

THE ECONOMIC VALUE

of American Indian and Alaska Native Tribal Colleges & Universities (TCUs)

FACT SHEET, AUGUST 2015

The nation's 37 Tribal Colleges and Universities (TCUs) promote economic growth throughout Indian country and the U.S. by developing and strengthening an American Indian/rural America workforce. TCUs create a positive impact in American Indian/Alaska Native communities and throughout the business community. They generate a return on investment to their major stakeholder groups—students, tribes, society, and all taxpayers. Using a two-pronged approach that involves an economic impact analysis and an investment analysis, the study calculates the benefits to each of these groups. Results of the analysis reflect Academic Year (AY) 2013-14.

JOB EQUIVALENTS BASED ON INCOME

Job equivalents represent full- and part-time jobs that would not have occurred in the nation without the TCUs. They are calculated by jobs to sales ratios specific to each industry. The known alumni impact of \$2.3 billion in added income supports 28,778 within the nation.

IMPACT ON BUSINESS COMMUNITY

Alumni impact

- Over the years, students have studied at TCUs and entered or re-entered the workforce with newly acquired skills. This represents the accumulation of human capital that the TCUs have fostered. Today, thousands of these former students are employed in the U.S.
- The economic impacts of TCUs are described below: The accumulated contribution of former students currently employed in the national workforce amounted to **\$2.3 BILLION** in added income, or gross domestic product, during the analysis year.
- This total effect represents the higher wages that students earned during the year, the increased output of the businesses that employed the students, and the multiplier effects that occurred as students and their employers spent money at other businesses.

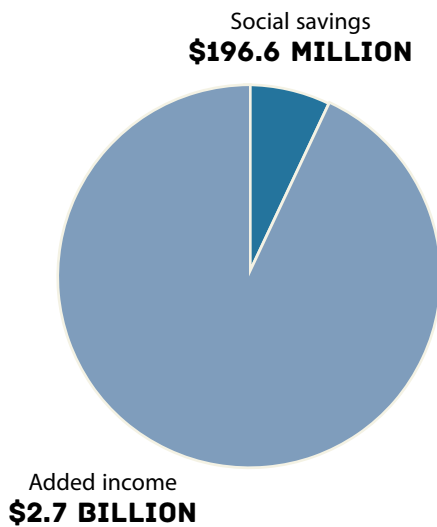
INCOME CREATED BY TCUs IN AY 2013-14 (ADDED INCOME)

TOTAL ALUMNI IMPACT	
\$2.3 BILLION	ADDED INCOME
28,778	JOBS

FOR EVERY \$1 SPENT BY...

STUDENTS	<p>\$4.10 Gained in lifetime income for STUDENTS</p>
SOCIETY	<p>\$5.20 Gained in added state income and social savings for SOCIETY</p>
TAXPAYERS	<p>\$2.40 Gained in added taxes and public sector savings for TAXPAYERS</p>

FIGURE 2. PRESENT VALUE OF ADDED INCOME AND SOCIAL SAVINGS ACROSS THE U.S.



IMPORTANT NOTE

Some benefits of TCUs are beyond quantification: it may be impossible to measure in monetary terms the preservation of language, lands, culture, history, and sovereignty.

RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- TCUs’ 2013-14 students paid a total of **\$38.8 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$155.3 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the monies invested in the TCUs, students will receive a present value of **\$794.3 MILLION** in increased earnings over their working lives. This translates to a return of **\$4.10** in higher future income for every \$1 that students invest in their education. The average annual return for students is **16.6 PERCENT**.

Social perspective

- Society as a whole in the U.S. will receive a present value of **\$2.7 BILLION** in added national income over the course of the students’ working lives. Society will also benefit from **\$196.6 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on TCUs during the analysis year, society will receive a cumulative value of **\$5.20** in benefits, for as long as the 2013-14 student population at TCUs remains active in the regional workforce.

Taxpayer perspective

- In AY 2013-14, taxpayers across the U.S. paid **\$337.9 MILLION** to support the operations of TCUs. The net present value of the added tax revenue stemming from the students’ higher lifetime incomes and the increased output of businesses amounts to **\$715.1 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$46 MILLION** in benefits due to a reduced demand for government-funded services in the U.S.
- Dividing benefits to taxpayers by the associated costs yields a **2.4** benefit-cost ratio, i.e., every \$1 in costs returns \$2.40 in benefits. The average annual return on investment for taxpayers is **6.2 PERCENT**.