

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 47 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.

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

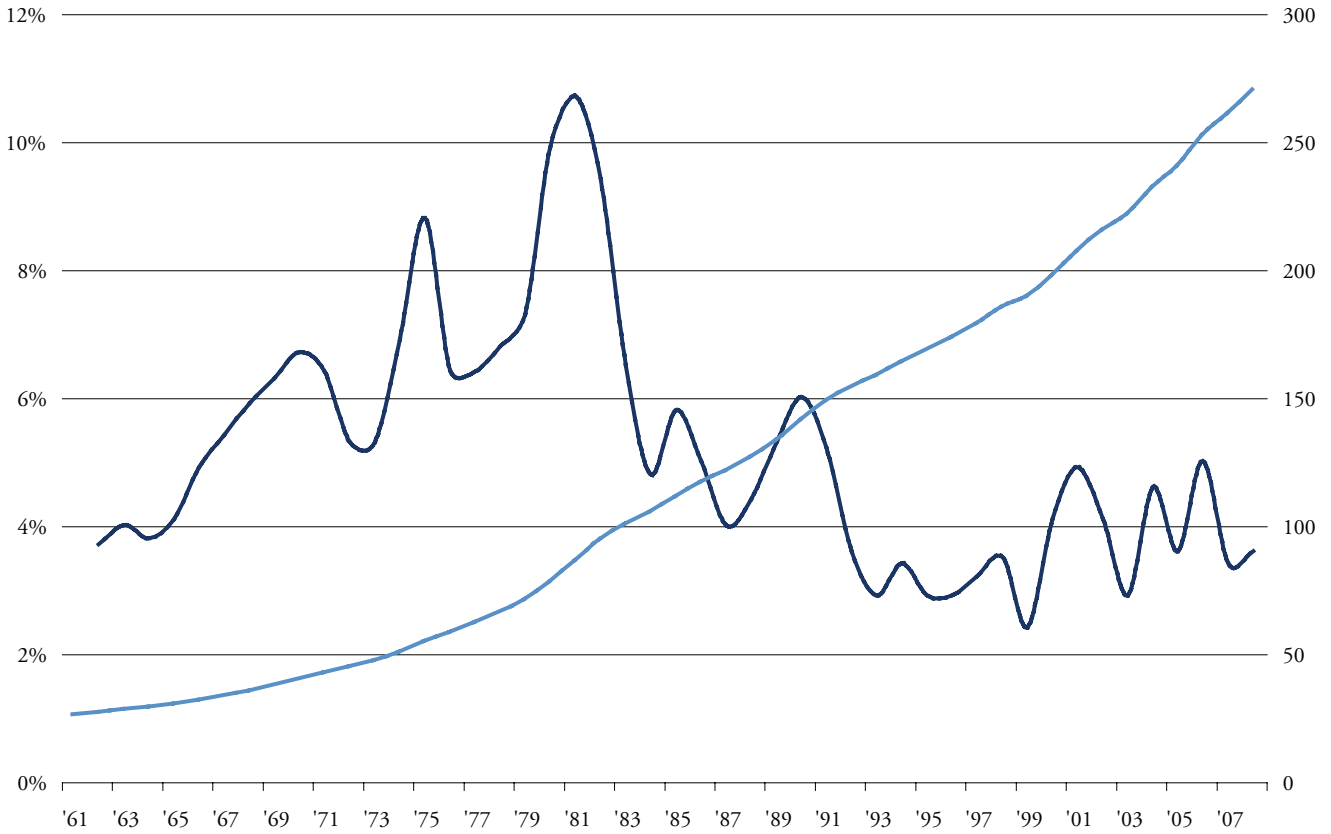
ABOUT COMMONFUND INSTITUTE

Commonfund Institute was founded to house the education and research activities of Commonfund and to provide the entire nonprofit community 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 Commonfund Benchmarks Study[®]; 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 on page 2 shows HEPI from FY1961 to FY2008. 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 10 shows HEPI for public and private institutions, as a whole and by type of institution. Tables D and E on pages 15 and 16 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 - 2008



This chart traces the Higher Education Price Index (HEPI) from 1961 to 2008. 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 gray 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.

TABLE A

HISTORICAL SUMMARY OF HIGHER EDUCATION PRICE INDEX AND CONSUMER PRICE INDEX FY1961 TO FY2008									
	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	—	1986	116.3	5.0%	110.8	2.9%
1962	26.5	3.7%	30.6	1.0%	1987	120.9	4.0%	113.3	2.2%
1963	27.6	4.0%	31.0	1.1%	1988	126.2	4.4%	118.0	4.1%
1964	28.6	3.8%	31.4	1.4%	1989	132.8	5.3%	123.5	4.7%
1965	29.8	4.1%	31.8	1.3%	1990	140.8	6.0%	129.4	4.8%
1966	31.3	4.9%	32.6	2.3%	1991	148.2	5.2%	136.4	5.4%
1967	32.9	5.4%	33.5	3.0%	1992	153.5	3.6%	140.8	3.2%
1968	34.9	5.9%	34.6	3.3%	1993	157.9	2.9%	145.2	3.1%
1969	37.1	6.3%	36.3	4.8%	1994	163.3	3.4%	148.8	2.5%
1970	39.5	6.7%	38.5	5.9%	1995	168.1	2.9%	153.2	3.0%
1971	42.1	6.4%	40.5	5.2%	1996	173.0	2.9%	157.4	2.7%
1972	44.3	5.3%	41.9	3.6%	1997	178.4	3.2%	161.9	2.9%
1973	46.7	5.3%	43.6	3.9%	1998	184.7	3.5%	164.8	1.8%
1974	49.9	6.9%	47.5	8.9%	1999	189.1	2.4%	167.6	1.7%
1975	54.3	8.8%	52.8	11.2%	2000	196.9	4.1%	172.5	2.9%
1976	57.8	6.4%	56.5	7.1%	2001	206.5	4.9%	178.4	3.4%
1977	61.5	6.4%	59.8	5.8%	2002	215.0	4.1%	181.6	1.8%
1978	65.7	6.8%	63.8	6.8%	2003	221.2	2.9%	185.5	2.1%
1979	70.5	7.3%	69.8	9.3%	2004	231.5	4.6%	189.6	2.2%
1980	77.5	9.9%	79.1	13.3%	2005	239.8	3.6%	195.3	3.0%
1981	85.8	10.7%	88.2	11.6%	2006	251.8	5.0%	202.7	3.8%
1982	93.9	9.4%	95.8	8.7%	2007	260.3	3.4%	208.0	2.6%
1983	100.0	6.5%	100.0	4.3%	2008	269.7	3.6%	215.7	3.7%
1984	104.8	4.8%	103.7	3.7%					
1985	110.8	5.8%	107.7	3.9%					

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 2002–2008										
REGRESSION ANALYSIS OF COMPONENTS—FY1961 TO FY2001										
	Fiscal	Regression HEPI	Faculty salaries	Administrative salaries	Clerical	Service Employees	Fringe Benefits	Miscellaneous services	Supplies and material	Utilities
Index Value	2002	215.0	222.7	236.4	205.4	189.6	277.1	205.8	130.6	149.4
	2003	221.2	229.4	255.7	211.1	193.9	292.3	209.5	129.0	127.0
	2004	231.5	234.2	263.3	217.1	197.6	312.8	216.4	133.8	174.6
	2005	239.8	240.7	274.0	223.4	201.4	327.2	222.7	140.2	190.1
	2006	251.8	248.2	287.7	229.5	205.5	343.7	229.5	151.9	241.8
	2007	260.3	257.6	299.2	237.7	213.6	360.8	238.3	162.2	223.5
	2008	269.7	267.4	314.0	245.1	220.5	374.2	246.4	169.8	225.4
Yearly % Change	2002	4.1%	3.8%	3.1%	3.9%	3.8%	5.9%	3.0%	0.1%	6.2%
	2003	2.9%	3.0%	8.2%	2.8%	2.3%	5.5%	1.8%	-1.2%	-15.0%
	2004	4.6%	2.1%	3.0%	2.8%	1.9%	7.0%	3.3%	3.7%	37.5%
	2005	3.6%	2.8%	4.1%	2.9%	1.9%	4.6%	2.9%	4.8%	8.9%
	2006	5.0%	3.1%	5.0%	2.7%	2.0%	5.0%	2.7%	8.3%	27.2%
	2007	3.4%	3.8%	4.0%	3.6%	4.0%	5.0%	4.2%	6.8%	-7.6%
	2008	3.6%	3.8%	5.0%	3.1%	3.2%	3.7%	3.4%	4.7%	0.9%

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	0.082314971
Fringe	0.131020859
Services	0.022899544
Supplies	0.055138426
Utilities	0.068247106

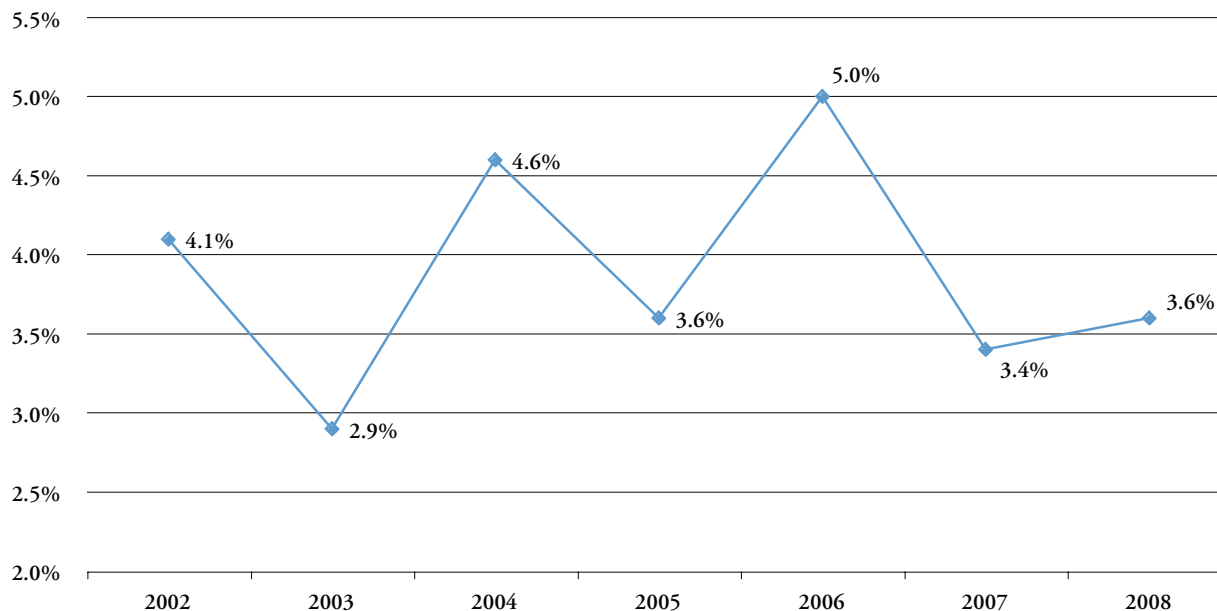
HIGHER EDUCATION PRICE INDEX ANALYSIS

HEPI FOR 2008

For fiscal 2008, which ended on June 30, the HEPI calculation reveals that the inflation rate for colleges and universities was 3.6 percent, 20 basis points (0.2 percent) above the 3.4 percent rate reported for FY2007. As shown in Figure 1 below, the FY2008 rate is identical to that seen in FY2005.

FIGURE 1

The Higher Education Price Index FY2002 - 2008



In the current environment of higher inflation, particularly in energy and food costs, the FY2008 HEPI figure may appear low. The reason for the anomaly lies in the fact that the index is compiled using only final, rather than preliminary, annual data, as more fully described below.

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. Since its inception in 1983, HEPI has consistently been compiled using annual cost inflation data from official sources for each of the eight factors. Certain data are released on a calendar year basis, while other data are released in different months. For six of the factors, final data through June 30 are available. For supplies and materials and utilities, however, only preliminary data have been available as of June 30 and so, since its inception, HEPI has been compiled using final data from the previous calendar year-end for these two cost factors. In times of high price volatility, this timing difference has sometimes caused HEPI to be overstated – as was the case in FY2006, when the post-Katrina spike in fuel prices was captured but not the subsequent decline – or, as in this year, understated.

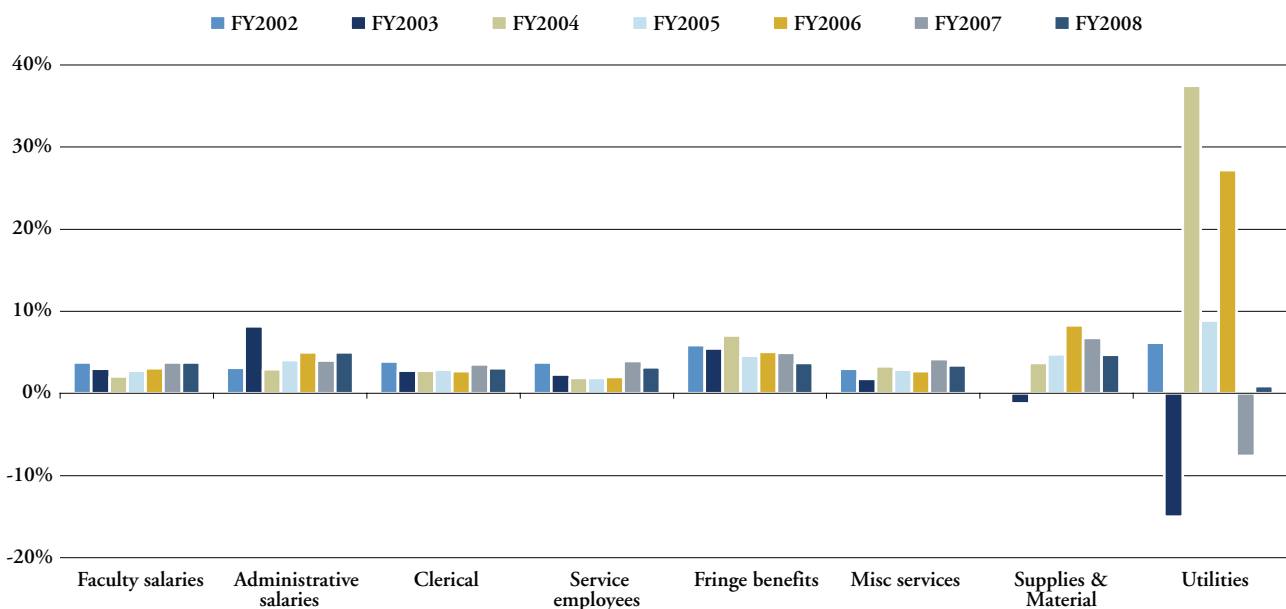
Consequently, the substantial increases in supplies and materials and utilities costs in the first six months of calendar 2008 are not reflected in the FY2008 HEPI index. For example, the utilities cost factor increased only 0.9 percent through December 31, 2007, according to the final figure used in calculating HEPI; however, as of June 30, 2008 the preliminary figure for this factor is 13.7 percent. Similarly, while supplies and materials costs increased 4.7 percent through December 31, the preliminary figure as of June 30 is 10.9 percent.

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. Those components that are most heavily weighted are faculty and clerical salaries and fringe benefits. Supplies and materials and utilities represent the second-lowest and third-lowest weightings, respectively. Taken together, these two cost factors have a weighting of 12.3% in the regression equation that determines the final HEPI. If the two preliminary numbers were used to calculate HEPI, the FY2008 HEPI would be 4.6% instead of 3.6%, a significant difference.

Figure 2 shows a graphical representation of the changes in these cost factors from FY2002-08. The highest increase for FY2008 came from administrative salaries, which had an inflation rate of 5.0 percent for the year, up from a 4.0 percent rise in FY2007. Supplies and materials costs had the second-highest inflation rate, at 4.7 percent, a deceleration from 6.8 percent last year. Utilities costs, which have shown very high volatility in recent years, had an inflation rate of only 0.9 percent for FY2008, versus -7.6 percent last year.

The other components of HEPI had inflation rates that clustered in a band between 3.1 percent and 3.8 percent, with faculty salaries rising by 3.8 percent, a rate unchanged from FY2007; fringe benefit inflation slowing to 3.7 percent from 5.0 percent; inflation for miscellaneous service costs decelerating to 3.4 percent from 4.2 percent; inflation for service employee salaries at 3.2 percent versus 4.0 percent last year; and clerical salaries increasing by 3.1 percent versus 3.6 percent last year.

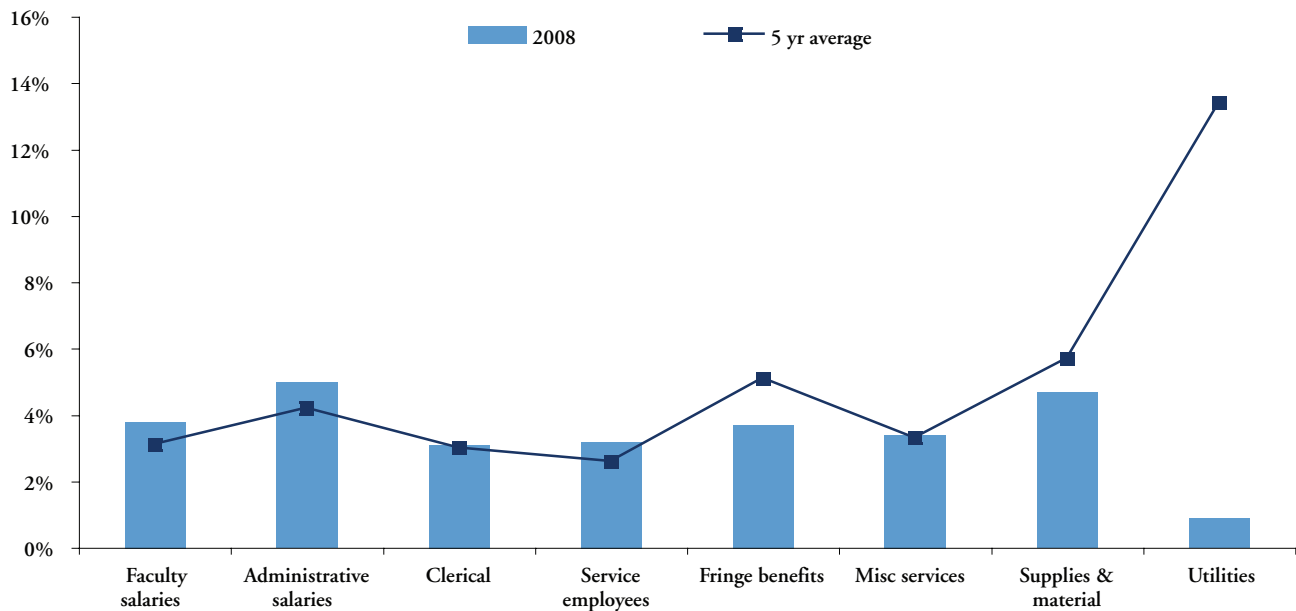
FIGURE 2
Annual Percentage Changes in the Eight HEPI Cost Factors, FY2002 - 2008



HEPI FOR FY2008 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 FY2008 against their historical five-year averages. On this basis, the greatest deviation from the five-year average was in the category of utilities, which saw a rise of just 0.9 percent for FY2007, 1,250 basis points lower than the five-year average of 13.4 percent. If, as discussed above, the preliminary June 30 figure of 13.7 percent for utilities had been used, this factor would be 30 basis points above its five-year average. The change in supplies and materials costs was 100 basis points lower than the five-year average for this factor, at 4.7 percent versus 5.7 percent; again, had the preliminary June 30 figure of 10.9 percent been used, this factor would be 520 basis points above its five-year average. With the exception of the increase in fringe benefit costs, which was 140 basis points below its five-year average, all the other factors were up by more than their five-year averages, by amounts ranging from 10 to 80 basis points.

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

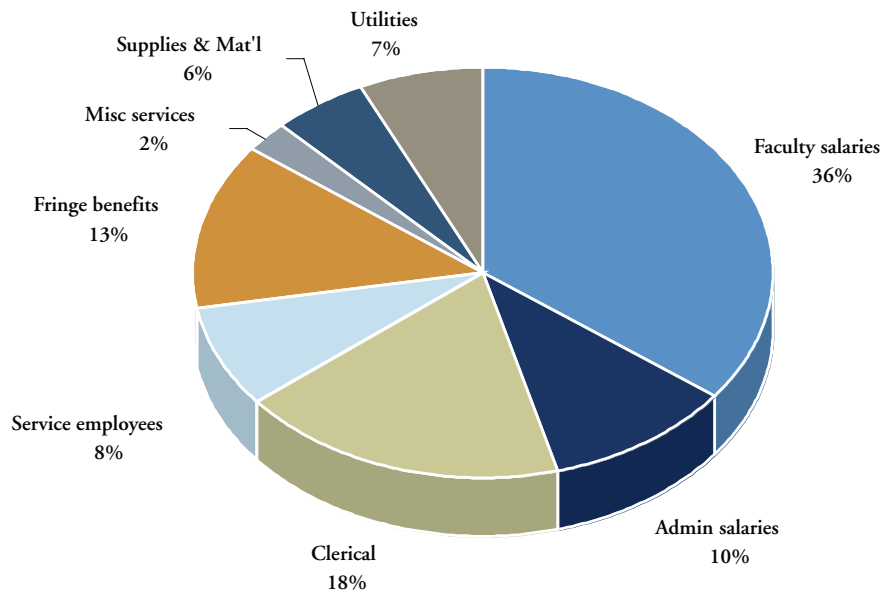


Over the five-year period, utilities rates have seen the most volatility, owing to increases in FY2004 and FY2006 of 37.5 percent and 27.2 percent respectively, partially offset by rates of -15.0 percent in FY2003 and -7.6 percent in FY2007. The component that has been most stable has been clerical salaries: after a deceleration of 110 basis points in FY2003, inflation for this factor every year has been in the 2.7 to 3.1 percent range, with the exception of an increase to 3.6 percent for FY2007.

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 34 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, a fact that has served to mitigate somewhat the effect of the extreme volatility that has characterized this cost factor 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 267.4 to 280.8, 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 & material	Utilities
Current									
Index Value	269.7	267.4	314.0	245.1	220.5	374.2	246.4	169.8	225.4
Yearly % Change	3.6%	3.8%	5.0%	3.1%	3.2%	3.7%	3.4%	4.7%	0.9%
Scenario: Faculty Salaries up 5%									
Index Value	274.5	280.8	314.0	245.1	220.5	374.2	246.4	169.8	225.4
Yearly % Change	5.4%	9.0%	5.0%	3.1%	3.2%	3.7%	3.4%	4.7%	0.9%
Δ	180 b.p.	520 b.p.							
Scenario: Misc. Services up 5%									
Index Value	270.0	267.4	314.0	245.1	220.5	374.2	258.8	169.8	225.4
Yearly % Change	3.7%	3.8%	5.0%	3.1%	3.2%	3.7%	8.6%	4.7%	0.9%
Δ	10 b.p.						520 b.p.		

HIGHER EDUCATION PRICE INDEX FOR DIFFERENT TYPES OF EDUCATIONAL INSTITUTIONS

PUBLIC VS. PRIVATE INSTITUTIONS - FY2008

As noted above, 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 two-year colleges
- Public masters' degree-granting institutions
- Public doctoral degree-granting institutions
- Private institutions as a whole
- Private baccalaureate institutions
- Private masters' degree-granting institutions
- Private doctoral degree-granting 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 below shows HEPI for FY2002-2008 for these institutions.

TABLE C

HIGHER EDUCATION PRICE INDEX 2001-2008										
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	2001	206.5	205.2	216.8	209.1	205.8	213.9	229.8	217.2	218.7
	2002	215.0	213.7	228.0	217.4	215.1	221.7	243.5	224.9	226.5
	2003	221.2	220.0	235.7	224.8	223.0	227.8	251.1	232.0	234.1
	2004	231.5	229.8	246.2	233.7	231.1	239.8	265.0	244.3	244.9
	2005	239.8	238.0	256.1	242.0	239.0	248.5	276.0	250.7	253.5
	2006	251.8	249.8	269.6	252.7	249.2	261.2	290.1	266.9	265.5
	2007	260.3	258.4	279.9	262.2	259.2	269.5	301.2	272.8	273.9
	2008	269.7	266.4	289.1	72.7	271.5	280.1	312.9	283.3	285.5
Yearly % Change	2002	4.1%	4.1%	5.2%	4.0%	4.5%	3.6%	6.0%	3.5%	3.6%
	2003	2.9%	3.0%	3.4%	3.4%	3.7%	2.8%	3.1%	3.2%	3.3%
	2004	4.6%	4.5%	4.5%	4.0%	3.6%	5.3%	5.5%	5.3%	4.6%
	2005	3.6%	3.6%	4.0%	3.6%	3.4%	3.6%	4.1%	2.6%	3.5%
	2006	5.0%	4.9%	5.3%	4.4%	4.3%	5.1%	5.1%	6.4%	4.7%
	2007	3.4%	3.5%	3.8%	3.7%	4.0%	3.2%	3.8%	2.2%	3.2%
	2008	3.6%	3.1%	3.3%	4.0%	4.7%	3.9%	3.9%	3.8%	4.2%

In contrast with last year, public institutions as a whole reported lower HEPI rates than their private counterparts for FY2008. Public institutions' HEPI was 3.1 percent, 80 basis points less than the 3.9 percent rise reported for private institutions. Looking at the index components for the two types of institution, inflation in fringe benefits was 400 basis points lower at public institutions, at 0.8 percent versus 4.8 percent for private institutions, and inflation in faculty salaries was 20 basis points lower, at 3.8 percent versus 4.0 percent.

Examining changes in HEPI by institutional classification, public doctoral institutions had a HEPI of 3.3 percent while private doctoral institutions saw the index rise 3.9 percent – a difference of 60 basis points. Here, again, fringe benefits accounted for nearly all of the difference, rising just 1.2 percent at public institutions but 3.7 percent at private institutions. Faculty salaries rose at a 4.5 percent rate at public institutions and a 4.6 percent rate at private institutions.

Public master's degree-granting institutions, on the other hand, had higher inflation rates than their private counterparts, with the public institutions' HEPI at 4.0 percent, while the private institutions' index was 20 basis points lower, at 3.8 percent. In this case, the difference was largely accounted for by faculty salaries, with public institutions having an inflation rate of 4.6 percent while private institutions had an inflation rate of 3.9 percent. Fringe benefits rose at a 4.3 percent rate at public institutions and a 4.5 percent rate at private institutions.

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. Public two-year colleges saw HEPI rise 4.7 percent, up from 4.0 percent in FY2007, and private baccalaureate-granting institutions saw HEPI rise 4.2 percent, up from 3.2 percent last year.

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 3.8 percent at public institutions overall while rising 4.0 percent at private institutions. Faculty salaries at public master's degree institutions saw the highest HEPI increase of 4.6 percent, followed by public doctoral institutions, which saw a 4.5 percent increase, and two-year colleges, which saw a 2.8 percent increase – down sharply from 4.1 percent in FY2007. Faculty salaries at private institutions were also up; salaries at private doctoral institutions were up 4.6 percent, baccalaureate granting institutions saw a 4.1 percent rise, and master's degree-granting institutions were up 3.9 percent.

FIGURE 6

FY2008 Faculty Salaries - Public Institutions

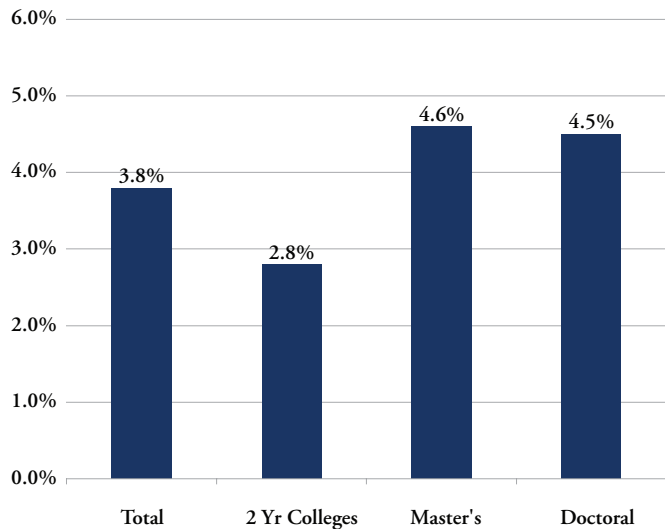
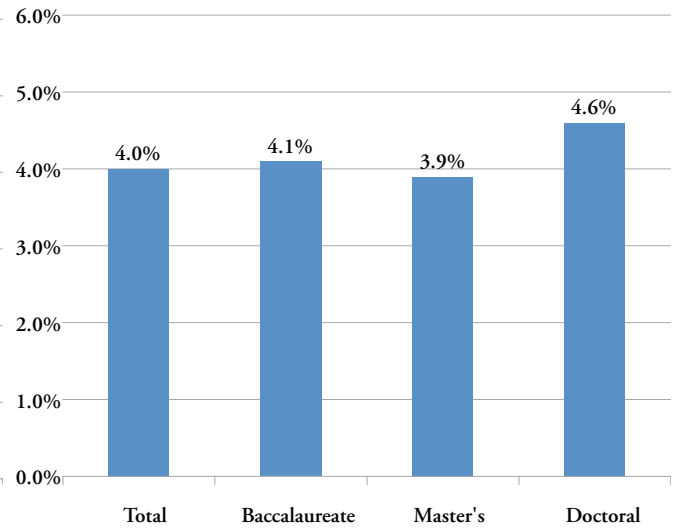


FIGURE 7

FY2008 Faculty Salaries - Private Institutions



Figures 8 and 9 show that at public institutions, fringe benefit costs rose just 0.8 percent – a marked contrast with last year’s 5.5 percent rise – compared with 4.8 percent at private institutions. Within public institutions, two-year colleges saw a rise in fringe benefits of 11.6 percent, up from last year’s already high 8.1 percent increase. The cost of fringe benefits for public master’s degree-granting institutions was up 4.3 percent for 2008, versus a 7.6 percent increase last year, while at doctoral institutions fringe benefits rose only 1.2 percent – down from a 5.0 percent increase last year. Fringe benefits for private baccalaureate institutions rose strongly by 6.1 percent, up from a 3.6 percent rise in FY2007. At private master’s degree-granting institutions, fringe benefits rose by 4.5 percent versus a very low 0.3 percent increase last year, while at doctoral institutions the rise in fringe benefit costs was 3.7 percent, decelerating from a 5.6 percent rise in FY2007.

FIGURE 8

FY2008 Fringe Benefits - Public Institutions

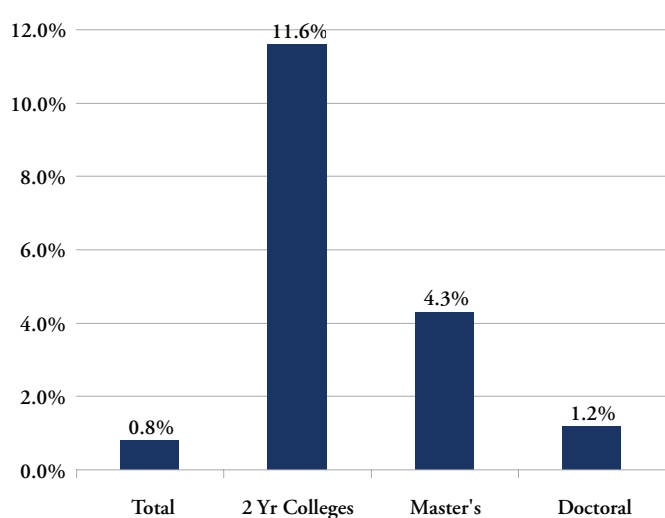
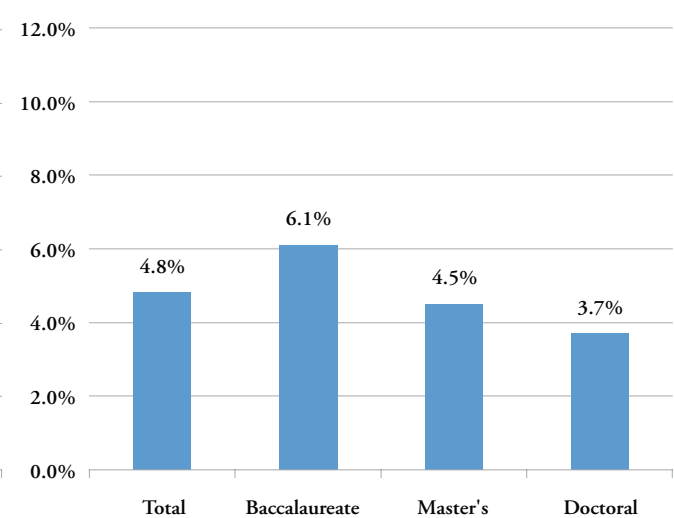


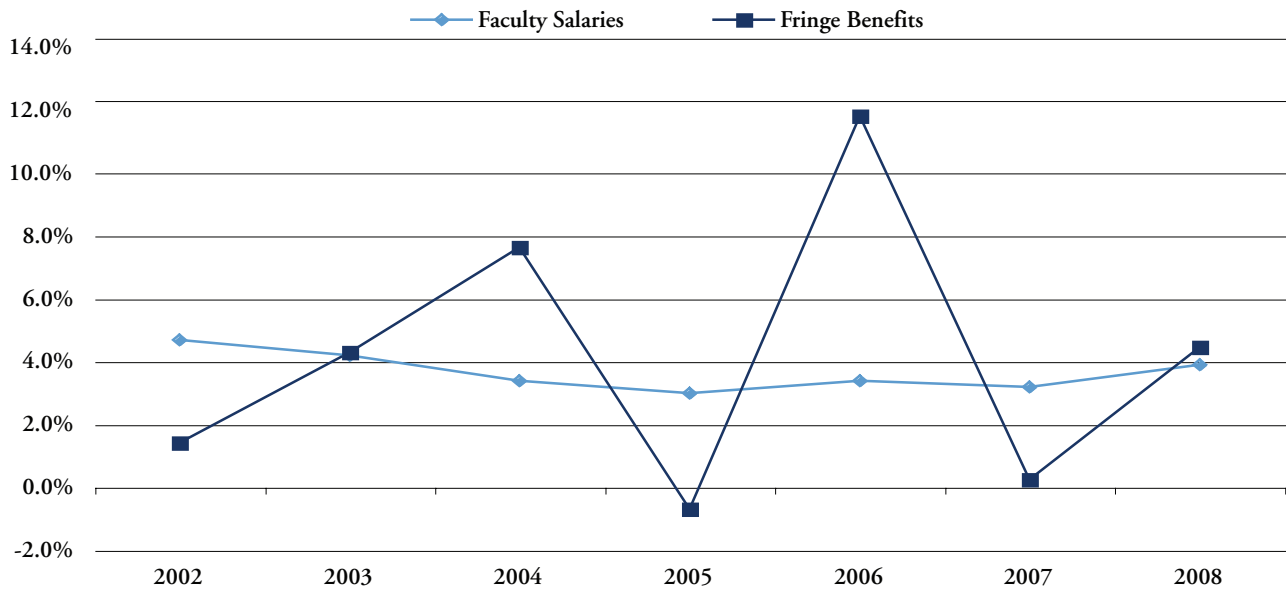
FIGURE 9

FY2008 Fringe Benefits - Private Institutions



As shown in Figure 10, over the past four years, the 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



The other HEPI components - clerical salaries, administrative salaries, service employee salaries, miscellaneous services, supplies and materials, and utilities – were in line with the overall averages for both public and private institutions.

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 Table D, these salaries have been restated in constant dollar terms so that they reflect the impact of inflation as measured by CPI.

Table D shows that salaries of professors at public doctoral-level institutions have increased in constant terms over the last 41 years by \$11,300, evidencing an increase in real purchasing power. For public comprehensive institutions, salaries have nearly stagnated in real terms, rising by less than \$3,400, while at public two-year colleges they have increased by more than \$8,000 over the 41-year period.

Table E 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 nearly \$39,000 over 41 years, while those at comprehensive schools have increased by nearly \$20,000. Salaries at general baccalaureate institutions have increased by approximately \$19,350 over the shorter 31-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 \$109,569 while their counterparts at private institutions make \$144,256 – a gap of nearly \$35,000. This gap, in real terms, was just over \$7,400 in FY1967, indicating that professors at private doctoral-level institutions have benefited by an increase of over \$27,200 in real purchasing power over the intervening decades.

At comprehensive institutions, the relative positions have actually reversed. In FY1967, full professors at comprehensive public institutions made nearly \$7,000 more than their counterparts at private institutions as measured in current dollars. By FY2007, however, this advantage had been reversed, with professors at comprehensive private institutions making \$9,400 more – a gain over 41 years of over \$16,300 in real terms.

TABLE D

HIGHER EDUCATION FACULTY SALARIES IN CURRENT AND CONSTANT FY2008 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 FY08 dollars	Amount	Yearly %	Constant FY08 dollars	Amount	Yearly %	Constant FY08 dollars
1967	\$15,273	—	\$98,268	\$12,798	—	\$82,344	\$9,927	—	\$63,871
1968	\$16,160	5.8%	\$100,654	\$13,747	7.4%	\$85,624	\$10,659	7.4%	\$66,390
1969	\$16,900	4.6%	\$100,403	\$14,550	5.8%	\$86,442	\$11,800	10.7%	\$70,104
1970	\$17,750	5.0%	\$99,569	\$15,400	5.8%	\$86,386	\$12,950	9.7%	\$72,643
1971	\$18,600	4.8%	\$99,150	\$16,350	6.2%	\$87,156	\$14,150	9.3%	\$75,429
1972	\$19,678	5.8%	\$101,207	\$17,313	5.9%	\$89,044	\$15,217	7.5%	\$78,264
1973	\$20,545	4.4%	\$101,684	\$18,446	6.5%	\$91,295	\$17,080	12.2%	\$84,534
1974	\$21,400	4.2%	\$97,239	\$19,600	6.3%	\$89,060	\$18,100	6.0%	\$82,244
1975	\$22,648	5.8%	\$92,579	\$20,840	6.3%	\$85,189	\$19,312	6.7%	\$78,942
1976	\$24,277	7.2%	\$92,701	\$22,067	5.9%	\$84,262	\$20,254	4.9%	\$77,339
1977	\$25,210	3.8%	\$90,972	\$23,190	5.1%	\$83,683	\$21,860	7.9%	\$78,884
1978	\$26,420	4.8%	\$89,327	\$24,290	4.7%	\$82,125	\$23,240	6.3%	\$78,575
1979	\$28,000	6.0%	\$86,571	\$25,030	3.0%	\$77,389	\$23,420	0.8%	\$72,411
1980	\$30,120	7.6%	\$82,151	\$27,200	8.7%	\$74,187	\$25,190	7.6%	\$68,705
1981	\$32,850	9.1%	\$80,335	\$29,580	8.8%	\$72,338	\$26,200	4.0%	\$64,072
1982	\$35,680	8.6%	\$80,297	\$31,700	7.2%	\$71,340	\$27,720	5.8%	\$62,383
1983	\$38,180	7.0%	\$82,351	\$33,490	5.6%	\$72,235	\$30,480	10.0%	\$65,743
1984	\$39,770	4.2%	\$82,757	\$34,560	3.2%	\$71,915	\$31,510	3.4%	\$65,569
1985	\$42,560	7.0%	\$85,227	\$37,090	7.3%	\$74,274	\$33,230	5.5%	\$66,544
1986	\$45,560	7.0%	\$88,668	\$39,720	7.1%	\$77,303	\$34,870	4.9%	\$67,864
1987	\$48,740	7.0%	\$92,788	\$42,290	6.5%	\$80,509	\$37,460	7.4%	\$71,314
1988	\$51,080	4.8%	\$93,369	\$46,060	8.9%	\$84,193	\$38,230	2.1%	\$69,881
1989	\$54,240	6.2%	\$94,730	\$46,920	1.9%	\$81,946	\$41,200	7.8%	\$71,956
1990	\$57,520	6.0%	\$95,878	\$49,610	5.7%	\$82,693	\$43,000	4.4%	\$71,675
1991	\$60,450	5.1%	\$95,591	\$52,190	5.2%	\$82,529	\$45,050	4.8%	\$71,239
1992	\$61,950	2.5%	\$94,902	\$53,750	3.0%	\$82,340	\$47,700	5.9%	\$73,072
1993	\$63,250	2.1%	\$93,957	\$54,240	0.9%	\$80,573	\$47,820	0.3%	\$71,036
1994	\$64,860	2.5%	\$94,018	\$55,690	2.7%	\$80,725	\$49,120	2.7%	\$71,202
1995	\$67,560	4.2%	\$95,119	\$57,090	2.5%	\$80,378	\$51,490	4.8%	\$72,494
1996	\$69,750	3.2%	\$95,582	\$58,520	2.5%	\$80,193	\$51,560	0.1%	\$70,655
1997	\$72,220	3.5%	\$96,216	\$60,481	3.4%	\$80,576	\$52,752	2.3%	\$70,279
1998	\$75,154	4.1%	\$98,363	\$61,839	2.2%	\$80,936	\$53,024	0.5%	\$69,399
1999	\$79,284	5.5%	\$102,034	\$63,817	3.2%	\$82,129	\$55,326	4.3%	\$71,202
2000	\$82,535	4.1%	\$103,201	\$66,657	4.5%	\$83,347	\$57,089	3.2%	\$71,384
2001	\$84,007	1.8%	\$101,568	\$68,828	3.3%	\$83,216	\$57,932	1.5%	\$70,042
2002	\$89,631	6.7%	\$106,458	\$72,770	5.7%	\$86,431	\$60,997	5.3%	\$72,448
2003	\$92,387	3.1%	\$107,424	\$74,545	2.4%	\$86,678	\$65,730	7.8%	\$76,428
2004	\$94,606	2.4%	\$107,626	\$74,872	0.4%	\$85,176	\$64,439	-2.0%	\$73,307
2005	\$97,948	3.5%	\$108,175	\$76,665	2.4%	\$84,670	\$66,405	3.1%	\$73,339
2006	\$101,620	3.7%	\$108,134	\$78,884	2.9%	\$83,940	\$66,011	-0.6%	\$70,242
2007	\$106,495	4.8%	\$110,408	\$81,855	3.8%	\$84,862	\$68,424	3.7%	\$70,938
2008	\$109,569	2.9%	\$109,569	\$85,726	4.7%	\$85,726	\$71,910	5.1%	\$71,910

*Constant dollars based on inflation measured by the Consumer Price Index.
Sources: FY1967–FY1976, NCES; FY1977–present, AAUP

TABLE E

HIGHER EDUCATION FACULTY SALARIES IN CURRENT AND CONSTANT FY2008 DOLLARS*									
ILLUSTRATIVE DATA									
<i>Private Faculty Salaries</i>									
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 FY08 dollars	Amount	Yearly %	Constant FY08 dollars	Amount	Yearly %	Constant FY08 dollars
1967	\$16,425	–	\$105,680	\$11,722	–	\$75,421			
1968	\$17,057	3.8%	\$106,241	\$12,572	7.3%	\$78,306			
1969	\$18,050	5.8%	\$107,235	\$13,250	5.4%	\$78,718			
1970	\$18,950	5.0%	\$106,300	\$14,100	6.4%	\$79,094			
1971	\$19,800	4.5%	\$105,547	\$14,950	6.0%	\$79,693			
1972	\$20,775	4.9%	\$106,849	\$15,899	6.3%	\$81,771			
1973	\$21,507	3.5%	\$106,445	\$16,501	3.8%	\$81,669			
1974	\$22,600	5.1%	\$102,691	\$17,200	4.2%	\$78,154			
1975	\$23,832	5.5%	\$97,419	\$18,047	4.9%	\$73,771			
1976	\$25,368	6.4%	\$96,867	\$19,153	6.1%	\$73,135			
1977	\$27,810	9.6%	\$100,355	\$22,020	15.0%	\$79,461	\$20,780		\$74,986
1978	\$28,880	3.8%	\$97,644	\$23,380	6.2%	\$79,049	\$21,790	4.9%	\$73,673
1979	\$31,090	7.7%	\$96,125	\$24,830	6.2%	\$76,770	\$23,230	6.6%	\$71,823
1980	\$33,400	7.4%	\$91,098	\$26,160	5.4%	\$71,351	\$24,740	6.5%	\$67,478
1981	\$36,000	7.8%	\$88,038	\$28,710	9.7%	\$70,210	\$27,030	9.3%	\$66,102
1982	\$40,220	11.7%	\$90,514	\$31,530	9.8%	\$70,957	\$29,720	10.0%	\$66,884
1983	\$43,950	9.3%	\$94,797	\$33,750	7.0%	\$72,796	\$32,410	9.1%	\$69,906
1984	\$47,070	7.1%	\$97,947	\$36,000	6.7%	\$74,912	\$34,140	5.3%	\$71,042
1985	\$49,880	6.0%	\$99,886	\$37,980	5.5%	\$76,056	\$36,500	6.9%	\$73,092
1986	\$53,190	6.6%	\$103,518	\$40,170	5.8%	\$78,178	\$38,200	4.7%	\$74,344
1987	\$56,900	7.0%	\$108,322	\$42,680	6.2%	\$81,251	\$40,460	5.9%	\$77,025
1988	\$59,850	5.2%	\$109,400	\$44,010	3.1%	\$80,446	\$42,540	5.1%	\$77,759
1989	\$64,290	7.4%	\$112,282	\$47,010	6.8%	\$82,103	\$44,770	5.2%	\$78,191
1990	\$68,360	6.3%	\$113,947	\$51,000	8.5%	\$85,010	\$46,830	4.6%	\$78,059
1991	\$72,950	6.7%	\$115,358	\$52,820	3.6%	\$83,525	\$49,610	5.9%	\$78,449
1992	\$76,890	5.4%	\$117,788	\$54,980	4.1%	\$84,224	\$52,230	5.3%	\$80,011
1993	\$80,280	4.4%	\$119,255	\$57,060	3.8%	\$84,762	\$54,620	4.6%	\$81,137
1994	\$82,520	2.8%	\$119,617	\$59,610	4.5%	\$86,407	\$56,780	4.0%	\$82,305
1995	\$84,790	2.8%	\$119,377	\$60,830	2.0%	\$85,643	\$58,040	2.2%	\$81,715
1996	\$88,050	3.8%	\$120,659	\$63,430	4.3%	\$86,921	\$59,830	3.1%	\$81,988
1997	\$92,112	4.6%	\$122,717	\$64,468	1.6%	\$85,888	\$62,047	3.7%	\$82,663
1998	\$95,023	3.2%	\$124,367	\$67,282	4.4%	\$88,060	\$64,784	4.4%	\$84,790
1999	\$98,606	3.8%	\$126,901	\$69,509	3.3%	\$89,454	\$67,180	3.7%	\$86,457
2000	\$103,761	5.2%	\$129,742	\$71,547	2.9%	\$89,462	\$70,528	5.0%	\$88,188
2001	\$107,633	3.7%	\$130,132	\$75,143	5.0%	\$90,851	\$74,031	5.0%	\$89,506
2002	\$112,534	4.6%	\$133,660	\$77,310	2.9%	\$91,824	\$76,692	3.6%	\$91,090
2003	\$118,269	5.1%	\$137,519	\$80,011	3.5%	\$93,034	\$79,928	4.2%	\$92,937
2004	\$122,158	3.3%	\$138,969	\$81,570	1.9%	\$92,796	\$82,344	3.0%	\$93,676
2005	\$127,214	4.1%	\$140,497	\$83,986	3.0%	\$92,755	\$85,575	3.9%	\$94,510
2006	\$131,292	3.2%	\$139,707	\$88,800	5.7%	\$94,492	\$87,779	2.6%	\$93,405
2007	\$136,689	4.1%	\$141,711	\$91,197	2.7%	\$94,547	\$90,353	2.9%	\$93,672
2008	\$144,256	5.5%	\$144,256	\$95,171	4.4%	\$95,171	\$94,333	4.4%	\$94,333

*Constant dollars based on inflation measured by the Consumer Price Index.
Sources: FY1967–FY1976, NCES; FY1977–present, AAUP

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