



AMERICAN COLLEGE
of EDUCATION®

Executive Summary

OCTOBER 2023



The Economic Value of American College of Education

Lightcast completed this analysis via a consulting agreement with ACE.





A **AMERICAN COLLEGE OF EDUCATION** (ACE) creates value in many ways. The college plays a key role in helping students advance their careers and achieve their individual potential. ACE provides students with the education, training, and skills they need to have fulfilling and prosperous careers. ACE serves working professionals with accessible, flexible, and affordable graduate degrees.

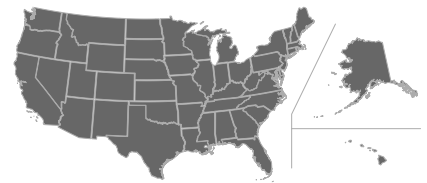
ACE influences both the lives of its students and the national economy. The college supports a variety of industries in the U.S. and benefits society as a whole in the U.S. from an expanded economy and improved quality of life. Additionally, the benefits created by ACE extend to the government through increased tax revenues and public sector savings.

This study measures the economic impact created by ACE alumni on the professional community and evaluates the return on investment to ACE primary stakeholders—students and society—and measures the benefits received by taxpayers from ACE. The following two analyses are presented:

 **Alumni impact analysis**

 **Investment analysis**

All results reflect student and financial data provided by the college for calendar year (CY) 2022. The alumni impact on the U.S. economy is reported under the alumni impact analysis and is measured in terms of added income. The returns on investment to students and U.S. society, along with benefits to taxpayers, are reported under the investment analysis.

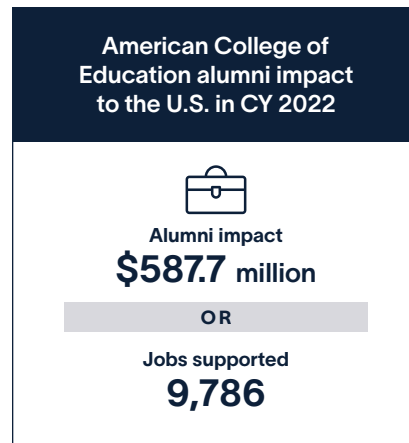


The United States

American College of Education influences both the **lives of its students** and the **national economy**.



Alumni impact analysis

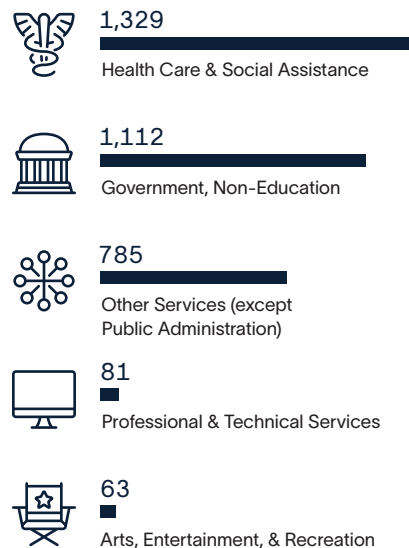


The education and training ACE provides to U.S. residents has a significant impact. Since the college was established, students have graduated from ACE and entered or re-entered the workforce with greater knowledge and new skills that they have been able to directly apply to their jobs. Today, thousands of ACE’s alumni are employed in the U.S.

As a result of their education from ACE, the students receive higher earnings and increase the productivity of the organizations that employ them. In CY 2022, ACE alumni generated \$587.7 million in added income for the national economy, which is equivalent to supporting 9,786 jobs.

ACE’s total alumni impact can also be expressed in terms of jobs supported. The \$587.7 million impact supported 9,786 U.S. jobs, using the jobs-to-sales ratios specific to each industry in the nation. This impact stemmed from different industry sectors. For instance, among non-education industry sectors, ACE alumni in the Health Care & Social Assistance industry sector supported 1,329 jobs in CY 2022. If the college did not exist, these impacts would not have been generated in the U.S.

ACE impacts by industry in the U.S. (jobs supported)




Investment analysis



An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here evaluates ACE as an investment from the perspectives of students and society. In addition, the benefits received by U.S. taxpayers are measured.

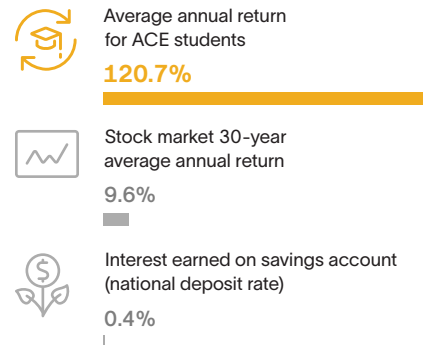
Student perspective

 In CY 2022, ACE served 13,764 degree-seeking students. In order to attend the college, the students paid for tuition, digital library, and resources. While attending ACE, nearly all students were fully working professionals in mid-career occupations while in pursuit of a graduate degree for career advancement. This analysis considers the foregone earnings some students would have generated had they not been pursuing a degree during the year. The total investment made by ACE's students in CY 2022 amounted to a present value of \$82.9 million, equal to \$49.3 million in out-of-pocket expenses and \$33.7 million in forgone time and money.

In return for their investment, ACE's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average ACE master's degree graduate from CY 2022 will see annual earnings that are \$16,200 higher than a person with a bachelor's degree working in the U.S. Over a working lifetime, the benefits of the master's degree over a bachelor's degree will amount to an undiscounted value of \$469.8 thousand in higher earnings per graduate. The present value of the cumulative higher future earnings that ACE's CY 2022 students will receive over their working careers is \$1.6 billion.

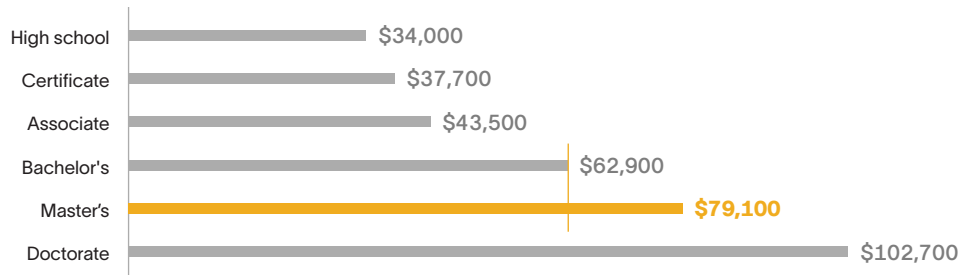
The students' benefit-cost ratio is 19.2. In other words, for every dollar students invest in ACE in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$19.20 in higher future earnings. Annually, the students' investment in ACE has an average annual internal rate of return of 120.7%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 9.6%.

Students see a high rate of return for their investment in American College of Education



Source: Forbes' S&P 500, 1992-2021. FDIC.gov, 2-2022.

The average master's degree graduate from American College of Education will see an increase in earnings of **\$16,200** each year compared to a person with a bachelor's degree working in the U.S.



Source: Lightcast employment data.

Making education accessible

By keeping tuition amongst the lowest in the industry and purposely not participating in awarding federal Title IV funding (i.e., federal financial aid), ACE is an affordable option. With tuition rates remaining unchanged since 2016, more than 87% of ACE's students self-finance their education, avoiding the burden of debt.

ACE partnerships

ACE partners with over 2,000 school districts, hospitals, businesses, and organizations to help students advance their career. Students benefit from these partnerships through Employer Grants, transfer-credit opportunities, and networking events.

Taxpayer perspective



ACE is a private college and receives no federal funding and little to no state and local taxpayer funding, yet U.S. taxpayers still receive a significant amount of benefits from the college. These benefits to taxpayers consist primarily of taxes that the government will collect from the added revenue created in the nation. As ACE students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the CY 2022 students' working lives, the government will have collected a present value of \$724.7 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of ACE students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that ACE students receive will generate savings in three main categories: 1) healthcare, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. ACE students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the college for a copy of the main report. Altogether, the present value of the benefits associated with an education from ACE will generate \$218.7 million in savings to taxpayers.

Total taxpayer benefits amount to \$943.4 million, the present value sum of the added taxes and public sector savings.

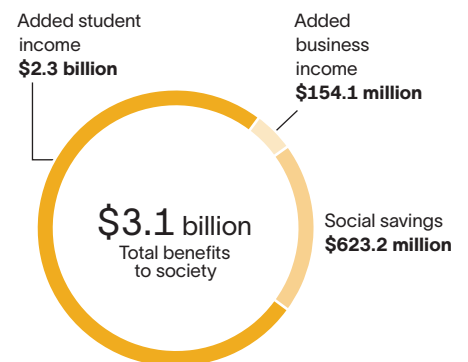
Social perspective



Society as a whole in U.S. benefits from the presence of ACE in two major ways. Primarily, society benefits from an increased economic base in the nation. This is attributed to the added income from students' increased lifetime earnings

U.S. taxpayers will receive a cumulative value of **\$943.4 million** over the course of the students' working lives.

Social benefits in the U.S. from American College of Education



Source: Lightcast impact model.



(added student income) and increased productivity output (added business income), which raise economic prosperity in U.S.

Benefits to society also consist of the savings generated by the improved lifestyles of ACE students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Healthcare savings include avoided medical costs associated with smoking, alcohol dependence, obesity, drug abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the college for a copy of the main report.

Altogether, the social benefits of ACE equal a present value of \$3.1 billion. These benefits include \$2.3 billion in added student income, \$154.1 million in added business income, as well as \$623.2 million in social savings related to health, the justice system, and income assistance in the U.S. People in the U.S. invested a present value total of \$82.9 million in ACE in CY 2022. Since ACE receives minimal taxpayer funding, the cost is primarily reflective of the student costs – direct expenditures as well as earnings a portion of students forgo while pursuing their degree.

The benefit-cost ratio for society is 37.1, equal to the \$3.1 billion in benefits divided by the \$82.9 million in costs. In other words, for every dollar invested in ACE, people in the U.S. will receive a cumulative value of \$37.10 in benefits. The benefits of this investment will occur for as long as ACE's CY 2022 students remain employed in the national workforce.

Summary of investment analysis results

The results of the analysis demonstrate that ACE is a strong investment for students and society and generates significant benefits to taxpayers. As shown, students receive a great return for their investments in an education from ACE. At the same time, society as a whole receives a wide range of social benefits throughout the U.S.

Breaking boundaries with education as a first-generation graduate

"Of all the institutions I researched, ACE provided a culture where I could thrive. I could rely on its flexibility, affordability and student-centered approach."

—Dr. Marissa Winmill, M.Ed. in Educational Leadership, Ed.D. in Leadership



Student perspective	
Present value benefits \$1.6 billion	
Present value costs \$82.9 million	
Net present value \$1.5 billion	
Benefit-cost ratio	Rate of return
19.2	120.7%



Taxpayer perspective
Present value benefits \$943.4 million



Social perspective	
Present value benefits \$3.1 billion	
Present value costs \$82.9 million	
Net present value \$3.0 billion	
Benefit-cost ratio	Rate of return
37.1	n/a*

* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

Conclusion

The results of this study demonstrate that ACE creates value from multiple perspectives. The college benefits organizations by supplying a steady flow of qualified, trained workers to the workforce. ACE enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The college benefits taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, ACE benefits society as a whole in the U.S. by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students. This is consistent with the vision, mission, and values of ACE and why the college is also a B Corp.



About the study

Data and assumptions used in the study are based on several sources, including the CY 2022 academic and financial reports from ACE, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the college for a copy of the main report.

The results of this study demonstrate that American College of Education creates value from **multiple perspectives**.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.