

Chapter 3

The Business Case for Green Buildings

The business case for commercial green buildings in 2007 is simply stated: if your next project is not a green building, one that's certified by a national third-party rating system, it will be functionally outdated the day it's completed and very likely to underperform the market as time passes.¹ That bold statement has been echoed by a well-known real-estate expert, who bluntly claimed that trillions of dollars of commercial property around the world would soon drop in value because green buildings are going mainstream and would render those properties obsolete.² In a meeting in Sydney, Australia, in February 2007, the head of Australia's Property Council, representing the entire development industry, claimed that no large developer in that country would ever start another project that wasn't going to be at least LEED Silver (Australia 4 Green Stars) certified.³

Within two years, the business case for green buildings is going to be part of "business as usual." Jerry Lea of Houston-based Hines, a strong proponent and developer of Energy Star and LEED buildings, says, "I think sustainable is here to stay. I think the definition of 'Class A' buildings very soon will include sustainable design and probably LEED certification."⁴ Richard Cook, a prominent architect in New York City, says, "In five years, it will be clear that buildings not reaching the highest standard of sustainability will become obsolete."⁵

Incentives and Barriers to Green Development

Still, there are barriers to the widespread adoption of green building techniques, technologies, and systems, some related to real-life experience and the rest to the perception in the building industry that green buildings still

add extra cost. This is surprising because senior executives representing architectural and engineering firms, consultants, developers, building owners, corporate owner-occupants, and educational institutions have held positive attitudes about the benefits and costs of green construction for some time, according to the 2005 Green Building Market Barometer, a survey conducted by Turner Construction Company.⁶

When asked to compare green buildings with traditional construction, the respondents agreed that green construction yields greater benefits in terms of the following:

- occupants' health and well-being (88 percent)
- building value (84 percent)
- worker productivity (78 percent)
- return on investment (68 percent)

Fifty-seven percent of the 665 executives surveyed said their companies were involved with green buildings; 83 percent said their green building workload had increased since 2002; and 87 percent said they expected green building activity to continue. Thirty-four percent of those not currently working with green construction said their organization would be likely to do so over the next three years.

Given these positive views, it is surprising that the top obstacles cited in the Turner survey are perceived higher costs (68 percent) and lack of awareness regarding the benefits of green construction (64 percent). Other factors discouraging green construction are the perceived complexity and cost of LEED documentation (54 percent), short-term budget horizons (51 percent) and the perceived long wait for payback (50 percent), the difficulty of quantifying the benefits (47 percent), and the more complex construction involved (30 percent).

Overcoming Barriers to Green Buildings

Over the next three years, everyone in the green building industry will be focused on lowering the key barrier of cost. Architects, engineers, builders, and developers will be working hard to bring the costs of green buildings into line with benefits in five specific ways:

1. They'll work aggressively to lower the costs of building green by accumulating their own project experience and strengthening their focus on integrated design approaches that might lower some costs (such as HVAC) while increasing others (such as building envelope insulation and better glazing), but with a net positive cost-reduction impact.
2. To offset the perceived risks of trying something new, they'll develop communication and marketing strategies that make good use of available research demonstrating the benefits of green buildings. We'll see some of that research later.
3. They'll find ways to finance green building improvements that reduce or eliminate the first-cost penalty that often frightens away prospective buyers, using incentive payments from utility "public purpose" programs, and local, state, and federal governments to maximize leverage. There are also a growing number of third-party financing sources for energy-efficiency and renewable-energy investments in large building projects that can defray or offset added initial costs.
4. They'll study and try to duplicate the successful project results for institutional owners, who represent nearly half of the current market for LEED-registered buildings. This means documenting the full range of green building benefits so that building owners with a long-term ownership perspective can be motivated to find the additional funds to build high-performance buildings.
5. They'll use good project management and cost management software to show the benefits of various green building measures in real time. Decisions about green building measures are often made quickly, during project meetings that can last all day. Having good information about costs, benefits, and return on investment can be critical to keeping good green measures under consideration, instead of losing them to strictly financial considerations.

Paul Shahriari is the developer of the leading software for green-project cost management, *Ecologic 3*.⁷ He developed this product because, in advising dozens of green building projects, he found that cost was the only consideration ever placed on the table. He says,

We've created web-based collaborative software that allows a team to attribute certain cost savings or premiums associated with each LEED credit.

They can also attach a cost impact profile to each LEED credit. The tool combines the soft costs of design, consulting, and engineering and the hard-cost component (construction) and presents a life-cycle benefit structure.

It shows you when the project will break even and then—the powerful thing—it shows when that green building will start generating additional income in terms of reduced operating costs, electricity, water, O&M, maintenance, etc. It shows that green buildings are the only kind of buildings that can produce more revenue for clients, as opposed to traditional buildings that cost the owner money to operate. So far, for every project that's in the system right now, the average payback period is less than five years for certified projects.

Some of the return-on-investment calculations of individual credits have over 1,000 percent return on investment by doing something environmentally friendly and green. Our philosophy is that we want to harness economic value from the environmental performance of a project. We show people that there is money to be had by greening their project. The most important thing I discovered is that prior to having an economic framework with which to discuss LEED, I had a lot of projects that never went forward. I've never had a client who's seen the output from the software decide not to build a green project.⁸

Chapter 4 shows the many ways in which design and construction decisions influence the costs of green buildings.

Benefits That Build a Business Case

The business case for green development is based on a framework of benefits: economic, productivity, risk management, health, public relations and marketing, recruitment and retention, and funding.⁹ Table 3.1 presents an outline useful for understanding the wide-ranging benefits of green buildings, each of which are examined in detail below.

Economic Benefits

Reduced operating costs. With the real price of oil likely to stay above \$50 per barrel for the next twenty years,¹⁰ natural gas prices at record levels, and peak-period (typically summer air-conditioning times) electricity prices ris-

Table 3.1
Business Case Benefits of Green Buildings

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1. Savings on energy and water, typically 30% to 50%, along with reduced “carbon footprint” from energy savings
 2. Maintenance cost reductions from commissioning and other measures to improve and assure proper systems integration and performance
 3. Increased value from higher Net Operating Income and better public relations
 4. Tax benefits for specific green building investments
 5. More competitive real estate holdings for private-sector owners, over the long run
 6. Productivity improvements, typically 3% to 5%
 7. Health benefits, reduced absenteeism, typically 5% or more
 8. Risk management benefits, including faster lease-up and sales and lower employee exposure to odors or the effects of irritating or toxic chemicals in building materials
 9. Marketing benefits, especially for developers and consumer-products companies
 10. Public relations benefits, especially for developers and public agencies
 11. Easier recruitment and retention of key employees, higher morale
 12. Fund-raising incentives for colleges and nonprofits
 13. Increased availability of debt and equity funding for developers
 14. Demonstration of commitment to sustainability and environmental stewardship; shared values with key stakeholders
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ing steadily in many metropolitan areas, energy-efficient buildings make good business sense. Even in “triple-net” leases (the most common type), in which tenants pay all operating costs, landlords want to offer tenants the most economical space for their money. For a small additional investment in capital cost, green buildings will save on energy operating costs for years to come.

Many green buildings are designed to use 25 to 40 percent less energy than current codes require; some buildings achieve even higher efficiency levels. Translated to an operating cost of \$1.60 to \$2.50 per square foot for electricity (the most common energy source for building), this energy savings could reduce utility operating costs by 40 cents to \$1 per square foot per year. Often these savings are achieved for an added investment of just \$1 to \$3 per square foot. With building costs reaching \$150 to \$300 per square foot, many developers and building owners are seeing that it’s a wise business decision to invest 1 to 2 percent of capital cost to secure long-term savings, particularly with a payback of less than three years. In an 80,000-square-foot building, the owner’s savings translates into \$32,000 to \$80,000 per year, year after year.

Reduced maintenance costs. More than 120 studies have documented that energy-saving buildings that are properly commissioned at 50 cents to \$1 per square foot of initial cost (equal to one year of savings) show additional operational savings of 10 to 15 percent in energy costs. They also tend to be much easier to operate and maintain.¹¹

By conducting comprehensive functional testing of all energy-using systems before occupancy, it is often possible to have a smoother-running building for years because potential problems are fixed in advance. A recent review of these studies by Lawrence Berkeley National Laboratory showed that the payback from building commissioning in terms of energy savings alone was about four years, while the payback fell to about one year when other benefits were considered, such as fewer callbacks to address thermal comfort problems.

Increased building value. Increased annual energy savings also create higher building values. Imagine a building that saves \$37,500 per year in energy costs versus a comparable building built to code (this savings might result from saving only 50 cents per square foot per year for a 75,000-square-foot building). At capitalization rates of 6 percent, typical today in commercial real estate, green building standards would add \$625,000 (\$8.33 per square foot) to the value of the building. For a small up-front investment, an owner can reap benefits that typically offer a payback of three years or less and a rate of return exceeding 20 percent.

Tax benefits. Many states have begun to offer tax benefits for green buildings. Some, such as Oregon and New York, offer state tax credits, while others, like Nevada, offer property and sales tax abatements. The federal government offers tax credits as well.

Oregon's credit varies based on building size and LEED certification level. At the Platinum level, a 100,000-square-foot building can expect to receive a net-present-value tax credit of about \$2 per square foot.¹² This credit can be transferred from public or nonprofit entities to private companies, such as contractors or benefactors, making it even more beneficial than one that applies only to private owners.¹³

New York's tax credit allows builders who meet energy goals and use environmentally preferable materials to claim up to \$3.75 per square foot for interior work and \$7.50 per square foot for exterior work against their state

tax bill. To qualify for the credit, a building must be certified by a licensed architect or engineer, and must meet specific requirements for energy use, materials selection, indoor air quality, waste disposal, and water use. In new buildings, this means energy use cannot exceed 65 percent of use permitted under the New York State energy code; in rehabilitated buildings, energy use cannot exceed 75 percent.¹⁴

The Nevada legislature passed a law in 2005 offering a property tax abatement of up to 50 percent, for up to ten years, to private development projects achieving a LEED Silver certification. Assuming the property tax is 1 percent of value, this could be worth as much as 5 percent of the building cost, typically far more than the actual cost of achieving LEED Silver on a large project. As a result, a large number of Nevada projects are pursuing LEED certification, including the world's largest private development project, the \$7 billion, 17-million-square-foot Project CityCenter in Las Vegas (see Chapter 11).¹⁵ The Nevada law also provides for sales tax abatement for green materials used in LEED Silver-certified buildings. (This law was amended in 2007 to reduce the tax abatement.)

The 2005 federal Energy Policy Act offers two major tax incentives for aspects of green buildings: a tax credit of 30 percent on both solar thermal and electric systems and a tax deduction of up to \$1.80 per square foot for projects that reduce energy use for lighting, HVAC, and water heating systems by 50 percent compared with a 2001 baseline standard.¹⁶ In the case of government projects, the tax deduction may be taken by the design team leader, typically the architect.

Productivity Benefits

In the service economy, productivity gains for healthier indoor spaces are worth anywhere from 1 to 5 percent of employee costs, or about \$3 to \$30 per square foot of leasable or usable space. This estimate is based on average employee costs of \$300 to \$600 per square foot per year (based on \$60,000 average annual salary and benefits and 100 to 200 square feet per person).¹⁷ With energy costs typically less than \$2.50 per square foot per year, productivity gains from green buildings could easily equal or exceed the entire energy cost of operating a building.

Here's an example: Research on high-performance lighting by Carnegie Mellon University found median productivity gains of 3.2 percent in 11 studies, or about \$1 to \$2 per square foot per year, an amount equal to the cost of

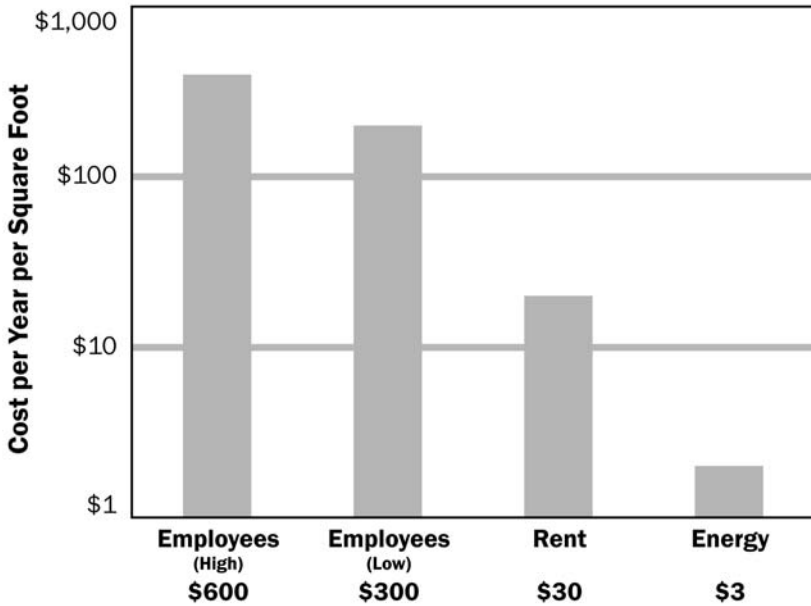


Figure 3.1. Typical cost of employees, rent, and energy in a commercial office building.

energy.¹⁸ This is in addition to a reported average savings of 18 percent on total energy bills from proper lighting. For corporate and institutional owners and occupiers of buildings, that is too much savings to ignore.

Look at it this way. If a building owner could get a 10 percent improvement in productivity from a green building, or about a \$30- to \$60-per-square-foot increase in output, it would always pay for that company to build a new building and put its employees to work there. In other words, the productivity increase could pay for the building! Even a 5 percent improvement in productivity would pay for half or more of the rent or cost of the new green building. What, then, you might ask, is the business case for a “brown building,” one that doesn’t have these benefits? (See Chapter 7.)

From another groundbreaking study of the costs of green buildings, Table 3.2 shows the 20-year “net present value” of the various categories of green building benefits.¹⁹ Productivity and health gains provide more than two-thirds of the total benefits of green buildings in this analysis.

Annual Gains from Lighting Improvements

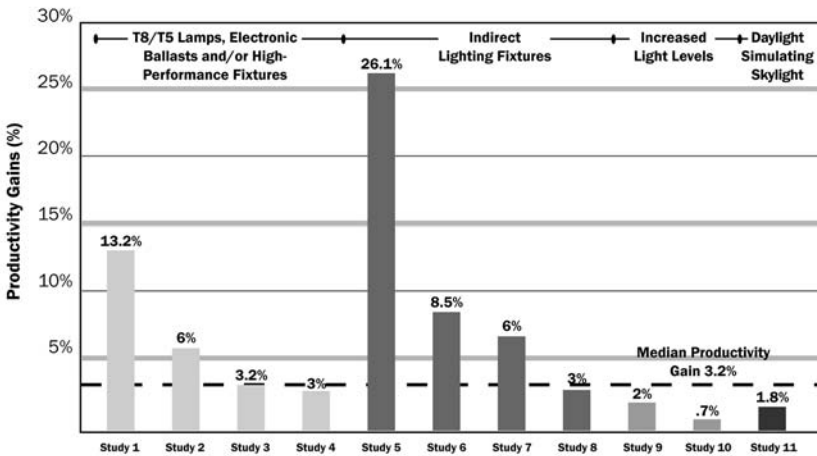


Figure 3.2. Productivity gains from lighting improvements. Courtesy of the Center for Building Performance and Diagnostics, Carnegie Mellon University. eBIDS™, re-drawn with permission.

Risk-Management Benefits

Green building certification can provide some measure of protection against future lawsuits through third-party verification of measures installed to protect indoor air quality, beyond just meeting code-required minimums. With the national focus on mold and its effect on building occupants, developers and building owners are focusing considerable attention on improving and maintaining indoor air quality.

Faster permitting or special permit assistance can also be considered a type of risk mitigation. San Francisco gives faster permit review for projects committing to LEED Gold or Platinum certification. In Chicago the city government has created the position of green projects administrator and is allowing green projects to receive priority processing. For large projects, above minimum requirements, the city waives fees for independent code consultants. Projects with high-level green goals are promised a 15-day permit review.²⁰ In Austin, Texas, the city fast-tracked the development reviews for a large big-box retailer so that it was able to open 12 months ahead

Table 3.2
 Financial Benefits of Green Buildings (Net Present Value, 2003 dollars)

<i>Benefit</i>	<i>Savings per Square Foot</i>
Productivity and health value	\$36.90 to \$55.30 (70% to 78% of total savings)
Operation and maintenance savings	\$ 8.50
Energy savings	\$ 5.80
Emissions savings (from energy)	\$ 1.20
Water savings	\$ 0.50
Total	\$52.90 to \$71.30

Source:Gregory Kats et al., *The Costs and Financial Benefits of Green Buildings*, 2003, www.cap-e.com/ewebeditpro/items/O59F3303.ppt#1, accessed March 6, 2007.

of schedule; the resulting profit gain paid entirely for the \$2.8 million building!²¹

Another risk management benefit of green buildings in the private sector is the faster sale and leasing of such buildings, compared to similar projects in the same town. Green buildings tend to be easier to rent and sell, because educated tenants increasingly understand their benefits.

Green buildings are also seen as less risky by insurers. In September 2006, Fireman’s Fund, a major insurance company, announced it would give a 5 percent reduction in insurance premiums for green buildings. The insurer also announced its new Certified Green Building Replacement and Green Upgrade coverage.²²

Health Benefits

Of course, a key element of productivity is healthy workers. By focusing on measures to improve indoor environmental quality, such as increased ventilation, daylighting, views to the outdoors, and low-toxicity finishes and furniture, Figure 3.3 shows that green buildings reduce their occupants’ symptoms by an average of 41.5 percent on an annual basis!

Since most companies are effectively self-insured (i.e., their health insurance costs go up when their employees file claims) and most government agencies and large companies are self-insured in reality, it makes good economic sense for them to be concerned about the effect of building design on people’s health. In addition, given what we know about the health effects of various green building measures, a company might be inviting lawsuits if

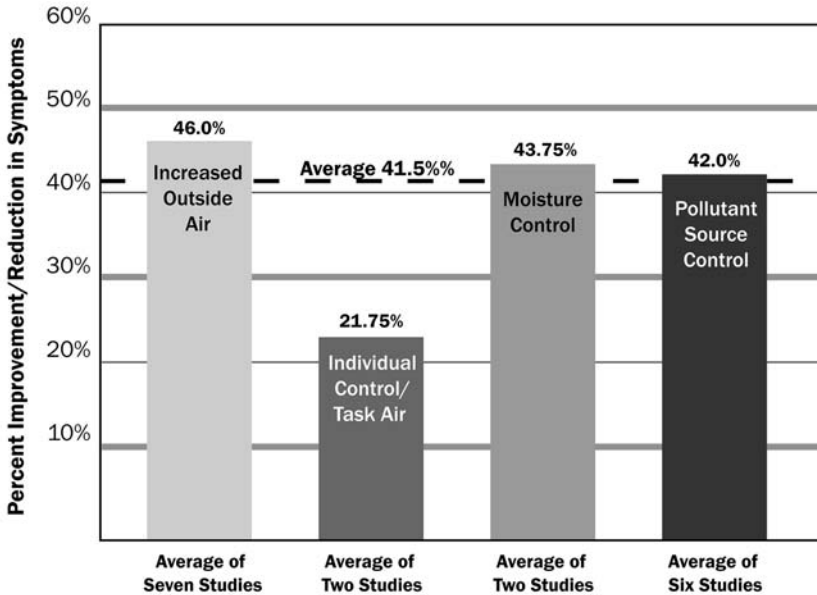


Figure 3.3. Annual gains from air quality improvements. Courtesy of the Center for Building Performance and Diagnostics, Carnegie Mellon University. BIDS™, re-drawn with permission.

it didn't pursue all feasible measures to design and construct a healthy building. By having the building certified by an independent third party and by designing well above code-required minimums, a company might have a better defense against employee lawsuits for sick building syndrome symptoms, building-related illnesses, and other ailments.

Public Relations and Marketing Benefits

Stakeholder relations and occupant satisfaction. Tenants and employees want to see a demonstrated concern for their well-being and for that of the planet. Savvy developers and building owners are beginning to realize how to market these benefits to a discerning and skeptical client and stakeholder base, using the advantages of green building certifications and other forms of documentation, including support from local utility and industry programs. This is not "greenwashing"; it is a positive response to a growing public concern for the long-term health of the environment. A good indication of how corporations have embraced this concept is the explosion in

green building projects and associated public relations in 2006 and 2007. If you sign up for Google Alerts and enter “green buildings” as a keyword, you will be inundated with six to 12 news stories almost every day from the nation’s press.

Environmental stewardship. Being a good neighbor is appropriate not just for building users, but for the larger community. Developers, large corporations, universities, some health-care organizations, schools, local government, and building owners have long recognized the marketing and public relations benefits (including branding) of a demonstrated concern for the environment. Green buildings fit right in with this message. As a result, we expect to see major commitments by corporate real estate executives to greening their buildings and facilities. A good example is Adobe Systems, Inc., a major software maker based in San Jose, California. In 2006, Adobe announced that it had received three LEED-EB Platinum awards for its headquarters towers; not only did it reap great publicity, but the firm showed that it had garnered a net present value almost 20 times its initial investment. (See Chapter 14.)²³

Many larger public and private organizations have well-articulated sustainability mission statements and are coming to understand how their real estate choices can both reflect and advance those missions. Writing in *Urban Land* magazine, developer Jonathan F. P. Rose notes that “having a socially and environmentally motivated mission makes it easier for businesses in the real estate industry to recruit, and retain, top talent. Communities are more likely to support green projects than traditional projects, and it is easier for such projects to qualify for many government contracts, subsidies, grants, and tax credits. The real estate industry can prosper by making environmentally responsible decisions.”²⁴

Green buildings also reinforce a company’s brand image. Consumer products companies such as Wal-Mart, Starbucks, PNC Bank, or Aveda can improve or maintain their brand image by being associated with green buildings, and so they are moving in this direction. Large corporations, including those that issue sustainability reports every year—and there are more than 1,000 of them—are beginning to see the benefits of building green to demonstrate to their employees, shareholders, and other stakeholders that they are “walking the talk.” In fact, as mentioned in the foreword, the first large building to be built at Ground Zero, Seven World Trade

Center, was certified LEED Gold. In September 2006, Governor George Pataki of New York announced that the Freedom Tower, World Trade Center Office Towers 2, 3, and 4, and the World Trade Center Memorial and Memorial Museum will all be designed to achieve LEED Gold certification.²⁵

More competitive product in the marketplace. Speculative commercial and residential developers are realizing that green buildings can be more competitive in certain markets, if built on a conventional budget. Green buildings with lower operating costs and better indoor environmental quality are more attractive to a growing group of corporate, public, and individual buyers and tenants. Greenness will not soon replace known real-estate attributes such as price, location, and conventional amenities, but green features will increasingly enter into decisions about leasing space and purchasing properties and homes. Developers are using the precertification available for the LEED for Core and Shell rating system to attract tenants and financing for high-rise office towers in such places as Chicago and Atlanta. One such project mentioned earlier, Hines's 1180 Peachtree in Atlanta, received the 2006 Green Development Award from NAIOP, the National Association of Industrial and Office Properties.²⁶

Recruitment and Retention Benefits

One often overlooked aspect of green buildings is their effect on people's interest in joining or staying with an organization. It costs \$50,000 to \$150,000 to lose a good employee, and most organizations experience 10 to 20 percent turnover per year, at least some of which typically involves people they didn't want to lose. In some of these cases, people leave because of poor physical environments, not just because of the "boss from hell."

In a workforce of 200 people, turnover at this level would mean 20 to 40 people leaving per year. What if a green building could reduce turnover by 5 percent, for example—by one to two people out of the 20 to 40? Taken alone, the value of retaining the employee or employees would be \$50,000 to \$300,000—more than enough to justify the costs of certifying a building project. A professional services firm, say a law firm, might lose just one good attorney, typically billing \$400,000 per year, with a \$250,000 gross profit to the firm; that sum would more than pay for the extra cost of a green building or green tenant improvement project that would keep that lawyer at the firm. And what about the impact of a healthy work

environment on employees' belief that their employer really cares about their well-being?

Table 3.3 confirms the growing shortage of people to serve the needs of the U.S. economy. Owing to an aging labor force, in 2014 there will be 2.6 million fewer people in the 35- to 44-year-old age group than in 2005, typically the leadership group in most organizations: managers, executives, experienced employees, and senior technical people, usually at the peak of their career. Getting and keeping them will tax the ingenuity and resources of most companies; green buildings can demonstrate that the company or organization and the key employees share the same values. Working in a company that rents or owns green buildings gives employees another reason to tell their friends and spouses why they are staying with an organization.

Financing Green Projects

Whether you are a private developer or a nonprofit school or organization, raising money for projects is always an issue. For private developers, raising both debt and equity capital is the challenge. The rise of socially responsible property investing promises to reward those developers who build green. For example, a large property developer in Portland, Oregon, Gerd-ing Edlen Development, built nearly \$1 billion in new projects in 2006. The firm has a strong commitment to building LEED Silver or better buildings in each project.²⁷

Investing in green buildings has begun to attract considerable attention as a form of socially responsible investing, a practice that is growing faster than overall investing. "We have yet to see the first public real estate investment fund squarely committed to green real estate," says one expert, professor Gary Pivo at the University of Arizona. "But until such funds are created, there are some other options worth considering. One is to acquire shares in companies that commonly own Energy Star-labeled buildings or have been recognized by Energy Star for their conservation efforts."²⁸

Among publicly traded real estate investment trusts (REITs) investing to at least some degree in green buildings, Liberty Property Trust and Corporate Office Properties Trust (COPT) both develop LEED Silver buildings on a speculative or build-to-suit basis for corporate tenants. They say that green buildings are wiser investments because they are cheaper to operate, lease up faster, and attract better tenants.

Table 3.3
The Aging Labor Force

Age Group	2005*	2014 (estimate)*	Change
25-34	32.5	36.8	+4.2
35-44	35.9	33.3	-2.6
45-54	34.2	35.5	+1.3
55 and older	24.1	34.3	+10.2

*All figures in millions

Source: Bureau of Labor Statistics, cited in *Investor's Business Daily*, March 6, 2007, p. 1.

One of COPT's green projects is 318 Sentinel Drive, in the National Business Park in Annapolis Junction, Maryland, which received the 2005 NAIOP Green Development Award. The project, a four-story, 125,000-square-foot office building, was fully leased before construction completion. The Sentinel property is one of 12 projects currently under development that COPT intends to certify under the LEED-CS program; it earned a LEED Gold rating. A companion project at 304 Sentinel Drive received a LEED-CS Silver rating. 318 Sentinel Drive incorporates tenant design and construction guidelines to promote green practices during tenant build-outs, promoting LEED-CI project certification.

The 318 Sentinel Drive project had a \$2.84-per-square-foot green construction premium, with an estimated 70-cents-per-square-foot annual energy savings. The company's analysis showed a six-month return on investment, once extra green costs were offset by benefits from energy savings, waste reduction charges, stormwater management (site development) savings, and other green features.²⁹

In 2006, New York developer Jonathan F. P. Rose created the Rose Smart Growth Investment Fund to invest in green building projects. The \$100 million limited partnership focuses on acquiring existing properties near mass transit. The fund expects to make green improvements to the properties and hold them as long-term investments.³⁰ The focus on transit-centric developments takes into account the energy savings from enabling greater use of mass transit.

The fund's first project is in downtown Seattle, Washington: a renovation of the 1920s-era Joseph Vance and Sterling buildings, a total building area of about 120,000 square feet, with ground-floor retail and office space

above.³¹ According to the developer, the office buildings were purchased for \$23.5 million and are undergoing \$3.5 million worth of practical green renovations to improve energy efficiency and environmental performance. According to the fund, it is “re-branding these buildings as the ‘greenest and healthiest’ historic buildings in the marketplace, to increase market awareness of the buildings, attract and retain tenants.”

For nonprofits and for private colleges and universities, the funding issue is vastly different. They are dependent on private donors to fund most of their new buildings. Many nonprofits have successfully used the greening of their buildings to attract funds for renovation projects. The Ecotrust organization in Portland, Oregon, received a major gift from a single donor to renovate a 100-year-old, two-story brick warehouse into a three-story, 70,000-square-foot modern building with two floors of offices above ground-floor retail. The Jean Vollum Natural Capital Center was only the second LEED Gold-certified project in the United States when it opened in 2001.³² In 2003, the Natural Resources Defense Council completed one of the first LEED Platinum-certified projects in the world when it opened the Robert Redford Building in Santa Monica, California.

Over the next few years, there is no doubt that many private colleges and universities will find that their green buildings will draw donors from unexpected sources. To accelerate this process, since 2003 the Kresge Foundation’s Green Building Initiative has been giving grants of up to \$100,000 to nonprofits that will use an integrated design process to build a green building. Kresge also offered a “bonus grant” challenge program for projects that became LEED-certified. By February 2006, the initiative had awarded 64 planning grants totaling \$4,146,000, averaging about \$70,000 each. One early success was Herman Hipp Hall at Furman University near Greenville, South Carolina, a liberal-arts university with about 2,600 students; Hipp Hall was the first LEED Gold-certified project in higher education in the United States. The bonus grant program is now closed, with a total of \$7,200,000 committed to 42 nonprofit organizations, or an average grant of \$171,000.³³