

# AAMC Data Snapshot

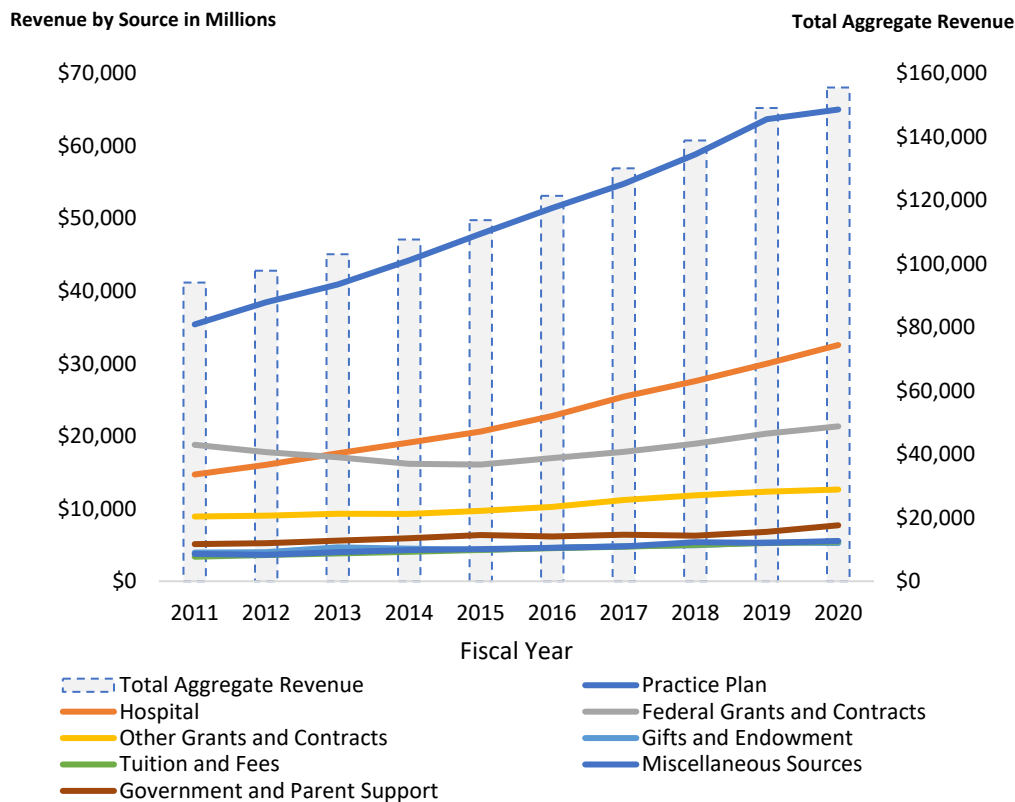


September 2021

## A Brief Review of U.S. Medical School Finances, Fiscal Years 2011-20

To better understand the finances of U.S. medical schools, this Data Snapshot reviews reported revenues by source supporting fully accredited U.S. medical school for fiscal years 2011 through 2020. Data were derived from the Liaison Committee on Medical Education (LCME®) Part I-A Annual Financial Questionnaire on Medical School Financing, administered by the AAMC.

**Revenue by Source for U.S. Medical Schools With Full Accreditation, FY 2011-20 in Current Dollars**



### Key Findings:<sup>\*</sup>

- In the aggregate, total revenues increased 68% between FY 2011 and FY 2020 (or 46% in 2011 constant dollars).
- Practice plan revenues increased 88% (63% in 2011 constant dollars) and saw average year-over-year growth of approximately 7% (6% in 2011 constant dollars).
- Federal grants and contracts revenues accounted for the lowest percentage change of any source during this period at 14% (-1% in 2011 constant dollars) and saw average year-over-year growth of 2% (0.01% in 2011 constant dollars).

Source: LCME Part I-A Annual Financial Questionnaire.

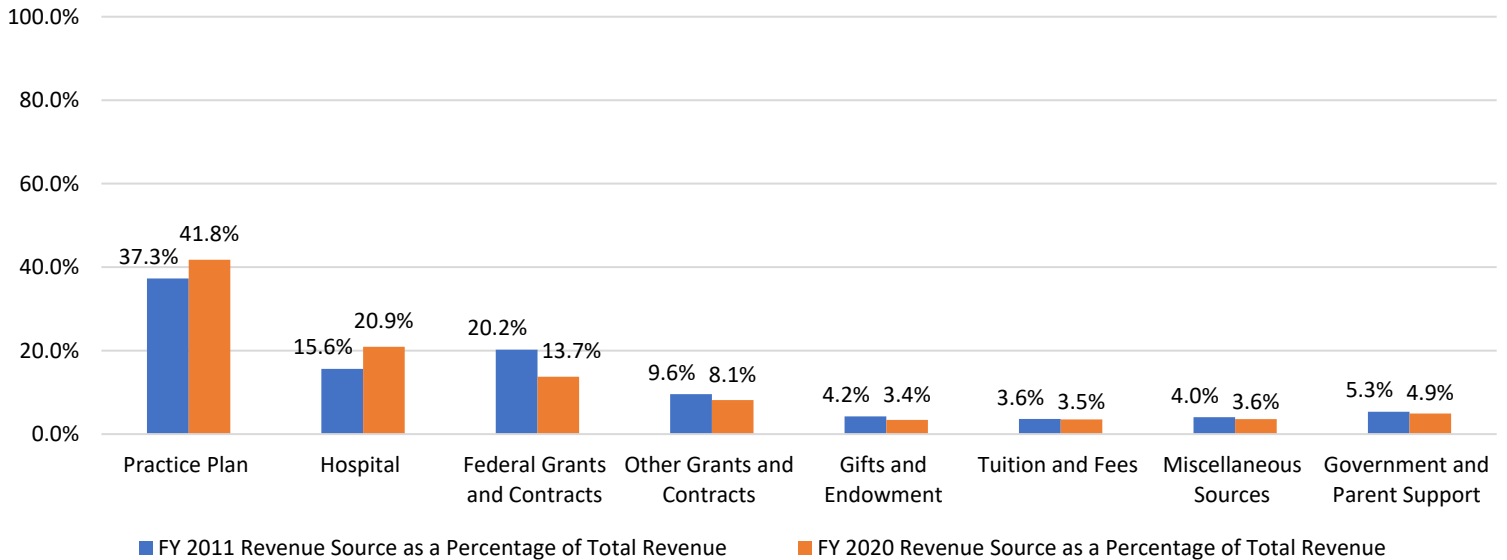
Please note, data lines for "Tuition and Fees" and "Gifts and Endowment" are obscured by "Miscellaneous Sources."

<sup>\*</sup>When comparing data across years, revenues were converted to 2011 constant dollars utilizing the U.S. Bureau of Labor Statistics CPI-Urban<sup>1</sup> for years 2011-20. When calculating relative proportions within reporting years, dollars were not adjusted for CPI-U. Conversions to 2011 constant dollars were applied only to data cited in the key findings and not to the data cited in the charts.

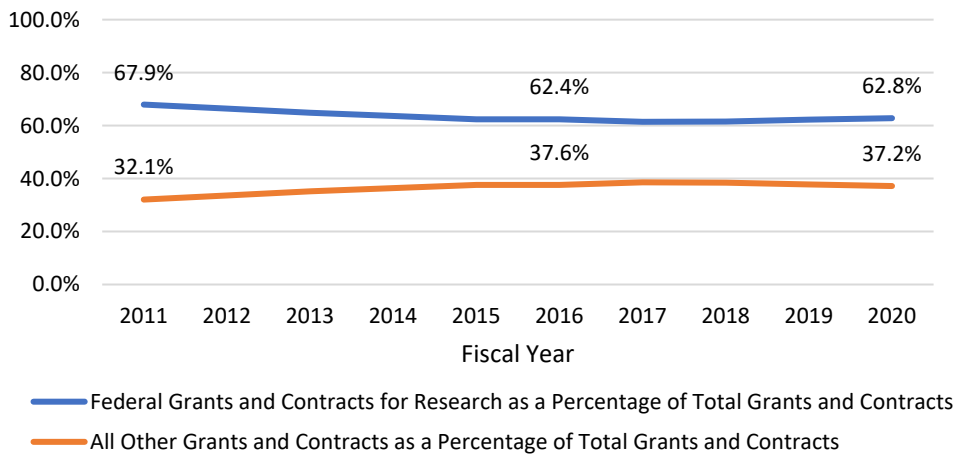
# AAMC Data Snapshot



**Changes in Revenue by Source for U.S. Medical Schools With Full Accreditation, FY 2011 vs. FY 2020**



**Changes in Total Direct and Indirect Grants and Contracts for U.S. Medical Schools With Full Accreditation, FY 2011-20**



## Key Findings:

- Practice plan and hospital revenues were the only two sources that increased as a share of total revenue during this period. For example, in FY 2011 practice plan revenues constituted 37% of all revenues compared with 42% in FY 2020.
- Federal research revenues declined 4% on average year over year between FY 2011 and FY 2015 and increased 6% on average year over year between FY 2016 and FY 2020.

## Conclusion

This Data Snapshot examines high-level trends in the financing of U.S. medical schools with full LCME accreditation between FY 2011 and FY 2020. Despite robust growth in total revenues during this period, the data reflect a further concentration of revenues from practice plans and hospitals. Support from the clinical enterprise has allowed much of academic medicine to maintain its other missions.<sup>2</sup> However, a lack of financial diversification, regardless of context, introduces risk to any portfolio or entity.<sup>3</sup> To this end, the AAMC is investigating how the COVID-19 pandemic has affected FY 2020 finances, particularly practice plans, which are the financial source that member schools expect to experience the greatest disruption.<sup>4</sup>

For more information, contact Alex Geboy ([ageboy@aamc.org](mailto:ageboy@aamc.org)) or Valerie Dandar ([vdandar@aamc.org](mailto:vdandar@aamc.org)).

For additional data related to sources of U.S. medical school revenues, please visit [aamc.org/data-reports/faculty-institutions/report/us-medical-school-revenues](https://aamc.org/data-reports/faculty-institutions/report/us-medical-school-revenues) and [aamc.org/what-we-do/mission-areas/medical-education/medical-school-operations](https://aamc.org/what-we-do/mission-areas/medical-education/medical-school-operations).

## References

1. U.S. Department of Labor, Bureau of Labor Statistics. Consumer Price Index for 2008 Through 2019. <https://data.bls.gov/pdq/SurveyOutputServlet>. Accessed July 1, 2021.
2. Johnston SC. Academic medical centers: too large for their own health? *JAMA*. 2019;322(3):203-204. doi:10.1001/jama.2019.6834.
3. Krakower JY, Coble TY, Williams DJ, and Jones RF. Review of US medical school finances, 1998-1999. *JAMA*. 2000;284(9):1127-1129. doi: 10.1001/jama.284.9.1127.
4. Geboy AG, Dutterer J. (2021). Impact of COVID-19 on medical school operations: an examination of select findings from the AAMC COVID-19 Response Dashboard. AAMC Data Snapshot. <https://www.aamc.org/media/55661/download>. Accessed Aug. 1, 2021.