NAICU
COMMUNITY IMPACT
2021

Private, Nonprofit Higher Education:

SHAPING LIVES AND ANCHORING COMMUNITIES

REPORT PREPARED
April, 2021 BY:
Parker Philips
assess. analyze. assert!

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About NAICU

The National Association of Independent Colleges and Universities (NAICU) serves as the unified voice for the 1,700 private, nonprofit colleges and universities in our nation. Founded in 1976, NAICU is the only national membership organization solely focused on representing private, nonprofit higher education on public policy issues in Washington, DC. NAICU's membership reflects the diversity of private, nonprofit higher education in the U.S. Its member institutions include major research universities, faith-based colleges, Historically Black Colleges and Universities, Minority-Serving Institutions, Tribal Colleges and Universities, art and design colleges, traditional liberal arts, science institutions, women's colleges, work colleges, two-year colleges and schools of law, medicine, engineering, business and other professions. Each year, private, nonprofit colleges and universities graduate more than 1.1 million students.

"It is indisputable that America is better off because of the economic opportunity, cultural enrichment and societal impacts of private, nonprofit colleges and universities. This critical sector of America's economy is a springboard for leading our nation most rapidly and effectively to renewed vitality, as we leave behind the pain and challenges of the COVID-19 pandemic and embrace the new beginnings of a vigorous and fulfilling future."

BARBARA K. MISTICK, D.M.
PRESIDENT, NAICU

1

Introduction

COLLEGE TOWNS ACROSS AMERICA **MAKE AN IMPACT**

Is investing in higher education a smart economic strategy? Is acquiring a college education, particularly at least a bachelor's degree, beneficial to individuals and to society as a whole? The answers to these questions lie in this comprehensive assessment of the economic and social impact of higher education in America, particularly the role that private, nonprofit institutions play in shaping lives and anchoring communities.

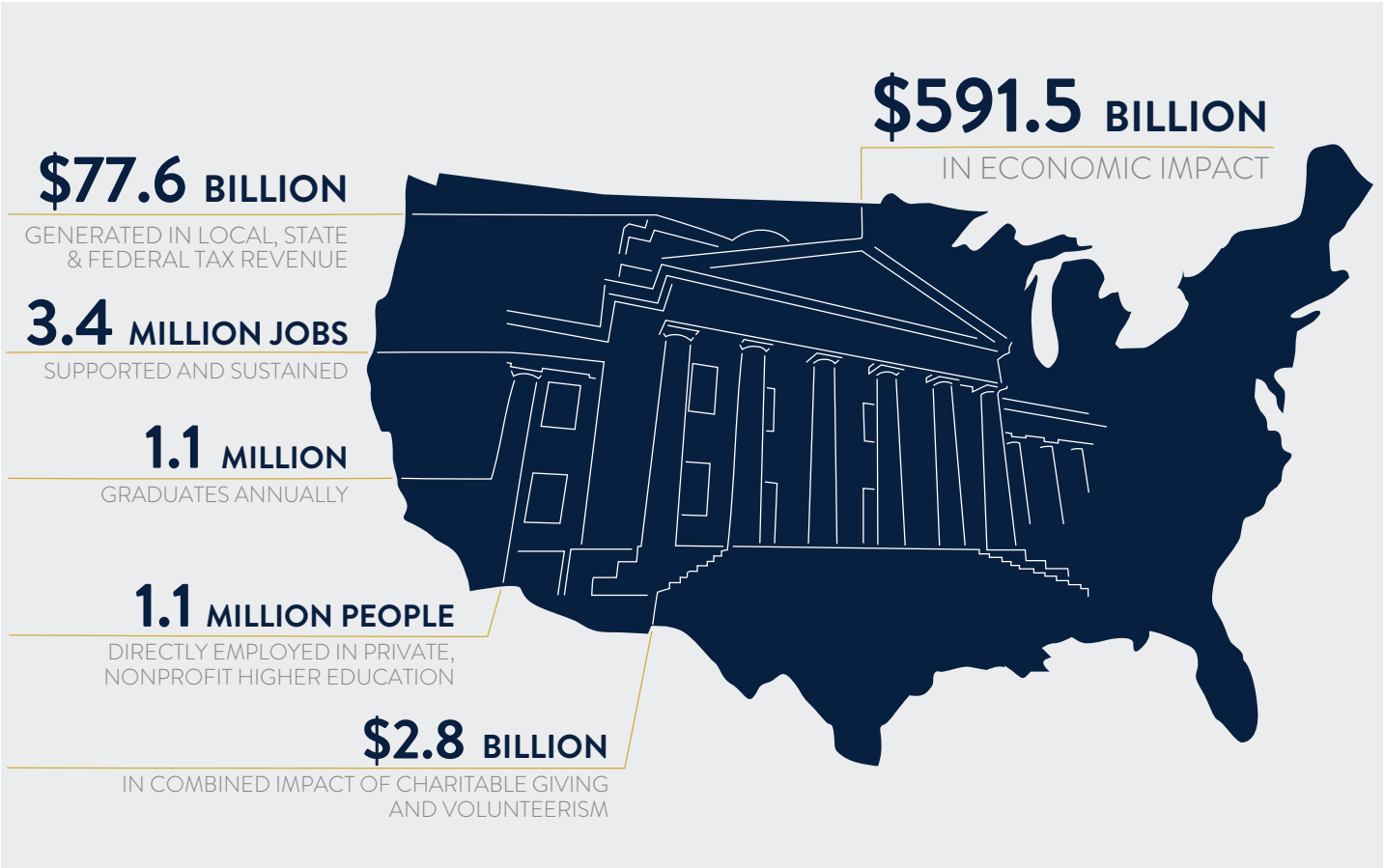
Through extensive research, this report tells the story of the contributions of private, nonprofit colleges and universities using both a series of narratives and quantitative data analysis. The focus of the report is on the economic, social and cultural vitality that is added to communities, regions and the nation by private, nonprofit higher education.

The contributions of higher education extend far beyond an individual degree. Private, nonprofit colleges and universities play significant roles in the everyday lives of those living and working in college communities and are important contributors in many ways to the nation as a whole.

The U.S. higher education ecosystem is uniquely complex and appropriately so, given the diverse and varied needs of students, employers and local and state economies. It contains 5,300 institutions and includes large public flagship universities, comprehensive regional colleges and universities, community colleges and a rich, diverse sector of private, nonprofit colleges and universities. If education is to be the great equalizer, it is incumbent on all sectors of higher education to pull together to ensure that students have the access they need to be successful, graduate and, eventually, move up the economic ladder.

Each year, private, nonprofit colleges and universities, which enroll over 5 million students, graduate more than a million students who then enter the workforce or pursue an advanced degree. Within the entire national higher education ecosystem, the private, nonprofit sector enrolls nearly 21% of students, while conferring nearly 30% of bachelor's degrees and 45% of master's and 45% doctoral degrees.

The economic impact of the private, nonprofit sector of higher education in FY 2018 and academic year 2018–2019 totaled $591.5 billion. Additionally, the sector directly employs more than 1.1 million people and supports and sustains another 2.3 million jobs. Private, nonprofit colleges and universities contributed nearly $80 billion in local, state and federal tax revenue.



Private, nonprofit colleges and universities also serve as one of the nation's primary vehicles for social and economic mobility. Students from all backgrounds graduating from private, nonprofit colleges and universities can improve their economic mobility — as well as that of future generations — and move closer to achieving the American dream. Increased lifetime earnings for graduates, economic development partnerships, creating entrepreneurial opportunities and access to arts and culture are a few of the measurable yet irreplaceable impacts private, nonprofit colleges and universities have on individuals and society as a whole.

The impact is measured not just by the millions of jobs these institutions create, support and sustain, the tens of billions of dollars they contribute to tax revenue and the more than half a trillion dollars they generate annually in economic impact. It is also measured in the quality of life private, nonprofit colleges and universities help create as they anchor communities across the nation.

While the impact of private, nonprofit colleges and universities is apparent, the COVID-19 pandemic has cast an even brighter light on the important role they play in sustaining the economic and social well-being of communities across the country.

As economic engines in their communities and regions, the nation's private, nonprofit colleges and universities are uniquely positioned to accelerate the urgently needed revitalization of the U.S. economy as a result of the effects of the pandemic. With their resources, research and development and community partnerships, these institutions are primed to invigorate — economically, culturally and socially — the areas hardest hit by the health crisis. They constitute a critical key to America's short-term economic recovery and long-term economic success.

Private, nonprofit higher education plays a pivotal role for so many in achieving their lifetime goals and aspirations. The evidence is clear that investing in private, nonprofit higher education pays both short- and long-term dividends for all Americans and is a lynchpin in shaping a brighter future for our nation and the world.

2

A Nation of College Towns

"Higher education has had to be and will continue to have to be incredibly nimble, adaptable and responsive. Students and their families are weighing if college can help them weather the storm they are in right now. As the pandemic unfolded, institutions of higher education had to transform how they deliver education, moving students online in a matter of days. To be successful, schools had to be decisive and innovative. Adapting to a changing economy, many Maryland independent schools have been leading the charge in innovative instruction models for years before the pandemic."

U.S. SENATOR CHRIS VAN HOLLEN
MARYLAND

We are a nation of college towns. As trusted partners with a commitment to research, innovation and workforce development, colleges and universities and the communities they call home form a network focused on mutual success. As communities adapt and evolve over time, their success is often enhanced by generous investments — of dollars, workers, volunteers, research, ideas and strategies — made by colleges and universities.

With more than 1,700 private, nonprofit colleges and universities in the United States educating more than five million students across all geographies in rural, suburban and urban settings, there is a thread that links nearly all of them — they serve as learning hubs and economic anchors forming the core of small towns and big cities across America. In addition to being strong contributors to local economies, America's private, nonprofit colleges and universities are also a significant part of their communities' social fabric, often at the center of vibrant neighborhoods and businesses.

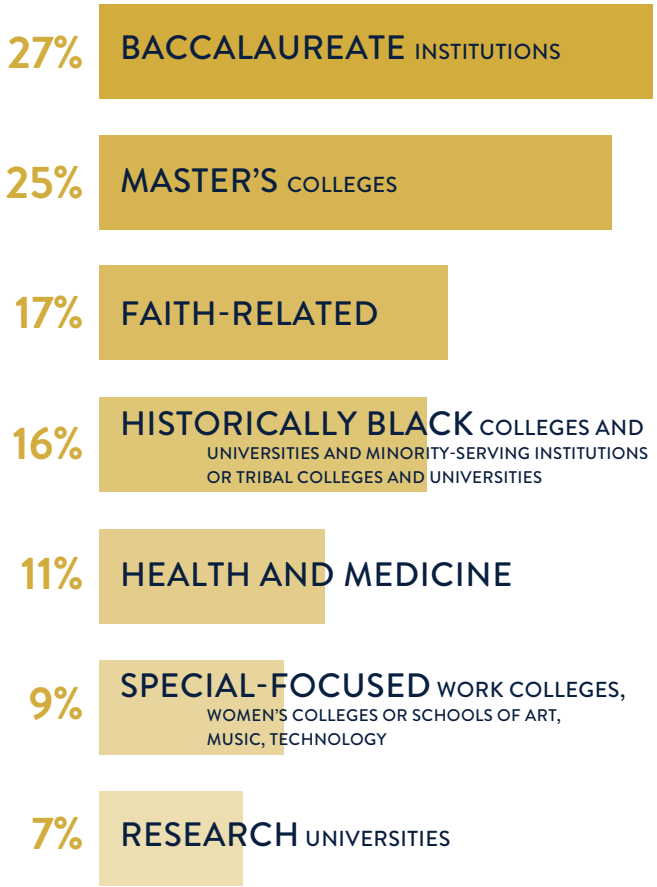
Cities and towns across the nation benefit from the significant presence of a private, nonprofit college or university, which often serves as a major employer working in tandem with area businesses to fuel the workforce pipeline and reimagine local economies. Their presence is felt across economic development and cultural agencies, while the hospitality industry and small business owners often attribute their success and survival to college and university employees, students and visiting families.

As the largest private employer in a small town or a global leader attracting corporations to America's economic centers, a private, nonprofit college or university fosters and drives regional impact that is measurable and significant. With the ability to swiftly tailor educational programming to students' needs and quickly respond to the rapidly evolving demands of the marketplace, private, nonprofit higher education has helped spur innovation and discovery. Together, private, nonprofit institutions help shape the future by preparing creative thinkers to solve today's challenges as well as address the questions that we have yet to contemplate.

As the COVID-19 pandemic has made clear, the private, nonprofit higher education sector is agile, nimble and aligned to the economic, healthcare, cultural, research and technology needs of its communities and states.

Students graduating from private, nonprofit institutions make an economic impact during their time on campus, and the impact of their education ripples across the communities in which they settle, work and raise their families. Throughout their careers, the contributions of graduates to society are transformative and the story of the impact of a college education reaches far beyond the numbers, helping move entire generations out of poverty and fueling the nation's workforce needs.

PRIVATE NONPROFIT COLLEGES AND UNIVERSITY **TYPES**

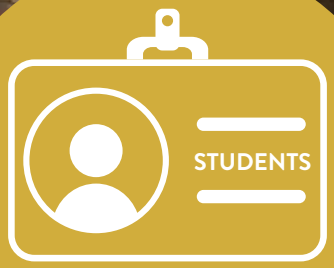


> *"The small colleges and universities in Ohio are really important to the economies of their local community. I can think of literally dozens of medium sized towns and cities in Ohio that one of the most important parts of their economies – not only their culture and their education but their economies – is the college and university. We see them as being very important in a variety of ways, not just traditional higher education mission, but in just about every other way as well."*

RANDY GARDNER
CHANCELLOR, OHIO DEPARTMENT OF HIGHER EDUCATION

PRIVATE, NONPROFIT COLLEGES ARE **ANCHORS IN THE COMMUNITY.**

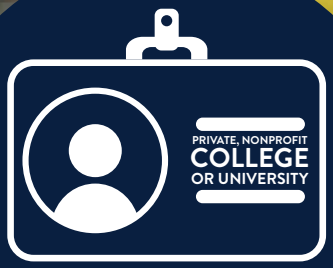
THEY CREATE A SUPPLY CHAIN THAT INCLUDES INDUSTRIES SERVING THE UNIVERSITY, EMPLOYEES OF THE UNIVERSITY, STUDENTS AND VISITORS.



LIVING OFF-CAMPUS
HOUSING, GROCERIES, RESTAURANTS, TRANSPORTATION, RETAIL AND ENTERAININMENT

LIVING ON-CAMPUS
RESTAURANTS, TRANSPORTATION, RETAIL AND ENTERTAINMENT

PARENTS WEEKENDS
FRIENDS & FAMILY
CONFERENCES & MEETINGS



OPERATING EXPENDITURES
CAPITAL EXPENDITURES
STAFF & FACULTY SALARIES

3

Higher Education Ecosystem

In order to meet the increasingly complex workforce needs of our nation, private, nonprofit higher education plays an integral role in developing the next generation of leaders, experts and workers necessary to fuel the workforce pipeline. The public higher education sector alone could not provide the number of highly educated individuals that states, and our nation need to sustain and grow our post-pandemic economy. The health of both sectors is vital to our nation's economic stability and recovery. A healthy private, nonprofit higher education sector, coupled with a strong public higher education sector, results in better outcomes for individuals, businesses, governments and economies.

PERCENTAGE SHARE OF **ENROLLMENT AT DEGREE GRANTING INSTITUTIONS:**

PRIVATE, NONPROFIT	**20.8%**
PUBLIC	**73.7%**
FOR PROFIT	**5.5%**

PERCENTAGE SHARE OF **DEGREE GRANTING INSTITUTIONS:**

PRIVATE, NONPROFIT	**39.3%**
PUBLIC	**37.8%**
FOR PROFIT	**22.9%**

PELL GRANT **RECIPIENTS**

Private, nonprofit colleges and universities enroll roughly the same percentage of Pell recipients as do public institutions.

38% FOUR-YEAR PRIVATE, NONPROFIT COLLEGES
40% FOUR-YEAR PUBLIC COLLEGES

BACHELOR'S DEGREE **IN 4 YEARS**

A greater percentage of students who graduate in 4 years graduate from a private, nonprofit college.

84% PRIVATE, NONPROFIT COLLEGE STUDENTS
70% FOUR-YEAR PUBLIC COLLEGE STUDENTS

NET TUITION AND FEES ARE **LOWER THAN YOU THINK**

Average net tuition and fees at private, nonprofit four-year colleges in 2020– 2021 are less than half of the published cost.

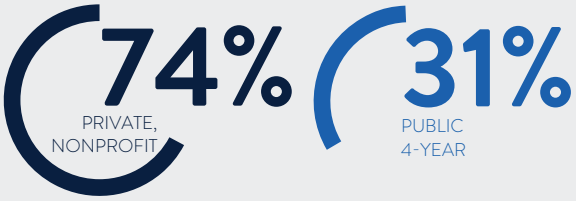
$15,990 TUITION AND FEES AT PRIVATE, NONPROFIT FOUR-YEAR COLLEGES
LESS THAN HALF THE PUBLISHED COST OF $37,650

PRIVATE, NONPROFIT COLLEGE TUITION & FEES **LEVEL OVER A DECADE**

The average net tuition and fees in 2020–2021 is comparable to the average net tuition and fees in 2007–2008.

2020-21 - $15,990 AVERAGE NET TUITION AND FEES
2007-08 - $15,830 AVERAGE NET TUITION AND FEES

Seventy-four percent of all grant aid awarded to full-time students at four-year private, nonprofit colleges comes via scholarships and grants directly from institutional resources; only 31% of grant aid at four-year public institutions comes from institutional sources.



[1] Source data for Ecosystem statistics listed on pages 10-13:
U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Institutional Characteristics (2019–20), Finance (FY 2018) and 12-month Enrollment (2018–19) surveys. Analysis by the National Association of Independent Colleges and Universities. U.S. Department of Education, National Center for Education Statistics, "Beginning Postsecondary Students Longitudinal Study (BPS:12/17)," October 2019.
U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16). College Board, "Trends in College Pricing and Student Aid 2020," November 2020. College Board, "Trends in Student Aid 2018," October 2018. U.S. Department of Education, Office of Postsecondary Education, https://www2.ed.gov/about/offices/list/ope/idues/eligibility.html.

Private, nonprofit colleges and universities enroll similar **percentages of students from underrepresented groups and by gender and age** as do four-year public colleges.

AFRICAN AMERICAN

13% PRIVATE, NONPROFIT

12% PUBLIC 4-YEAR

ASIAN AMERICAN

6% PRIVATE, NONPROFIT

7% PUBLIC 4-YEAR

HISPANIC

14% PRIVATE, NONPROFIT

18% PUBLIC 4-YEAR

WOMEN

58% PRIVATE, NONPROFIT

55% PUBLIC 4-YEAR

UNDERGRADUATE STUDENTS **25 YEARS AND OLDER**

22% PRIVATE, NONPROFIT COLLEGE STUDENTS

19% FOUR-YEAR PUBLIC COLLEGE STUDENTS

GRADUATION **RATE**

4-YEAR

55% PRIVATE, NONPROFIT

39% PUBLIC 4-YEAR

6-YEAR

67% PRIVATE, NONPROFIT

61% PUBLIC 4-YEAR

The private, nonprofit higher education sector continues to excel in graduating students at all levels. While enrolling 21% of students, it confers nearly 30% of undergraduate degrees and 45% of both master's and doctoral degrees.

PRIVATE, NONPROFIT	**29.0%**
PUBLIC	**65.2%**
FOR PROFIT	**5.8%**

PRIVATE, NONPROFIT	**44.8%**
PUBLIC	**46.5%**
FOR PROFIT	**8.7%**

PRIVATE, NONPROFIT	**45.0%**
PUBLIC	**50.5%**
FOR PROFIT	**4.5%**

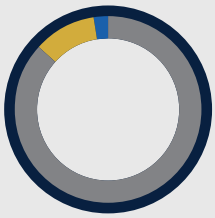
There are more than 1,700 private, nonprofit colleges and universities among the 5,300 total higher education institutions in the U.S. Individually and collectively, these institutions are an integral part of the nation's higher education ecosystem. Each year, private, nonprofit colleges and universities graduate more than a million students. Within the entire national higher education ecosystem, the private, nonprofit sector enrolls nearly 21% of students, which represents over 5 million students, while conferring nearly 30% of undergraduate degrees and 45% of both master's and doctoral degrees.

4

Accelerates Economic Growth

> *"I don't know of any city that is vibrant economically that doesn't have at least one college or university in it."*
>
> *Christine O'Grady Gregoire*
> *Former Governor, State of Washington*

The economic impact of private, nonprofit higher education totaled **$591.5 billion** in FY 2018. This figure represents the total output generated in local, statewide and national economies and is a point-in-time snapshot that demonstrates how the expenditures of private, nonprofit colleges and universities, their faculty, staff, students[2] and visitors[3] all make an impact. This impact is spread across the country from small rural to large urban communities; and in many cases the college is an anchor in the community with a substantial impact on a multitude of sectors in the local economy.



OPERATIONS: $514.0 BILLION

STUDENT SPENDING: $64.1 BILLION

VISITOR SPENDING: $13.4 BILLION

TOTAL: $591.5 BILLION

[2] Student spending includes full-time and part-time students excluding tuition, fees and on-campus room and board.
[3] Visitor spending includes day visitors and overnight visitors to campus

ECONOMIC IMPACT OF PRIVATE, NONPROFIT HIGHER EDUCATION **ON U.S. ECONOMY (2018-2019)**

	OPERATIONS	STUDENT SPENDING	VISITOR SPENDING	TOTAL ECONOMIC IMPACT
DIRECT	$208.1 BILLION	$29.7 BILLION	$5.2 BILLION	**$243.0 BILLION**
INDIRECT	$98.2 BILLION	$13.1 BILLION	$3.5 BILLION	**$114.9 BILLION**
INDUCED	$207.7 BILLION	$21.3 BILLION	$4.7 BILLION	**$233.6 BILLION**
TOTAL	$514.0 BILLION	$64.1 BILLION	$13.4 BILLION	**$591.5 BILLION**

Data Source: IPEDS, FY2018 for institutional finance data, and AY2018–19 for enrollment and degree data, with analysis by Parker Philips, Inc.

DIRECT IMPACT

Impacts generated as a result of spending by private, nonprofit colleges and universities on operations, student spending and visitor spending.

INDIRECT IMPACT

The increase in demand for goods and services in industry sectors that supply or support private, nonprofit colleges and universities, students, faculty, staff and visitors. Often referred to as the supply chain.

INDUCED IMPACT

The third wave of impact created as a result of household spending by private, nonprofit college and university employees, employees of suppliers and students. Induced impacts estimate the effect of increased household income, including housing, household goods, entertainment, food, clothing, transportation and other categories of personal spending.

Please see Appendices A and B for more information about the methodology and terminology.

A CITY **PREPARING FOR A NEW DAY** AFTER COVID-19

TULANE UNIVERSITY AND THE **CITY OF NEW ORLEANS**

PRESIDENT MICHAEL FITTS
TULANE UNIVERSITY

Given the long history of partnership between Tulane University and the City of New Orleans, COVID-19 presents a chance to transform the economy, better support the community and reimagine the city as more than a place for leisure and entertainment.

"Every university should be taking stock of their city's economy...and making a plan for the future," said Michael Fitts, president of Tulane University. "Our challenges might be different, but we can all find ways to help our cities thrive. Reexamine your relationship. Reinvent it, if need be. Let's get our cities off the ropes. Let's get them ready for the future."

Faculty and researchers at Tulane are at the forefront of COVID-19 research nationally and are identifying public health best practices and working tirelessly to find treatments and a vaccine. Biomedical research and health equity have long been central to Tulane's mission and have taken on a new sense of urgency. Tulane has been a leader in the growth of New Orleans and is now helping the city grow and incubate a thriving biomedical technology community. The creation of this "Biomedical Bayou" is expected to change the city's economy.

Tulane University is planning a major redevelopment project near its School of Medicine, which will be a significant economic injection into the local economy. This is a shift for business as usual in New Orleans, where a large percentage of economic activity is driven by tourism. This change to the composition of the city's economic makeup is expected to provide long-lasting impacts for the city and state economy.

The university's community collaboration and commitment was further demonstrated in April 2020, when Tulane's Albert Lepage Center for Entrepreneurship and Innovation connected alumni mentors with small businesses in the community. Through this mentorship, entrepreneurs are given help to manage the day-to-day realities of operating a business during COVID-19, minimize economic fallout and develop strategies to move forward in the current business environment.

As a result of their partnership and commitment to the city and its residents, New Orleans and Tulane have charted a new course for their futures, one rooted in biotechnology and a shared goal of economic and community prosperity.

TULANE UNIVERSITY IS THE LARGEST PRIVATE EMPLOYER IN THE CITY OF NEW ORLEANS, CREATING NEARLY 20,000 JOBS STATEWIDE, WITH AN ANNUAL ECONOMIC IMPACT OF $3.14 BILLION.

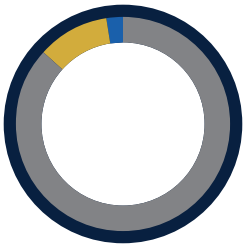
5 Creates Jobs

> *"Graduates of private, liberal arts colleges and universities come 'work-ready'."*
>
> BRYAN DERREBERRY
> PRESIDENT AND CEO, CHARLESTON METRO CHAMBER OF COMMERCE
> CHARLESTON, SOUTH CAROLINA

Nationally, private, nonprofit higher education supports and sustains a combined total of **3.4 million full-time and part-time jobs** due to its operations, student spending and visitor spending. Private, nonprofit higher education directly employs 1.1 million people as part of its day-to-day operations[4]. The direct employment at these colleges and universities, coupled with the spending by students and visitors, generates a significant multiplier effect.

For every 1 direct job at a private, nonprofit college or university an estimated 2.3 jobs are created. Private, nonprofit colleges and universities are often major employers. In fact, many report being one of the **top 5 employers** in their own town or city[5].

EMPLOYMENT IMPACT OF PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES



OPERATIONS: 2,724,087 JOBS

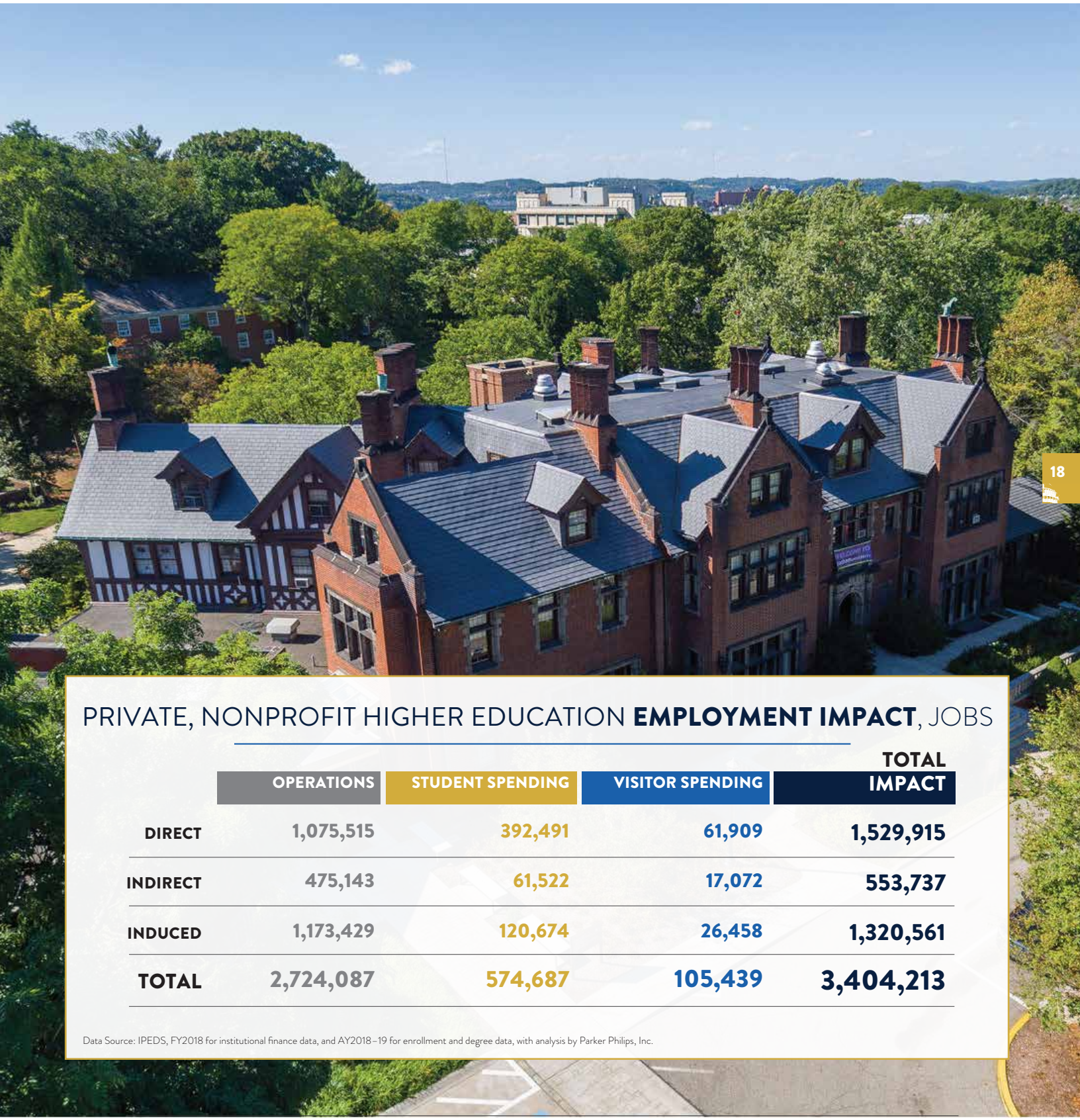
STUDENT SPENDING: 574,687 JOBS

VISITOR SPENDING: 105,439 JOBS

TOTAL: 3,404,213 JOBS

Source: Parker Philips using IPEDS FY 18 and ACADEMIC YEAR 2018-2019.

[4] Source: IPEDS, FY 18.
[5] In the fall of 2020, NAICU members participated in an online survey about how they contribute to the community.



PRIVATE, NONPROFIT HIGHER EDUCATION **EMPLOYMENT IMPACT**, JOBS

	OPERATIONS	STUDENT SPENDING	VISITOR SPENDING	TOTAL IMPACT
DIRECT	1,075,515	392,491	61,909	**1,529,915**
INDIRECT	475,143	61,522	17,072	**553,737**
INDUCED	1,173,429	120,674	26,458	**1,320,561**
TOTAL	2,724,087	574,687	105,439	**3,404,213**

Data Source: IPEDS, FY2018 for institutional finance data, and AY2018–19 for enrollment and degree data, with analysis by Parker Philips, Inc.

6

Boosts the Local, State and National Tax Bases

Private, nonprofit higher education generates a total of **$77.6 billion** in local, state and federal tax revenue annually as a result of operations, student spending and visitor spending. These colleges and universities are an integral part of sustaining a strong tax base through their operational spending, employment, student spending on costs of daily living (exclusive of tuition, fees and on campus housing) and visitor spending on campus for conferences, meetings and events. Specific taxes generated include employee and employer contributions to social insurance funds, sales taxes, personal property taxes, taxes paid on motor vehicle licenses and payments of fines and fees.

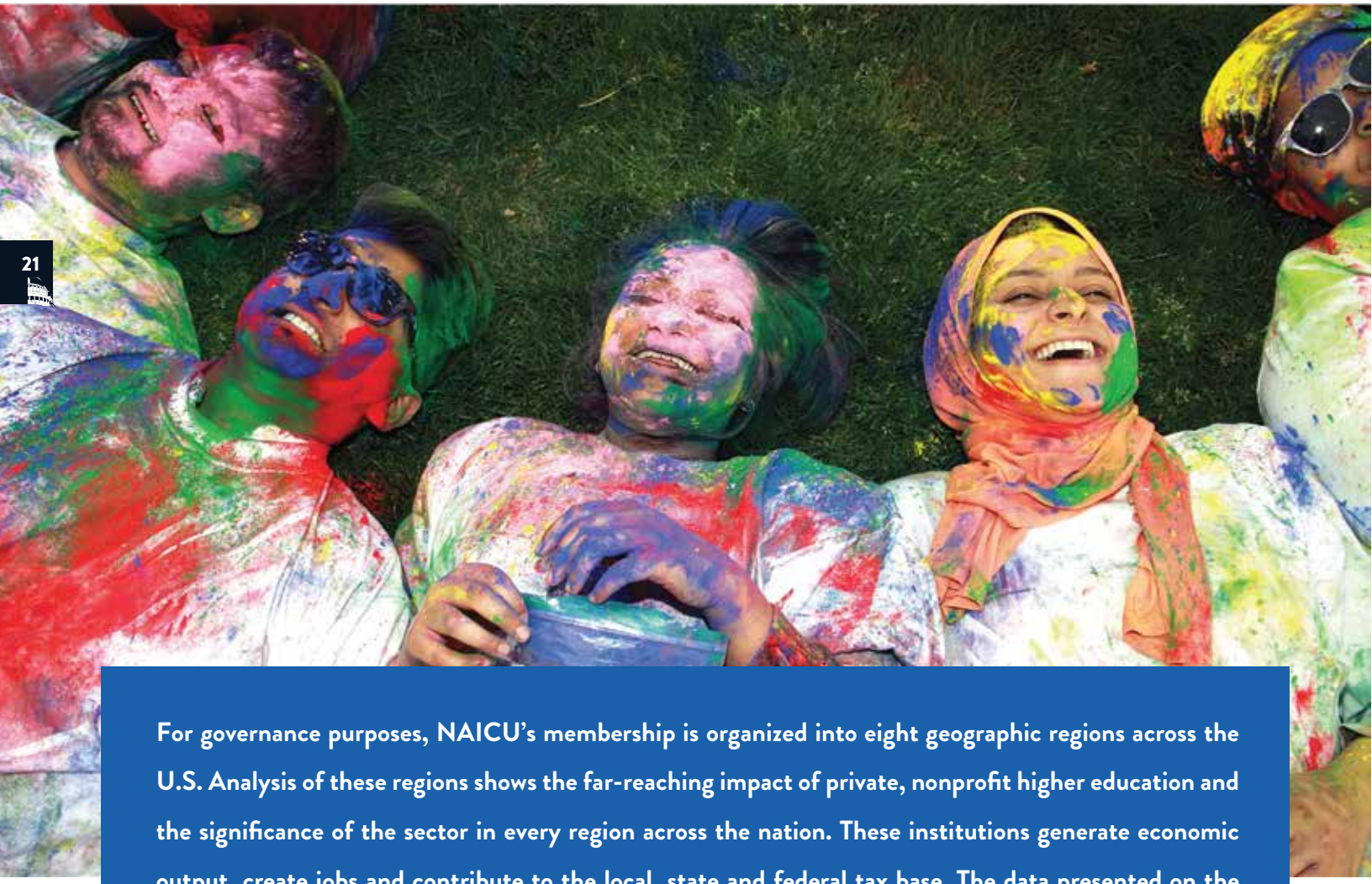
PRIVATE, NONPROFIT HIGHER EDUCATION **FISCAL IMPACT LOCAL, STATE AND FEDERAL TAXES**

	COMBINED TOTAL
SOCIAL INSURANCE TAX: EMPLOYEE AND EMPLOYER CONTRIBUTION	**$24.6 BILLION**
PROPRIETOR INCOME	**$957.0 MILLION**
TAX ON PRODUCTION AND IMPORTS: SALES TAX, PROPERTY TAX, MOTOR VEHICLE LICENSES, OTHER TAXES AND SPECIAL ASSESSMENTS	**$23.3 BILLION**
PERSONAL TAX: INCOME TAX, MOTOR VEHICLE LICENSES, PROPERTY TAXES AND OTHER HOUSEHOLD TAXES	**$25.3 BILLION**
CORPORATE PROFITS TAX	**$3.5 BILLION**
TOTAL	**$77.6 BILLION**

Data Source: IPEDS, FY2018 for institutional finance data, and AY2018–19 for enrollment and degree data, with analysis by Parker Philips, Inc.

7

Regional Breakouts



For governance purposes, NAICU's membership is organized into eight geographic regions across the U.S. Analysis of these regions shows the far-reaching impact of private, nonprofit higher education and the significance of the sector in every region across the nation. These institutions generate economic output, create jobs and contribute to the local, state and federal tax base. The data presented on the following page shows the regions' share of impact on the U.S. economy.

REGIONAL IMPACT OF **PRIVATE, NONPROFIT HIGHER EDUCATION**

REGION I

146 private, nonprofit colleges and universities

553,182 students

129,477 Pell Recipients*

$82.0 billion generated in economic impact

457,416 jobs created and supported

$10.7 billion generated in local, state and federal taxes

REGION II

275 private, nonprofit colleges and universities

839,812 students

143,330 Pell Recipients*

$141.5 billion generated in economic impact

768,882 jobs created and supported

$19.0 billion generated in local, state and federal taxes

REGION III

233 private, nonprofit colleges and universities

597,681 students

111,929 Pell Recipients*

$77.0 billion generated in economic impact

420,617 jobs created and supported

$9.5 billion generated in local, state and federal taxes

REGION IV

271 private, nonprofit colleges and universities

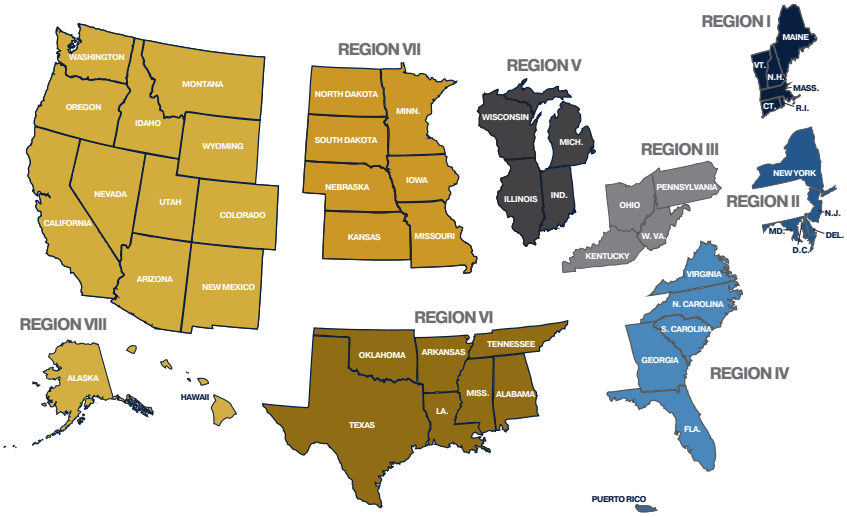
635,965 students

272,195 Pell Recipients*

$79.3 billion generated in economic impact

467,660 jobs created and supported

$10.4 billion generated in local, state and federal taxes



REGION V

201 private, nonprofit colleges and universities

503,642 students

272,195 Pell Recipients*

$59.2 billion generated in economic impact

354,098 jobs created and supported

$7.8 billion generated in local, state and federal taxes

REGION VI

199 private, nonprofit colleges and universities

397,802 students

100,838 Pell Recipients*

$39.0 billion generated in economic impact

244,489 jobs created and supported

$5.1 billion generated in local, state and federal taxes

REGION VII

177 private, nonprofit colleges and universities

409,222 students

82,994 Pell Recipients*

$32.8 billion generated in economic impact

225,293 jobs created and supported

$4.4 billion generated in local, state and federal taxes

REGION VIII

274 private, nonprofit colleges and universities

660,827 students

176,046 Pell Recipients*

$80.7 billion generated in economic impact

465,757 jobs created and supported

$10.6 billion generated in local, state and federal taxes

Data Source: IPEDS, FY2018 for institutional finance data, and AY2018–19 for enrollment and degree data, with analysis by Parker Philips, Inc.
*Data Source: U.S. Department of Education, Office of Federal Student Aid, 2018-2019 Award Year Grant Volume by School

JUMP-STARTING A CITY-WIDE REJUVENATION

"Working with Adrian College was a springboard to many economic opportunities."

JIM BERRYMAN, FORMER MAYOR, ADRIAN, MI

Like many of America's small, rural cities that have experienced a change of fortune due to industry decline, downtown Adrian, Michigan had lost a bit of its shine. However, city leaders had ideas to leverage local resources to help jump-start a city-wide rejuvenation. Among the resources were three nearby colleges that could serve as anchors of the innovation, cooperation and economic energy the city needed.

One of those colleges was Adrian College. An effort in the late 1990s, spearheaded by former Mayor Jim Berryman, an Adrian College alumnus, and the new Adrian College President Jeffrey Docking, evolved into a model revitalization success story that helped pave the way for an Adrian renaissance.

Adrian College is the largest of the three colleges, with both daytime and evening students coming to campus. The college's presence and growth helped drive the construction of a new hotel and led to community-building efforts, including downtown beautification projects. By all accounts, Adrian College was the biggest driver of investment in the downtown area — investments that helped transform the city. Recognizing the importance of bringing college students and their families back to campus, and thus back to Adrian, the city now anxiously welcomes them back each year.

"When the leadership of the colleges got involved, other people got involved," said Berryman. "Working with Adrian College was a springboard to many economic opportunities that we may never have pursued and implemented. Colleges understand that when families drive into the city, if they see a dilapidated downtown, they're not going to be able to see that campus they want to live on. So, a focus on the student experience in a college town helps it become a stronger community."

Adrian College is a modern liberal arts college approximately 45 minutes from both Ann Arbor, Michigan and Toledo, Ohio. The college includes 1,700 students and is the city's fifth largest employer.

ADRIAN COLLEGE HAS AN ESTIMATED ECONOMIC IMPACT OF $134.4 MILLION, SUPPORTS AND SUSTAINS 997 JOBS AND GENERATES $16.8 MILLION IN LOCAL, STATE AND FEDERAL TAXES.

8 Improves Quality of Life

Higher education leads to many benefits, including opportunities for a life-long career and financial stability. In today's world, educational attainment plays an even more significant role in other aspects of people's lives — it increases opportunity and improves overall quality of life and longevity. Higher education changes outcomes for individuals, their families and the U.S. economy.

A FROM CAMPUS TO CAREER

PELL STUDENT PRIVATE, NONPROFIT COLLEGE

One Pell-eligible student enrolls in a private, nonprofit college or university.

FACT: Private, nonprofit colleges and universities enroll roughly the same percentage of Pell recipients (38%) as do public institutions (40%).

FACT: Most Pell Grants go to students with a total family income below $20,000.

The student receives federal and institutional financial aid to help earn a degree.

FACT: 74% of all grant aid awarded to full-time students at four-year private, nonprofit colleges comes via scholarships and grants directly from institutional resources; only 31% of grant aid at four-year public institutions come from institutional sources.

The student graduates with a bachelor's degree in 4 years.

FACT: 84% of students who received a bachelor's degree from a four-year private, nonprofit college were able to complete it in 4 years compared to 70% of graduates at public institutions.

The graduate enters the workforce with a bachelor's degree earning an annual average salary of $53,889[6].

The graduate is now earning more than the combined household income of a family of three defined as middle class by the Pew Research Center.

FACT: The general average salary for college graduates is over $50,000. Those who majored in computer science, engineering, mathematics, health sciences and business were the highest earners, with salaries ranging from $54,000 to $77,000[7,8].

A higher education degree and years in the workforce yield increased earnings for the graduate.

Increased economic mobility allows them to consider other options, including paying off debt, home ownership, retirement savings and starting a family.

Over the course of their career, this bachelor's degree recipient will create an estimated **$5.4 million** in economic impact, support **30 jobs** and generate **tax revenue totaling $654,489** — a great return for the individual and society based on receiving a Pell Grant.

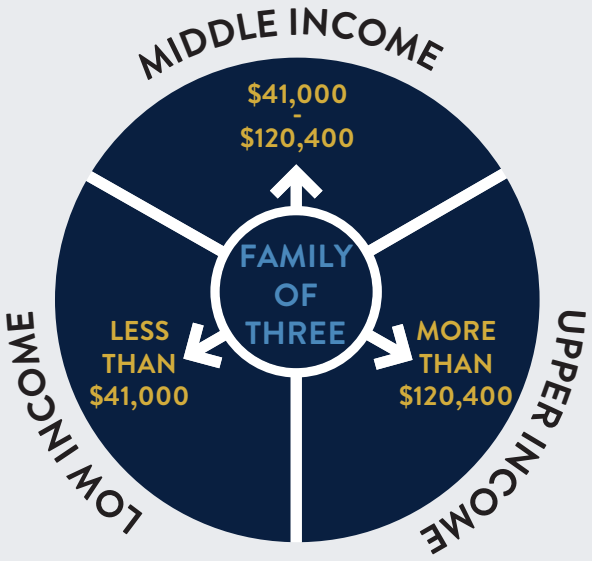
[6] https://www.naceweb.org/job-market/compensation/average-salary-for-class-of-2019-up-almost-6-percent-over-class-of-2018s/
[7] National Association of Colleges and Employers. AVERAGE SALARY FOR CLASS OF 2019 UP ALMOST 6 PERCENT OVER CLASS OF 2018'S. https://www.naceweb.org/job-market/compensation/average-salary-for-class-of-2019-up-almost-6-percent-over-class-of-2018s/
[8] Bauer, Lauren, Audrey Breitwieser, Ryan Nunn and Jay Shambaugh. "Where work pays: How does where you live matter for your earnings." Brookings. July 20180,

B

IMPORTANCE OF **INVESTING IN HIGHER EDUCATION**

Pursuing a higher education credential is an investment in future earnings and a higher quality of life. Education is the clearest personal pathway to increased earnings and economic security. The relationship between higher education and higher lifetime earnings is well-established. The median salary of an individual increases by **67.3% from a high school degree to a bachelor's degree**[9]. This simple statistic clearly shows that educational attainment drives earning power and economic mobility. The impact of higher education and earnings power is felt over a career and a lifetime. People with a bachelor's degree earn an average of $1 million more over the course of their 40-year career than those with a high school diploma.

INCOME GROUP FOR A **FAMILY OF THREE**



While it is difficult to define middle class because factors such as geography, cost of living and family size play a significant role in determining a family's economic ranking and status in the U.S. economy, the Pew Research Center reports that the middle income for a family of three begins at $41,000 annually[10]. The Center's data also show that for the 2017 fiscal year, an income range of $41,000–$120,400 is considered to be middle class[11].

Source: Pew Research Center, FY 2017 presented in 2018 dollars

[9] All salary data is sourced from the U.S. Bureau of Labor and Statistics. https://www.bls.gov/careeroutlook/2020/data-on-display/education-pays.htm
[10] https://money.usnews.com/money/personal-finance/family-finance/articles/where-do-i-fall-in-the-american-economic-class-system
[11] Horowitz, Juliana Menasce, Ruth Igielnik And Rakesh Kochhar. Most Americans Say There Is Too Much Economic Inequality In The U.S., But Fewer Than Half Call It A Top Priority. https://www.pewresearch.org/social-trends/2020/01/09/methodology-27/

According to the U.S. Bureau of Labor Statistics, the median salary earned by a person with a bachelor's degree is $64,896, which is $33 per hour. This does not include the benefits packages and fringe benefits offered as a part of a regular compensation package. Future earnings vary based on degree type.

MEDIAN SALARY

$64,896	$38,792
BACHELOR'S DEGREE	HIGH SCHOOL DIPLOMA

67.3% INCREASE
IN **ANNUAL MEDIAN EARNINGS**

Source: U.S. Bureau of Labor and Statistics

Higher educational attainment also decreases the likelihood of unemployment. The COVID-19 pandemic has demonstrated the importance of a college credential, as people with a high school diploma or less have been impacted more substantially than those with a higher education degree. Prior to the pandemic, the U.S. economy had experienced its longest run of economic expansion in history, and the unemployment gap between those with a high school diploma or less and those with a bachelor's degree or more was just 2.2%. As of May 2020, the gap had grown to 8.8%. While unemployment spiked for all types of workers early in the pandemic, unemployment was higher among those with a high school diploma or less. A college credential often leads to jobs that allow people to work remotely and remain employed, reducing the incidence of job loss when compared to those with less education[12].

PANDEMIC IMPACT: COMPARISONS OF UNEMPLOYMENT RATES

LESS THAN HIGH SCHOOL DIPLOMA

5.4%	21.2%
AUGUST 2019	APRIL 2020

HIGH SCHOOL GRADUATE NO COLLEGE

3.6%	17.3%
AUGUST 2019	APRIL 2020

SOME COLLEGE OR ASSOCIATE DEGREE

3.0%	15.0%
AUGUST 2019	APRIL 2020

BACHELOR'S DEGREE AND HIGHER

2.1%	8.4%
AUGUST 2019	APRIL 2020

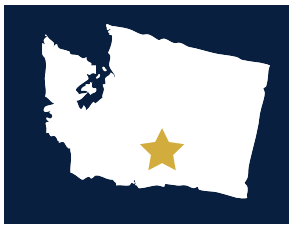
Source: Seasonally adjusted unemployment of the civilian labor force. U.S. Bureau of Labor Statistics.

[12] Source: https://www.bls.gov/opub/mlr/2020/beyond-bls/covid-19-educational-attainment-and-the-impact-on-american-workers.html

UNEMPLOYMENT AND EARNINGS BY DEGREE TYPE, 2019

	UNEMPLOYMENT RATE	MEDIAN ANNUAL EARNINGS	MEDIAN WEEKLY EARNINGS	DIFFERENCE IN ANNUAL EARNINGS OVER PREVIOUS DEGREE TYPE	% CHANGE OVER PREVIOUS DEGREE
DOCTORATE DEGREE	1.1%	$97,916	$1,883	$20,072	1.2%
MASTER'S OR PROFESSIONAL DEGREE	2.0%	$77,844	$1,497	$12,948	20.0%
BACHELOR'S DEGREE	2.2%	$64,896	$1,248	$18,772	40.7%
ASSOCIATE DEGREE	2.7%	$46,124	$887	$2,808	6.5%
SOME COLLEGE NO DEGREE	3.3%	$43,316	$833	$4,524	11.7%
HIGH SCHOOL DIPLOMA	3.7%	$38,792	$746	$8,008	26.0%
LESS THAN A HIGH SCHOOL DIPLOMA	5.4%	$30,784	$592		

Source: U.S. Bureau of Labor and Statistics, 2019
Analysis by Parker Philips, Inc.



A CHANCE FOR SOMETHING MORE

ADRIANA VILLAFAN
TOPPENISH, WA

Adriana Villafan worked the drive-thru at McDonald's for five years, watching friends and former high school classmates "start their lives" and speed past her. At 19, Adriana was finding it harder and harder to convince herself that she was satisfied with her life's trajectory.

An unplanned pregnancy at 15 forced Adriana to drop out of school to care for her child. Like many young people she embraced what she knew joining her mother spending long, grueling days sorting cherries in the orchards and agricultural warehouses of Washington state's Yakima Valley. Being the eldest of six children in an immigrant family from Mexico, Adriana embodied the ethos of hard work and family that her mother and father instilled in her. But education? That was a luxury for others. As a young mother, life seemed to be crawling along a familiar, but unsettling, path.

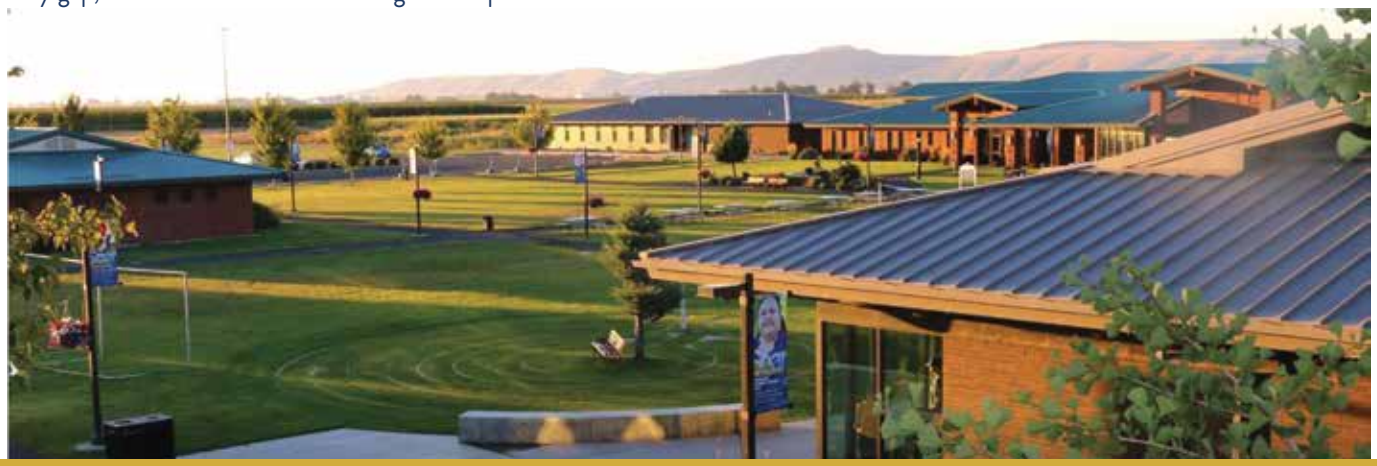
Tired of watching "what could be" pass her by at the drive-thru window, Adriana knew it was time. Something had to change, but she needed help. Setting her sites on a better job, Adriana initiated a simple Google search of "how to get a GED" that led her to Heritage University — a private, nonprofit, Hispanic-serving institution in Toppenish, just outside of Yakima.

Staff at Heritage's High School Equivalency Program, dubbed the HEP Alliance housed in the Office of Migrant Education, worked closely with Adriana to help overcome the many obstacles life had placed in her path. Although she was initially denied admittance after testing at a fourth-grade level, Heritage staff made Adriana a deal. Heritage would provisionally admit her to the program on the condition that she attend GED classes at HEP each morning for a year. This meant that Adriana would have to give up the morning shifts at McDonald's — a financial hardship for her family, especially since her husband was unemployed at the time. Summoning her strength of character and determination, Adriana took full advantage of this opportunity and completed the program in just six weeks to earn her GED. Her exposure to campus during those weeks gave her the audacity to think, "What would it look like if I went to college?"

The young woman who knew nothing about what it meant to go to college was about to find out. Heritage University staff was there to help with the admissions applications and financial forms, and all of the details that are taken for granted by students with family or friends experienced in the college admissions process. Adriana enrolled at Heritage University and began working as a teaching assistant with HEP, then in the financial aid office. About her time at Heritage, Adriana recalls, "I was starting to have a different outlook on life. I did a lot of work and became passionate about the Heritage mission."

Adriana eventually earned her bachelor's degree in Business Administration from Heritage University and then a master's degree in Management and Leadership from Western Governors University. With more than 10 years of experience in education and serving low-income communities, Adriana now holds a position with Catholic Charities helping students through their educational journeys in high school and college. Adriana states, "My education got me where I am today."

Reflecting on the support she received to succeed, Adriana says that, "Private donor funding at Heritage University was able to close the money gap, and federal and state funding also helped. I couldn't have done it without either."



HERITAGE UNIVERSITY IS WASHINGTON STATE'S ONLY UNIVERSITY TO BE DESIGNATED A **HISPANIC-SERVING INSTITUTION** AND ALSO QUALIFIES AS A **NATIVE AMERICAN-SERVING INSTITUTION.** EIGHTY-FIVE PERCENT OF HERITAGE STUDENTS ARE THE FIRST IN THEIR FAMILY TO ATTEND COLLEGE.

INDIVIDUAL CAREER EARNINGS AND ECONOMIC IMPACT BY EDUCATIONAL ATTAINMENT LEVEL ON THE U.S. ECONOMY, 2019

		PER PERSON HOUSEHOLD SPENDING IMPACT (INDUCED)		
	ESTIMATED EARNINGS OVER A 40-YEAR CAREER BY EDUCATION LEVEL	ECONOMIC IMPACT OVER A 40-YEAR CAREER	EMPLOYMENT IMPACT OVER A 40-YEAR CAREER (JOBS SUPPORTED)	LOCAL, STATE AND FEDERAL TAX IMPACT OVER A 40-YEAR CAREER
DOCTORATE DEGREE	$3,916,640	$7,747,947	43	$946,152
MASTER'S OR PROFESSIONAL DEGREE	$3,113,760	$6,159,680	34	$752,199
BACHELOR'S DEGREE	$2,595,840	$5,387,468	30	$654,489
ASSOCIATE DEGREE	$1,844,960	$4,053,053	22	$492,701
SOME COLLEGE NO DEGREE	$1,732,640	$3,806,306	21	$462,790
HIGH SCHOOL DIPLOMA	$1,551,680	$3,551,612	20	$430,063
LESS THAN A HIGH SCHOOL DIPLOMA	$1,231,360	$2,818,438	16	$341,283

Source: U.S. Bureau of Labor and Statistics earnings by educational attainment level with analysis by Parker Philips using IMPLAN.

C

GENERATIONAL IMPACTS ON GRADUATES AND COMMUNITIES

IMPACT OF PRIVATE, NONPROFIT UNIVERSITY GRADUATING CLASS ON THE U.S. ECONOMY, 2019

		GRADUATING CLASS IMPACT OVER 40 YEARS BY DEGREE TYPE		
	NUMBER OF PRIVATE, NONPROFIT COLLEGE GRADUATES BY DEGREE TYPE	ECONOMIC IMPACT OF ONE CLASS BASED ON HOUSEHOLD SPENDING INCOME BRACKET (INDUCED)	EMPLOYMENT IMPACT OF ONE CLASS BASED ON HOUSEHOLD SPENDING INCOME BRACKET (INDUCED)	LOCAL, STATE AND FEDERAL IMPACT OF ONE CLASS BASED ON HOUSEHOLD SPENDING INCOME BRACKET (INDUCED)
DOCTORATE DEGREE	86,667	$671,491,343,553	3,745,108 JOBS	$82,000,168,952
MASTER'S OR PROFESSIONAL DEGREE	383,515	$2,362,329,589,674	13,175,418 JOBS	$288,479,408,311
BACHELOR'S DEGREE	583,667	$3,144,487,191,389	17,417,773 JOBS	$382,003,817,095
ASSOCIATE DEGREE	57,500	$233,050,542,257	1,280,743 JOBS	$28,335,455,667

Source: IPEDS, AY 2018–2019, U.S. Bureau of Labor and Statistics and Parker Philips, Inc.

The earnings of the 583,667 bachelor's degree recipients from private, nonprofit colleges and universities over the course of their 40-year careers will total $3.1 trillion dollars, support and sustain a cumulative total of 17.4 million jobs and generate $382 billion in fiscal impacts at the local, state and federal level.

The impact of private, nonprofit college and university graduates on the U.S. economy during the course of their careers is significant. In 2019, over **1.1 million students** graduated from private, nonprofit higher educational institutions around the country. Businesses large and small have a high demand for a talented and well-educated workforce. Many graduates plant their roots in the small communities and large cities where they earned their degree, shoring up the strength of available human capital. Employers in cities and towns anchored by private, nonprofit colleges and universities have unique access to a diverse and educated talent pool that is "workplace ready" to meet evolving employment needs in multiple sectors. Relationships that are formed between private industry and these colleges and universities help grow and sustain the workforce and economic activity.

The table below shows the impact of graduates from private, nonprofit colleges compared to students that opted not to pursue higher education after high school. Over a 40-year career, a degree at a private, nonprofit college or university generates an additional $2.1 trillion, supports and sustains 11.4 million jobs and creates $258 billion in local, state and federal taxes when compared to students not attending a private, nonprofit college or university.

IMPACT OF EXTRA EARNING POWER OF HIGHER EDUCATION ON THE U.S. ECONOMY: 2019 PRIVATE, NONPROFIT COLLEGE GRADUATES VS. 2019 HIGH SCHOOL GRADUATES

	NUMBER OF GRADUATES	ECONOMIC IMPACT OVER 40 YEARS	EMPLOYMENT IMPACT OVER 40 YEARS	TAX IMPACT OVER 40 YEARS
IMPACT OF ALL PRIVATE, NONPROFIT COLLEGE GRADUATES	1,111,349	$6,411,358,666,873	35,619,042 JOBS	$780,818,850,024
33.8% OF HIGH SCHOOL STUDENTS NOT GOING TO COLLEGE	1,215,715	$4,317,748,516,739	24,212,613 JOBS	$522,833,885,264
EXTRA EARNING POWER OF A COLLEGE DEGREE		$2,093,610,150,134	11,406,429 JOBS	$257,984,964,760

Data Source: IPEDS, AY2018–19 for enrollment and degree data, with analysis by Parker Philips, Inc.

IN PURSUIT OF **A BETTER LIFE**

ASSEMBLYWOMAN BLANCA RUBIO
48TH ASSEMBLY DISTRICT OF CALIFORNIA

For California State Assemblywoman Blanca Rubio, first elected in 2016, the journey shared with her sister, State Senator Susan Rubio, has been replete with uncommon challenges and opportunities. Born in Ciudad Juárez, Mexico to poor, but hard-working parents, Blanca and Susan, both proud graduates of Azusa Pacific University (APU), a private, nonprofit university in southern California, ultimately succeeded in becoming the first sisters in history to serve in the California Legislature after Susan was elected to the State Senate in 2018.

As a young child, Blanca and her family lived in Winnie, Texas, but because of their undocumented status the family was deported back to Mexico. The Rubios persisted and reestablished themselves in Los Angeles where the entire family eventually achieved U.S. citizenship. Her family's experiences helped shape many of her most important future educational and career decisions.

Blanca explains that as a working adult who did not immediately go to college after high school, she cherished APU's environment because, "I have that relationship with the professor, they knew what was going on in my life. In a smaller setting, I was able to communicate that to them. They understood all of the kinds of responsibilities that we had." Within that individualized and supportive environment, Blanca earned a bachelor's degree in Business Administration while working in human resources and serving on the Valley County Water District board. Blanca says she still values the small student cohort that provided the structure she needed and where she "developed lifelong relationships because we were all in it together." The environment and faculty at APU made it an obvious choice when Blanca decided to pursue a master's degree in Education.

Blanca was an elementary school teacher in the Fontana Unified School District for over 15 years and was later elected to the Baldwin Park Unified School District Board of Education, where she served for two terms as both president and vice president.

Blanca credits the individualized attention, support, and guidance she received from APU's professors and administrators with helping her achieve both degrees. It is why she sponsors legislation to get grants for private universities up to par with the public university systems and is an unceasing booster for APU.

To underscore the impact APU had on her life and how pivotal her educational experience was, Blanca chose to hold her 2016 in-district swearing-in ceremony on the APU campus. "This country has given me the most incredible opportunities and I'm so grateful and proud for what we've been able to build here. I think we are the American dream. We came here for a better life and what better life than to be able to give back."

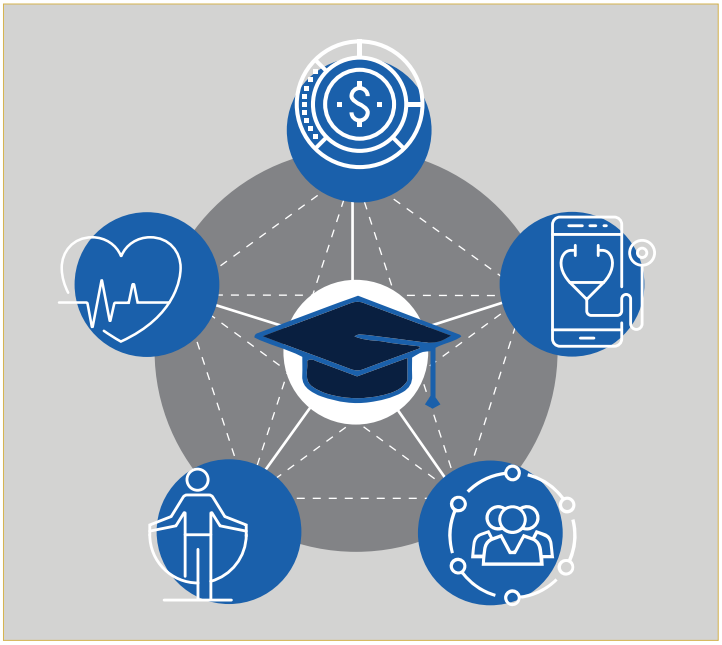
AZUSA PACIFIC UNIVERSITY IS A COMPREHENSIVE CHRISTIAN UNIVERSITY IN AZUSA, CA.

D LIFETIME RETURN ON **INVESTMENT**

Private, nonprofit higher education yields greater economic returns for graduates. According to a study completed by Georgetown University[13] in 2019, private, nonprofit colleges have an edge over public institutions in their return on investment.[14] According to the study, the long-term net economic gains realized by graduates of private, nonprofit higher education institutions that primarily award bachelor's degrees totaled $838,000 compared to $765,000 for graduates from public colleges and universities. The study also revealed that graduates of private, nonprofit institutions have a sizable edge in earnings 10 years after enrollment (median of $41,000 for students who went to private colleges compared to $33,000 for students who attended public colleges). In short, private, nonprofit higher education pays off in long-term economic gains for students.[15]

Education level plays a major role in determining an individual's quality of life. In the past 20 years, the life expectancy gap between the most educated and the least educated Americans has been widening. Americans with less education are more likely to have serious health conditions than those with a higher levels of education. Year after year, data from the Bureau of Labor Statistics shows that people with a degree from a college or university are more likely to have higher wages, employer-sponsored healthcare, paid vacation and leave, retirement savings and work in lower-risk occupations. Educational attainment also usually leads to the ability to choose a safer neighborhood, which is also a social determinant of health.[16]

A person's educational attainment level is a contributing factor to a better understanding of health issues, the ability to be a self-advocate and to choose a healthier lifestyle. People with a higher education are less likely to experience the stress that is produced from social and economic troubles associated with lower earnings and less education. Highly educated adults are more likely to have stronger and broader social networks,[17] which yields access to financial, emotional and psychological resources, thereby reducing stress and offering coping mechanisms to protect them from negative health effects. Higher education, among many other social determinants of health, matters to health outcomes.



[13] Anthony P. Carnevale, Ban Cheah and Martin Van Der Werf. "A First Try At ROI: Ranking 4,500 Colleges." Georgetown University Center on Education and the Workforce McCourt School of Public Policy
[14] The study compared the relative values of thousands of colleges with Net Present Value (NPV) and defines it as a metric that "includes costs, future earnings and the length of time it would take to invest and earn a certain amount of money over a fixed horizon." Simply stated, NPV is money now and money later.
[15] Anthony P. Carnevale, Ban Cheah and Martin Van Der Werf. "A First Try At ROI: Ranking 4,500 Colleges." Georgetown University Center on Education and the Workforce McCourt School of Public Policy
[16] Healthy People 2020. https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/enrollment-in-higher
[17] Bauldry, Shawn. Conditional Health-Related Benefits of Higher Education: An Assessment of Compensatory versus Accumulative Mechanisms. Published online 2014 Apr 12. doi: 10.1016/j.socscimed.2014.04.005

9

Inspires and Gives Back

"Colleges are the anchors for their community-not just an economic catalyst, but a cultural catalyst. Their presence changes the dynamic of those towns."

RICK SNYDER
FORMER GOVERNOR OF MICHIGAN

Rural, suburban and urban communities throughout the country benefit from the volunteer and philanthropic spirit embodied at many private, nonprofit colleges and universities. This spirit of giving back is rooted in the founding missions of private, nonprofit colleges and universities. Based upon assumptions derived from the U.S. Census Bureau and the Points of Light Foundation[18] regarding donation amounts and volunteerism rates by age, income level and employment status, it is estimated that staff, faculty and students of private, nonprofit colleges and universities give more than **$747.5 million annually** in charitable donations and volunteer for **86.8 million hours**, valued at another **$2.0 billion**. In 2019, the combined impact of charitable giving and volunteerism totaled **$2.8 billion**. These benefits were in addition to the $591.5 billion in annual economic impact.

Across the country — from rural small towns to major cities — civic engagement and giving back transforms communities. From offering Pre-K programming to hosting special community events and summer camps, annual fundraisers, health fairs, health and dental clinics, and providing mentoring programs and legal aid services, private, nonprofit colleges and universities serve their communities in a myriad of ways.

$747.5 MILLION
ANNUALLY IN CHARITABLE DONATIONS

86.8 MILLION
HOURS SPENT VOLUNTEERING

$2 BILLION
VALUE OF VOLUNTEER TIME

$2.8 BILLION
COMBINED IMPACT OF CHARITABLE GIVING AND VOLUNTEERISM

[18] Source: Analysis using data from the U.S. Census Bureau and Points of Light Foundation.

The number of adults who volunteer increases with their level of education.[19] In 2017, the rate of volunteering for people 25 and older ranged from 10% for those without a high school diploma to 52% for those with advanced degrees. A community with a vibrant college or university presence is also home to a well-educated faculty who often serve on local boards and commissions, run for local office and serve as engaged members of their children's school communities and neighborhood groups. The examples presented below illustrate a small sampling of the innumerable ways that private, nonprofit colleges and universities give back.

PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES **GIVE BACK**

VIRGINIA WESLEYAN UNIVERSITY

Virginia Wesleyan University (Norfolk, VA) has two signature programs aimed at helping elementary age students. Marlins Read is a one-on-one mentoring program focused on helping students reach literary proficiencies. Marlins Count is a one-on-one mentoring program that helps students attain math literacy proficiencies. Each program meets for one hour a week in spring and fall semesters.

DUQUESNE UNIVERSITY

Duquesne University (Pittsburgh, PA) School of Pharmacy has become a leader in the Pittsburgh region in the treatment of childhood asthma. Their childhood asthma program provides screenings on more than 1,000 children in the region annually. These screenings occur in some of the Pittsburgh region's most underserved communities as part of a comprehensive effort to improve community health.

WASHINGTON UNIVERSITY IN ST. LOUIS

Since 2014, Washington University in St. Louis (St. Louis, MO) has successfully hosted its College Prep Program working with hundreds of students from nearly 50 different high schools. The College Prep Program is designed to prepare talented, local high school students with limited resources for college. For three summers, College Prep scholars live on campus, where they study with top faculty, master important skills like time management and learn to navigate the complicated college application process. The program is free and includes year-round programming. Scholars graduate the College Prep Program ready to succeed in college and in life.

[19] Ma, Jennifer, Matea Pender and Meredith Welch. College Board. Education Pays 2019. The Benefits of Higher Education for Individuals and Society.

OHIO WESLEYAN UNIVERSITY

Ohio Wesleyan University's (Delaware, OH) Cooking Matters community education program teaches a six-week course for adults in the city of Delaware who are at risk for food insecurity. Led by Ohio Wesleyan University students trained as nutrition and/or culinary educators, the program highlights nutrition, budgeting/ shopping and food preparation tips and tricks. The course helps participants find ways to more effectively feed their family healthful meals on a budget.

SOUTHERN METHODIST UNIVERSITY

The Budd Center at Southern Methodist University (Dallas, TX) created its flagship initiative, The School Zone, to ensure children in the community receive the tools and support they need to graduate high school ready for college or the workforce. Since the project started in 2007, it has evolved into a collective impact partnership of 33 nonprofits and 15 public, private and charter schools.

CONVERSE COLLEGE

Converse College (Spartanburg, SC) is partnering with Girls Who Code, a program that aims to close the gender gap in technology and encourages young women to pursue their interest in mathematics and computer science through hands-on learning and mentorship. Virtual meetings for middle and high school students are held by the department of mathematics and computer science. Each week, participants learn new skills and work on real coding projects, while being mentored by Converse undergraduate mathematics majors and Converse mathematics and computer science professors.

MARQUETTE UNIVERSITY SCHOOL OF DENTISTRY

Marquette University School of Dentistry (Milwaukee, WI) students work in community clinics to provide comprehensive care to residents. Marquette dentistry students serve more than 30,000 Wisconsin residents and have donated $17 million in services, including oral health education, senior care, screenings and sealants for low-income children and treatment for special needs patients and the homeless.

SHAW UNIVERSITY

Shaw University (Raleigh, NC) will become a community center for Coding and Creativity as part of Apple's Community Education Initiative and Tennessee State University's HBCU C2 initiative designed to bring coding and creativity experiences to Historically Black Colleges and Universities (HBCUs) and their communities. Shaw University strives to bring workforce development opportunities to students and the broader Raleigh community.

UNIVERSITY OF EVANSVILLE

The University of Evansville's (Evansville, IN) doctor of physical therapy (DPT) students run the Ace CARE organization to give opportunities to uninsured, underinsured or homeless community members to receive physical therapy services on the campus at no cost to the patient. Other services include ACErcise, a group exercise program for adults who have neurologic conditions and AceBuddies, an exercise group for children and young adults with special needs.

10

Drives Innovation and Discovery

PRIVATE, NONPROFIT HIGHER EDUCATION **RESEARCH IMPACT**

$10.7 BILLION
IN NIH AND NSF FUNDING (2019)

$71.7 BILLION
IN TOTAL RESEARCH EXPENDITURES (2018)

9,326 LICENSES
AND OPTIONS EXECUTED (2018)

$2.9 BILLION
IN GROSS LICENSING REVENUE (2018)

1,080 START-UPS
NEW COMPANIES FORMED (2018)

26,217 DISCLOSURES
(2018)

17,087 PATENTS
NEW APPLICATIONS (2018)

ECONOMIC IMPACT OF **RESEARCH EXPENDITURES**

$193.6 BILLION
ECONOMIC IMPACT

907,811 JOBS
SUPPORTED AND SUSTAINED

$21.7 BILLION
LOCAL, STATE AND FEDERAL TAXES

Private, nonprofit colleges and universities have a long tradition of combining innovative research with education and service to prepare the next generation of scientists and global citizens that could not be easily replicated. Faculty at private, nonprofit colleges and universities are engaged in a wide array of research and scholarship on activities across academic disciplines, including environmental, biomedicine and healthcare, agriculture, engineering, artificial intelligence, technology transfer, race relations and information technology to name just a few. Private, nonprofit colleges and universities are a critically important part of the nation's research and development ecosystem driving discovery and innovation.

External research awards received by private, nonprofit higher education in the U.S. from the National Institutes of Health (NIH) and the National Science Foundation (NSF) totaled over **$10.7 billion** in 2019. Research funding brings new dollars into college communities across America to create new jobs and spur entrepreneurial growth. Private, nonprofit college and university campuses that anchor college towns across the country are a great place to build a research enterprise and roll out start-up companies because they have the human capital, workforce and facilities nearby to realize the promise of commercialized research.

Based on data from the STATT (Statistics Access for Technology Transfer) database from the Association of University Technology Managers, Inc. (AUTM) about private, nonprofit colleges and universities in 2018, research expenditures totaled $71.7 billion. Research expenditures generated an estimated **$193.6 billion** in economic impact, supported **907,811 jobs** and generated **$21.7 billion** in local, state and federal tax revenue.

PRIVATE, NONPROFIT HIGHER EDUCATION **RESEARCH IMPACT**, 2018

	EMPLOYMENT	ECONOMIC IMPACT	LOCAL, STATE & FEDERAL TAXES
DIRECT	243,724	$71,662,279,707	$7,457,432,464
INDIRECT	267,611	$51,773,179,721	$5,637,393,610
INDUCED	396,476	$70,146,871,568	$8,583,708,357
TOTAL	907,811	$193,582,330,996	$21,678,534,431

Source: Parker Philips, Inc. using data from STATT and IMPLAN

Private, nonprofit colleges and universities are identifying new technologies and discoveries to improve quality of life for the world. Each year, new patents are filed, start-up companies spun off and research disclosures are made. The research and related commercialization activities conducted at many private, nonprofit colleges and universities and their affiliated research parks and incubators help fuel the next wave of discovery and economic growth.

CARTHAGE

11 Conclusion

Private, nonprofit colleges and universities bring a wide range of benefits to our society in ways that are both quantifiable and invaluable. They are anchors in our society. They are woven into the fabric of our communities, our families and the well-being of our country. Their vital role in the community is demonstrable and is most easily summed up when trying to imagine one of America's beloved college towns without its anchor neighbor and partner.

The economic, social and cultural impact of private, nonprofit higher education ripples through to nearly every sector of the cities and communities they call home. The influence of a college or university goes far beyond the campus. The bustling college towns and neighborhoods built around many private, nonprofit higher education institutions include shops, restaurants and countless other businesses that cater to the consumer demands of staff, faculty, students and the institutions themselves.

COVID-19 has given us an unexpected and unfortunate opportunity to see what happens to college towns when their student-driven economy comes to a halt. The interrelationships between private, nonprofit colleges and universities and a vast array of other sectors, including k-12 education, public higher education and both public and private employers, will be vital to the rebuilding of the country in a post-COVID world.

Increased support of students and investment in private, nonprofit higher education will fuel the success and sustainability of college towns and communities such as those profiled in this report. The collective investment is a tangible recognition of the vital role this sector plays in the development of human capital, the education of the future workforce and the economic vitality of communities across the United States. It also recognizes the uniquely important contributions of private, nonprofit colleges and universities to other critical sectors such as research and healthcare.

The sector provides an array of pathways to educational, social and economic mobility. These colleges and universities play an integral role in local economic development partnerships and enriching their communities by providing invaluable access to arts and culture. Students graduating from private, nonprofit colleges and universities can improve their economic mobility and move themselves closer to achieving their American dream.

Increased lifetime earnings for graduates, economic development partnerships and access to arts and culture are a few of the measurable yet irreplaceable impacts private, nonprofit colleges and universities make on America's cities.

It is indisputable that America is better off because of the economic opportunity, cultural enrichment and societal impacts of private, nonprofit colleges and universities. As the extensive documentation in this report demonstrates, this critical sector of America's economy is a potential springboard for leading our nation most rapidly and effectively to renewed vitality, as we leave behind the pain and challenges of the COVID-19 pandemic and embrace the new beginnings of a vigorous and fulfilling future.

APPENDIX A: **RESEARCH OVERVIEW**

In July 2020, the **National Association of Independent Colleges and Universities (NAICU)** engaged Parker Philips Inc. to assess the breadth of the value of private, nonprofit higher education to the nation. For the purposes of this study, private higher education includes all private, nonprofit, degree-granting colleges and universities in the United States. The primary tool used in the performance of this study is the I-O model and dataset developed by IMPLAN Group LLC. Primary financial data used in this study was obtained from The Independent Postsecondary Education Data System (IPEDS) and included the following data points: operational expenditures, payroll and benefits for employees, number of employees for FY 18 coupled with enrollment and graduation data for academic year 2018–2019. Secondary data was utilized to estimate spending by visitors (day and overnight) and students (undergraduate, graduate, professional) exclusive of tuition and fees. The impact presented in this analysis is broken down into three categories: direct impact, indirect impact and induced impact. The indirect and induced impacts are commonly referred to as the "multiplier effect." This study represents a point-in-time calculation of impact for the private, nonprofit higher education sector on the U.S. economy.

The analysis of private, nonprofit higher education used both primary and secondary data including:

· 57 interviews in 19 states with elected officials, college and university leadership, business leaders and community leaders.

· 133 online surveys of NAICU members (15.4% response rate at the 90% confidence interval with a margin of error +/-7.82%).

· Financial, staffing, enrollment and graduation data compiled from IPEDS in 50 states and two territories for all private, nonprofit higher educational institutions (FY 18 and academic year 2018–2019).

· Nine sets of economic models each with six segments built to calculate the impact of private, nonprofit higher education on the U.S. economy and eight NAICU regions.

· Alumni models were created in IMPLAN to calculate the induced (household) impact as a result of extra income earned from graduates from private, nonprofit higher education institutions.

· Philanthropy and volunteerism models were created to calculate the impact of faculty, staff and students utilizing data from the U.S. Census Bureau on volunteerism and charitable giving coupled with data on the value of a volunteer hour from the Points of Light Foundation. Charitable giving impacts are based upon assumptions found in the U.S. Census donor data.

These models do not assume a 100% participation rate for staff, faculty and students and are not based on averages. Some colleges and universities had primary data available on volunteerism and in those cases actual hours were used in the calculation. For the purposes of this study, it is assumed that 24.9% of staff and faculty donate an average of $2,064 annually and 14.9% of students donate an average of $250 each year. Volunteer impacts are based upon assumptions found in the U.S. Census and the value of a volunteer hour was obtained from the Points of Light Foundation and is estimated at $23.56 per hour. For the purposes of this breakout analysis, it was assumed that 27.2% of staff and faculty volunteer and 23.3% of students volunteer.

·National Institutes of Health (NIH) and National Science Foundation (NSF) data for 2019 analyzed for private, nonprofit colleges and universities.

·Association of University Technology Managers, Inc. (AUTM) data, 2018.

Specific data sources utilized in the profile of the higher education ecosystem and throughout the report include:

· U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Institutional Characteristics (2019–20), Finance (FY 2018) and 12-month Enrollment (2018–19) surveys. Analysis by the National Association of Independent Colleges and Universities.

· U.S. Department of Education, National Center for Education Statistics, "Beginning Postsecondary Students Longitudinal Study (BPS:12/17)," October 2019.

· U.S. Department of Education, National Center for Education Statistics, 2015–16 National Postsecondary Student Aid Study (NPSAS:16).

· College Board, "Trends in College Pricing and Student Aid 2020," November 2020.

· College Board, "Trends in Student Aid 2018," October 2018.

· U.S. Department of Education, Office of Postsecondary Education, https://www2.ed.gov/about/offices/list/ope/idues/eligibility.html.

IMPLAN METHODOLOGY

The primary tool used in the performance of this study is the I-O model and data set developed and maintained by IMPLAN Group LLC (formerly Minnesota IMPLAN Group Inc.). IMPLAN is a widely accepted and used software model first developed by the U.S. Forest Service in 1972. That data used in the baseline IMPLAN model and data set come largely from federal government databases. The input-output tables themselves come from the Bureau of Economic Analysis. Much of the annual data on labor, wages, final demand and other market data comes from the Bureau of Labor Statistics, the Census Bureau and other government sources.

The model uses national production functions for over 536 industries to determine how an industry spends its operating receipts to produce its commodities. These production functions are derived from U.S. Census Bureau data. IMPLAN (https://implanhelp.zendesk.com/hc/en-us/articles/360044985833-About-IMPLAN) couples the national production functions with a variety of county-level economic data to determine the impacts. IMPLAN collects data from a variety of economic data sources to generate average output, employment and productivity for each industry. IMPLAN combines this data to generate a series of economic multipliers for the study area. The multiplier measures the amount of total economic activity generated by private, nonprofit higher education's spending an additional dollar in the study area. Based on these multipliers, IMPLAN generates a series of tables to show the industry's direct, indirect and induced impacts to gross receipts, or output, within each of the model's more than 536 industries. The model calculates three types of effects: direct, indirect and induced. The economic impact of private, nonprofit higher education is the sum of these three effects.

APPENDIX B: **TERMS AND DEFINITIONS**

Direct Economic Impact.	All direct expenditures made by an organization due to its operating expenditures. These include operating expenditures, capital expenditures and pay and benefits expenditures.
Direct Employment.	Total number of employees, both full-time and part-time, at the organization based on total jobs, not FTEs.
Dollar Year.	Presented in 2019 dollars.
Employment.	Industry-specific mix of full-time, part-time and seasonal employment. It is an annual average that accounts for seasonality and follows the same definition used by the BLS and BEA. Employment is not equal to full-time equivalents.
Local, State and Federal Tax Impact.	Government revenue or tax revenue that is collected by governmental units at the local, state and federal level in addition to those paid directly by an organization. This impact includes taxes paid directly by the organization itself, employees of the organization and vendors who sell products to the organization and their employees at the household level.
Indirect Economic Impact.	The indirect impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the economy, either through imports or by payments to value added (multiplier effect).
Indirect Employment.	Additional jobs created as a result of an organization's economic impact. Local companies or vendors that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.
Induced Economic Impact.	The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing further local economic activity (multiplier effect).
Induced Employment.	Additional jobs created as a result of household spending by employees of an organization and the employees of vendors. This is another wave of the employment multiplier.
Labor Income.	All forms of employment income, including employee compensation (wages, salaries and benefits) and proprietor income.
Multiplier Effect.	The multiplier effect is the additional economic impact created as a result of the organization's direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier (indirect/supply chain impacts). Household spending generated by employees of the organization and the organization's suppliers create a third wave of multiplier impact (induced/household spending impacts). The multipliers used in this study range from 1.3 to 2.6.
Output.	For all industries, output equals the value of industry production, which is equal to sales plus net inventory change.
Study Year.	Financial data from IPEDS for FY 18. Student enrollment and graduation data from IPEDS for academic year 2018–2019.
Total Economic Output/Economic Impact.	Includes organizational spending on operations, capital expenditures, labor income expenditures and value added to the economy as a result of expenditures made by an organization. It is the combined impact of direct, indirect and induced impacts.

NAICU Private, Nonprofit Higher Education:
SHAPING LIVES AND ANCHORING COMMUNITIES

NAICU

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