondary Education Data System (IPEDS) were used to select institutions that were deemed to be most similar to ASU in measurable attributes such as mission and size. This analysis resulted in a set of thirteen comparator institutions for ASU.

The second task was to identify a set of financial indicators and determine how Athens State University fares on these metrics relative to similar institutions. A series of thirteen financial indicators were created focusing on four broad topical areas: (1) Level of Financial Resources, (2) Distribution of Financial Resources, (3) Student Charges, and (4) Faculty Salaries. The indicators are similar to ones that are commonly reported by institutions of higher education and used in strategic planning and university rankings.

The results of the financial analysis reveal that with regard to the first set of indicators, ASU has fewer financial resources at its disposal than most of its comparators. ASU also has a relatively high dependence on tuition revenue from students, and has been less successful than peer institutions at securing revenues from other stakeholders to support its operations. Turning to student charges, ASUs tuition and fees are notably lower than at comparator institutions. However, ASUs net tuition revenue is more favorable which reflects its lower reliance on tuition discounting. Finally, faculty salaries at ASU were found to be very competitive and relatively high within the set of peer institutions.

Comparator Institutions for Athens State University

The higher education industry is very competitive. Institutions of higher education compete with each other in a number of different ways: for the right quantity and quality of students, for financial resources from various stakeholders, and for faculty. However, institutions compete in specific markets, defined in large part by the mission and selectivity of the institution in question. For example, Princeton University tends to compete primarily with Ivy League and other highly-selective institutions for students and resources, whereas a four-year state college in a particular state will operate in more localized markets with different types f institutions.

Higher education institutions frequently compare themselves to their main competitors to help inform strategic planning initiatives and identify strategies to become more competitive. These institutions are referred to as competitor institutions. At other times, institutions compare themselves to other colleges and universities that are similar to them in their mission, regardless of whether they directly compete for students and resources. These institutions are referred to as comparator or peer institutions.

The goal of the first section of this section of the report is to identify a set of institutions that can be used as comparators for Athens State University. It is important to distinguish what is meant by a "comparator institution" and a "competitor institution." An institution is said to be a comparator of another institution if the two institutions are determined to be similar to each other in selected attributes. In contrast, two institutions are competitors if their ability to acquire financial resources or students are affected by each other's actions. Comparators may or may not be direct competitors for students and financial resources. For example, the University of Georgia and Indiana University are arguably similar to each other in size and mission and thus may be viewed as comparators, and yet they do not frequently compete with each other for students and financial resources. Likewise, competitors may not always be similar to each other and yet need to be aware of each other's actions. Because the University of Georgia and Kennesaw State University are both public institutions in the same state they compete with each other for students from the state of Georgia, and yet they are very different from each other in terms of mission and size.

The purpose of finding peer institutions is to be able to see how selected statistics for a given institution compare to what are found for similar institutions. Many of the frequently-used metrics in higher education, such as spending per student, admission yield rates, and graduation rates, can vary significantly by the type of institution being examined. A large, research-intensive state university will be expected to have different values of commonly-used metrics than would a small, private liberal arts college. The goal of the exercise is to find a set of institutions so that more "apples-to-apples" comparisons can be made with regard to particular aspects of the institution.

Although the concept of a comparator institution is fairly straightforward, in practice several challenges exist to finding a suitable set of comparators. The first challenge is to determine which attributes should be used for selecting comparators. There are many different facets of a college or university that could be used for this purpose, and no consensus exists on precisely which set of factors should be used. The second challenge is that once the factors have been chosen, parameters or bandwidths may have to be used for certain attributes. For example, the size of an institution (as measured by the number of students enrolled) is frequently used as a criterion for selecting comparator institutions. Because institutions will rarely have exactly the same number of students enrolled, ranges of enrollments have to be used to find institutions that are of similar sizes.

Given the large number of postsecondary institutions in the United States, it is usually easy to come up with sets of institutions that are arguably similar to each other along designated dimensions. However, Athens State University has a unique mission that significantly affects the ability to find suitable comparator institutions. ASU is an upper-division institution that provides postsecondary education services to junior- and senior-level undergraduate students who have transferred to ASU from other (primarily two-year) institutions. The history of upper-division institutions dates back to the 1960s and 1970s when they were introduced as a means of accommodating the growth in demand for postsecondary services and facilitating the continuing education of students who began their studies at two-year institutions. Over time, most upper-division institutions changed their focus by expanding services to include lower-division students (first- and second-year undergraduates) and/or graduate students. As of 2014, there were only four upper-division institutions remaining in operation in the United States: Athens State University, John F. Kennedy University, Texas A&M University – Central Texas, and Texas A&M University – San Antonio[1], and one of these institutions (John F. Kennedy University) is a private college that focuses on adult students.

The fact that ASU provides services to a select group of students will influence a wide range of metrics that are used within higher education. For example, colleges frequently compare themselves on the basis of the characteristics of their students, such as their average SAT scores, high school grade point averages, and their acceptance/yield rates. Institutions derive these measures by identifying a cohort of full-time, first-time freshmen and then following them over a series of years to determine whether and when they graduate from the institution. This process works quite differently for an upper-division institution such as ASU that, by definition, does not have freshmen and thus cannot identify a cohort of them for the purpose of comparison with other institutions. The cohort of "new" students at ASU will be different from the cohorts of new students at non upper-division institutions because they are starting at different times and have had different levels of education prior to being tracked.

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[1] In the fall of 2014, a fifth upper-division institution (Governors State University in Illinois) transformed into a comprehensive institution offering educational services to undergraduate students at all levels.

Given this constraint, the best that can be done for the purpose of this study is to identify comparator institutions based on other criteria that are relevant for comparison. The following institutional attributes were used to begin choosing comparator institutions:

Table 1: Selected Criteria for Choosing Comparator Institutions for ASU

Key Criteria	Value for ASU
Levels of students taught	Undergraduates
Types of degrees awarded	Baccalaureate
Control of institution	Public
Size of the institution	Relatively Small (3,100 students)
Disciplinary mix	Mix of Professions and Arts & Sciences
Setting of the institution	Town; Mostly Nonresident Students

The level of students taught and the types of degrees awarded are important characteristics because they reflect the mission of the institution. The mission of an institution can in turn have an impact on the values of financial metrics for the institution. Graduate education tends to be more costly to deliver than undergraduate education, and upper-division undergraduate education is more expensive than lower-division undergraduate education. The control of an institution refers to whether the institution is defined as public not-for-profit, private not-for-profit, or private for-profit. This criterion was used because it will affect the types and levels of financial resources received by an institution; public institutions rely heavily on state funding to support their operations, while the same is not true for private institutions. The size of an institution has implications for the range of services that can be offered to students and the expenses that they incur (i.e., economies of scale). The disciplinary mix of an institution affects the costs and revenues for the institution in that it is usually more expensive to teach students in hard science fields as opposed to the humanities, liberal arts and social sciences. Finally, the setting for the institution (resident versus nonresident emphasis) is important because it affects the type of students who enroll at the institution and the expenditures that they are likely to incur.

Data on these institutional attributes were obtained from the Carnegie Commission's 2010 categorizations of institutions, and the Integrated Postsecondary Education Data System (IPEDS) for all institutions in the United States. An initial set of comparator institutions for ASU was selected based on the following search criteria:

- Only public, degree-granting institutions in the United States
- No graduate programs at the institution
- Award baccalaureate degrees
- Offer majors in diverse fields (mix of professional and arts & sciences)
- Relative small size (enrollments between 1,000 and 5,000)

This search yielded a set of 23 institutions as shown in Table 2:

Table 2: Institutions Meeting Parameters of Initial Search

Institution	State
California Maritime Academy[1]	CA
Mayville State University	ND
Pennsylvania State University-Penn State Worthington Scranton[4]	PA
University of Maine at Fort Kent	ME
West Virginia University Institute of Technology[1]	WV
University of Maine at Presque Isle	ME
Harris-Stowe State University[2]	MO
Bluefield State College[2]	WV
Pennsylvania State University-Penn State Berks[4]	PA
University of Pittsburgh-Johnstown[4]	PA
University of Pittsburgh-Bradford[4]	PA
Pennsylvania State University-Penn State Brandywine[4]	PA
Nevada State College[3]	NV
Pennsylvania State University-Penn State Altoona[4]	PA
Athens State University	AL
Dickinson State University	ND
Oklahoma Panhandle State University	OK
Glenville State College	WV
Lewis-Clark State College	ID
The University of Montana-Western	MT
University of Hawaii-West Oahu	HI
University of Minnesota-Crookston	MN
University of South Carolina-Beaufort	SC

Notes: [1]Mission is very specialized. [2]Historically black college or university. [3]Located in large urban setting. [4]Financial data are not reported separately for the institution

After the initial search was completed, additional information was gathered on each institution to determine if there were any reasons why each would not be a suitable comparator for ASU. The additional information was taken from the IPEDS system as well as reviews of each institution's primary web site. From this review, it was determined that eleven of the 23 institutions should be omitted from the comparator list for the following reasons:

- Two institutions (California Maritime Academy and West Virginia University Institute of Technology) had relatively specialized missions that were notably different from ASU

- Two institutions (Harris-Stowe State University and Bluefield State College) were historically black institutions and thus had missions that were notably different from ASU

- One institution (Nevada State College) was located in a large urban area that differed from the setting for ASU

- Six institutions were branch campuses of larger institutions in Pennsylvania (Penn State and the University of Pittsburgh), and financial data for the branch campuses is not reported separately from their main campuses

After omitting these institutions, this left eleven institutions that are the most similar to ASU in terms of the attributes used here, and that would have data available on financial indicators. Because of ASU's mission as an upper-division institution, two of the other three upper-division institutions in the United States were also added to the list of comparators, recognizing that data may not always be available for them on specific metrics and that these institutions may still differ from ASU in several important ways. The final recommended list of comparators is therefore as follows:

Table 3: Final Set of Comparator Institutions for ASU

Institution	State
Athens State University[1]	AL
Dickinson State University	ND
Glenville State College	WV
Lewis-Clark State College	ID
Mayville State University	ND
Oklahoma Panhandle State University	OK
Texas A&M University - Central Texas[1]	TX
Texas A&M University - San Antonio[1]	TX
The University of Montana-Western	MT
University of Hawaii-West Oahu	HI
University of Maine at Fort Kent	ME
University of Maine at Presque Isle	ME
University of Minnesota-Crookston	MN
University of South Carolina-Beaufort	SC

Notes: [1]Upper-division institution

The comparator institutions have a relatively large geographic span. As can be seen in Table 2, there were few institutions in the southeastern United States that met the desired criteria for inclusion in the list. For the purpose of this report, being located in the southeast region of the US is arguably less important than would be true if the focus of the analysis was on institutions that are in direct competition with each other for students. Similarly, because most of the comparator institutions are located in states such as WV, OK, MT, ND, and MN where the cost-of-living tends to be below average, and the institutions reside in smaller communities within their respective states, the cost-of-living differences among most of the comparator institutions are likely to be relatively minor (the exception being the University of Hawaii at West Oahu).

Financial Indicators for ASU

Performance indicators are used by colleges and universities across the nation as a way to gauge how the institution is doing with regard to fulfilling its mission. Although the concept of performance indicators is fairly straightforward, in practice they can be very difficult to identify and use for several reasons. First, institutions can only use indicators for which data are available at the institution level for itself and its set of comparators. Despite the impressive amount of data contained in IPEDS, the information collected by the government does not contain measures of student learning and the quality of research produced by institutions. Accordingly, most performance indicator systems used by postsecondary institutions must rely on metrics that can be measured and are thought to be related to institutional performance. Second, it is not always clear how an institution should set targets for specific indicators. If, for example, the graduation rate is chosen as a performance indicator, then how high should an institution's graduation rate be if it is performing well?

In general, the performance indicators used by postsecondary institutions fall into one of two categories:

(1)   Financial Performance Indicators. These are measures based on financial statistics that relate to the mission and performance of an institution.

(2)   Student Performance Indicators. These are measures of student attributes and achievement that are related to the performance of an institution.

The scope of the present study is limited to the analysis to financial performance indicators for metrics that are readily available through IPEDS for ASU and its comparators. The financial indicators used in this report are grouped into four general categories:

Category (A): Level of Financial Resources. Measures that relate to the amount of revenues that an institution can use to fulfill its academic mission. These are important

because having more financial resources at an institution's disposal should better enable the institution to provide instructional services to students and other services to designated stakeholders. Economists such as Howard Bowen have argued that most institutions of higher education operate so as to maximize their revenues, and then spend the revenues that they bring in to help achieve their mission.

Category (B): Distribution of Financial Resources. These metrics focus on the various sources that an institution relies on for funding its operations. Unlike most for-profit organizations, colleges and universities obtain funding from a number of different entities such as federal, state, and local governments and private donors. Institutions that draw subsidies from non-student sources can in turn use the funding to reduce tuition, increase financial aid, and improve the quality of education.

Category (C): Student Charges. Students and their families are obviously an important source of revenue for most every degree-granting institution in the United States. Institutions compete with each other to attract the quantity and quality of students that they need to fulfill their mission, and the price charged to students is an important factor in this competition.

Category (D): Faculty Salaries. Faculty members are arguably the most important – and most costly -- resource used by institutions for providing educational services. Institutions must compete with each other in labor markets for faculty, however, and thus the salaries that are paid to faculty represent a crucial factor in an institution's success in this regard.

The financial indicators that are used in the report for each of these four categories are drawn from the type of metrics that are commonly calculated by institutional research offices. These indicators are frequently used by institutions for tracking aggregate measures of financial statistics and can give a general picture of how an institution compares to peers. These financial statistics and used for a variety of internal and external reports. Table 4 shows the specific financial performance indicators that are used in this report:

Table 4: Selected Financial Indicators for ASU

Financial Indicator	Details of Indicator
A. Level of Financial Resources	
A1. Total Revenues per FTE	The sum of operating, nonoperating, and all other revenues divided by FTE students
A2. Operating and Nonoperating Revenues per FTE	The sum of operating and nonoperating revenues divided by FTE students
B. Distribution of Financial Resources	
B1. Subsidies per FTE	Revenues from operating grants and contracts (federal, state; local, private), government appropriations (federal, state, local), nonoperating grants (federal, state, local), and gifts divided by FTE students
B2. Gifts per FTE	Revenues from gifts divided by FTE students
B3. Endowment per FTE	Endowment revenues divided by FTE students
B4. Percent Revenues from Tuition	The ratio of net tuition revenue to revenues from all sources
C. Student Pricing	
C1. Tuition and Fees: In-State	Tuition and mandatory fees charged to full-time in-state students for the academic year
C2. Tuition and Fees: Out-of-State	Tuition and mandatory fees charged to full-time out-of-state students for the academic year
C3. Net Tuition Revenue per FTE	Net tuition and fee revenue divided by FTE students
D. Faculty Salaries	
D1. Average Faculty Salary: All Ranks	Average 9-month equivalent salary for faculty across all instructional ranks
D2. Average Faculty Salary: Full Professors	Average 9-month equivalent salary for faculty at the Full Professor rank
D3. Average Faculty Salary: Associate Prof	Average 9-month equivalent salary for faculty at the Associate Professor rank
D4. Average Faculty Salary: Assistant Prof	Average 9-month equivalent salary for faculty at the Assistant Professor rank

Note: FTE = full-time equivalent student

The level of financial resources indicators are important because they represent the amount of funds that an institution can potentially use to help deliver higher education services. Two different metrics are defined for this category. The first metric is defined as the ratio of total revenues from all sources to the number of full-time equivalent (FTE) students. Because total revenues include some monies that are received for purposes that are not directly related to

the primary mission of an institution, a more narrowly-defined metric is also used where total revenues include only operating and nonoperating revenues in the numerator.[2]

The second category of financial performance indicators – Distribution of Financial Resources – captures the funding received by institutions from key stakeholders other than students and their families. Most notably, Gordon Winston has argued that an institution's ability to raise funds from entities other than students is a crucial component in how well the institution is able to compete with its peers. The first metric in this category is subsidies per FTE, which represents the ratio of revenues from selected non-student sources to the number of FTE students. The second metric, gifts per FTE student, captures the institution's ability to attract donations from alumni and others. The third metric, endowment per FTE student, reflects the amount of funding that an institution has set aside in its endowment to help fund selected professorships, scholarships, and provide financial security. Finally, the percent of total revenues (operating + nonoperating) that come from tuition provides another view of the institution's relative reliance on students to fund their operations.

The third category of financial indicators -- Student Pricing -- focuses on how an institution is positioned with regard to the pricing of its services for students and their families. Institutions rely heavily on students to provide revenues, and the price that they charge has a significant bearing on the institution's ability to attract and retain students and in turn fund their operations. The first two metrics in this section are the (posted) tuition and fees for in-state and out-of-state students, respectively, who attend college full-time for an academic year. Because public institutions compete in separate markets for in-state and out-of-state students and usually charge a high premium for out-of-state students, tuition rates are reported separately for in-state and out-of-state students. The last metric in this section is Net Tuition Revenue per FTE student. This indicator looks at how much money is brought into the institution from tuition and fees after subtracting grants and scholarships that are awarded by the institution.

Finally, the last set of financial indicators addresses faculty compensation. The level of salaries paid to professors reflects in part an institution's ability to attract and retain high-quality faculty. Four different metrics are used in this report. The breakdown in average faculty salary by rank provides insight into how competitive an institution is for faculty at the different stages of their careers.

The data for these financial indicators were obtained from IPEDS for the most current year available (fiscal year 2012-13). Data were retrieved on revenues for each category, and for the full-time equivalent (FTE) student enrollments in the Fall 2012 semester. Because two institutions (Txeas A&M University – Central Texas, and Texas A&M University – San Antonio) did not report data to IPEDS for the 2012-13 year, financial statements for each institution were obtained and used to derive the metrics in categories A and B. Likewise, the

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[2] The revenue categories excluded from the second metric include capital contributions, additions to permanent endowment, and transfers.

FTE counts for these two institutions were obtained from reports produced by the institutional research offices at each institution. At the time of this report, average faculty salary data for these two institutions were not available on the institutional research office web sites.

Level of Financial Resources. Table 5 presents the results for the first set of financial performance indicators for the level of financial resources. Institutions are ranked from highest (1) to lowest (14) along each metric. The table shows the values of the indicators for each institution, along with the median, 25th, and 75th percentiles for each metric. Finally, the table includes two rows showing how ASU compares to the median for the peer group. Note that because most of the institutions reside in locales with similar costs of living, and use the revenues to purchase resources from a broad geographic area, the data are not adjusted for the cost of living:

Table 5: Financial Indicators for Level of Financial Resources

Institution	Total Revenue / FTE		Operating and Nonoperating Revenue / FTE	
	Value	Rank	Value	Rank
Glenville State College	$31,788	1	$19,975	4
Texas A&M University - Central Texas	$28,105	2	$26,296	1
Mayville State University	$23,885	3	$23,834	2
University of Hawaii-West Oahu	$20,424	4	$16,181	8
University of Maine at Presque Isle	$20,160	5	$20,149	3
Dickinson State University	$19,281	6	$19,052	5
University of Minnesota-Crookston	$18,485	7	$15,551	10
University of Maine at Fort Kent	$17,423	8	$17,102	6
The University of Montana-Western	$17,033	9	$17,031	7
Oklahoma Panhandle State University	$16,699	10	$15,382	11
Lewis-Clark State College	$16,495	11	$15,959	9
University of South Carolina-Beaufort	$13,500	12	$13,282	12
Texas A&M University - San Antonio	$13,219	13	$12,158	14
Athens State University	*$12,757*	*14*	*$12,757*	*13*
Median	**$17,954**		**$16,606**	
ASU to Median ($)	**-$5,197**		**-$3,849**	
ASU to Median (%)	**-29%**		**-23%**	
75th Percentile	**$20,358**		**$19,745**	
25th Percentile	**$16,546**		**$15,424**	

The values shown in Table 5 illustrate that Athens State University ranks low in terms of total financial services per student relative to its comparator institutions. ASU is last in its comparator group for total revenues from all sources (29% below the median) and second-to-last for operating and nonoperating revenues (23% below the median). Therefore, for an institution of this size, complexity, and mission, ASU has fewer financial resources at its disposal.

Distribution of Financial Resources. Table 6 shows the findings for the second group of financial indicators related to the sources of revenues for an institution. The table contains the same type of information for each indicator as was shown in Table 5. Several observations can be made about the funding received by ASU from various sources. ASU is relatively low in terms of the subsidies received for educational services, relative to its comparator institutions. ASU is next to last in terms of total subsidies per FTE student (22% below median), and is also below the median for its peer group in both gifts per FTE student and endowment per FTE student. This translates into a relatively high reliance on students and their families to provide financial support to the institution. The median percentage of revenues from students for the comparator group is about 30%, which is ten percentage points below the value for ASU (40%). Accordingly, changes in the demand for services at ASU from students would have an even larger effect on finances for the institution than would be true for its peers.

Table 6: Financial Indicators for Distribution of Financial Resources

Institution	Subsidies per FTE[1]		Gifts per FTE		Endowment per FTE		Percent Revenue from Tuition[2]	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Texas A&M University - Central Texas	$16,664	1	$322	6	n/a	-----	34%	6
Mayville State University	$14,808	2	$888	2	$0	12	21%	13
Glenville State College	$12,077	3	$0	13	$9,393	1	18%	14
University of Maine at Presque Isle	$11,294	4	$103	11	$1,044	8	25%	12
University of Hawaii-West Oahu	$11,263	5	$0	13	$118	10	27%	9
Dickinson State University	$11,173	6	$660	3	$7,088	2	27%	9
Lewis-Clark State College	$10,010	7	$497	5	$1,380	7	29%	8
Oklahoma Panhandle State University	$8,673	8	$511	4	$2,831	5	26%	11
The University of Montana-Western	$8,032	9	$166	8	$2,423	6	31%	7
University of Maine at Fort Kent	$7,994	10	$49	12	$2,957	4	35%	5
University of Minnesota-Crookston	$7,582	11	$322	6	$6,557	3	36%	4
Texas A&M University - San Antonio	$7,278	12	$160	9	n/a	-----	45%	2
Athens State University	*$7,269*	*13*	*$104*	*10*	*$799*	*9*	*40%*	*3*
University of South Carolina-Beaufort	$6,215	14	$1,212	1	$50	11	48%	1
Median	**$9,341**		**$244**		**$1,901**		**29.7%**	
ASU to Median ($)	**-$2,072**		**-$140**		**-$1,103**		**10.2%**	
ASU to Median (%)	**-22%**		**-57%**		**-58%**			
75th Percentile	**$11,286**		**$508**		**$3,857**		**36.0%**	
25th Percentile	**$7,685**		**$103**		**$629**		**25.8%**	

Notes: n/a = endowment data not available. [1]The revenue categories included in subsidies are operating grants and contracts (federal, state; local, private), government appropriations (federal, state, local), nonoperating grants (federal, state, local), and gifts. [2]Only operating and nonoperating revenues are included in the total revenue calculation.

Student Pricing. Table 7 presents the results for the metrics relating to Student Pricing. The table is organized in the same way as Tables 5 and 6:

Table 7: Financial Indicators for Student Pricing

Institution	Tuition and Fees: In-State		Tuition and Fees: Out-of-State		Net Tuition / FTE	
	Value	Rank	Value	Rank	Value	Rank
University of Minnesota-Crookston	$11,456	1	$11,456	10	$5,639	4
University of South Carolina-Beaufort	$8,558	2	$17,956	1	$6,420	2
University of Maine at Fort Kent	$7,575	3	$17,535	2	$6,008	3
University of Maine at Presque Isle	$7,300	4	$17,260	3	$5,065	9
Texas A&M University - San Antonio	$6,666	5	$13,686	9	$5,522	5
Texas A&M University - Central Texas	$6,659	6	$15,638	5	$9,055	1
Oklahoma Panhandle State University	$6,390	7	$6,390	14	$3,926	13
Mayville State University	$6,193	8	$8,436	12	$5,023	10
Glenville State College	$5,860	9	$13,824	8	$3,587	14
Dickinson State University	$5,718	10	$7,980	13	$5,100	7
University of Hawaii-West Oahu	$5,602	11	$16,666	4	$4,390	12
Lewis-Clark State College	$5,562	12	$15,476	6	$4,589	11
Athens State University	*$5,340*	*13*	*$9,930*	*11*	*$5,094*	*8*
The University of Montana-Western	$4,111	14	$14,431	7	$5,216	6
Median	**$6,292**		**$14,128**		**$5,097**	
ASU to Median ($)	**-$952**		**-$4,198**		**-$3**	
ASU to Median (%)	**-15%**		**-30%**		**0%**	
75th Percentile	**$7,142**		**$16,409**		**$5,610**	
25th Percentile	**$5,631**		**$10,312**		**$4,697**	

Notes: Only mandatory fees are included. Net tuition is defined as gross tuition revenue minus institutional grants and scholarships.

From Table 7, it can be seen that student charges at ASU are low relative to its comparator group. The in-state tuition and fees are about 15% below the median, and the out-of-state tuition and fees are 30% below the median. The lower tuition rates should help ASU in the recruitment and retention of students. The last column shows that in terms of the net tuition revenue from students, ASU is very close to the median for its comparator group. This means that the institution provides fewer discounts in the form of grants and scholarships than do some of its peer institutions. This is not surprising given that ASU does not compete with other institutions for freshmen, where tuition discounting is more prevalent in order to attract more high-ability students to enhance the institution's ranking.

Faculty Salaries. Finally, the last table (Table 8) shows the financial indicators for average faculty salaries at ASU and its comparator institutions:

Table 8: Financial Indicators for Faculty Salaries

Institution	All Ranks Value	Rank	Full Professors Value	Rank	Associate Professors Value	Rank	Assistant Professors Value	Rank
Texas A&M University - Central Texas	n/a		n/a		n/a		n/a	
Texas A&M University - San Antonio	n/a		n/a		n/a		n/a	
University of Hawaii-West Oahu	$76,392	1	$87,642	1	$75,519	1	$69,390	1
Athens State University	*$69,048*	*2*	*$84,681*	*2*	*$74,277*	*2*	*$60,174*	*3*
University of Minnesota-Crookston	$58,473	3	$84,231	3	$68,850	3	$65,961	2
University of Maine at Fort Kent	$57,861	4	$71,082	5	$55,125	8	$48,438	7
University of South Carolina-Beaufort	$57,690	5	$77,823	4	$59,130	6	$54,468	5
Dickinson State University	$56,835	6	$70,380	6	$64,377	4	$55,674	4
Glenville State College	$54,621	7	$68,598	7	$60,750	5	$48,924	6
University of Maine at Presque Isle	$53,532	8	$66,069	8	$55,485	7	$46,134	9
Lewis-Clark State College	$49,608	9	$56,574	10	$48,609	11	$44,667	10
Mayville State University	$49,140	10	$59,292	9	$52,254	9	$48,123	8
Oklahoma Panhandle State University	$44,703	11	$54,477	11	$50,832	10	$43,614	11
The University of Montana-Western	$43,110	12	$53,874	12	$48,204	12	$38,934	12
Median	**$55,728**		**$69,489**		**$57,308**		**$48,681**	
ASU to Median ($)	**$24,345**		**$30,204**		**$23,445**		**$16,560**	
ASU to Median (%)	**44%**		**43%**		**41%**		**34%**	
75th Percentile	**$58,014**		**$79,425**		**$65,495**		**$56,799**	
25th Percentile	**$49,491**		**$58,613**		**$51,899**		**$45,767**	

Notes: n/a = Data were not available for this metric through IPEDS or the institutional research office web site for this institution.

From Table 8, it can be seen that ASU compares very favorably to its peer institutions in terms of average salaries for faculty. ASU ranks second in terms of overall average salary and average salary for the ranks of Full and Associate Professors. Likewise, ASU ranks third in terms of average salary for Assistant Professors. The only institution that is above ASU in average salary rankings is the University of Hawaii at West Oahu, and the high cost-of-living in Hawaii likely explains this institution's relative position. Nonetheless, the conclusion holds that faculty compensation at ASU is high relative to its comparators.

Discussion

This report provides information on the type of institutions that are most similar to Athens State University, and how the institution compares to its peers in terms of frequently-used financial statistics that relate to the mission and competitiveness of the institution. Overall, the results suggest that ASU is below most similar institutions in terms of the amount of revenues at its disposal, and it relies more heavily than do its peers on students and their families to fund its operations.

ASU has been successful in part due to its ability to keep tuition and fees low for students, which in turn has helped the institution maintain enrollments and the revenues that come along with them. There may be opportunities, however, to bring in more revenue from nonresident students given the fact that the out-of-state tuition premium is lower at ASU than at other institutions. ASU is also well positioned in terms of its ability to pay faculty, and thus attract and retain them to help maintain quality. It may be helpful to examine how salaries at ASU vary by academic discipline, and determine whether the institution is less competitive with peers in particular fields that can affect its mission.

There are several caveats and qualifiers that bear repeating at this point. Athens State University has a relatively unique mission within higher education due to its exclusive focus on educating upper-division undergraduate students. Because most of the comparator institutions provide services to all levels of undergraduates, this may impact not only the student metrics that are often used in higher education such as yield and retention rates, but also the financial indicators shown in this report. It is impossible to determine, for example, how the upper-division mission of ASU affects the average salaries paid to faculty or the tuition and fees charged to students.

The financial indicators shown in this report -- the revenues that an institution receives, the prices charged to its main customers, and the cost of its main resource used in production – focus on how well positioned the institution is to compete with other peers in its market. These indicators are not only tracked by most colleges and universities, they are also used by external agencies to assess the performance of institutions. Popular college ratings systems such as US

News and World Report, for example, use spending per student, alumni giving, and faculty salaries as components in its institutional rankings. Moody's uses revenues per student as an input into its bond ratings for institutions of higher education. And state governments pay close attention to the tuition and fees and level of state financial support for public institutions within its borders.

However, there are also a wide variety of other financial indicators and statistics that are used to examine the finances of postsecondary institutions. These financial indicators can differ depending on the purpose for their use, the intended audience, and the background of the group compiling the indicators. Budget managers and accountants, for example, may prefer to work with designated financial ratios that focus on things such as an organization's liabilities and debt. Bond rating agencies such as Moody's likewise have other metrics that they utilize for the purpose of assessing an institution's risk of defaulting on its financial obligations. ASU may therefore find it helpful to compile additional financial statistics and metrics that pertain to these aspects of its operations. Together with the information presented here, it may provide leaders on campus with a more complete picture of the financial health of the university.

Looking to the future, it is imperative that Athens State University develop strategies to secure additional funding to help support its operations. The data presented here show that ASU has notably fewer revenues at its disposal to provide education services. The revenue gap, and the lower subsidy level, may adversely affect the institution in terms of the instructional services and amenities that it can offer students. The need to acquire more revenue will become critical in the near future as ASU seeks to expand into graduate education markets beginning in 2015/16. Graduate education is very costly to provide, due to the smaller class sizes and resources needed to produce research to complement graduate instruction. At the same time, graduate education presents opportunities for ASU to acquire more revenues from grants and contracts.

Another looming challenge for ASU is that as the children of the baby boomer generation move through postsecondary education, it will place increased competition on institutions to attract enough students to fulfill its mission. Over the next ten years, higher education institutions across the country will be drawing students from smaller graduating classes, and unless the college-going rate increases it will translate into enrollment declines. This may impact ASU moreso than many other institutions given its high reliance on tuition and fees. The composition of new students is also predicted to change in the future, with more students from traditionally-underrepresented racial/ethnic groups graduating from high school. Although these students have had lower college-going rates than other students, they are also more likely to attend two-year institutions, which may help ASU given its position in the market. Nonetheless, it is imperative that ASU find ways of attracting additional revenues from other sources to help support its operations and become more competitive with its peers.

About the Author

Robert K. Toutkoushian is a professor of higher education with the Institute of Higher Education at the University of Georgia. He has a Ph.D. in economics from Indiana University, where he specialized in finance and econometrics. Prior to his appointment at the University of Georgia, Dr. Toutkoushian worked in the institutional research office at the University of Minnesota, and served as the Executive Director for Policy Analysis at the University System of New Hampshire. Dr. Toutkoushian conducts research on the application of economic theories and methods to problems in higher education. He is the author of more than fifty studies in peer-reviewed journals and edited books, and teaches classes on the economics and finance of higher education.