During the 2011 academic year, staff from the Gardner Institute worked with an independent researcher to examine the correlation between retention changes and tuition revenue at FoE participating institutions. The analysis also examined the return on the investment of institutional money spent on fees associated with FoE. Data for the analysis came from the IPEDS enrollment and financial tables.

**Tuition Revenue Growth Due to Retention Increases**

The researcher found that institutions that implemented their FoE-developed action plans to a self-reported “high degree” experienced the greatest growth in institutional tuition revenue, and that a significant portion of this tuition revenue growth (in aggregate, nearly $500,000 in 2008 and nearly an additional $400,000 in 2009) came from increases in first-to-second year retention rates.

This revenue analysis only examined tuition revenue. In other words, it did not take into account additional revenue streams such as performance-based funding, state appropriations based on enrollment, differential fee revenues, auxiliary revenues, etc.

**Return on Investment**

The tuition revenue analysis findings were subsequently used to calculate the retention-related tuition revenue return on investment (ROI) associated with high implementation of a FoE-generated action plan. The following formula was used to determine the return on investment:

\[
\text{ROI} = \frac{\text{Gain from Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}
\]

In that formula, gain on investment equaled the average retention-related tuition revenue increase for the institutions in the study; and the cost of the investment equaled the average cost of the fee paid by institutions to take part in FoE during the period studied.

Based on this formula, institutions that implemented their FoE-developed action plans to a self-reported “high degree” saw, in 2008 alone, an average return of nearly $26.40 in retention-related tuition revenue for every $1 used to pay the FoE participation fee.