



# Research Costs at MIT

February 2025, based on FY24 data

# How is research funded?

A **sponsor provides funding** for a faculty member's specific research project.

**Direct costs** are paid by the sponsor for expenses directly and solely related to that research project.

**Indirect costs** are other costs required to carry out that research project, such as maintaining the facility and equipment used in the research, data storage, safe materials management, and supporting administrative functions necessary to carry out research.

Sponsors like the federal government partially reimburse universities for these **indirect costs** through an F&A rate applied to sponsored grants.

MIT's F&A rate is calculated based on MIT's actual costs and a formula approved and audited by the federal government.

Pictured: MIT.Nano, MIT's central facility for nanoscale science and engineering

# How do indirect costs differ from direct costs?

*Direct costs* are specifically attributable to a research project. They include stipends for graduate students working on the research project; compensation for research staff and post-docs; some compensation for faculty; laboratory supplies; some research equipment; and publication and travel costs.

*Indirect costs* are necessary to perform research but are not exclusively related to a specific project. Examples include the costs of operating, maintaining and renewing research facilities and equipment; hazardous materials management; data storage; radiation safety; administrative systems and services; and compliance with federal regulations.



Pictured: Human-Computer Interaction Lab

# The federal research dollar on MIT's campus



Pictured: The Class of 1957 Career Development Associate Professor of Physics Phiala Shanahan

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# Of the 30¢ in indirect costs . . .

**~20¢** supports facilities and equipment needed for research



Koch Institute for Integrative Cancer Research, fighting one of humanity's most persistent challenges



Institute for Soldier Nanotechnologies, promoting U.S. military services protection, survivability, and mission capabilities



MIT Nuclear Reactor Laboratory, the only research reactor located on the campus of a major research university



Brain and Cognitive Sciences, making advances in Alzheimer's and autism research

**~10¢** supports other services enabling research

**~4¢** is for information systems and technology, patent services, and other non-staff costs

**~6¢** is for staff who work directly with principal investigators to administer their research, or who provide support in IT, finance, or research operations



**323**  
U.S. Patents  
Issued

**420**  
International  
Patents Issued

Moving innovations and discoveries from the lab to the marketplace to amplify MIT's global impact

All costs are audited by the federal government and are materially below the federal cap on administrative expenses.

Indirect costs are real costs. If they are not reimbursed, they do not go away. This would put pressure on tuition rates or risk curtailing the research. And the **nation could lose out on discoveries and innovations.**

