



2018–19
Business School
Questionnaire
Executive Summary

Finances Module

Preface

The Finances Module of the Business School Questionnaire (BSQ) takes a deep dive into the financial operations and governance models of business schools in AACSB's global member network. This module has been a part of the AACSB suite of surveys since the 2013–14 survey year.*

Starting in 2012, many of our members participated in surveys and focus groups where they shared with us the need for a more comprehensive resource on business school financial operations and governance models. While many of the items of interest were previously (and in some cases still are) on the BSQ, member feedback encouraged us to pilot the BSQ Finances Module in the 2012–13 survey year, with a release to all members in 2013–14. A total of 352 schools (82 percent located in the U.S.) participated in that initial year. The 2018–19 survey results summarized herein reflect responses from 526 schools (with approximately 75 percent located in the U.S.).

This executive summary provides an introductory overview of the findings from the 2018–19 survey, from all participants regardless of geographic location and AACSB accreditation status.

The related BSQ Finances Module Overview Reports provide a more comprehensive set of data tables from the full 2018–19 survey, broken out by geographic location and AACSB accreditation status. Schools that participated in the BSQ Finances Module have access to the full set of data and a variety of custom reporting tools via DataDirect. These custom reporting tools allow for more nuanced analysis of BSQ data than is possible through the overview reports.

Information covered in the overview reports includes:

- Budgets and Funds
- Governance
- Compensation Practices

Geographic and accreditation status breakouts within overview reports include:

- All Participants
- AACSB Accredited
- Asia Pacific
- Europe, Middle East, and Africa (EMEA)
- United States

AACSB's BSQ Finances Module is the only globally distributed survey that offers information on the net flow of funds between business schools and their parent institutions (where applicable), where net flow is defined as the difference between the total revenue generated by the business school and the total for all business school funds spent or retained by the school. The information contributed by our members to this module is yet another reason why AACSB is widely recognized around the world as a trusted source for data on business education.

Note: Throughout this document, "n" represents the number of institutions reporting on a particular data element within the relevant table.

Note: Schools had the option to report in any currency; this report uses USD based on a conversion rate as of July 1, 2018.

*The survey year as defined herein begins September 1 and runs through to August 31 of the following year.

Introduction

The BSQ Finances Module offers insight into the financial activity, resources, and governance of business schools. The reports from the BSQ Finances Module provide information regarding resource allocation factors, tuition collection models, and how various business school functions or operations are managed or controlled (such as school-specific libraries, career services, admissions, academic advising, and more).

Information on the activity of business school advisory councils is also available. Through the BSQ Finances Module, schools can gain insights on compensation practices for newly hired faculty and full-time faculty.

Participation

The 2018–19 BSQ Finances Module had 526 verified and approved submissions as of October 1, 2019. Seventy-five percent of these participating schools are in the United States.

Table 1. Number of Participating Schools by Region

Region	Participants
Asia (excluding Middle and Near East)	31
Oceania	7
Total: Asia Pacific	38
Africa	2
Europe and Near East	56
Middle East	10
Total: Europe, Middle East, and Africa (EMEA)	68
Canada	13
Latin America and Caribbean	13
United States*	394
Americas Total	420
Total: All Participating Schools	526

*Excluding Puerto Rico, which is included in the Caribbean numbers

Of the 526 participating business schools:

90%

are a standard unit of a parent institution

6%

are a semi-/mostly autonomous unit of parent institution

4%

are an independent institution

90%

are AACSB accredited

68%

are publically controlled

50%

offer undergraduate and master's degrees only

40%

offer undergraduate, master's, and doctoral degrees

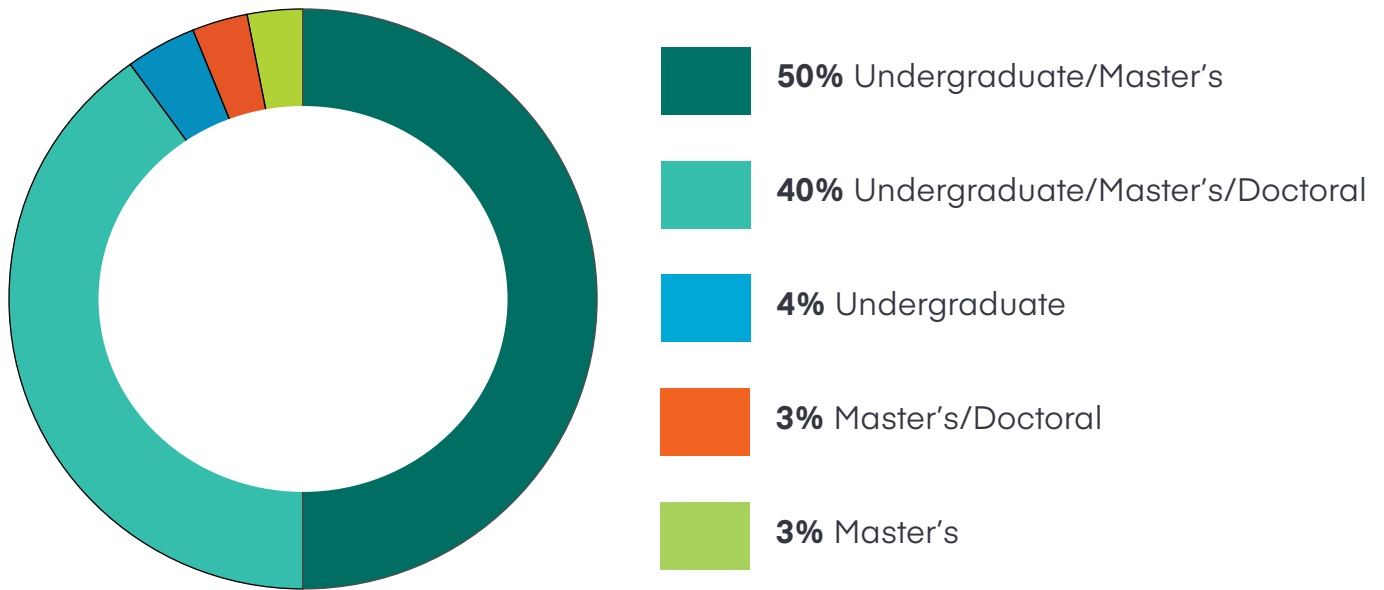


Figure 1. Percentage of Participating Schools by Types of Degrees Offered

Out of the schools that participated in both the BSQ and the BSQ Finances Module (n= 491), 247 offer undergraduate and master's programs, and 192 offer undergraduate, master's, and doctoral programs in their business school. The average percentage of undergraduate enrollment is slightly more than 77 percent across all of these schools.

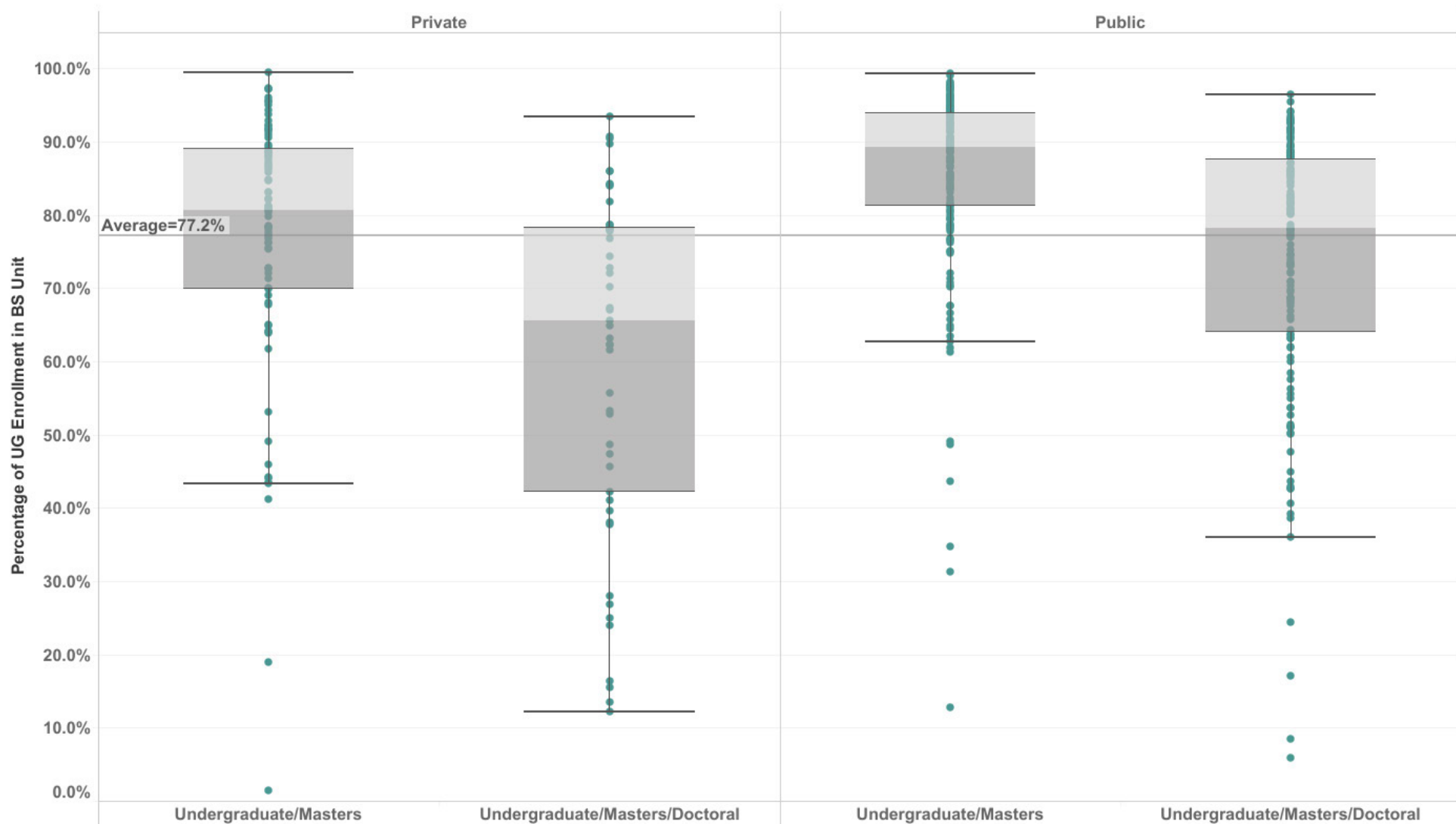


Figure 2. Undergraduate Percentage of Total Business School Enrollment by Institutional Control and Degree Levels Offered

Source: AACSB 2018–19 Business School Questionnaire (n=440 business schools)

Table 2. Percentage of Undergraduate Enrollment by Institutional Control and Type of Degrees Offered

	Undergraduate/Master's		Undergraduate/Master's/ Doctoral	
	Private	Public	Private	Public
Count	80	168	49	143
Average	76.9	85.4	60.5	73.5
Stand Dev.	18.1	13.1	23.5	18.1
Maximum	99.4	99.3	93.5	96.4
75th Percentile	89.0	93.9	78.2	87.9
Median	80.8	89.3	65.6	78.3
25th Percentile	70.0	81.3	42.2	63.8
Minimum	1.4	12.8	12.2	6.0

Source: AACSB 2018–19 Business School Questionnaire

Operating Budgets

The average operating budget across all 526 schools is slightly more than 26 million USD. The average budget for private schools (n=167) is slightly less than 27 million USD, and the average for public schools (n= 359) is approximately 26 million USD.

Approximately 10 percent of schools (n=62) reported that their operating budget includes non-business programs. More than half of these schools (n=33) are U.S. public institutions, which reported that an average of 86 percent of their operating budget is devoted to business education.

**> 26 million
USD**

Average operating
budget across all
526 schools

**< 27 million
USD**

Average budget
for private schools
(n=167)

**26 million
USD**

Average budget
for public schools
(n=359)

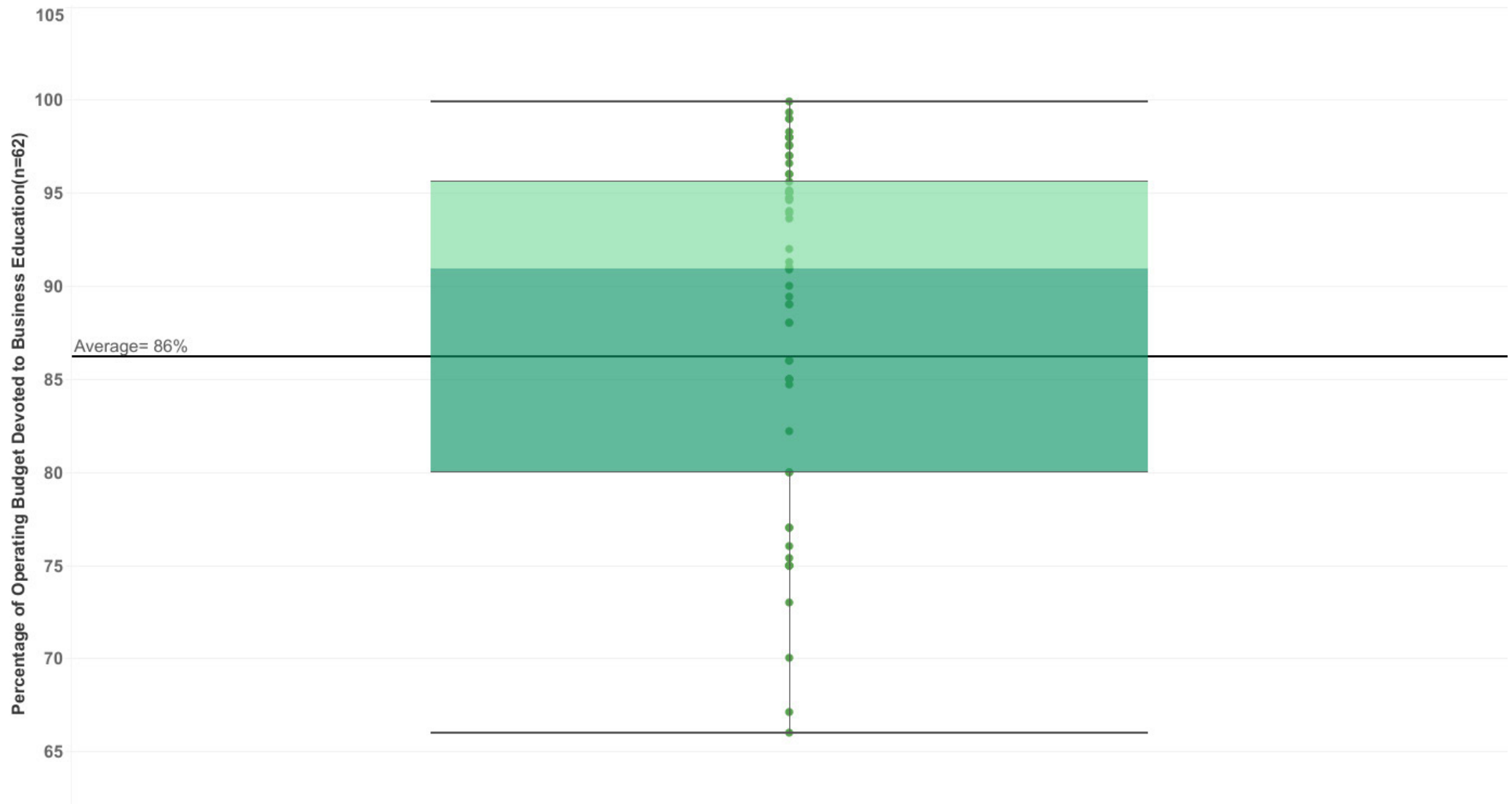


Figure 3. Percentage of Operating Budget Devoted to Business Education for Schools Whose Budget Includes Non-Business Programs

Source: AACSB 2018–19 Business School Questionnaire Finances Module

Endowment

Not all schools reported an endowment value, because not all institutions clearly separate endowment by academic unit. For the 429 business schools that reported having an endowment, the average endowment is approximately 37.3 million USD. The average endowment for the private schools that reported one (n=130) is a little less than 57 million USD, and the average for public schools (n= 299) is approximately 29 million USD. As with operating budgets, there is a notable difference in endowments related to degree levels offered (keep in mind that a very small number of schools reported endowments for graduate-only and undergraduate-only schools).

Unlike patterns noted in operating budgets, there is also a noticeable difference between public and private schools, depending on the degree levels offered. For schools that offer only undergraduate and master's degrees (n=239), the average endowment for private schools (n=73) is almost four times as much as that reported for public schools (n=166). The most likely cause for this discrepancy is that there is more variability for private schools in this category (the standard deviation is almost seven times as much), and there are several private schools whose endowment is well above the 75th percentile of the public school distribution of endowments for this type of degree offering. The average endowment for all schools that offer only undergraduate and master's degrees is slightly more than 20 million USD. More information regarding these data is provided in Figure 5 and Table 4.

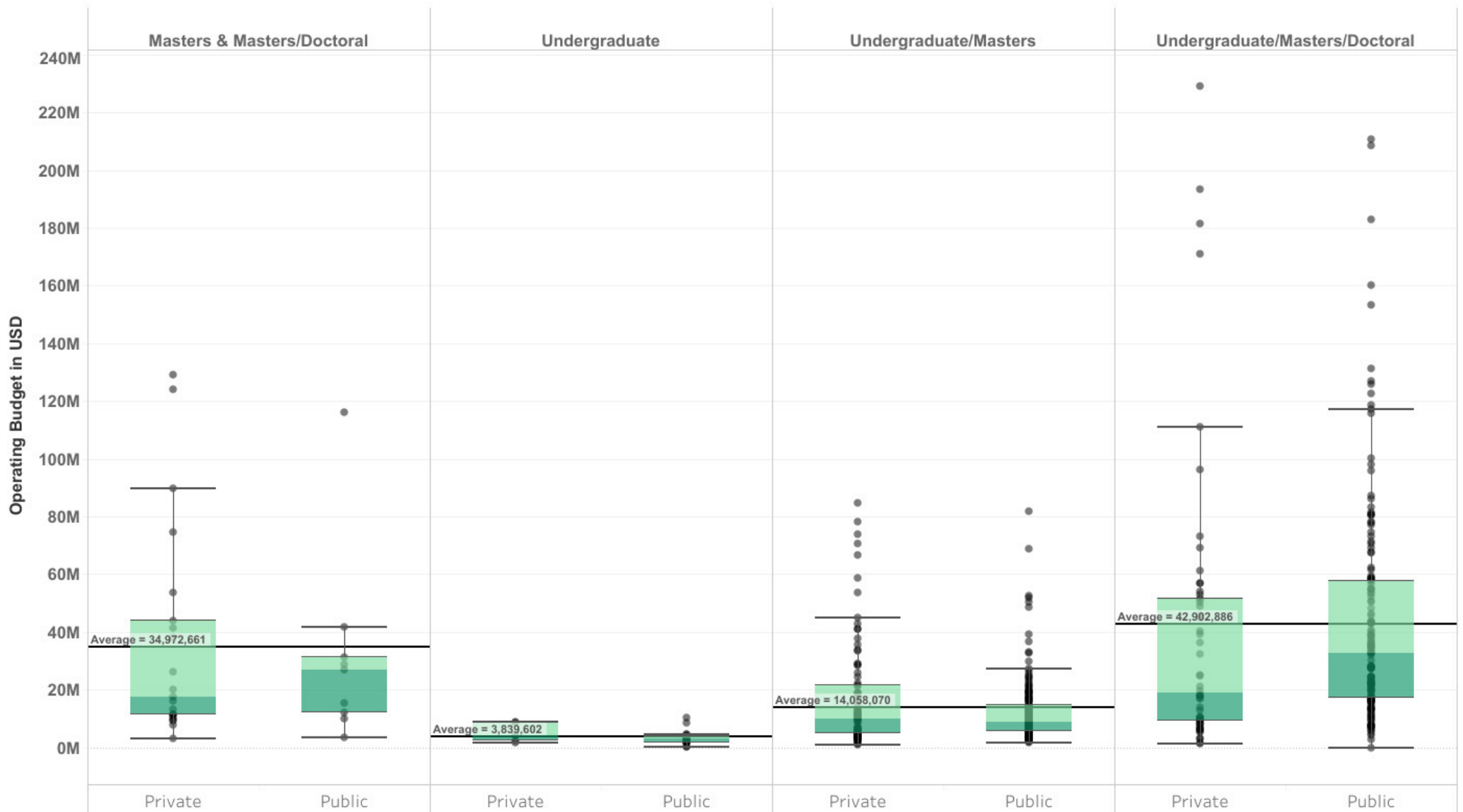


Figure 4. Distribution of Operating Budgets by Institutional Control and Type of Degrees Offered

As indicated in Figure 4, there is a clear difference in budgets related to the degree levels offered, but the difference between private and public schools after controlling for degree levels offered is negligible.

Table 3. Distribution of Operating Budgets by Institutional Control and Type of Degrees Offered, in Thousands of USD

	Graduate Only		Undergraduate Only		Undergraduate/Master's		Undergraduate/Master's/ Doctoral	
	Private	Public	Private	Public	Private	Public	Private	Public
Count	21	9	6	17	86	178	54	155
Average	36,352	31,754	4,975	3,439	17,366	12,460	40,507	43,738
Standard Dev.	37,834	33,838	3,181	2,631	19,156	11,411	50,561	39,022
Maximum	129,272	115,994	9,080	10,288	84,753	81,848	228,943	210,619
75th Percentile	43,835	31,322	8,662	3,939	21,570	14,761	51,459	57,843
Median	17,640	26,970	4,107	3,163	10,092	8,761	19,070	32,731
25th Percentile	11,300	12,046	2,350	1,751	4,941	5,814	9,123	17,274
Minimum	3,057	3,483	1,546	117	1,152	1,840	1,401	56

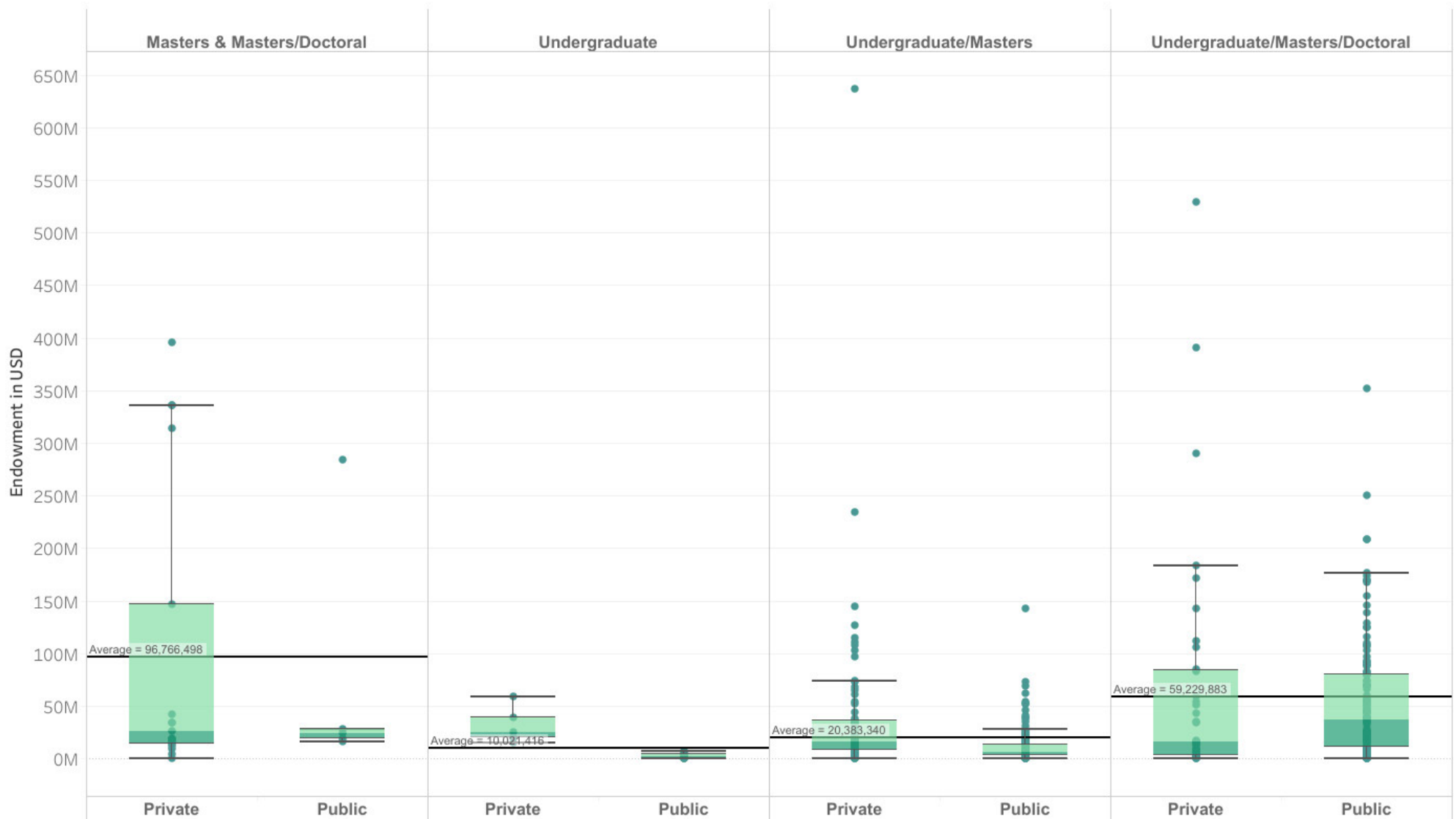


Figure 5. Distribution of Endowments by Institutional Control and Type of Degrees Offered

Table 4. Distribution of Endowments by Institutional Control and Type of Degrees Offered, in Thousands of USD

	Graduate Only		Undergraduate		Undergraduate/ Master's		Undergraduate/ Master's/Doctoral	
	Private	Public	Private	Public	Private	Public	Private	Public
Count	17	5	5	14	73	166	35	114
Average	103,366	74,329	31,672	2,289	40,591	11,497	71,156	55,568
Stand Dev	142,884	117,362	17,890	2,190	81,950	16,486	118,186	60,650
Maximum	395,478	284,101	59,420	7,660	636,862	142,221	528,593	351,439
75th Percentile	147,045	28,251	38,958	4,083	36,398	13,654	84,704	79,826
Median	25,676	24,338	24,838	1,950	16,039	6,471	16,680	36,652
25th Percentile	14,490	18,923	20,123	353	8,600	3,003	2,671	10,920
Minimum	101	16,031	15,023	21	127	59	23	10

Uses of Operating Funds

In general, private schools have a higher total of salary expenditures on average than public schools (keep in mind there were almost twice as many public schools reporting), but the standard deviations were relatively similar (approximately 22 million and 19 million USD, respectively). As expected, the majority of salary expenditures go toward degree programs and instructional activity.

There appears to be a greater discrepancy for non-salary expenditures, where private schools spend almost another 5 million USD more on average than public schools, but there is on average twice as much variability (see Table 5 for details). Regarding non-salary expenditures, private schools on average spend about three times more on scholarships (approximately 4.5 million USD) than public schools (a little less than 1.5 million USD, on average). In addition, while total benefits compensation is on average the highest non-salary expenditure reported for public schools (slightly less than 4 million USD), the average reported for private schools differs.

Sources of Operating Funds

Information on the sources of operating funds is also part of the BSQ Finances Module. Like the uses of operating funds, not all schools report all levels of detail for the sources of operating funds. The private schools that reported (n = 144), on average, have a higher overall total of operating funds than the 2,902 public schools (approximately 39 million USD and approximately 32 million USD, respectively), and more variability across schools. Revenue from general tuition and fees is on average the largest source of operating funds for both private and public schools, though private schools generate almost twice as much as public schools (33 million USD and approximately 19 million USD respectively).

As expected, public schools do have a higher average of funds from government appropriations than private schools, such that the average is also almost twice that of private schools (10 million USD and 6 million USD, respectively). The average amount from "other charges for students for educational purposes" is approximately 3.9 million USD for public schools, whereas for private schools the average is less than a half-million USD. The average unspent reserve funds from previous years is approximately 3 million USD for private schools and twice as much for public schools (a little less than 5.9 million USD) that reported this data point. Table 6 provides detailed information regarding other sources of operating funds.

Table 5. Uses of Operating Funds by Salary and Non-Salary Expenditures and by Institutional Control, in Thousands of USD

Use of Funds	Salary Expenditures						Non-Salary Expenditures					
	Private			Public			Private			Public		
	N	Average	Standard Dev.	N	Average	Standard Dev.	N	Average	Standard Dev.	N	Average	Standard Dev.
a. Degree programs and instructional activity	101	9,244	10,360	202	10,641	9,279	83	1,864	2,892	157	1,279	1,884
b. Total benefits compensation	73	3,432	3,554	148	4,007	4,339	15	3,359	7,259	25	3,932	5,084
c. Research	58	2,261	3,591	126	2,660	4,275	59	572	703	149	662	2,007
d. Public service	16	186	203	67	683	839	22	309	933	72	267	494
e. Non-degree management education instruction— total	45	1,920	5,643	64	720	1,147	49	1,363	2,996	62	1,007	2,243
e1. Non-degree management education instruction—open enrollment	29	1,464	3,574	39	456	968	33	865	1,412	37	547	1,001
e2. Non-degree management education instruction—custom programs	32	1,037	3,310	41	361	640	35	739	1,664	42	765	1,709
e3. Non-degree management education instruction—unallocated	15	689	749	15	900	1,154	17	727	1,783	16	628	1,689
f. Library	18	417	795	15	213	274	36	569	832	48	355	723
g. Technology	46	849	1,732	95	597	886	66	638	1,452	146	519	952
h. Student services and admissions	51	1,670	2,172	125	1,387	1,692	57	844	1,278	119	648	1,320
i. Scholarships	7	185	37	20	375	501	61	4,535	12,408	134	1,448	3,097
j. Administrative support	71	1,789	1,945	166	2,054	2,719	66	1,730	3,737	123	919	1,882
k. Auxiliary enterprises	12	579	1,063	23	246	308	15	1,192	2,625	29	606	1,154
l. Operation and maintenance of facilities	27	762	1,599	36	389	705	52	2,567	6,383	102	867	2,187
m. Faculty/staff recruiting expenditures	14	547	1,473	19	467	883	40	200	696	116	109	279
n. Alumni programs/services	29	386	915	52	248	359	43	247	479	69	135	198
o. Marketing and advertising	39	821	2,026	81	507	1,040	75	990	1,736	132	552	946
p. Other	35	1,441	2,389	42	2,273	5,078	57	1,683	3,277	105	2,287	7,406
q. Total of all uses of operating funds by the business unit	146	17,539	21,572	303	18,980	19,363	142	10,731	22,201	304	5,999	11,785

Table 6. Sources of Operating Funds by Institutional Control, in Thousands of USD

Sources of Operating Funds	Private			Public		
	N	Average	Standard Dev.	N	Average	Standard Dev.
a. General tuition and fees revenue, and government appropriations and institutional/university allocations— total	140	31,246	39,749	287	23,486	27,092
a1. General tuition and fees revenue	123	33,131	44,506	197	18,877	27,492
a2. Government appropriations (other than grants and contracts)	10	6,312	12,528	97	10,318	13,367
a3. Institutional/university allocations	40	5,377	24,676	144	9,944	13,006
b. Other charges to students for educational purposes	34	486	707	102	3,854	9,231
c. Government grants and contracts— total	46	974	1,280	148	1,708	4,700
c1. Government grants and contracts—research	35	730	914	101	1,190	2,825
c2. Government grants and contracts—other	25	599	745	66	1,005	2,609
d. Private contracts— total	38	1,168	1,761	109	950	1,797
d1. Private contracts—research	30	620	876	69	834	1,840
d2. Private contracts—other	18	1,433	1,989	57	540	967
e. Non-degree management education— total	68	4,820	13,122	107	2,058	4,284
e1. Non-degree management education—open enrollment	42	3,451	6,816	59	1,256	2,814
e2. Non-degree management education—custom programs	41	3,021	9,294	59	1,508	2,806
e3. Non-degree management education instruction—unallocated	11	1,605	2,206	18	1,152	3,018
f.1. Private gifts and grants—capital purposes (not counted in total below)	29	3,784	7,509	91	2,387	4,327
f.2. Private gifts and grants—current operations: restricted	84	1,382	2,681	169	1,909	5,711
f.3. Private gifts and grants—current operations: unrestricted	67	1,122	1,909	147	1,133	3,193
g. Total funds received and available from business unit endowment— total	75	2,908	4,664	154	1,577	2,427
h. Unspent reserve funds from previous years	24	2,865	4,972	86	5,875	8,449
i. Other sources of operating funds	77	3,928	8,612	131	2,545	7,276
j. Total from all sources of operating funds	144	38,809	48,845	292	31,783	36,720

Net Flow of Funds Between Business School and Parent Institution

Net flow is defined as the total of all business school funds spent or retained by the business school, subtracted from the total revenue generated by the business school. A positive net flow suggests that the business school provides a net positive cash flow to the parent institution, a negative net flow suggests that the parent institution provides a net positive cash flow, and a zero net flow suggests that all transfers of funds for the year between the school and the parent institution balance out. 174 schools reported their net flow of funds, with the average net flow for these schools being approximately 14.7 million USD. Nine percent of these schools reported having zero net flow (i.e., balanced transfer of funds between the school and the parent institution).

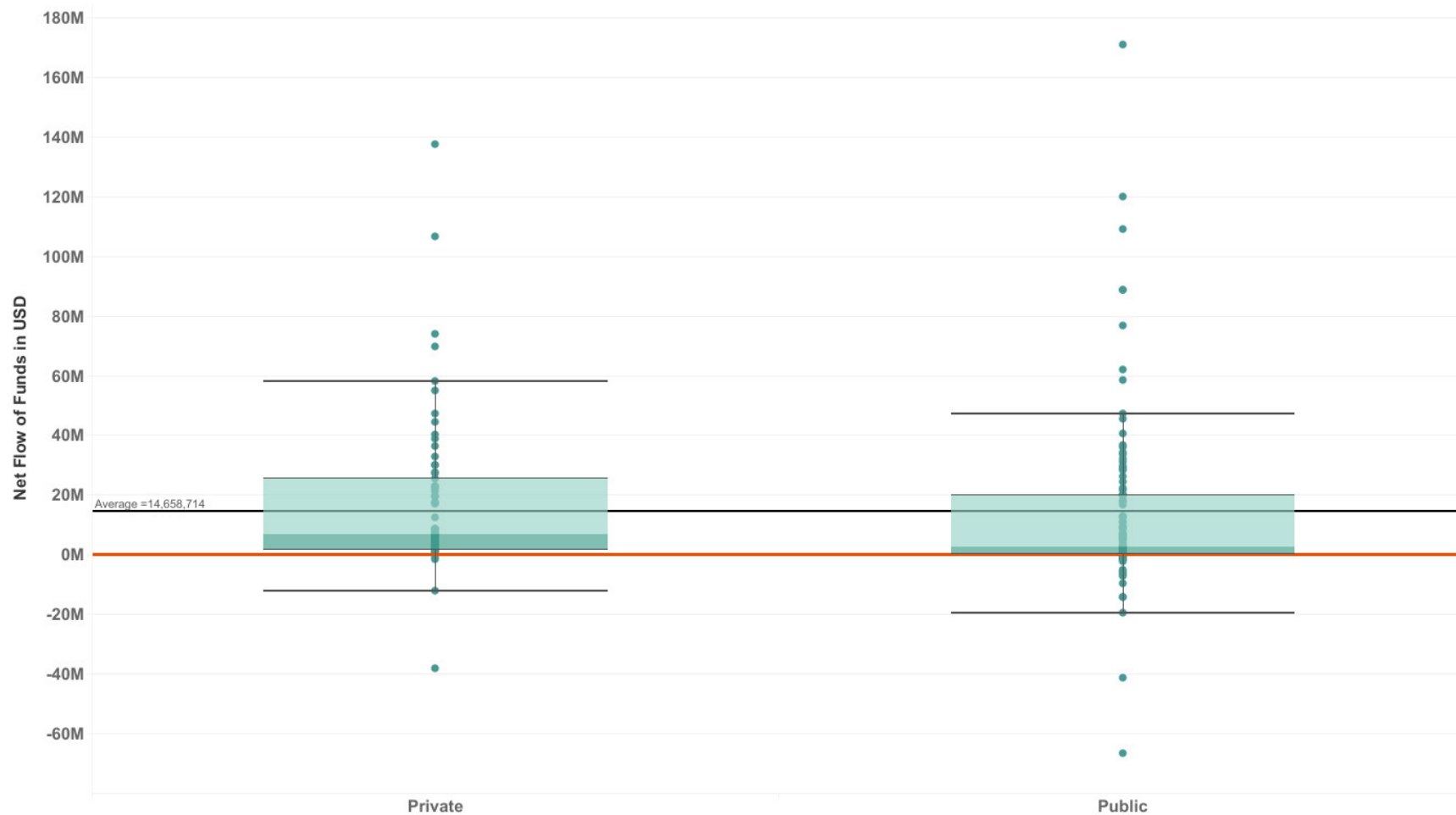


Figure 6. Net Flow of Funds by Institutional Control, in Thousands of USD

Note: The red line represents zero net flow, which is defined as balanced transfer of funds between the school and the parent institution.

Table 7. Net Flow of Funds by Institutional Control, in Thousands of USD

	Private	Public	Overall
Count	66	108	174
Average	17,237	13,083	14,659
Stand Dev	26,908	29,752	28,698
Maximum	137,606	171,005	17,005
75th Percentile	25,449	19,651	21,403
Median	6,769	2,665	4,938
25th Percentile	1,494	0	92
Minimum	-38,001	-66,775	-66,775

Resource Allocation Models

Schools are asked about what resource allocation model is used within the business school and its internal departments and between the business school and its parent institution (where applicable). A school can choose from two types of models or describe their own.

In the **Central-Administration Management (CAM)** model, revenues from tuition, state appropriation, and other sources flow to the university's (or business school's) central administration, which then allocates funds to the academic units (or internal departments). This allocation can be done at its discretion, by a formal request process, or via predetermined formula(s).

In the **Responsibility-Centered Management (RCM)** model, formulas are developed to devolve revenue ownership directly to the operating unit(s) generating the revenue, and then to assess taxes to cover the unit's share of centrally borne expenditures.

As indicated in Table 8, 82.3 percent of all schools use the CAM model, whereas approximately 28.5 percent (out of the 526 schools reporting) use the RCM model within the business school and internal departments, and 17 percent (n= 88) indicated that they use both. The percentage of schools that use the CAM model between the business school and the parent university is 78.7, 33.5 percent indicated that they use the RCM, and 16 percent (n= 75) indicated that they use both. In general, the CAM model was the most popular.

Table 8. Percentage of Schools That Use Resource Allocation Models by Institutional Control

	Within Business School and Internal Departments		Between Business School and Parent University/Institution*	
	Percentage of All Schools	N Institutions	Percentage of All Schools	N Institutions
Private				
a. Central-Administration Management (CAM)	83.2	167	41.4	144
b. Responsibility-Centered Management (RCM)	27.5	167	36.8	136
Public				
a. Central-Administration Management (CAM)	81.9	359	79.7	349
b. Responsibility-Centered Management (RCM)	29.0	359	32.1	333
Total Schools				
a. Central-Administration Management (CAM)	82.3	526	78.7	493
b. Responsibility-Centered Management (RCM)	28.5	526	33.5	469

*These columns exclude independent, standalone institutions.

Compensation Practices

The final section of the BSQ Finances Module focuses on the business school's compensation practices for its faculty. Information on faculty loads and different types of faculty compensation for both new hires and all full-time faculty are included in this section. Table 9 displays the number of schools that reported information for each one of the compensation practices for new hires, the average, and the standard deviation. Keeping in mind that there were almost three times as many public schools as private schools reporting, private schools' average guaranteed research funds for one year is slightly less than public schools', but there is much more variability for public schools.

There is also a noticeable difference between private and public schools' compensation regarding guaranteed research for two years, where the average for private schools is almost 30 percent less than for public schools. In contrast, when it comes to guaranteed research funds for three years, the difference is negligible, where the average for private schools is slightly more than what the public schools reported, and there is much more variability.

Table 10 contains information on full-time faculty compensation practices (excluding new hires). The average for summer research funding is slightly less than 17,000 USD. The overall average for the overloads/stipends for teaching credit courses is 11.4 thousand USD.

A small number of schools reported information on additional pay for teaching at international partner institutions (n=38), such that only the average number of faculty per school is 14 and the average compensation is a little less than 9,000 USD. For the 370 schools that reported information on compensation for summer teaching, there are on average 24 faculty members, and the overall average compensation is a little less than 12,000 USD.

Table 9. Faculty New Hire Compensation Practices by Institutional Control, in Thousands of USD

	Private				Public				Total			
	Count of Schools	Avg. Number of New Hires Per School	Average*	Standard Dev.	Count of Schools	Avg. Number of New Hires Per School	Average*	Standard Dev.	Count of Schools	Avg. Number of New Hires Per School	Average*	Standard Dev.
a. Moving expenses	101	3	7,476	9,874	233	4	5,774	4,089	334	4	6,289	6,445
b. Signing bonus (not part of base salary)	13	2	9,929	9,502	13	6	8,995	6,234	26	4	9,462	7,888
c. Guaranteed research funds for one year	28	2	8,229	10,313	66	4	10,712	25,785	94	4	9,972	22,291
d. Guaranteed research funds for two years	33	115	7,771	4,739	75	3	12,559	9,136	108	42	11,096	8,328
e. Guaranteed research funds for three years	41	3	20,478	25,449	101	4	19,273	14,889	142	4	19,621	18,473

*Average is not a weighted average

Table 10. Full-Time Faculty Compensation Practices by Institutional Control, in Thousands of USD

	Private				Public				Total			
	Count of Schools	Avg. Number of Faculty per School	Average*	Standard Dev.	Count of Schools	Avg. Number of Faculty per School	Average*	Standard Dev.	Count of Schools	Avg. Number of Faculty per School	Average*	Standard Dev.
a. Summer research funds	85	23	17,279	19,228	180	25	16,549	12,803	265	24	16,783	15,129
b. Summer teaching compensation	101	16	10,294	9,167	269	27	12,169	14,662	370	24	11,657	13,402
c. Overload/ stipends for teaching credit courses	124	24	15,272	45,349	247	20	9,404	7,872	371	21	11,365	27,066
d. Stipends for teaching non-credit courses	49	15	11,877	15,641	79	14	7,081	5,674	128	14	8,917	10,850
e. Additional funds for research	62	26	9,751	27,924	138	30	8,641	9,702	200	29	8,985	17,438
f. Additional pay for administrative duties (above and beyond teaching/ research)	25	11	8,895	9,531	51	15	8,983	10,228	76	14	8,954	9,941
g. Additional pay for teaching at international partner institution(s)	10	11	4,975	4,755	28	16	10,111	12,854	38	14	8,759	11,459
h. Additional pay for production of intellectual contributions beyond expected standards	4	5	4,117	2,591	14	28	13,767	16,689	18	23	11,622	15,206

*Average is not a weighted average

Additional Information

In addition to these data, more information on budgets, funding, governance, and faculty compensation is now available in the 2017–18 BSQ Finances Module Overview Reports or by using the benchmarking tools in the DataDirect system. Access to these reports and the benchmarking tools is a part of the membership benefits for all schools that submitted a validated BSQ Finances Module. The Overview Reports are also available for purchase on the [AACSB website](#).

Business schools participating in this year's BSQ Finances Module have access to the full suite of reporting tools to create their own custom reports, using groups defined by geographic region, accreditation status, and/or other institutional characteristics. For further information about this and other surveys, please visit aacs.edu/data. If you have questions about these reports, the BSQ Finances Module, or other AACSB Business Education Intelligence products, please contact us at datadirect@aacsb.edu.



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