Financial Health Index & Equity Indicators Dashboard Use Case

An Historically Underfunded HBCU Seeks to Make Meaningful Impact With One-Time Funding

MAPS

charting the shifting landscape
of the future of higher education

U | SORENSON IMPACT CENTER

DAVID ECCLES SCHOOL OF BUSINESS

How Well is Your College or University Performing Financially and Addressing Student Equity?

In the wake of student demographic changes and their accompanying and increasing needs, higher education leaders will need to take a data-backed approach to decisions affecting students, especially historically underserved students. The MAPS Project gives higher education leaders actionable insights and tools to navigate challenges, empowering them to create a more equitable future for historically marginalized students.

The Financial Health Indicators Index is the first system-wide data tool that allows governing boards, presidents, and senior leadership teams to evaluate how their institution's financial health directly impacts student experience and outcomes from an equity lens. Higher education leaders will be able to use the index to compare their institutions to others to gain additional layers of insight. Governing boards will also be able to get a fuller picture of health in the context of peer institutions and may get more insights by also working with university leadership.

The Equity Indicators contextualize racial and socioeconomic data to help leaders find ways to better serve historically marginalized students. Together, they provide a current state picture to support post secondary stakeholders in recognizing opportunities to better serve historically marginalized students.

Use Cases for the Financial Health Indicators Index and Equity Indicators

The goal of the use cases is to show higher education leaders how to use the Financial Health Indicators Index and Equity Indicators to gain insights into how their institution is performing in both areas.

These use cases provide fictional examples of higher education leaders, such as college presidents and governing board members, using the tools to gain insights into their institutions' financial performance with an equity lens.

Use Case: An Historically Underfunded HBCU Seeks to Make Meaningful Impact With One-Time Funding

THE CHALLENGE

Angela is the president of a Maryland HBCU that is slated to receive financial compensation to make up for years of underfunding from the state legislature. The payments will be disbursed over the next decade, and will allow the university to enhance scholarships, programs and staffing. Angela wants to use this money to make the greatest and most sustainable impact possible for the university. She is looking to gain insights from the MAPS tools to identify areas for improvement and increased investment.

KEY FINDINGS: MAPS FINANCIAL HEALTH INDICATORS INDEX (FHII)

- **University Overview:**
    - Full Time Enrollment Undergrad/Grad: 5,759/ 999
    - Pell Recipients: 52% are Pell recipients
    - Graduate Rate: 42%
    - Retention Rate: 71%
- **FHII percentile rank**: Angela sees her university falls in the **53rd percentile within public, 4-year institutions of higher education.**
- **Comparing schools:** Angela then compares her university to HBCUs in Maryland and DC, all with over 40% undergrad Pell recipients, and sees that their FHII score ranks in the middle. She notices that when comparing peer institutions:
    - **Ranked the highest or near the top**: Retention, Enrollment change over time (increasing)
    - **Ranked in the middle**: Restricted assets to total assets ratio, Total current assets as % of total expenses
- **Examining student spending:** Angela then takes a closer look at the numbers related to student spending, a major indicator of the overall score. She notices that when comparing peer institutions:
    - **Ranked near the top in**: Discounts and allowances applied to tuition and fees per student, with the amount decreasing over time; Scholarships fellowships expenses as % total expenses, with the amount decreasing over time
    - **Ranked in the middle in**: Academic support as total % of expenses, with the amount decreasing over time
    - **Ranked second-to-last on**: Instruction expenses as % total expenses, with the amount decreasing over time
    - **Ranked last on**: Student services as % of total expenses, with the amount decreasing over time

KEY FINDINGS: MAPS EQUITY INDICATORS

For greater context, she looks at the MAPS Equity Indicators that contextualize racial and socioeconomic data.

- **Majority Race of Instructors:** 57% Black
- **Demographic Information:**
  - Race of Undergraduate Students:
    - White: 1.8%
    - Hispanic: 4.2%
    - Black: 88%
    - Asian: 0.8%
    - Two or More Races: 3.7%
  - Graduation Rates for Specific Groups Compared to the Institution's Overall Graduation Rate:
    - White: 60%
    - Hispanic: 47%
    - Black: 44%
    - Asian: 50%
    - Two or More Races: 21%
    - Pell recipients: 38%

INSIGHTS

When compared to other HBCUs in Maryland and DC, the university ranked near the top in overall graduation rates (42%), as well as graduation rates of undergraduate Pell recipients (38%) and non-Pell recipients (62%). However, she sees there is still room for improvement in closing the gap in graduation rates for Pell recipients.

In addition, about 60% of the university's students are from Maryland, with others students coming from states that do not have many HBCUs. The university has seen an an unprecedented number of applicants and their enrollment is increasing due to many factors, including students seeking out safe communities on the heels of the Black Lives Matter movement and the election of Vice President Kamala Harris, who is an HBCU alumna and has been an outspoken supporter of HBCUs.

Compared to its peers, Angela's university has the highest percentage of Black undergraduate students and the highest graduation rate for Black undergraduate students, as well. However, she sees that Black undergraduate students still lag behind white, Hispanic, and Asian students in graduation rates.

Angela also knows from the data that her university ranked last, when compared to peer institutions, on student services as a percentage of total expenses, with the amount decreasing

over time. She wonders what types of student services the school can provide that may help more students graduate, especially Pell recipients who may need more support.

Compared to its peers, her institution also ranked in the middle for academic support as a total percentage of expenses. She wants to understand how to better invest in academic support, including in college and career services and in tutoring and mentoring programs, and to understand the connections between those services and graduation rates.

The data also show that the university ranked second-to-last, compared to its peers, on instruction expenses as a percentage of total expenses, with the amount decreasing over time. With new funds that can be allocated to staffing, she is curious about how to develop and retain current staff as well as recruit new instructors who will help increase student outcomes and attract future students with relevant programs.

SOLUTIONS

Angela explores MAPS Resources to find examples and information about how colleges and universities can better support students and faculty.