



ACADEMIC BENCHMARKING
CONSORTIUM

ABC Insights[®] Report Volume 2

Linking Administrative Spend to University Ranking

January 2018

www.abc-insights.com



Overview

How are a university's spending and outcomes driven by its strategy?

QUESTION



How does administrative labor spend (SAMTM)¹ compare to US News & World Report rankings?

FINDINGS



Administrative labor spend is correlated with university ranking and strategy²

DISCUSSION



Interesting?
Comparable peers?
Spending reflects strategy?

¹ As assessed by the Standard Activity Model (SAM)TM used by members within the Academic Benchmarking Consortium (ABC)

² Reported correlations do not imply causation and are presented as relationships between variables



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We utilized the Standard Activity Model™ (SAM)

Our Standard Activity Model™ (SAM)

is focused on a subset of non-faculty “staff” labor expenses.

Overarching philosophy: We map employees based on **what** they do, **not where** they work.



FINANCE



HUMAN RESOURCES



INFORMATION TECHNOLOGY



FACILITIES



RESEARCH ADMINISTRATION



COMMUNICATIONS



DEVELOPMENT



STUDENT SERVICES

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How US News & World Report calculates its rankings

US News & World Report uses the following weighted combination of academic quality indicators to calculate rankings:

Ranking Factor	Weight	Corresponding SAM Activity
Graduate and retention rates	22.5%	Student Services
Undergraduate academic reputation	22.5%	All of SAM TM
Faculty resources	20.0%	Excluded
Student Selectivity	12.5%	Student Services
Financial resources	10.0%	Research Admin, Student Services, IT
Graduation rate performance	7.5%	Student Services
Alumni giving rate	5.0%	Development
<i>Total</i>	<i>100%</i>	

* Financial resources include “average spending per student on instruction, research, student services, and related educational expenditures in the 2015 and 2016 fiscal years” (Source: [US News](#))

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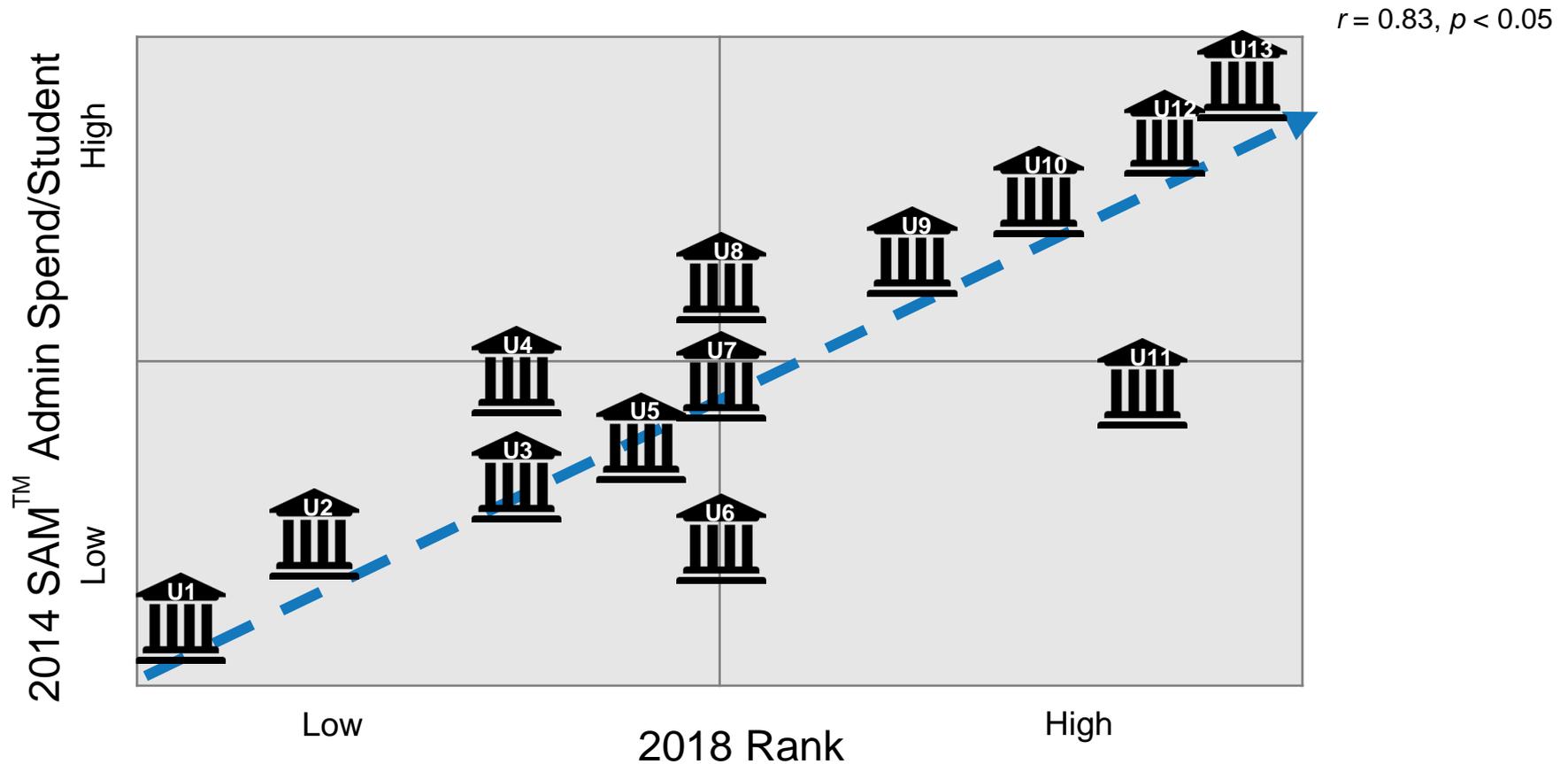
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Overall SAM™ spend per student is positively correlated with US News & World Report rankings



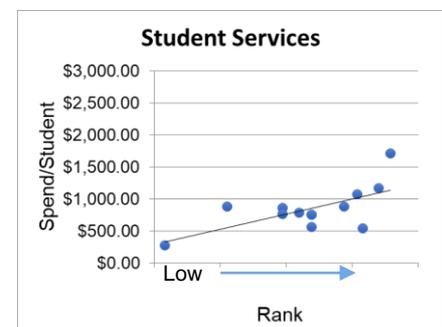
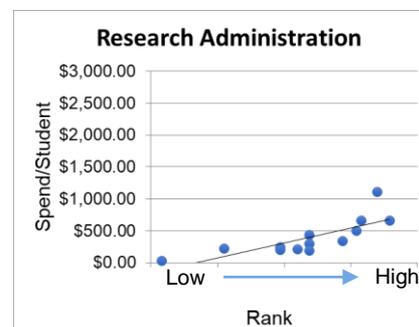
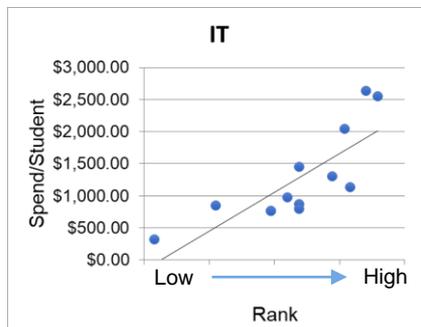
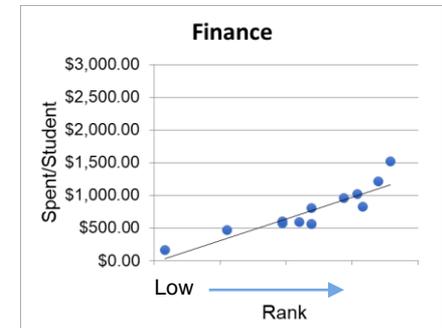
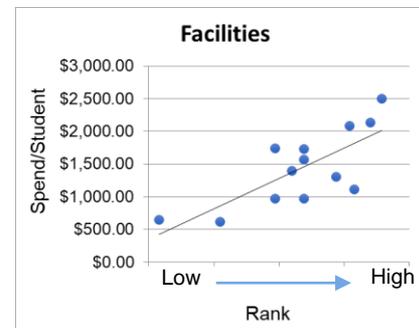
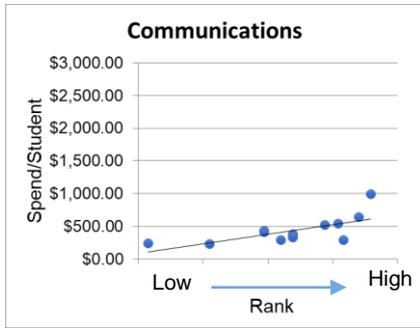
University number indicates relative rank: Higher number = higher rank; U3 & U4 tied for the same rank; U6, U7, & U8 tied for same rank
Source: **ABC Insights**® FY14 data, n=13 universities (Benchmarkable: N=7; Provisional: N=2; In Progress [over 70% of \$ mapped]: N=4)

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Higher ranked universities spend more per student across all SAM™ activities (how much you spend)



All correlations (except Development) significant at $p < 0.05$
 Development correlation marginally significant at $p = 0.05$

Similar relationships found between SAM activity spend and 2007 cohort 4-year graduation rate

Source: **ABC Insights**® FY14 data, n=13 universities (Benchmarkable: N=7; Provisional: N=2; In Progress [over 70% of \$ mapped]: N=4)

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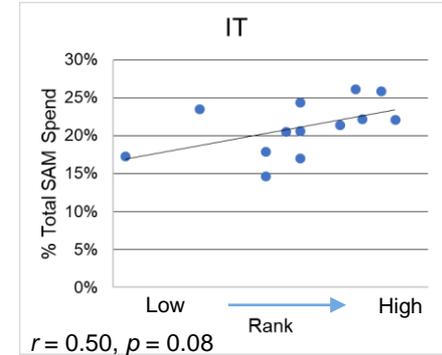
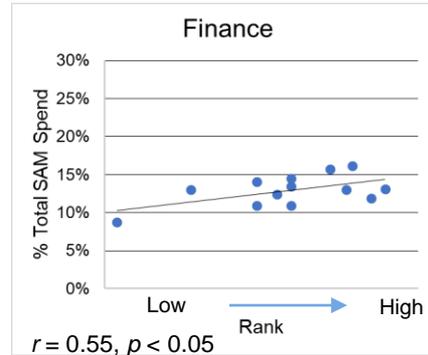
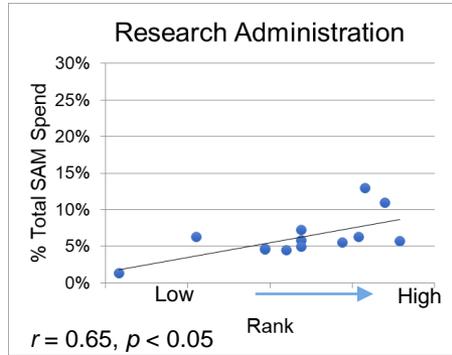
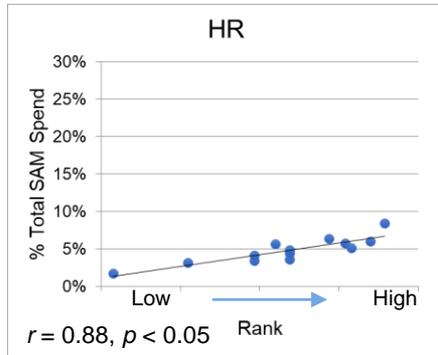
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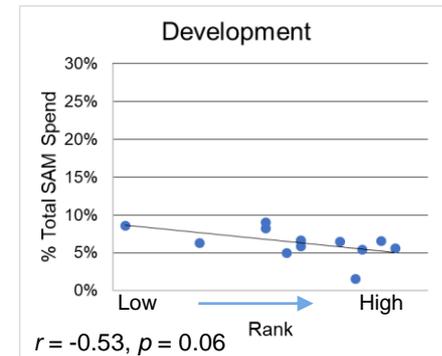
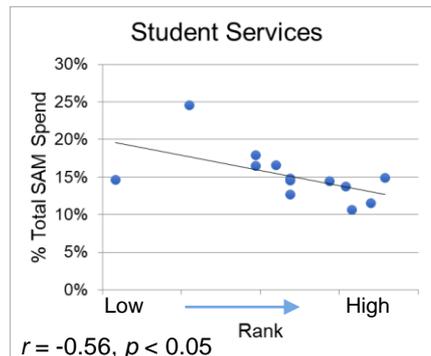
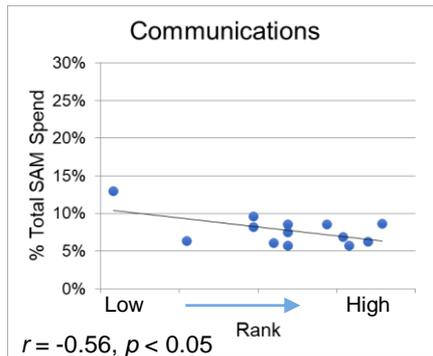


The results change when you analyze where you spend (as a % of total SAM™ spend)

HR, Research Administration, Finance, & IT spend are positively correlated with university ranking



Communications, Student Services, & Development spend are negatively correlated with university ranking



No relationship found between Facilities spend and university ranking

Similar relationships found between SAM activity spend and 2007 cohort 4-year graduation rate

Source: **ABC Insights®** FY14 data, n=13 universities (Benchmarkable: N=7; Provisional: N=2; In Progress [over 70% of \$ mapped]: N=4)

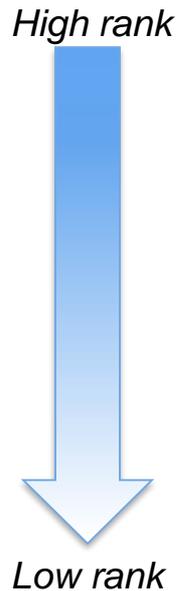
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Higher ranked universities highlight research above all else

A word frequency analysis of university strategic plans (mission, vision, priorities, & initiatives) revealed that “research” was the most common high frequency word.



Most Common Words -- As listed in Mission, Vision, Priorities, and Initiatives						
University	1	2	3	4	5	Year(s)
U12	Research	Citizen	Great	Innovation	Generation	Not Available
U11	Research	Increase	Faculty	Student	Community	2015 (5-10 year plan)
U10	Research	Student	World	Ensure	Learn	2015-2019
U9	Research	Health	Leader	Education	Student	2016 (living document)
U8	Enhance	Student	Research	Improve	Support	2015-2017
U7	Student	Research	Faculty	Develop	Support	2015 (living document)
U6	Student	Develop	Expand	Diversity	Research	2017-2022
U5	Creative	Address	Leader	Share	Shape	2007-2030
U4	Research	Student	Outreach	Develop	Faculty	2013-2018
U3	Student	Enhance	Excellence	Research	Ensure	2016-2021
U2	Student	Research	Expand	Increase	Faculty	2016 (living document)
U1	Competitive	National	World	Student	Research	Not available

Note: “university”, “program”, and university name excluded from list of common words

University number indicates relative rank: Higher number = higher rank; U3 & U4 tied for the same rank; U6, U7, & U8 tied for same rank

Source: ABC Insights® FY14 data, n=12 universities (Benchmarkable: N=7; Provisional: N=2; In Progress: N=3); no strategic plan information found for U13

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Higher ranked universities mention “research” more and allocate more to Research Administration

We compared Research Administration spend between universities with “research” as the most frequent word in their strategic plan (labeled as “high research focus” universities) and other universities.

<i>Research spend comparison factor</i>	<i>High Research Focus Average</i>	<i>Medium-Low Research Focus Average</i>
Research Admin spend/student	\$567	\$226
Research Admin spend/Total SAM spend	8.0%	5.0%

*

“High research focus” universities spend more on Research Administration (per student and as a % of total SAM™ spend) and are higher ranked compared to other universities.

* This comparison marginally significant at $p < 0.1$. All other comparisons significant at $p < 0.05$

Source: **ABC Insights**® FY14 data, n=12 universities (Benchmarkable: N=7; Provisional: N=2; In Progress: N=3); no strategic plan information found for U13

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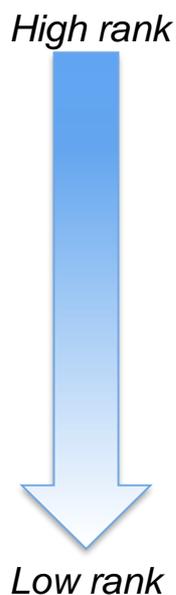
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Students are a priority for several lower-ranked universities

A word frequency analysis of university strategic plans (mission, vision, priorities, & initiatives) revealed that “student” was the second most common word.



Most Common Words -- As listed in Mission, Vision, Priorities, and Initiatives						
University	1	2	3	4	5	Year(s)
U12	Research	Citizen	Great	Innovation	Generation	Not Available
U11	Research	Increase	Faculty	Student	Community	2015 (5-10 year plan)
U10	Research	Student	World	Ensure	Learn	2015-2019
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Source: **ABC Insights**® FY14 data, n=12 universities (Benchmarkable: N=7; Provisional: N=2; In Progress: N=3); no strategic plan information found for U1

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Universities that mention “students” more tend to allocate more to Student Services

We compared Student Services spend between universities with “student” as the most frequent word in their strategic plan (labeled as “high student focus” universities) and other universities.

<i>Student spend comparison factor</i>	<i>High Student Focus Average</i>	<i>Medium-Low Student Focus Average</i>
Student Services spend/student	\$742	\$793
Student Services spend/Total SAM spend	17.9%	13.8%

*

No significant results were found, with the exception of a trend toward “high student focus” universities allocating more money to Student Services (as a % of total SAM™ spend).

* This comparison marginally significant at $p < 0.1$. All other comparisons not significant.

Source: **ABC Insights**® FY14 data, n=12 universities (Benchmarkable: N=7; Provisional: N=2; In Progress: N=3); no strategic plan information found for U13

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Closing Summary

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