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Corporate engagement: **HBCUs**

A Primer for Institutional Members

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About this deck

This slide deck provides **social impact leaders** in the **private sector** with a general overview of the state of corporate engagement with historically Black colleges and universities (“HBCUs”) in the United States.

To explore this idea, NationSwell provided:

- An overview of funding for HBCUs, both retrospective and current;
- An overview of the benefits HBCUs have for students and communities;
- An overview of common corporate actions that support HBCUs, primarily post-2020

Resources include:

- Statistics about historic and current trends in HBCU funding
- Statistics about the benefits of HBCUs for students and communities
- Insights into private philanthropy’s role in HBCUs, especially post-2020
- Examples of corporate support of HBCUs, categorized by student opportunities, ecosystem-wide centers, and localized support

This is a living document and, as such, may have omissions. To suggest an addition, email us at insights@nationswell.com



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HBCUs: research and data

Key takeaways

- **HBCUs are underfunded compared to their non-HBCU counterparts, especially preceding 2020.** Due to low private donations and historic funding inequities, HBCUs rely on federal funding and tuition more than their non-HBCU counterparts.
- **More students are applying to HBCUs, even as general college enrollment falls.** Recent economic and societal pressures exacerbated long-term trends of decreasing college enrollment, but more students are turning to HBCUs for their high value and promise of strong community.
- **Post-2020, HBCUs are receiving unprecedented funding, but there's no determinate insight into how long that will last.** Many organizations have promised (and provided) philanthropic support to HBCUs but without much guarantee of how long their support will last; colleges are combatting this uncertainty by making investments in their endowments or infrastructure to support long-term stability.
- **Disaggregated data is lacking for small vs. larger HBCUs, making it difficult to assess institutional progress.** In general, research and data on HBCUs combines all institutions together to advocate for better widespread policies and support. When research makes distinctions between types of institutions, it's usually based on public vs. private, as **public institutions have historic funding struggles** beyond even their private counterparts.

HBCUs are underfunded compared to their non-HBCU counterparts, especially preceding 2020

HBCUs RELY ON A VARIETY OF FINANCIAL SOURCES

- Between 2003 and 2015, HBCUs experienced the steepest declines in federal funding per full-time equivalent student, with private HBCUs seeing a 42% reduction ([ACE](#))
- Private HBCUs are more tuition-dependent (45%) than their non-HBCU counterparts (37%) ([ACE](#))
- Private gifts, grants, and contracts make up a smaller percentage of overall revenue for private HBCUs (17%) relative to their non-HBCU counterparts (25%) ([ACE](#))

OVERALL, HBCUs RECEIVE LESS FINANCING

- All HBCU endowments lag behind those of non-HBCUs by at least 70% ([ACE](#))
- The average endowment at a private HBCU is only \$24,989 per FTE, 86% less than at private non-HBCUs ([TCF](#))
- Large U.S. foundations decreased their support of HBCUs by 30% between 2002 and 2019 – they awarded \$65 million to HBCUs in 2002 and \$45 million by 2019 ([Candid, pg. 16](#))

FINANCING ISN'T EVENLY DISTRIBUTED AMONG HBCUs

- The median number of HBCUs supported by private foundations from 2015 - 2019 was one ([Candid, pg. 18](#))
- The top 10 funded HBCUs received more than half (52%) of all foundation funding to the HBCU community ([Candid, pg. 29](#))
- The top HBCU endowment is Howard University's - \$860 million; the tenth highest is Virginia State's - \$69 million ([HBCU Money](#))

HBCU interest is on the rise, even as general college enrollment falls

UNDERGRADUATE COLLEGE ENROLLMENT IS DECLINING

- From 2010 to 2021, general undergraduate enrollment fell by 15% ([IES](#))
- In 2023, undergraduate credential completions fell for the first time in a decade, by 1.6% from the previous year ([NS Research Center](#))
- In the Black community specifically, undergraduate enrollment fell from 2.7 million in 2010 to 1.9 million in 2021 ([IES](#))

HBCUs ARE SIGNIFICANT DRIVERS OF BLACK EDUCATION

- HBCUs represent 3% of all higher-education institutions in the US, but 10% of all Black students matriculating through US colleges are enrolled at HBCUs ([McKinsey](#))
- 17% of all bachelor's degrees and 24% of all STEM-related bachelor's degrees earned by Black students in the United States are awarded by HBCUs ([McKinsey](#))

STUDENTS ARE BECOMING MORE INTERESTED IN HBCUs

- Black enrollment at HBCUs increased 14% between 1976 and 2021, though the proportion of Black students at HBCUs vs. non HBCUs fell from 18% in to 8% in that same period; the proportion increased to 9% in 2021 ([NCES](#))
- Applications to HBCUs were up 30% between 2018 and 2021 ([PBS](#))
- Submissions using the Common Black College Application, solely for HBCUs, were projected to reach 40,000 in 2022, quadruple the 2016 total ([NYT](#))

HBCUs are high value for students both during school and after graduation

HBCU STUDENTS FEEL MORE SUPPORTED

- On average, the cost of attendance at an HBCU is 28% less than attending a comparable non-HBCU (UNCF)
- Black HBCU graduates are more likely than Black graduates of non-HBCUs to “strongly agree” that professors cared about them (58% vs 25%) or they felt support (35% vs. 12%) during school (Brookings)
- Data showing how many students are applying only to HBCUs or turning down majority-white schools in favor of HBCUs is not available, but anecdotal reports note that students are interested in the better community and support HBCUs can offer (NYT)

HBCU GRADUATES ACHIEVE GREATER ECONOMIC MOBILITY

- Graduates of HBCUs are 51% more likely to move into a higher-income quintile than graduates of non-HBCUs. (McKinsey)
- The mean mobility rate – defined as the percentage of students who have parents in the bottom 20% of income distribution and reach the top 20% of income distribution – across all US colleges is 1.6%, but the mean mobility rate for HBCUs is 3% (McKinsey)
- When ranking the 1,285 institutions based on their Move into Middle Class+ mobility rate, UNCF found that over half (52%) of all institutions above the 95th percentile are HBCUs (UNCF)

HBCUs HAVE STRONG LOCAL IMPACT

- HBCUs generate \$14.8 billion in economic impact annually; every dollar spent by an HBCU and its students generates \$1.44 in spending for local economies (UNCF)
- HBCUs create 134,090 jobs for their local and regional economies (UNCF)
- HBCUs offer access to education at rate two times that of the national average (UNCF)

After the murder of George Floyd, HBCUs are receiving more funding and kickstarting overdue organizational upgrades

MANY COMMITMENTS WERE MADE POST-2020

- According to preliminary data from [ABFE](#), HBCU funding rose to \$249 million in 2020, a 453% spike ([USA Today](#))
- The Biden Administration's Build Back Better Act included \$10 billion for HBCUs, Tribal Colleges and Universities, and minority-serving institutions; \$2 billion is dedicated specifically for HBCUs ([White House](#))
- A number of high profile gifts were made to HBCUs in 2020 and beyond, including \$100 million from Netflix founder Reed Hastings and more than \$500 million from MacKenzie Scott ([NYT](#))

ENDOWMENTS ARE GROWING

- In FY2021, the value of all HBCU endowments combined grew by approximately \$1.3 billion ([The Plug](#))
- The collective value of HBCU endowments is more than \$5.2 billion, compared to \$3.9 billion in 2020, a 33% increase ([The Plug](#))
- Organizations are now allocating part of their philanthropy specifically to bolster HBCU endowments – for example, Cisco put \$50 million toward a Access to Education initiative for 20 HBCUs, and Diageo has given \$11.75 million for endowments since 2020 ([Cisco](#), [Diageo](#))

THERE ARE MANY OPPORTUNITIES FOR FURTHER INVESTMENT

- In a 2022 survey, the UNCF found that the top priorities for private funding received since 2020 were technology, discounted tuition, and reimbursement ([UNCF](#))
- The survey also found that institutions put so much money toward immediate needs during the pandemic that physical infrastructure and facilities became a lower priority, but that nearly two-thirds of participating institutions have more than \$5 million in deferred maintenance ([UNCF](#))



Corporate actions

HBCUs and private philanthropy

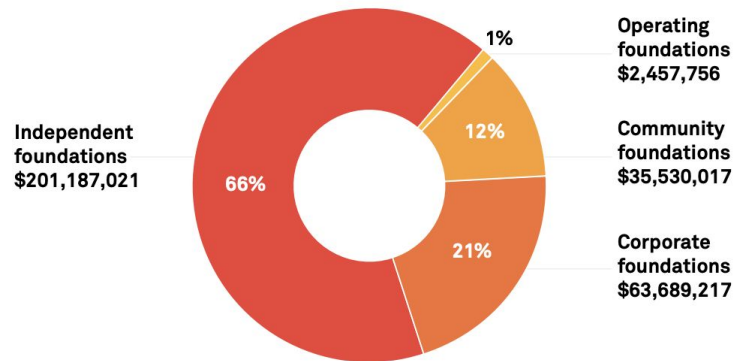
OVERVIEW

Historically, private philanthropy has not been generous to HBCUs – among the 1,607 foundations that supported HBCUs from 2015 - 2019, the median aggregate dollar amount awarded was only \$11,000 ([Candid, pg. 6](#)).

There are currently no aggregate figures for HBCU philanthropy post-2020; many of the commitments announced in the last several years are still in progress and will take several more years to be realized in actual donations..

The following pages outline three common archetypes of corporate HBCU support: **opportunities for students**, **ecosystem-wide centers**, and **localized support**.

Figure 4. Total grant dollars awarded by foundation type, 2015-2019



From 2015 - 2019, private foundation funding to HBCUs was made up of 3 major categories, outlined above. ([Candid, pg. 18](#))

The biggest corporate funders of HBCUs from 2015 - 2019 were the Coca Cola Foundation, providing 7 institutions with nearly \$17 million in support, and the Verizon Foundation, providing 51 institutions with about \$13 million in support ([Candid, pg. 18](#)).

Key takeaways

- **Large, high-profile commitments don't necessarily extend to all HBCUs.** Corporations have been making unprecedented, large investments in HBCUs, but those designed to benefit the entire HBCU ecosystem are centered around certain institutions and the reach of these investments is uneven at best.
- **There's no one type of partnership between the private sector and HBCUs.** Some organizations center their activities on funding nonprofit partners, some envelop their HBCU commitments into larger racial equity initiatives, and some partner directly with 1-2 institutions. Each approach can be tailored to a corporate and institutional need, depending on the desired amount of financial and resource commitment.
- **Corporate partnerships with national organizations open opportunities to more students.** Partners like Thurgood Marshall College Fund can reach students directly and at larger scale through existing networks and administrative processes.
- **Information often isn't well aggregated or transparent, even at the company level.** At the company level, information about HBCUs commitments are typically hidden in press releases and announcements, without substantial transparency into named milestones and progress.
- **Corporations are sponsoring learning centers, but it's too soon to know how corporations are supporting facilities.** Centers like the PNC National Center for Entrepreneurship provide dedicated research and learning spaces at HBCUs; at the same time, while many HBCUs are also now undergoing capital campaigns, there is little to no information about if any corporate donations will include building projects and/or facility support rather than scholarship and other programs.

Examples: direct student support

GOLDMAN SACHS: HBCU POSSIBILITIES PROGRAM

Goldman Sachs' HBCU Possibilities Program offers HBCU students access to hands-on training, networking opportunities, and coaching relationships with Goldman Sachs staff.

First year and sophomore students from 12 HBCUs are eligible; in the first cohort, 125 were selected to participate in a four-month curriculum and case study competition led and run by Goldman Sachs. Each also received \$10,000.

- [Overview](#)
- [Commitments to racial equity](#)
- [2023 program overview](#)

ACCENTURE: LEVEL UP

Accenture's Level Up program gives HBCU and HSI students "an environment to develop fundamental skills in innovation and technology while fostering the ability to build lasting relationships and career opportunities."

The program focuses on students in technology. Participants range from rising sophomores to graduate students.

- [Overview](#)
- [Protocol profile](#)

THURGOOD MARSHALL COLLEGE FUND

The Thurgood Marshall College Fund (TMCf) is a nonprofit that serves as a voice and support for HBCUs.

TMCf has a large number of corporate partners with their own named scholarship and internship opportunities with varied requirements, including:

- Google - [Grow With Google HBCU Career Readiness Program](#)
- McDonald's - [Black & Positively Golden Scholars](#)
- Medtronic - [Leadership Development Program](#)
- Visa - [Black Scholars and Jobs](#)

Examples: learning centers benefiting the HBCU ecosystem

PNC: NATIONAL CENTER FOR ENTREPRENEURSHIP

In October 2021, PNC announced its [National Center for Entrepreneurship](#) for students and faculty at any HBCU to access instruction, opportunities, and research related to entrepreneurship.

The Center is located at Howard University and has three additional Centers of Excellence at Morgan State University, Clark Atlanta University, and Texas Southern University.

- [Center homepage](#)
- [Forbes profile](#)

APPLE AND SOUTHERN COMPANY: PROPEL

Founded by Apple and Southern Company, PROPEL is an innovation and learning hub that upskills Black talent from the HBCU ecosystem through programming and workforce development.

There will be a physical PROPEL Center in the Atlanta University Center; in addition, students and faculty at all HBCUs will be able to access support through a virtual platform, plus activations at partner institutions.

- [Overview](#)
- [Press release](#)
- [Site announcement](#)

IBM: HBCU QUANTUM CENTER

Launched in 2020 with 13 founding members, the IBM-HBCU Quantum Center is designed to prepare and develop talent at HBCUs from all STEM disciplines for the quantum future. It develops students through support and funding for research opportunities, curriculum development, workforce advocacy, and special projects.

Since its launch, the Center has added additional partners across 5 regions focusing on different areas (see [overview graphic](#).)

- [Overview at Howard University](#)
- [Impact update](#)

Examples: localized partnerships

CAPITAL ONE

Capital One launched its **Impact Initiative** in 2020. As part of this initiative, Capital One has partnered with 11 HBCUs and HSIs. Each school receives support for student engagement opportunities, on-campus events, and connections. Capital One also invests to meet each institution's unique needs – for example, Capital One donated its facility in Wilmington, Delaware to bring Delaware State University back to the city center.

- [Overview](#)
- [Paul Quinn College / Delaware / TMCF partnerships](#)

CARGILL

The global food corporation Cargill created its *thrive* Program to “ensure more equitable access to careers in Business, Agriculture, Science, Technology, Engineering and Mathematics (STEM) for women and historically underserved students.” Students receive scholarships, mentoring, and a visit to Cargill HQ in Minnesota.

The program is currently offered at two HBCUs, Alcorn State in Mississippi and Tuskegee in Alabama, alongside several other HSIs or NMOs.

- [thrive overview](#)
- [Press release](#)

CORNING INCORPORATED

Corning Incorporated, a technology company specializing in glass, ceramics, and optics materials, operates globally but partners with HBCUs nearby to some of its locations.

One of these locations is in North Carolina, where Corning has over 5,000 employees; in 2021, Corning announced a \$5.5 million, five-year partnership with North Carolina A&T University to support students in the STEM and teaching pipelines.

- [Press release](#)
- [HBCU impact](#)



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Thank you