

Resourcing the Part-Time Student: Rethinking the Use of FTEs in Higher Education Budgets

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Overview

Government resources, at both the federal and state level, supporting the education of college students are distributed based on a formula that reduces some students to less-than-a-whole-human beings by aggregating part-time students into full-time equivalents (FTE). The underlying assumption is that the nation's more than six million part-time students require less money to educate, and need less money with which to live. This brief examines those assumptions.

Full time equivalent v. Headcount

When it comes to measuring how many students are enrolled at an institution, there are two common approaches. "Headcount" counts every individual, regardless of the number of contact hours. "Full-time equivalent" counts enrollment based on contact hours. For example, consider an institution operating on a semester system. One FTE is equal to 30 credit hours of instruction over the academic year. That might consist of:

- One student taking five 3-credit classes per term (headcount= 1);
- Five students, each taking one 3-credit class per term (headcount=5);
- One student taking four 3-credit classes in the fall and two 3-credit classes in the spring, plus two students each taking one 3-credit class per term (headcount= 3);
- One student taking four 3-credit class in the fall before stopping out, plus three students each taking two 3-credit classes in the spring (headcount=4)

When college presidents budget to support their students' basic needs, they typically do so based on headcount. Clearly, in all of the scenarios above, each student needs access to the food pantry and social workers regardless of how many classes they take. But when state and federal policymakers allocate funding to institutions, they almost always use FTE. This puts the [6.3 million part-time students](#), and the colleges and universities educating them, at a distinct disadvantage. Nationwide, [three in four community college students](#) enroll part-time, and the sector receives far less state funding compared to four-year institutions.

Do part-time students require fewer dollars to educate?

If part-time students require less support to educate, then perhaps funding them as less than a whole student may make sense. However, the evidence points in the opposite direction.

First, consider a conceptual model of the costs of educating a student. The FTE model bases costs on credit hours, suggesting that for every additional hour of contact, costs simply rise accordingly. However, the costs of education are both variable and fixed, as depicted in Figure 1. A fixed cost is the same regardless of the number of classes in which the student is enrolled (see the “overhead” costs in Figure 1), while a variable cost (see “direct instruction” costs in Figure 1) depends on the number of classes they take.² Student support services are variable costs, but their use depends on the students’ needs for them, which do not always correspond to the number of classes they are taking. Consider, for example, that while students who take one or two classes incur fewer direct instruction costs than students who take four or five classes, they often require the same access to services including financial aid, advising, career services, and the food pantry. They also require the same access to facilities such as the library and computer labs.

In other words, there is some cost savings when educating a part-time student compared to a full-time student, but not nearly as much as a strict credit-hour calculation suggests.

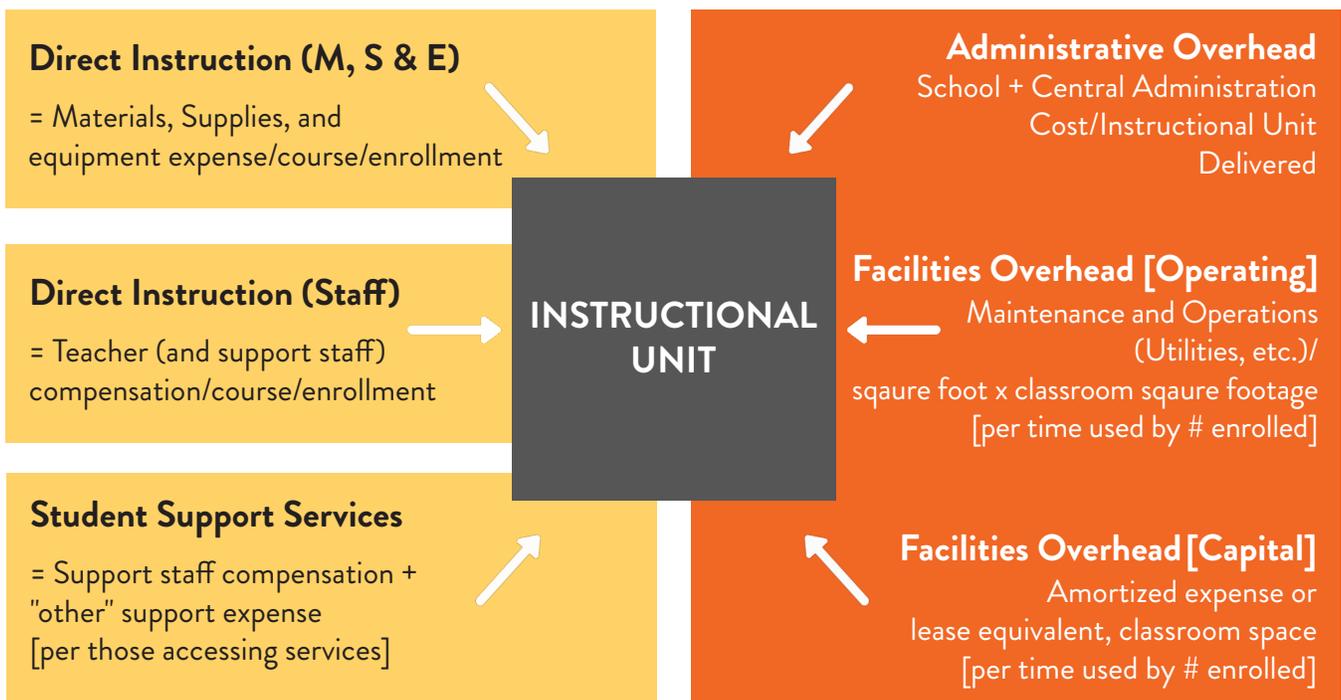
FIGURE 1. Estimating Institutional Costs of Delivering Instructional Units

DIRECT COSTS/EXPENSES

Variable by Course

ALLOCABLE OVERHEAD EXPENSES

May Vary Across Courses



Source: [Estimating the Real Cost of Community College Report](#). The Century Foundation.

Moreover, an accurate comparison of costs must go further. As Bruce Baker and Jesse Levin aptly point out, costs must be assessed relative to an outcome like degree completion. Put into that context, a full assessment of the costs of educating part-time students needs to also consider the many other factors affecting their education that diminish the odds of completion (Baker and Levin call these “risk” factors). It must also consider the length of time degree completion will take.

Part-time students tend to be older; just [1 in 10 recent high school graduates](#) enrolls part-time. Compared to full-time students, part-time students are disproportionately from racial/ethnic minority backgrounds, [are more likely to be](#) the first in their family to attend college, and are more likely to attend community college. Students juggling work and family often attend part-time out of necessity, and may be especially likely to do so given tightened sources during the COVID-19 pandemic. It takes [part-time students longer](#) to complete degrees, and they complete at lower rates.

These many risk factors increase the costs of educating part-time students. While deeply committed to their education, the many pressures on these students means that they require additional support to stay connected to their education and succeed. For example, Bunker Hill Community College has invested in special [learning communities](#), while other institutions are [innovating their approaches](#) to advising, financial aid, and course scheduling.

Part-time students receive less financial aid—do they face lower costs?

Based on the assumption that they face lower expenses for college, part-time students are allocated less financial aid. [Part-time students are less likely](#) than full-time students to receive any grants (55% vs 77%), loans (29% vs. 54%), or work-study funding (2% vs. 10%). On average, [they receive a total](#) of just \$4,200 in grant per year, compared to the \$11,200 received on average by full-time students. While a full-time student (taking at least 12 credits) can receive a maximum Pell grant of \$6,345, a student enrolled half time (6 credits) can only receive up to half that amount. Students enrolled for one class are ineligible for federal loans and many other types of aid.

Clearly, the driving assumption is that part-time students face lower tuition costs and thus need less financial aid. But the cost of attending college, against which financial aid eligibility is computed, consists of numerous non-tuition expenses including books, supplies, housing, food, and transportation, health care, and child care. In fact, at community colleges [tuition is just 20% of the total annual cost](#). While a few of these expenses (like books and supplies) scale based on the number of credits taken, most of the others do not. Thus, there is little reason to expect that a student’s living expenses are cut in half when they attend college half-time, and empirical data confirm this.

The Georgetown Center on Poverty and Inequality’s Economic Security and Opportunity Initiative used 2014-2018 Consumer Expenditure Survey (CES) to examine costs beyond tuition according to students’ enrollment intensity. They focused on older students (ages 25-45), who more commonly attend part-time. Their analysis shows that average annual overall costs beyond tuition are statistically higher for part-time students (\$43,040) compared to full-time students (\$38,237).

The California Student Aid Commission recently fielded the Student Expenses and Resources Survey (SEARS) across all public and private colleges in that state. Analyses of those data, collected during the 2018-2019 academic year, clearly indicate that the monthly living expenses faced by part-time students are equal to or greater than those faced by full-time students.³ This is true for the California Community Colleges, the California State University system, and the University of California System (Table 1).

TABLE 1. California Student Monthly Living Expenses, By System and Enrollment Intensity

	California Community Colleges		California State University System		University of California System	
	FT	PT	FT	PT	FT	PT
Housing	782.39	996.88	797.55	1005.08	1024.84	990.95
Food	528.18	570.87	468.74	597.85	456.74	505.24
Books	123.54	104.69	122.75	135.09	123.17	154.37
Transportation	105.31	90.85	100.01	121.45	54.48	65.95
Personal Expenses	381	425.64	335.95	439.61	276.61	421.47
Total	1921.01	2188.93	1825.00	2299.08	1934.84	2137.98

Note: Mean self-reported expenses as reported on the 2018-2019 SEARS survey.

While in theory, part-time students have more time available to work, making up for receiving less financial aid, there is some indication that they are not able to sufficiently compensate with additional paid employment. Changes in the labor market have made it markedly harder for students with competing demands on their time to obtain adequate employment. Notably, the [U.S. Department of Education reports](#) that the percent of part-time students employed 35 or more hours per week fell from 55% in 2005 to 46% in 2017. It is reasonable to expect work to be even harder to find in the wake of the COVID-19 pandemic, as national rates of unemployment approach all-time highs.

Consequences of the FTE approach

[Fifty-seven percent](#) of the nation’s more than six million part-time students attend community colleges, institutions that struggle with some of the lowest levels of per-student support in all of American education. The [inadequacy of community college funding](#) is well-documented, and it is due in part to a continued focus on FTE.

Part-time students are at greater risk of basic needs insecurity. The [2019 #RealCollege survey](#) shows that rates of food and housing insecurity, along with homelessness, by enrollment intensity. At least in part because of the risk factors noted above, which contribute to the odds that they will enroll less than full-time, part-time students experience both food and housing insecurity at higher rates.

TABLE 2. Basic Needs Insecurity, By Enrollment Intensity

	Full-Time	Part-Time
Food Insecurity	39%	41%
Housing Insecurity	43%	54%
Homelessness	17%	16%

Source: [2019 #RealCollege survey](#)

These challenges are reflected in their rates of academic success. The [average gap](#) between full-time and part-time persistence rates is estimated at more than 12 percentage points. Just 37 percent of students who attend part time for any portion of their college career [earn a degree within six years](#), and that [rate does not differ much](#) by whether they begin at a 2-year or 4-year institution.

Moving Forward

Federal forecasts, admittedly formulated before COVID-19, have [part-time enrollment outpacing full-time enrollment through at least 2027](#). According to the Integrated Postsecondary Education Data System (IPEDS), at 4-year public institutions enroll just under 9 million unduplicated undergraduate students making up 6.5 million FTE, while public community colleges enroll 8.5 million students but only 3.7 million FTE. In other words, while an FTE at a four-year institution is made up of about 1.4 students, at community colleges it is comprised of 2.3 students. This baked in inequality puts the most disadvantaged students and institutions at great risk during the current pandemic.

In response to the economic fallout from COVID-19, the CARES Act included \$6.3 billion for direct emergency aid to students impacted by the pandemic. These emergency grant funds were awarded to institutions of higher education for immediate distribution. However, they were allocated among institutions based on FTE rather than headcount. According to the [Center for American Progress](#) (CAP) this contributed to an inequitable funding flow that disproportionately benefitted small, private institutions and four-year universities over community colleges. Had the CARES Act been distributed using headcount rather than FTE, community colleges would have received 8.6% more funding, or approximately an additional \$530M.

It is time for change. Students are humans first, and every human requires support from their college and for their living expenses, regardless of how many classes they take each term, if they are to stand a fair shot at graduating. In the wake of the pandemic, many of the nation’s displaced workers [will enroll in college](#), and many will find full-time enrollment impossible.⁴ Their education should not be resourced as if it were less important. Both federal and state policymakers should revise their institutional funding formulae to emphasize headcount rather than FTE. Doing so will promote equity and direct the flow of public funding towards the most public of all higher education institutions: the community colleges.

Notes

¹ The authors thank the California Student Aid Commission, particularly Patrick Perry, and the Georgetown Center on Poverty and Inequality's Economic Security and Opportunity Initiative, particularly Jae June Lee, for assistance with data. We also thank Bruce Baker and Robert Kelchen for feedback.

² To make things even more complex, there are also “step” costs. Variable costs at the student level include a very small share of things like individual materials and supplies consumed by students (often at students' expense). Step costs accrue at the class or section level. When enrollment increases or decreases by a student or even a couple of students, the step costs do not shift, since they are based on the entire class or section. The cost of paying an instructor is a step cost, and it is most of what falls under direct instruction. It is not a student-level variable driven by how many classes a student takes.

³ In several cases, the monthly living expenses for part-time student exceed those of full-time students. Since these students are more likely to have children, and [face correspondingly higher living expenses](#), this is the likely explanation.

⁴ During the Great Recession, college enrollment swelled [only among part-time students](#). Full-time enrollment declined.