

Human Centered Milestones: Tuition Heroes

MILESTONE 9: SIZE YOUR MARKET

There are approximately 4,000 higher education institutions in America. In 2015, there were about 1,500 Tuition Heroes.

Currently, badge activation is \$100 per badge. So, if 100% of the 2015 Tuition Heroes activated their badge, the revenue would be \$150,000. *(We also designated about 1,500 Tuition Heroes in 2014. Institutions should want to activate their Tuition Hero Badge for every year they earn it. So, initially the revenue could be as high as \$300,000. But, we'll focus on the 1,500 Tuition Heroes per year number.)*

As the program became more ubiquitous and influenced tuition rate growth, more institutions would achieve Tuition Hero status. If 100% of the 4,000 institutions were Tuition Heroes and activated their badges for \$100, the revenue would jump to \$400,000. And, if we were able to increase the activation fee to \$250 without customer erosion, the revenue could be as high as \$1,000,000.

We will also initiate a crowdfunded Tuition Heroes Fund for each Tuition Hero that activates their Tuition Hero Badge.

We would start each fundraiser as soon as the institution activated their Tuition Hero Badge and run the campaign until the next batch of Tuition Heroes were announced in July. We would then remit the funds to the institution, less an administration fee. They could use the funds for merit-based or need-based scholarships. The funds could also be used for campus-based capital projects that improve the students' experience and reduce the need to pass along expenses through tuition increases. The Tuition Heroes Fund program would not only influence faster Tuition Hero Badge activation, but it would also serve as another revenue stream.

Each Tuition Heroes Fund would be for at least \$5,000. However, there would be no limit. It would depend on how active the institution's support base was and how quickly they activated their badge. The funds could be as large as \$10,000 or \$25,000. But, let's use \$5,000 as a conservative figure. If the 1,500 Tuition Hero institutions activated their Tuition Hero Badges in time for a 12 month fund generation campaign (July through June), and we were able to raise \$5,000 for each Tuition Heroes Fund, we would generate \$7.5 million. If we captured a 5% administration fee, we would add \$375,000 to our revenue stream. If all 4,000 institutions became Tuition Heroes, and we were able to generate \$5,000 scholarships for each one, we would generate \$20,000,000 in scholarships and capture \$1,000,000.