

Dismantling Dire Disparities

A Closer Look at Racially Inequitable Funding
at Public Four-Year Colleges and Universities

About the Data

August 2021

As our economy becomes more reliant on a college-educated workforce, sustained and equitable investments in public colleges and universities are more critical than ever.

Public colleges and universities educate three-quarters of all students and, remain a driving force for upward social mobility and economic vitality, for both students and communities. More Black, Indigenous, and People of Color (BIPOC) are participating in public higher education and benefiting from completing college degrees than ever before, with the share of BIPOC students at public colleges and universities reaching almost 45 percent in 2018 (from 33 percent in 2006). Yet, long-term disinvestment in public colleges and universities, in addition to long-standing racial and economic injustice, continue to disproportionately harm BIPOC students.

This complementary document highlights the data found in *Dismantling Dire Disparities: A Closer Look at Racially Inequitable Funding at Public Four-Year Colleges and Universities*.

In the wake of the Great Recession, state and local funding support declined for all public colleges and total revenue did not recover at public four-year schools.

By the 2011-12 academic year, state, and local support (as measured by appropriations per full-time equivalent (FTE)) had declined from 2006 levels across the board. Appropriations revenue at associate’s colleges (community colleges) declined by 25 percent, at baccalaureate colleges by 23 percent, at master’s universities by 23 percent, and at doctoral universities by 29 percent.

As of 2018, state and local appropriations revenue had not recovered to 2006 levels at public four-year schools. Over the course of the 12 years from 2006, state and local funding per student increased modestly at community colleges, while remaining below 2006 levels at other types of public colleges and universities.

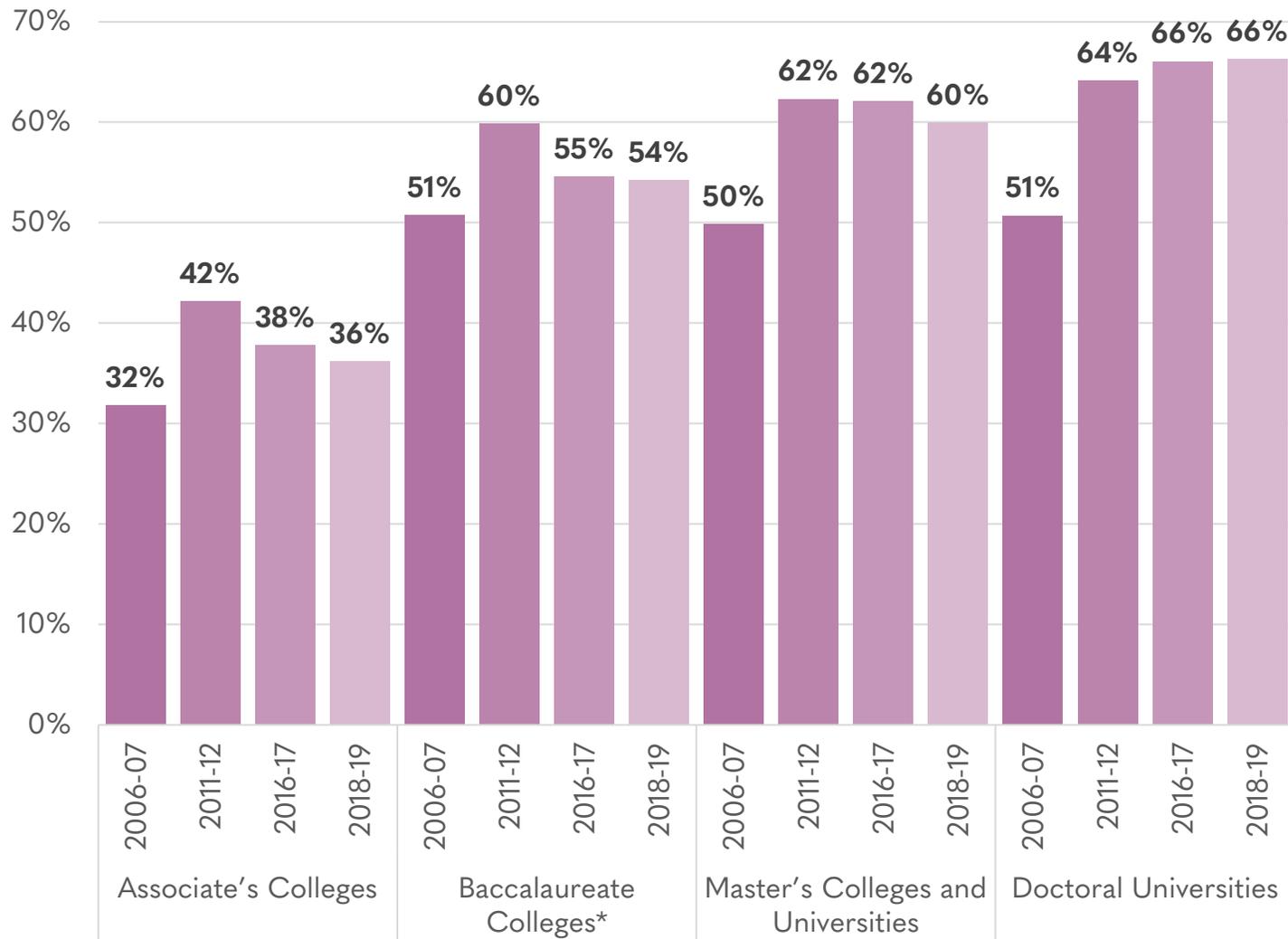
Revenue and Enrollment at Public Four-Year PLIs for 2018-19, by Carnegie Classification				
TOTAL REVENUE PER FTE STUDENT: APPROPRIATIONS + TUITION				
	BACCALAUREATE COLLEGES	MASTER’S COLLEGES AND UNIVERSITIES	DOCTORAL UNIVERSITIES	TOTAL
PLIs	\$8,308	\$16,488	\$17,344	\$15,954
Colleges in States w/ PLIs	\$10,943	\$17,124	\$23,353	\$20,242
Gap within School Type	\$2,636	\$636	\$6,009	\$4,289
PROPORTION OF ALL FTE STUDENTS ENROLLED AT EACH SCHOOL TYPE				
	BACCALAUREATE COLLEGES	MASTER’S COLLEGES AND UNIVERSITIES	DOCTORAL UNIVERSITIES	TOTAL
Students Attending PLIs	10%	54%	36%	100%
Students Attending Colleges in States w/ PLIs	10%	37%	53%	100%

Per-student tuition revenue increased across all school types, compensating for state cuts and shifting college costs to students and families over the past 12 years.

For every college type, tuition comprised a greater portion of total revenue in 2018 than before the recession, a sign of the shifting burden of college costs from states to students at all types of public institutions.

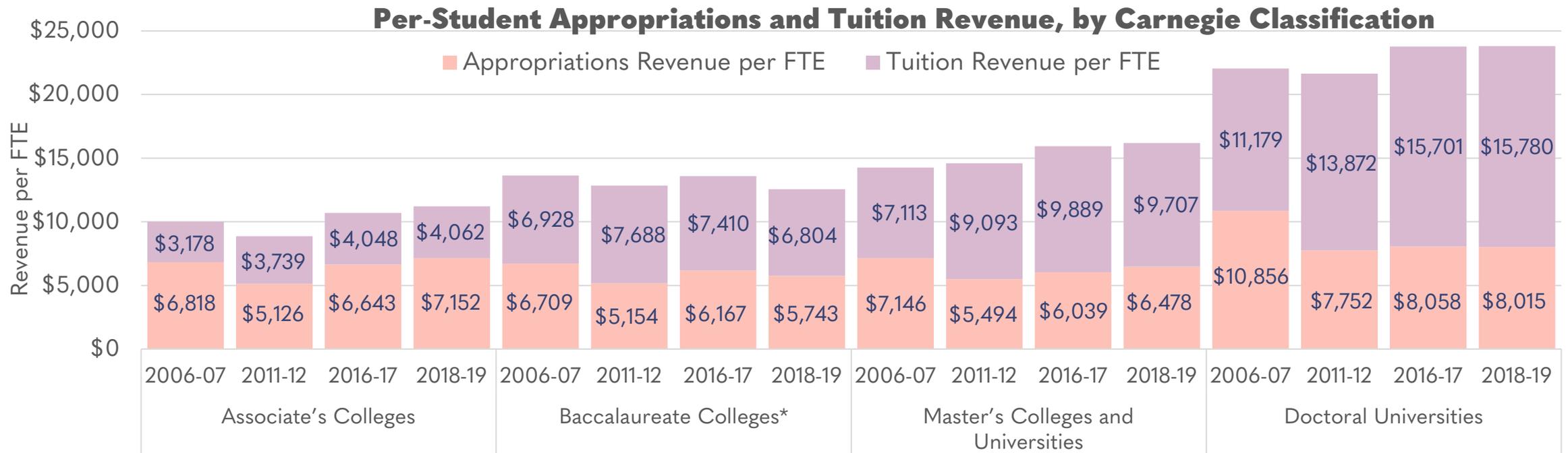
Increases in the share of tuition revenue at doctoral universities was the larger and more persistent, compared to the other three school types. From 2011 to 2018, tuition revenue as a share of total revenue at doctoral universities increased slightly from 64 percent to 66 percent, while the share of tuition revenue at the other three school types declined slightly during the same period. In 2018, the share of tuition revenue remained highest at doctoral universities followed by master’s colleges and universities (66% and 60%, respectively).

Tuition as a Share of Total Revenue per FTE



Disparities in revenue at public colleges and universities persisted through the economic recovery from 2011 to 2018.

Preexisting funding disparities and underinvestment in colleges educating higher percentages of racial, ethnic, and economic student groups that are underrepresented in public higher education persisted during the last decade. Revenue declined at public colleges and universities during the aftermath of the Great Recession, and schools that educate higher shares of BIPOC students continued to receive less resources. Institutions across every school type absorbed severe cuts in per-student local and state appropriations from 2006 to 2011. Per-student state and local investment in master’s colleges and universities, as well as doctoral universities, has remained below pre-recession levels despite economic recovery, adversely impacting the educational opportunities of Black, Latina/o, and Indigenous students, who together comprise over one-third of students at these schools (36% at doctoral universities and 42% at master’s colleges and universities).

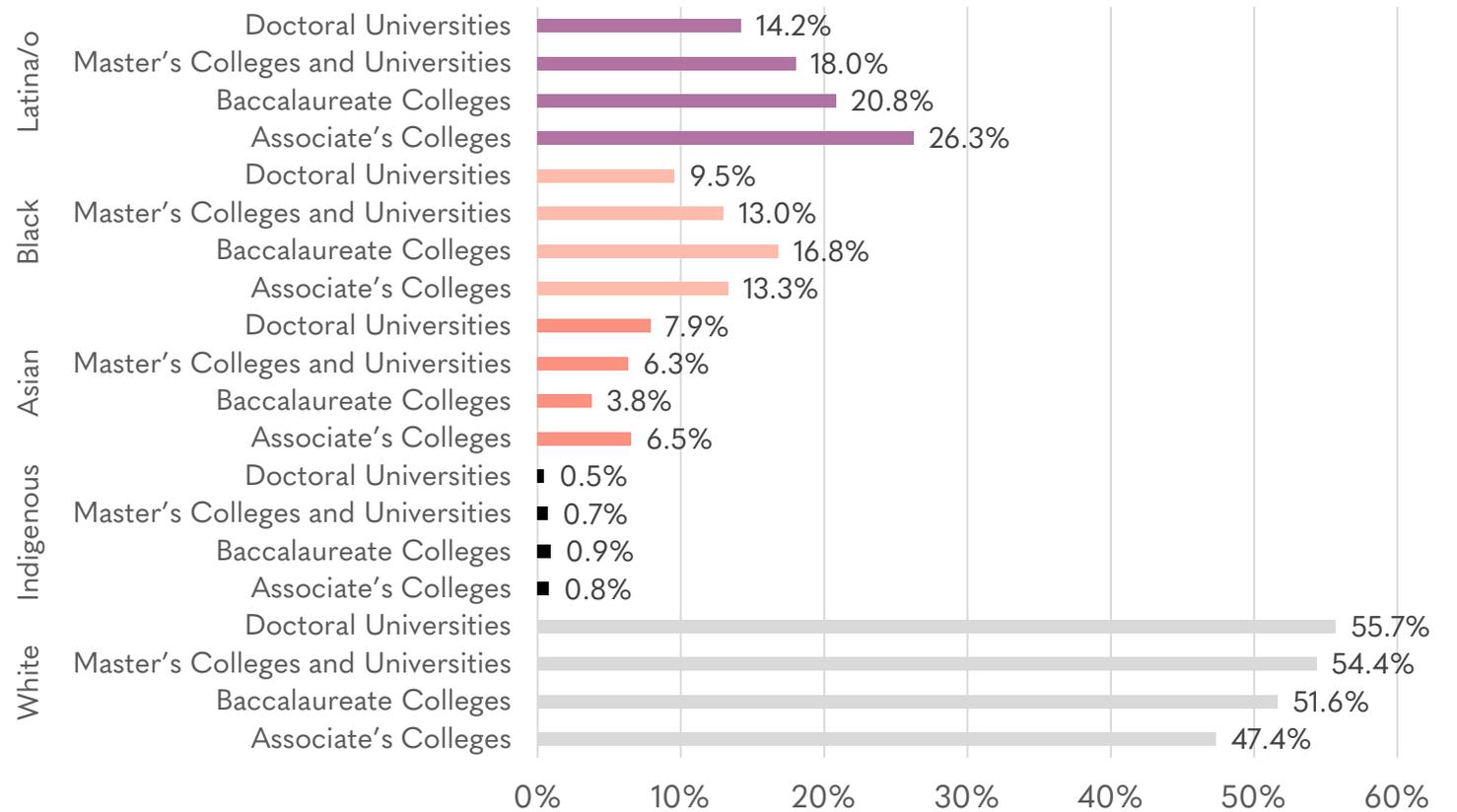


Revenue disparities adversely impact BIPOC students who are disproportionately enrolled in the lowest resourced colleges.

Revenue disparities across school types adversely and disproportionately impact students by race and ethnicity. In 2018-19, disparities in funding for community colleges fell hardest on Latina/o students, who comprised 26 percent of enrollment at these schools. Community colleges and baccalaureate colleges educate higher shares of Black and Indigenous students, compared to master’s colleges and universities and doctoral universities, and thus those students also bear a disproportionate harm. Although the share of Asian students was highest at doctoral universities, the second highest share of Asian students attended community colleges, where disparities in total revenue were deepest.

Our current postsecondary data system fails to appropriately disaggregate among 25 distinct, self-identified Asian and Pacific Islander (AAPI) subgroups, masking variations in postsecondary enrollment and limiting our ability to analyze enrollment patterns for Asian students across Carnegie Classifications. Although similar issues of variation may exist within other subgroup populations, the issue is especially acute within the AAPI community.

Enrollment of Black, Latina/o, Indigenous, and Asian Students, by Carnegie Classification



Share of Enrollment, 2018-19

Persistent revenue disparities and state disinvestment of public four-year colleges and universities undermine student success, college affordability, and progress on diversity, equity, and inclusion.

A growing body of evidence points to the critical role institutional resources play in seeing students through to graduation, making college costs more affordable for students, and improving diversity, equity, and inclusion on campus. Not all strategies to increase completion come with a big price tag, but resources are needed to support students at scale. Resource equity matters greatly for student success at public four-year colleges and universities. Across every major economic, racial, and ethnic group, a higher percentage of students graduated in six years or less at school types with more per-student revenue.

SIX-YEAR GRADUATION RATES IN 2018-19, BY CARNEGIE CLASSIFICATION*				
	BACCALAUREATE COLLEGES	MASTER'S COLLEGES AND UNIVERSITIES	DOCTORAL UNIVERSITIES	ALL PUBLIC FOUR-YEAR COLLEGES
All students	39%	54%	67%	62%
Pell recipients	32%	46%	56%	51%
Black	29%	38%	50%	45%
Latina/o	35%	51%	61%	57%
Indigenous	29%	34%	48%	40%
Asian	39%	64%	79%	74%
White	42%	58%	70%	65%

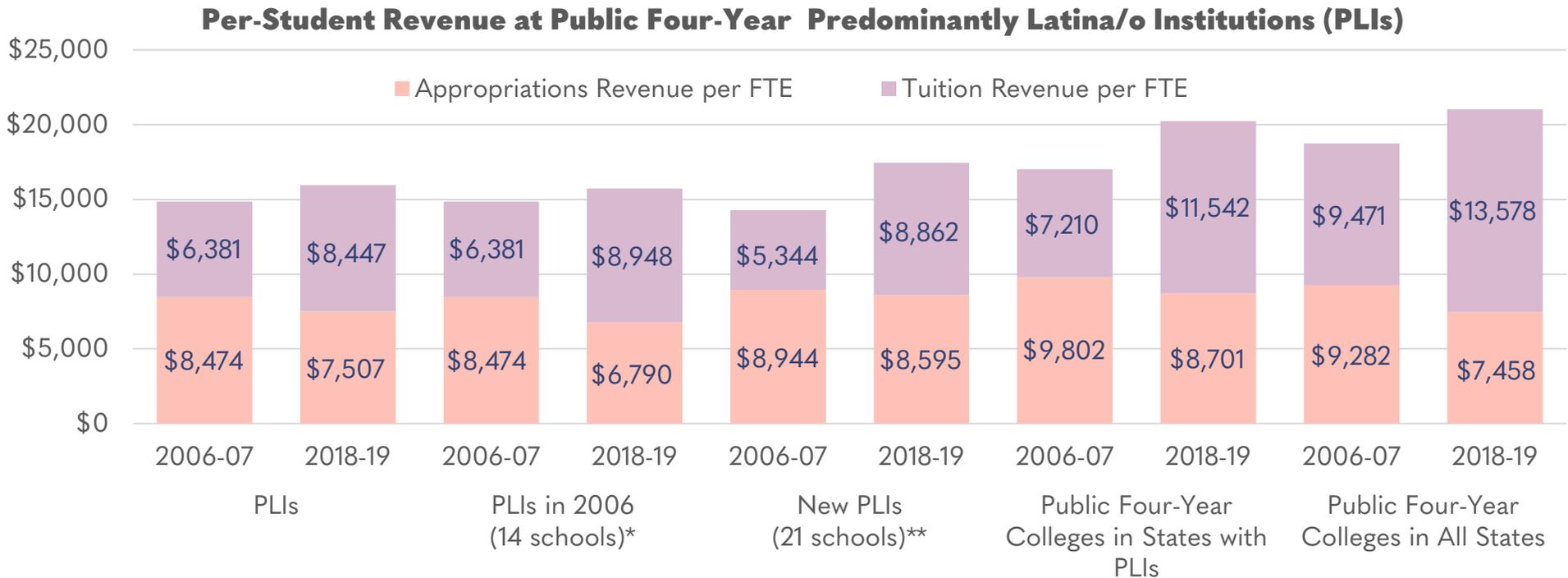
* Cohort includes first-time full-time bachelor's degree-seeking degree students.

Disparities in per-student revenue for Predominantly Latina/o Institutions (PLIs) persisted from 2006 to 2018, as funding failed to keep up with growing enrollment.

A look at PLIs shows deep disparities in per-student revenue, compared to public four-year schools nationally, and within the same states as PLIs. In 2018-19, PLIs received nearly \$4,300 less in per-student revenue than their peers. From 2006 to 2018, per-student state and local appropriations at PLIs declined almost \$1,000 from \$8,450 to \$7,500, as funding failed to keep up with growing enrollment.

Similar to trends among public four-year colleges more broadly, PLIs offset reduced per-student funding with increases in tuition revenue, but gaps in total revenue between PLIs and all public four-year schools widened over the 12 years. From 2006 to 2018, per-student tuition and fee revenue increased at PLIs by 64 percent in current dollars — more than double the rate of inflation — while per-student appropriations revenue declined.

PLIs are schools where the share of students who identify as Latina/o or Hispanic equals, or surpasses, 40 percent. These schools are typically a subset of Hispanic-Serving Institutions (HSIs), which are colleges and universities where the share of Latina/o undergraduates is at least 25 percent and the majority of undergraduates receive federal student aid.



Revenue disparities between PLIs and their public four-year peers were prevalent across all school types in 2018-19.

Although some of the difference in revenue per student between PLIs and the typical public four-year school can be ascribed to broader resource disparities between different school types, disparities exist even among colleges with similar educational and research activities.

In 2018-19, public four-year colleges within the same states as PLIs had higher per-student revenue than PLIs, with revenue gaps of \$2,650 among baccalaureate colleges, \$650 among master’s colleges and universities, and \$6,000 among doctoral universities.

Revenue and Enrollment at Public Four-Year PLIs for 2018-19, by Carnegie Classification				
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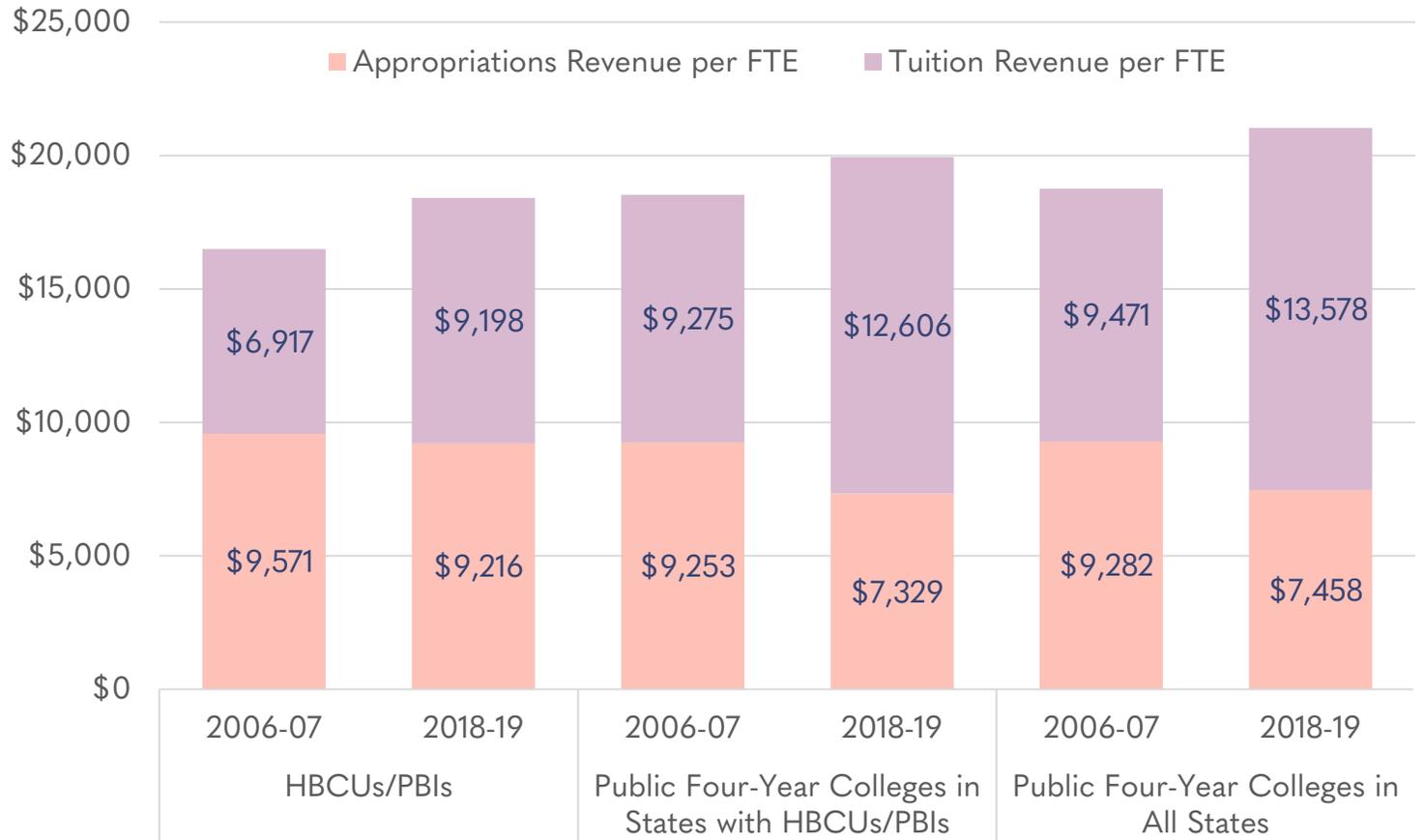
Disparities in per-student revenue for HBCUs and Predominantly Black Institutions (PBIs)* persisted from 2006 to 2018, despite declining enrollment.

HBCUs/PBIs consistently receive less total per-student revenue, as compared to their public four-year peers in the same states. HBCU/PBIs received about \$1,500 less in per-student revenue than their peers. Although state disinvestment in HBCUs/PBIs was less severe over the 12 years, compared to the trend for public four-year schools in general, they received less per-student appropriations in 2018 than they did in 2006 (\$9,200 vs. \$9,550).

Additionally, the burden of paying for college increased dramatically for students who attended public four-year HBCUs/PBIs. From 2006 to 2018, per-student tuition revenue increased at HBCUs/PBIs by 65 percent in current dollars – or more than double the rate of inflation – to make up for this lack of state investment.

HBCUs are schools, founded prior to 1964, that are federally designated as colleges and universities that primarily educate Black students. PBIs are colleges, that are not HBCUs, where the share of students that identify as Black or African American equals or surpasses 40 percent. We analyze these HBCUs/PBIs as a single, combined group, since there are only a few public four-year PBIs.

Per-Student Revenue at Public Four-Year Historically Black Colleges & Universities (HBCUs) and Predominantly Black Institutions (PBIs)



Persistent revenue disparities and state disinvestment of public four-year colleges and universities undermine student success, college affordability, and progress on diversity, equity, and inclusion.

Although addressing revenue disparities is critical for student success strategies at community colleges — where the majority of BIPOC students in public higher education attend school — resource equity also matters greatly for student success at public-four-year colleges and universities. Across every major economic, racial, and ethnic group, a higher percentage of students graduated in six years or less at school types with more per-student revenue. In 2018-19, baccalaureate colleges and master’s colleges and universities had lower graduation rates, as compared to all public four-year colleges, and taken together, they educated disproportionate shares of all Black, Latina/o, and Indigenous students enrolled at public four-year schools (47%, 44%, 49%, respectively, compared to only 37% of all White students). Research shows that concentrations of BIPOC students in less resourced and less selective colleges contribute to persistent gaps in completion, especially at the four-year level.

Revenue and Enrollment at Public Four-Year HBCUs and PBIs for 2018-19, by Carnegie Classification				
TOTAL REVENUE PER FTE STUDENT: APPROPRIATIONS + TUITION				
	BACCALAUREATE COLLEGES	MASTER’S COLLEGES AND UNIVERSITIES	DOCTORAL UNIVERSITIES	TOTAL
HBCUs/PBIs	\$18,197	\$17,937	\$19,437	\$18,413
Colleges in States w/ HBCUs/PBIs	\$12,212	\$16,135	\$22,136	\$19,934
Gap within School Type	No gap	No gap	\$2,699	\$1,521
PROPORTION OF ALL FTE STUDENTS ENROLLED AT EACH SCHOOL TYPE				
	BACCALAUREATE COLLEGES	MASTER’S COLLEGES AND UNIVERSITIES	DOCTORAL UNIVERSITIES	TOTAL
Students Attending HBCUs/PBIs	11%	59%	30%	100%
Students Attending Colleges in States w/ HBCUs/PBIs	8%	23%	69%	100%

Patterns of inequitable investment in HBCUs, PBIs, and HSIs go well beyond per-student revenue.

Racial inequities in public higher education funding for HBCUs, PBIs, and HSIs are broader and more longstanding than the revenue disparities examined in this paper. HSIs (and PLIs) have emerged more recently but have faced persistent underinvestment over the course of their existence. Disparities can even exist within the same university systems, due to entrenched funding formulas that favor traditionally White universities. HBCUs and PBIs have suffered generations of discrimination and underinvestment, that can add up over time. Tennessee underfunded one HBCU, Tennessee State University, by \$150 million to \$544 million in land grant funds over more than 100 years, according to a recent state report. This underinvestment in HBCUs, and their students, can lead to millions of dollars of deferred expenses, such as delayed refurbishment of buildings or upgrades to technological infrastructure, that can adversely affect these colleges' future ability to educate and support students.

More broadly, disparities in private giving, endowments, research activities, and other sources of auxiliary revenue (such as sports, housing and dining, and health care) exacerbate disparities among colleges. Disparities in these resources can coincide with, and supplement, inequitable patterns in core revenue. During the COVID-19 pandemic, loss of housing and dining revenue undercut the financial health of residential colleges, but public schools with deeper pockets were better able to absorb the impact.

Although not always fungible sources of funding, private giving (from individuals and organizations), affiliate organizations (e.g., alumni non-profits), and endowments have grown in importance at public four-year schools since the Great Recession. Disparities in private giving and institutional wealth are especially stark and persistent among HSIs. Many HSIs have grown in recent years and some HSIs, such as University of California-Merced, are relatively new institutions that have smaller and less-wealthy alumni donor bases. In 2018-19, the 36 PLIs in our analysis had over four times less private giving per student and over three times smaller endowments, compared to all public four-year schools.

HBCU alumni are just as generous in giving back as alumni at other colleges, but the racial wealth gap and ongoing job market discrimination limit their ability to support their schools. In 2018-19, HBCUs/PBIs in our analysis had over seven times less private giving per student and almost four times smaller endowments, compared to all public four-year schools. One bright spot is that per-student private giving at HBCUs/PBIs increased 45 percent from 2006 to 2018, out pacing all college types in this analysis.