THE ECONOMIC CONTRIBUTION OF PRIVATE NONPROFIT COLLEGES AND UNIVERSITIES

Technical Report • Fiscal Year 2024 in 2025 Dollars

NAICU
NATIONAL ASSOCIATION OF
Independent Colleges and Universities

Prepared for the National Association of Independent Colleges and Universities by **PARKER STRATEGY GROUP**

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The economic contribution of private nonprofit colleges and universities to the United States · FY2024

EXECUTIVE SUMMARY

Private nonprofit higher education's impact on the United States · Fiscal Year 2024

TOTAL ECONOMIC IMPACT

$838.9B

GENERATED ACROSS ALL 50 STATES, DC + MULTIPLE U.S. TERRITORIES IN FY24

$1 of $37
in the entire American economy

2.7%
of total U.S. GDP

4,085,342
JOBS SUPPORTED + SUSTAINED
1 out of every 39 jobs in America — 2.6% of all U.S. jobs

$535.1B
CONTRIBUTION TO GDP
In value added to the U.S. economy — the sector's direct contribution to GDP

$340.2B
LABOR INCOME
Paid to American workers and families

$122.2B
TAX REVENUE GENERATED
$80.1B federal · $23.9B state · $18.2B local

1,126,123
ALUMNI ENTERING THE WORKFORCE
Their added earning power generates $199.4B in economic activity and supports 887,899 additional

$4.56B
COMMUNITY GIVING BACK
107.7M volunteer hours plus $812.2M in charitable gifts

NAICU engaged Parker Strategy Group to measure the economic impact of private nonprofit colleges and universities nationwide. Using an IMPLAN input-output model built on IPEDS data, the study tracks how institutional spending on operations, payroll and capital — together with student and visitor spending — ripples through the national economy. Between FY2021 and FY2024, that output grew roughly 12% in inflation-adjusted terms, underscoring the sector's rising importance to the nation.

A FOUNDATIONAL PILLAR OF THE NATIONAL ECONOMY

AT $838.9 BILLION, PRIVATE NONPROFIT HIGHER EDUCATION RIVALS ENTIRE AMERICAN INDUSTRIES

Annual economic output vs. major U.S. sectors

In billions of dollars

The sector in perspective

Its share of the entire U.S. economy

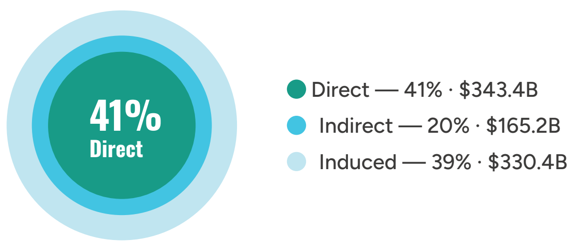
$1 of $37

Every $37 in the entire American economy includes $1 generated by private nonprofit higher education.

Equivalent to **2.7% of U.S. GDP**

The ripple effect

Only 41% of output is direct spending — the rest ripples outward through supply chains and household spending



The ripple runs deep. 59% of the sector's output and 52% of the 4.1 million jobs it supports exist beyond campus — sustained by the supply chains and household spending it sets in motion. Between FY2021 and FY2024, total output grew roughly 12% in inflation-adjusted terms.

ABOUT PRIVATE NONPROFIT COLLEGES + UNIVERSITIES

ENGINES OF WORKFORCE DEVELOPMENT, INNOVATION AND COMMUNITY IN EVERY CORNER OF THE NATION

The National Association of Independent Colleges and Universities (NAICU) is the unified national voice for America's private nonprofit higher education sector. With campuses in every state, the District of Columbia and multiple U.S. territories, these institutions serve millions of students and employ hundreds of thousands of faculty and staff — while shaping the economic, intellectual and cultural life of the communities around them.

ECONOMIC ENGINE

Major regional employers, supporting jobs directly and across supply chains through operations, payroll and capital investment.

RESEARCH + INNOVATION

Hubs for research in medicine, engineering, arts and the sciences — attracting federal and private funding that fuels new industries.

COMMUNITY ANCHOR

Providers of health care, cultural programming, public service and civic engagement that strengthen local communities.

CULTURAL + CIVIC LIFE

A source of identity and pride — enhancing social cohesion, lifelong learning and opportunity across every region.

50 STATES

Private nonprofit colleges and universities operate in all 50 states, the District of Columbia and multiple U.S. territories — cultivating an educated workforce and driving both economic growth and social progress nationwide.

REPORT STRUCTURE

This report opens with the data sources and methodology behind the assessment, then presents detailed breakouts of the sector's economic impact — direct, indirect and induced — across output, jobs, labor income, value added and tax revenue. It closes with the alumni impact of the sector and the broader community benefits these institutions generate.

ABOUT THE STUDY

REAL, MEASURABLE CONTRIBUTIONS — BUILT ON FEDERAL DATA AND A PROVEN MODEL

Parker Strategy Group was engaged by NAICU to measure the sector's total economic, employment and tax impact nationwide. The analysis draws on actual financial and enrollment data reported to the federal government, distinguishing carefully between direct, indirect and induced effects to produce a conservative, credible estimate.

How the study works

From institutional data to total national impact

IPEDS DATA
Spending, payroll + enrollment reported by institutions to the federal government

→

IMPLAN MODEL
Input-output model traces every dollar through the economy

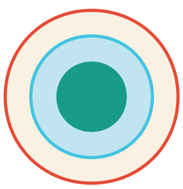
→

3 IMPACT TYPES
Direct + indirect + induced effects

→

TOTAL IMPACT
Output, jobs, income + taxes

THE THREE TYPES OF IMPACT



Direct — the institutions' own spending on operations, capital, pay and student + visitor activity.

Indirect — demand rippling through the supply chain that supports them.

Induced — household spending by employees, suppliers and students.

NAICU STUDY

Data sources:
IPEDS (Integrated Postsecondary Education Data System) + IMPLAN

Study type:
Economic contribution analysis

Geography:
U.S. — 50 states, DC + territories

Study year:
FY2024 · 2025 dollars

DATA + ANALYSIS

The analysis models three streams of spending. Operations captures institutional expenditures — payroll, purchases of goods and services, and capital investment. Student and visitor spending capture the off-campus economic activity these institutions attract to their host communities.

OPERATIONS
Institutional spending on payroll, goods and services, and capital investment.

STUDENT SPENDING
Non-tuition spending by students in host communities.

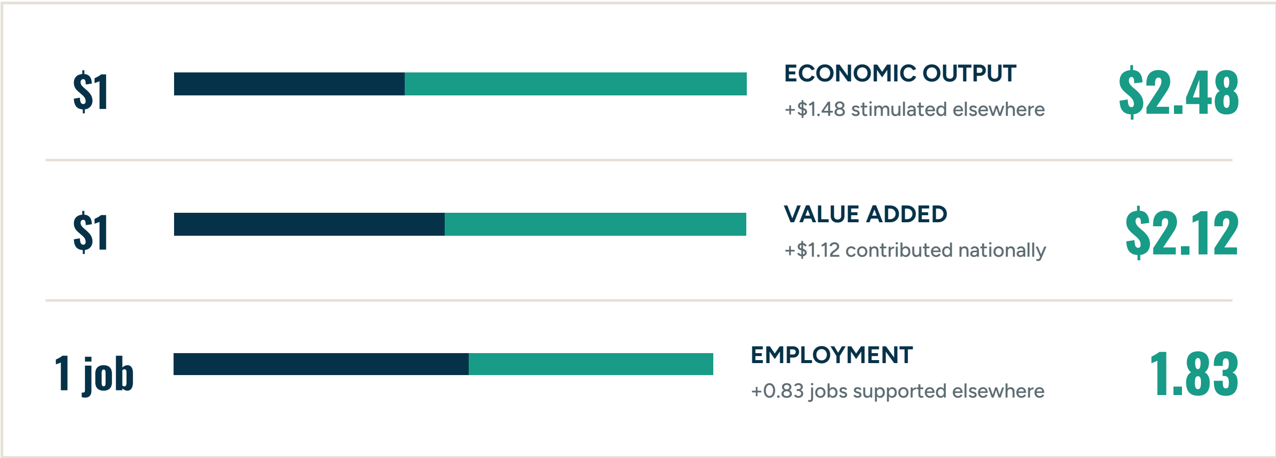
VISITOR SPENDING
Spending tied to campus events and activities.

METHODOLOGY, MULTIPLIERS + KEY TERMS

EVERY DOLLAR THE SECTOR SPENDS MULTIPLIES AS IT MOVES THROUGH THE ECONOMY

The multiplier effect

How much total activity each unit of direct activity generates



Direct effect · Multiplier effect (indirect + induced) · Source: PSG using IMPLAN with IPEDS data

OVERVIEW OF THE IMPLAN MODEL

Input-output analysis traces how a dollar added to one sector is spent and re-spent across the economy — the "multiplier effect." The IMPLAN model, first developed by the U.S. Forest Service in 1972, draws on federal data from the Bureau of Economic Analysis, Bureau of Labor Statistics and Census Bureau. Because the model runs until money leaves the region, the larger and more diverse the economy, the greater the measured impact — so national multipliers exceed the sum of individual state multipliers.

KEY TERMS

Output: The total value of all economic activity generated — the broadest measure of impact, larger than GDP contribution because it counts every transaction.

Direct impact: Institutions' own expenditures — operations, capital, pay benefits.

Indirect impact: Supply-chain demand as local industries buy from one another.

Induced impact: Household spending from re-circulated employee, vendor and student income.

Labor income: Total wages, salaries and benefits paid to workers, plus proprietor income.

Multiplier effect: Additional activity created as direct spending recirculates through supply chains and households.

Value added: Net value added to the economy; nationally, equivalent to GDP contribution

Dollar year: All figures presented in 2025 dollars.

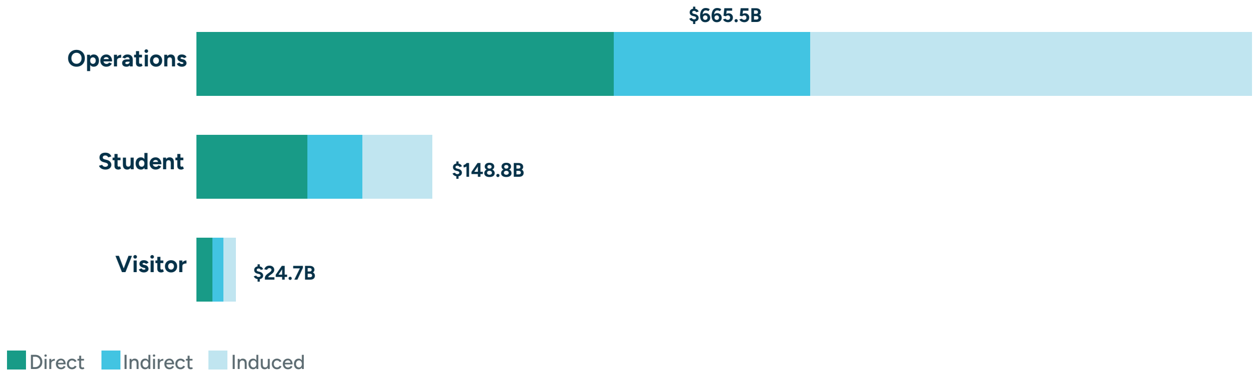
COMBINED ECONOMIC IMPACT

$838.9B

Total economic output in FY24 — the sum of direct spending by institutions and the indirect and induced ripples it generates across the national economy.

Where the impact comes from

Total output by source of spending, split into direct, indirect + induced



COMBINED ECONOMIC IMPACT (FY24)

Type of impact	Operational	Student	Visitor	Combined
Direct	$263,284,945,989	$70,004,585,801	$10,147,900,228	$343,437,432,018
Indirect	$123,711,037,434	$34,712,347,855	$6,778,517,940	$165,201,903,230
Induced	$278,502,378,957	$44,116,150,744	$7,735,500,061	$330,354,029,762
Total	**$665,498,362,380**	**$148,833,084,399**	**$24,661,918,230**	**$838,993,365,009**

Source: Parker Strategy Group using IMPLAN with data sourced from IPEDS

Operations drive nearly 8 in 10 dollars. The sector's day-to-day operations account for $665.5B of the total — but student and visitor spending add another $173.5B, extending the sector's reach into local economies nationwide.

VALUE ADDED + EMPLOYMENT IMPACT

$535.1B
CONTRIBUTION TO U.S. GDP
Value added to the national economy — the sector's direct contribution to GDP

4,085,342
JOBS SUPPORTED + SUSTAINED
1 of every 39 jobs in America

$340.2B
LABOR INCOME
Paid to American workers

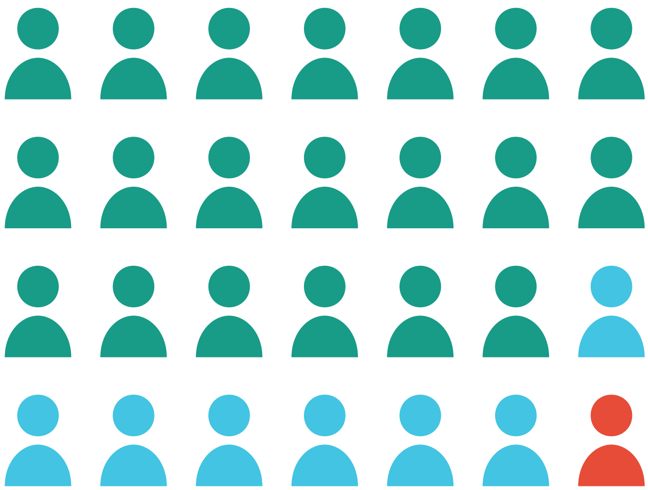
COMBINED VALUE ADDED IMPACT (FY24)

Type of impact	Operational	Student	Visitor	Combined
Direct	$203,094,250,574	$49,376,096,571	$6,098,448,776	$258,568,795,921
Indirect	$59,733,066,889	$18,405,893,950	$3,533,389,373	$81,672,350,212
Induced	$164,283,878,526	$26,028,645,337	$4,563,431,692	$194,875,955,555
Total	**$427,111,195,989**	**$93,810,635,858**	**$14,195,269,840**	**$535,117,101,687**

Source: Parker Strategy Group using IMPLAN with data sourced from IPEDS

4.1 MILLION JOBS — AND MOST EXIST BEYOND CAMPUS

Each icon ≈ 145,000 jobs · colored by source



Share of 4.08M jobs

- Operations — **2,898,751** (71%)
- Student — **1,040,831** (25%)
- Visitor — **145,760** (4%)

COMBINED EMPLOYMENT IMPACT (FY24)

Impact	Operational	Student	Visitor	Combined
Direct	1,192,436	704,161	85,797	1,982,394
Indirect	459,475	138,933	25,315	623,723
Induced	1,246,840	197,736	34,648	1,479,225
Total	**2,898,751**	**1,040,831**	**145,760**	**4,085,342**

Source: Parker Strategy Group using IMPLAN with data sourced from IPEDS

TAX REVENUE IMPACT

$122.2B

Generated in federal, state and local tax revenue in FY24 — a significant public return on investment from the institutions, their employees, suppliers and communities.

Where the tax revenue lands

Share by level of government

- Federal — **$80.1B** (66%)
- State — **$23.9B** (20%)
- Local — **$18.2B** (15%)

Local tax detail

The $18.2B local share, by type

Subcounty, general (city) — **$6.9B**

Special districts (fire, EMS, school) — **$6.8B**

County — **$4.5B**

TOTAL LOCAL, STATE + FEDERAL TAX IMPACT (FY24)

Impact	Subcounty, general	Special districts	County	State	Federal	Total
Direct	$2,770,434,127	$2,638,529,878	$1,787,552,486	$10,376,834,857	$43,388,527,181	$60,961,878,528
Indirect	$977,586,231	$946,708,226	$634,959,832	$3,438,788,838	$10,803,712,634	$16,801,755,762
Induced	$3,173,078,424	$3,165,776,157	$2,111,064,033	$10,061,214,582	$25,895,202,544	$44,406,335,740
Total	**$6,921,098,783**	**$6,751,014,260**	**$4,533,576,351**	**$23,876,838,277**	**$80,087,442,359**	**$122,169,970,030**

Source: Parker Strategy Group using IMPLAN with data sourced from IPEDS

Two-thirds flows to Washington. Of every tax dollar the sector generates, roughly 66 cents reaches the federal government, 20 cents the states, and 15 cents local governments and school districts closest to campus.

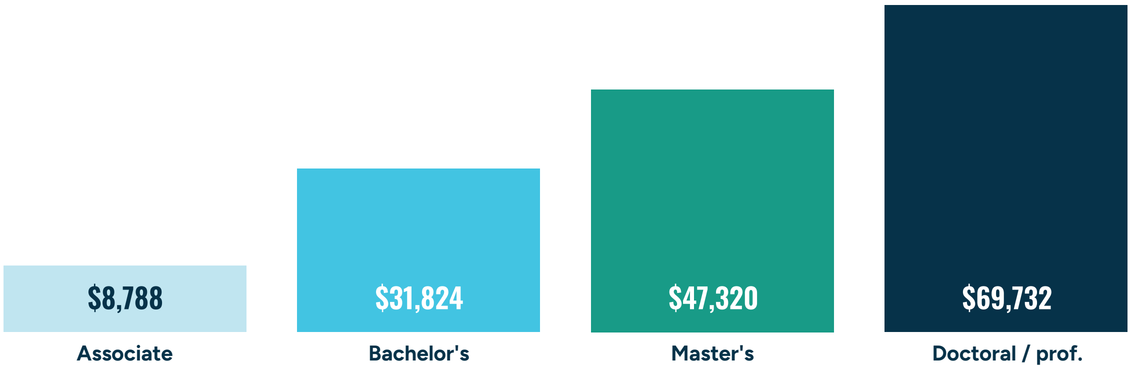
ALUMNI IMPACTS

EVERY DEGREE EARNED IS LIFELONG EARNING POWER RETURNED TO THE ECONOMY

Graduates of private nonprofit institutions generate substantial economic activity through the additional earning power each credential provides over a high school diploma. The impact climbs sharply with each degree level — a conservative measure of the sector's return to the nation.

Earnings premium climbs with every degree

Average annual earnings above a high-school diploma



NATIONAL ALUMNI IMPACT SUMMARY, 1-YEAR (FY24)

Degree level	Number of alumni	Earnings premium over high school	Total economic impact	Jobs impact
Associate degree	56,013	$8,788	$6,565,045,508	28,436
Bachelor's degree	555,012	$31,824	$90,416,397,833	402,982
Master's degree	413,821	$47,320	$80,146,246,668	357,209
Doctoral / professional	101,277	$69,732	$22,311,049,489	99,272
Total	**1,126,123**	—	**$199,438,739,498**	**887,899**

Source: Parker Strategy Group using IMPLAN; Bureau of Labor Statistics earnings data

1,126,123
ALUMNI ENTERING THE WORKFORCE

$199.4B
ONE-YEAR ECONOMIC IMPACT

887,899
ADDITIONAL JOBS SUSTAINED

COMMUNITY BENEFITS

$4.56B

In annual community benefit from volunteerism and charitable giving — value these institutions create beyond their economic footprint, not captured in traditional impact measures.

Volunteer service

107.7 million hours each year, valued at $34.79/hour

$3.75B volunteer value

Charitable giving

Direct donations by faculty and staff

$812.2M in annual gifts

COMMUNITY ENGAGEMENT + OUTREACH

HEALTH CLINICS
Care from institutions with medical + health programs

K-12 PARTNERSHIPS
Tutoring + pipeline programs for local schools

SMALL BUSINESS
Development centers + entrepreneurship support

ARTS + CULTURE
Public performing arts + cultural programming

SUSTAINABILITY
Extension services + environmental initiatives

LEGAL + SOCIAL
Clinics, counseling + social services

SUMMARY OF COMMUNITY BENEFITS

Community benefit category	Estimated annual value
Value of volunteer hours (107,734,110 hours)	$3,748,069,687
Staff and faculty charitable giving	$812,170,233
Total community benefit value	**$4,560,239,920**

Source: Parker Strategy Group using data sourced from IPEDS; Independent Sector

CONCLUSION

A FOUNDATIONAL FORCE FOR OPPORTUNITY, INNOVATION AND SHARED PROSPERITY

Private nonprofit colleges and universities stand as one of the most significant and far-reaching economic forces in the United States. In fiscal year 2024, the sector generated **$838.9 billion** in total economic output, supported and sustained **4.1 million jobs**, and contributed **$122.2 billion** in local, state and federal tax revenues — a return reaching every state, the District of Columbia and multiple U.S. territories.

With a contribution to national GDP of **$535.1 billion** — 2.7% of the U.S. economy — private nonprofit higher education rivals entire industries in scale, while driving the research, innovation and workforce development that underpin long-term national prosperity.

Yet the full value of these institutions extends well beyond these figures. Through the elevated earning power of their alumni, the billions in volunteer service and charitable giving contributed by their faculty, staff and students, and their deep community engagement, they strengthen the social and civic fabric of the nation in ways traditional measures cannot fully capture.

$838.9B	4.1M	$535.1B	$122.2B
ECONOMIC IMPACT	JOBS SUSTAINED	GDP CONTRIBUTION	TAX REVENUE

AS THE SECTOR'S CONTRIBUTION CONTINUES TO GROW, THESE INSTITUTIONS REMAIN ESSENTIAL ENGINES OF OPPORTUNITY — INVESTMENTS THAT YIELD LASTING RETURNS FOR STUDENTS, COMMUNITIES, AND THE NATION.

PARKER STRATEGY GROUP

Prepared for the National Association of Independent Colleges and Universities

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Source: Parker Strategy Group using IMPLAN with data sourced from IPEDS. Figures in 2025 dollars; totals may not sum due to rounding.

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SOLVING YOUR MOST COMPLEX PUZZLES.

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