

commonfund

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H E P I

H I G H E R E D U C A T I O N P R I C E I N D E X

HIGHER EDUCATION PRICE INDEX

INTRODUCTION

ABOUT HEPI

The Higher Education Price Index (HEPI) is an inflation index designed specifically for use by institutions of higher education. Compiled from data reported by government agencies and industry sources, HEPI measures the average relative level in the price of a fixed market basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. A more accurate indicator of cost changes for colleges and universities than the Consumer Price Index (CPI), HEPI is used primarily to project future budget increases required to preserve purchasing power. With compilations dating back to 1961, HEPI offers more than 50 continuous years of higher education inflation data. It is an essential tool enabling schools to determine increases in funding necessary to maintain both real purchasing power and investment.

In 2005, Commonfund Institute assumed responsibility for the index and the proprietary model used to calculate HEPI's values from Research Associates of Washington, D.C. In 2007, in keeping with its commitment to improving and expanding the index, Commonfund Institute inaugurated two additional HEPI services:

- ▼ HEPI calculated by type of institution for six different categories of public and private colleges and universities, and
- ▼ the monthly release, beginning in January of each year, of a forecast of HEPI for the coming fiscal year end.

In 2009, two further improvements were introduced, aligning the estimates and the final HEPI calculation with the July-June academic fiscal year and making available HEPI calculated by region.

HEPI forecasts are provided monthly from January through June of each year. The HEPI report is published using the July HEPI figure, which may be subject to a further small adjustment when the last of the underlying data items are finalized in November.

All HEPI services are provided free of charge via Commonfund Institute's website at www.commonfund.org.

ABOUT COMMONFUND INSTITUTE

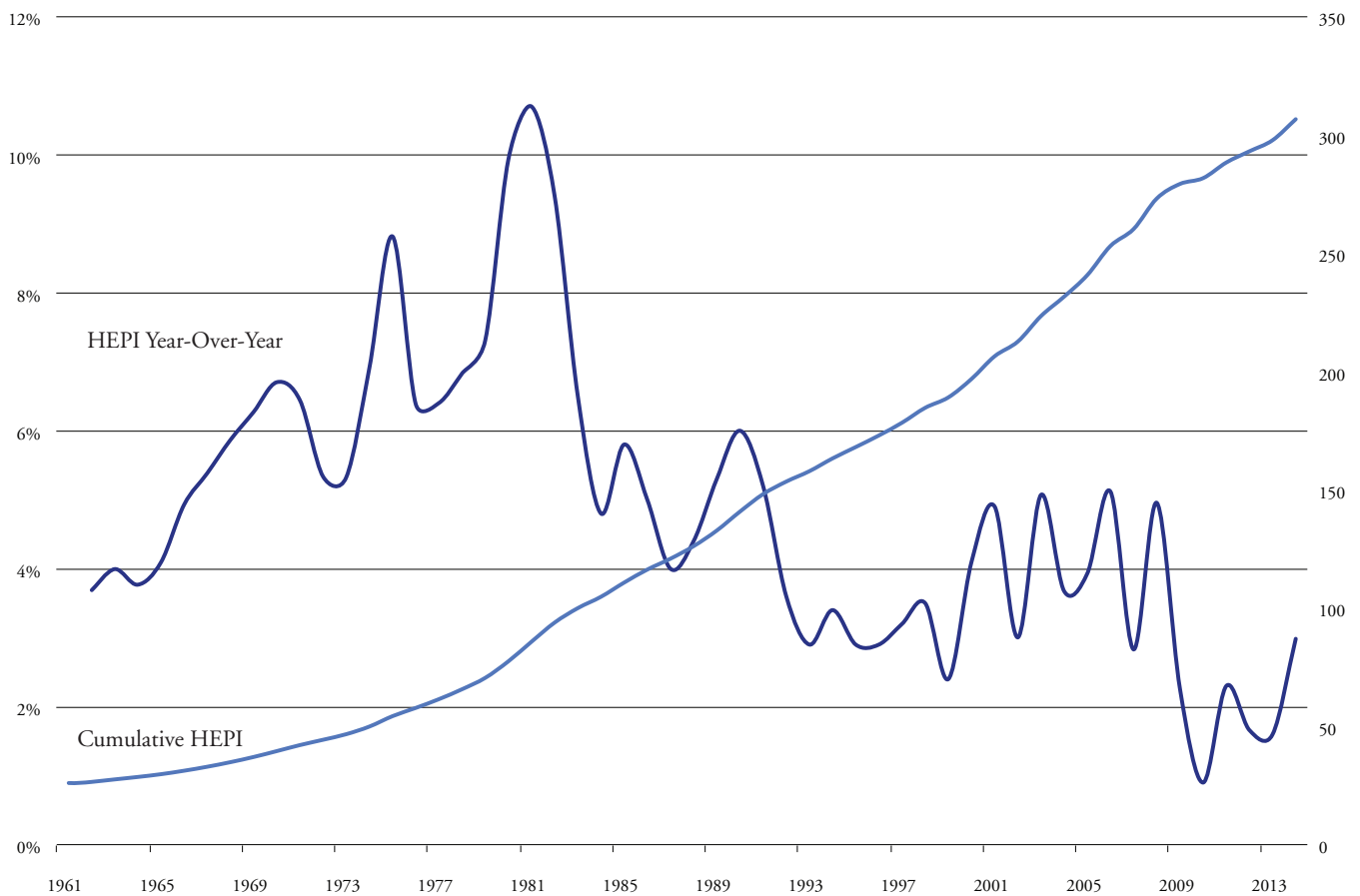
Commonfund Institute was founded to house the education and research activities of Commonfund and to provide the community of long-term investors with investment information and professional development programs. Commonfund Institute is dedicated to the advancement of investment knowledge and the promotion of best practices in financial management. Commonfund Institute provides a wide variety of resources, including conferences, seminars and roundtables on topics such as endowment and treasury management; proprietary and third-party research and publications including the annual NACUBO-Commonfund Study of Endowments®, the Council on Foundations-Commonfund Study of Investments for Private Foundations™ and the Commonfund Benchmarks Studies®; and events such as the annual Commonfund Endowment Institute and the Commonfund Prize for the best contribution to endowment investment research. Its broad range of programs and services is designed to serve financial practitioners, fiduciaries and scholars.

THE HEPI TABLES

The chart below shows HEPI from FY1961 to FY2014. Table A on page 3 summarizes HEPI and CPI for the same period. Table B on page 4 summarizes the regression formula used since FY2002 to calculate HEPI. Table C on page 11 shows HEPI for public and private institutions, as a whole and by type of institution. Table D on

page 15 shows HEPI for all educational institutions by region. HEPI data beginning with FY2002 have been restated to reflect the methodological improvements adopted in 2009. Tables E and F on pages 21 and 22 trace the purchasing power of current salaries of full-time professors compared with previous years, using data from selected public and private institutions.

HIGHER EDUCATION PRICE INDEX 1961 - 2014



This chart traces the Higher Education Price Index (HEPI) from 1961 to 2014. Cumulative HEPI is represented by the steadily increasing blue line, indexed to 100 for 1983, and should be read using the right-hand scale. The jagged line traces percentage year-over-year changes in HEPI and should be read using the left-hand scale. In this chart and in the supporting data in Table A on page 3, the HEPI is presented in two ways—as an index level and as a year-over-year percent change. HEPI data beginning with FY2002 have been restated to reflect the methodological improvements adopted in 2009.

TABLE A

| HISTORICAL SUMMARY OF HIGHER EDUCATION PRICE INDEX AND CONSUMER PRICE INDEX FY1961 TO FY2014 | | | | | | | | | |
|-------------------------------------------------------------------------------------------------|-----------------------------|-----------------|----------------------------|-----------------|-----------------------------------|-----------------------------|-----------------|----------------------------|-----------------|
| College and university operations | | Consumer prices | | | College and university operations | | Consumer prices | | |
| Fiscal year | HEPI Index Value 1983 = 100 | Yearly % Change | CPI Index Value 1983 = 100 | Yearly % Change | Fiscal year | HEPI Index Value 1983 = 100 | Yearly % Change | CPI Index Value 1983 = 100 | Yearly % Change |
| 1961 | 25.6 | — | 30.3 | — | 1991 | 148.2 | 5.2% | 136.4 | 5.4% |
| 1962 | 26.5 | 3.7% | 30.6 | 1.0% | 1992 | 153.5 | 3.6% | 140.8 | 3.2% |
| 1963 | 27.6 | 4.0% | 31.0 | 1.1% | 1993 | 157.9 | 2.9% | 145.2 | 3.1% |
| 1964 | 28.6 | 3.8% | 31.4 | 1.4% | 1994 | 163.3 | 3.4% | 148.8 | 2.5% |
| 1965 | 29.8 | 4.1% | 31.8 | 1.3% | 1995 | 168.1 | 2.9% | 153.2 | 3.0% |
| 1966 | 31.3 | 4.9% | 32.6 | 2.3% | 1996 | 173.0 | 2.9% | 157.4 | 2.7% |
| 1967 | 32.9 | 5.4% | 33.5 | 3.0% | 1997 | 178.4 | 3.2% | 161.9 | 2.9% |
| 1968 | 34.9 | 5.9% | 34.6 | 3.3% | 1998 | 184.7 | 3.5% | 164.8 | 1.8% |
| 1969 | 37.1 | 6.3% | 36.3 | 4.8% | 1999 | 189.1 | 2.4% | 167.6 | 1.7% |
| 1970 | 39.5 | 6.7% | 38.5 | 5.9% | 2000 | 196.9 | 4.1% | 172.5 | 2.9% |
| 1971 | 42.1 | 6.4% | 40.5 | 5.2% | 2001 | 208.7 | 6.0% | 178.4 | 3.4% |
| 1972 | 44.3 | 5.3% | 41.9 | 3.6% | 2002 | 212.7 | 1.9% | 181.6 | 1.8% |
| 1973 | 46.7 | 5.3% | 43.6 | 3.9% | 2003 | 223.5 | 5.1% | 185.5 | 2.2% |
| 1974 | 49.9 | 6.9% | 47.5 | 8.9% | 2004 | 231.7 | 3.7% | 189.6 | 2.2% |
| 1975 | 54.3 | 8.8% | 52.8 | 11.2% | 2005 | 240.8 | 3.9% | 195.3 | 3.0% |
| 1976 | 57.8 | 6.4% | 56.5 | 7.1% | 2006 | 253.1 | 5.1% | 202.7 | 3.8% |
| 1977 | 61.5 | 6.4% | 59.8 | 5.8% | 2007 | 260.3 | 2.8% | 208.0 | 2.6% |
| 1978 | 65.7 | 6.8% | 63.8 | 6.8% | 2008 | 273.2 | 5.0% | 215.7 | 3.7% |
| 1979 | 70.5 | 7.3% | 69.8 | 9.3% | 2009 | 279.3 | 2.3% | 218.7 | 1.4% |
| 1980 | 77.5 | 9.9% | 79.1 | 13.3% | 2010 | 281.8 | 0.9% | 220.8 | 1.0% |
| 1981 | 85.8 | 10.7% | 88.2 | 11.6% | 2011 | 288.4 | 2.3% | 225.3 | 2.0% |
| 1982 | 93.9 | 9.4% | 95.8 | 8.7% | 2012 | 293.2 | 1.7% | 231.9 | 2.9% |
| 1983 | 100.0 | 6.5% | 100.0 | 4.3% | 2013 | 297.8 | 1.6% | 235.7 | 1.7% |
| 1984 | 104.8 | 4.8% | 103.7 | 3.7% | 2014 | 306.7 | 3.0% | 239.4 | 1.6% |
| 1985 | 110.8 | 5.8% | 107.7 | 3.9% | | | | | |
| 1986 | 116.3 | 5.0% | 110.8 | 2.9% | | | | | |
| 1987 | 120.9 | 4.0% | 113.3 | 2.2% | | | | | |
| 1988 | 126.2 | 4.4% | 118.0 | 4.1% | | | | | |
| 1989 | 132.8 | 5.3% | 123.5 | 4.7% | | | | | |
| 1990 | 140.8 | 6.0% | 129.4 | 4.8% | | | | | |

Sources: HEPI, Research Associates of Washington and Commonfund Institute, July 1 – June 30 data
CPI, U.S. Department of Labor, data is calculated to July 1 – June 30 (annual published CPI is computed over the calendar 12-month period)

TABLE B

| HIGHER EDUCATION PRICE INDEX 2002 – 2014 | | | | | | | | | | |
|----------------------------------------------------|--------------------|-----------------|------------------|-------------------------|----------|-------------------|-----------------|------------------------|------------------------|-----------|
| REGRESSION ANALYSIS OF COMPONENTS—FY1961 TO FY2001 | | | | | | | | | | |
| | Fiscal | Regression HEPI | Faculty salaries | Administrative salaries | Clerical | Service Employees | Fringe Benefits | Miscellaneous services | Supplies and materials | Utilities |
| Index Value | 2002 | 212.7 | 222.7 | 236.4 | 205.4 | 189.6 | 277.1 | 205.8 | 128.2 | 118.1 |
| | 2003 | 223.5 | 229.4 | 255.7 | 211.1 | 193.9 | 292.3 | 209.5 | 132.2 | 157.6 |
| | 2004 | 231.7 | 234.2 | 263.3 | 217.1 | 197.6 | 312.8 | 216.4 | 135.6 | 176.4 |
| | 2005 | 240.8 | 240.7 | 274.0 | 223.4 | 201.4 | 327.2 | 222.7 | 145.5 | 200.2 |
| | 2006 | 253.1 | 248.2 | 287.7 | 229.5 | 205.5 | 343.7 | 228.8 | 158.1 | 255.7 |
| | 2007 | 260.3 | 257.6 | 299.2 | 237.7 | 213.6 | 360.8 | 238.3 | 165.3 | 220.6 |
| | 2008 | 273.2 | 268.1 | 314.0 | 245.1 | 220.5 | 380.7 | 246.4 | 180.0 | 252.0 |
| | 2009 | 279.3 | 277.3 | 330.9 | 251.6 | 226.7 | 394.4 | 253.1 | 181.6 | 213.8 |
| | 2010 | 281.8 | 280.6 | 337.6 | 255.2 | 230.0 | 402.8 | 255.8 | 179.3 | 193.6 |
| | 2011 | 288.4 | 284.5 | 343.2 | 260.2 | 233.2 | 417.6 | 260.3 | 193.9 | 201.5 |
| | 2012 | 293.2 | 289.6 | 352.3 | 264.8 | 235.7 | 425.3 | 264.6 | 203.9 | 191.7 |
| | 2013 | 297.8 | 294.6 | 362.4 | 269.8 | 239.4 | 437.5 | 269.4 | 180.0 | 195.6 |
| | 2014 | 306.7 | 301.0 | 366.4 | 274.8 | 242.0 | 458.3 | 274.2 | 200.2 | 211.4 |
| | Standard Deviation | 2002-2014 | 30.3 | 26.6 | 43.3 | 23.1 | 18.4 | 57.7 | 23.4 | 26.0 |
| Yearly % Change | 2002 | 1.9% | 3.8% | 3.1% | 3.9% | 3.8% | 5.9% | 3.0% | -2.7% | -30.0% |
| | 2003 | 5.1% | 3.0% | 8.2% | 2.8% | 2.3% | 5.5% | 1.8% | 3.1% | 33.5% |
| | 2004 | 3.7% | 2.1% | 3.0% | 2.8% | 1.9% | 7.0% | 3.3% | 2.6% | 11.9% |
| | 2005 | 3.9% | 2.8% | 4.1% | 2.9% | 1.9% | 4.6% | 2.9% | 7.3% | 13.5% |
| | 2006 | 5.1% | 3.1% | 5.0% | 2.7% | 2.0% | 5.0% | 2.7% | 8.7% | 27.7% |
| | 2007 | 2.8% | 3.8% | 4.0% | 3.6% | 4.0% | 5.0% | 4.2% | 4.5% | -13.7% |
| | 2008 | 5.0% | 4.1% | 5.0% | 3.1% | 3.2% | 5.5% | 3.4% | 8.9% | 14.2% |
| | 2009 | 2.3% | 3.4% | 5.4% | 2.7% | 2.8% | 3.6% | 2.7% | 0.9% | -15.1% |
| | 2010 | 0.9% | 1.2% | 2.0% | 1.4% | 1.4% | 2.1% | 1.1% | -1.3% | -9.5% |
| | 2011 | 2.3% | 1.4% | 1.7% | 2.0% | 1.4% | 3.7% | 1.8% | 8.2% | 4.1% |
| | 2012 | 1.7% | 1.8% | 2.7% | 1.7% | 1.1% | 1.8% | 1.7% | 5.2% | -4.9% |
| | 2013 | 1.6% | 1.7% | 2.9% | 1.9% | 1.6% | 2.9% | 1.8% | -11.7% | 2.0% |
| | 2014 | 3.0% | 2.2% | 1.1% | 1.9% | 1.1% | 4.8% | 1.8% | 11.2% | 8.1% |

SUMMARY OUTPUT

Regression Statistics

| | |
|-------------------|-------------|
| Multiple R | 0.999998904 |
| R Square | 0.999997809 |
| Adjusted R Square | 0.999997261 |
| Standard Error | 0.096391663 |
| Observations | 41 |

Coefficients

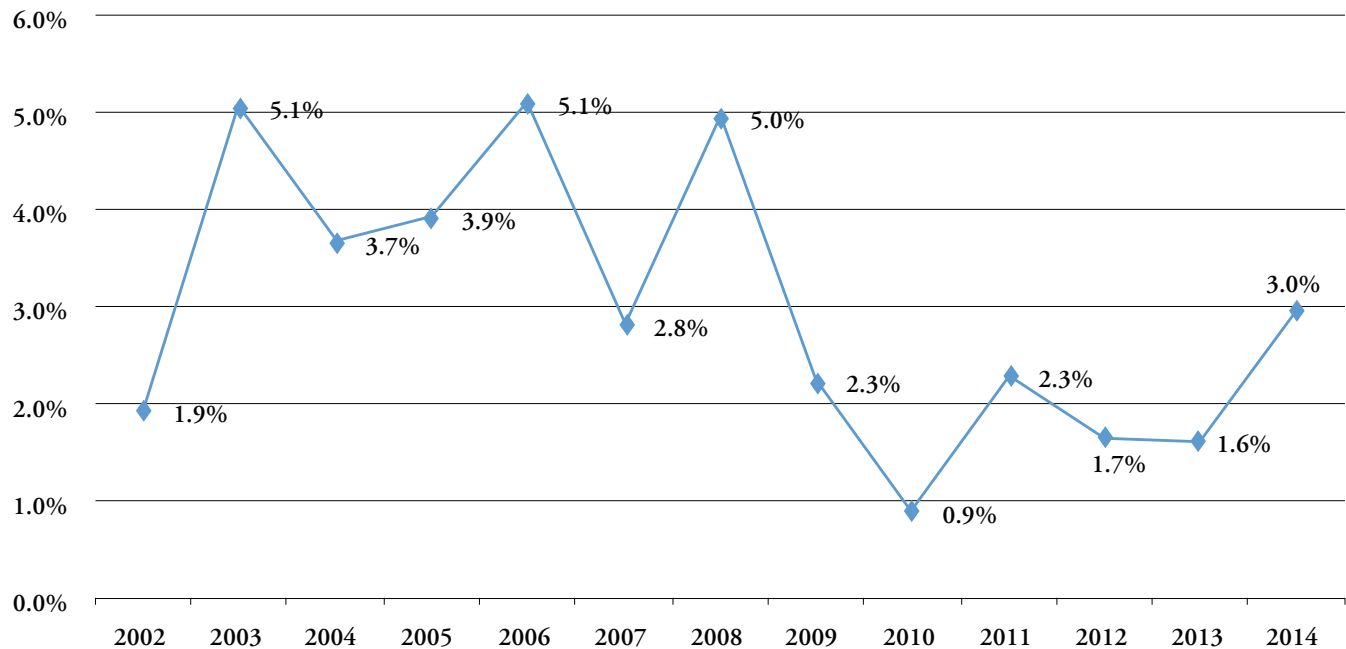
| | |
|----------------|--------------|
| Intercept | -0.286286907 |
| Faculty | 0.353741718 |
| Administrative | 0.104289477 |
| Clerical | 0.184085850 |
| Service | 0.082314791 |
| Fringe | 0.131020859 |
| Services | 0.022899544 |
| Supplies | 0.055138426 |
| Utilities | 0.068247106 |

HIGHER EDUCATION PRICE INDEX ANALYSIS

HEPI FOR 2014

For fiscal 2014, which ended on June 30, the HEPI calculation reveals that inflation for colleges and universities was 3.0 percent, a substantial increase of 87.5 percent from the 1.6 percent rate for FY2013. HEPI for FY2014 was 140 basis points (1.4 percentage points) above the 1.6 percent rate for FY2013 and 130 basis points (1.3 percentage points) above the 1.7 percent rate for FY2012.

FIGURE I
The Higher Education Price Index FY2002 - 2014



There are eight cost factors that contribute to the HEPI regression calculation: faculty salaries, administrative salaries, clerical salaries, service employee salaries, fringe benefits, miscellaneous services, supplies and materials, and utilities. The regression equation assigns a different weighting to each cost factor, and therefore a change in one component may influence the final HEPI calculation more than another. The components that are most heavily weighted are faculty and clerical salaries and fringe benefits.

The cause of the strong increase in HEPI from FY2013 to FY2014 was a surge in the rates of inflation for two cost factors -- supplies and materials and utilities -- combined with smaller increases in the inflation rates for fringe benefits and faculty salaries. These increases were offset by decreases in the inflation rates for administrative salaries and service employee salaries. There was no change in the inflation rates for clerical salaries and miscellaneous services. The weighting of supplies and materials in the regression equation that determines the final HEPI is only 5.5 percent, but the price movements of this cost factor have been very volatile in recent years. This inflation rate, which was -1.3 percent -- a deflation -- in FY2010, rebounded to 8.2 percent in FY2011 and then declined to 5.2 percent in FY2012 before dropping sharply again to a deflation rate of -11.7 percent in FY2013 and rising strongly to FY2014's 11.2 per-

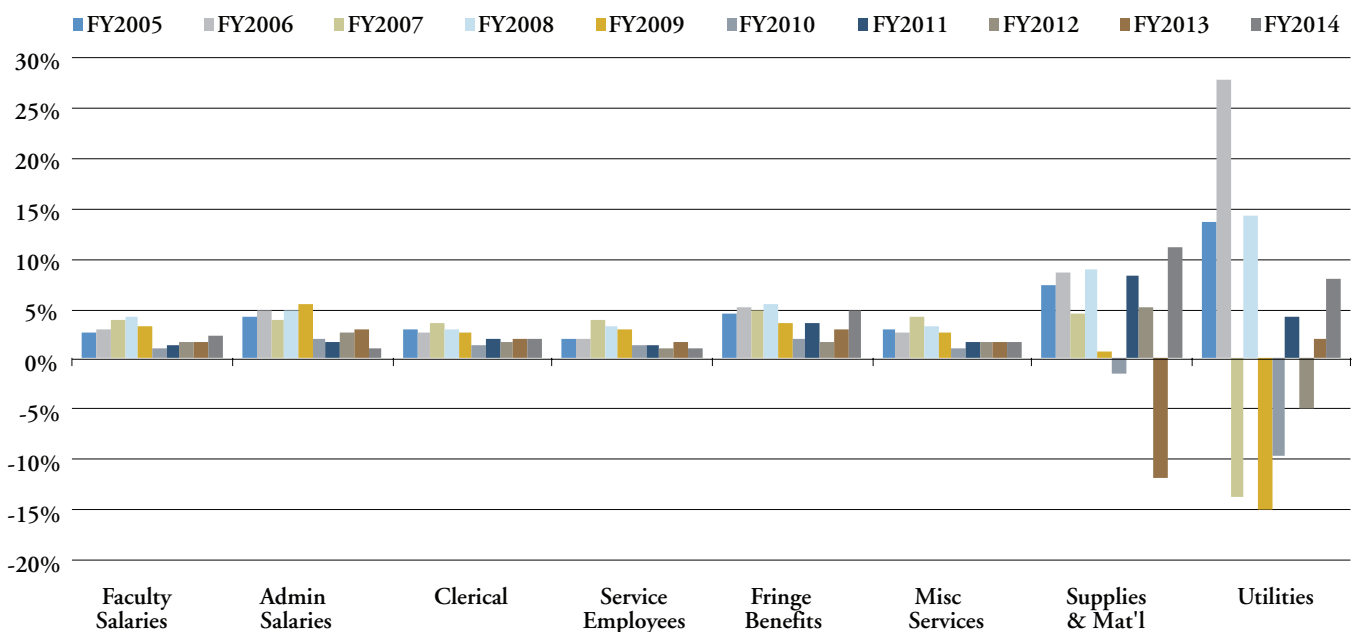
cent. Utilities also carry a relatively small regression weighting of 6.8 percent but have similarly been very volatile, going from a deflation rate of -9.5 percent in FY2010 to an inflation rate of 4.1 percent in FY2011 before posting a deflationary -4.9 percent rate in FY2012, a relatively modest 2.0 percent inflation rate in FY2013, and this year's sharply higher inflation rate of 8.1 percent.

Fringe benefits and faculty salaries, on the other hand, carry heavier weightings in the regression equation of 13.1 percent and 35.4 percent, respectively, but have experienced much less volatility. The inflation rate for fringe benefits ranged from 1.8 percent to 3.7 percent between FY2010 and FY2013 before jumping to 4.8 percent in FY2014 from FY2013's 2.9 percent. Faculty salaries' inflation rates exhibited an even more moderate movement, staying between 1.2 percent and 1.8 percent between FY2010 and FY2013 prior to this year's increase to 2.2 percent from last year's 1.7 percent.

The combined effect of the increases in these four factors was to offset decreases in administrative and service employee salaries and zero change in the inflation rate for clerical salaries and miscellaneous services, resulting in the increase in the overall HEPI from 1.6 percent in FY2013 to 3.0 percent in FY2014.

Figure 2 shows a graphical representation of the changes in these cost factors from FY2005-14. For FY2014, supplies and materials had an inflation rate of 11.2 percent, up strongly from last year's deflation rate of -11.7 percent. Utilities had an inflation rate of 8.1 percent, also up sharply from last year's 2.0 percent rate. Inflation in fringe benefits was 4.8 percent, up from 2.9 percent in FY2013, while faculty salaries rose at a rate of 2.2 percent, up from 1.7 percent the previous year. Clerical salaries and miscellaneous services costs rose by 1.9 percent and 1.8 percent, respectively, both unchanged from FY2013. Administrative salaries rose at a rate of 1.1 percent, down significantly from last year's 2.9 percent rate, while service employee salaries also rose at a 1.1 percent rate, down from last year's 1.6 percent.

FIGURE 2
Annual Percentage Changes in the Eight HEPI Cost Factors, FY2005 - 2014

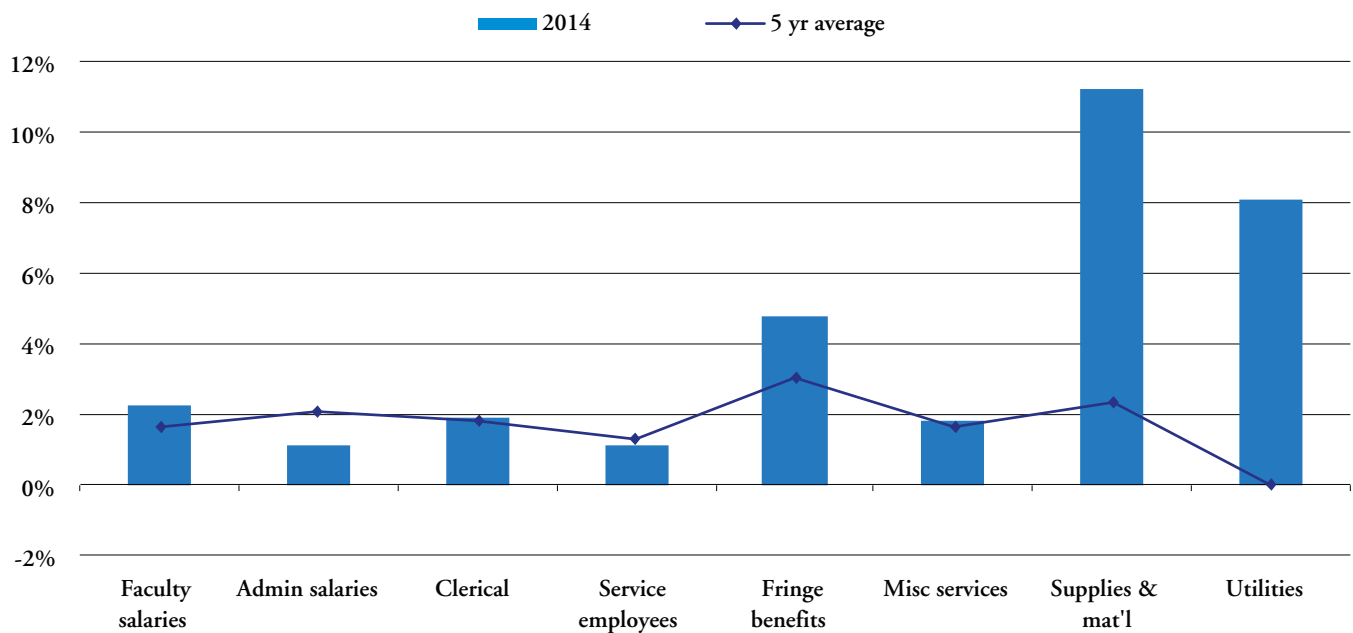


HEPI FOR FY2014 VERSUS A FIVE-YEAR AVERAGE

Figure 3 shows the results of a longer-term analysis of HEPI's components that compares the reported rates for FY2014 against their historical five-year averages. On this basis, the greatest deviation from the five-year average was in the category of supplies and materials, which saw a high inflation rate of 11.2 percent for FY2014, 890 basis points higher than the five-year average of 2.3 percent. The second-highest difference, in utility costs, was 810 basis points higher than the five-year average for this factor, at 8.1 percent versus 0.0 percent. For fringe benefits, the FY2014 reading of 4.8 percent was 170 basis points above the five-year average of 3.1 percent. A large negative difference, of 100 basis points, was observed for administrative salaries, where the FY2014 rate of 1.1 percent was lower than the five-year average of 2.1 percent.

The four other factors had FY2014 readings that were only slightly higher or lower than their five-year averages. For faculty salaries, the positive difference was a relatively modest 50 basis points, while for miscellaneous services and clerical salaries the positive differences were just 20 and 10 basis points, respectively. And in one case, service employee salaries, the FY2014 rate was slightly below the five-year average, at 1.1 percent versus its five-year average of 1.3 percent, a difference of 20 basis points.

FIGURE 3
Annual Percentage Changes in the Eight HEPI Cost Factors vs. 5-year average

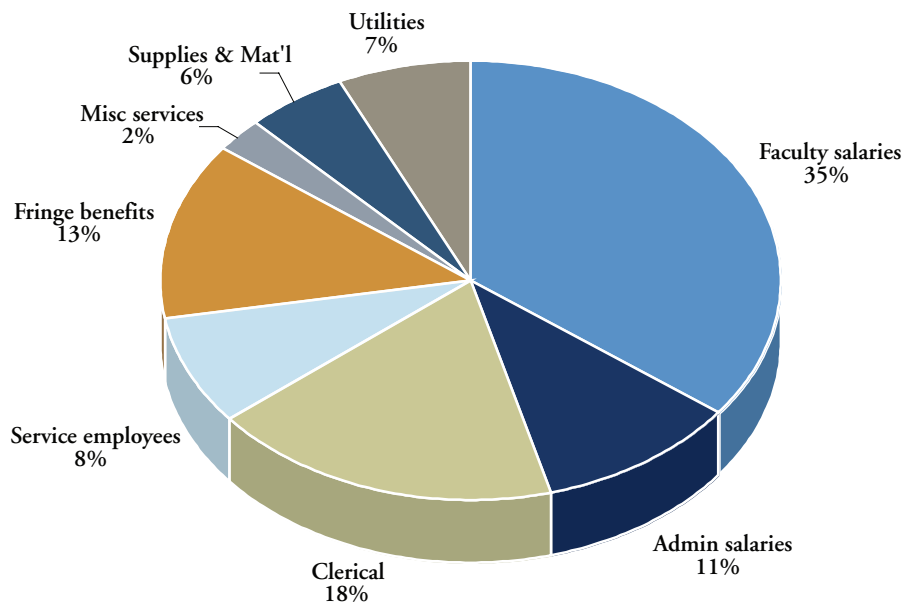


Over the five-year period, utilities rates have seen the most volatility, owing to strong positive and negative movements in this cost factor. Deflationary rates of -15.1 percent and -9.5 percent were reported in FY2009 and FY2010, respectively. FY2011 saw a relatively modest increase of 4.1 percent, but FY2012 reintroduced deflation in the form of a -4.9 percent rate while in FY2013 inflation returned with a rate of 2.0 percent and, as we have seen, a higher rate of 8.1 percent in FY2014. Inflation in materials and supplies has been nearly as volatile, particularly in the FY2013-FY2014 period, which saw a pronounced swing from a deflation rate of -11.7 percent to this year's inflation rate of 11.2 percent -- a difference of 2,290 basis points. In the aftermath of the financial crisis of 2008-09, inflation in factors other than utilities and materials and supplies has been markedly subdued, leading to less volatility in nearly all the factors. This year's increased 4.8 percent inflation in fringe benefits, however -- the highest rate since FY2008 -- may be a harbinger of inflationary pressures that may emerge in other cost factors in the future.

SENSITIVITY ANALYSIS OF THE EIGHT HEPI REGRESSION COMPONENTS

Figure 4 shows how the HEPI regression equation assigns a different weighting to each cost factor. Owing to the large variance in these weightings (a difference of 33 percentage points between the high and low), an increase in one component may influence the final HEPI calculation more than an identical increase in another. Those components that are most heavily weighted are faculty and clerical salaries and fringe benefits. Utilities represent the third-lowest weighting and supplies and materials the second-lowest, facts that have served to mitigate somewhat the effect of the extreme volatility that has characterized these cost factors in recent years.

FIGURE 4
HEPI Cost Factor Weightings



The sensitivity analysis in Figure 5 shows that a 5 percent increase in faculty salaries, the largest component of HEPI, from an index value of 301.0 to 316.1, has the effect of increasing HEPI by 180 basis points, keeping all other components constant. However, a similar 5 percent increase in the index for miscellaneous services, the smallest component, has the effect of adding only 10 basis points to HEPI.

FIGURE 5
Sensitivity of HEPI to a 5 percent increase in Faculty Salaries or Miscellaneous Services

| | Total | Faculty salaries | Admin salaries | Clerical | Service employees | Fringe benefits | Misc. services | Supplies & mat'l | Utilities |
|-----------------------------------------|----------|------------------|----------------|----------|-------------------|-----------------|----------------|------------------|-----------|
| Current | | | | | | | | | |
| Index Value | 306.7 | 301.0 | 366.4 | 274.8 | 242.0 | 458.3 | 274.2 | 200.2 | 211.4 |
| Yearly % Change | 3.0% | 2.2% | 1.1% | 1.9% | 1.1% | 4.8% | 1.8% | 11.2% | 8.1% |
| Scenario: Faculty Salaries up 5% | | | | | | | | | |
| Index Value | 312.0 | 316.1 | 366.4 | 274.8 | 242.0 | 458.3 | 274.2 | 200.2 | 211.4 |
| Yearly % Change | 4.8% | 7.3% | 1.1% | 1.9% | 1.1% | 4.8% | 1.8% | 11.2% | 8.1% |
| Δ | 180 b.p. | 510 b.p. | | | | | | | |
| Scenario: Misc. Services up 5% | | | | | | | | | |
| Index Value | 307.0 | 301.0 | 366.4 | 274.8 | 242.0 | 458.3 | 287.9 | 200.2 | 211.4 |
| Yearly % Change | 3.1% | 2.2% | 1.1% | 1.9% | 1.1% | 4.8% | 6.9% | 11.2% | 8.1% |
| Δ | 10 b.p. | | | | | | 510 b.p. | | |

HIGHER EDUCATION PRICE INDEX FOR DIFFERENT TYPES OF EDUCATIONAL INSTITUTIONS

PUBLIC VS. PRIVATE INSTITUTIONS - FY2014

As noted earlier, beginning in FY2007 Commonfund expanded its HEPI service to include calculations of HEPI for eight categories of educational institution:

- ▼ Public institutions as a whole
- ▼ Public doctoral degree-granting institutions
- ▼ Public masters' degree-granting institutions
- ▼ Public two-year colleges
- ▼ Private institutions as a whole
- ▼ Private doctoral degree-granting institutions
- ▼ Private masters' degree-granting institutions
- s▼ Private baccalaureate institutions

These indices were calculated using the appropriate faculty salary and fringe benefit information for each type of institution, while holding the other six HEPI cost factors constant. Table C, on the next page, shows HEPI for FY2002-2014 for these institutions.

In recent years, HEPI has generally increased more rapidly at private institutions than at their public counterparts. In

TABLE C

| HIGHER EDUCATION PRICE INDEX 2002 – 2014 | | | | | | | | | | |
|--------------------------------------------------------------------|-------------|----------|---------------------|----------|----------|----------------|----------------------|----------|----------|---------------|
| BY MAJOR CATEGORIES OF PUBLIC AND PRIVATE EDUCATIONAL INSTITUTIONS | | | | | | | | | | |
| | | NATIONAL | PUBLIC INSTITUTIONS | | | | PRIVATE INSTITUTIONS | | | |
| | Fiscal year | Total | Total | Doctoral | Master's | 2 Year College | Total | Doctoral | Master's | Baccalaureate |
| Index Value | 2002 | 212.7 | 211.5 | 225.8 | 215.2 | 212.8 | 219.4 | 241.2 | 222.6 | 224.2 |
| | 2003 | 223.5 | 222.3 | 238.0 | 227.1 | 225.3 | 230.1 | 253.4 | 234.3 | 236.3 |
| | 2004 | 231.7 | 230.0 | 246.4 | 233.9 | 231.4 | 240.0 | 265.2 | 244.5 | 245.2 |
| | 2005 | 240.8 | 239.0 | 257.1 | 243.0 | 239.9 | 249.5 | 277.0 | 251.7 | 254.5 |
| | 2006 | 253.1 | 251.1 | 270.9 | 254.0 | 250.5 | 262.5 | 291.4 | 268.2 | 266.8 |
| | 2007 | 260.3 | 258.4 | 279.9 | 262.2 | 259.2 | 269.5 | 301.2 | 272.8 | 273.9 |
| | 2008 | 273.2 | 271.2 | 295.2 | 275.0 | 273.9 | 282.5 | 315.4 | 285.6 | 287.9 |
| | 2009 | 279.3 | 276.8 | 302.1 | 280.6 | 275.5 | 290.5 | 325.7 | 295.8 | 295.7 |
| | 2010 | 281.8 | 279.3 | 305.2 | 281.6 | 278.3 | 292.0 | 327.7 | 296.0 | 296.2 |
| | 2011 | 288.4 | 285.7 | 311.9 | 289.6 | 286.1 | 298.5 | 336.7 | 301.5 | 301.8 |
| | 2012 | 293.2 | 290.2 | 318.0 | 292.0 | 290.9 | 304.7 | 347.4 | 305.7 | 306.5 |
| | 2013 | 297.8 | 293.2 | 325.5 | 294.2 | 286.3 | 312.1 | 354.6 | 312.6 | 313.1 |
| | 2014 | 306.7 | 302.5 | 334.3 | 301.1 | 295.9 | 322.1 | 366.3 | 319.9 | 323.7 |
| Yearly % Change | 2002 | 1.9% | 2.0% | 3.2% | 1.9% | 2.4% | 1.6% | 4.0% | 1.5% | 1.6% |
| | 2003 | 5.1% | 5.1% | 5.4% | 5.5% | 5.9% | 4.9% | 5.0% | 5.3% | 5.4% |
| | 2004 | 3.7% | 3.5% | 3.6% | 3.0% | 2.7% | 4.3% | 4.7% | 4.4% | 3.7% |
| | 2005 | 3.9% | 3.9% | 4.3% | 3.9% | 3.7% | 3.9% | 4.4% | 2.9% | 3.8% |
| | 2006 | 5.1% | 5.1% | 5.4% | 4.5% | 4.4% | 5.2% | 5.2% | 6.5% | 4.8% |
| | 2007 | 2.8% | 2.9% | 3.3% | 3.2% | 3.5% | 2.7% | 3.4% | 1.7% | 2.7% |
| | 2008 | 5.0% | 5.0% | 5.5% | 4.9% | 5.7% | 4.8% | 4.7% | 4.7% | 5.1% |
| | 2009 | 2.3% | 2.0% | 2.3% | 2.1% | 0.6% | 2.8% | 3.3% | 3.6% | 2.7% |
| | 2010 | 0.9% | 0.9% | 1.0% | 0.4% | 1.0% | 0.5% | 0.6% | 0.1% | 0.2% |
| | 2011 | 2.3% | 2.3% | 2.2% | 2.8% | 2.8% | 2.2% | 2.7% | 1.8% | 1.9% |
| | 2012 | 1.7% | 1.6% | 2.0% | 0.8% | 1.7% | 2.1% | 3.2% | 1.4% | 1.6% |
| | 2013 | 1.6% | 1.0% | 2.4% | 0.7% | -1.6% | 2.4% | 2.1% | 2.3% | 2.2% |
| | 2014 | 3.0% | 3.2% | 2.7% | 2.3% | 3.4% | 3.2% | 3.3% | 2.3% | 3.4% |

FY2010 private institutions as a whole reported a HEPI rate that was 40 basis points lower than their public counterparts, while in FY2011 private institutions' HEPI was just 10 basis points lower than that reported for public institutions. In FY2012 the HEPI for private institutions was 2.1 percent, 50 basis points higher than the 1.6 percent calculated for public institutions and in FY2013 it was 2.4 percent, a substantial 140 basis points higher than the 1.0 percent for public institutions. For FY2014, there was no difference in the overall HEPI for the two types of institution; HEPI for both private and public institutions was the same 3.2 percent rate. Examining the index components, inflation in faculty salaries was 50 basis points higher at private institutions, at 2.6 percent versus 2.1 percent for public institutions, but inflation in fringe benefits was higher at public institutions, at 6.0 percent versus 5.0 percent for private institutions, a difference of 100 basis points.

Examining changes in HEPI by institutional classification, public doctoral institutions had a HEPI of 2.7 percent, up from 2.4 percent in FY2013, while for private doctoral institutions the HEPI was 3.3 percent, up from 2.1 percent, for a difference of 60 basis points between public and private doctoral institutions. Faculty salaries rose at a 2.6 percent rate at public doctoral institutions, up from 2.1 percent last year, and at a 3.4 percent rate at private doctoral institutions, unchanged from FY2012. Fringe benefits rose 2.7 percent at public doctoral institutions, a substantial decline to just over half of last year's 5.2 percent inflation rate, and 3.8 percent at private doctoral institutions, up from 2.0 percent the previous year.

HEPI at public master’s degree-granting institutions increased substantially in FY2014, to 2.3 percent from last year’s 0.7 percent. The same 2.3 percent rate was reported by private master’s degree-granting institutions, unchanged from last year. Public master’s degree-granting institutions had an inflation rate for faculty salaries of 1.3 percent, up from 0.6 percent last year, while for private institutions the rate was 1.2 percent, down slightly from FY2013’s 1.6 percent. Fringe benefit costs at master’s degree-granting public institutions rose at a rate of 2.9 percent compared with just 0.4 percent for FY2013, while at private institutions fringe benefit costs rose by 3.2 percent, a marked decline from last year’s 6.1 percent.

Turning to undergraduate institutions, the data for public two-year colleges and private baccalaureate institutions are not directly comparable for a number of reasons, notably the difference in the period of matriculation. For this year, however, the two types of institution reported the same overall HEPI rate, of 3.4 percent. For public two-year institutions this represented a substantial increase from last year’s deflationary -1.6 percent rate, while for private baccalaureate-granting institutions it represented an increase from 2.1 percent in FY2013.

COST FACTOR DIFFERENCES BY INSTITUTION TYPE

As shown in Figures 6 and 7, faculty salaries – the most heavily weighted component of HEPI – saw an increase of 2.1 percent at public institutions while rising 2.6 percent at private institutions. Faculty salaries at public doctoral institutions saw an increase of 2.6 percent, while public master’s institutions saw a 1.3 percent increase and two-year colleges saw faculty salary costs rise by 2.2 percent. Faculty salaries at private doctoral institutions rose at a rate of 3.4 percent; salaries at private master’s institutions rose 1.2 percent, while baccalaureate institutions reported a 1.9 percent increase.

FIGURE 6
FY2014 Faculty Salaries - Public Institutions

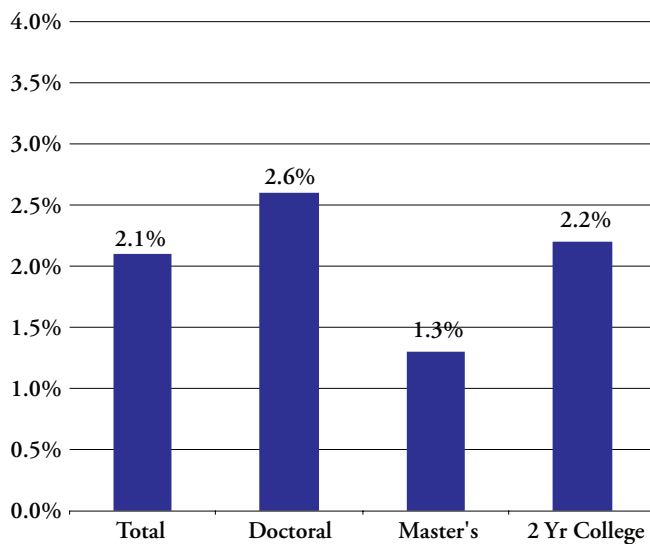
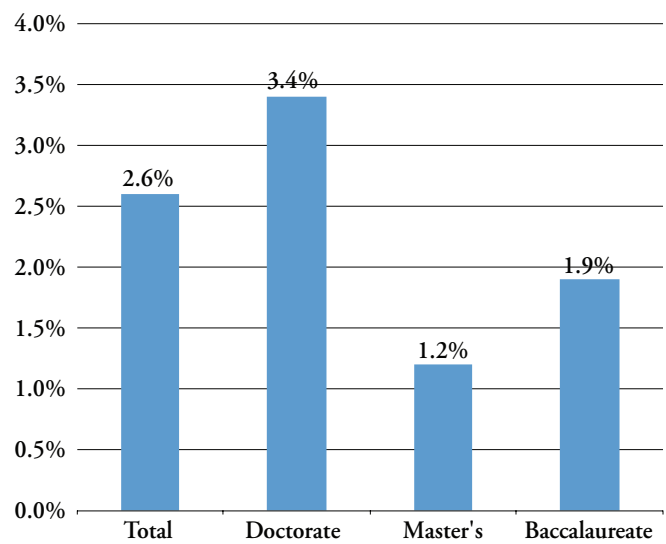


FIGURE 7
FY2014 Faculty Salaries - Private Institutions



Figures 8 and 9 show that at public institutions, fringe benefit costs rose 6.0 percent compared with 5.0 percent at private institutions. Within public institutions, doctoral institutions saw a rise in fringe benefit costs of 2.7 percent. The cost of fringe benefits for public master’s degree-granting institutions rose at a rate of 2.9 percent for FY2014, while at two-year colleges fringe benefit costs rose at a rate of 7.0 percent.

Fringe benefits for private doctoral institutions rose by 3.8 percent. At private master’s degree-granting institutions, fringe benefits rose by 3.2 percent, while at baccalaureate institutions the rise in fringe benefit costs was a substantial 6.7 percent.

FIGURE 8
FY2014 Fringe Benefits - Public Institutions

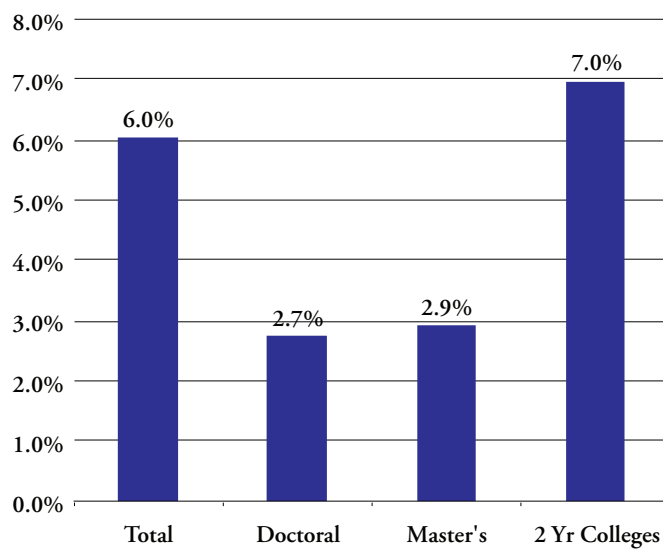
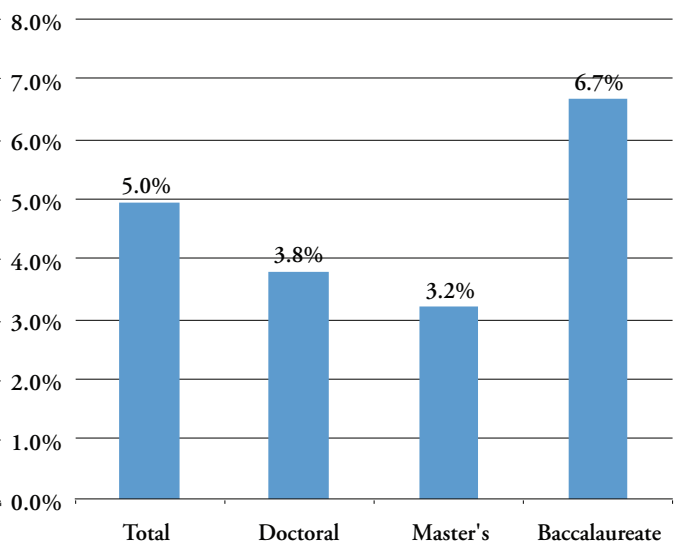
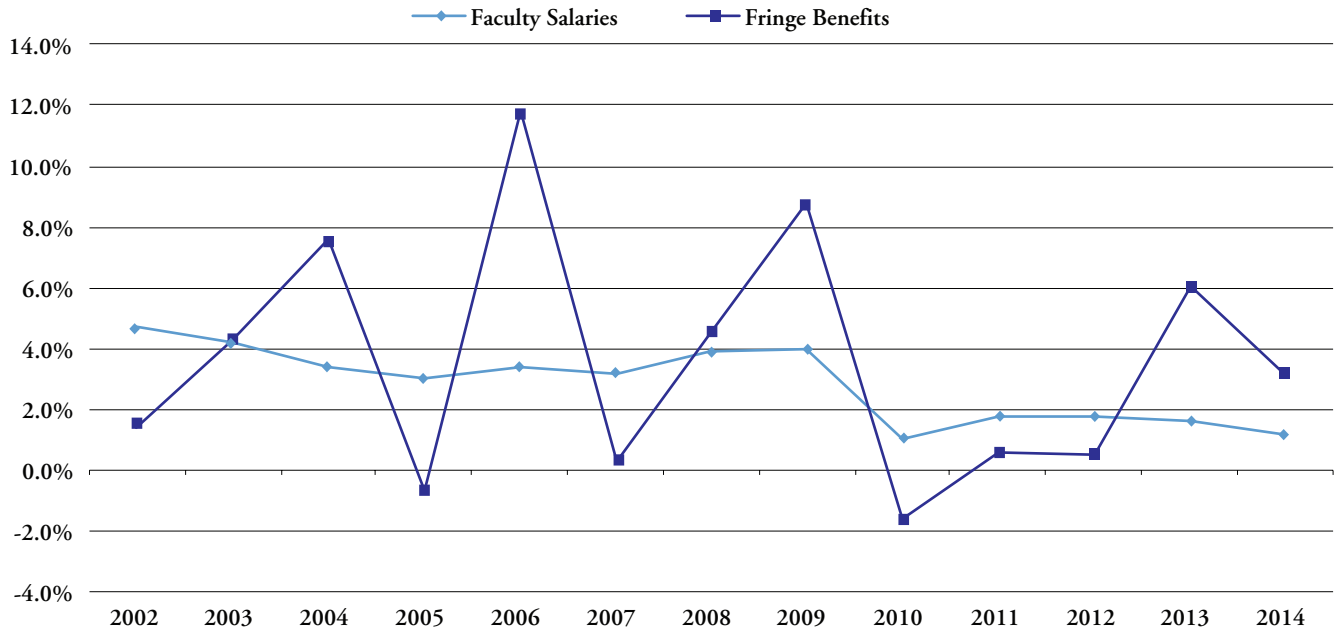


FIGURE 9
FY2013 Fringe Benefits - Private Institutions



As shown in Figure 10, over the past 12 years private master's degree-granting institutions have shown considerable volatility in the rate of change in fringe benefit costs, while salaries appear to have been more stable.

FIGURE 10
Private Master's Degree-granting Institutions



HIGHER EDUCATION PRICE INDICES FOR DIFFERENT REGIONS OF THE COUNTRY

Beginning in FY 2009, Commonfund further expanded its HEPI service to include calculations of HEPI for the nine standard census divisions of the United States:*

- ▼ New England Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- ▼ Middle Atlantic New Jersey, New York, Pennsylvania
- ▼ East North Central Illinois, Indiana, Michigan, Ohio, Wisconsin
- ▼ West North Central Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
- ▼ South Atlantic Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, Puerto Rico, South Carolina, Virginia, West Virginia
- ▼ East South Central Alabama, Kentucky, Mississippi, Tennessee
- ▼ West South Central Arkansas, Louisiana, Oklahoma, Texas
- ▼ Mountain Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- ▼ Pacific Alaska, California, Guam, Hawaii, Oregon, Washington

These indices were calculated using the appropriate faculty salary and fringe benefit information for each region, while holding the other six HEPI cost factors constant. Table D below shows HEPI for FY2002-2014 for the nine regions.

TABLE D
HIGHER EDUCATION PRICE INDEX 2002-2014
SUMMARIZED BY REGION

| | Fiscal Year | HEPI National | New England | Middle Atlantic | East North Central | West North Central | South Atlantic | East South Central | West South Central | Mountain | Pacific |
|-----------------|-------------|---------------|-------------|-----------------|--------------------|--------------------|----------------|--------------------|--------------------|----------|---------|
| Index Value | 2002 | 212.7 | 213.2 | 208.6 | 212.0 | 214.0 | 211.9 | 209.9 | 215.3 | 212.2 | 222.5 |
| | 2003 | 223.5 | 220.3 | 222.1 | 224.8 | 223.0 | 219.3 | 219.9 | 227.2 | 223.4 | 234.0 |
| | 2004 | 231.7 | 229.9 | 230.7 | 232.4 | 233.1 | 226.8 | 229.8 | 233.1 | 230.3 | 243.2 |
| | 2005 | 240.8 | 240.4 | 239.8 | 241.2 | 242.6 | 236.3 | 242.1 | 242.0 | 241.8 | 251.1 |
| | 2006 | 253.1 | 254.1 | 250.0 | 252.1 | 254.5 | 249.5 | 250.7 | 256.2 | 253.2 | 265.5 |
| | 2007 | 260.3 | 262.5 | 257.3 | 257.6 | 261.5 | 257.5 | 262.1 | 265.2 | 260.0 | 272.1 |
| | 2008 | 273.2 | 274.0 | 270.0 | 269.5 | 272.2 | 269.8 | 276.3 | 277.3 | 278.2 | 287.8 |
| | 2009 | 279.3 | 283.2 | 277.1 | 275.8 | 280.6 | 275.2 | 281.9 | 283.2 | 285.0 | 295.3 |
| | 2010 | 281.8 | 284.2 | 280.7 | 280.1 | 281.8 | 277.6 | 278.6 | 288.3 | 282.9 | 298.3 |
| | 2011 | 288.4 | 291.8 | 288.5 | 286.3 | 286.9 | 281.6 | 288.1 | 292.4 | 289.8 | 304.4 |
| | 2012 | 293.2 | 298.3 | 292.8 | 289.2 | 293.7 | 285.1 | 294.2 | 300.2 | 296.0 | 310.5 |
| | 2013 | 297.8 | 307.4 | 306.0 | 294.9 | 299.2 | 285.7 | 295.5 | 301.0 | 298.4 | 316.3 |
| | 2014 | 306.7 | 314.2 | 307.2 | 302.1 | 308.5 | 300.1 | 307.4 | 314.0 | 307.2 | 323.7 |
| Yearly % Change | 2002 | 1.9% | -0.6% | 1.0% | 2.7% | 3.6% | 2.6% | 1.6% | 4.3% | 2.8% | 7.7% |
| | 2003 | 5.1% | 3.3% | 6.5% | 6.0% | 4.2% | 3.5% | 4.8% | 5.5% | 5.3% | 5.2% |
| | 2004 | 3.7% | 4.4% | 3.9% | 3.4% | 4.5% | 3.4% | 4.5% | 2.6% | 3.0% | 3.9% |
| | 2005 | 3.9% | 4.6% | 3.9% | 3.8% | 4.1% | 4.2% | 5.4% | 3.8% | 5.0% | 3.2% |
| | 2006 | 5.1% | 5.7% | 4.3% | 4.5% | 4.9% | 5.6% | 3.5% | 5.9% | 4.7% | 5.8% |
| | 2007 | 2.8% | 3.3% | 2.9% | 2.2% | 2.7% | 3.2% | 4.6% | 3.5% | 2.7% | 2.5% |
| | 2008 | 5.0% | 4.4% | 4.9% | 4.6% | 4.1% | 4.8% | 5.4% | 4.6% | 7.0% | 5.8% |
| | 2009 | 2.3% | 3.4% | 2.6% | 2.4% | 3.1% | 2.0% | 2.0% | 2.1% | 2.5% | 2.6% |
| | 2010 | 0.9% | 0.4% | 1.3% | 1.6% | 0.4% | 0.9% | -1.2% | 1.8% | -0.7% | 1.0% |
| | 2011 | 2.3% | 2.6% | 2.8% | 2.2% | 1.8% | 1.5% | 3.4% | 1.4% | 2.4% | 2.1% |
| | 2012 | 1.7% | 2.3% | 1.5% | 1.0% | 2.4% | 1.2% | 2.1% | 2.7% | 2.1% | 2.0% |
| | 2013 | 1.6% | 3.0% | 4.5% | 2.0% | 1.9% | 0.2% | 0.5% | 0.3% | 0.8% | 1.9% |
| | 2014 | 3.0% | 2.2% | 0.4% | 2.4% | 3.1% | 5.1% | 4.0% | 4.3% | 2.9% | 2.3% |

*A map showing the regions may be found at https://www.census.gov/geo/maps-data/maps/pdfs/reference/us_regdiv.pdf

The FY2014 HEPI, which was 3.0 percent on a national basis, ranged from a high of 5.1 percent in the South Atlantic region to a low of 0.4 percent in the Middle Atlantic region.

Seven of the nine regions of the country -- East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain and Pacific -- exhibited increases in their inflation rates, in several cases substantial, while in the other two regions inflation rates fell. The South Atlantic region's HEPI increased by 490 basis points, the West South Central region's rate increased by 400 basis points, the East South Central's rate increased by 350 basis points, the Mountain region's rate increased by 210 basis points, and the West North Central's rate increased by 120 basis points. In the East North Central and Pacific regions, the rate increased by a modest 40 basis points.

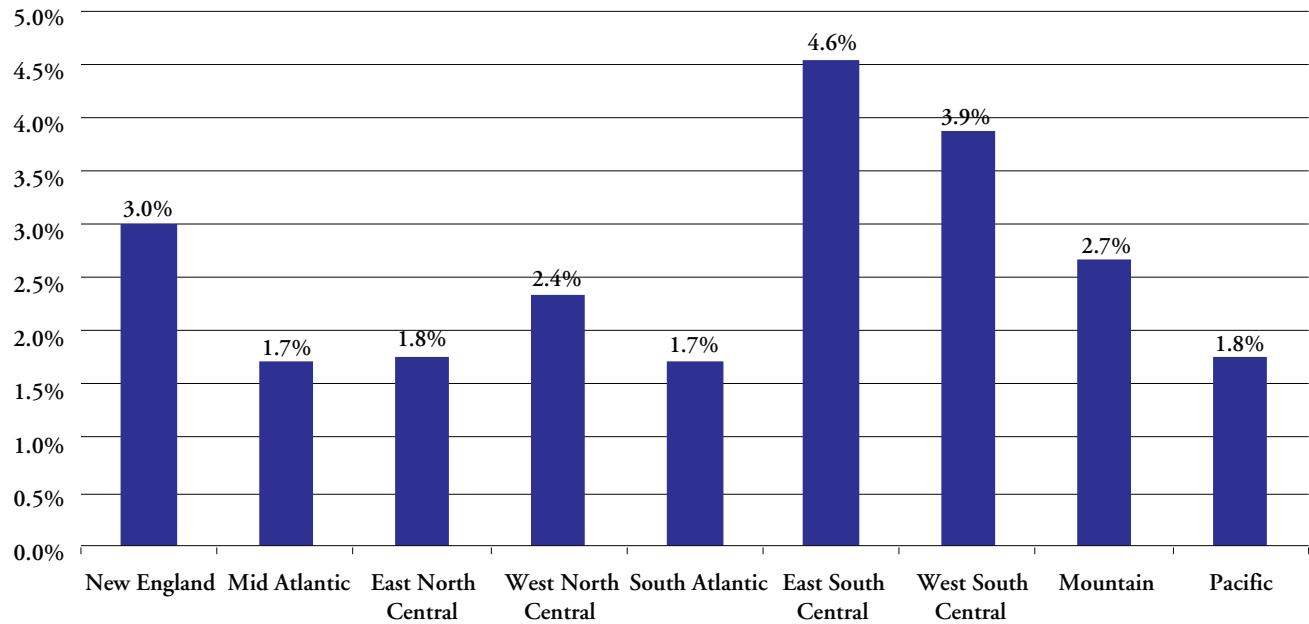
In the two remaining regions, HEPI decreased. In the New England region, HEPI fell by 80 basis points, and in the Middle Atlantic region -- which last year saw the highest increase, of 4.5 percent -- it fell by 410 basis points.

COST FACTOR DIFFERENCES BY REGION

As shown in Figure 11, faculty salaries rose most strongly in the East South Central region, by 4.6 percent, and in the West South Central region, by 3.9 percent. In the New England and Mountain regions faculty salaries rose by 3.0 percent and 2.7 percent, respectively. In the West North Central region they rose by 2.4 percent; in the East North Central and Pacific regions they rose by 1.8 percent, while in the Middle Atlantic and South Atlantic regions they rose by 1.7 percent.

Just three of the nine regions showed decreases in the inflation rate for faculty salaries from year to year. The biggest decrease occurred in the South Atlantic region, where the inflation rate fell by 170 basis points; this was followed by the New England region, where it decreased by 50 basis points, and the Middle Atlantic region, where it fell by 40 basis points. Increases in the rate were observed in the West South Central region, where it rose by 320 basis points; the East South Central region, where the increase was 290 basis points; and the Mountain region, where the rate rose by 190 basis points. In the Pacific, West North Central and East North Central regions the increase was 40 basis points, 20 basis points and 10 basis points, respectively.

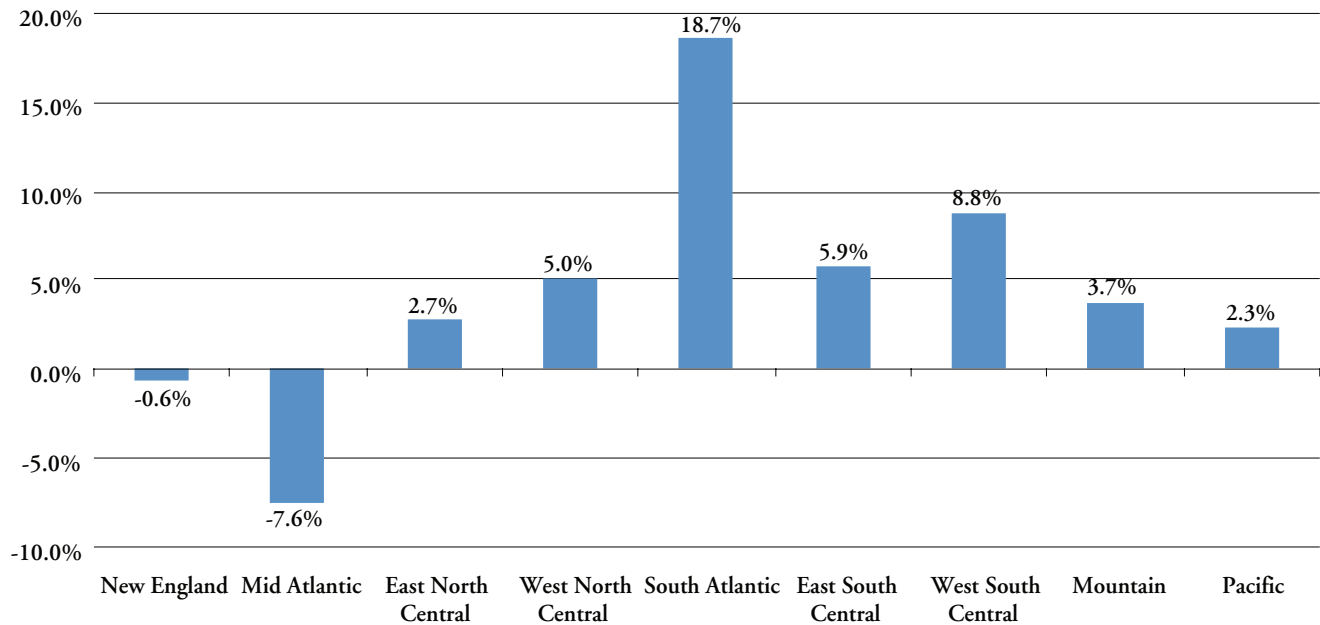
FIGURE II
 FY2014 Faculty Salaries by Region



As in past years, fringe benefits, analyzed in Figure 12, exhibited the greatest volatility, surging by 18.7 percent in the South Atlantic region but declining by a deflationary -7.6 percent in the Middle Atlantic region. In the other regions, fringe benefit inflation ranged from 8.8 percent in the West South Central region and 5.9 percent in the East South Central region, through increases of 5.0 percent and 3.7 percent, respectively, in the West North Central and Mountain regions, to a more moderate 2.7 percent increase in the East North Central region and a 2.3 percent rise in the Pacific region. The only other region to report a deflationary rate was the New England region, with a -0.6 percent figure. This very wide range of inflation and deflation rates indicates, as we have noted in the past, that the forces influencing this cost factor are far from uniform.

Some pronounced year-to-year changes in benefit cost inflation rates were observed among the regions. The South Atlantic region showed the widest positive swing, of 2,670 basis points, and the West South Central region reported an increase of 1,110 basis points. The East South Central region reported an increase of 910 basis points and for the New England region the increase was 770 basis points. The Pacific region exhibited a rise of 670 basis points and the Mountain region a rise of 420 basis points, while for the West North Central region the rise was a more moderate 160 basis points. In the two remaining regions, declines in the inflation rate for benefit costs were reported. The East North Central region exhibited a decrease in fringe benefit inflation of 220 basis points, while for the Middle Atlantic region -- which went from a high rate of 18.9 percent last year to a strongly deflationary -7.6 percent this year -- the decrease was a very large 2,650 basis points.

FIGURE 12
FY2014 Fringe Benefits by Region



LIMITATIONS AND OPPORTUNITIES OF HEPI BY INSTITUTIONAL TYPE AND REGION

In providing HEPI figures and analysis by type of institution and geographical region, it is appropriate to bear in mind the limitations of the methodology employed while also recognizing the potential opportunities for users of these indices to improve their fit with their own institution.

As noted, the institutional and regional HEPI indices are derived by substituting appropriate data for faculty salaries and fringe benefits into the standard HEPI regression equation, while leaving the other six cost factors unchanged. These two categories, which together account for nearly half of the factor weighting in the HEPI equation, are the only ones for which information by institutional type and region is available. Since the other six factors, representing over half the weighting, are not changed, the institutional and regional HEPI indices are of necessity approximations and should be used accordingly.

In deriving the institutional and regional indices, the standard HEPI equation's factor weightings are also left unchanged. This is of relatively little importance in the institutional HEPI, where each category includes schools throughout the nation; in the regional HEPI, however, the weightings are kept the same because there is no standard source of information to serve as a guide to how they might be appropriately adjusted for each region.

For example, in a region where weather patterns are comparatively moderate the weighting assigned to utilities may be too high, while in a region of severe weather it might be appropriate to increase it. Users of the regional HEPI who are confident of the proportional composition of their institution's budgets, as expressed in the eight cost factors, may want to adjust the relative weightings of the factors in order to produce a HEPI that is more appropriate for their own institution.

PURCHASING POWER AND SALARIES OF FULL-TIME PROFESSORS

As part of the calculation of HEPI, the Commonfund Institute also gathers information about the salaries of full-time professors at public and private institutions. As illustrated in Tables E and F, these salaries have been restated in constant dollar terms so that they reflect the impact of inflation as measured by CPI.

Table E shows that salaries of professors at public doctoral-level institutions have increased in constant terms over the last 47 years by \$17,914, evidencing an increase in real purchasing power. For public comprehensive institutions, salaries have essentially stagnated in real terms, falling slightly by \$875, while at public two-year colleges they have increased by \$6,781 over the 47-year period.

Table F shows that at private colleges, salaries have kept up with inflation in all categories of institution. Salaries at doctoral-level institutions have led the way with a real increase of \$56,597 over 47 years, while those at comprehensive schools have increased by \$23,374. Salaries at general baccalaureate institutions have increased by \$23,414 over the shorter 37-year period that they have been tracked since 1977.

Comparing public and private institutions, it is apparent that salaries for professors at public doctoral-level and comprehensive institutions have lagged behind those for professors at comparable private institutions. This gap has grown in recent decades. Average salaries for full professors at doctoral-level public institutions, for example, are currently \$126,981 while their counterparts at private institutions make \$173,890 – a gap of more than \$46,900. This gap, in real terms, was just over \$8,200 in FY1967, indicating that professors at private doctoral-level institutions have benefited by an increase of more than \$38,600 in real purchasing power over the intervening decades.

At comprehensive institutions, the relative positions have actually reversed. In FY1967, full professors at public comprehensive institutions made over \$7,600 more than their counterparts at private institutions as measured in current dollars. By FY2013, however, this advantage had been reversed, with professors at comprehensive private institutions making \$16,565 more – a gain over 47 years of more than \$24,200 in real terms.

TABLE E

HIGHER EDUCATION FACULTY SALARIES IN CURRENT AND CONSTANT FY2014 DOLLARS*

ILLUSTRATIVE DATA

Public Faculty Salaries

Full professor average 9 – 10 month salaries by type of institution

| Fiscal year | Category I (Doctoral-Level) | | | Cat IIA (Comprehensive) | | | Cat III (Two-Year Colleges) | | |
|-------------|-----------------------------|----------|-----------------------|-------------------------|----------|-----------------------|-----------------------------|----------|-----------------------|
| | Amount | Yearly % | Constant FY14 dollars | Amount | Yearly % | Constant FY14 dollars | Amount | Yearly % | Constant FY14 dollars |
| 1967 | \$15,273 | ---- | \$109,067 | \$12,798 | ---- | \$91,392 | \$9,927 | ---- | \$70,890 |
| 1968 | \$16,160 | 5.8% | \$111,714 | \$13,747 | 7.4% | \$95,033 | \$10,659 | 7.4% | \$73,686 |
| 1969 | \$16,900 | 4.6% | \$111,436 | \$14,550 | 5.8% | \$95,941 | \$11,800 | 10.7% | \$77,807 |
| 1970 | \$17,750 | 5.0% | \$110,510 | \$15,400 | 5.8% | \$95,879 | \$12,950 | 9.7% | \$80,626 |
| 1971 | \$18,600 | 4.8% | \$110,046 | \$16,350 | 6.2% | \$96,734 | \$14,150 | 9.3% | \$83,718 |
| 1972 | \$19,678 | 5.8% | \$112,329 | \$17,313 | 5.9% | \$98,829 | \$15,217 | 7.5% | \$86,864 |
| 1973 | \$20,545 | 4.4% | \$112,858 | \$18,446 | 6.5% | \$101,327 | \$17,080 | 12.2% | \$93,824 |
| 1974 | \$21,400 | 4.2% | \$107,924 | \$19,600 | 6.3% | \$98,846 | \$18,100 | 6.0% | \$91,282 |
| 1975 | \$22,648 | 5.8% | \$102,753 | \$20,840 | 6.3% | \$94,550 | \$19,312 | 6.7% | \$87,617 |
| 1976 | \$24,277 | 7.2% | \$102,888 | \$22,067 | 5.9% | \$93,521 | \$20,254 | 4.9% | \$85,838 |
| 1977 | \$25,210 | 3.8% | \$100,969 | \$23,190 | 5.1% | \$92,879 | \$21,860 | 7.9% | \$87,552 |
| 1978 | \$26,420 | 4.8% | \$99,143 | \$24,290 | 4.7% | \$91,150 | \$23,240 | 6.3% | \$87,210 |
| 1979 | \$28,000 | 6.0% | \$96,085 | \$25,030 | 3.0% | \$85,893 | \$23,420 | 0.8% | \$80,368 |
| 1980 | \$30,120 | 7.6% | \$91,179 | \$27,200 | 8.7% | \$82,340 | \$25,190 | 7.6% | \$76,255 |
| 1981 | \$32,850 | 9.1% | \$89,163 | \$29,580 | 8.8% | \$80,287 | \$26,200 | 4.0% | \$71,113 |
| 1982 | \$35,680 | 8.6% | \$89,121 | \$31,700 | 7.2% | \$79,180 | \$27,720 | 5.8% | \$69,238 |
| 1983 | \$38,180 | 7.0% | \$91,401 | \$33,490 | 5.6% | \$80,173 | \$30,480 | 10.0% | \$72,968 |
| 1984 | \$39,770 | 4.2% | \$91,851 | \$34,560 | 3.2% | \$79,818 | \$31,510 | 3.4% | \$72,774 |
| 1985 | \$42,560 | 7.0% | \$94,593 | \$37,090 | 7.3% | \$82,435 | \$33,230 | 5.5% | \$73,856 |
| 1986 | \$45,560 | 7.0% | \$98,412 | \$39,720 | 7.1% | \$85,797 | \$34,870 | 4.9% | \$75,321 |
| 1987 | \$48,740 | 7.0% | \$102,984 | \$42,290 | 6.5% | \$89,356 | \$37,460 | 7.4% | \$79,150 |
| 1988 | \$51,080 | 4.8% | \$103,630 | \$46,060 | 8.9% | \$93,445 | \$38,230 | 2.1% | \$77,560 |
| 1989 | \$54,240 | 6.2% | \$105,140 | \$46,920 | 1.9% | \$90,951 | \$41,200 | 7.8% | \$79,863 |
| 1990 | \$57,520 | 6.0% | \$106,414 | \$49,610 | 5.7% | \$91,780 | \$43,000 | 4.4% | \$79,552 |
| 1991 | \$60,450 | 5.1% | \$106,095 | \$52,190 | 5.2% | \$91,598 | \$45,050 | 4.8% | \$79,067 |
| 1992 | \$61,950 | 2.5% | \$105,330 | \$53,750 | 3.0% | \$91,388 | \$47,700 | 5.9% | \$81,102 |
| 1993 | \$63,250 | 2.1% | \$104,282 | \$54,240 | 0.9% | \$89,427 | \$47,820 | 0.3% | \$78,842 |
| 1994 | \$64,860 | 2.5% | \$104,349 | \$55,690 | 2.7% | \$89,596 | \$49,120 | 2.7% | \$79,026 |
| 1995 | \$67,560 | 4.2% | \$105,571 | \$57,090 | 2.5% | \$89,210 | \$51,490 | 4.8% | \$80,460 |
| 1996 | \$69,750 | 3.2% | \$106,085 | \$58,520 | 2.5% | \$89,005 | \$51,560 | 0.1% | \$78,419 |
| 1997 | \$72,220 | 3.5% | \$106,789 | \$60,481 | 3.4% | \$89,431 | \$52,752 | 2.3% | \$78,002 |
| 1998 | \$75,154 | 4.1% | \$109,172 | \$61,839 | 2.2% | \$89,830 | \$53,024 | 0.5% | \$77,025 |
| 1999 | \$79,284 | 5.5% | \$113,247 | \$63,817 | 3.2% | \$91,154 | \$55,326 | 4.3% | \$79,026 |
| 2000 | \$82,535 | 4.1% | \$114,542 | \$66,657 | 4.5% | \$92,506 | \$57,089 | 3.2% | \$79,228 |
| 2001 | \$84,007 | 1.8% | \$112,729 | \$68,828 | 3.3% | \$92,360 | \$57,932 | 1.5% | \$77,739 |
| 2002 | \$89,631 | 6.7% | \$118,189 | \$72,770 | 5.7% | \$95,955 | \$60,997 | 5.3% | \$80,431 |
| 2003 | \$92,387 | 3.1% | \$119,203 | \$74,545 | 2.4% | \$96,182 | \$65,730 | 7.8% | \$84,808 |
| 2004 | \$94,606 | 2.4% | \$119,453 | \$74,872 | 0.4% | \$94,536 | \$64,439 | -2.0% | \$81,363 |
| 2005 | \$97,948 | 3.5% | \$120,060 | \$76,665 | 2.4% | \$93,972 | \$66,405 | 3.1% | \$81,396 |
| 2006 | \$101,620 | 3.7% | \$119,991 | \$78,884 | 2.9% | \$93,145 | \$66,011 | -0.6% | \$77,945 |
| 2007 | \$106,495 | 4.8% | \$122,577 | \$81,855 | 3.8% | \$94,216 | \$68,424 | 3.7% | \$78,757 |
| 2008 | \$111,807 | 5.0% | \$124,093 | \$85,642 | 4.6% | \$95,053 | \$71,936 | 5.1% | \$79,841 |
| 2009 | \$115,509 | 3.3% | \$126,437 | \$88,357 | 3.2% | \$96,716 | \$74,933 | 4.2% | \$82,022 |
| 2010 | \$116,750 | 1.1% | \$126,582 | \$89,648 | 1.5% | \$97,198 | \$74,103 | -1.1% | \$80,344 |
| 2011 | \$118,054 | 1.1% | \$125,465 | \$89,808 | 0.2% | \$95,446 | \$74,092 | 0.0% | \$78,743 |
| 2012 | \$120,955 | 2.5% | \$124,889 | \$88,940 | -1.0% | \$91,833 | \$73,534 | -0.8% | \$75,926 |
| 2013 | \$123,393 | 2.0% | \$125,320 | \$88,988 | 0.1% | \$90,378 | \$74,845 | 1.8% | \$76,014 |
| 2014 | \$126,981 | 2.9% | \$126,981 | \$90,517 | 1.7% | \$90,517 | \$77,671 | 3.8% | \$77,671 |

*Constant dollars based on inflation measured by the Consumer Price Index.

Sources: FY1967 – FY1976, NCES; FY1977 – present, AAUP

TABLE F

HIGHER EDUCATION FACULTY SALARIES IN CURRENT AND CONSTANT FY2014 DOLLARS*

ILLUSTRATIVE DATA

Private Faculty Salaries

Full professor average 9 – 10 month salaries by type of institution

| Fiscal year | Category I (Doctoral-Level) | | | Cat IIA (Comprehensive) | | | Cat III (Two-Year Colleges) | | |
|-------------|-----------------------------|----------|-----------------------|-------------------------|----------|-----------------------|-----------------------------|----------|-----------------------|
| | Amount | Yearly % | Constant FY14 dollars | Amount | Yearly % | Constant FY14 dollars | Amount | Yearly % | Constant FY14 dollars |
| 1967 | \$16,425 | ---- | \$117,293 | \$11,722 | ---- | \$83,708 | | | |
| 1968 | \$17,057 | 3.8% | \$117,915 | \$12,572 | 7.3% | \$86,910 | | | |
| 1969 | \$18,050 | 5.8% | \$119,019 | \$13,250 | 5.4% | \$87,369 | | | |
| 1970 | \$18,950 | 5.0% | \$117,981 | \$14,100 | 6.4% | \$87,786 | | | |
| 1971 | \$19,800 | 4.5% | \$117,146 | \$14,950 | 6.0% | \$88,451 | | | |
| 1972 | \$20,775 | 4.9% | \$118,591 | \$15,899 | 6.3% | \$90,757 | | | |
| 1973 | \$21,507 | 3.5% | \$118,142 | \$16,501 | 3.8% | \$90,643 | | | |
| 1974 | \$22,600 | 5.1% | \$113,976 | \$17,200 | 4.2% | \$86,743 | | | |
| 1975 | \$23,832 | 5.5% | \$108,124 | \$18,047 | 4.9% | \$81,878 | | | |
| 1976 | \$25,368 | 6.4% | \$107,511 | \$19,153 | 6.1% | \$81,172 | | | |
| 1977 | \$27,810 | 9.6% | \$111,383 | \$22,020 | 15.0% | \$88,193 | \$20,780 | | \$83,227 |
| 1978 | \$28,880 | 3.8% | \$108,374 | \$23,380 | 6.2% | \$87,735 | \$21,790 | 4.9% | \$81,769 |
| 1979 | \$31,090 | 7.7% | \$106,688 | \$24,830 | 6.2% | \$85,206 | \$23,230 | 6.6% | \$79,716 |
| 1980 | \$33,400 | 7.4% | \$101,108 | \$26,160 | 5.4% | \$79,191 | \$24,740 | 6.5% | \$74,893 |
| 1981 | \$36,000 | 7.8% | \$97,712 | \$28,710 | 9.7% | \$77,926 | \$27,030 | 9.3% | \$73,366 |
| 1982 | \$40,220 | 11.7% | \$100,461 | \$31,530 | 9.8% | \$78,755 | \$29,720 | 10.0% | \$74,234 |
| 1983 | \$43,950 | 9.3% | \$105,214 | \$33,750 | 7.0% | \$80,796 | \$32,410 | 9.1% | \$77,588 |
| 1984 | \$47,070 | 7.1% | \$108,711 | \$36,000 | 6.7% | \$83,144 | \$34,140 | 5.3% | \$78,848 |
| 1985 | \$49,880 | 6.0% | \$110,862 | \$37,980 | 5.5% | \$84,414 | \$36,500 | 6.9% | \$81,124 |
| 1986 | \$53,190 | 6.6% | \$114,893 | \$40,170 | 5.8% | \$86,769 | \$38,200 | 4.7% | \$82,514 |
| 1987 | \$56,900 | 7.0% | \$120,226 | \$42,680 | 6.2% | \$90,180 | \$40,460 | 5.9% | \$85,489 |
| 1988 | \$59,850 | 5.2% | \$121,422 | \$44,010 | 3.1% | \$89,286 | \$42,540 | 5.1% | \$86,304 |
| 1989 | \$64,290 | 7.4% | \$124,621 | \$47,010 | 6.8% | \$91,125 | \$44,770 | 5.2% | \$86,783 |
| 1990 | \$68,360 | 6.3% | \$126,468 | \$51,000 | 8.5% | \$94,352 | \$46,830 | 4.6% | \$86,637 |
| 1991 | \$72,950 | 6.7% | \$128,034 | \$52,820 | 3.6% | \$92,704 | \$49,610 | 5.9% | \$87,070 |
| 1992 | \$76,890 | 5.4% | \$130,732 | \$54,980 | 4.1% | \$93,480 | \$52,230 | 5.3% | \$88,804 |
| 1993 | \$80,280 | 4.4% | \$132,360 | \$57,060 | 3.8% | \$94,076 | \$54,620 | 4.6% | \$90,053 |
| 1994 | \$82,520 | 2.8% | \$132,761 | \$59,610 | 4.5% | \$95,903 | \$56,780 | 4.0% | \$91,350 |
| 1995 | \$84,790 | 2.8% | \$132,495 | \$60,830 | 2.0% | \$95,055 | \$58,040 | 2.2% | \$90,695 |
| 1996 | \$88,050 | 3.8% | \$133,918 | \$63,430 | 4.3% | \$96,473 | \$59,830 | 3.1% | \$90,997 |
| 1997 | \$92,112 | 4.6% | \$136,202 | \$64,468 | 1.6% | \$95,326 | \$62,047 | 3.7% | \$91,746 |
| 1998 | \$95,023 | 3.2% | \$138,034 | \$67,282 | 4.4% | \$97,736 | \$64,784 | 4.4% | \$94,108 |
| 1999 | \$98,606 | 3.8% | \$140,846 | \$69,509 | 3.3% | \$99,285 | \$67,180 | 3.7% | \$95,958 |
| 2000 | \$103,761 | 5.2% | \$143,999 | \$71,547 | 2.9% | \$99,293 | \$70,528 | 5.0% | \$97,878 |
| 2001 | \$107,633 | 3.7% | \$144,433 | \$75,143 | 5.0% | \$100,834 | \$74,031 | 5.0% | \$99,342 |
| 2002 | \$112,534 | 4.6% | \$148,389 | \$77,310 | 2.9% | \$101,942 | \$76,692 | 3.6% | \$101,127 |
| 2003 | \$118,269 | 5.1% | \$152,597 | \$80,011 | 3.5% | \$103,234 | \$79,928 | 4.2% | \$103,127 |
| 2004 | \$122,158 | 3.3% | \$154,241 | \$81,570 | 1.9% | \$102,993 | \$82,344 | 3.0% | \$103,970 |
| 2005 | \$127,214 | 4.1% | \$155,932 | \$83,986 | 3.0% | \$102,946 | \$85,575 | 3.9% | \$104,893 |
| 2006 | \$131,292 | 3.2% | \$155,027 | \$88,800 | 5.7% | \$104,854 | \$87,779 | 2.6% | \$103,648 |
| 2007 | \$136,689 | 4.1% | \$157,331 | \$91,197 | 2.7% | \$104,969 | \$90,353 | 2.9% | \$103,998 |
| 2008 | \$144,428 | 5.7% | \$160,299 | \$95,114 | 4.3% | \$105,566 | \$94,139 | 4.2% | \$104,484 |
| 2009 | \$151,403 | 4.8% | \$165,727 | \$99,555 | 4.7% | \$108,974 | \$98,808 | 5.0% | \$108,156 |
| 2010 | \$153,332 | 1.3% | \$166,245 | \$99,963 | 0.4% | \$108,381 | \$98,098 | -0.7% | \$106,359 |
| 2011 | \$157,282 | 2.6% | \$167,155 | \$101,290 | 1.3% | \$107,648 | \$99,976 | 1.9% | \$106,252 |
| 2012 | \$162,561 | 3.4% | \$167,848 | \$103,094 | 1.8% | \$106,447 | \$101,568 | 1.6% | \$104,871 |
| 2013 | \$167,118 | 2.8% | \$169,728 | \$104,186 | 1.1% | \$105,813 | \$104,335 | 2.7% | \$105,965 |
| 2014 | \$173,890 | 4.1% | \$173,890 | \$107,082 | 2.8% | \$107,082 | \$106,641 | 2.2% | \$106,641 |

*Constant dollars based on inflation measured by the Consumer Price Index.

Sources: FY1967 – FY1976, NCES; FY1977 – present, AAUP

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15 Old Danbury Road
P.O. Box 812
Wilton, CT 06897-0812

Tel 888-TCF-MAIN
Tel 203-563-5000
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