

Episode 32 – Bonus Episode! An Update on Carnegie Research Classifications

Welcome to Grad-post! I'm your host, Brian S. Mitchell and we're here to talk about life before, during, and after graduate school, and whether an advanced degree is right for you. I'll draw upon my experiences as a graduate dean and research mentor, as well as my network of students, colleagues, and experts to bring you the most complete information on graduate education that I can.

In [Episode 14](#) I talked about the relationship between a university's research activity and its standing in the Carnegie Classification System that categorize U.S. institutions by research expenditures and the number of doctorates they award. I also mentioned the Carnegie Classification System in [Episode 19](#) when I discussed how you can differentiate between the myriad colleges and universities in the U.S. At the time those episodes were recorded, there were 147 institutions in what was then called the "Very High Research Activity" category. These are the very largest U.S. institutions in terms of research expenditures and numbers of doctorates awarded each year and are sometimes called "R1" institutions. There were 133 institutions in the "R2" category and 187 in what was called the "Doctoral/Professional Universities" that had lower research activity and produced fewer doctoral degrees.

Well, all of that has changed again. The Carnegie Classifications and American Council on Education have come out with revised criteria and names for these categories in their recent 2025 update. They have gone back to formally using the "R1" and "R2" designations which were always used by anyone talking about them, but their extended names are "Very High Spending and Doctorate Production" and "High Spending and Doctorate Production," respectively. Since nobody wants to be in a "Low Spending" or "Low Doctorate Production" category, the third category is now called simply "Research Colleges and Universities." The criteria for obtaining R1 status have been loosened, too, with only \$50M in research expenditures and 70 research doctorates per year required to achieve this designation. R2 status comes with \$5M in research dollars and at least 20 research doctorates awarded per year. An institution must have \$2.5M in research spending only to qualify for the third category. There are changes to other classifications, too, but we won't go into those today.

There are reasons for these changes, but the upshot is that there are now many more universities in the R1 category. 187 institutions qualified for R1 status in 2025 (up 29%), with 139 R2 institutions (about the same) and a whopping 216 in the research colleges and universities, up 16% from the previous year. These categories should hold until at least 2028 according to the press release.

What does this mean for a prospective or current graduate student? Honestly, not much - at least for the time being. But I'm providing this update for two reasons. The first is that the institution you're at or want to go to may now be an R1 institution. There are some forty new institutions in this category, including the [first HBCU to every achieve this designation](#) in Howard University. It's a feather in the cap for many institutions and the hope is that loosening the standards will de-escalate the arms race that has led to a lot of research investment by smaller institutions in the hopes of achieving R1 status. That's a potentially good thing for everybody.

The second reason I'm bringing this up, though, is a bit more sinister. The number of institutions in these categories - especially the highest one - may be seeing their all-time highs this year. The government's assault on research universities reached a new low these past weeks with the [announcement that NIH will be limiting indirect costs rates to 15% on their research awards](#). Although a temporary restraining order has been issued to delay implementation, it's only a matter of time before this policy extends to all federal agencies that make awards to universities. The impact these orders will have will be enormous. It's not just the billions of dollars at stake or the healthcare advances these funds represent, not to mention the people

whose jobs and livelihoods depend on these funds. No, the impact will be far-reaching into areas as mundane as Carnegie classifications. Let me illustrate what we're talking about here with a simple example.

Take a \$100,000 award to perform some research. You can hire a graduate student on that money, pay for their travel to conferences, professional development activities, their health insurance, their tuition, and other supplies to do the proposed work. Let's pick a typical indirect cost rate – sometimes called facilities and administration or F&A costs – of 50%. Some institutions have higher rates, some lower, but that's an easy and fairly accurate number. Those indirect costs - \$50,000 - are added to the direct costs, for a total of \$150,000 charged to the granting agency. Under the proposed rules, the indirect costs would be limited to 15% or \$15,000 on direct costs, for a total award of \$115,000, or \$35,000 less than the original award. That \$35,000 reduction represents a 23% decrease in the award over the original \$150,000. So, we might expect research dollars at most institutions with NIH funding to decrease at least 23% almost overnight. Since the Carnegie classifications are based in part on research expenditures, those institutions with current expenditures of less than \$57M will no longer meet the \$50M requirement for R1 status if they take a 23% hit to their research dollars. Expect the number of qualifying R1 institutions to drop, as well as the number of qualifying R2 institutions. That doesn't take into account the number of institutions that will shut down their research enterprise or those that will close their doors completely. As recently as 2024, [colleges were closing at a rate of one per week according to the Hechinger Report](#). Expect that rate to increase.

Enough math for now. The point is that the threat to higher education is real. It won't be the end of the world if a few institutions drop from R1 to R2 status; they were probably there before. It probably won't impact your stipend this year if you are a current graduate student, and I'm confident that most institutions will find a way to support you to degree completion. But those of you who are still undergrads considering graduate school in the coming years may be faced with some bleak prospects. As I've mentioned before, always have a plan "B" and listen to my earlier episodes on how to bolster your grad school application.

There will still be a need for master's and doctoral students – perhaps more than ever as highly qualified federal workers leave the workforce and the pendulum swings back to investments in scholarly and artistic endeavors. Maybe not today, but somewhere in the near future – every degree will count more than it ever has.

Links

<https://spotifycreators-web.app.link/e/hM4W0msVYQb>

<https://spotifycreators-web.app.link/e/SaHC2O8dqQb>

<https://carnegieclassifications.acenet.edu/news/carnegie-classifications-release-2025-research-activity-designations-debut-updated-methodology/>

<https://www.diverseeducation.com/institutions/hbcus/article/15737390/howard-university-makes-history-as-first-hbcu-to-achieve-top-research-status>

<https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html>

<https://hechingerreport.org/colleges-are-now-closing-at-a-pace-of-one-a-week-what-happens-to-the-students/>