Investing in People: Assessing the Economic Benefits of 1890 Institutions. Abebayehu Tegene, Anne Effland, Nicole Ballenger, George Norton, Albert Essel, Gerald Larson, and Winfrey Clarke. U.S. Department of Agriculture, Economic Research Service. Miscellaneous Publication Number 1583.

Abstract

The 1890 land-grant universities (1890s) have developed teaching, research, and extension programs that reach historically underserved students and communities. Many studies have described the programs of 1890s, but no systematic effort has measured their contribution to human capital development and to improving the well-being of the rural population. This report examines the historical USDA funding levels of the 1890 institutions; discusses the outcomes of these investments and potential measurable indicators of these outcomes; and outlines a conceptual model for estimating returns to investment in education tailored to particularities of the 1890s.

Keywords: 1890s, land-grant universities, human capital, extension service, agricultural research, research funding

Acknowledgments

The authors wish to thank the authors and participants at the 1890/ERS workshop in September 1999. In preparing this report, we have benefited from many of the ideas discussed at the workshop. For their comments on earlier drafts, we also wish to thank McKinley Mayes, Doris Newton, Katherine Ralston, Dave Weatherspoon, and Keith Wiebe. We appreciate the great help Michael LeBlanc provided in improving the presentation of the report. The authors would like to acknowledge Melody Mathis-Pace for her outstanding contribution with the tables, charts, and text. Finally, we want to thank the editor, Shashunga Clayton, for doing a great job, and Vic Phillips for his creative design.

Author affiliation: Abebayehu Tegene and Nicole Ballenger are with the Food and Rural Economics Division, ERS, USDA; Anne Effland is with Market and Trade Economics Division, ERS, USDA; Gerald Larson is with the Office of Budget and Planning Analysis, USDA; George Norton is with Virginia Polytechnic Institute and State University; and Albert Essel and Winfrey Clarke are with Virginia State University.

Photo Credits:

Keith L. Pope, Florida A&M University, Public Affairs *(center photo)*
Ken Hammond, USDA *(top right photo)*
John Oubre, Southern University, Office of Publications *(all other photos)*

1800 M Street, NW
Washington, DC 20036-5831

March 2002

The 1890 land-grant universities help ensure a more equitable distribution of educational opportunities. Photo courtesy Keith Pope.

Foreword

To enhance the relationship between the U.S. Department of Agriculture and 1890 land-grant universities and colleges, the Economic Research Service (ERS) entered into cooperative agreements in 1997 with four 1890 institutions—Delaware State University, South Carolina State University, Tuskegee University, and Virginia State University. The purpose of this collaboration was to study outcomes and benefits of investments in the 1890s' programs in the food and agricultural sciences, to explore methods of better quantifying benefits, and to improve effectiveness of Federal (USDA) investments in the 1890s' programs and initiatives. To accomplish these goals, cooperators initiated an effort to design a framework for measuring USDA's investments and for identifying, classifying, and quantifying (or otherwise assessing) the outcomes of these investments.

As a first step, the cooperators posed a series of core questions, which form the focus of this report. How have the programs at the 1890s been funded? What have been the outcomes of these programs? What are the best indicators by which to measure those outcomes? And how can conceptual models best be developed for estimating future returns to investments in these programs? This report synthesizes a number of papers presented at a workshop held September 1 and 2, 1999, at USDA's Economic Research Service, drawing particularly from three studies—Essel, Clarke, and Tegene (1999); Norton and Tegene (1999); and Larson (1999).