

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

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## ABOUT HEPI

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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 46 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. This year, in keeping with its commitment to improving and expanding the index, Commonfund Institute is inaugurating 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](http://www.commonfund.org).

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## ABOUT COMMONFUND INSTITUTE

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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 endowments and treasury management; proprietary and third-party research and publications including the annual Commonfund Benchmarks Study<sup>®</sup>; 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.

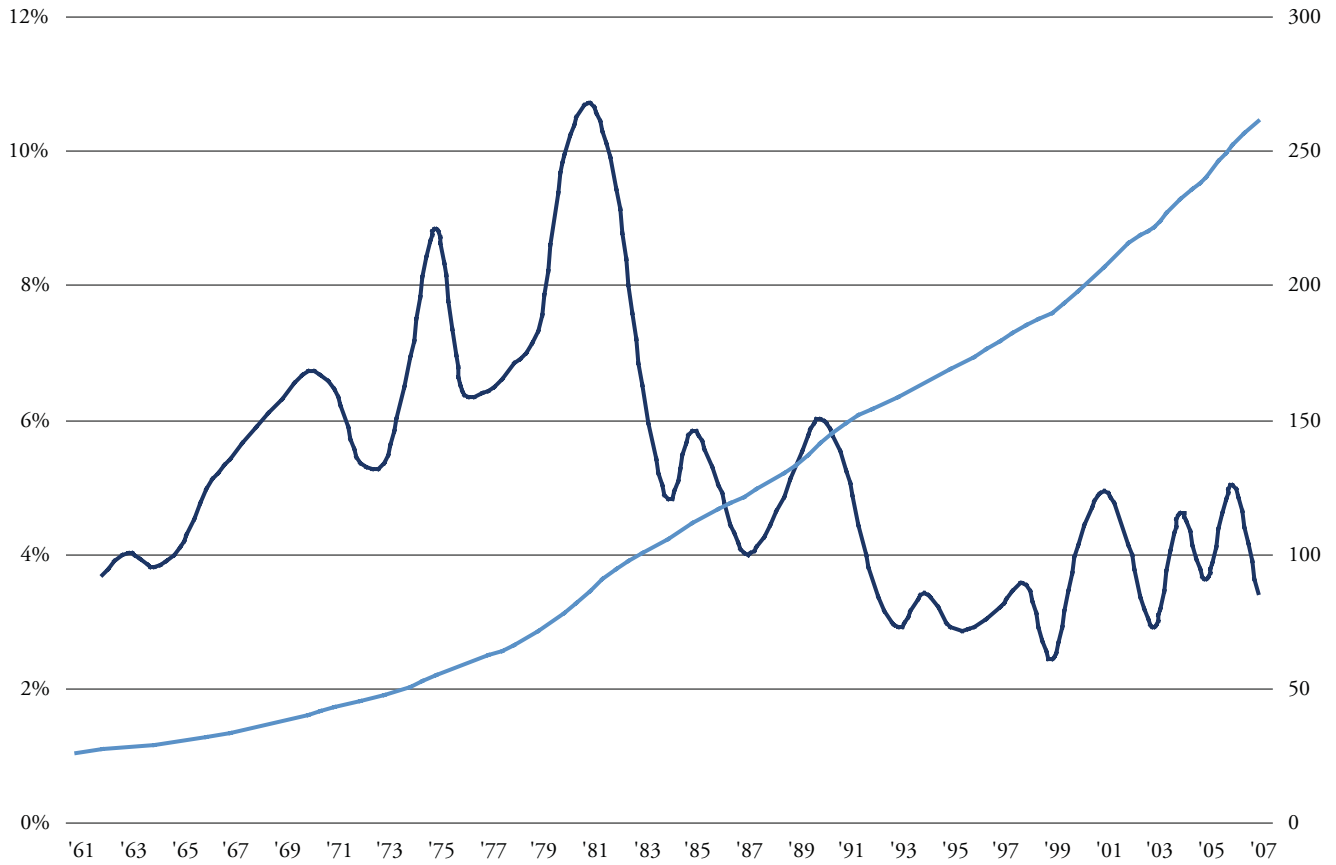
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## THE HEPI TABLES

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The chart on page 2 shows HEPI from FY1961 to FY2007. 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 9 shows HEPI for public and private institutions, as a whole and by type of institution. Tables D and E on pages 14 and 15 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 - 2007



*This chart traces the Higher Education Price Index (HEPI) from 1961 to 2007. 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 FY2007									
	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%					
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 2002–2007										
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									
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									

**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

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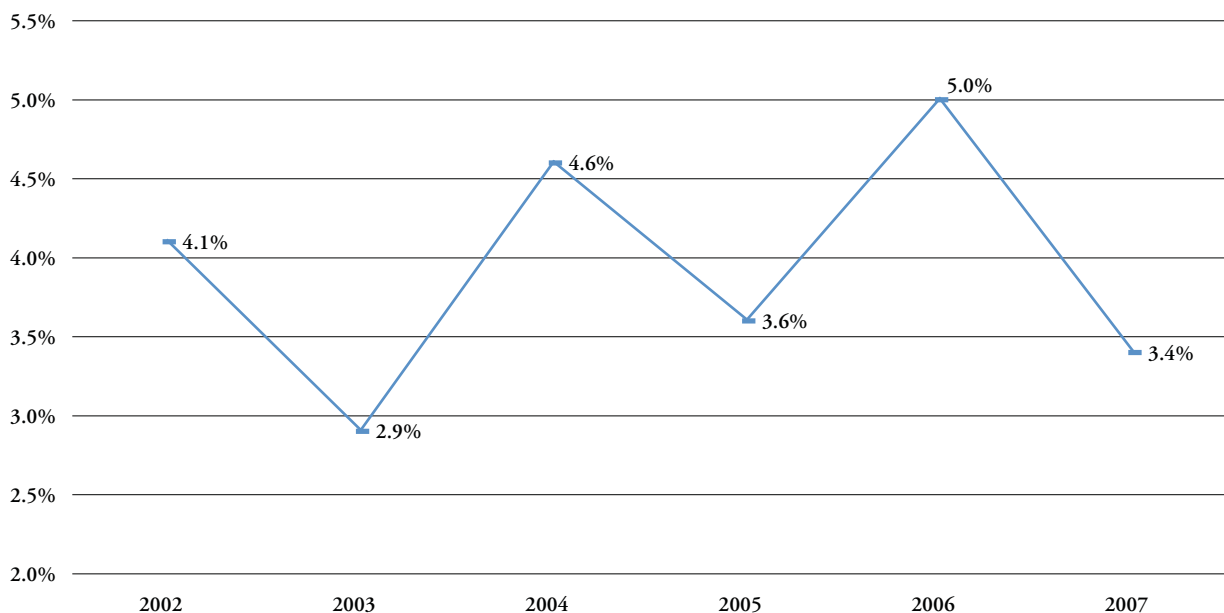
## HEPI FOR 2007

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For fiscal 2007, which ended on June 30, the HEPI calculation reveals that the inflation rate for colleges and universities was 3.4 percent, 160 basis points (1.6 percent) below the 5.0 percent rate reported for FY2006. As shown in Figure 1 below, the FY2007 rate is similar to that seen in FY2005, when HEPI was 3.6 percent.

FIGURE 1

The Higher Education Price Index FY2002 - 2007

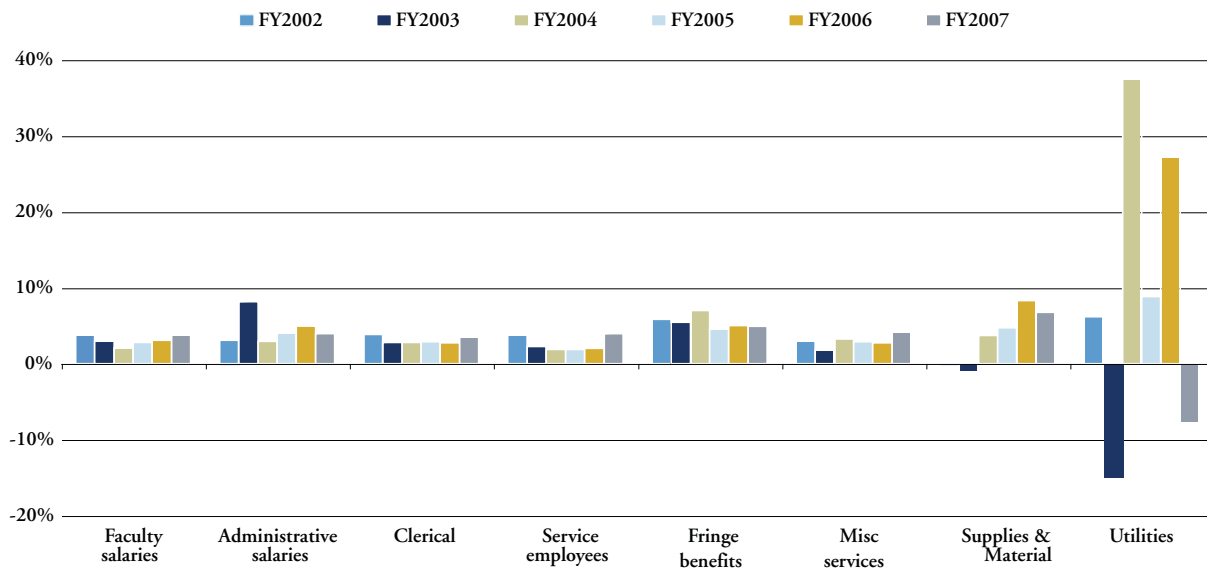


There are eight cost factors that contribute to the HEPI regression calculation: faculty salaries, administrative salaries, clerical salaries, service employee salaries, fringe benefits, miscellaneous services, supplies and materials, and utilities. Figure 2 shows a graphical representation of the changes in these cost factors from FY2002-07. The highest increase for FY2007 came from supplies and materials costs, which had an inflation rate of 6.8 percent for the year. Providing a partial offset were utilities costs, which had a rate of -7.6 percent versus an increase of 27.2 percent in the year earlier, largely as a result of the spike in fuel prices following Hurricane Katrina and their subsequent leveling off in the second half of calendar year 2006. Over the past five years, utilities have had the highest level of both positive and negative volatility when compared to the other components of HEPI.

For FY2007, the other components of HEPI had positive inflation rates, with fringe benefit costs growing 5.0 percent, miscellaneous services rising by 4.2 percent, administrative and service employee salaries both rising by 4.0 percent, faculty salaries rising by 3.8 percent, and clerical salaries rising by 3.6 percent.

FIGURE 2

Annual Percentage Changes in the Eight HEPI Cost Factors, FY2002 - 2007

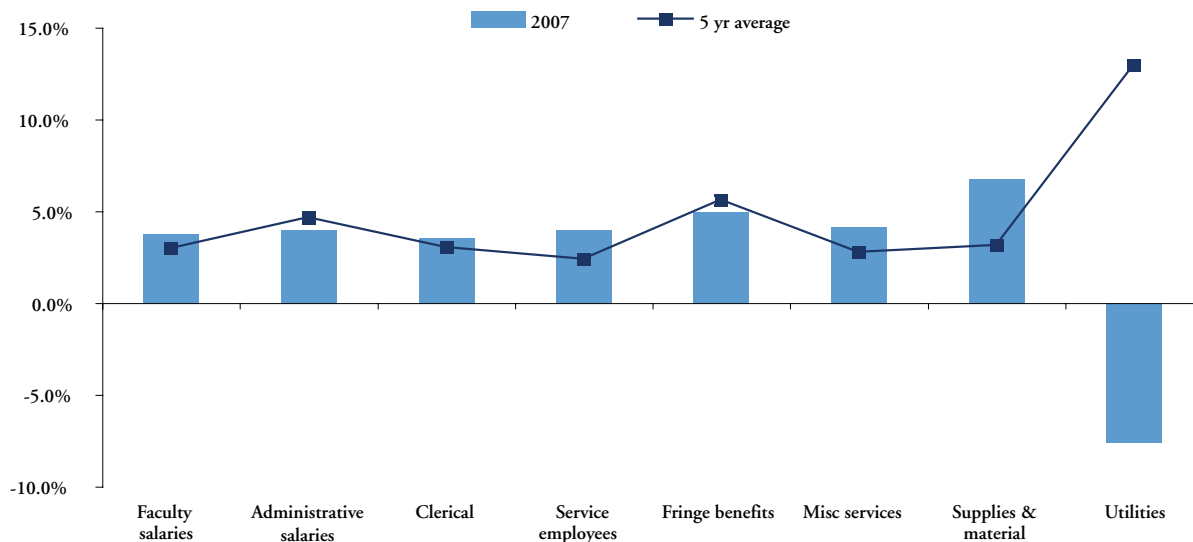


HEPI FOR FY2007 VERSUS A FIVE-YEAR AVERAGE

Figure 3 shows the results of a longer-term analysis of HEPI’s components that compares the reported rates for FY2007 against their historical five-year averages. On this basis, the greatest deviation from the five-year average was in the category of supplies and materials, which saw a rise of 6.8 percent for FY2007, 370 basis points higher than the five-year average of 3.1 percent. Service employee salaries were also up more than their five-year average, as were miscellaneous services.

FIGURE 3

Annual Percentage Changes in the Eight HEPI Cost Factors, FY2007 vs. 5-year average



Coming in lower than their respective five-year average were utilities, fringe benefits and administrative salaries, which saw rates of -7.6 percent, 5.0 percent, and 4.0 percent respectively, versus five-year average rates of 13.0 percent, 5.6 percent and 4.7 percent. As noted above, utility 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 a rate of -15.0 percent in FY2003. 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 2.8 percent range, with an increase to 3.6 percent for FY2007.

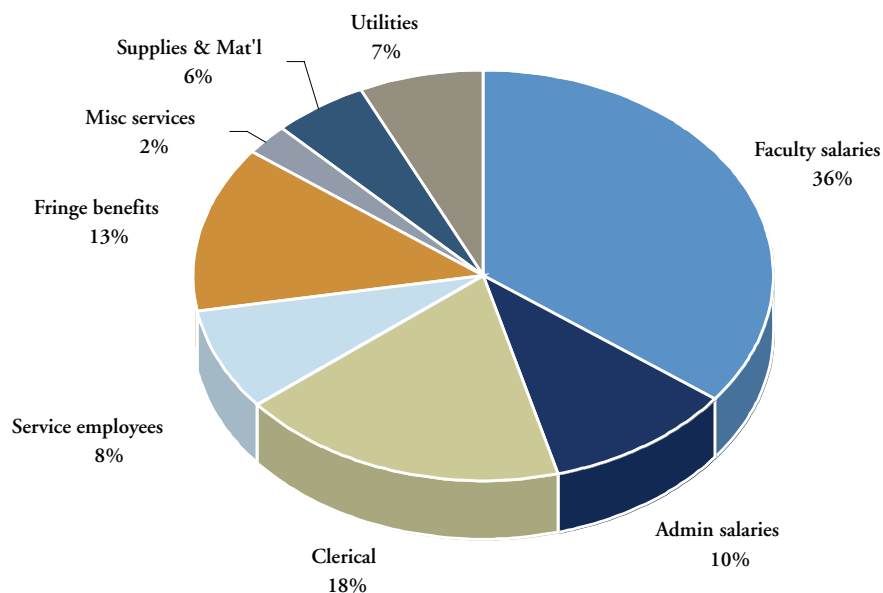
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SENSITIVITY ANALYSIS OF THE EIGHT HEPI REGRESSION COMPONENTS

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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, which provides some explanation as to why HEPI did not see more of a deceleration in FY2007, despite the -7.6 percent inflation rate for this cost factor.

FIGURE 4  
HEPI Cost Factor Weightings



The sensitivity analysis in Figure 5 below shows that a 5 percent increase in the index value of faculty salaries, the largest component of HEPI, from 257.6 to 270.5 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 least significant 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
<b>Current</b>									
Index Value	260.3	257.6	299.2	237.7	213.6	360.8	238.3	162.2	223.5
Yearly % Change	3.4%	3.8%	4.0%	3.6%	4.0%	5.0%	4.2%	6.8%	-7.6%
<b>Scenario: Faculty Salaries up 5%</b>									
Index Value	264.9	270.5	299.2	237.7	213.6	360.8	238.3	162.2	223.5
Yearly % Change	5.2%	9.0%	4.0%	3.6%	4.0%	5.0%	4.2%	6.8%	-7.6%
Δ	<b>180 b.p.</b>								
<b>Scenario: Misc. Services up 5%</b>									
Index Value	260.6	257.6	299.2	237.7	213.6	360.8	250.3	162.2	223.5
Yearly % Change	3.5%	3.8%	4.0%	3.6%	4.0%	5.0%	9.4%	6.8%	-7.6%
Δ	<b>10 b.p.</b>								

# HIGHER EDUCATION PRICE INDEX FOR DIFFERENT TYPES OF EDUCATIONAL INSTITUTIONS

## PUBLIC VS. PRIVATE INSTITUTIONS - FY2007

Beginning this year, Commonfund has 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 master’s degree-granting institutions
- ▼ Public doctoral degree-granting institutions
- ▼ Private institutions as a whole
- ▼ Private baccalaureate institutions
- ▼ Private master’s 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 FY2002-2007 for public and private institutions:

**TABLE C**

HIGHER EDUCATION PRICE INDEX 2001–2007										
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									
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									

Public institutions as a whole reported higher HEPI rates than their private counterparts for FY2007. Public institutions saw HEPI rise 3.5 percent, 30 basis points more than the 3.2 percent rise reported for private institutions. Public master's degree-granting institutions saw HEPI rise 3.7 percent while private master's degree-granting institutions saw the index rise 2.2 percent – a difference of 150 basis points. Looking at the components that made up the 2.2 percent rise, both fringe benefits and utilities kept the index down at private institutions, being lower when compared against five-year averages. Public and private doctoral institutions reported the same HEPI figure for 2007, at 3.8 percent.

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 4.0 percent and private baccalaureate-granting institutions saw HEPI rise 3.2 percent.

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### COST FACTOR DIFFERENCES BY INSTITUTION TYPE

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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 3.7 percent at private institutions. Faculty salaries at public doctoral institutions saw the highest HEPI increase of 4.8 percent, followed by public two-year colleges, which saw a 4.1 percent increase, and master's degree institutions, which saw a 3.4 percent increase. Faculty salaries at private institutions were also up, but slightly less than their public counterparts: private doctoral institution salaries were up 4.2 percent, baccalaureate institutions saw a 3.8 percent rise, and master's degree-granting institutions were up 3.2 percent.

FIGURE 6  
FY2007 Faculty Salaries - Public Institutions

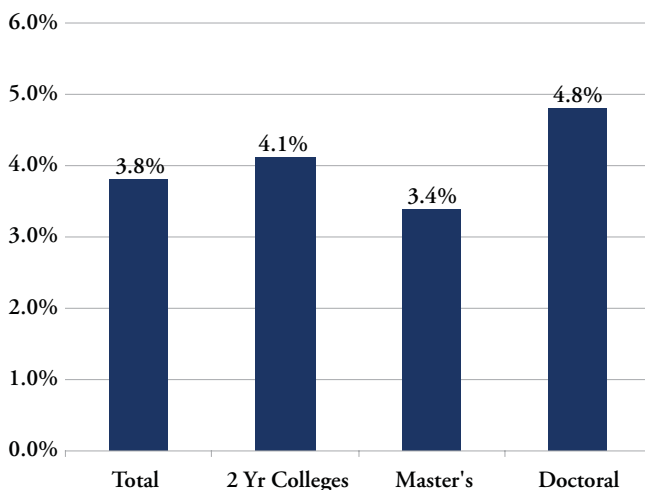
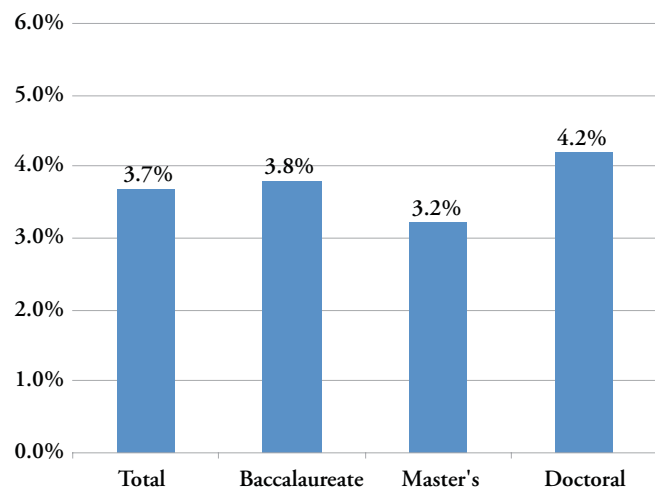


FIGURE 7  
FY2007 Faculty Salaries - Private Institutions



Figures 8 and 9 show that at public institutions, fringe benefits rose 5.5 percent, compared with only 4.0 percent at private institutions. Within public institutions, master's degree-granting institutions saw a rise in fringe benefits of 7.6 percent, albeit from a low base of 2.6 percent last year. The cost for fringe benefits for public two-year colleges was up 8.1 percent for 2007, again from a low base of 1.2 percent for last year.

In contrast, fringe benefits for private master's degree-granting institutions were up only 0.3 percent for 2007; however, this was down from a very high base of 11.8 percent for last year. The low increase in fringe benefits for private master's institutions pulled overall HEPI for this segment down to a 2.2 percent increase, while the other types of institutions had a HEPI of 3.2 percent or higher.

FIGURE 8  
FY2007 Fringe Benefits - Public Institutions

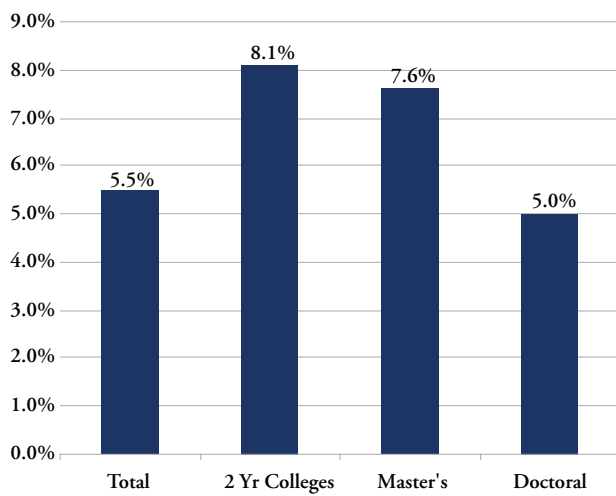
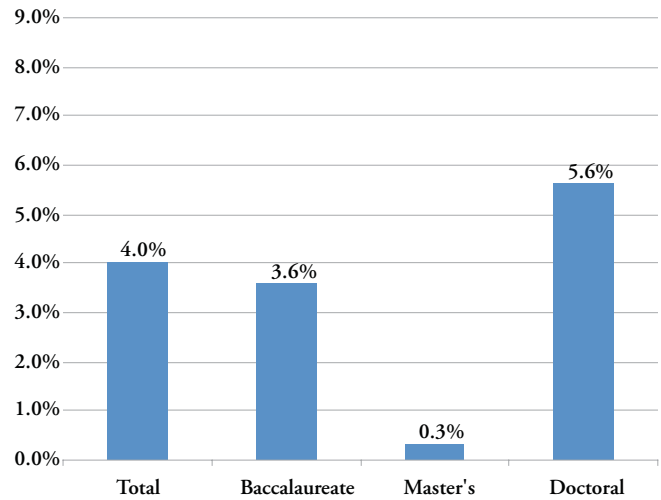
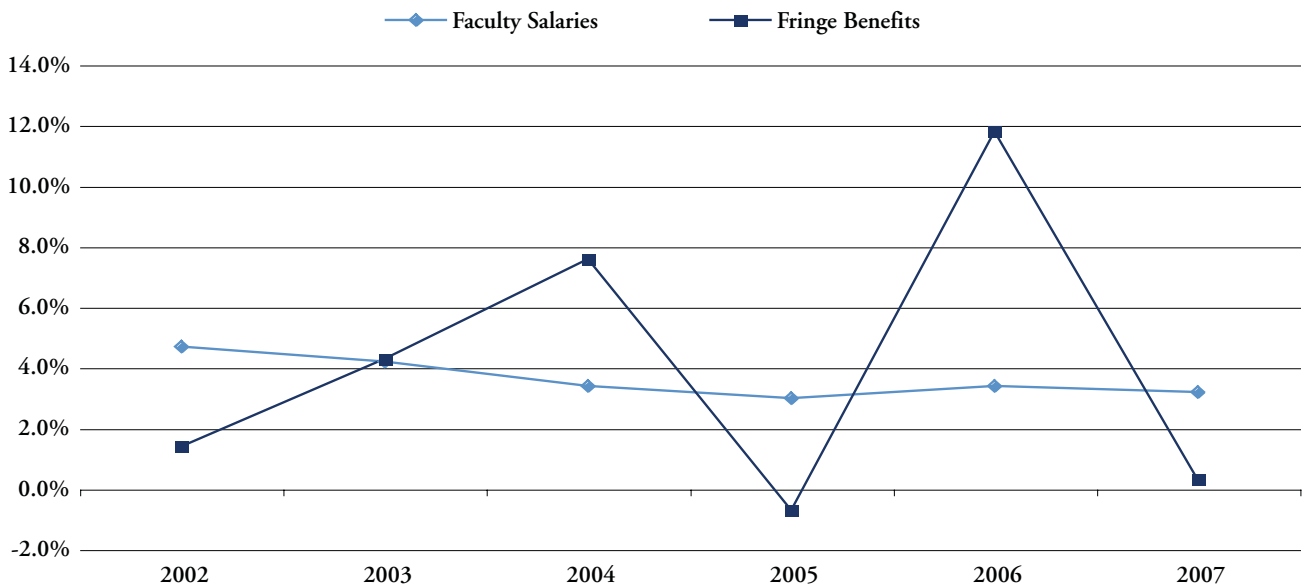


FIGURE 9  
FY2007 Fringe Benefits - Private Institutions



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 40 years by nearly \$12,000, evidencing an increase in real purchasing power. For public comprehensive institutions, salaries have stagnated in real terms while at public two-year colleges they have increased by less than \$7,000 over the 40-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 \$35,000 over 40 years, while those at comprehensive schools have increased by over \$18,000. Salaries at general baccalaureate institutions have increased by \$18,000 over the shorter 30-year period that these 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 \$106,495 while their counterparts at private institutions make \$136,689 – a gap of over \$30,000. This gap, in real terms, was just over \$7,000 in FY1967, indicating that professors at private doctoral-level institutions have benefited by an increase of approximately \$23,000 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 \$6,600 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 \$9,300 more – a gain over 40 years of approximately \$16,000 in real terms.

TABLE D

HIGHER EDUCATION FACULTY SALARIES IN CURRENT AND CONSTANT FY2007 DOLLARS*									
ILLUSTRATIVE DATA									
<i>Public 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 FY07 dollars	Amount	Yearly %	Constant FY07 dollars	Amount	Yearly %	Constant FY07 dollars
1967	\$15,273	–	\$94,757	\$12,798	–	\$79,402	\$9,927	–	\$61,589
1968	\$16,160	5.8%	\$97,057	\$13,747	7.4%	\$82,565	\$10,659	7.4%	\$64,018
1969	\$16,900	4.6%	\$96,816	\$14,550	5.8%	\$83,353	\$11,800	10.7%	\$67,599
1970	\$17,750	5.0%	\$96,011	\$15,400	5.8%	\$83,300	\$12,950	9.7%	\$70,048
1971	\$18,600	4.8%	\$95,608	\$16,350	6.2%	\$84,042	\$14,150	9.3%	\$72,734
1972	\$19,678	5.8%	\$97,591	\$17,313	5.9%	\$85,862	\$15,217	7.5%	\$75,467
1973	\$20,545	4.4%	\$98,051	\$18,446	6.5%	\$88,033	\$17,080	12.2%	\$81,514
1974	\$21,400	4.2%	\$93,764	\$19,600	6.3%	\$85,878	\$18,100	6.0%	\$79,305
1975	\$22,648	5.8%	\$89,271	\$20,840	6.3%	\$82,145	\$19,312	6.7%	\$76,122
1976	\$24,277	7.2%	\$89,389	\$22,067	5.9%	\$81,251	\$20,254	4.9%	\$74,576
1977	\$25,210	3.8%	\$87,722	\$23,190	5.1%	\$80,693	\$21,860	7.9%	\$76,065
1978	\$26,420	4.8%	\$86,135	\$24,290	4.7%	\$79,191	\$23,240	6.3%	\$75,768
1979	\$28,000	6.0%	\$83,478	\$25,030	3.0%	\$74,624	\$23,420	0.8%	\$69,824
1980	\$30,120	7.6%	\$79,216	\$27,200	8.7%	\$71,537	\$25,190	7.6%	\$66,250
1981	\$32,850	9.1%	\$77,464	\$29,580	8.8%	\$69,753	\$26,200	4.0%	\$61,783
1982	\$35,680	8.6%	\$77,428	\$31,700	7.2%	\$68,791	\$27,720	5.8%	\$60,154
1983	\$38,180	7.0%	\$79,409	\$33,490	5.6%	\$69,655	\$30,480	10.0%	\$63,394
1984	\$39,770	4.2%	\$79,800	\$34,560	3.2%	\$69,346	\$31,510	3.4%	\$63,226
1985	\$42,560	7.0%	\$82,182	\$37,090	7.3%	\$71,620	\$33,230	5.5%	\$64,166
1986	\$45,560	7.0%	\$85,500	\$39,720	7.1%	\$74,541	\$34,870	4.9%	\$65,439
1987	\$48,740	7.0%	\$89,473	\$42,290	6.5%	\$77,632	\$37,460	7.4%	\$68,766
1988	\$51,080	4.8%	\$90,033	\$46,060	8.9%	\$81,185	\$38,230	2.1%	\$67,384
1989	\$54,240	6.2%	\$91,345	\$46,920	1.9%	\$79,018	\$41,200	7.8%	\$69,385
1990	\$57,520	6.0%	\$92,453	\$49,610	5.7%	\$79,739	\$43,000	4.4%	\$69,114
1991	\$60,450	5.1%	\$92,176	\$52,190	5.2%	\$79,581	\$45,050	4.8%	\$68,693
1992	\$61,950	2.5%	\$91,511	\$53,750	3.0%	\$79,398	\$47,700	5.9%	\$70,461
1993	\$63,250	2.1%	\$90,600	\$54,240	0.9%	\$77,694	\$47,820	0.3%	\$68,498
1994	\$64,860	2.5%	\$90,658	\$55,690	2.7%	\$77,841	\$49,120	2.7%	\$68,658
1995	\$67,560	4.2%	\$91,720	\$57,090	2.5%	\$77,506	\$51,490	4.8%	\$69,903
1996	\$69,750	3.2%	\$92,167	\$58,520	2.5%	\$77,327	\$51,560	0.1%	\$68,131
1997	\$72,220	3.5%	\$92,778	\$60,481	3.4%	\$77,697	\$52,752	2.3%	\$67,768
1998	\$75,154	4.1%	\$94,848	\$61,839	2.2%	\$78,044	\$53,024	0.5%	\$66,919
1999	\$79,284	5.5%	\$98,389	\$63,817	3.2%	\$79,195	\$55,326	4.3%	\$68,658
2000	\$82,535	4.1%	\$99,514	\$66,657	4.5%	\$80,369	\$57,089	3.2%	\$68,833
2001	\$84,007	1.8%	\$97,939	\$68,828	3.3%	\$80,242	\$57,932	1.5%	\$67,539
2002	\$89,631	6.7%	\$102,654	\$72,770	5.7%	\$83,343	\$60,997	5.3%	\$69,860
2003	\$92,387	3.1%	\$103,586	\$74,545	2.4%	\$83,581	\$65,730	7.8%	\$73,698
2004	\$94,606	2.4%	\$103,780	\$74,872	0.4%	\$82,133	\$64,439	-2.0%	\$70,688
2005	\$97,948	3.5%	\$104,310	\$76,665	2.4%	\$81,645	\$66,405	3.1%	\$70,718
2006	\$101,620	3.7%	\$104,270	\$78,884	2.9%	\$80,941	\$66,011	-0.6%	\$67,732
2007	\$106,495	4.8%	\$106,495	\$81,855	3.8%	\$81,855	\$68,424	3.7%	\$68,424

\*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 FY2007 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 FY07 dollars	Amount	Yearly %	Constant FY07 dollars	Amount	Yearly %	Constant FY07 dollars
1967	\$16,425	–	\$101,904	\$11,722	–	\$72,726			
1968	\$17,057	3.8%	\$102,445	\$12,572	7.3%	\$75,508			
1969	\$18,050	5.8%	\$103,404	\$13,250	5.4%	\$75,906			
1970	\$18,950	5.0%	\$102,502	\$14,100	6.4%	\$76,268			
1971	\$19,800	4.5%	\$101,776	\$14,950	6.0%	\$76,846			
1972	\$20,775	4.9%	\$103,032	\$15,899	6.3%	\$78,850			
1973	\$21,507	3.5%	\$102,642	\$16,501	3.8%	\$78,751			
1974	\$22,600	5.1%	\$99,022	\$17,200	4.2%	\$75,362			
1975	\$23,832	5.5%	\$93,938	\$18,047	4.9%	\$71,136			
1976	\$25,368	6.4%	\$93,406	\$19,153	6.1%	\$70,522			
1977	\$27,810	9.6%	\$96,769	\$22,020	15.0%	\$76,622	\$20,780		\$72,307
1978	\$28,880	3.8%	\$94,156	\$23,380	6.2%	\$76,224	\$21,790	4.9%	\$71,040
1979	\$31,090	7.7%	\$92,691	\$24,830	6.2%	\$74,027	\$23,230	6.6%	\$69,257
1980	\$33,400	7.4%	\$87,843	\$26,160	5.4%	\$68,801	\$24,740	6.5%	\$65,067
1981	\$36,000	7.8%	\$84,892	\$28,710	9.7%	\$67,702	\$27,030	9.3%	\$63,740
1982	\$40,220	11.7%	\$87,280	\$31,530	9.8%	\$68,422	\$29,720	10.0%	\$64,494
1983	\$43,950	9.3%	\$91,410	\$33,750	7.0%	\$70,195	\$32,410	9.1%	\$67,408
1984	\$47,070	7.1%	\$94,448	\$36,000	6.7%	\$72,235	\$34,140	5.3%	\$68,503
1985	\$49,880	6.0%	\$96,317	\$37,980	5.5%	\$73,338	\$36,500	6.9%	\$70,481
1986	\$53,190	6.6%	\$99,819	\$40,170	5.8%	\$75,385	\$38,200	4.7%	\$71,688
1987	\$56,900	7.0%	\$104,452	\$42,680	6.2%	\$78,348	\$40,460	5.9%	\$74,273
1988	\$59,850	5.2%	\$105,491	\$44,010	3.1%	\$77,572	\$42,540	5.1%	\$74,981
1989	\$64,290	7.4%	\$108,271	\$47,010	6.8%	\$79,169	\$44,770	5.2%	\$75,397
1990	\$68,360	6.3%	\$109,876	\$51,000	8.5%	\$81,973	\$46,830	4.6%	\$75,270
1991	\$72,950	6.7%	\$111,236	\$52,820	3.6%	\$80,541	\$49,610	5.9%	\$75,647
1992	\$76,890	5.4%	\$113,580	\$54,980	4.1%	\$81,215	\$52,230	5.3%	\$77,153
1993	\$80,280	4.4%	\$114,994	\$57,060	3.8%	\$81,733	\$54,620	4.6%	\$78,238
1994	\$82,520	2.8%	\$115,343	\$59,610	4.5%	\$83,320	\$56,780	4.0%	\$79,365
1995	\$84,790	2.8%	\$115,112	\$60,830	2.0%	\$82,583	\$58,040	2.2%	\$78,796
1996	\$88,050	3.8%	\$116,348	\$63,430	4.3%	\$83,815	\$59,830	3.1%	\$79,058
1997	\$92,112	4.6%	\$118,332	\$64,468	1.6%	\$82,819	\$62,047	3.7%	\$79,709
1998	\$95,023	3.2%	\$119,924	\$67,282	4.4%	\$84,913	\$64,784	4.4%	\$81,761
1999	\$98,606	3.8%	\$122,367	\$69,509	3.3%	\$86,258	\$67,180	3.7%	\$83,368
2000	\$103,761	5.2%	\$125,106	\$71,547	2.9%	\$86,265	\$70,528	5.0%	\$85,037
2001	\$107,633	3.7%	\$125,483	\$75,143	5.0%	\$87,605	\$74,031	5.0%	\$86,308
2002	\$112,534	4.6%	\$128,885	\$77,310	2.9%	\$88,543	\$76,692	3.6%	\$87,835
2003	\$118,269	5.1%	\$132,605	\$80,011	3.5%	\$89,710	\$79,928	4.2%	\$89,617
2004	\$122,158	3.3%	\$134,004	\$81,570	1.9%	\$89,480	\$82,344	3.0%	\$90,329
2005	\$127,214	4.1%	\$135,477	\$83,986	3.0%	\$89,441	\$85,575	3.9%	\$91,134
2006	\$131,292	3.2%	\$134,716	\$88,800	5.7%	\$91,116	\$87,779	2.6%	\$90,068
2007	\$136,689	4.1%	\$136,689	\$91,197	2.7%	\$91,197	\$90,353	2.9%	\$90,353

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

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