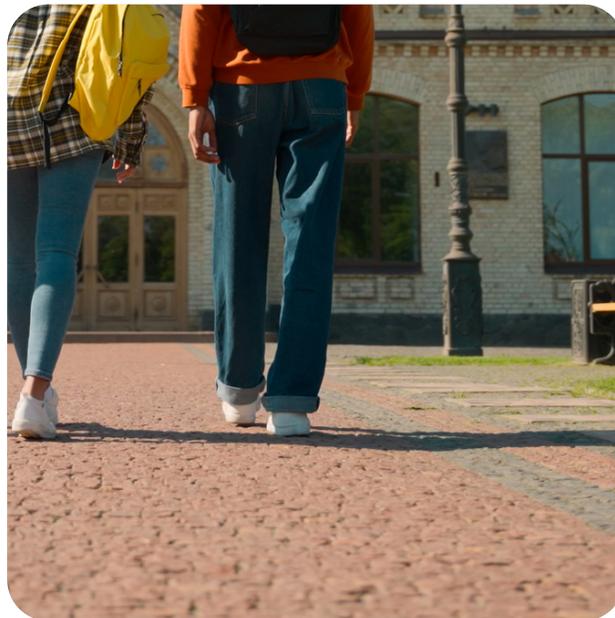


NOVEMBER 2025



# Carnegie Classifications Redefined

## A Framework for Smarter State Policy and Better Outcomes

Institutional Classification

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## Introduction

In April 2025, the American Council on Education (ACE) and the Carnegie Foundation for the Advancement of Teaching (Carnegie Foundation) released a major revision to the [Carnegie Classification of Institutions of Higher Education](#), marking the most significant update to this widely used framework in decades. These changes come at a pivotal time for the higher education sector, as public skepticism, an increasing climate of political scrutiny, evolving workforce demands, and shifting enrollment patterns prompt new expectations for transparency, accountability, and impact for postsecondary institutions. This brief illustrates how these changes may affect state-level policymakers, systems, and agencies that rely on the classification to inform funding, accountability, and policy decisions.

The updated classifications are more than a technical redesign. They offer a modernized lens through which states can understand, influence, and support institutional performance. The new [Student Access and Earnings Classification](#) (SAEC) introduces metrics that assess the extent to which institutions are providing students access to higher education and paths to earning competitive wages, aligning with many states' goals to increase opportunity and measure the value of higher education. At the same time, the revised [Institutional Classification](#) (IC) offers a more nuanced and flexible structure that better reflects the diversity of colleges and universities, especially as institutions evolve to meet changing regional and economic needs.

These updates are especially relevant to states for several reasons:

- **Economic Mobility and Outcomes:** States now have a national, comparative tool to assess how well institutions support students from the communities they serve and help them achieve strong economic outcomes. The SAEC adds unique value by including earnings measures that account for regional and other economically relevant factors—providing a clearer picture of which colleges and universities are truly advancing opportunity and upward mobility for their students.
- **Funding and Accountability:** The new classifications can inform state investments in students' economic mobility through funding models, financial aid eligibility, more value-centered accountability systems, and institutional comparisons that are evidence-based and rooted in broader state priorities to deepen economic opportunity for students and communities.
- **Public Trust and Transparency:** At a time of increased scrutiny, the new classifications can help states and institutions communicate their value more clearly to the public by focusing on measurable, student-centered outcomes.
- **Institutional Variety and Innovation:** By recognizing a broader range of institutional characteristics and missions, the updated framework supports state strategies that reward innovation, reflect institutional context, and avoid outdated or narrow typologies.
- **Recognizing the Breadth of Research Activity:** The introduction of a third tier of research institutions (Research Colleges and Universities, or RCUs) offers states and regions a new way to recognize and support meaningful research activity beyond Research 1 and Research 2 institutions. By valuing the contributions of institutions that may not award doctorates but still engage in significant research, this new category allows states to harness research capacity across a wider range of campuses.

This brief, part of a two-part series, explores the structure and intent of the 2025 Carnegie Classifications, focusing on the Institutional Classification. In particular, this brief will cover the last four of the topics outlined above. In these areas, it offers concrete recommendations for how states can use the tool to recognize institutional variation to improve their analyses of performance and needs, their allocation of resources, and their policy decisions affecting institutions. For further discussion on the Student Access and Earnings Classification, see the other brief in this series: **“Beyond Labels: How States Can Use the 2025 Carnegie Classification to Understand and Advance Student Success.”**

## Classifications Overview

### The History of Carnegie Classifications

Established in 1970 by the Carnegie Commission on Higher Education, the Carnegie Classification system was initially designed to assist institutional researchers in grouping similar institutions for research and policy analysis purposes. The first classification was published in 1973 and has since become a foundational framework for understanding the diversity of U.S. higher education institutions.

Over time, the influence of the Carnegie Classifications has extended beyond research to impact areas such as college rankings, policy development, and institutional benchmarking. For instance, *U.S. News & World Report* uses the classifications to organize institutions into various categories, which form the basis for its widely recognized rankings.

Recognizing the evolving landscape of higher education, ACE and the Carnegie Foundation initiated a comprehensive redesign of the classifications in 2022. Their goals were to modernize the framework to better reflect institutional diversity, emphasize student outcomes, and provide more actionable data for stakeholders.

The 2025 update to the Carnegie Classifications introduces a tripartite structure:

- 1. Institutional Classification (IC):** This categorization is an evolution of the traditional Basic Classification that organizes institutions based on characteristics such as degree offerings, fields of study, and institutional size. It aims to provide a more nuanced understanding of institutional types and structures.
- 2. Research Activity Designations:** This component evaluates institutions' research outputs, categorizing them based on research expenditures and research doctorates awarded. The updated methodology offers a more transparent and comprehensive assessment of research activity across a variety of institution types.
- 3. Student Access and Earnings Classification (SAEC):** This framework assesses institutions based on their effectiveness in enrolling underserved students and the subsequent earnings of all students. It emphasizes expanded access and economic mobility as key indicators of institutional performance.

The recent updates to the Carnegie Classifications, particularly the expanded institutional classification system, provide states with a powerful tool to better understand and evaluate their colleges and universities. By grouping institutions with similar focus areas, size, and programs across state lines, the new framework enables more accurate comparisons and benchmarking. This allows states to expand beyond in-state comparisons and assess whether a seemingly high-performing institution also excels relative to similar institutions nationwide. In doing so, states can uncover new insights, adopt more targeted and equitable policy interventions, and better support institutions based on their distinct roles within the higher education ecosystem.

## A Closer Look at the Institutional Classification

The Institutional Classification is a descriptive tool that organizes American colleges and universities into groupings of similar types of institutions based on multiple characteristics. The new Institutional Classification aims to group similar institutions more accurately and meaningfully by capturing their distinct missions and roles. As a result, the revised IC vastly improves peer comparison. The multidimensional approach makes the groups more useful and accurate than the prior Basic Classification. States may also value this as an independent source of peer selection. Institutions often choose their own near and aspirational peer comparisons. This flexibility is valuable to the institutions and for some goal setting or transparency purpose, but a more independent lens may be more appropriate for state decision-making.

### ► Changes from the 2021 Basic Classification to the 2025 Institutional Classification:

- **Multidimensional:** By examining three characteristics — award level focus, academic program mix, and institution size — the revised institutional classification better groups colleges and universities together based on their shared dimensions, which is a contrast to the prior approach that focused on the highest degree awarded.
- **Shift to Three-Year Average Data:** The 2025 IC classifies institutions based on a three-year average of their data, rather than a single year.
- **Research Activity Measured Separately:** Research activity designations are assigned separately from the IC and SAEC, and the methodology was revised to be more straightforward. The R1 classification is now based on clear thresholds for research spending and doctoral degree production, eliminating the previous complex and normative formula. R2 status will remain unchanged and continues to use a defined threshold. A new research designation has also been added, Research Colleges and Universities (RCU), which identifies colleges and universities with research enterprises but limited or no doctoral programs, including baccalaureate-only institutions, and others.

### ► The three dimensions of the Institutional Classifications are as follows:

- **Award Level Focus:** Indicates the most commonly awarded degree level (e.g., associate, bachelor) but considers both the focus and mix of award levels offered at an institution. For institutions with a large portion of graduate degrees, it also considers whether the focus at the graduate level is on the master's or extends to the doctorate.
- **Academic Program Mix:** The fields of study in which institutions award 50% or more of their degrees. This assessment looks at the undergraduate degrees for most institutions, and graduate degrees for graduate-focused institutions. Institutions are placed into three categories under the academic program mix dimension: Special Focus, Professions-focused, and Mixed. Special focus indicates an institution with 50% or more awards in a specific academic area or field of study, and there are 11 subcategories, including categories like theological studies and nursing. Professions-focused includes institutions where 50% of awards are related to fields classified as pre-professional or career-aligned. Mixed indicates fewer than 50% of degrees are awarded in any one specific field of study.
- **Size:** The size of an institution. Measured by total 12-month headcount, it captures both full- and part-time students, as well as undergraduate and graduate students. Sizes range from Very Small with fewer than 500 students to Very Large with at least 40,000 students.

The Institutional Classification system places institutions into 31 groups based on the aforementioned characteristics. Some categories are combined in order to provide more useful classifications. The 2025 release of the Carnegie Classification sorted 3,927 institutions into these groups. Figure 1 below outlines each of the 31 groups.

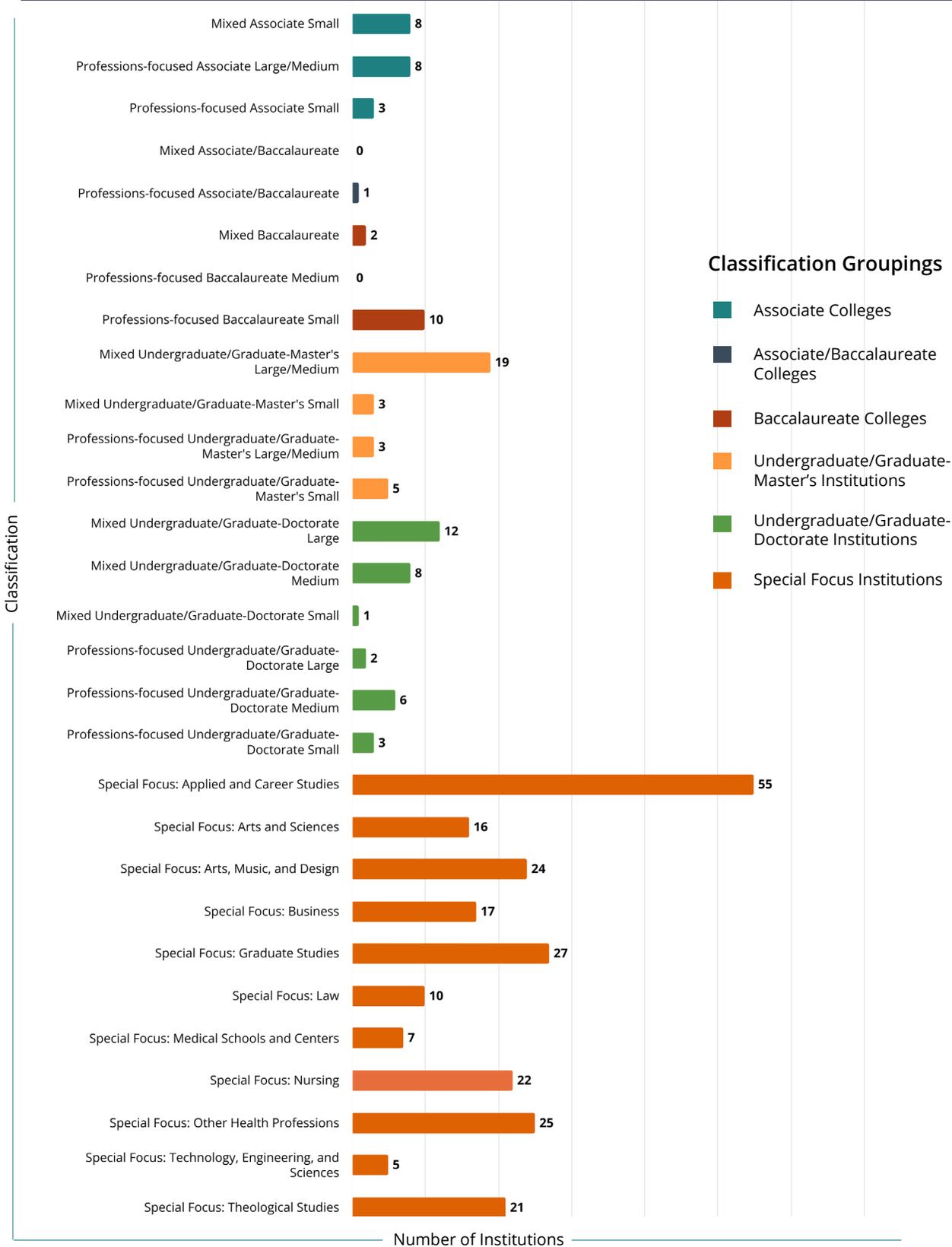
Figure 1.





The example below illustrates how institutions are categorized into the classifications at the state level. See the **Appendix** for more information on using the tools available on the Carnegie Classifications website to compare institutions and sort schools by state, classifications, populations served, and more.

## 2025 Institutional Classification Groupings for California Total Classified Institutions: 424



Note: Current as of October 2025

Classification

With a system for understanding the breadth of institutions in a state, policymakers, system-leaders, and higher education advocates can better account for the variation in their decision-making. The new Institutional Classifications provide states with an opportunity to analyze the gaps, strengths, and areas of improvements with a more nuanced lens. This will support better targeted policies that will more effectively advance strategic priorities in the long run. At the institution level, the new IC provides useful insights into how institutions compare to one another and helps identify opportunities for collaboration. Both states and institutions benefit from more comprehensive and nuanced institutional classifications that elevate the unique roles, missions, and profiles of each institution.

## Using the Institutional Classifications to Advance State Policy

Historically developed to group like institutions for research purposes, the Carnegie Classifications have evolved into a powerful policy tool, one embedded in the strategic and operational decisions of many states. A 50-state scan by the Education Commission of the States (ECS) estimated that at least 25 states have referenced the Carnegie Classifications in law, policy, or planning, which shapes how states fund, evaluate, and support higher education institutions.

States have used the old Basic Classifications to inform their policymaking, recognizing the importance of differentiating among institutions when setting benchmarks, measuring performance, and allocating resources (see “State Use of the Carnegie Classifications” in the first brief of this series). The revised Institutional Classifications offer states a more accurate depiction of the differences across institutions to use for these purposes, helping them more fairly distribute resources and advance strategic priorities and policy agendas.

### 1. Peer Benchmarking and Collaboration: Driving Insight, Accountability, and Partnership

Identifying an appropriate peer comparison group for institutions opens up many applications for states. Evaluating similar institutions can inform reasonable expectations when making accountability, budget, and other decisions. Historically, states such as Alabama, New York, North Carolina, Oklahoma, and Texas have used the Carnegie Classifications to structure performance benchmarks, reporting requirements, and peer comparisons. The Institutional Classification groupings can also create natural peer groups that can foster collaboration.

- **Accountability and Continuous Improvement:** States are able to set better accountability measures that promote continuous improvement tailored to institutions when they reflect the specific context and mission of that institution.
- **Assessing Budget Needs and Adequate Funding Levels:** Peer benchmarking can help assess funding needs. The Institutional Classification groups offer a natural way to disaggregate spending data by institution type. The Alabama Commission on Higher Education uses a budget process that assesses needs based on comparisons to similar institutions. States can also partner high-performing institutions with peers within the same institutional classification to facilitate shared learning and replication of effective practices.
- **Specific Initiatives:** Peer benchmarking can be useful to compare performance or outputs to similar institutions on specific issues. For instance, the University of Wisconsin System has used the National Survey of Student Engagement to evaluate their survey results against peer institutions in their Carnegie Classification and with institutions sharing similar missions.
- **Encourage Collaboration:** The peer groupings may present an opportunity for greater partnership between institutions with complementary strengths or focus areas. As states have to think creatively in the face of potential enrollment declines and budget cuts, they could encourage collaboration on shared services, academic programs, research, or administrative functions. States might also support regional partnerships among similarly classified institutions to address challenges common to that group.

## 2. Analysis and Research: Using Data to Guide Stronger Policy

The Institutional Classifications can be helpful to states seeking a deeper understanding of their institutions, the programs they offer, the populations they serve, and how they are performing, especially in comparison to peer institutions. More robust data and analysis aids states in aligning their higher education system with broader state goals and priorities.

- **State Reporting:** In annual reports and data dashboards, states can disaggregate their data by the classifications to provide insights into trends across similar types of institutions. The University of North Carolina System disseminates an annual fact sheet that reports aggregated and disaggregated data on their institutions, which notes the institution's Basic Classification. With the new IC, the UNC System and other systems or states can make these reports more dynamic and useful to policymakers and the public.
- **Research:** Using the Institutional Classifications, states can explore research questions such as:
  - How do similarly classified institutions compare on our state's common performance outcomes? How well do my state's institutions compete with similar institutions in other states?
  - What do or can we know about the ways these institutions use resources, state and federal policies, and research to achieve these better results?
  - How can these insights improve our state agency(ies) efforts to support institutional improvement?
  - What can we learn about college costs and net prices given program mix, enrollment of in-state students, and institution type? How can this information improve the overall productivity of state dollars invested?

## 3. Funding Formulas: Aligning Dollars with Mission and Performance

Collectively, states distribute about \$100 billion in general operating funds to colleges and universities each year, and the vast majority use a formula to allocate these funds. These funding formulas are an essential policy lever for states to align their appropriations with their policy goals. Eleven states, including Michigan, Tennessee, Texas, and North Carolina, have used the Carnegie Classifications to guide how they distribute state resources. Funding models often differentiate institutions by classification (e.g., research intensity or degree offerings) to ensure comparisons are mission-appropriate. The classifications provide states with a new tool for appropriately reflecting institutional missions in their funding formulas.

- **Mission Differentiation:** The revised Institutional Classifications enable states to refine their funding formulas to better reflect differentiation. Many states simply differentiate between R1 institutions and other 4-year institutions or between the 4-year and 2-year sectors. This overlooks a great deal of variety. With the new classification, states can differentiate between professions-focused institutions and those with a broader academic focus, for example, or between institutions operating at different scales.
- **Using Metrics and Weights:** States can use the Institutional Classifications as a basis for setting metrics and weights according to the groupings in which different institutions belong. In Tennessee's outcomes-based funding model, performance metrics vary by sector, and within each sector the weights given to each metric vary based on an institution's mission. The new Institutional Classification can help identify which institutions should have similar weights within a sector.
- **Metrics Tied to Peer Benchmarks:** States like Michigan and North Carolina tie their funding formula metrics to peer benchmarks. Using metrics like graduation rates and research expenditures, Michigan compares its institutions to national peers. States can use the revised IC to establish peer institutions more accurately and tie their funding formula metrics to peer benchmarks accordingly.

#### 4. Eligibility for State Programs: Expanding Research and Economic Development Opportunities

In the past, states have created funding streams related to research activity, relying on R1 and R2 status as eligibility criteria for state programs. Several states (e.g., Kentucky, Maine, Alaska, and North Carolina) have passed legislation to elevate institutions into higher research categories. These efforts are aimed at expanding research capacity and supporting regional innovation economies. In the revised Carnegie Classifications, states can recognize the roles of a broader variety of institutions, providing greater flexibility to drive performance and promote research and economic growth.

- **Economic Development:** States have historically used the Carnegie Classifications to incentivize research and economic development, often by establishing initiatives that aim to elevate institutions to higher research statuses or to provide them access to additional economic development opportunities. The revised methodology makes the pathway to a research designation more straightforward, and states can better understand the type of academic focus behind each research institution.
- **Expanding Access to Research Funding:** States will and should continue to invest in research at their institutions. The revised Carnegie Classifications include a new Regional College and University designation that could allow states to diversify research investments by recognizing and funding research institutions outside of traditional doctoral universities. States can consider a model like Texas, where different research funding streams target specific groups of institutions, with eligibility for each based on different classifications.

#### 5. Tuition Setting: Leveraging Peer Comparisons for Informed Policy Decisions

Peer comparisons statewide and nationally can inform tuition and affordability strategies. By combining the IC with the SAEC, states can refine those comparisons with a student-centered lens by considering the access and/or earnings outcome rating each institution receives.

- **Setting Differential Tuition:** States may use the IC to develop tuition setting policies based on comparisons with similar types of institutions and those with similar program mixes. For example, the University of Georgia System approves differential tuition rates for competitive graduate and professional programs by comparing tuition charged by national peer institutions with similar missions.
- **Striving for Affordability:** States may also use peer institutions indicated by the IC to analyze the affordability of their own institutions and inform their own tuition setting.

## 6. Faculty: Balancing Research, Teaching, and Equitable Pay Structures

States and systems strive to align faculty pay structures and workloads with institutional and state priorities. In states like Maryland, South Dakota, and Tennessee, faculty pay and workload expectations are benchmarked against institutions with similar Carnegie classifications, helping to ensure competitive salaries and align labor expectations with institutional missions. By shifting to a classification system that groups institutions using multiple dimensions, states can more accurately align like institutions and ensure greater fairness in pay and teaching loads.

- **Workload:** A state or system may establish faculty workload standards to ensure consistent expectations for teaching in relation to research and other responsibilities, aligning with each institution's mission. For example, the Kansas Board of Regents has used the Carnegie Classifications to structure teaching loads for tenure and tenure-track faculty. Under the more nuanced IC, workloads can be more finely tailored based on institutional mission, with research activity factored in.
- **Salary:** States like South Dakota use Carnegie Classifications to compare median faculty salaries by discipline for market-based salary adjustments, with the revised IC offering another framework for comparison.

## Where Do I Start to Use the Classifications in My State?

Whether you're a policymaker, system leader, or advocate, the revised Carnegie Classifications can inform smarter strategies, investments, and narratives in your state. Stakeholders can refer to the guiding questions below, tailored to different state-level audiences to help jumpstart meaningful action. Each section includes two questions, one intended to be applied using the IC and the other applying both the IC and SAEC (see "Beyond Labels: How States Can Use the 2025 Carnegie Classification to Understand and Advance Student Success" for more information on the SAEC).

### 1. For State Higher Education Agencies and Statewide Systems

*How do similarly classified institutions compare on our state's common performance outcomes and what do we know about the ways these institutions utilize resources, interact with state and federal policies, and use research development to achieve better results? How well do institutions in our state stack up on the SAEC or other outcome measures compared to those in the same IC in other states?*

State agencies and higher education systems can use the IC to establish quality peer groups to support more meaningful analysis of institutional performance and how state resources and policies could help improve those outcomes. States can also support peer learning within a classification, disseminating the practices of those with strong SAEC metrics.

### 2. For State-Level Organizations Seeking to Improve Higher Education Outcomes

*Where are there gaps in resources and state support and what opportunities are there for state policy to better serve institutions of different classifications? How do we promote institutions that are performing well on the SAEC and support those that have room for improvement?*

Higher education organizations can use this tool to identify and convene similar institutions, while elevating best practices and policies, as well as institutions that are making progress towards state goals and performing well on the SAEC.

### 3. For State Legislators

*Do current state policies fairly support the various missions of our institutions as reflected by the classifications? What can we do to ensure all students can attend institutions with strong SAEC metrics, regardless of which sector or type of institution they choose to attend?*

Legislators can promote the IC tool as a way to assess if state funding and policy differentiate types of institutions effectively. Begin by examining current policies to determine how institutional classification may impact performance and ability to deliver on economic mobility.

## Embracing the Diversity of Today's Institutions

Reflecting today's changing and diverse higher education landscape, the new Carnegie Classifications provide a modernized framework that encourages states to explore the distinct approaches and contributions of each institution. The Institutional Classification, specifically, offers deeper insights to comparing institutions and the roles they play in driving state economies. State leaders can use this tool to invest more strategically, design more equitable and effective policy, and improve institutional performance through tailored support and accountability. Similarly, institutions can now draw on classifications that provide richer context to guide peer comparisons and support continuous improvement. The Carnegie Classifications have evolved into a resource that not only reflects what has changed in higher education but equips states with the tools to move forward.

For questions or additional information about the new Carnegie Classifications, please contact Mushtaq Gunja ([mgunja@acenet.edu](mailto:mgunja@acenet.edu)) or Sara Gast ([sgast@acenet.edu](mailto:sgast@acenet.edu)).

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## Appendix: Comparison Tool Examples

Below is an illustration of the search functions of the Institutional Classification and how it can be used to compare institutions within classifications. Using the “See Similar Institutions” feature, users can query institutions that have been placed in the same groupings. With the “Institutional Search” feature, users can navigate to the classification data for a specific institution. After clicking the “Institutional Classification” tab, the “See Similar Institutions” button is located in the top-right corner as shown in Figure A1 below. Within an Institutional Classification, users can further narrow the comparison using filters like “Level and Control”, “Location”, “Population Served”, and “Elective Classifications”, displayed in Figure A2.

Figure A1.

Home > Institution Search

# ALABAMA A & M UNIVERSITY

Normal, AL

Public

**Institutional Classification:**  
Mixed Undergraduate/Graduate-Master's Large/Medium

**Student Access and Earnings Classification:**  
Higher Access, Medium Earnings

**Research Activity Designation:**  
Research Colleges and Universities

Overview Institutional Classification Student Access and Earnings Classification Research Activity Designation

## Institutional Classification [Download CSV](#)

**Institutional Classification:**  
Mixed Undergraduate/Graduate-Master's Large/Medium

[See Methodology >](#)  
[See Similar Institutions >](#)

**Award Level Focus**

The primary award level(s) in which the institution awards degrees.

**Academic Program Mix**

The program areas in which students receive their undergraduate degrees.

Figure A2.

Institutions List Student Access and Earnings Visualization

SEARCH BY INSTITUTION NAME

**FILTERS** [Clear Filters](#)

**CLASSIFICATIONS** +

**LEVEL AND CONTROL** +

**LOCATION** +

**POPULATION SERVED** +

**ELECTIVE CLASSIFICATIONS** +

SEE RESULTS

**3927 Results** [Download Results: CSV | UID](#)

INSTITUTION	LOCATION	INSTITUTIONAL CLASSIFICATION	STUDENT ACCESS AND EARNINGS
<a href="#">A T Still University of Health Sciences</a>	Kirkville, MO	Special Focus: Medical Schools and Centers	Not Classified
<a href="#">Aaniiih Nakoda College</a>	Harlem, MT	Professions-focused Associate Small	Opportunity Colleges and Universities-Higher Access, Higher Earnings
<a href="#">Abilene Christian University</a>	Abilene, TX	Professions-focused Undergraduate/Graduate-Doctorate Medium	Lower Access, Medium Earnings
<a href="#">Abilene Christian University-Undergraduate Online</a>	Addison, TX	Special Focus: Arts and Sciences	Not Classified
<a href="#">Abraham Baldwin Agricultural College</a>	Tifton, GA	Professions-focused Baccalaureate Medium	Lower Access, Medium Earnings
<a href="#">Abraham Lincoln University</a>	Glendale, CA	Special Focus: Law	Not Classified
<a href="#">Academy College</a>	Bloomington, MN	Professions-focused	Higher Access, Medium

