

Economic Impact of Tarleton State University-Stephenville: A Summary

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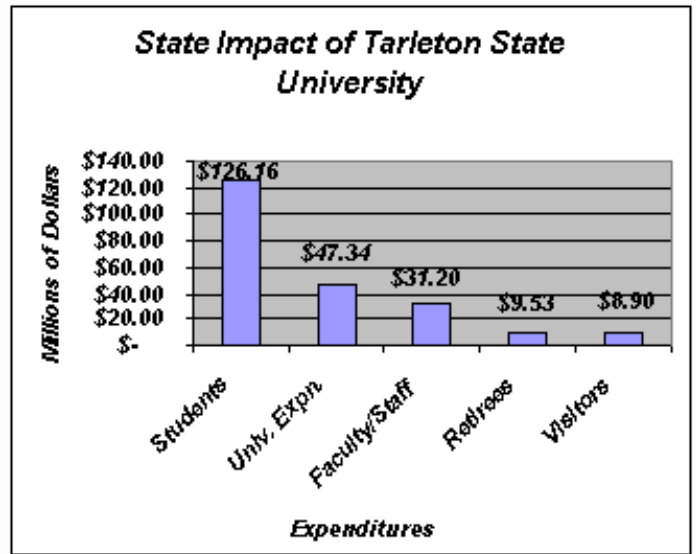
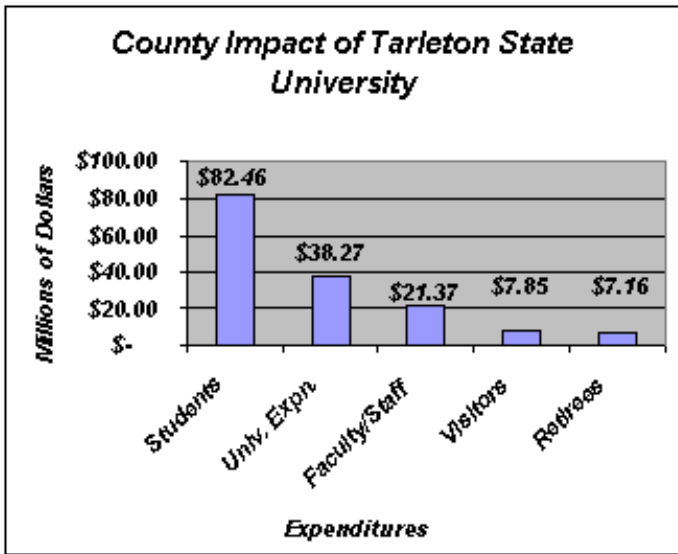
Economic Impact on Erath County: \$157 million

Economic Impact on State of Texas: \$223 million

Tarleton State University-Stephenville is the single largest employer in Erath county and one of the largest employers in the region. To estimate the economic significance of Tarleton, this study measures the tangible benefits of the University at the county and state levels. All direct expenditures were estimated through the use of surveys and university records. University expenditures were derived from accounting data obtained from the university. Faculty and staff expenditures represent the total salaries paid by the university (1998-99) following adjustments for income taxes. Students' expenditures were derived from a survey sample of 16% of total enrollment. Retirees' expenditures were estimated from a survey sample of 30% of all retirees. Visitors' expenditures were derived from the visitor's section of the student and faculty/staff surveys, and the visitor survey of all university departments and programs. More than **70,000** visited the campus in the 1998-99 academic year. This framework yields direct expenditures for each category of university related expenditures. These direct impacts are then processed through the input/output model.

All direct expenditures were adjusted for "leakages" at the county and state levels. A "leakage" identifies the portion of direct expenditures that leave an impact area and have no further effect within that area. Since, the state level covers a larger economic area than the county level a greater portion of direct expenditures are captured, resulting in less "leakage" at the state level. The total direct adjusted expenditures at the county and state levels were estimated at **\$106M**, and **\$131M**, respectively.

A standard input/output model (IMPLAN) was used to calculate the indirect impacts and multiplier effects. For example, a multiplier of 1.33 indicates that for every dollar spent (direct expenditure) an additional \$0.33 (indirect) is generated within the economy. The calculations yielded **very conservative overall multipliers of 1.48 at the local level and 1.70 at the state level**. By summing the direct and indirect impacts the model estimated the total impact by each category and of the entire university. The total impacts at the county and state levels were **\$157M**, and **\$223M** respectively.



The model also calculated the number of new jobs generated by the indirect impacts. The employment impacts for the county and state levels are given below.

University Employment	784
Added Employment (Erath County)	<u>2,648</u>
Total Employment provided (Erath County)	3,432
Added Employment (State of Texas)	<u>3,630</u>
Total Employment provided (State of Texas)	4,414

Conclusions:

- The tangible benefits in 1998-99 were quite impressive; the university had an economic impact of **\$157M** and created **2,648** jobs within Erath County, and had an economic impact of **\$223M** and created **4,414** new jobs within the state of Texas.
- The value added to a graduate's life by enhancing his/her productivity and philanthropy, and the enrichment offered to the local community due to the presence of the university are intangible benefits to society and should be considered in the economic impact.

· With state appropriations totaling **\$22M** and total output of **\$223M**, taxpayers are receiving **ten** times their investment in tangible benefits alone.

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