

## HONORS BUDGETS BY INSTITUTION TYPE, INSTITUTION SIZE, AND HONORS STRUCTURE

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The importance of financial and other resources for cooperative activity can hardly be overstated. Despite the importance of funding, however, data describing the financial situation of honors programs have been relatively rare.

New data from the NCHC 2017 *Budget and Resources Survey* (BAR) begin to provide a window into this important aspect of higher education management. Approximately 32 percent of U.S. member institutions responded to the survey and reported budget data. In general, responding institutions are a fairly representative cross-section of the overall NCHC membership in 2017 with regard to institution size, Carnegie classification, and honors program vs. college structure.

Data presented here come from two survey items asking about whether the honors program had an independent operating budget and, if so, what the budget size was.<sup>1</sup> Contrary to Schuman's (2006) warning that "too often, honors programs derive their money from Dean's, Provost's, or Vice President's annual budget" (p. 39), by 2017 most honors programs and colleges had their own operating budget. Of the 279 institutions responding to the first question, 95.7 percent reported having an independent budget allocation for honors. Of course, that is not necessarily the same as saying that honors programs have a "place of honor" in the university budget, as Idzerda (1962) implored that they should.

Of the 267 reporting a budget, 248 provided data on budget size for the follow-up question. The average (mean) budget size for those 248 is \$155,602. As with so many things related to money, however, there is considerable variation from institution to institution. While some honors programs may have considerable support from the institution, and have substantial budget allocations, others operate with less. What's more, financial data have notoriously skewed distributions, ones with a small number of cases that have large values high above where most cases cluster. Because the mean is vulnerable to the influence of a small number of cases with high values, the median is usually the preferable measure of what is typical when looking at skewed distributions.

The median for the same 248 institutions that reported budget data above is \$30,156, but the median, too, is limited because it conceals variability across dimensions of institutional character that one would expect to affect budget size. For this reason, it is important to take such dimensions into consideration when comparing financial data.

The table in the Appendix presents summary statistics for honors budget size broken down into nine categories defined

by institution type, institution size, and honors organizational structure as either an honors program or honors college. In addition to the mean and median, the table also presents the smallest and largest budgets reported in each category, the upper and lower limits of the middle 50 percent (i.e., demarcating the interquartile range), an estimate of the per capita budget allocation for honors students in the program, as well as the percentage of programs below \$10,000 and \$5,000 thresholds. Though methodological and reporting differences do not allow for direct comparison, it is worth noting that the per capita estimate for honors colleges is in the same range as the one reported by Sederberg for the 23 in his 2004 survey of honors colleges (2008:31).<sup>2</sup>

The variation illustrated in the table bears out the importance of analyzing budget size by important dimensions of institutional character. Not surprisingly, on average,<sup>3</sup> honors programs at larger institutions have larger honors budgets. Honors programs at large two-year degree institutions have budgets that are, on average, 3 to 4 times larger than those at small and medium two-year degree institutions; honors programs at large four-year degree institutions have budgets that are, on average, 3.7 times larger than programs at medium institutions and 18 times larger than programs at small institutions; and honors colleges at large institutions have budgets that are, on average, about 30 percent larger than honors colleges at medium institutions and 7.6 times larger than honors colleges at small institutions.

Among four-year degree institutions, honors colleges tend to have more resources than honors programs at institutions of similar size. In particular, honors colleges at medium and small institutions have operating budgets that are 2.5 to 3 times larger than honors programs located in institutions of similar size.

It is often also important to look beyond what is typical to consider those with fewer resources. Across all member institutions, 13.5 percent have an honors budget of \$5,000 or less, but it is important to note that small budgets are found unevenly across different types of institutions: Almost one-third of honors programs at small two-year degree institutions have budgets of \$5,000 or less, and two-fifths of honors programs at medium two-year degree institutions have budgets that size. Within the largest single category of four-year degree institutions less than 4,000 in size, one-fifth of honors programs are operating with less than \$5,000, and two-fifths are operating with less than \$10,000.

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<sup>1</sup> The first question asked, "Do you have an independent annual budget allocation for honors (i.e., operating budget)?" The second was a contingency question for those who responded in the affirmative to the first question: "Not including money for scholarships or grants for educational expenses that you may have reported earlier, what was your total operating budget in honors for the 2016–2017 fiscal year?"

<sup>2</sup> Whereas Sederberg reported an average of \$596 in per capita honors budget allocation, the 55 honors colleges in the BAR survey reported an average \$773, but in inflation-adjusted terms those numbers are nearly identical.

<sup>3</sup> Because of the aforementioned issues with using the mean to describe skewed financial data, the median is used here to make comparisons.

## References

- Idzerda, Stanley J. 1962. "Honors Programs: Proteus Rather than Procrustes." *The Journal of Higher Education* 33(8):417–23.
- Sederberg, Peter C. 2008. *The Honors College Phenomenon*. NCHC Monograph Series. Lincoln, NE: National Collegiate Honors Council.
- Schuman, Samuel. 2006. *Beginning in Honors: A Handbook*. 4th ed. NCHC Monograph Series. Lincoln, NE: National Collegiate Honors Council.

## Appendix

Table. Descriptive Statistics for Honors Operating Budget by Institution Type, Institution Size, and Honors Structure

Proposed Dues Category	N	Average (Mean)	Median	Smallest Budget	Largest Budget	Middle 50%		Average Expenditure Per Honors Student	Percent below \$10,000	Percent below \$5,000
						Lower	Upper			
<b>Two-Year Institutions</b>										
1–3,999	14	\$23,923	\$8,250	\$2,000	\$185,000	\$4,448	\$21,975	\$383	50	29
4,000–9,999	13	\$21,970	\$10,000	\$2,000	\$100,000	\$5,650	\$16,000	\$409	53	41
≥10,000	15	\$50,607	\$30,311	\$8,800	\$135,260	\$21,500	\$75,000	\$398	7	0
<b>Four-Year Institution</b>										
<i>Honors Program</i>										
1–3,999	86	\$24,277	\$15,500	\$750	\$126,446	\$8,000	\$27,750	\$288	37	19
4,000–9,999	43	\$88,642	\$74,429	\$1,800	\$368,000	\$25,000	\$121,500	\$298	17	11
≥10,000	22	\$481,170	\$275,000	\$4,700	\$1,927,210	\$50,042	\$768,853	\$599	9	9
<i>Honors College</i>										
1–3,999	7	\$65,146	\$39,540	\$23,365	\$130,000	\$31,500	\$100,059	\$249	0	0
4,000–9,999	31	\$282,037	\$230,000	\$3,510	\$1,117,327	\$38,880	\$359,000	\$1,011	6	3
≥10,000	17	\$677,951	\$300,000	\$45,000	\$3,174,220	\$117,345	\$950,000	\$553	0	0

*Note:* The lower and upper limits of the middle 50 percent are the first and the third quartiles. These statistics tell us the numbers between which the middle 50 percent of programs/colleges are found in terms of budget size. Using the same numbers, one can determine the point below which 25 percent of programs/colleges are found and the point above which 25 percent are found.

*Source:* Data come from the 2017 NCHC *Budget and Resources Survey*. Data summarized in this table come primarily from a question asking, "Not including money for scholarships or grants for educational expenses that you may have reported earlier, what was your total operating budget in honors for the 2016–2017 fiscal year?" The average expenditure per honors student column is the quotient resulting by dividing the reported operating budget by the number reported for a question asking about the number of honors students on campus in fall 2016.