

FACT SHEET

Demonstrating the Economic Value of Winston-Salem State University to the WSSU 3-County Service Region and the state of North Carolina

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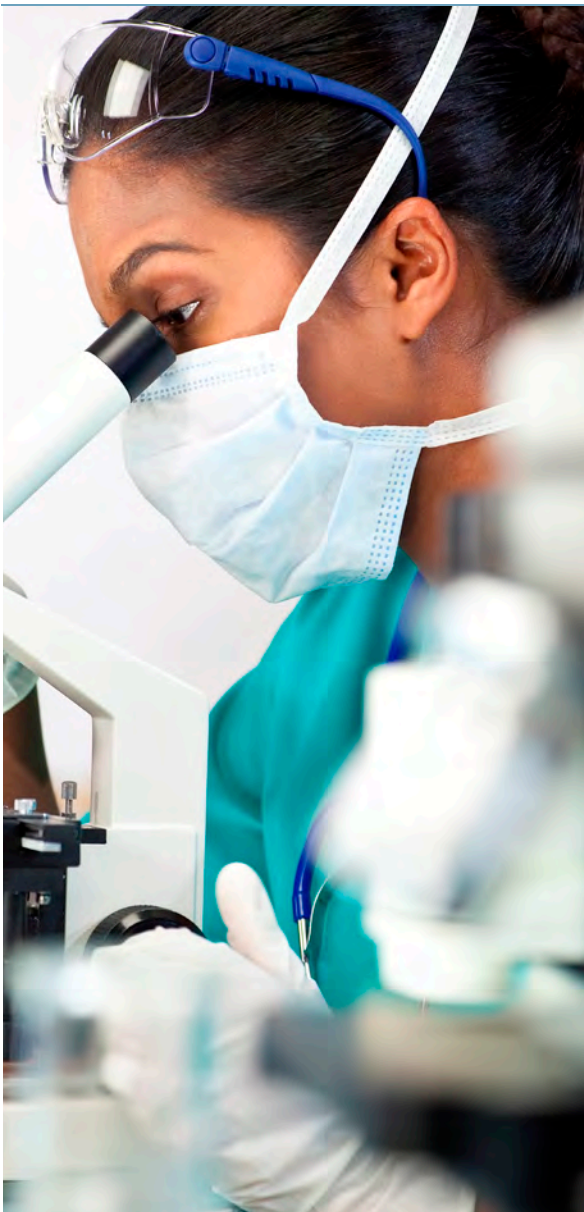
Winston-Salem State University (WSSU) improves higher education delivery throughout the region and helps students increase their employability and potential. By facilitating new research and drawing students and visitors to the WSSU 3-County Service Region, the university also generates new dollars and opportunities for the region. The purpose of this analysis is to assess the impact of WSSU on the regional economy, defined as the counties of Forsyth, Guilford, and Randolph. The analysis also looks at the benefits generated for students, North Carolina as a whole, and taxpayers.

*Our analysis shows that in FY 2012-13, the \$146.2 million in payroll and operations spending of WSSU, together with its construction spending and the spending of its students, visitors, and alumni, created **\$264.1 MILLION** in added regional income. This is equal to approximately **0.5%** of the total Gross Regional Product of the WSSU 3-County Service Region, and is equivalent to creating **3,915** new jobs.*

IMPACT ON THE REGIONAL BUSINESS COMMUNITY

During the analysis year, FY 2012-13, WSSU spent **\$85.6 MILLION** on payroll and benefits for **1,242** full-time and part-time employees, and spent another **\$60.6 MILLION** on goods and services to carry out its day-to-day operations and research. This initial round of spending creates more spending across other businesses throughout the regional economy, resulting in the commonly referred to multiplier effects. We estimate these multiplier effects in this study and report the *additional* economic activity that is created by the initial spending of WSSU.* Impacts are reported in terms of total income, which is analogous to Gross Regional Product, and the corresponding number of jobs created.

* Note: Our estimated economic impacts are conservative in that we directly take into account the fact that state and local dollars spent on the university could have been spent elsewhere in North Carolina if not directed toward WSSU, and thus would have created some economic impacts regardless. We account for these alternative uses of funds directly in our analysis by (i) assuming that if funds were not directed to WSSU, they would have been returned to the taxpayer and generate economic impacts through household spending on goods and services, and (ii) subtracting the estimated economic impacts generated by this alternative use of funds from the estimated economic impacts of WSSU. Thus, we report a net impact of WSSU that is above and beyond what would have occurred had the funds been returned to the taxpayer.



These economic impacts break down as follows:

Operations spending impact

- Payroll and non-pay expenditures to support day-to-day operations (less research) of WSSU amounted to **\$85.1 MILLION** and **\$60 MILLION**, respectively. The net impact of the university's operations spending in the WSSU 3-County Service Region during the analysis year was approximately **\$133.9 MILLION** in added regional income, which is equivalent to creating **1,812** jobs.

Research spending impact

- Research activities of WSSU impact the regional economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation throughout the WSSU 3-County Service Region through inventions and patent applications. In FY 2012-13, WSSU spent **\$493 THOUSAND** on payroll to support research activities.
- Research spending of WSSU generates **\$906.8 THOUSAND** in added regional income for the WSSU 3-County Service Region economy, which is equivalent to creating **13** new jobs.

Construction spending impact

- WSSU built or renovated a number of its facilities during the analysis year. This spending generated a short-term infusion of income and jobs in the regional economy.
- The net impact of the university's construction spending in FY 2012-13 was **\$7.1 MILLION** in added regional income, equivalent to **162** new jobs.

Student spending impact

- Around **64%** of graduate and undergraduate students attending WSSU originated from outside the region. Some of these students relocated to the WSSU 3-County Service Region and spent money on groceries, transportation, rent, and so on at WSSU 3-County Service Region businesses.
- The expenditures of students who relocated to the region during the analysis year added approximately **\$9.2 MILLION** in regional income for the WSSU 3-County Service Region economy, which is equivalent to creating **155** new jobs.

IMPACTS CREATED BY WSSU IN FY 2012-13

INCOME	JOB
\$133.9 MILLION	1,812
Operations spending impact	
\$906.8 THOUSAND	13
Research spending impact	
\$7.1 MILLION	162
Construction spending impact	
\$9.2 MILLION	155
Student spending impact	
\$4.4 MILLION	112
Visitor spending impact	
\$108.7 MILLION	1,662
Alumni impact	
\$264.1 MILLION	3,915
Total impact	

Visitor spending impact

- Out-of-region visitors attracted to the WSSU 3-County Service Region for activities at WSSU brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other regional businesses.
- Visitor spending added approximately **\$4.4 MILLION** in regional income for the WSSU 3-County Service Region economy, which is equivalent to creating **112** new jobs.

Alumni impact

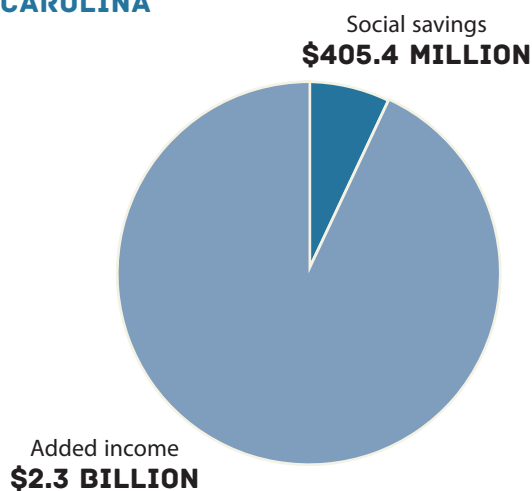
- Over the years, students gained new skills, making them more productive workers, by studying at WSSU. Today, thousands of these former students are employed in the WSSU 3-County Service Region.
- The accumulated contribution of former WSSU students currently employed in the WSSU 3-County Service Region workforce amounted to **\$108.7 MILLION** in added regional income to the WSSU 3-County Service Region economy, which is equivalent to creating **1,662** new jobs.



FOR EVERY \$1 SPENT BY...

STUDENTS	<p>\$3.00</p> <p>Gained in lifetime income for STUDENTS</p>
SOCIETY	<p>\$10.80</p> <p>Gained in added state income and social savings for SOCIETY</p>
TAXPAYERS	<p>\$3.80</p> <p>Gained in added taxes and public sector savings for TAXPAYERS</p>

PRESENT VALUE OF ADDED INCOME AND SOCIAL SAVINGS IN NORTH CAROLINA



ABOUT EMSI

Economic Modeling Specialists International turns labor market data into useful information that helps organizations understand the connection between economies, people, and work. Since 2000, EMSI has completed numerous economic impact studies for educational institutions across the US, Canada, the UK, and Australia. It also provides industry-leading labor market data via software and reports to higher education professionals, workforce planners, and regional developers in the U.S. and internationally.

RETURN ON INVESTMENT TO STUDENTS, SOCIETY, AND TAXPAYERS

Student perspective

- Students attending WSSU during FY 2012-13 paid a total of **\$29.2 MILLION** to cover the cost of tuition, fees, books, and supplies. They also forwent **\$94.2 MILLION** in money that they would have earned had they been working instead of learning.
- In return for the money students invest to earn their degrees, they will receive a present value of **\$376.4 MILLION** in estimated increased earnings over their working lives.
- This translates to a return of **\$3.00** in higher future income for every \$1 that students invest in their WSSU education. The average annual return for students is **13.2%**.

Societal perspective

- North Carolina as a whole will receive a present value of **\$2.3 BILLION** in added state income over the course of the students' working lives. Communities will also benefit from **\$405.4 MILLION** in present value social savings related to reduced crime, lower unemployment, and increased health and well-being across the state.
- For every dollar that society spent on educations at WSSU during the analysis year, North Carolina communities will receive a cumulative value of **\$10.80** in benefits, for as long as the 2012-13 students of WSSU remain active in the state workforce.

Taxpayer perspective

- In FY 2012-13, state and local taxpayers in North Carolina invested **\$75.6 MILLION** to support the operations of WSSU. The net present value of the added tax revenue stemming from the students' higher lifetime incomes and the increased output of businesses amounts to **\$217.4 MILLION** in benefits to taxpayers. Savings to the public sector add another **\$68.8 MILLION** in benefits due to a reduced demand for government-funded services in North Carolina.
- Dividing benefits to taxpayers by the associated costs yields a **3.8** benefit-cost ratio, i.e., every \$1 in costs returns \$3.80 in benefits. The average annual return on investment for taxpayers is **12.3%**.