New Analysis Shows Problematic Boom In Higher Ed Administrators

By: JON MARCUS | February 6, 2014

The number of non-academic administrative and professional employees at U.S. colleges and universities has more than doubled in the last 25 years, vastly outpacing the growth in the number of students or faculty, according to an analysis of federal figures.

The disproportionate increase in the number of university staffers who neither teach nor conduct research has continued unabated in more recent years, and slowed only slightly since the start of the economic downturn, during which time colleges and universities have contended that a dearth of resources forced them to sharply raise tuition.

In all, from 1987 until 2011-12—the most recent academic year for which comparable figures are available—universities and colleges collectively added 517,636 administrators and professional employees, or an average of 87 every working day, according to the analysis of federal figures by the New England Center of Investigative Reporting in collaboration with the nonprofit, nonpartisan social-science research group the American Institutes for Research.

“There’s just a mind-boggling amount of money per student that’s being spent on administration,” said Andrew Gillen, a senior researcher at the institutes. “It raises a question of priorities.”

Universities have added these administrators and professional employees even as they’ve substantially shifted classroom teaching duties from full-time faculty to less-expensive part-time adjunct faculty and teaching assistants, the figures show.

“They’ve increased their hiring of part-time faculty to try and cut costs,” said Donna Desrochers, a principal researcher at the Delta Cost Project, which studies higher-education spending. “Yet other factors that are going on, including the hiring of these other types of non-academic employees, have undercut those savings.”

Part-time faculty and teaching assistants now account for half of instructional staffs at colleges and universities, up from one-third in 1987, the figures show.

During the same period, the number of administrators and professional staff has more than doubled. That’s a rate of increase more than twice as fast as the growth in the number of students.

It’s not possible to tell exactly how much the rise in administrators and professional employees has contributed to the increase in the cost of tuition and fees, which has also almost doubled in inflation-adjusted dollars since 1987 at four-year private, nonprofit universities and colleges, according to the College Board.
Those costs have also nearly tripled at public four-year universities—a higher price rise than for any other sector of the economy in that period, including healthcare.

But critics say the unremitting addition of administrators and professional staffs can’t help but have driven this steep increase.

At the very least, they say, the continued hiring of nonacademic employees belies university presidents’ insistence that they are doing everything they can to improve efficiency and hold down costs.

“It’s a lie. It’s a lie. It’s a lie,” said Richard Vedder, an economist and director of the Center for College Affordability and Productivity (http://centerforcollegeaffordability.org/).

“I wouldn’t buy a used car from a university president,” said Vedder. “They’ll say, ‘We’re making moves to cut costs,’ and mention something about energy-efficient lightbulbs, and ignore the new assistant to the assistant to the associate vice provost they just hired.”

The figures are particularly dramatic at private, nonprofit universities, whose numbers of administrators alone have doubled, while their numbers of professional employees have more than doubled.

Rather than improving productivity as measured by the ratio of employees to students, private universities have seen their productivity decline, adding 12 employees per 1,000 full-time students since 1987, the federal figures show.

“While the rest of the economy was shrinking overhead, higher education was investing heavily in more overhead,” said Robert Martin, an economist specializing in university finance at Centre College in Kentucky who said staffing per students is a valid way to judge efficiency improvements or declines.

The ratio of nonacademic employees to faculty has also doubled. There are now two nonacademic employees at public and two and a half at private universities and colleges for every one full-time, tenure-track member of the faculty.

“In no other industry would overhead costs be allowed to grow at this rate—executives would lose their jobs,” analysts at the financial management firm Bain & Company wrote in a 2012 white paper (http://www.bain.com/publications/articles/financially-sustainable-university.aspx) for its clients and others about administrative spending in higher education.

Universities and university associations blame the increased hiring on such things as government regulations and demands from students and their families—including students who arrive unprepared for college-level work—for such services as remedial education, advising, and mental-health counseling.

“All of those things pile up, and contribute to this increase,” said Dan King, president of the American Association of University Administrators (http://www.aaua.org).

“I think there’s legitimate criticism” of the growth in hiring of administrators and other nonacademic employees, said King. “At the same time, you can’t lay all of the responsibility for that on the universities.”

There are “thousands” of regulations governing the distribution of financial aid alone, he said. “And probably every college or university that’s accredited, they’ve got
at least one person with a major portion of their time dedicated to that, and in some cases whole office staffs. These aren’t bad things to do, but somebody’s got to do them.”

Since 1987, universities have also started or expanded departments devoted to marketing, diversity, disability, sustainability, security, environmental health, recruiting, technology, and fundraising, and added new majors and graduate and athletics programs, satellite campuses, and conference centers.

Some of these, they say—such as beefed-up fundraising and marketing offices—pay for themselves, and sustainability efforts save money through energy efficiency.

Others “often show up in student referenda, to build or add services,” said George Pernsteiner, president of the State Higher Education Executive Officers Association (http://www.sheeo.org). “The students vote for them. Students and their families have asked for more, and are paying more to get it.”

Pressure to help students graduate more quickly—or at all—has also driven the increase in professional employees “to try to more effectively serve the students who are coming in today,” Pernsteiner said.

But naysayers point out that the doubling of administrative and professional staffs doesn’t seem to have improved universities’ performance. Since 2002, the proportion of four-year bachelor’s degree-seeking students who graduate within even six years, for instance, has barely inched up, from 55 percent to 58 percent, U.S. Department of Education figures show (http://nces.ed.gov/programs/digest/d12/tables/dt12_376.asp).

“If we have these huge spikes in student services spending or in other professional categories, we should see improvements in what they do, and I personally haven’t seen that,” Gillen said.

Martin said it’s true that adding services beyond teaching and research is fueling the growth of campus payrolls. But he said universities don’t have to provide those services themselves. “They can outsource them, the way that corporations do.”

To provide such things as security and counseling, said Martin, “You can hire outside firms, on a contract basis with competitive bidding. All these activities are a distraction from what the institution is supposed to be doing.”

Universities and colleges continued adding employees even after the beginning of the economic downturn, though at a slightly slower rate, the federal figures show.

“Institutions have said that they were hurting, so I would have thought that staffing overall would go down,” Desrochers said. “But it didn’t.”

There’s also been a massive hiring boom in central offices of public university systems and universities with more than one campus, according to the figures. The number of employees in central system offices has increased six-fold since 1987, and the number of administrators in them by a factor of more than 34.

One example, the central office of the California State University System, now has a budget bigger (http://www.calstate.edu/pa/2013Facts/documents/facts2013.pdf) than those of three of the system’s 23 campuses.

“None of them have reduced campus administrative burdens at all,” said King, who said he is particularly frustrated by this trend. “They’ve added a layer of bureaucracy,
and in 95 percent of the cases it’s an unnecessary bureaucracy and a counterproductive one.”

Centralization has been promoted as a way to reduce costs, but Vedder points out that it has not appeared to reduce the rate of hiring of administrators and professional staffs on campus—or of incessant spikes in tuition.

“It’s almost Orwellian,” said Vedder. “They’ll say, ‘We’ll save money if we centralize.’ Then they hire a provost or associate provost or an assistant business manager in charge of shared services, and then that person hires an assistant, and you end up with more people than you started with.”

In higher education, “Everyone now is a chief,” he said. “And there are a lot fewer Indians.”