

# Analysis of the Return on Investment and Economic Impact of Education

The economic value of North Dakota State University

FY 2015-16

## **WHAT IS AN ECONOMIC IMPACT ANALYSIS?**

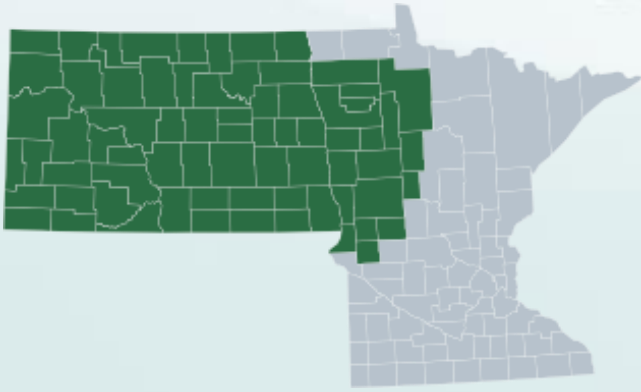
Measures how an event or institution affects the local economy.

## **WHAT IS AN INVESTMENT ANALYSIS?**

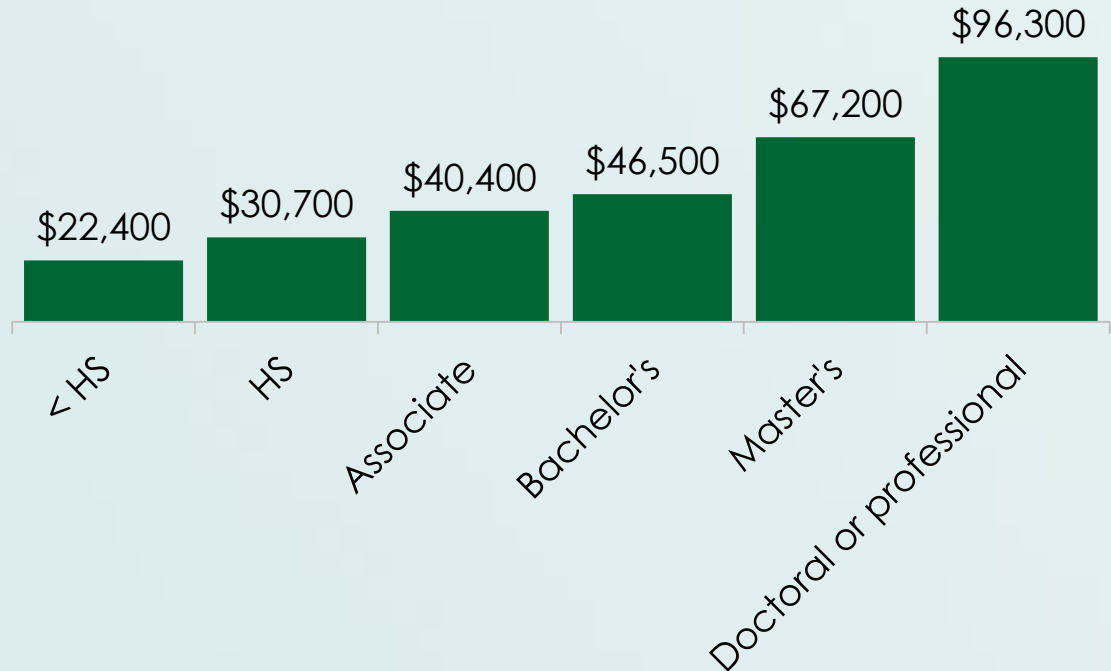
A comparison of the costs and benefits to determine the return on investment.



# About NDSU Service Area



HIGHER EARNINGS BY EDUCATION LEVEL  
AT CAREER MIDPOINT



**\$70.1 billion**

TOTAL GROSS  
REGIONAL PRODUCT

**811,377**

TOTAL JOBS

# NDSU IN FY 2015-16

**~14,500**

STUDENTS SERVED IN FALL OF 2015

**2,717**

EMPLOYEES

**\$278.9 million**

TOTAL PAYROLL/BENEFITS

**38%**

STUDENTS FROM OUTSIDE  
THE REGION

**59%**

STUDENTS REMAINING IN  
THE REGION AFTER LEAVING  
THE UNIVERSITY

# OVERVIEW OF RESULTS

**\$927.3 million**

TOTAL INCOME SUPPORTED  
IN THE REGION

**11,886**

JOBS SUPPORTED IN THE REGION

**11%**

RATE OF RETURN TO STUDENTS

**3%**

RATE OF RETURN TO TAXPAYERS

**1.3%**

OF REGION'S GRP

## Operations Spending Impact

University payroll and other  
spending + ripple effects

**\$210.2 million**

ADDED REGIONAL  
INCOME

or

**2,139**

JOBS SUPPORTED  
IN THE REGION

## Research Spending Impact

Research payroll and other  
research spending  
+ ripple effects

**\$103.1 million**

ADDED REGIONAL  
INCOME

or

**1,206**

JOBS SUPPORTED  
IN THE REGION

## Start-up and Spin-off Company Impact

Start-up and spin-off company  
payroll and other spending  
+ ripple effects

**\$9.3 million**

ADDED REGIONAL  
INCOME

or

**121**

JOBS SUPPORTED  
IN THE REGION

*All results measured in income, not sales  
Results are net of counterfactual scenarios*

## Student Spending Impact

Relocated/Retained student  
spending + ripple effects

**\$39.9 million**

ADDED REGIONAL  
INCOME

or

**533**

JOBS SUPPORTED  
IN THE REGION

## Visitor Spending Impact

Out-of-region visitor spending  
+ ripple effects

**\$4.4 million**

ADDED REGIONAL  
INCOME

or

**114**

JOBS SUPPORTED  
IN THE REGION

## Alumni Impact

Higher alumni earnings  
and increased business profit  
+ ripple effects

**\$560.4 million**

ADDED REGIONAL  
INCOME

or

**7,773**

JOBS SUPPORTED  
IN THE REGION

*All results measured in income, not sales  
Results are net of counterfactual scenarios*

# Total Impact

**1.3%**

OF GROSS REGIONAL  
PRODUCT (GRP)

**\$927.3 million**

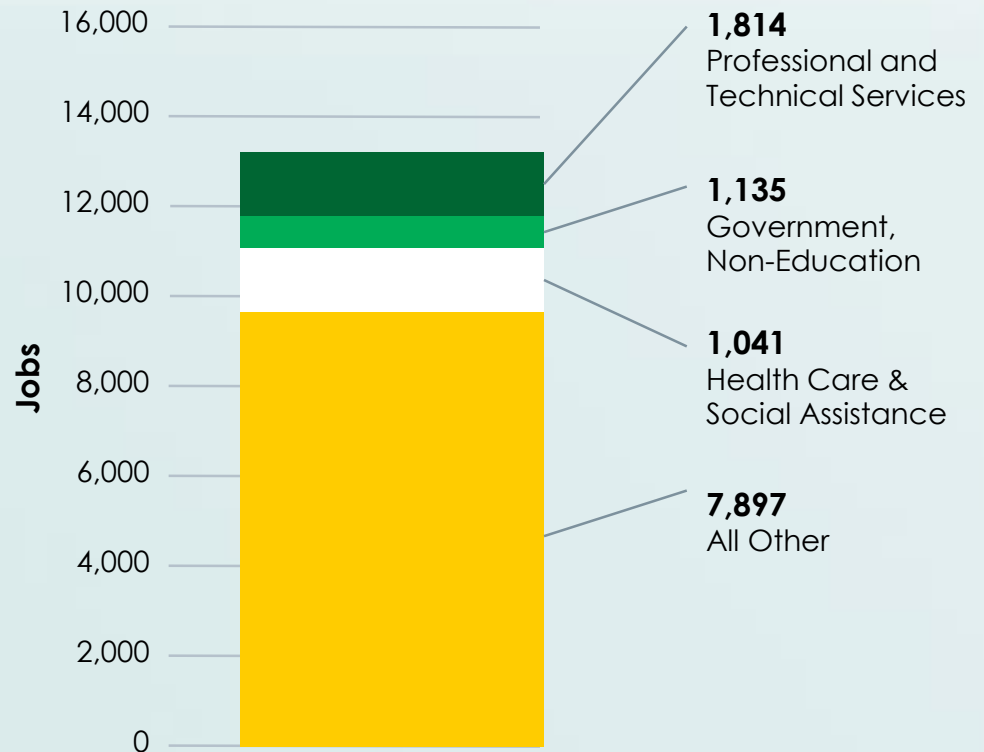
TOTAL ADDED  
REGIONAL INCOME

or

**11,886**

TOTAL ADDED  
REGIONAL JOBS

## IMPACTS BY INDUSTRY





## Student Perspective

**\$898.7 million**

**Benefit:** Higher future earnings

**\$374.8 million**

**Cost:** Tuition, supplies, opportunity cost

**2.4**

BENEFIT/COST RATIO

**10.7%**

RATE OF RETURN

## Taxpayer Perspective

**\$200.4 million**

**Benefit:** Future tax revenue, government savings

**\$165.3 million**

**Cost:** State and local funding

**1.2**

BENEFIT/COST RATIO

**2.6%**

RATE OF RETURN

## Social Perspective

**\$2.2 million**

**Benefit:** Future earnings, tax revenue, private savings

**\$674.5 million**

**Cost:** Student and all university costs

**3.3**

BENEFIT/COST RATIO

**N/A**

RATE OF RETURN

*Future benefits are discounted to the present.*

# ADDING INCOME TO YOUR REGION/STATE

- Add value to your **alumni**.
- Push **workforce training** and **dual-credit**.
- Increase **enrollment**.
- Keep your graduates **in-region**.
- Attract **outside funding**.

*Note that external factors heavily influence a university's impact.*

# Next Steps

- Send the executive summary to **local legislators**
- Use **social media** to broadcast student returns to prospective students and parents
- Share industry impacts **with local business partners**
- Leverage impacts for **proposals, grant writing, & strategic planning**
- **Publish results** in campus fliers, newsletters, & websites
- Share results with **local media**

## How can Emsi help?

- Emsi's Press Packet
- Ongoing presentations from your Emsi economist
- Email/call us anytime

The results of this study  
were prepared by



FOR A COPY OF THE REPORT, PLEASE CONTACT THE UNIVERSITY.