

## FastStats: Professional Development Budgets

By: Dr. Jeffery Mitchell, Tuscaloosa Academy

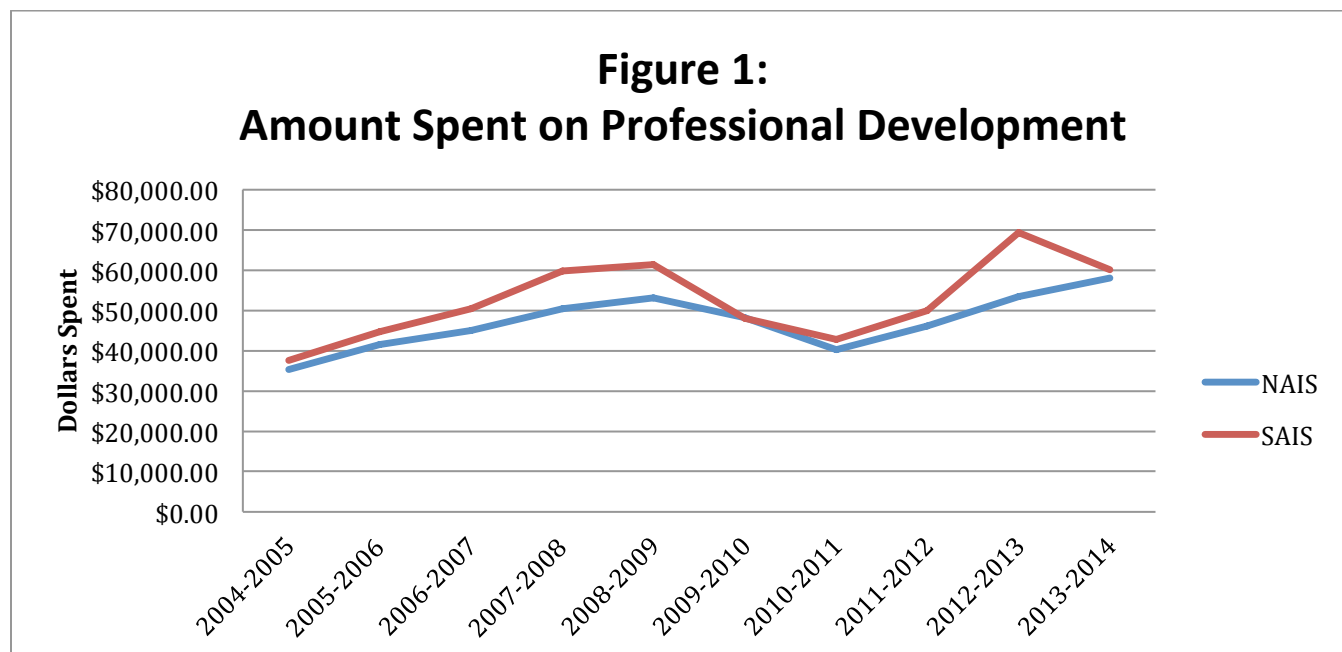
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In this FastStats the 10-year trend for professional development budget allocations in NAIS and SAIS schools is analyzed. The following questions will be addressed.

1. Are there differences between NAIS and SAIS schools regarding amounts allocated for professional development?
2. Has the amount allocated for professional development changed over the past 10 years?
3. How do the professional development allocations in NAIS and SAIS schools compare with allocations for other expenses?

From Figure 1 we can see the amount spent on professional development in NAIS and SAIS schools. From this graph we see that in the past ten years the median amount budgeted for professional development in NAIS schools has gone from about \$35,000 to \$58,000. In SAIS schools, amounts allocated have increased from about \$37,000 to \$60,000.

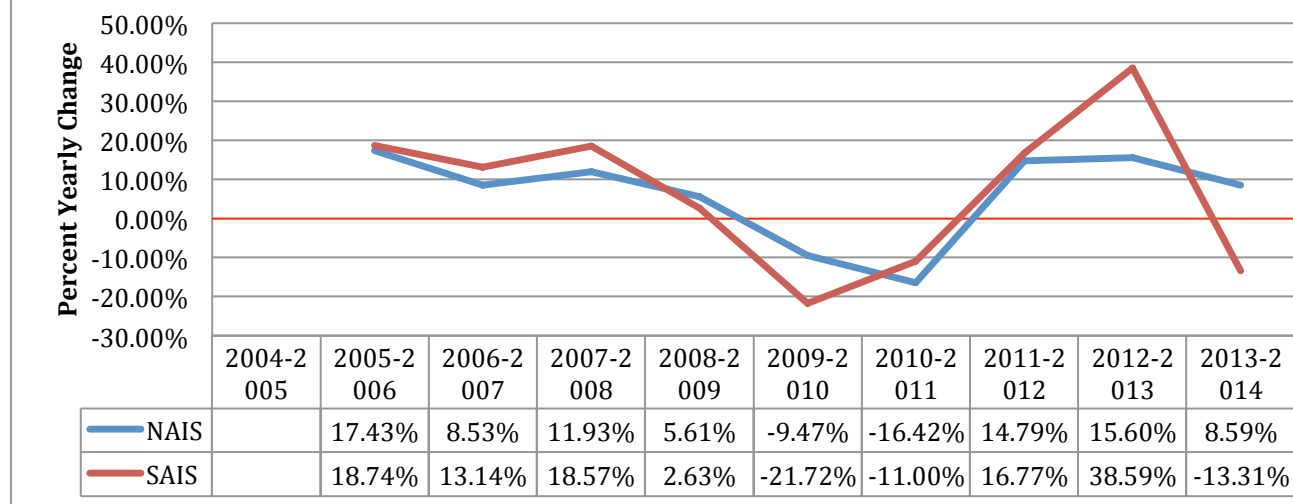


From Figure 2 we gain a better appreciation of the trend for budgeted amounts by looking at the annual change relative to the previous year. The reader should first notice the rather wild fluctuations in the budgeted amounts. For example, amounts budgeted for all NAIS for the two years from 2009-2011 decreased 25%. For the same time frame, SAIS budgeted amounts decreased 33%. By the same token, budgeted amounts for all NAIS for the two years 2011-2013 increased 40%. For the same time frame, SAIS budgeted amounts increased 55%. It should be



noted that the median overall ten-year growth in the amount allocated for professional development for NAIS schools is 6.29% and for SAIS schools is 6.93%. At this point, one might be tempted to conclude that professional development funding as a whole has increased in all NAIS schools and even more so in SAIS schools, specifically. In absolute dollars, these are accurate statements.

**Figure 2.**  
**Annual Percentage Change in Amounts Allocated for Professional Development as Compared with the Previous Year**

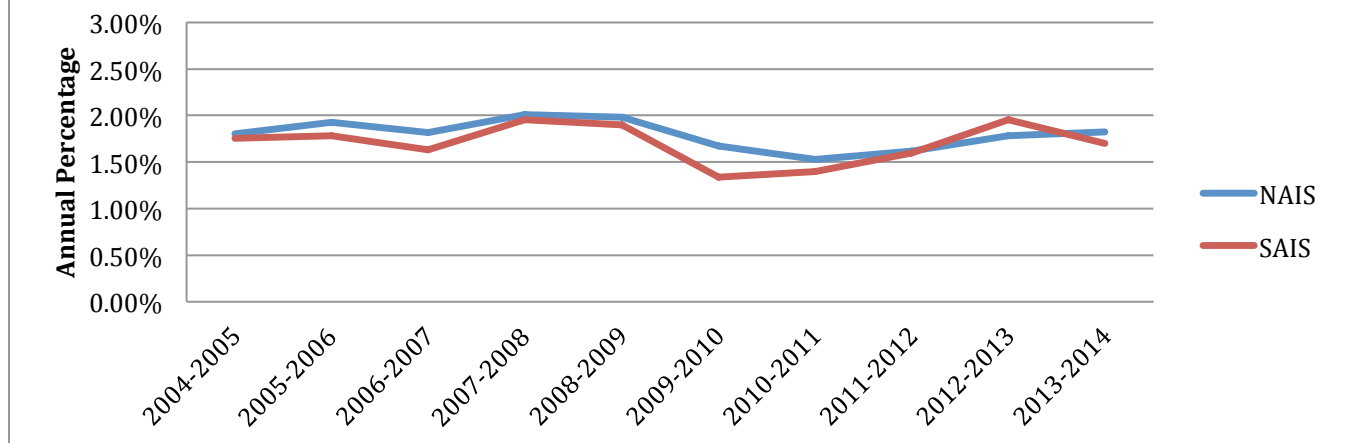


To draw a more informed conclusion, however, one must compare professional development expenses relative to all other expenses and determine if spending on professional development has changed relative to spending on all other expenses. In short, have schools professional development budgets kept up relative to other expenditures? Figure 3 shows that professional development allocations, as a percentage of (non-salary) expenses in a given year, have either stayed the same or have experienced a modest decrease.<sup>1</sup> Thus, in NAIS schools in 2004-2005 1.81% of all non-salary related expenses went towards professional development and in 2013-2014 it was 1.82%. For the same time frame in SAIS schools the percentage went from 1.76% to 1.70%, a modest decrease. It is interesting to note that over this ten-year period the overall median for NAIS schools is 1.79% and for SAIS schools it is 1.70%. While a tenth of one percent difference may not seem like a lot, it amounts to about \$5000 on a five million dollar non-salary expense budget. Thus, you can say all other being equal, NAIS schools, as a whole, allocate a little more, per capita, for professional development.

<sup>1</sup> Although the reader should notice that professional development gets hit hard when schools are going through challenging economic times.



**Figure 3.**  
**Percent of Non-Salary Expenses**



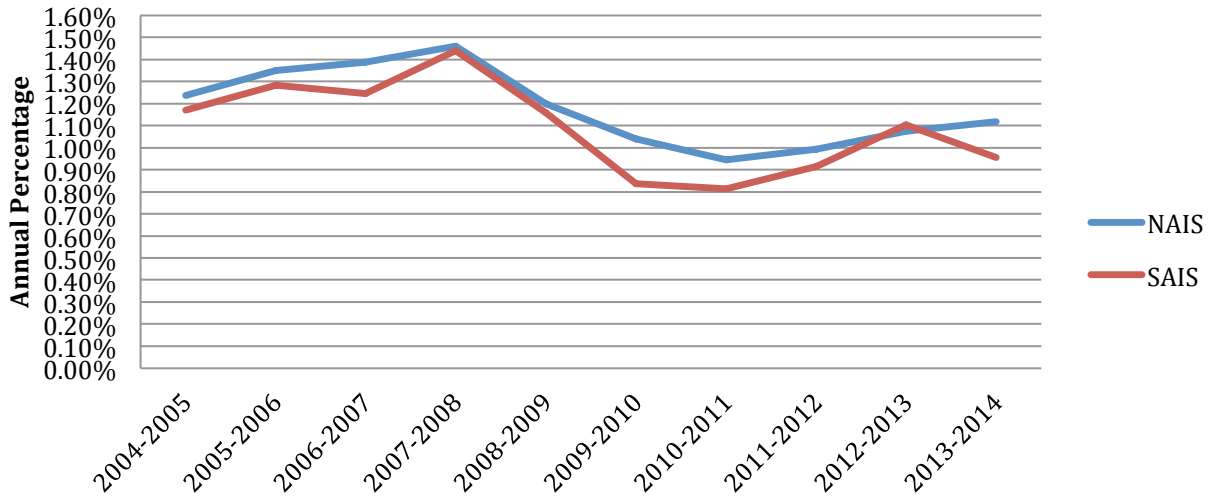
Until this point I purposely disaggregated salary and benefit expenses from my analysis because of its disproportional impact on the calculation of expenses in independent schools. That is, a typical NAIS school allocates 60% of its expenses for salary and benefits. Also, I wanted to compare more “discretionary” operational expenses with professional development. My assumption, and it’s purely my assumption, is that salaries and benefits are less discretionary than most all other expenses. That is, you must pay folks and you generally must pay them what the market will bare. With this said, I thought it would be interesting to analyze salary and benefits expenses in the same way I have for non-salary expenses.

In Figure 4, we see professional development amounts as a percentage of salary and benefit expenses. A close analysis of this data reveals a modest but consistent trend in which professional development spending is decreasing relative to spending on salary and benefits. In 2004-2005 NAIS schools spent 1.24% on professional development relative to salary and benefits and in 2013-2014 that percentage decreased to 1.12%. In 2004-2005 SAIS schools spent 1.17% on professional development relative to salary and benefits and in 2013-2014 that percentage decreased to 0.96%.

Again, the percentages referred to in Figures 3 & 4 may seem trivial, however, they add up. For example, in SAIS schools take the .10% difference with non-salary expenses and the .20% difference for the salary expenses and calculate based on the current median SAIS budget of 11 million dollars and that amounts to about \$33,000 annually. Thus, we can conclude with some confidence that, *relative to other expenses*, professional development budgets have decreased over the past ten years.



**Figure 4.  
Percent of Salary Expenses**



Furthermore, the ten-year median percent of expenses dedicated for professional development in independent schools, when salary and non-salary expenses are combined, is .7% for NAIS schools and .65% for SAIS schools. Perhaps, it's just me, but this seems like a very small percentage of our budget relative to the nature of our organizations, as places of learning. To be learning organizations it would seem we would dedicate a larger proportion of operating expenses to ensure our people are learning and growing. Perhaps beyond the scope of this FastStats, but it would be interesting to see how the amount spent on developing the people in independent schools compares with other organizations like public schools, universities and businesses. My guess is that we compare favorably to public schools and most universities but perhaps not so, when compared with the most progressive companies.

As always, I encourage all Heads to compare your school's data with the numbers presented in this FastStats to see how you are doing.



Dr. Jeffrey Mitchell is the Head of School at Tuscaloosa Academy in Tuscaloosa, AL. He can be reached via email at [jmitchell@tuscaloosaacademy.org](mailto:jmitchell@tuscaloosaacademy.org)

