

## Estimated, Single-Year Return over 5X on Investment in Effective Teaching Through ACUE

*Delta State University ROI increases to an estimated 32X over 5 years*

### Background

Investments in better instruction that result in stronger student outcomes also generate greater financial returns. Ithaka S+R developed a tool that calculates the return on investment (ROI) for instructional improvements (Rossman, Alamuddin, & Kurzweil, 2019). Delta State University piloted the tool in order to estimate the ROI from new faculty earning an ACUE credential in effective college instruction using impact data from the fall 2018 evaluation of their first cohort of faculty (Lawner & Snow, 2018). Students earned significantly higher rates of As, Bs, Cs, and CRs in course sections taught by ACUE-credentialed faculty, compared to sections taught by comparison faculty. Based on the assumption that instructors will continue to teach the same number of students and have the same level of student impact, the ROI tool calculates potential revenue for the next 5 years.

### Key Findings

- Using the results from the fall 2018 ACUE evaluation and additional required information (see Methodology), the tool estimated the following ROI for the inaugural cohort of 17 credentialed faculty:
  - **5.74 times ROI over 1 year**
  - **19.22 times ROI over 3 years**
  - **32.70 times ROI over 5 years**

### Methodology

The tool calculates ROI based primarily on the impact of student retention on revenue but uses the following types of data:

- Number of students enrolled in courses taught by ACUE-credentialed faculty
- Average number of credit hours for courses taught by ACUE-credentialed faculty
- Student success rates for students of both ACUE-credentialed faculty and comparison faculty
- Delta State University's estimated retention rate for students who succeed in courses taught by ACUE-credentialed faculty
- Number of credits required for full-time status
- Number of credit hours students complete on average in a year
- Institutional data on tuition, fees, local appropriations, average expenses per student, and cost of recruiting new students
- Cost of the ACUE partnership
- How the university responds with its enrollment strategy to increases in student retention (e.g., by enrolling the same number of first-year students, regardless of the effort's impact)

Ithaka S+R designed the tool to calculate ROI for a variety of student-success efforts; however, the current beta version includes built-in formulas for two instructional-improvement initiatives: corequisite remediation redesign and blended introductory coursework redesign. Both of these efforts focus on specific courses, and ACUE focuses not on courses, but rather on faculty. Some assumptions inherent to the calculations may not apply. For example, the tool assumes that the ACUE-credentialed faculty will teach the same number of students each year and that the number of credit hours will remain consistent. Also, since the improvement efforts that are built into this tool generally target freshmen, but the ACUE-credentialed faculty teach a variety of courses at different levels. In other words, the tool may depend on additional assumptions that lack broader application.

## References

- Lawner, E. K., & Snow, M. (2018). *Teaching makes the difference: Higher student success rates at Delta State University*. New York, NY: Association of College and University Educators.
- Rossmann, D., Alamuddin, R., & Kurzweil, M. (2011). *Estimating the return on investment (ROI) for instructional improvement efforts: An overview of the ROI tool (beta version)*. Washington, DC: American Council on Education.