

# Climbing Walls and Climbing Tuitions

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*“Climbing costs strain colleges, families: Schools add amenities, expand to compete for students”<sup>1</sup>*

*“U.S. Colleges Get Swanky: Golf Courses, Climbing Walls, Saunas”<sup>2</sup>*

*“Oh, So That’s Why College is So Expensive”<sup>3</sup>*

*“Resort Living Comes to Campus”<sup>4</sup>*

These headlines, taken from news articles on college affordability, all blame the amenities common on today’s college campuses for higher education’s escalating price. State-of-the-art gyms, dormitories with suites and semiprivate bathrooms, dining facilities with numerous food choices, and those rock climbing walls that journalists love as much as students all come under fire. Forty-foot walls make easy targets in probes of rising tuition. And these stage-set structures weren’t part of the college experience of many parents and older journalists. Although “frills” such as climbing walls cost money and, like everything that does, help raise prices, fixating on them can distract us from more serious questions about spending on campus facilities, college spending in general, and the real drivers of rising tuitions.

## What We Need to Know About Spending on Facilities

For the record, climbing walls cost \$100,000 or more, depending on their size and features, and most are funded through student recreation fees, not tuition. The University of Georgia’s wall cost just a little under \$200,000 when it was built in 2010.<sup>5</sup> That’s about \$8 per student—less than the cost of a movie.

Sightlines, a higher education facilities management firm with data on 345 campuses in 42 states, reports that less than 15 percent of all new space built since 2005 was devoted to student centers, recreational facilities, dining halls, and other student life facilities. About half of the newly constructed space was academic. Another 25 percent was residential. On balance, then, only a relatively small share of total spending on facilities was on so-called “amenities.”

<sup>1</sup> *Baltimore Sun*, May 12, 2009: [http://www.goucher.edu/documents/http\\_\\_\\_www.baltimoresun.com\\_news\\_education\\_funding.pdf](http://www.goucher.edu/documents/http___www.baltimoresun.com_news_education_funding.pdf)

<sup>2</sup> *Bloomberg News*, June 24, 2005: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aMJLUNQEijjA&refer=us>

<sup>3</sup> *Forbes*, Aug 28, 2012: <http://www.forbes.com/sites/stevecohen/2012/08/28/oh-so-thats-why-college-is-so-expensive/>

<sup>4</sup> *The Wall Street Journal*, December 6, 2012: <http://online.wsj.com/article/SB10001424127887323830404578145591134362564.html>

<sup>5</sup> [http://onlineathens.com/stories/091410/new\\_707482694.shtml](http://onlineathens.com/stories/091410/new_707482694.shtml)

More disturbing is what colleges and universities did not spend on facilities. The most recent Delta Cost Project data (see table below) indicate that colleges and universities cut spending on facilities operation sizably in 2010—public schools by at least 15 percent and private-sector colleges and universities by 4 to 8 percent.

### Spending on Operation and Maintenance of Facilities: 2000–2010

	2000	2005	2009	2010	10-Year Change		1-Year Change	
					\$	%	\$	%
<b>Public Sector</b>								
Research	\$1,814	\$2,059	\$2,154	\$1,804	-\$10	-0.6%	-\$350	-16.2%
Master's	\$1,402	\$1,547	\$1,674	\$1,372	-\$30	-2.1%	-\$302	-18.0%
Bachelor's	\$1,575	\$1,797	\$1,956	\$1,555	-\$20	-1.3%	-\$401	-20.5%
Community Colleges	\$1,131	\$1,123	\$1,232	\$1,042	-\$89	-7.9%	-\$190	-15.4%
<b>Private Sector</b>								
Research	\$2,962	\$3,536	\$4,311	\$4,020	\$1,058	35.7%	-\$291	-6.8%
Master's	\$1,347	\$1,456	\$1,481	\$1,421	\$74	5.5%	-\$60	-4.1%
Bachelor's	\$1,918	\$2,191	\$2,271	\$2,095	\$177	9.2%	-\$176	-7.7%

Sightlines data corroborate the Delta Cost data for 2010, but show a small increase in facilities spending in 2011. Certain types of campuses, including public comprehensive universities, continued making cuts. Even where facilities spending rose, it didn't necessarily cover the upkeep of aging buildings, so maintenance backlogs are growing. Climbing walls, it turns out, aren't the real problem.

Here's what's driving facilities spending and the swelling tide of deferred maintenance:

**The age profile of campuses is changing quickly.** Buildings constructed during the 1960s to accommodate a growing student population and research facilities are now reaching 50 years old. Many need to be renovated or replaced. Sightlines estimates that by 2015, more than one fourth of the square footage on college campuses will be more than 50 years old and not renovated.

**Newer buildings also require attention.** Besides having to "catch up" on repairs and modernize older buildings, campuses also have to maintain buildings constructed in the past decade. But growing economic pressures have made it difficult for campuses to manage more high-tech buildings effectively. Inattention now will mean more deferred maintenance later.

**Spending on daily building maintenance has been flat for the past five years** and will likely stay flat as campuses struggle to control costs. Most campuses are now falling behind on required maintenance, and continued deterioration will lead to higher operating costs and more deferred costs.

**Given current trends, accumulated backlogs at campuses will reach an average of \$100/gross square foot (gsf) by 2015**, according to Sightlines estimates. Facilities experts mostly agree that \$100/gsf is a tipping point when campuses begin to show their age. Buildings in this condition experience more failures and become less functional for housing modern academic programs.

Absent a multiyear infusion of capital investment, a few modern high-tech buildings surrounded by aging, deteriorating buildings appears to be the future of many college campuses. With old buildings getting worse by the year, emergency repairs could put campuses at significant financial risk.

## Facilities Spending: Luxury or Necessity?

Returning to those high-flying “amenities” on today’s college campuses, there’s no denying that student life facilities draw students to campus. Soon after the University of Akron announced that it was building new dormitories, all 535 beds were reserved. Indiana University of Pennsylvania (IUP) decided in 2006 to demolish 1970s-era dormitories and gradually replace them with modern suites. By 2010, when the “residence hall revival” was complete and nine new dormitories were built, applications from prospective students increased by 17 percent and the number of new students enrolling in IUP rose by 13 percent.

Other facilities also influence students’ enrollment decisions. A recent Noel-Levitz survey of more than 55,000 students indicates that more than half of all first-year students considered campus appearance important.<sup>6</sup> An earlier study conducted by the Association of Higher Education Facilities Officers found that good facilities—especially good academic buildings—make college recruitment easier.<sup>7</sup>

**After the construction of new residence halls at IUP, resident satisfaction increased by more than 18 percent between 2006 and 2011 on a nationally normed survey.**

And some evidence shows that student use of recreational facilities is related to retention and graduation. At the University of Minnesota, students’ use of campus recreational facilities correlated positively with first-year retention as well as graduation, after controlling for factors known to affect student performance and retention.<sup>8</sup>

So, living and recreational improvements do matter. They are vital parts of institutional marketing, and recruitment strategies and facilities investments play a role in students’ enrollment decisions and, potentially, their retention and graduation.

## What Should We Ask About College Spending?

College affordability is a national problem that is getting worse. Understanding what drives rising tuition matters to policymakers, higher education administrators, and the country’s 21 million college students and their families. Tuition rose by 27 percent in the past five years at public four-year institutions, and these increases have outpaced inflation (since 1980) and median family incomes.<sup>9</sup> If you’re looking for what is driving college tuitions, particularly in the public sector, you need to consider the recent and dramatic declines in state appropriations to higher education (which, until recently, were a much larger revenue source than tuition).<sup>10</sup> Because higher education is unlikely to bounce back from the latest recession, public colleges and universities must either raise revenue from sources other than government or cut spending or, most likely, both.

Looking at the spending side of college affordability, as the Delta Cost Project does, reveals erosion in spending on academics. A recent project report<sup>11</sup> indicates that spending associated specifically with academics, referred to as education and related spending,<sup>12</sup> fell between 1 and 2 percent in public institutions between the 2009–10 and 2010–11 academic years. Spending on institutional support, which includes administration, also declined during that period in all types of colleges and universities, whether public or private.

<sup>6</sup> <https://www.noellelitz.com/papers-research-higher-education/2012/2012-factors-to-enroll-report>

<sup>7</sup> <http://chronicle.com/article/Facilities-Play-a-Key-Role-in/26924>

<sup>8</sup> Huesman, Brown, Lee, Kellogg, & Radcliffe. *Gym Bags and Mortarboards: Is Use of Campus Recreation Facilities Related to Student Success?* <http://www.degruyter.com/view/j/jsarp.2009.46.1/jsarp.2009.46.1.5005/jsarp.2009.46.1.5005.xml?format=INT>

<sup>9</sup> [http://deltacostproject.org/pdfs/Delta\\_Not\\_Your\\_Moms\\_Crisis.pdf](http://deltacostproject.org/pdfs/Delta_Not_Your_Moms_Crisis.pdf)

<sup>10</sup> [http://deltacostproject.org/pdfs/Revenue\\_Trends\\_Production.pdf](http://deltacostproject.org/pdfs/Revenue_Trends_Production.pdf)

<sup>11</sup> <http://deltacostproject.org/resources/pdf/Delta-Spending-Trends-Production.pdf>

<sup>12</sup> Education and related spending includes spending on instruction, student services, and a portion of general support and maintenance costs associated with these functions.

Students are also now shouldering a larger share of the cost of their education. Colleges and universities generally charge less than the full cost of educating students, but the student share of these costs has been increasing dramatically. In 2010, tuition revenues covered a larger portion of total educational costs than at any point in the past decade.

Community colleges, home to the largest enrollment growth and students with the greatest educational needs, spent far less per student in 2010 than any other type of college or university.

So, examining how colleges spend money is critical, but let's not get off track by worrying too much about student life amenities. Instead of fretting about the price tag of a school's climbing wall, let's seek answers to these more important questions:

1. What percentage of an institution's spending, including investment in facilities, goes to improving the educational mission?
2. How much is being spent on faculty and administrator salaries compared to noninstructional operations?
3. How much of the cost of education is being borne by students and how much is coming from other sources?
4. What are colleges and universities doing to reduce spending and improve the efficiency and effectiveness of noninstructional operations, including facilities, without hurting educational quality?
5. What are the real costs and benefits of an online education? In what situations are online courses more effective, and how will this change how campuses invest in facilities?

Climbing walls are easy targets, maybe even fair game, but they aren't what's behind the rising price of college.

## About the Delta Cost Project

The Delta Cost Project at American Institutes for Research provides data and tools to help higher education administrators and policymakers improve college affordability by controlling institutional costs and increasing productivity. The work is animated by the belief that college costs can be contained without sacrificing access or educational quality through better use of data to inform strategic decision making.

## About the Authors

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