

8 Ways Universities Can Generate Alternative Revenue

Aside from providing the [best quality education](#) and [improving university ranking](#), university administrators also focus on generating revenue for their institution. They understand the fact their educational establishment is a business at the end of the day. In general, a steady inflow of revenue is needed to keep a business running. University administrators consider students' tuition as a primary source of revenue. And, they'll use their revenue to maintain the operations of their campus. However, tuition fees alone aren't enough to have consistent revenue. So, what they do is to look for alternative means to generate revenue. In this article, we will be discussing each of these alternative means and how they help boost the revenue of universities.

Being Open to Partnership Opportunities

[Public-private university partnership](#) opportunities open countless benefits for higher education institutions. One good example is partnering with bookstores and other businesses offering educational materials. Some universities struggle to make room in their [budget](#) for educational materials. But with their partnership with businesses offering such materials, the cost of providing materials for students eases the pressure from their budget. The students' purchase of the partnering business's educational materials will give them revenue, and a certain percentage or estimate of that revenue will go to the university's pocket. Other forms of partnerships also have the potential to help universities achieve expansion.

Taking Advantage of Local Industries

Local industries such as film, sports, and corporate companies are entities that universities can approach to help boost their revenue. Some universities offer their activity centers and facilities as a venue for TV commercials, movie sets, reality TV shows, and sports matches. That approach is a sure way to earn revenue. Local industries are willing to pay big to make use of on-campus venues for their activities and events.

Offering Corporate Training Programs

Higher education institutions such as Harvard University have been offering corporate training programs for professionals and company executives. Those kinds of higher education coursework are expensive, and the high profile students under such programs are fully capable of paying them on time. That said, universities offering corporate training programs will likely enjoy a steady inward flow of revenue. Some students of corporate training programs are high-ranking executives who have a yearly income of \$10 million, according to Liz Schulte from Direct Network.

Focusing on Retention

Some university administrators look no further than their students in optimizing their revenue. You might be thinking that they're focusing on students' tuition fees, well, you're right actually. But, in order to keep earning revenue from their students, university administrators must also focus on formulating [strategies to retain students](#), keeping them from dropping off or transferring to other universities. According to a report by Linda Jacobson in EducationDive.com, Middle Tennessee State University successfully retained 390 of its students a few years back, which earned the institution a \$1.5 million revenue from student tuition and fees.

Establishing an Open and Diverse Culture

Establishing an open and diverse culture may not be a direct alternative means of generating revenue, but doing so certainly is effective. A campus that embraces diversity and welcomes people from different social/cultural demographics opens a lot of opportunities for growth. In that case, more students will be interested to enroll and pursue their desired profession. More students mean more revenue for a university. Other than that, a university that has diversity has more potential to gain partners, both in the private and public sectors, that can help them optimize their revenue rate.

Focusing on Auxiliary Services

Universities are required to provide an extensive checklist of auxiliary services to their students, especially to those who are from other towns, cities, and states. University administrators are well aware that auxiliary services are among their primary sources of revenue, probably next to student tuition and fees. If they emphasize more focus on them, auxiliary service could generate even more revenue for universities. A good example of an auxiliary service is the selling of food to students. University administrators have the option to offer quality food choices that are slightly pricier.

Quality food choices are products that most students are willing to purchase despite a higher price. Other than that, university administrators can also invite outside food businesses to rent a space on-campus and sell their consumable products to students.

Selling Merchandise

Many types of businesses from various industries sell merchandise secondarily aside from their main products. Universities, for one, also sell merchandise to boost their revenue. Merchandise such as t-shirts, jackets, hoodies, caps, notebooks, pens, etc. are excellent examples. Any product that showcases the brand and school spirit of a university has high marketability, especially to its students, alumni, and other people who may be fans of its varsity sports teams. Universities can sell their merchandise on campus, retail stores, and online stores, depending on their preference.

Having a Social Media Presence

Countless advanced [data analytics](#) have shown that having a presence in [social media](#) is effective in marketing and increasing sales for a business. Due to that, universities have their own social media page/account on Facebook, Twitter, Instagram, etc. In social media, they can post on-campus updates and advertise their offered courses to the masses. They can use automation software tools in such matters. One great approach for universities to earn revenue in social media is by having their own Youtube channel. On Youtube, they can publish videos regarding educational topics that are interesting for general viewers. Their channel can garner millions of subscribers in that way. The general analysis is that the more a Youtube channel has subscribers, the more potential revenue it'll gain, mostly from advertisements by other commercial entities.

Universities are large institutions no doubt. When it comes to operating and running large institutions, loads of financial resources are involved in the process. For that reason, university administrators will always look for other sources for revenue. Along the way in looking for alternatives, they're also improving the quality of their educational services and student welfare procedures. Plus, in doing so, they get to earn a steady footing in the community.